

JAMES BURGESS

Mayor

JEANNIE PRAZAK

Councilmember Place 1

LINDA HARRIS

Councilmember Place 2



JEANIE SCOTT

Mayor Pro Tem

GERONIMO HERNANDEZ

Councilmember Place 4

PHYLLIS LEWIS

Councilmember Place 5

VENUS REGULAR COUNCIL MEETING

Venus Civic Center

210 South Walnut Street

Venus, Texas 76084

Monday, April 12, 2021 7:00 PM

Regular Agenda

Page

1. Call to Order, Roll Call, Invocation, Pledge of Allegiance

2. Announcements from Mayor:

Cell phones are to be turned off or placed on vibrate/silent only. No conversation or comment from the audience is permitted unless specifically called upon by the Mayor. Please remain respectfully quiet.

3. Citizen Public Comment Period:

Citizens may sign up before the meeting begins and will be allowed up to 5 minutes to address the Mayor and Council. The Mayor, Council members and staff members may not respond or converse with speakers during this time. The comments from the speaker must be in the form of a statement. By State law, no questions may be asked or answered for items not appearing on the agenda.

4. Consent Agenda:

All matters listed under consent agenda have been previously discussed, require little or no deliberation, or are routine by the council. If discussion is desired, then an item will be removed from the consent agenda and considered separately. Otherwise, approval of the consent agenda authorizes the City Administrator to implement each item in accordance with staff's recommendation.

4.1. Approval of meeting minutes for City Council regular meeting on March 8, 2021.

4.2. Approval of meeting minutes for City Council Special called

meeting March 29, 2021.

- 4.3. Ratifying the payment of bills for the month of March 2021 6 - 17
[Accounts Payable Check Report - March 2021.pdf](#) 

I make a motion to approve the consent agenda as presented.

5. Staff Reports, Presentations and Proclamations:

- 5.1. Fire Department - Ron Hearn: No report.
- 5.2. Police Department - James Groom: Monthly Statistics and Traffic Study Report 18 - 19
[Police Monthly Report](#) 
[Traffic Study 100 Patriot Parkway](#) 
- 5.3. Public Works - Joel Daughtery: Update on Public Works activities.
- 5.4. City Administration- Andy Wolfe: Update on Improvements to City Hall, City Hall Sign, City Hall Sewer line, and Venus Parkway
- 5.5. Finances - Cheryl Estes: Update on financials and annual audit.
- 5.6. Planning & Development - Robyn Flagg: No report.

6. Public Hearing and Consideration Items

- 6.1. Public Hearing: Determination hearing with regard to the abatement of the substandard and dangerous structure located at 601 S. Walnut, Venus, Texas 76084; LOT 4, BLK 6, Truelove Addition. 20 - 47
[full packet.pdf](#) 
[Notice signed.pdf](#) 

Open Public Hearing.

Close Public Hearing.

- 6.2. Discuss and consider Order No. 21-0001 for the abatement of the substandard and dangerous structures located at 601 S. 48 - 50

Walnut, Venus, Texas 76084; LOT 4, BLK 6, Truelove Addition.

[ORDER Art. III substandard buildings1.pdf](#) 

I make a motion to approve Order No. 21-0001.

- 6.3. Public Hearing: To consider the adoption of water and wastewater impact fees. 51 - 87

[Venus 2020 to 2030 W&WW Impact Fee Study.pdf](#) 

[Written Comments CIAC.pdf](#) 

Open Public Hearing.

Close Public Hearing.

- 6.4. Discuss and consider the adoption of Ordinance No. 724-2021-04 water and wastewater impact fees for the City of Venus.

Will have to bring Ordinance to actual meeting.

I make a motion to approve Ordinance No. 724-2021-04.

- 6.5. Public Hearing: To consider the Juvenile Curfew for the City of Venus.

Open Public Hearing.

Close Public Hearing.

- 6.6. Discuss and consider Ordinance No. 722-2021-04 amending the Venus Code of Ordinances, Chapter 16, "Offenses and miscellaneous provisions, Article II "Juvenile Curfew" by continuing and readopting the curfew provisions of said provisions; providing a repealing clause; providing a severability clause; and providing for an effective date. 88 - 89

[722-2021-04 VENUS Ordinance Readopting Curfew1.pdf](#) 

I make a motion to approve Ordinance No. 722-2021-04.

- 6.7. Discuss and consider adoption of Ordinance No. 723-2021-04 Repealing an Ordinance of the City Council of the City of Venus, Texas regarding Brahman Ranch Improvement District No. 1; approving a Service and Assessment Plan and Assessment Roll for the District; levying assessments against property within Phase 1 and 2 of the District to pay the costs of improvements; providing for payment and prepayment of 90 - 94

assessments; fixing a charge and lien against property within the District and the owners thereof; providing for the manner and method of collecting assessments; providing penalties for delinquent assessments; making findings of special benefit to the property within Phase 1 and 2 of the District and the owners thereof; providing for savings, repealing and severability clauses; providing an effective date; and providing for recordation.

[723-2021-04 - Ordinance Repealing Initial Assessment Ordinance v1.pdf](#) 

I make a motion to approve Ordinance No. 723-2021-04.

- | | | |
|------|---|----------|
| 6.8. | Discuss and consider adoption of Resolution No. 03-2021-04 of the City of Venus, Texas approving a Brahman Ranch Public Improvement District No. 1 Preliminary Service and Assessment Plan; directing the filing of the proposed Assessment Rolls with the City Secretary; calling and noticing a Public Hearing to consider assessments to be levied on property located within the Brahman Ranch Public Improvement District No. 1; directing City staff to publish and mail notice of said Public Hearing; and resolving other matters incident and related thereto. | 95 - 147 |
|------|---|----------|

[03-2021-04 - Resolution Calling Public Hearing to Amend Levy v4.pdf](#) 

[Brahman Ranch PID 1 Preliminary SAP \(Phase 1 and 2\) \(Clean\) 04.08.21.pdf](#) 

I make a motion to approve Resolution No. 03-2021-04.

- | | | |
|------|---|-----------|
| 6.9. | Discuss and consider adoption of Resolution No. 04-2021-04 approving a Preliminary Limited Offering Memorandum for the sale of City of Venus, Texas Special Assessment Revenue Bonds, Series 2021 (Brahman Ranch Public Improvement District No. 1- Phase 1 and 2 Project). | 148 - 601 |
|------|---|-----------|

[04-2021-04 Resolution Approving PLOM v1 9.pdf](#) 

I make a motion to approve Resolution No. 04-2021-04.

- | | | |
|-------|--|-----------|
| 6.10. | Discuss and take action to amend the FY 20-21 budget to purchase Police Simulator for \$8,022 using remaining capital lease proceeds of \$5,877 and \$2,145 from Police training | 602 - 606 |
|-------|--|-----------|

budget.

[2021 LEO Packages.pdf](#) 

[Venus TX PD Simulator Quote - Laser Ammo.pdf](#) 

[Competitor InVeris Training Solutions \(Formerly Meggitt &pdf](#) 

I make a motion to approve amendment to the FY 20-21 budget to purchase Police Simulator for \$8,022 using remaining capital lease proceeds of \$5,877 and \$2,145 from Police training budget.

7. Adjournment

The City Council reserves the right to meet in Executive Session closed to the public at any time in the course of this meeting to discuss matters listed on the agenda, pursuant to authorization by the Texas Open Meetings Act TEXAS GOVERNMENT CODE, Chapter 551.071 (Private consultation with attorney for the city), 551.072 (deliberations about real property), 551.073 (deliberations about gifts and donations), 551.074 (personnel matters), 551.076 (deliberations about security devices), 551.087 (economic development), 418.183 (homeland security).

This is to certify that a copy of this Notice of Meeting was posted on the bulletin of City Hall, 700 W. Hwy 67 Venus, Texas and at a place readily accessible to the general public at all times and to the City's website www.cityofvenus.org, Friday 9, 2021 by 5:00 P.M..

Callie Green,
City Secretary

For more information or a copy of the Open Meetings Act, please contact the Attorney General of Texas at 1-800-252-8011; the City Secretary at 972-366-3348, or visit the City of Venus web site at www.cityofvenus.org. This building is wheelchair accessible. Any requests for Interpretive Services must be named 48 hours in advance of the scheduled meeting. To make arrangements please call 972-366-3348.

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
NON-DEPARTMENTAL	GENERAL FUND	TEXAS MUNICIPAL RETIREMENT SYSTEM	TMRS RETIREMENT	3,647.94
			TMRS RETIREMENT	3,344.24
		U. S. TREASURY	FEDERAL WITHHOLDING	4,180.58
			FEDERAL WITHHOLDING	3,752.51
			FEDERAL WITHHOLDING	4,303.41
			FICA WITHHOLDING	3,038.45
			FICA WITHHOLDING	2,796.82
			FICA WITHHOLDING	3,051.30
			MEDICARE WITHHOLDING	710.59
			MEDICARE WITHHOLDING	654.07
			MEDICARE WITHHOLDING	713.59
		CHILD SUPPORT DISTRIBUTION FUND	CASE #0011334214-11305	251.54
			CASE #0011334214-11305	251.54
			CASE ID 0010216557	207.69
			CASE ID 0010216557	207.69
			CASE ID 0012061075	192.00
			CASE ID 0012061075	192.00
			CASE ID 0010420256	200.77
			CASE ID 0010420256	200.77
			CASE #00124129473254854551	267.50
			CASE #00124129473254854551	267.50
		MISC VENDOR	AMANDA THETFORD	REFUND: DEPOSIT CIVIC CTR
			AMANDA THETFORD	50.00
			VENUS NAT'L HONOR SOC	90.00
		CAYLIE WATSON	CIVIC CENTER RENTAL DEPOSI	200.00
			UNUM LIFE INSURANCE CO	263.36
		TML RISK POOL	APRIL DENTAL/VISION PREMIU	313.65
			APRIL VOL LIFE PREMIUMS	30.72
			COBRA - KING	2,360.23
			FY 19-20 WC AUDIT	2,204.09
		CITIBANK	GROOM	0.00
			WOLFE	3,692.76
			ESTES	904.19
			COKER	250.00
			GREEN	481.85
			DAUGHERTY	7,532.89-
			CC STATEMENT PAID W/ CHK 3	73.46-
			REBATE	7,410.82
		WEX BANK	CIGNA HEALTH 2021-03	708.91
			CIGNA HEALTH 2021-03	43,986.73
		TOTAL:		
PLANNING & DEVELOPMENT GENERAL FUND	GENERAL FUND	TEXAS MUNICIPAL RETIREMENT SYSTEM	TMRS RETIREMENT	282.88
			TMRS RETIREMENT	331.28
		U. S. TREASURY	FICA WITHHOLDING	152.39
			FICA WITHHOLDING	180.65
			FICA WITHHOLDING	192.64
			MEDICARE WITHHOLDING	35.64
			MEDICARE WITHHOLDING	42.25
			MEDICARE WITHHOLDING	45.05
		AT&T MOBILITY	JAN 20-FEB 19	40.28
			APRIL DENTAL/VISION PREMIU	147.71
		UNUM LIFE INSURANCE CO	APRIL UNUM LIFE/STD/LTD	148.62
			BUSINESS CARDS ROBYN	15.00
			AMAZON-MANILLA FOLDERS	30.41
			AMAZON-BINDER CLIPS	9.99
			AMAZON-MAILING ADDRESS LAB	9.99

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
			AMAZON-VERIDESK	399.98
			AMAZON-FATIGUE FLOOR MAT R	39.95
			AT&T PREMIER CELL PHONES	42.23
			AMAZON-SCOTCH DESKTOP TAPE	6.99
			AMAZON-SWINGLING STAPLER	13.48
		BUREAU VERITAS NORTH AMERICA, INC	741 FALLOW DR	885.21
			745 FALLOW DR	885.21
			753 FALLOW DR	885.21
			757 FALLOW DR	922.17
			728 HARVEST MOON DR	885.21
			701 FALLOW DR	1,647.75
			733 FALLOW DR	1,581.95
			729 FALLOW DR	1,647.75
			725 FALLOW DR	1,581.95
			737 FALLOW DR	1,581.95
			709 FALLOW DR	1,581.95
			713 FALLOW DR	1,581.95
			717 FALLOW DR	1,581.95
			705 FALLOW DR	1,647.75
			721 FALLOW DR	1,647.75
			716 HARVEST MOON DR	1,581.95
			720 HARVEST MOON DR	1,581.95
			724 HARVEST MOON DR	1,581.95
			721 HARVEST MOON	1,328.73
			462 E HWY 67; ST 140	706.64
			203 S WALNUT ST	150.00
			128 KENNEDY DR	160.00
			749 HARVEST MOON DR	2,193.74
			753 HARVEST MOON DR	1,450.00
			139 ADAMS AVE	160.00
			221 TIGER RIDGE	76.92
			462 E HWY 67	76.92
			110 INDEPENDENCE AVE	142.35
			401 S LOCUST ST	76.92
		BIRKHOFF,HENDRICKS & CARTER, LLP	PATRIOT ESTATES PH 8	262.38
			HERITAGE HILLS PHASE 2	410.52
			PATRIOT ESTATES PH 9	809.10
			STARLIGHT MEADOWS	111.42
			PATRIOT ESTATES PH 8	111.42
			PATRIOT ESTATES PH 9	334.25
		CIGNA HEATHCARE	CIGNA HEALTH 2021-03	1,804.15
		MESSER, ROCKEFELLER,& FORT , PLLC	PLANNING AND DEVELOPMENT	1,218.64
		**PAYROLL EXPENSES	3/01/2021 - 3/31/2021	4,070.14
			TOTAL:	43,113.21
ADMINISTRATION	GENERAL FUND	TEXAS MUNICIPAL RETIREMENT SYSTEM	TMRS RETIREMENT	810.40
			TMRS RETIREMENT	810.51
		U. S. TREASURY	FICA WITHHOLDING	451.13
			FICA WITHHOLDING	451.12
			FICA WITHHOLDING	469.33
			MEDICARE WITHHOLDING	105.51
			MEDICARE WITHHOLDING	105.51
			MEDICARE WITHHOLDING	109.77
		CENTRAL APPRAISAL DISTRICT	JOHNSON COUNTY APPRAISAL F	5,019.35
		AT&T MOBILITY	JAN 20- FEB 19	286.83
		FRONTIER ACCESS LLC	CITY HALL TRASH	89.36

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
		CINTAS	MATS FOR CITY HALL	31.39
			MATS FOR CITY HALL	29.42
			MATS FOR CITY HALL	29.42
			MATS FOR CITY HALL	29.42
			MATS FOR CITY HALL	1.48-
			MATS FOR ICTY HALL	1.48-
			MATS FOR CITY HALL	1.43-
		BROADVOICE	CITY HALL BROADVOICE PHONE	155.09
			EFAX	25.00
		UNUM LIFE INSURANCE CO	APRIL DENTAL/VISION PREMIU	119.53
			APRIL UNUM LIFE/STD/LTD	132.14
		LORETTA S. MILLER	CITY HALL	125.00
			GYM	25.00
			CITY HALL	125.00
			CITY HALL	125.00
			CITY HALL	125.00
		AMERIFLEX	29 EMPLOYEES @ \$5 EACH	145.00
		MIDLO H2O	8-5G JUGS	60.00
		XEROX FINANCIAL SERVICES	XEROX LEASE PAYMENT	129.00
		XEROX USAGE	3419 @ 0.04500/COLOR	153.86
			2380 @ 0.0050/B & W	11.90
		FTDJ, LLC	MONTHLY IT & MICROSOFT	882.00
		KAY HARRINGTON	CLEAN SEPTIC TANK @ CITY H	395.00
		BRUCE J. LATTIMER	DEPARTMENT HEAD PICTURES	330.00
		PITNEY BOWES PURCHASE POWER	MACHINE REFILL	499.00
		MIDLOTHIAN MIRROR	NOT OF PUB HR JUVENILE CUR	54.08
			ANNUAL SUBSCRIPTION	51.00
		SCOTT PORTER, TAX A/C	TAX YEAR 2020	2,365.20
		CITIBANK	TUSCAN SLICE-OFFICIAL'S DI	250.00
			UPCURVE-GOOGLE SUITE	433.48
			LOGMEIN, 2 COMPUTER, IT LI	349.99
			ADOBE ACROBAT LICENSES	215.92
			UATTEND EMPLOEE TIMECLOCK	94.18
			AMAZON-COFFEE	52.94
			AMAZON FORKS/SPOONS	19.95
			AMAZON-LANYARDS, BADGE ID	76.93
			AMAZON-GYM CURTAIN, P TOWL	88.97
			AMAZON-FATIGUE FLOOR MAT A	39.95
			MASSEY'S EMPLOYEE LUNCH	124.54
			AT&T PREMIER CELL PHONES	286.82
			AT&T PREMIER CELL PHONES	22.26-
			GFOA-GOVERNMENT FINANCE OF	160.00
			DRY CLEAN SUPER CENTER	128.88
		MOUNTAIN PEAK SPECIAL UTILITY DISTRICT	700 W HWY 67	16.17
		CAREFLITE	NEW EMPLOYEE -JOEL BARRON	12.00
		WEX BANK	ADMIN FUEL	130.54
		GEXA ENERGY	50% CH/AUXILARY	513.57
			50% CH/AUXILARY	725.31
		FIRST CHECK	MEYERS BACKGROUND CHECK	36.00
			FLAGG BACKGROUND CHECK	27.00
			DAUGHERTY BACKGROUND CHECK	36.00
		CARENOW CORPORATE	BARRON	130.00
			DAUGHERTY	45.00
			FLAGG	45.00
			MEYERS	45.00
		DROP SHOT PEST CONTROL	PEST CONTROL	55.00

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
		COAST TO COAST COMPUTER PRODUCTS INC	WASTE TONER CONTAINER	63.13
			TONER ADMIN OFFICE	396.00
			CALLIE PRINTER	65.99
		CIGNA HEATHCARE	CIGNA HEALTH 2021-03	2,438.56
		MESSER, ROCKEFELLER,& FORT , PLLC	GENERAL COUNSEL	2,918.56
		**PAYROLL EXPENSES	3/01/2021 - 3/31/2021	<u>10,892.40</u>
			TOTAL:	35,748.40
POLICE DEPARTMENT	GENERAL FUND	TEXAS MUNICIPAL RETIREMENT SYSTEM	TMRS RETIREMENT	3,345.60
			TMRS RETIREMENT	2,974.99
		U. S. TREASURY	FICA WITHHOLDING	1,812.52
			FICA WITHHOLDING	1,623.56
			FICA WITHHOLDING	1,829.65
			MEDICARE WITHHOLDING	423.89
			MEDICARE WITHHOLDING	379.69
			MEDICARE WITHHOLDING	427.89
		MISC VENDOR HILL COLLEGE	SILVE TRAINING - OCT 2020	229.00
		AT&T MOBILITY	JAN 20-FEB 19 CELL PHONE	636.82
		BROADVOICE	PD PHONES BROADVOICE PHONE	155.08
		UNUM LIFE INSURANCE CO	APRIL DENTAL/VISION PREMIU	469.70
			APRIL UNUM LIFE/STD/LTD	470.76
		LORETTA S. MILLER	POLICE	125.00
			POLICE	125.00
			POLICE	125.00
			POLICE	125.00
		XEROX FINANCIAL SERVICES	XEROX LEASE PAYMENT	99.00
		XEROX USAGE	1088 @ 0.0050/ B& W	5.44
		H & E AUTO INC	BATTERY	279.22
			WIPERS	35.00
			TIRE PATCH	10.00
		FTDJ, LLC	MONTHLY IT & MICROSOFT	882.00
		DEL CARMEN CONSULTING, LLC	RACIAL PROFILING SERVICES	4,950.00
		CITIBANK	BUSINESS CARDS-BARRON	22.00
			TEEX ECOMMERCE - REFUND FO	25.00-
			ACTIVITY GROUP-FLASHING LI	85.00
			GALLS DUTY GEAR	229.83
			SARAFILAND, LLC- DUTY GEAR	137.50
			AMAZON.COM-hole punches	20.97
			FLEETIO -ACCIDENTAL UP CHA	39.98
			AXON DUTY GEAR	236.95
			GALLS DUTY GEAR	108.29
			TACTICAL MED SOLUTIONS-MED	99.54
			C&G WHOLESALE AWARD BARS	197.64
			GALLS-REFUND FOR ITEMS CAN	52.75-
			AMAZON-DUTY GEAR	237.37
			FLEETIO-REFUND	39.98-
			ON THE CUTTING EDGE-AWARDS	131.50
			BOUND TREE-MEDICAL SUPPLIE	294.20
			GASLLS DUTY GEAR	213.56
			AMAZON-DUTY GEAR	42.87
			GALLS DUTY GEAR	42.73
			DOLLAR GENERAL-PRUCHASED P	31.10
			SHSU WEB PAY-PARKING TRAIN	20.00
			HEB DINNER DURING TRAVEL	13.57
			MIDLOTHIAN CARE WASH-3608	25.00
			CARBONERO ROTISSERIE-DINNE	21.98

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
			FARMHOUSE CAFE-DINNER TRAI	16.25
		MOUNTAIN PEAK SPECIAL UTILITY DISTRICT	700 W HWY 67	16.16
		WEX BANK	POLICE FUEL	2,052.91
			MONTHLY SERVICE FEE	4.99
		GEXA ENERGY	OLD PD/50% CH	604.06
			OLD PD/50% CH	856.61
		FRONTIER COMMUNICATIONS	MARCH FAX	92.22
		DROP SHOT PEST CONTROL	PEST CONTROL	55.00
		CIGNA HEATHCARE	CIGNA HEALTH 2021-03	11,274.84
		**PAYROLL EXPENSES	3/01/2021 - 3/31/2021	<u>39,584.83</u>
			TOTAL:	78,231.53
CODE ENFORCE/ANIMAL CO GENERAL FUND		TEXAS MUNICIPAL RETIREMENT SYSTEM	TMRS RETIREMENT	181.54
			TMRS RETIREMENT	180.70
		U. S. TREASURY	FICA WITHHOLDING	90.25
			FICA WITHHOLDING	89.76
			FICA WITHHOLDING	106.60
			MEDICARE WITHHOLDING	21.11
			MEDICARE WITHHOLDING	20.99
			MEDICARE WITHHOLDING	24.93
		AT&T MOBILITY	JAN 20-FEB 19 CELL PHONE	56.10
		UNUM LIFE INSURANCE CO	APRIL DENTAL/VISION PREMIU	45.62
			APRIL UNUM LIFE/STD/LTD	32.62
		VENUS AUTO PARTS LLC	TAPE FOR TRUCK DECALS	4.29
			POWER STEERING FLUID	5.99
		TRACTOR SUPPLY CO.	UTILITY MATS	94.98
		MIDLOTHIAN MIRROR	SUBSTANDARD BLDG DETERMINA	91.52
		CITIBANK	EXXONMOBIL AC TRUCK PRE-FU	19.40
			JOHNSON CO. SVC FEE- REGIS	1.00
			JOHNSON CO VEHICLE REGISTR	8.25
			TEXAS SEC OF STATE-RESEARC	1.03
			TEXAS SEC OF STATE-RESEARC	4.11
			TEXAS SEC OF STATE-RESEARC	4.11
			TEXAS SEC OF STATE-RESEARC	1.03
			AMAZON-CLEANING SUPPLIES	35.97
		WEX BANK	CODE ENFORCEMENT	81.88
		CIGNA HEATHCARE	CIGNA HEALTH 2021-03	1,201.55
		**PAYROLL EXPENSES	3/01/2021 - 3/31/2021	<u>1,970.56</u>
			TOTAL:	4,375.89
COURT	GENERAL FUND	TEXAS MUNICIPAL RETIREMENT SYSTEM	TMRS RETIREMENT	199.51
			TMRS RETIREMENT	199.51
		U. S. TREASURY	FICA WITHHOLDING	115.71
			FICA WITHHOLDING	115.71
			FICA WITHHOLDING	115.52
			MEDICARE WITHHOLDING	27.06
			MEDICARE WITHHOLDING	27.06
			MEDICARE WITHHOLDING	27.02
		BILL J. SCOTT	MARCH SERVICES	800.00
		AT&T MOBILITY	JAN 20- FEB 19	38.25
		RODNEY RAMSEY	MONTHLY SERVICES	300.00
		UNUM LIFE INSURANCE CO	APRIL DENTAL/VISION PREMIU	55.55
			APRIL UNUM LIFE/STD/LTD	34.08
		FTDJ, LLC	MONTHLY IT & MICROSOFT	882.00
		CITIBANK	BUSINESS CARDS-COURT	15.00
			AT&T PREMIER CELL PHONES	38.25

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
			TEXAS MUNICIPAL COURT-COUR	100.00
		CIGNA HEATHCARE	CIGNA HEALTH 2021-03	708.91
		**PAYROLL EXPENSES	3/01/2021 - 3/31/2021	<u>2,867.84</u>
			TOTAL:	6,666.98
FIRE DEPARTMENT	GENERAL FUND	GEXA ENERGY	ELECTRICITY 1/3/21-2/1/21	301.87
			FIRE DEPT	<u>244.31</u>
			TOTAL:	546.18
PUBLIC WORKS	GENERAL FUND	TEXAS MUNICIPAL RETIREMENT SYSTEM	TMRS RETIREMENT	714.53
			TMRS RETIREMENT	576.74
		U. S. TREASURY	FICA WITHHOLDING	416.46
			FICA WITHHOLDING	336.03
			FICA WITHHOLDING	337.58
			MEDICARE WITHHOLDING	97.40
			MEDICARE WITHHOLDING	78.59
			MEDICARE WITHHOLDING	78.95
		INTERFACE SECURITY SYSTEMS LLC	PW ALARM	49.99
		AT&T MOBILITY	JAN 20- FEB 19	175.58
		FRONTIER ACCESS LLC	PUBLIC WORKS	118.96
		CINTAS	WEEKLY SERVICE	18.61
			WEEKLY SERVICE	19.38
			WEEKLY SERVICE	19.38
			WEEKLY SERVICE	18.76
			WEEKLY SERVICE	1.06-
			WEEKLY SERVICE	1.06-
			WEEKLY SERVICE	0.93-
		UNUM LIFE INSURANCE CO	APRIL DENTAL/VISION PREMIU	121.51
			APRIL UNUM LIFE/STD/LTD	101.93
		G & S SAFETY PRODUCTS	MATTHEW	131.63
			LONG SLEEVE HI-VIS SHIRT	700.59
			SHAWNEE	20.29
		TXU ENERGY	STLG 1 78924SD	1,625.15
			STLG 2 61834SD	75.18
			STLG-C LE 22287LE	1,029.36
			STLG-C LE 141-180	145.03
		VENUS AUTO PARTS LLC	CLR-OLD SHOP	5.99
			MINUTE WELD EPOXE	6.99
			GARDEN SPRAYER	24.99
			PUTTY KNIFE	8.99
			PUTTY KNIFE	6.49
			TRACTOR FUEL FILTER	29.97
			OIL FILTER	13.98
			FUEL FILTER	7.98
			TIRE PLUGS	4.99
			SAE30 CASTROL	21.96
			PVC PIPE & FITTINGS	31.79
		CITIBANK	AT&T PREMIER CELL PHONES	175.58
			SPORTSMANS GUIDE- MEMBERSH	49.99-
			VENUS TRUCK STOP-DUMP TRUC	382.00
		MOUNTAIN PEAK SPECIAL UTILITY DISTRICT	1090 N FM 157	30.73
		WEX BANK	PW-STREETS	550.38
		GEXA ENERGY	PUBLIC WORKS	609.40
			PUBLIC WORKS	768.39
		DESOTO JANITORIAL SUPPLY	PERFORATED ROLL TOWELS	81.46
		FRONTIER COMMUNICATIONS	PUBLIC WORKS LANDLINE	157.73

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
			PUBLIC WORKS LANDLINE	157.73
		DROP SHOT PEST CONTROL	PEST CONTROL	65.00
		CIGNA HEATHCARE	CIGNA HEALTH 2021-03	2,126.73
		**PAYROLL EXPENSES	3/01/2021 - 3/31/2021	<u>9,185.45</u>
			TOTAL:	21,409.27
NON-DEPARTMENTAL	CPF-2020 BOND PROC	BIRKHOFF,HENDRICKS & CARTER, LLP	VENUS PARKWAY	32,916.60
			PRELIMINARY ENGINEERING	<u>2,517.06</u>
			TOTAL:	35,433.66
NON-DEPARTMENTAL	CPF-LGI/PE SEWER F	DAVID MARTINEZ	RETAINAGE-PAY REQ 2	<u>9,020.40-</u>
			TOTAL:	9,020.40-
NON-DEPARTMENTAL	CPF-LGI/PE SEWER F	DAVID MARTINEZ	CONSTRUCTION PAY REQUEST 2	<u>90,204.00</u>
			TOTAL:	90,204.00
NON-DEPARTMENTAL	VENUS COMM DEVELOP	TEXAS MUNICIPAL RETIREMENT SYSTEM	TMRS RETIREMENT	88.32
			TMRS RETIREMENT	87.67
		U. S. TREASURY	FEDERAL WITHHOLDING	85.00
			FEDERAL WITHHOLDING	69.56
			FEDERAL WITHHOLDING	75.25
			FICA WITHHOLDING	78.23
			FICA WITHHOLDING	77.65
			FICA WITHHOLDING	76.98
			MEDICARE WITHHOLDING	18.30
			MEDICARE WITHHOLDING	18.16
			MEDICARE WITHHOLDING	<u>18.01</u>
			TOTAL:	693.13
SPECIAL REV DEPT/VCSDC	VENUS COMM DEVELOP	TEXAS MUNICIPAL RETIREMENT SYSTEM	TMRS RETIREMENT	133.99
			TMRS RETIREMENT	133.01
		U. S. TREASURY	FICA WITHHOLDING	78.23
			FICA WITHHOLDING	77.65
			FICA WITHHOLDING	76.98
			MEDICARE WITHHOLDING	18.30
			MEDICARE WITHHOLDING	18.16
			MEDICARE WITHHOLDING	18.01
		AT&T MOBILITY	JAN 20- FEB 19	34.80
		FRONTIER ACCESS LLC	CIVIC CENTER	88.64
		CINTAS	WEEKLY SERVICE	4.15
			WEEKLY SERVICE	4.15
			WEEKLY SERVICE	4.15
			WEEKLY SERVICE	4.15
		UNUM LIFE INSURANCE CO	APRIL DENTAL/VISION PREMIU	30.72
			APRIL UNUM LIFE/STD/LTD	24.93
		LORETTA S. MILLER	CIVIC CENTER	75.00
			CIVIC CENTER	75.00
			CIVIC CENTER	75.00
		AMMO PLUMBING, LLC	FIELDER PARK RR/CONCESSION	465.00
			FIELDER PARK RESTROOM	385.00
		AVI SYSTEMS, INC.	40% DOWN WITH NO TAX	10,934.56
		LOWES BUSINESS ACCT/SYNCE	TOOLS FOR PARTK MAINTENANC	181.25
			SPRINKLER PARTS	41.36
		VENUS AUTO PARTS LLC	NOZZLE-PARK RESTROOM	11.99
			SPRAY PAINT	5.18
			SPRAY PAINT	9.18

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
			1/8 WELD ROD	15.99
			WELDING C CLAMP	19.99
			RUBBER CORDS	7.96
			TOGGLE BOLTS	2.78
			WASHERS	0.80
			TOGGLES	0.80
			BULBS, COVERS	8.07
			BRAKE CLEAN	7.98
			B12 CHEM TOOL	16.47
			OIL ABSORB	9.99
			CABLE LOCK	10.99
			MASTER LOCK	16.99
			TOGGLE BOLTS	3.44
			EYE BOLTS	15.18
			ANCHORS	0.58
		CITIBANK	AT&T PREMIER CELL PHONES	34.80
			HIGGINBOTHAM BROTHERS-NEW	35.99
		MOUNTAIN PEAK SPECIAL UTILITY DISTRICT	502 E HWY 67	23.53
			CR 213 IRRIGATION	33.53
		WEX BANK	TYPE B FUEL	257.01
		GEXA ENERGY	PARKS/CIVIC CENTER	909.81
			PARKS/CIVIC CENTER	1,209.40
		DESOTO JANITORIAL SUPPLY	8" NATURAL ROLL FOR CIVIC	49.50
		DROP SHOT PEST CONTROL	CIVIC CENTER	65.00
		CIGNA HEATHCARE	CIGNA HEALTH 2021-03	708.91
		**PAYROLL EXPENSES	3/01/2021 - 3/31/2021	<u>1,971.95</u>
			TOTAL:	18,445.98
PUBLIC WORKS	STREET TAX FUND	THURMAN TRANSPORTATION	15.08 TONS FLEX BASE N	358.00
			15.63 TONS FLEX BASE N	358.00
			17.2 TONS SELECT FILL & SA	<u>158.50</u>
			TOTAL:	874.50
NON-DEPARTMENTAL	CPF-STREET IMPROVE	BIRKHOFF,HENDRICKS & CARTER, LLP	2020 ROADWAY REHAB	387.02
			2020 ROADWAY REHAB	387.02
			2020 ROADWAY REHAB	<u>117.26</u>
			TOTAL:	891.30
ADMINISTRATION	BLUE STEM PID	SCOTT PORTER, TAX A/C	PID ASSESSMENT COLLECTION	<u>560.00</u>
			TOTAL:	560.00
NON-DEPARTMENTAL	BRAHMAN RANCH PID	BIRKHOFF,HENDRICKS & CARTER, LLP	BRAHMAN RANCH	2,762.54
			BRAHMAN RANCH	2,176.33
		MESSER, ROCKEFELLER,& FORT , PLLC	BRAHMAN RANCH PID	186.00
			BRAHMAN RANCH PID	<u>779.00</u>
			TOTAL:	5,903.87
NON-DEPARTMENTAL	JMJ DEVELOPMENTS	MESSER, ROCKEFELLER,& FORT , PLLC	DISCUSS PSAs	<u>30.00</u>
			TOTAL:	30.00
NON-DEPARTMENTAL	WATER & SEWER FUND	TEXAS MUNICIPAL RETIREMENT SYSTEM	TMRS RETIREMENT	902.56
			TMRS RETIREMENT	818.60
		U. S. TREASURY	FEDERAL WITHHOLDING	729.19
			FEDERAL WITHHOLDING	643.72
			FEDERAL WITHHOLDING	646.79
			FICA WITHHOLDING	761.53

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
			FICA WITHHOLDING	687.26
			FICA WITHHOLDING	658.81
			MEDICARE WITHHOLDING	178.11
			MEDICARE WITHHOLDING	160.73
			MEDICARE WITHHOLDING	154.09
		CHILD SUPPORT DISTRIBUTION FUND	CASE ID 0014129442	436.46
			CASE ID 0014129442	436.46
			CASE #00124129473254854551	267.51
			CASE #00124129473254854551	267.51
		MISC VENDOR GARCIA-OLGUIN, DIEGO	01-0697-02	114.21
		UNUM LIFE INSURANCE CO	APRIL DENTAL/VISION PREMIU	60.28
			APRIL VOL LIFE PREMIUMS	95.25
		LOWES BUSINESS ACCT/SYNCE	SALES TAX	18.37
		STATE COMPTROLLER	FEB 2021 SALES TAX COLLECT	3,021.18
			SALES TAX PAID ON INVOICES	96.29-
			SALES TAX PAID ON INVOICES	14.65-
		TML RISK POOL	FY 19-20 WC AUDIT	4,018.77
		CITIBANK	LOGMEIN, 2 COMPUTER, IT LI	17.50
			FARMHOUSE CAFE-DINNER TRAI	1.09
		CAREFLITE	CAREFLITE MONTHLY BILLING	311.00
		CIGNA HEATHCARE	CIGNA HEALTH 2021-03	1,158.91
			TOTAL:	16,454.95
NON-DEPARTMENTAL	WATER & SEWER FUND	TEXAS MUNICIPAL RETIREMENT SYSTEM	TMRS RETIREMENT	1,369.27
			TMRS RETIREMENT	1,241.89
		U. S. TREASURY	FICA WITHHOLDING	761.52
			FICA WITHHOLDING	687.25
			FICA WITHHOLDING	658.79
			MEDICARE WITHHOLDING	178.09
			MEDICARE WITHHOLDING	160.71
			MEDICARE WITHHOLDING	154.07
		ATMOS ENERGY CORP.	USAGE 2/2/2021-03/01/2021	160.77
		CITY OF MIDLOTHIAN	01/31/21-02/28/21	52,113.60
		AT&T MOBILITY	JAN 20-FEB 19	170.22
		FRONTIER ACCESS LLC	RESIDENTIAL	19,676.40
			COMMERCIAL	18,618.37
		CINTAS	WEEKLY SERVICE	21.98
			WEEKLY SERVICE	26.52
			WEEKLY SERVICE	26.52
			WEEKLY SERVICE	22.51
			WEEKLY SERVICE	0.41-
			WEEKLY SERVICE	0.41-
			WEEKLY SERVICE	0.41-
		UNITED COOPERATIVE	FM 157/WASTE WATER TREATME	140.11
			CR 213	25.00
			PLAINVIEW ACRES	28.01
			CR 214/TS2/3PH/C11	560.56
			CR214/TS2/3PH/C11 LIFTSTAT	153.21
			LIFTSTATION	25.00
			CR 214 LIFTSTATION	564.28
		UNUM LIFE INSURANCE CO	APRIL DENTAL/VISION PREMIU	218.90
			APRIL UNUM LIFE/STD/LTD	220.38
		ABILENE PLUMBING SUPPLY CO., INC	EPOXY COATED SADDLE	133.87
			NUT FORD CORP STOP	67.01
			NUTS/NUTS FORD COUPLING	383.55
			NUTS/NUTS 90	446.38

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
			WASTEWATER CLEANING TOOLS	886.74
			WATER SYSTEM REPAIR PARTS	675.08
		G & S SAFETY PRODUCTS	SHAWNEE	131.64
			LONG SLEEVE HI-VIS SHIRT	386.84
		FTDJ, LLC	MONTHLY IT & MICROSOFT	882.00
		THURMAN TRANSPORTATION	17.2 TONS SELECT FILL & SA	158.50
		VENUS AUTO PARTS LLC	CONCRETE DRILL	9.99
			BELT, BELT TENSIONER	107.76
			MISC NUTS-SECURE RACK @ SV	4.20
			PRISON LIFT STATION	7.59
			SAW BLADE	9.99
			PVC FITTINGS 207 HICKORY	15.27
			SQUEEGEE FOR SERVICE CENTE	29.99
		TRINITY RIVER AUTHORITY	OPERATION & MAINTANCE	21,956.00
			DEBT SERVICE	56,207.00
			LAB ANALYSIS FOR WATER SAM	88.00
		MIDLOTHIAN MIRROR	W-WW IMPACT FEES	89.44
		GRAINGER	2 - PORTABLE HEATERS 15"	115.58
			PLASTIC PIPE SHUT-OFF TOOL	289.97
		PRAXAIR DISTRIBUTION INC	ACETYLENE TANKS	63.85
		COSPER TRACTOR	PARTS FOR MOWERS	116.24
		VENUS MOBILE 1	2015 TRUCK INSPECTION	25.50
		CITIBANK	BUSINESS CARDS-SHARON/JOEL	30.00
			AMAZON-TAPE FOR DOOR KNOCK	4.97
			TYLER-UTILITY BILLING COUR	595.00
			AT&T PREMIER CELL PHONES	170.23
			VENUS TRUCK STOP-DUMP TRUC	572.18
			HIGGINBOTHAM - DRILL BIT	16.99
			AMERICAN WATER COLLEGE- M	299.99
		WEX BANK	PW- WATER/SEWER	553.56
		GEXA ENERGY	ELECTRICITY 1/4/21-2/1/21	1,632.86
			ELECTRICITY 2/3/21-3/3/21	1,248.35
		COAST TO COAST COMPUTER PRODUCTS INC	RECEIPT PAPER FOR RECEIPT	175.99
		ARAMARK UNIFORM SERV	FIRST AID	33.58
			FIRST AID	33.58
			FIRST AID	33.58
			WEEKLY CONTRACT FEE	33.58
		BIRKHOFF,HENDRICKS & CARTER, LLP	PLANNING & SPECS	2,838.75
			W & WW IMPACT FEES	500.00
			RRA-ERP KICKOFF/DATA COLLE	1,200.00
		CORE & MAIN LP	RANGER CHARGE CRADLE	475.00
			AC CHARGING KIT	160.00
		CIGNA HEATHCARE	CIGNA HEALTH 2021-03	3,640.10
		MESSER, ROCKEFELLER,& FORT , PLLC	W/WW IMPACT FEES	247.00
		**PAYROLL EXPENSES	3/01/2021 - 3/31/2021	16,920.06
			TOTAL:	212,686.03
NON-DEPARTMENTAL	W/S CPF - 2018 CO	BIRKHOFF,HENDRICKS & CARTER, LLP	ENGINEERING	3,091.20
			TOTAL:	3,091.20
NON-DEPARTMENTAL	GF CPF - 2018 CO B	OTS LEGACY SIGNS, INC	75% CONTRACT PRICE	20,230.50
			TOTAL:	20,230.50

DEPARTMENT	FUND	VENDOR NAME	DESCRIPTION	AMOUNT
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===== FUND TOTALS =====				
10	GENERAL FUND			234,078.19
11	CPF-2020 BOND PROCEEDS			35,433.66
12	CPF-LGI/PE SEWER FORCE MA			81,183.60
30	VENUS COMM DEVELOP			19,139.11
50	STREET TAX FUND			874.50
51	CPF-STREET IMPROVEMENTS			891.30
55	BLUE STEM PID			560.00
56	BRAHMAN RANCH PID			5,903.87
58	JMJ DEVELOPMENTS			30.00
60	WATER & SEWER FUND			229,140.98
64	W/S CPF - 2018 CO BONDS			3,091.20
70	GF CPF - 2018 CO BONDS			20,230.50

	GRAND TOTAL:			630,556.91

TOTAL PAGES: 11

SELECTION CRITERIA

SELECTION OPTIONS

VENDOR SET: 01-CITY OF VENUS
VENDOR: All
CLASSIFICATION: All
BANK CODE: All
ITEM DATE: 0/00/0000 THRU 99/99/9999
ITEM AMOUNT: 99,999,999.00CR THRU 99,999,999.00
GL POST DATE: 0/00/0000 THRU 99/99/9999
CHECK DATE: 3/01/2021 THRU 3/31/2021

PAYROLL SELECTION

PAYROLL EXPENSES: YES
EXPENSE TYPE: NET
CHECK DATE: 3/01/2021 THRU 3/31/2021

PRINT OPTIONS

PRINT DATE: None
SEQUENCE: By Department
DESCRIPTION: Distribution
GL ACCTS: NO
REPORT TITLE: COUNCIL REPORT - MARCH 2021
SIGNATURE LINES: 0

PACKET OPTIONS

INCLUDE REFUNDS: NO
INCLUDE OPEN ITEM:NO



VENUS POLICE DEPARTMENT
MONTHLY REPORT
March 2021

Crime Stats

	03-2021	% + or -	02-2021	01-2021	3 MONTH AVERAGE
CAD EVENTS	1395	15.6%	1207	1370	1324
REPORTS TAKEN	29	16.0%	25	20	25
ARRESTS	5	-16.7%	6	5	5
ACCIDENTS WORKED	6	-25.0%	8	6	7
TRAFFIC ASSIGNMENTS	22	120.0%	10	18	17
TRAFFIC STOPS	167	6.4%	157	173	166
CITATIONS ISSUED	54	116.0%	25	30	36
WARNINGS ISSUED	28	-40.4%	47	42	39

Significant Police Responses

Date	Call Type	Status	Notes
03/01/2021	Theft \$2500 - \$30k	Suspended	No Known Suspects / Lumber Theft from Construction site
03/15/2021	Criminal Mischief \$100-\$750	Suspended	No Known Suspects
03/15/2021	Death Investigation	Arrest Made	Filed Man Del CS on Juvenile Suspect
03/17/2021	Death Investigation	Arrest Made	STOP Filed Man Del CS on Juvenile Suspect
03/23/2021	Poss CS PG 1 <1G	Arrest Made	Waiting Lab Results / Case to be Filed
03/31/2021	Fraudulent Use/Poss of ID	Pending	Unemployment Fraud Case
03/31/2021	Fraudulent Use/Poss of ID	Pending	Unemployment Fraud Case

Traffic Survey

100 Patriot Parkway
(Patriot Parkway / Colonial Ln)

3/14/2021-3/22/2021

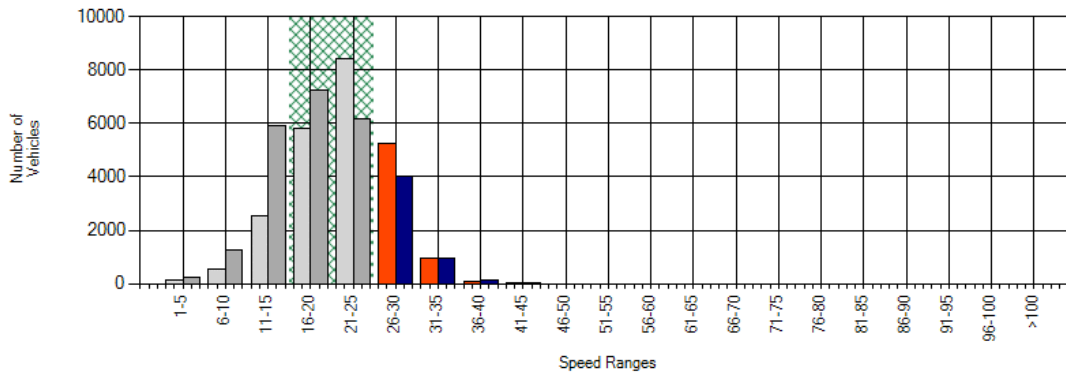
Results

Volume - Total Vehicles (Approaching and Receding)

File: C:\Users\MMAY\OneDrive - City of Venus\Desktop\Traffic Surveys\00180003.csv
Study Name: [update on Current Study Settings tab](#)
Study Dates: 2021/03/14 13:24:21 to 2021/03/22 21:30:00
Study Location: [update on Current Study Settings tab](#)
Number of Vehicles: 23763 App / 25947 Rec

Speed Limit: 25 mph
Approaching Pace: 16 to 25 mph
Approaching 85th %: 27 mph
Receding Pace: 16 to 25 mph
Receding 85th %: 26 mph

Receding-speeders Receding-nonspeeders Approaching-speeders Approaching-nonspeeders



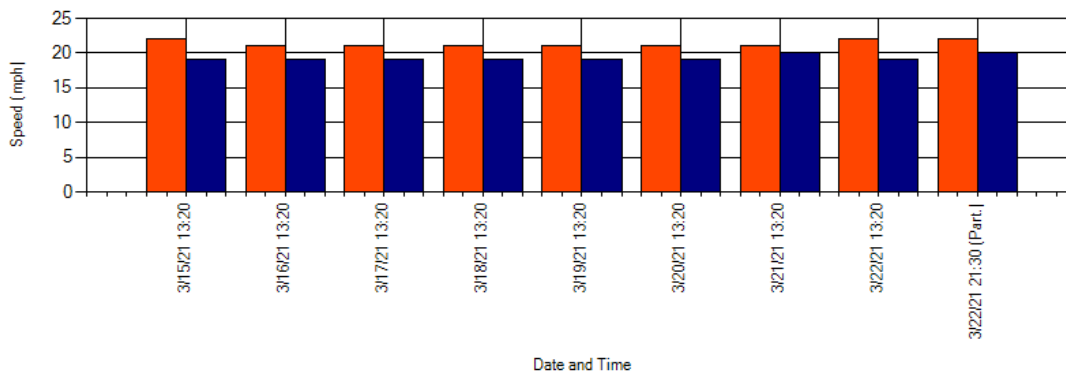
Results

Speed - Average Speed (Approaching and Receding)

File: C:\Users\MMAY\OneDrive - City of Venus\Desktop\Traffic Surveys\00180003.csv
Study Name: [update on Current Study Settings tab](#)
Study Dates: 2021/03/14 13:24:21 to 2021/03/22 21:30:00
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Speed Limit: 25 mph
Approaching Pace: 16 to 25 mph
Approaching 85th %: 27 mph
Receding Pace: 16 to 25 mph
Receding 85th %: 26 mph

Approaching Receding





Carrington Home Solutions LP

Date 2/23/21

2 Ada #100

Irvine CA. 92618

Case No. 21-0001

To whom it may concern:

According to the real property records of Johnson County, you own the real property described in this notice. If you no longer own the property, you must execute a notarized affidavit and file with Johnson County Clerk's Office stating that you no longer own the property including the name and last known address of the person who acquired the property from you. The affidavit and documentation provided from the Johnson County Clerk's Office must be delivered in person or via certified mail, return receipt requested, to this office no later than the 20th day after the date you receive this notice. If you do not send the affidavit, it will be presumed that you own the property described in this notice, even if you do not.

The City of Venus Code of Ordinances was created to protect the health, safety, and welfare of the citizens of Venus. This Notice of Violation letter is intended to inform you of ordinance violations at the above-described real property (the "Property"), and to give you a reasonable time to make repairs, improvements, or to take corrective action to bring the Property into compliance with all city and state ordinances.

The following violations have been observed at the property:

1. Ord.No. 440-2016, Sec.8-62 Specific Nuisances: (See Attached Ordinance and Inspection Report)
2. 2015 IPMC (International Property Maintenance Code) Sections: (See also: Inspection Report)
 - 304.7 Roofs and Drainage
 - 304.4 Structural Members
 - 304.10 Stairways, Decks, Porches and Balconies
 - 304.2 Protective Treatment
 - 304.6 Exterior Walls
 - 303.2 Enclosures

As a result of the life and safety concerns with this property, the City has scheduled a Substandard Building Determination Hearing to be held on April 12, 2021 at 7:00 PM. The hearing will be at the Venus Civic Center located at 210 South Walnut, Venus TX 76084.

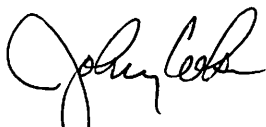
Please take corrective action on the items listed above. Corrective action could be repairs or demolition. The property owner, lienholder, or mortgagee will be required to submit proof of the scope of any work that may be required to comply with this article and the time it will take to reasonably perform the work.

Please note as it is the duty of the Code Enforcement office to protect the health, safety, and welfare of the citizens of Venus, Texas, any and all properties are subjected to follow up inspections.

While these notices are required by law, it is always our intention to work with property owners in extenuating circumstances. Such circumstances will be evaluated on a case by case basis. Ultimately, it is our desire to have a community that is safe for all.

We look forward to working with you. Should you need to follow up, please do not hesitate to contact me. Office hours: Monday thru Friday 8:00 am to 5:00 pm.

Thank you in advance for your cooperation,

A handwritten signature in black ink, appearing to read 'Johnny Coker', with a stylized, cursive script.

Johnny Coker

Code Enforcement Department

700 W US Hwy 67

Venus TX. 76084

Cell # 469-570-9826

Off # 972-366-3348 Ext. 107



Stanley Smith & Jaymie Smith

Date 2/23/21

P.O. 186

Ackerly TX. 79713-0186

Case No. 21-0001

Dear Mr. Smith:

According to the real property records of Johnson County, you own the real property described in this notice. If you no longer own the property, you must execute a notarized affidavit and file with Johnson County Clerk's Office stating that you no longer own the property including the name and last known address of the person who acquired the property from you. The affidavit and documentation provided from the Johnson County Clerk's Office must be delivered in person or via certified mail, return receipt requested, to this office no later than the 20th day after the date you receive this notice. If you do not send the affidavit, it will be presumed that you own the property described in this notice, even if you do not.

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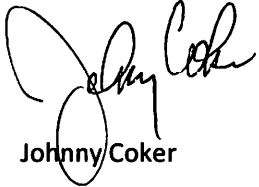
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Thank you in advance for your cooperation,

A handwritten signature in black ink, appearing to read "Johnny Coker". The signature is stylized with a large, looping "J" and a cursive "Coker".

Johnny Coker

Code Enforcement Department

700 W US Hwy 67

Venus TX. 76084

Cell # 469-570-9826

Off # 972-366-3348 Ext. 107















**Violations Noted in inspection of property located at 601 S Walnut,
listed owner: Jaymie Smith.**

- **Windows**

Southside first floor windows are partially boarded up which allows access into structure, second story window opened.

Northside first floor partially boarded, second floor window opened.

Eastside first floor partially boarded, second story window has missing panes.

(Ord. No. 440-2016 Sec. 8-62 Specific Nuisances)

- **Doors**

Doors are boarded up. East door has a 2x4 stud barricade. **(Ord. No. 440-2016 Sec. 8-62 Specific Nuisances)**

- **Roof**

Roof has shingles missing throughout. **(IPMC 304.7 Roofs and Drainage)**

- **Structure**

Entire West side of structure has failed and collapsed. **(IPMC 304.4 Structural Members)**

Southwest side of structure is pulling away from main structure. **(IPMC 304.4 Structural Members)**

Porch overhang on Northside has leaning supports and holes in flooring. **(IPMC 304.4 Structural Members 304.10 Stairways, Decks, Porches, and Balconies)**

Exterior siding is unprotected. **(IPMC 304.2 Protective Treatment, 304.6 Exterior Walls)**

This property is an Attractive Nuisance and is unsafe. **(Ord. No. 440-2016 Sec. 8-62 Specific Nuisances)**



This is not a citation

DANGEROUS STRUCTURE VIOLATION NOTICE

DATE: 2/19/2021 **Case#:** _____

Resident/Owner Stanley Smith/Jaymie Smith DL# _____ D.O.B. _____

ADDRESS: 601 S Walnut, Venus, TX 76084

**THE FOLLOWING DEFECTS SHALL DEEM THE STRUCTURE DANGEROUS
FAILING TO CORRECT OR COME INTO COMPLIANCE MAY RESULT IN PENALTIES UNDER
ORDINANCE NO. 440-2016 (*Substandard Building and Technical Code Adoption Ordinance*) SEC. 8-59**

1. Interior walls or other vertical structural member: _____ list, ☒ _____ lean, ☒ _____ buckle
to such extent that a plumb line passing through the center of gravity falls outside of the middle third of its base.
2. Building, exclusive of the foundation shows:
☒ _____ 33 percent or more damage or deterioration of a supporting member or members
☒ _____ 50 percent damage or deterioration of the non-supporting enclosing or outside walls or covering
3. Building has improperly distributed loads on: ☒ _____ Floors _____ Roof
4. Building has been damaged by: _____ Fire, ☒ _____ Wind, ☒ _____ Water
Other Snow, Ice, Sun Exposure
5. Building has become: ☒ _____ Dilapidated, ☒ _____ Decayed, ☒ _____ Unsafe, ☒ _____ Unsanitary,
Other _____
6. Building has problems related to: _____ Light, _____ Air, _____ Sanitation facilities.
7. Building has inadequate facilities for egress in case of: ☒ _____ Fire, _____ Panic
a. Building has insufficient _____ Stairways, _____ Elevators, _____ Fire Escapes, _____ Other
8. Building has parts that may: ☒ _____ Fall, ☒ _____ Injure; members of the public or property.
9. Building is: ☒ _____ Unsafe, ☒ _____ Unsanitary, ☒ _____ Dangerous; to the health, safety or general welfare.
10. Building has become: ☒ _____ an attractive nuisance to children, _____ a haven for homeless persons; and that
exhibits a condition that is ☒ _____ unsafe, ☒ _____ unsanitary.
11. Building exists in violation of any provision of the building.
☒ _____ Fire, ☒ _____ Gas, ☒ _____ Mechanical, ☒ _____ Electrical

The above-named violation must be corrected within 30 days or citation may be issued after _____
IF VIOLATION IS NOT COMPLETED WITHIN 30 DAYS, A SUBSTANDARD BUILDING DETERMINATION HEARING WILL BE SCHEDULED.

Remarks/comments: See Additional Sheet

Code Officer Johnny Coker Lic. # 4852

Code Enforcement Division

Violations noted 2/18/2021 in inspection of property located at 601 S Walnut, listed owner: Jaymie Smith.

- **Windows**

Southside first floor windows are partially boarded up which allows access into structure, second story window opened.

Northside first floor partially boarded, second floor window opened.

Eastside first floor partially boarded, second story window has missing panes.

(Ord. No. 440-2016 Sec. 8-62 Specific Nuisances)

- **Doors**

Doors are boarded up. East door has a 2x4 stud barricade. **(Ord. No. 440-2016 Sec. 8-62 Specific Nuisances)**

- **Roof**

Roof has shingles missing throughout. **(IPMC 304.7 Roofs and Drainage)**

- **Structure**

Entire West side of structure has failed and collapsed. **(IPMC 304.4 Structural Members)**

Southwest side of structure is pulling away from main structure. **(IPMC 304.4 Structural Members)**

Porch overhang on Northside has leaning supports and holes in flooring. **(IPMC 304.4 Structural Members 304.10 Stairways, Decks, Porches, and Balconies)**

Exterior siding is unprotected. **(IPMC 304.2 Protective Treatment, 304.6 Exterior Walls)**

This property is an Attractive Nuisance and is unsafe. **(Ord. No. 440-2016 Sec. 8-62 Specific Nuisances)**

- **Hot Tub**

Uncovered and holding water. **(IPMC 303.2 Enclosures)**



Central Appraisal District of Johnson County

109 North Main St
 Cleburne, Texas 76033
 Phone: (817) 648-3000
 Fax: (817) 645-3105

Account Details for 126.4420.00640

Ownership

Owner Name:	Smith Jaymie
Owner Address:	P O Box 186, Ackerly, TX 797130186
Property Location:	601 S Walnut St
Ownership Interest:	1.000000
Description:	LOT 4 BLK 6 TRUELOVE ADDITION
Deed Date:	2015-01-02
Deed Type:	Affidavit Of Heirship
Page #:	
Volume #:	
Instrument #:	00053
Exemptions	
Tax Entities	- City Of Venus - Johnson County - Venus ISD - Hill College VES - Lateral Road - Johnson Co ESD#1 - Venus Fire Dept - Precinct4
Improvement State Code:	A1 - Real, Residential, Single Family
Land State Code:	A1 - Real, Residential, Single Family
Productivity State Code:	

GEO Num:	126.4420.00640
Last Update:	Jul 31 2020 7:40AM

A zero value indicates that the property record has not yet been completed for the indicated tax year.

† Appraised value may be less than market value due to state-mandated limitations on value increases.

Value

Improvement Value	\$7,375
Land Market Value:	\$20,000
AG Market Value:	\$0
AG Value:	\$0
Prod Loss:	\$0
Total Market Value:	\$27,375
† Appraised Value:	\$27,375
Land Acres	.0000
Impr Area Size	1136
Year Built	1910

Appraisal History

* This information is intended for reference only and is subject to change. It may not accurately reflect the complete status of the account as actually carried in Johnson Appraisal District's database and may not be used as a basis of protest or appeal.

TEXAS SECRETARY of STATE
RUTH R. HUGHS

Debtor Name Search

This debtor name search was performed on **02/23/2021 08:47 AM** with the following search parameters:

DEBTOR NAME: STANLEY SMITH

CITY: VENUS TX

No records exist which match the criteria you have entered.

Order Certificate

New Search

Instructions:

- Press 'New Search' if you wish to perform another web inquiry.
- Press 'Previous' or 'Next' to scroll through the results of this inquiry.
- Enter the page number and click 'GO' button to view the desired page.
- Press 'Order Search Certificate' if you wish to order a search certificate with the parameters entered for this web inquiry.
- If you wish to order only selected filings for this debtor, check by the filings and press 'Order Selected Filings'.
- Checked filings will be retained from page to page as you scroll through the results of this inquiry.
- If an order for a search certificate or selected filings is placed against this web inquiry, the web inquiry fee will be waived.
- Check 'Select All Filings' and press 'Order Selected Filings' if you wish to order copies of all filings and full filing history for the results of this web inquiry.
- To view a particular filing document, click on the image under 'View' for the desired document.

TEXAS SECRETARY of STATE
RUTH R. HUGHS

Debtor Name Search

This debtor name search was performed on [02/23/2021 08:41 AM](#) with the following search parameters:

DEBTOR NAME: JASON LOERA

CITY: VENUS TX

No records exist which match the criteria you have entered.

[Order Certificate](#)

[New Search](#)

Instructions:

- Press 'New Search' if you wish to perform another web inquiry.
- Press 'Previous' or 'Next' to scroll through the results of this inquiry.
- Enter the page number and click 'GO' button to view the desired page.
- Press 'Order Search Certificate' if you wish to order a search certificate with the parameters entered for this web inquiry.
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- To view a particular filing document, click on the image under 'View' for the desired document.

TEXAS SECRETARY of STATE
RUTH R. HUGHS

Debtor Name Search

This debtor name search was performed on **02/23/2021 08:35 AM** with the following search parameters:

DEBTOR NAME: JENNIFER JOLIN

CITY: ARLINGTON TX

No records exist which match the criteria you have entered.

Order Certificate

New Search

Instructions:

- Press 'New Search' if you wish to perform another web inquiry.
- Press 'Previous' or 'Next' to scroll through the results of this inquiry.
- Enter the page number and click 'GO' button to view the desired page.
- Press 'Order Search Certificate' if you wish to order a search certificate with the parameters entered for this web inquiry.
- If you wish to order only selected filings for this debtor, check by the filings and press 'Order Selected Filings'.
- Checked filings will be retained from page to page as you scroll through the results of this inquiry.
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- To view a particular filing document, click on the image under 'View' for the desired document.

TEXAS SECRETARY of STATE

RUTH R. HUGHS

Debtor Name Search

This debtor name search was performed on [02/23/2021 08:24 AM](#) with the following search parameters:

DEBTOR NAME: DAVID SMITH

CITY: VENUS TX

No records exist which match the criteria you have entered.

[Order Certificate](#)

[New Search](#)

Instructions:

- Press 'New Search' if you wish to perform another web inquiry.
- Press 'Previous' or 'Next' to scroll through the results of this inquiry.
- Enter the page number and click 'GO' button to view the desired page.
- Press 'Order Search Certificate' if you wish to order a search certificate with the parameters entered for this web inquiry.
- If you wish to order only selected filings for this debtor, check by the filings and press 'Order Selected Filings'.
- Checked filings will be retained from page to page as you scroll through the results of this inquiry.
- If an order for a search certificate or selected filings is placed against this web inquiry, the web inquiry fee will be waived.
- Check 'Select All Filings' and press 'Order Selected Filings' if you wish to order copies of all filings and full filing history for the results of this web inquiry.
- To view a particular filing document, click on the image under 'View' for the desired document.

SOSDirect Session Timeout Warning

Debtor Name Search

This debtor name search was performed on [02/22/2021 10:59 AM](#) with the following search parameters:

DEBTOR NAME: JAYMIE SMITH

CITY: VENUS TX

No records exist which match the criteria you have entered.

[Order Certificate](#)

[New Search](#)

Instructions:

- Press 'New Search' if you wish to perform another web inquiry.
- Press 'Previous' or 'Next' to scroll through the results of this inquiry.
- Enter the page number and click 'GO' button to view the desired page.
- Press 'Order Search Certificate' if you wish to order a search certificate with the parameters entered for this web inquiry.
- If you wish to order only selected filings for this debtor, check by the filings and press 'Order Selected Filings'.
- Checked filings will be retained from page to page as you scroll through the results of this inquiry.
- If an order for a search certificate or selected filings is placed against this web inquiry, the web inquiry fee will be waived.
- Check 'Select All Filings' and press 'Order Selected Filings' if you wish to order copies of all filings and full filing history for the results of this web inquiry.
- To view a particular filing document, click on the image under 'View' for the desired document.



Tuesday,
February
23, 2021

Property Tax Record

[Home](#)
[Property Tax](#)
[Vehicles](#)
[Boats](#)
[Locations & Hours](#)
[Contact Us](#)
[Links](#)
[New Search](#)

Account: 126-4420-00640
Location: 0000601S WALNUT ST
Legal: LOT 4|BLK 6|TRUELOVE
 ADDITION

Acres: 0.000
Property Real
Type:

2020 Values
 Land 20000
 Improvement 7375
 Total Market Value 27375

2020 Exemptions

Owner: SMITH JAYMIE
 % STANLEY SMITH
 P O BOX 186
 ACKERLY TX 79713-0186

Click on the e-Payment button to make a credit card or eCheck payment.

[Current status](#)
[All years](#)
[Tax Estimator](#)
[e-Statement](#)
[e-Payment](#)

Year Unit	Levy Amount	Amount Paid	Levy Due	Penalty	Interest	Col Penalty	Total Due	Receipt Date
2020 COUN	105.31	0.00	105.31	6.32	1.05	0.00	112.68	--
2020 ESD1	16.43	0.00	16.43	0.99	0.16	0.00	17.58	--
2020 FMLR	11.03	0.00	11.03	0.66	0.11	0.00	11.80	--
2020 HCV	13.69	0.00	13.69	0.82	0.14	0.00	14.65	--
2020 VEC	229.67	0.00	229.67	13.78	2.30	0.00	245.75	--
2020 VES	389.08	0.00	389.08	23.34	3.89	0.00	416.31	--
2020 Totals	765.21	0.00	765.21	45.91	7.65	0.00	818.77	

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 Site Design by Spindlemedia

IMAGE

SUMMARY

< Prev Doc | Next Doc >



2 of 5



Add To Cart ■

AFFIDAVIT OF HEIRSHIP

STATE OF TEXAS {

COUNTY OF DAWSON {

KNOW ALL MEN BY THESE PRESENTS:

Before me, the undersigned authority, personally appeared Stanley Smith, known to be a credible person, and whom, after being first duly sworn, upon oath, deposed and stated as follows:

My name is Stanley Smith. I am a resident of Dawson County, Texas, have personal knowledge of all of the facts contained herein, and am, in all respects, fully qualified to testify to the matters contained in this Affidavit.

Tommy David Smith is deceased, he having died intestate on December 12, 2012, in Fort Worth, Tarrant County, Texas.

The said Tommy David Smith (herein sometimes called "Decedent") was born March 1962, and was 50 years of age at the time of his death. Decedent was a resident of Venus, Johnson County, Texas, at the time of his death.

Decedent was never married, never adopted any child or children, and never had any child or children born to him. The Decedent was not survived by any descendants.

Melvin Smith, the father of Decedent, died in May of 2002. Jaymie Smith, the mother of Decedent, is a resident of Howard County, Texas. Neither Melvin Smith, nor Jaymie Smith, ever adopted any child or children, and to each of them only three children, Affiant, Stanley Smith, a

IMAGE

SUMMARY

< Prev Doc | Next Doc >



3 of 5



Add To Cart ■

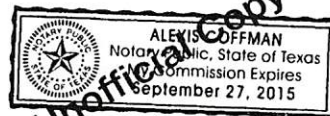
the properties owned by Decedent at the time of his death were of such amounts that the filing of a federal estate tax return was not required, and no federal estate taxes or state inheritance taxes were owed in connection with his estate. All of the properties owned by Decedent at the time of his death were situated wholly within the State of Texas.

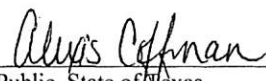
The mailing address of Affiant is P. O. Box 186, Ackerly, Texas 79713.

DATED the 15th day of December, 2014.


Stanley Smith

SUBSCRIBED AND SWORN TO BEFORE ME, by Stanley Smith on this the 23rd
day of December, 2014.




Notary Public, State of Texas

IMAGE

SUMMARY

< Prev Doc | Next Doc >



4 of 5



Add To Cart ■

AFFIDAVIT

Before me, the undersigned authority, on this day personally appeared Danny Barron, known to me to be a credible person, and whom, after being first duly sworn, upon oath depose and state as follows:

My name is Danny Barron. I am a resident of Howard County, Texas, am above the age of twenty-one (21) years, have personal knowledge of all of the facts contained in this Affidavit, and am, in all respects, fully qualified and competent to testify to the matters herein.

I have been acquainted with Melvin Smith and wife, Jaymie Smith, and their children for many years. I have read the Affidavit of Heirship executed by Stanley Smith to which this Affidavit is attached. All of the facts and statements contained in said Affidavit of Heirship regarding the marital and family history of Tommy David Smith, deceased, are within my knowledge and are true and correct.

DATE: this 15th day of December, 2014.

Danny Barron
Danny Barron

SUBSCRIBED AND SWORN TO BEFORE ME by Danny Barron on this the 30th day
of December, 2014.

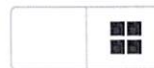
IMAGE

SUMMARY

< Prev Doc | Next Doc >



5 of 5



Add To Cart ■

AFFIDAVIT

Before me, the undersigned authority, on this day personally appeared Dennis Armstrong, known to me to be a credible person, and whom, after being first duly sworn, upon oath depose and state as follows:

My name is Dennis Armstrong. I am a resident of Dawson County, Texas, am above the age of twenty-one (21) years, have personal knowledge of all of the facts contained in this Affidavit, and am, in all respects, fully qualified and competent to testify to the matters herein.

I have been acquainted with Melvin Smith and wife, Jaymie Smith, and their children for many years. I have read the Affidavit of Heirship executed by Stanley Smith to which this Affidavit is attached. All of the facts and statements contained in said Affidavit of Heirship regarding the marital and family history of Tommy David Smith, deceased, are within my knowledge and are true and correct.

DATE: This 15th day of December, 2014.


Dennis Armstrong

SUBSCRIBED AND SWORN TO BEFORE ME by Dennis Armstrong on this the 30th
day of December, 2014.

**TO BE Published one time
in the Midlothian on
Thursday, March 25, 2021:
CITY OF VENUS, TEXAS**

**NOTICE OF PUBLIC
HEARING ON SUB-
STANDARD BUILDING
DETERMINATION**

The City of Venus, Texas will hold a public hearing at 7:00 p.m. on Monday April 12, 2021 at the City of Venus Civic Center, located at 210 South Walnut Street, Venus, Texas.

At the hearing, the City Council will make a determination whether or not the structure(s) located at 601 South Walnut, Venus, Texas is/are unsafe and, if found unsafe, consider any and all available remedies, including, but not limited to, ordering repair or demolition, vacation of the property, securing the property, shutting off public utilities, and/or the assessment of civil penalties.

Any member of the public has the right to appear at the hearing and present evidence for or against the substandard building determination.

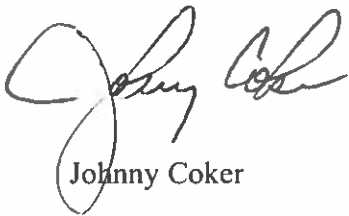
CITY OF VENUS, TEXAS

NOTICE OF PUBLIC HEARING ON SUBSTANDARD BUILDING DETERMINATION

The City of Venus, Texas will hold a public hearing at 7:00 p.m. on Monday April 12, 2021 at the City of Venus Civic Center, located at 210 South Walnut Street, Venus, Texas.

At the hearing, the City Council will make a determination whether or not the structure(s) owned by Stanley Smith P.O. Box 186, Ackerly, Texas and located at 601 South Walnut, Venus, Texas is/are unsafe and, if found unsafe, consider any and all available remedies, including, but not limited to, ordering repair or demolition, vacation of the property, securing the property, shutting off public utilities, and/or the assessment of civil penalties.

Any member of the public has the right to appear at the hearing and present evidence for or against the substandard building determination.



Johnny Coker

City of Venus

Code Enforcement Officer Lic # 4852

State of Texas

County of _____

Before me, _____, on this day personally appeared _____, known to me (or proved to me on the oath of _____ or through (description of identity card or other document) to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this _____ day of _____,
_____.

(Personalized Seal)

Notary Public's Signature

ORDER NO. 21-0001

AN ORDER OF THE CITY OF VENUS CITY COUNCIL WITH REGARD TO THE ABATEMENT OF THE SUBSTANDARD AND DANGEROUS STRUCTURES LOCATED AT 601 S. WALNUT, VENUS, TEXAS 76084; LOT 4, BLK 6, TRUELOVE ADDITION (legal description)

WHEREAS, the City Council for the City of Venus noticed and conducted a public hearing April 12, 2021, wherein the structure(s) located at 601 S. Walnut, Venus, Texas 76084; and a legal description of LOT 4, BLK 6, TRUELOVE ADDITION (“Property”); and

WHEREAS, the City Council determines the structure located on the Property is in violation of the ordinances relative to substandard structures under the Venus Code of Ordinances, Article III, “Substandard Buildings”, of the City of Venus, Texas; and

WHEREAS, the City Council finds that the structure is unoccupied and should be secured against unauthorized entry as it is an unsafe building and/or hazard to the public health, safety and welfare in accordance with State law and with Article III, “Substandard Buildings”, of the City of Venus, Texas; and

WHEREAS, the City Council takes notice of and incorporates all evidence presented, including the issuance of notices, the minimum standards violated as set forth in the Administrative Orders and Reports attached to the Building Official’s letter dated February 19, 2021, for its consideration of this matter and incorporates the same into the body of this Order as specific findings of fact for all purposes; and

WHEREAS, based upon the evidence presented, testimony from the City’s Building Code Official, the City Council finds that the Property is in violation of the minimum standards required by applicable ordinances; and

WHEREAS, the City Council finds that the Property is dilapidated, substandard and/or unfit for human habitation, constitutes a hazard to the health, safety and welfare of the citizen and likely to endanger persons and property; and

THEREFORE, IT IS HEREBY DETERMINED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF VENUS THAT:

1. Damage or deterioration exists to the extent that the building is unsafe.
2. Damage by fire, wind, or other cause has rendered the building or structure dangerous to life, safety, morals or the general health and welfare of the occupants or the people of the City.
3. The building or structure is so dilapidated, substandard, decayed, unsafe, unsanitary, or otherwise lacking in the amenities essential to decent living that the same is unfit for human habitation or is likely to cause sickness, disease, or injury or otherwise to constitute a detriment to the health of those persons assembled, working or living therein or is a hazard to the public health, safety, and welfare.
4. The building or structure does not meet the following International Construction Codes or recommended amendments as follows:

-
5. The owner is hereby ordered to demolish the structure no later than thirty (30) days from the date of this Order, or by _____, 2021.
 6. The Recitals of this Order are incorporated herein for all purposes as if fully recited.
 7. The City Secretary shall file a copy of this order with the City within 10 days of the date of this order and publish in a newspaper of general circulation the street address/legal description of the Property, the date of the hearing, a brief statement of the results of this order and provide notice that a copy of this order and the minutes of the meeting may be reviewed and/or obtained during regular business hours in the office of the City Secretary.

ORDERED THIS 12th DAY OF APRIL 2021.

James L. Burgess, Mayor

Callie Green, City Secretary

WATER AND WASTEWATER IMPACT FEE STUDY

2020 to 2030

Submitted To



Submitted By

BIRKHOFF, HENDRICKS & CARTER, L.L.P.
PROFESSIONAL ENGINEERS – Texas Firm F526
DALLAS, TEXAS

December 2020

BIRKHOFF, HENDRICKS & CARTER, L.L.P.
PROFESSIONAL ENGINEERS

11910 Greenville Ave., Suite 600

Dallas, Texas 75243

Phone (214) 361-7900

www.bhcllp.com

JOHN W. BIRKHOFF, P.E.
GARY C. HENDRICKS, P.E., R.P.L.S.
JOE R. CARTER, P.E.
MATT HICKEY, P.E.
ANDREW MATA, JR., P.E.
JOSEPH T. GRAJEWSKI, III, P.E.
DEREK B. CHANEY, P.E., R.P.L.S.
CRAIG M. KERKHOFF, P.E.
JUSTIN R. IVY, P.E.

December 29, 2020

Mr. Andy Wolfe
Director of Public Works
City of Venus
700 W. Hwy. 67
Venus, Texas 76084

Re: Water and Wastewater System Wide Impact Fee Study
2020 - 2030

Dear Mr. Wolfe:

This report study presents the results of the City of Venus Water and Wastewater System Wide Impact Fee Study for the planning years 2020 through 2030. This report includes discussions on population projections (provided by the City), the impact fee Capital Improvements Plan, and Calculated Maximum Impact Fees by meter size. The maximum fees per service unit (for a ¾-inch water meter) are as follows:

Maximum Water Impact Fee per Service Unit \$5,707

Maximum Wastewater Impact Fee per Service Unit \$4,750

We have enjoyed working with the City on this important study and are available to discuss the findings and conclusions further at your convenience. We look forward to our continued working relationship with you and the City of Venus.

Sincerely,



Justin R. Ivy, P.E.

**CITY OF VENUS, TEXAS
WATER AND WASTEWATER IMPACT FEE STUDY
2020 TO 2030**

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Justin Ivy
12/29/2020

CITY OF VENUS, TEXAS 2020 - 2030 WATER AND WASTEWATER IMPACT FEE STUDY

A. INTRODUCTION

Chapter 395, Local Government Code is an act that provides guidelines for financing capital improvements required by new development in municipalities, counties, and certain other local governments. Under Chapter 395, political subdivisions receive authorization to enact or impose impact fees on land that is located within their political subdivision's corporate boundaries or extraterritorial jurisdictions. No governmental entity or political subdivision can enact or impose an impact fee unless they receive specific authorization by state law or by Chapter 395.

An "Impact Fee" is a charge or assessment imposed by a political subdivision for new development within its service area in order to generate revenue for funding or recouping the costs of capital improvements of facility expansions necessitated by and attributable to new development. The City of Venus Water Service Area is all land within the current water Certificate of Convenient and Necessity CCN (Certificate No. P0845). The City of Venus does not currently have a registered wastewater CCN according to the Public Utility Commission (PUC) interactive map and search tools. Therefore, the wastewater service area was established as the City's Extra Territorial Jurisdiction (ETJ), or 1 mile from the corporate limits as defined by Chapter 42, Local Government Code.

The first step in determining an impact fee is preparation of land use and growth assumptions for the service areas during the next ten years. The existing and 10-year populations were provided by the City and used to calculate a growth rate factor for the planning period, based on exponential growth, and a population density to estimate future water usage and wastewater flows.

The Texas Department of Criminal Justice owns and operates the Sanders "Sandy" Estes Unit, a private contract prison facility in the City of Venus. The City supplies water and wastewater services to the prison and the prison capacity was considered in determining future water usage and wastewater flows. The maximum capacity of this facility is 1,040 individuals; however, this population was not considered in the population growth. The population was included in the overall population to calculate existing and 10-year demands.

Next, a Capital Improvements Plan must be created to describe the water and wastewater infrastructure that will be necessary to serve the anticipated land uses and growth. The following items can be included in the impact fee calculation:

- 1) The portion of the cost of the new infrastructure that is to be paid by the City, including engineering, property acquisition and construction cost.

- 2) Existing excess capacity in lines and facilities that will serve future growth and which were paid for in whole or part by the City and part by the Developer.
- 3) Interest and other finance charges on bonds issued by the City to cover its portion of the cost.

The maximum allowable impact fee per service unit may not exceed fifty percent (50%) of the calculated maximum amount of the total utilized capital improvement cost divided by the total number of new standard service units. This maximum allowable impact fee recovers a portion of the City's costs to construct facilities to serve the new developments and growth. However, the City may recover the maximum fee by crediting the portion of utility service revenue generated by new service units during the 10-year program period.

Chapter 395 requires that an update of the land use assumptions, capital improvements plan, and impact fees be performed every five (5) years, unless it is determined by the political subdivision after a review that such an update is not necessary. However, the City may update the land use assumptions, capital improvements plans, and impact fees as often as necessary within the 5-year period.

This document constitutes the City's water and wastewater portion of the Capital Improvements Plan, and the resulting maximum allowable impact fees. As required by state law, the study period is a ten-year period with 2020 as the base year. As such, the engineering analysis of the water and wastewater systems is based on existing and proposed system wide infrastructure improvements from 2020 to 2030.

B. LAND USE ASSUMPTIONS SUMMARY

Under Chapter 395, of the Local Government Code, “Land Use Assumptions” includes a description of service area and projections of changes in land uses, densities, intensities, and population in the service area for a minimum of a 10-year period. In order to impose an impact fee, the City must adopt an order, ordinance, or resolution that establishes a public hearing date to consider the land use assumptions within the designated service area. After the public hearing on the land use assumptions, the City makes a determination of adoption or rejection of the ordinance, order or resolution approving the land use assumptions that will be utilized to develop the capital improvement plan.

The Land Use Assumptions used in this study were assumed to follow the City’s anticipated growth patterns and population projections provided by the City. Therefore, single family residential development was assumed to be the typical land use for the City of Venus during the planning period. The existing and 10-year population projections for the water service area are shown below in **Table No. 1**.

Using the existing population and meter count provided by the City, the calculated population density was determined to be 7.38 people per connection. This number was derived by dividing the existing population (4,083 residents excluding the prison population) by the total number of existing water meters (553). The population density was found to be well above normally acceptable residential values and was adjusted to match the wastewater service area population density of 3.86 people per connection. The “equivalent number of meters” required to serve the prison was determined by dividing the prison population of 1,040 inmates by the residential density per connection. This number was added to the total number of meters for each year in the study period and was not included in the population or meter growth (i.e. a constant value added after exponential growth of residential population).

TABLE NO. 1
WATER SERVICE AREA EXISTING
& 10-YEAR POPULATION PROJECTIONS

2020 Population ⁽¹⁾	Growth Rate ⁽²⁾	2030 Population ⁽¹⁾
5,123	8.53%	10,621

Notes:

(1) Existing & 10- Year Populations Provided By The City. Includes 1,040 Prison Inmates.

(2) Calculated Growth Rate Based on City's Population Projections.

The City's wastewater service area and population is significantly larger than the water service area and necessitated calculation of the wastewater population and service units separately from the water service area. The difference between the number of water and wastewater service units is attributed to the City providing wastewater service to a number of developments that receive water service from a separate entity.

Known developments in the wastewater service area were identified by the City and lot counts were conducted in order to calculate the wastewater service area population and number of service units. The additional service units were then added to the existing water meter count and used to determine the total number of wastewater service units. The wastewater service units were multiplied by the population density from the water service area (2.28 people per unit) and yielded a wastewater population of 6,897 people for the year 2020 and 16,185 people for the year 2030 in the wastewater service area.

A wastewater service area population density was then determined by dividing the existing population by the total number of service units for the years 2020 and 2030. The population density used for the basis of this study was determined to be 3.86 people per unit for the wastewater service area.

The "equivalent number of units" required to serve the prison was determined by dividing the prison population of 1,040 inmates by the residential density per connection. This number was added to the total number of meters for each year in the study period and was not included in the population or wastewater service connection growth (i.e. a constant value added after exponential growth of residential population). The existing and 10-year population projections for the wastewater service area are shown below in **Table No. 2**.

TABLE NO. 2
WASTEWATER SERVICE AREA EXISTING
& 10-YEAR POPULATION PROJECTIONS

2020 Population ⁽¹⁾	Growth Rate ⁽²⁾	2030 Population ⁽¹⁾
7,937	8.53%	17,225

C. DEFINITION OF A SERVICE UNIT – WATER AND WASTEWATER

Chapter 395 of the Local Government Code requires that impact fees be based on a defined service unit. A “service unit” means a standardized measure of consumption, use generation, or discharge attributable to an individual unit of development calculated in accordance with generally accepted engineering or planning standards. The City of Venus has defined a water and wastewater service unit to be a 3/4” water meter. Therefore, the service unit is based on the continuous duty capacity of a 3/4” inch water meter. This is the typical meter used for a single-family detached dwelling and was considered to be equivalent to one “living unit”. Other meter sizes can be compared to the 3/4” meter through a ratio of water flows as published by the American Water Works Association as shown in **Table No. 3** below. This same ratio is then used to determine the proportional water and sewer impact fee amount for each water meter size.

TABLE NO. 3
LIVING UNIT EQUIVALENCIES
FOR VARIOUS TYPES AND SIZES OF WATER METERS

Meter Type	Meter Size	Continuous Duty Maximum Rate (mgd) ^(a)	Living Unit Per Meter Size
Simple	3/4”	10	1.0
Simple	1”	25	2.5
Simple	1½”	50	5.0
Simple	2”	80	8.0
Compound	2”	80	8.0
Turbine	2”	100	10.0
Compound	3”	160	16.0
Turbine	3”	240	24.0
Compound	4”	250	25.0
Turbine	4”	420	42.0
Compound	6”	500	50.0
Turbine	6”	920	92.0
Compound	8”	800	80.0
Turbine	8”	1,600	160.0
Compound	10”	1,150	115.0
Turbine	10”	2,500	250.0
Turbine	12”	3,300	330.0

^(a) Source: AWWA Standard C700 (1995) - C703 (1996)

D. CALCULATION OF WATER & WASTEWATER LIVING UNIT EQUIVALENTS

The City of Venus provided the existing water meter count by size category as of May 2020. In total, there are 553 water meters serving the existing population of 4,083 residents and businesses in the Water Service Area. The City also provides water service to the existing prison from which the equivalent of an additional 270 water meters were calculated. **Table No. 4** shows the number of existing meters, the living unit equivalent factor, and the total number of living unit equivalents (LUE's) for water accounts.

TABLE NO. 4
WATER LIVING UNIT EQUIVALENTS BY METER SIZE

Meter Size	2020			2030			New Living Units During Impact Fee Period
	Number of Water Meters	Living Unit Equivalent Ratio for 3/4" Used	Total Number of Living Units	Number of Water Meters	Living Unit Equivalent Ratio for 3/4" Used	Total Number of Living Units	
3/4"	528	1.0	528	1,888	1.0	1,888	1,360
1"	4	1.7	7	14	1.7	23	16
1½"	0	3.3	0	0	3.3	0	0
2"	15	5.3	80	54	5.3	288	208
3"	4	5.3	21	14	5.3	75	54
4"	2	6.7	13	7	6.7	47	34
6"	0	10.7	0	0	10.7	0	0
8"	0	16.0	0	0	16.0	0	0
12"	0	16.7	0	0	16.7	0	0
Totals	553		649	1,977		2,321	1,672

The wastewater accounts deviate from the water meter counts due to ongoing development that are connected to the City's wastewater system but are provided water service from another source. The total number of lots from these platted developments total 1,234 bringing the total number of existing wastewater services to 1,787 serving a population of 6,897 residents (excluding prior population) and businesses in the Wastewater Service Area. **Table No. 5** illustrates the existing Sewer accounts, their Living Unit Equivalency Factor and LUE's.

TABLE NO. 5
WASTEWATER LIVING UNIT EQUIVALENTS BY METER SIZE

Meter Size	2020			2030			New Living Units During Impact Fee Period
	Number of Wastewater Connections	Living Unit Equivalent Ratio for 3/4" Used	Total Number of Living Units	Number of Wastewater Connections	Living Unit Equivalent Ratio for 3/4" Used	Total Number of Living Units	
3/4"	1,707	1	1,707	4,006	1	4,006	2,299
1"	13	2.5	33	31	3	78	45
1½"	0	5	0	0	5	0	0
2"	48	8	384	113	8	904	520
3"	13	8	104	31	8	248	144
4"	6	10	60	14	10	140	80
6"	0	16	0	0	16	0	0
8"	0	24	0	0	24	0	0
12"	0	25	0	0	25	0	0
Totals	1,787		2,288	4,195		5,376	3,088

E. WATER SUPPLY AND WATER DISTRIBUTION SYSTEM

At the time of this study, data was not available to accurately estimate or hydraulically model the existing water distribution lines to determine utilized capacity. The water distribution system was analyzed on a system wide basis and only considered water distribution facilities based on required storage and demand per connection. A new 12-inch supply line is envisioned to convey potable water from the City of Midlothian to the proposed ground storage reservoir and pump station. The supply line will increase the volume of water available to the City from 1-MGD to 3.5-MGD to meet TCEQ requirements and support future growth. The water distribution system facilities required in the next 10-years to support the anticipated growth include a water supply line, pump station, ground storage reservoir supporting water mains, and elevated storage tank.

1) Water Supply

The City's water supply currently relies exclusively on potable water provided by the City of Midlothian. The existing supply line is capable of conveying 1.0 MGD to the City of Venus.

Table No. 6 below summarizes the water supply requirements for the City within the planning

period. Additional water supply was assumed to be from potable water supplied by the City of Midlothian via a parallel 12-inch water line. The utilized capacity during the Impact Fee period is the difference between the year 2020 percent utilized and the year 2030 percent utilized as summarized in **Table No. 7**.

TABLE NO. 6
WATER SUPPLY REQUIREMENTS

City of Midlothian Supply Line	Capacity (gpm)	Capacity (MGD)
Existing	700	1.00
Total Exist. Supply:	700	1.00
New Supply	1,750	2.50
Total 2030 Supply:	2,450	3.50

TABLE NO. 7
WATER SUPPLY UTILIZED CAPACITY

Year	Population	Capacity Utilized (MGD) ⁽¹⁾	Available Capacity (MGD)	Utilized Capacity (%)
2020	5,123	1.54	1.00	154%
2030	10,621	3.19	3.50	91%

Notes:

(1) Assumes 300 gpcd

2) Pump Stations

High service pump stations must be included in the system wide analysis in order to provide pumping capacity for future supply and to provide the City a means to control the system and system pressures. The City does not currently own or operate a pump station to provide service to customers.

The high service pump station would need to be sized to pump the maximum daily demand (MDD) with the largest pump out of service. The addition of a new 3.5 MGD (2,431 gpm) pump station is needed to provide the required pumping and meet the 2030 MDD of approximately 3.19 MGD. The utilized capacity during the Impact Fee period is the difference between the year 2020 percent utilized and the year 2030 percent utilized as summarized in **Table No. 8**.

TABLE NO. 8
HIGH SERVICE PUMP STATION UTILIZED CAPACITY

Year	Required Pumping (MGD)	New Pump Capacity (MGD)	Available Pumping (MGD)	Utilized Capacity (%)
2020	1.54	-----	0.00	0%
2030	3.19	3.50	3.50	91%

3) Ground Storage Reservoirs

The City's existing water distribution system contains a ground storage reservoir for ground storage. However, the reservoir has not been in service and is in need of replacement. Therefore, for the purpose of this study, the existing ground storage reservoir was assumed to be remains out of service and replaced with a ground storage reservoir at the proposed high service pump station in the future.

The Texas Commission on Environmental Quality (TCEQ) requires public water systems to provide a total available ground storage of 100 gallons per connection, or a total combined elevated and/or ground storage of 200 gallons per connection, to meet maximum hourly demands. Establishing the total number of connections for the 2020 and 2030 study years allows for the calculation of the required ground storage and utilized capacity within the planning period. The utilized capacity during the Impact Fee period is the difference between the year 2020 percent utilized and the year 2030 percent utilized as summarized in **Table No. 9**.

TABLE NO. 9
GROUND STORAGE RESERVOIR UTILIZATION

Year	Required Ground Storage (MG)	New Ground Storage (MG)	Available Ground Storage (MG)	Utilized Capacity (%)
2020	0.08	-----	0.00	0%
2030	0.23	1.00	1.00	23%

4) Elevated Storage Tanks

Elevated storage is provided by an existing 0.15 elevated storage tank (EST). The TCEQ requires public water systems to provide 100 gallons of elevated storage per connection, or a total combined elevated and/or ground storage of 200 gallons per connection, to meet maximum hourly demands and to provide adequate pressures for firefighting capability.

Similar to the City's ground storage reservoir, the existing EST is beyond its service life and needs to be replaced. Additionally, the tanks bowl was constructed at an elevation that does not provide adequate pressures in the distribution system. The utilized capacity during the Impact Fee period is the difference between the year 2020 percent utilized and the year 2030

percent utilized as summarized in **Table No. 10**. For the purpose of determining impact fees, the existing elevated storage tank was assumed to be abandoned (or soon to be abandoned) and does not contribute to the elevated storage capacity or provide additional capacity for future growth.

TABLE NO. 10
ELEVATED STORAGE TANK UTILIZATION

Year	Required Elevated Storage (MG)	Available Elevated Storage (MG)	Utilized Capacity (%)
2020	0.08	0.00	0%
2030	0.23	0.75	31%

5) Water Distribution System Capital Improvement Projects

In order to meet the demands of the anticipated growth over the next 10-years, certain water distribution system improvements are required. **Table No. 11** itemizes each project and the project cost. These recommended improvements form the basis for the Water System Impact Fee Calculation and totals \$15,829,350. Adding the cost of financing brings the total 10-year Water System Capital Improvement cost to \$24,137,134.

TABLE NO. 11
10-YEAR CAPITAL IMPROVEMENT PLAN

WATER LINES

Project No.	Project	Capacity	Opinion of Project Cost ⁽¹⁾	Debt Service ⁽²⁾	Total Project Cost
1	Project A - Downtown Water Line Improvements	2.5 MGD	\$ 1,679,800	\$ 881,895	\$ 2,561,695
2	Project B - Eastern Elevated Tank Loop	2.5 MGD	\$ 1,387,700	\$ 728,543	\$ 2,116,243
3	Project C - US 67 Water Line Loop	2.5 MGD	\$ 3,195,250	\$ 1,677,506	\$ 4,872,756
Subtotal, Water Lines:			\$ 6,262,750	\$ 3,287,944	\$ 9,550,694

SUPPLY, PUMPING & STORAGE FACILITIES

Project No.	Project	Capacity	Opinion of Project Cost ⁽¹⁾	Debt Service ⁽²⁾	Total Project Cost
4	Midlothian Water Supply Line No. 2	2.50 MGD	\$ 1,362,000	\$ 715,050	\$ 2,077,050
5	High Service Pump Station #1	3.5 MGD	\$ 5,118,000	\$ 2,686,950	\$ 7,804,950
6	High Service Pump Station #1 Ground Storage Reservoir	1.0 MG	\$ 600,000	\$ 315,000	\$ 915,000
7	Elevated Storage Tank No. 2	0.75 MG	\$ 2,481,600	\$ 1,302,840	\$ 3,784,440
Subtotal, Supply, Pumping and Storage Facilities:			\$ 9,561,600	\$ 5,019,840	\$ 14,581,440

PLANNING EXPENSES

Project No.	Project	Opinion of Cost (1)(b)	Debt Service ⁽²⁾	Total Project Cost
	Water Impact Fee	\$ 5,000	\$ -	\$ 5,000
Subtotal, Planning Expenses:		\$ 5,000	\$ -	\$ 5,000
Water Distribution System CIP Grand Total:		\$ 15,829,350	\$ 8,307,784	\$ 24,137,134

Notes:

- (1) Opinion of Project Cost includes:
 - a) Engineer's Opinion of Construction Cost
 - b) Professional Services Fees (Survey, Engineering, Testing, Legal)
 - c) Cost of Easement or Land Acquisitions
- (2) Debt Service based on 20-year simple interest bonds at 5%

6) Cost of Existing and Proposed Facilities

Actual capital costs were not available at the time of this study. Therefore, an average cost in 2020 dollars has been calculated based on a limited survey of projects, which bid recently, plus an estimated cost for professional services. **Table No. 12** summarizes the cost and the utilized capacity of the proposed pump stations, ground storage reservoirs and elevated storage facilities included, and the capital recovered in the impact fee period. **Table No. 12** also summarizes the cost and the utilized capacity for the existing pump stations, ground storage reservoirs and elevated storage facilities included, and the capital recovered in the impact fee period.

TABLE NO. 12
SUMMARY OF ELIGIBLE CAPITAL COST & UTILIZATION

Water System	Total Capital Cost (\$)	Total 20-Year Project Cost (\$)	Utilized Capacity During Fee Period (\$)
Existing Water Facilities	\$ 800,000	\$ 1,220,000	\$ -
Existing Water System Subtotal:	\$ 800,000	\$ 1,220,000	\$ -
Proposed Water Lines	\$ 6,262,750	\$ 9,550,694	\$ 8,704,502
Proposed Water Facilities	\$ 9,561,600	\$ 14,581,440	\$ 10,377,593
Impact Fee Study Expenses	\$ 2,500	\$ 2,500	\$ 2,500
Proposed Water System Subtotal:	\$ 15,826,850	\$ 24,134,634	\$ 19,084,595
TOTAL:	\$ 16,626,850	\$ 25,354,634	\$ 19,084,595

F. WASTEWATER COLLECTION SYSTEM

At the time of this study, data was not available to accurately estimate or model the existing wastewater collection lines to determine utilized capacity. The wastewater collection system was analyzed on a system wide basis and only considered new wastewater treatment facilities or wastewater collection lines for the wastewater impact fee calculation.

1) Wastewater Service Area

This study considered all real property within the City's corporate limits and Extraterritorial Jurisdiction (ETJ). The City's wastewater service area was determined to generally encompass the City limits and extend up to 1-mile outside of the City's corporate limits as defined in Chapter 42, Local Government Code.

2) Existing Wastewater Treatment Plant

The City of Venus contracts with the Trinity River Authority of Texas (TRA) for wastewater treatment at the Mountain Creek Regional Wastewater Treatment Plant. The TRA Mountain Creek Regional Wastewater System 2020 – 2025 CIP and Budget Report dated June 26, 2020 reports that the existing Mountain Creek Regional Wastewater Treatment Plant is capable of treating 3.0 MGD with a projected 2021 average daily flow rate in the range of 2.797 MGD.

The TRA anticipates growth in the basin to necessitate two (2) expansions of the wastewater treatment plant during the planning period and include the addition of a peak flow storage facility to mediate peak wet weather flows. The interim expansion (2020) would increase the wastewater treatment plant capacity from 3.0 MGD to 4.5 MGD and include a 0.9 MG peak flow storage basin. Further expansion is anticipated to be completed by year 2022 to increase wastewater treatment capacity to 9.0 MGD.

3) Capital Improvement Program

a) Existing

The TRA reported an average daily flow rate for year 2020 of 2.419 MGD from the contracting parties. Of which, the City of Venus contributed 0.429 MGD or approximately 17.735% allocation. The estimated cost of the facility expansions, flow rates and percent allocation were obtained from the TRA Mountain Creek Regional Wastewater System 2020 – 2025 CIP and Budget Report dated June 26, 2020 and form the basis for the utilized capacity and impact fee calculations. **Table No. 13** shows the utilized capacity for the existing wastewater treatment plant during the years 2020 and 2030. The utilized capacity during the Impact Fee period is the difference between the year 2020 percent utilized and the year 2030 percent utilized as summarized in **Table No. 13**.

TABLE NO. 13
WASTEWATER TREATMENT PLANT UTILIZATION

Year	Utilized Capacity (MGD)	Treatment Capacity (MGD)	Additional Treatment Capacity (MGD)	Total Treatment Capacity (MGD)	Utilized Capacity (%)
2020	2.419	3.000	1.500	4.500	54%
2030	8.700	4.500	4.500	9.000	97%

b) Proposed

The proposed wastewater treatment plant expansion and associated facilities were reported by TRA and discussed in Section a) above. Average daily flows were set at 100 gallons per person per day within TCEQ requirements and 250 gallons per person per day for the existing prison.

Unlike wastewater treatment facilities, wastewater collection lines are required to convey the peak wastewater flow conditions. Peak daily flows were set at 100 gallons per person per day within TCEQ requirements and 250 gallons per person per day for the existing prison. The peaking factors were taken from the American Society of Civil Engineers (ASCE) Manuals and Reports on Engineering Practice No. 60, Curve 'A', based on the population served by each individual trunk or collector line.

Proposed wastewater trunk or collection sewer line utilized capacities were calculated based on the calculated peak flow rate for the year 2030 divided by the capacity of the individual pipe, generally on minimum grade. **Table No. 14** shows the utilized capacity for the proposed trunk or collection sewer lines during the years 2020 and 2030. The utilized capacity during the Impact Fee period is the difference between the year 2020 percent utilized and the year 2030 percent utilized as summarized in **Table No. 14**.

TABLE NO. 14
WASTEWATER TRUNK SEWER UTILIZATION

Trunk Sewer	2020 Capacity (MGD)	2030 Wastewater Flow (MGD)	⁽¹⁾ Pipe Capacity (MGD)	Utilized Capacity (%)
12" Johnston San. Sew.	0.000	0.479	1.015	47.20%
15" Griffin San. Sew.	0.000	1.852	1.864	99.37%
15" Berkowitz San. Sew.	0.000	1.574	1.586	99.25%
18" Regional San. Sew.	0.000	1.879	2.284	82.27%

In order to meet the demands of the anticipated growth over the next 10-years, certain wastewater collection system improvements are required. **Table No. 15** itemizes each project and the project cost and **Table No. 16** summarizes the capacity and project cost

utilized during the planning period. These recommended improvements form the basis for the Wastewater Collection System Impact Fee Calculation and totals \$25,722,040. Adding the cost of financing brings the total 10-year Capital Improvement cost to \$39,223,486.

TABLE NO. 15
10-YEAR CAPITAL IMPROVEMENT PLAN

EXISTING WASTEWATER TREATMENT PLANT EXPANSION

Project No.	Project	Expansion (MGD)	Opinion of Project Cost ⁽¹⁾	Debt Service ⁽²⁾	Total Project Cost
1	Existing TRA Wastewater Treatment Plant Interim Expansion (3.0 MGD to 4.5 MGD)	1.50	\$ 2,797,217	\$ 1,468,539	\$ 4,265,757
2	Peak Flow Storage	0.90	\$ 1,804,891	\$ 947,568	\$ 2,752,459
3	Existing TRA Wastewater Treatment Plant Expansion (4.5 MGD to 9.0 MGD)	4.50	\$ 11,668,211	\$ 6,125,811	\$ 17,794,022
4	Biosolids Beneficial Reuse	-----	\$ 5,321	\$ 2,793	\$ 8,114
Subtotal, Wastewater Treatment Facilities:			\$ 16,275,640	\$ 8,544,711	\$ 24,820,351

PROPOSED SANITARY SEWER COLLECTION LINES

Project No.	Project	Capacity (MGD)	Opinion of Project Cost ⁽¹⁾	Debt Service ⁽²⁾	Total Project Cost
5	15-Inch Griffin Sanitary Sewer Line	1.864	\$ 1,576,600	\$ 827,715	\$ 2,404,315
6	15-Inch Berkowitz Sanitary Sewer Line	1.586	\$ 1,052,000	\$ 552,300	\$ 1,604,300
7	12-Inch Johnston Sanitary Sewer Line	1.015	\$ 814,800	\$ 427,770	\$ 1,242,570
Subtotal, Sanitary Sewer Collection Lines:			\$ 3,443,400	\$ 1,807,785	\$ 5,251,185

PROPOSED SANITARY SEWER FACILITIES

Project No.	Project	Capacity (MGD)	Opinion of Project Cost ⁽¹⁾	Debt Service ⁽²⁾	Total Project Cost
8	18-Inch Regional Sanitary Sewer Line	2.284	\$ 5,673,000	\$ 2,978,325	\$ 8,651,325
9	F.M. 157 Lift Station Emergency Generator	-----	\$ 325,000	\$ 170,625	\$ 495,625
Subtotal, Wastewater Regional Facilities:			\$ 5,998,000	\$ 3,148,950	\$ 9,146,950

PLANNING EXPENSES

Project No.	Project	Opinion of Cost (1)(b)	Debt Service ⁽²⁾	Total Project Cost
	Wastewater Impact Fee	\$ 5,000	\$ -	\$ 5,000
Subtotal, Planning Expenses:		\$ 5,000	\$ -	\$ 5,000
Wastewater Collection System CIP Grand Total:		\$ 25,722,040	\$ 13,501,446	\$ 39,223,486

TABLE NO. 16
SUMMARY OF ELIGIBLE CAPITAL COST & UTILIZATION

Wastewater Collection System	Total Capital Cost (\$)	Total 20-Year Project Cost (\$)	Utilized Capacity During Fee Period (\$)
Existing Wastewater Facilities	\$ 16,275,640	\$ 24,820,351	\$ 17,151,498
Existing Wastewater System Subtotal:	\$ 16,275,640	\$ 24,820,351	\$ 17,151,498
Proposed Wastewater Collection Lines	\$ 3,443,400	\$ 5,251,185	\$ 4,567,929
Proposed Wastewater Facilities	\$ 5,998,000	\$ 9,146,950	\$ 7,612,893
Proposed Wastewater System Subtotal:	\$ 9,441,400	\$ 14,398,135	\$ 12,180,822
Wastewater Impact Fee Study Expenses	\$ 5,000	\$ 5,000	\$ 5,000
TOTAL	\$ 25,722,040	\$ 39,223,486	\$ 29,337,320

G. CALCULATION OF MAXIMUM IMPACT FEES - WATER & WASTEWATER SYSTEM

The maximum impact fees for the water and wastewater systems are calculated separately by dividing the cost of the capital improvements or facility expansions necessitated and attributable to new development in the service area within the ten year period by the number of living units anticipated to be added to the City within the study year period as shown on **Table No. 4** and **No. 5**. The calculations are shown below:

Maximum Water Impact Fee	=	$\frac{\text{Eligible Existing Utilized Cost} + \text{Eligible Proposed Utilized Cost}}{\text{Number of New Living Unit Equivalent over the Next 10 Years}}$	
	=	$\frac{\$0 + \$19,084,595}{1,672}$	$\frac{\$19,084,595}{1,672}$
Maximum Impact Fee	=	<u>\$11,414</u>	
Allowable Maximum Water Impact Fee: (Max Impact Fee x 50%)*	=		\$5,707
<i>* Maximum allowable impact fee is 50% of the maximum calculated impact fee per Chapter 395 LGC</i>			

Maximum Wastewater Impact Fee	=	$\frac{\text{Eligible Existing Utilized Cost} + \text{Eligible Proposed Utilized Cost}}{\text{Number of New Living Unit Equivalent over the Next 10 Years}}$	
	=	$\frac{\$17,151,498 + \$12,185,822}{3,088}$	$\frac{\$29,337,320}{3,088}$
Maximum Impact Fee	=	<u>\$9,500</u>	
Allowable Maximum Wastewater Impact Fee: (Max Impact Fee x 50%)*	=		\$4,750
<i>* Maximum allowable impact fee is 50% of the maximum calculated impact fee per Chapter 395 LGC</i>			

Based on the Maximum Impact Fee Calculation for Water and Wastewater, **Table No. 17** calculates the maximum impact fee for the various sizes of water meters.

TABLE NO. 17
ALLOWABLE MAXIMUM FEE PER LIVING UNIT EQUIVALENT
AND
PER METER SIZE AND TYPE

50% Max . Water Impact fee /LUE		\$	5,707
50% Max . Wastewater Impact fee /LUE		\$	4,750

Typical Land Use	Meter Type	Meter Size	LUE	Maximum Impact Fee		Total
				Water	Wastewater	
Single Family Residential	Simple	5/8" x3/4"	1.0	\$ 5,707	\$ 4,750	\$ 10,457
Single Family Residential	Simple	1"	2.5	\$ 14,268	\$ 11,876	\$ 26,143
Single Family Residential	Simple	1-1/2"	5.0	\$ 28,536	\$ 23,751	\$ 52,287
Single Family Residential	Simple	2"	8	\$ 45,657	\$ 38,002	\$ 83,659
Commercial/Retail	Compound	2"	8	\$ 45,657	\$ 38,002	\$ 83,659
Commercial/Retail	Turbine	2"	10	\$ 57,071	\$ 47,502	\$ 104,573
Commercial/Retail/Multi Family	Compound	3"	16	\$ 91,314	\$ 76,003	\$ 167,317
Commercial/Retail/Multi Family	Turbine	3"	24	\$ 136,971	\$ 114,005	\$ 250,976
Commercial/Retail/Multi Family	Compound	4"	25	\$ 142,678	\$ 118,755	\$ 261,433
Commercial/Retail/Multi Family	Turbine	4"	42	\$ 239,699	\$ 199,509	\$ 439,208
Industrial	Compound	6"	50	\$ 285,356	\$ 237,511	\$ 522,866
Industrial	Turbine	6"	92	\$ 525,055	\$ 437,020	\$ 962,074
Industrial	Compound	8"	80	\$ 456,569	\$ 380,017	\$ 836,586
Industrial	Turbine	8"	160	\$ 913,139	\$ 760,034	\$ 1,673,173
Industrial	Compound	10"	115	\$ 656,318	\$ 546,275	\$ 1,202,593
Industrial	Turbine	10"	250	\$1,426,779	\$ 1,187,553	\$ 2,614,332
Industrial	Turbine	12"	330	\$1,883,348	\$ 1,567,571	\$ 3,450,919

APPENDIX A

***EXISTING WATER & WASTEWATER
IMPACT FEE TABLES***

CITY OF VENUS, TEXAS
WATER DISTRIBUTION SYSTEM IMPACT FEE STUDY
EXISTING WATER SUPPLY, TREATMENT, PUMPING AND STORAGE FACILITIES

Pump Station Improvements	Year Const.	Capacity	Pump Station Cost (\$)			Capacity Utilized (%)			Capacity Utilized (\$)		In The CRF Period
			Net Cost to City of Venus (2020 Dollars)	Debt Service Interest Rate %	20 Year Debt Service Utilizing Simple Interest	Total 20 Yr. Project Cost \$	2020	2030	2020	2030	
Water Supply											
Midlothian Supply Line		1 MGD	\$500,000	5%	\$262,500	\$762,500	100%	100%	\$762,500	\$762,500	\$0
Groundwater Supply Subtotal			\$500,000		\$262,500	\$762,500			\$762,500	\$762,500	\$0
Elevated Storage Tanks											
Elevated Storage Tank		0.15 MG	\$ 300,000	5%	\$ 157,500	\$ 457,500	0%	0%	\$0	\$0	\$0
Subtotal Elevated Storage Tanks			\$ 300,000		\$ 157,500	\$ 457,500			\$0	\$0	\$0
Existing Facilities Total			\$ 800,000		\$ 420,000	\$ 1,220,000			\$ 762,500	\$ 762,500	\$ -

CITY OF VENUS, TEXAS
WASTEWATER COLLECTION SYSTEM IMPACT FEE STUDY
EXISTING WASTEWATER FACILITIES

Pump Station Improvements					Existing Wastewater Facilities												
Year Constructed	Exist. Capacity (MGD)	Expansion (MGD)	Proposed Capacity (MGD)	Facility Cost (\$)			Capacity Utilized (%)			Capacity Utilized (\$)							
				(1)Construction Cost (City's Share)	Debt Service Interest Rate %	20 Year Debt Service Utilizing Simple Interest	Total 20 Yr. Project Cost \$										
1 Existing TRA Wastewater Treatment Plant Interim Expansion (3.0 MGD to 4.5 MGD)	2020	3.0	1.5	4.5	\$2,797,217.41	5%	\$1,468,539	\$4,265,757	54%	100%	46%	\$2,293,081	\$4,265,757	\$1,972,675			
2 Peak Flow Storage	2020	-----	0.9	0.9	\$1,804,890.95	5%	\$947,568	\$2,752,459	0%	100%	100%	\$0	\$2,752,459	\$2,752,459			
3 Existing TRA Wastewater Treatment Plant Expansion (4.5 MGD to 9.0 MGD)	2022	4.5	4.5	9.0	\$11,668,211.00	5%	\$6,125,811	\$17,794,022	27%	97%	70%	\$4,782,638	\$17,200,888	\$12,418,250			
4 Biosolids Beneficial Reuse	2020	-----	-----	-----	\$5,320.50	5%	\$2,793	\$8,114	0%	100%	100%	\$0	\$8,114	\$8,114			
Existing Facilities Total															\$7,075,719	\$24,227,217	\$17,151,498

Notes:

(1) TRA 5-Year CIP Cost Times City of Venus 2020 Percent Share (17.735%)

Utilized Capacity Based on TRA Estimated 2021 Avg. Daily Flow of 2.797 MGD, 8.7 MGD by Year 2025

APPENDIX B

***PROPOSED WATER & WASTEWATER
IMPACT FEE TABLES***

CITY OF VENUS, TEXAS
WATER DISTRIBUTION IMPACT FEE STUDY
PROPOSED WATER LINES

Facility Improvements	Year Const.	(1) Projected Capacity	Units	Water Line Cost (\$)				Capacity Utilized (%)			Capacity Utilized (\$)				
				Construction Cost (\$)	Engineering, Testing and Property Acquisition (\$)	Opinion of Project Total Cost (\$)	20 Year Debt Service Utilizing Simple Interest (\$)	Total 20 Yr. Project Cost (\$)	2020	2030	In The CRF Period	2020	2030	In The CRF Period	
Water Lines															
1	Project A - Downtown Water Line Improvements	2021	2.5	MGD	\$ 1,131,200	\$ 548,600	\$ 1,679,800	\$ 881,895	\$ 2,561,695	0%	91%	\$ -	\$ 2,334,729	\$ 2,334,729	
2	Project B - Eastern Elevated Tank Loop	2022	2.5	MGD	\$ 1,000,900	\$ 386,800	\$ 1,387,700	\$ 728,543	\$ 2,116,243	0%	91%	\$ -	\$ 1,928,743	\$ 1,928,743	
3	Project C - US 67 Water Line Loop	2022	2.5	MGD	\$ 2,184,900	\$ 1,010,350	\$ 3,195,250	\$ 1,677,506	\$ 4,872,756	0%	91%	\$ -	\$ 4,441,030	\$ 4,441,030	
Water Supply Subtotal:					\$ 4,317,000	\$ 1,945,750	\$ 6,262,750	\$ 3,287,944	\$ 9,550,694			\$ 8,704,502	\$ 8,704,502	\$ 8,704,502	
Proposed Water Line Improvements Total:					\$ 4,317,000	\$ 1,945,750	\$ 6,262,750	\$ 3,287,944	\$ 9,550,694			\$ 8,704,502	\$ 8,704,502	\$ 8,704,502	

Notes:

(1) Capacity based on maximum velocity of 5 fps.

**CITY OF VENUS, TEXAS
WATER DISTRIBUTION IMPACT FEE STUDY
PROPOSED WATER FACILITIES**

Max Day Demand	Facility Improvements	Year Const.	Projected Capacity	Water Facilities Cost (\$)				Capacity Utilized (%)		Capacity Utilized (\$)		In The CRF Period		
				Construction Cost (\$)	Engineering, Testing and Property Acquisition (\$)	Opinion of Project Total Cost (\$)	20 Year Debt Service Utilizing Simple Interest (\$)	Total 20 Yr. Project Cost (\$)	2020	2030	In The CRF Period			
Water Supply														
4	Midlothian Water Supply Line No. 2	2021	2.50 MGD	\$ 852,000	\$ 510,000	\$ 1,362,000	\$ 715,050	\$ 2,077,050	0%	91%	\$ -	\$ 1,893,023	\$ 1,893,023	
Water Supply Subtotal:				\$ 852,000	\$ 510,000	\$ 1,362,000	\$ 715,050	\$ 2,077,050			\$ 1,893,023	\$ 1,893,023		
Proposed Pump Stations, Ground Storage, and Elevated Storage Facilities														
Max Day Demand	5	High Service Pump Station #1	2021	3.5 MGD	\$ 4,265,000	\$ 853,000	\$ 5,118,000	\$ 2,686,950	\$ 7,804,950	0%	91%	\$ -	\$ 7,113,431	\$ 7,113,431
	6	High Service Pump Station #1 Ground Storage Reservoir	2021	1.0 MG	\$ 500,000	\$ 100,000	\$ 600,000	\$ 315,000	\$ 915,000	0%	23%	\$ -	\$ 210,450	\$ 210,450
	7	Elevated Storage Tank No. 2	2023	0.75 MG	\$ 2,068,000	\$ 413,600	\$ 2,481,600	\$ 1,302,840	\$ 3,784,440	0%	31%	\$ -	\$ 1,160,688	\$ 1,160,688
	Facility Subtotal:				\$ 6,833,000	\$ 1,366,600	\$ 8,199,600	\$ 4,304,790	\$ 12,504,390			\$ 8,484,569	\$ 8,484,569	
Proposed Facility Total					\$ 7,685,000	\$ 1,876,600	\$ 9,561,600	\$ 5,019,840	\$ 14,581,440			\$ 10,377,593	\$ 10,377,593	

**CITY OF VENUS, TEXAS
WASTEWATER COLLECTION SYSTEM IMPACT FEE STUDY
PROPOSED WASTEWATER COLLECTION LINES**

Facility Improvements	Year Const.	(1) Projected Capacity	Sanitary Sewer Line Cost (\$)					Capacity Utilized (%)			Capacity Utilized (\$)		In The CRF Period	
			Construction Cost (\$)	Engineering, Testing and Property Acquisition (\$)	Opinion of Project Total Cost (\$)	20 Year Debt Service Utilizing Simple Interest (\$)	Total 20 Yr. Project Cost (\$)	2020	2030	In The CRF Period	2020	2030		
Proposed Wastewater Collection Lines														
5	15-Inch Griffin Sanitary Sewer Line	2023	1.864	MGD	\$ 1,240,000	\$ 336,600	\$ 1,576,600	\$ 827,715	\$ 2,404,315	\$ -	\$ 2,389,168	\$ 2,389,168		
6	15-Inch Berkowitz Sanitary Sewer Line	2023	1.586	MGD	\$ 808,000	\$ 244,000	\$ 1,052,000	\$ 552,300	\$ 1,604,300	\$ -	\$ 1,592,268	\$ 1,592,268		
7	12-Inch Johnston Sanitary Sewer Line	2025	1.015	MGD	\$ 653,000	\$ 161,800	\$ 814,800	\$ 427,770	\$ 1,242,570	\$ -	\$ 586,493	\$ 586,493		
Wastewater Collection Subtotal:					\$ 2,701,000	\$ 742,400	\$ 3,443,400	\$ 1,807,785	\$ 5,251,185	\$ -	\$ 4,567,928.61	\$ 4,567,928.61		
Proposed Wastewater Collection Improvements Total:					\$ 2,701,000	\$ 742,400	\$ 3,443,400	\$ 1,807,785	\$ 5,251,185	\$ -	\$ 4,567,929	\$ 4,567,929		

Notes:

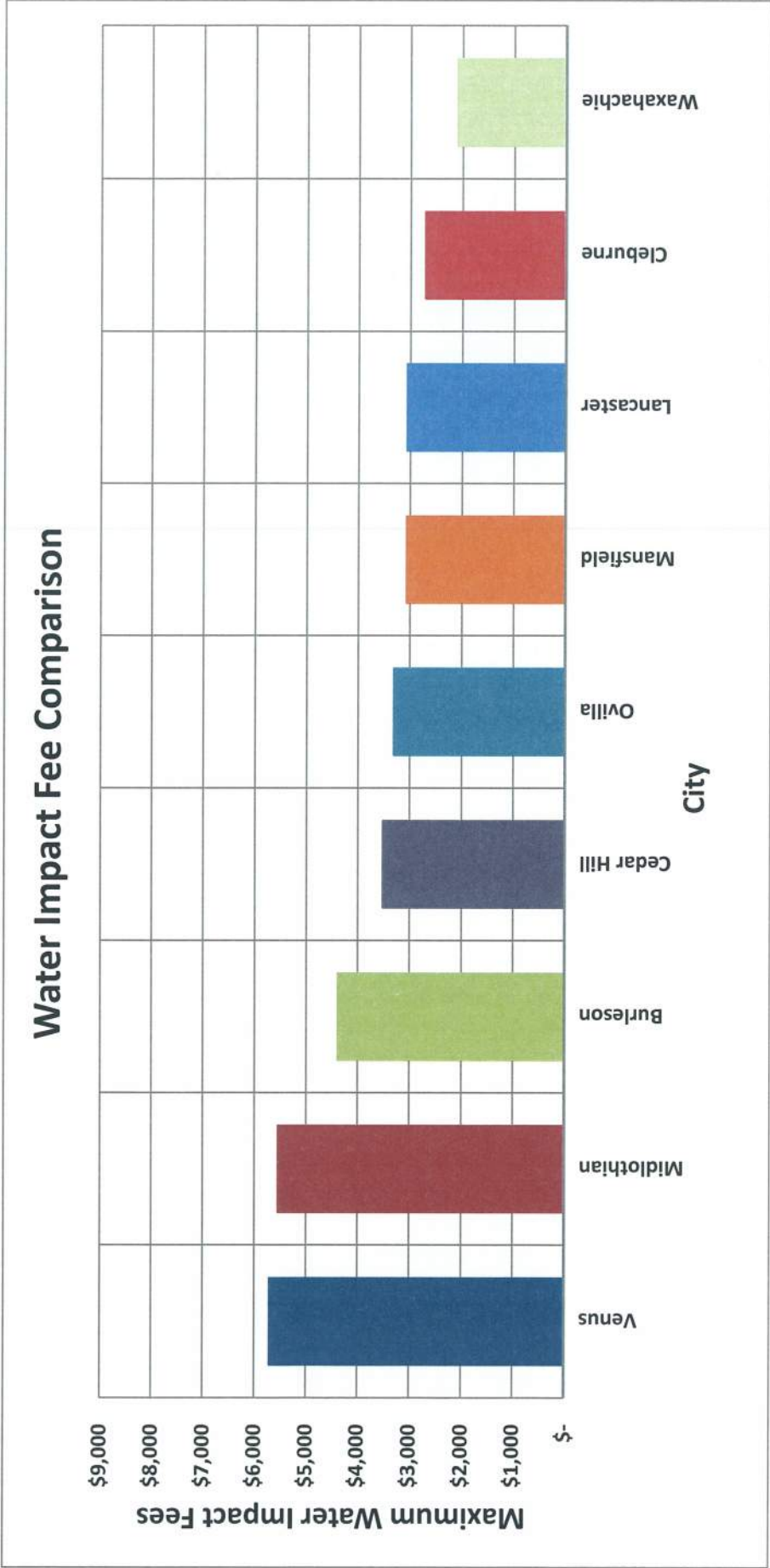
(1) Capacity based on pipe minimum slope (Per TCEQ)

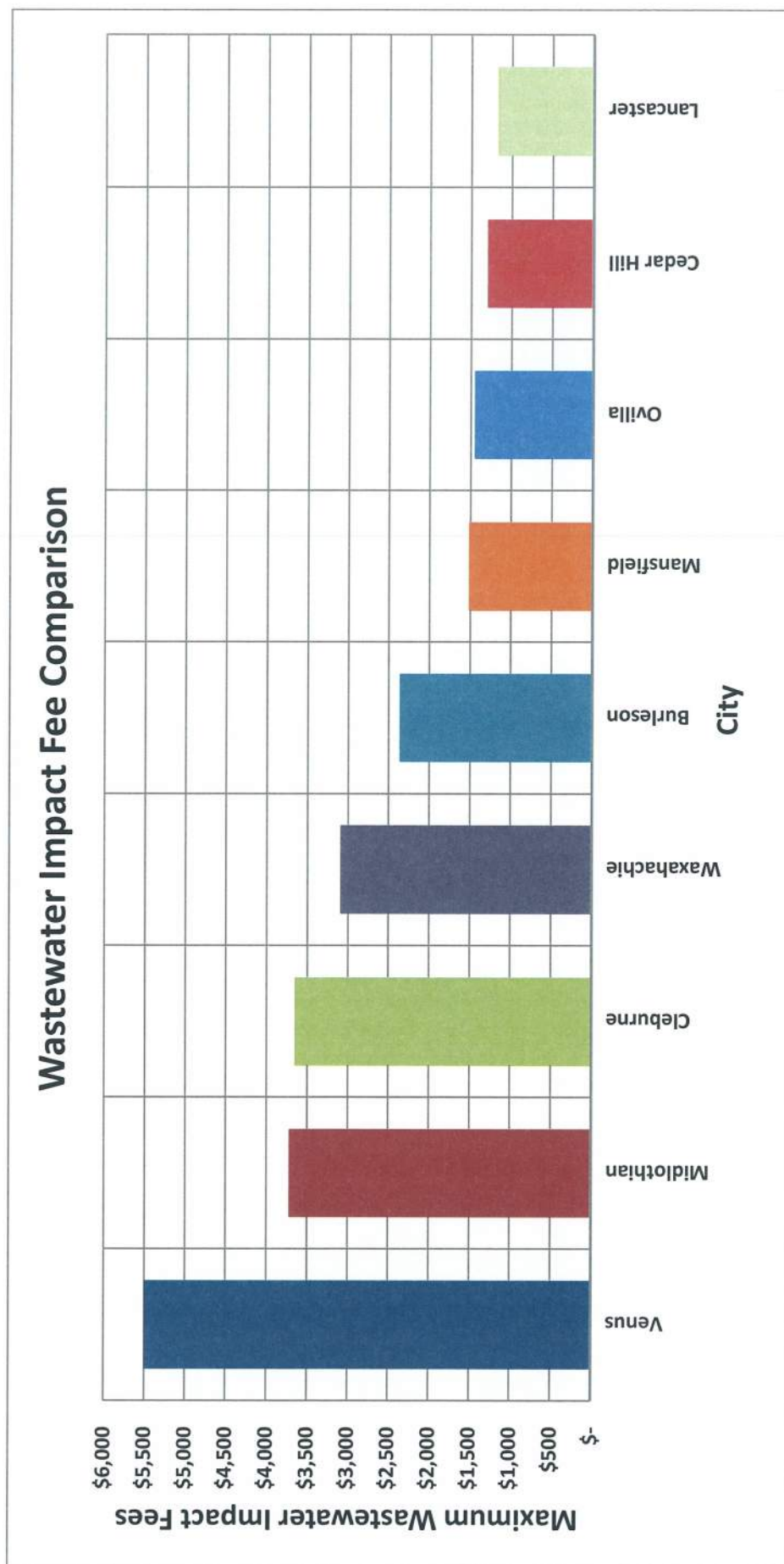
**CITY OF VENUS, TEXAS
WASTEWATER COLLECTION SYSTEM IMPACT FEE STUDY
PROPOSED WASTEWATER FACILITIES**

			Sewer Facilities Cost (\$)					Capacity Utilized (%)			Capacity Utilized (\$)		
			Construction Cost (\$)	Engineering, Testing and Property Acquisition (\$)	Opinion of Project Total Cost (\$)	20 Year Debt Service Utilizing Simple Interest (\$)	Total 20 Yr. Project Cost (\$)	2020	2030	In The CRF Period	2020	2030	In The CRF Period
Facility Improvements													
Proposed Facility Improvements													
8	18-Inch Regional Sanitary Sewer Line	2022	\$ 4,420,000	\$ 1,253,000	\$ 5,673,000	\$ 2,978,325	\$ 8,651,325	0%	82%	\$ -	\$ 7,117,268	\$ 7,117,268	\$ 7,117,268
9	F.M. 157 Lift Station Emergency Generator	2022	\$ 295,000	\$ 30,000	\$ 325,000	\$ 170,625	\$ 495,625	0%	100%	\$ -	\$ 495,625	\$ 495,625	\$ 495,625
Facility Subtotal:			\$ 4,715,000	\$ 1,283,000	\$ 5,998,000	\$ 3,148,950	\$ 9,146,950				\$ 7,612,893	\$ 7,612,893	\$ 7,612,893
Proposed Facility Total			\$ 4,715,000	\$ 1,283,000	\$ 5,998,000	\$ 3,148,950	\$ 9,146,950				\$ 7,612,893	\$ 7,612,893	\$ 7,612,893

APPENDIX C

WATER & WASTEWATER IMPACT FEE COMPARISON CHARTS





APPENDIX D

***WATER & WASTEWATER CAPITAL
IMPROVEMENT PLAN MAPS***

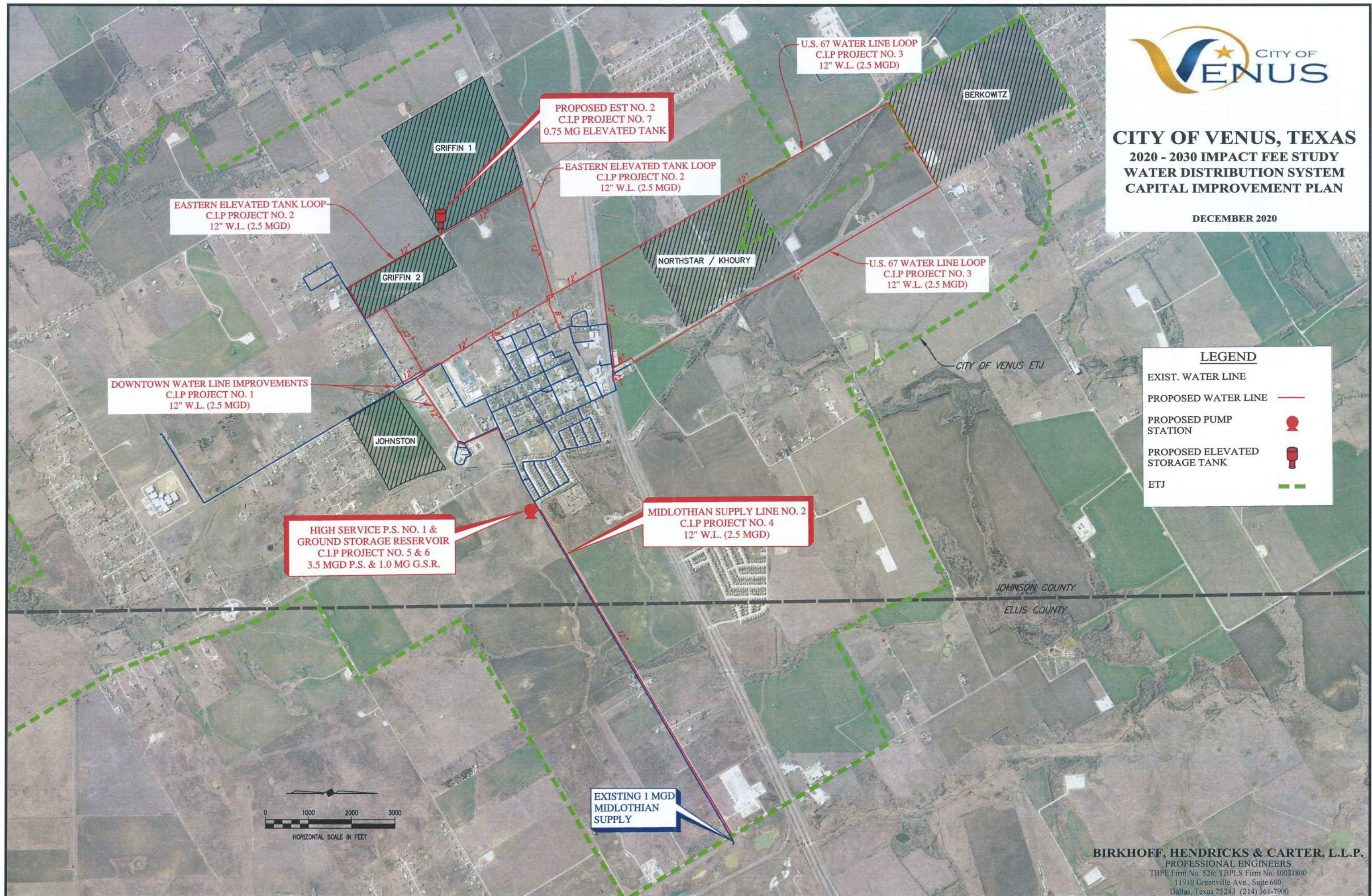


CITY OF VENUS, TEXAS
2020 - 2030 IMPACT FEE STUDY
WATER DISTRIBUTION SYSTEM
CAPITAL IMPROVEMENT PLAN

DECEMBER 2020

LEGEND

- EXIST. WATER LINE
- PROPOSED WATER LINE
- PROPOSED PUMP STATION
- PROPOSED ELEVATED STORAGE TANK
- ETJ

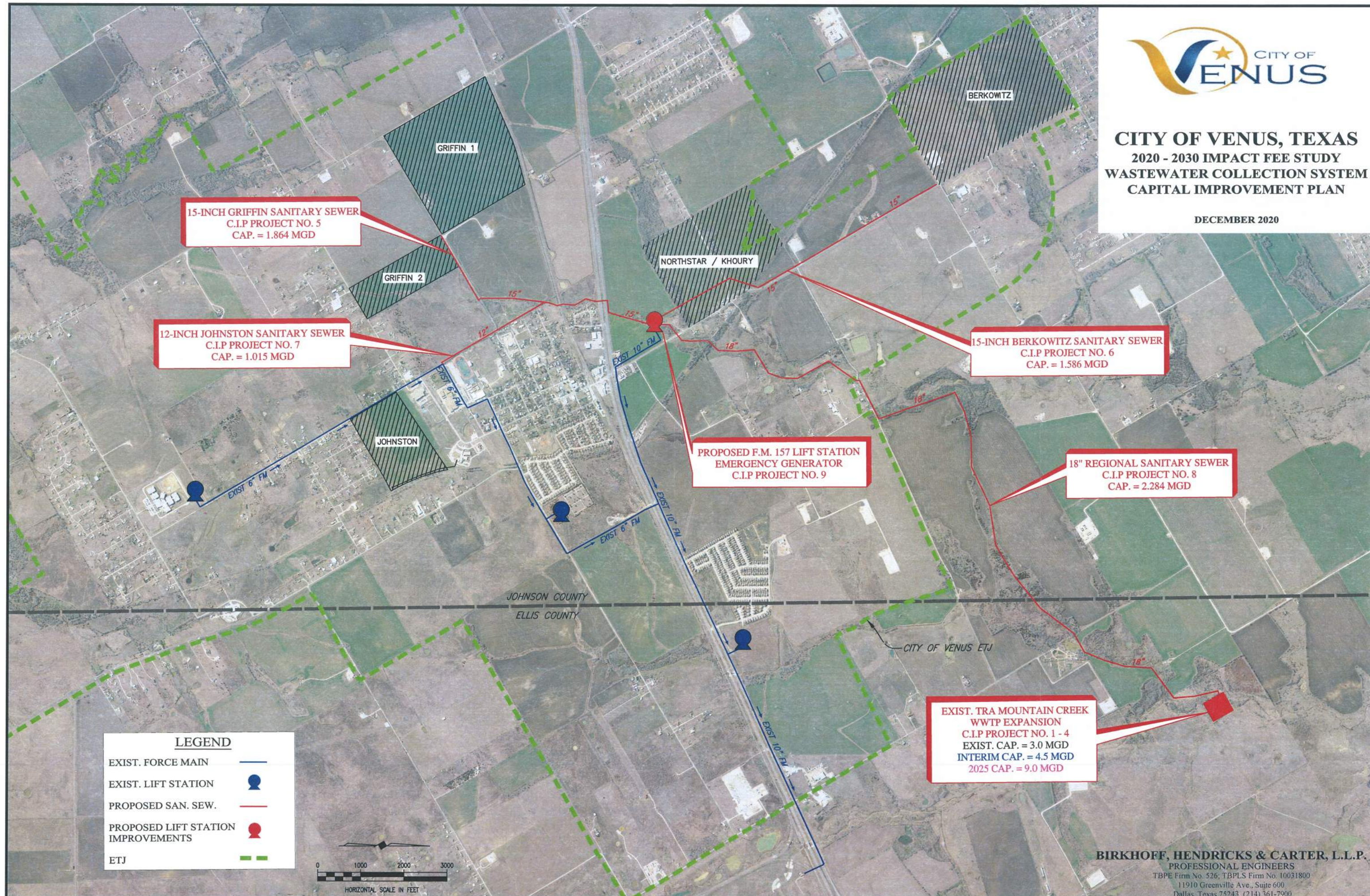


BIRKHOFF, HENDRICKS & CARTER, L.L.P.
PROFESSIONAL ENGINEERS
TBPE Firm No. 526; TBPLS Firm No. 10031800
11910 Greenville Ave., Suite 600
Dallas, Texas 75243 (214) 361-7900



CITY OF VENUS, TEXAS
2020 - 2030 IMPACT FEE STUDY
WASTEWATER COLLECTION SYSTEM
CAPITAL IMPROVEMENT PLAN

DECEMBER 2020



LEGEND

- EXIST. FORCE MAIN
- EXIST. LIFT STATION
- PROPOSED SAN. SEW.
- PROPOSED LIFT STATION IMPROVEMENTS
- ETJ



EXIST. TRA MOUNTAIN CREEK
WWTP EXPANSION
C.I.P. PROJECT NO. 1 - 4
EXIST. CAP. = 3.0 MGD
INTERIM CAP. = 4.5 MGD
2025 CAP. = 9.0 MGD

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WATER AND WASTEWATER IMPACT FEE STUDY

2020 to 2030

BIRKHOFF, HENDRICKS & CARTER, L.L.P.
PROFESSIONAL ENGINEERS

11910 Greenville Ave., Suite 600
Dallas, Texas 75243
Phone (214) 361-7900; Fax (214) 461-8390
www.bhcllp.com

December 2020

NO. _____

**WRITTEN COMMENTS OF THE CAPITAL
IMPROVEMENT ADVISORY COMMITTEE
RECOMMENDING THE ADOPTION OF THE LAND USE
ASSUMPTIONS AND CAPITAL IMPROVEMENT PLAN IN
THE CITY'S *WATER AND WASTEWATER IMPACT FEE
STUDY: 2020-2030* SUBMITTED BY BIRKHOFF,
HENDRICKS & CARTER, L.L.P., DATED JULY 2020.**

WHEREAS, the Capital Improvement Advisory Committee ("CIAC") of the City of Venus, Texas has been established in accordance with Texas Local Government Code chapter 395; and

WHEREAS, the CIAC has received the Land Use Assumptions and Capital Improvement Plan in the City's *Water and Wastewater Impact Fee Study: 2020-30* submitted by Birkhoff, Hendricks & Carter, L.L.P., dated July 2020; and

WHEREAS, the CIAC has had the opportunity to review and comment upon the Land Use Assumptions and Capital Improvement Plan contained in the City's *Water and Wastewater Impact Fee Study: 2020-30*; and

WHEREAS, the CIAC recommends the adoption of the Land Use Assumptions and Capital Improvement Plan by the City of Venus City Council.

NOW, THEREFORE, THE CAPITAL IMPROVEMENT ADVISORY COMMITTEE OF THE CITY OF VENUS, TEXAS FINDS THAT:

SECTION 1: Findings Incorporated. The recitals contained in the preamble above are hereby found to be true, and such recitals are hereby made a part of these comments for all purposes as part of the judgment and findings of the CIAC.

SECTION 2: Approval Recommended. The CIAC recommends the adoption by the City Council of the Land Use Assumptions and Capital Improvement Plan contained in the City's *Water and Wastewater Impact Fee Study: 2020-30* submitted by Birkhoff, Hendricks & Carter, L.L.P., dated July 2020.

SECTION 3: Effective Date. These findings shall be in force and effect immediately upon final passage.

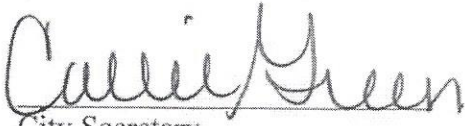
PASSED AND APPROVED on this the 24th day of September, 2020.

**CAPITAL IMPROVEMENT ADVISORY
COMMITTEE**



Ronald Lewis, Chair

ATTEST:



City Secretary

ORDINANCE NO. 722-2021-04

AN ORDINANCE OF THE CITY OF VENUS, TEXAS, AMENDING THE VENUS CODE OF ORDINANCES, CHAPTER 16, "OFFENSES AND MISCELLANEOUS PROVISIONS, ARTICLE II "JUVENILE CURFEW" BY CONTINUING AND READOPTING THE CURFEW PROVISIONS OF SAID PROVISION; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council has previously passed and adopted Ordinance No. 94-0804, which provides curfew hours for minors and establishing such curfew hours and penalties for violations thereof; and

WHEREAS, Chapter 370.002 of the TEXAS LOCAL GOVERNMENT CODE, as amended, provides that the City Council shall review the Article and conditions the ordinance was intended to remedy three (3) years from its date of passage and every third year thereafter and conduct public hearings to determine the need to continue, modify or abolish the ordinance; and

WHEREAS, prior to the expiration of such three (3) year period, the Police Department has furnished records and reports indicating the need for such ordinance to remain in effect; and

WHEREAS, after conducting the required public hearing, the City Council desires to continue the Juvenile Curfew Ordinance contained in Chapter 16, "Offenses and Miscellaneous Provisions", Article II "Juvenile Curfew" of the Venus Code of Ordinances; and

WHEREAS, the City desires to continue/re-adopt the provisions of the Code without any modifications and schedule.

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

SECTION 1. The City Council readopts and continues in effect Chapter 16, "Offenses and Miscellaneous Provisions", Article II "Juvenile Curfew".

SECTION 2. That all provisions of any ordinance of the City of Venus, Texas, in conflict with the provisions of this ordinance be, and the same are hereby, repealed, and all other provisions not in conflict with the provisions of this ordinance shall remain in full force and effect.

SECTION 3. That should any word, phrase, paragraph, or section of this ordinance or of the Code of Ordinances, as amended hereby, be held to be unconstitutional, illegal or invalid, the

same shall not affect the validity of this ordinance as a whole, or any part or provision thereof other than the part so decided to be unconstitutional, illegal or invalid, and shall not affect the validity of the Code of Ordinances as a whole.

SECTION 4. The recitals set out in the preamble to this ordinance are found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes.

SECTION 5. That this ordinance shall take effect immediately from and after its passage and publication, as the law in such cases provide.

DULY PASSED by the City Council of the City of Venus, Texas, this the 12th day of April 2021.

APPROVED:

By: _____
James L. Burgess, Mayor

ATTEST:

By: _____
Callie Green, City Secretary

CERTIFICATE FOR ORDINANCE

We, the undersigned officers of the City of Venus, Texas, hereby certify as follows:

1. The City Council of said City convened in Regular Session on the 12th day of April, 2021, at the scheduled meeting place thereof, and the roll was called of the duly constituted officers and members of said City Council, to-wit:

James L. Burgess, Mayor
Jeanie Toland-Scott, Mayor Pro-Tem
Linda Raye Harris, Council Member

Jeannie Prazak, Council Member
Geronimo Hernandez, Council Member
Phyllis Lewis, Council Member

Andy Wolfe, City Administrator
Callie Green, City Secretary

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

AN ORDINANCE REPEALING AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF VENUS, TEXAS REGARDING BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1; APPROVING A SERVICE AND ASSESSMENT PLAN AND ASSESSMENT ROLL FOR THE DISTRICT; LEVYING ASSESSMENTS AGAINST PROPERTY WITHIN PHASE 1 AND 2 OF THE DISTRICT TO PAY THE COSTS OF IMPROVEMENTS; PROVIDING FOR PAYMENT AND PREPAYMENT OF ASSESSMENTS; FIXING A CHARGE AND LIEN AGAINST PROPERTY WITHIN THE DISTRICT AND THE OWNERS THEREOF; PROVIDING FOR THE MANNER AND METHOD OF COLLECTING ASSESSMENTS; PROVIDING PENALTIES FOR DELINQUENT ASSESSMENTS; MAKING FINDINGS OF SPECIAL BENEFIT TO THE PROPERTY WITHIN PHASE 1 AND 2 OF THE DISTRICT AND THE OWNERS THEREOF; PROVIDING FOR SAVINGS, REPEALING AND SEVERABILITY CLAUSES; PROVIDING AN EFFECTIVE DATE; AND PROVIDING FOR RECORDATION.

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

AYES: ____

NOES: ____

ABSTENTIONS: ____

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

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

SIGNED AND SEALED THE 12TH DAY OF APRIL, 2021.

ATTEST:

James L. Burgess, Mayor

Callie Green, City Secretary

(SEAL)

Signature page to a
CERTIFICATE FOR ORDINANCE REPEALING AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF VENUS, TEXAS REGARDING BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1; APPROVING A SERVICE AND ASSESSMENT PLAN AND ASSESSMENT ROLL FOR THE DISTRICT; LEVYING ASSESSMENTS AGAINST PROPERTY WITHIN PHASE 1 AND 2 OF THE DISTRICT TO PAY THE COSTS OF IMPROVEMENTS; PROVIDING FOR PAYMENT AND PREPAYMENT OF ASSESSMENTS; FIXING A CHARGE AND LIEN AGAINST PROPERTY WITHIN THE DISTRICT AND THE OWNERS THEREOF; PROVIDING FOR THE MANNER AND METHOD OF COLLECTING ASSESSMENTS; PROVIDING PENALTIES FOR DELINQUENT ASSESSMENTS; MAKING FINDINGS OF SPECIAL BENEFIT TO THE PROPERTY WITHIN PHASE 1 AND 2 OF THE DISTRICT AND THE OWNERS THEREOF; PROVIDING FOR SAVINGS, REPEALING AND SEVERABILITY CLAUSES; PROVIDING AN EFFECTIVE DATE; AND PROVIDING FOR RECORDATION.



ORDINANCE NO. 723-2021-04

ORDINANCE REPEALING AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF VENUS, TEXAS REGARDING BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1; APPROVING A SERVICE AND ASSESSMENT PLAN AND ASSESSMENT ROLL FOR THE DISTRICT; LEVYING ASSESSMENTS AGAINST PROPERTY WITHIN PHASE 1 AND 2 OF THE DISTRICT TO PAY THE COSTS OF IMPROVEMENTS; PROVIDING FOR PAYMENT AND PREPAYMENT OF ASSESSMENTS; FIXING A CHARGE AND LIEN AGAINST PROPERTY WITHIN THE DISTRICT AND THE OWNERS THEREOF; PROVIDING FOR THE MANNER AND METHOD OF COLLECTING ASSESSMENTS; PROVIDING PENALTIES FOR DELINQUENT ASSESSMENTS; MAKING FINDINGS OF SPECIAL BENEFIT TO THE PROPERTY WITHIN PHASE 1 AND 2 OF THE DISTRICT AND THE OWNERS THEREOF; PROVIDING FOR SAVINGS, REPEALING AND SEVERABILITY CLAUSES; PROVIDING AN EFFECTIVE DATE; AND PROVIDING FOR RECORDATION.

RECITALS

WHEREAS, the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the “Act”), authorizes the governing body (the “City Council”) of the City of Venus, Texas (the “City”), to create a public improvement district within the City; and

WHEREAS, the City Council has previously created the Brahman Ranch Public Improvement District No. 1 (the “District”), as amended; and

WHEREAS, on January 11, 2021, the City Council, after notice and public hearing, adopted Ordinance No. 719-2021-01 entitled “ORDINANCE OF THE CITY COUNCIL OF THE CITY OF VENUS, TEXAS REGARDING BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1; APPROVING A SERVICE AND ASSESSMENT PLAN AND ASSESSMENT ROLL FOR THE DISTRICT; LEVYING ASSESSMENTS AGAINST PROPERTY WITHIN PHASE 1 AND 2 OF THE DISTRICT TO PAY THE COSTS OF IMPROVEMENTS; PROVIDING FOR PAYMENT AND PREPAYMENT OF ASSESSMENTS; FIXING A CHARGE AND LIEN AGAINST PROPERTY WITHIN THE DISTRICT AND THE OWNERS THEREOF; PROVIDING FOR THE MANNER AND METHOD OF COLLECTING ASSESSMENTS; PROVIDING PENALTIES FOR DELINQUENT ASSESSMENTS; MAKING FINDINGS OF SPECIAL BENEFIT TO THE PROPERTY WITHIN PHASE 1 AND 2 OF THE DISTRICT AND THE OWNERS THEREOF; PROVIDING FOR SAVINGS, REPEALING AND SEVERABILITY CLAUSES; PROVIDING

AN EFFECTIVE DATE; AND PROVIDING FOR RECORDATION” (the “Initial Assessment Ordinance”) accepting and approving a service and assessment plan for the District (the “Initial Service and Assessment Plan”), approving the assessment roll and levying the Phase 1 and 2 Improvements Assessments on the Assessed Property (each as defined in the Initial Service and Assessment Plan); and

WHEREAS, immediately following said adoption, on or about January 13, 2021, it was discovered that the estimated costs of the Phase 1 and 2 Authorized Improvements (as described in the Initial Service and Assessment Plan) were incorrect, the legal description of the Phase 1 and Phase 2 Property (as defined in the Initial Service and Assessment Plan) was inaccurate and, as a result, the assessments were not levied in the manner required by Section 372.015(b) of the Act; and

WHEREAS, due to the grave errors contained in the Initial Service and Assessment Plan, the Initial Assessment Ordinance was never recorded in the real property records of Ellis County, as set forth in Section 11 of the Initial Assessment Ordinance; and

WHEREAS, this City Council has received written advice from its bond counsel, McCall, Parkhurst & Horton L.L.P., that due to the aforementioned defects, the Phase 1 and 2 Improvements Assessments (as defined in the Initial Service and Assessment Plan) are invalid; and

WHEREAS, pursuant to the authority granted by Section 372.020(3) of the Act, the City Council hereby finds and determines that the Initial Assessment Ordinance, including the Initial Service and Assessment Plan and the Phase 1 and 2 Improvements Assessments, is invalid;

WHEREAS, this City Council intends to (i) repeal, rescind and in all matters invalidate the Initial Assessment Ordinance and release and terminate the Phase 1 and 2 Improvements Assessments; (ii) redefine the legal description of the Phase 1 and 2 Property and thus which Parcels shall constitute the Phase 1 and 2 Assessed Property (as defined in the Preliminary SAP dated as of April 12, 2021); (iii) change the amounts of the Phase 1 and 2 Authorized Improvements, Phase 1 and 2 Authorized Improvements Costs, Phase 1 and 2 Improvements Budgeted Costs, and Phase 1 and 2 Improvements Assessments (each as defined in the Preliminary SAP dated as of April 12, 2021); and (iv) to levy new assessments against assessable property within Phase 1 and 2 Property.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VENUS, TEXAS AS FOLLOWS:

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

SECTION 2. The Initial Assessment Ordinance is hereby repealed, rescinded, invalidated and shall be of no force or effect. The assessments purported to be levied by the Initial Assessment Ordinance are hereby terminated and released.

SECTION 3. The City Council hereby authorizes and directs any filings required to release the Phase 1 and 2 Improvements Assessments from the Phase 1 and 2 Property, if any, to be made in order to terminate and fully release the purported assessments, including, without limitation, the filing of this Ordinance as a means of releasing the assessments against the Phase 1 and 2 Property.

SECTION 4. This Ordinance shall become effective from and after its date of passage in accordance with law.

PASSED AND APPROVED on this the 12th day of April, 2021.

CALLIE GREEN
City Secretary

JAMES L. BURGESS
Mayor

[SEAL]

ACKNOWLEDGMENT

This instrument was acknowledged before me on the _____ day of April, 2021 by James L. Burgess, the Mayor, and Callie Green, the City Secretary, of the City of Venus, Texas on behalf of said City.

Notary Public, State of Texas

(SEAL)

Signature page to an
ORDINANCE REPEALING AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF VENUS, TEXAS REGARDING BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1; APPROVING A SERVICE AND ASSESSMENT PLAN AND ASSESSMENT ROLL FOR THE DISTRICT; LEVYING ASSESSMENTS AGAINST PROPERTY WITHIN PHASE 1 AND 2 OF THE DISTRICT TO PAY THE COSTS OF IMPROVEMENTS; PROVIDING FOR PAYMENT AND PREPAYMENT OF ASSESSMENTS; FIXING A CHARGE AND LIEN AGAINST PROPERTY WITHIN THE DISTRICT AND THE OWNERS THEREOF; PROVIDING FOR THE MANNER AND METHOD OF COLLECTING ASSESSMENTS; PROVIDING PENALTIES FOR DELINQUENT ASSESSMENTS; MAKING FINDINGS OF SPECIAL BENEFIT TO THE PROPERTY WITHIN PHASE 1 AND 2 OF THE DISTRICT AND THE OWNERS THEREOF; PROVIDING FOR SAVINGS, REPEALING AND SEVERABILITY CLAUSES; PROVIDING AN EFFECTIVE DATE; AND PROVIDING FOR RECORDATION.

CERTIFICATE FOR RESOLUTION

We, the undersigned officers of the City of Venus, Texas, hereby certify as follows:

1. The City Council of said City convened in Regular Session on the 12th day of April, 2021, at the scheduled meeting place thereof, and the roll was called of the duly constituted officers and members of said City Council, to-wit:

James L. Burgess, Mayor
Jeanie Toland-Scott, Mayor Pro-Tem
Linda Raye Harris, Council Member
Jeannie Prazak, Council Member
Geronimo Hernandez, Council Member
Phyllis Lewis, Council Member

Andy Wolfe, City Administrator
Callie Green, City Secretary

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

A RESOLUTION OF THE CITY OF VENUS, TEXAS APPROVING A BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1 PRELIMINARY SERVICE AND ASSESSMENT PLAN; DIRECTING THE FILING OF THE PROPOSED ASSESSMENT ROLLS WITH THE CITY SECRETARY; CALLING AND NOTICING A PUBLIC HEARING TO CONSIDER ASSESSMENTS TO BE LEVIED ON PROPERTY LOCATED WITHIN THE BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1; DIRECTING CITY STAFF TO PUBLISH AND MAIL NOTICE OF SAID PUBLIC HEARING; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO.

was duly introduced for consideration and passage. It was then duly moved and seconded that said Resolution be passed; and, after due discussion, said motion, carrying with it the passage of said Resolution, prevailed and carried by the following vote:

AYES: ____

NOES: ____

ABSTENTIONS: ____

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

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

SIGNED AND SEALED THE 12TH DAY OF APRIL, 2021.

ATTEST:

James L. Burgess, Mayor

Callie Green, City Secretary

(SEAL)



RESOLUTION NO. 03-2021-04

A RESOLUTION OF THE CITY OF VENUS, TEXAS APPROVING A BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1 PRELIMINARY SERVICE AND ASSESSMENT PLAN; DIRECTING THE FILING OF THE PROPOSED ASSESSMENT ROLLS WITH THE CITY SECRETARY; CALLING AND NOTICING A PUBLIC HEARING TO CONSIDER ASSESSMENTS TO BE LEVIED ON PROPERTY LOCATED WITHIN THE BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1; DIRECTING CITY STAFF TO PUBLISH AND MAIL NOTICE OF SAID PUBLIC HEARING; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO

RECITALS

WHEREAS, the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the “Act”), authorizes the governing body (the “City Council”) of the City of Venus, Texas (the “City”), to create a public improvement district within the City; and

WHEREAS, the City Council has previously created the Brahman Ranch Public Improvement District No. 1 (the “District”), as amended; and

WHEREAS, on January 11, 2021, the City Council, after notice and public hearing, adopted an ordinance (the “Initial Assessment Ordinance”) accepting and approving a service and assessment plan for the District (the “Initial Service and Assessment Plan”), approving the assessment roll and levying the Phase 1 and 2 Improvements Assessments on the Assessed Property (each as defined in the Initial Service and Assessment Plan); and

WHEREAS, the estimated costs of the Phase 1 and 2 Authorized Improvements was incorrect, the legal description of Phase 1 and Phase 2 Property (each as defined in the Initial Service and Assessment Plan) was inaccurate and, as a result, the assessments levied upon certain lots pursuant to the Initial Assessment Ordinance were incorrect and were found and declared to be invalid; and

WHEREAS, the City Council and the City staff have been presented a “Brahman Ranch Public Improvement District No. 1 Preliminary Service and Assessment Plan”, dated April 12, 2021 (the “Preliminary SAP”), a copy of which is attached hereto as **Exhibit A** and is incorporated herein for all purposes, which Preliminary SAP is amending and restating the Initial Service and Assessment Plan in its entirety; and

WHEREAS, pursuant to the terms of the Initial Service and Assessment Plan and as part of the Preliminary SAP, the City Council intends to (i) redefine the legal description of Phase 1 and 2 Property and thus which Parcels shall constitute the Phase 1 and 2 Assessed Property (as defined in the Preliminary SAP), (ii) change the amounts of the Phase 1 and 2 Authorized Improvements, Phase 1 and 2 Authorized Improvements Costs, Phase 1 and 2 Improvements Budgeted Costs, and Phase 1 and 2 Improvements Assessments (each as defined in the Preliminary SAP), (iii) to terminate and release the Phase 1 and 2 Improvements Assessments on the Assessed Property, and (iv) to levy assessments against assessable property within Phase 1 and 2 Property; and

WHEREAS, the Act requires that the proposed assessment rolls attached to the Preliminary SAP (the “Proposed Assessment Rolls”) be filed with the City Secretary of the City (the “City Secretary”) and be subject to public inspection; and

WHEREAS, the Act requires that a public hearing (the “Assessment Hearing”) be held to consider proposed assessments and requires the City Council to hear and pass on any objections to the proposed assessments at, or on the adjournment of, the Assessment Hearing; and

WHEREAS, the Act requires that notice of the Assessment Hearing be mailed to property owners liable for assessment and published in a newspaper of general circulation in the City and in a newspaper of general circulation in the part of the extraterritorial jurisdiction in which the District is located before the 10th day before the date of the Assessment Hearing;

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

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

SECTION 2. The City Council hereby accepts the Preliminary SAP for the District, including the Proposed Assessment Rolls. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Preliminary SAP.

SECTION 3. The City Council hereby authorizes and directs the filing of the Proposed Assessment Roll with the City Secretary and the same shall be available for public inspection during regular business hours.

SECTION 4. The City Council hereby calls a public hearing (the Assessment Hearing as defined above) to be held on May 10, 2021 at 7:00 p.m. at the Venus Civic Center located at 210 S. Walnut Street, Venus, Texas, at which the City Council shall, among other actions, hear and pass on any objections to the proposed assessments. Upon the adjournment of the Assessment Hearing, the City Council may consider an ordinance approving the final Service and Assessment Plan.

SECTION 5. The City Council hereby authorizes and directs the City Secretary to publish notice of the Assessment Hearing, in substantially the form attached hereto as **Exhibit B** and incorporated herein for all purposes, in a newspaper of general circulation in the City and in a newspaper of general circulation in the part of the extraterritorial jurisdiction in which the District is located, as required by Section 372.016(b) of the Act.

SECTION 6. The City Council hereby authorizes and directs the City Secretary to mail notice of the Assessment Hearing to owners of property liable for the assessments, as required by Section 372.016(c) of the Act.

SECTION 7. This Resolution shall become effective from and after its date of passage in accordance with law.

PASSED AND APPROVED on this the 12th day of April, 2021.

Mayor

ATTEST:

City Secretary

*Signature page to Resolution
Approving a Preliminary SAP and Calling a Public Hearing*

Exhibit A

**BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1
PRELIMINARY SERVICE AND ASSESSMENT PLAN**

Exhibit B

CITY OF VENUS, TEXAS NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN THAT a public hearing will be conducted by the City Council of the City of Venus, Texas on May 10, 2021 at 7:00 p.m. at the Venus Civic Center located at 210 S. Walnut Street, Venus, Texas. The public hearing will be held to consider proposed assessments to be levied against certain assessable property located within the Phase 1 and 2 Property (the “Property”) of the Brahman Ranch Public Improvement District No. 1 (the “District”) pursuant to the provisions of Chapter 372 of the Texas Local Government Code, as amended (the “Act”).

The general nature of the proposed public improvements include the design, acquisition and construction of public improvement projects that are necessary for development of the Property, which public improvements will include, but not be limited to: (a) (1) landscaping; (2) erection of fountains, distinctive lighting, and signs; (3) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of-way, including related landscaping, lighting, traffic control devices, screening walls and retaining walls; (4) construction or improvement of pedestrian malls; (5) acquisition and installation of pieces of art; (6) acquisition, construction, or improvement of off-street parking facilities; (7) acquisition, construction, or improvement of water, wastewater, or drainage facilities or improvements; (8) the establishment or improvement of parks; (9) projects similar to those listed in (1)-(8); (10) acquisition, by purchase or otherwise, of real property or contract rights in connection with an authorized improvement except that costs related to the acquisition of land, within the Property, for the construction of improvements will be not be considered an Authorized Improvement; (11) special supplemental and maintenance services for improvement and promotion of the district, including services relating to advertising, promotion, health and sanitation, water and wastewater, roadways, public safety, security, business recruitment, development, recreation, and cultural enhancement; and (b) the payment of expenses incurred in the establishment, administration, maintenance and operation of the District, including costs of issuance, funding debt service and capitalized interest reserves and credit enhancement fees of any bonds issued by or on behalf of the City or District (collectively, the “Authorized Improvements”). The total costs of the Phase 1 and 2 Authorized Improvements is approximately \$9,000,000.

The boundaries of the District include approximately 665.363 acres contiguous acres of land located in the extraterritorial jurisdiction of the City within Ellis County and generally located at the northwest corner of the intersection of Farm-to-Market Road 157 and Marion Road. The boundaries of the Phase 1 and 2 Property include approximately 139.28 acres located within the District. A metes and bounds description and a map of the District (together with a metes and

bounds description and map of the Phase 1 and 2 Property) are available for public inspection during regular business hours from the City Secretary at Venus City Hall located 700 W. HWY 67, Venus, Texas.

All written or oral objections on the proposed assessments within the District will be considered at the public hearing.

A copy of the Proposed Assessment Rolls relating to the Authorized Improvements, which includes the assessments to be levied against certain assessable parcels in the District, is available for public inspection during regular business hours from the City Secretary at Venus City Hall located 700 W. HWY 67, Venus, Texas.

CITY OF VENUS
BAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1
(PHASE 1 AND 2 PROJECT)



PRELIMINARY RELIN
SERVICE AND ASSESSMENT PRESENT

MM 10, 2021

PREPARED FOR
City of Venus
700 W 76 Hwy 67
Venus, TX 76084

PREPARED BY
30 Three Sixty Public Finance, The Sixty P
5860 Owens Avenue, Suite 210
Carlsbad, CA 92008

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APPENDIX A ASSESSMENT RESOLUT

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This Preliminary Service and Assessment Plan is prepared pursuant to the provisions of the "Public Improvement District Assessment Act," being Chapter 372 "Improvement Districts in Municipalities and Counties," Subchapter A "Public Improvement Districts," Sections 372.001 through 372.041 of the Local Government Code of the State of Texas, as amended (the "PID Act") and in connection with City of Venus Resolution No. 11-2020-05 passed and approved by the City Council on May 11, 2020 authorizing the formation of the BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1 (hereinafter known as the "District," "PID" or "Brahman Ranch PID") and in connection with the PID Boundary and Authorized Improvements Amendment Resolution anticipated to be approved by the City Council on March 29, 2021.

Pursuant to the PID Act, this Service and Assessment Plan contains the following:

- Improvement Plan;
- Service Plan; and
- Assessment Plan and Assessment Roll.

In accordance with the PID Act, the Administrator will prepare at least annually an update to the Service and Assessment Plan (the "Annual Service Plan Update") and submit it to the City Council for approval along with an updated Assessment Roll.

Capitalized terms used in this Service and Assessment Plan shall have the meanings given to them in Section II unless otherwise defined in this Service and Assessment Plan.

[Remainder of Page Intentionally Left Blank]

"Additional Interest" means the amount of additional interest resulting from the application of the Additional Interest Rate to the outstanding Assessment principal.

"Additional Interest Rate" means the incremental interest rate charged on the Assessments, in excess of the interest rate charged on the PID Bonds or Refunding Bonds, if any, not to exceed one-half of one percent (0.50%) as authorized pursuant to the PID Act.

"Administrative Expenses" means the reasonable expenses incurred by the City and the Developer in the establishment, administration, and operation of the PID. The expenses of administration and operation of the PID (i. e, collection costs), may include, but are not limited to, the costs of (i) direct and contracted costs incurred by the City including legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, (ii) organizing the PID and preparing the Assessment Rolls, (iii) computing, levying, collecting and transmitting the Assessments or the Annual Installments thereof to the City, Trustee or other applicable financial institution, (iv) maintaining the record of Assessments, including payments, reallocations and/or cancellations of the Assessments or Annual Installments thereof, (v) investing or depositing the Assessments or other monies, (vi) complying with the PID Act, arbitrage rebate requirements and/or securities disclosure requirements, (vii) paying the paying agent/registrar's and trustee's fees and expenses (including the fees and expenses of its legal counsel) related to the PID Bonds, and (viii) the City's costs of administering the construction of the Authorized Improvements. Administrative Expenses shall also include the administrative costs and expenses of issuing, making debt service payments on, and redeeming PID Bonds; provided, however, that for the avoidance of doubt, Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on PID Bonds. Administrative Expenses collected and not encumbered or expended shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid over collection.

"Administrator" means the City or the person or independent firm designated by the City who shall have the responsibilities provided in this Service and Assessment Plan, an Indenture, or any other agreement or document approved by the City related to the duties and responsibilities for the administration of the PID.

"Annual Installment" means the sum of each annual payment of: (i) the Assessment (including the principal of and interest on), as shown on the Assessment Rolls attached to this SAP as Appendix A, as the same may be updated from time to time, or in an Annual Service Plan Update, and calculated as provided in Section VI of this SAP, (ii) Administrative Expenses, and (iii) Additional Interest, if applicable.

"Assessed Property" means the benefited Parcels within the Property on which Assessments are levied.

- **"Phase 1 and 2 Assessed Property"** means the Phase 1 and Phase 2 Property on which Phase 1 and 2 Improvement Assessments are levied, which property consists of the Phase 1 and 2 Single-Family Property.

"Assessments" means the special assessments levied on the Property within a Phase or group of Phases, under one or more Assessment Ordinances adopted by the City, that may be used to pay for all or a portion of the Authorized Improvements Costs for Authorized Improvements benefiting the applicable Phase or group of Phases as set forth in the SAP for such Phase or group of Phases, and the costs associated with the issuance of PID Bonds, as well as repayment of PID Bonds.

- **"Phase 1 and 2 Improvements Assessments"** means the special assessments levied on the Phase 1 and 2 Assessed Property to pay for all or a portion of the Phase 1 and 2 Authorized Improvements Costs and the costs associated with PID Bonds issued to pay, reimburse, or finance the Phase 1 and 2 Authorized Improvements Costs, as well as repayment of such PID Bonds.

"Assessment Ordinance" means a City ordinance approving an SAP and levying Assessments on the benefited Parcels within the PID. The Assessment Ordinance for the Phase 1 and 2 Authorized Improvements (the "Phase 1 and 2 Improvements Assessment Ordinance") is anticipated to be approved on May 10, 2021.

"Assessment Roll(s)" means the Assessment Roll(s) attached hereto as Appendix A, as may be updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of any PID Bonds or in connection with any Annual Service Plan Update.

- **"Phase 1 and 2 Assessment Roll"** means the Assessment Roll for the Phase 1 and 2 Assessed Property attached hereto as Appendix A-1, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any Annual Service Plan Updates.

"Authorized Improvements" has the meaning given to it in the PID Creation Resolution and the PID Boundary and Authorized Improvements Amendment Resolution.

- **"Phase 1 and 2 Authorized Improvements"** means the Public Infrastructure described in Section IV.A benefiting Phase 1 and 2 as determined in Section VI herein.

"Authorized Improvements Costs" means the actual costs of design, engineering, construction, acquisition, and inspection of the Authorized Improvements, all costs incurred in connection with the issuance of PID Bonds, and all other costs authorized by the PID Act and related in any manner to the Authorized Improvements.

- **"Phase 1 and 2 Authorized Improvements Costs"** means the actual cost of design, engineering, construction, acquisition, and/or inspection of the Phase 1 and 2 Authorized Improvements, all costs incurred in connection with PID Bonds issued to pay, reimburse, or finance the costs of the Phase 1 and 2 Authorized Improvements, and all other costs authorized by the PID Act and related in any manner to the Phase 1 and 2 Authorized Improvements.

"Bond Ordinance" means an ordinance adopted by the City Council that authorizes and approves the issuance and sale of PID Bonds.

II. Defined Terms



"Budgeted Costs" means, with respect to any given Authorized Improvement, the estimated cost of the improvement as set forth in the Development Agreement, all costs estimated to be incurred in connection with the issuance of PID Bonds, and all other estimated costs authorized by the PID Act and related in any manner to the Authorized Improvements, as may be modified by the SAP for each Phase or group of Phases.

- **Phase 1 and 2 Improvements Budgeted Costs** means, with respect to the Phase 1 and 2 Authorized Improvements, the estimated cost of design, engineering, construction, acquisition, and/or inspection of such improvements, all costs estimated to be incurred in connection with PID Bonds issued to pay, reimburse, or finance the costs of the Phase 1 and 2 Authorized Improvements, and all other estimated costs authorized by the PID Act and related in any manner to the Phase 1 and 2 Authorized Improvements as set forth in Section V.A herein.

"City" means the City of Venus, a general-law municipality in Ellis and Johnson Counties, Texas.

"City Council" means the governing body of the City.

"County" means Ellis County, Texas.

"Delinquent Collection Costs" means interest, penalties and fees and expenses incurred or imposed with respect to any delinquent Assessment, or an Annual Installment thereof, in accordance with §372.018(f) of the PID Act and the costs related to pursuing collection of a delinquent Assessment and/or Annual Installment and foreclosing the lien against the Parcel for which an Assessment and/or Annual Installment is delinquent, including attorneys' fees to the extent permitted under Texas law.

"Developer" means Miskimon Management I, LLC, a Texas limited liability company, and its successors and assigns.

"Development" means the Brahman Ranch residential subdivision to be developed under the terms of the Development Agreement.

"Development Agreement" means the Brahman Ranch Development Agreement dated November 22, 2019, as may be amended, executed by the City and the Developer.

"Final Plat" means a final plat of a Phase or portion of a Phase.

"Future Phases Assessments" means any future Assessments levied against Future Phases Property for the Future Phases Improvements.

"Future Phases Improvements" means any Public Infrastructure benefiting the Future Phases Property in the Development.

"Future Phases Property" means the future Phases of the Development to be developed after Phase 1 and 2.

"Indenture" "Indenture" must indenture by and between the City and a Trust or trust in which the City and the City and issued funds are held and disbursed. and funds are held and disbursed.

"Lot Type 60 Lots" means classification applicable to each prospective lot, total as if applicable to each prospective lot, determined by the Administrator determined by the Administrator and confirmed by the City Council, and confirmed by the City Council, four (34) Lot Type 60 Lots and three hundred fiftyfour (354) Lot Type 60 Lots, both Type 70 Lots and fiftythree (53) Lot Type 60 Lots is included as Lot Type 60 Lots is included as Appendix Appendix

"Non-Benefited Property" means property parcels that do not receive a special benefit from the Improvements, including but not limited to property encumbered with a public utility easement that restricts the use of such property to such easement.

"Park Improvements" means improvements to public open space, park, and trail Public Infrastructure consisting of the following:

- (a) "Public Infrastructure" means infrastructure consisting of the following:

improvements to be constructed in connection with their development or the proposed improvement project.

[illegible]

"Non-PID Improvements Costs" PID Improvements Costs means, as applicable, the budgeted or actual cost of design, non-engineering, construction, acquisition and/or inspection of the Non-PID improvements, PID improvements and/or inspection.

II. Defined Terms



"PID Bonds" means assessment revenue bonds, including Refunding Bonds, issued by the City pursuant to the PID Act to finance the Authorized Improvements.

"PID Bond Proceeds" means the revenue generated from the sale of the PID Bonds.

"PID Boundary and Authorized Improvements Amendment Resolution" means the resolution anticipated to be approved by the City Council on March 29, 2021 authorizing a revision to the PID boundaries and increasing the estimated costs of the Authorized Improvements.

"PID Creation Resolution" means Resolution No. 11-2020-05 passed and approved by the City Council of the City of Venus on May 11, 2020.

"Prepayment" means the payment of all or a portion of an Assessment before the due date thereof. Amounts received at the time of a Prepayment which represent a payment of principal, interest or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Assessment.

"Prepayment Costs" means interest and Administrative Expenses to the date of Prepayment, plus any additional expenses related to the Prepayment allowed by applicable law, reasonably expected to be incurred by or imposed upon the City as a result of any Prepayment of all or part of an Assessment.

"Private Improvements" means the private improvements and amenities to be constructed by the Developer or its designee in connection with the development of each Phase.

- **"Phase 1 and 2 Private Improvements"** means the private improvements and amenities shown in Table V-2 to be constructed by the Developer or its designee in connection with the development of Phase 1 and Phase 2.

"Private Improvements Costs" means, as applicable, the budgeted or actual cost of design, engineering, construction, acquisition and/or inspection of the Private Improvements.

- **"Phase 1 and 2 Private Improvements Costs"** means, as applicable, the budgeted or actual cost of design, engineering, construction, acquisition, and/or inspection of the Phase 1 and 2 Private Improvements.

"Property" means the approximately 678 acres of land described by metes and bounds in Appendix B attached herein.

- **"Commercial Property"** means the property located outside of the PID and fronting FM Highway 157 and designated as Lot 1; Lots 16, 17, and 18; and Lot 74 in Appendix D.
- **"Phase 1 and 2 Property"** means the property described by the metes and bounds description in Appendix C.
- **"Phase 1 and 2 Single-Family Property"** means the property designated as single-family as depicted in Appendix D.

II. Defined Terms



"Public Infrastructure" ~~"Public Infrastructure"~~ sewer, drainage, roadway and other infrastructure sewer, drainage, roadway necessary to serve the full development of the Property and/or to be constructed and dedicated to the necessary to serve City City under the Development Agreement.

"Refunding Bonds" ~~"Refunding Bonds"~~ issued pursuant to Section bonds issued pursuant to Chapter 1272, 027 of the 1907 Act 372 Texas Government Code, as amended, Texas Government Code, as amended,

"Preliminary Service and Assessment Plan" ~~"Preliminary Service and Assessment Plan"~~ is Service and Assessment Plan of the Brahman Ranch Brahman Ranch Public Improvement District, including the Ass updated in an Annual Service Plan Update or amended and supplemented from time to time. updated in an Annual Service

"Trustee" ~~"Trustee"~~ the trustee as specified in an Indenture, and any successor thereto permitted under means the trustee such Indenture. such Indenture.

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III. Description of PID Boundary and Phases



The Development consists of approximately 667.48 acres of real property located within the City and is described by the land parcels shown in Appendix B. The Phase 1 and Phase 2 Property consists of the approximately 139.28 acres of real property located in the Development as depicted in erty located in the attached Phase 1A is anticipated to Phase 1 is anticipated to include over (21) single family residential lots. Phase 1B is anticipated to include one hundred and forty (14) single family residential lots. Phase 2 is anticipated to include one hundred and twenty (20) single family residential lots. In addition, the Phase 1 and 2 Property is anticipated to include one (1) pond, one (1) space anticipated pond and two (2) tracts, for storm drainage purposes for storm drainage purposes

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A. Authorized Improvements

1. Phase 1 and 2 Authorized Improvements

The Phase 1 and 2 Authorized Improvements consist of the Public Infrastructure necessary for the development of the Phase 1 and 2 Single-Family Property, and the City hereby finds that it confers a special benefit to Phase 1 and 2 Single-Family Property; please see Section VI herein for additional information. The Phase 1 and 2 Authorized Improvements include, but are not limited to, the following:

- Road improvements, including but not limited to, earthwork, subgrade, paving, ramps, sidewalks, curbs, streetlights, signs, testing, and bonds;
- Sanitary sewer facilities, including but not limited to, lift stations, lines, manholes, testing, bonds, and all other works, equipment, and services for the collection and transportation of wastewater;
- Storm drainage improvements, including but not limited to, storm drain lines and pipes, inlets, manholes; headwalls, rip rap, testing, bonds, and all other works, equipment, and services for the collection, detention, and transportation of stormwater;
- Clearing and grubbing, excavation, testing, and erosion control; and
- City, professional, and other fees, including but not limited to, plan check and inspection fees, geotechnical and environmental services, and engineering and surveying.

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A. A Budgeted Budgeted Indebtedness and Indebtedness

TABLE 11-11					
CITY OF MOHAWUK					
BAHMAN RANCH AND NO. 11					
PHASE 11-11-11					
SOURCES AND USES OF FUNDS					
SPECIAL ASSESSMENT BASED ON THE 2021-2022 PHASE 11-11-11 PROJECT					
DESCRIPTION	PHASE 11-11-11 AUTHORIZED UT IMPROVEMENTS	NON-NDPID IMPROVEMENTS	PARK ARK IMPROVEMENTS	PHASE 11-11-11 PRIVATE RIVA IMPROVEMENTS	TOTAL
SOURCES OF FUNDS					
BOND PROCEEDS	\$8,514,008	\$0	\$0	\$0	\$8,514,008
OWNER CONTRIBUTION	\$2,473,712	\$200,904	\$55,000	\$7,638,799	\$10,768,415
TOTAL SOURCES OF FUNDS	\$10,987,712	\$200,904	\$55,000	\$7,638,799	\$19,282,415
USES OF FUNDS					
PUBLIC INFRASTRUCTURE	\$9,399,893	\$200,904	\$55,000	\$0	\$10,055,547
PHASE 11-11-11 PRIVATE RIVA IMPROVEMENTS	\$0	\$0	\$0	\$7,638,799	\$7,638,799
DEBT SERVICE RESERVE	\$548,890	\$0	\$0	\$0	\$548,890
CAPITALIZED INTEREST	\$52,779	\$0	\$0	\$0	\$52,779
COSTS OF ISSUANCE	\$95,980	\$0	\$0	\$0	\$95,980
UNDERWRITER'S DISCOUNT	\$55,420	\$0	\$0	\$0	\$55,420
ADMINISTRATIVE FUNDING	\$35,000	\$0	\$0	\$0	\$35,000
TOTAL USES OF FUNDS	\$10,987,712	\$200,904	\$55,000	\$7,638,799	\$19,282,415

TABLE A-2 EV-2					
CITY OF VENUS					
BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1					
PHASE 1A AND 2A					
TOTAL PHASE 1A AND 2A BUDGETED COSTS AND DEBT SERVICE					
IMPROVEMENT DESCRIPTION	PHASE 1A AND 2A AUTHORIZED UTILITY IMPROVEMENTS	NON-UTILITY IMPROVEMENTS	PARK AND RECREATION IMPROVEMENTS	PRIVATE AND COMMERCIAL IMPROVEMENTS	TOTAL
EARTHWORK	\$519,478	\$43,542	\$43,542	\$519,478	\$5,202,914
PAVING	\$4,272,400	\$51,210	\$51,210	\$4,272,400	\$4,323,610
EROSION CONTROL	\$0	\$0	\$0	\$0	\$280,064
STORM SEWER	\$1,884,148	\$0	\$0	\$1,884,148	\$1,884,148
WATER	\$0	\$0	\$0	\$0	\$2,004,252
SEWER	\$2,237,887	\$92,277	\$92,277	\$2,237,887	\$2,330,164
TRAFFIC	\$189,726	\$2,274	\$2,274	\$189,726	\$192,000
BOND CONSTRUCTION	\$46,702	\$0	\$0	\$0	\$34,798
BOND MAINTENANCE	\$0	\$0	\$0	\$0	\$9,900
CONSTRUCTION INSURANCE	\$11,461	\$0	\$0	\$0	\$8,539
ENTRANCE MONUMENTS	\$138,399	\$11,601	\$11,601	\$0	\$150,000
FOOD BORROW ANALYSIS	\$49,000	\$0	\$0	\$0	\$49,000
GEOTECHNICAL	\$18,942	\$0	\$0	\$0	\$71,258
IMPACT STUDY	\$0	\$0	\$0	\$0	\$6,000
PARK PLAYGROUND	\$0	\$0	\$0	\$0	\$455,000
PHASE 1A TEST	\$0	\$0	\$0	\$0	\$4,500
PATENT PREMIUM	\$0	\$0	\$0	\$0	\$16,700
RILL BACK TAXES	\$0	\$0	\$0	\$0	\$120,000
SE SKETCH	\$0	\$0	\$0	\$0	\$233,540
SOIL TESTS	\$31,500	\$0	\$0	\$0	\$118,500
SURVEYING BOUNDARY	\$0	\$0	\$0	\$0	\$6,000
SURVEYING COUNTRY	\$0	\$0	\$0	\$0	\$39,854
UNITED GEOGRAPHIC	\$0	\$0	\$0	\$0	\$45,000
TOTAL COSTS	\$9,399,643	\$200,904	\$200,904	\$7,638,799	\$17,694,346
TOTAL ASSESSED COSTS	\$6,925,931	\$0	\$0	\$0	\$6,925,931

TABLE A.2.2					
CITY OF VENUS					
BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1					
PHASE 1 AND 2					
TOTAL PHASE 1 AND 2 BUDGETED COSTS AND DEBTEDNESS					
IMPROVEMENT DESCRIPTION	PHASE 1 AND 2 AUTHORIZED UTILITY IMPROVEMENTS	PHASE 1 AND 2 NON-UTILITY IMPROVEMENTS	PHASE 1 AND 2 PARK AND RECREATION IMPROVEMENTS	PHASE 1 AND 2 PRIVATE IMPROVEMENTS	TOTAL
PHASE 1 AND 2 BOND RELATED COSTS					
DEBT SERVICE RESERVE	\$48,890	\$0	\$0	\$0	\$48,890
CAPITALIZED INTEREST	\$52,779	\$0	\$0	\$0	\$52,779
COSTS OF ISSUANCE	\$95,980	\$0	\$0	\$0	\$95,980
UNDERWRITER'S FEE	\$55,420	\$0	\$0	\$0	\$55,420
ADMINISTRATIVE EXPENSES	\$35,000	\$0	\$0	\$0	\$35,000
PRINCIPAL AMOUNT	\$8,514,000	\$0	\$0	\$0	\$8,514,000

B. Five Year Projection of Annual Installments

The anticipated principal amount of indebtedness (e.g., PID Bonds) for principal bonds and refund bonds assessed against the Property is \$8,514,000. The projected annual installments for the five-year period commencing with the year 2020 to the year 2024, if the City issues Refunding Bonds, the amount of the Phase 1 and 2 Improvements Assessments necessary to pay the amount of the Phase 1 and 2 Improvements Assessments necessary to pay the PID Bonds that are being refunded.

TABLE A.2.3						
CITY OF VENUS						
BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1						
PHASE 1 AND 2						
FIVE YEAR PROJECTION OF ANNUAL INSTALLMENTS						
TAX YEAR	BOND YEAR	PRINCIPAL AND INTEREST	CAPITALIZED AMOUNT INTEREST	ADDITIONAL DEBT INTEREST	ADMINISTRATIVE EXPENSES	TOTAL
2020	2020	\$52,779	(\$52,779)	\$0	\$0	\$0
2021	2021	\$36,415	\$0	\$2,570	\$35,700	\$614,686
2022	2022	\$36,415	\$0	\$1,910	\$36,414	\$614,469
2023	2023	\$36,950	\$0	\$1,220	\$37,142	\$614,952
2024	2024	\$35,703	\$0	\$0,495	\$37,885	\$614,083
*Sum of Principal and Interest, Capitalized Interest, Additional Interest, and Administrative Expenses columns may not equal Total due to rounding.						

1.1. Assessment Methodology for Phase 1 Assessment and 1.2. Assessment Methodology for Phase 1

TABLE 11.1							
CITY OF LOS ANGELES							
BAAHMAN RANCH AND PHASE 1							
PHASE 1							
AVERAGE BBAHMAN RANCH AND PHASE 1							
LOT TYPE	LOTS	ESTIMATED VALUES					
		FINISHED LOT VALUES		BBAHMAN RANCH AND PHASE 1			
		AVERAGE PER LOT	TOTAL	AVERAGE PER HOME	TOTAL BBAHMAN RANCH AND PHASE 1	% OF TOTAL BBAHMAN RANCH AND PHASE 1	
70 70	3523	\$63,000,900	\$2,492,8002	\$55,0003	\$24,960,0001	91.42%	
60 60	343	\$63,90063,9	\$1,172,6002	\$45,0003	\$1,730,0001	8.58%	
TOTAL	3863		\$4,665,4002		\$36,690,000,6	100.00%	

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TABLE 11.22							
CITY OF TAMPA BAHAMAN RANCH ROAD No. 11 PHASE 11A AND 11B							
ALLOCATION OF PHASE 11A AND 11B IMPROVEMENTS TO BUDGETED COSTS, ASSESSMENTS, PERSONAL AND INSTALLMENTS							
LOT TYPE	LOTS	% OF TOTAL BUDGET	PHASE 11A AND 11B AUTHORIZED IMPROVEMENTS	ASSESSMENTS TO BUDGETED COSTS	ALLOCATED TO ASSESSMENTS	ASSESSMENT PER LOT	AVERAGE PER ANNUAL INSTALLMENT PER LOT
7070	3523	91.42%	\$8,893,0165	\$6,331,5856	\$3,783,3747	\$2,111.2368	\$1,596.041
6060	343	8.58%	\$806,6278	\$594,3465	\$30,6267	\$1,488.992	\$1,551.081
TOTAL	TOTAL	100.00%	\$9,399,6439	\$6,925,9316	\$3,514,0008		

TABLE 11.3							
CITY OF TAMPA							
BAYVIEW-DADE-DADE							
PRASEH AND 20							
ESTIMATED MARKET ASSESSMENTS							
PRASEH	LOT OF	LOT OF	ALLOTTED LL	ESTIMATED STIN	ESTIMATED STIN	FINISHED INSTE	BUILDOUT UI
PRASEH	TYPE	TYPE	ASSESSMENT	FINISHED INSTE	BUILDOUT UI	ASSESSMENT	ASSESSMENT
PRASEH	TYPE	TYPE	ASSESSMENT	VALUES	VALUES	RATIO	RATIO
11	7070	3523	\$7,783,3747	\$2,492,8002	\$24,960,0001	2.892.89	16.0516.05
22	6060	343	\$30,6267	\$1,172,6002	\$1,730,0001	2.972.97	16.0516.05
TOTAL		3863	\$8,514,0008	\$4,665,4002	\$36,690,0001	2.902.90	16.0516.05

C.Assessment TermsAssessment Terms

A lien will be established against the property assessed effective as of the date of the A lien will be established against the Assessment Ordinance levying the Assessment, ~~Privileged by law, all other A liens, except for liens for assessment, privileged State, county, school district or municipal ad valorem taxes, including school district liens, to the extent permitted by the extent allowed by Section 372.018(b) of the RPD Act or by Sections 372.018(b) shall be collected in full.~~ ~~Artificially installments from real property within from real property within the Abs 85th, the B.D. Existing of the Assessed Property, Property, the application of the procedures described below. Notwithstanding the above, through the application the Assessment lien shall be perfected immediately as to the entire assessment lien shall be perfected as to the Property Property executed only with respect to the amounts then due or past due for executed only with respect to the amount prior Annual installments not in payment. Each Assessment shall terminate on the date the Assessment shall terminate Assessment Assessment in full, including unpaid paid in full, all charges and Delinquent Collection Costs, if Delinquent Collection any.any.~~

The Phase 1 and 2 Improvements Assessments and 2nd Assessment Roll for the Assessed Property Assessed Property as shown in the Phase 1 and 2 Assessment Roll attached hereto as Assessment A Roll. The aggregate aggregate Appendix Appen principal amount of the principal amount of the Phase 1 and 2 Improvements Assessments for the Assessed Property is \$995,000.66, \$951,000.00. A Table V below, in Table V, the Assessments are less than the benefit below, the Assessments conferred by the conferred by the Phase 1 and 2 Phase 1 and 2 Assessments and 2nd Assessment Roll for the Assessed Property.

No Assessment shall be changed hereafter except pursuant to the provisions provided for herein No Assessment shall or as permitted under the PID Act. or as assessed under the PID Act. Each Assessment Roll shall be updated to reflect interest rate on the PID Bonds following their pricing, interest rate on the PID Bonds as follows: The Administrator shall Council approval updates to the Assessment Rolls Searchable by Parcel ID and Parcel Name. The Administrator shall pay the payment of any Assessment in lump sum Assessments in lump sum Assessments for consolidation of Parcels, (iii) the identification of the Parcel of each of each Assessed Property Assessed Property/ or any supplemental Assessments pursuant) the Assessments are to Section 372.019 of the PID Act, including any adjustments as provided in this Service and to Section 372.019 of the Assessment Roll, (v) the Administrative Expenses attributable to each Expense and (vi) any other changes permitted by law.changes permitted by law.

Upon the duly approved duly assessed Subdivision, if existing Parcel of a previously recorded subdivision plat, then the Subdivision for that Parcel shall be reallocated to the new the subdivided Parcel.

3.3. Apportionment of Assessment Upon Consolidation

Upon the consolidation of two or more Parcels, the Assessment for the resulting new Parcel shall be the resulting new equal to the sum of the Assessments for the Parcels which were consolidated.

4.4. Reduction in Assessments

If as a result of cost savings or an Authorized Improvement not being constructed, the Authorized Improvements Costs of completed Authorized Improvements are less than the Assessments, (i) in the event PID Bonds are the event PID Bonds are not issued, the City Council shall reduce each Assessment on a pro rata basis such that the sum of the resulting reduced Assessments for all Assessed Properties equals the reduced Authorized Improvements Costs, or (ii) in the event that PID Bonds are issued, the Authorized Improvements shall apply amounts on deposit in the applicable account of the Improvement Account of the Project Fund relating to the PID Bonds that are not expected to be used for purposes of the Improvement Fund relating to the Account of the Project Fund, to redeem outstanding PID Bonds. The Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds.

The City reserves and shall have the right and option to issue Refunding Bonds to refund the PID Bonds. In the event of issuance of Refunding Bonds, the Administrator shall recalculate the Annual Installments, and if necessary, may adjust the amount of the Annual Installments, and if necessary, may adjust the maturity dates of the Annual Installments, so that total Annual Installments of Assessments will be produced in annual amounts sufficient to pay the debt service on the Refunding Bonds when due and payable as required by and established in the Indenture. In no event shall any Assessment be increased above the outstanding Assessment set forth in the applicable Roll. As updated by an Annual Service Plan Update,

5.5. Payment and Collection of Assessments

The PID Act provides that an Assessment may be paid in full. If not paid in full, the PID Act authorizes the City to collect the outstanding Assessments. An Assessment that is not paid in full will be collected in installments each year in the Assessment Roll, which include interest on the outstanding balance of such Assessment and Administrative Expenses.

a.a. Optional Payment in Lump Sum

The Assessment for any Parcel may be paid in full at any time prior to the date of payment of the outstanding Assessment. The City may, at its option, accept payment of the Assessment in full at any time prior to the date of payment of the outstanding Assessment. The City may, at its option, accept payment of the Assessment in full at any time prior to the date of payment of the outstanding Assessment.

b.b. Mandatory Payment in Lump Sum

Similarly, ~~for~~ ^{notwithstanding} the earlier of (i) notice to the City and the Administrator by the owner of following the earlier Assessed Property Assessed Property of such that all or a portion of such Assessed Property will or has become Benefited Property or (ii) upon determination by the City and/or Administrator of Benefited Property of the Assessed Property, the Administrator shall calculate the amount of the applicable Mandatory Assessment Prepayment and the Assessed Property owner shall pay as described above and provide to the City and the Administrator a Mandatory Assessment Prepayment, and provide to the City and the Administrator and to the owner of such property. The property owner provide notice to the City and the Administrator of any transfer or other act that will result in the reclassification of all or a portion of Assessed Property of Assessed Property at least thirty (30) days prior to the date of Benefited Property of such transfer such that the property owner shall also or at the Mandatory Assessment Prepayment the Mandatory Assessment Prepayment to the City and the Administrator of (i) the thirty (30) days prior to the date of Benefited Property of such transfer and (ii) the thirty (30) days after provision of the (i) thirty (30) days prior to the date of Benefited Property of such transfer.

The Assessments are personal obligations of the person owning a The Assessed Property and Assessment Obligations of the year an year an Annual Assessment Mandatory Assessment Prepayment be Made due, Assessed, Paid, or the the extent of such Annual Installment(s) the Extent of Mandatory Assessment Prepayment(s) And/or Mandatory Assessment

VI. Assessment Plan



sale of property for nonpayment of the sale of property for (a) by the Mandatory Assessment and/or Mandatory
Prepayment(s) Prepayment(s) to the lien established for the remaining unpaid shall be subject to the lien establi
Installment(s) against such Parcel and such Parcel may again be sold at a judicial foreclosure may again be sold at
sale if the purchaser thereof fails to make timely payment of the amount of the lien payment of the amount
Installments against such Parcel as they become due and payable pay Parcel as they become due and

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Amendments to this Service and Assessment Plan may be made as permitted by the PID Act.

A. Administrative Review

To the extent consistent with the PID Act, an owner of an Assessed Property may, prior to seeking any other remedy, petition the Administrator for a calculation error has that a calculation error has been made in the Assessment Roll, if the calculation of an Annual Installment is in error. The Administrator shall promptly review the petition, and if necessary, meet with the owner to consider written and oral evidence regarding the alleged error and decide whether, in fact, such a calculation error occurred.

If the Administrator determines that a calculation error has been made and the Assessment Roll should be modified or changed in favor of the owner, the modification or change shall be presented to the City Council for approval. To the extent permitted by the PID Act, the City Council shall make for any amount previously paid by the owner for any year of which a calculation error has been made for the Annual Installment shall be collected, the Annual Installment shall be collected, the amount of the Annual but an adjustment to be paid in the following year. The decision of the Administrator regarding a calculation error relating to the Assessment Roll may be appealed to the City Council. The City Council's decision on an appeal of a calculation error relating to the Assessment Roll pursuant to calculations errors shall be made pursuant to the PID Act.

B. Severability

If any provision, section, subsection, sentence, clause or phrase of this Service and Assessment Plan, or if any provision, section, subsection, sentence, clause or phrase of the Application of the same to the Assessed Property, is held to be unconstitutional, void or invalid, the validity of the remainder of this Service and Assessment Plan shall not be affected. It is the intent of the City Council in adopting this Service and Assessment Plan that, if any provision, section, subsection, sentence, clause or phrase of this Service and Assessment Plan is held to be unconstitutional, void or invalid, the provision, section, subsection, sentence, clause or phrase shall be severed from the Service and Assessment Plan, and the Service and Assessment Plan shall remain in full force and effect.

If any provision of this Service and Assessment Plan is determined by a court to be unenforceable, the unenforceable provision shall be deleted from this Service and Assessment Plan and the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the provision shall, to the City.

APPENDIX A

ASSESSMENT RESULTS

~~APPENDIX A~~
~~APPENDIX A~~

~~PHASE I AND 2005 ASSESSMENT RESULTS~~

CITY OF VENUS, TEXASCITY OF VENUS, TEXAS
BRAHMAN RANCH PID NO. 1BRAHMAN RANCH PID NO. 1

PHASE 1 AND 2 ASSESSMENT ROLLPHASE 1 AND 2 ASSESSMENT ROLL

TAX YEAR	BOND YEAR	BOND YEAR	BOND YEAR	BOND DEBT SERVICE TOTAL	BOND DEBT SERVICE PRINCIPAL	BOND DEBT SERVICE INTEREST	CAPITALIZED INTEREST	ADDITIONAL INTEREST	ADDITIONAL RESERVE	ADDITIONAL EXPENSES	TOTAL ANNUAL	TOTAL ANNUAL
TAX YEAR	BOND YEAR	BOND YEAR	BOND YEAR	TOTAL	PRINCIPAL	INTEREST	INTEREST	INTEREST	RESERVE	EXPENSES	EXPENSES	INSTALLMENTS
2020	2020	2021	2021	\$152,779.00	\$152,779.00	\$0.00	\$0.00	\$152,779.00	\$152,779.00	\$0.00	\$0.00	\$0.00
2021	2021	2022	2022	\$536,415.01	\$536,415.01	\$132,000.00	\$132,000.00	\$404,415.01	\$404,415.01	\$0.00	\$0.00	\$42,570.00
2022	2022	2023	2023	\$536,145.01	\$536,145.01	\$138,000.00	\$138,000.00	\$398,145.01	\$398,145.01	\$0.00	\$0.00	\$41,910.00
2023	2023	2024	2024	\$536,590.01	\$536,590.01	\$145,000.00	\$145,000.00	\$391,590.01	\$391,590.01	\$0.00	\$0.00	\$41,220.00
2024	2024	2025	2025	\$535,702.51	\$535,702.51	\$151,000.00	\$151,000.00	\$384,702.51	\$384,702.51	\$0.00	\$0.00	\$40,495.00
2025	2025	2026	2026	\$536,530.01	\$536,530.01	\$159,000.00	\$159,000.00	\$377,530.01	\$377,530.01	\$0.00	\$0.00	\$39,740.00
2026	2026	2027	2027	\$535,977.51	\$535,977.51	\$166,000.00	\$166,000.00	\$369,977.51	\$369,977.51	\$0.00	\$0.00	\$38,945.00
2027	2027	2028	2028	\$536,092.51	\$536,092.51	\$174,000.00	\$174,000.00	\$362,092.51	\$362,092.51	\$0.00	\$0.00	\$38,115.00
2028	2028	2029	2029	\$536,827.51	\$536,827.51	\$183,000.00	\$183,000.00	\$353,827.51	\$353,827.51	\$0.00	\$0.00	\$37,245.00
2029	2029	2030	2030	\$536,135.01	\$536,135.01	\$191,000.00	\$191,000.00	\$345,135.01	\$345,135.01	\$0.00	\$0.00	\$36,330.00
2030	2030	2031	2031	\$537,062.51	\$537,062.51	\$201,000.00	\$201,000.00	\$336,062.51	\$336,062.51	\$0.00	\$0.00	\$35,375.00
2031	2031	2032	2032	\$536,515.01	\$536,515.01	\$210,000.00	\$210,000.00	\$326,515.01	\$326,515.01	\$0.00	\$0.00	\$34,370.00
2032	2032	2033	2033	\$536,540.00	\$536,540.00	\$220,000.00	\$220,000.00	\$316,540.00	\$316,540.00	\$0.00	\$0.00	\$33,320.00
2033	2033	2034	2034	\$537,090.00	\$537,090.00	\$231,000.00	\$231,000.00	\$306,090.00	\$306,090.00	\$0.00	\$0.00	\$32,220.00
2034	2034	2035	2035	\$537,117.51	\$537,117.51	\$242,000.00	\$242,000.00	\$295,117.51	\$295,117.51	\$0.00	\$0.00	\$31,065.00
2035	2035	2036	2036	\$537,622.50	\$537,622.50	\$254,000.00	\$254,000.00	\$283,622.50	\$283,622.50	\$0.00	\$0.00	\$29,855.00
2036	2036	2037	2037	\$537,557.50	\$537,557.50	\$266,000.00	\$266,000.00	\$271,557.50	\$271,557.50	\$0.00	\$0.00	\$28,585.00
2037	2037	2038	2038	\$537,922.51	\$537,922.51	\$279,000.00	\$279,000.00	\$258,922.51	\$258,922.51	\$0.00	\$0.00	\$27,255.00
2038	2038	2039	2039	\$538,670.01	\$538,670.01	\$293,000.00	\$293,000.00	\$245,670.01	\$245,670.01	\$0.00	\$0.00	\$25,860.00
2039	2039	2040	2040	\$538,752.51	\$538,752.51	\$307,000.00	\$307,000.00	\$231,752.51	\$231,752.51	\$0.00	\$0.00	\$24,395.00
2040	2040	2041	2041	\$540,170.00	\$540,170.00	\$323,000.00	\$323,000.00	\$217,170.00	\$217,170.00	\$0.00	\$0.00	\$22,860.00
2041	2041	2042	2042	\$539,827.50	\$539,827.50	\$338,000.00	\$338,000.00	\$201,827.50	\$201,827.50	\$0.00	\$0.00	\$21,245.00
2042	2042	2043	2043	\$540,772.50	\$540,772.50	\$355,000.00	\$355,000.00	\$185,772.50	\$185,772.50	\$0.00	\$0.00	\$19,555.00
2043	2043	2044	2044	\$541,910.00	\$541,910.00	\$373,000.00	\$373,000.00	\$168,910.00	\$168,910.00	\$0.00	\$0.00	\$17,780.00
2044	2044	2045	2045	\$542,192.50	\$542,192.50	\$391,000.00	\$391,000.00	\$151,192.50	\$151,192.50	\$0.00	\$0.00	\$15,915.00
2045	2045	2046	2046	\$543,620.00	\$543,620.00	\$411,000.00	\$411,000.00	\$132,620.00	\$132,620.00	\$0.00	\$0.00	\$13,960.00
2046	2046	2047	2047	\$544,097.50	\$544,097.50	\$431,000.00	\$431,000.00	\$113,097.50	\$113,097.50	\$0.00	\$0.00	\$11,905.00
2047	2047	2048	2048	\$544,625.00	\$544,625.00	\$452,000.00	\$452,000.00	\$92,625.00	\$92,625.00	\$0.00	\$0.00	\$9,750.00
2048	2048	2049	2049	\$546,155.00	\$546,155.00	\$475,000.00	\$475,000.00	\$71,155.00	\$71,155.00	\$0.00	\$0.00	\$7,490.00
2049	2049	2050	2050	\$547,592.50	\$547,592.50	\$499,000.00	\$499,000.00	\$48,592.50	\$48,592.50	\$0.00	\$0.00	\$5,115.00
2050	2050	2051	2051	\$548,890.00	\$548,890.00	\$524,000.00	\$524,000.00	\$24,890.00	\$24,890.00	\$0.00	\$0.00	\$2,620.00
TOTAL	TOTAL			\$16,333,896.65	\$16,333,896.65	\$8,748,198.65	\$8,748,198.65	\$7,819,267.90	\$7,819,267.90	\$0.00	\$0.00	\$1,484,280.43

APPENDIX B

BOUNDARY CONDITIONS

APPENDIX B

Being a tract of land situated in the L. Kelsey Survey, Abstract No. 594, the J. Bateman Survey, Abstract No. 103, the H. Slaughter Survey, Abstract No. 1016, the J. Jackson Survey, Abstract No. 560, the S. Price Survey, Abstract No. 860 and the J. McQuatters Survey, Abstract No. 781, Ellis County, Texas, and being all of those tracts of land described in Deeds to Richard K. Miskimon and Sheri Miskimon, a called 162.33 acre tract recorded in Volume 1509, Page 164, of the Official Public Records of Ellis County, Texas (OPRECT), a called 10.000 acre tract 1 and a 0.6498 acre tract 2, recorded in Volume 2334, Page 1793, a called 71.813 acre tract, recorded in Volume 1841, Page 2039, OPRECT, a called 170.0456 acre tract, recorded in Volume 1209, Page 293, OPRECT, and being all of a called 30.0 acre Lot 1, Southland Addition, recorded in Cabinet C, Slide 512, OPRECT, a portion of a called 10.00 acre tract 1, Armstrong Creek Addition, recorded in Cabinet C, Page 26, OPRECT and a portion of those tracts of land described in Deed to Richard K. Miskimon and Sheri Miskimon, a called 97.8915 acre tract, recorded in Volume 1890, Page 1798, OPRECT and a called 23.738 acre tract, recorded in Volume 1910, Page 20, OPRECT; and being more particularly described as follows:

BEGINNING at a 5/8" iron rod with cap stamped "TXRCS" set for the Northeast corner of a tract of land described in Deed to Jason D. Stottlemire and Jill S. Stottlemire, recorded in Volume 1890, Page 1778, OPRECT, in the East line of said Miskimon called 97.8915 acre tract, the East line of said Armstrong Addition and the West right-of-way (row) line of F.M. Highway No. 157 (a variable width row) from which a 1/2" iron rod found for the Southeast corner of said Armstrong Addition bears, S 28° 23' 58" E, a distance of 276.18 feet;

THENCE S 61° 32' 18" W, along the North line of said Stottlemire tract, a distance of 1046.66 feet to a 1/2" iron rod found for the Northwest corner of said Stottlemire tract;

THENCE S 28° 14' 31" E, along the West line of said Stottlemire tract, passing at a distance of 412.11 a 1/2" iron rod found for the Southwest corner of said Stottlemire tract and the common Northwest corner of a tract of land described in Deed to Timothy D. Stottlemire and Linda K. Stottlemire, recorded in Volume 2692, Page 1143, OPRECT, a total distance of 825.08 feet to a 5/8" iron rod with cap stamped "TXRCS" set for the Southwest corner of said Timothy Stottlemire tract, in the South line of said Miskimon called 97.8915 acre tract and the common North line of a tract of land described in Deed to Byrum Ranch, recorded in Volume 2766, Page 1608, OPRECT;

THENCE S 62° 04' 43" W, along the North line of said Byrum Ranch tract and the common South line of said Miskimon called 97.8915 acre tract, a distance of 2428.83 feet to 1/2" iron rod found for the Northwest corner of said Byrum Ranch tract at an angle point in the East line of a tract of land described in Deed to Byrum Ranch, recorded in Volume 2171, Page 479, and being at an angle point in the South line of said Miskimon called 97.8915 acre tract;

THENCE N 29° 42' 13" W, along the East line of said Byrum tract and a West line of said Miskimon called 97.8915 acre tract, a distance of 296.13 feet to a 1/2" iron rod found for the Northeast corner of said Byrum tract and an interior ell corner of said Miskimon called 97.8915 acre tract;

APPENDIX B, Legal Description

THENCE S 59° 56' 03" W, along the North line of said Byrum Ranch tract and the common South line of said Miskimon called 97.8915 acre tract, passing at a distance of 1269.69 feet a point for the Northeast corner of a tract of land described in Deed to Robyn R. Farrell and Phillip W. Farrell, recorded in Volume 2231, Page 1871, OPRECT, a total distance of 2175.26 feet to a 1/2" iron rod found for the Southwest corner of said Miskimon called 97.8915 acre tract, from which a 1/2" iron rod found for the Southeast corner of a tract of land described in Deed to OBK Realty, LLC, recorded in Instrument No. 1807542, OPRECT, bears N 86° 14' 12" E, a distance of 27.70 feet;

THENCE N 33° 09' 57" W, along the West line of said Miskimon called 97.8915 acre tract, a distance of 635.80 feet to a 5/8" iron rod with cap stamped "TXRCS" set for the Northwest corner of said Miskimon called 97.8915 acre tract and the common Southwest corner of said Miskimon called 71.813 acre tract, from which a 1/2" iron rod found for the Southeast corner of said Miskimon called 71.813 acre tract bears N 63° 45' 19" E, a distance of 620.47 feet;

THENCE N 13° 44' 01" W, along the West line of said Miskimon called 71.813 acre tract a distance of 2447.39 feet to a 1/2" iron rod found for the Northwest corner of said Miskimon called 71.813 acre tract, from which a 1/2" iron rod found for an interior ell corner of said OBK Realty tract bears S 43° 34' 18" W, a distance of 7.89 feet;

THENCE N 59° 17' 11" E, along the North line of said Miskimon called 71.813 acre tract, passing at a distance of 351.63 feet a 1/2" iron rod found for an ell corner in the East line of said OBK Realty tract and a called Southwest corner of a tract of land described in Deed to Reuel C. Hendrick and Wanda O. Hendrick, bears S 30° 42' 49" E, a distance of 2.00 feet, passing at a distance of 790.68 feet a 1/2" iron rod bears S 30° 42' 49" E, a distance of 2.00 feet a total distance of 1592.77 feet to a 1/2" iron rod found for the Northeast corner of said Miskimon called 71.813 and the Northwest corner of said Miskimon called 170.0456 acre tract 1 from which a 1/2" iron rod found for an angle point in the East line of said Miskimon called 71.813 acre tract and the West line of said Miskimon called 170.0456 acre tract bears S 09° 06' 39" E, a distance of 1435.52 feet;

THENCE N 59° 12' 54" E, along the North line of said Miskimon called 170.0456 acre tract and the called South line of said Hendrick tract, a distance of 828.57 feet to a 5/8" iron rod with cap stamped "TXRCS" set for the Northeast corner of said Miskimon called 170.0456 acre tract and the common Southeast corner of said Hendrick tract, in the East line of said Miskimon called 162.33 acre tract, in a called abandoned County Road, from which a 1/2" iron rod bears N 59° 00' 41" E, a distance of 24.26 feet and a 1/2" iron rod found for the Southwest corner of said Miskimon called 162.33 acre tract and an interior ell corner of said Miskimon called 170.0456 acre tract, bears S 30° 42' 49" E, a distance of 804.10 feet;

THENCE N 30° 42' 04" W, along the West line of said Miskimon called 162.33 acre tract and the common East line of said Hendrick tract and a called abandoned County Road, a distance of 2041.79 feet to a 1/2" iron rod found for the Northwest corner of said Miskimon called 162.33 acre tract and the common Southwest corner of said Miskimon called 23.738 acre tract;

THENCE N 30° 31' 33" W, along the West line of said Miskimon called 23.738 acre tract and the common West line of said Hendrick tract and a called abandoned County Road, a distance of

APPENDIX B, Legal Description

1254.57 feet to a 2" pipe found for the Northwest corner of said Miskimon called 23.738 acre tract, in the South row line of FM Highway NO. 2258 (a variable width row), from which a 1/2" iron rod found bears S 05° 28' 07" W, a distance of 3.44 feet;

THENCE N 60° 35' 27" E, along the North line of said Miskimon called 23.738 acre tract and the common South row line of said FM Highway No. 2258, a distance of 625.35 feet to a 5/8" iron rod with cap stamped "TXRCS" set for corner;

THENCE, over and across said Miskimon called 23.738 acre tract, as follows:

S 22° 49' 02" E, a distance of 455.76 feet to a 5/8" iron rod with cap stamped "TXRCS" set for corner;

N 57° 28' 58" E, a distance of 267.31 feet to a 5/8" iron rod with cap stamped "TXRCS" set for corner in the East line of said Miskimon called 23.738 acre tract and the common West line of a tract of land described in Deed to Barnett Gathering, LP, recorded in Volume 2283, Page 315, OPRECT;

THENCE S 30° 31' 11" E, along the East line of said Miskimon called 23.738 acre tract and the common West line of said Barnett Gathering tract, a distance of 797.25 feet to a 1/2" iron rod found for the Southeast corner of said Miskimon called 23.738 acre tract and the common Southwest corner of said Barnett Gathering tract, in the North line of said Miskimon called 162.33 acre tract;

THENCE N 58° 54' 05" E, along the North line of said Miskimon called 162.33 acre tract, the South line of said Barnett Gathering tract, the South line of a tract of land described in Deed to Joe Lee, recorded in Volume 866, Page 629, OPRECT, and the South line of the remainder of a tract of land described in Deed to V.V. Lee, recorded in Volume 332, Page 541, OPRECT, a distance of 1840.83 feet to a 5/8" iron rod with cap stamped "TXRCS" set for the Northeast corner of said Miskimon called 162.33 acre tract and the common Southeast corner of said Lee tract in the West line of the remainder of a tract of land described in Deed to Joe Lee and Margaret Lee, recorded in Volume 471, Page 280, OPRECT, in a called abandoned County Road;

THENCE S 30° 14' 10" E, along the East line of said Miskimon called 162.33 acre tract and the common West line of said tract and the called abandoned County Road, passing at a distance of 1260.87 feet the Northeast corner of said Miskimon called 10.000 acre tract 1, passing at a distance of 1360.87 feet a 1/2" iron rod found for witness, total distance of 1517.26 feet to a 5/8" iron rod with cap stamped "TXRCS" set for the Northwest corner of said Miskimon called 0.6498 acre tract 2 and the called Southwest corner of said Joe Lee tract;

THENCE N 30° 16' 37" E, along the North line of said Miskimon called 0.6498 acre tract and the common South line of said Joe Lee tract, a distance of 127.66 feet to a 5/8" iron rod with cap stamped "TXRCS" set for the Northeast corner of said Miskimon called 0.6498 acre tract in the West row line of said FM Highway No. 157;

THENCE, along the West row line of said FM Highway No. 157 and the common East line of said Miskimon called of said Miskimon called 0.6498 acre tract 2, called 10.000 acre tract 1,

APPENDIX B, Legal Description

called 162.33 acre tract, called 170.0456 acre tract, Southland Addition, called 97.8915 acre tract and Armstrong Addition, the following:

S 17° 34' 34" E, a distance of 124.94 feet to a 5/8" iron rod with cap stamped "TXRCS" set for the beginning of a tangent curve to the left, having a radius of 3864.72 feet, a chord bearing S 23° 52' 34" E, a chord length of 848.18 feet;

Along said curve to the left, passing at an arc distance of 571.58 a 1/2" iron rod found for the South corner of said Miskimon called 0.6498 acre tract, a total arc length of 849.90 feet to a 5/8" iron rod with cap stamped "TXCRS" set for corner; S 30° 14' 10" E, passing at a distance of 1326.42 feet a 3/8" iron rod found for the Northeast corner of said Southland Addition a Southeast corner of said Miskimon called 170.0456 acre tract, a total distance of 1478.42 feet to a 1/2" iron rod found for the beginning of a non-tangent curve to the right having a radius of 4902.48 feet, a chord bearing S27° 29' 30" E, a chord length of 481.92 feet;

Along said curve to the right an arc length of 482.11 feet to 1/2" iron rod found for corner;

S 12° 01' 43" E, a distance of 42.09 feet to 1/2" iron rod found for the Southeast corner of said Southland Addition, a Northeast corner of said Miskimon 170.0456 acre tract and the beginning of a non-tangent curve to the left, having a radius of 3864.72 feet, a chord bearing S 26° 06' 03" E, a chord length of 245.09 feet;

Along said curve to the left, an arc length of 245.13 feet to a 1/2" iron rod found for corner;

S 27° 57' 40" E, a distance of 3.92 feet to a 3/8" iron rod found for the Southeast corner of said Miskimon called 170.0456 acre tract and the common Northeast corner of said Miskimon called 97.8915 acre tract and the called Northeast corner of said Armstrong Estates;

S 28° 23' 58" E, a distance of 20.27 feet to the Point of Beginning and containing 534.110 acres of land, more or less.

SAVE & EXCEPT from the above described tract of land as follows:

BEING a tract of land situated in the S. PRICE SURVEY, ABSTRACT NO. 860 and the J. MCQUATTERS SURVEY, ABSTRACT NO. 781, Ellis County, Texas and being a portion of that tract of land described in deed to Richard K. Miskimon and Sheri Miskimon, recorded in Volume 1209, Page 293 of the Official Public Records of Ellis County, Texas (OPRECT), and being more particularly described, as follows:

COMMENCING at a 1/2" iron rod found for the Southeast corner of a called 30.0 acre lot 1, Southland Addition, an addition to Ellis County, Texas, recorded in Cabinet C, Slide 512, OPRECT and a common Northeast corner of said Miskimon tract, same being in the West ROW line of FM Highway NO. 157 (a variable width right-of-way);

THENCE S 74°42'43" W, along the South line of said Southland Addition and a common North line of said Miskimon tract, a distance of 2300.00 feet;

THENCE S 82°24'24" W, over and across said Miskimon tract, a distance of 34.24 feet to a 5/8" iron rod with cap stamped "TXRCS" set for the POINT OF BEGINNING;

THENCE continuing over and across said Miskimon tract, as follows:

S 06°42'05" E, a distance of 200.50 feet to a 5/8" iron rod with cap stamped "TXRCS" set for corner;

APPENDIX B, Legal Description

S 11°54'34" E, passing at a distance of 200.00 feet a 5/8" iron rod with cap stamped "TXRCS" set for witness, a total distance of 346.37 feet to a point for corner in a pond;

S 77°38'54" W, passing at a distance of 200.00 feet a 5/8" iron rod with cap stamped "TXRCS" set for witness, a total distance 263.20 feet to a 5/8" iron rod with cap stamped "TXRCS" set for corner;

N 10°41'14" W, a distance of 101.06 feet to a 5/8" iron rod with cap stamped "TXRCS" set for corner;

N 06°23'34" W, a distance of 343.83 feet to a 5/8" iron rod with cap stamped "TXRCS" set for corner;

N 04°05'38" E, a distance of 56.87 feet to a 5/8" iron rod with cap stamped "TXRCS" set for corner;

N 58°00'14" E, a distance of 233.25 feet to a 5/8" iron rod with cap stamped "TXRCS" set for corner;

S 32°48'31" E, a distance of 32.09 feet to the POINT OF BEGINNING, and containing 3.038 acres of land, more or less.

SAVE & EXCEPT from the above described tract of land as follows:

BEING a tract of land situated in the S. PRICE SURVEY, ABSTRACT NO. 860, Ellis County, Texas and being a portion of a called 30.0 acre Lot 1, Southland Addition, an addition to Ellis County, Texas, recorded in Cabinet C, Slide 512 of the Official Public Records of Ellis County, Texas (OPRECT), and being more particularly described, as follows:

COMMENCING at a 1/2" iron rod found for the Southeast corner of said Southland Addition and a common Northeast corner of that tract of land described in deed to Richard K. Miskimon and Sheri Miskimon, recorded in Volume 1209, Page 293, OPRECT, same being in the West row line of FM Highway No. 157 (a variable width right-of-way);

THENCE S 74°42'43" W, along the South line of said Southland addition and a common North line of said Miskimon tract, a distance of 2300.00 feet to a point for the Southwest corner of said Southland addition and an interior ell corner of said Miskimon tract;

THENCE N 15°17'17" W, along the West line of said Southland addition and a common East line of said Miskimon tract, a distance of 46.18 feet to a 5/8" iron rod with cap stamped "TXRCS" set for the point of beginning;

THENCE N 15°17'17" W, continuing along said common line, a distance of 188.96 feet to a 5/8" iron rod with cap stamped "TXRCS" set for corner;

THENCE over and across said Southland addition, as follows:

N 59°04'06" E, a distance of 249.61 feet to a 5/8" iron rod with cap stamped "TXRCS" set for corner;

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S 29°45'37" E, a distance of 166.16 feet to a 5/8" iron rod with cap stamped "TXRCS" set for corner;

S 01°04'41" W, a distance of 17.05 feet to a 5/8" iron rod with cap stamped "TXRCS" set for corner;

S 59°15'45" W, a distance of 213.01 feet to a 5/8" iron rod with cap stamped "TXRCS" set for corner;

S 57°28'00" W, a distance of 75.15 feet to the point of beginning, and containing 1.129 acres of land, more or less.

SAVE & EXCEPT from the above described tract of land as follows:

BEING all that certain lot, tract, or parcel of land lying in the L. KELSEY SURVEY, ABSTRACT NO. 594, in Ellis County, Texas, and being a part of a called 23.738ac tract of land described in Volume 1910, Page 20, Official Public Records, Ellis County, Texas, (OPRECT), and being more particularly described as follows:

BEGINNING at a 1/2" steel rod set in the Southeast line of F.M. 2258, (a state road) for the North corner of this tract and same for the said 23.738 acre tract and being the West corner of a called 4.83 acre tract of land described in Volume 2283, Page 315, OPRECT;

THENCE S 30° 08' 09" E, 438.34 feet, (Deed- Record bearing basis) along the Northeast line of this tract and same for the said 23.738 acre tract and along the Southwest line of the called 4.83 acre tract to a 1/2" steel rod set for the East corner of this tract;

THENCE into the said 23.738 acre tract and along the Southeast and Southwest lines of this tract as follows:

S 57° 52' 00" W, 267.31 feet to a 1/2" steel rod set for the South corner of this tract; and N 22° 26' 00" W, 455.79 feet to a 1/2" steel rod set in the Northwest line of the 23.738 acre tract and in the Southeast line of F.M. 2258 for the West corner of this tract;

THENCE N 60° 59' 01" E, 206.10 feet (Plat-N 60° 59'00" E) along the Northwest line of this tract and same for the called 23.738 acre tract and along the Southeast line of F.M. 2258 to the POINT OF BEGINNING, and containing approximately 2.415 acres of land.

Note: The Company is prohibited from insuring the area or quantity of the land described herein. *Any statement in the above legal description of the area or quantity of land is not a representation that such area or quantity is correct, but is made only for information and/or identification purposes and does not override item 2 of Schedule B hereof.*

Being a tract of land situated in the J. BATEMAN SURVEY, Abstract No. 103, Ellis County, Texas, and being a portion of that tract of land described in Deed to Reuel C. Hendrick and wife, Wanda O. Hendrick, recorded in Volume 556 Page 213, of the Official Public records of Ellis County, Texas (OPRECT), and being more particularly described as follows:

BEGINNING at a 1/2" iron pipe found (IPF) for the Northeast corner of that tract of land described in Deed to Rodney McCown and Gale Ann McCown, recorded in Instrument No. 1834411, OPRECT, and in the North line of said Hendrick tract and the common South right-of-way (ROW) line of FM Highway No. 2258 (FM 2258) (a variable width row), from which a 1/2" iron rod found (IRF) for a point of curvature in the North line of said McCown tract and the common South row line of said FM 2258 bears N 67°12'28" E, a distance of 165.05 feet;

THENCE along the North lines of said Hendrick tract and the common South row lines of said FM 2258, as follows:

N 66°17'10" E, a distance of 33.03 feet to a 1/2" irf for an angle point in said common line;

N 59°51'10" E, a distance of 645.19 feet to a 5/8" iron rod with cap stamped "TXRCS" set for an angle point in said common line, and the Northwest corner of that tract of land described in Deed to Richard E. Swain and wife, Jennifer L Swain, recorded in Volume 2256, Page 645, OPRECT, from which a 1/2" IRF for an angle point in the North line of said Swain tract and the common South row line of said FM 2258 bears N 54°08'32" E, a distance of 150.75 feet;

THENCE S 21°33'20" E, along the West line of said Swain tract, a distance of 1150.51 feet to a 5/8" iron rod with cap stamped "TXRCS" set for the Southwest corner of said Swain tract;

N 58°37'33" E, along the South line of said Swain tract, a distance of 829.57 feet to a 5/8" iron rod with cap stamped "TXRCS" set for the Southeast corner of said Swain tract;

N 27°58'31" W, along the East line of said Swain tract, a distance of 474.82 feet to a 5/8" iron rod with cap stamped "TXRCS" set for corner;

THENCE N 58°47'11" E, over and across said Hendrick tract, a distance of 607.53 feet to a 5/8" iron rod with cap stamped "TXRCS" set for corner in the East line of said Hendrick tract and the common West line of that tract of land described in Deed to Richard K. Miskimon and Sheri R. Miskimon, recorded in Instrument No. 1808509, OPRECT, from which a 1/2" IRF for the Northeast corner of said Hendrick tract bears N 30°36'40" W, a distance of 616.91 feet;

THENCE along the common lines between said Hendrick tract and said Miskimon tract, as follows:

S 30°36'40" E, a distance of 604.79 feet to a 1/2" IRF for an angle point in said common line;

S 30°42'04" E, a distance of 2041.79 feet to a 5/8" iron rod with cap stamped "TXRCS" found for the Southeast corner of said Hendrick tract and a common interior ell corner of said Miskimon tract, from which a 1/2" iron rod found bears N 59°12'54" E, a distance of 24.00 feet;

APPENDIX B, Legal Description

S 59°12'16" W, passing a 1/2" IRF at a distance of 828.57 feet, in all a total distance of 2069.70 feet to a 1/2" ipf for the Southwest corner of said Hendrick tract and a common exterior ell corner of that tract of land described in Deed to OBK Realty, LLC, recorded in Instrument No. 1807542, OPRECT, from which a 1/2" IRF for an interior ell corner of said OBK Realty tract and a common exterior ell corner of said Miskimon tract bears S 59°16'33" W, a distance of 359.25 feet;

THENCE along the common lines between said Hendrick tract and said OBK Realty tract, as follows:

N 25°27'42" W, a distance of 1526.43 feet to a fence corner found for an interior ell corner of said Hendrick tract and a common exterior ell corner of said OBK Realty tract;

S 59°41'36" W, a distance of 1172.26 feet to a fence corner found for an exterior ell corner of said Hendrick tract and a common interior ell corner of said OBK Realty tract;

N 07°25'02" W, a distance of 1467.33 feet to a 5/8" iron rod with cap stamped "TXRCS" set for an exterior ell corner of said Hendrick tract and the common Southwest corner of said McCown tract;

THENCE along the common lines between said Hendrick tract and said McCown tract, as follows:

N 60°10'39" E, a distance of 378.86 feet to a 3/4" IRF for an interior ell corner of said Hendrick tract and the common Southeast corner of said McCown tract;

N 07°10'56" W, a distance of 476.08 feet to the Point of Beginning, and containing 148.367 acres of land, more or less.

Note: The Company is prohibited from insuring the area or quantity of the land described herein. Any statement in the above legal description of the area or quantity of land is not a representation that such area or quantity is correct, but is made only for information and/or identification purposes and does not override item 2 of Schedule B hereof.

APPENDIX C

PHASE	NAME	LEGAL DESCRIPTION	DESCRIPTION
1	1	1	1
2	2	2	2
3	3	3	3
4	4	4	4
5	5	5	5
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Being a 139.28 acres (6,067,270 Square Feet) tract of land situated in the S.B. Price Survey, Abstract No. Being a 139.28 a
 860, the Leeman Kelsey Survey, Abstract No. 594 and the J.E. McQuatter Survey, Abstract No. 781, City 860, the Leeman
 of Venus, Ellis County, Texas; being a portion of Venus, Ellis 200.046, Texas (being a portion called of that called 200.046 a
 97.8915 acres (tract 5), conveyed to Fall Creek Land & Cattle, LLC., of record in Document No. 201897.8915 acres (tract 5
 1808509, Deed Records, Ellis County, Texas, (D.R.E.C.T.) and more particularly described by metes and 1808509, Deed Rec
 bounds as follows:

THENCE, South 28°27'42" East, 580.53 feet to a point;THENCE, South 28°27'42" East, 580.53 feet to a po
THENCE, North 61°32'18" East, 79.73 feet to a point marking the beginning of a curve to the left;THENCE, North 61°32'18
6.94 feet along said curve to the left having a radius of 11.00 feet, a delta angle of 36°07'44" and a chord 6.94 feet along
bearing North 43°28'26" East, 6.82 feet to a point;bearing North 43°28'26" East, 6.82 feet to the right; 42.25 point marking the
feet along said curve to the right having a radius of 67.00 feet, a delta angle of 36°07'44" and a chord feet along said curv
bearing North 43°28'26" East, 41.55 feet to a point;bearing North 43°28'26" East, 41.55 feet to a point;

THENCE, South 61°32'18" East, 79.73 feet to a point;THENCE, South 61°32'18" East, 79.73 feet to a point;
THENCE, South 28°27'42" East, 1130.00 feet to a point;THENCE, South 28°27'42" East, 1130.00 feet to a point;
THENCE, North 61°32'18" East, 73.04 feet to a point marking the beginning of a curve to the left;THENCE, North 61°32'18" East, 73.04 feet to a point marking the beginning of a curve to the left;
6.94 feet along said curve to the left having a radius of 11.00 feet, a delta angle of 36°07'44" and a chord ve to the left ha
bearing North 43°28'26" East, 6.82 feet to a point marking the beginning of a curve to the right; 42.25 bearing North 43°2
feet along said curve to the right having a radius of 67.00 feet, a delta angle of 36°07'44" and a chord to the right ha
bearing North 43°28'26" East, 41.55 feet to a point;bearing North 43°28'26" East, 41.55 feet to a point;

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APPENDIX D

PHASE 1 AND 2 CONCEPT DESIGN

~~APPENDIX E~~ ~~APPENDIX E~~

~~TABLE OF ALLOCATED NOTYPE 6060S~~

PHASE 1A AND 1B ANTICIPATED INDICATED LOTS			
PHASE	LOCK	LOT	TYPE
Phase 1A	121	434	Lot Type 60
Phase 1A	121	676	Lot Type 60
Phase 1B	11	191	Lot Type 60
Phase 1B	66	99	Lot Type 60
Phase 1B	66	101	Lot Type 60
Phase 1B	66	111	Lot Type 60
Phase 1B	88	55	Lot Type 60
Phase 1B	88	66	Lot Type 60
Phase 1B	99	44	Lot Type 60
Phase 1B	99	55	Lot Type 60
Phase 1B	99	66	Lot Type 60
Phase 1B	99	111	Lot Type 60
Phase 1B	99	141	Lot Type 60
Phase 1B	99	191	Lot Type 60
Phase 1B	99	202	Lot Type 60
Phase 1B	99	212	Lot Type 60
Phase 1B	121	151	Lot Type 60
Phase 1B	121	161	Lot Type 60
Phase 1B	121	272	Lot Type 60
Phase 2	22	111	Lot Type 60
Phase 2	22	161	Lot Type 60
Phase 2	22	181	Lot Type 60
Phase 2	22	242	Lot Type 60
Phase 2	22	272	Lot Type 60
Phase 2	22	343	Lot Type 60
Phase 2	55	22	Lot Type 60
Phase 2	55	33	Lot Type 60
Phase 2	WestV	121	Lot Type 60
Phase 2	WestV	131	Lot Type 60
Phase 2	WestV	141	Lot Type 60
Phase 2	WestV	232	Lot Type 60
Phase 2	WestV	242	Lot Type 60
Phase 2	WestV	252	Lot Type 60
Phase 2	WestV	464	Lot Type 60



RESOLUTION NO. ____-2021-04

RESOLUTION APPROVING A PRELIMINARY LIMITED OFFERING MEMORANDUM FOR THE SALE OF “CITY OF VENUS, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021 (BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1 - PHASE 1 AND 2 PROJECT)”

WHEREAS, the City of Venus, Texas (the “City”) intends to issue its City of Venus, Texas Special Assessment Revenue Bonds, Series 2021 (Brahman Ranch Public Improvement District No. 1 – Phase 1 and 2 Project) (the “Bonds”) to finance certain public improvements within the City;

WHEREAS, FMSbonds, Inc. (the “Underwriter”), with assistance from its counsel, City Staff, the City’s Bond Counsel, and City’s Financial Advisor, has prepared a Preliminary Limited Offering Memorandum for dissemination to potential purchasers of the Bonds prior to the availability of the final Limited Offering Memorandum for the Bonds.

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

1. The Preliminary Limited Offering Memorandum for the Bonds, substantially in the form attached hereto as Exhibit A, is hereby approved with such changes, addenda, supplements or amendments as may be approved by the City Manager and/or Finance Director in consultation with the City’s consultants retained by the City to assist in the issuance of the Bonds including Bond Counsel and the Financial Advisor, and the Underwriter is hereby authorized to distribute such document among potential purchasers of the Bonds and other interested persons in connection with the initial marketing and placement of the Bonds; provided that such Preliminary Limited Offering Memorandum shall not be released to the public without the approval of the City Manager or Finance Director, which approval shall be made in consultation with the City’s consultants retained by the City to assist in the issuance of the Bonds including Bond Counsel and the Financial Advisor.

2. Pursuant to Rule 15c2-12 of the United States Securities and Exchange Commission (17 C.F.R. § 240.15c2-12) (“Rule 15c2-12”), the City hereby deems the Preliminary Limited Offering Memorandum to be final as of its date, except for the omission of no more than the following information as permitted by Rule 15c2-12: the offering prices of the Bonds, interest rates for the Bonds, selling compensation of the Underwriter, the aggregate principal amount of the Bonds, the principal amount per maturity of the Bonds, the delivery date for the Bonds, ratings for the Bonds, and the identity of the ultimate purchasers.

PASSED AND APPROVED THIS 12th DAY OF APRIL, 2021.

ATTEST:

James L. Burgess, Mayor
City of Venus, Texas

Callie Green, City Secretary
City of Venus, Texas

EXHIBIT A

PRELIMINARY LIMITED OFFERING MEMORANDUM

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED [____], 2021

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

In the opinion of Bond Counsel, interest on the Bonds will be excludable from gross income for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions existing on the date hereof, subject to the matters described under “TAX MATTERS” herein.

\$8,514,000*

CITY OF VENUS, TEXAS

(a municipal corporation of the State of Texas located in Johnson and Ellis Counties)

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021

(BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1 - PHASE 1 AND 2 PROJECT)

Dated Date: Delivery Date (as defined herein)

Interest to Accrue from Delivery Date

Due: September 15, as shown on the inside cover

The City of Venus, Texas Special Assessment Revenue Bonds, Series 2021 (Brahman Ranch Public Improvement District No. 1 - Phase 1 and 2 Project) (the “Bonds”), are being issued by the City of Venus, Texas (the “City”). The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$100,000 of principal amount and any integral multiple of \$1,000 in excess thereof. The Bonds will bear interest at the rates set forth on the inside cover page hereof, and such interest will be calculated on the basis of a 360-day year of twelve 30-day months and will be payable on each March 15 and September 15, commencing September 15, 2021*, 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 Regions Bank, as trustee (the “Trustee”), to Cede & Co. as the registered owner thereof. See “BOOK-ENTRY-ONLY SYSTEM.”

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), an ordinance expected to be adopted by the City Council of the City (the “City Council”) on May 10, 2021, and an Indenture of Trust, dated as of [April 15], 2021 (the “Indenture”), entered into by and between the City and the Trustee.

Proceeds of the Bonds will be used to provide funds for (i) paying a portion of the actual costs of the Phase 1 and 2 Authorized Improvements (as defined herein), (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Phase 1 and 2 Authorized Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the Brahman Ranch Public Improvement District No. 1 (the “District”) and (v) paying the costs of issuance of the Bonds. See “PHASE 1 AND 2 AUTHORIZED IMPROVEMENTS” and “APPENDIX B — Form of Indenture.” Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

The Bonds, when issued and delivered, will constitute valid and binding special, limited obligations of the City payable solely from and secured by the Pledged Revenues (as defined herein), consisting primarily of the Assessments (as defined herein) levied against assessed parcels in Phase 1 and 2 (as defined herein) of the District in accordance with a Service and Assessment Plan (as defined herein) and other funds comprising the Trust Estate (as defined herein), all to the extent and upon the conditions described herein. The Bonds are not payable from funds raised or to be raised from taxation. See “SECURITY FOR THE BONDS.” The Bonds are subject to redemption at the times, in the amounts, and at the redemption prices more fully described herein under the subcaption “DESCRIPTION OF THE BONDS — Redemption Provisions.”

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

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

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

The Bonds are offered for delivery when, as, and if issued by the City and accepted by the Underwriter (identified below), subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, as to the validity of the Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See “APPENDIX D — Form of Opinion of Bond Counsel.” Certain legal matters will be passed upon for the City by its counsel, Messer, Fort, McDonald PLLC, for the Underwriter by its counsel, Orrick, Herrington & Sutcliffe LLP and for the Developer by its counsel, Winstead PC. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about May 27, 2021 (the “Delivery Date”).

FMSbonds, Inc.

* Preliminary; subject to change.
4131-6811-5499.4

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

CUSIP Prefix: _____ (a)

\$8,514,000*

CITY OF VENUS, TEXAS

(a municipal corporation of the State of Texas located in Johnson and Ellis Counties)

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021

(BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1 - PHASE 1 AND 2 PROJECT)

\$ _____ % Term Bonds, Due September 15, 20 __, Priced to Yield ____%; CUSIP ____ (a) (b) (c)

\$ _____ % Term Bonds, Due September 15, 20 __, Priced to Yield ____%; CUSIP ____ (a) (b) (c)

-
- (a) CUSIP numbers are included solely for the convenience of owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS"), managed by S&P Global Market Intelligence on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the service provided by CGS. CUSIP numbers are provided for convenience of reference only. The City, the City's Financial Advisor and the Underwriter do not take any responsibility for the accuracy of such numbers.
- (b) The Bonds are subject to redemption, in whole or in part, before their scheduled maturity, at the option of the City, on any date on or after _____, 20 __, such redemption date or dates to be fixed by the City, at the redemption price of 100% of principal amount thereof, plus accrued interest to the date of redemption, as described herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."
- (c) The Bonds are also subject to mandatory sinking fund redemption and extraordinary optional redemption as described herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."

* Preliminary; subject to change.

CITY OF VENUS, TEXAS

CITY COUNCIL

<u>Name</u>	<u>Length of Service</u>	<u>Term Expires (May)</u>
James Burgess, Mayor	10 Years	2021
Jeanie Toland-Scott, Mayor Pro-Tern	4 Years	2022
Jeannie Prazak	11 Years	2021
Linda Harris	1 Year	2021
Geronimo Hernandez	11 Years	2022
Phyllis Lewis	< 1 Year	2022

CITY ADMINISTRATOR FINANCE DIRECTOR

Andy Wolfe

Cheryl Estes, CPA

BOND COUNSEL

McCall, Parkhurst & Horton L.L.P.
Dallas, Texas

FINANCIAL ADVISOR

Hilltop Securities Inc.
Dallas, Texas

PID ADMINISTRATOR

30 Three Sixty Public Finance, Inc.
Carlsbad, California

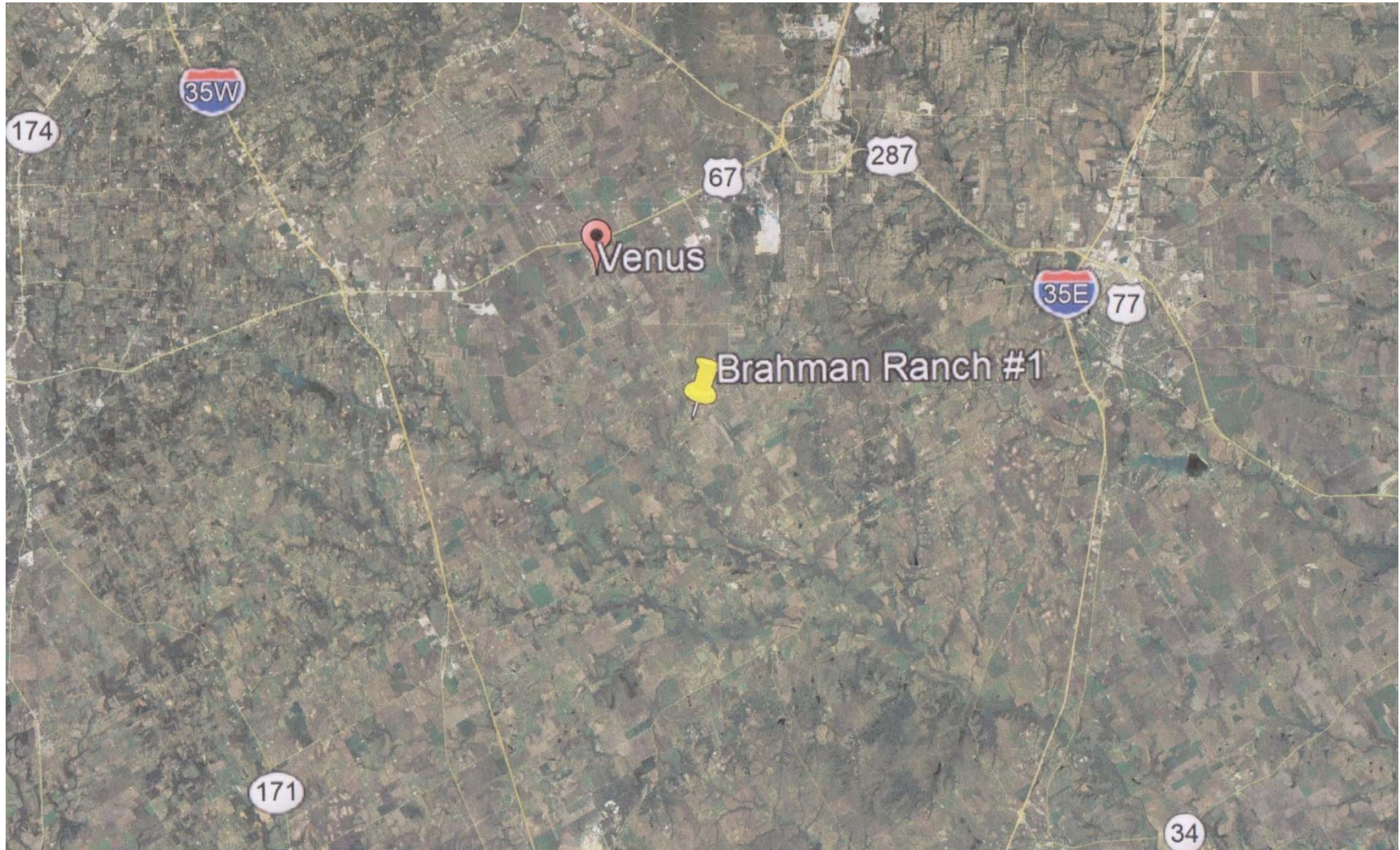
For additional information regarding the City, please contact:

Cheryl Estes, CPA
Finance Director
City of Venus, Texas
700 W. US Highway 67
Venus, Texas 76084
(972) 366-3348

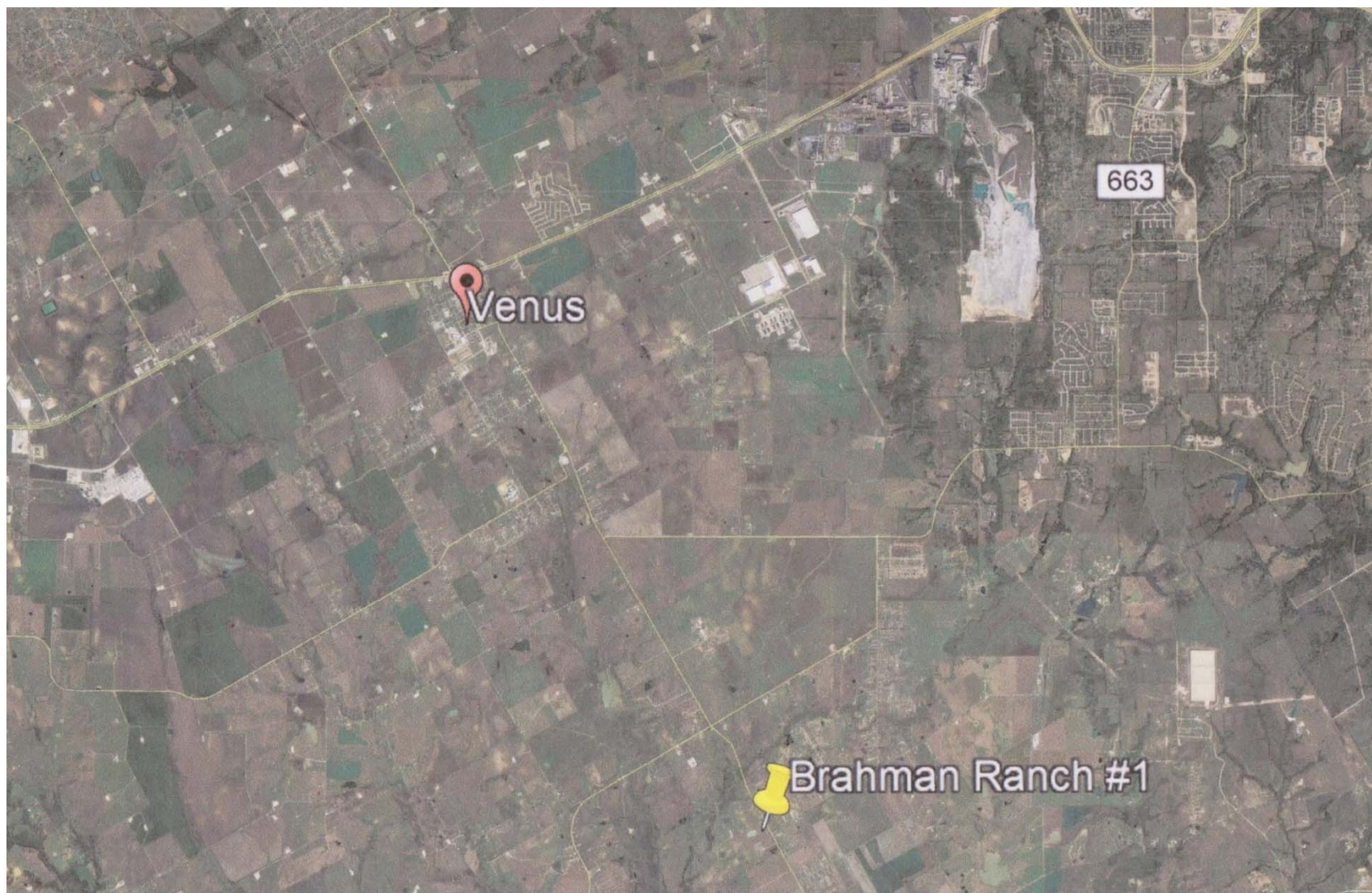
Jim S. Sabonis
Managing Director
Hilltop Securities Inc.
1201 Elm Street, Suite 3500
Dallas, Texas 75270
(214) 953-4000

Andre Ayala
Director
Hilltop Securities Inc.
1201 Elm Street, Suite 3500
Dallas, Texas 75270
(214) 953-4000

REGIONAL LOCATION MAP OF THE DISTRICT

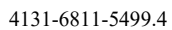


AREA LOCATION MAP OF THE DISTRICT



[illegible]

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FOR PURPOSES OF COMPLIANCE WITH RULE 15C2-12 OF THE SECURITIES AND EXCHANGE COMMISSION AS AMENDED AND IN EFFECT ON THE DATE OF THIS PRELIMINARY LIMITED OFFERING MEMORANDUM, 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 LIMITED OFFERING MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY EITHER OF THE FOREGOING. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY AND THERE SHALL BE NO OFFER, SOLICITATION OR SALE OF THE BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

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

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

NONE OF THE CITY, THE UNDERWRITER OR THE DEVELOPER MAKE ANY REPRESENTATION AS TO THE ACCURACY, COMPLETENESS, OR ADEQUACY OF THE INFORMATION SUPPLIED BY THE DEPOSITORY TRUST COMPANY FOR USE IN THIS LIMITED OFFERING MEMORANDUM.

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

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE

MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE UNITED STATES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE SECURITIES ACT OF 1933. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS “PLAN,” “EXPECT,” “ESTIMATE,” “PROJECT,” “ANTICIPATE,” “BUDGET” OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY NEITHER PLANS TO ISSUE ANY UPDATES OR REVISIONS NOR PLANS TO REQUEST THAT THE DEVELOPER PROVIDE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER “CONTINUING DISCLOSURE” HEREIN.

THE TRUSTEE HAS NOT PARTICIPATED IN THE PREPARATION OF THIS LIMITED OFFERING MEMORANDUM AND ASSUMES NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS LIMITED OFFERING MEMORANDUM OR THE RELATED TRANSACTIONS AND DOCUMENTS OR FOR ANY FAILURE BY ANY PARTY TO DISCLOSE EVENTS THAT MAY HAVE OCCURRED AND MAY AFFECT THE SIGNIFICANCE OR ACCURACY OF SUCH INFORMATION.

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PRELIMINARY LIMITED OFFERING MEMORANDUM

\$8,514,000*

CITY OF VENUS, TEXAS

(a municipal corporation of the State of Texas located in Johnson and Ellis Counties)

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021

(BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1 - PHASE 1 AND 2 PROJECT)

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page, the inside cover and the appendices hereto, is to provide certain information in connection with the issuance and sale by the City of Venus, Texas (the “City”), of its \$8,514,000* aggregate principal amount of Special Assessment Revenue Bonds, Series 2021 (Brahman Ranch Public Improvement District No. 1 - Phase 1 and 2 Project) (the “Bonds”).

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

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), the ordinance authorizing the issuance of the Bonds expected to be adopted by the City Council of the City (the “City Council”) on May 10, 2021 (the “Bond Ordinance”), and an Indenture of Trust, dated as of [April 15], 2021 (the “Indenture”), expected to be entered into by and between the City and Regions Bank, as trustee (the “Trustee”). The Bonds will be secured by a pledge and lien upon the Trust Estate (as defined in the Indenture) consisting primarily of revenue from special assessments (the “Assessments”) to be levied pursuant to a separate ordinance expected to be adopted by the City Council on May 10, 2021 (the “Assessment Ordinance”) against assessed parcels (the “Phase 1 and 2 Assessed Property”) located within the Single-Family Property (as defined herein) within Phase 1 and 2 (as defined herein) of the Brahman Ranch Public Improvement District No. 1 (the “District”) all to the extent and upon the conditions described in the Indenture. See “SECURITY FOR THE BONDS” and “ASSESSMENT PROCEDURES.”

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

Set forth herein are brief descriptions of the City, the District, the Developer (as defined herein), 30 Three Sixty Public Finance, Inc. (the “PID Administrator”), the Assessment Ordinance, the Bond Ordinance, the Service and Assessment Plan (as defined herein), the Reimbursement Agreement (as defined herein), and the Development Agreement (as defined herein), together with summaries of terms of the Bonds and the Indenture and certain provisions of the PID Act. All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID Act and all references to the Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. Copies of these documents may be obtained during the period of the offering of the Bonds from the Underwriter, FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Frisco, Texas 75034, telephone number (214) 302-2246. The form of Indenture appears in APPENDIX B and the form of Service and Assessment Plan appears as APPENDIX C. The information provided under this caption “INTRODUCTION” is intended to provide a brief overview of the information provided

** Preliminary; subject to change.*

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 approximately 667 acres making up the master planned residential community known as Brahman Ranch (the “Development”). Miskimon Management I, L.L.C. (the “Developer”) owns all of the land within Phase 1A (as defined below). Phase 1B, Phase 2 and the Remainder Area (each as defined below) are owned 95% by Richard K. Miskimon, the managing member of the Developer, and Sheri R. Miskimon and 5% by Falls Creek Land & Cattle, L.L.C. The Developer plans to develop the District in approximately 5 phases (each a “Phase”), beginning with the construction of certain public improvements benefitting the first and second Phases (“Phase 1 and 2”) within the District (as further described in “PHASE 1 AND 2 AUTHORIZED IMPROVEMENTS,” the “Phase 1 and 2 Authorized Improvements”). The property within Phase 1 is being developed in two sections, “Phase 1A” and “Phase 1B.” The Developer began development of the Phase 1 and 2 Authorized Improvements to serve Phase 1A in the April, 2020. The Developers expects to begin construction of the Phase 1 and 2 Authorized Improvements to serve Phase 1B upon closing of the Bonds and the Phase 1 and 2 Authorized Improvements to serve Phase 2 upon completion of Phase 1B. The Developer anticipates that it will follow with the construction of additional public improvements benefitting each Phase within the Remainder Area (the “Future Improvements”) over a period of approximately seven and a half years. The land within the District other than Phase 1 and 2 is hereinafter referred to as the “Remainder Area.” See “THE DEVELOPMENT.” The boundaries of the District and the concept plan for the District are shown in the “MAP SHOWING BOUNDARIES OF THE DISTRICT” and “MAP SHOWING CONCEPT PLAN OF PHASE 1 AND 2 OF THE DISTRICT” on pages iv and v.

In addition to the Phase 1 and 2 Authorized Improvements, the Developer will construct additional improvements within Phase 1 and 2 (the “Additional Improvements”), which include earthwork and water improvements and are necessary to deliver finished lots, and the Public Amenities (as defined herein), all of which will be dedicated to the City. See “THE DEVELOPMENT — Development Plan” and “— Amenities.”

A portion of the costs of certain of the public improvements benefitting Phase 1 and 2 also benefit certain property outside of the District (the “Non-PID Improvements”), therefore, a proportionate share of such costs have been allocated to such property. See “THE PHASE 1 AND 2 AUTHORIZED IMPROVEMENTS — Expected Costs of Phase 1 and 2 Authorized Improvements.”

The Developer estimates the costs of (i) the Phase 1 and 2 Authorized Improvements to be approximately \$9,399,643, (ii) the Additional Improvements to be approximately \$7,638,799, (iii) the Public Amenities to be approximately \$455,000 and (iv) the Non-PID Improvements to be approximately \$200,904 (collectively, the “Total Budgeted Costs”). As of [March 16, 2021], the Developer has spent approximately \$[2,356,941] on construction of the Phase 1 and 2 Authorized Improvements, Additional Improvements and Non-PID Improvements. The Developer has also contributed \$500,000 towards the costs of the Wastewater Treatment Plant (as defined herein), which is being constructed by the City. See “THE DEVELOPMENT — Development Agreement.”

The City will finance and/or reimburse the Developer for a portion of the actual costs, paid or incurred by or on behalf of the Developer, of the Phase 1 and 2 Authorized Improvements. The balance of the costs of the Phase 1 and 2 Authorized Improvements will be financed by the Developer without reimbursement by the City. The costs of the Additional Improvements, Public Amenities and Non-PID Improvements will be financed by the Developer without reimbursement by the City. See “THE PHASE 1 AND 2 AUTHORIZED IMPROVEMENTS,” “THE DEVELOPMENT — Development Plan” and “THE DEVELOPER — History and Financing of the District.”

The City and the Developer expect to enter into the Reimbursement Agreement Brahman Ranch Public Improvement District No. 1 Phase 1 and 2 Project to be effective as of [____], 2021, which provides, in part, for the deposit of the Assessments and the proceeds from the issuance and sale of the Bonds, and the payment of the actual costs of the Phase 1 and 2 Authorized Improvements. Pursuant to the Reimbursement Agreement, the Developer shall provide evidence of financial security in the form of a letter from the project lender confirming that sufficient funds are available and reserved for completion of the Phase 1 and 2 Authorized Improvements to be funded by the Bonds. If such evidence of financial security is not available, or if Developer so elects, Developer

may deposit into the Developer Improvement Account of the Project Fund (as described herein) an amount equal to the remaining costs of the Phase 1 and 2 Authorized Improvements not funded by the Bonds. In accordance with such provisions, prior to the issuance of the Bonds, the Developer will provide a letter from the project lender confirming that sufficient funds are available and reserved for completion of the Phase 1 and 2 Authorized Improvements to be funded by the Bonds. See “SECURITY FOR THE BONDS,” “THE PHASE 1 AND 2 AUTHORIZED IMPROVEMENTS,” “APPENDIX C — Form of Service and Assessment Plan” and “APPENDIX F — Form of Reimbursement Agreement.”

To provide additional assurance that the Developer will complete the Phase 1 and 2 Authorized Improvements, the Non-PID Improvements, the Park Improvements and the Additional Improvements, the Developer and the Trustee expect to enter into the Completion Agreement Brahman Ranch Public Improvement District No. 1 Phase 1 and 2 to be effective as of [____], 2021 (the “Completion Agreement”). Pursuant to the Completion Agreement, the Developer agrees, no later than 3 business days prior to the Delivery Date, to provide evidence of sufficient funds to complete the Phase 1 and 2 Authorized Improvements, the Non-PID Improvements, the Park Improvements and the Additional Improvements. “THE DEVELOPER — History and Financing of the District – Completion Agreement.”

Single-Family Residential Development within the District

Single-Family Residential. The Development is planned to include the following two residential product types: 60’ lots and 70’ lots, both of which will consist of detached single-family homes. The Developer anticipates that Phase 1 and 2 will include approximately 386 single-family lots (the “Single-Family Property”), consisting of 19 60’ lots and 247 70’ lots in Phase 1 and 15 60’ lots and 105 70’ lots in Phase 2, and the Remainder Area will include approximately 1,339 single-family lots.

As of March 30, 2021, the Developer has entered into lot purchase and sale agreements (the “Lot Purchase Agreements”) with Lillian Custom Homes (“Lillian Homes”), Elmwood Homes, LLC (“Elmwood Homes”), Carnegie Homes LLC (“Carnegie Homes”) and J Houston Homes, LLC (“Houston Homes” and, together with Lillian Homes, Elmwood Homes and Carnegie Homes, the “Homebuilders”) for 120 70’ lots within Phase 1A. As of March 30, 2021, no lots have been taken down by the Homebuilders. The Developer expects the Homebuilders to take down all of their respective lots upon substantial completion of Phase 1A, anticipated for May, 2021. Pursuant to the Lot Purchase Agreements, the Homebuilders have collectively put down \$200,000 in earnest money, consisting of \$50,000 from Carnegie Homes, \$50,000 from Elmwood Homes, \$50,000 from Lillian Homes and \$50,000 from Houston Homes. The earnest money will be credited towards the purchase price at the respective lot closings. See “THE DEVELOPMENT — Development in Phase 1 and 2 – Homebuilders and Lot Purchase Agreements within Phase 1.”

The Bonds

Proceeds of the Bonds will be used to provide funds for (i) paying a portion of the actual costs of the Phase 1 and 2 Authorized Improvements, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Phase 1 and 2 Authorized Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District and (v) paying the costs of issuance of the Bonds. See “SOURCES AND USES OF FUNDS,” “THE PHASE 1 AND 2 AUTHORIZED IMPROVEMENTS” and “APPENDIX B — Form of Indenture.”

Payment of the Bonds is secured by a pledge of and a lien upon the Trust Estate, consisting primarily of Assessments, all to the extent and upon the conditions described herein and in the Indenture. See “SECURITY FOR THE BONDS” and “ASSESSMENT PROCEDURES.”

The Bonds shall never constitute an indebtedness or general obligation of the City, the State of Texas (the “State”) or any other political subdivision of the State, within the meaning of any constitutional provision or statutory limitation whatsoever, but the Bonds are limited and special obligations of the City payable solely from the Trust Estate as provided in the Indenture. Neither the faith and credit nor the taxing power of the City, the State or any other political subdivision of the State is pledged to the payment of the Bonds.

Additional Indebtedness

The City expects to issue one or more series of future phased bonds (each such series of bonds a “Future Phase Bond”) to finance the cost of the Future Improvements within each Phase following Phase 1 and 2 (collectively, the “Future Phases”), which currently comprise the Remainder Area, as the development proceeds. The estimated costs of the Future Improvements will be determined as the Future Phases of the District are developed, and the Service and Assessment Plan will be updated to identify the improvements authorized by the PID Act to be financed by each new series of Future Phase Bonds. Such Future Phase Bonds will be secured by separate assessments levied pursuant to the PID Act on assessable property within the applicable Future Phase of the District that benefit from the Future Improvements being financed.

The Bonds and any Future Phase Bonds issued by the City are separate and distinct issues of securities secured by separate assessments. Any Future Phase Bonds to be issued by the City are not offered pursuant to this Limited Offering Memorandum. Investors interested in purchasing any of these other City obligations should refer to the offering documents related thereto, when and if available.

LIMITATIONS APPLICABLE TO INITIAL PURCHASERS

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

1. The Investor has authority and is duly authorized to purchase the Bonds and to execute the investment letter and any other instruments and documents required to be executed by the Investor in connection with the purchase of the Bonds.

2. The Investor is an “accredited investor” under Rule 501 of Regulation D of the Securities Act of 1933 or a “qualified institutional buyer” under Rule 144A of the Securities Act of 1933, and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Bonds.

3. The Bonds are being acquired by the Investor for investment and not with a view to, or for resale in connection with, any distribution of the Bonds, and the Investor intends to hold the Bonds solely for its own account for investment purposes and for an indefinite period of time, and does not intend at this time to dispose of all or any part of the Bonds. However, the investor may sell the Bonds at any time the Investor deems appropriate. The Investor understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible.

4. The Investor understands that the Bonds are not registered under the Securities Act of 1933 and that such registration is not legally required as of the date hereof; and further understands that the Bonds (a) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, and (c) will not carry a rating from any rating service.

5. The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the Phase 1 and 2 Authorized Improvements, the Bonds, the security therefor, and such other information as the Investor has deemed necessary or desirable in connection with its decision to purchase the Bonds (collectively, the “Investor Information”). The Investor has received a copy of this Limited Offering Memorandum relating to the Bonds. The Investor acknowledges that it has assumed responsibility for its review of the Investor Information, and it has not relied upon any advice, counsel, representation or information from the City in connection with the Investor’s purchase of the Bonds. The Investor agrees that none of the City, its councilmembers, officers, or employees shall have any liability to the Investor whatsoever for or in connection with the Investor’s decision to purchase the Bonds except for gross negligence, fraud or willful misconduct. For the avoidance of doubt, it is acknowledged that the Underwriter is not deemed an officer or employee of the City.

6. The Investor acknowledges that the obligations of the City under the Indenture are special, limited obligations payable solely from amounts paid to the City pursuant to the terms of the Indenture and the City shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of the City for amounts due under the Indenture. The Investor understands that the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the City, the State or any political subdivision or taxing district thereof; that the Bonds will never represent or constitute a general obligation or a pledge of the faith and credit of the City, the State or any political subdivision thereof; that no right will exist to have taxes levied by the State or any political subdivision thereof for the payment of principal and interest on the Bonds; and that the liability of the City and the State with respect to the Bonds is subject to further limitations as set forth in the Bonds and the Indenture.

7. The Investor has made its own inquiry and analysis with respect to the Bonds and the security therefor. The Investor is aware that the development of the District involves certain economic and regulatory variables and risks that could adversely affect the security for the Bonds.

8. The Investor acknowledges that the sale of the Bonds to the Investor is made in reliance upon the certifications, representations and warranties described in items 1-7 above.

DESCRIPTION OF THE BONDS

General Description

The Bonds will mature on the dates and in the amounts set forth in the inside cover page of this Limited Offering Memorandum. Interest on the Bonds will accrue from their date of delivery to the Underwriter (the “Delivery Date”) and will be computed on the basis of a 360-day year of twelve 30-day months and will be payable on each March 15 and September 15, commencing September 15, 2021* (each, an “Interest Payment Date”), until maturity or prior redemption. Regions Bank is the initial Paying Agent and Registrar for the Bonds.

The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$100,000 of principal and any integral multiple of \$1,000 in excess thereof (“Authorized Denominations”). Upon initial issuance, the ownership of the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), and purchases of beneficial interests in the Bonds will be made in book-entry only form. See “BOOK-ENTRY-ONLY SYSTEM” and “SUITABILITY FOR INVESTMENT.”

Redemption Provisions

Optional Redemption. The City reserves the right and option to redeem Bonds maturing on or after September 15, 20__, before their scheduled maturity date, in whole or in part, on any date on or after September 15, 20__, such redemption date or dates to be fixed by the City, at the redemption price of 100% of the principal amount of the Bonds to be redeemed, plus accrued and unpaid interest to the date of redemption (the “Redemption Price”).

Extraordinary Optional Redemption. The City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, on the 15th day of any month, at the Redemption Price, from amounts on deposit in the Redemption Fund as a result of Prepayments or any other transfers to the Redemption Fund under the terms of the Indenture. See “ASSESSMENT PROCEDURES — Prepayment of Assessments” for the definition and description of Prepayments.

Mandatory Sinking Fund Redemption. The Bonds maturing on September 15 in the years 20__ and 20__ (collectively, the “Term Bonds”), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the Redemption Price from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to the Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedules:

* Preliminary; subject to change.

<u>\$ Term Bonds Maturing September 15, 20</u>	
<u>Sinking Fund</u>	
<u>Redemption Date</u>	<u>Installment Amount</u>
September 15, 20__	\$
September 15, 20__ †	

† Stated Maturity

<u>\$ Term Bonds Maturing September 15, 20</u>	
<u>Sinking Fund</u>	
<u>Redemption Date</u>	<u>Installment Amount</u>
September 15, 20__	\$
September 15, 20__	
September 15, 20__ †	

† Stated Maturity

At least 30 days prior to each sinking fund redemption date, and subject to any prior reduction authorized by the Indenture, the Trustee shall select by lot, or by any other customary method that results in a random selection, a principal amount of Bonds of such maturity equal to the Sinking Fund Installment amount of such Bonds to be redeemed, shall call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in the Indenture.

The principal amount of Bonds required to be redeemed on any redemption date pursuant to the mandatory sinking fund redemption described above shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least 30 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 Term Bonds required to be redeemed on any mandatory sinking fund redemption date shall be reduced in integral multiples of \$1,000 by any portion of such Bonds, which, at least 30 days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions of the Indenture.

Partial Redemption. If less than all of the Bonds are to be redeemed pursuant to the Indenture, the particular maturity of Bonds or portions of a maturity of Bonds to be redeemed shall be allocated on a pro rata basis among all Outstanding Bonds.

Bonds may be redeemed in minimum principal amounts of \$1,000 or any integral thereof. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by \$1,000.

A portion of an Outstanding Bond of any one maturity may be redeemed, but only in a principal amount equal to \$1,000 or any integral thereof. If a portion of an Outstanding Bond of a maturity is selected for redemption, the Trustee shall select the Outstanding Bonds of such maturity to be redeemed by lot or in any manner deemed fair by the Trustee. The Trustee shall treat each \$1,000 portion of such Bond as though it were a single Bond for purposes of selection for redemption. No redemption shall result in a Bond in a denomination of less than an Authorized Denomination; provided, however, if the amount of Outstanding Bonds is less than an Authorized Denomination after giving effect to such partial redemption, a Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued.

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

Notice of Redemption. Upon written direction of the City to the Trustee of the exercise of any redemption provision under the Indenture, the Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in 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, and subject to the Indenture, 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. Any such notice shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. Notice of redemption having been given as provided in the Indenture, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption provided that funds for the payment of the redemption price of such Bonds to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Indenture have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Trustee prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the City, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Trustee on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds, such events shall not constitute an Event of Default under the Indenture, and the Trustee shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

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

BOOK-ENTRY-ONLY SYSTEM

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

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

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct

Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). Direct Participants and Indirect Participants are collectively referred to herein as "Participants." DTC has an S&P Global Ratings' rating of "AA+". The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

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

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

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

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

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

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

Agent/Registrar, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, the Paying Agent/Registrar or the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Participants.

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

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

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

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

General

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

The following is a summary of certain provisions contained in the Indenture. Reference is made to the Indenture for a full statement of the terms and provisions of the Bonds. Investors must read the entire Indenture to obtain information essential to the making of an informed investment decision. See "APPENDIX B — Form of Indenture."

The principal of, premium, if any, and interest on the Bonds will be secured by a pledge of and a lien upon the pledged revenues (the "Pledged Revenues"), consisting primarily of Assessments expected to be levied against the Phase 1 and 2 Assessed Property and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. In accordance with the PID Act, the City has caused the

preparation of an amended and restated service and assessment plan (as updated, amended and supplemented from time to time, the “Service and Assessment Plan”), which describes the special benefit received by the Phase 1 and 2 Assessed Property, provides the basis and justification for the determination of special benefit on the Phase 1 and 2 Assessed Property, establishes the methodology for the levy of the Assessments and provides for the allocation of Pledged Revenues for payment of principal of, premium, if any, and interest on the Bonds. The Service and Assessment Plan is reviewed and updated at least annually (each, an “Annual Service Plan Update”) for the purpose of determining the annual budget for improvements and the Annual Installments (as defined below) of Assessments due in a given year. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future landowners within the District. See “APPENDIX C — Form of Service and Assessment Plan.”

Pledged Revenues

The City is authorized by the PID Act, the Assessment Ordinance and other provisions of applicable law to finance the Phase 1 and 2 Authorized Improvements by levying Assessments upon the Phase 1 and 2 Assessed Property. For a description of the assessment methodology and the amounts of Assessments levied in Phase 1 and 2, see “ASSESSMENT PROCEDURES” and “APPENDIX C — Form of Service and Assessment Plan.”

Pursuant to the Indenture, the following terms are assigned the following meanings:

“Additional Interest” means the 0.50% additional interest charged on each Assessment, pursuant to Section 372.018 of the PID Act. See “SECURITY FOR THE BONDS — Pledged Revenue Fund” and “APPENDIX C — Form of Service and Assessment Plan.”

“Annual Installment” means the sum of each annual payment of: (i) the Assessment (including the principal of and interest on the Assessment) as shown on the Phase 1 and 2 Assessment Roll (as defined herein) attached to the Service and Assessment Plan, as the same may be updated from time to time, or in an Annual Service Plan Update, and calculated as provided in the Service and Assessment Plan, (ii) Administrative Expenses, and (iii) the Additional Interest.

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

“Pledged Funds” means, collectively, the Pledged Revenue Fund, the Bond Fund, the Project Fund, the Reserve Fund, and the Redemption Fund.

“Pledged Revenues” means, collectively, the (i) Assessment Revenues (excluding the portion of the Assessments and Annual Installments collected for the payment of Administrative Expenses (as defined herein) and Delinquent Collection Costs, as set forth in the Service and Assessment Plan and any Assessments or Annual Installments in excess of the amounts required to be deposited into the Pledged Revenue Fund pursuant to the Indenture), (ii) the moneys held in any of the Pledged Funds and (iii) any additional revenues that the City may pledge to the payment of the Bonds.

Collection and Deposit of Assessments

The Assessments on each parcel, tract or lot which are to be collected in each year during the term of the Bonds are shown on the Phase 1 and 2 Assessment Roll. The Assessments, together with the interest thereon, will be deposited in the Pledged Revenue Fund for the payment of the principal of and interest on the Bonds, as and to the extent provided in the Service and Assessment Plan and the Indenture. See “SECURITY FOR THE BONDS — Pledged Revenue Fund.”

The Assessments assessed to pay debt service on the Bonds together with interest thereon, are payable in Annual Installments established by the Assessment Ordinance and the Service and Assessment Plan to correspond, as nearly as practicable, to the debt service requirements for the Bonds. An Annual Installment of an Assessment will be made payable in the Assessment Ordinance in each City fiscal year preceding the date of final maturity of the Bonds which, if collected, will be sufficient to pay debt service requirements attributable to the Assessments in

the Service and Assessment Plan. Each Annual Installment is payable as provided in the Service and Assessment Plan and the Assessment Ordinance.

The portions of the Annual Installments of Assessments collected to pay Administrative Expenses and Delinquent Collection Costs will be deposited in the Administrative Fund and shall not constitute Pledged Revenues.

Unconditional Levy of Assessments

The City will impose Assessments on the Phase 1 and 2 Assessed Property to pay the principal of and interest on the Bonds scheduled for payment from Pledged Revenues as described in the Indenture and in the Service and Assessment Plan and coming due during each fiscal year. The Assessments shall be effective on the date of, and strictly in accordance with the terms of, the Assessment Ordinance. Each Assessment may be paid immediately in full or in periodic Annual Installments over a period of time equal to the term of the Bonds, which installments shall include interest on the Assessments. Pursuant to the Assessment Ordinance, interest on the Assessments for each lot within Phase 1 and 2 will begin to accrue on the date specified in the Service and Assessment Plan and, prior to issuance of the Bonds, is calculated at a rate specified in the Assessment Ordinance. After issuance of the Bonds, Additional Interest on the Assessments for each lot within Phase 1 and 2 will accrue at the rate of 0.50% as specified in the Assessment Ordinance. The rate of Additional Interest may not exceed a rate that is 0.50% higher than the actual interest rate of the Bonds, pursuant to Section 372.018 of the PID Act. Each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be calculated annually and shall be due on or about October 1 of each year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year.

As authorized by Section 372.018(b) of the PID Act, the City will levy, assess and collect, each year while the Bonds are Outstanding and unpaid, as part of the Annual Installment, an amount to pay the annual costs incurred by the City in the administration and operation of Phase 1 and 2 (the “Administrative Expenses”). The portion of each Annual Installment of an Assessment used to pay Administrative Expenses shall remain in effect each 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 Assessment Ordinance on or about October 1 of each year and shall be delinquent if not paid by February 1 of the following year. **Amounts collected for Administrative Expenses do not secure repayment of the Bonds.**

There is no discount for the early payment of Assessments.

The PID Act provides that the Assessments (including any reassessment, with interest, the expense of collection and reasonable attorney’s fees, if incurred) are a first and prior lien (the “Assessment Lien”) against the Phase 1 and 2 Assessed Property, superior to all other liens and claims, except liens and claims for the State, county, school district, or municipality for ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named. Pursuant to the PID Act, the Assessment Lien is effective from the date of the Assessment Ordinance until the Assessments are paid (or otherwise discharged) and is enforceable by the City Council in the same manner that an ad valorem property tax levied against real property may be enforced by the City Council. See “ASSESSMENT PROCEDURES” herein. The Assessment Lien is superior to any homestead rights of a property owner that are properly claimed after the adoption of the Assessment Ordinance. However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinance (“Pre-existing Homestead Rights”) for as long as such rights are maintained on the property. See “BONDHOLDERS’ RISKS — Assessment Limitations.”

Failure to pay an Annual Installment when due will not accelerate the payment of the remaining Annual Installments of the Assessments and such remaining Annual Installments (including interest) will continue to be due and payable at the same time and in the same amount and manner as if such default had not occurred.

Perfected Security Interest

The lien on and pledge of the Trust Estate will be valid and binding and fully perfected from and after the Delivery Date, without physical delivery or transfer of control of the Trust Estate, the filing of the Indenture or any other act; all as provided in Chapter 1208 of the Texas Government Code, as amended, which applies to the issuance

of the Bonds and the pledge of the Trust Estate granted by the City under the Indenture, and such pledge is therefore valid, effective and perfected. If State law is amended at any time while the Bonds are Outstanding such that the pledge of the Trust Estate granted by the City under the Indenture is to be subject to the filing requirements of Chapter 9, Business and Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under State law to comply with the applicable provisions of Chapter 9, Business and Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Pledged Revenue Fund

Immediately upon receipt thereof, the City shall transfer to the Trustee for deposit to the Pledged Revenue Fund the Assessments and Annual Installments, other than (1) the portion of the Assessments and Annual Installments allocated to the payment of Administrative Expenses and Delinquent Collection Costs, which shall be deposited to the Administrative Fund in accordance with the Indenture and (2) any Assessments and Annual Installments in excess of the amounts required to be deposited into the Accounts described in the following sentence. Specifically, following the initial deposit to the Pledged Revenue Fund, the City shall transfer or cause to be transferred the following amounts from the Pledged Revenue Fund to the following Accounts: (i) *first*, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds next coming due, and (ii) *second*, if necessary, to the Reserve Account of the Reserve Fund, an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement. Notwithstanding the foregoing, the Additional Interest shall only be utilized for the purposes set forth in the Indenture and, immediately following the initial deposit to the Pledged Revenue Fund, prior to any other transfers or deposits being made under this paragraph, if the Delinquency and Prepayment Reserve Account of the Reserve Fund does not contain the Delinquency and Prepayment Reserve Requirement and Additional Interest is collected, then all such Additional Interest will be transferred into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement is met. In addition, in the event the City owes Rebtable Arbitrage to the United States Government pursuant to the Indenture, the City shall provide written direction to the Trustee to transfer to the Rebate Fund, prior to any other transfer under this paragraph, the full amount of Rebtable Arbitrage owed by the City, as further described in the Indenture. If any funds remain on deposit in the Pledged Revenue Fund after the foregoing deposits are made, the City shall have the option, in its sole and absolute discretion, to use such excess funds for any one or more of the following purposes: (1) pay other costs of the Phase 1 and 2 Authorized Improvements, (2) pay other costs permitted by the PID Act, or (3) deposit such excess into the Redemption Fund to redeem Bonds as provided in the Indenture.

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

If, after the foregoing transfers and any transfer from the Reserve Fund (as described under the subcaptions “Reserve Account of the Reserve Fund” and “Delinquency and Prepayment Account of the Reserve Fund” below), there are insufficient funds to make the payments to the Principal and Interest Account of the Bond Fund described 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 transfer Prepayments to the Redemption Fund to be used to redeem Bonds promptly after deposit of such amounts into the Pledged Revenue Fund.

Promptly after the deposit of Foreclosure Proceeds into the Pledged Revenue Fund, the Trustee shall transfer such Foreclosure Proceeds *first* to the Reserve Fund to restore any transfers from the Accounts within the Reserve Fund made with respect to the particular Phase 1 and 2 Assessed Property to which the Foreclosure Proceeds relate (first to replenish the Reserve Account Requirement, and second to replenish the Delinquency and Prepayment Reserve Requirement), and *second*, to the Redemption Fund.

After satisfaction of the requirement to provide for the final payment of the principal and interest on the Bonds and to fund any deficiency that may exist in the Reserve Fund, the Trustee shall transfer any Pledged Revenues remaining in the Pledged Revenue Fund for the purposes set forth in the first paragraph under this subheading, as directed by the City in a City Order.

Bond Fund

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

Moneys in the Capitalized Interest Account of the Bond Fund shall be used for the payment of all interest due on the Bonds on September 15, 2021*. Not later than five Business Days prior to the Interest Payment Date specified above, the Trustee shall withdraw from the Capitalized Interest Account and transfer to the Principal and Interest Account of the Bond Fund all interest due on the Bonds on such Interest Payment Dates. Any amounts on deposit to the Capitalized Interest Account after the foregoing payments shall be transferred to the Bond Improvement Account of the Project Fund, or if the Bond Improvement Account of the Project Fund has been closed, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

Project Fund

Money on deposit in the Project Fund shall be used for the purposes specified in the Indenture. 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 Orders.

Disbursements from the Bond Improvement Account and Developer Improvement Account of the Project Fund to pay actual costs of the Phase 1 and 2 Authorized Improvements shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certificate for Payment or Certificate for Payment – Developer Improvement Account, respectively. The funds from the Bond Improvement Account and Developer Improvement Account of the Project Fund shall be disbursed in accordance with a Certificate for Payment or Certificate for Payment – Developer Improvement Account, respectively, as described in the Reimbursement Agreement. Each such Certificate for Payment or Certificate for Payment – Developer Improvement Account shall include a list of the payees and the payments to be made to such payees as well as a statement that all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in such Certificate for Payment or Certificate for Payment – Developer Improvement Account or in the invoices submitted therewith and the Trustee may rely on such payment instructions with no duty to investigate or inquire as to the authenticity of or authorization for the invoice or the payment instructions contained therein. For the form of Certificate for Payment and Certificate for Payment – Developer Improvement Account see Exhibit A and B, respectively, to “APPENDIX F — Form of Reimbursement Agreement.”

Except as provided in the following two paragraphs, money on deposit in the Bond Improvement Account and Developer Improvement Account, if any, of the Project Fund shall be used solely to pay actual costs of the Phase 1 and 2 Authorized Improvements. The Trustee shall pay actual costs of the Phase 1 and 2 Authorized Improvements from funds in the Bond Improvement Account first, and shall pay actual costs of the Phase 1 and 2 Authorized Improvements from funds in the Developer Improvement Account, if any, only when and if funds in the Bond Improvement Account are completely depleted.

If the City Representative determines in his or her sole discretion that amounts then on deposit in the Bond Improvement Account or Developer Improvement Account, if any, of the Project Fund are not expected to be

* Preliminary; subject to change.

expended for purposes of the Project Fund due to the abandonment, or constructive abandonment, of one or more of the Phase 1 and 2 Authorized Improvements such that, in the opinion of the City Representative, it is unlikely that the amounts in the Bond Improvement Account or Developer Improvement Account, if any, of the Project Fund will ever be expended for the purposes of the Bond Improvement Account or the Developer Improvement Account of the Project Fund, the City Representative shall file a City Order with the Trustee which identifies the amounts then on deposit in the Bond Improvement Account or Developer Improvement Account of the Project Fund that are not expected to be used for purposes of the Bond Improvement Account or Developer Improvement Account of the Project Fund. If such City Order is so filed, the identified amounts on deposit in the Bond Improvement Account of the Project Fund shall be transferred to the Bond Fund or to the Redemption Fund as directed by the City Representative in a City Order filed with the Trustee, and the identified amounts on deposit in the Developer Improvement Account of the Project Fund shall be transferred and released to the Developer, or to the Developer's successors and assigns or designees pursuant to the Indenture. Upon such transfers, the Bond Improvement Account and Developer Improvement Account of the Project Fund shall be closed.

Upon the filing of a City Order stating that all Phase 1 and 2 Authorized Improvements have been completed and that all Costs have been paid, or that any Costs are not required to be paid from the Bond Improvement Account of the Project Fund pursuant to a Certificate for Payment or a Certificate for Payment – Developer Improvement Account, the Trustee shall transfer the amount, if any, remaining within the Bond Improvement Account of the Project Fund to the Bond Fund or to the Redemption Fund as directed by the City Representative in a City Order filed with the Trustee, and any amounts on deposit in the Developer Improvement Account shall be transferred and released to the Developer, or to the Developer's successors and assigns or designees pursuant to the Indenture. Upon such transfer, the Bond Improvement Account and Developer Improvement Account of the Project Fund shall be closed.

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 Bond Improvement Account and used to pay actual costs of the Phase 1 and 2 Authorized Improvements or to the Principal and Interest Account and used to pay interest on the Bonds, as directed in a City Order filed with the Trustee, and the Costs of Issuance Account shall be closed.

Any amounts in the Developer Improvement Account to be transferred and released pursuant to the above provisions shall be irrevocably and unconditionally transferred and released to the Developer, or to the Developer's successors and assigns or designees as identified in a written notice from the Developer to the Trustee and the City. The City and the Trustee shall solely and conclusively rely as to payment of amounts released from the Developer Improvement Account on any such written notice from the Developer as to their successors and assigns or designees. The City shall provide written notice of the release to the Trustee and Developer, or to the Developer's successors and assigns or designees, and the amount payable to the Developer, or its successors and assigns or designees.

In the event the Developer has not completed the Phase 1 and 2 Authorized Improvements by _____, 2026, then the City may provide written direction to the Trustee to (i) transfer all funds on deposit in the Bond Improvement Account to the Redemption Fund to redeem Bonds and (ii) transfer and release amounts on deposit in the Developer Improvement Account, if any, to the Developer, or to the Developer's successors and assigns or designees pursuant to the Indenture. Upon such transfers, the Bond Improvement Account and Developer Improvement Account of the Project Fund shall be closed.

Reserve Account of the Reserve Fund

Pursuant to the Indenture, a Reserve Account will be created within the Reserve Fund, held by the Trustee for the benefit of the Bonds, and initially funded with proceeds of the Bonds in the amount of the Reserve Account Requirement. Pursuant to the Indenture, the "Reserve Account Requirement" for the Bonds is 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, and (iii) 10% of the principal amount of the Bonds; provided, however, that such amount shall be reduced by the amount of any transfers made to the Redemption Fund as a result of Prepayments; and provided further that as a result of (1) an optional redemption, or (2) an extraordinary optional redemption, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds redeemed by such redemption divided by the total principal amount of the Outstanding Bonds

prior to such redemption. As of the Delivery Date, the Reserve Account Requirement is \$_____ which is an amount equal to the Reserve Account Requirement defined above.

In the event of an extraordinary optional redemption of Bonds from the proceeds of a Prepayment, the Trustee, pursuant to written directions from the City, shall transfer from the Reserve Account of the Reserve Fund to the Redemption Fund the amount specified in such directions, which shall be an amount equal to the principal amount of Bonds to be redeemed multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayment toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption of the Bonds to be redeemed as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall or any additional amounts to permit the redemption of Bonds to be redeemed in minimum principal amounts of \$1,000 from the Delinquency and Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds due on such date, the Trustee shall transfer *first* from the Delinquency and Prepayment Reserve Account of the Reserve Fund (described below) and *second* from the Reserve Account of the Reserve Fund to the Bond Fund the amount necessary to cure such deficiency. If, after a Reserve Account withdrawal, the amount on deposit in the Reserve Account is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account the amount of such deficiency, but only to the extent that such amount is not required for the timely payment of principal, interest, or Sinking Fund Installments.

Whenever, on any Interest Payment Date, or on any other date at the request of a City Representative, the value of cash and Value of Investment Securities on deposit in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Bonds on the next Interest Payment Date in accordance with the Indenture, unless within 30 days of such notice to the City Representative, the Trustee receives a City Order instructing the Trustee to apply such excess: (i) to pay amounts due to the Rebate Fund, in accordance with the Indenture, (ii) to the Administrative Fund in an amount not more than the Administrative Expenses for the Bonds, (iii) to the Bond Improvement Account of the Project Fund to pay actual costs of the Phase 1 and 2 Authorized Improvements if such application and the expenditure of funds is expected to occur within three years of the date hereof or, (iv) to the Redemption Fund to be applied to the redemption of the Bonds.

Delinquency and Prepayment Reserve Account of the Reserve Fund

Pursuant to the Indenture, a Delinquency and Prepayment Reserve Account will be created within the Reserve Fund, held by the Trustee for the benefit of the Bonds. The Trustee will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Delinquency and Prepayment Reserve Account on March 15 of each year, commencing March 15, 2022 an amount equal to the Additional Interest until the Delinquency and Prepayment Reserve Requirement has been accumulated in the Delinquency and Prepayment Reserve Account. The "Delinquency and Prepayment Reserve Requirement" means an amount equal to 3.5% of the principal amount of the then Outstanding Bonds. If at any time the amount on deposit in the Delinquency and Prepayment Reserve Account is less than Delinquency and Prepayment Reserve Requirement, the Trustee shall resume depositing the Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has accumulated in the Delinquency and Prepayment Reserve Account. The Additional Interest shall continue to be collected and deposited pursuant to the Indenture until the Bonds are no longer Outstanding.

Upon an extraordinary optional redemption of Bonds due to Prepayments, after transferring funds from the Reserve Account of the Reserve Fund to the Redemption Fund, if there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall from the Delinquency and Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amounts on deposit in the Delinquency and Prepayment Reserve Account exceed the

Delinquency and Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess, and such excess shall be transferred, at the direction of the City pursuant to a City Order, to the Administrative Fund for the payment of Administrative Expenses or to the Redemption Fund. In the event that the Trustee does not receive a City Order directing the transfer of such excess to the Administrative Fund within 45 days of providing notice to the City of such excess, the Trustee shall transfer such excess to the Redemption Fund to redeem Bonds.

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

Administrative Fund

The City will create under the Indenture an Administrative Fund held by the Trustee. Immediately upon receipt thereof, the City shall deposit or cause to be deposited to the Administrative Fund the portion of the Annual Installments allocated to the payment of Administrative Expenses and Delinquent Collection Costs, as set forth in the Service and Assessment Plan. Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered under the Indenture and used as directed by a City Order solely for the purposes set forth in the Service and Assessment Plan, including payment of Administrative Expenses and Delinquent Collection Costs. See “APPENDIX C — Form of Service and Assessment Plan.”

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

Defeasance

Any 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 within the meaning of the Indenture (a “Defeased Debt”), when payment of the principal of, premium, if any, on such Defeased Debt, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, upon redemption, or otherwise), either (i) shall have been made in accordance with the terms thereof, or (ii) shall have been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Defeasance Securities that mature as to principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. Neither Defeasance Securities nor moneys deposited with the Trustee nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall be reinvested in Defeasance Securities as directed by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

“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 are, at the time made, included in and authorized by the City’s official investment policy as approved by the City Council from time to time. Under current State law, Investment Securities that are authorized for the investment of funds to defease public securities are (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America; (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality, and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; and (c) noncallable obligations of a state or

an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Indenture does not contractually limit such investments, Owners will be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Defeasance Securities or that for any other Defeasance Security will be maintained at any particular rating category.

Events of Default

Each of the following occurrences or events constitutes an “Event of Default” under the Indenture:

- (i) The failure of the City to deposit the Pledged Revenues to the Pledged Revenue Fund;
- (ii) The failure of the City to enforce the collection of the Assessments, including the prosecution of foreclosure proceedings;
- (iii) Default in the performance or observance of any covenant, agreement or obligation of the City under the Indenture, other than a default under (iv) below, and the continuation thereof for a period of 90 days after written notice specifying such default and requiring same to be remedied shall have been given to the City by the Trustee, which shall give such notice at the written request of the Owners of not less than 51% in principal amount of the Bonds then Outstanding; provided, however, if the default stated in the notice is capable of cure but cannot reasonably be cured within the applicable period, the City shall be entitled to a further extension of time reasonably necessary to remedy such default so long as corrective action is instituted by the City within the applicable period and is diligently pursued until such failure is corrected, but in no event for a period of time of more than 180 days after such notice; and
- (iv) The failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable and such failure is not remedied within 30 days thereafter.

Remedies in Event of Default

Upon the happening and continuance of any Event of Default, then and in every such case the Trustee may proceed, and upon the written request of the Owners of not less than 51% in principal amount of the Bonds then Outstanding under the Indenture shall proceed to protect and enforce the rights of the Owners under the Indenture by action seeking mandamus or by other suit, action, or special proceeding in equity or at law in any court of competent jurisdiction for any relief to the extent permitted by Applicable Laws including, but not limited to, the specific performance of any covenant or agreement contained in the Indenture, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted.

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

If the assets of the Trust Estate are sufficient to pay all amounts due with respect to all Outstanding Bonds, in the selection of Trust Estate assets to be used in the payment of Bonds due in an Event of Default, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Order, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Order, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and the Trustee shall not be liable to any Owner, or other Person, or the City by reason of the following selection, liquidation or sale.

Whenever moneys are to be applied pursuant to the Indenture, irrespective of and whether other remedies authorized under the Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust

Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate, and as may be required by law and apply the proceeds thereof in accordance with the Indenture. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the reasonable judgment of the Trustee, proper for the purpose which may be designated in such request.

Restriction on Owner's Actions

No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereof or any other remedy thereunder, unless (i) a default has occurred and is continuing of which the Trustee has received prior notice in writing or of which the Trustee is deemed to have notice, (ii) such default has become an Event of Default and the Owners of not less than 51% of the aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee directing the Trustee to proceed to exercise the powers granted in the Indenture or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee written evidence of indemnity as provided in the Indenture, (iv) the Trustee has for 60 days after such prior written notice failed or refused to exercise the powers granted in the Indenture, or to institute such action, suit, or proceeding in its own name, (v) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of not less than 51% of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the Indenture by its, his or their action or to enforce any right under the Indenture except in the manner provided in the Indenture, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided in the Indenture and for the equal benefit of the registered 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 the Indenture and to any action or cause of action for the enforcement of the Indenture or for any other remedy under the Indenture.

Subject to provisions of the Indenture with respect to certain liabilities of the City, nothing in the Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond issued thereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed therein and in the Bonds.

In case the Trustee or any Owners shall have proceeded to enforce any right under the Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owners, then and in every such case the City, the Trustee and the Owners shall be restored to their former positions and rights thereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Application of Revenues and Other Moneys after Event of Default

All moneys, securities, funds and Pledged Revenues and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture with respect to Events of Default shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including Trustee's counsel), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out the Indenture during the continuance of an Event of Default, be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds, as follows:

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

(ii) SECOND: To the payment to the Owners entitled thereto of the unpaid principal of Outstanding Bonds, or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal due and to the Owners entitled thereto, without any discrimination or preference.

The Trustee shall make payments to the Owners of the Bonds pursuant to the Indenture within 30 days of receipt of such good and available funds, and the record date shall be the date the Trustee receives such good and available funds.

In the event funds are not adequate to cure any of the Events of Default described above, 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 the 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 Indenture or impair any right consequent thereon.

Investment or Deposit of Funds

Money in any Fund or Account established pursuant to the Indenture, other than the Reserve Fund, shall be invested by the Trustee in Investment Securities as directed by the City pursuant to a City Order filed with the Trustee; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund or Account will be available at the proper time or times. Money in the Reserve Fund shall be invested in such Investment Securities as directed by the City pursuant to a City Order filed with the Trustee, provided that the final maturity of any individual Investment Security shall not exceed 270 days and the average weighted maturity of any investment pool or no-load money market mutual fund shall not exceed 90 days.

Obligations purchased as an investment of moneys in any Fund or Account shall be deemed to be part of such Fund or Account, subject, however, to the requirements of the Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds and Accounts. Whenever in the Indenture any moneys are required to be transferred by the City to the Trustee, such transfer may be accomplished by transferring a like amount of Investment Securities.

Against Encumbrances

Other than refunding Bonds issued to refund all or a portion of the Bonds ("Refunding Bonds"), the City shall not create and, to the extent Pledged Revenues are received, shall not suffer to remain, any lien, encumbrance or charge upon the Pledged Revenues or upon any other property pledged under the Indenture, except the pledge created for the security of the Bonds, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

So long as Bonds are Outstanding under the Indenture, the City shall not issue any bonds, notes or other evidences of indebtedness other than the Bonds and any 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 the Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

Other Obligations or Other Liens; Refunding Bonds

The City reserves the right to issue or incur bonds, notes or other obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from the Trust Estate, or any portion thereof.

Other than Refunding Bonds issued to refund all or a portion of the Bonds, the City will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, or any portion thereof, and will not do or omit to do or suffer to be done or omit to be done any matter or things whatsoever whereby the lien of this Indenture or the priority hereof might or could be lost or impaired.

Notwithstanding any contrary provision of the Indenture, the City shall not issue additional bonds, notes or other obligations under the Indenture, secured by any pledge of or other lien or charge on the Trust Estate or other property pledged under this Indenture, other than Refunding Bonds. 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.

The principal of all Refunding Bonds must be scheduled to be paid, be subject to mandatory sinking fund redemption or mature on September 15 of the years in which such principal is scheduled to be paid. All Refunding Bonds must bear interest at a fixed rate and any interest payment dates for Refunding Bonds must be March 15 and September 15.

SOURCES AND USES OF FUNDS

The table that follows summarizes the expected sources and uses of proceeds of the Bonds⁽¹⁾:

Sources of Funds:	
Principal Amount	\$
Total Sources	<u>\$</u>
Use of Funds:	
Deposit to Bond Improvement Account of Project Fund	\$
Deposit to Cost of Issuance Account of Project Fund	
Deposit to Capitalized Interest Account of Bond Fund	
Deposit to Reserve Account of Reserve Fund	
Deposit to Administrative Fund	
Underwriter's Discount ⁽²⁾	
Total Uses	<u>\$</u>

⁽¹⁾ To be updated and completed upon pricing.

⁽²⁾ Includes Underwriter's counsel fee of \$[_____].

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DEBT SERVICE REQUIREMENTS

The following table sets forth the anticipated debt service requirements for the Bonds⁽¹⁾:

<u>Year Ending</u> <u>(September 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$	\$	\$
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
Total	\$	\$	\$

⁽¹⁾ To be updated and completed upon pricing. Preliminary; subject to change.

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OVERLAPPING TAXES AND DEBT

The land within Phase 1 and 2 has been, and is expected to continue to be, subject to taxes and assessments imposed by taxing entities other than the City. Such taxes are payable in addition to the Assessments. The Developer does not currently intend to create a homeowners' association (an "HOA"), however, the property owners within the District may in the future create an HOA and, if so, the property owners would be subject to a property owners' association fee.

Phase 1 and 2 are located within the City, Ellis County (the "County"), Maypearl Independent School District ("Maypearl ISD") and Ellis County Emergency Services District #1 ("Ellis County ESD #1") all of which may levy ad valorem taxes upon land within Phase 1 and 2 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 Phase 1 and 2.

<u>Taxing Entity</u>	<u>Overlapping Taxes</u>	
	Appraised Value Tax Year 2020 <u>Ad Valorem Tax Rate⁽¹⁾</u>	Projected Buildout Value Tax Year 2020 <u>Ad Valorem Tax Rate⁽¹⁾</u>
City of Venus	\$0.8390	\$0.8390
Ellis County (including Lateral Road)	0.3503	0.3503
Maypearl ISD	1.1744	1.1744
Ellis County ESD #1	<u>0.0841</u>	<u>0.0841</u>
Total Current Tax Rate	\$2.4478	\$2.4478
Estimated Average Annual Installment in Phase 1 and 2 as an Equivalent Tax Rate	<u>\$3.0423⁽²⁾</u>	<u>\$0.4496⁽³⁾</u>
Estimated Total Tax Rate and Average Annual Installment in Phase 1 and 2 as an Equivalent Tax Rate	<u>\$5.4901⁽²⁾</u>	<u>\$2.8974⁽³⁾</u>

⁽¹⁾ As reported by the Ellis County Appraisal District. Per \$100 taxable appraised value.

⁽²⁾ Includes Assessments levied for payment of the Bonds. Based on Annual Installments due from 2022 to 2051. Based on the appraised value of \$20,200,000, as shown in the Appraisal (as defined herein). See "APPRAISAL OF PROPERTY WITHIN PHASE 1 AND 2." Shown as a tax rate equivalent for illustration purposes only. Preliminary; subject to change.

⁽³⁾ Includes Assessments levied for payment of the Bonds. Assumes an average home taxable value of \$354,119, as provided by the Developer. Derived from information in the Service and Assessment Plan. Based on Annual Installments due from 2022 to 2051 due to capitalized interest for coverage of Annual Installment due January 31, 2021. See "ASSESSMENT PROCEDURES — Assessment Methodology — Estimated Phase 1 and 2 Value to Lien Ratios," "— Assessment Amounts — Assessment Amounts," "APPENDIX C — Form of Service and Assessment Plan" and "APPENDIX G — Development Agreement." Shown as a tax rate equivalent for illustration purposes only. Preliminary; subject to change.

Source: Ellis County Appraisal District, Appraisal and the Service and Assessment Plan.

Sample Tax Statement for Homes within Phase 1 and 2 of the District ⁽¹⁾

<u>Taxing/Assessing Jurisdiction</u>	2020 <u>Tax Rate⁽³⁾</u>	Average \$345,000 <u>60' Home Tax Bill</u>	Average \$355,000 <u>70' Home Tax Bill</u>
The City	\$0.8390	\$2,894.52	\$2,978.42
The City (Assessments)	0.4496 ⁽⁴⁾	1,551.10	1,596.06
Ellis County (including Lateral Road)	0.3503	1,208.45	1,243.48
Maypearl ISD	1.1744	4,051.68	4,169.12
Ellis County ESD #1	<u>0.0841</u>	<u>290.15</u>	<u>298.56</u>
Total	\$2.8974	\$9,995.89	\$10,285.63

⁽¹⁾ Illustrative. Preliminary; subject to change.

⁽²⁾ Average taxable value is based on projections provided by the Developer.

⁽³⁾ As reported by the Ellis County Appraisal District. Per \$100 taxable appraised value.

⁽⁴⁾ Assumes an average home taxable value of \$354,119, as provided by the Developer. Derived from information in the Service and Assessment Plan. Based on Annual Installments due from 2022 to 2051 due to capitalized interest for coverage of Annual Installment due January 31, 2021. Shown as a tax rate equivalent for illustration purposes only. Preliminary; subject to change.

Source: Ellis County Appraisal District and the Service and Assessment Plan.

As noted above, Phase 1 and 2 include territory located in other governmental entities that may issue or incur debt secured by the levy and collection of ad valorem taxes or assessments. Set forth below is an overlapping debt table showing the outstanding indebtedness payable from ad valorem taxes with respect to property within Phase 1 and 2, and City debt to be secured by the Assessments:

<u>Taxing or Assessing Entity</u>	<u>Overlapping Debt</u>		<u>Estimated % Applicable⁽¹⁾</u>	<u>Direct and Estimated Overlapping Debt⁽¹⁾</u>
	<u>Total Outstanding Debt as of April 15, 2021</u>			
The City (Assessments - The Bonds)	\$ 8,514,000 ⁽²⁾	100.00%		\$8,514,000 ⁽²⁾
The City (Ad Valorem)	8,385,000	8.54%		716,277
Ellis County	31,020,000	0.10%		32,193
Maypearl ISD	11,542,677	4.24%		489,947
Total⁽³⁾	\$59,461,677			\$9,752,417

⁽¹⁾ Based on the tax year 2020 net taxable assessed valuation for the taxing entities as certified by the Ellis County Appraisal District and on \$20,200,000 estimated appraised value for Phase 1 and 2, as shown in the Appraisal.

⁽²⁾ Preliminary; subject to change.

⁽³⁾ Ellis County ESD #1 does not have any outstanding debt.

Source: Municipal Advisory Council of Texas (gross outstanding debt secured by property taxes), the Ellis County Appraisal District, the Appraisal and the Service and Assessment Plan.

If land is devoted principally to agricultural use, the landowner can apply for an agricultural valuation on the property and pay ad valorem taxes based on the land's agricultural value. Agricultural use includes production of crops or livestock. It also can include leaving the land idle for a government program or for normal crop or livestock rotation.

If land qualified for an agricultural valuation and the land use changes to a non-agricultural use, "rollback taxes" are assessed for each of the previous five years in which the land received the lower agricultural valuation. The rollback tax is the difference between taxes paid on land's agricultural value and the taxes that the landowner would have paid if the land had been taxed on a higher market value plus interest charged for each year from the date on which taxes would have been due. If the land use changes to a non-agricultural use on only a portion of a larger tract, the landowner can fence off the remaining land and maintain the agricultural valuation on the remaining land. In this scenario, the landowner would only be responsible for rollback taxes on that portion of the land where use changed and not the entire tract.

Currently the land within Phase 1B and Phase 2 is subject to an agricultural valuation. The Developer anticipates that it will no longer request an agricultural exemption on such land beginning January 1, 2022. The Developer will pay all applicable rollback taxes in full prior to purchase of parcels or lots by homeowners.

ASSESSMENT PROCEDURES

General

Capitalized terms used under this caption and not otherwise defined in this Limited Offering Memorandum 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 the Phase 1 and 2 Authorized Improvements through Assessments, it must adopt a resolution generally describing the Phase 1 and 2 Authorized Improvements and the land within Phase 1 and 2 to be subject to Assessments to pay the costs therefor. The City has caused an assessment roll to be prepared (the "Phase 1 and 2 Assessment Roll"), which Phase 1 and 2 Assessment Roll shows the land within Phase 1 and 2 to be assessed, the amount of the benefit to and the Assessment against each lot or parcel of land and the number of Annual Installments in which the Assessment is divided. The Phase 1 and 2 Assessment Roll will be filed with the City Secretary and made available for public inspection. Statutory notice will be given to the owners of the property to be assessed and a public hearing will be conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Phase 1 and 2 Authorized Improvements and funding the same with Assessments. The City expects to levy the Assessments and adopt the Assessment Ordinance on May 10, 2021, after which the Assessments will become legal, valid and binding liens upon the Phase 1 and 2 Assessed Property.

Under the PID Act, the costs of Phase 1 and 2 Authorized Improvements may be assessed by the City against the Phase 1 and 2 Assessed Property so long as the special benefit conferred upon the Phase 1 and 2 Assessed Property by the Phase 1 and 2 Authorized Improvements equals or exceeds the Assessments. The costs of

the Phase 1 and 2 Authorized Improvements may be assessed using any methodology that results in the imposition of equal shares of cost on Phase 1 and 2 Assessed Property similarly benefited. The allocation of benefits and assessments to the benefited land within the District is set forth in the Service and Assessment Plan, which should be read in its entirety. See “APPENDIX C — Form of Service and Assessment Plan.”

Assessment Methodology

The Service and Assessment Plan describes the special benefit to be received by each parcel of Phase 1 and 2 Assessed Property as a result of the Phase 1 and 2 Authorized Improvements, provides the basis and justification for the determination that such special benefit exceeds the Assessments being levied, and establishes the methodology by which the City allocates the special benefit of the Phase 1 and 2 Authorized 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 Phase 1 and 2 Authorized Improvements are being funded with proceeds of the Bonds, which are payable from and secured by Trust Estate consisting of the Pledged Revenues, including primarily the Assessments.

As further set forth in the Service and Assessment Plan, the benefits received by the Phase 1 and 2 Authorized Improvements are currently allocated entirely to the Phase 1 and 2 Assessed Property, which consists of the Single-Family Property. Upon division or subdivision, the Administrator shall reallocate the Assessment for each newly formed Parcel of Phase 1 and 2 Assessed Property based on estimated average buildout value.

The City has determined that such method of allocation will result in the imposition of equal shares of the Assessments on Parcels similarly situated within the District. The Assessments and interest thereon are expected to be paid in Annual Installments as described above. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer, all other current owners of property within Phase 1 and 2 and all future owners and developers within Phase 1 and 2. See “APPENDIX C — Form of Service and Assessment Plan.”

The table below shows the estimated value to lien analysis in Phase 1 and 2.

Estimated Phase 1 and 2 Value to Lien Ratios⁽¹⁾							
<u>Lot Size</u>	<u>Number of Lots⁽²⁾</u>	<u>Estimated Finished Lots Values⁽³⁾</u>	<u>Estimated Buildout Value per Lot⁽³⁾</u>	<u>Total Estimated Buildout Value</u>	<u>Estimated Assessment Per Lot</u>	<u>Ratio of Estimated Value of Finished Lot to Assessment</u>	<u>Ratio of Estimated Buildout Value to Assessment</u>
60'	34	\$63,900	\$345,000	\$ 11,730,000	\$21,488.99	2.97 : 1	16.05 : 1
70'	<u>352</u>	<u>63,900</u>	<u>355,000</u>	<u>124,960,000</u>	<u>22,111.86</u>	<u>2.89 : 1</u>	<u>16.05 : 1</u>
Total/Avg.⁽⁴⁾	386	\$63,900	\$354,119	\$136,690,000	\$22,056.99	2.90 : 1	16.05 : 1

(1) Preliminary; subject to change. Derived from information in the Service and Assessment Plan.

(2) Based on the concept plan for Phase 1 and 2.

(3) Provided by the Developer.

(4) Averages are weighted based on number of lots per lot size.

Collection and Enforcement of Assessment Amounts

Under the PID Act, the Annual Installments may be collected in the same manner and at the same time as regular ad valorem taxes of the City. The Assessments may be enforced by the City in the same manner that an ad valorem tax lien against real property is enforced. Delinquent installments of the Assessments incur interest, penalties and attorney’s fees in the same manner as delinquent ad valorem taxes. Under the PID Act, the Assessment Lien is a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for State, county, school district or municipal ad valorem taxes. See “BONDHOLDERS’ RISKS — Assessment Limitations” herein.

In the Indenture, the City will covenant to collect, or cause to be collected, Assessments as provided in the Assessment Ordinance. No less frequently than annually, City staff or a designee of the City shall prepare, and the City Council shall approve, an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include an updated Phase 1 and 2 Assessment Roll and a

calculation of the Annual Installment for each Parcel. Annual Installments for Administrative Expenses shall be allocated among all Parcels in proportion to the amount of the Annual Installments for the Parcels.

In the Indenture, the City will covenant, agree and warrant that, for so long as any Bonds are Outstanding, that it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Assessments.

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

The City will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessment or the corresponding Phase 1 and 2 Assessed Property.

The City expects to implement the basic timeline and procedures for Assessment collections and pursuit of delinquencies set forth in Exhibit C of the Disclosure Agreement of Issuer set forth in APPENDIX E-1 and to comply therewith to the extent that the City reasonably determines that such compliance is the most appropriate timeline and procedures for enforcing the payment of delinquent Assessments.

The City shall not be required under any circumstances to expend any funds for Delinquent Collection Costs in connection with its covenants and agreements under the Indenture or otherwise other than with funds on deposit in the Administrative Fund.

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

Date Payment <u>Received</u>	Cumulative <u>Penalty</u>	Cumulative <u>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 accrues at the rate of 1% each month. In addition, if an account is delinquent in July, a 20% attorney's collection fee may be added to the total penalty and interest charge. In general, property subject to lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts due. An automatic stay by creditors or other entities, including governmental units, could prevent governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In most cases, post-petition Assessments are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

Assessment Amounts

Assessment Amounts. The amounts of the Assessments have been established by the methodology described in the Service and Assessment Plan. The Assessments have been levied against the Parcels comprising the Phase 1 and 2 Assessed Property as indicated on the Phase 1 and 2 Assessment Roll. The Phase 1 and 2 Assessment

Roll sets forth for each year the Annual Installment for each Parcel within the Phase 1 and 2 Assessed Property consisting of (i) the annual portion allocable to principal and interest on the Assessment for each Parcel, (ii) the Additional Interest and (iii) the component of the Annual Installment allocable to Administrative Expenses. The Annual Installments may not exceed the amounts shown on the Assessment Roll. See “APPENDIX C — Form of Service and Assessment Plan.”

The Annual Installments shown on the Phase 1 and 2 Assessment Roll will be adjusted to equal the actual costs of repaying the Bonds, the Additional Interest and actual Administrative Expenses (as provided for in the definition of such term).

Method of Apportionment of Assessments. For purposes of the Service and Assessment Plan, the City Council has determined that the Assessments shall be allocated entirely to the Phase 1 and 2 Assessed Property. Upon the division of any Phase 1 and 2 Assessed Property, including a replat of a previously recorded subdivision plat, the Assessment for subdivided Parcel shall be reallocated to the new Parcels created by the subdivision in accordance with the following formula:

$$A = S \times (L \div T)$$

Where the terms have the following meaning:

“A” means the allocated Assessment for a new Parcel

“S” means the Assessment for the subdivided Parcel

“L” means the Assessment for the lot type or sum of the Phase 1 and 2 Improvements Assessments for the lot type, as applicable, for the new Parcel created by the subdivision

“T” means the total or sum of the Assessments for all new Parcels created by the subdivision based on the lot type or number of prospective Lots of lot types applicable to such new Parcels

The following table reflects the estimated allocation of Assessments to be levied and collected per lot type.

<u>Estimated Allocation of Assessments⁽¹⁾</u>						
<u>Lot Size</u>	<u>Number of Lots⁽²⁾</u>	<u>Estimated Buildout Value per Lot</u>	<u>Estimated Assessment Per Lot</u>	<u>Total Assessment</u>	<u>Estimated Average Annual Installment per Lot⁽³⁾</u>	<u>Equivalent Tax Rate per \$100 Assessed Value</u>
60'	34	\$345,000	\$21,488.99	\$ 730,626	\$1,551.08	\$0.4496
70'	<u>352</u>	<u>355,000</u>	<u>22,111.86</u>	<u>7,783,374</u>	<u>1,596.04</u>	<u>0.4496</u>
Total/Avg.⁽⁴⁾	386	\$354,119	\$22,056.99	\$8,514,000	\$1,592.08	0.4496

⁽¹⁾ Preliminary; subject to change. Derived from information in the Service and Assessment Plan.

⁽²⁾ Based on the concept plan for the District.

⁽³⁾ Derived from information in the Service and Assessment Plan. Based on Annual Installments due from 2022 to 2051.

⁽⁴⁾ Averages are weighted based on number of lots per lot size. Total Assessments may not add due to rounding.

The Bonds are secured by a lien on and pledge of the Trust Estate consisting primarily of Pledged Revenues, including the Assessments. See “SECURITY FOR THE BONDS” and “APPENDIX C — Form of Service and Assessment Plan.”

Prepayment of Assessments

Voluntary Prepayments. Pursuant to the PID Act and the Indenture, the owner of any Phase 1 and 2 Assessed Property may voluntarily prepay (a “Prepayment”) all or part of any Assessment levied against any Lot or Parcel, together with accrued interest to the date of payment, at any time. Upon receipt of such Prepayment, such amounts will be applied towards the redemption or payment of the Bonds. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as payment of regularly scheduled Assessments.

Mandatory Prepayment. If, as a result of a subdivision of Phase 1 and 2 Assessed Property as described in “— Assessment Amounts – Method of Apportionment of Assessments” above, the reallocation of an Assessment for the subdivided Parcel results in an Assessment for a new Parcel created by the subdivision that exceeds the Assessment or sum of Assessments for the applicable Phase and lot type or lot types for such Parcel, as shown in the Service and Assessment Plan, then a mandatory prepayment shall be made in the amount by which the Assessment reallocated to the subdivided Parcel exceeds the Assessment or sum of Assessments for the applicable Phase and lot type or lot types for such Parcel, plus Prepayment Costs and Delinquent Collection Costs. The reallocation of an Assessment for a Parcel that is a homestead under Texas law may not exceed the Assessment prior to the reallocation, and to the extent the reallocated Assessment would exceed such amount, a mandatory prepayment shall be made in the amount as described above. “— Assessment Amounts – Estimated Allocation of Assessments” and “APPENDIX C — Form of Service and Assessment Plan.”

Additionally, if (i) Phase 1 and 2 Assessed Property, or a portion thereof, will become Non-Benefited Property (as defined in the Service and Assessment Plan) through a transfer to a party that is exempt from the payment of the Assessment under applicable law, or (ii) a Parcel or portion thereof on which an Assessment is levied will otherwise become Non-Benefited Property, the owner of the applicable Phase 1 and 2 Assessed Property shall pay to the PID Administrator the full amount of the Assessment applicable to the Phase 1 and 2 Assessed Property or portion thereof prior to it becoming Non-Benefited Property, plus Prepayment Costs and Delinquent Collection Costs.

Reduction of Assessments. If, as a result of cost savings or a Phase 1 and 2 Authorized Improvements not being constructed, the Phase 1 and 2 Authorized Improvements Costs are less than the Assessments, the Trustee shall apply amounts on deposit in the Project Fund that are not expected to be used for purposes of the Project Fund to redeem outstanding Bonds. Excess bond proceeds shall be applied to redeem outstanding Bonds.

Priority of Lien

The Assessments or any reassessment, the expense of collection, and reasonable attorney’s fees, if incurred, constitute a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for the State, county, school district or municipality ad valorem taxes, and are a personal liability of and charge against the owners of the property regardless of whether the owners are named. The lien is effective from the date of the Assessment Ordinance until the Assessment is paid and may be enforced by the City in the same manner as an ad valorem tax levied against real property may be enforced by the City. The owner of any Phase 1 and 2 Assessed Property may pay the entire Assessment levied against any Lot or Parcel, together with accrued interest to the date of payment, at any time.

Foreclosure Proceedings

In the event of delinquency in the payment of any Annual Installment, except for unpaid Assessments on homestead property (unless the lien associated with the Assessment attached prior to the date the property became a homestead), the City is empowered to order institution of an action in State district court to foreclose the lien of such delinquent Annual Installment. In such action the real property subject to the delinquent Annual Installments may be sold at judicial foreclosure sale for the amount of such delinquent Annual Installments, plus penalties and interest.

Any sale of property for nonpayment of an installment or installments of an Assessment will be subject to the lien established for remaining unpaid installments of the Assessment against such property and such property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent installments of the Assessments against such property as they become due and payable. Judicial foreclosure proceedings are not mandatory. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds 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. The City is not required under any circumstance to purchase or make payment for the purchase of the delinquent Assessment on the corresponding Phase 1 and 2 Assessed Property.

In the Indenture, the City will covenant to take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement or exemption of the

Assessments, provided that the City is not required to expend any funds for collection and enforcement of Assessments other than funds on deposit in the Administrative Fund. Pursuant to the Indenture, Foreclosure Proceeds (excluding Delinquent Collection Costs) constitute Pledged Revenues to be deposited into the Pledged Revenue Fund upon receipt by the City and distributed in accordance with the Indenture. See “APPENDIX B — Form of Indenture.” See also “APPENDIX E-1 — Form of Disclosure Agreement of Issuer” for a description of the expected timing of certain events with respect to collection of the delinquent Assessments.

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

THE CITY

Background

The City is located within Johnson and Ellis Counties, approximately 30 miles from the City of Dallas. Access to the City is provided by U.S. 67. The City covers approximately 3.5 square miles. The City’s 2010 census population was 2,960. The City’s 2020 population estimate was 3,853.

City Government

The City is a political subdivision and municipal corporation of the State, duly organized and existing under the laws of the State as a Type A general law municipality with a City council composed by the Mayor and five Councilmembers. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and five Councilmembers elected for staggered two-year terms. The City Administrator is the Chief Administrative Officer for the City. Some of the services that the City provides are: public safety, streets, water and sanitary sewer utilities, planning and zoning, and general administrative services.

The current members of the City Council and their respective expiration of terms of office and the principal administrators of the City are shown on page i hereof. General information regarding the City and the surrounding area can be found in “APPENDIX A — General Information Regarding the City and Surrounding Area.”

THE DISTRICT

General

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries or extraterritorial jurisdiction, and to impose assessments within the public improvement district to pay for certain improvements. The District includes approximately 667 acres and lies entirely within the corporate limits of the City and is located within Ellis County. The District was created by a resolution of the City adopted on May 11, 2020 in accordance with the PID Act (the “Creation Resolution”) for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Phase 1 and 2 Authorized Improvements, authorized by the PID Act and approved by the City Council that confer a special benefit on the District property. The Creation Resolution was amended on March 29, 2021 to revise (i) the boundaries of the District and (ii) the estimated costs of the public improvements to be constructed within the District. The District is not a separate political subdivision of the State and is administered by the City Council. A map of the property within the District is included on page iv hereof.

Powers and Authority of the City

Pursuant to the PID Act, the City may establish and create the District and undertake, or reimburse a developer for the costs of, improvement projects that confer a special benefit on property located within the District, including Phase 1 and 2, whether located within the City limits or the City’s extraterritorial jurisdiction. The PID Act provides that the City may levy and collect Assessments on property in Phase 1 and 2, or portions thereof, payable in full or in periodic installments based on the benefit conferred by an improvement project to pay all or part of its cost.

Pursuant to the PID Act and the Creation Resolution, the City has the power to undertake, or reimburse a developer for the costs of, the financing, acquisition, construction or improvement of the Phase 1 and 2 Authorized Improvements. See “THE PHASE 1 AND 2 AUTHORIZED IMPROVEMENTS.” Pursuant to the authority granted by the PID Act and the Creation Resolution, the City has determined to undertake the construction, acquisition or purchase of certain roadway, sanitary sewer and drainage within Phase 1 and 2 comprising the Phase 1 and 2 Authorized Improvements and to finance the costs thereof through the issuance of the Bonds. The City has further determined to provide for the payment of debt service on the Bonds through the Pledged Revenues. See “ASSESSMENT PROCEDURES” and “APPENDIX C — Form of Service and Assessment Plan.”

THE PHASE 1 AND 2 AUTHORIZED IMPROVEMENTS

General

A portion of the costs the Phase 1 and 2 Authorized Improvements will be funded with proceeds of the Bonds. The balance of the costs of the Phase 1 and 2 Authorized Improvements will be paid by the Developer under the terms of the Reimbursement Agreement and the Service and Assessment Plan. See “APPENDIX C — Form of Service and Assessment Plan.” The Phase 1 and 2 Authorized Improvements will be dedicated to the City.

Phase 1 and 2 Authorized Improvements

The Phase 1 and 2 Authorized Improvements consist of the following improvements that benefit the Phase 1 and 2 Assessed Property:

Road Improvements, including but not limited to, earthwork, subgrade, paving, ramps, sidewalks, curbs, streetlights, signs, testing, and bonds.

Sanitary sewer facilities, including but not limited to, lift stations, lines, manholes, testing, bonds, and all other works, equipment, and services for the collection and transportation of wastewater.

Storm drainage improvements, including but not limited to, storm drain lines and pipes, inlets, manholes; headwalls, rip rap, testing, bonds, and all other works, equipment, and services for the collection, detention, and transportation of stormwater.

Clearing and grubbing, excavation, testing, and erosion control.

City, professional, and other fees, including but not limited to, plan check and inspection fees, geotechnical and environmental services, and engineering and surveying.

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Costs of Phase 1 and 2 Authorized Improvements

The following table reflects the expected total costs of the Phase 1 and 2 Authorized Improvements. A portion of the costs of the Phase 1 and 2 Authorized Improvements are expected to be financed with proceeds of the Bonds.

<u>Expected Costs of Phase 1 and 2 Authorized Improvements⁽¹⁾</u>	
<u>Phase 1 and 2 Authorized Improvements</u>	<u>Total Expected Costs of Phase 1 and 2 Authorized Improvements⁽¹⁾</u>
Phase 1 and 2 Authorized Improvements	
Road Improvements ⁽²⁾	\$4,600,525
Sanitary Sewer Facilities ⁽³⁾	2,237,887
Storm Drainage Improvements	1,884,148
Clearing, Grubbing, Excavation, Testing and Erosion Control	519,478
City Professional and Other Fees	157,605
<i>Subtotal</i>	<i>\$9,399,643</i>
Bond Issuance Costs	
Debt Service Reserve	\$548,890
Capitalized Interest	152,779
Costs of Issuance	595,980
Deposit to Administration Fund	35,000
Underwriter's Discount ⁽⁴⁾	255,420
<i>Subtotal</i>	<i>\$1,588,069</i>
Total⁽⁵⁾	\$10,987,712

⁽¹⁾ Derived from information in the Service and Assessment Plan. Preliminary; subject to change.

⁽²⁾ The current ingress and egress for two existing single-family properties located adjacent to Phase 1 and 2, but outside of the District, will be replaced with certain of the road improvements to be constructed by the Developer. Additionally, ingress and egress for certain property located adjacent to the District, which is anticipated to be developed for commercial uses (the "Commercial Property"), may be accomplished via certain of the roads to be constructed by the Developer. Such properties' proportionate shares of such road improvements and the related earthwork, which constitute Non-PID Improvements, are not considered Phase 1 and 2 Authorized Improvements. Therefore, the proportionate share of the costs of such Non-PID Improvements (\$108,627) that reflects the benefit conferred to these properties by such Non-PID Improvements have been allocated to such properties. The amounts shown above is net of such amount.

⁽³⁾ Capacity for the lift station to be constructed by the Developer has been designed to accommodate projected development of the Commercial Property. The Commercial Property's proportionate share of the lift station, which constitute Non-PID Improvements, are not considered Phase 1 and 2 Authorized Improvements. Therefore, the proportionate share of the costs of such sanitary sewer facilities improvements (\$92,277) that reflects the benefit conferred to the Commercial Property by such Non-PID Improvements have been allocated to the Commercial Property. The amount shown as the cost of the sanitary sewer facilities improvements is net of such amount.

⁽⁴⁾ Includes Underwriter's counsel fee.

⁽⁵⁾ Totals may not add due to rounding.

The total costs of all of the Phase 1 and 2 Authorized Improvements (including the related bond issuance costs) is expected to be approximately \$10,987,712*. Only a portion of such costs, in the approximate amount of \$8,514,000*, are expected to be paid with proceeds of the Bonds. The balance of such costs, in the total approximate amount of \$2,473,712*, will be financed by the Developer and will not be reimbursed by the City.

The Appraisal estimates that the value of the property within Phase 1 and 2 under certain conditions, including the completion of all the Phase 1 and 2 Authorized Improvements and the Additional Improvements necessary to produce finished lots in Phase 1 and 2 is \$20,200,000. The Appraisal is attached hereto as APPENDIX H and should be read in its entirety in order to understand the meaning and basis of the information set forth therein. The Appraisal is addressed to the City and the Underwriter. The estimates of value presented in the Appraisal are no indication of the appraised property's actual market value. Investors should not assume that the disposition of the property within Phase 1 and 2 in the event of default would provide sufficient funds to pay the principal of Bonds

* Preliminary; subject to change.

outstanding at that time. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions and qualifications, which are set forth in the Appraisal. See “APPRAISAL OF PROPERTY WITHIN PHASE 1 AND 2” for further information regarding the Appraisal, including with respect to such assumptions, hypothetical conditions and qualifications.

Ownership and Maintenance of Phase 1 and 2 Authorized Improvements

The Phase 1 and 2 Authorized Improvements will be dedicated to and accepted by the City and will constitute a portion of the City’s infrastructure improvements. The City will provide for the ongoing maintenance and repair of the Phase 1 and 2 Authorized Improvements constructed and conveyed, as outlined in the Service and Assessment Plan.

THE DEVELOPMENT

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

Overview

The Development is an approximately 667-acre project located approximately 6 miles south of U.S. 67 and west of the intersection of FM 157 and Marion Road. The City, located in the southwest region of the Dallas-Fort Worth-Arlington, Texas Metropolitan Statistical Area (the “DFW MSA”), is poised for growth as the overall DFW MSA continues its growth trajectory.

Development Plan

General. The Developer owns all of the land within Phase 1A, Phase 1B, Phase 2 and the Remainder Area are owned 95% by Richard K. Miskimon, the managing member of the Developer, and Sheri R. Miskimon and 5% by Falls Creek Land & Cattle, L.L.C. The Developer plans to develop the District in multiple Phases over a period of approximately eight years. The Developer began development of the Phase 1 and 2 Authorized Improvements necessary to serve Phase 1A in April, 2020 and expects to complete such construction by May, 2021. The Developer expects to begin construction of the Phase 1 and 2 Authorized Improvements to serve Phase 1B upon closing of the Bonds and the Phase 1 and 2 Authorized Improvements to serve Phase 2 upon completion of Phase 1B. The Developer expects to complete construction of the Phase 1 and 2 Authorized Improvements in Phase 1B by February, 2022, and the Phase 1 and 2 Authorized Improvements in Phase 2 by August, 2022. The Developer anticipates that it will follow with the construction of the Future Improvements benefitting each Phase within the Remainder Area based on market demand.

In addition to the Phase 1 and 2 Authorized Improvements, the Developer will construct the Additional Improvements, consisting of certain roadway improvements, which are related to additional excavation that was required for construction of the roads within Phase 1 and 2, water improvements necessary to serve Phase 1 and 2, and other related expenses. The water improvements will be dedicated to Mountain Peak Special Utility District, the provider of water service to the District. The Developer began development of the Additional Improvements necessary to serve Phase 1A in April, 2020. The Developer expects to complete construction of the Additional Improvements in Phase 1A by May, 2021, the Additional Improvements in Phase 1B by February, 2022, and the Additional Improvements in Phase 2 by August, 2022. The Developer will finance the costs of the Additional Improvements without reimbursement by the City.

The Developer also agreed to construct the Public Amenities within the District. See “— Amenities” and “APPENDIX G — Development Agreement.”

The Developer estimates the costs of (i) the Phase 1 and 2 Authorized Improvements to be approximately \$9,399,643, (ii) the Additional Improvements to be approximately \$7,638,799, (iii) the Public Amenities to be approximately \$455,000 and (iv) the Non-PID Improvements to be approximately \$200,904. As of [March 16], 2021, the Developer has spent approximately \$[2,356,941] on construction of the Phase 1 and 2 Authorized Improvements, Additional Improvements and Non-PID Improvements.

Single-Family Lot Development. The Development is planned to include the following two residential product types: 60' lots and 70' lots, both of which will consist of detached single-family homes. The Developer anticipates that Phase 1 and 2 will include approximately 386 single-family lots (the "Single-Family Property"), consisting of 19 60' lots and 247 70' lots in Phase 1 and 15 60' lots and 105 70' lots in Phase 2, and the Remainder Area will include approximately 1,339 single-family lots. The Developer anticipates that the Remainder Area will be developed in 3 additional Phases. The following table shows the expected number and type of lots within each Phase of the District.

Expected Single-Family Lots within the Development⁽¹⁾

<u>Lot Size</u>	<u>Phase 1A</u>	<u>Phase 1B</u>	<u>Phase 2</u>	<u>Phase 3⁽²⁾</u>	<u>Phase 4⁽²⁾</u>	<u>Phase 5⁽²⁾</u>	Total number of Lots
60'	2	17	15	472	387	480	1,373
70'	<u>119</u>	<u>128</u>	<u>105</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>352</u>
Total	<u>121</u>	<u>145</u>	<u>120</u>	<u>472</u>	<u>387</u>	<u>480</u>	<u>1,725</u>

⁽¹⁾ Numbers include lots on which the Homebuilders will build model homes.

⁽²⁾ Phases 3-5 are part of the Remainder Area. Lot counts with such Phases are estimated, preliminary and subject to change.

The Developer's current expectations regarding buildout of the single-family lots and expected final sale dates are shown in the following table.

Actual/Expected Buildout of Single-Family Lots within the Development⁽¹⁾

<u>Phase</u>	<u>Lot Size</u>	<u>Number of Lots</u>	<u>Expected Infrastructure Completion Date</u>	Actual/Expected Initial	Expected Final Sale
				<u>Sale Date of Single-Family Lots to Homebuilders</u>	<u>Date of Single-Family Lots to Homebuilders</u>
1A	60'	2	Q2 of 2021	Q2 of 2021	Q4 of 2021
	70'	<u>119</u>	Q2 of 2021	Q2 of 2021	Q4 of 2021
	<i>Subtotal</i>	<i>121</i>			
1B	60'	17	Q1 of 2022	Q1 of 2022	Q3 of 2022
	70'	<u>128</u>	Q1 of 2022	Q1 of 2022	Q3 of 2022
	<i>Subtotal</i>	<i>145</i>			
2	60'	15	Q3 of 2022	Q3 of 2022	Q1 of 2023
	70'	<u>105</u>	Q3 of 2022	Q3 of 2022	Q1 of 2023
	<i>Subtotal</i>	<i>120</i>			
3 ⁽²⁾	60'	472	Q3 of 2023	Q3 of 2023	Q2 of 2025
4 ⁽²⁾	60'	387	Q3 of 2025	Q3 of 2025	Q2 of 2027
5 ⁽²⁾	60'	<u>480</u>	Q3 of 2027	Q3 of 2027	Q2 of 2029
	Total	<u>1,725</u>			

⁽¹⁾ These projections regarding final buildout and final sale dates were provided by the Developer. Expected buildout and final sale date projections in the Appraisal may vary.

⁽²⁾ Phases 3-5 are part of the Remainder Area. Lot counts with such Phases are estimated, preliminary and subject to change.

TxDOT Memorandum. As shown on the "MAP SHOWING CONCEPT PLAN FOR PHASE 1 AND 2 OF THE DISTRICT," the development plan includes two entry points into the development off of FM 157. The northern entry point will be called Rangeland Avenue and the southern entry point will be called Brahman Street. David J. Boski Engineering, PLLC (the "Traffic Engineer") completed a Traffic Technical Memorandum (the "TxDOT Memorandum") for Phase 1 and 2 of the District, which addresses the need for acceleration and deceleration lanes. The TxDOT Memorandum provides that the right-turn ingress movements generated by the development at Rangeland Avenue do not exceed the TxDOT threshold of 50 vph for a deceleration lane for a 55 MPH speed limit. Brahman Street does exceed the TxDOT threshold during the PM peak hour. Accordingly, the TxDOT Memorandum recommends installation of a right-turn deceleration lane at Brahman Street. The deceleration lane should contain, if practical, 510 feet of deceleration length and 100 feet of taper. Based on the Traffic Engineer's analysis, the TxDOT Memorandum does not recommend left-turn lanes at Rangeland Avenue and

Brahman Street. The Developer has budgeted for the potential deceleration lane and is awaiting confirmation from TxDOT on whether such lanes will be required.

Development Agreement

The City and the Developer entered into the Development Agreement, effective as of November 22, 2019, as amended on March 29, 2021 (the “Development Agreement”), pursuant to which the Developer agreed to construct certain public improvements within the District, including the Phase 1 and 2 Authorized Improvements, and the City agreed to reimburse the Developer for a portion of the costs of such improvements. The Development Agreement requires that 100 lots be completed prior to the issuance of the Bonds. The Developer expects that all 121 lots within Phase 1A will be completed prior to the issuance of the Bonds. See “APPENDIX G — Development Agreement.”

In the Development Agreement the City agreed to expend its funds or incur debt or lease obligations in an aggregate principal amount not to exceed \$1,500,000 (the “City Wastewater Contribution”) to the construction of a sewage treatment plant within the District (the “Wastewater Treatment Plant”). Upon execution of the Development Agreement, the Developer deposited \$500,000 (the “Developer Initial Wastewater Contribution”) for the construction of the Wastewater Treatment Plant. The Developer is required to convey to the City the property necessary for construction of the Wastewater Treatment Plant, at no cost to the City. The Developer is required to pay any additional costs to design and construct the Wastewater Treatment Plant that exceed a total of \$2,000,000, including the City Wastewater Contribution and the Developer Initial Wastewater Contribution (such additional costs, along with the Developer Initial Wastewater Contribution, the “Developer Wastewater Contribution”).

The Wastewater Treatment Plant is necessary to provide wastewater service to the District. In connection with the construction of the Wastewater Treatment Plant, the City entered into an Equipment Lease Purchase Agreement with AUC Group, LLC (the “Lessor”), dated March 17, 2021 (“Lease Agreement”). Pursuant to the Lease Agreement, the Lessor has agreed to lease the City certain equipment necessary to complete the Wastewater Treatment Plant. The Lease Agreement expires 60 months starting on the first day of the month following completion of the installation of the leased equipment (the “Initial Term”), provided that the Lease Agreement shall automatically be extended and shall continue for successive 90 day periods after the Initial Term, until such time as the City gives the Lessor 90 days written notice of its intent to terminate the Lease Agreement. The City has agreed to pay the Lessor \$14,750 per month during the Initial Term and \$10,000 per month for any additional months beyond the Initial Term. The City expects the Wastewater Treatment Plant to be complete by late July, 2021.

While the Lease Agreement provides the City with the option to purchase the lease equipment at any time, the City and the Developer are currently negotiating the financing and construction of a sewer line (the “Future Sewer Line”) that will connect the District to the City’s current wastewater treatment facility, which is approximately [] miles from the District. The City and the Developer expect the Future Sewer Line to be complete prior to the expiration of the Initial Term of the Lease Agreement. If so completed, the City expects to terminate the Lease Agreement upon expiration of the Initial Term and begin to utilize the Future Sewer Line to provide wastewater services to the District. The City and the Developer estimate the costs of the Future Sewer Line to be approximately \$6,000,000. The City currently expects to create a Tax Increment Reinvestment Zone to finance the costs of the Future Sewer Line. **[City to provide]**

The Development Agreement also requires the Developer to pay all costs to design and construct the internal sanitary sewer mains (“Sewer Mains”) to serve the District, which may be paid from the Developer Wastewater Contribution, if such costs are not fully expended on the Wastewater Treatment Plant, after application of the City Wastewater Contribution.

Pursuant to the Development Agreement, the Developer may be reimbursed for the Developer Wastewater Contribution, including any amounts paid to construct the Sewer Mains, from the Bonds or other revenues of assessments levied within the District. The Wastewater Treatment Plant is not being financed through the District; therefore, such the Wastewater Treatment Plan does not constitute a Phase 1 and 2 Authorized Improvement. A portion of the Sewer Mains constitute Phase 1 and 2 Authorized Improvements, and the Developer expects to be reimbursed for the costs of such portion of the Sewer Mains with proceeds of the Bonds.

Development in Phase 1 and 2

Homebuilders and Lot Purchase Agreements within Phase 1A. As of March 30, 2021, the Developer has entered into the Lot Purchase Agreements with the Homebuilders, Lillian Homes, Elmwood Homes, Carnegie Homes and Houston Homes for 120 70' lots within Phase 1A. The following table provides the number of lots on which the Developer anticipates the foregoing Homebuilders will construct homes within Phase 1A, pursuant to the Lot Purchase Agreements.

<u>Phase 1A Lot Purchase Agreements</u>	
<u>Homebuilder</u>	<u>70' Lot</u>
Lillian Homes	30
Elmwood Homes	20
Carnegie Homes	20
Houston Homes	50
Total Under Contract	120

⁽¹⁾ Numbers include lots on which the Homebuilders will build model homes.

Carnegie Homes' Lot Purchase Agreement is expected to close on or before May 31, 2021, upon which Carnegie Homes will take down all 20 70' lots under contract with the Developer and pay a purchase price of \$1,278,000. Elmwood Homes' Lot Purchase Agreement is expected to close on or before May 31, 2021 or 30 days after the final County approval of the project, upon which Elmwood Homes will take down all 20 70' lots under contract with the Developer and pay a purchase price of \$1,278,000. Lillian Homes' Lot Purchase Agreement is expected to close on or before May, 2021, upon which Lillian Homes will take down all 30 70' lots under contract with the Developer and pay a purchase price of \$1,917,000. Pursuant to Houston Homes' Lot Purchase Agreement, Houston Homes is obligated to take down and pay a purchase price of \$63,900 per lot for (i) at least 25 lots within thirty days of substantial completion of Phase 1A ("Substantial Completion") and (ii) the remaining 25 lots within 6 months after the initial take down.

Under their respective Lot Purchase Agreements, Carnegie Homes has the option to purchase an additional 20 lots within the District at the same price within 6 months from the close of the first 20 lots, Elmwood Homes has the option to purchase an additional 25 lots at the same price within 12 months from the close of the first 20 lots, Lillian Homes has option to purchase 10 lots at the same price within 6 months from the close of the first 30 lots and Houston Homes has the option to purchase the same percentage of lots within Phase 1B corresponding to the initially closed percentage of lots by Houston Homes versus the overall number of lots in Phase 1A (i.e., 25 in first take down equals approximately 21% of the overall lots in Phase 1A).

Pursuant to the Lot Purchase Agreements, the Homebuilders have collectively put down \$200,000 in earnest money, consisting of \$50,000 from Carnegie Homes, \$50,000 from Elmwood Homes, \$50,000 from Lillian Homes and \$50,000 from Houston Homes. Carnegie Homes' and Lillian Homes' earnest money is nonrefundable. Pursuant to its Lot Purchase Agreement, Elmwood Homes shall have access to the property within Phase 1A for 30 days after street installation to inspect the property, which is expected to occur by May, 2021. Elmwood Homes' earnest money will be nonrefundable after such 30-day period has expired. Houston Homes may terminate its Lot Purchase Agreement for any cause prior to the expiration date of the feasibility period, which is May 6, 2021. If terminated prior to such date, all earnest shall be returned to Houston Homes. The earnest money will be credited to the final purchase price to be paid by the respective Homebuilder at closing. If a Homebuilder does not purchase the lots under their respective purchase agreement, thereby terminating the respective agreement, the Developer shall retain the earnest money.

Pursuant to Houston Homes' Lot Purchase Agreement, the Developer agreed to achieve Substantial Completion within 352 days from March 22, 2021, subject to unforeseeable delays by governmental entities or acts of God. If Substantial Completion is not achieved by such date, Houston Homes may terminate the contract and the earnest money shall be returned to Houston Homes.

The Developer has agreed to rebate \$25,000 to Elmwood Homes and Lillian Homes (\$2,500 per purchased lot) upon completion of the first home by the respective Homebuilder. Subsequent \$25,000 payments will be made upon completion of the 11th home and 21st home, as applicable (i.e., \$2,500 per lot, in 10 lot increments). The Developer has agreed to rebate \$25,000 to Houston Homes (\$2,500 per purchased lot) upon completion of ten homes by Houston Homes. Subsequent \$25,000 payments will be made upon completion of each succeeding groups of ten homes.

In line with past developments completed by the Developer, the Developer plans for lot positions within the development to be sold in smaller tranches, allowing flexibility for selection of builders and diversification of product. If lot positions with the current Homebuilders sell, then amendments to the current Lot Purchase Agreements to include additional lots will be executed. If homes are not selling at the anticipated velocity, then the mix of builders and product can be adjusted to maximize lot sales.

Buildout and Sale Schedule of Lots within Phase 1 and 2. The anticipated schedule for sale of single-family lots to homebuilders in Phase 1 and 2 is shown in the following table.

<u>Expected Sale of Single-Family Lots to Homebuilders in Phase 1 and 2⁽¹⁾</u>				
<u>Expected Sale Date</u>	<u>Phase 1A</u>	<u>Phase 1B</u>	<u>Phase 2</u>	<u>Total Lots</u>
2021	121	60	-	181
2022	-	85	-	85
2023	-	-	120	120
Total	121	145	120	386

⁽¹⁾ These projections regarding expected absorption were provided by the Developer. Absorption projections in the Appraisal may vary. Numbers include model homes.

The anticipated schedule for sale of single-family homes to homeowners within Phase 1 and 2 is shown in the following table.

<u>Expected Sale of Single-Family Lots to Homeowners in Phase 1 and 2⁽¹⁾</u>				
<u>Expected Sale Date</u>	<u>Phase 1A</u>	<u>Phase 1B</u>	<u>Phase 2</u>	<u>Total Lots</u>
2021	100	-	-	100
2022	21	145	-	166
2023	-	-	120	120
Total	121	145	120	386

⁽¹⁾ These projections regarding expected absorption were provided by the Developer. Absorption projections in the Appraisal may vary. Numbers include model homes.

The Developer's current expectations regarding lot and home prices in Phase 1 and 2 are as follows:

Single-Family Lot and Home Prices in Phase 1 and 2

<u>Phase/Lot Size</u>	<u>Quantity</u>	<u>Average Base Lot Price⁽¹⁾</u>	<u>Estimated Average Base Home Price⁽²⁾</u>
Phase 1 - 60'	19	\$63,900	\$345,000
Phase 1 - 70'	247	63,900	355,000
Phase 2 - 60'	15	63,900	345,000
Phase 2 - 70'	105	63,900	355,000
Total/Avg.	386		

⁽¹⁾ Average base lot prices for the 70' lots are based on the actual base lot prices in the Lot Purchase Agreements. Average base lot prices for the 60' lots have been provided by the Developer and represent the anticipated base price for which it expects to sell such lots.

⁽²⁾ Estimated base home prices have been provided by the Developer.

Development in the Remainder Area

Currently, no lots within the Remainder Area are under contract with homebuilders. The Developer's current expectations regarding estimated lot and home prices in the Remainder Area are as follows:

Estimated Single-Family Lot and Home Prices in Remainder Area⁽¹⁾

<u>Lot Size</u>	<u>Quantity</u>	<u>Estimated Average Base Lot Price</u>	<u>Estimated Average Base Home Price</u>
60'	339	\$63,900	\$350,000

⁽¹⁾ Information has been provided by the Developer and is estimated, preliminary and subject to change.

Photographs of the Development

The following photographs show the construction within Phase 1A. The homes in the second picture are outside the District.



Amenities

Pursuant to the Development Agreement, the Developer agreed to construct a half mile mountain bike trail, a recreational facility, consisting of a 60' x 100' covered pavilion and 24 picnic tables, and a 100+ acre recreational green zone (collectively, the "Public Amenities"). See "APPENDIX G — Development Agreement." The half mile mountain bike trail and recreational facility will be located within Phase 1 and 2. The recreational green zone will be located within both Phase 1 and 2 and the Remainder Area. The Developer anticipates that the Remainder Area will also include additional mountain bike trails and a similar recreational facility. The Developer anticipates that the current Public Amenities will cost approximately \$455,000 to construct. The Public Amenities will be financed by the Developer without reimbursement by the City. The Public Amenities will be dedicated to and maintained by the City and will be available to the general public. The Developer expects to commence construction of the current Public Amenities by June, 2022 and complete such construction by December, 2022.

Zoning/Permitting

The development of property within the District is governed by the Concept Plan and the City's Governing Regulations (as defined in the Development Agreement), solely as set forth in the Development Agreement. See "APPENDIX G — Development Agreement."

Education

The Development is served by Maypearl ISD. Maypearl ISD operates one elementary school, one middle school and one high school. Lorene Smith Kirkpatrick Elementary School ("Lorene Elementary"), which is approximately four miles from the District, Maypearl Middle School ("Maypearl Middle"), which is approximately 4 miles from the District, and Maypearl High School ("Maypearl High"), which is approximately four miles from the District, are expected to serve residents in the District.

GreatSchools.org rated Maypearl Middle "below average," Maypearl High "average" and Lorene Elementary "above average." According to the Texas Education Agency 2018-2019 annual report cards, both Maypearl High and Maypearl ISD were rated as "B," Lorene Elementary was rated as "C" and Maypearl Middle was rated as "D." (The categories for public school districts and public schools are A, B, C, D or F.) The Texas Education Agency labeled all district and campuses "Not Rated: Declared State of Disaster" for 2019-2020.

Environmental

According to the website for the United States Fish and Wildlife Service, the whooping crane is an endangered species in Ellis County. The Developer is not aware of any endangered or threatened species located on District property.

Utilities

Wastewater. The City will provide wastewater service to the Development. See "THE DEVELOPMENT — Development Agreement" and "APPENDIX G — Development Agreement."

Water. Mountain Peak Special Utility District ("Mountain Peak SUD") holds the certificate of convenience and necessity to provide water services to Phase 1 and 2 of the District. Pursuant to the Non-Standard Service Application and Agreement between Mountain Peak SUD and the Developer, upon completion, the Additional Improvements, consisting of water improvements, will be dedicated to Mountain Peak SUD.

Additional Utilities. The Developer anticipates additional utilities to be provided by: (1) Telecom – AT&T; and (2) Electric – United Co-op.

THE DEVELOPER

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

General

In general, the activities of a developer in a development such as the District include purchasing the land, designing the subdivision, including the utilities and streets to be installed and any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, sewer, and drainage facilities, as well as internet, gas and electric service) and selling improved lots and commercial reserves to builders, developers, or other third parties. The relative success or failure of a developer to perform such activities within a development may have a material effect on the security of revenue bonds, such as the Bonds, issued by a municipality for 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

Miskimon Management I, L.L.C., referred to herein as the "Developer," is a Texas limited liability company. In operation since 2004, the Developer and its related entities have entitled, sold, and developed approximately 232 lots in Texas. The Developer has previous experience working with PID-funded projects. Specifically, the Developer worked on a 50-lot project in the City, known as Bluestem Hills, which is part of the Bluestem Hills Public Improvement District No 1. To date, 46 lots have been sold and closed on the Bluestem Hills project, with an additional 4 lots under contract and expected to close in December of this year. The home values for the homes developed in Bluestem Hills are approximately \$375,000. The Developer also developed and closed 35 lots during 2016-17 as Oak Vista Estates, located within Ellis County & Maypearl ISD. The Developer subsequently planned and papered an additional 147 lots and sold the property to Josh Trees, contractor, and developer. This development is known as Cross Fence at Oak Vista. Homes in all of these developments are valued at \$375,000 and up.

Senior Management Biography

Rick Miskimon. Rick Miskimon is the managing manager of the Developer. Rick began his professional career working for Borden Milk Company. After 6 years he began his own custom embroidery and screen-printing company called Rick's World of Sports. During his nineteen years at Rick's World of Sports, he began investing in shallow oil and gas production. He was responsible for the day-to-day operations and management of over 150+ wells in Texas, Oklahoma, Illinois, and Indiana. Rick created the Developer in 2004 to provide oil lease services and residential development services. Rick graduated in 1986 from U.T.A. with a B.S. degree.

Jim Strawn. Jim Strawn began his profession career working for Georgia Pacific Corporation. Just a few years later he formed a wholesale distribution company serving Albertson's, H. E. Butt Grocery, Tom Thumb, Kroger, Randall's, and many others. He began his real estate career in 2001 after the sale of his marketing and distribution business. Buying and selling ranches with mineral rights led to trading energy related assets including oil and gas leases, royalty interest and working interest. He became a licensed real estate agent in 2003 and a Broker in 2006. His intense interest in land and real estate, led to a satisfying career representing both buyers and sellers in counties throughout North and West Texas. Current real estate efforts are now directed toward building residential lots for area and national builders. In connection with the Development, Jim oversees real estate contracts, sales of lots and coordinates construction. A native Texan, with roots in the Dallas area, Jim graduated from the University of North Texas with a BBA in marketing.

History and Financing of the District

Developer Financing. The Total Budgeted Costs to construct the Phase 1 and 2 Authorized Improvements, the Additional Improvements and the Public Amenities is approximately \$17,694,346. The Developer began construction of the Phase 1 and 2 Authorized Improvements and the Additional Improvements to serve Phase 1A in April, 2020. As of March 16, 2021, the Developer has spent approximately \$2,356,941 on construction of the Phase 1 and 2 Authorized Improvements, Additional Improvements and Non-PID Improvements. The Developer has also contributed \$500,000 towards the costs of the Wastewater Treatment Plant (as defined herein), which is being

constructed by the City. The Developer will be reimbursed for a portion of the costs of the Phase 1 and 2 Authorized Improvements from proceeds of the Bonds.

In order to finance the costs of the Phase 1 and 2 Authorized Improvements and the Additional Improvements within Phase 1A, the Developer obtained a loan in the amount of \$4,240,025 from Interbank, pursuant to a Promissory Note dated August 18, 2020 (the “Interbank Loan”), which is secured by, among other things, a lien on all of the real property within Phase 1A and improvements thereon owned by the Developer and an assignment of any land sale contracts, rents, or lease receivables and the “PID Reimbursement Amount” (as defined in the related loan agreement) relating to such property. The Interbank Loan bears interest at a rate equal to the greater of Prime Rate plus 0.75% per annum and 4.00%. The Interbank Loan matures on August 18, 2022. As of January 1, 2021, the Interbank Loan had an outstanding balance of \$2,227,319.01. In connection with the Interbank Loan, in order to further guarantee the availability of funds to complete Phase 1A, Richard K. Miskimon entered into a guaranty agreement with Interbank, whereby he has guaranteed the prompt and full payment of the Interbank Loan. The Interbank Loan requires the Developer to pay the balance of the Interbank Loan with proceeds of the Bonds, to the extent available. The Developer intends to pay the balance of the Interbank Loan with proceeds of lot sales. *[To be updated if Interbank Loan is paid off prior to posting the PLOM]*

In order to finance the costs of the Phase 1 and 2 Authorized Improvements and the Additional Improvements to serve Phase 1B, the Developer [expects to obtain][has obtained a loan from Pinnacle Bank. [The Developer currently has a signed commitment from Pinnacle Bank to make a loan in the amount of \$4,350,000 with an interest rate of 4.00% and a maturity date of 18 months (the “Pinnacle Loan”). The Developer expects that the Pinnacle Loan will be secured by a first lien deed of trust on a portion of the real property within the District and improvements thereon owned by the Developer.][*To be updated if the Loan is executed prior to posting the PLOM]*

The Developer plans to finance the remaining costs of the Phase 1 and 2 Authorized Improvements and the Additional Improvements with proceeds of the Bonds, internal financing and/or an additional development loan, as necessary.

The PID Act provides that the Assessment Lien is a first and prior lien against the Phase 1 and 2 Assessed Property and is superior to all other liens and claims except liens or claims for State, county, school district, or municipality ad valorem taxes. [Additionally, at or prior to delivery of the Bonds, [Interbank and] [Pinnacle Bank] has agreed to consent to and acknowledge the creation of the District, the levy of the Assessments and the subordination of the lien securing the [Interbank Loan and][Pinnacle Loan] to the assessment liens on property within Phase 1 and 2 securing payment of the Assessments. As a result, the lien on the property within Phase 1 and 2 securing the Assessments will have priority over any liens on the property within Phase 1 and 2 securing the [Interbank Loan and][Pinnacle Loan].]

Completion Agreement. To ensure the completion of the Phase 1 and 2 Authorized Improvements, the Non-PID Improvements, the Park Improvements and the Additional Improvements, the Developer and the Trustee expect to enter into the Completion Agreement. Pursuant to the Completion Agreement, the Developer agrees, no later than 3 business days prior to the Delivery Date, to either (i) pay to the Trustee an amount equal to the shortfall between the amount of monies available from the sale of the Bonds to complete the Phase 1 and 2 Authorized Improvements and the total costs of the Phase 1 and 2 Authorized Improvements (the “Funding Shortfall”), as shown in the Service and Assessment Plan, or (ii) provide evidence to the Trustee that sufficient funds are available to the Developer finance the Funding Shortfall in the form of: (A) written evidence from a Lender (as defined herein) of loan funds available under a loan extended to the Developer by a financial institution or other lender unaffiliated with the Developer (a “Lender”) for the purpose of development of the Phase 1 and 2 Authorized Improvements, (B) written evidence from a Lender of funds available under a letter of credit extended to the Developer by such Lender for the purpose of development of the Phase 1 and 2 Authorized Improvements, (C) available cash, (D) written evidence of a pledge of proceeds received by the Developer from the sale of lots within the District, pursuant to one or more lot purchase contracts, for the purpose of development of the Phase 1 and 2 Authorized Improvements, or (E) any combination of (A) – (D) (any such combination, the “Authorized Improvement Funding”). Additionally, the Developer agrees, no later than 3 business days prior to the Delivery Date, to provide evidence to the Trustee that sufficient funds are available to the Developer to finance the costs of the Non-PID Improvements, the Park Improvements and the Additional Improvements (collectively, the “Non-Authorized Improvements”), as set forth in the Service and Assessment Plan, in the form of: (A) written evidence from a Lender of loan funds available under a loan extended to the Developer by such Lender for the purpose of development of the Non-Authorized

Improvements, (B) written evidence from a Lender of funds available under a letter of credit extended to the Developer by such Lender for the purpose of development of the Non-Authorized Improvements, (C) available cash, (D) written evidence of a pledge of proceeds received by the Developer from the sale of lots within the District, pursuant to one or more lot purchase contracts, for the purpose of development of the Non-Authorized Improvements, or (E) any combination of (A) – (D) (any such combination, the “Non-Authorized Improvement Funding”); provided, however, that all sources of Non-Authorized Improvement Funding must be different than, and in addition to, the sources of the Authorized Improvement Funding, if applicable, thereby allowing the Developer to provide evidence that sufficient funds are available to finance all of the Funding Shortfall, and the costs of the Non-Authorized Improvements.

If, at any time prior to completion of the Phase 1 and 2 Authorized Improvements, the amounts in all accounts or subaccounts of the Project Fund established under the Indenture plus the Authorized Improvement Funding is not sufficient to fully fund the Funding Shortfall (a “Subsequent Funding Shortfall”), the Developer agrees to (i) pay to the Trustee the amount of the Subsequent Funding Shortfall and/or (ii) provide additional evidence to the Trustee that sufficient Authorized Improvement Funding is available to the Developer to fund the Subsequent Funding Shortfall and complete the Phase 1 and 2 Authorized Improvements.

If, at any time prior to completion of the Non-Authorized Improvements, the Non-Authorized Improvement Funding is not sufficient to fully fund the costs of the Non-Authorized Improvements (a “Non-Authorized Improvement Funding Shortfall”), the Developer agrees to provide additional evidence to the Trustee that sufficient Non-Authorized Improvement Funding is available to the Developer to fund the Non-Authorized Improvement Funding Shortfall and complete the Non-Authorized Improvements.

PID ADMINISTRATOR

The following information has been provided by 30 Three Sixty Public Finance, Inc., as the PID Administrator. Certain of the following information is beyond the direct knowledge of the City and the Underwriter, and neither the City nor the Underwriter have any way of guaranteeing the accuracy of such information.

The information regarding the Service and Assessment Plan in this Limited Offering Memorandum has been provided by 30 Three Sixty Public Finance, Inc. as the “PID Administrator,” and has been included in reliance upon the authority of such firm as an expert in the field of assessment finance.

It is expected that the City will enter into an agreement for administration of the District (the “Administration Agreement”) with 30 Three Sixty Public Finance, Inc. as the “PID Administrator” to provide specialized services related to the administration of the District. The Scope of Services for the Administration Agreement is expected to include the following PID Administration tasks: (i) annual update to the Service and Assessment Plan, (ii) coordination of the billing and collection of Annual Installments, (iii) calculation of Assessment prepayments, (iv) trust indenture compliance analysis, (v) preparation of an assessment parcel database, (vi) responses to property owner inquiries, (vii) review of construction draw requests, (viii) arbitrage rebate services, and (ix) preparation of continuing disclosure reports.

APPRAISAL OF PROPERTY WITHIN PHASE 1 AND 2

The Appraisal

General. Integra Realty Resources – Dallas (the “Appraiser”) prepared an appraisal report (the “Appraisal”) for the City and the Underwriter dated as of February 12, 2021 (the “Appraisal Effective Date”), based upon a physical inspection of the District conducted on January 16, 2021 (the “Physical Inspection Date”). The Appraisal was prepared at the request of the City and the Underwriter. The description herein of the Appraisal is intended to be a brief summary only of the Appraisal as it relates to Phase 1 and 2 of the District. The Appraisal is attached hereto as APPENDIX H and should be read in its entirety. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions and qualifications, which are set forth therein. See “APPENDIX H — Appraisal of Phase 1 and 2.”

As of the Physical Inspection Date, the economy (globally, nationally, and locally) was in a state of rapid transition with a widespread expectation of the imminent onset of a significant recession. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic and, subsequently the

President of the United States declared the pandemic a national emergency and the Governor of Texas declared a state of disaster for all counties in the State in response to the pandemic. Some market deterioration had occurred shortly before this date, but the declaration by the WHO soon led to municipal and statewide orders to “shelter in place,” causing widespread closures of businesses and a massive disruption to general commerce. The status of economic conditions is changing rapidly, creating great uncertainty in the markets. The Appraiser’s analysis of these and related issues is presented in the Appraisal. The value expressed herein represents the Appraiser’s opinion based on the best available data reflective as of the Physical Inspection Date. While values are always subject to change over time, we caution the reader that in the current economic climate, market volatility creates the potential for a more significant change in value over a relatively short period of time. See “BONDHOLDERS’ RISKS — Infectious Disease Outbreak” and “APPENDIX H — Appraisal of Phase 1 and 2 – COVID-19 Impact on Current Valuations.”

Value Estimates. The Appraiser estimated the prospective market value at completion of the fee simple interest in Phase 1 and 2 under certain hypothetical conditions. The Appraisal does not reflect the value of the District or Phase 1 and 2 as if sold to a single purchaser in a single transaction. The hypothetical conditions include the assumption that all of the Phase 1 and 2 Authorized Improvements and the Additional Improvements have been completed in accordance with plans and specifications as of the dates specified below. See “THE PHASE 1 AND 2 AUTHORIZED IMPROVEMENTS” and “THE DEVELOPMENT — Development Plan.” The Appraisal does not reflect the as-is condition of the District or Phase 1 and 2. See “APPENDIX H — Appraisal of Phase 1 and 2.”

The cumulative value estimate for the Phase 1 and 2 Assessed Property using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal, as of January 7, 2022 for Phase 1 and, as of August 7, 2022, for Phase 2, is \$20,200,000.

None of the City, the Developer nor the Underwriter makes any representation as to the accuracy, completeness, assumptions or information contained in the Appraisal. The assumptions or qualifications with respect to the Appraisal are contained therein. There can be no assurance that any such assumptions will be realized, and the City, the Developer and the Underwriter make no representation as to the reasonableness of such assumptions. *Prospective investors should read the complete Appraisal in order to make an informed decision regarding any contemplated purchase of the Bonds. The complete Appraisal is attached hereto as APPENDIX H.*

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

The ability of the City to pay debt service on the Bonds as due is subject to various factors that are beyond the City's control. These factors include, among others, (a) the ability or willingness of property owners within Phase 1 and 2 to pay Assessments levied by the City, (b) cash flow delays associated with the institution of foreclosure and enforcement proceedings against property within Phase 1 and 2, (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 property 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 property.

The rate of development of the property in the District is directly related to the vitality of the residential housing industry. In the event that the sale of the lands within the District should proceed more slowly than expected and the Developer is unable to pay the Assessments, only the value of the Phase 1 and 2 Assessed Property, 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 lands within Phase 1 and 2. There is no assurance that the value of such lands will be sufficient for that purpose and the expeditious liquidation of real property through foreclosure or similar means is generally considered to yield sales proceeds in a lesser sum than might otherwise be received through the orderly marketing of such real property.

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

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 [April __], 2021. 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. Most recently, 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, effective March 10, 2021. 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-34 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/>.

Most of the federal and state actions and policies under the aforementioned disaster declarations are focused on limiting instances where the public can congregate or interact with each other, which affects the operation of businesses and directly impacts the economy. 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. Stock values and crude oil prices, in the United States and globally, have seen significant declines attributed to COVID-19 concerns. 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. While the potential impact of the Pandemic on the City cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the City's operations and financial condition. None of the City, the Financial Advisor, the Underwriter or the Developer can predict the impact the Pandemic may have on the City, the financial and operating condition of the Developer, the projected buildout schedule, home prices and buildout values or an investment in the Bonds.

Assessment Limitations

Annual Installments of Assessments are billed to property owners of Phase 1 and 2 Assessed Property. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as ad valorem taxes as set forth under "ASSESSMENT PROCEDURES" herein. Additionally, Annual Installments established by the Service and Assessment Plan correspond in number and proportionate amount to the number of installments and principal amounts of Bonds maturing in each year and the Administrative Expenses for such year. See "ASSESSMENT PROCEDURES" herein. The unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Annual Installments of Assessment 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 Phase 1 and 2, the City has established a Reserve Account in the Reserve Fund, to be funded from the proceeds of the Bonds, to cover delinquencies. The Annual Installments are secured by the Assessment Lien. However, there can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid depletion of the Reserve Account and delay in payments of debt service on the Bonds. See "BONDHOLDERS' RISKS — Bondholders' Remedies and Bankruptcy" herein.

Upon an ad valorem tax lien foreclosure event of a property within Phase 1 and 2, any Assessment that is also delinquent will be foreclosed upon in the same manner as the ad valorem tax lien (assuming all necessary conditions and procedures for foreclosure are duly satisfied). To the extent that a foreclosure sale results in insufficient funds to pay in full both the delinquent ad valorem taxes and the delinquent Assessments, the liens securing such delinquent ad valorem taxes and delinquent Assessments would likely be extinguished. Any remaining unpaid balance of the delinquent Assessments would then be an unsecured personal liability of the original property owner.

Based upon the language of Texas Local Government Code, Section 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 Section 372.018(d) supports this position, stating that an Assessment Lien runs with the land and the portion of an assessment payment that has not yet come due is not eliminated by foreclosure of an ad valorem tax lien.

The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Ordinance. **However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinance ("Pre-existing Homestead Rights") for as long as such rights are maintained on the property.** It is unclear under State law whether or not Pre-existing Homestead Rights would prevent the Assessment Lien from attaching to such homestead property or instead cause the Assessment Lien to attach, but remain subject to, the Pre-existing Homestead Rights.

Under State law, in order to establish homestead rights, the claimant must show a combination of both overt acts of homestead usage and intention on the part of the owner to claim the land as a homestead. Mere ownership of the property alone is insufficient and the intent to use the property as a homestead must be a present one, not an intention to make the property a homestead at some indefinite time in the future. As of the date of

adoption of the Assessment Ordinance, no such homestead rights had been claimed. Furthermore, the Developer and the Homebuilders are not eligible to claim homestead rights. Consequently, there are and can be no homestead rights on the Phase 1 and 2 Assessed Property superior to the Assessment Lien and, therefore, the Assessment Liens may be foreclosed upon by the City.

Failure by owners of the parcels to pay Annual Installments when due, depletion of the Reserve Fund, delay in foreclosure proceedings, or the inability of the City to sell parcels which have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent installments of Assessments levied against such parcels may result in the inability of the City to make full or punctual payments of debt service on the Bonds.

THE ASSESSMENTS CONSTITUTE A FIRST AND PRIOR LIEN AGAINST THE PROPERTY ASSESSED, SUPERIOR TO ALL OTHER LIENS AND CLAIMS EXCEPT LIENS AND CLAIMS FOR STATE, COUNTY, SCHOOL DISTRICT OR MUNICIPALITY AD VALOREM TAXES AND IS A PERSONAL OBLIGATION OF AND CHARGE AGAINST THE OWNERS OF PROPERTY LOCATED WITHIN PHASE 1 AND 2 OF THE DISTRICT.

Potential Future Changes in State Law Regarding Public Improvement Districts

The 87th Legislative Session of the State convened on January 12, 2021. During prior 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. It is impossible to predict what new proposals may be presented regarding the PID Act and the issuance of special assessment bonds during the 87th Legislative Session or any upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Texas Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. It is impossible to predict with certainty the impact that any such future legislation will or may have on the security for the Bonds.

General Risks of Real Estate Investment and Development

The Developer has the right to modify or change its plan for development of the District, from time to time, including, without limitation, land use changes, changes in the overall land and phasing plans, and changes to the type, mix, size and number of units to be developed. No defined “true-up” agreement has been entered into between the City and Developer, nor is there a requirement that future developers or Developers enter into such an agreement. There can be no assurance, in the event the Developer or a subsequent developer modifies or changes its plan for development that the necessary revisions to the Service and Assessment Plan will be made. Nor can there be an assurance that the eventual assessment burden on the property will be marketable.

The ability of the Developer and homebuilders to develop lots and sell single-family residential homes within the District may be affected by unforeseen changes in the general economic conditions, fluctuations in the real estate market and other factors beyond the control of the owner of the single-family residential lots, as applicable. In the event that a large number of single-family projects are constructed outside of the District, and compete with the Development, the demand for residential housing within the District could be reduced, thereby adversely affecting the continued development of the Development, or its attraction to businesses and residents.

Investments in undeveloped or developing real estate are generally considered to be speculative in nature and to involve a high degree of risk. The Development will be subject to the risks generally incident to real estate investments and development. Many factors that may affect the Development, as well as the operating revenues of the Developer, including those derived from the Development, are not within the control of the Developer. Such factors include changes in national, regional and local economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; changes in local, regional and national market and economic conditions; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes to be built in the Development, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; acts of God (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation;

adverse weather conditions; contractor or subcontractor defaults; and other unknown contingencies and factors beyond the control of the Developer.

The Development cannot be completed without the Developer obtaining a variety of governmental approvals and permits, some of which have already been obtained. Certain permits are necessary to initiate construction of each phase of the Development and to allow the occupancy of residences and to satisfy conditions included in the approvals and permits. There can be no assurance that all of these permits and approvals can be obtained or that the conditions to the approvals and permits can be fulfilled. The failure to obtain any of the required approvals or fulfill any one of the conditions could cause materially adverse financial results for the Developer.

A slowdown of the development process and the related absorption rate within the Development because of any or all of the foregoing could affect adversely land values. The timely payment of the Bonds depends on the willingness and ability of the Developer and any subsequent owners to pay the Assessments when due. Any or all of the foregoing could reduce the willingness and ability of such owners to pay the Assessments and could greatly reduce the value of the property within the District in the event such property has to be foreclosed. If Annual Installments of Assessments are not timely paid and there are insufficient funds in the accounts of the Reserve Fund, a nonpayment could result in a payment default under the Indenture.

Risks Related to the Current Residential Real Estate Market

In the past, the real estate market has experienced significant slowing of new home sales and new home closings due in part to the subprime mortgage crisis involving adjustable rate mortgages and other creative mortgage financing tools that allowed persons with higher credit risk to buy homes. The economic crisis that resulted from higher interest rates, at a time when many subprime mortgages were due to reset their interest rates, has served to reduce the availability of mortgages to many potential home buyers, making entry into the real estate market more difficult. Downturns in the real estate market and other factors beyond the control of the Developer, including general economic conditions, may impact the timing of parcel, lot and home sales within the District. No assurances can be given that projected home prices presented in this Limited Offering Memorandum will be realized.

Competition

The housing industry in the Dallas-Fort Worth MSA 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 be completed. The competitive position of the Developer in the sale of developed lots or of any other homebuilder in the construction and sale of single-family residential units is affected by most of the factors discussed in this section, and such competitive position is directly related to maintenance of market values in the District. There can be no assurances that other similar projects will not be developed in the future or that existing projects will not be upgraded or otherwise able to compete with the Development. For more information on competitive projects, see "APPENDIX H — Appraisal of Phase 1 and 2 – Residential Analysis."

Loss of Tax Exemption

The Indenture will 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" herein, interest on the Bonds could become includable in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the City in violation of its covenants in the Indenture.

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

Bankruptcy

The payment of Assessments and the ability of the City to foreclose on the lien of a delinquent unpaid Assessment may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. Although bankruptcy proceedings would not cause the Assessments to become extinguished, bankruptcy of a property owner in all likelihood would result in a delay in prosecuting foreclosure proceedings. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds, and the possibility that delinquent Assessments might not be paid in full.

Direct and Overlapping Indebtedness, Assessments and Taxes

The ability of an owner of property within Phase 1 and 2 to pay the Assessments could be affected by the existence of other taxes and assessments imposed upon the property. Public entities whose boundaries overlap those of Phase 1 and 2 currently impose ad valorem taxes on the property within Phase 1 and 2 and will likely do so in the future. Such entities could also impose assessment liens on the property within Phase 1 and 2. The imposition of additional liens, or for private financing, may reduce the ability or willingness of the landowners to pay the Assessments.

Depletion of Reserve Account of the Reserve Fund

Failure of the owners of property within Phase 1 and 2 to pay the Assessments when due could result in the rapid, total depletion of the Reserve Account of the Reserve Fund prior to replenishment from the resale of property upon a foreclosure or otherwise or delinquency redemptions after a foreclosure sale, if any. There could be a default in payments of the principal of and interest on the Bonds if sufficient amounts are not available in the Reserve Account of the Reserve Fund. The Indenture will provide that if, after a withdrawal from the Reserve Account of the Reserve Fund, the amount in the Reserve Account of the Reserve Fund is less than the Reserve Account Requirement, the Trustee shall transfer an amount from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund sufficient to cure such deficiency, as described under "SECURITY FOR THE BONDS — Reserve Fund – Reserve Account" herein.

Hazardous Substances

While governmental taxes, assessments and charges are a common claim against the value of a parcel, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized to the assessment is a claim with regard to a hazardous substance. In general, the owners and operators of a parcel may be required by law to remedy conditions relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or "Superfund Act," is the most well-known and widely applicable of these laws. It is likely that, should any of the parcels of land located in the District be affected by a hazardous substance, the marketability and value of parcels would be reduced by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The value of the land within the District does not take into account the possible liability of the owner for the remedy of a hazardous substance condition of the parcel. The City has not independently verified, and is not aware, that the owner 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.

Regulation

Development within the District may become 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.

Availability of Utilities

The progress of development within the District is also dependent upon Mountain Peak Special Utility District providing an adequate supply of water and the City completing the Wastewater Treatment Plant and providing sufficient capacity for the collection and treatment of wastewater. If Mountain Peak Special Utility District or the City fails to supply water and wastewater services, as applicable, to the property within the District, the development of the land in the District could be adversely affected. See “THE DEVELOPMENT — Utilities.”

100-Year Flood Plain

Approximately 123.6 acres within the District is located within an official FEMA 100-year flood plain, as shown on the current Federal Emergency Management Agency’s Flood Insurance Rate Map Community Panel No. 48139C0300F, Ellis County, Texas dated June 13, 2013 (the “Floodplain”). The development plans for the Floodplain include the 100+ acre recreational green zone and the mountain bike trails. No single-family homes will be located within the Floodplain.

FEMA will from time to time revise its Flood Insurance Rate Maps. None of the City, the Underwriter, or the Developer make any representation as to whether FEMA may revise its Flood Insurance Rate Maps, whether such revisions may result in homes that are currently outside of the 100-year flood plain from being included in the 100-year flood plain in the future, or whether extreme flooding events may exceed the Floodplain.

Risk from Weather Events

General. All of the State, including the City, is subject to extreme weather events that can cause loss of life and damage to property through weather events that include strong winds, flooding, heavy rains and freezes. It is impossible to predict such weather events and the impact they may have on the City, including land within the District.

Texas 2021 Winter Weather Event. From February 14, 2021 through February 19, 2021, the continental United States experienced a severe winter storm (the “2021 Event”). As a result of the 2021 Event, areas throughout the State experienced widespread, record breaking cold.

Due to effects of the 2021 Event and a reduction in available gas supply, approximately 185 generating units in the Electric Reliability Council of Texas (“ERCOT”) grid tripped offline, and the grid lost roughly 46,000 MW of generation. In order to limit demand and protect the integrity of the grid, ERCOT implemented widespread and prolonged blackouts. As a result, approximately 4 million Texas residents were without power for significant stretches of the week.

Extended subzero temperatures caused water pipes to freeze and burst, and, combined with the lack of power, eventually led to multiple water system failures across the State that impacted water availability generally and, in some instances, required the issuance of water boil notices. Initial reports indicated that roughly 14 million Texans were under boil water notices as of February 19, 2021.

On February 19, 2021, the President of the United States issued a Major Disaster Declaration for 77 counties in the State, including Ellis County. The Texas Governor, on February 18, 2021, declared a new emergency item for the current Texas legislative session (in session until May 31, 2021) in which he requested the Legislature to mandate the winterization of Texas’ power system and to ensure the necessary funding for winterization.

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.

Oil and Gas Exploration

Parts of Central Texas, including the City and its surrounding area, have had minor magnitude earthquakes in the past, presumed to be linked to a range of oil and gas industry practices, including shale gas production and large-scale disposal of wastewater that can result in changes in subsurface stress and reactivation of preexisting faults. Additionally, a portion of Ellis County sits on the Balcones Fault Zone. It is impossible to predict whether additional earthquakes will occur in the future and the impact they may have on the City, including land within the District.

Bondholders' Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds or the occurrence of any other Event of Default under the Indenture, and upon the written request of at least fifty-one percent (51%) of the owners of the Bonds then Outstanding, the Trustee shall proceed to protect and enforce its rights and the rights of the owners of the Bonds under the Indenture by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for mandamus or the specific performance of any covenant or agreement contained therein or in aid or execution of any power granted or for the enforcement of any proper legal or equitable remedy, as the Trustee shall deem most effectual to protect and enforce such rights. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the City's obligations under the Bonds or the Indenture and such obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The owners of the Bonds cannot themselves foreclose on property within Phase 1 and 2 of the District or sell property within Phase 1 and 2 of the District in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the owners of the Bonds 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 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 Indenture covenants. As noted above, the Indenture provides that owners of the Bonds may exercise the remedy of mandamus to enforce the obligations of the City under the Indenture. Neither the remedy of mandamus nor any other type of injunctive relief was at issue in Tooke, and it is unclear whether Tooke will be construed to have any effect with respect to the exercise of mandamus, as such remedy has been interpreted by State courts. In general, State courts have held that a writ of mandamus may be issued to require public officials to perform ministerial acts that clearly pertain to their duties. State courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, mandamus may be used to require a public officer to perform legally-imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party (including the payment of moneys due under a contract).

Judicial Foreclosures

Judicial foreclosure proceedings are not mandatory; however, the City has covenanted to order and cause such actions to be commenced. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and, in such event, there could be an additional delay in payment of the principal of and interest on the Bonds or such payment may not be made in full. Moreover, in filing a suit to foreclose, the City must join other taxing units that have claims for delinquent taxes against all or part of the same property; the proceeds of any sale of property within Phase 1 and 2 available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property. See "OVERLAPPING TAXES AND DEBT." Collection of delinquent taxes, assessments and Assessments may be adversely affected by the effects of market conditions on the foreclosure sale price, and by other factors, including taxpayers' right to redeem property within two years of foreclosure for residential and agricultural use property and six months for other property, and by a time-consuming and expensive collection procedure.

No Acceleration

The Indenture does not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the terms of the Bonds or the Indenture.

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 Phase 1 and 2 subject to the Assessments, existing real estate and financial market conditions and other factors.

No Credit Rating

No credit rating for the Bonds has been sought, nor is it anticipated that any such rating will be applied for. Even if a credit rating had been sought for the Bonds, it is not anticipated that such a rating would have been

investment grade. 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.

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 State law to voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. 901-946. The City may proceed under Chapter 9 if it (1) is generally not paying its debts, or unable to meet its debts, as they become due, (2) desires to effect a plan to adjust such debts, and (3) has either obtained the agreement of or negotiated in good faith with its creditors, is unable to negotiate with its creditors because negotiation is impracticable, or reasonably believes that a creditor may attempt to obtain a preferential transfer.

If the City decides in the future to proceed voluntarily under the Federal Bankruptcy Code, the City would develop and file a plan for the adjustment of its debts, and the Bankruptcy Court would confirm the plan if (1) the plan complies with the applicable provisions of the Federal Bankruptcy Code, (2) all payments to be made in connection with the plan are fully disclosed and reasonable, (3) the City is not prohibited by law from taking any action necessary to carry out the plan, (4) administrative expenses are paid in full, (5) all regulatory or electoral approvals required under State law are obtained and (6) the plan is in the best interests of creditors and is feasible. The rights and remedies of the owners of the Bonds would be adjusted in accordance with the confirmed plan of adjustment of the City's debt.

Management and Ownership

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

Use of Appraisal

Caution should be exercised in the evaluation and use of appraisal results. An appraisal is an estimate of market value as of a specified date based upon assumptions and limiting conditions and any extraordinary assumptions specific to the relevant valuation. It is not a precise measure of value but is based on a subjective comparison of related activity taking place in the real estate market. The valuation set forth in an appraisal is based on various assumptions of future expectations and while the appraiser's forecasts for properties in the District is considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future. The Bonds will not necessarily trade at values determined solely by reference to the underlying value of the properties in the District, including Phase 1 and 2.

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

As of the Physical Inspection Date, the economy (globally, nationally, and locally) was in a state of rapid transition with a widespread expectation of the imminent onset of a significant recession. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic and, subsequently the President of the United States declared the pandemic a national emergency and the Governor of Texas declared a state of disaster for all counties in the State in response to the pandemic. Some market deterioration had occurred shortly before this date, but the declaration by the WHO soon led to municipal

and statewide orders to “shelter in place,” causing widespread closures of businesses and a massive disruption to general commerce. The status of economic conditions is changing rapidly, creating great uncertainty in the markets. The Appraiser’s analysis of these and related issues is presented in the Appraisal. The value expressed herein represents the Appraiser’s opinion based on the best available data reflective as of the Physical Inspection Date. While values are always subject to change over time, we caution the reader that in the current economic climate, market volatility creates the potential for a more significant change in value over a relatively short period of time. See “APPENDIX H — Appraisal of Phase 1 and 2 – COVID-19 Impact on Current Valuations.”

Dependence upon Developer

The Developer currently has the obligation for payment of all of the Assessments. The Developer expects to close on the lots with the Homebuilders in Phase 1A in May, 2021, upon which the Homebuilders will have the obligation for the payment of the related Assessments. The ability of the Developer and the Homebuilders to make full and timely payment of the Assessments will directly affect the ability of the City to meet its debt service obligations with respect to the Bonds. There can be no assurances given as to the financial ability of the Developer to advance any funds to the City to supplement revenues from the Assessments if necessary, or as to whether the Developer will advance such funds.

Moreover, the City will pay the Developer, or the Developer’s designee, from proceeds of the Bonds for project costs actually incurred in developing and constructing Phase 1 and 2 Authorized Improvements. See “THE PHASE 1 AND 2 AUTHORIZED IMPROVEMENTS.” There can be no assurances given as to the financial ability of the Developer to complete the Phase 1 and 2 Authorized Improvements or any other improvements.

TAX MATTERS

Opinion

On the date of initial delivery of the Bonds, McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel to the City, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof (“Existing Law”), (1) interest on the Bonds for federal income tax purposes will be excludable from the “gross income” of the holders thereof and (2) the Bonds will not be treated as “specified private activity bonds” the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the “Code”). Except as stated above, Bond Counsel to the City will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds. See “APPENDIX D — Form of Opinion of Bond Counsel.”

In rendering its opinion, Bond Counsel to the City will rely upon (a) certain information and representations of the City, including information and representations contained in the City’s federal tax certificate, and (b) covenants of the City contained in the Bond documents relating to certain matters, including arbitrage and the use of the proceeds of the Bonds and the property financed or refinanced therewith. Failure by the City to observe the aforementioned representations or covenants could cause the interest on the Bonds to become taxable retroactively to the date of issuance.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel to the City is conditioned on compliance by the City with such requirements, and Bond Counsel to the City has not been retained to monitor compliance with these requirements subsequent to the issuance of the Bonds.

Bond Counsel’s opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Bond Counsel’s opinion is not a guarantee of a result. Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Bonds.

A ruling was not sought from the Internal Revenue Service by the City with respect to the Bonds or the property financed or refinanced with proceeds of the Bonds. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an Internal Revenue Service audit is commenced, under current procedures the Internal Revenue Service is likely to treat the City as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Federal Income Tax Accounting Treatment of Original Issue Discount

The initial public offering price to be paid for one or more maturities of the Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the bonds may not be equal to the accrual period or be in excess of one year (the “Original Issue Discount Bonds”). In such event, the difference between (i) the “stated redemption price at maturity” of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The “stated redemption price at maturity” means the sum of all payments to be made on the bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under existing law, any owner who has purchased such Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue 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 Original Issue Discount Bond was held by such initial owner) is includable in gross income.

Under existing law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner’s basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

Collateral Federal Income Tax Consequences

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Bonds. This discussion is based on existing statutes, regulations, published rulings and court decisions, all of which are subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies,

individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with Subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE BONDS.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Bonds, if such obligation was acquired at a “market discount” and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to “market discount bonds” to the extent such gain does not exceed the accrued market discount of such bonds; although for this purpose, a de minimis amount of market discount is ignored. A “market discount bond” is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the “revised issue price” (i.e., the issue price plus accrued original issue discount). The “accrued market discount” is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

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.

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Bonds will be sent to each registered holder and to the IRS. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner’s social security number or other taxpayer identification number (“TIN”), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient’s federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Future and Proposed Legislation

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.

LEGAL MATTERS

Legal Proceedings

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

certified proceedings relating to the issuance and sale of the Bonds, the legal opinion of Bond Counsel, to a like effect.

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

Legal Opinions

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

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

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

Litigation — The City

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

Litigation — The Developer

At the time of delivery and payment for the Bonds, the Developer will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the best knowledge of the Developer, threatened against or affecting the Developer or any of its affiliates wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Developer or its managing member, or would adversely affect (1) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Service and Assessment Plan, the Development Agreement or the Reimbursement Agreement, or otherwise described in this Limited Offering Memorandum or (2) the tax-exempt status of interest on the Bonds (individually or in the aggregate, a “Material Adverse Effect”).

SUITABILITY FOR INVESTMENT

Investment in the Bonds poses certain economic risks. See “BONDHOLDERS’ RISKS.” The Bonds are not rated by any nationally recognized municipal securities rating service. No dealer, broker, salesman or other person has been authorized by the City or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. Additional information will be made available to each prospective investor, including the benefit of a site visit to the City and the opportunity to ask questions of the Developer, as such prospective investor deems necessary in order to make an informed decision with respect to the purchase of the Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay. See “BONDHOLDERS’ RISKS — Bondholders’ Remedies and Bankruptcy.” Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Indenture and the Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by governmental immunity, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors and enacted before or after such delivery, and by general principles of equity that permit the exercise of judicial discretion.

NO RATING

No application for a rating on 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 SEC (the “Rule”), the City, the PID Administrator and Regions Bank, as dissemination agent (in such capacity, the “Dissemination Agent”), will enter into a Continuing Disclosure Agreement (the “Disclosure Agreement of Issuer”), for the benefit of the owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Disclosure Agreement of Issuer, certain financial information and operating data relating to the City (collectively, the “City Reports”). The specific nature of the information to be contained in the City Reports is set forth in “APPENDIX E-1 — Form of Disclosure Agreement of Issuer.” Under certain circumstances, the failure of the City to comply with its obligations under the Disclosure Agreement of Issuer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of Issuer would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

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

The City's Compliance with Prior Undertakings

The City has complied in all material respects with its continuing disclosure agreements made by it in accordance with the Rule, except as set forth below. In connection with the Trinity River Authority Mountain Creek Regional Wastewater System Revenue Bonds, the City is required to provide certain updated financial information and operating data, including its audited financial statements, to the Municipal Securities Rulemaking Board through its Electronic Municipal Marketing system within 6 months after its fiscal year end. If audited financial statements are not available by the required time, the City agreed to provide unaudited financial statements within the required time and audited financial statements when and if available. For fiscal years ending 2016, 2017 and 2019 the City did not file unaudited or audited financial statements by the required time. Audited financial statements were filed for fiscal years ending 2016, 2017 and 2019 when available on September 28, 2017, July 12, 2018 and July 23, 2019, respectively.

The Developer

Pursuant to the Rule, the Developer, the PID Administrator and the Dissemination Agent will enter into a Continuing Disclosure Agreement (the "Disclosure Agreement of Developer"), for the benefit of the owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Disclosure Agreement of Developer, certain information regarding the Development and the Authorized Improvements (collectively, the "Developer Reports"). The specific nature of the information to be contained in the Developer Reports is set forth in "APPENDIX E-2 — Form of Disclosure Agreement of Developer." Under certain circumstances, the failure of the Developer or the PID Administrator to comply with its obligations under the Disclosure Agreement of Developer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of Developer would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

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

The Developer's Compliance with Prior Undertakings

The Developer has not previously entered into any continuing disclosure agreements in accordance with the Rule.

UNDERWRITING

FMSbonds, Inc. (the "Underwriter") has agreed to purchase the Bonds from the City at a purchase price of \$_____ (the par amount of the Bonds, less a reoffering discount of \$_____ less an underwriting discount of \$_____). The Underwriter's obligations are subject to certain conditions precedent and if obligated to purchase any of the Bonds the Underwriter will be obligated to purchase all of the Bonds. The Bonds may be

offered and sold by the Underwriter at prices lower than the initial offering prices stated on the inside cover page 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” herein.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

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

It is the obligation of the Underwriters to register or qualify the sale of the Bonds under the securities laws of any jurisdiction which so requires. The City agrees to cooperate, at the Underwriter’s’ written request and sole expense, in registering or qualifying the Bonds or in obtaining an exemption from registration or qualification in any state where such action is necessary; provided, however, that the City shall not be required to qualify as a foreign corporation or to execute a general or special consent to service of process in any jurisdiction.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

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

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

INVESTMENTS

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

Under State law, the City is authorized to make investments meeting the requirements of the PFIA, which currently include (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State 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.

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.

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 ninety (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 fifteen percent (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 Regions Bank, an Alabama banking corporation, to serve as Trustee. The Trustee is to carry out those duties assignable to it under the Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Limited Offering Memorandum and assumes no responsibility for the contents, accuracy, fairness or completeness of the information set forth in this Limited Offering Memorandum or for the recitals contained in the Indenture or the Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

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

Additional information about the Trustee may be found at its website at www.regionsbank.com. Neither the information on the Trustee's website, nor any links from that website, is a part of this Limited Offering Memorandum, nor should any such information be relied upon to make investment decisions regarding the Bonds.

SOURCES OF INFORMATION

General

The information contained in this Limited Offering Memorandum has been obtained primarily from the City's records, the Developer and its representatives and other sources believed to be reliable. In accordance with its responsibilities under the federal securities law, the Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of the transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum or any sale hereunder will create any implication that there has been no change in the financial condition or operations of the City or the Developer described herein since the date hereof. This Limited Offering Memorandum contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized. The summaries of the statutes, resolutions, ordinances, indentures and engineering and other related reports set forth herein are included subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

Source of Certain Information

The information contained in this Limited Offering Memorandum relating to the description of the Developer, the Development and the Phase 1 and 2 Authorized Improvements generally and, in particular, the information included in any of the maps herein and in the sections captioned "PLAN OF FINANCE — Development Plan," "— Single-Family Residential Development within the District" and "— Additional Indebtedness," "THE PHASE 1 AND 2 AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Phase 1 and 2 Authorized Improvements and the Development), "LEGAL MATTERS — Litigation — The Developer," and "CONTINUING

DISCLOSURE — The Developer” and “— The Developer’s Compliance with Prior Undertakings” has been provided by the Developer, and the Developer warrants and represents that the information contained herein is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they were made, not misleading. At the time of delivery of the Bonds to the Underwriter, the Developer will deliver a certificate to this effect to the City and the Underwriter.

Experts

The information regarding the Service and Assessment Plan in this Limited Offering Memorandum has been provided by 30 Three Sixty Public Finance, Inc. and has been included in reliance upon the authority of such firm as experts in the field of assessment allocation/methodology and district administration.

The information regarding the Appraisal in this Limited Offering Memorandum has been provided by Integra Realty Resources – Dallas and has been included in reliance upon the authority of such firm as experts in the field of the appraisal of real property. Integra Realty Resources – Dallas has consented to the inclusion of the Appraisal herein.

Updating of Limited Offering Memorandum

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

FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Limited Offering Memorandum constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “anticipate,” “budget” or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-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 has authorized the use of this Preliminary Limited Offering Memorandum by the Underwriter in connection with the marketing and sale of the Bonds.

CITY OF VENUS, TEXAS

Mayor

ATTEST:

City Secretary

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APPENDIX A

GENERAL INFORMATION REGARDING THE CITY AND SURROUNDING AREA

The following information has been provided for informational purposes only.

General Information

The City is located within Johnson and Ellis Counties, approximately 30 miles from the City of Dallas. Access to the City is provided by U.S. 67. The City covers approximately 3.5 square miles. The City's 2010 census population was 2,960. The City's 2020 population estimate was 3,853.

Historical Employment in Ellis County (Average Annual)

	Average Annual				
	2021 ⁽¹⁾⁽²⁾	2020 ⁽²⁾	2019	2018	2017
Civilian Labor Force	95,104	93,578	92,694	90,694	87,802
Total Employed	89,551	87,937	89,823	87,710	84,756
Total Unemployed	5,553	5,641	2,871	2,984	3,046
Unemployment Rate	5.8%	6.0%	3.1%	3.3%	3.5%

⁽¹⁾ Data through January 2021.

⁽²⁾ The COVID-19 Pandemic has negatively affected travel, commerce, employment rates and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. See "BONDHOLDERS' RISKS — Infectious Disease Outbreak."

Source: Texas Labor Market Information.

Major Employers in Ellis County

The major employers in Ellis County are set forth in the table below.

<u>Employer</u>	<u>Employees</u>
Wal-Mart Supercenters	1,248
TRIUMPH Aerostructures LLC	1,200
Waxahachie ISD	1,137
Midlothian ISD	958
Gerdau Steel	913
Red Oak ISD	832
Walgreen's Distribution Center	808
Ennis ISD	751
Dart Container Corp.	694
Baylor Scott & White at Waxahachie	652

Source: Ellis County fiscal year 2019 audited financial statements.

Median Household Income

Ellis County is more affluent than the Dallas-Fort Worth Metropolitan Area ("Dallas MSA"). Median household income for Ellis County and the Dallas MSA is shown below.

	<u>Median Household Income - 2020</u>
Ellis County	\$85,690
Dallas MSA	\$75,635
Comparison of Ellis County to Dallas MSA	+13.3%

Source: The Appraisal

Education and Age

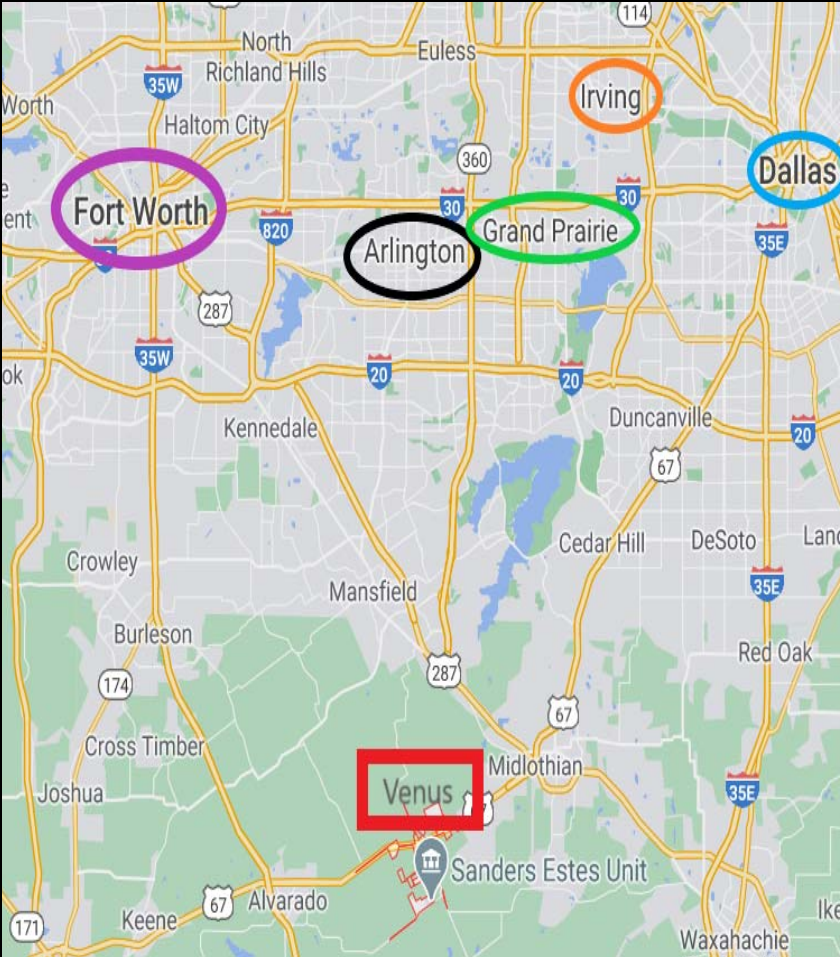
Residents of Ellis County have a lower level of educational attainment than those of the Dallas MSA. An estimated 25% of Ellis County residents are college graduates with four-year degrees, versus 35% of Dallas MSA residents. People in Ellis County are older than their Dallas MSA counterparts. The median age for Ellis County is 37 years, while the median age for the Dallas MSA is 36 years.

DALLAS-FORT WORTH-ARLINGTON MSA - REGIONAL EMPLOYMENT

Surrounding Economic Activity

The major employers of municipalities surrounding the City are set forth in the table below.

City of Arlington		City of Grand Prairie		City of Dallas	
Approximately 29 miles from the City		Approximately 34 miles from the City		Approximately 32 miles from the City	
Employer	Employees	Employer	Employees	Employer	Employees
Arlington ISD	8,200	Grand Prairie ISD	4,100	Dallas ISD	22,222
University of Texas at Arlington	5,300	Lockheed Martin Missiles & Fire Control	3,500	Texas Instruments Inc.	12,901
General Motors	4,484	Poly-America Inc.	2,000	City of Dallas	12,474
Texas Health Resources	4,063	City of Grand Prairie	1,576	Medical City Dallas	12,104
Six Flags Over Texas	3,800	Bell Helicopter-Textron	1,200	The University of Texas SW Medical Center	11,900
The Parks at Arlington	3,500	Lone Star Park at Grand Prairie	950	AT&T Inc.	11,070
GM Financial	3,300	Forterra Pupe & Products, Inc.	950	Parkland Health System	10,361
City of Arlington	2,487	Flex-N-Gate	800	Baylor Scott & White Health	7,045
JP Morgan Chase Bank	1,965	Republic National Distribution	800	Children's Health	6,406
Texas Rangers Baseball Club	1,881	Arnold Transportation Services	650	Walmart Store	5,425



City of Fort Worth	
Approximately 32 miles from the City	
Employer	Employees
AMR Corp./American Airlines	25,000
Lockheed Martin Tactical Aircraft Systems	13,700
Fort Worth ISD	12,000
NAS Fort Worth Joint Reserve Base	10,000
JPS Health Network/John Peter Smith Hosp.	6,500
City of Fort Worth	6,200
Cook's Children's Health Care System	6,000
Tarrant County College	6,000
Alcon Laboratories Inc.	5,400
Bell Helicopter -Textron Inc.	5,000

City of Irving	
Approximately 37 miles from the City	
Employer	Employees
Citigroup Inc.	6,500
Verizon Communications	3,000
Microsoft Corp	2,220
Irving Mall	2,100
Allstate Insurance	1,768
DFW International Airport	1,700
McKesson	1,600
Health Management Systems (HMS)	1,400
Pioneer Natural Resources	1,400
Neiman Marcus Direct	1,399

Source: Municipal Advisory Council of Texas

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APPENDIX B
FORM OF INDENTURE

INDENTURE OF TRUST

By and Between

CITY OF VENUS, TEXAS

and

**REGIONS BANK
as Trustee**

DATED AS OF _____, 2021

SECURING

\$ _____

**CITY OF VENUS, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021
(BRAHMAN RANCH PUBLIC
IMPROVEMENT DISTRICT NO. 1 -
PHASE 1 AND 2 PROJECT)**

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INDENTURE OF TRUST

THIS INDENTURE, dated as of _____, 2021, is by and between the CITY OF VENUS, TEXAS (the "*City*"), and REGIONS BANK, Houston, Texas 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, on April 10, 2020, a petition (the "*First Petition*") was submitted and filed with the City Secretary of the City (the "*City Secretary*") pursuant to the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "*Act*" or "*PID Act*"), requesting the creation of a public improvement district located within the corporate limits of the City to be known as "Brahman Ranch Public Improvement District No. 1" (the "*District*"); and

WHEREAS, the Petition contained the signatures of the owners of taxable real property representing more than fifty percent of the appraised value of taxable real property liable for assessment within the District, as determined by the then current ad valorem tax rolls of the Collin Central Appraisal District, and the signatures of record property owners who own taxable real property that constitutes more than fifty percent of the area of all taxable property that is liable for assessment by the District; and

WHEREAS, on April 13, 2020, the City Council of the City (the "*City Council*") adopted a Resolution accepting the Petition and calling a public hearing on the creation of the District on May 11, 2020; and

WHEREAS, on May 11, 2020, after due notice, the City Council opened, conducted and closed the public hearing in the manner required by law on the advisability of the improvement projects and services described in the Petition as required by Section 372.009 of the PID Act and, by Resolution No. 11-2020-05 adopted by the City Council (the "*Initial Creation Resolution*"), authorized the District in accordance with its finding as to the advisability of the improvement projects and services; and

WHEREAS, following the adoption of the Initial Creation Resolution, the City published notice of its authorization of the District in 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 the date of publication of such notice; and

WHEREAS, on March 5, 2021, the City Secretary received a second petition (the "*Second Petition*") requesting a change to the boundaries of the District, in order to remove five commercial lots situated adjacent to farm-to-market road 157, as well as to increase in the estimated cost of the proposed Authorized Improvements, pursuant to the PID Act; and

WHEREAS, on March 8, 2021, the City Council adopted a Resolution accepting the Petition and calling a public hearing on said proposed amendments to the District on March 29, 2021; and

WHEREAS, on March 29, 2021, after due notice, the City Council opened, conducted and closed the public hearing in the manner required by law on the advisability of the improvement projects and services described in the Petition as required by Section 372.009 of the PID Act and, by Resolution No. 01-2021-03 adopted by the City Council (the "*Amending Resolution*"), authorized the proposed changes to the District's boundaries and the increase in the estimated cost of the Authorized Improvements; and

WHEREAS, following the adoption of the Amending Resolution, the City published notice of its authorization of the District in 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 the date of publication of such notice; and

WHEREAS, the City, pursuant to Section 372.016(b) of the PID Act, published notice of a public hearing in a newspaper of general circulation in the City and where the proposed improvements are to be undertaken to consider an "*Initial Assessment Roll*" and an "*Initial Service and Assessment Plan*" and the levy of "*Initial Assessments*" on the Phase 1 and 2 Property within the District; and

WHEREAS, the City, pursuant to Section 372.016(c) of the PID Act, mailed notice of the public hearing to consider the proposed Initial Assessment Roll and the Initial Service and Assessment Plan and the levy of Initial Assessments on property in the District to the last known address of the owners of the property liable for the Initial Assessments; and

WHEREAS, the City Council convened an initial public hearing on January 11, 2021, at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Initial Service and Assessment Plan, the Initial Assessment Roll, and the Initial Assessments, and to offer testimony pertinent to any issue presented on the amount of the Initial Assessments, the allocation of costs, the purposes of the Initial Assessments, the special benefits of the Initial Assessments, and the penalties and interest on annual installments of the Initial Assessments and on delinquent annual installments of the Initial Assessments; and

WHEREAS, at the January 11, 2021 public hearing referenced above, there were no written objections or evidence submitted to the City Secretary in opposition to the Initial Service and Assessment Plan, the allocation of costs, the Initial Assessment Roll, or the levy of the Initial Assessments contemplated thereunder; and

WHEREAS, the City Council closed the public hearing and, after considering all written and documentary evidence presented at the public hearing, including all written comments and statements filed with the City, at a meeting held on January 11, 2021, approved and accepted the Initial Service and Assessment Plan in conformity with the requirements of the PID Act and adopted an "*Initial Assessment Ordinance*"; and

WHEREAS, the estimated costs of the Phase 1 and 2 Authorized Improvements was incorrect, the legal description of Phase 1 and Phase 2 Property (each as defined in the Initial Service and Assessment Plan) was inaccurate and, as a result, the assessments levied upon

certain lots pursuant to the Initial Assessment Ordinance were incorrect and were therefore invalid; and

WHEREAS, the City, published notice of a second public hearing in a newspaper of general circulation in the City and where the proposed improvements are to be undertaken, as required by Section 372.016(b) of the PID Act, to consider a corrected "*Assessment Roll*" and "*Service and Assessment Plan*" and the corrected levy of "*Assessments*" on the Phase 1 and 2 Property within the District; and

WHEREAS, the City, pursuant to Section 372.016(c) of the PID Act, mailed a second notice of the public hearing to consider the proposed corrected Assessment Roll and the Service and Assessment Plan and the corrected levy of Assessments on property in the District to the last known address of the owners of the property liable for the Assessments; and

WHEREAS, the City Council convened a second public hearing on May 10, 2021, at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest a preliminary Service and Assessment Plan, the Assessment Roll, and the Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of Costs, the purposes of the Assessments, the special benefits of the Assessments, and the penalties and interest on Annual Installments and on delinquent annual installments of the Assessments; and

WHEREAS, at the May 10, 2021 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 Assessments; and

WHEREAS, the City Council closed the public hearing and, after considering all written and documentary evidence presented at the public hearing, including all written comments and statements filed with the City, at a meeting held on May 10, 2021, approved and accepted the Service and Assessment Plan in conformity with the requirements of the PID Act and adopted the Assessment Ordinance, which Assessment Ordinance approved the Assessment Roll and levied the Assessments; and

WHEREAS, pursuant to the terms of the Initial Service and Assessment Plan and as part of the Service and Assessment Plan, the City Council (i) redefined the legal description of Phase 1 and 2 Property and thus which Parcels constitute the Assessed Property, (ii) changed the amounts of the Phase 1 and 2 Authorized Improvements, the Costs, the Phase 1 and 2 Improvements Budgeted Costs (as defined in the Service and Assessment Plan), and the Assessments, (iii) terminated, released and repealed the Initial Assessments on the Assessed Property under the Initial Service and Assessment Plan, and (iv) levied the Assessments against the Assessed Property within the Phase 1 and 2 Property consistent with the Service and Assessment Plan; and

WHEREAS, the City Council is authorized by the PID Act to issue revenue bonds payable from the Assessments for the purpose of (i) paying a portion of the Costs, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Phase 1 and 2 Authorized Improvements, (iii) funding a reserve fund for payment of

principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District and (v) paying the costs of issuance of the Bonds; and

WHEREAS, the City Council now desires to issue its revenue bonds, in accordance with the PID Act, such bonds to be entitled "City of Venus, Texas, Special Assessment Revenue Bonds, Series 2021 (Brahman Ranch Public Improvement District No. 1 - Phase 1 and 2 Project)" (the "*Bonds*"), such Bonds being payable solely from the Trust Estate and for the purposes set forth in this preamble; and

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

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

FIRST GRANTING CLAUSE

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

SECOND GRANTING CLAUSE

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

THIRD GRANTING CLAUSE

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

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

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the benefit of all present and future Owners of the Bonds from time to time issued under and secured by this Indenture, and for enforcement of the payment of the Bonds in accordance with their terms, and for the performance of and compliance with the obligations, covenants, and conditions of this Indenture;

PROVIDED, HOWEVER, if the City or its assigns shall well and truly pay, or cause to be paid, the principal or Redemption Price of and the interest on the Bonds at the times and in the manner stated in the Bonds, according to the true intent and meaning thereof, then this Indenture and the rights hereby granted shall cease, terminate and be void; otherwise this Indenture is to be and remain in full force and effect;

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

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated, and delivered and the Trust Estate hereby created, assigned, and pledged is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses, and purposes as hereinafter expressed, and the City has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners from time to time of the Bonds as follows:

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1. **Definitions.**

Unless otherwise expressly provided or unless the context clearly requires otherwise in this Indenture, the following terms shall have the meanings specified below:

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

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

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

with the PID Act, arbitrage rebate requirements and/or securities disclosure requirements, (vii) paying the paying agent/registrar's and trustee's fees and expenses (including the fees and expenses of its legal counsel) related to the Bonds, and (viii) the City's costs of administering the construction of the Phase 1 and 2 Authorized Improvements. Administrative Expenses shall also include the administrative costs and expenses of issuing, making debt service payments on, and redeeming Bonds; provided, however, that for the avoidance of doubt, Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on Bonds. Administrative Expenses collected and not encumbered or expended shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid over collection.

"Administrative Fund" means that Fund established by Section 6.1 and administered pursuant to Section 6.9.

"Administrator" means the City or the person or independent firm designated by the City who shall have the responsibilities provided in the Service and Assessment Plan, this Indenture, or any other agreement or document approved by the City related to the duties and responsibilities for the administration of the District.

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

"Annual Installment" means the sum of each annual payment of: (i) the Assessment (including the principal of and interest on the Assessment), as shown on the Assessment Rolls attached to the SAP as Appendix A, as the same may be updated from time to time, or in an Annual Service Plan Update, and calculated as provided in Section VI of the SAP, (ii) Administrative Expenses, and (iii) Additional Interest.

"Annual Service Plan Update" means the annual review and update of the Service and Assessment Plan required by the PID Act and the Service Assessment Plan.

"Applicable Laws" means the PID Act, and all other laws or statutes, rules, or regulations, and any amendments thereto, of the State or of the United States of America, by which the City and its powers, securities, operations, and procedures are, or may be, governed or from which its powers may be derived.

"Assessed Property" means the property located in the Phase 1 and 2 Property of the District that benefits from the Phase 1 and 2 Authorized Improvements, and is defined as the "Phase 1 and 2 Assessed Property" in the Service and Assessment Plan.

"Assessment Ordinance" means the ordinance adopted by the City Council on May 10, 2021, as may be amended or supplemented, that levied the Assessments on the Assessed Property.

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

"*Assessment Roll*" means the document attached to the Service and Assessment Plan as Exhibit A-1, as updated, modified or amended from time to time in accordance with the procedures set forth in the Service and Assessment Plan and the PID Act.

"*Assessments*" means an assessment levied against Assessed Property based on the special benefit conferred on such Parcels by the Phase 1 and 2 Authorized Improvements.

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

"*Authorized Denomination*" means \$100,000 and any integral multiple of \$1,000 in excess thereof. The City prohibits any Bond to be issued in a denomination of less than \$100,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than \$100,000, and any attempt to accomplish either of the foregoing shall be void and of no effect.

"*Bond*" means any of the Bonds.

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

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

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

"*Bond Ordinance*" means the ordinance adopted by the City Council on May 10, 2021 authorizing the issuance of the Bonds pursuant to this Indenture and approving a Service and Assessment Plan reflecting the issuance of the Bonds.

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

"*Bond Year*" means the one-year period beginning on October 1 in each year and ending on September 30 in the following year.

"*Bonds*" means the City's bonds authorized to be issued by Section 3.1 of this Indenture entitled "City of Venus, Texas, Special Assessment Revenue Bonds, Series 2021 (Brahman Ranch Public Improvement District No. 1 - Phase 1 and 2 Project)" and, in the event the City issues Refunding Bonds pursuant to Section 13.2 hereof, the term "Bonds" shall include such Refunding Bonds.

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

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

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

"*Certificate for Payment – Developer Improvement Account*" means, with respect to payment or reimbursement of Costs, a certificate substantially in the form of Exhibit B attached to the Reimbursement Agreement and executed by a Person approved by the City Representative that is delivered to the City Representative and the Trustee specifying the amount of work performed and the Costs thereof, and requesting payment for such Costs from money on deposit in the Developer Improvement Account of the Project Fund as further described in the Reimbursement Agreement and Section 6.5 of this Indenture.

"*City Order*" means a certificate containing written instructions by the City, signed by the City Representative and delivered to the Trustee.

"*City Representative*" means that official or agent of the City authorized by the City Council to undertake the action referenced herein.

"*Code*" means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings and court decisions.

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

"*Costs*" means Phase 1 and 2 Authorized Improvement Costs, as defined in the Service and Assessment Plan, solely for Phase 1 and 2 Authorized Improvements, as such amounts are set forth in the Service and Assessment Plan.

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

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

"*Delinquency and Prepayment Reserve Account*" means the reserve account administered by the City and segregated from other funds of the City and established by Section 6.1 of this Indenture.

"*Delinquency and Prepayment Reserve Requirement*" means an amount equal to 3.5% of the principal amount of the then Outstanding Bonds to be funded from Assessment Revenues deposited to the Pledged Revenue Fund.

"*Delinquent Collection Costs*" mean interest, penalties and expenses incurred or imposed with respect to any delinquent Annual Installments of an Assessment in accordance with §372.018(b) of the PID Act and the costs related to pursuing collection of a delinquent Assessment and foreclosing the lien against the Assessed Property, including attorneys' fees.

"*Delivery Date*" means _____, 2021, which is the date of delivery of the Bonds to the initial purchaser or purchasers thereof against payment therefor.

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

"*Developer*" means Miskimon Management I, L.L.C., and any successor thereto.

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

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

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

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

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

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

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

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

"Interest Payment Date" means the date or dates upon which interest on the Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being on March 15 and September 15 of each year, commencing September 15, 2021.

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

"Maximum Annual Debt Service" means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds.

"Outstanding" means, as of any particular date when used with reference to Bonds, all Bonds authenticated and delivered under this Indenture except (i) any Bond that has been canceled by the Trustee (or has been delivered to the Trustee for cancellation) at or before such date, (ii) any Bond for which the payment of the principal or Redemption Price of and interest on such Bond shall have been made as provided in Article IV, (iii) any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered pursuant to Section 3.10 and (iv) Bond alleged to have been mutilated, destroyed, lost or stolen which have been paid as provided in this Indenture.

"Owner" means the Person who is the registered owner of a Bond or Bonds, as shown in the Register, which shall be Cede & Co., as nominee for DTC, so long as the Bonds are in book-entry only form and held by DTC as securities depository in accordance with Section 3.11.

"Parcel" or *"Parcels"* means a parcel or parcels within the District identified by either a tax map identification number assigned by the Ellis County Appraisal District for real property tax purposes, by metes and bounds description, or by lot and block number in a final subdivision plat recorded in the real property records of Ellis County, or by other means as determined by the City.

"Paying Agent/Registrar" means initially the Trustee, or any successor thereto as provided in this Indenture.

"Person" or *"Persons"* means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Phase 1 and 2 Property" means the property described by the metes and bounds description in Appendix C-1 to the Service and Assessment Plan.

"Phase 1 and 2 Authorized Improvements" means those public improvements described in the Service and Assessment Plan and Section 372.002 of the PID Act which are to be undertaken for the benefit of Phase 1 and 2 Property in the District.

"*Pledged Funds*" means, collectively, the Pledged Revenue Fund, the Bond Fund, the Project Fund (but excluding the Developer Improvement Account), the Reserve Fund and the Redemption Fund.

"*Pledged Revenue Fund*" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.3 of this Indenture.

"*Pledged Revenues*" means, collectively, the (i) Assessment Revenues (excluding the portion of the Assessments and Annual Installments collected for the payment of Administrative Expenses and Delinquent Collection Costs, as set forth in the Service and Assessment Plan, and any Assessments and Annual Installments in excess of the amounts required to be deposited into the Pledged Revenue Fund pursuant to Section 6.3 of this Indenture), (ii) the moneys held in any of the Pledged Funds and (iii) any additional revenues that the City may pledge to the payment of the Bonds.

"*Prepayment*" means the payment of all or a portion of an Assessment before the due date thereof. Amounts received at the time of a Prepayment which represent a payment of principal, interest or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Assessment.

"*Prepayment Costs*" means interest and Administrative Expenses to the date of Prepayment, plus any additional expenses related to the Prepayment allowed by applicable law, reasonably expected to be incurred by or imposed upon the City as a result of any Prepayment of all or part of an Assessment.

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

"*Project Fund*" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.5.

"*Purchaser*" means the initial purchaser of the Bonds.

"*Rebatable Arbitrage*" means rebatable arbitrage as defined in Section 1.148-3 of the Treasury Regulations.

"*Rebate Fund*" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.8.

"*Record Date*" means the close of business on the last Business Day of the month next preceding an Interest Payment Date.

"*Redemption Fund*" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.6.

"*Redemption Price*" means, when used with respect to any Bond or portion thereof, the principal amount of such Bond or such portion thereof plus the applicable premium, if any, plus

accrued and unpaid interest on such Bond to the date fixed for redemption payable upon redemption thereof pursuant to this Indenture.

"*Refunding Bonds*" means bonds issued to refund all or any portion of the Outstanding Bonds and secured by a parity lien with the Outstanding Bonds on the Pledged Revenues, as more specifically described in the indenture authorizing such Refunding Bonds.

"*Register*" means the register specified in Article III of this Indenture.

"*Reimbursement Agreement*" means the Reimbursement Agreement by and between the City and the Developer, dated as of _____, 2021, as may be amended and/or supplemented from time to time.

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

"*Reserve Fund*" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.7.

"*Reserve Fund Obligations*" means cash or Investment Securities.

"*Reserve Account Requirement*" means the 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, and (iii) 10% of the principal amount of the Bonds; provided, however, that such amount shall be reduced by the amount of any transfers made pursuant to Section 6.7(c); and provided further that as a result of (1) an optional redemption pursuant to Section 4.3 or (2) an extraordinary optional redemption pursuant to Section 4.4, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds redeemed by such redemption divided by the total principal amount of the Outstanding Bonds prior to such redemption. As of the Delivery Date, the Reserve Account Requirement is \$_____ which is an amount equal to the Reserve Account Requirement defined above.

"*Service and Assessment Plan*" and "*SAP*" mean the document, including the Assessment Roll, which is attached as Exhibit A to the Assessment Ordinance, as may be updated annually or, amended and supplemented from time to time.

"*Sinking Fund Installment*" means the amount of money to redeem or pay at maturity the principal of a Stated Maturity of Bonds payable from such installments at the times and in the amounts provided in Section 4.2.

"*Special Record Date*" has the meaning set forth in in the form of Bond included in Section 5.2 hereof.

"*State*" means the State of Texas.

"*Stated Maturity*" means the date the Bonds, or any portion of the Bonds, as applicable, are scheduled to mature without regard to any redemption or Prepayment.

"*Supplemental Indenture*" means an indenture which has been duly executed by the Trustee and a City Representative pursuant to an ordinance adopted by the City Council and which indenture amends or supplements this Indenture, but only if and to the extent that such indenture is specifically authorized hereunder.

"*Treasury Regulations*" shall have the meaning assigned to such term in Section 7.5(c).

"*Trust Estate*" means the Trust Estate described in the granting clauses of this Indenture, and the Trust Estate shall only include Pledged Revenues, unless the City pledges additional revenues to the payment of the Bonds, which additional pledge may only be created in a Supplemental Indenture.

"*Trustee*" means Regions Bank, Houston, Texas, and its successors, and any other corporation or association that may at any time be substituted in its place, as provided in Article IX, such entity to serve as Trustee and Paying Agent/Registrar for the Bonds.

"*Value of Investment Securities*" means the amortized value of any Investment Securities, provided, however, that all United States of America, United States Treasury Obligations – State and Local Government Series shall be valued at par and those obligations which are redeemable at the option of the holder shall be valued at the price at which such obligations are then redeemable. The computations shall include accrued interest on the investment securities paid as a part of the purchase price thereof and not collected. For the purposes of this definition "amortized value," when used with respect to a security purchased at par means the purchase price of such security and when used with respect to a security purchased at a premium above or discount below par, means as of any subsequent date of valuation, the value obtained by dividing the total premium or discount by the number of interest payment dates remaining to maturity on any such security after such purchase and by multiplying the amount as calculated by the number of interest payment dates having passed since the date of purchase and (i) in the case of a security purchased at a premium, by deducting the product thus obtained from the purchase price, and (ii) in the case of a security purchased at a discount, by adding the product thus obtained to the purchase price.

Section 1.2. Findings.

The declarations, determinations and findings declared, made and found in the preamble to this Indenture are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.3. Table of Contents, Titles and Headings.

The table of contents, titles, and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Indenture or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.4. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) Words importing persons include any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or agency or political subdivision thereof.

(c) Any reference to a particular Article or Section shall be to such Article or Section of this Indenture unless the context shall require otherwise.

(d) This Indenture and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Indenture.

ARTICLE II

THE BONDS

Section 2.1. Security for the Bonds.

(a) The Bonds, as to principal, interest and redemption premium, if any, are and shall be equally and ratably secured by and payable from a first lien on and pledge of the Trust Estate.

(b) The lien on and pledge of the Trust Estate shall be valid and binding and fully perfected from and after the Delivery Date without physical delivery or transfer of control of the Trust Estate, the filing of this Indenture or any other act; all as provided in Chapter 1208 of the Texas Government Code, as amended, which applies to the issuance of the Bonds and the pledge of the Trust Estate granted by the City under this Indenture, and such pledge is therefore valid, effective and perfected. If State law is amended at any time while the Bonds are Outstanding such that the pledge of the Trust Estate granted by the City under this Indenture is to be subject to the filing requirements of Chapter 9, Business and Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under State law to comply with the applicable provisions of Chapter 9, Business and Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

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 Bonds shall never be payable out of funds raised or to be raised by taxation or from any other revenues, properties or income of the City.

Section 2.3. Authorization for Indenture.

The terms and provisions of this Indenture and the execution and delivery hereof by the City to the Trustee have been duly authorized by official action of the City Council. The City has ascertained and it is hereby determined and declared that the execution and delivery of this Indenture is necessary to carry out and effectuate the purposes set forth in the preambles of this Indenture and that each and every covenant or agreement herein contained and made is necessary, useful and/or convenient in order to better secure the Bonds and is a contract or agreement necessary, useful and/or convenient to carry out and effectuate the purposes herein described.

Section 2.4. Contract with Owners and Trustee.

(a) The purposes of this Indenture are to establish a lien and the security for, and to prescribe the minimum standards for the authorization, issuance, execution and delivery of, the Bonds and to prescribe the rights of the Owners, and the rights and duties of the City and the Trustee.

(b) In consideration of the purchase and acceptance of any or all of the Bonds by those who shall purchase and hold the same from time to time, the provisions of this Indenture shall be a part of the contract of the City with the Owner, and shall be deemed to be and shall constitute a contract among the City, the Owners, and the Trustee.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1. Authorization.

The Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State, including particularly the PID Act. The Bonds shall be issued in the aggregate principal amount of \$_____ for the purpose of (i) paying a portion of the Costs, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Phase 1 and Phase 2 Authorized Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuance of the Bonds.

Section 3.2. Date, Denomination, Maturities, Numbers and Interest.

(a) The Bonds shall be dated the Delivery 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 Delivery Date 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 on a date of earlier redemption, or otherwise provided for. Such interest shall

be payable semiannually on March 15 and September 15 of each year, commencing September 15, 2021, computed on the basis of a 360-day year of twelve 30-day months.

(c) The Bonds shall mature on September 15 in the years and in the principal amounts and shall bear interest at the rates set forth below:

<u>Year</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>
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(d) The Bonds shall be subject to mandatory sinking fund redemption, optional redemption, and extraordinary optional redemption prior to maturity as provided in Article IV, and shall otherwise have the terms, tenor, denominations, details, and specifications as set forth in the form of Bond set forth in Section 5.2.

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

The Bonds shall be executed by the City and delivered to the Trustee, whereupon the Trustee shall authenticate the Bonds and, upon payment of the purchase price of the Bonds, shall deliver the Bonds upon the order of the City, but only upon delivery to the Trustee of:

- (a) a certified copy of the Assessment Ordinance;
- (b) a certified copy of the Bond Ordinance;
- (c) a copy of the executed Reimbursement Agreement with all executed amendments thereto;
- (d) a copy of this Indenture executed by the Trustee and the City;
- (e) an executed City Order 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;
- (f) an executed Signature and No-Litigation Certificate;
- (g) an 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 or Special Record Date, as applicable.

(c) Interest on the Bonds shall be paid by check, dated as of the Interest Payment Date, and sent, first class United States mail, postage prepaid, by the Paying Agent/Registrar to each Owner at the address of each as such appears in the Register or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, the Owner shall bear all risk and expense of such other banking arrangement.

(d) The principal of each Bond shall be paid to the Owner of such Bond on the due date thereof, whether at the maturity date or the date of prior redemption thereof, upon presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

(e) If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in Section 3.2 of this Indenture.

(f) Unclaimed payments of amounts due hereunder shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds to which such unclaimed payments pertain. Subject to any escheat, abandoned property, or similar law of the State, any such payments remaining unclaimed by the Owners entitled thereto for three (3) years after the applicable payment or redemption date shall be applied to the next payment or payments on the Bonds thereafter coming due and, to the extent any such money remains after the retirement of all Outstanding Bonds, shall be paid to the City to be used for any lawful purpose. Thereafter, none of the City, the Paying Agent/Registrar, or any other Person shall be liable or responsible to any holders of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds, subject to any applicable escheat law or similar law of the State.

Section 3.5. Execution and Registration of Bonds.

(a) The Bonds shall be executed on behalf of the City by the Mayor and City Secretary, 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 on the Delivery Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller, or by his duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General, is a valid and binding obligation of the City, and has been registered by the Comptroller.

(d) On the Delivery 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, 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) Except in accordance with the provisions of this Indenture, including Section 13.2, the City shall not issue additional bonds, notes or other obligations payable from any portion of the Trust Estate, 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. Except as limited by the terms of this Indenture, including Section 13.2, the City reserves the right to incur debt payable from sources other than the Trust Estate, including 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 15 of the years in which such principal is scheduled to be paid. All Refunding Bonds must bear interest at a fixed rate and any interest payment dates for Refunding Bonds must be March 15 and September 15. 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 and in accordance with Article IV hereof 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 the items required by Section 3.3 above.

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 Record Date or Special Record Date, as applicable) and for all other purposes, whether or not such Bond is overdue, and none of the City, the Trustee or 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 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 denomination of any of the Bonds. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer, or exchange of a Bond.

(g) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Bond or portion thereof called for redemption prior to maturity within forty-five (45) days prior to the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Bond.

Section 3.9. Cancellation.

All Bonds paid or redeemed before scheduled maturity in accordance with this Indenture, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Indenture, shall be cancelled, and proper records shall be made regarding such payment, redemption, exchange, or replacement. Whenever in this Indenture provision is made for the cancellation by the Trustee of any Bonds, the Trustee shall dispose of cancelled Bonds in accordance with its record retention policies.

Section 3.10. Temporary Bonds.

(a) Following the delivery and registration of the Initial Bond and pending the preparation of definitive Bonds, the proper officers of the City may execute and, upon the City's request, the Trustee shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the City executing such temporary Bonds may determine, as evidenced by their signing of such temporary Bonds.

(b) Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the benefit and security of this Indenture.

(c) The City, without unreasonable delay, shall prepare, execute and deliver to the Trustee the Bonds in definitive form; thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds in temporary form and the Trustee shall authenticate and deliver in exchange therefor a Bond or Bonds of the same maturity and series, in definitive form, in the Authorized Denomination, and in the same aggregate principal amount, as the Bond or Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.11. Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Trustee shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Trustee, pursuant to the applicable laws of the State and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount bearing a number not contemporaneously outstanding, provided that the Owner first complies with the following requirements:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the Trustee to save them and the City harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Trustee and the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the City and the Trustee.

(c) After the delivery of such replacement Bond, if a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the Person to whom it was delivered or any Person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expense incurred by the City, the Paying Agent/Registrar or the Trustee in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond, may pay such Bond if it has become due and payable or may pay such Bond when it becomes due and payable.

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 3.12. Book-Entry-Only System.

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

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any Person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant 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 Record Date or Special Record Date, as applicable, the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

Section 3.13. 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 blanket issuer letter of representations from the City to DTC, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Bonds and cause the Paying Agent/Registrar to transfer one or more separate registered Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Indenture.

Section 3.14. Payments to Cede & Co.

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

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1. Limitation on Redemption.

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

Section 4.2. Mandatory Sinking Fund Redemption.

(a) The Bonds maturing on September 15 in the years ____, ____, ____ and ____ (collectively, the "*Term Bonds*"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the Redemption Price 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 15, 20__	
<u>Redemption Date</u>	<u>Sinking Fund Installment Amount</u>
_____, 20__	\$
_____, 20__	
_____, 20__	
_____, 20__ *	

Term Bonds maturing September 15, 20__

<u>Redemption Date</u>	<u>Sinking Fund Installment Amount</u>
_____, 20__	\$
_____, 20__	
_____, 20__	
_____, 20__	
_____, 20__ *	

Term Bonds maturing September 15, 20__

<u>Redemption Date</u>	<u>Sinking Fund Installment Amount</u>
_____, 20__	\$
_____, 20__	
_____, 20__	
_____, 20__	
_____, 20__	
_____, 20__	
_____, 20__	
_____, 20__	
_____, 20__	
_____, 20__ *	

Term Bonds maturing September 15, 20__

<u>Redemption Date</u>	<u>Sinking Fund Installment Amount</u>
_____, 20__	\$
_____, 20__	
_____, 20__	
_____, 20__	
_____, 20__	
_____, 20__	
_____, 20__	
_____, 20__	
_____, 20__	
_____, 20__ *	

* Stated Maturity.

(b) At least thirty (30) days prior to each mandatory sinking fund redemption date, and subject to any prior reduction authorized by this Indenture, the Trustee shall select by lot, or by any other customary method that results in a random selection, a principal amount of Bonds of such maturity equal to the Sinking Fund Installment amount of such Bonds to be redeemed, shall call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such mandatory sinking fund redemption, as provided in Section 4.6.

(c) The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least

thirty (30) 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 mandatory sinking fund redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced in integral multiples of \$1,000 by any portion of such Bonds, which, at least 30 days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or the extraordinary optional redemption provisions in Sections 4.3 and 4.4, respectively, hereof.

Section 4.3. Optional Redemption.

The City reserves the right and option to redeem Bonds maturing on or after September 15, 20__, in whole or in part, on any date on or after _____, 20__, such redemption date or dates to be fixed by the City, at the Redemption Price.

Section 4.4. Extraordinary Optional Redemption.

The City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, on the fifteenth day of any month, at the Redemption Price, from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund as provided in Section 6.7) or any other transfers to the Redemption Fund under the terms of this Indenture.

Section 4.5. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to either Sections 4.3 or 4.4, Bonds shall be redeemed in increments of \$1,000 by any method selected by the Trustee that results in a random selection, provided that no redemption shall cause the principal amount of any Bond to be less than the minimum Authorized Denomination for such Bond. Notwithstanding the foregoing, if any Bonds are to be partially redeemed and such redemption results in the redemption of a portion of a single Bond in an amount less than the Authorized Denomination in effect at that time, a Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued, and notwithstanding any other provision of this Indenture, such Bond may be assigned a CUSIP number. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by the minimum Authorized Denomination for such Bond.

(b) Upon surrender of any Bond for redemption in part, the Trustee in accordance with Section 3.8 of this Indenture, shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, such exchange being without charge.

Section 4.6. Notice of Redemption to Owners.

(a) Upon written direction from the City to the Trustee of the exercise of any redemption provision of this Indenture, the Trustee shall give notice of any redemption of Bonds

by sending notice by first class United States mail, postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register.

(b) The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, and subject to Section 4.5, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond shall become due and payable.

(c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

(d) The City has the right to rescind any optional redemption or extraordinary optional redemption described in Section 4.3 or 4.4 by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under 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 certain prerequisites to such redemption required by this Indenture have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Trustee prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the City, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Trustee on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds, such events shall not constitute an Event of Default under this Indenture, and the Trustee shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

Section 4.7. Payment Upon Redemption.

(a) The Trustee shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust an amount from the Redemption Fund or otherwise received by the Trustee from the City and shall use such funds solely for the purpose of paying the Redemption Price on the Bonds being redeemed.

(b) Upon presentation and surrender of any Bond called for redemption at the designated 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 4.8. Effect of Redemption.

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

ARTICLE V

FORM OF THE BONDS

Section 5.1. Form Generally.

(a) The Bonds, including the Registration Certificate of the Comptroller, the Certificate of the Trustee, and the Assignment to appear on each of the Bonds, (i) shall be substantially in the form set forth in this Article with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Indenture, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the City or by the officers executing such Bonds, as evidenced by their execution thereof.

(b) Any portion of the text of any Bonds may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds.

(c) The definitive Bonds shall be typewritten, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof.

(d) The Initial Bond submitted to the Attorney General may be typewritten and photocopied or otherwise reproduced.

Section 5.2. **Form of the Bonds.**

(a) Form of Bond.

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

REGISTERED
NO. _____

United States of America
State of Texas

REGISTERED
\$ _____

CITY OF VENUS, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2021
(BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT
NO. 1 - PHASE 1 AND 2 PROJECT)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DELIVERY DATE</u>	<u>CUSIP NUMBER</u>
_____ %	September 15, 20__	_____, 2021	_____

The City of Venus, Texas (the "*City*"), for value received, hereby promises to pay, solely from the Trust Estate, to

or registered assigns, on the Maturity Date, as specified above, the sum of

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Delivery Date, 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 15 and September 15 of each year, commencing September 15, 2021.

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

Regions Bank, as trustee and paying agent/registrar (the "*Trustee*"), or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last Business Day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a "*Special Record Date*") will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of a duly authorized issue of assessment revenue bonds of the City having the designation specified in its title (herein referred to as the "Bonds"), dated as of the Delivery Date and issued in the aggregate principal amount of \$_____ and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of _____, 2021 (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, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Phase 1 and 2 Authorized Improvements, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuance of the Bonds.

The Bonds are special, limited obligations of the City payable solely from the Trust Estate. Reference is hereby made to the Indenture, copies of which are on file with and available upon request from the Trustee, for the provisions, among others, with respect to the nature and extent of the duties and obligations of the City, the Trustee and the Owners. The Owner of this Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms, conditions and provisions of the Indenture.

IN THE INDENTURE, THE CITY HAS RESERVED THE RIGHT to issue Refunding Bonds payable from and secured by a lien on and pledge of the sources described above on a parity with this Bond.

Notwithstanding any provision hereof, the Indenture may be released and the obligation of the City to make money available to pay this Bond may be defeased by the deposit of money and/or certain direct or indirect Defeasance Securities sufficient for such purpose as described in the Indenture.

The Bonds are issuable as fully registered bonds only in denominations of \$100,000 and any multiple of \$1,000 in excess thereof ("*Authorized Denominations*"). Except to the extent permitted by the Indenture, the City prohibits the breaking up or allocation of CUSIP numbers to any Bond or Bonds in denominations of less than \$100,000, and any attempt to do so will be void and of no effect.

The Bonds maturing on September 15 in the years _____, _____, _____ and _____ (collectively, "*Term Bonds*"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the Redemption Price from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI of the Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

Term Bonds maturing September 15, 20__

<u>Redemption Date</u>	<u>Sinking Fund Installment Amount</u>
_____, 20__	\$
_____, 20__	
_____, 20__	
_____, 20__ *	

Term Bonds maturing September 15, 20__

<u>Redemption Date</u>	<u>Sinking Fund Installment Amount</u>
_____, 20__	\$
_____, 20__	
_____, 20__	
_____, 20__	
_____, 20__ *	

Term Bonds maturing September 15, 20__

<u>Redemption Date</u>	<u>Sinking Fund Installment Amount</u>
_____, 20__	\$
_____, 20__	
_____, 20__	
_____, 20__	
_____, 20__	
_____, 20__	
_____, 20__	
_____, 20__	
_____, 20__	
_____, 20__ *	

Term Bonds maturing September 15, 20__

<u>Redemption Date</u>	<u>Sinking Fund Installment Amount</u>
_____, 20__	\$
_____, 20__	
_____, 20__	
_____, 20__	
_____, 20__	
_____, 20__	
_____, 20__	
_____, 20__	
_____, 20__	
_____, 20__ *	

* Stated Maturity.

At least thirty (30) days prior to each mandatory sinking fund redemption date, and subject to any prior reduction authorized by the Indenture, the Trustee shall select for redemption by lot a principal amount of Bonds of such maturity equal to the Sinking Fund Installment amounts 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 mandatory sinking fund redemption, as provided in Section 4.6 of the Indenture.

The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least thirty (30) 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 in integral multiples of \$1,000 by any portion of such Bonds which, at least thirty (30) days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof.

The City reserves the right and option to redeem Bonds maturing on or after September 15, 20__, in whole or in part, on any date on or after _____, 20__, such redemption date or dates to be fixed by the City, at the Redemption Price.

The Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, on the fifteenth day of any month, at the Redemption Price from amounts on deposit in the Redemption Fund as a result of Prepayments or any other transfers to the Redemption Fund under the terms of the Indenture.

A portion of an Outstanding Bond of any one maturity may be redeemed, but only in a principal amount equal to \$1,000 or any integral thereof. If a portion of an Outstanding Bond of a maturity is selected for redemption pursuant to the Indenture, the Trustee shall select the Outstanding Bonds of such maturity to be redeemed by lot or in any manner deemed fair by the Trustee. The Trustee shall treat each \$1,000 portion of such Bond as though it were a single Bond for purposes of selection for redemption. No redemption shall result in a Bond in a denomination of less than an Authorized Denomination; provided, however, if the amount of Outstanding Bonds is less than an Authorized Denomination after giving effect to such partial redemption, a Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued.

The Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the Owner of each Bond (or portion thereof) to be redeemed, at the address shown 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 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. Any notice so given shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

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

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Indenture have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Trustee prior to the giving of such notice of redemption, such notice may state that said redemption may, at the option of the City, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Trustee on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are

not received, such notice shall be of no force and effect, the City shall not redeem such Bonds, such events shall not constitute an Event of Default under the Indenture, and the Trustee shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

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

As provided in the Indenture, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer, 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 forty-five (45) calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond.

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

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

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

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

City Secretary

Mayor

[CITY SEAL]

(b) Form of Comptroller's Registration Certificate.

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

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER
OF PUBLIC ACCOUNTS
THE STATE OF TEXAS

§
§
§

REGISTER NO. _____

I HEREBY CERTIFY THAT there is on file and of record in my office a certificate to the effect that the Attorney General of the State of Texas has approved this Bond, and that this Bond has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts
of the State of Texas

[SEAL]

(c) Form of Certificate of Trustee.

CERTIFICATE OF TRUSTEE

It is hereby certified that this is one of the Bonds of the series of Bonds referred to in the within mentioned Indenture.

REGIONS BANK
as Trustee

DATED: _____

By: _____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto (print or typewrite name and address, including zip code, of Transferee.)

(Social Security or other identifying number: _____) the within Bond and all rights hereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed by:

Authorized Signatory

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

(e) The Initial Bond shall be in the form set forth in paragraphs (a) through (d) of this section, except for the following alterations:

(i) immediately under the name of the Bond the heading "INTEREST RATE" and "MATURITY DATE" shall both be completed with the expression "As Shown Below," and the reference to the "CUSIP NUMBER" shall be deleted;

(ii) in the first paragraph of the Bond, the words "on the Maturity Date, as specified above, the sum of _____ DOLLARS" shall be deleted and the following will be inserted: "on _____ 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))”; and

- (iii) the Initial Bond shall be numbered T-1.

Section 5.3. CUSIP Registration.

The City may secure identification numbers through CUSIP Global Services, managed by S&P Global Markets Intelligence on behalf of the American Bankers Association, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and none of the City, the attorneys approving said Bonds as to legality or the Trustee are to be held responsible for CUSIP numbers incorrectly printed on the Bonds. Except as authorized under Section 4.5 hereof, the City prohibits any Bond to be issued in a denomination of less than \$100,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than \$100,000, and any attempt to accomplish either of the foregoing shall be void and of no effect. The Trustee may include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Bondholders and that neither the City nor the Trustee shall be liable for any inaccuracies in such numbers.

Section 5.4. Legal Opinion.

The approving legal opinion of Bond Counsel may be printed on or attached to each Bond over the certification of the City Secretary of the City, which may be executed in facsimile.

ARTICLE VI

FUNDS AND ACCOUNTS

Section 6.1. Establishment of Funds and Accounts.

(a) Creation of Funds. The following Funds are hereby created and established under this Indenture:

- (i) Pledged Revenue Fund;
- (ii) Bond Fund;
- (iii) Project Fund;
- (iv) Reserve Fund;
- (v) Redemption Fund;
- (vi) Rebate Fund; and
- (vii) Administrative Fund.

(b) Creation of Accounts.

(i) The following Accounts are hereby created and established under the Bond Fund:

(A) Capitalized Interest Account; and

(B) Principal and Interest Account.

(ii) The following Accounts are hereby created and established under the Reserve Fund:

(A) Reserve Account; and

(B) Delinquency and Prepayment Reserve Account.

(iii) The following Accounts are hereby created and established under the Project Fund:

(A) Bond Improvement Account;

(B) Developer Improvement Account; and

(C) Costs of Issuance Account.

(iv) The following Account is hereby created and established under the Pledged Revenue Fund:

(A) Bond Pledged Revenue Account.

(c) Each Fund and each Account created within such Fund shall be maintained by the Trustee separate and apart from all other funds and accounts of the City. The Pledged Funds shall constitute trust funds which shall be held in trust by the Trustee as part of the Trust Estate solely for the benefit of the Owners of the Bonds. The Developer Improvement Account shall constitute a trust fund which shall be held in trust by the Trustee solely for the benefit of the City. The Developer Improvement Account shall not be part of the Trust Estate and shall not be security for the Bonds. Amounts in the Developer Improvement Account shall not be used to pay the principal of or interest on the Bonds. Amounts on deposit in the Funds and Accounts shall be used solely for the purposes set forth herein.

(d) Interest earnings and profit on each respective Fund and Account established by this Indenture shall be applied or withdrawn for the purposes of such Fund or Account as specified below.

Section 6.2. Initial Deposits to Funds and Accounts.

(a) The proceeds from the sale of the Bonds shall be paid to the Trustee and deposited or transferred by the Trustee as follows:

- (i) to the Capitalized Interest Account of the Bond Fund: \$_____;
- (ii) to the Reserve Account of the Reserve Fund: \$_____, which is equal to the initial Reserve Account Requirement;
- (iii) to the Costs of Issuance Account of the Project Fund: \$_____;
- (iv) to the Bond Improvement Account of the Project Fund: \$_____; and
- (v) to the Administrative Fund: \$_____.

Initially, no funds shall be deposited to the Developer Improvement Account of the Project Fund. However, pursuant to the terms of the Reimbursement Agreement, the Developer may be required to deposit cash into the Developer Improvement Account of the Project Fund to be used to pay Costs.

Section 6.3. Pledged Revenue Fund.

(a) Immediately upon receipt thereof, the City shall transfer to the Trustee for deposit to the Pledged Revenue Fund the Assessments and Annual Installments, other than (1) the portion of the Assessments and Annual Installments allocated to the payment of Administrative Expenses and Delinquent Collection Costs, which shall be deposited to the Administrative Fund in accordance with Section 6.9 hereof, and (2) any Assessments and Annual Installments in excess of the amounts required to be deposited into the Accounts described in the following sentence. Specifically, following the initial deposit to the Pledged Revenue Fund, the City shall transfer or cause to be transferred the following amounts from the Pledged Revenue Fund to the following Accounts: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund, an amount sufficient to pay debt service on the Bonds next coming due, and (ii) second, if necessary, to the Reserve Account of the Reserve Fund, an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement. Notwithstanding the foregoing, the Additional Interest shall only be utilized for the purposes set forth in Section 6.7 hereof and, immediately following the initial deposit to the Pledged Revenue Fund, prior to any other transfers or deposits being made under this Section 6.3(a), if the Delinquency and Prepayment Reserve Account of the Reserve Fund does not contain the Delinquency and Prepayment Reserve Requirement and Additional Interest is collected, then all such Additional Interest will be transferred into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement is met. In addition, in the event the City owes Rebatale Arbitrage to the United States Government pursuant to Section 6.8 hereof, the City shall provide written direction to the Trustee to transfer to the Rebate Fund, prior to any other transfer under this Section 6.3(a), the full amount of Rebatale Arbitrage owed by the City, as provided in Sections 6.8 and 6.10(f) hereof. If any funds remain on deposit in the Pledged Revenue Fund after the foregoing deposits are made, the City shall have the option, in its sole and absolute discretion, to use such excess funds for any one or more of the following purposes: (1) pay other costs of the Phase 1 and 2 Authorized Improvements, (2) pay other costs permitted by the PID Act, or (3) deposit such excess into the Redemption Fund to redeem Bonds as provided in Article IV. Along with each transfer to the Trustee, the City shall provide a certificate as to the funds, accounts and payments into which the amounts are to be deposited or paid.

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

(c) If, after the foregoing transfers and any transfer from the Reserve Fund as provided in Section 6.7, there are insufficient funds to make the payments provided in paragraph (b) above, the Trustee shall apply the available funds in the Principal and Interest Account first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Bonds.

(d) The Trustee shall transfer Prepayments to the Redemption Fund promptly after deposit of such amounts into the Pledged Revenue Fund.

(e) Promptly after the deposit of Foreclosure Proceeds into the Pledged Revenue Fund, the Trustee shall transfer such Foreclosure Proceeds first to the Reserve Fund to restore any transfers from the Accounts within the Reserve Fund made with respect to the particular Assessed Property to which the Foreclosure Proceeds relate (first to replenish the Reserve Account Requirement, and second to replenish the Delinquency and Prepayment Reserve Requirement), and second, to the Redemption Fund.

(f) After satisfaction of the requirement to provide for the final payment of the principal and interest on the Bonds and to fund any deficiency that may exist in the Reserve Fund, the Trustee shall transfer any Pledged Revenues remaining in the Pledged Revenue Fund for the purposes set forth in Section 6.3(a) hereof, as directed by the City in a City Order.

Section 6.4. Bond Fund.

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

(b) If amounts in the Principal and Interest Account are insufficient for the purposes set forth in paragraph (a) above, the Trustee shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency pursuant to Section 6.7(g). 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.

(c) Moneys in the Capitalized Interest Account of the Bond Fund shall be used for the payment of all interest due on the Bonds on September 15, 2021. Not later than five Business Days prior to the Interest Payment Date specified above, the Trustee shall withdraw from the Capitalized Interest Account and transfer to the Principal and Interest Account of the Bond Fund

all interest due on the Bonds on such Interest Payment Dates. Any amounts on deposit to the Capitalized Interest Account after the foregoing payments shall be transferred to the Bond Improvement Account of the Project Fund, or if the Bond Improvement Account of the Project Fund has been closed as provided in Section 6.5(d) or (f), such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

(d) If, after the foregoing transfers and any transfer from the Reserve Fund as provided in Section 6.7, there are insufficient funds to make the payments provided in paragraph (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.

Section 6.5. Project Fund.

(a) Money on deposit in the Project Fund shall be used for the purposes specified in Section 3.1.

(b)

(1) 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 Orders.

(2) Disbursements from the Bond Improvement Account and Developer Improvement Account of the Project Fund to pay Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certificate for Payment or Certificate for Payment – Developer Improvement Account, respectively. The funds from the Bond Improvement Account and Developer Improvement Account of the Project Fund shall be disbursed in accordance with a Certificate for Payment or Certificate for Payment – Developer Improvement Account, respectively, as described in the Reimbursement Agreement. Each such Certificate for Payment or Certificate for Payment – Developer Improvement Account shall include a list of the payees and the payments to be made to such payees as well as a statement that all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in such Certificate for Payment or Certificate for Payment – Developer Improvement Account or in the invoices submitted therewith and the Trustee may rely on such payment instructions with no duty to investigate or inquire as to the authenticity of or authorization for the invoice or the payment instructions contained therein.

(c) Except as provided in Section 6.5(d) and (f), money on deposit in the Bond Improvement Account and Developer Improvement Account, if any, of the Project Fund shall be used solely to pay Costs. The Trustee shall pay Costs from funds in the Bond Improvement Account first, and shall pay Costs from funds in the Developer Improvement Account, if any, only when and if funds in the Bond Improvement Account are completely depleted.

(d) If the City Representative determines in his or her sole discretion that amounts then on deposit in the Bond Improvement Account or Developer Improvement Account, if any, of the Project Fund are not expected to be expended for purposes of the Project Fund due to the

abandonment, or constructive abandonment, of one or more of the Phase 1 and 2 Authorized Improvements such that, in the opinion of the City Representative, it is unlikely that the amounts in the Bond Improvement Account or Developer Improvement Account, if any, of the Project Fund will ever be expended for the purposes of the Bond Improvement Account or the Developer Improvement Account of the Project Fund, the City Representative shall file a City Order with the Trustee which identifies the amounts then on deposit in the Bond Improvement Account or Developer Improvement Account of the Project Fund that are not expected to be used for purposes of the Bond Improvement Account or Developer Improvement Account of the Project Fund. If such City Order is so filed, the identified amounts on deposit in the Bond Improvement Account of the Project Fund shall be transferred to the Bond Fund or to the Redemption Fund as directed by the City Representative in a City Order filed with the Trustee, and the identified amounts on deposit in the Developer Improvement Account of the Project Fund shall be transferred and released to the Developer, or to the Developer's successors and assigns or designees pursuant to Section 6.5(h). Upon such transfers, the Bond Improvement Account and Developer Improvement Account of the Project Fund shall be closed.

(e) In making any determination pursuant to this Section, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

(f) Upon the filing of a City Order stating that all Phase 1 and 2 Authorized Improvements have been completed and that all Costs have been paid, or that any Costs are not required to be paid from the Bond Improvement Account of the Project Fund pursuant to a Certificate for Payment or a Certificate for Payment – Developer Improvement Account, the Trustee shall transfer the amount, if any, remaining within the Bond Improvement Account of the Project Fund to the Bond Fund or to the Redemption Fund as directed by the City Representative in a City Order filed with the Trustee, and any amounts on deposit in the Developer Improvement Account shall be transferred and released to the Developer, or to the Developer's successors and assigns or designees pursuant to Section 6.5(h). Upon such transfer, the Bond Improvement Account and Developer Improvement Account of the Project Fund shall be closed.

(g) Upon a determination by the City Representative that all costs of issuance of the Bonds have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to the Bond Improvement Account of the Project Fund and used to pay Costs or to the Principal and Interest Account and used to pay interest on the Bonds, as directed in a City Order filed with the Trustee, and the Costs of Issuance Account shall be closed.

(h) Any amounts in the Developer Improvement Account to be transferred and released pursuant to Section 6.5(d) or (f) shall be irrevocably and unconditionally transferred and released to the Developer, or to the Developer's successors and assigns or designees as identified in a written notice from the Developer to the Trustee and the City. The City and the Trustee shall solely and conclusively rely as to payment of amounts released from the Developer Improvement Account on any such written notice from the Developer as to their successors and assigns or designees. The City shall provide written notice of the release to the Trustee and Developer, or to the Developer's successors and assigns or designees, and the amount payable to the Developer, or its successors and assigns or designees.

(i) In the event the Developer has not completed the Phase 1 and 2 Authorized Improvements by _____, 2026, then the City may provide written direction to the Trustee to (i) transfer all funds on deposit in the Bond Improvement Account to the Redemption Fund to redeem Bonds pursuant to Section 4.4 hereof, and (ii) transfer and release amounts on deposit in the Developer Improvement Account, if any, to the Developer, or to the Developer's successors and assigns or designees pursuant to Section 6.5(h). Upon such transfers, the Bond Improvement Account and Developer Improvement Account of the Project Fund shall be closed.

Section 6.6. Redemption Fund.

The Trustee shall cause to be deposited to the Redemption Fund from the Pledged Revenue Fund an amount sufficient to redeem Bonds as provided in Sections 4.3 and 4.4 on the dates specified for redemption as provided in Sections 4.3 and 4.4. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds as provided in Article IV.

Section 6.7. Reserve Fund.

(a) The City agrees with the Owners of the Bonds to accumulate and, when accumulated, maintain in the Reserve Account, 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 Delinquency and Prepayment Reserve Account on March 15 of each year, commencing March 15, 2022, an amount equal to the Additional Interest until the Delinquency and Prepayment Reserve Requirement has been accumulated in the Delinquency and Prepayment Reserve Account; provided, however, that at any time the amount on deposit in the Delinquency and Prepayment Reserve Account is less than Delinquency and Prepayment Reserve Requirement, the Trustee shall resume depositing the Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has accumulated in the Delinquency and Prepayment Reserve Account. In calculating the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on the Annual Installments as shown on the Assessment Roll in the Service and Assessment Plan unless and until it receives a City Order directing that a different amount be used. The Additional Interest shall continue to be collected and deposited pursuant to this Section 6.7 until the Bonds are no longer Outstanding.

(b) Whenever a transfer is made from the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Trustee shall provide written notice thereof to the City, specifying the amount withdrawn and the source of said funds.

(c) In the event of an extraordinary optional redemption of Bonds from the proceeds of a Prepayment pursuant to Section 4.4, the Trustee, pursuant to prior written directions from the City, shall transfer from the Reserve Account of the Reserve Fund to the Redemption Fund the amount specified in such directions, which shall be an amount equal to the principal amount of Bonds to be redeemed multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by

the principal amount of Outstanding Bonds prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayment toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption of the Bonds to be redeemed as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall or any additional amounts to permit the redemption of Bonds to be redeemed in minimum principal amounts of \$1,000 from the Delinquency and Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

(d) Whenever, on any Interest Payment Date, or on any other date at the request of a City Representative, the value of cash and Value of Investment Securities on deposit in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Bonds on the next Interest Payment Date in accordance with Section 6.4, unless within thirty days of such notice to the City Representative, the Trustee receives a City Order instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8 hereof, (ii) to the Administrative Fund in an amount not more than the Administrative Expenses for the Bonds, (iii) to the Bond Improvement Account of the Project Fund to pay Costs if such application and the expenditure of funds is expected to occur within three years of the date hereof or (iv) to the Redemption Fund to be applied to the redemption of the Bonds.

(e) Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amounts on deposit in the Delinquency and Prepayment Reserve Account exceed the Delinquency and Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess, and such excess shall be transferred, at the direction of the City pursuant to a City Order, to the Administrative Fund for the payment of Administrative Expenses or to the Redemption Fund. In the event that the Trustee does not receive a City Order directing the transfer of such excess to the Administrative Fund within 45 days of providing notice to the City of such excess, the Trustee shall transfer such excess to the Redemption Fund to redeem Bonds pursuant to Section 4.4 hereof and provide the City with written notification of the transfer. The Trustee shall incur no liability for the accuracy or validity of the transfer so long as the Trustee made such transfer in full compliance with this Section.

(f) Reserved.

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

(h) At the final maturity of the Bonds, the amount on deposit in the Reserve Account and the Delinquency and Prepayment Reserve Account shall be transferred to the Principal and Interest Account of the Bond Fund and applied to the payment of the principal of the Bonds.

(i) If, after a Reserve Account withdrawal, the amount on deposit in the Reserve Account is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account the amount of such deficiency, but only to the extent that such amount is not required for the timely payment of principal, interest, or Sinking Fund Installments.

(j) If the amount held in the Reserve Fund together with the amount held in the Pledged Revenue Fund, the Bond Fund and Redemption Fund is sufficient to pay the principal amount and of all Outstanding Bonds on the next date the Bonds may be optionally redeemed by the City at a redemption price of par, together with the unpaid interest accrued on such Bonds as of such date, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds on such date.

Section 6.8. Rebate Fund: Rebatable Arbitrage.

(a) The Rebate Fund is to be held by the Trustee in accordance with the terms and provisions of this Indenture. Amounts on deposit in the Rebate Fund shall be used solely for the purpose of paying amounts due the United States Government in accordance with the Code. The Rebate Fund shall not be part of the Trust Estate and shall not be security for the Bonds.

(b) In order to assure that Rebatable Arbitrage is paid to the United States rather than to a third party, investments of funds on deposit in the Rebate Fund shall be made in accordance with the Code and the City's federal tax certificate for the Bonds, as further set forth in written directions from the City to the Trustee. The Trustee may conclusively rely on such written instructions as set forth in this Section and shall not be responsible for any loss or liability resulting from the investment of funds under this Section, but only so long as the Trustee follows such written instructions in all respects.

(c) The Trustee conclusively shall be deemed to have complied with the provisions of this Section and shall not be liable or responsible if it follows the written instructions of the City and shall not be required to take any action under this Section in the absence of instructions from the City.

(d) If, on the date of each annual calculation, the amount on deposit in the Rebate Fund exceeds the amount of the Rebatable Arbitrage, the City may direct the Trustee, pursuant to a City Order, to transfer the amount in excess of the Rebatable Arbitrage to the Bond Fund.

Section 6.9. Administrative Fund.

(a) Immediately upon receipt thereof, the City shall deposit or cause to be deposited to the Administrative Fund the portion of the Assessments and Annual Installments allocated to the payment of Administrative Expenses and Delinquent Collection Costs, as set forth in the Service and Assessment Plan.

(b) Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered hereunder and used as directed by a City Order solely for the purposes set forth in the Service and Assessment Plan, including payment of Administrative Expenses and Delinquent Collection Costs. The Administrative Fund shall not be part of the Trust Estate and shall not be security for the Bonds.

Section 6.10. **Investment of Funds.**

(a) Money in any Fund or Account, other than the Reserve Fund, shall be invested by the Trustee in Investment Securities as directed by the City pursuant to a City Order filed with the Trustee; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund or Account will be available at the proper time or times. Money in the Reserve Fund shall be invested in such Investment Securities as directed by the City pursuant to a City Order filed with the Trustee, provided that the final maturity of any individual Investment Security shall not exceed 270 days and the average weighted maturity of any investment pool or no-load money market mutual fund shall not exceed 90 days. Each such City Order shall be a certification, upon which the Trustee may conclusively rely without investigation or inquiry, that the investment directed therein constitutes an Investment Security and that such investments meet the maturity and average weighted maturity requirements set forth in the preceding sentence. Such investments shall be valued each year in terms of the Value of Investment Securities as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in the Funds and Accounts may be invested in common investments of the kind described above, or in a common pool of such investment which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold to prevent any default under this Indenture. To ensure that cash on hand is invested, if the City does not give the Trustee written or timely instructions with respect to investments of funds, the Trustee is hereby directed to invest and re-invest cash balances in investments authorized and permitted under the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, or any successor law, and only so long as such investments constitute Investment Securities and the money required to be expended from any Fund will be available at the proper time or times.

(b) Obligations purchased as an investment of moneys in any Fund or Account shall be deemed to be part of such Fund or Account, subject, however, to the requirements of this Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds and Accounts. Whenever in this Indenture any moneys are required to be transferred by the City to the Trustee, such transfer may be accomplished by transferring a like amount of Investment Securities.

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee shall not incur any liability for losses arising from any investments made pursuant to this Section. The Trustee shall not be required to determine the legality of any investments.

(d) Investments in any and all Funds and Accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular Funds or Accounts of amounts received or held by the Trustee hereunder, provided that the Trustee shall at all times

account for such investments strictly in accordance with the Funds and Accounts to which they are credited and otherwise as provided in this Indenture.

(e) The Trustee will furnish to the City, upon the City's written request, periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the City. Upon the City's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The City waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The City further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

(f) In the event it is found, after an annual calculation has been done pursuant to Section 6.8 hereof, that the City owes Rebatale Arbitrage to the United States Government, the City shall direct the Trustee, pursuant to a City Order, to transfer to the Rebate Fund the investment earnings on funds on deposit in the Pledged Funds in an amount equal to the Rebatale Arbitrage owed by the City. The City Order shall specify the amount to be transferred and the Pledged Fund or Pledged Funds from which the investment earnings shall be transferred.

Section 6.11. Security of Funds.

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

ARTICLE VII

COVENANTS

Section 7.1. Confirmation of Assessments.

The City hereby confirms, covenants, and agrees that, in the Assessment Ordinance, it has levied the Assessments against the Assessed Property from which the Assessment Revenues will be collected and received.

Section 7.2. Collection and Enforcement of Assessments.

(a) For so long as any Bonds are Outstanding, the City covenants, agrees and warrants that it will take and pursue all reasonable actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement or exemption in the Assessments.

(b) To the extent permitted by law, notice of the Annual Installments shall be sent by, or on behalf of, the City to the affected property owners on the same statement or such other mechanism that is used by the City, so that such Annual Installments are collected

simultaneously with ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City.

(c) The City will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessments or the corresponding particular Assessed Property.

(d) The City shall not be required under any circumstances to expend any funds for Delinquent Collection Costs or Administrative Expenses in connection with its covenants and agreements under this Section or otherwise other than funds on deposit in the Administrative Fund.

Section 7.3. Against Encumbrances.

(a) Other than Refunding Bonds issued to refund all or a portion of the Bonds, the City shall not create and, to the extent Pledged Revenues are received, shall not suffer to remain, any lien, encumbrance or charge upon the 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 Bonds are Outstanding, it will keep and maintain a proper and complete system of records and accounts pertaining to the Assessments. The Trustee and holder or holders of any Bonds or any duly authorized agent or agents of such holders shall have the right at all reasonable times to inspect all such records, accounts, and data relating thereto, upon written request to the City by the Trustee or duly authorized representative, as applicable. The City shall provide the Trustee or duly authorized representative, as applicable, an opportunity to inspect such books and records relating to the Bonds during the City's regular business hours and on a mutually agreeable date not later than twenty days after the City receives such request.

Section 7.5. Covenants Regarding Tax Exemption of Interest on Bonds.

(a) The City covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Bonds as an obligation described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Article or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" that is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount that is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action that would otherwise result in the Bonds being treated as a "private activity bond" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds that were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) that produces a materially higher yield over the term of the Bonds, other than investment property acquired with –

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, in the case of refunding bonds, for a period of 90 days or less until such proceeds are needed for the purpose for which the Bonds or refunding bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(7) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(8) to refrain from using the proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings); and

(9) to pay to the United States of America at least once during each five-year period (beginning on the Delivery Date) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

(b) In order to facilitate compliance with the above covenant (a)(9), the Rebate Fund is established by the City pursuant to Section 6.1 for the sole benefit of the United States of America, and such Rebate Fund shall not be subject to the claim of any other person, including without limitation the registered Owner. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) The City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto (the "*Treasury Regulations*"). In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Bonds, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Bonds, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Mayor, City Manager and Director of Finance to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, that may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) The City covenants to account for the expenditure of sale proceeds and investment earnings to be used for Costs on its books and records in accordance with the requirements of the Code. The City recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Phase 1 and 2 Authorized Improvements are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the City recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the Delivery Date, or (2) the date the Bonds are retired. The City agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) The City covenants that the projects funded with the proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless the City obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains a legal opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

ARTICLE VIII

LIABILITY OF CITY

Section 8.1. Liability of City.

(a) Neither the full faith and credit nor the general taxing power of the City is pledged to the payment of the Bonds, and, except for the Trust Estate, no City taxes, fee or revenues from any source are pledged to the payment of, or available to pay any portion of, the Bonds or any other obligations relating to the District. The City shall never be liable for any obligations relating to the Bonds or other obligations relating to the District, other than as specifically provided for in this Indenture.

(b) The City shall not incur any responsibility in respect of the Bonds or this Indenture other than in connection with the duties or obligations explicitly herein or in the Bonds assigned to or imposed upon it. The City shall not be liable in connection with the performance of its duties hereunder, except for its own willful default or act of bad faith. The City shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions covenants or agreements of the Trustee herein or of any of the documents executed by the Trustee in connection with the Bonds, or as to the existence of a default or event of default thereunder.

(c) In the absence of bad faith, the City may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the City and conforming to the requirements of this Indenture. The City shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

(d) No provision of this Indenture, the Bonds, the Assessment Ordinance, or any agreement, document, instrument, or certificate executed, delivered or approved in connection with the issuance, sale, delivery, or administration of the Bonds (collectively, the "*Bond Documents*"), shall require the City to expend or risk its own general funds or other funds or otherwise incur any financial liability (other than with respect to the Trust Estate) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of the City there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

(e) Neither the Owners nor any other Person shall have any claim against the City or any of its officers, officials, agents, or employees for damages suffered as a result of the City's failure to perform in any respect any covenant, undertaking, or obligation under any Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent that any such claim relates to an obligation, undertaking, representation, or covenant of the City, in accordance with the Bond Documents and the PID Act. Any such claim shall be payable only from the Trust Estate. Nothing contained in any of the Bond Documents shall be construed to preclude any action or proceeding in any court or before any governmental body, agency, or instrumentality against the City or any of its officers, officials, agents, or employees to enforce the provisions of any of the Bond Documents or to enforce all rights of the Owners of the Bonds by mandamus or other proceeding at law or in equity.

(f) The City may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The City may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever in the administration of its duties under this Indenture the City shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the City, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector or City Manager or other person designated by the City Council to so act on behalf of the City, and such certificate shall be full warrant to the City for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the City may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

(g) In order to perform its duties and obligations hereunder, the City may employ such persons or entities as it deems necessary or advisable. The City shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall

be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations, and directions of such persons or entities.

ARTICLE IX

THE TRUSTEE

Section 9.1. Acceptance of Trust; Trustee as Registrar and Paying Agent.

(a) The Trustee accepts and agrees to execute the respective trusts imposed upon it by this Indenture, but only upon the terms and conditions and subject to the provisions of this Indenture to all of which the parties hereto and the respective Owners of the Bonds agree. No implied covenants or obligations shall be read into this Indenture against the Trustee.

(b) The Trustee is hereby designated and agrees to act as Paying Agent/Registrar for and with respect to the Bonds.

Section 9.2. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified, to the extent permitted by law, to its satisfaction against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct; provided, however, that in no event shall the Trustee request or require indemnification as a condition to making any deposits, payments or transfers (provided such payment or transfer is prior to an Event of Default) when required hereunder, or to deliver any notice when required hereunder. To the extent permitted by law and during the occurrence of an Event of Default, the Trustee shall be entitled to indemnification as a condition to making any deposits, payments or transfers when required hereunder, or to delivering any notice when required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or exercise any such rights and powers as Trustee, and in such case the Trustee may make transfers from the Administrative Fund, and to the extent money in the Administrative Fund is insufficient, from the Pledged Revenue Fund, to pay all fees, costs and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall, to the extent permitted by law, 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 with respect to the security afforded by this Indenture, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds for value; (ii) the application of the proceeds thereof, except to the

extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to the City or others in accordance with this Indenture, except as to the application of any moneys paid to it in its capacity as Trustee; (iv) any calculation of arbitrage or rebate under the Code; (v) any loss suffered in connection with any investment of funds in accordance with this Indenture; or (vi) to undertake any other action unless specifically authorized pursuant to a written direction by the City or pursuant to this Indenture.

(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 Trustee will, prior to any Event of Default and after curing of any Event of Default, perform such duties and only such duties as are specifically set forth herein. The Trustee will, during the existence of an Event of Default, exercise such rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of his/her own affairs.

(c) The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture, except for its own negligence or willful misconduct. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from this Indenture for the existence, furnishing or use of the Phase 1 and 2 Authorized Improvements. The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in principal amount of the Bonds then Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

(d) The Trustee shall not be liable for any error of judgment made in good faith by any one of its officers, unless it shall be established that the Trustee was negligent in ascertaining the pertinent facts.

(e) The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and rights to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the discharge of this Indenture.

(f) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents, attorneys, or receivers, and shall not be responsible for any misconduct or negligence on the part of any agent, attorney, or receiver appointed or chosen by it with due care, and the Trustee shall be entitled to rely and act upon the opinion or advice of counsel, who may be counsel to the City, concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such agents, attorneys, and receivers as may reasonably be employed in connection with the trusts hereof. The Trustee shall not be responsible for any loss or damage resulting from any action or nonaction by it taken or omitted to be taken in good faith in reliance upon such opinion or advice of counsel.

(g) The Trustee shall not be responsible for any recital herein (except with respect to the authentication certificate of the Trustee endorsed on the Bonds) or for the recording, filing, or refiling of this Indenture in connection therewith, or for the validity of the execution by the City of this Indenture or of any Supplemental Indentures or instruments of further assurance, or for the sufficiency or security of the Bonds. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Indenture.

(h) The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof, or as to the validity or sufficiency of this Indenture or of the Bonds. The Trustee shall not be accountable for the use or application of any Bonds or the proceeds thereof or of any money paid to or upon the order of the City under any provision of this Indenture.

Section 9.4. Property Held in Trust.

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

Section 9.5. Trustee Protected in Relying on Certain Documents.

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

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

City by the City Representative. The Trustee shall be entitled to conclusively rely upon the foregoing as sufficient evidence of the facts set forth herein. The execution of any City Order shall constitute, unto the Trustee, an irrevocable determination that all conditions precedent thereto have occurred.

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

Section 9.6. Compensation.

Unless otherwise provided by contract with the Trustee, the Trustee, at the written direction of the City, shall transfer from the Administrative Fund, the previously determined and agreed upon, reasonable compensation for all services rendered by it hereunder, including its services as Paying Agent/Registrar and extraordinary services rendered, 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, all pursuant to a City Order and subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by such City Order, and the Trustee shall have a lien therefor on any and all funds at any time held by it hereunder prior to any Bonds Outstanding. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if the Trustee has reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it. If the City shall fail to make any payment required by this Section, the Trustee shall make such payment from lawfully available funds in the Administrative Fund, and to the extent moneys in the Administrative Fund are insufficient then from any moneys in its possession under the provision of this Indenture and shall be entitled to a preference therefor over any Bonds Outstanding hereunder. The right of the Trustee to fees, expense, and indemnification, to the extent permitted by law, shall survive the release, discharge, and satisfaction of the Indenture.

Section 9.7. Permitted Acts.

The Trustee and its directors, officers, employees, or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds and may join in any action that any Owner of Bonds may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the City or any committee formed to protect the rights of holders of Bonds or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not such committee shall represent the holders of a majority of the Bonds. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be liable for any permissive actions taken except as a consequence of its own negligence or misconduct.

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 60 days' written 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. Notwithstanding the foregoing, if, after 60 days following receipt of the notice, the City has not appointed a successor Trustee, the Trustee may apply to a court of competent jurisdiction to appoint a successor Trustee, at no expense to the City, and such resignation shall take effect upon the court's appointment of a successor Trustee.

Section 9.9. Removal of Trustee.

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

Section 9.10. Successor Trustee.

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

(b) If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed within one year after any such vacancy shall have occurred by the Owners of at least 50% of the aggregate Outstanding principal amount of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the City.

(c) Until such successor Trustee shall have been appointed by the Owners of the Bonds, the City shall forthwith (and in no event in excess of 30 days after such vacancy occurs) 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.

(d) If in a proper case no appointment of a successor Trustee shall be made within 45 days after the giving by any Trustee of any notice of resignation in accordance with Section 9.8 or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner of Bonds may apply to any court of competent jurisdiction for the appointment of

such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor and the City shall be responsible for the costs of such appointment process.

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

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

Section 9.11. Transfer of Rights and Property to Successor Trustee.

Any successor Trustee appointed under the provisions of Section 9.10 shall execute, acknowledge, and deliver to its predecessor and the City an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations, and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the City or of such successor, execute, acknowledge, and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers, and trusts of such Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and, upon the receipt of payment of its outstanding charges, 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.

Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the Trust Estate provided herein, and such pledge is, under current law, valid, effective and perfected. If necessary, the Trustee shall file or cause to be filed, at the City's expense, such continuation statements as may be delivered to the Trustee and which may be required by the Texas Uniform Commercial Code, as from time to time in effect (the "UCC"), in order to continue perfection of the security interest of the Trustee in such items of tangible or intangible personal property and any fixtures as may have been granted to the Trustee pursuant to this Indenture in the time, place and manner required by the UCC; provided unless the Trustee is otherwise notified by the City, the Trustee may conclusively rely upon the initial filing statements delivered to it in filing any continuation statements hereunder. The Trustee is not responsible for the initial filing of any financing statements.

Section 9.14. Accounts, Periodic Reports and Certificates.

The Trustee shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Funds and Accounts established by this Indenture and which shall at all times be subject to inspection by the City, and the Owner or Owners of not less than 10% in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

Section 9.15. Construction of Indenture.

The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Owners of the Bonds.

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. Amendments Permitted.

(a) This Indenture and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture, except as provided below, pursuant to the affirmative vote at a meeting of Owners of the Bonds, or with the written consent without a meeting, of the Owners of the Bonds of at least fifty-one percent (51%) of the aggregate principal amount of the Bonds then Outstanding and City approval of such modification or amendment. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the 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 Trust Estate, or any portion thereof, superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except for the issuance of Refunding Bonds or as otherwise permitted by Applicable Laws or this Indenture), or (iii) reduce the

percentage of Owners of the Bonds required for the amendment hereof. Any such amendment shall not modify any of the rights or obligations of the Trustee without its written consent.

(b) This Indenture and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by law, and only for anyone or more of the following purposes:

(i) to add to the covenants and agreements of the City in this Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the City;

(ii) to make modifications not adversely affecting any Outstanding Bonds in any material respect;

(iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in regard to questions arising under this Indenture, as the City and the Trustee may deem necessary or desirable and not inconsistent with this Indenture, and that shall not adversely affect the rights of the Owners of the Bonds;

(iv) to authorize the issuance of Refunding Bonds pursuant to Section 13.2 hereof; and

(v) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Bonds.

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 reasonable rules and regulations for the conduct of said meeting; provided, however, that the same may not conflict with the terms of this Indenture. Without limiting the generality of the immediately preceding sentence, such rules and regulations may not reduce the percentage of Owners of Bonds required for the amendment of this Indenture as provided herein.

Section 10.3. Procedure for Amendment with Written Consent of Owners.

(a) The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds or of this Indenture, to the extent that such amendment is permitted by Section 10.1, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a request to Owners for their consent thereto, if such consent is required pursuant to Section 10.1, shall be mailed by first class mail, by the Trustee to each Owner of Bonds from whom consent is required under this Indenture, but failure to mail copies of such Supplemental Indenture and request shall not affect the validity of the Supplemental Indenture when assented to as in this Section provided.

(b) Such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the written consents of the Owners as required by this Indenture and a notice shall have been mailed as hereinafter in this Section provided and the City has delivered to the Trustee an opinion of Bond Counsel to the effect that such amendment is permitted and will not adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 11.6. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof), unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

(c) After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Indenture, the City shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Indenture, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Indenture or consents thereto). Proof of the mailing of such notice shall be filed with the Trustee. A record, consisting of the papers required by this Section 10.3 to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Indenture shall become effective upon the filing with the Trustee of the proof of mailing of such notice, and the Supplemental Indenture shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the City and the Owners of all Bonds at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

Section 10.4. Procedure for Amendment Not Requiring Owner Consent.

(a) The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds or of this Indenture, to the extent that such amendment is permitted by Section 10.1, to take effect when and as provided in this Section. The City shall direct the Trustee to provide a copy of such Supplemental Indenture, together with a notice stating that the Supplemental Indenture does not require Owner consent, mailed by first class mail to each Owner of Bonds, but failure to mail copies of such Supplemental Indenture shall not affect the validity of the Supplemental Indenture. The Trustee shall retain the proof of its mailing of such notice. A record, consisting of the papers required by this Section 10.4, shall be proof of the matters therein stated until the contrary is proved.

(b) The Supplemental Indenture shall become effective upon the execution and delivery of such Supplemental Indenture by the Trustee and the City, and the Supplemental Indenture shall be deemed conclusively binding upon the City, the Trustee and the Owners of all Bonds as of the date of such execution and delivery.

Section 10.5. Effect of Supplemental Indenture.

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

Section 10.6. Endorsement or Replacement of Bonds Issued After Amendments.

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

Section 10.7. Amendatory Endorsement of Bonds.

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

Section 10.8. Waiver of Default.

With the written consent of the Owners of at least fifty-one percent (51%) of the aggregate principal amount of the Bonds then Outstanding, the Owners may waive compliance by the City with certain past defaults under this Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners.

Section 10.9. Execution of Supplemental Indenture.

In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel addressed and delivered to the Trustee and the City stating that the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.1. Events of Default.

Each of the following occurrences or events shall be and is hereby declared to be an "Event of Default," to wit:

(i) The failure of the City to deposit the Pledged Revenues to the Pledged Revenue Fund;

(ii) The failure of the City to enforce the collection of the Assessments including the prosecution of foreclosure proceedings, in accordance with Section 7.2; and

(iii) Default in the performance or observance of any covenant, agreement or obligation of the City under this Indenture, other than a default under (iv) below, and the continuation thereof for a period of ninety (90) days after written notice specifying such default and requiring same to be remedied shall have been given to the City by the Trustee, which shall give such notice at the written request of the Owners of not less than fifty-one percent (51%) in principal amount of the Bonds then Outstanding; provided, however, if the default stated in the notice is capable of cure but cannot reasonably be cured within the applicable period, the City shall be entitled to a further extension of time reasonably necessary to remedy such default so long as corrective action is instituted by the City within the applicable period and is diligently pursued until such failure is corrected, but in no event for a period of time of more than one hundred eighty (180) days after such notice.

(iv) The failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable and such failure is not remedied within thirty (30) days thereafter.

Section 11.2. Immediate Remedies for Default.

(a) Subject to Article VIII, upon the happening and continuance of any of the Events of Default described in Section 11.1, then and in every such case the Trustee may proceed, and upon the written request of the Owners of not less than fifty-one percent (51%) in principal amount of the Bonds then Outstanding hereunder shall proceed, to protect and enforce the rights of the Owners under this Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted.

(b) PURSUANT TO SECTION 11.7, THE PRINCIPAL OF THE BONDS SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

(c) If the assets of the Trust Estate are sufficient to pay all amounts due with respect to Outstanding Bonds, in the selection of Trust Estate assets to be used in the payment of Bonds

due under this Article, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Order, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Order, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale.

(d) Whenever moneys are to be applied pursuant to this Article XI, irrespective of and whether other remedies authorized under this Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms, specifically, in inverse order of value pursuant to a certified appraisal of real or personal property or market value of investments as set forth in the U.S. Stock Exchange, and as may be required by law and apply the proceeds thereof in accordance with the provisions of this Section. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the reasonable 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 as provided in Section 11.1, or of which by such Section it is deemed to have notice, (ii) such default has become an Event of Default and the Owners of not less than fifty-one percent (51%) of the aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee 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 written evidence of indemnity as provided in Section 9.2, (iv) the Trustee has for 60 days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of not less than fifty-one percent (51%) of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner provided herein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall be conditions precedent to the execution of the powers and trusts

of this Indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy hereunder.

(b) Subject to Article VIII, nothing in this Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond issued hereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed herein and in the Bonds.

(c) In case the Trustee or any Owners of Bonds shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owners of Bonds, then and in every such case the City, the Trustee and the Owners of Bonds shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 11.4. Application of Revenues and Other Moneys After Default.

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

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

SECOND: To the payment to the Owners entitled thereto of the unpaid principal of Outstanding Bonds, or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal due and to the Owners entitled thereto, without any discrimination or preference.

The Trustee shall make payments to the Owners of Bonds pursuant to this Section 11.4 within thirty (30) days of receipt of such good and available funds, and the record date shall be the date the Trustee receives such good and available funds.

(b) In the event funds are not adequate to cure any of the Events of Default described in Section 11.1, the available funds shall be allocated to the Bonds that are Outstanding in proportion to the quantity of Bonds that are currently due and in default under the terms of this Indenture.

(c) The restoration of the City to its prior position after any and all defaults have been cured, as provided in Section 11.3, shall not extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 11.5. Effect of Waiver.

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

Section 11.6. Evidence of Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners of Bonds may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, or the holding by any Person of the Bonds shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

(i) The fact and date of the execution of such instruments by any Owner of Bonds or the duly appointed attorney authorized to act on behalf of such Owner may be provided by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate, or affidavit shall also constitute sufficient proof of his authority.

(ii) The ownership of Bonds and the amount, numbers and other identification and date of holding the same shall be proved by the Register.

(b) Except as otherwise provided in this Indenture with respect to revocation of a consent, any request or consent by an Owner of any Bond shall bind all future Owners of the same Bond in respect of anything done or suffered to be done by the City or the Trustee in accordance therewith.

Section 11.7. No Acceleration.

In the event of the occurrence of an Event of Default under Section 11.1, the right of acceleration of any Stated Maturity is not granted as a remedy hereunder and the right of acceleration under this Indenture is expressly denied.

Section 11.8. Mailing of Notice.

Any provision in this Article for the mailing of a notice or other document to Owners shall be fully complied with if it is mailed, first class postage prepaid, only to each Owner at the address appearing upon the Register.

Section 11.9. Exclusion of Bonds.

Bonds owned or held by or for the account of the City will not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Indenture, and the City shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Indenture.

ARTICLE XII

GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. Representations as to Trust Estate.

(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 Trust Estate in the manner and to the extent provided in this Indenture, and that the Trust Estate is and will be and remain free and clear of any pledge, lien, charge, or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by this Indenture except as expressly provided herein.

(b) The City shall at all times, to the extent permitted by Applicable Laws, defend, preserve and protect the pledge of the Trust Estate and all the rights of the Owners and the Trustee, under this Indenture against all claims and demands of all Persons whomsoever.

(c) Subject to Section 7.2(d), the City will take all steps reasonably necessary and appropriate, and will provide written direction to the Trustee to take all steps reasonably necessary and appropriate, to collect all delinquencies in the collection of the Assessments and any other amounts pledged to the payment of the Bonds to the fullest extent permitted by the PID Act and other Applicable Laws.

Section 12.2. General.

The City shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under the provisions of this Indenture.

ARTICLE XIII

SPECIAL COVENANTS

Section 13.1. Further Assurances; Due Performance.

(a) At any and all times the City will duly execute, acknowledge and deliver, or will cause to be done, executed and delivered, all and every such further acts, conveyances, transfers, and assurances in a manner as the Trustee shall reasonably require for better conveying, transferring, pledging, and confirming unto the Trustee, all and singular, the revenues, Funds, Accounts and properties constituting the Pledged Revenues, and the Trust Estate hereby transferred and pledged, or intended so to be transferred and pledged.

(b) The City will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, contained in this Indenture.

Section 13.2. Other Obligations or Other Liens; Refunding Bonds.

(a) The City reserves the right to issue obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from Trust Estate, or any portion thereof.

(b) Other than Refunding Bonds issued to refund all or a portion of the Bonds, the City will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, or any portion thereof, and will not do or omit to do or suffer to be done or omit to be done any matter or things whatsoever whereby the lien of this Indenture or the priority hereof might or could be lost or impaired.

(c) Notwithstanding any contrary provision of this Indenture, but subject to Section 7.3, the City shall not issue additional bonds, notes or other obligations under this Indenture, secured by any pledge of or other lien or charge on the Trust Estate or other property pledged under this Indenture, other than Refunding Bonds. 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.

Section 13.3. Books of Record.

(a) The City shall cause to be kept full and proper books of record and accounts, in which full, true and proper entries will be made of all dealings, business and affairs of the City, which relate to the Trust Estate and the Bonds.

(b) The Trustee shall have no responsibility with respect to the financial and other information received by it pursuant to this Section 13.3 except to receive and retain same, subject to the Trustee's document retention policies, and to distribute the same in accordance with the provisions of this Indenture.

ARTICLE XIV

PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE

Section 14.1. **Trust Irrevocable.**

The trust created by the terms and provisions of this Indenture is irrevocable until the Bonds secured hereby are fully paid or provision is made for their payment as provided in this Article.

Section 14.2. **Satisfaction of Indenture.**

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

Section 14.3. **Bonds Deemed Paid.**

(a) Any Outstanding Bonds shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and no longer Outstanding within the meaning of this Indenture (a "*Defeased Debt*"), and particularly this Article XIV, when payment of the principal of, premium, if any, on such Defeased Debt, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), either (1) shall have been made in accordance with the terms thereof, or (2) shall have been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Defeasance Securities that mature as to principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall be reinvested in Defeasance Securities as directed by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

(b) Any determination not to redeem Defeased Debt that is made in conjunction with the payment arrangements specified in Sections 14.3(a)(1) or 14.3(a)(2) shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the City expressly reserves the right to call the Defeased Debt for redemption; (2) the City gives notice of the reservation of that right to the Owners of the Defeased Debt immediately following the defeasance; (3) the City directs that notice of the reservation be included in any defeasance or redemption notices that it authorizes; and (4) at or prior to the time of the redemption, the City satisfies the conditions of clause (a) of this Section 14.3 with respect to such Defeased Debt as though it was being defeased at the time of the exercise of the option to redeem the Defeased Debt, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

(c) Until all Defeased Debt shall have become due and payable, the Trustee and the Paying Agent/Registrar each shall perform the services of Trustee and Paying Agent/Registrar for such Defeased Debt the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Indenture.

ARTICLE XV

MISCELLANEOUS

Section 15.1. Benefits of Indenture Limited to Parties.

Nothing in this Indenture, expressed or implied, is intended to give to any Person other than the City, the Trustee and the Owners, any right, remedy, or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Trustee.

Section 15.2. Successor is Deemed Included in All References to Predecessor.

Whenever in this Indenture or any Supplemental Indenture either the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 15.3. Execution of Documents and Proof of Ownership by Owners.

(a) Any request, declaration, or other instrument which this Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys duly appointed in writing.

(b) Except as otherwise expressly provided herein, the fact and date of the execution by any Owner or his attorney of such request, declaration, or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the Person signing such request, declaration, or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

(c) Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number, and date of holding the same shall be proved by the Register.

(d) Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the City or the Trustee in good faith and in accordance therewith.

Section 15.4. No Waiver of Personal Liability.

No member, officer, agent, or employee of the City shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

Section 15.5. Notices to and Demands on City and Trustee.

(a) Except as otherwise expressly provided herein, all notices or other instruments required or permitted under this Indenture shall be in writing and shall be faxed, delivered by hand, or mailed by first class mail, postage prepaid, and addressed as follows:

If to the City

City of Venus, Texas
700 W. U.S. Hwy 67
Venus, Texas 76084
Attn: Finance Director
Telephone: (972) 366-3348

If to the Trustee, initially also acting in
the capacity of Paying Agent/Registrar

Regions Bank
3773 Richmond Ave., Suite 1100
Houston, Texas 77046
Attn: Corporate Trust Administration
Telephone: (713) 244-8044

(b) Any such notice, demand, or request may also be transmitted to the appropriate party by telegram or telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

(c) Any of such addresses may be changed at any time upon written notice of such change given to the other party by the party effecting the change. Notices and consents given by mail in accordance with this Section shall be deemed to have been given five Business Days after the date of dispatch; notices and consents given by any other means shall be deemed to have been given when received.

(d) The Trustee shall mail to each Owner of a Bond notice of the redemption or defeasance of all Bonds Outstanding.

Section 15.6. Partial Invalidity.

If any Section, paragraph, sentence, clause, or phrase of this Indenture shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The City hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause, or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that anyone or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

Section 15.7. Applicable Laws.

This Indenture shall be governed by and enforced in accordance with the laws of the State applicable to contracts made and performed in the State.

Section 15.8. Payment on Business Day.

In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to this Indenture is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day that is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 15.9. Counterparts.

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

Section 15.10. No Boycott of Israel.

The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Indenture is a contract for goods or services, will not boycott Israel during the term of this Indenture. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable State or Federal law. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Trustee understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

Section 15.11. 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/sudanlist.pdf>;
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>; or
<https://comptroller.texas.gov/purchasing/docs/ftolist.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 State or Federal law and excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Trustee understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

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IN WITNESS WHEREOF, the City and the Trustee have caused this Indenture of Trust to be executed as of the date hereof.

CITY OF VENUS, TEXAS

By: _____
Mayor

Attest:

City Secretary

(CITY SEAL)

City Signature Page to Indenture of Trust

REGIONS BANK
as Trustee

By: _____
Authorized Officer

Trustee Signature Page to Indenture of Trust

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APPENDIX C
FORM OF SERVICE AND ASSESSMENT PLAN

CITY OF VENUS
BAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1
(PHASE 1 AND 2 PROJECT)



PRELIMINARY RELIN
SERVICE AND ASSESSMENT PRESENT

MM 10, 2021

PREPARED FOR
City of Venus
700 W 70th Hwy 67
Venus, TX 76084

PREPARED BY
30 Three Sixty Public Finance, The Sixty P
5860 Owens Avenue, Suite 2105860 Ow
Carlsbad, CA 92008

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APPENDIX E TABLE OF ADOPTED NOTICES

This Preliminary Service and Assessment Plan is prepared pursuant to the provisions of the "Public Improvement District Assessment Act," being Chapter 372 "Improvement Districts in Municipalities and Counties," Subchapter A "Public Improvement Districts," Sections 372.001 through 372.041 of the Local Government Code of the State of Texas, as amended (the "PID Act") and in connection with City of Venus Resolution No. 11-2020-05 passed and approved by the City Council on May 11, 2020 authorizing the formation of the BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1 (hereinafter known as the "District," "PID" or "Brahman Ranch PID") and in connection with the PID Boundary and Authorized Improvements Amendment Resolution anticipated to be approved by the City Council on March 29, 2021.

Pursuant to the PID Act, this Service and Assessment Plan contains the following:

- Improvement Plan;
- Service Plan; and
- Assessment Plan and Assessment Roll.

In accordance with the PID Act, the Administrator will prepare at least annually an update to the Service and Assessment Plan (the "Annual Service Plan Update") and submit it to the City Council for approval along with an updated Assessment Roll.

Capitalized terms used in this Service and Assessment Plan shall have the meanings given to them in Section II unless otherwise defined in this Service and Assessment Plan.

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II. Defined Terms



"Additional Interest" means the amount of additional interest resulting from the application of the Additional Interest Rate to the outstanding Assessment principal.

"Additional Interest Rate" means the incremental interest rate charged on the Assessments, in excess of the interest rate charged on the PID Bonds or Refunding Bonds, if any, not to exceed one-half of one percent (0.50%) as authorized pursuant to the PID Act.

"Administrative Expenses" means the reasonable expenses incurred by the City and the Developer in the establishment, administration, and operation of the PID. The expenses of administration and operation of the PID (i. e, collection costs), may include, but are not limited to, the costs of (i) direct and contracted costs incurred by the City including legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, (ii) organizing the PID and preparing the Assessment Rolls, (iii) computing, levying, collecting and transmitting the Assessments or the Annual Installments thereof to the City, Trustee or other applicable financial institution, (iv) maintaining the record of Assessments, including payments, reallocations and/or cancellations of the Assessments or Annual Installments thereof, (v) investing or depositing the Assessments or other monies, (vi) complying with the PID Act, arbitrage rebate requirements and/or securities disclosure requirements, (vii) paying the paying agent/registrar's and trustee's fees and expenses (including the fees and expenses of its legal counsel) related to the PID Bonds, and (viii) the City's costs of administering the construction of the Authorized Improvements. Administrative Expenses shall also include the administrative costs and expenses of issuing, making debt service payments on, and redeeming PID Bonds; provided, however, that for the avoidance of doubt, Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on PID Bonds. Administrative Expenses collected and not encumbered or expended shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid over collection.

"Administrator" means the City or the person or independent firm designated by the City who shall have the responsibilities provided in this Service and Assessment Plan, an Indenture, or any other agreement or document approved by the City related to the duties and responsibilities for the administration of the PID.

"Annual Installment" means the sum of each annual payment of: (i) the Assessment (including the principal of and interest on), as shown on the Assessment Rolls attached to this SAP as Appendix A, as the same may be updated from time to time, or in an Annual Service Plan Update, and calculated as provided in Section VI of this SAP, (ii) Administrative Expenses, and (iii) Additional Interest, if applicable.

"Assessed Property" means the benefited Parcels within the Property on which Assessments are levied.

- **"Phase 1 and 2 Assessed Property"** means the Phase 1 and Phase 2 Property on which Phase 1 and 2 Improvement Assessments are levied, which property consists of the Phase 1 and 2 Single-Family Property.

"Assessments" means the special assessments levied on the Property within a Phase or group of Phases, under one or more Assessment Ordinances adopted by the City, that may be used to pay for all or a portion of the Authorized Improvements Costs for Authorized Improvements benefiting the applicable Phase or group of Phases as set forth in the SAP for such Phase or group of Phases, and the costs associated with the issuance of PID Bonds, as well as repayment of PID Bonds.

- **"Phase 1 and 2 Improvements Assessments"** means the special assessments levied on the Phase 1 and 2 Assessed Property to pay for all or a portion of the Phase 1 and 2 Authorized Improvements Costs and the costs associated with PID Bonds issued to pay, reimburse, or finance the Phase 1 and 2 Authorized Improvements Costs, as well as repayment of such PID Bonds.

"Assessment Ordinance" means a City ordinance approving an SAP and levying Assessments on the benefited Parcels within the PID. The Assessment Ordinance for the Phase 1 and 2 Authorized Improvements (the "Phase 1 and 2 Improvements Assessment Ordinance") is anticipated to be approved on May 10, 2021.

"Assessment Roll(s)" means the Assessment Roll(s) attached hereto as Appendix A, as may be updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of any PID Bonds or in connection with any Annual Service Plan Update.

- **"Phase 1 and 2 Assessment Roll"** means the Assessment Roll for the Phase 1 and 2 Assessed Property attached hereto as Appendix A-1, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any Annual Service Plan Updates.

"Authorized Improvements" has the meaning given to it in the PID Creation Resolution and the PID Boundary and Authorized Improvements Amendment Resolution.

- **"Phase 1 and 2 Authorized Improvements"** means the Public Infrastructure described in Section IV.A benefiting Phase 1 and 2 as determined in Section VI herein.

"Authorized Improvements Costs" means the actual costs of design, engineering, construction, acquisition, and inspection of the Authorized Improvements, all costs incurred in connection with the issuance of PID Bonds, and all other costs authorized by the PID Act and related in any manner to the Authorized Improvements.

- **"Phase 1 and 2 Authorized Improvements Costs"** means the actual cost of design, engineering, construction, acquisition, and/or inspection of the Phase 1 and 2 Authorized Improvements, all costs incurred in connection with PID Bonds issued to pay, reimburse, or finance the costs of the Phase 1 and 2 Authorized Improvements, and all other costs authorized by the PID Act and related in any manner to the Phase 1 and 2 Authorized Improvements.

"Bond Ordinance" means an ordinance adopted by the City Council that authorizes and approves the issuance and sale of PID Bonds.

II. Defined Terms



"Budgeted Costs" means, with respect to any given Authorized Improvement, the estimated cost of the improvement as set forth in the Development Agreement, all costs estimated to be incurred in connection with the issuance of PID Bonds, and all other estimated costs authorized by the PID Act and related in any manner to the Authorized Improvements, as may be modified by the SAP for each Phase or group of Phases.

- **Phase 1 and 2 Improvements Budgeted Costs** means, with respect to the Phase 1 and 2 Authorized Improvements, the estimated cost of design, engineering, construction, acquisition, and/or inspection of such improvements, all costs estimated to be incurred in connection with PID Bonds issued to pay, reimburse, or finance the costs of the Phase 1 and 2 Authorized Improvements, and all other estimated costs authorized by the PID Act and related in any manner to the Phase 1 and 2 Authorized Improvements as set forth in Section V.A herein.

"City" means the City of Venus, a general-law municipality in Ellis and Johnson Counties, Texas.

"City Council" means the governing body of the City.

"County" means Ellis County, Texas.

"Delinquent Collection Costs" means interest, penalties and fees and expenses incurred or imposed with respect to any delinquent Assessment, or an Annual Installment thereof, in accordance with §372.018(f) of the PID Act and the costs related to pursuing collection of a delinquent Assessment and/or Annual Installment and foreclosing the lien against the Parcel for which an Assessment and/or Annual Installment is delinquent, including attorneys' fees to the extent permitted under Texas law.

"Developer" means Miskimon Management I, LLC, a Texas limited liability company, and its successors and assigns.

"Development" means the Brahman Ranch residential subdivision to be developed under the terms of the Development Agreement.

"Development Agreement" means the Brahman Ranch Development Agreement dated November 22, 2019, as may be amended, executed by the City and the Developer.

"Final Plat" means a final plat of a Phase or portion of a Phase.

"Future Phases Assessments" means any future Assessments levied against Future Phases Property for the Future Phases Improvements.

"Future Phases Improvements" means any Public Infrastructure benefiting the Future Phases Property in the Development.

"Future Phases Property" means the future Phases of the Development to be developed after Phase 1 and 2.

"Non-PID Improvements Costs" PID Improvements Costs means, as applicable, the budgeted or actual cost of design, non-engineering, construction, acquisition and/or inspection of the Non-PID improvements, PID improvements and/or inspection

II. Defined Terms



"PID Bonds" means assessment revenue bonds, including Refunding Bonds, issued by the City pursuant to the PID Act to finance the Authorized Improvements.

"PID Bond Proceeds" means the revenue generated from the sale of the PID Bonds.

"PID Boundary and Authorized Improvements Amendment Resolution" means the resolution anticipated to be approved by the City Council on March 29, 2021 authorizing a revision to the PID boundaries and increasing the estimated costs of the Authorized Improvements.

"PID Creation Resolution" means Resolution No. 11-2020-05 passed and approved by the City Council of the City of Venus on May 11, 2020.

"Prepayment" means the payment of all or a portion of an Assessment before the due date thereof. Amounts received at the time of a Prepayment which represent a payment of principal, interest or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Assessment.

"Prepayment Costs" means interest and Administrative Expenses to the date of Prepayment, plus any additional expenses related to the Prepayment allowed by applicable law, reasonably expected to be incurred by or imposed upon the City as a result of any Prepayment of all or part of an Assessment.

"Private Improvements" means the private improvements and amenities to be constructed by the Developer or its designee in connection with the development of each Phase.

- **"Phase 1 and 2 Private Improvements"** means the private improvements and amenities shown in Table V-2 to be constructed by the Developer or its designee in connection with the development of Phase 1 and Phase 2.

"Private Improvements Costs" means, as applicable, the budgeted or actual cost of design, engineering, construction, acquisition and/or inspection of the Private Improvements.

- **"Phase 1 and 2 Private Improvements Costs"** means, as applicable, the budgeted or actual cost of design, engineering, construction, acquisition, and/or inspection of the Phase 1 and 2 Private Improvements.

"Property" means the approximately 678 acres of land described by metes and bounds in Appendix B attached herein.

- **"Commercial Property"** means the property located outside of the PID and fronting FM Highway 157 and designated as Lot 1; Lots 16, 17, and 18; and Lot 74 in Appendix D.
- **"Phase 1 and 2 Property"** means the property described by the metes and bounds description in Appendix C.
- **"Phase 1 and 2 Single-Family Property"** means the property designated as single-family as depicted in Appendix D.

II. Defined Terms



"Public Infrastructure" ~~"Public Infrastructure"~~ sewer, drainage, roadway and other infrastructure sewer, drainage, roadway necessary to serve the full development of the Property and/or to be constructed and dedicated to the necessary to serve City City under the Development Agreement.

"Refunding Bonds" ~~"Refunding Bonds"~~ issued pursuant to Section bonds issued pursuant to Chapter 1272, 027 of the 1907 Act 372 Texas Government Code, as amended, Texas Government Code, as amended,

"Preliminary Service and Assessment Plan" ~~"Preliminary Service and Assessment Plan"~~ is Service and Assessment Plan of the Brahman Ranch Brahman Ranch Public Improvement District, including the Ass updated in an Annual Service Plan Update or amended and supplemented from time to time. updated in an Annual Service

"Trustee" ~~"Trustee"~~ the trustee as specified in an Indenture, and any successor thereto permitted under means the trustee such Indenture. such Indenture.

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III. Description of PID Boundary and Phases



The Development consists of approximately 667.48 acres of land property located within the City and is described by the land parcels shown in Appendix B. The Phase 1 and Phase 2 Property consists of the approximately 139.28 acres of real property located in the Development as depicted in erty located in the attached Phase 1A is anticipated to Phase 1 is anticipated to include over (21) single family residential lots. Phase 1B is anticipated to include one hundred and forty (14) single family residential lots. Phase 2 is anticipated to include one hundred and twenty (20) single family residential lots. In addition, the Phase 1 and 2 Property is anticipated to include one (1) pond, one (1) space anticipated pond and two (2) tracts, for storm drainage purposes for storm drainage purposes

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A. Authorized Improvements

1. Phase 1 and 2 Authorized Improvements

The Phase 1 and 2 Authorized Improvements consist of the Public Infrastructure necessary for the development of the Phase 1 and 2 Single-Family Property, and the City hereby finds that it confers a special benefit to Phase 1 and 2 Single-Family Property; please see Section VI herein for additional information. The Phase 1 and 2 Authorized Improvements include, but are not limited to, the following:

- Road improvements, including but not limited to, earthwork, subgrade, paving, ramps, sidewalks, curbs, streetlights, signs, testing, and bonds;
- Sanitary sewer facilities, including but not limited to, lift stations, lines, manholes, testing, bonds, and all other works, equipment, and services for the collection and transportation of wastewater;
- Storm drainage improvements, including but not limited to, storm drain lines and pipes, inlets, manholes; headwalls, rip rap, testing, bonds, and all other works, equipment, and services for the collection, detention, and transportation of stormwater;
- Clearing and grubbing, excavation, testing, and erosion control; and
- City, professional, and other fees, including but not limited to, plan check and inspection fees, geotechnical and environmental services, and engineering and surveying.

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A. A Budgeted Budgeted Indebtedness and Indebtedness

TABLE 11.1					
CITY OF MOHAWUK					
BAHMAN RANCH AND 11					
PHASE 1.1.1					
SOURCES AND USES OF FUNDS					
SPECIAL ASSESSMENT REVENUE FUND, SERIES 2021 2022 PHASE 1.1.1 PROJECT PROJECT					
DESCRIPTION	PHASE 1.1.1 AUTHORIZED UT IMPROVEMENTS	NON-NDPID IMPROVEMENTS	PRRK ARK IMPROVEMENTS	PHASE 1.1.1 PRIVATE RIVA IMPROVEMENTS	TOTAL
SOURCES OF FUNDS					
BOND PROCEEDS	\$8,514,000	\$0	\$0	\$0	\$8,514,000
OWNER CONTRIBUTION	\$2,473,712	\$200,904	\$55,000	\$7,638,799	\$10,768,415
TOTAL SOURCES OF FUNDS	\$10,987,712	\$200,904	\$55,000	\$7,638,799	\$19,282,415
USES OF FUNDS					
PUBLIC INFRASTRUCTURE	\$9,399,639	\$200,904	\$55,000	\$0	\$10,055,543
PHASE 1.1.1 PRIVATE RIVA IMPROVEMENTS	\$0	\$0	\$0	\$7,638,799	\$7,638,799
DEBT SERVICE RESERVE	\$548,890	\$0	\$0	\$0	\$548,890
CAPITALIZED INTEREST	\$52,779	\$0	\$0	\$0	\$52,779
COSTS OF ISSUANCE	\$95,980	\$0	\$0	\$0	\$95,980
UNDERWRITER'S DISCOUNT	\$55,420	\$0	\$0	\$0	\$55,420
ADMINISTRATIVE FUNDING	\$35,000	\$0	\$0	\$0	\$35,000
TOTAL USES OF FUNDS	\$10,987,712	\$200,904	\$55,000	\$7,638,799	\$19,282,415

TABLE A-2V-2									
CITY OF VENUS									
BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1									
PHASE 1A & 2A									
TOTAL PHASE 1A & 2A BUDGETED COSTS AND DEBT SERVICE									
IMPROVEMENT DESCRIPTION	PHASE 1A & 2A AUTHORIZED UTILITY IMPROVEMENTS	PHASE 1A & 2A NINE AND A HALF INCH AND PIPES IMPROVEMENTS	PHASE 1A & 2A PARK AND RECREATION IMPROVEMENTS	PHASE 1A & 2A PRIVATE AND COMMERCIAL IMPROVEMENTS	PHASE 1A & 2A TOTAL	PHASE 1A & 2A TOTAL	PHASE 1A & 2A TOTAL	PHASE 1A & 2A TOTAL	PHASE 1A & 2A TOTAL
EARTHWORK	\$519,478	\$43,542	\$43,542	\$519,478	\$0	\$0	\$4,639,894	\$4,639,894	\$5,202,914
PAVING	\$4,272,400	\$51,210	\$51,210	\$4,272,400	\$0	\$0	\$0	\$4,323,610	\$4,323,610
EROSION CONTROL	\$0	\$0	\$0	\$0	\$0	\$0	\$280,064	\$280,064	\$280,064
STORM SEWER	\$1,884,148	\$0	\$0	\$1,884,148	\$0	\$0	\$0	\$1,884,148	\$1,884,148
WATER	\$0	\$0	\$0	\$0	\$0	\$0	\$2,004,252	\$2,004,252	\$2,004,252
SEWER	\$2,237,887	\$92,277	\$92,277	\$2,237,887	\$0	\$0	\$0	\$2,330,164	\$2,330,164
TRAFFIC	\$189,726	\$2,274	\$2,274	\$189,726	\$0	\$0	\$0	\$192,000	\$192,000
BOND CONSTRUCTION	\$46,702	\$0	\$0	\$46,702	\$0	\$0	\$34,798	\$34,798	\$81,500
BOND MAINTENANCE	\$0	\$0	\$0	\$0	\$0	\$0	\$9,900	\$9,900	\$9,900
CONSTRUCTION INSURANCE	\$11,461	\$0	\$0	\$11,461	\$0	\$0	\$8,539	\$8,539	\$20,000
ENTRANCE MONUMENTS	\$138,399	\$11,601	\$11,601	\$138,399	\$0	\$0	\$0	\$150,000	\$150,000
FOOD BORROW ANALYSIS	\$49,000	\$0	\$0	\$49,000	\$0	\$0	\$0	\$49,000	\$49,000
GEOTECHNICAL	\$18,942	\$0	\$0	\$18,942	\$0	\$0	\$71,258	\$71,258	\$90,200
IMPACT STUDY	\$0	\$0	\$0	\$0	\$0	\$0	\$6,000	\$6,000	\$6,000
PARK & RECREATION	\$0	\$0	\$0	\$455,000	\$455,000	\$0	\$0	\$455,000	\$455,000
PHASE 1A & 2A TEST	\$0	\$0	\$0	\$0	\$0	\$0	\$4,500	\$4,500	\$4,500
PATENT PREMIUMS	\$0	\$0	\$0	\$0	\$0	\$0	\$16,700	\$16,700	\$16,700
RILL BACK TAXES	\$0	\$0	\$0	\$0	\$0	\$0	\$120,000	\$120,000	\$120,000
SEWER KETCH	\$0	\$0	\$0	\$0	\$0	\$0	\$233,540	\$233,540	\$233,540
SOIL TESTS	\$31,500	\$0	\$0	\$0	\$0	\$0	\$118,500	\$118,500	\$150,000
SURVEYING BOUNDARY	\$0	\$0	\$0	\$0	\$0	\$0	\$6,000	\$6,000	\$6,000
SURVEYING COUNTRY	\$0	\$0	\$0	\$0	\$0	\$0	\$39,854	\$39,854	\$39,854
UNITED GROUP FEE	\$0	\$0	\$0	\$0	\$0	\$0	\$45,000	\$45,000	\$45,000
TOTAL COSTS	\$9,399,643	\$200,904	\$200,904	\$9,399,643	\$0	\$0	\$7,638,799	\$17,694,346	\$17,694,346
TOTAL ASSESSED COSTS	\$6,925,931	\$0	\$0	\$0	\$0	\$0	\$0	\$6,925,931	\$6,925,931

TABLE A.2.2					
CITY OF VENUS					
BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1					
PHASE 1 AND 2					
TOTAL PHASE 1 AND 2 BUDGETED COSTS AND DEBTEDNESS					
IMPROVEMENT DESCRIPTION	PHASE 1 AND 2 AUTHORIZED UTILITY IMPROVEMENTS	PHASE 1 AND 2 NON-UTILITY IMPROVEMENTS	PHASE 1 AND 2 PARK AND RECREATION IMPROVEMENTS	PHASE 1 AND 2 PRIVATE IMPROVEMENTS	TOTAL
PHASE 1 AND 2 BOND RELATED COSTS					
DEBT SERVICE RESERVE	\$48,890	\$0	\$0	\$0	\$48,890
CAPITALIZED INTEREST	\$52,779	\$0	\$0	\$0	\$52,779
COSTS OF ISSUANCE	\$95,980	\$0	\$0	\$0	\$95,980
UNDERWRITER'S FEE	\$55,420	\$0	\$0	\$0	\$55,420
ADMINISTRATIVE EXPENSES	\$35,000	\$0	\$0	\$0	\$35,000
PRINCIPAL AMOUNT	\$8,514,000	\$0	\$0	\$0	\$8,514,000

B. Five Year Projection of Annual Installments

The anticipated principal amount of indebtedness (e.g., PID Bonds) for principal bonds and refund bonds assessed against Property B is \$8,514,000. The projected annual installments for the five-year period commencing with the year 2020 to the year 2024, if the City issues Refunding Bonds, the amount of the Phase 1 and 2 Improvements Assessments necessary to pay the amount of the Phase 1 and 2 Improvements Assessments necessary to pay the PID Bonds that are being refunded.

TABLE A.2.3						
CITY OF VENUS						
BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1						
PHASE 1 AND 2						
FIVE YEAR PROJECTION OF ADDITIONAL INSTALLMENTS						
TAX YEAR	BOND YEAR	PRINCIPAL AND REINTEREST	CAPITALIZED ADDITIONAL INTEREST	ADDITIONAL DEBT INTEREST	ADMINISTRATIVE EXPENSES	TOTAL
2020	2020	\$52,779	(\$52,779)	\$0	\$0	\$0
2021	2021	\$36,415	\$0	\$2,570	\$35,700	\$614,686
2022	2022	\$36,415	\$0	\$1,910	\$36,414	\$614,469
2023	2023	\$36,950	\$0	\$1,220	\$37,142	\$614,952
2024	2024	\$35,703	\$0	\$0,495	\$37,885	\$614,083

*Sum of Principal and Interest, Capitalized Interest, Additional Interest, and Administrative Expenses columns may not equal Total due to rounding.

1.1. Assessment Methodology for Phase 1 Assessment

TABLE 11.1							
CITY OF LOS ANGELES							
BAAHMAN RANCH AND PHASE 1							
PHASE 1							
AVERAGE BBAHMAN RANCH AND PHASE 1							
LDT TYPE	LDT SOTS	ESTIMATED VALUES					
		FINISHED LDT VALUES		BBAHMAN RANCH AND PHASE 1			
		AVERAGE PER LDT	TOTAL	AVERAGE PER HOME	TOTAL BBAHMAN RANCH AND PHASE 1	% OF TOTAL BBAHMAN RANCH AND PHASE 1	
70 70	3523	\$63,000,900	\$2,492,8002	\$55,0003	\$24,960,0001	91.42%	
60 60	343	\$63,90063,9	\$1,172,6002	\$45,0003	\$1,730,0001	8.58%	
TOTAL	3863		\$4,665,4002		\$36,690,000,6	100.00%	

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TABLE 11.22							
CITY OF TAMPA							
BAHAMAN RANCH ROAD No. 11							
PHASE 11A AND 11B							
ALLOCATION OF PHASE 11A AND 11B IMPROVEMENTS TO BUDGETED COSTS, ASSESSMENTS, PERSONAL AND INSTALLMENTS							
LOT TYPE	LOTS	% OF TOTAL BUDGET	PHASE 11A AND 11B AUTHORIZED IMPROVEMENTS	ASSESSMENTS TO BUDGETED COSTS	ALLOCATED TO ASSESSMENTS	ASSESSMENT PER LOT	AVERAGE PER ANNUAL INSTALLMENT PER LOT
7070	3523	91.42%	\$8,893,0165	\$6,331,5856	\$3,783,3747	\$2,111.2368	\$1,596.041
6060	343	8.58%	\$806,6278	\$94,3465	\$30,6267	\$1,488.992	\$1,551.081
TOTAL	TOTAL	100.00%	\$9,399,6439	\$6,925,9316	\$3,514,0008		

TABLE 11.3							
CITY OF TAMPA BAHAMIAN RAINFALL AND DRAINAGE PHASE 1 AND 2							
ESTIMATED UNIMPROVED ASSESSMENTS \$/SQ. YD.							
PHASE/LOT TYPE	LOT SIZE (SQ. YD.)	ALLOTTED LOT ASSESSMENT \$/SQ. YD.	ESTIMATED STREET FINISHED LOT VALUE	ESTIMATED STREET BUILDOUT UTIL VALUE	FINISHED LOT VALUE TO ALLOT ASSESSMENT \$/SQ. YD.	BUILDOUT UTIL VALUE TO ALLOT ASSESSMENT \$/SQ. YD.	
11	7070	352.3	\$7,783,374.7	\$2,492,800.2	\$24,960,000.1	2.892.89	16.0516.05
22	6060	34.3	\$30,626.7	\$1,172,600.2	\$1,730,000.1	2.972.97	16.0516.05
TOTAL		386.6	\$8,514,000.8	\$4,665,400.2	\$36,690,000.1	2.902.90	16.0516.05

C.Assessment TermsAssessment Terms

A lien will be established against the property assessed effective as of the date of the A lien will be established against the Assessment Ordinance levying the Assessment, ~~Privileged by law~~^{Ordinances} All liens, except for liens for assessment, privileged State, county, school district or municipal ad valorem taxes, including spillover delinquent liens, to the extent prior mortgage extent allowed by Section 372.018(b) of the Illinois Act of 1969, Sections 372-018(d)(4) shall impose a lien on the property collected in full from real property within from real property within the Abs B and C District consisting of the Assessed Property, ~~Property~~, the application of the procedures described below. Notwithstanding the above, through the application the Assessment lien shall be perfected immediately as to the entire assessment shall be perfected as to the Property Property executed only with respect to the amounts then due or past due if executed only with respect to the amount prior Annual Installment installment payment. Each Assessment shall terminate on the date the Assessment shall terminate Assessment Assessment, including unpaid paid all charges and Delinquent Collection Costs and Delinquent Collection any.

The Phase 1 and 2 Improvements Assessments and 2nd Assessment Roll for the Assessed Property Assessed Property as shown in the Phase 1 and 2 Assessment Roll attached hereto as Assessment A Roll. The aggregate aggregate Appendix Appen principal amount of the principal amount of the Phase 1 and 2 Improvements Assessments for the Assessed Property is \$995,000.66, \$951,000.00. A Table V below, in Table V, the Assessments are less than the benefit below, the Assessments conferred by the conferred by the Phase 1 and 2 Phase 1 and 2 Assessments and 2nd Assessment Roll for the Assessed Property.

No Assessment shall be changed hereafter except pursuant to the provisions provided for herein No Assessment shall or as permitted under the PID Act. or as assessed through the PID Act. Each Assessment Roll shall be updated to reflect interest rate on the PID Bonds following their pricing, interest rate on the PID Bonds set forth in the Administrative Code. The Administrator shall prepare updates to the Assessment Rolls annually approved by the Council prior to the start of the fiscal year. The payment of any Assessment in lump sum Assessments may be imposed upon consolidation of Parcels, (iii) the identification of the Parcel of each of each Assessed Property Assessed Property/ or any supplemental Assessments pursuant) the Assessments are subject to Section 372.019 of the PID Act, including any adjustments as provided in this Service and to Section 372.019 of the Assessment Plan, (v) the Administrative Expenses attributable to each Expense and (vi) any other changes permitted by law.changes permitted by law.

Upon the duly approved duly assessed Subdivision, if existing Parcel of a previously recorded subdivision plat, then the Subdivision for that Parcel shall be reallocated to the new the subdivided Parcel.

3.3. Apportionment of Assessment Upon Consolidation

Upon the consolidation of two or more Parcels, the Assessment for the resulting new Parcel shall be the resulting new equal to the sum of the Assessments for the Parcels which were consolidated.

4.4. Reduction in Assessments

If as a result of cost savings or an Authorized Improvement not being constructed, the Authorized Improvements Costs of completed Authorized Improvements are less than the Assessments, (i) in the event PID Bonds are the event PID Bonds are not issued, the City Council shall reduce each Assessment on a pro rata basis such that the sum of the resulting reduced Assessments for all Assessed Properties equals the reduced Authorized Improvements Costs, or (ii) in the event that PID Bonds are issued, the Authorized Improvements shall apply amounts on deposit in the applicable account of the Improvement Account of the Project Fund relating to the PID Bonds that are not expected to be used for purposes of the Improvement Fund relating to the Account of the Project Fund, to redeem outstanding PID Bonds. The Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds.

The City reserves and shall have the right and option to issue Refunding Bonds to refund the PID Bonds. In the event of issuance of Refunding Bonds, the Administrator shall recalculate the Annual Installments, and if necessary, may adjust the amount of the Annual Installments, and if necessary, may adjust the maturity dates of the Annual Installments, so that total Annual Installments of Assessments will be produced in annual amounts sufficient to pay the debt service on the Refunding Bonds when due and payable as required by and established in the Indenture. In no event shall any Assessment be increased above the outstanding Assessment set forth in the applicable Roll. As updated by an Annual Service Plan Update,

5.5. Payment and Collection of Assessments

The PID Act provides that an Assessment may be paid in full. If not paid in full, the PID Act authorizes the City to collect the outstanding Assessments. An Assessment that is not paid in full will be collected in installments each year in the Assessment Roll, which include interest on the outstanding balance of such Assessment and Administrative Expenses.

a.a. Optional Payment in Lump Sum

The Assessment for any Parcel may be paid in full at any time prior to the date of payment of the outstanding Assessment. The City may, at its option, accept payment of the Assessment in full at any time prior to the date of payment of the outstanding Assessment. The City may, at its option, accept payment of the Assessment in full at any time prior to the date of payment of the outstanding Assessment. The City may, at its option, accept payment of the Assessment in full at any time prior to the date of payment of the outstanding Assessment.

Upon the payment of the Assessment along with Prepayment Costs and Delinquent Collection Costs, the Assessment Lien shall be reduced by the amount of the payment. If the Assessment is not paid in full, the City shall be authorized to sign a hereby authorized release of the Assessment lien of the Assessment Lien for the parcel. The form shall be determined by the City, but shall comply with State law.

b.b. Mandatory Payment in Lump

A mandatory prepayment of all or a portion, as applicable, of an Assessment (i) may be required pursuant to Section 9.02.01.01 if the Assessment is required for a portion of the Property or a portion thereof which is Non-Benefited Property through a Benefited Property that is exempt from transfer to a party other than the owner of the Property. The payment of the Assessment under applicable law shall be the responsibility of the owner of the Property. If an Assessment is levied will an Assessment be levied on the Benefited Property in the case of the preceding romanette (i), the Mandatory Assessment Prepayment is equal to the amount of the Assessment which any Assessment reallocated to a subdivided Parcel exceeds the Assessment or sum of which any Assessment for the applicable Phase and Lot Type or Lot Types for Assessments for the applicable Phase and Lot Types. In the case of the preceding romanette (ii), the Mandatory Assessment Prepayment is equal to the amount of the Assessment applicable to the Mandatory Assessment Prepayment Costs and Delinquent Collection Costs and Delinquent Collection Costs.

Upon determination by the Administrator that a subdivision plat has been approved by the City and before recordation of such plat, the Administrator shall evaluate if a with the County, the Administrator shall calculate the amount of the Mandatory Assessment Prepayment including Prepayment Costs and Delinquent Collection Costs and Delinquent Collection Costs, and provide such Mandatory Assessment Prepayment calculation to the City and to the owner of the property. The property owner shall be responsible for the Mandatory Assessment Prepayment. The property owner shall pay such Mandatory Assessment Prepayment before recordation of the subdivision plat, provided that, however, such Mandatory Assessment Prepayment shall be paid Prepayment shall be (30) days after provision of the no later than thirty (30) days after provision of the Mandatory Assessment Prepayment amount Mandatory Assessment Prepayment.

Similarly, following the earlier of (i) notice to the City and the Administrator by the owner of the Assessed Property of such that all or a portion of the Assessed Property will or has become Benefited Property or (ii) upon determination by the City and/or Administrator of the Assessed Property of the Administrator shall calculate the amount of the applicable Mandatory Assessment Prepayment and provide such Mandatory Assessment Prepayment calculation to the City and to the owner of such property. The property owner shall be responsible for the Mandatory Assessment Prepayment. The property owner shall pay such Mandatory Assessment Prepayment before recordation of the subdivision plat, provided that, however, such Mandatory Assessment Prepayment shall be paid Prepayment shall be (30) days after provision of the no later than thirty (30) days after provision of the Mandatory Assessment Prepayment amount Mandatory Assessment Prepayment.

The Assessments are personal obligations of the person owning a The Assessed Property and Assessment Obligations of the year an year an Annual Assessment Mandatory Assessment Prepayment be Mandatory Assessment Prepayment, and the extent of such Annual Installment(s) the Extent of Mandatory Assessment Prepayment(s) and/or Mandatory Assessment

sale of property for nonpayment of the sale of property for (a) by the Mandatory Assessment and/or Mandatory
Prepayment(s) Prepayment(s) to the lien established for the remaining unpaid shall be subject to the lien establi
Installment(s) against such Parcel and such Parcel may again be sold at a judicial foreclosure may again be sold at
sale if the purchaser thereof fails to make timely payment of the amount of the lien payment of the amount
Installment(s) against such Parcel as they become due and payable pay Parcel as they become due and

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A.A Administrative Review Administrative Review

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City of Venus

Brahman Ranch Public Improvement District No. 1

APPENDIX A

ASSESSMENT RESULTS

~~APPENDIX A~~
~~APPENDIX A~~

~~PHASE I AND 2005 ASSESSMENT RESULTS~~

CITY OF VENUS, TEXASCITY OF VENUS, TEXAS
BRAHMAN RANCH PID NO. 1BRAHMAN RANCH PID NO. 1

PHASE 1 AND 2 ASSESSMENT ROLLPHASE 1 AND 2 ASSESSMENT ROLL

TAX YEAR	BOND YEAR	BOND YEAR	BOND YEAR	BOND DEBT SERVICE TOTAL	BOND DEBT SERVICE PRINCIPAL	BOND DEBT SERVICE INTEREST	CAPITALIZED INTEREST	ADDITIONAL INTEREST	ADDITIONAL RESERVE	ADDITIONAL EXPENSES	TOTAL ANNUAL	TOTAL ANNUAL
2020	2020	2021	2021	\$152,779.00	\$152,779.00	\$0.00	\$0.00	\$152,779.00	\$152,779.00	\$0.00	\$0.00	\$0.00
2021	2021	2022	2022	\$536,415.01	\$536,415.01	\$132,000.00	\$132,000.00	\$404,415.01	\$404,415.01	\$0.00	\$0.00	\$42,570.00
2022	2022	2023	2023	\$536,145.01	\$536,145.01	\$138,000.00	\$138,000.00	\$398,145.01	\$398,145.01	\$0.00	\$0.00	\$41,910.00
2023	2023	2024	2024	\$536,590.01	\$536,590.01	\$145,000.00	\$145,000.00	\$391,590.01	\$391,590.01	\$0.00	\$0.00	\$41,220.00
2024	2024	2025	2025	\$535,702.51	\$535,702.51	\$151,000.00	\$151,000.00	\$384,702.51	\$384,702.51	\$0.00	\$0.00	\$40,495.00
2025	2025	2026	2026	\$536,530.01	\$536,530.01	\$159,000.00	\$159,000.00	\$377,530.01	\$377,530.01	\$0.00	\$0.00	\$39,740.00
2026	2026	2027	2027	\$535,977.51	\$535,977.51	\$166,000.00	\$166,000.00	\$369,977.51	\$369,977.51	\$0.00	\$0.00	\$38,945.00
2027	2027	2028	2028	\$536,092.51	\$536,092.51	\$174,000.00	\$174,000.00	\$362,092.51	\$362,092.51	\$0.00	\$0.00	\$38,115.00
2028	2028	2029	2029	\$536,827.51	\$536,827.51	\$183,000.00	\$183,000.00	\$353,827.51	\$353,827.51	\$0.00	\$0.00	\$37,245.00
2029	2029	2030	2030	\$536,135.01	\$536,135.01	\$191,000.00	\$191,000.00	\$345,135.01	\$345,135.01	\$0.00	\$0.00	\$36,330.00
2030	2030	2031	2031	\$537,062.51	\$537,062.51	\$201,000.00	\$201,000.00	\$336,062.51	\$336,062.51	\$0.00	\$0.00	\$35,375.00
2031	2031	2032	2032	\$536,515.01	\$536,515.01	\$210,000.00	\$210,000.00	\$326,515.01	\$326,515.01	\$0.00	\$0.00	\$34,370.00
2032	2032	2033	2033	\$536,540.00	\$536,540.00	\$220,000.00	\$220,000.00	\$316,540.00	\$316,540.00	\$0.00	\$0.00	\$33,320.00
2033	2033	2034	2034	\$537,090.00	\$537,090.00	\$231,000.00	\$231,000.00	\$306,090.00	\$306,090.00	\$0.00	\$0.00	\$32,220.00
2034	2034	2035	2035	\$537,117.51	\$537,117.51	\$242,000.00	\$242,000.00	\$295,117.51	\$295,117.51	\$0.00	\$0.00	\$31,065.00
2035	2035	2036	2036	\$537,622.50	\$537,622.50	\$254,000.00	\$254,000.00	\$283,622.50	\$283,622.50	\$0.00	\$0.00	\$29,855.00
2036	2036	2037	2037	\$537,557.50	\$537,557.50	\$266,000.00	\$266,000.00	\$271,557.50	\$271,557.50	\$0.00	\$0.00	\$28,585.00
2037	2037	2038	2038	\$537,922.51	\$537,922.51	\$279,000.00	\$279,000.00	\$258,922.51	\$258,922.51	\$0.00	\$0.00	\$27,255.00
2038	2038	2039	2039	\$538,670.01	\$538,670.01	\$293,000.00	\$293,000.00	\$245,670.01	\$245,670.01	\$0.00	\$0.00	\$25,860.00
2039	2039	2040	2040	\$538,752.51	\$538,752.51	\$307,000.00	\$307,000.00	\$231,752.51	\$231,752.51	\$0.00	\$0.00	\$24,395.00
2040	2040	2041	2041	\$540,170.00	\$540,170.00	\$323,000.00	\$323,000.00	\$217,170.00	\$217,170.00	\$0.00	\$0.00	\$22,860.00
2041	2041	2042	2042	\$539,827.50	\$539,827.50	\$338,000.00	\$338,000.00	\$201,827.50	\$201,827.50	\$0.00	\$0.00	\$21,245.00
2042	2042	2043	2043	\$540,772.50	\$540,772.50	\$355,000.00	\$355,000.00	\$185,772.50	\$185,772.50	\$0.00	\$0.00	\$19,555.00
2043	2043	2044	2044	\$541,910.00	\$541,910.00	\$373,000.00	\$373,000.00	\$168,910.00	\$168,910.00	\$0.00	\$0.00	\$17,780.00
2044	2044	2045	2045	\$542,192.50	\$542,192.50	\$391,000.00	\$391,000.00	\$151,192.50	\$151,192.50	\$0.00	\$0.00	\$15,915.00
2045	2045	2046	2046	\$543,620.00	\$543,620.00	\$411,000.00	\$411,000.00	\$132,620.00	\$132,620.00	\$0.00	\$0.00	\$13,960.00
2046	2046	2047	2047	\$544,097.50	\$544,097.50	\$431,000.00	\$431,000.00	\$113,097.50	\$113,097.50	\$0.00	\$0.00	\$11,905.00
2047	2047	2048	2048	\$544,625.00	\$544,625.00	\$452,000.00	\$452,000.00	\$92,625.00	\$92,625.00	\$0.00	\$0.00	\$9,750.00
2048	2048	2049	2049	\$546,155.00	\$546,155.00	\$475,000.00	\$475,000.00	\$71,155.00	\$71,155.00	\$0.00	\$0.00	\$7,490.00
2049	2049	2050	2050	\$547,592.50	\$547,592.50	\$499,000.00	\$499,000.00	\$48,592.50	\$48,592.50	\$0.00	\$0.00	\$5,115.00
2050	2050	2051	2051	\$548,890.00	\$548,890.00	\$524,000.00	\$524,000.00	\$24,890.00	\$24,890.00	\$0.00	\$0.00	\$2,620.00
TOTAL				\$16,333,896.65	\$16,333,896.65	\$8,574,190.00	\$8,574,190.00	\$7,819,706.65	\$7,819,706.65	\$0.00	\$0.00	\$14,484,280.43

APPENDIX B

PID BOUNDARY VIEW DESCRIPTION

APPENDIX B

Being a tract of land situated in the L. Kelsey Survey, Abstract No. 594, the J. Bateman Survey, Abstract No. 103, the H. Slaughter Survey, Abstract No. 1016, the J. Jackson Survey, Abstract No. 560, the S. Price Survey, Abstract No. 860 and the J. McQuatters Survey, Abstract No. 781, Ellis County, Texas, and being all of those tracts of land described in Deeds to Richard K. Miskimon and Sheri Miskimon, a called 162.33 acre tract recorded in Volume 1509, Page 164, of the Official Public Records of Ellis County, Texas (OPRECT), a called 10.000 acre tract 1 and a 0.6498 acre tract 2, recorded in Volume 2334, Page 1793, a called 71.813 acre tract, recorded in Volume 1841, Page 2039, OPRECT, a called 170.0456 acre tract, recorded in Volume 1209, Page 293, OPRECT, and being all of a called 30.0 acre Lot 1, Southland Addition, recorded in Cabinet C, Slide 512, OPRECT, a portion of a called 10.00 acre tract 1, Armstrong Creek Addition, recorded in Cabinet C, Page 26, OPRECT and a portion of those tracts of land described in Deed to Richard K. Miskimon and Sheri Miskimon, a called 97.8915 acre tract, recorded in Volume 1890, Page 1798, OPRECT and a called 23.738 acre tract, recorded in Volume 1910, Page 20, OPRECT; and being more particularly described as follows:

BEGINNING at a 5/8" iron rod with cap stamped "TXRCS" set for the Northeast corner of a tract of land described in Deed to Jason D. Stottlemire and Jill S. Stottlemire, recorded in Volume 1890, Page 1778, OPRECT, in the East line of said Miskimon called 97.8915 acre tract, the East line of said Armstrong Addition and the West right-of-way (row) line of F.M. Highway No. 157 (a variable width row) from which a 1/2" iron rod found for the Southeast corner of said Armstrong Addition bears, S 28° 23' 58" E, a distance of 276.18 feet;

THENCE S 61° 32' 18" W, along the North line of said Stottlemire tract, a distance of 1046.66 feet to a 1/2" iron rod found for the Northwest corner of said Stottlemire tract;

THENCE S 28° 14' 31" E, along the West line of said Stottlemire tract, passing at a distance of 412.11 a 1/2" iron rod found for the Southwest corner of said Stottlemire tract and the common Northwest corner of a tract of land described in Deed to Timothy D. Stottlemire and Linda K. Stottlemire, recorded in Volume 2692, Page 1143, OPRECT, a total distance of 825.08 feet to a 5/8" iron rod with cap stamped "TXRCS" set for the Southwest corner of said Timothy Stottlemire tract, in the South line of said Miskimon called 97.8915 acre tract and the common North line of a tract of land described in Deed to Byrum Ranch, recorded in Volume 2766, Page 1608, OPRECT;

THENCE S 62° 04' 43" W, along the North line of said Byrum Ranch tract and the common South line of said Miskimon called 97.8915 acre tract, a distance of 2428.83 feet to 1/2" iron rod found for the Northwest corner of said Byrum Ranch tract at an angle point in the East line of a tract of land described in Deed to Byrum Ranch, recorded in Volume 2171, Page 479, and being at an angle point in the South line of said Miskimon called 97.8915 acre tract;

THENCE N 29° 42' 13" W, along the East line of said Byrum tract and a West line of said Miskimon called 97.8915 acre tract, a distance of 296.13 feet to a 1/2" iron rod found for the Northeast corner of said Byrum tract and an interior ell corner of said Miskimon called 97.8915 acre tract;

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THENCE S 59° 56' 03" W, along the North line of said Byrum Ranch tract and the common South line of said Miskimon called 97.8915 acre tract, passing at a distance of 1269.69 feet a point for the Northeast corner of a tract of land described in Deed to Robyn R. Farrell and Phillip W. Farrell, recorded in Volume 2231, Page 1871, OPRECT, a total distance of 2175.26 feet to a 1/2" iron rod found for the Southwest corner of said Miskimon called 97.8915 acre tract, from which a 1/2" iron rod found for the Southeast corner of a tract of land described in Deed to OBK Realty, LLC, recorded in Instrument No. 1807542, OPRECT, bears N 86° 14' 12" E, a distance of 27.70 feet;

THENCE N 33° 09' 57" W, along the West line of said Miskimon called 97.8915 acre tract, a distance of 635.80 feet to a 5/8" iron rod with cap stamped "TXRCS" set for the Northwest corner of said Miskimon called 97.8915 acre tract and the common Southwest corner of said Miskimon called 71.813 acre tract, from which a 1/2" iron rod found for the Southeast corner of said Miskimon called 71.813 acre tract bears N 63° 45' 19" E, a distance of 620.47 feet;

THENCE N 13° 44' 01" W, along the West line of said Miskimon called 71.813 acre tract a distance of 2447.39 feet to a 1/2" iron rod found for the Northwest corner of said Miskimon called 71.813 acre tract, from which a 1/2" iron rod found for an interior ell corner of said OBK Realty tract bears S 43° 34' 18" W, a distance of 7.89 feet;

THENCE N 59° 17' 11" E, along the North line of said Miskimon called 71.813 acre tract, passing at a distance of 351.63 feet a 1/2" iron rod found for an ell corner in the East line of said OBK Realty tract and a called Southwest corner of a tract of land described in Deed to Reuel C. Hendrick and Wanda O. Hendrick, bears S 30° 42' 49" E, a distance of 2.00 feet, passing at a distance of 790.68 feet a 1/2" iron rod bears S 30° 42' 49" E, a distance of 2.00 feet a total distance of 1592.77 feet to a 1/2" iron rod found for the Northeast corner of said Miskimon called 71.813 and the Northwest corner of said Miskimon called 170.0456 acre tract 1 from which a 1/2" iron rod found for an angle point in the East line of said Miskimon called 71.813 acre tract and the West line of said Miskimon called 170.0456 acre tract bears S 09° 06' 39" E, a distance of 1435.52 feet;

THENCE N 59° 12' 54" E, along the North line of said Miskimon called 170.0456 acre tract and the called South line of said Hendrick tract, a distance of 828.57 feet to a 5/8" iron rod with cap stamped "TXRCS" set for the Northeast corner of said Miskimon called 170.0456 acre tract and the common Southeast corner of said Hendrick tract, in the East line of said Miskimon called 162.33 acre tract, in a called abandoned County Road, from which a 1/2" iron rod bears N 59° 00' 41" E, a distance of 24.26 feet and a 1/2" iron rod found for the Southwest corner of said Miskimon called 162.33 acre tract and an interior ell corner of said Miskimon called 170.0456 acre tract, bears S 30° 42' 49" E, a distance of 804.10 feet;

THENCE N 30° 42' 04" W, along the West line of said Miskimon called 162.33 acre tract and the common East line of said Hendrick tract and a called abandoned County Road, a distance of 2041.79 feet to a 1/2" iron rod found for the Northwest corner of said Miskimon called 162.33 acre tract and the common Southwest corner of said Miskimon called 23.738 acre tract;

THENCE N 30° 31' 33" W, along the West line of said Miskimon called 23.738 acre tract and the common West line of said Hendrick tract and a called abandoned County Road, a distance of

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1254.57 feet to a 2" pipe found for the Northwest corner of said Miskimon called 23.738 acre tract, in the South row line of FM Highway NO. 2258 (a variable width row), from which a 1/2" iron rod found bears S 05° 28' 07" W, a distance of 3.44 feet;

THENCE N 60° 35' 27" E, along the North line of said Miskimon called 23.738 acre tract and the common South row line of said FM Highway No. 2258, a distance of 625.35 feet to a 5/8" iron rod with cap stamped "TXRCS" set for corner;

THENCE, over and across said Miskimon called 23.738 acre tract, as follows:

S 22° 49' 02" E, a distance of 455.76 feet to a 5/8" iron rod with cap stamped "TXRCS" set for corner;

N 57° 28' 58" E, a distance of 267.31 feet to a 5/8" iron rod with cap stamped "TXRCS" set for corner in the East line of said Miskimon called 23.738 acre tract and the common West line of a tract of land described in Deed to Barnett Gathering, LP, recorded in Volume 2283, Page 315, OPRECT;

THENCE S 30° 31' 11" E, along the East line of said Miskimon called 23.738 acre tract and the common West line of said Barnett Gathering tract, a distance of 797.25 feet to a 1/2" iron rod found for the Southeast corner of said Miskimon called 23.738 acre tract and the common Southwest corner of said Barnett Gathering tract, in the North line of said Miskimon called 162.33 acre tract;

THENCE N 58° 54' 05" E, along the North line of said Miskimon called 162.33 acre tract, the South line of said Barnett Gathering tract, the South line of a tract of land described in Deed to Joe Lee, recorded in Volume 866, Page 629, OPRECT, and the South line of the remainder of a tract of land described in Deed to V.V. Lee, recorded in Volume 332, Page 541, OPRECT, a distance of 1840.83 feet to a 5/8" iron rod with cap stamped "TXRCS" set for the Northeast corner of said Miskimon called 162.33 acre tract and the common Southeast corner of said Lee tract in the West line of the remainder of a tract of land described in Deed to Joe Lee and Margaret Lee, recorded in Volume 471, Page 280, OPRECT, in a called abandoned County Road;

THENCE S 30° 14' 10" E, along the East line of said Miskimon called 162.33 acre tract and the common West line of said tract and the called abandoned County Road, passing at a distance of 1260.87 feet the Northeast corner of said Miskimon called 10.000 acre tract 1, passing at a distance of 1360.87 feet a 1/2" iron rod found for witness, total distance of 1517.26 feet to a 5/8" iron rod with cap stamped "TXRCS" set for the Northwest corner of said Miskimon called 0.6498 acre tract 2 and the called Southwest corner of said Joe Lee tract;

THENCE N 30° 16' 37" E, along the North line of said Miskimon called 0.6498 acre tract and the common South line of said Joe Lee tract, a distance of 127.66 feet to a 5/8" iron rod with cap stamped "TXRCS" set for the Northeast corner of said Miskimon called 0.6498 acre tract in the West row line of said FM Highway No. 157;

THENCE, along the West row line of said FM Highway No. 157 and the common East line of said Miskimon called of said Miskimon called 0.6498 acre tract 2, called 10.000 acre tract 1,

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called 162.33 acre tract, called 170.0456 acre tract, Southland Addition, called 97.8915 acre tract and Armstrong Addition, the following:

S 17° 34' 34" E, a distance of 124.94 feet to a 5/8" iron rod with cap stamped "TXRCS" set for the beginning of a tangent curve to the left, having a radius of 3864.72 feet, a chord bearing S 23° 52' 34" E, a chord length of 848.18 feet;

Along said curve to the left, passing at an arc distance of 571.58 a 1/2" iron rod found for the South corner of said Miskimon called 0.6498 acre tract, a total arc length of 849.90 feet to a 5/8" iron rod with cap stamped "TXCRS" set for corner; S 30° 14' 10" E, passing at a distance of 1326.42 feet a 3/8" iron rod found for the Northeast corner of said Southland Addition a Southeast corner of said Miskimon called 170.0456 acre tract, a total distance of 1478.42 feet to a 1/2" iron rod found for the beginning of a non-tangent curve to the right having a radius of 4902.48 feet, a chord bearing S27° 29' 30" E, a chord length of 481.92 feet;

Along said curve to the right an arc length of 482.11 feet to 1/2" iron rod found for corner;

S 12° 01' 43" E, a distance of 42.09 feet to 1/2" iron rod found for the Southeast corner of said Southland Addition, a Northeast corner of said Miskimon 170.0456 acre tract and the beginning of a non-tangent curve to the left, having a radius of 3864.72 feet, a chord bearing S 26° 06' 03" E, a chord length of 245.09 feet;

Along said curve to the left, an arc length of 245.13 feet to a 1/2" iron rod found for corner;

S 27° 57' 40" E, a distance of 3.92 feet to a 3/8" iron rod found for the Southeast corner of said Miskimon called 170.0456 acre tract and the common Northeast corner of said Miskimon called 97.8915 acre tract and the called Northeast corner of said Armstrong Estates;

S 28° 23' 58" E, a distance of 20.27 feet to the Point of Beginning and containing 534.110 acres of land, more or less.

SAVE & EXCEPT from the above described tract of land as follows:

BEING a tract of land situated in the S. PRICE SURVEY, ABSTRACT NO. 860 and the J. MCQUATTERS SURVEY, ABSTRACT NO. 781, Ellis County, Texas and being a portion of that tract of land described in deed to Richard K. Miskimon and Sheri Miskimon, recorded in Volume 1209, Page 293 of the Official Public Records of Ellis County, Texas (OPRECT), and being more particularly described, as follows:

COMMENCING at a 1/2" iron rod found for the Southeast corner of a called 30.0 acre lot 1, Southland Addition, an addition to Ellis County, Texas, recorded in Cabinet C, Slide 512, OPRECT and a common Northeast corner of said Miskimon tract, same being in the West ROW line of FM Highway NO. 157 (a variable width right-of-way);

THENCE S 74°42'43" W, along the South line of said Southland Addition and a common North line of said Miskimon tract, a distance of 2300.00 feet;

THENCE S 82°24'24" W, over and across said Miskimon tract, a distance of 34.24 feet to a 5/8" iron rod with cap stamped "TXRCS" set for the POINT OF BEGINNING;

THENCE continuing over and across said Miskimon tract, as follows:

S 06°42'05" E, a distance of 200.50 feet to a 5/8" iron rod with cap stamped "TXRCS" set for corner;

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S 11°54'34" E, passing at a distance of 200.00 feet a 5/8" iron rod with cap stamped "TXRCS" set for witness, a total distance of 346.37 feet to a point for corner in a pond;

S 77°38'54" W, passing at a distance of 200.00 feet a 5/8" iron rod with cap stamped "TXRCS" set for witness, a total distance 263.20 feet to a 5/8" iron rod with cap stamped "TXRCS" set for corner;

N 10°41'14" W, a distance of 101.06 feet to a 5/8" iron rod with cap stamped "TXRCS" set for corner;

N 06°23'34" W, a distance of 343.83 feet to a 5/8" iron rod with cap stamped "TXRCS" set for corner;

N 04°05'38" E, a distance of 56.87 feet to a 5/8" iron rod with cap stamped "TXRCS" set for corner;

N 58°00'14" E, a distance of 233.25 feet to a 5/8" iron rod with cap stamped "TXRCS" set for corner;

S 32°48'31" E, a distance of 32.09 feet to the POINT OF BEGINNING, and containing 3.038 acres of land, more or less.

SAVE & EXCEPT from the above described tract of land as follows:

BEING a tract of land situated in the S. PRICE SURVEY, ABSTRACT NO. 860, Ellis County, Texas and being a portion of a called 30.0 acre Lot 1, Southland Addition, an addition to Ellis County, Texas, recorded in Cabinet C, Slide 512 of the Official Public Records of Ellis County, Texas (OPRECT), and being more particularly described, as follows:

COMMENCING at a 1/2" iron rod found for the Southeast corner of said Southland Addition and a common Northeast corner of that tract of land described in deed to Richard K. Miskimon and Sheri Miskimon, recorded in Volume 1209, Page 293, OPRECT, same being in the West row line of FM Highway No. 157 (a variable width right-of-way);

THENCE S 74°42'43" W, along the South line of said Southland addition and a common North line of said Miskimon tract, a distance of 2300.00 feet to a point for the Southwest corner of said Southland addition and an interior ell corner of said Miskimon tract;

THENCE N 15°17'17" W, along the West line of said Southland addition and a common East line of said Miskimon tract, a distance of 46.18 feet to a 5/8" iron rod with cap stamped "TXRCS" set for the point of beginning;

THENCE N 15°17'17" W, continuing along said common line, a distance of 188.96 feet to a 5/8" iron rod with cap stamped "TXRCS" set for corner;

THENCE over and across said Southland addition, as follows:

N 59°04'06" E, a distance of 249.61 feet to a 5/8" iron rod with cap stamped "TXRCS" set for corner;

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S 29°45'37" E, a distance of 166.16 feet to a 5/8" iron rod with cap stamped "TXRCS" set for corner;

S 01°04'41" W, a distance of 17.05 feet to a 5/8" iron rod with cap stamped "TXRCS" set for corner;

S 59°15'45" W, a distance of 213.01 feet to a 5/8" iron rod with cap stamped "TXRCS" set for corner;

S 57°28'00" W, a distance of 75.15 feet to the point of beginning, and containing 1.129 acres of land, more or less.

SAVE & EXCEPT from the above described tract of land as follows:

BEING all that certain lot, tract, or parcel of land lying in the L. KELSEY SURVEY, ABSTRACT NO. 594, in Ellis County, Texas, and being a part of a called 23.738ac tract of land described in Volume 1910, Page 20, Official Public Records, Ellis County, Texas, (OPRECT), and being more particularly described as follows:

BEGINNING at a 1/2" steel rod set in the Southeast line of F.M. 2258, (a state road) for the North corner of this tract and same for the said 23.738 acre tract and being the West corner of a called 4.83 acre tract of land described in Volume 2283, Page 315, OPRECT;

THENCE S 30° 08' 09" E, 438.34 feet, (Deed- Record bearing basis) along the Northeast line of this tract and same for the said 23.738 acre tract and along the Southwest line of the called 4.83 acre tract to a 1/2" steel rod fond set for the East corner of this tract;

THENCE into the said 23.738 acre tract and along the Southeast and Southwest lines of this tract as follows:

S 57° 52' 00" W, 267.31 feet to a 1/2" steel rod set for the South corner of this tract; and N 22° 26' 00" W, 455.79 feet to a 1/2" steel rod set in the Northwest line of the 23.738 acre tract and in the Southeast line of F.M. 2258 for the West corner of this tract;

THENCE N 60° 59' 01" E, 206.10 feet (Plat-N 60° 59'00" E) along the Northwest line of this tract and same for the called 23.738 acre tract and along the Southeast line of F.M. 2258 to the POINT OF BEGINNING, and containing approximately 2.415 acres of land.

Note: The Company is prohibited from insuring the area or quantity of the land described herein. *Any statement in the above legal description of the area or quantity of land is not a representation that such area or quantity is correct, but is made only for information and/or identification purposes and does not override item 2 of Schedule B hereof.*

Being a tract of land situated in the J. BATEMAN SURVEY, Abstract No. 103, Ellis County, Texas, and being a portion of that tract of land described in Deed to Reuel C. Hendrick and wife, Wanda O. Hendrick, recorded in Volume 556 Page 213, of the Official Public records of Ellis County, Texas (OPRECT), and being more particularly described as follows:

BEGINNING at a 1/2" iron pipe found (IPF) for the Northeast corner of that tract of land described in Deed to Rodney McCown and Gale Ann McCown, recorded in Instrument No. 1834411, OPRECT, and in the North line of said Hendrick tract and the common South right-of-way (ROW) line of FM Highway No. 2258 (FM 2258) (a variable width row), from which a 1/2" iron rod found (IRF) for a point of curvature in the North line of said McCown tract and the common South row line of said FM 2258 bears N 67°12'28" E, a distance of 165.05 feet;

THENCE along the North lines of said Hendrick tract and the common South row lines of said FM 2258, as follows:

N 66°17'10" E, a distance of 33.03 feet to a 1/2" irf for an angle point in said common line;

N 59°51'10" E, a distance of 645.19 feet to a 5/8" iron rod with cap stamped "TXRCS" set for an angle point in said common line, and the Northwest corner of that tract of land described in Deed to Richard E. Swain and wife, Jennifer L Swain, recorded in Volume 2256, Page 645, OPRECT, from which a 1/2" IRF for an angle point in the North line of said Swain tract and the common South row line of said FM 2258 bears N 54°08'32" E, a distance of 150.75 feet;

THENCE S 21°33'20" E, along the West line of said Swain tract, a distance of 1150.51 feet to a 5/8" iron rod with cap stamped "TXRCS" set for the Southwest corner of said Swain tract;

N 58°37'33" E, along the South line of said Swain tract, a distance of 829.57 feet to a 5/8" iron rod with cap stamped "TXRCS" set for the Southeast corner of said Swain tract;

N 27°58'31" W, along the East line of said Swain tract, a distance of 474.82 feet to a 5/8" iron rod with cap stamped "TXRCS" set for corner;

THENCE N 58°47'11" E, over and across said Hendrick tract, a distance of 607.53 feet to a 5/8" iron rod with cap stamped "TXRCS" set for corner in the East line of said Hendrick tract and the common West line of that tract of land described in Deed to Richard K. Miskimon and Sheri R. Miskimon, recorded in Instrument No. 1808509, OPRECT, from which a 1/2" IRF for the Northeast corner of said Hendrick tract bears N 30°36'40" W, a distance of 616.91 feet;

THENCE along the common lines between said Hendrick tract and said Miskimon tract, as follows:

S 30°36'40" E, a distance of 604.79 feet to a 1/2" IRF for an angle point in said common line;

S 30°42'04" E, a distance of 2041.79 feet to a 5/8" iron rod with cap stamped "TXRCS" found for the Southeast corner of said Hendrick tract and a common interior ell corner of said Miskimon tract, from which a 1/2" iron rod found bears N 59°12'54" E, a distance of 24.00 feet;

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S 59°12'16" W, passing a 1/2" IRF at a distance of 828.57 feet, in all a total distance of 2069.70 feet to a 1/2" ipf for the Southwest corner of said Hendrick tract and a common exterior ell corner of that tract of land described in Deed to OBK Realty, LLC, recorded in Instrument No. 1807542, OPRECT, from which a 1/2" IRF for an interior ell corner of said OBK Realty tract and a common exterior ell corner of said Miskimon tract bears S 59°16'33" W, a distance of 359.25 feet;

THENCE along the common lines between said Hendrick tract and said OBK Realty tract, as follows:

N 25°27'42" W, a distance of 1526.43 feet to a fence corner found for an interior ell corner of said Hendrick tract and a common exterior ell corner of said OBK Realty tract;

S 59°41'36" W, a distance of 1172.26 feet to a fence corner found for an exterior ell corner of said Hendrick tract and a common interior ell corner of said OBK Realty tract;

N 07°25'02" W, a distance of 1467.33 feet to a 5/8" iron rod with cap stamped "TXRCS" set for an exterior ell corner of said Hendrick tract and the common Southwest corner of said McCown tract;

THENCE along the common lines between said Hendrick tract and said McCown tract, as follows:

N 60°10'39" E, a distance of 378.86 feet to a 3/4" IRF for an interior ell corner of said Hendrick tract and the common Southeast corner of said McCown tract;

N 07°10'56" W, a distance of 476.08 feet to the Point of Beginning, and containing 148.367 acres of land, more or less.

Note: The Company is prohibited from insuring the area or quantity of the land described herein. Any statement in the above legal description of the area or quantity of land is not a representation that such area or quantity is correct, but is made only for information and/or identification purposes and does not override item 2 of Schedule B hereof.

APPENDIX C

PHASE	INSTRUMENT	LEGAL DESCRIPTION	DESCRIPTION
1	1950	1000	1000
2	1950	1000	1000
3	1950	1000	1000
4	1950	1000	1000
5	1950	1000	1000
6	1950	1000	1000
7	1950	1000	1000
8	1950	1000	1000
9	1950	1000	1000
10	1950	1000	1000
11	1950	1000	1000
12	1950	1000	1000
13	1950	1000	1000
14	1950	1000	1000
15	1950	1000	1000
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80	1950	1000	1000
81	1950	1000	1000
82	1950	1000	1000
83	1950	1000	1000
84	1950	1000	1000
85	1950	1000	1000
86	1950	1000	1000
87	1950	1000	1000
88	1950	1000	1000
89	1950	1000	1000
90	1950	1000	1000

Being a 139.28 acres (6,067,270 Square Feet) tract of land situated in the S.B. Price Survey, Abstract No. Being a 139.28 a
860, the Leeman Kelsey Survey, Abstract No. 594 and the J.E. McQuatter Survey, Abstract No. 781, City 860, the Leeman
of Venus, Ellis County, Texas; being a portion of Venus, Ellis County, Texas (being a portion called of that called 200.046 a
97.8915 acres (tract 5), conveyed to Fall Creek Land & Cattle, LLC., of record in Document No. 201897.8915 acres (tract 5)
1808509, Deed Records, Ellis County, Texas, (D.R.E.C.T.) and more particularly described by metes and 1808509, Deed Rec
bounds as follows:

bounds as follows:

THENCE, South 28°27'42" East, 580.53 feet to a point; THENCE, South 28°27'42" East, 580.53 feet to a point;
THENCE, North 61°32'18" East, 79.73 feet to a point marking the beginning of a curve to the left; THENCE, North 61°32'18"
6.94 feet along said curve to the left having a radius of 11.00 feet, a delta angle of 36°07'44" and a chord 6.94 feet along
bearing North 43°28'26" East, 6.82 feet to a point; bearing North 43°28'26" East, 6.82 feet to the right; 42.25 point marking the
feet along said curve to the right having a radius of 67.00 feet, a delta angle of 36°07'44" and a chord feet along said curv
bearing North 43°28'26" East, 41.55 feet to a point; bearing North 43°28'26" East, 41.55 feet to a point;

THENCE, South 61°32'18" East, 79.73 feet to a point;THENCE, South 61°32'18" East, 79.73 feet to a point;
THENCE, South 28°27'42" East, 1130.00 feet to a point;THENCE, South 28°27'42" East, 1130.00 feet to a point;
THENCE, North 61°32'18" East, 73.04 feet to a point marking the beginning of a curve to the left;THENCE, North 61°32'18" East, 6.94 feet along said curve to the left having a radius of 11.00 feet, a delta angle of 36°07'44" and a chord ve to the left ha
bearing North 43°28'26" East, 6.82 feet to a point marking the beginning of a curve to the right; 42.25 bearing North 43°2
feet along said curve to the right having a radius of 67.00 feet, a delta angle of 36°07'44" and a chord to the right ha
bearing North 43°28'26" East, 41.55 feet to a point;bearing North 43°28'26" East, 41.55 feet to a point;

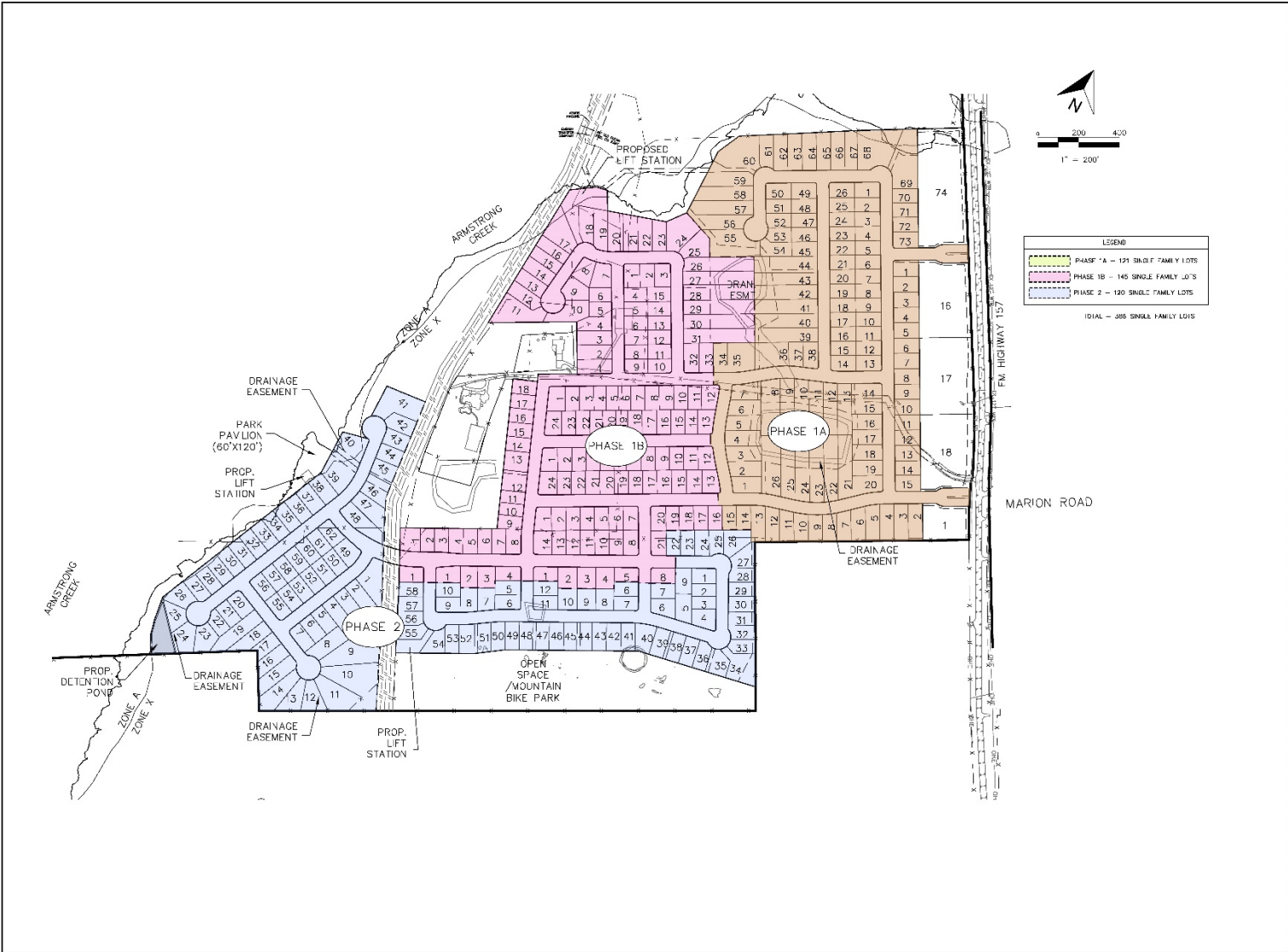
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Page 349 of 606

THENCE, North 68°11'06" East, 120.00 feet to a point;THENCE, North 68°11'06" East, 120.00 feet to a point;
THENCE, North 21°48'54" West, 35.84 feet to a point;THENCE, North 21°48'54" West, 35.84 feet to a point;
THENCE, North 61°32'18" East, 190.91 feet to a point;THENCE, North 61°32'18" East, 190.91 feet to a point;
THENCE, North 28°27'42" West, 254.56 feet to a point;THENCE, North 28°27'42" West, 254.56 feet to a point;
THENCE, South 61°32'18" West, 433.28 feet to a point in the east line of the aforementioned Old Ocean West, 433.28 feet to the
Fuel Company easement;Fuel Company easement;
THENCE, North 03°41'46" East, 761.43 with the east line of said easement to a point;THENCE, North 03°41'46" East, 761.43
THENCE, North 56°08'11" East, 131.95 feet departing the east line of THENCE, North 56°08'11" East, 131.95 feet departing
THENCE, North 78°51'58" East, 55.01 feet to a point;THENCE, North 78°51'58" East, 55.01 feet to a point;
THENCE, South 28°27'42" East, 100.27 feet to a point;THENCE, South 28°27'42" East, 100.27 feet to a point;
THENCE, North 72°33'43" East, 292.58 feet to a point;THENCE, North 72°33'43" East, 292.58 feet to a point;
THENCE, North 38°16'47" East, 109.18 feet to a point;THENCE, North 38°16'47" East, 109.18 feet to a point;
THENCE, North 00°38'15" West, 335.58 feet to a point;North 00°38'15" West, 335.58 feet to a point;
THENCE, North 25°37'52" East, 126.30 feet to a point;THENCE, North 25°37'52" East, 126.30 feet to a point;
THENCE, North 59°17'29" East, 578.09 feet to a point;THENCE, North 59°17'29" East, 578.09 feet to a point;
THENCE, North 60°35'13" East, 295.10 feet to a point;THENCE, North 60°35'13" East, 295.10 feet to a point;
THENCE, North 60°36'16" East, 225.02 feet to the Point of Beginning and Containing 139.28 acres .02 feet to the Point of
(6,067,270 Square Feet) of land(6,067,270 Square Feet) of land

APPENDIX D

PHASE 1 AND 2 CONCEPT DESIGN



BRAHMAN RANCH
FM HIGHWAY 157
VENUS, TEXAS 76085

PREPARED BY:



ZACHARY ENGINEERING, L.P.
2954 WINTER GLEN
SPRING, TX 77332
632.702.9966
TDFE FROM REGISTRATION 7-1817

PROJECT NAME
BRAHMAN RANCH

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ISSUE / REVISION

REV. DATE DESCRIPTION

DRAWING TITLE

BRAHMAN RANCH
PHASE 1 AND 2
CONCEPT PLAN

DATE: 07/20/2018 09:20

SHEET

EXH 1.0

APPENDIX E

TABLE OF ALLOCATED NOTYPE 6060S

PHASE 1A AND 1B ANTICIPATED INDICATED LOTS			
PHASE	LOCK	LOT	TYPE
Phase 1A	121	434	Lot Type 60
Phase 1A	121	676	Lot Type 60
Phase 1B	11	191	Lot Type 60
Phase 1B	66	99	Lot Type 60
Phase 1B	66	101	Lot Type 60
Phase 1B	66	111	Lot Type 60
Phase 1B	88	55	Lot Type 60
Phase 1B	88	66	Lot Type 60
Phase 1B	99	44	Lot Type 60
Phase 1B	99	55	Lot Type 60
Phase 1B	99	66	Lot Type 60
Phase 1B	99	111	Lot Type 60
Phase 1B	99	141	Lot Type 60
Phase 1B	99	191	Lot Type 60
Phase 1B	99	202	Lot Type 60
Phase 1B	99	212	Lot Type 60
Phase 1B	121	151	Lot Type 60
Phase 1B	121	161	Lot Type 60
Phase 1B	121	272	Lot Type 60
Phase 2	22	111	Lot Type 60
Phase 2	22	161	Lot Type 60
Phase 2	22	181	Lot Type 60
Phase 2	22	242	Lot Type 60
Phase 2	22	272	Lot Type 60
Phase 2	22	343	Lot Type 60
Phase 2	55	22	Lot Type 60
Phase 2	55	33	Lot Type 60
Phase 2	WestV	121	Lot Type 60
Phase 2	WestV	131	Lot Type 60
Phase 2	WestV	141	Lot Type 60
Phase 2	WestV	232	Lot Type 60
Phase 2	WestV	242	Lot Type 60
Phase 2	WestV	252	Lot Type 60
Phase 2	WestV	464	Lot Type 60

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APPENDIX D
FORM OF OPINION OF BOND COUNSEL

_____, 2021

CITY OF VENUS, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021
(BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1 – PHASE 1 AND 2 PROJECT)

IN THE AGGREGATE PRINCIPAL AMOUNT OF \$ _____

AS BOND COUNSEL for the City of Venus, Texas (the "Issuer"), we have examined into the legality and validity of the issue of the bonds described above (the "Bonds"), which bear interest from the date specified in the text of the Bonds, until maturity or prior redemption, at the rates and payable on the dates as stated in the text of the Bonds, and maturing and subject to redemption on the dates specified in the text of the Bonds, all in accordance with the Ordinance authorizing the issuance of the Bonds (the "Bond Ordinance") and the Trust Indenture (as defined below).

WE HAVE EXAMINED the applicable and pertinent provisions of the Constitution and laws of the State of Texas, and have examined and relied upon a transcript of certified proceedings of the Issuer and other pertinent instruments furnished by the Issuer relating to the authorization, issuance and delivery of the Bonds; and we have examined various certificates and documents executed by officers and officials of the Issuer upon which certificates and documents we rely as to certain matters stated below. We have also examined one executed Bond which we found to be in proper form and duly executed.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that the Bonds have been duly authorized, and have been duly issued and delivered, all in accordance with law, and that, except as may be limited by laws relating to governmental immunity, bankruptcy, reorganization, and other similar matters affecting creditors' rights or by general principles of equity which permit the exercise of judicial discretion, (i) the Bonds constitute valid and legally binding obligations of the Issuer which are payable as to principal and interest from the sources provided in the Bond Ordinance and the Indenture of Trust between the Issuer and Regions Bank, dated as of _____, 2021 (the "Trust Indenture"), (ii) the covenants and agreements in the Trust Indenture constitute valid and binding obligations of the Issuer, (iii) the Bonds constitute valid and legally binding special obligations of the Issuer secured as Bonds under the Trust Indenture, and (iv) the Bonds are payable in accordance with the priorities established in the Trust Indenture from the sources provided therein.



THE ISSUER has reserved the right, subject to the restrictions stated in the Trust Indenture, to amend the Trust Indenture in the manner provided therein; and under some (but not all) circumstances amendments thereto must be approved by the registered owners of a majority in principal amount of all outstanding bonds affected by such amendment and secured by the Trust Indenture.

THE REGISTERED OWNERS of the Bonds shall never have the right to demand payment of the principal thereof or interest thereon out of any funds raised or to be raised by taxation, or from any source whatsoever other than specified in the Trust Indenture.

IT IS FURTHER OUR OPINION, except as discussed below, that the interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes under the statutes, regulations, published rulings, and court decisions existing on the date of this opinion. We are further of the opinion that the Bonds are not "specified private activity bonds" and that, accordingly, interest on the Bonds will not be included as an individual or corporate alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). In expressing the aforementioned opinions, we have relied on certain representations, the accuracy of which we have not independently verified, and assume compliance by the Issuer with certain covenants, regarding the use and investment of the proceeds of the Bonds and the use of the property financed and refinanced therewith. In expressing the aforementioned opinions, we have relied on certain representations and covenants regarding the use and investment of the proceeds of the Bonds. We call your attention to the fact that if such representations are determined to be inaccurate or upon a failure by the Issuer to comply with such covenants, interest on the Bonds may become includable in gross income retroactively to the date of issuance of the Bonds.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state, or local tax consequences of acquiring, carrying, owning, or disposing of the Bonds, including the amount, accrual or receipt of interest on, the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the "Service"); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem 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 Issuer as the taxpayer. We observe that the Issuer has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted,



respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

WE EXPRESS NO OPINION as to any insurance policies issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies issued in the future.

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the Issuer, and, in that capacity, we have been engaged by the Issuer for the sole purpose of rendering our opinions with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas, and with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes, and for no other reason or purpose. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result. We have not been requested to investigate or verify, and have not independently investigated or verified, any records, data, or other material relating to the financial condition or capabilities of the Issuer, or the disclosure thereof in connection with the sale of the Bonds, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds. Our role in connection with the Issuer's Limited Offering Memorandum prepared for use in connection with the sale of the Bonds has been limited as described therein.

Respectfully,

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APPENDIX E-1

FORM OF DISCLOSURE AGREEMENT OF ISSUER

**CITY OF VENUS, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021
(BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1 -
PHASE 1 AND 2 PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

This Continuing Disclosure Agreement of the Issuer dated as of [____], 2021 (this “Disclosure Agreement”) is executed and delivered by and among the City of Venus, Texas (the “Issuer”), 30 Three Sixty Public Finance, Inc. (the “Administrator”) and Regions Bank (the “Dissemination Agent”), with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2021 (Brahman Ranch Public Improvement District No. 1 - Phase 1 and 2 Project)” (the “Bonds”). The Issuer, the Administrator, and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer, the Administrator, and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of [____], 2021, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Administrator” shall mean the Issuer or independent firm designated by the Issuer who shall have the responsibility provided in the Service and Assessment Plan, the Indenture, or any other agreement or document approved by the Issuer related to the duties and responsibilities of the administration of the District. The Issuer has selected 30 Three Sixty Public Finance, Inc. as the current Administrator.

“Administrative Expenses” shall have the meaning assigned to such term in the Indenture.

“Annual Financial Information” shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

“Annual Financial Statements” shall mean audited or unaudited financial statements of the Issuer prepared in accordance with generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board from time to time, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation.

“Annual Financials Filing Date” shall mean, for each Fiscal Year, the date on which the Annual Financial Statements must be filed with the MSRB, which date is twelve (12) months after the end of the Issuer’s Fiscal Year. The Annual Financials Filing Date is currently September 30.

“Annual Information Filing Date” shall mean, for each Fiscal Year, the date on which the Annual Financial Information must be filed with the MSRB, which date is six (6) months after the end of the Issuer’s Fiscal Year. The Annual Information Filing Date is currently March 31.

“Annual Installment” shall have the meaning assigned to such term in the Indenture.

“Annual Issuer Report” shall mean, collectively or individually, any Annual Financial Information or the Annual Financial Statements provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Assessments” shall have the meaning assigned to such term in the Indenture.

“Business Day” shall mean any day other than a Saturday, Sunday or legal holiday in the State of Texas observed as such by the Issuer or the Trustee or any national holiday observed by the Trustee.

“Developer” shall mean, Miskimon Management I, L.L.C., a Texas limited liability company, including its respective affiliates, successors and assigns.

“Disclosure Agreement of Developer” shall mean the Continuing Disclosure Agreement of the Developer dated as of [_____], 2021 executed and delivered by the Developer, the Administrator and the Dissemination Agent.

“Disclosure Representative” shall mean the Director of Finance 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 Regions Bank, 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 Brahman Ranch Public Improvement District No. 1.

“EMMA” shall mean the Electronic Municipal Market Access System currently available on the internet at <http://emma.msrb.org>.

“Filing Date” means, collectively, an Annual Financials Filing Date and an Annual Information Filing Date, or, individually, as the context requires, an Annual Financials Filing Date or an Annual Information Filing Date.

“Financial Obligation” shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Fiscal Year” shall mean the Issuer’s fiscal year, currently the 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 continuing disclosure reports pursuant to the Rule.

“Outstanding” shall have the meaning assigned to such term in the Indenture.

“Owner” shall mean the registered owner of any Bonds.

“Participating Underwriter” shall mean FMSbonds, Inc., and its successors and assigns.

“Phase 1 and 2 Property” shall have the meaning assigned to such term in the Indenture.

“Prepayment” shall mean the payment of all or a portion of an Assessment before the due date of the final installment thereof.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall have the meaning assigned to such term in the Indenture.

“Trustee” shall mean Regions Bank, or any successor trustee pursuant to the Indenture.

SECTION 3. Provision of Annual Issuer Reports.

(a) *Annual Issuer Reports.* For each Fiscal Year, commencing with the Fiscal Year ending September 30, 2021, 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 format required by the MSRB, the Annual Financial Information and the Annual Financial Statements.

(i) The Issuer shall provide or caused to be provided the Annual Financial Information to the MSRB not later than the Annual Information Filing Date; and

(ii) The Issuer shall provide or caused to be provided audited Annual Financial Statements to the MSRB not later than the Annual Financials Filing Date, or if audited Annual Financial Statements are not available by the Annual Financials Filing Date, unaudited Annual Financial Statements, provided to the Dissemination Agent which is consistent with the requirements specified in Section 4 of this Disclosure Agreement.

In each case, the Annual Financial Information and Annual Financial Statements may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the Issuer’s Fiscal

Year changes, it shall file notice of such change (including the date of the new Fiscal Year) with the MSRB prior to the next Annual Information Filing Date. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(b) Not later than ten (10) days prior to each Filing Date, the Issuer shall provide the Annual Financial Information or Annual Financial Statements, as applicable, to the Dissemination Agent. The Dissemination Agent shall provide such Annual Financial Information or Annual Financial Statements to the MSRB not later than ten (10) days from receipt of such Annual Financial Information or Annual Financial Statements from the Issuer, but in no event later than the applicable Filing Dates for such Fiscal Year.

If by the fifth (5th) day before each Filing Date, the Dissemination Agent has not received a copy of the Annual Financial Information or Annual Financial Statements, as applicable, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Financial Information or Annual Financial Statements pursuant to subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Financial Information or Annual Financial Statements, as applicable, no later than two (2) Business Days prior to the applicable Filing Date; or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Financial Information by the Annual Information Filing Date or the Annual Financial Statements by the Annual Financials Filing Date, as applicable, state the date by which the Annual Financial Information or Annual Filings for such year will be provided and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Financial Information, Annual Financial Statements or the notice of failure to file, as applicable, to the MSRB, no later than the applicable Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than on the last Business Day prior to the applicable Filing Date.

(c) The Issuer shall or shall cause the Dissemination Agent to:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Issuer Report and Annual Financials; and

(ii) file the Annual Issuer Report and Annual Financials containing or incorporating by reference the information set forth in Section 4 hereof.

(d) If the Issuer has provided the Dissemination Agent with the completed Annual Financial Information and Annual Financial Statements, as applicable, and the Dissemination Agent has filed such Annual Financial Information or Annual Financial Statements with the MSRB, then the Dissemination Agent shall file a report with the Issuer certifying that the Annual Financial Information or Annual Financial Statements 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.

(a) *Annual Financial Information.* The Annual Financial Information for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Information Filing Date, the following Annual Financial Information (any or all of which may be unaudited):

(i) Tables setting forth the following information, as of the end of such Fiscal Year:

(A) for the Bonds, the maturity date or dates, the interest rate or rates, the original aggregate principal amount and the principal amount remaining Outstanding and the interest amount remaining Outstanding;

(B) the amounts in the funds and accounts securing the Bonds and a description of the related investments; and

(C) if any amounts in the funds and accounts held under the Indenture are invested through third-party contracts, the identity of such third-party, the interest rate and the amounts invested under such contract.

(ii) 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.

(iii) Any changes to the land use designation for the Phase 1 and 2 Property from the purposes identified in the Service and Assessment Plan.

(iv) Any updates to the Service and Assessment Plan, including the Annual Service Plan Update (collectively, a “SAP Update”).

(v) The aggregate taxable assessed valuation for parcels or lots within the Phase 1 and 2 Property based on the most recent certified tax roll available to the Issuer.

(vi) With respect to single-family residential lots, until certificates of occupancy have been issued (or, if certificates of occupancy are not issued upon completion of construction of single-family dwellings, approval of the final inspection has been granted) for lots representing, in the aggregate, ninety-five percent (95%) of the total single-family residential lots within the Phase 1 and 2 Property, the Issuer shall use best efforts to include in the Annual Financial Information (in the SAP Update or otherwise) the following information, if and when available:

(A) the number of certificates of occupancy (“COs”) issued for new homes completed in the Phase 1 and 2 Property during such Fiscal Year; and

(B) the aggregate number of COs issued for new homes completed within the Phase 1 and 2 Property since filing the initial Annual Financial Information for Fiscal Year ended September 30, 2021.

(C) If the information under this Section 4(a)(vi) is unavailable, the Issuer shall indicate as such and the Issuer’s inability to provide the information under this Section 4(a)(vi) shall not constitute a default under this Disclosure Agreement.

(vii) Listing of the top five (5) Assessment payers in the Phase 1 and 2 Property, as determined by the most recent certified tax roll available to the Issuer, the amount of the levy of Assessments against such landowners, and the percentage of such Assessments relative to the entire levy of Assessments within the Phase 1 and 2 Property, as shown on the Assessment Roll attached to the SAP Update for such Fiscal Year.

(viii) Collection and delinquency history of the Assessments within the Phase 1 and 2 Property for the past five (5) Fiscal Years, in the following format:

Collection and Delinquent History of Assessments

Collected in Fiscal Year <u>Ending 9/30</u>	Assessment <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>	Total Assessments <u>Collected⁽¹⁾</u>
2021	\$						\$

⁽¹⁾ Collected as of _____, 20__. Includes \$ _____ attributable to Prepayments.

(ix) For each calendar year, if the total amount of Annual Installments that are delinquent as of September 1 in such calendar year is equal to or greater than ten percent (10%) of the total amount of Annual Installments due in such calendar year, a list of parcel numbers for which the Annual Installments are delinquent.

(x) The amount of delinquent Assessments by Fiscal Year:

(A) which are subject to institution of foreclosure proceedings (but as to which such proceedings have not been instituted);

(B) for which foreclosure proceedings have been instituted but have not been concluded;

(C) which have been reduced to judgment but not collected;

(D) which have been reduced to judgment and collected; and

(E) the result of any foreclosure sales of assessed property within the Phase 1 and 2 Property if the assessed property sold at a foreclosure sale represents more than five percent (5%) of the total amount of Assessments.

(xi) Total amount of Prepayments collected, as of March 1, or as of the date of the Annual Financial Information if dated prior to March 1, 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).

(xii) 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; and

(b) *Annual Financial Statements.* The Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Financials Filing Date the audited financial statements of the

Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer. If the audited financial statements of the Issuer are not available by the Annual Financials Filing Date, the Issuer shall provide unaudited financial statements of the Issuer no later than the Annual Financials Filing Date and audited financial statements when and if available

(c) A form for submitting the information set forth in Section 4(a) above is attached as Exhibit B hereto. Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

The Issuer has designated 30 Three Sixty Public Finance, Inc. as the initial Administrator. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Financial Information. In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of the Annual Financial Information under this Section 4.

SECTION 5. Reporting of Significant Events.

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

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
7. Modifications to rights of Owners, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution, or sale of property securing repayment of the bonds, if material.
11. Rating changes.

12. Bankruptcy, insolvency, receivership or similar event of the Issuer.

13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

The sale by the Developer of real property within the Phase 1 and 2 Property in the ordinary course of the Developer's business will not constitute a Listed Event for the purposes of paragraph (10) above.

For these purposes, any event described in paragraph (12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer intends the words used in paragraphs (15) and (16) above and the definition of Financial Obligation to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

Upon the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than 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.

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

In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures made under this Section 5. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 5 is filed within ten (10) Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative in writing of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. If the Dissemination Agent has been instructed by the Disclosure Representative on behalf of the Issuer to report the occurrence of a Listed Event under this subsection (b), the Dissemination Agent shall immediately file a notice of such occurrence with the MSRB. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer, the Participating Underwriter, the Trustee, or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8 (as to bond calls only), 10, 13, 14 or 15 of subparagraph (a) above is not material under applicable federal securities laws, the Issuer shall promptly notify the Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (b).

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

SECTION 8. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer, the Administrator and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested by the Issuer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

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

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

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only with funds to be provided by the Developer or from Administrative Expenses collected from the property owners in the Phase 1 and 2 Property, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(b) Except as otherwise provided herein, the Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Issuer agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only with funds to be provided by the Developer or from Administrative Expenses collected from the property owners in the Phase 1 and 2 Property, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but

excluding liabilities due to the Administrator's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

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

SECTION 12. Assessment Timeline. The basic expected timeline for the collection of Assessments and the anticipated procedures for pursuing the collection of delinquent Assessments is set forth in Exhibit C which is intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Assessments. Failure to adhere to such expected timeline shall not constitute a default by the Issuer under this Disclosure Agreement, the Indenture, the Bonds or any other document related to the Bonds.

SECTION 13. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer, the Administrator or Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent or employee of the Issuer, the Administrator or Dissemination Agent in other than that person's official capacity.

SECTION 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 and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. Dissemination Agent and Administrator Compensation. The fees and expenses incurred by the Dissemination Agent and the Administrator for their respective services rendered in accordance with this Disclosure Agreement constitute Administrative Expenses and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent and the Administrator, but only with funds to be provided from the Administrative Expenses component of the Annual Installments collected from the property owners in the Phase 1 and 2 Property, for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

SECTION 18. Anti-Boycott Verification. The Dissemination Agent and Administrator hereby verify that the Dissemination Agent, the Administrator and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent and Administrator, if any, do not boycott Israel and, to the extent this Disclosure Agreement is a contract for goods or services, will not boycott Israel during the term of this Disclosure Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal or State law. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Dissemination Agent and the Administrator understand "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator and exists to make a profit.

SECTION 19. Iran, Sudan and Foreign Terrorist Organizations. The Dissemination Agent and the Administrator represent that neither the Dissemination Agent, the Administrator nor any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent or the Administrator 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, the Administrator and each parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent or the Administrator, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Dissemination Agent and the Administrator understand “affiliate” to mean any entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator and exists to make a profit.

SECTION 20. Disclosure of Interested Parties. Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Dissemination Agent hereby certifies it is a publicly traded business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Disclosure Agreement.

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

SECTION 22. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature pages follow]

CITY OF VENUS, TEXAS
(as Issuer)

By: _____
Mayor

REGIONS BANK
(as Dissemination Agent)

By: _____
Authorized Officer

30 THREE SIXTY PUBLIC FINANCE, INC.
(as Administrator)

By: _____
Authorized Officer

EXHIBIT A

**NOTICE TO MSRB OF FAILURE TO FILE
[ANNUAL FINANCIAL INFORMATION][ANNUAL FINANCIAL STATEMENTS]**

Name of Issuer: City of Venus, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2021
(Brahman Ranch Public Improvement District No. 1 - Phase 1 and 2
Project) (the "Bonds")
CUSIP Nos. [insert CUSIP NOs.]
Date of Delivery: _____, 20__

NOTICE IS HEREBY GIVEN that the City of Venus, Texas, has not provided [Annual Financial Information][audited Annual Financial Statements] for fiscal year ended _____ with respect to the Bonds as required by the Continuing Disclosure Agreement of the Issuer dated as of [_____], 2021, by and among the Issuer, 30 Three Sixty Public Finance, Inc., as the "Administrator," and Regions Bank, as "Dissemination Agent." The Issuer anticipates that [the Annual Financial Information][audited Annual Financial Statements] will be filed by _____.

Dated: _____

Regions Bank,
on behalf of the City of Venus, Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: City of Venus, Texas

EXHIBIT B

**CITY OF VENUS, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021
(BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1
PHASE 1 AND 2 PROJECT)**

ANNUAL FINANCIAL INFORMATION¹

Delivery Date: _____, 20__

CUSIP NOSs: [insert CUSIP NOs.]

DISSEMINATION AGENT

Name: Regions Bank
Address: [_____]
City: [_____, Texas _____]
Telephone: (____) ____ - ____
Contact Person: Attn: _____

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

¹ Excluding audited financial statements of the Issuer.

THIRD-PARTY INVESTMENT CONTRACTS⁽¹⁾

Third-Party	Interest Rate	Amount of Investment

⁽¹⁾ If not applicable, indicate as such.

ITEMS REQUIRED BY SECTIONS 4(a)(ii) – (vii)

[Insert a line item]

SECTION 4(a)(viii) COLLECTION AND DELINQUENCY HISTORY OF THE ASSESSMENTS WITHIN PHASE 1 AND 2 FOR THE PAST FIVE FISCAL YEARS, IN THE FOLLOWING FORMAT:**Collection and Delinquent History of Assessments**

Collected in Fiscal Year <u>Ending 9/30</u>	Assessment <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>	Total Assessments <u>Collected⁽¹⁾</u>
2021	\$						\$

⁽¹⁾ Collected as of _____, 20____. Includes \$_____ attributable to Prepayments.

ITEMS REQUIRED BY SECTIONS 4(a)(ix) – (xii) OF THE CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER RELATING TO THE CITY OF VENUS, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021, (BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1 - PHASE 1 AND 2 PROJECT)

[Insert a line item for each applicable listing]

EXHIBIT C

BASIC EXPECTED TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES¹

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
January 31		Assessments are due.
February 1	1	Assessments delinquent if not received.
February 15	15	Immediately upon receipt, but in no event later than February 15, Issuer forwards payment to Trustee for all collections received, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter.

Issuer and/or Administrator should be aware of actual and specific delinquencies

Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year. **If there is to be a shortfall of any Annual Installments due to be paid that Fiscal Year, the Dissemination Agent should be immediately notified in writing.**

Administrator should determine if previously collected surplus funds, if any, plus actual Annual Installment collections will be fully adequate for debt service in the corresponding March and September.

At this point, if total delinquencies are under 5% and if there is adequate funding for March and September payments, no further action is anticipated for collection of Assessments except that the Issuer or Administrator, working with the City Attorney or an appropriate designee, will begin process to cure deficiency. **For properties delinquent by more than one year or if the delinquency exceeds \$10,000 the matter will be referred for commencement of foreclosure, in**

¹ Illustrates anticipated dates and procedures for pursuing the collection of delinquent Annual Installments of Assessments, which dates and procedures shall be in accordance with Chapters 31, 32, 33 and 34, Texas Tax Code, as amended (the "Code"), and the Dallas County Tax/Assessor Collector's procedures, and are subject to adjustment by the Issuer. If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

accordance with the Ellis County Tax/Assessor Collector's procedures².

If there are over 5% delinquencies or if there is insufficient funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account of such amounts as shall be required for the full March and September payments, the collection-foreclosure procedure will proceed against all delinquent properties, in accordance with the Ellis County/Tax Assessor Collector procedures².

March 15

43/44

Trustee pays bond interest payments to Owners.

Reserve Fund payment to Bond Fund may be required if Assessments are below approximately 50% collection rate.

Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent in writing of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw or the Reserve Fund.

Use of Reserve Fund for debt service payment should trigger commencement of foreclosure on delinquent properties.

July 1

152/153

Issuer, or the Administrator on behalf of the Issuer, determines whether or not any Annual Installments are delinquent and, if such delinquencies exist, the Issuer commences as soon as practicable appropriate and legally permissible actions to obtain such delinquent Annual Installments, in accordance with the Ellis County/Tax Assessor Collector procedures².

Preliminary Foreclosure activity commences, in accordance with the Ellis County/Tax Assessor Collector procedures², and Issuer to notify Dissemination Agent in writing of the commencement of preliminary foreclosure activity.

If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer.

² If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, and if instructed by the Owners under Section 11.2 of the Indenture, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.

August 15

197/198

The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent for dissemination to those Owners who have requested to be notified of collections progress. The goal for the foreclosure actions is a filing by no later than August 15 (day 197/198).

Foreclosure action to be filed with the court, in accordance with the Ellis County/Tax Assessor Collector procedures³.

Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing. Dissemination Agent notifies Owners.

If Owners and Dissemination Agent have not been notified of a foreclosure action, Dissemination Agent will notify the Issuer that it is appropriate to file action.

A committee of not less than twenty-five percent (25%) of the Owners may request a meeting with the City Manager or the Finance Director to discuss the Issuer's actions in pursuing the repayment of any delinquencies. This would also occur after day thirty (30) if it is apparent that a Reserve Fund draw is required. Further, if delinquencies exceed five percent (5%), Owners may also request a meeting with the Issuer at any time to discuss the Issuer's plan and progress on collection and foreclosure activity. If the Issuer is not diligently proceeding with the foreclosure process, the Owners may seek an action for mandamus or specific performance to direct the Issuer to pursue the collections of delinquent Annual Installments of Assessments.

³ If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

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APPENDIX E-2

FORM OF DISCLOSURE AGREEMENT OF DEVELOPER

**CITY OF VENUS, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021
(BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1 -
PHASE 1 AND 2 PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

This Continuing Disclosure Agreement of Developer dated as of [____], 2021 (this “Disclosure Agreement”) is executed and delivered by and among Miskimon Management I, L.L.C. (the “Developer”), 30 Three Sixty Public Finance, Inc. (the “Administrator”) and Regions Bank (the “Dissemination Agent”) with respect to the “City of Venus, Texas, Special Assessment Revenue Bonds, Series 2021 (Brahman Ranch Public Improvement District No. 1 - Phase 1 and 2 Project)” (the “Bonds”). The Developer, the Administrator, and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Developer, the Administrator and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of [____], 2021, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Additional Improvements” shall mean, collectively, the Non-PID Improvements, the Park Improvements and the Phase 1 and 2 Private Improvements.

“Administrative Expenses” shall have the meaning assigned to such term in the Indenture.

“Administrator” shall mean the Issuer or independent firm designated by the Issuer who shall have the responsibility provided in the Service and Assessment Plan, the Indenture, or any other agreement or document approved by the Issuer related to the duties and responsibilities of the administration of the District. The Issuer has selected 30 Three Sixty Public Finance, Inc., a California corporation, as the current Administrator.

“Annual Installment” shall have the meaning assigned to such term in the Indenture.

“Annual Service Plan Update” shall mean the annual review and update of the Service and Assessment Plan required by the PID Act and the Service and Assessment Plan.

“Assessment Roll” shall have the meaning assigned to such term in the Indenture.

“Assessments” shall have the meaning assigned to such term in the Indenture.

“Business Day” shall mean any day other than a Saturday, Sunday or legal holiday in the State of Texas observed as such by the Dissemination Agent or the Trustee or any national holiday observed by the Trustee.

“Certification Letter” shall mean a certification letter provided by a Reporting Party pursuant to Section 3, in substantially the form attached as Exhibit D.

“Completion Agreement” shall mean the Completion Agreement Brahman Ranch Public Improvement District No. 1 Phase 1 and 2 effective [_____], 2021 by and between the Developer and Regions Bank, as trustee.

“Developer” shall mean, Miskimon Management I, L.L.C., a Texas limited liability company, and each other Person, through assignment, who assumes the obligations, requirements or covenants to construct one or more of the Phase 1 and 2 Authorized Improvements or Additional Improvements, and their designated successors and assigns.

“Developer Listed Events” shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

“Disclosure Agreement of Issuer” shall mean the Continuing Disclosure Agreement of Issuer dated as of [_____], 2021 executed and delivered by the Issuer, the Administrator and the Dissemination Agent.

“Dissemination Agent” shall mean Regions Bank, an Alabama banking corporation, 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 Brahman Ranch Public Improvement District No. 1.

“EMMA” shall mean the Electronic Municipal Market Access System currently available on the internet at <http://emma.msrb.org>.

“Financial Advisor” shall mean the person or independent firm designated by the Issuer as its financial advisor. The Issuer has selected Hilltop Securities Inc. as the current Financial Advisor.

“Homebuilder(s)” shall mean any merchant homebuilder who enters into a Purchase Agreement with the Developer, and the affiliates and/or successors and assigns of such homebuilder under such Purchase Agreement.

“Issuer” shall mean the City of Venus, Texas.

“Listed Events” shall mean any of the events listed in Section 4(a) and 4(b) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reports pursuant to the Rule.

“Non-PID Improvements” shall mean the “Non-PID Improvements” identified in the Service and Assessment Plan, including those certain public improvements that benefit property adjacent to the District, to be constructed by the Developer concurrently with the Phase 1 and 2 Authorized Improvements.

“Outstanding” shall have the meaning assigned to such term in the Indenture.

“Owner” shall mean the registered owner of any Bonds.

“Parcel” shall have the meaning assigned to such term in the Indenture.

“Participating Underwriter” shall mean FMSbonds, Inc. and its successors and assigns.

“Person” shall mean any legal person, including 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 Chapter 372, Texas Local Government Code, as amended.

“Phase 1 and 2 Authorized Improvements” shall have the meaning assigned to such term in the Indenture.

“Phase 1 and 2 Private Improvements” shall mean the “Phase 1 and 2 Private Improvements” identified in the Service and Assessment Plan, including, among other things, earthwork, erosion control and certain water improvements necessary to provide water service to finished lots within the Phase 1 and 2 Property.

“Phase 1 and 2 Property” shall have the meaning assigned to such term in the Indenture.

“Park Improvements” shall mean the “Park Improvements” identified in the Service and Assessment Plan, including the half mile mountain bike trail, recreational facility, consisting of a 60’ x 100’ covered pavilion and 24 picnic tables, and 100+ acre recreational green zone to be constructed by the Developer in the District.

“Purchase Agreement” shall mean, with respect to lots or land within the Phase 1 and 2 Property, any purchase agreement between one or more Homebuilders and the Developer to purchase lots or to purchase land intended for single family residential use, including detached or attached single family homes or townhomes.

“Quarterly Ending Date” shall mean each March 31, June 30, September 30 and December 31, beginning June 30, 2021.

“Quarterly Filing Date” shall mean for each Quarterly Ending Date, the fifteenth calendar day of the second month following such Quarterly Ending Date being May 15, August 15, November 15, and February 15.

“Quarterly Information” shall have the meaning assigned to such term in Section 3 of this Disclosure Agreement.

“Quarterly Report” shall mean any Quarterly Report described in Section 3 of this Disclosure Agreement and substantially similar to that attached as Exhibit A hereto.

“Reporting Party” shall mean, collectively, the Developer and any Significant Homebuilder.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall have the meaning assigned to such term in the Indenture.

“SF Parcel” shall mean any Parcel in the Phase 1 and 2 Property that is designated for single family residential use.

“Significant Homebuilder” shall mean a Homebuilder that then owns ten (10) or more single family residential lots within the Phase 1 and 2 Property.

“Significant Homebuilder Listed Events” shall mean any of the events listed in Section 4(b) of this Disclosure Agreement.

“Trustee” shall mean Regions Bank, or any successor trustee pursuant to the Indenture.

SECTION 3. Quarterly Reports.

(a) The Developer, with respect to the Phase 1 and 2 Property, and any Significant Homebuilder, with respect to its acquired real property, shall, at its cost and expense, provide, or cause to be provided, to the Administrator, not more than ten (10) days after each Quarterly Ending Date, beginning with June 30, 2021, the information required for the preparation of the Quarterly Report (with respect to each Reporting Party, the “Quarterly Information”). The Reporting Party shall provide, or cause to be provided, such Quarterly Information until such party’s obligations terminate pursuant to Section 6 of this Disclosure Agreement. The Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until an acknowledgment of assignment with respect to such real property is delivered in accordance with Section 6 of this Disclosure Agreement.

(b) The Administrator shall (i) prepare each Quarterly Report with the Quarterly Information provided by each Reporting Party pursuant to subsection (a) above and (ii) provide to the Reporting Parties each Quarterly Report for review no later than twenty (20) days after each Quarterly Ending Date. Each Reporting Party shall review the Quarterly Report and, upon such review, shall

promptly, but no later than thirty (30) days after each Quarterly Ending Date, provide to the Administrator the Certification Letter and authorize the Administrator to provide such Quarterly Report and Certification Letter to the Dissemination Agent pursuant to subsection (c) below. In all cases, each Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all of the Quarterly Information provided by such Reporting Party contained in the Quarterly Report. Notwithstanding anything to the contrary in this Disclosure Agreement, the Developer shall use commercially reasonable efforts to cause to be provided any information required by this Section 3 regarding and in the possession of a Homebuilder that is not a Significant Homebuilder. Without limiting the generality of the immediately preceding sentence, commercially reasonable efforts in such regard shall include, but not be limited to, ensuring that each Purchase Agreement that is executed with a Homebuilder after the date hereof contains a provision obligating the applicable Homebuilder to provide the Developer the information required by this Section 3 as and when required for the Developer to comply with its obligations hereunder.

(c) The Administrator shall provide to the Dissemination Agent, no later than thirty-five (35) days after each Quarterly Ending Date, the Quarterly Report containing the information described in this Section 3 and the Certification Letter(s) provided by each Reporting Party. The Dissemination Agent shall file the Quarterly Report and the Certification Letter(s) with the MSRB and provide a copy of such report to the Issuer, the Financial Advisor and the Participating Underwriter within ten (10) days of the Dissemination Agent's receipt thereof pursuant to this subsection 3(c); provided, however, that the Quarterly Report and the Certification Letter(s) must be submitted to the MSRB not later than each Quarterly Filing Date. In the event that any Reporting Party or the Administrator does not provide the information required by subsection (a) or (b) of this Section, as applicable, in a timely manner and, as a result, either an incomplete Quarterly Report is filed with the MSRB, or a Quarterly Report is not filed with the MSRB by each Quarterly Filing Date, the Dissemination Agent shall, upon written direction from the applicable Reporting Party file a notice of failure to provide Quarterly Information or failure to file a Quarterly Report with the MSRB in substantially the form attached as Exhibit B, as soon as practicable. If incomplete Quarterly Information is provided by any Reporting Party, the Dissemination Agent or any other Reporting Party who provided complete information shall not be responsible for the failure to submit a complete Quarterly Report to the MSRB. If each Reporting Party timely provides the required Quarterly Information to the Administrator as described in this Section 3, the failure of the Administrator to provide the information provided by each Reporting Party to the Dissemination Agent, or the failure of the Dissemination Agent to provide such information to the Participating Underwriter in a timely manner, shall not be deemed a default by the Reporting Parties under this Disclosure Agreement.

(d) Such Quarterly Report shall be in a form similar to that as attached in Exhibit A hereof and shall include:

(i) In a form similar to that as Table 3(d)(i) in Exhibit A attached hereto, the composition of the property within the Phase 1 and 2 Property subject to the Assessments, as of the Quarterly Ending Date, including:

- A. The number of SF Parcels;
- B. The number of acres of SF Parcels;

- C. The number of platted single family residential lots;
 - D. The number of single family residential lots identified in the original Service and Assessment Plan; and
 - E. An explanation as to any change to the number of lots/parcels within the Phase 1 and 2 Property from the original Service and Assessment Plan;
- (ii) In a form similar to that as Table 3(d)(ii) in Exhibit A attached hereto, for each SF Parcel, lot absorption statistics by lot type, on a quarter over quarter and cumulative total basis, as applicable, including:
- A. The number of single family lots platted in the Phase 1 and 2 Property during the applicable quarter;
 - B. The number of single family lots in the Phase 1 and 2 Property owned by the Developer not closed or under contract with a Homebuilder, as of the Quarterly Ending Date;
 - C. The number of single family lots in the Phase 1 and 2 Property owned by the Developer under contract (but not closed) with a Homebuilder, as of the Quarterly Ending Date; and
 - D. The number of single family lots in the Phase 1 and 2 Property closed with a Homebuilder during the applicable quarter;
- (iii) In a form similar to that as Table 3(d)(iii) in Exhibit A attached hereto, for each SF Parcel and for each Homebuilder, broken down by lot type, on a quarter over quarter and cumulative total basis, as applicable:
- A. The number of homes under construction in the Phase 1 and 2 Property, as of the Quarterly Ending Date;
 - B. The number of completed homes not under contract with homeowners (end-users) in the Phase 1 and 2 Property, as of the Quarterly Ending Date;
 - C. The number of homes that became under contract with homeowners (end-users) in the Phase 1 and 2 Property during the applicable quarter;
 - D. The number of homes closed with (delivered to) homeowners (end-users) in the Phase 1 and 2 Property, as of the Quarterly Ending Date;
 - E. The average sales price of homes closed with homeowners (end-users) during the applicable quarter; and
 - F. The estimated date of completion of all homes to be constructed by the Homebuilder;

(iv) In a form similar to that as Table 3(d)(iv) in Exhibit A attached hereto, materially adverse changes or determinations to permits/approvals for the development of the Phase 1 and 2 Property which necessitates changes to the land use plans of the Developer; and

(v) In a form similar to that as Table 3(d)(v) in Exhibit A attached hereto, information on any existing, new or modified mortgage debt on the land within the Phase 1 and 2 Property owned by the Developer, including the original principal amount, loan balance, existence of deeds of trust or other similar encumbrances against the property within the Phase 1 and 2 Property, interest rate and terms of repayment.

(e) In a form similar to that as Tables 3(e)(i)-(vi) in Exhibit A attached hereto, with respect to each category of the Phase 1 and 2 Authorized Improvements, Non-PID Improvements, Phase 1 and 2 Private Improvements and Park Improvements, the Developer shall provide or cause to be provided the following information to the Administrator for inclusion in each Quarterly Report:

(i) Construction budget and timeline for the Phase 1 and 2 Authorized Improvements, including:

A. Total budgeted costs of all Phase 1 and 2 Authorized Improvements;

B. Total actual costs of the Phase 1 and 2 Authorized Improvements drawn from the Improvement Account (as defined in the Indenture), as of the Quarterly Ending Date;

C. Total actual costs of Phase 1 and 2 Authorized Improvements financed with other sources of funds (non-bond financed), as of the Quarterly Ending Date;

D. Actual or expected date of commencement of construction;

E. Forecast or actual construction completion date, and if there is a delay from the date previously reported, an explanation of the delay;

F. Actual Issuer acceptance date, if accepted; and

G. Narrative update on construction milestones for the Phase 1 and 2 Authorized Improvements since the date of the prior Quarterly Report; and

(ii) Construction budget and timeline for the Non-PID Improvements, including:

A. Total budgeted costs of all Non-PID Improvements;

B. Total actual costs of all Non-PID Improvements, as of the Quarterly Ending Date;

C. Actual or expected date of commencement of construction;

D. Forecast or actual construction completion date, and if there is a delay from the date previously reported, an explanation of the delay;

- E. Actual Issuer acceptance date, if accepted; and
 - F. Narrative update on construction milestones for the Non-PID Improvements since the date of the prior Quarterly Report; and
- (iii) Construction budget and timeline for the Phase 1 and 2 Private Improvements, including:
 - A. Total budgeted costs of all Phase 1 and 2 Private Improvements;
 - B. Total actual costs of all Phase 1 and 2 Private Improvements, as of the Quarterly Ending Date;
 - C. Actual or expected date of commencement of construction;
 - D. Forecast or actual construction completion date, and if there is a delay from the date previously reported, an explanation of the delay;
 - E. Actual Issuer acceptance date, if accepted; and
 - F. Narrative update on construction milestones for the Phase 1 and 2 Private Improvements since the date of the prior Quarterly Report; and
- (iv) Construction budget and timeline for the Park Improvements, including:
 - A. Total budgeted costs of all Park Improvements;
 - B. Total actual costs of all Park Improvements, as of the Quarterly Ending Date;
 - C. Actual or expected date of commencement of construction;
 - D. Forecast or actual construction completion date, and if there is a delay from the date previously reported, an explanation of the delay;
 - E. Actual Issuer acceptance date, if accepted; and
 - F. Narrative update on construction milestones for the Park Improvements since the date of the prior Quarterly Report.
- (v) If the Developer has elected to provide Evidence of Available Authorized Improvements Funds or Subsequent Evidence of Available Authorized Improvement Funds (each as defined in the Completion Agreement) in accordance with the Completion Agreement, the Developer shall identify such Evidence of Available Authorized Improvement Funds or Subsequent Evidence of Available Authorized Improvement Funds and certify as to the sufficiency of such funds to complete the Phase 1 and 2 Authorized Improvements.
- (vi) If the Developer has elected to provide Evidence of Available Additional Improvement Funds or Evidence of Shortfall Available Funds (each as defined in the

Completion Agreement) in accordance with the Completion Agreement, the Developer shall identify such Evidence of Available Additional Improvement Funds or Evidence of Shortfall Available Funds and certify as to the sufficiency of such funds to complete the Additional Improvements.

SECTION 4. Event Reporting Obligations.

(a) Pursuant to the provisions of this Section 4, each of the following is a Developer Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within the Phase 1 and 2 Property on a Parcel owned by the Developer; provided, however, that the exercise of any right of the Developer as a landowner within the Phase 1 and 2 Property to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Developer Listed Event under this Section 4(a) nor a breach or default of this Disclosure Agreement;

(ii) Material damage to or destruction of any development or improvements in the Phase 1 and 2 Property, including the Phase 1 and 2 Authorized Improvements;

(iii) Material default by the Developer or any of the Developer's affiliates on any loan with respect to the acquisition, development or permanent financing of the Phase 1 and 2 Property undertaken by the Developer or any of the Developer's affiliates;

(iv) Material default by the Developer or any of the Developer's affiliates on any loan secured by property within the Phase 1 and 2 Property owned by the Developer or any of the Developer's affiliates;

(v) The bankruptcy, insolvency or similar filing of the Developer or any of the Developer's affiliates or any determination that the Developer or any of the Developer's affiliates is unable to pay its debts as they become due;

(vi) The consummation of a merger, consolidation, or acquisition of the Developer, or the sale of all or substantially all of the assets of the Developer or any of the Developer's affiliates other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(vii) The filing of any lawsuit with a claim for damages, in excess of \$1,000,000 against the Developer or any of the Developer's affiliates that may adversely affect the completion of the development of the Phase 1 and 2 Property or litigation that may materially adversely affect the financial condition of the Developer or any of the Developer's affiliates;

(viii) Any change in the legal structure, chief executive officer or controlling ownership of the Developer.

(ix) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 5 herein;

(x) The occurrence of a Subsequent Funding Shortfall (as defined in the Completion Agreement) or a change or substitution in a funding source identified as Evidence of Available Authorized Improvements Funds or Subsequent Evidence of Available Authorized Improvement Funds; and

(xi) The occurrence of an Additional Improvement Funding Shortfall (as defined in the Completion Agreement) or a change or substitution in a funding source identified as Evidence of Available Additional Improvement Funds or Evidence of Shortfall Available Funds.

(b) Pursuant to the provisions of this Section 4, each of the following occurrences related to any Significant Homebuilder is a Significant Homebuilder Listed Event with respect to the Bonds;

(i) Failure to pay any real property taxes or Assessments levied within the Phase 1 and 2 Property on a lot or Parcel owned by such Significant Homebuilder; provided, however, that the exercise of any right of such Significant Homebuilder as a landowner within the Phase 1 and 2 Property to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Significant Homebuilder Listed Event under this Section 4(b) nor a breach or default of this Disclosure Agreement;

(ii) The bankruptcy, insolvency or similar filing of such Significant Homebuilder or any determination that such Significant Homebuilder is unable to pay its debts as they become due;

(iii) The consummation of a merger, consolidation, or acquisition involving such Significant Homebuilder or the sale of all or substantially all of the assets of the Significant Homebuilder, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(iv) Any change in the type of legal entity, chief executive officer or controlling ownership of such Significant Homebuilder;

(v) Early termination of or material default by such Significant Homebuilder under a Purchase Agreement; and

(vi) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 5 herein.

(c) Whenever a Reporting Party obtains knowledge of the occurrence of a Listed Event applicable to such Reporting Party, such Reporting Party shall promptly, and not more than five (5) Business Days after such Reporting Party obtains such knowledge, notify the Administrator and the Dissemination Agent in writing and the Reporting Party shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB, in the manner hereinafter described, and provide a copy of such notice to the Issuer, the Financial Advisor and the Participating Underwriter. Any such notice is required to be filed within ten (10) Business Days after the Reporting Party becomes aware of the occurrence of such Listed Event. If the Reporting Party timely notifies the Dissemination Agent of the occurrence of a Listed Event, as described in this Section 4, the failure of the Dissemination Agent to

provide such notice to the Participating Underwriter in a timely manner shall not be deemed a default by such Reporting Party under this Disclosure Agreement.

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

The Developer and each Significant Homebuilder, if any, shall only be responsible for reporting the occurrence of a Listed Event applicable to such Reporting Party and shall not be responsible for reporting the occurrence of a Listed Event applicable to any other Reporting Party, regardless of if such Reporting Party is providing Quarterly Information on behalf of any other Reporting Party.

In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures. In addition, the applicable Reporting Party shall have the sole responsibility to ensure that any notice required to be filed with the MSRB under this Section 4 is actually filed within ten (10) Business Days after such Reporting Party becomes aware of the Listed Event applicable to such Reporting Party.

(d) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event, notify the Administrator and the applicable Reporting Party of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the applicable Reporting Party to do so. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Reporting Party and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the applicable Reporting Party as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Participating Underwriter, the Administrator, the Issuer, the Financial Advisor any Reporting Party 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.

(e) If the Dissemination Agent has been notified in writing by a Reporting Party to report the occurrence of a Listed Event in accordance with subsections (c) or (d) of this Section 4, the Dissemination Agent shall file a notice of such occurrence with the MSRB promptly after its receipt of such written instructions from such Reporting Party; provided that all such notices must be filed no later than the date specified in subsection (c) of this Section 4 for such Listed Event.

SECTION 5. Assumption of Reporting Obligations by Significant Homebuilder.

(a) If a Homebuilder acquires ownership of real property in the Phase 1 and 2 Property resulting in such Homebuilder becoming a Significant Homebuilder, the Developer may (i) cause such Significant Homebuilder to comply with the Developer's disclosure obligations under Sections 3(d)(iii)-(iv) and 4(b) hereof, with respect to such acquired real property until such party's disclosure obligations terminate pursuant to Section 6 of this Disclosure Agreement or (ii) elect to provide any or all Quarterly Information on behalf of such Significant Homebuilder; provided, however, that if the Developer initially elects to provide any or all Quarterly Information on behalf of such Significant Homebuilder, the Developer may elect in the future to cause such Significant Homebuilder to comply with the Developer's disclosure obligations, as described in (i) above.

(b) If the Developer elects to cause a Significant Homebuilder to comply with the Developer's disclosure obligations, as described in (i) above, the Developer shall deliver to the Dissemination Agent and the Administrator, a written acknowledgement from each Significant Homebuilder, in substantially the form attached as Exhibit E (the "Significant Homebuilder Acknowledgment"), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Sections 4(a)(ix) above, the Developer shall direct the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Sections 4(c) above, and provide a copy of such notice to the Issuer, the Financial Advisor and the Participating Underwriter. Upon any such transfer to a Significant Homebuilder, and such Significant Homebuilder's delivery of written acknowledgement of assumption of the Developer's obligations under this Disclosure Agreement as to the property transferred, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. The Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until an acknowledgment of assignment with respect to such real property is delivered to the Dissemination Agent, the Administrator and the MSRB, in accordance with this Section 5(b).

(c) Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership, the Developer shall not be liable for the acts or omissions of such Significant Homebuilder arising from or in connection with such disclosure obligations under this Disclosure Agreement.

SECTION 6. Termination of Reporting Obligations.

(a) The reporting obligations of the Developer or any Significant Homebuilder under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when the Developer or such Significant Homebuilder no longer owns ten (10) or more single family residential lots within the Phase 1 and 2 Property, as of each Quarterly Ending Date, or (iii) the Issuer's issuance of the certificate of occupancy for the last single family residential lot or Parcel owned by the Developer or such Significant Homebuilder, respectively.

(b) Upon receipt of written notice from a Reporting Party or the Dissemination Agent that the reporting obligations of a Reporting Party have terminated in accordance with subsection (a) of this Section 6, the Administrator shall provide written notice to the applicable Reporting Party, the Participating Underwriter and the Dissemination Agent in substantially the form attached as Exhibit C, thereby, terminating such Reporting Party's reporting obligations under this Disclosure Agreement (the

“Termination Notice”). If such Termination Notice with respect to a Reporting Party occurs while any of the Bonds remain Outstanding, the Administrator shall immediately provide, or cause to be provided, the Termination Notice to the Dissemination Agent, and the Dissemination Agent shall provide such Termination Notice to the MSRB, the Issuer, the Financial Advisor, the Trustee, the applicable Reporting Party and the Participating Underwriter on or before the next succeeding Quarterly Filing Date.

(c) The obligations of the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) termination of all Reporting Parties’ reporting obligations in accordance with subsection (a) of this Section 6 and any Termination Notice required by subsection (b) of this Section 6 has been provided to the MSRB, the Issuer, the Financial Advisor, the Trustee, the Dissemination Agent, the Reporting Parties, and the Participating Underwriter, as applicable.

SECTION 7. Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be Regions Bank, Houston, Texas. The Issuer may, from time to time, appoint or engage a successor Dissemination Agent to assist the Reporting Parties in carrying out their obligations under this Disclosure Agreement and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. Pursuant to the Disclosure Agreement of Issuer, the Issuer has agreed to provide written notice to each then-existing Reporting Party of any change in the identity of the Dissemination Agent.

SECTION 8. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Developer, the Administrator and the Dissemination Agent may jointly amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested by the Developer or Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3 or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Developer, or the type of business conducted; and

(b) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

(c) In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Administrator shall describe such amendment in the next related Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Reporting Parties. The Developer shall provide, or cause to be provided, at its cost and expense, an executed copy of any amendment or waiver entered into under this Section 8 to the Issuer, the Administrator, the Dissemination Agent and the Participating Underwriter.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent any Reporting Party from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in addition to that which is required by this Disclosure Agreement. If any Reporting Party chooses to include any information in any Quarterly Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, no Reporting Party shall have an obligation under this Disclosure Agreement to update such information or include it in any future Quarterly Report or notice of occurrence of a Listed Event.

SECTION 10. Content of Disclosures. In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures, whether provided under Section 3, 4 or 9 of this Disclosure Agreement.

SECTION 11. Default. In the event of a failure of a Reporting Party, Dissemination Agent or Administrator to comply with any provision of this Disclosure Agreement, any Owner or beneficial owner of the Bonds may, and the Trustee (at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction) shall, take such actions as may be necessary and appropriate to cause the Reporting Party, Dissemination Agent and/or Administrator to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Developer, Dissemination Agent or Administrator to comply with this Disclosure Agreement shall be an action to mandamus or specific performance. A default under this Disclosure Agreement by a Reporting Party, the Dissemination Agent or the Administrator shall not be deemed a default under the Disclosure Agreement of Issuer by the Issuer, and a default under the Disclosure Agreement of Issuer by the Issuer shall not be deemed a default under this Disclosure Agreement by a Reporting Party, the Dissemination Agent or the Administrator. Furthermore, a default under this Disclosure Agreement by any Reporting Party shall not be deemed a default under this Disclosure Agreement by any other Reporting Party, and no Reporting Party shall have any obligation to take any action to mitigate or cure the default of any other Reporting Party.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. The Developer agrees to hold harmless the Dissemination Agent, its officers, directors, employees and agents against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's breach, negligence or willful misconduct. The obligations of the Developer under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent is not acting in a fiduciary capacity in

connection with the performance of its respective obligations hereunder. The Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.

(b) Except as otherwise provided herein, the Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. The Developer agrees to hold harmless the Administrator, its officers, directors, employees and agents against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's breach, negligence or willful misconduct. The obligations of the Developer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

(c) The Dissemination Agent or the Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent and Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(d) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, THE DEVELOPER OR ANY SIGNIFICANT HOMEBUILDER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY OTHER PARTY TO THIS DISCLOSURE AGREEMENT OR A SIGNIFICANT HOMEBUILDER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 13. No Personal Liability. No covenant, stipulation, obligation or agreement of a Reporting Party, the Administrator or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or

future officer, agent or employee of the Reporting Party, the Administrator or Dissemination Agent in other than that person's official capacity.

SECTION 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. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Reporting Parties, the Administrator, the Dissemination Agent, the Issuer, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the 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 16. 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 Service Plan Update. The Issuer shall pay or reimburse the Dissemination Agent, but only with funds to be provided from the Administrative Expenses component of the Annual Installments collected from the property owners in the Phase 1 and 2 Property, for the fees and expenses for its services rendered in accordance with this Disclosure Agreement.

SECTION 17. Administrator Compensation. The fees and expenses incurred by the Administrator 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 Service Plan Update. The Administrator has entered into a separate agreement with the Issuer, which agreement governs the administration of the District, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

SECTION 18. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 19. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature pages follow.]

REGIONS BANK
(as Dissemination Agent)

By: _____
Authorized Officer

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER
(BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1 - PHASE 1 & 2)

S-1

MISKIMON MANAGEMENT I, L.L.C.
a Texas limited liability company
(as Developer)

By: _____
Rick Miskimon, Managing Member

30 THREE SIXTY PUBLIC FINANCE, INC.
(as Administrator)

By: _____
Title: _____

EXHIBIT A
CITY OF VENUS, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021
(BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1
PHASE 1 AND 2 PROJECT)

QUARTERLY REPORT
[INSERT QUARTERLY ENDING DATE]

Delivery Date: _____, 20__

CUSIP Numbers: [Insert CUSIP Numbers]

DISSEMINATION AGENT

Name: Regions Bank
Address: _____
City: _____
Telephone: _____
Contact Person: _____

[Remainder of page intentionally left blank]

TABLE 3(d)(i)

PHASE 1 AND 2 OVERVIEW (as of [<i>Insert Quarterly Ending Date</i>])							
NUMBER OF SINGLE FAMILY PARCELS, ACREAGE OF SUCH PARCELS AND NUMBER OF PLATTED SINGLE FAMILY LOTS IN THE PHASE 1 AND 2 PROPERTY SUBJECT TO ASSESSMENTS:							
	Phase 1 ⁽¹⁾		Phase 2 ⁽¹⁾		Original Service and Assessment Plan ⁽²⁾		Explanation as to any change in Lots/Parcels from Original Service and Assessment Plan
Single Family							
Total SF Parcels/Acres							
Lot Type	-		-		-		-
60' Lot							
70' Lot							
[Future SF] ⁽³⁾							
Total SF Lots:							

⁽¹⁾ Single family lots represent the number of platted single family lots in the Phase 1 and 2 Property, as of [*Insert Quarterly Ending Date*].

⁽²⁾ Single family lots represent the number of planned single family lots included in the original Service and Assessment Plan.

⁽³⁾ Future SF only to be included if additional lot types are added in the Phase 1 and 2 Property.

[Remainder of page intentionally left blank]

FOR EACH PARCEL DESIGNATED AS SINGLE FAMILY RESIDENTIAL:

TABLE 3(d)(ii)

LOT ABSORPTION STATISTICS FOR SINGLE FAMILY RESIDENTIAL IN PHASE 1 AND 2⁽¹⁾

	Q__ 20__	Q__ 20__	Q__ 20__	Q__ 20__	Q__ 20__	Q__ 20__	Q__ 20__	Q__ 20__	Q__ 20__	Q__ 20__	TOTAL
# of platted SF lots: • 60' • 70' TOTAL											
# of SF lots not under contract with Homebuilders: • 60' • 70' TOTAL											N/A
# of SF lots under contract (but not closed) with Homebuilders: • [Homebuilder] ○ 60' ○ 70' Subtotal											N/A
• [Homebuilder] ○ 60' ○ 70' Subtotal											N/A
• [Homebuilder] ○ 60' ○ 70' Subtotal											N/A
TOTAL											
# of SF lots closed with Homebuilders: • [Homebuilder] ○ 60' ○ 70' Subtotal											
• [Homebuilder] ○ 60' ○ 70' Subtotal											
• [Homebuilder] ○ 60' ○ 70' Subtotal											
TOTAL											

⁽¹⁾ Add information for each Homebuilder and add rows if additional lot types are added in the Phase 1 and 2 Property.

[Remainder of page intentionally left blank]

TABLE 3(d)(iii)

[Homebuilder] ABSORPTION STATISTICS FOR SINGLE FAMILY RESIDENTIAL LOTS IN PHASE 1 AND 2 ⁽¹⁾								
	Q__ 20__	Q__ 20__	Q__ 20__	Q__ 20__	Q__ 20__	Q__ 20__	Q__ 20__	TOTAL
# of SF homes under construction: • 60' • 70' • Total								N/A
# of completed SF homes NOT under contract with end-user: • 60' • 70' • Total								N/A
# of SF homes under contract with end-user: • 60' • 70' • Total								N/A
# of SF homes closed on (delivered to) end-users: • 60' • 70' • Total								
Average sales price of homes delivered to end-users: • 60' • 70' • Average								

⁽¹⁾ Additional tables to be added for each Homebuilder. Add rows if additional lot types are added in the Phase 1 and 2 Property.

The estimated date of completion of all homes to be constructed by [Homebuilder] is _____, ____.

[Remainder of page intentionally left blank]

STATUS OF DEVELOPMENT:

TABLE 3(d)(iv)

PERMITS/APPROVALS	
Change or Determination to Permit/Approval	Description of the Change to the Land Use Plan

TABLE 3(d)(v)

INFORMATION ON EXISTING, NEW OR MODIFIED MORTGAGE DEBT						
Borrower	Lender	Amount	Loan Balance	Existence of Deeds of Trust	Interest Rate	Terms

[Remainder of page intentionally left blank]

STATUS OF PHASE 1 AND 2 AUTHORIZED IMPROVEMENTS, NON-PID IMPROVEMENTS,
PHASE 1 AND 2 PRIVATE IMPROVEMENTS AND PARK IMPROVEMENTS:

TABLE 3(e)(i)

PHASE 1 AND 2 AUTHORIZED IMPROVEMENTS BUDGET AND TIMELINE OVERVIEW						
Phase 1 and 2 Authorized Improvements	Budgeted Costs	Actual Costs Draw from Improvement Account as of [<i>Insert Quarterly Ending Date</i>]	Actual Costs financed with sources other than Bond proceeds as of [<i>Insert Quarterly Ending Date</i>]	Actual/Expected Construction Commencement Date	Forecast or Actual Completion Date	Actual Issuer Acceptance Date
• Road Improvements	\$ _____	\$ _____	\$ _____	_____	_____	_____
• Sanitary Sewer Facilities	\$ _____	\$ _____	\$ _____	_____	_____	_____
• Storm Drainage Improvements	\$ _____	\$ _____	\$ _____	_____	_____	_____
• Clearing, grubbing, excavation, testing and erosion control	\$ _____	\$ _____	\$ _____	_____	_____	_____
• City, professional and other fees	\$ _____	\$ _____	\$ _____	_____	_____	_____

If there is a delay in the expected completion date for any Phase 1 and 2 Authorized Improvement from that previously reported, an explanation of such delay:

Narrative update on construction milestones for the Phase 1 and 2 Authorized Improvements since last Quarterly Report:

[Remainder of page intentionally left blank]

TABLE 3(e)(ii)

NON-PID IMPROVEMENTS BUDGET AND TIMELINE OVERVIEW					
Non-PID Improvements	Budgeted Costs	Actual Costs as of [Insert Quarterly Ending Date]	Actual/Expected Construction Commencement Date	Forecast Completion Date	Actual Issuer Acceptance Date
• Earthwork • Paving • Sewer • Traffic • Entrance Monuments	\$ _____ \$ _____ \$ _____ \$ _____ \$ _____	\$ _____ \$ _____ \$ _____ \$ _____ \$ _____	_____ _____ _____ _____ _____	_____ _____ _____ _____ _____	_____ _____ _____ _____ _____

If there is a delay in the expected completion date for any Non-PID Improvement from that previously reported, an explanation of such delay:

Narrative update on construction milestones for the Non-PID Improvements since last Quarterly Report:

[Remainder of page intentionally left blank]

TABLE 3(e)(iii)

PHASE 1 AND 2 PRIVATE IMPROVEMENTS BUDGET AND TIMELINE OVERVIEW					
Phase 1 and 2 Private Improvements	Budgeted Costs	Actual Costs as of [Insert Quarterly Ending Date]	Actual/Expected Construction Commencement Date	Forecast Completion Date	Actual Issuer Acceptance Date
• Earthwork • Erosion • Water • Miscellaneous	\$ _____ \$ _____ \$ _____ \$ _____	\$ _____ \$ _____ \$ _____ \$ _____	_____ _____ _____ _____	_____ _____ _____ _____	_____ _____ _____ _____

If there is a delay in the expected completion date for any Phase 1 and 2 Private Improvement from that previously reported, an explanation of such delay:

Narrative update on construction milestones for the Phase 1 and 2 Private Improvements since last Quarterly Report:

[Remainder of page intentionally left blank]

TABLE 3(e)(iv)

PARK IMPROVEMENTS BUDGET AND TIMELINE OVERVIEW					
Public Amenity	Budgeted Costs	Actual Costs as of [Insert Quarterly Ending Date]	Actual/Expected Construction Commencement Date	Forecast Completion Date	Actual Issuer Acceptance Date
• Bike Trail	\$ _____	\$ _____	_____	_____	_____
• Recreational Facility	\$ _____	\$ _____	_____	_____	_____
• Recreational Zone	\$ _____	\$ _____	_____	_____	_____

If there is a delay in the expected completion date for any Phase 1 and 2 Authorized Improvement, Non-PID Improvement, Phase 1 and 2 Private Improvement or Park Improvement from that previously reported, an explanation of such delay:

Narrative update on construction milestones for Phase 1 and 2 Authorized Improvements, Non-PID Improvements, Phase 1 and 2 Private Improvements and Park Improvements since last Quarterly Report:

[Remainder of page intentionally left blank]

TABLE 3(e)(v)

If the Developer has elected to provide Evidence of Available Authorized Improvements Funds or Subsequent Evidence of Available Authorized Improvement Funds (each as defined in the Completion Agreement) in accordance with the Completion Agreement, the Developer shall identify such Evidence of Available Authorized Improvement Funds or Subsequent Evidence of Available Authorized Improvement Funds and certify as to the sufficiency of such funds to complete the Phase 1 and 2 Authorized Improvements.

Evidence of Available Authorized Improvement Funds:

Subsequent Evidence of Available Authorized Improvement Funds:

[The funds outlined above are sufficient to complete the Phase 1 and 2 Authorized Improvements.]

TABLE 3(e)(vi)

If the Developer has elected to provide Evidence of Available Additional Improvement Funds or Evidence of Shortfall Available Funds (each as defined in the Completion Agreement) in accordance with the Completion Agreement, the Developer shall identify such Evidence of Available Additional Improvement Funds or Evidence of Shortfall Available Funds and certify as to the sufficiency of such funds to complete the Additional Improvements.

Evidence of Available Additional Improvement Funds:

Evidence of Shortfall Available Funds:

[The funds outlined above are sufficient to complete the Additional Improvements.]

EXHIBIT B

**NOTICE TO MSRB OF FAILURE TO
[PROVIDE QUARTERLY INFORMATION][FILE QUARTERLY REPORT]**

[DATE]

Name of Issuer: City of Venus, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2021 (Brahman Ranch
Public Improvement District No. 1 - Phase 1 and 2 Project) (the
“Bonds”)
CUSIP Nos. [insert CUSIP Nos.]
Date of Delivery: _____, 20__

NOTICE IS HEREBY GIVEN that _____, a
_____ (the [“Developer”] [“Significant Homebuilder”]) has not provided the
[Quarterly Information][Quarterly Report] for the period ending on [*Insert Quarterly Ending
Date*] with respect to the Bonds as required by the Continuing Disclosure Agreement of
Developer dated as of [_____, 2021, by and among Miskimon Management I, L.L.C.
(the “Developer”), 30 Three Sixty Public Finance, Inc. (the “Administrator”) and Regions Bank
(the “Dissemination Agent”). [Developer] [Significant Homebuilder] anticipates that the
[Quarterly Information][Quarterly Report] will be [provided][filed] by _____.

Dated: _____

REGIONS BANK,
on behalf of the [Developer] [Significant
Homebuilder]
(as Dissemination Agent)

By: _____

Title: _____

cc: City of Venus, Texas

EXHIBIT C

TERMINATION NOTICE

[DATE]

Name of Issuer: City of Venus, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2021 (Brahman Ranch
Public Improvement District No. 1 - Phase 1 and 2 Project) (the
“Bonds”)
CUSIP Nos. [insert CUSIP Nos.]
Date of Delivery: _____, 20__

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Miskimon Management I, L.L.C.
5940 S. West McGee Creek Rd.
Lane, Oklahoma 74555

Regions Bank
3773 Richmond Ave., Suite 1100
Houston, Texas 77046

[Insert Significant Homebuilder
Contact Information]

NOTICE IS HEREBY GIVEN that _____, a
_____ (the [“Developer”] [“Significant Homebuilder”]) is no longer
responsible for providing [any Quarterly Information][the Quarterly Report] with respect to the
Bonds, thereby, terminating such party’s reporting obligations under the Continuing Disclosure
Agreement of Developer dated as of [____], 2021, by and among Miskimon
Management I, L.L.C. (the “Developer”), 30 Three Sixty Public Finance, Inc. (the
“Administrator”) and Regions Bank (the “Dissemination Agent”).

Dated: _____

30 Three Sixty Public Finance, Inc,
on behalf of the [Developer] [Significant
Homebuilder]
(as Administrator)

By: _____

Title: _____

EXHIBIT D
CERTIFICATION LETTER

[DATE]

Name of Issuer: City of Venus, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2021 (Brahman Ranch
Public Improvement District No. 1 - Phase 1 and 2 Project)
CUSIP Nos. [insert CUSIP Nos.]
Quarterly Ending Date: _____, 20__

Re: Quarterly Report for Brahman Ranch Public Improvement District No. 1

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of Developer dated as of [____], 2021, by and among Miskimon Management I, L.L.C. (the “Developer”), 30 Three Sixty Public Finance, Inc. (the “Administrator”) and Regions Bank (the “Dissemination Agent”), this letter constitutes the certificate stating that the Quarterly Information, provided by [Developer] [____], as a “Significant Homebuilder”, contained in this Quarterly Report herein submitted by the Administrator, on behalf of the [Developer] [Significant Homebuilder], constitutes the [portion of the] Quarterly Report required to be furnished by [Developer] [Significant Homebuilder]. Any and all Quarterly Information, provided by the [Developer] [Significant Homebuilder], contained in this Quarterly Report for the three month period ending on [Insert Quarterly Ending Date], to the best of my knowledge, is true and correct, as of [insert date].

Please do not hesitate to contact our office if you have and questions or comments.

MISKIMON MANAGEMENT I, L.L.C.
a Texas limited liability company
(as Developer)

By: _____
Rick Miskimon, Managing Member

OR

[SIGNIFICANT HOMEBUILDER
(as Significant Homebuilder)
By: _____
Title: _____]

EXHIBIT E

**FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT
OF SIGNIFICANT HOMEBUILDER REPORTING OBLIGATIONS**

[DATE]

Regions Bank
3773 Richmond Ave., Suite 1100
Houston, Texas 77046

30 Three Sixty Public Finance, Inc.
5860 Owens Avenue, Suite 210
Carlsbad, CA 92008

**Re: Brahman Ranch Public Improvement District No. 1 – Continuing Disclosure
Obligation**

Dear _____,

As of _____, 20__, you own ____ single family residential lots within the Phase 1 and 2 Property of the Brahman Ranch Public Improvement District (the “District”). Pursuant to Section 2 of the Continuing Disclosure Agreement of the Developer (the “Disclosure Agreement”) dated as of [____], 2021, by and among, Miskimon Management I, L.L.C. (the “Developer”), 30 Three Sixty Public Finance, Inc. (the “Administrator”) and Regions Bank (the “Dissemination Agent”), with respect to the “Special Assessment Revenue Bonds, Series 2021 (Brahman Ranch Public Improvement District No. 1 - Phase 1 and 2 Project)” any entity that owns ten or more single family residential lots within the Phase 1 and 2 Property is defined as a Significant Homebuilder.

As a Significant Homebuilder, pursuant to Section 5 of the Disclosure Agreement, you acknowledge and assume the reporting obligations under Sections 3(d)(iii), 3(d)(iv) and 4(b) of the Disclosure Agreement for the property which is owned as detailed in the Disclosure Agreement, which is included herewith.

Sincerely,

MISKIMON MANAGEMENT I, L.L.C.
a Texas limited liability company
(as Developer)

By: _____
Rick Miskimon, Managing Member

Acknowledged by:

[INSERT SIGNIFICANT HOMEBUILDER NAME]

By: _____

Title: _____

Address: _____

Phone Number: _____

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APPENDIX F
FORM OF REIMBURSEMENT AGREEMENT

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APPENDIX G
DEVELOPMENT AGREEMENT

DEVELOPMENT AGREEMENT

This DEVELOPMENT AGREEMENT (this “Agreement”) is executed by and among the CITY OF VENUS, TEXAS (the “City”) and MISKIMON MANAGEMENT I, LLC, a Texas limited liability company (“Developer”) (individually referred to as a “Party” and collectively as the “Parties”), to be effective on the latest date (the “Effective Date”) executed by the Parties.

RECITALS

WHEREAS, the City is a Type A general law municipality and political subdivision of the State of Texas organized and existing under the laws of the State of Texas; and

WHEREAS, Developer is a Texas limited liability company duly organized and validly existing under the laws of the State of Texas; and

WHEREAS, Developer manages approximately 530 acres of land situated in Ellis County, Texas, that Developer desires to develop for the landowners, which land is shown in the conceptual site plan (“Concept Plan”) attached as **Exhibit A** and more particularly described in **Exhibit B**, attached to this Agreement and incorporated herein by reference (the “Property”); and

WHEREAS, the Property is currently located wholly within the corporate limits of the City; and

WHEREAS, the landowner and Developer agreed to annexation as a condition of and reliant upon this Agreement and the covenants herein;

WHEREAS, Developer intends to develop a residential subdivision on the Property, in phases, to be known as Brahman Ranch, containing single family homes on individual lots with open space, park and trail amenities (the “Development”); and

WHEREAS, the Developer and the City desire to provide for the construction and installation of certain public improvements consisting of sanitary sewer, road, drainage and park improvements (the “PID Improvements”), a portion of the cost of which are to be paid to the Developer from the proceeds of PID Assessments (as hereinafter defined); and

WHEREAS, sanitary sewer, park, drainage, roadway and other PID Improvement projects necessary to serve the full development of the Property will be designed, constructed, operated, and maintained through the cooperative efforts of the Parties as set forth in this Agreement, including, but not limited to, upon request of Developer and approval of the City pursuant to Section 6.1 herein, (i) the creation and approval by the City of a public improvement district, within the Property, pursuant to the authority of Chapter 372, TEXAS LOCAL GOVERNMENT CODE (“PID”) and (ii) the sale and issuance by the City of PID bonds, notes, certificates of obligations or other obligations (“PID Bonds”) secured by or which may be paid solely from a special assessment approved by the City and levied by the City Council against benefitted property within the PID; and

WHEREAS, it is expressly understood that the Property has been annexed by the City and, therefore, the City has the obligation to insure that all improvements, including wastewater

facilities, parks, streets, drainage, and other PID improvements conform to the Subdivision Ordinances and Special Regulations set forth in this Agreement and;

WHEREAS, all such improvements, and related easements, and right-of-way will be conveyed and dedicated to the City; and

WHEREAS, the Parties desire that the Property be developed in accordance with standards, regulations, fees, and charges set forth in the City's ordinances except as provided in this Agreement, which standards, regulations, fees, and charges shall remain fixed until expiration of the Governing Regulations Period (as defined in Section 1.2 hereof); and

WHEREAS, the Parties further intend that all of their respective obligations contained in this Agreement be enforced to the maximum extent allowed by law including, but not limited to, enforcement based on the authority of the above-referenced provisions of the Texas Constitution, Texas Government Code, and Texas Local Government Code, and including waivers of governmental immunity, statutory and other constitutional rights to the extent necessary to enforce this Agreement and give full effect to the intent of the Parties.

NOW, THEREFORE, in consideration of the obligations of the Parties contained in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are acknowledged, the Parties agree as follows:

ARTICLE I

JURISDICTIONAL AGREEMENTS

Section 1.1 **Annexation.** THE DEVELOPER FILED A PETITION TO ANNEX THE PROPERTY INTO THE CITY PURSUANT TO SECTION 43.0671 OF THE TEXAS LOCAL GOVERNMENT CODE, AND THE CITY HAS HELD A PUBLIC HEARING PURSUANT TO SECTION 43.0673 OF THE TEXAS LOCAL GOVERNMENT CODE. FOLLOWING THE PUBLIC HEARING, THE CITY WILL ANNEX THE PROPERTY INTO THE CORPORATE LIMITS OF THE CITY. THE FILING OF AN ANNEXATION PETITION BY THE DEVELOPER WAS CONDITIONED AND RELIANT UPON THE CONSIDERATION, AGREEMENTS AND COVENANTS CONTAINED IN THIS AGREEMENT AND BUT FOR THIS AGREEMENT, DEVELOPER WOULD NOT HAVE PETITIONED FOR ANNEXATION.

Section 1.2 **Governing Regulations.** Except for the special regulations attached hereto as and/or described on Exhibit C and incorporated herein by reference (the "Special Regulations"), including the Concept Plan showing the general layout of the development of the Property, and the preliminary and final plats with lots of a variety of sizes but all with a minimum of 6500 square feet, with ninety percent of the lots having a minimum frontage of 70' unless otherwise approved writing by the City, all as shown in the conceptual site plan, that are approved, from time to time, by the City, and/or any other applicable governmental authorities (as applicable, the "Approved Preliminary Plats" and "Approved Final Plats"). The Zoning and Subdivision Regulations, the Engineering Design Standards, Special Regulations, Approved Preliminary Plats, and Approved Final Plats shall hereinafter be collectively referred to as the "Governing Regulations," and the Governing Regulations shall apply to the development of the

Property during the period (the “Governing Regulations Period”) commencing on the Effective Date hereof and continuing until the earlier of the date the Property has been fully developed and the public improvements have been constructed and accepted by the City or ten (10) years from the Effective Date. Following expiration of the Governing Regulations Period, the Zoning and Subdivision Regulations, and the Engineering Design Standards, all as they may be amended from time to time shall apply to the Property. The Special Regulations and Approved Final Plats shall continue to apply to the Property until full development unless amended by the Parties. Approved Preliminary Plats will expire as allowed by law. The Governing Regulations do not include the international technical codes adopted by the City which shall be applied as they exist on the date of an application for development or construction.

Section 1.3 Conflicts. In the event of an irreconcilable conflict between the Special Regulations, on the one hand, and the applicable ordinances of the City, on the other hand, the Special Regulations shall control unless prohibited by state or federal law. In the event of an irreconcilable conflict between this Agreement and the Special Regulations, this Agreement shall control.

Section 1.4 Moratoriums. The City agrees that the rights of Developer pursuant to Chapter 245 of the TEXAS LOCAL GOVERNMENT CODE, together with the rights of Developer under this Agreement to develop in accordance with the Governing Regulations, shall continue and be unaffected by any moratorium that is hereafter adopted by the City with respect to real property within its corporate or ETJ limits and that would adversely affect the development of the Property. Nothing contained herein shall imply that the City has, or that the City may impose, any right or authority over the Property including any right or authority to issue, impose or enforce any moratorium, delay or deferment of any kind over or against the Property.

Section 1.5 Good Faith, Fair Dealing and Cooperation. It is expressly understood and agreed that each of the Parties hereto shall act in good faith and shall cooperate with each other in accomplishing the transactions and intent of the Parties as described herein.

Section 1.6 City Fees, Charges and Expenses. Except as otherwise expressly set forth in this Agreement, particularly Section 4.2 of this Agreement, City will collect from Developer or the Developer’s successors or assigns, any (i) permit fees, charges or assessments, (ii) inspection, approval, green tag or inspection or occupancy fees, charges or assessments, (iii) plan submittal, review or approval fees, or (iv) other fees, charges, assessment, costs or expenses of any kind, all of which shall be in the then-charged amount at the time the fee is due for developments within the City similar to the development within the Property. No fees shall be charged for open space, berm or landscaping improvements within property owned or to be dedicated to the City.

ARTICLE II

PRIOR AGREEMENTS

Section 2.1 Prior Agreements. This Agreement supersedes and replaces, in their entirety, any prior development agreements or other agreements which may be applicable to any of the Parties with regard to the subject matter of this Agreement and supersedes and replaces all

prior agreements and understandings, whether oral or written, regarding the subject matter of this Agreement.

ARTICLE III **SANITARY SEWER INFRASTRUCTURE**

Section 3.1 Sanitary Sewer Improvements.

Sewage Treatment Plant. The City has current available funds in the amount of \$1.5 million for construction of a sewage treatment plant on the Property (“City Wastewater Contribution,”) which funds must be fully expended by early 2021. The City is ready to design, entitle and construct the plant which will take approximately 18 months to construct (the “Sewer Treatment Plant”).

(a) Developer shall deposit \$500,000.00 (the “Initial Wastewater Contribution”) upon execution of this Agreement for construction of the Wastewater Treatment Plant and further, shall convey the property, as described in the Concept Plan herein (the “Wastewater Treatment Plant Property”), at no cost to the City, necessary for construction of the Wastewater Treatment Plant. Developer shall pay any additional costs to design and construct the Wastewater Treatment Plant that exceed a total of \$2,000,000, including the \$1.5 million to be contributed by the City and \$500,000 contributed by Developer (such additional costs, along with the Initial Wastewater Contribution, the “Developer Wastewater Contribution”), subject to the reimbursement obligations in Section 3.1(b) below.

(b) The Developer shall be reimbursed for the Developer Wastewater Contribution from the initial PID Bonds or other assessment revenues.

(c) Excess capacity, as determined by the City’s Engineer, in the Sewer Treatment Plant may be used by the City to serve property located outside of the Property.

(d) Developer shall pay all costs to design and construct the sanitary sewer mains to serve the Property, which may be paid from the Developer Sewer Contribution if such costs are not fully expended on the Sewer Treatment Plant after application of the City Wastewater Contribution, and shall be included in the Developer Wastewater Contribution for reimbursement pursuant to Section 3.1(a).

Section 3.2 Fees and Charges.

(a) The City’s standard fees, charges or assessments in connection with or for the design or construction of the sewer mains necessary to serve the Property and the sewer taps to serve individual lots shall apply to the Property and be paid by Developer. Sewer Treatment Plant inspection fees shall be limited to two percent (2%) of the hard construction costs of the Sewer Treatment Plant to be payable through the Initial Wastewater Contribution.

(b) The City acknowledges and agrees that there are no sewer impact or capital improvements fees attributable to the development of the Property or the design or construction of the Sewer Treatment Plant or the sewer mains to serve the Property. Notwithstanding the City’s contribution for the Sewer Treatment Plant, there are no sewer impact fees (or any other

similar capital recovery fees, charges or assessments of any kind) due and payable by the Developer and the Developer's successors and/or assigns in connection with the design or construction of the sewer improvements set forth in Section 3.1 above.

ARTICLE IV **ROADWAY IMPROVEMENTS**

Section 4.1 Property Roadway Improvements.

(a) Developer shall construct or cause to be constructed in phases, as needed, based on Developer's development schedule for the Property, all streets and related improvements located within the Property (the "Property Roadway Improvements") that are described in the Concept Plan. Developer and the City agree that the Development will have an impact on some of the existing streets or related existing improvements located outside the Property (the "Offsite Roadway Improvements") and together with Property Roadway Improvements, the "Roadway Improvements"). Therefore, the following provisions shall apply to the Roadway Improvements:

(b) Developer will not be entitled to any reimbursement for dedication of the right-of-way for Property Roadway Improvements. If additional rights-of-way are needed for Offsite Roadway Improvements, the Developer may seek reimbursement for the costs of acquiring such rights-of-way.

(c) Plans and specifications for the Roadway Improvements shall comply with the requirements of this Agreement and shall be submitted to and approved by the City. Developer will provide (and dedicate to the City) such easements or other rights-of-way within the Property as reflected or to be reflected within the final plat(s) of the Property that are necessary for the maintenance or operation of the Property Roadway Improvements. Copies of all approved plans and specifications for the Property Roadway Improvements shall be provided to the Developer and to the City. Developer specifically consents and acknowledges that all Roadway Improvements, together with the easements and rights-of-way necessary to construct the Roadway Improvements are proportional to the development rights established by this Agreement and fully comply with all requirements of Section 212.904 of the TEXAS LOCAL GOVERNMENT CODE without the need for further determinations by the City's Engineer and further, Developer waives any and all causes of action arising out of the requirements to construct the Offsite Roadway Improvements. Any causes of action arising out of this Agreement under Section 212.904 shall be assigned to the City by the Developer, its successors or assigns.

(d) Pursuant to Section 252.022(a)(9) of the TEXAS LOCAL GOVERNMENT CODE, construction of public improvements when at least one-third of the cost is to be paid by special assessment (PID Assessments in this case) are exempt from competitive bidding. If the Roadway Improvements are public streets to be reimbursed by the PID, then construction contracts for the Roadway Improvements shall be privately bid and awarded, such that costs paid or incurred under such contracts are eligible for reimbursement from the proceeds of PID Bonds or from other PID funds generated from other PID revenues or sources. Without limiting the foregoing, Developer shall pay all reasonable costs and expenses in connection with the design and construction of the Roadway Improvements.

(e) During construction, the City will have the continuous right to inspect the Roadway Improvements. If the Roadway Improvements are being constructed in a manner inconsistent with Governing Regulations or the City-approved plans and specifications, the City may stop any work on the Roadway Improvements until such time as the Developer and the Developer's contractor(s) agree to construct the Roadway Improvements in accordance with the Governing Regulations and/or the City-approved plans and specifications. In addition, the City may require that any substandard work be removed or corrected prior to resuming construction of the remainder of the Roadway Improvements yet to be constructed.

(f) Upon completion of construction, the Roadway Improvements shall be inspected by the City and the City may object in good faith to any portion of the Roadway Improvements which have not been substantially constructed in accordance with the approved plans and specifications relating thereto. If a written objection notice is delivered to Developer, the Developer shall correct any objections within a reasonable period of time after receipt of such objection notice, and the process set forth above shall be repeated until the City has approved the Roadway Improvements.

(g) Upon inspection and acceptance of the Roadway Improvements by the City, the Roadway Improvements will be conveyed to the City free of liens and other monetary encumbrances other than the reimbursement obligation to Developer from the proceeds of PID Bonds or other PID revenues (if any) in accordance with the provisions of subsection (b) above. Thereafter, subject to the City's two (2) year maintenance bond requirement, the City shall be responsible for maintenance, repair and operation of the Roadway Improvements. Upon such conveyance, a complete set of as-built construction drawings shall be provided to the City of the Roadway Improvements.

Section 4.2 Fees and Charges.

(a) The City's standard fees, charges or assessments shall apply to the Property and be paid by Developer in connection with or for the design or construction of the Roadway Improvements, except for off-site roads. Roadway Improvement inspection fees shall be limited to two percent (2%) of the hard construction costs of the offsite roads.

(b) The City acknowledges and agrees that there are no roadway impact or capital improvements fees attributable to the development of the Property or the design or construction of the Roadway Improvements and that no City funds have been or will be expended in providing the Roadway Improvements. Consequently, there are no roadway impact fees (or any other similar capital recovery fees, charges or assessments of any kind) due and payable by the Developer and the Developer's successors and/or assigns in connection with the design or construction of the Roadway Improvements.

ARTICLE V

OPEN SPACE, PARK AND TRAIL AMENITIES

Section 5.1 Property Open Space, Park and Trail Amenities. The Developer shall construct the open space, park and trail amenities (the "Park Improvements") shown on the Concept Plan.

Section 5.2 Charges and Fees. The City acknowledges and agrees that there are no park dedication requirements or park development fees attributable to the development of the Park payable by the Developer and the Developer's successors and/or assigns in connection with the design or construction of the Park Improvements set forth in Section 5.1 above.

ARTICLE VI

PUBLIC IMPROVEMENT DISTRICT

Section 6.1 PID Creation. If the Developer of the Property requests the creation of a public improvement district (the "PID") pursuant to Chapter 372 of the TEXAS LOCAL GOVERNMENT CODE and covering the Property, such request will be submitted to the City for its consideration and possible approval. If approved by the City Council of the City, the City Council will adopt an acceptable resolution creating Venus Public Improvement District No. 1 (the "Creation Resolution"), which Creation Resolution shall be attached hereto as **Exhibit D** when it is adopted by the City. If the City adopts the Creation Resolution, then the City shall cooperate with Developer in the creation of the PID including, but not limited to, the execution by the City of such further ordinances, resolutions, documents, or instruments as may be reasonably requested from time to time by Developer, the Texas Attorney General, or any political subdivision or governmental agency having jurisdiction over the PID or any PID Bonds issued by the City. Notwithstanding the foregoing, nothing contained in this Article VI shall obligate the City to consent to the creation of the PID without the due consideration of the City Council and, if the PID is not created within 120 days of receipt of a Petition from Developer or a landowner, this Agreement terminates and the City shall refund the Developer Sewer Contribution.

Section 6.2 PID Powers and Authority. The PID may finance improvements as authorized by the Constitution and the laws of the State of Texas, including Chapter 372, Texas Local Government Code (the "PID Improvements"). The PID Improvements, their estimated cost and anticipated payment methodology are set forth in the Capital Cost Estimate attached as **Exhibit E**. The Parties specifically agree that acquisition costs, except for necessary right-of-way costs for Offsite Roadway Improvements, will not be included as reimbursable expenses from PID revenues and will not be included in the Capital Cost Estimate. The PID Improvements shall be designed and constructed using either funds available from a PID Project Fund or funds advanced by Developer ("Developer Advances") and the City Sewer Contribution. The City agrees to reimburse the Developer pursuant to the terms of this Agreement for Developer Advances expended for PID Improvements to be acquired by the City. The City shall be authorized to levy the PID Assessment and issue PID Bonds to fund the construction of PID Improvements or to reimburse Developer Advances, together with interest (i) from the PID Assessment, levied at a tax-equivalent rate of not less than \$0.38 per \$100 of assessed value, approved by the City and levied by the City Council after the creation of the PID against benefitted property within the PID, which PID Assessment shall be collected annually by the City for a period not to exceed 30 years after such PID Assessment is levied or until all PID Bonds are paid and discharged, whichever is later, and (ii) from the proceeds of PID Bonds approved by the City Council that are secured by or which may be paid from the PID Assessment and that are otherwise issued in compliance with this Agreement and/or applicable law, subject to the requirements of Section 1.2 hereof.

Section 6.3 Addition of Land to the PID. Developer agrees that it will not, without the prior written consent of the City, petition the City for the inclusion within the PID of any land outside the Property and within the corporate limits or ETJ of the City. Moreover, the Parties acknowledge and agree that the City Council has the right, in its sole discretion, to refuse to approve the inclusion of any additional land within the PID.

Section 6.4 PID Administrative Costs. The Parties intend that all reasonable costs and expenses paid or incurred by the City in connection with the administration and operation of the PID, including (1) the preparation of annual Service and Assessment Plan updates and the resulting adjustments, if any, to Assessments or Annual Installments; (2) the computation, collection, and application of payments of Assessments and Annual Installments and any other payments related thereto; (3) the performance of any duties or obligations imposed by the Service and Assessment Plan related to the computation, collection, and application of payments of Assessments and Annual Installments and any other related payments; and (4) legal, fiscal, and engineering services for creation and operation of the PID ("Administrative Costs") will be paid from assessments levied and collected by the City against benefitted property within the PID.

Section 6.5 Use of PID Assessments and PID Bond Proceeds. The City shall deposit all PID Assessments collected by the City and the proceeds of all PID Bonds issued (net of all Bond issuance costs and the amounts retained by the City pursuant to Section 6.4 of this Agreement) into a separate account (the "PID Account") maintained by the City for the sole purpose of designing and constructing the PID Improvements, performance of the Administrative Costs, operation and maintenance of the PID Improvements and/or reimbursing Developer for Developer Advances for the design and construction of the PID Improvements and performance of the Administrative Costs. Within 30 days of submittal of documentation of costs, as detailed in the Reimbursement Agreement, incurred in construction of the Public Improvements, the City will reimburse Developer from funds in the PID Account. PID proceeds not used in the first phase of the development of PID Improvements shall be utilized to pay for the PID Improvements in the later phases of the development of the Property, to the extent allowed by law. Developer and/or the City shall act as the construction manager for the construction of the PID Improvements.

Section 6.6 General Provisions.

(a) Subject to the terms and conditions set forth in this Article VI, the City may issue bonds to directly fund construction of PID Improvements or the Developer may receive a reimbursement of the Developer Advances through the issuance of PID Bonds in one or more series. Upon the completion of the 100th lot within the Property, and subject to the appraised valuation of the property within the PID to fund \$3,800,000.00, the City will sell PID Bonds in an amount sufficient to provide at least \$3,800,000 to the Project Fund and utilize the bond proceeds to (i) reimburse the Developer for any Developer Advances provided to date, then to (ii) fund the construction of PID Improvements from the remainder of the Project Fund. The City will thereafter sell series of PID Bonds from time to time, in amounts not less than \$1.5 million, pursuant to the terms of this Agreement, provided that the Developer can reasonably demonstrate to the City and the City's Financial Advisor, by an appraisal or such documentation

reasonably required by the City, that there is sufficient security to pay the PID Bonds from PID Assessments based upon the bond market existing at the time of such proposed sale.

(b) The aggregate principal amount of PID Bonds required to be issued hereunder shall not exceed an amount sufficient to fund: (i) the actual costs of the PID Improvements to be paid with the proceeds of the Bonds, (ii) required reserves and capitalized interest during the period of construction and not more than 12 months after the completion of construction and in no event for a period greater than 2 years from the date of the initial delivery of the PID Bonds and (iii) any reasonable costs of issuance. If the law(s) which limit the period of capitalized interest to 12 months change after completion of construction of the PID Improvements, the foregoing limitation may be adjusted to reflect the law(s) in effect at the time of future PID Bond issuances.

(c) To the extent permitted by law, the final maturity for PID Bonds issued to fund PID Improvements shall occur no later than 30 years from the issuance date of said PID Bonds.

(d) The City may provide that any delinquent PID Assessments levied to pay costs of PID Improvements shall become immediately due and payable upon sale of property within the PID to parties unaffiliated with Developer or related entities (as defined in Section 8.3 below), excluding sales to end users (builders or homebuyers).

(e) Bonds may not be issued under this Article VII unless (i) the statutory requirements set forth in the PID Act and other applicable law have been satisfied; (ii) the City shall receive at the time of issuance, an opinion of Bond Counsel selected by the City stating in effect that the Bonds are legal and valid under Texas law and that all preconditions to their issuance under State law have been satisfied; and (iii) the approving opinion of the Attorney General of Texas as required by the PID Act has been issued.

(f) If the estimated final costs of a PID Improvement exceed the amount on deposit for payment of costs of such PID Improvement plus the amount of any Fiscal Security posted by the Developer to secure payment of the costs of such PID Improvements, the Developer shall be obligated to pay such cost overruns. Any cost overruns are eligible for reimbursement from PID Bonds or other PID assessment revenues pursuant to the terms of a Reimbursement Agreement.

ARTICLE VII

EVENTS OF DEFAULT, REMEDIES, AND INDEMNITIES

Section 7.1 Events of Default.

(a) No Party shall be in default under this Agreement until:

(i) written notice of the alleged failure of such Party to perform under this Agreement has been given to such Party, which written notice shall specify in reasonable detail the nature of the alleged failure, and

(ii) such Party has been given a reasonable time to cure the alleged failure (such reasonable time determined based on the nature and extent of the alleged failure,

but in no event less than thirty (30) calendar days for a monetary or non-monetary default after written notice of the alleged failure has been given).

(b) In addition, for non-monetary defaults, no Party shall be in default under this Agreement if, within the applicable cure period, the Party to whom notice is given begins to cure the alleged failure within ten (10) days of the date of receipt of written notice and thereafter diligently pursues cure of the non-monetary monetary default.

Section 7.2 Remedies. (a) If a Party is in default under this Agreement (as set forth in Section 7.1 of this Agreement), then any non-defaulting Party shall be entitled to seek immediate injunctive relief or mandamus as its sole remedy. No Party shall be entitled to terminate this Agreement as a result of such breach or default. Notwithstanding the foregoing, if the Developer is in default under this Agreement, the City shall not be obligated to approve the issuance of PID Bonds.

(b) No default under this Agreement by any Party shall affect, in any way, (i) the obligation of the City to process preliminary and final plats, plans and specifications with respect to portions of the Property that are not directly impacted by the default, (ii) the obligation of the City to provide services to a fully developed phase within the Property, (iii) the validity or effectiveness of any consent given by the City to the creation of the PID, (iv) the continued existence of the PID as provided by this Agreement or the Creation Ordinance, and (v) the rights and powers of the PID pursuant to the Constitution of the State of Texas, the general laws of the State, this Agreement, or any Creation Ordinance including, but not limited to, the issuance of bonds by the PID and the levy and collection of special assessments, including the PID Assessments.

(c) The remedies set forth in this Section 7.2 are the sole and exclusive remedies of the Parties for a default under this Agreement.

Section 7.3 Dispute Resolution. (a) Except as provided in Section 7.2 above and Section 7.3(b) below, any and all disputes arising between the Parties with respect to this Agreement or any matters covered hereby shall be resolved by the Parties in the manner set forth in Exhibit F attached hereto and incorporated herein by reference; provided, however, any party shall have the right to obtain injunctive relief from any court of competent jurisdiction prior to pursuing the Dispute Resolution Procedures set forth on Exhibit F with respect to any dispute which cannot be resolved through the Dispute Resolution Procedures set forth on Exhibit F within a time frame that will avoid irreparable harm to the Party seeking injunctive relief (and, in such circumstances, the Dispute Resolution Procedures set forth in Exhibit F shall be complied with after the injunctive relief is sought and either obtained or delivered).

(b) Notwithstanding the foregoing, a breach or default by any Party in the payment of any amounts due hereunder shall not be subject to the provisions of Section 7.3(a) above and may be remedied as provided in Section 7.2(a) above.

Section 7.4 Limited Waiver of Immunity. The Parties are entering into this Agreement in reliance upon its enforceability. Consequently, the City unconditionally and irrevocable waives all claims of sovereign and governmental immunity it may have (including,

but not limited to, immunity from suit) to the extent, **but only to the extent**, that a waiver is necessary to enforce this Agreement (including all of the remedies provided under this Agreement) and to give full effect to the intent of the Parties under this Agreement. Notwithstanding the foregoing, the waiver contained in this Section 7.4 shall not waive any immunities that the City may have with respect to claims of injury to persons, which claims shall be subject to all of its respective immunities and to the provisions of the Texas Tort Claims Act. Further, the waiver of immunity in this Section 7.4 is not enforceable by any party not a party to this Agreement. Notwithstanding the foregoing, this Section is not intended by the Parties to expand or increase the liability or the measure of damages that the City may have for a breach of this Agreement pursuant to §271.151 through §271.160 of the TEXAS LOCAL GOVERNMENT CODE.

Section 7.5 Waiver of Claims and Indemnification.

(a) Developer acknowledges and agrees that the dedications, requirements and fees set forth in this Agreement regarding the Property and the Roadway Improvements, in whole or in part, do not constitute a taking under the Texas or United States Constitution; or a violation of the TEXAS LOCAL GOVERNMENT CODE, as it exists or may be amended.

(b) Developer acknowledges and agrees that the amount of Developer's financial or infrastructure contribution and any property it conveys as set forth in this Agreement is roughly proportional to the demand that Developer's development places on the City's infrastructure and meets the requirements of Section 212.904 of the TEXAS LOCAL GOVERNMENT CODE.

(c) Developer hereby agrees that any property which it conveys to City or acquires for City pursuant to this Agreement is roughly proportional to the benefit received by Developer for such land, and Developer hereby waives any claim therefor that it may have. Developer further acknowledges and agrees that all prerequisites to such a determination of rough proportionality have been met, and that any value received by City relative to said conveyance is related both in nature and extent to the impact of the development of the Property on City's infrastructure. Developer and City further agree to waive and release all claims one may have against the other to date, including those related to any and all rough proportionality and individual determination requirements mandated by Section 212.904 of the TEXAS LOCAL GOVERNMENT CODE and the United States Supreme Court in *Dolan v. City of Tigard*, 512 U.S. 374 (1994), and its progeny, as well as any other requirements of a nexus between development conditions and the projected impact of the public infrastructure. Developer hereby assigns all claims it has against the City, if any, to the City.

(d) **INDEMNIFICATION. DEVELOPER SHALL INDEMNIFY AND HOLD HARMLESS CITY FROM ANY CLAIMS AND SUITS OF THIRD PARTIES, INCLUDING BUT NOT LIMITED TO DEVELOPER'S RESPECTIVE PARTNERS, OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS, SUCCESSORS, ASSIGNEES, VENDORS, GRANTEES, AND/OR TRUSTEES, BROUGHT AS A RESULT OF THE DEDICATIONS, EXACTIONS, DEVELOPER PERFORMANCE OBLIGATIONS AND FEES REQUIRED IN THIS AGREEMENT. FURTHER, FOR ITSELF AND ITS SUCCESSORS AND ASSIGNS, DEVELOPER RELEASES CITY FROM ANY AND ALL CLAIMS OR CAUSES OF ACTION BASED**

ON EXCESSIVE OR ILLEGAL EXACTIONS RELATING TO DEVELOPER'S OBLIGATIONS CREATED IN THIS AGREEMENT.

DEVELOPER COVENANTS AND AGREES TO INDEMNIFY AND DOES HEREBY INDEMNIFY, HOLD HARMLESS AND DEFEND CITY, ITS OFFICERS, AGENTS, SERVANTS AND EMPLOYEES, FROM AND AGAINST ANY AND ALL CLAIMS OR SUITS FOR PROPERTY DAMAGE OR LOSS AND/OR PERSONAL INJURY, INCLUDING DEATH, TO ANY AND ALL PERSONS OF WHATSOEVER KIND OR CHARACTER, WHETHER REAL OR ASSERTED, INCLUDING, DEVELOPER, ITS OFFICERS, AGENTS, SERVANTS, EMPLOYEES, CONTRACTORS, SUBCONTRACTORS, LICENSEES OR INVITEES RELATING TO THIS AGREEMENT, THE PROPERTY, THE CONSTRUCTION, MAINTENANCE, OCCUPANCY, USE, EXISTENCE OR LOCATION OF IMPROVEMENTS, AND SHALL FURTHER BE LIABLE FOR INJURY OR DAMAGE TO CITY PROPERTY, ARISING OUT OF OR IN CONNECTION WITH ANY AND ALL ACTS OR OMISSIONS OF DEVELOPER, ITS OFFICERS, AGENTS, SERVANTS, EMPLOYEES, CONTRACTORS, SUBCONTRACTORS, LICENSEES, OR INVITEES, BUT NOT FOR THE GROSS NEGLIGENCE OR INTENTIONAL MISCONDUCT OF THE CITY OR AGENTS OR REPRESENTATIVES OF THE CITY, SAID INDEMNIFICATION TO REMAIN IN EFFECT UNTIL THE CITY ACCEPTS THE IMPROVEMENTS WITH EACH PHASE ON THE DEVELOPER PROPERTY.

THE PARTIES AGREE AND STIPULATE THAT THIS INDEMNITY CLAUSE IS FULLY ENFORCEABLE AND MEETS THE REQUIREMENTS OF TEXAS LAW INCLUDING BUT NOT LIMITED TO EXPRESS NEGLIGENCE AND CONSPICUITY. THIS INDEMNITY CLAUSE SURVIVES TERMINATION OF THIS AGREEMENT. FOR COMPLETED PHASES, THIS INDEMNITY CLAUSE SURVIVES FOR TWO YEARS AFTER ACCEPTANCE BY THE CITY.

Section 7.6 Force Majeure. If a party hereto is rendered unable, wholly or in part, by force majeure to carry out any of its obligations under this Agreement, except the obligation related to performance of a monetary obligation, then the obligations of such party, to the extent that due diligence is being used to resume performance at the earliest practicable time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period. Such cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure," as used herein, shall include, without limitation of the generality thereof, (i) acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, orders of any kind of the Government of the United States or of the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, and (ii) breakage or accidents to machinery, pipelines or canals, and (iii) any other incapacities of either party, whether similar to those enumerated or otherwise, any of which events in subclauses (i) (ii) or (iii) which are not within the control of the party claiming such inability and which such party could not have avoided by the exercise of due diligence and care. 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 the

settlement of strikes and lockouts by acceding to the demand of the opposing party or parties when such settlement is unfavorable to it in the judgment of the party having the difficulty.

ARTICLE VIII

BINDING AGREEMENT, TERM, AND ASSIGNMENT

Section 8.1 Beneficiaries. This Agreement shall bind and inure to the benefit of the City and Developer and their successors and assigns.

Section 8.2 Term. (a) The term of this Agreement shall commence on the Effective Date and shall continue during the later of the Governing Regulations Period or during the period PID Bonds secured by revenues generated by the Property are outstanding unless terminated on an earlier date by express written agreement executed by the City and Developer and all of their respective successors and assigns.

(b) In the event this Agreement is terminated by agreement as provided in Section 8.2(c) of this Agreement, the City shall, upon request, promptly execute and file of record, in the Deed Records of the County, a document confirming the termination of this Agreement.

(c) This Agreement may be terminated by the mutual agreement of the Parties.

Section 8.3 Assignment; No Third-Party Beneficiaries. (a) Upon the prior written approval of the City, exercised in its reasonable discretion, Developer may assign, sell, pledge, transfer, encumber or otherwise convey (any of the foregoing, and the occurrence of any of the foregoing, a “Conveyance”) its rights and obligations hereunder that does not result in a change in majority ownership or control and provided all terms and conditions of this Agreement are affirmed during any assignment, sale, pledge, transfer or encumbrance described above. Any Conveyance of any kind or by any method (including by operation of law, by merger, or otherwise) without the City’s prior written consent shall be null and void.

(b) The Developer has the right (from time to time without the consent of the City, but upon written notice to the City) to assign this Agreement, in whole or in part, and including any obligation, right, title, or interest of the Developer under this Agreement, to any person or entity (an “Assignee”) that is an entity that is controlled by or under common control with the Owner.

(c) Any Conveyance approved by the City shall be expressly subject to all of the terms, conditions and provisions of this Agreement. In the event of any such Conveyance approved by the City, Developer shall obtain a written agreement (the “Assumption Agreement”) from each such assignee, transferee, buyer, pledgee, or other person or entity to whom this Agreement is otherwise conveyed whereby each such assignee, transferee, buyer, pledgee, or other person or entity to whom this Agreement is otherwise conveyed agrees to be bound by the terms and provisions of this Agreement.

(d) An assignment of the rights to reimbursement, of the Developer’s Advances from PID Revenues, to a lender for the sole purpose of obtaining financing to construct PID Improvements shall not be considered a Conveyance under this Section 8.3.

(e) This Agreement shall be binding on and inure to the benefit of the Parties, their respective permitted successors and permitted assigns. This Agreement and all of its provisions are solely for the benefit of the Parties hereto and do not and are not intended to create or grant any rights, contractual or otherwise, to any third person or entity.

Section 8.4 Recordation, Releases, and Estoppel Certificates. (a) Binding Obligations. Pursuant to the requirements of Section 212.172(f) of the TEXAS LOCAL GOVERNMENT CODE, this Agreement shall be recorded in the deed records of the County. This Agreement, when recorded, shall be binding upon the Parties and their successors and assigns permitted by this Agreement and upon the Property; provided, however, this Agreement shall not be binding upon, and shall not constitute any encumbrance to title as to, any end-buyer of a fully developed and improved lot within the Property except for land use and development regulations that apply to specific lots. For purposes of this Agreement, the Parties agree (i) that the term “End-Buyer” means any Developer, developer, tenant, user, or occupant, (ii) that the term “fully developed and improved lot” means any lot, regardless of proposed use, for which a final plat has been approved by the governmental authority having jurisdiction and for which all planned and approved improvements have been constructed and accepted to the extent that a building permit may be obtained for such lot, and (iii) that the term “land use and development regulations that apply to specific lots” means the Governing Regulations.

(b) Releases. From time to time upon written request of Developer (or any other Developer, developer, tenant, user, or occupant of land within the Property), the City shall execute, in recordable form, a partial release from this Agreement of a fully developed and improved lot owned by an End-Buyer within a fully developed and improved phase (subject only to the continued applicability of the Governing Regulations, Building Codes, the Special Regulations and the PID Assessment).

(c) Estoppel Certificates. From time to time upon written request of Developer (or any other Developer, developer, tenant, user, or occupant of land within the Property which land is not a fully developed and improved lot owned by an End-Buyer within a fully developed and improved phase), the City will execute a written estoppel certificate to such person or entity (i) identifying the obligations of Developer under this Agreement that have been fully performed, (ii) identifying the obligations of Developer under this Agreement that remain to be performed, including the interim status of any obligations for which performance has begun, (iii) identifying any obligations of Developer under this Agreement that are in default or, with the giving of notice or passage of time, would be in default, and (iv) stating, to the extent true, that to the best knowledge and belief of the City, that Developer is in compliance with their respective duties and obligations under this Agreement.

ARTICLE IX

MISCELLANEOUS PROVISIONS

Section 9.1 Notice. The parties contemplate that they will engage in informal communications with respect to the subject matter of this Agreement. However, any formal notices or other communications (“Notice”) required to be given by this Agreement shall be given in writing addressed to the party to be notified at the address set forth below for such party, (a) by delivering the same in person, (b) by depositing the same in the United States Mail,

certified or registered, return receipt requested, postage prepaid, addressed to the party to be notified, (c) by depositing the same with FedEx or another nationally recognized courier service guaranteeing "next day delivery," addressed to the party to be notified, or (d) by sending the same by electronic mail with confirming copy sent by mail. Notice deposited in the United States mail in the manner herein above described shall be deemed effective from and after three (3) days after the date of such deposit. Notice given in any other manner shall be effective only if and when received by the party to be notified. For the purposes of notice, the addresses of the parties, until changed as provided below, shall be as follows:

City: City of Venus
105 East US Highway 67
Venus, Texas 76084
Attn: City Administrator
Phone: (972) 366-3348
Fax: (940) 648-0363
Email: mboese@cityofvenus.org

With a copy to: Brenda N. McDonald
Messer, Fort & McDonald PLLC
6371 Preston Road, Suite 200
Frisco, Texas 75034
972.668.6400
Email: brenda@txmunicipallaw.com

Developer: Miskimon Management I, LLC
5940 S. West McGee Creek Road
Lane, Oklahoma 74555
Telephone: 214.546.5366

With a copy to: Ross Martin
Winstead PC
2728 N. Harwood, Suite 500
Dallas, Texas 75201
214.745.5353
Email: rmartin@winstead.com

The Parties shall have the right from time to time to change their respective addresses, and each shall have the right to specify as its address any other address within the United States of America by giving at least ten (10) days written notice to the other Parties. If any date or any period provided in this Agreement ends on a Saturday, Sunday, or legal holiday, the applicable period for calculating the notice shall be extended to the first business day following such Saturday, Sunday or legal holiday.

Section 9.2 Audit Rights. The City shall permit the Developer to make reasonable inspections, audits and copies of the books and records of the City relating to the amounts expended by or owed to Developer under the terms of this Agreement. The Developer shall

permit the City to make reasonable inspections, audits and copies of the books and records of the Developer relating to the amounts expended under the terms of this Agreement.

Section 9.3 Amendments. The Agreement may only be amended by resolution or ordinance of the City Council, together with written approval from all of the other Parties to this Agreement. No City official has the authority to waive or modify the terms of the Agreement.

Section 9.4 Time. Time is of the essence in all things pertaining to the performance of this Agreement.

Section 9.5 Entire Agreement; Severability. This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements, whether oral or written, covering the subject matter of this Agreement. This Agreement shall not be modified or amended except in writing signed by the Parties. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, such unenforceable provision shall be deleted from this Agreement, and the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties. Without limiting the generality of the foregoing, (a) if it is determined that, as of the Effective Date, Developer does not own any portion of the Property, this Agreement shall remain in full force and effect with respect to all of the Property that Developer does then own and (b) if it is determined, as of the Effective Date, that any portion of the Property is not within the City's ETJ, this Agreement shall remain in full force and effect with respect to all of the Property that is then within the City's ETJ. If at any time after the Effective Date it is determined that any portion of the Property is no longer within the City's ETJ, this Agreement shall remain in full force and effect with respect to all of the Property that remains within the City's ETJ.

Section 9.6 Waiver. Any failure by a Party hereto to insist upon strict performance by the Party of any material provision of this Agreement shall not be deemed a waiver thereof or of any other provision hereof, and such Party shall have the right at any time thereafter to insist upon strict performance of any and all of the provisions of this Agreement.

Section 9.7 Applicable Law and Venue. The construction and validity of this Agreement shall be governed by the laws of the State of Texas without regard to conflicts of law principles. Venue shall be in Ellis County, Texas.

Section 9.8 Further Documents. The Parties agree that at any time after execution of this Agreement, they will, upon request of another Party, execute and deliver such further documents and do such further acts and things as the other Party may reasonably request in order to effectuate the terms of this Agreement.

Section 9.9 Recitals. The recitals contained in this Agreement (a) are true and correct as of the Effective Date, (b) form the basis upon which the Parties negotiated and entered into this Agreement, and (c) reflect the final intent of the Parties with regard to the subject matter of this Agreement. In the event it becomes necessary to interpret any provision of this Agreement, the intent of the Parties, as evidenced by the recitals, shall be taken into consideration and, to the maximum extent possible, given full effect. The Parties have relied

upon the recitals as part of the consideration for entering into this Agreement and, but for the recitals, would not have entered into this Agreement.

Section 9.10 Exhibits. The exhibits on the List of Exhibits are attached to this Agreement and are incorporated as part of this Agreement. Any proposed change to an exhibit shall be considered a proposed amendment to this Agreement.

Section 9.11 Effect of State and Federal Laws. Notwithstanding any other provision of this Agreement, the Parties and their successors or assigns shall comply with all applicable statutes or regulations of the United States and the State of Texas, and any rules implementing such statutes or regulations.

Section 9.12 Authority; Binding Obligation. (a) The City represents and warrants that this Agreement has been approved by resolution duly adopted by the City Council of the City in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Agreement on behalf of the City has been duly authorized to do so. The City acknowledges and agrees (i) that this Agreement shall be binding upon the City and enforceable against the City in accordance with its terms and conditions, and (ii) that the performance by the City under this Agreement is authorized by Section 212.171 of the TEXAS LOCAL GOVERNMENT CODE and by Chapter 791 of the TEXAS GOVERNMENT CODE.

(b) Developer represents and warrants that this Agreement has been approved by appropriate action of Developer, that the individual executing this Agreement on behalf of Developer has been duly authorized to do so, and that, when executed by such individual, this Agreement shall be binding upon and enforceable against Developer.

Section 9.13 Developer's Development Schedule. Prior to the approval of any final plat for any phase of the development of the Property, the Developer shall deliver to the City a copy of the Developer's Development Schedule for each phase of the Property including a copy of any amended or revised development schedules as such development schedules are amended or revised.

(Two Signature Pages to Follow)

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement to be effective as of the Effective Date set forth herein.

CITY OF VENUS, TEXAS:

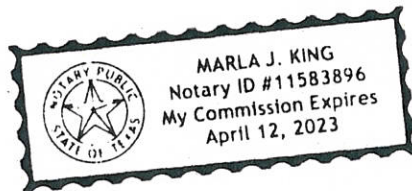
By: *James L. Burgess*
James L. Burgess, Mayor

Date: 11-22-19

STATE OF TEXAS §
 §
COUNTY OF Johnson §

Before me on this day personally appeared James L. Burgess, Mayor of the City of Venus, Texas, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this 22nd day of November, 2019.



Marla J. King
Notary Public in and for the State of Texas

SEAL

DEVELOPER:

MISKIMON MANAGEMENT I, LLC,
a Texas limited liability company

BY:

By:  
Rick Miskimon, Managing Member

Oklahoma
STATE OF TEXAS §
COUNTY OF Atoka §

Before me on this day personally appeared Rick Miskimon, Managing Member of Miskimon Management I, LLC, a Texas limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this 19 day of November, 2019.



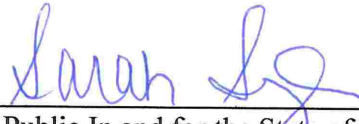
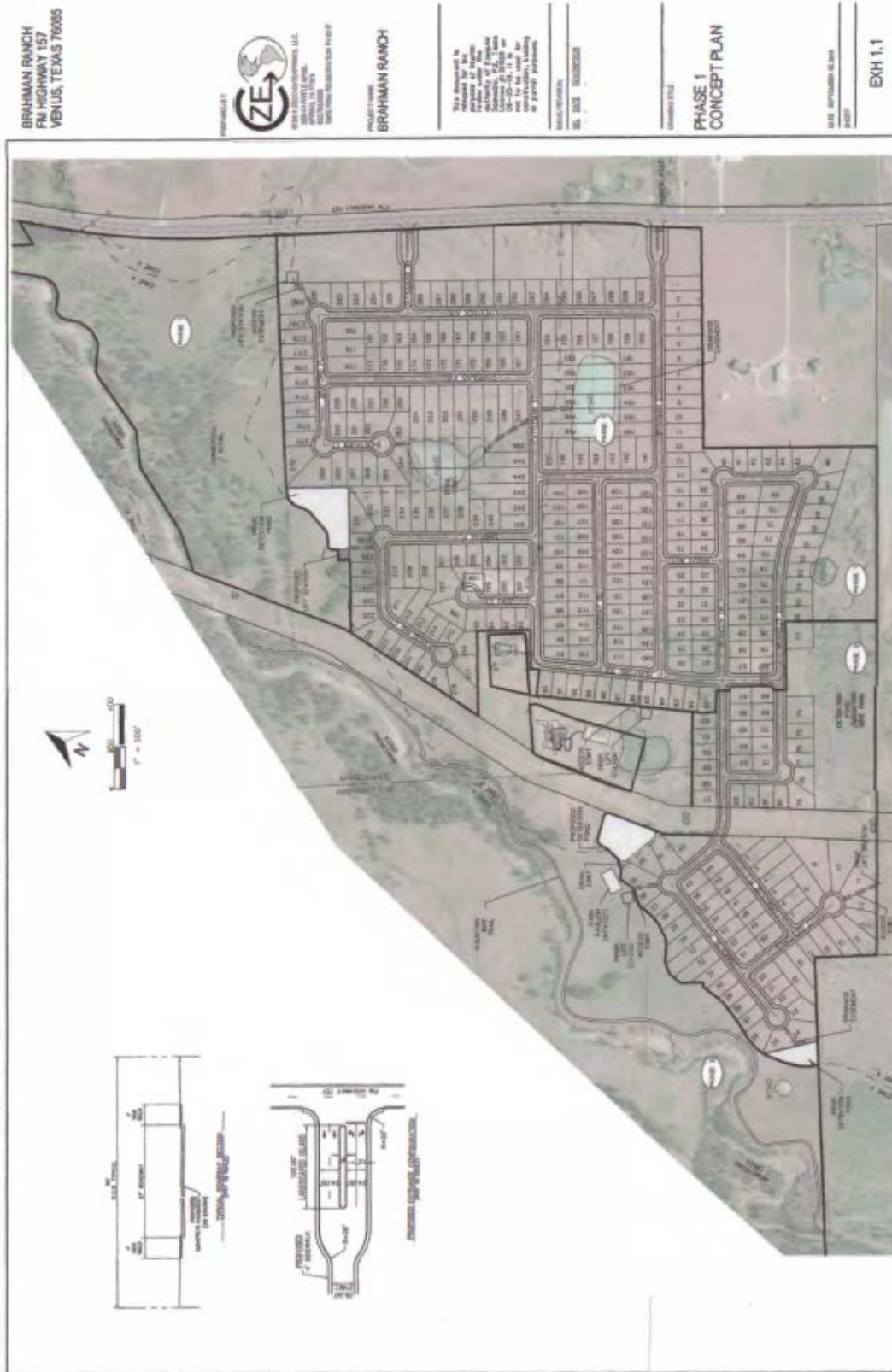

Notary Public In and for the State of Texas
Oklahoma

EXHIBIT LIST

Exhibit A	Conceptual Site Plan
Exhibit B	Legal Description
Exhibit C	Special Regulations
Exhibit D	Creation Resolution
Exhibit E	Capital Cost Estimate
Exhibit F	Dispute Resolution Procedure

EXHIBIT A

CONCEPT PLAN



BRAHMAN RANCH
FM HIGHWAY 157
VENUS, TEXAS 76065

PROJECT NO. 157



ZACHRY ENGINEERING ASSOCIATES, L.L.C.
3000 WEST 15TH STREET
SUITE 100
DALLAS, TEXAS 75205
214.343.7000
WWW.ZEA.COM

PROJECT NAME:
BRAHMAN RANCH

This document is prepared for the use of the engineer or architect as a guide only. It is not to be used for construction or for any other purpose without the written consent of the engineer or architect. The engineer or architect is not responsible for the accuracy or completeness of the information provided in this document.

DATE: 08/20/2013
BY: [Signature]

CONCEPT PLAN

DATE: 08/20/2013
BY: [Signature]

EXH 1.0



NO.	DESCRIPTION	DATE	BY	CHKD.	APP'D.
1	PRELIMINARY PLAN	08/20/2013	[Signature]	[Signature]	[Signature]
2	CONCEPT PLAN	08/20/2013	[Signature]	[Signature]	[Signature]
3	FINAL PLAN	08/20/2013	[Signature]	[Signature]	[Signature]

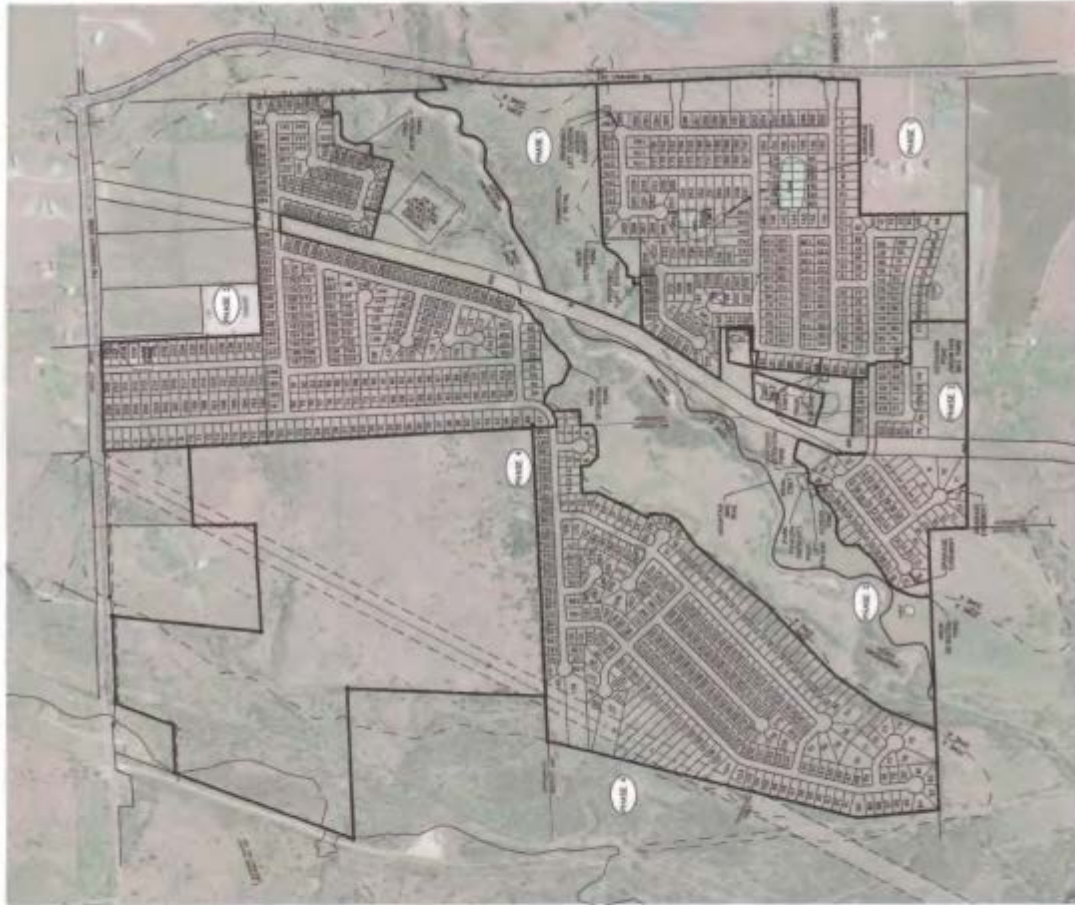


EXHIBIT B

LEGAL DESCRIPTION

BEING A TRACT OF LAND SITUATED IN THE L. KELSEY SURVEY, ABSTRACT NO. 594, THE J. BATEMAN SURVEY, ABSTRACT NO. 103, THE H. SLAUGHTER SURVEY, ABSTRACT NO. 1016, THE J. JACKSON SURVEY, ABSTRACT NO. 560, THE S. PRICE SURVEY, ABSTRACT NO. 860 AND THE J. MCQUATTERS SURVEY, ABSTRACT NO. 781, ELLIS COUNTY, TEXAS AND BEING ALL OF THOSE TRACTS OF LAND DESCRIBED IN DEEDS TO RICHARD K. MISKIMON AND SHERI MISKIMON, A CALLED 162.33 ACRE TRACT RECORDED IN VOLUME 1509, PAGE 164, OF THE OFFICIAL PUBLIC RECORDS OF ELLIS COUNTY, TEXAS, (OPRECT), A CALLED 10.000 ACRE TRACT 1 AND A 0.6498 ACRE TRACT 2, RECORDED IN VOLUME 2334, PAGE 1793, A CALLED 71.813 ACRE TRACT, RECORDED IN VOLUME 1841, PAGE 2039, OPRECT, A CALLED 170.0456 ACRE TRACT, RECORDED IN VOLUME 1209, PAGE 293, OPRECT, AND BEING ALL OF A CALLED 30.0 ACRE LOT 1, SOUTHLAND ADDITION, RECORDED IN CABINET C, SLIDE 512, OPRECT, A PORTION OF A CALLED 10.00 ACRE TRACT 1, ARMSTRONG CREEK ADDITION, RECORDED IN CABINET C, PAGE 26, OPRECT AND A PORTION OF THOSE TRACTS OF LAND DESCRIBED IN DEED TO RICHARD K MISKIMON AND SHERI MISKIMON, A CALLED 97.8915 ACRE TRACT, RECORDED IN VOLUME 1890, PAGE 1798, OPRECT AND A CALLED 23.738 TRACT, RECORDED IN VOLUME 1910, PAGE 20, OPRECT, AND BEING MORE PARTICULARLY DESCRIBED, AS FOLLOWS:

BEGINNING AT A 5/8" IRON ROD WITH CAP STAMPED 'TXRCS' SET FOR THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN DEED TO JASON D. STOTTLEMIRE AND JILL S STOTTLEMIRE, RECORDED IN VOLUME 1890, PAGE 1778, OPRECT, IN THE EAST LINE OF SAID MISKIMON CALLED 97.8915 ACRE TRACT, THE EAST LINE OF SAID ARMSTRONG ADDITION AND THE WEST RIGHT-OF-WAY (ROW) LINE OF F.M. HIGHWAY NO. 157 (A VARIABLE WIDTH ROW) FROM WHICH A 1/2" IRON ROD FOUND FOR THE SOUTHEAST CORNER OF SAID ARMSTRONG ADDITION BEARS, S 28°23'58" E, A DISTANCE OF 276.18 FEET;

THENCE S 61°32'18" W, ALONG THE NORTH LINE OF SAID STOTTLEMIRE TRACT, A DISTANCE OF 1046.66 FEET TO A 1/2" IRON ROD FOUND FOR THE NORTHWEST CORNER OF SAID STOTTLEMIRE TRACT;

THENCE S 28°14'31" E, ALONG THE WEST LINE OF SAID STOTTLEMIRE TRACT, PASSING AT A DISTANCE OF 412.11 A 1/2" IRON ROD FOUND FOR THE SOUTHWEST CORNER OF SAID STOTTLEMIRE TRACT AND THE COMMON NORTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN DEED TO TIMOTHY D. STOTTLEMIRE AND LINDA K STOTTLEMIRE, RECORDED IN VOLUME 2692, PAGE 1143, OPRECT, A TOTAL DISTANCE OF 825.08 FEET TO A 5/8' IRON ROD WITH CAP STAMPED "TXRCS" SET FOR THE SOUTHWEST CORNER OF SAID TIMOTHY STOTTLEMIRE TRACT, IN THE SOUTH LINE OF SAID MISKIMON CALLED 97.8915 ACRE TRACT AND THE COMMON NORTH LINE OF A TRACT OF LAND DESCRIBED IN DEED TO BYRUM RANCH, RECORDED IN VOLUME 2766, PAGE 1608, OPRECT;

THENCE S 62°04'43" W, ALONG THE NORTH LINE OF SAID BYRUM RANCH TRACT AND THE COMMON SOUTH LINE OF SAID MISKIMON CALLED 97.8915 ACRE TRACT, A DISTANCE OF 2428.83 FEET TO 1/2" IRON ROD FOUND FOR THE NORTHWEST CORNER OF SAID BYRUM RANCH TRACT AT AN ANGLE POINT IN THE EAST LINE OF A TRACT OF LAND DESCRIBED IN DEED TO BYRUM RANCH, RECORDED IN VOLUME 2171, PAGE 479, AND BEING AT AN ANGLE POINT IN THE SOUTH LINE OF SAID MISKIMON CALLED 97.8915 ACRE TRACT;

THENCE N 29°42'13" W, ALONG THE EAST LINE OF SAID BYRUM TRACT AND A WEST LINE OF SAID MISKIMON CALLED 97.8915 ACRE TRACT, A DISTANCE OF 296.13 FEET TO A 1/2" IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID BYRUM TRACT AND AN INTERIOR ELL CORNER OF SAID MISKIMON CALLED 97.8915 ACRE TRACT;

THENCE S 59°56'03" W, ALONG THE NORTH LINE OF SAID BYRUM RANCH TRACT AND THE COMMON SOUTH LINE OF SAID MISKIMON CALLED 97.8915 ACRE TRACT, PASSING AT A DISTANCE OF 12.69.69 FEET A POINT FOR THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN DEED TO ROBYN R. FARRELL AND PHILLIP W. FARRELL, RECORDED IN VOLUME 2231, PAGE 1871, OPRECT, A TOTAL DISTANCE OF 2175.26 FEET TO A 1/2" IRON ROD FOUND FOR THE SOUTHWEST CORNER OF SAID MISKIMON CALLED 97.8915 ACRE TRACT, FROM WHICH A 1/2" IRON ROD FOUND FOR THE CALLED SOUTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN DEED TO OBK REALTY, LLC, RECORDED IN INSTRUMENT NO. 1807542, OPRECT BEARS N 86°14'12" EA DISTANCE OF 27.70 FEET;

THENCE N 33°09'57" W, ALONG THE WEST LINE OF SAID MISKIMON CALLED 97.8915 ACRE TRACT, A DISTANCE OF 635.80 FEET TO A 5/8" IRON ROD WITH CAP STAMPED "TXRCS" SET FOR THE NORTHWEST CORNER OF SAID MISKIMON CALLED 97.8915 ACRE TRACT AND THE COMMON SOUTHWEST CORNER OF SAID MISKIMON CALLED 71.813 ACRE TRACT, FROM WHICH A 1/2" IRON ROD FOUND FOR THE SOUTHEAST CORNER OF SAID MISKIMON CALLED 71.813 ACRE TRACT BEARS N 63°45'19" EA DISTANCE OF 620.47 FEET;

THENCE N 13°44'01" W, ALONG THE WEST LINE OF SAID MISKIMON CALLED 71.813 ACRE TRACT, A DISTANCE OF 2447.39 FEET TO A 1/2" IRON ROD FOUND FOR THE NORTHWEST CORNER OF SAID MISKIMON CALLED 71.813 ACRE TRACT, FROM WHICH A 1/2" IRON ROD FOUND FOR AN INTERIOR ELL CORNER OF SAID OBK REALTY TRACT BEARS S 43°34'18" WA DISTANCE OF 7.89 FEET;

THENCE N 59°17'11" E, ALONG THE NORTH LINE OF SAID MISKIMON CALLED 71.813 ACRE TRACT, PASSING AT A DISTANCE OF 351.63 FEET A 1/2" IRON ROD FOUND FOR AN ELL CORNER IF THE EAST LINE OF SAID OBK REALTY TRACT AND A CALLED SOUTHWEST CORNER OF A TRACT OF LAND DESCRIBED IN DEED TO REUEL C HENDRICK AND WANDA

O. HENDRICK, BEARS S 30°42'49" EA DISTANCE OF 2.00 FEET, PASSING AT A DISTANCE OF 790.68 FEET A 1/2" IRON ROD BEARS S 30°42'49" E, A DISTANCE OF 2.00 FEET A TOTAL DISTANCE OF 1592.77 FEET TO A 1/2" IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID MISKIMON CALLED 71.813 AND THE NORTHWEST CORNER OF SAID MISKIMON CALLED 170.0456 ACRE TRACT, FROM WHICH A 1/2" IRON ROD FOUND FOR AN ANGLE POINT IN THE EAST LINE OF SAID MISKIMON CALLED 71.813 ACRE TRACT AND THE WEST LINE OF SAID MISKIMON CALLED 170.0456 ACRE TRACT BEARS S 09°06'39" EA DISTANCE OF 1435.52 FEET;

THENCE N 59°12'54" E, ALONG THE NORTH LINE OF SAID MISKIMON CALLED 170.0456 ACRE TRACT AND THE CALLED SOUTH LINE OF SAID HENDRICK TRACT, A DISTANCE OF 828.57 FEET TO A 5/8" IRON ROD WITH CAP STAMPED "TXRCS" SET FOR THE NORTHEAST CORNER OF SAID MISKIMON CALLED 170.0456 ACRE TRACT AND THE COMMON SOUTHEAST CORNER OF SAID HENDRICK TRACT, IN THE EAST LINE OF SAID MISKIMON CALLED 162.33 ACRE TRACT, IN A CALLED ABANDONED COUNTY ROAD, FROM WHICH A 1/2" IRON ROD BEARS N 59°00'41" EA DISTANCE OF 24.26 FEET AND A 1/2" IRON ROD FOUND FOR THE SOUTHWEST CORNER OF SAID MISKIMON CALLED 162.33 ACRE TRACT AND AN INTERIOR ELL CORNER OF SAID MISKIMON CALLED 170.0456 ACRE TRACT, BEARS S 30°42'49" EA DISTANCE OF 804.10 FEET;

THENCE N 30°42'04" W, ALONG THE WEST LINE OF SAID MISKIMON CALLED 162.33 ACRE TRACT AND THE COMMON EAST LINE OF SAID HENDRICK TRACT AND A CALLED ABANDONED COUNTY ROAD, A DISTANCE OF 2041.79 FEET TO A 1/2" IRON ROD FOUND FOR THE NORTHWEST CORNER OF SAID MISKIMON CALLED 162.33 ACRE TRACT AND THE COMMON SOUTHWEST CORNER OF SAID MISKIMON CALLED 23.738 ACRE TRACT;

THENCE N 30°31'33" W, ALONG THE WEST LINE OF SAID MISKIMON CALLED 23.738 ACRE TRACT AND THE COMMON EAST LINE OF SAID HENDRICK TRACT AND A CALLED ABANDONED COUNTY ROAD, A DISTANCE OF 1254.57 FEET TO A 2" PIPE FOUND FOR THE NORTHWEST CORNER OF SAID MISKIMON CALLED 23.738 ACRE TRACT, IN THE SOUTH ROW LINE OF FM HIGHWAY NO. 2258 (A VARIABLE WIDTH ROW), FROM WHICH A 1/2" IRON ROD FOUND BEARS S 05°28'07" WA DISTANCE OF 3.44 FEET;

THENCE N 60°35'27" E, ALONG THE NORTH LINE OF SAID MISKIMON CALLED 23.738 ACRE TRACT AND THE COMMON SOUTH ROW LINE OF SAID FM HIGHWAY NO. 2258, A DISTANCE OF 625.35 FEET TO A 5/8" IRON ROD WITH CAP STAMPED "TXRCS" SET FOR CORNER;

THENCE, OVER AND ACROSS SAID MIS KI MON CALLED 23.738 ACRE TRACT, AS FOLLOWS:

S 22°49'02" E, A DISTANCE OF 455.76 FEET TO A 5/8" IRON ROD WITH CAP STAMPED "TXRCS" SET FOR CORNER;

N 57°28'58" E, A DISTANCE OF 267.31 FEET TO A 5/8" IRON ROD WITH CAP STAMPED "TXRCS" SET FOR CORNER IN THE EAST LINE OF SAID MISKIMON CALLED 23.738 ACRE TRACT AND THE COMMON WEST LINE OF A TRACT OF LAND DESCRIBED IN DEED TO BARNETT GATHERING, LP, RECORDED IN VOLUME 2283, PAGE 315, OPRECT;

THENCE S 30°31'11" E, ALONG THE EAST LINE OF SAID MISKIMON CALLED 23.738 ACRE TRACT AND THE COMMON WEST LINE OF SAID BARNETT GATHERING TRACT, A DISTANCE OF 797.25 FEET TO A 1/2" IRON ROD FOUND FOR THE SOUTHEAST CORNER OF SAID MISKIMON CALLED 23.738 ACRE TRACT AND THE COMMON SOUTHWEST CORNER OF SAID BARNETT GATHERING TRACT, IN THE NORTH LINE OF SAID MISKIMON CALLED 162.33 ACRE TRACT;

THENCE N 58°54'05" E, ALONG THE NORTH LINE OF SAID MISKIMON CALLED 162.33 ACRE TRACT, THE SOUTH LINE OF SAID BARNETT GATHERING TRACT, THE SOUTH LINE OF A TRACT OF LAND DESCRIBED IN DEED TO JOE LEE, RECORDED IN VOLUME 866, PAGE 629, OPRECT, AND THE SOUTH LINE OF THE REMAINDER OF A TRACT OF LAND DESCRIBED IN DEED TO V.V. LEE, RECORDED IN VOLUME 332, PAGE 541, OPRECT, A DISTANCE OF 1840.83 FEET TO A 5/8" IRON ROD WITH CAP STAMPED "TXRCS" SET FOR THE NORTHEAST CORNER OF SAID MISKIMON CALLED 162.33 ACRE TRACT AND THE COMMON SOUTHEAST CORNER OF SAID LEE TRACT IN THE WEST LINE OF THE REMAINDER OF A TRACT OF LAND DESCRIBED IN DEED TO JOE LEE AND MARGARET LEE, RECORDED IN VOLUME 471, PAGE 280, OPRECT IN A CALLED ABANDONED COUNTY ROAD;

THENCE S 30°14'10" E, ALONG THE EAST LINE OF SAID MISKIMON CALLED 162.33 ACRE TRACT AND THE COMMON WEST LINE OF SAID JOE LEE TRACT AND THE CALLED ABANDONED COUNTY ROAD, PASSING AT A DISTANCE OF 1260.87 FEET THE NORTHEAST CORNER OF SAID MISKIMON CALLED 10.000 ACRE TRACT 1, PASSING AT A DISTANCE OF 1360.87 FEET A 1/2" IRON ROD FOUND FOR WITNESS, TOTAL DISTANCE OF 1517.26 FEET TO A 5/8" IRON ROD WITH CAP STAMPED "TXRCS" SET FOR THE

NORTHWEST CORNER OF SAID MISKIMON CALLED 0.6498 ACRE TRACT 2 AND THE CALLED SOUTHWEST CORNER OF SAID JOE LEE TRACT;

THENCE N 30°16'37" E, ALONG THE NORTH LINE OF SAID MISKIMON CALLED 0.6498 ACRE TRACT AND THE COMMON SOUTH LINE OF SAID JOE LEE TRACT, A DISTANCE OF 127.66 FEET TO A 5/8" IRON ROD WITH CAP STAMPED "TXRCS" SET FOR THE NORTHEAST CORNER OF SAID MISKIMON CALLED 0.6498 ACRE TRACT IN THE WEST ROW LINE OF SAID FM HIGHWAY NO. 157;

THENCE, ALONG THE WEST ROW LINE OF SAID FM HIGHWAY NO. 157 AND THE COMMON EAST LINES OF SAID MISKIMON CALLED 0.6498 ACRE TRACT 2, CALLED 10.000 ACRE TRACT 1, CALLED 162.33 ACRE TRACT, CALLED 170.0456 ACRE TRACT, SOUTHLAND ADDITION, CALLED 97 .8915 ACRE TRACT AND ARMSTRONG ADDITION, THE FOLLOWING:

S 17°34'34" EA DISTANCE OF 124.94 FEET TO A 5/8" IRON ROD WITH CAP STAMPED "TXRCS" SET FOR THE BEGINNING OF A TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 3864.72 FEET, A CHORD BEARING S 23°52'34" E, A CHORD LENGTH OF 848.18 FEET;

ALONG SAID CURVE TO THE LEFT, PASSING AT AN ARC DISTANCE OF 571.58 A 1/2" IRON ROD FOUND FOR THE SOUTH CORNER OF SAID MISKIMON CALLED 0.6498 ACRE TRACT, A TOTAL ARC LENGTH OF 849.90 FEET TO A 5/8" IRON ROD WITH CAP STAMPED "TXRCS" SET FOR CORNER;

S 30°14'1 0" E, PASSING AT A DISTANCE OF 1326.42 FEET A 3/8" IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID SOUTHLAND ADDITION A SOUTHEAST CORNER OF SAID MISKIMON CALLED 170.0456 ACRE TRACT, A TOTAL DISTANCE OF 1478.42 FEET TO A 1/2" IRON ROD FOUND FOR THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 4902.48 FEET, A CHORD BEARING S 27°29'30" E, A CHORD LENGTH OF 481.92 FEET;

ALONG SAID CURVE TO THE RIGHT AN ARC LENGTH OF 482.11 FEET TO A 1/2" IRON ROD FOUND FOR CORNER;

S 12°01'43" E, A DISTANCE OF 42.09 FEET TO 1/2" IRON ROD FOUND FOR THE SOUTHEAST CORNER OF SAID SOUTHLAND ADDITION, A NORTHEAST CORNER OF SAID MISKIMON 170.0456 ACRE TRACT AND THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 3864.72 FEET, A CHORD BEARING S 26°06'03" E, A CHORD LENGTH OF 245.09 FEET;

ALONG SAID CURVE TO THE LEFT, AN ARC LENGTH OF 245.13 FEET TO A 1/2" IRON ROD FOUND FOR CORNER;

S 27°57'40" E, A DISTANCE OF 3.92 FEET TO A 3/8" IRON ROD FOUND FOR THE SOUTHEAST CORNER OF SAID MISKIMON CALLED 170.0456 ACRE TRACT AND THE COMMON NORTHEAST CORNER OF SAID MISKIMON CALLED 97.8915 ACRE TRACT AND THE CALLED NORTHEAST CORNER OF SAID ARMSTRONG ESTATES;

S 28°23'58" E, A DISTANCE OF 20.27 FEET TO THE POINT OF BEGINNING AND CONTAINING 534.110 ACRES OF LAND, MORE OR LESS.

EXHIBIT B-1

SAVE AND EXCEPT TRACKS

**PROPERTY DESCRIPTION
PROPOSED 3.038 ACRE TRACT**

BEING A TRACT OF LAND SITUATED IN THE S. PRICE SURVEY, ABSTRACT NO. 860 AND THE J. McQUATTERS SURVEY, ABSTRACT NO. 781, ELLIS COUNTY, TEXAS AND BEING A PORTION OF THAT TRACT OF LAND DESCRIBED IN DEED TO RICHARD K. MISKIMON AND SHERI MISKIMON, RECORDED IN VOLUME 1209, PAGE 293 OF THE OFFICIAL PUBLIC RECORDS OF ELLIS COUNTY, TEXAS (OPRECT), AND BEING MORE PARTICULARLY DESCRIBED, AS FOLLOWS:

COMMENCING AT A 1/2" IRON ROD FOUND FOR THE SOUTHEAST CORNER OF A CALLED 30.0 ACRE LOT 1, SOUTHLAND ADDITION, AN ADDITION TO ELLIS COUNTY, TEXAS, RECORDED IN CABINET C, SLIDE 512, OPRECT AND A COMMON NORTHEAST CORNER OF SAID MISKIMON TRACT, SAME BEING IN THE WEST ROW LINE OF FM HIGHWAY NO. 157 (A VARIABLE WIDTH RIGHT-OF-WAY);

THENCE S 74°42'43" W, ALONG THE SOUTH LINE OF SAID SOUTHLAND ADDITION AND A COMMON NORTH LINE OF SAID MISKIMON TRACT, A DISTANCE OF 2300.00 FEET;

THENCE S 82°24'24" W, OVER AND ACROSS SAID MISKIMON TRACT, A DISTANCE OF 34.24 FEET TO A 5/8" IRON ROD WITH CAP STAMPED "TXRCS" SET FOR THE POINT OF BEGINNING;

THENCE CONTINUING OVER AND ACROSS SAID MISKIMON TRACT, AS FOLLOWS:

S 06°42'05" E, A DISTANCE OF 200.50 FEET TO A 5/8" IRON ROD WITH CAP STAMPED "TXRCS" SET FOR CORNER;

S 11°54'34" E, PASSING AT A DISTANCE OF 200.00 FEET A 5/8" IRON ROD WITH CAP STAMPED "TXRCS" SET FOR WITNESS, A TOTAL DISTANCE OF 346.37 FEET TO A POINT FOR CORNER IN A POND;

S 77°38'54" W, PASSING AT A DISTANCE OF 200.00 FEET A 5/8" IRON ROD WITH CAP STAMPED "TXRCS" SET FOR WITNESS, A TOTAL DISTANCE 263.20 FEET TO A 5/8" IRON ROD WITH CAP STAMPED "TXRCS" SET FOR CORNER;

N 10°41'14" W, A DISTANCE OF 101.06 FEET TO A 5/8" IRON ROD WITH CAP STAMPED "TXRCS" SET FOR CORNER;

N 06°23'34" W, A DISTANCE OF 343.83 FEET TO A 5/8" IRON ROD WITH CAP STAMPED "TXRCS" SET FOR CORNER;

N 04°05'38" E, A DISTANCE OF 56.87 FEET TO A 5/8" IRON ROD WITH CAP STAMPED "TXRCS" SET FOR CORNER;

N 58°00'14" E, A DISTANCE OF 233.25 FEET TO A 5/8" IRON ROD WITH CAP STAMPED "TXRCS" SET FOR CORNER;

S 32°48'31" E A DISTANCE OF 32.09 FEET TO THE POINT OF BEGINNING, AND CONTAINING 3.038 ACRES OF LAND, MORE OR LESS.



**PROPERTY DESCRIPTION
PROPOSED 1.129 ACRE TRACT**

BEING A TRACT OF LAND SITUATED IN THE S. PRICE SURVEY, ABSTRACT NO. 860, ELLIS COUNTY, TEXAS AND BEING A PORTION OF A CALLED 30.0 ACRE LOT 1, SOUTHLAND ADDITION, AN ADDITION TO ELLIS COUNTY, TEXAS, RECORDED IN CABINET C, SLIDE 512 OF THE OFFICIAL PUBLIC RECORDS OF ELLIS COUNTY, TEXAS (OPRECT), AND BEING MORE PARTICULARLY DESCRIBED, AS FOLLOWS:

COMMENCING AT A 1/2" IRON ROD FOUND FOR THE SOUTHEAST CORNER OF SAID SOUTHLAND ADDITION AND A COMMON NORTHEAST CORNER OF THAT TRACT OF LAND DESCRIBED IN DEED TO RICHARD K. MISKIMON AND SHERI MISKIMON, RECORDED IN VOLUME 1209, PAGE 293, OPRECT, SAME BEING IN THE WEST ROW LINE OF FM HIGHWAY NO. 157 (A VARIABLE WIDTH RIGHT-OF-WAY);

THENCE S 74°42'43" W, ALONG THE SOUTH LINE OF SAID SOUTHLAND ADDITION AND A COMMON NORTH LINE OF SAID MISKIMON TRACT, A DISTANCE OF 2300.00 FEET TO A POINT FOR THE SOUTHWEST CORNER OF SAID SOUTHLAND ADDITION AND AN INTERIOR ELL CORNER OF SAID MISKIMON TRACT;

THENCE N 15°17'17" W, ALONG THE WEST LINE OF SAID SOUTHLAND ADDITION AND A COMMON EAST LINE OF SAID MISKIMON TRACT, A DISTANCE OF 46.18 FEET TO A 5/8" IRON ROD WITH CAP STAMPED "TXRCS" SET FOR THE POINT OF BEGINNING;

THENCE N 15°17'17" W, CONTINUING ALONG SAID COMMON LINE, A DISTANCE OF 188.96 FEET TO A 5/8" IRON ROD WITH CAP STAMPED "TXRCS" SET FOR CORNER;

THENCE OVER AND ACROSS SAID SOUTHLAND ADDITION, AS FOLLOWS:

N 59°04'06" E, A DISTANCE OF 249.61 FEET TO A 5/8" IRON ROD WITH CAP STAMPED "TXRCS" SET FOR CORNER;

S 29°45'37" E, A DISTANCE OF 166.16 FEET TO A 5/8" IRON ROD WITH CAP STAMPED "TXRCS" SET FOR CORNER;

S 01°04'41" W, A DISTANCE OF 17.05 FEET TO A 5/8" IRON ROD WITH CAP STAMPED "TXRCS" SET FOR CORNER;

S 59°15'45" W, A DISTANCE OF 213.01 FEET TO A 5/8" IRON ROD WITH CAP STAMPED "TXRCS" SET FOR CORNER;

S 57°28'00" W, A DISTANCE OF 75.15 FEET TO THE POINT OF BEGINNING, AND CONTAINING 1.129 ACRES OF LAND, MORE OR LESS.

EXHIBIT C

SPECIAL REGULATIONS Design Guidelines

In order to protect the quality of the neighborhood and ensure a quality development. Brahman Ranch shall have detailed Covenants, Conditions and Restrictions, recorded of record, that require at a minimum the following design elements and special regulations:

ARTICLE I Construction of Improvements and Use of Lots

Section 1. Special Construction Requirements:

All homes under construction must have temporary portable potty on the site prior to framing. All sites must be graded prior to foundation with pads and drainages set to protect adjacent property owners. Another grading shall occur after the foundation is poured, back filling all ditches, and establishing drainage. Trash must be contained in piles circled by 3/8" material in 4 X 8 sheets.

Section 2. Residential Use:

All lots shall be used for single family residential purposes only. No buildings shall be erected, altered, placed, or permitted to remain on any lot other than the one (1) single-family residence per lot, guest house and a private garage, as provided below.

Section 3. Single-Family Use:

Each residence may be occupied by only one (1) family consisting of persons related by blood, adoption, or marriage, or not more than two (2) unrelated persons living together as a single housekeeping unit, together with any household servants.

Section 4. Garages:

Each residence must have a minimum of a two (2) car garage.

Section 5. Restriction on Re-subdividing:

None of the lots shall be subdivided into smaller lots.

Section 6. Driveways:

Driveways shall be surfaced with concrete. Driveways are subject to approval in writing by the Developer and the City.

Section 7. Uses Specifically Prohibited:

Section 8. Minimum Floor Area:

The total air-conditioned living area of the main residential structure, as measured to the outside of exterior walls, but exclusive of open porches, garages, patios, and detached accessory buildings, shall not be less than two thousand, two hundred (2,200) square feet.

Section 9. Building Materials, Exterior Items, and Surfaces:

The total exterior wall area, except windows and doors, of each building constructed on a lot shall not be less than one hundred percent (90%) brick and (10%) stone for a one- story structure.

Section 10. No plywood shall be used on any exterior wall. Roofing shall be composed of three hundred pound (300#) or better composition shingles, metal seamed, man-made slate, concrete flat tile.

EXHIBIT D

CREATION RESOLUTION

CITY OF VENUS, TEXAS RESOLUTION R-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VENUS, TEXAS, MAKING FINDINGS THAT THE PROPOSED _____ PUBLIC IMPROVEMENT DISTRICT NO. 1 AND THE PROPOSED PUBLIC IMPROVEMENTS WILL PROMOTE THE INTERESTS OF THE CITY AND CONFER A SPECIAL BENEFIT ON A DEFINABLE PART OF THE CITY; PROVIDING THAT THE DISTRICT AND PROPOSED PUBLIC IMPROVEMENTS ARE FEASIBLE AND ADVISABLE; PROVIDING FINDINGS WITH RESPECT TO THE NATURE AND ESTIMATED COST OF THE PROPOSED PUBLIC IMPROVEMENTS, THE BOUNDARIES OF THE DISTRICT, THE METHOD OF ASSESSMENT, AND THE APPORTIONMENT OF COSTS BETWEEN THE DISTRICT AND THE CITY; AUTHORIZING THE CREATION OF THE DISTRICT AND DIRECTING THE CITY SECRETARY TO PUBLISH NOTICE OF THE CREATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the governing body (the "City Council") of the City of Venus, Texas (the "City"), is authorized by Chapter 372, Texas Local Government Code, as amended (the "Act"), to create public improvement districts within the corporate limits and extraterritorial jurisdiction of the City;

WHEREAS, on _____, Miskimon Management I, LLC (the "Developer") submitted and filed with the municipal secretary of the City (the "City Secretary") a petition, a copy of which is on file with the City Secretary (the "Petition"), requesting the creation of the _____ Public Improvement District No. 1 (the "District") consisting of approximately 530 contiguous acres within the corporate limits of the City, which property is described and depicted in the Petition and is the same property described by metes and bounds on the attached Exhibit A and depicted by the drawing on the attached Exhibit B (the "Property");

WHEREAS, the Petition was signed by: (1) the owners of taxable real property representing more than fifty percent (50%) of the appraised value of taxable real property liable for assessment, as determined by the current roll of the appraisal district in which the property is located; and (2) the record owners of real property liable for assessment who: (A) constitute more than fifty percent (50%) of all record owners of property that is liable for assessment; or (B) own taxable real property that constitutes more than fifty percent (50%) of the area of all taxable real property that is liable for assessment;

WHEREAS, the Petition has been on file with the City Secretary and available for public inspection at all times after it was submitted and filed;

WHEREAS, the City Council has investigated and determined that the Petition complies with and is sufficient under the Act to create the District;

WHEREAS, the City Council has investigated and determined that the matters set forth in the Petition are true and correct;

RESOLUTION AUTHORIZING PID – Page 1

WHEREAS, the City Council has investigated and determined that the public improvements described in the Petition and hereinafter defined (the "Public Improvements") are authorized by the Act, promote the interests of the City, and confer a special benefit on the Property;

WHEREAS, the City Council has investigated and determined that the District may be created without a preliminary financial report and without the appointment of an advisory body;

WHEREAS, on _____, the City Council adopted a resolution calling a public hearing for _____, (the "Public Hearing") to take public testimony on the feasibility and advisability of creating the District and the feasibility and advisability of the proposed Public Improvements and authorizing and directing the City Secretary to publish and mail notices of the Public Hearing as required by the Act;

WHEREAS, on or before _____, the City Secretary caused notice of the Public Hearing to be published in a newspaper of general circulation in the area where the proposed District is located;

WHEREAS, on or before _____, the City Secretary caused notice of the Public Hearing, addressed to "Property Owner," to be mailed to the current address (as reflected on the tax rolls) of owners of property subject to assessment under the proposed District;

WHEREAS, the City Council has investigated and determined that the published and mailed notices of the Public Hearing complied with the Act and were published and mailed before the 15th day before the date of the Public Hearing as required by the Act;

WHEREAS, after publishing, mailing, and otherwise providing all notices required by the Act and state law, the City Council, conducted the Public Hearing on _____, at the time and place, and for the purposes, set forth in the notices;

WHEREAS, after all persons having an interest in the creation of the District were given an opportunity to be heard, the City Council closed the Public Hearing on _____.

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

Section 1. The matters set forth in the "**WHEREAS**" recitals in this Resolution are true and correct, are fully incorporated as part of this Resolution for all purposes, and constitute findings of the City Council acting in its legislative capacity.

Section 2. The form and content of the Petition, the form, content, and timing of the notices of the Public Hearing, and the conduct of the Public Hearing were in compliance with all requirements of the Act and are hereby ratified and approved.

Section 3. The City Council, after considering the Petition, information provided by the City staff, and the evidence, information, and testimony presented at the Public Hearing, makes the following findings, each of which represents the exercise by the City Council of its legislative authority and discretion:

- (1) The creation of the District and the undertaking and financing of the Public Improvements promote the interests of the City;
- (2) The creation of the District and the undertaking and financing of the Public Improvements confer a special benefit on a definable part of the City identified herein as the Property;
- (3) The creation of the District and the undertaking and financing of the Public Improvements are advisable and feasible;
- (4) The proposed Public Improvements that are authorized by the Act to be undertaken and financed from time to time in phases are described as follows: (i) the establishment of the District; and (ii) (a) acquisition, construction and improvements consisting of (1) landscaping; (2) erection of fountains, distinctive lighting, and signs; (3) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of-way, including related landscaping, lighting, traffic control devices, screening walls and retaining walls; (4) construction or improvement of pedestrian malls; (5) acquisition and installation of pieces of art; (6) acquisition, construction, or improvement of off-street parking facilities; (7) acquisition, construction, or improvement of water, wastewater, or drainage facilities or improvements; (8) the establishment or improvement of parks; (9) projects similar to those listed in (1)-(8); (10) acquisition, by purchase or otherwise, of real property or contract rights in connection with an authorized improvement; (11) special supplemental and maintenance services for improvement and promotion of the district, including services relating to advertising, promotion, health and sanitation, water and wastewater, roadways, public safety, security, business recruitment, development, recreation, and cultural enhancement (collectively, the "Public Improvements").
- (5) The estimated cost of the proposed Public Improvements is \$_____ for the following improvements:
 - a. (a) acquisition, construction and improvements consisting of (1) landscaping; (2) erection of fountains, distinctive lighting, and signs; (3) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of-way, including related landscaping, lighting, traffic control devices, screening walls and retaining walls; (4) construction or improvement of pedestrian malls; (5) acquisition and installation of pieces of art; (6) acquisition, construction, or improvement of off-street parking facilities; (7) acquisition, construction, or improvement of water, wastewater, or drainage facilities or improvements; (8) the establishment or improvement of parks; (9) projects similar to those listed in (1)-(8); (10) acquisition, by purchase or otherwise, of real property or contract rights in connection with an authorized improvement; (11) special supplemental and maintenance services for improvement and promotion of the district, including services relating to advertising, promotion, health and sanitation,

water and wastewater, roadways, public safety, security, business recruitment, development, recreation, and cultural enhancement ;

- (6) The boundaries of the proposed District are the boundaries of the Property which is generally located at the intersection of North Birch Street and Wolf Springs Road West.
- (7) The City is authorized by the Act to apportion the cost of the Public Improvements to be assessed against the Property based on the special benefits accruing to the Property because of the Public Improvements. The Act provides that the cost of the Public Improvements may be assessed: (1) equally per front foot or square foot; (2) according to the value of the property as determined by the governing body with or without regard to improvements on the property; or (3) in any other manner that results in imposing equal shares of the cost on property similarly benefitted. The Petition proposes that the cost of the Public Improvements be apportioned to and assessed against the Property by one or any combination of the following methodologies that impose equal shares of the cost of the Public Improvements on property similarly benefitted: (a) uniformly against all lots regardless of size; (b) based on lot size; or (c) based on an estimate of the fully improved values of different lot sizes.
- (8) The cost of the Public Improvements will be apportioned solely to the District and none to the City. The cost of the Public Improvements will be paid solely from assessments levied against the Property. No other City funds, revenue, taxes, or income of any kind shall be used to pay the costs of the Public Improvements unless approved by the City Council.

Section 4. The District is authorized, established, and created as a public improvement district under the Act.

Section 5. The District shall be known as the _____ Public Improvement District No. 1.

Section 6. The City Secretary is hereby authorized and directed to cause the caption of this Resolution (together with a general description of the Property) to be published one time in a newspaper of general circulation in the area where the District is located as required by the Act; whereupon the authorization of the District shall take effect, and authorize the filing of this Resolution in the Deed Records of Ellis County, Texas.

Section 7. This Resolution has been approved by majority vote of all members of the City Council and constitutes the improvement order establishing and creating the District in accordance with the Act.

Section 8. This Resolution shall take effect immediately from and after its passage and publication as required by this Resolution and the Act.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VENUS,
TEXAS, THIS _____ day of _____, 2019.

APPROVED:

Mayor

ATTEST:

City Secretary

STATE OF TEXAS §
 §
COUNTY OF ELLIS §

This instrument was acknowledged before me on the _____ day of _____,
2019, by _____, Mayor of the City of Venus, Texas, a Texas general-law
municipality, on behalf of said Texas municipality.

Notary Public, State of Texas

Exhibit A

_____ **Public Improvement District No. 1 metes and bounds**

Exhibit B

_____ **Public Improvement District No. 1 drawing**

EXHIBIT E

CAPITAL COST ESTIMATE

Bond - Construction	\$	285,000
Bond - Maintenance	\$	18,900
Closing Costs	\$	650,000
Concrete Cost	\$	6,362,000
Construction Insurance	\$	50,000
Contingency	\$	800,000
Entrance	\$	60,000
Excavation	\$	5,250,000
Flood Plain Analysis	\$	49,000
Geotechnical	\$	68,200
Lift Stations	\$	720,000
Park, Pavilion, & Mt Bike Trail	\$	455,000
Phase I ESA Test	\$	4,500
Plat Fee Prem & Final	\$	58,500
Roll Back Taxes	\$	420,000
Engineering	\$	750,000
Soil Tests 79 G	\$	525,000
Storm Sewer	\$	3,465,000
Street & Stop Signs	\$	30,000
Street Lighting	\$	40,000
Surveying	\$	130,000
United Co-op Fee	\$	135,000
Utility - Sewer	\$	6,825,000
Utility - Water	\$	4,900,000
Venus Attorney	\$	30,000
 Total	 \$	 32,081,100

EXHIBIT F

DISPUTE RESOLUTION PROCEDURE

Dispute Resolution Procedure. The Parties will attempt in good faith to resolve promptly by negotiation any and all decisions, controversies and disputes arising under, out of or relating to the Agreement or the relationships contemplated hereby. If such negotiation is unsuccessful, any party by written demand on the other Party may request that the dispute (save and except a dispute relating to the payment of a monetary obligation) be mediated, and all Parties agree to participate in good faith in such mediation. The mediation shall be scheduled within seven (7) days after the requesting Party's written demand. The mediation shall take place in Tarrant, Johnson, or Ellis Counties, Texas, and the mediator shall be an attorney practicing mediation in Texas. If the Parties are unable to jointly select a mediator, one shall be appointed by the Attorney-Mediators Institute. The Parties shall share equally any mediation fees and expenses.

**FIRST AMENDMENT TO BRAHMAN RANCH
PUBLIC IMPROVEMENT DISTRICT NO. 1
DEVELOPMENT AGREEMENT**

This First Amendment to Brahman Ranch Public Improvement District No. 1 Development Agreement (this “First Amendment”) is entered into between the CITY OF VENUS, TEXAS, (the “City”), and MISKIMON MANAGEMENT I, L.L.C., a Texas limited liability company (“Developer”):

RECITALS

WHEREAS, this First Amendment amends that certain “Development Agreement” entered into between the City and the Developer effective as of November 22, 2019, relating to the development of approximately 665.363 acres of land situated in Ellis County, Texas to be known as Brahman Ranch, containing single family homes on individual lots with open space, park and trail amenities (the “Development”); and

WHEREAS, the Development Agreement is only modified as expressly set forth in this First Amendment and the Development Agreement otherwise remains in full force and effect; and

WHEREAS, the City desires to finance certain sanitary sewer improvements within the Development utilizing a vehicle different from what was contemplated in the original Development Agreement, and the Developer has agreed to such different financing vehicle; and

WHEREAS, the Developer has requested a change in the boundaries of the real property covered by the Development Agreement, and a reduction in the minimum lot size from 70 feet to 60 feet; and

WHEREAS, on October 12, 2021, the City Council of the City adopted Resolution No. 32-2020-10 entitled “A Resolution adopting a Public Improvement District Policy for the City of Venus, Texas,” which among other provisions, imposes a PID fee of two thousand five hundred dollars (\$2,500.00) per single family home (the “PID fee”), which is required to be paid to the City at bond closing.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the City and the Developer agree as follows:

1. THE DEVELOPMENT AGREEMENT REMAINS IN FULL FORCE AND EFFECT. The City and Developer acknowledge and agree that, except to the extent amended herein, all provisions and terms contained in the Development Agreement remain in full force and effect.

2. SPECIFIC PROVISIONS CONTAINED IN THE DEVELOPMENT AGREEMENT SHALL BE AMENDED AS FOLLOWS:

Amendment to Recitals. The City and Developer agree that the phrase “530 acres” appearing in the third recital to the Developer Agreement shall be deleted and replaced with the phrase “665.363 acres”.

Amendment to Section 1.2. The City and Developer agree that the phrase “with ninety percent of the lots having a minimum frontage of 70’ unless otherwise approved writing by the City” in the first sentence in Section 1.2 of the Development Agreement is hereby deleted and replaced with the phrase, “with all lots having a minimum frontage of 60’, except that lots situated on corners, cul-de-sacs, and similarly situated lots, constituting up to five percent (5%) of all lots, may have a frontage of 55’, unless otherwise approved in writing by the City”.

Amendments to Section 3.1. The City and the Developer agree that the first two full paragraphs contained in Section 3.1 of the Development Agreement are hereby deleted and replaced with the following:

Sewage Treatment Plant. The City has agreed to expend its funds or incur debt or lease obligations in an aggregate principal amount not to exceed \$1,500,000 (“City Wastewater Contribution”) in order to acquire and construct a sewage treatment plant on the Property. The City is ready to design, entitle and construct the plant (the “Sewer Treatment Plant”).

(a) Developer has previously deposited \$500,000.00 (the “Initial Wastewater Contribution”) with the City for construction of the Wastewater Treatment Plant and further, shall convey the property, as described in the Concept Plan herein (the “Wastewater Treatment Plant Property”), at no cost to the City, necessary for construction of the Sewer Treatment Plant. Developer shall pay any additional costs to design and construct the Sewer Treatment Plant that exceed a total of \$2,000,000, including the \$1,500,000 million in cash, debt obligations, or lease obligations to be contributed and/or incurred by the City and \$500,000 contributed by Developer (such additional costs, along with the Initial Wastewater Contribution, the “Developer Wastewater Contribution”), subject to the reimbursement obligations in Section 3.1(b) below.

3. ACTIONS AUTHORIZED. The City represents and warrants that this First Amendment has been duly adopted by official action of the City Council in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act), and that the individual executing this First Amendment on behalf of the City has been duly authorized to do so. The Developer represents and warrants that this First Amendment has been approved by the appropriate action of the Developer, and that the individuals executing this First Amendment on behalf of the Developer have been duly authorized to do so.

4. CITY PID FEE. The Developer shall not be required to pay the City PID fee of \$2,500 per lot with respect to the 386 lots to be developed within the Phase 1 and 2 Property (as defined in the City of Venus Brahman Ranch Public Improvement District No. 1 (Phase 1 and 2 Project) Preliminary Service and Assessment Plan approved by the City Council on March 8, 2021).

5. EFFECTIVE DATE. This First Amendment may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

EXECUTED BY THE PARTIES TO BE EFFECTIVE ON MARCH 29, 2021:

CITY OF VENUS

By: _____
Name: James L. Burgess
Title: Mayor
Date: _____

APPROVED AS TO FORM

Name: Timothy Dunn
Title: City Attorney

STATE OF TEXAS §
 §
COUNTY OF JOHNSON §

This instrument was acknowledged before me on the ____ day of March, 2021 by James L. Burgess, Mayor of the City of Venus, Texas on behalf of said City.

(SEAL)

Notary Public, State of Texas

Name printed or typed

Commission Expires: _____

DEVELOPER

MISKIMON MANAGEMENT I, L.L.C.,
a Texas limited liability company

By: _____
Rick Miskimon, Managing Member

STATE OF OKLAHOMA §
 §
COUNTY OF ATOKA §

Before me on this day personally appeared Rick Miskimon, Managing Member of Miskimon Management I, L.L.C., a Texas limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this ____ of _____, 2021.

Notary Public, State of Oklahoma

(SEAL)

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APPENDIX H
APPRAISAL OF PHASE 1 AND 2

Appraisal of Real Property

Brahman Ranch Public Improvement District (PID)

A Proposed Residential Community

West side of US-67 at the Terminus of Marion Road

Venus, Ellis County, Texas 76084

Prepared For:

City of Venus and FMSbonds, Inc.

Effective Dates of the Appraisal:

January 7, 2022

August 7, 2022

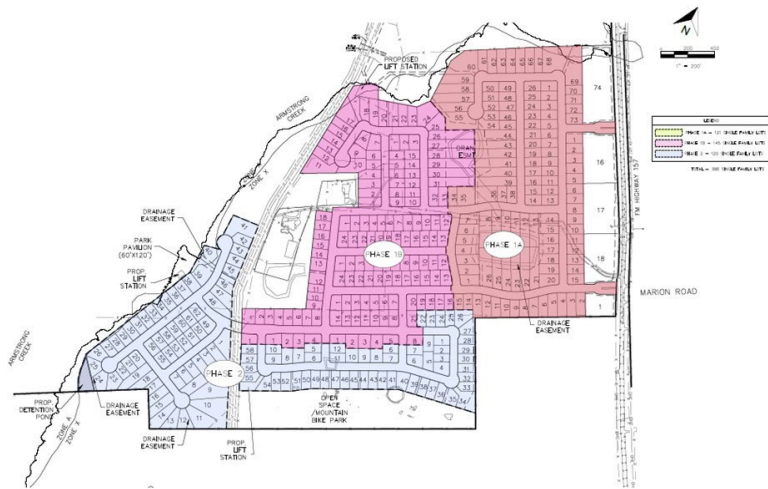
Report Format:

Appraisal Report – Comprehensive Format

IRR - Dallas

File Number: 191-2021-0025





Brahman Ranch Public Improvement District (PID)
West side of US-67 at the Terminus of Marion Road
Venus, Texas



February 12, 2021

Mr. Andy Wolfe
City Administrator
City of Venus
700 W Highway 67
Venus, TX 76084

FMSbonds, Inc.
Mr. R.R. "Tripp" Davenport, III
FMSbonds, Inc., Underwriter
5 Cowboys Way, Suite 300-V
Frisco, TX 75034

SUBJECT: Market Value Appraisal
 Brahman Ranch Public Improvement District (PID)
 West side of US-67 at the Terminus of Marion Road
 Venus, Ellis County, Texas 76084
 IRR - Dallas File No. 191-2021-0025

Dear Messrs. Wolfe and Davenport:

Integra Realty Resources – Dallas is pleased to submit the accompanying appraisal of the referenced property. The purpose of this appraisal is to provide a “prospective” opinion of market value upon the completion of the proposed development. The values to be provided are as follows:

- Prospective market value of Phase 1 “As Complete” as of 1/7/22
- Prospective market value of Phase 2 “As Complete” as of 8/7/22

The clients for the assignment are the City of Venus and FMSbonds, Inc., and the intended use is for the underwriting of a proposed Public Improvement District bond transaction. This appraisal is not for purposes of determining the amount of any assessments to be levied by the PID nor it is the basis upon which a determination of the benefit any constructed or installed public improvements will have on properties within the PID. No party or parties other than the City of Venus and FMSbonds, Inc. may use or rely on the information, opinions, and conclusions contained in this report; however, it is acknowledged and agreed that this appraisal will appear in a limited offering memorandum distributed to investors for the bonds.

The subject is a proposed residential development to be known as the Brahman Ranch Public Improvement District ("PID") to be located in the City of Venus, Ellis County, Texas. Phases 1 and 2 of the "PID" are planned to be developed with a total of 386 lots on a total of 139.28 acres (2.8 UPA). The unit mix is as follows:

Phase 1 - 247 - 70' X 120' lots and 19 - 60' X 110' lots for a total of 266 lots

Phase 2 - 105 - 70' X 120' lots and 15 - 60' X 110' lots for a total of 120 lots

The appraisal is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and applicable state appraisal regulations.

To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report – Comprehensive Format. This format contains the greatest depth and detail of IRR's available report types.

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinion of value is as follows:

Value Conclusions			
Parcel	Interest Appraised	Date of Value	Value Conclusion
Prospective Market Value As Completed - Phase 1	Fee Simple	January 7, 2022	\$13,600,000
Prospective Market Value As Completed - Phase 2	Fee Simple	August 7, 2022	\$6,600,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. The individual tract values are based on the site sizes and uses found on the site plans/exhibits found herein.
2. All information relative to the undeveloped property located within the Braham Public Improvement District including land areas, lot totals, lot sizes, and other pertinent data that was provided by Zeco Enterprises, LLC. (engineering/planning/surveying), Miskimon Management I LLC (owner/developer), the City of Venus, and the Ellis Central Appraisal District is assumed to be correct.
3. Our opinion of prospective market values assume that the proposed improvements are completed in accordance with plans and specifications as of the effective appraisal dates.
4. The values found herein assume the completion within the PID of Phases 1 by January 7, 2022 and Phase 2 by August 7, 2022.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. Our values assume that the subject tracts are located within a Public Improvement District (PID).

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

The value conclusion(s) in this report consider the impact of COVID-19 on the subject property.

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

INTEGRA REALTY RESOURCES - DALLAS



Ernest Gatewood
Senior Director
Certified General Real Estate Appraiser
Texas Certificate #TX 1324355 G
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Net/Gross Ratio Market Value Summary			
	Phase 1 - 70'	Phase 2 - 60'	
Average Lot Value	\$65,000	\$59,000	
Total Lots	266	120	
N/G Ratio %	78%	90%	
Total Market Value	\$13,486,200	\$6,372,000	
Average/Lot	\$50,700	\$53,100	

Executive Summary

Property Name	Brahman Ranch Public Improvement District (PID)
Address	West side of US-67 at the Terminus of Marion Road Venus, Ellis County, Texas 76084
Property Type	Land - Residential
Owner of Record	Miskimon Management I, LLC and Falls Creek Land and Cattle,
Tax ID	189385
Legal Description	Abstract #860, S. B. Price Survey, Abstract #1016, J. E. Slaughter Survey, Abstract #103, F. Brigance Survey, Abstract #560, J. Jackson Survey, Abstract #781, J. McQuarters Survey
Land Area	139.28 acres; 6,067,270 SF
Zoning Designation	SF, Single-Family Residential
Highest and Best Use	Single-family residential
Exposure Time; Marketing Period	3-6 months; 3-6 months
Date of the Report	February 12, 2021

Value Conclusions

70' Lots - 70 Foot Frontages	\$65,000	(\$929/Foot Frontage)
60' Lots - 60 Foot Frontages	\$59,000	(\$983/Foot Frontage)

Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Prospective Market Value As Completed - Phase 1	Fee Simple	January 7, 2022	\$13,600,000
Prospective Market Value As Completed - Phase 2	Fee Simple	August 7, 2022	\$6,600,000

The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than City of Venus and FMSbonds, Inc. may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. The individual tract values are based on the site sizes and uses found on the site plans/exhibits found herein.
2. All information relative to the undeveloped property located within the Braham Public Improvement District including land areas, lot totals, lot sizes, and other pertinent data that was provided by Zeco Enterprises, LLC. (engineering/planning/surveying), Miskimon Management I LLC (owner/developer), the City of Venus, and the Ellis Central Appraisal District is assumed to be correct.
3. Our opinion of prospective market values assume that the proposed improvements are completed in accordance with plans and specifications as of the effective appraisal dates.
4. The values found herein assume the completion within the PID of Phases 1 by January 7, 2022 and Phase 2 by August 7, 2022.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. Our values assume that the subject tracts are located within a Public Improvement District (PID).

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

General Information

Identification of Subject

The subject is a proposed residential development to be known as the Brahman Ranch Public Improvement District ("PID") to be located in the City of Venus, Ellis County, Texas. Phases 1 and 2 of the "PID" are planned to be developed with a total of 386 lots on a total of 139.28 acres (2.8 UPA). The unit mix is as follows:

Phase 1 - 247 - 70' X 120' lots and 19 - 60' X 110' lots for a total of 266 lots

Phase 2 - 105 - 70' X 120' lots and 15 - 60' X 110' lots for a total of 120 lots

A legal description of the property is in the addenda.

Property Identification

Property Name	Brahman Ranch Public Improvement District (PID)
Address	West side of US-67 at the Terminus of Marion Road Venus, Texas 76084
Tax ID	189385
Owner of Record	Miskimon Management I, LLC and Falls Creek Land and Cattle, LLC

Sale History

The most recent closed sale of the subject is summarized as follows:

Sale Date	March 21, 2018
Seller	Richard K Miskimon and Sheri R Miskimon
Buyer	Miskimon Management I, LLC and Falls Creek Land and Cattle, LLC
Sale Price	N/A
Recording Instrument Number	1808509
Comments	Seller and Buyer are interrelated

The seller purchased the property in 1995.

Lot Contracts

The proposed lots are contracted as follows:

Lot Contract Summary

Home Builder	Lot Type	Total Lots	Typical Lot Dimensions	Total SF	Base Lot Price	Base Price/FF	Absorption/ Month	Total Absorption Period (Months ±)
Carnegie Homes	70'	20	70' x 120'	8,400	\$63,900	\$913	Bulk	N/A
Lillian Custom Homes	70'	30	70' x 120'	8,400	\$63,900	\$913	Bulk	N/A

The contracted lot prices are slightly lower than that indicated by current market data. This is reportedly due to the lot purchases being in bulk rather than on a takedown basis.

Purpose of the Appraisal

The purpose of this appraisal is to provide a “prospective” opinion of market value upon the completion of the proposed development. The values to be provided are as follows:

- Prospective market value of Phase 1 “As Complete” as of 1/7/22
- Prospective market value of Phase 2 “Upon Completion” as of 8/7/22

The appraisal is valid only as of the stated effective date or dates. This appraisal is not for purposes of determining the amount of any assessments to be levied by the PID nor it is the basis upon which a determination of the benefit any constructed or installed public improvements will have on properties within the PID. The date of the report is January 22, 2021. The appraisal is valid only as of the stated effective date or dates.

Definition of Market Value

Market value is defined as:

“The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated
- Both parties are well informed or well advised, and acting in what they consider their own best interests
- A reasonable time is allowed for exposure in the open market
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[h]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

Definition of As Is Market Value

As is market value is defined as, “The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.”

(Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015); also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77471)

Definition of Property Rights Appraised

Fee simple estate is defined as, "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015)

Intended Use and User

The intended use of the appraisal is for the underwriting of a proposed Public Improvement District bond transaction. The client and intended user is City of Venus and FMSbonds, Inc. The appraisal is not intended for any other use or user. No party or parties other than City of Venus and FMSbonds, Inc. may use or rely on the information, opinions, and conclusions contained in this report.

Applicable Requirements

This appraisal is intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP),
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute,
- Applicable state appraisal regulations.

Report Format

This report is prepared under the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report – Comprehensive Format. This format contains the greatest depth and detail of IRR's available report types.

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.

Scope of Work

To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below.

Valuation Methodology

Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These are the cost approach, sales comparison approach, and income capitalization approach. Use of the approaches in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Not Applicable	Not Utilized

We use only the sales comparison approach in developing an opinion of value for the subject. This approach is applicable to the subject because there is an active market for similar properties, and sufficient sales data is available for analysis.

The cost approach is not applicable because there are no improvements that contribute value to the property, and the income approach is not applicable because the subject is not likely to generate rental income in its current state.

Research and Analysis

The type and extent of our research and analysis is detailed in individual sections of the report. This includes the steps we took to verify comparable sales, which are disclosed in the comparable sale profile sheets in the addenda to the report. Although we make an effort to confirm the arms-length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

Inspection

Ernest Gatewood conducted an on-site inspection of the property on January 16, 2021. Jimmy H. Jackson, MAI, did not conduct an on-site inspection.

Significant Appraisal Assistance

It is acknowledged that Garrett Cook, Appraiser Trainee License #1342407 made a significant professional contribution to this appraisal, consisting of participating in the property inspection, conducting research on the subject and transactions involving comparable properties, performing appraisal analyses, and assisting in report writing, under the supervision of the persons signing the report.

Economic Analysis

The reader is reminded that the demographics presented on this and the following pages were gathered during the period that preceded the COVID-19 pandemic and imminent recession. The data provides useful information for purposes of considering the population and economy of the local area under stabilized market conditions. However, job losses, unemployment (overall and in different sectors), impaired commerce, and reduced income levels will result in demographic statistics after February 2020 that do not follow the stabilized trend that would have been expected based only on a review of data through 2019 and the first few weeks of 2020.

Ellis County Area Analysis

Ellis County is located in Texas approximately 935 square miles in size and has a population density of 204 persons per square mile.

Population

Ellis County has an estimated 2021 population of 190,851, which represents an average annual 2.2% increase over the 2010 census of 149,610. Ellis County added an average of 3,749 residents per year over the 2010-2021 period, and its annual growth rate exceeded the Dallas MSA rate of 1.8%.

Looking forward, Ellis County's population is projected to increase at a 1.6% annual rate from 2021-2026, equivalent to the addition of an average of 3,208 residents per year. Ellis County's growth rate is expected to exceed that of the Dallas MSA, which is projected to be 1.5%.

	Population			Compound Ann. % Chng	
	2010 Census	2021 Estimate	2026 Projection	2010 - 2021	2021 - 2026
Ellis County, TX	149,610	190,851	206,893	2.2%	1.6%
Dallas-Fort Worth-Arlington, TX Metro	6,366,542	7,735,087	8,313,926	1.8%	1.5%
Texas	25,145,561	29,570,729	31,576,003	1.5%	1.3%
USA	308,745,538	330,946,040	340,574,349	0.6%	0.6%

Source: Environics Analytics

Employment

Total employment in Ellis County was estimated at 52,520 jobs as of September 2019. Between year-end 2009 and 2019, employment rose by 14,943 jobs, equivalent to a 39.8% increase over the entire period. There were gains in employment in nine out of the past ten years, as the national economy expanded following the downturn of 2007-2009. Ellis County's rate of employment growth over the last decade surpassed that of the Dallas MSA, which experienced an increase in employment of 29.1% or 818,934 jobs over this period.

A comparison of unemployment rates is another way of gauging an area's economic health. Over the past decade, the Ellis County has had a 5.4% average unemployment rate, which is the same as the rate for the Dallas MSA. The two areas are performing similarly according to this measure.

Recent data shows that the Ellis County unemployment rate is 5.2% in comparison to a 6.0% rate for the Dallas MSA, a positive sign that is consistent with the fact that Ellis County has outperformed the Dallas MSA in the rate of job growth over the past two years.

Employment Trends						
Year	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
	Ellis County	% Change	Dallas MSA	% Change	Ellis County	Dallas MSA
2009	37,577		2,818,709		7.9%	7.8%
2010	38,056	1.3%	2,876,418	2.0%	8.0%	8.1%
2011	39,144	2.9%	2,943,465	2.3%	7.7%	7.6%
2012	41,935	7.1%	3,044,114	3.4%	6.7%	6.6%
2013	43,893	4.7%	3,127,712	2.7%	6.2%	6.1%
2014	45,863	4.5%	3,254,583	4.1%	4.9%	5.0%
2015	47,960	4.6%	3,360,668	3.3%	3.9%	4.1%
2016	49,421	3.0%	3,441,839	2.4%	3.8%	3.9%
2017	50,516	2.2%	3,526,930	2.5%	3.5%	3.7%
2018	52,538	4.0%	3,606,436	2.3%	3.3%	3.5%
2019*	52,520	0.0%	3,637,643	0.9%	3.0%	3.2%
Overall Change 2009-2019	14,943	39.8%	818,934	29.1%		
Avg Unemp. Rate 2009-2019					5.4%	5.4%
Unemployment Rate - October 2020					5.2%	6.0%

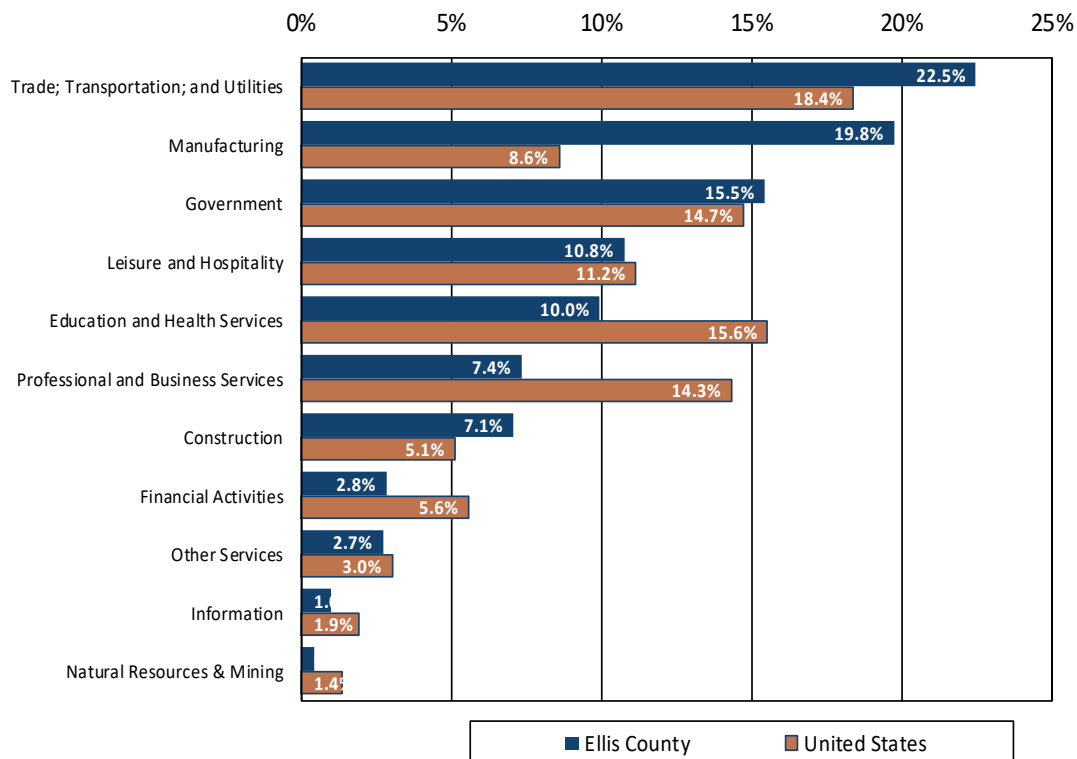
*Total employment data is as of September 2019; unemployment rate data reflects the average of 12 months of 2019.

Source: U.S. Bureau of Labor Statistics and Moody's Analytics. Employment figures are from the Quarterly Census of Employment and Wages (QCEW). Unemployment rates are from the Current Population Survey (CPS). The figures are not seasonally adjusted.

Employment Sectors

The composition of the Ellis County job market is depicted in the chart below. A complete data set is not available for the Dallas MSA, so we will compare Ellis County to the United States. Total employment for the two areas is broken down by major employment sector, and the sectors are ranked from largest to smallest based on the percentage of Ellis County jobs in each category.

Employment Sectors - 2019



Source: U.S. Bureau of Labor Statistics and Moody's Analytics

Ellis County has greater concentrations than the United States in the following employment sectors:

1. Trade; Transportation; and Utilities, representing 22.5% of Ellis County payroll employment compared to 18.4% for the nation overall. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.
2. Manufacturing, representing 19.8% of Ellis County payroll employment compared to 8.6% for the nation overall. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.
3. Government, representing 15.5% of Ellis County payroll employment compared to 14.7% for the nation overall. This sector includes employment in local, state, and federal government agencies.
4. Construction, representing 7.1% of Ellis County payroll employment compared to 5.1% for the nation overall. This sector includes construction of buildings, roads, and utility systems.

Ellis County is underrepresented in the following sectors:

1. Leisure and Hospitality, representing 10.8% of Ellis County payroll employment compared to 11.2% for the nation overall. This sector includes employment in hotels, restaurants, recreation facilities, and arts and cultural institutions.
2. Education and Health Services, representing 10.0% of Ellis County payroll employment compared to 15.6% for the nation overall. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.
3. Professional and Business Services, representing 7.4% of Ellis County payroll employment compared to 14.3% for the nation overall. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.
4. Financial Activities, representing 2.8% of Ellis County payroll employment compared to 5.6% for the nation overall. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.

Major Employers

Major employers in Ellis County are shown in the following table.

Major Employers - Ellis County, TX		
	Name	Number of Employees
1	Baylor Medical Center at Waxahachie	500 or more
2	Dart Container Corp.	500 or more
3	Waxahachie ISD	500 or more
4	Walgreen Company	500 or more
5	City of Waxahachie	250-499
6	Ownes Corning Fiberglass	250-499
7	Univar	250-499
8	A.E.P. Industries	100-249
9	Berry Global	100-249
10	C.R. Laurence	100-249
Source: http://www.waxahachie.com/departments/economic_development_new/site_location_center/top_employers.php		

Major Employers

Major employers in the DFW metro area are shown in the following table.

Major Employers - DFW Metro		
	Name	Number of Employees
1	AMR Corporation	24,700
2	Bank of America Corporation	20,000
3	Texas Health Resources Inc.	19,230
4	Dallas ISD	18,314
5	Baylor Health Care System	17,097
6	AT&T	15,800
7	Lockheed Martin Aeronautics	14,126
8	JP Morgan Chase & Co.	13,500
9	UT-Southwestern Medical Center	13,122
10	City of Dallas	12,836
Source: http://www.destinationdfw.com/Largest-Employers-in-Dallas-Fort-Worth-Texas/		

Gross Domestic Product

Gross Domestic Product (GDP) is a measure of economic activity based on the total value of goods and services produced in a defined geographic area, and annual changes in Gross Domestic Product (GDP) are a gauge of economic growth.

Economic growth, as measured by annual changes in GDP, has been considerably lower in Ellis County than the Dallas MSA overall during the past eight years. Ellis County has grown at a 2.5% average annual rate while the Dallas MSA has grown at a 3.7% rate. However, Ellis County has recently performed better than the Dallas MSA. GDP for Ellis County rose by 6.6% in 2018 while The Dallas MSA's GDP rose by 3.9%.

Ellis County has a per capita GDP of \$29,333, which is 53% less than the Dallas MSA's GDP of \$62,772. This means that Ellis County industries and employers are adding relatively less value to the economy than their counterparts in the Dallas MSA.

Gross Domestic Product

Year	(\$,000s) Ellis County	% Change	(\$,000s) Dallas MSA	% Change
2011	4,428,951		362,930,984	
2012	4,654,141	5.1%	375,286,232	3.4%
2013	4,787,792	2.9%	386,681,388	3.0%
2014	4,804,958	0.4%	404,622,644	4.6%
2015	4,757,978	-1.0%	425,323,274	5.1%
2016	4,910,556	3.2%	436,717,395	2.7%
2017	4,939,819	0.6%	451,414,779	3.4%
2018	5,263,388	6.6%	468,918,434	3.9%
Compound % Chg (2011-2018)		2.5%		3.7%
GDP Per Capita 2018	\$29,333		\$62,772	

Source: U.S. Bureau of Economic Analysis and Moody's Analytics; data released December 2019. The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted "real" GDP stated in 2012 dollars.

Household Income

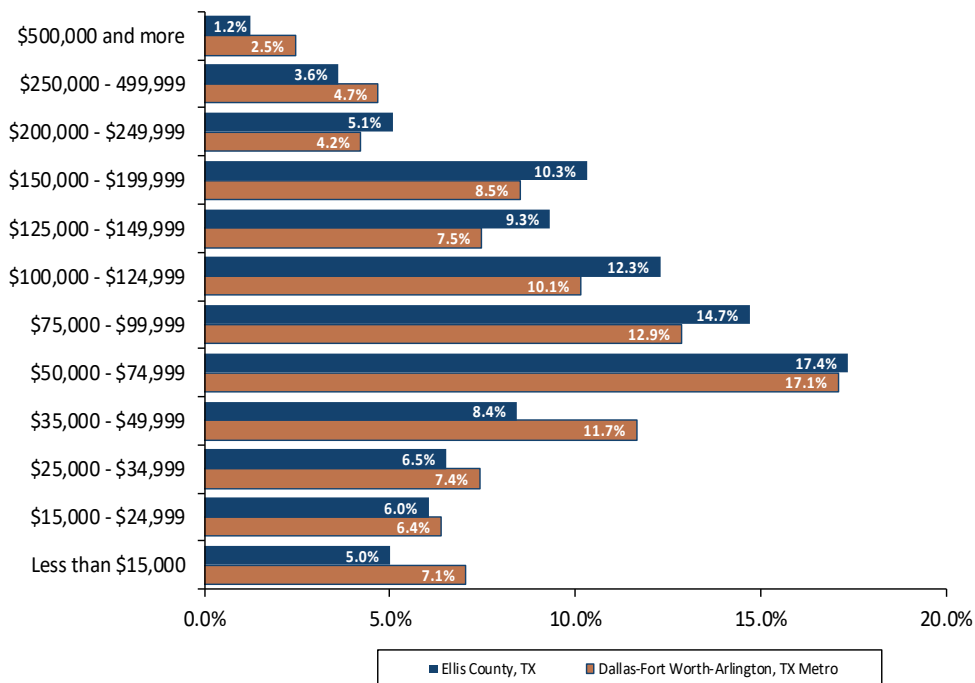
Ellis County has a higher level of household income than the Dallas MSA. Median household income for Ellis County is \$85,690, which is 13.3% greater than the corresponding figure for the Dallas MSA.

Median Household Income - 2021

	Median
Ellis County, TX	\$85,690
Dallas-Fort Worth-Arlington, TX Metro	\$75,635
Comparison of Ellis County, TX to Dallas-Fort Worth-Arlington, T	+ 13.3%
Source: Environics Analytics	

The following chart shows the distribution of households across twelve income levels. Ellis County has a greater concentration of households in the higher income levels than the Dallas MSA. Specifically, 57% of Ellis County households are at the \$75,000 or greater levels in household income as compared to 50% of Dallas MSA households. A lesser concentration of households is apparent in the lower income levels, as 18% of Ellis County households are below the \$35,000 level in household income versus 21% of Dallas MSA households.

Household Income Distribution - 2021

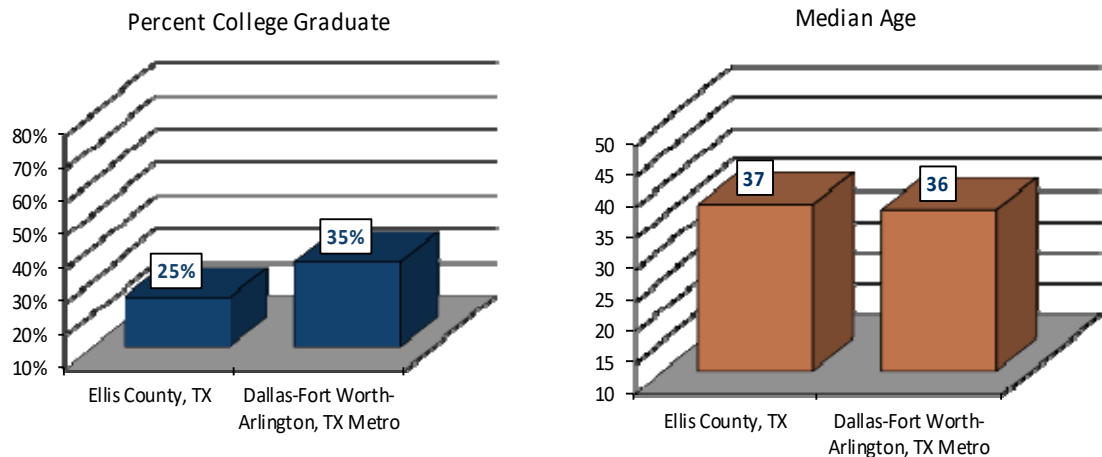


Source: Environics Analytics

Education and Age

Residents of Ellis County have a lower level of educational attainment than those of the Dallas MSA. An estimated 25% of Ellis County residents are college graduates with four-year degrees, versus 35% of Dallas MSA residents. People in Ellis County are slightly older than their Dallas MSA counterparts. The median age for Ellis County is 37 years, while the median age for the Dallas MSA is 36 years.

Education & Age - 2021



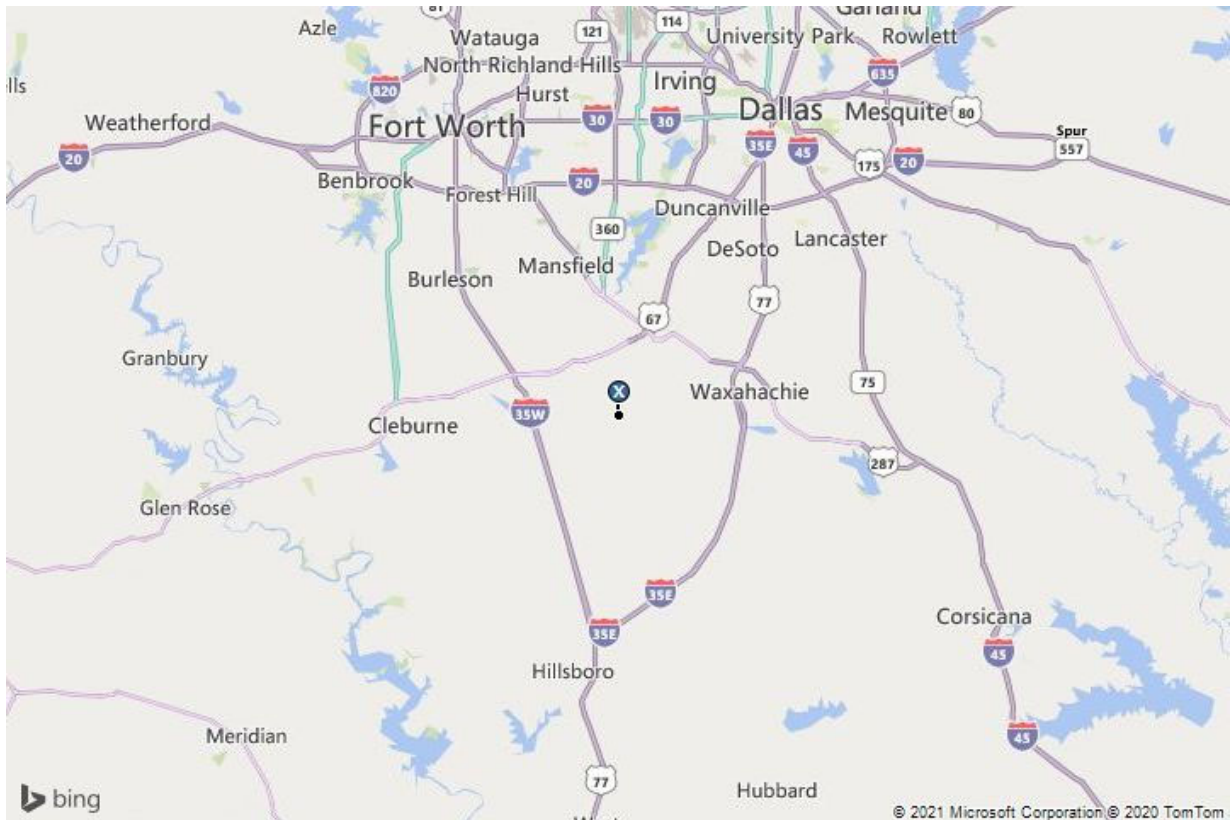
Source: Environics Analytics

Conclusion

The Ellis County economy will benefit from a growing population base and a higher level of median household income. Ellis County experienced growth in the number of jobs over the past decade, and it is reasonable to assume that employment growth will occur in the future. We anticipate that the Ellis County economy will improve, and employment will grow, strengthening the demand for real estate.

As previously referenced, COVID-19 has pushed the economy at all levels into a recession which has yet to be statistically proven or definitively quantified. Therefore, the statistical summary of the region provided above must be considered in light of the fact that economic indicators available in the near future will show a substantial contraction of economic activity beginning in the first quarter of 2020. This issue is discussed more fully after the Market Analysis section of this report.

Area Map



Surrounding Area Analysis

Boundaries

The subject is located in the western most area of Ellis County, Texas. This area is generally delineated as follows:

North	US-287/US-67
South	IH-35E
East	IH-35E
West	IH-35W

A map identifying the location of the property follows this section.

Access and Linkages

Primary access to the area is provided by FM-157, a major arterial that crosses the city of Venus, Texas in a north/south direction. Access to the subject from FM-157 is provided by IH-67, and travel time from the major arterial to the subject is about ten minutes. Overall, vehicular access is average.

The DFW Airport is located about 45 miles from the property; travel time is about 50 minutes, depending on traffic conditions. The Dallas CBD, the economic and cultural center of the region, is approximately 40 miles from the property.

Demographics

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

Surrounding Area Demographics					
2021 Estimates	3-Mile Radius	5-Mile Radius	10-Mile Radius	Ellis County, TX	Dallas-Fort Worth-Arlington, TX Metro
Population 2010	1,244	6,610	40,884	149,610	6,366,542
Population 2021	1,593	8,032	52,009	190,851	7,735,087
Population 2026	1,740	8,644	56,492	206,893	8,313,926
Compound % Change 2010-2021	2.3%	1.8%	2.2%	2.2%	1.8%
Compound % Change 2021-2026	1.8%	1.5%	1.7%	1.6%	1.5%
Households 2010	404	1,803	13,278	50,503	2,296,410
Households 2021	528	2,305	17,179	65,005	2,764,947
Households 2026	580	2,520	18,751	70,668	2,966,316
Compound % Change 2010-2021	2.5%	2.3%	2.4%	2.3%	1.7%
Compound % Change 2021-2026	1.9%	1.8%	1.8%	1.7%	1.4%
Median Household Income 2021	\$97,282	\$91,495	\$87,481	\$85,690	\$75,635
Average Household Size	3.0	3.0	3.0	2.9	2.8
College Graduate %	22%	19%	23%	25%	35%
Median Age	40	38	37	37	36
Owner Occupied %	89%	85%	82%	75%	62%
Renter Occupied %	11%	15%	18%	25%	38%
Median Owner Occupied Housing Value	\$285,720	\$257,722	\$234,432	\$226,287	\$260,197
Median Year Structure Built	2003	2001	2001	1998	1991
Average Travel Time to Work in Minutes	37	37	36	34	31
Source: Environics Analytics					

As shown above, the current population within a 5-mile radius of the subject is 8,032, and the average household size is 3.0. Population in the area has grown since the 2010 census, and this trend is projected to continue over the next five years. Compared to Ellis County overall, the population within a 5-mile radius is projected to grow at a slower rate.

Median household income is \$91,495, which is higher than the household income for Ellis County. Residents within a 5-mile radius have a lower level of educational attainment than those of Ellis County, while median owner-occupied home values are considerably higher.

Land Use

In the immediate vicinity of the subject, predominant land uses are agriculture and single-family residential. Other land use characteristics are summarized as follows:

Subject's Immediate Surroundings	
North	Vacant Land
South	Scattered Single-Family Homes
East	Single-Family Residential
West	Vacant Land



Development Activity and Trends

During the last five years, development has been predominantly of single-family residential uses with supportive commercial uses. The pace of development has generally accelerated over this time. Following are developments/projects in the immediate and surrounding neighborhood areas.

- **Mid-Way Regional Airport** is located on US-287 between Waxahachie and Midlothian. The airport opened in October of 1992 to serve a rapidly growing area. It has been designed for expansion in order to meet future aeronautical business and traffic needs. The runway, taxiway and ramp have recently been resurfaced and are planned for expansion to 6,500 feet. With this commitment, the airport has grown from 19-based aircraft in 1998 to approximately 100-based aircraft.
- **Navarro College** is a two-year public institution consisting of a main campus located in Corsicana with branches in Mexia, Midlothian, and Waxahachie. Navarro College is also home to the Cook Education Center, which houses the largest planetarium in Texas with a 60-foot diameter dome and seating for 200±, and the Pearce Collections Museum, home to many Civil War items and a world-class western art collection. The Corsicana campus has strong ties with Texas A & M – Commerce which has branches at the Navarro College main campus in Corsicana and the Midlothian campus.
- **Baylor Health Care System** - The Waxahachie hospital is currently six stories tall and the sixth floor was left unfinished for future expansion. It has a total of 104 beds and has room to expand to 129 beds. To help in the treatment of all types of cancers the Charles A. Sammons Cancer Center was built into the new hospital. The center incorporates the latest technology and treatment options that are available for patients. It will offer both chemo infusion therapy and radiation therapy.
- **Baylor Scott & White** health officials have recruited professionals from across the county to staff the new cancer center in Midlothian. Some of the center's staff members include a radiation oncologist, medical oncologist, dosimetrist, physicist, radiation nurse, and oncology nurse navigator. Baylor officials estimate completion of the finish out of the sixth floor in mid-2015 at a cost of about \$5 million. **Baylor Scott & White Medical Center** opened in December 2014, the hospital administrators planned to open the fifth floor several months later, when the space was needed. However, within weeks, the increased volume of patients required them to put the fifth floor into service much sooner.
- **Marriott Fairfield** is a new four-story hotel in Waxahachie which is located at 2020 Civic Center Lane. The hotel has approximately 63,241 square feet featuring 78 rooms.

- **Waxahachie Sports Complex**, located at the northeast corner of US-287 and Broadhead Road, is a public sports complex which hosts hundreds of softball, baseball, soccer and football games each year, with nearly 4,000 participants on an annual basis. The current facility includes 10 unlighted soccer fields, three lighted soccer fields, six lighted softball fields, one adult lighted baseball field, one lighted football field, and one playground. The facility also includes a concession stand, restrooms, and water fountains.
- **Methodist Health System** built a Methodist Mansfield Medical Center, a full-service hospital in Mansfield, approximately 10 miles west of Midlothian with over 700 physicians on the medical staff representing more than 60 medical specialties. This \$127 million facility opened in 2006 and features advanced emergency room and surgery facilities, a cardiac catheterization lab, a women's pavilion featuring Level III NICU, labor & delivery and postpartum facilities, an intensive care unit, inpatient dialysis, full-service radiology and 80 private rooms with capacity to expand 152 beds. This facility offers a broad range of diagnostic, primary care and specialty services. The Methodist Midlothian Health Center, a new imaging center and physician offices in Midlothian, is located at the intersection of US-287 and Walnut Grove. This new facility features a central imaging center offering CT scans, open MRIs and x-rays, as well as professional buildings for other physicians.
- **Midlothian ISD Multipurpose Stadium** built in 2006 and is located at the corner of US-287 Bypass and 14th Street. The stadium currently has seating for 8,000, but at build-out will seat 12,000. The field is a state-of-the-art Field Turf monofilament playing surface and features a 36' x 50' Fair Play scoreboard. The scoreboard has a high resolution 14' x 18' Barco True Color instant replay video screen with a built-in state-of-the-art sound system.
- **Ennis, Inc.** is a public company categorized under "tool and die makers" and located in Midlothian, Texas. Established in 1909, the current estimates show this company has annual revenue of approximately \$584,029,000 and employs a staff of approximately 5,836.
- **American National Power** – Built in 1998, is a combined-cycle gas plant that was funded by American National Power (a subsidiary of the UK-based National Power and now called International Power). Midlothian was ANP's first greenfield development in the United States. National Power is a large UK power generation company which has expanded aggressively in the United States and other markets. The cost of the project was estimated at more than \$400 million. Midlothian delivers its energy into the Texas ERCOT market (Electricity Reliability Council of Texas). The station received an Environmental Excellence award from the Texas Commission of Environmental Quality in recognition of its low emission combustion technology and air cooling.

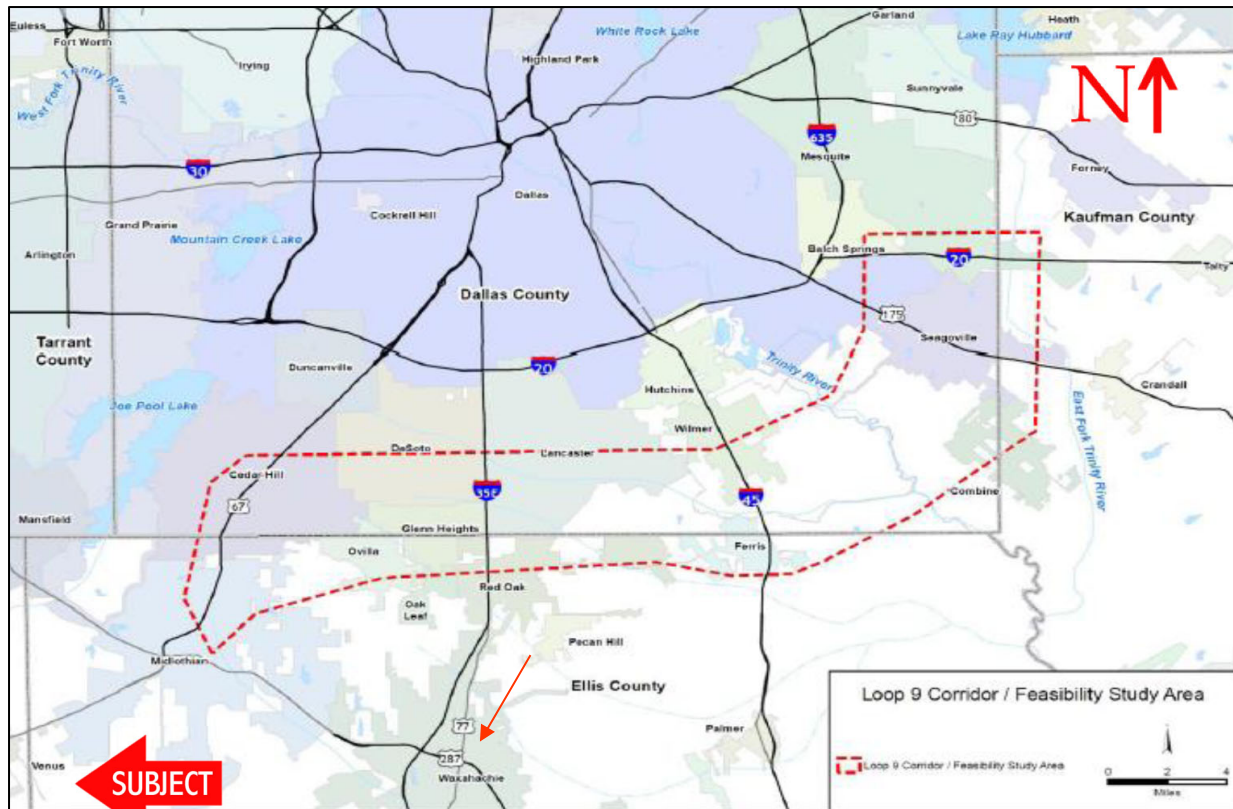
- **The Auto Park** is a 600-acre automobile processing and distribution center on the northeast side of Midlothian. Started by MidTexas International Center, Inc. in the early 1980s, The Auto Park is a secured, private facility with direct dual rail access from UP and BNSF. Additionally, highway access is excellent with US-67 fronting the property. The Auto Park offers a Foreign Trade Zone (FTZ 113), which permits tax exemptions for users dealing in imported goods. There is 24-hour, on-site security in the development and all interior roadways are closed to public traffic. In addition, vehicles are protected with the state-of-the-art ENVIRO-GARD™ environmental protection system where vehicles are protected from ultra-violet deterioration, exterior paint surfaces and interior materials, and inclement weather conditions. The ENVIRO-GARD™ system also provides a favorable work environment for employees during the summer months. Vehicle processing services include vehicle cleaning, accessory installation, paint and body work, pre-delivery services, long-term storage, quality control programs, countermeasure procedures, electronic data interchange, and rail loading/unloading. Approximately 50 percent of the land in The Auto Park is currently developed with a full-service automobile distribution and processing center in the southern portion and an intermodal rail/truck transload facility in the northern portion. Toyota Motor Sales, Mazda North America and Kia Motors America all take advantage of The Auto Park's services and Foreign Trade Zone status.
- **RailPort** is a 1,700-acre TXI rail-served business park located south of Midlothian. The park is centrally located to the Dallas/Fort Worth Metroplex and is just 24 miles south of Dallas and 27 miles southeast of Fort Worth. DFW International Airport is 35 minutes from the park via SH-360, and Love Field is 30 minutes from the park via US-67. Various sized parcels (five to 200 acres) are available in RailPort. Currently over 400 acres have been sold to tenants including the 850,000 square-foot Toys "R" Us Distribution Center, the 1,350,000 square-foot Target Distribution Center, the 1,650-megawatt Midlothian Energy Limited Partnership power plant (MELP), and the recently announced Eagle Roofing Products manufacturing facility. The mixed-use park is zoned heavy to light industrial and commercial. Recent improvements include additional interior roads with the assistance of Texas Capital Funds and a grade separation on US-67 at the entrance of the park to allow for safer traffic flow.
- **Ellis County Government Center** was recently completed in the downtown area of Waxahachie.
- **Waxahachie Country Club** located on the north side of US-287, east of IH-35E, is a semi-private country club which opened in 1924 offering an 18-hole golf course and banquet facilities.
- **Southwestern Assemblies of God University** is a Bible-based institution for theological and professional studies that provides studies for undergraduate and graduate students. The 70-acre campus is located on Sycamore Drive, west of SH-77, and is currently comprised of approximately 130,000 square feet of administration buildings, recreation buildings, and classrooms. The current enrollment for the university is 1,600 students.
- **Waxahachie Town Center** is a 300,000-square foot retail center located in the northeast quadrant of US-287 and SH-77. This center is anchored by major tenants including Lowes, Target, and Belks Department Store. The center was completed in October 2005.

- **Market Place Center** is a 350,000-square foot open air retail center in Waxahachie that was completed in 2007. This center is located on SH-77, north of US-287 Bypass, and is anchored by Home Depot, Ross, and JC Penney.
- **Loop 9** was first conceived in 1957 as part of an outer loop around the City of Dallas. Loop 9 has a long project history and was studied at various times by local, regional, and state agencies. During the most recent study, ending in 2011, the TxDOT prepared a draft environmental impact statement for the Loop 9 project. That study envisioned Loop 9 as a wide, high-speed toll facility from US-287 near Mansfield to IH-20 in Mesquite. Based upon several factors, including the elimination of the Trans-Texas Corridor from statewide plans and the Regional Outer Loop from regional plans, a new approach was needed for the Loop 9 Southeast project.

While the Loop 9 Southeast study was under review, TxDOT released a new vision for its corridor development process which resulted in the elimination of the Trans-Texas Corridor (TTC) concept. North Central Texas Council of Governments (NCTCOG) prepared the Regional Outer Loop Corridor Feasibility Study which did not recommend a continuous, circumferential outer loop because of expected low traffic volumes and a lack of statewide connections. The changes in TxDOT policy, funding constraints for transportation projects, and the current economic climate impacted the funding and advancement of transportation projects in the region which resulted in the suspension of the Loop 9 Southeast study until a determination on how the project should proceed was resolved.

To address the transportation concerns, a new direction was identified for the Loop 9 Southeast project. TxDOT and NCTCOG, in cooperation with local government officials, worked together to prepare a Corridor/Feasibility Study for the Loop 9 Southeast study area from US-67 to IH-20. Public Meetings were held in May and September 2013. The Corridor/Feasibility Study was completed and approved by TxDOT in March of 2014.

The Loop 9 Southeast study area begins at US-67 near Midlothian and extends east, crosses IH-35E, IH-45, and ties into IH-20 near Seagoville. TxDOT began development of the schematic and Environmental Assessment (EA) for the section of Loop 9 from IH-35E to IH-45 in April of 2014 shown in the following exhibit.

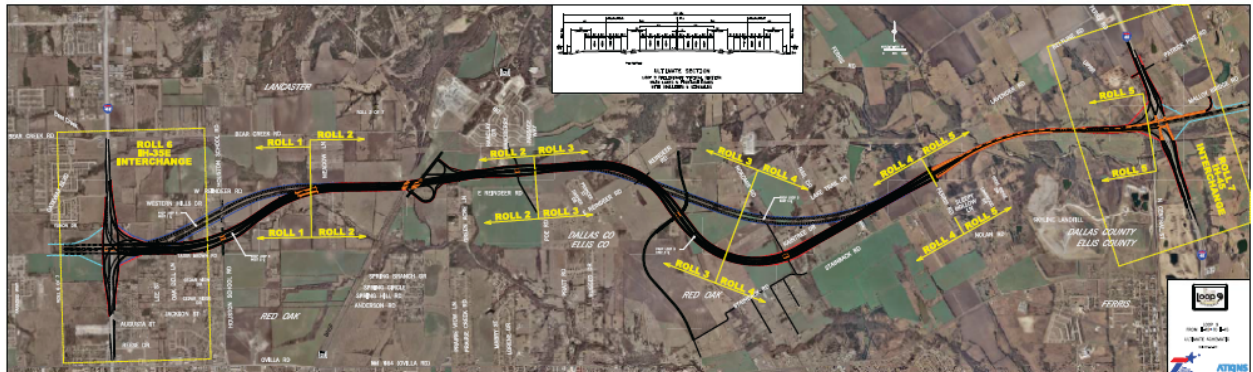


Loop 9 Southeast Corridor/Feasibility Study Conclusion - The study proposed developing the project in three major sub corridors for up to six separate and independent projects utilizing a phased construction approach. The proposed project would be developed in four phases:

- **Phase 1:** Construct only one, two-way frontage road while purchasing the entire proposed ROW for the ultimate facility.
- **Phase 2:** Construction of the additional frontage road.
- **Phase 3:** Construction of isolated grade separations at specific high-volume intersections.
- **Phase 4:** Construction of continuous tolled main lanes in both directions.

Based upon projected traffic data, Phase 1 (one two-way frontage road) is warranted by 2025 for the section from US-67 to IH-35E (Corridor A) and the section from IH-35E to IH-45 (Corridor B). Construction of a two-way frontage road in the section from IH-45 to IH-20 (Corridor C) is warranted by 2030. All remaining sections are warranted beyond 2035, including construction of the ultimate toll facility, and are considered long-term projects to be reevaluated again at a later date as the need arises.

Following is an exhibit of the Loop 9 from IH-35E to IH-45:

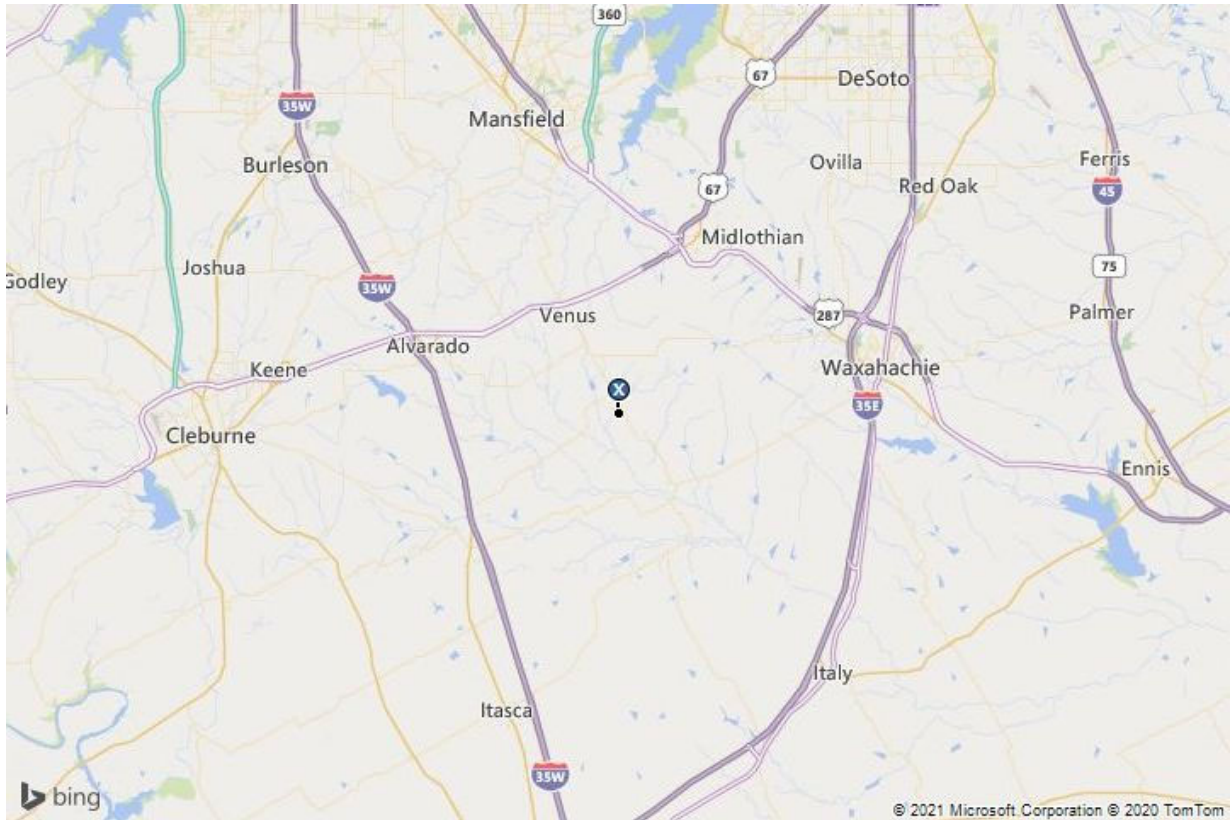


Utilizing the currently available funding (\$100 million), TxDOT has chosen to begin engineering and environmental studies for the section of Loop 9 from IH-35E to IH-45 (Corridor B) first. This section is approximately 9.5 miles in length and is anticipated to cost \$710 million (the least of the three corridors). Constructing this section would allow TxDOT to meet the anticipated land use changes and projected traffic growth between IH-35E and IH-45 due to the International Inland Port of Dallas (IIPOD) and other developers in the area. Subsequent sections would be advanced based on local needs and available funding.

Outlook and Conclusions

The area is in the growth stage of its life cycle. Given the history of the area and the growth trends, it is anticipated that property values will increase in the near future.

Surrounding Area Map

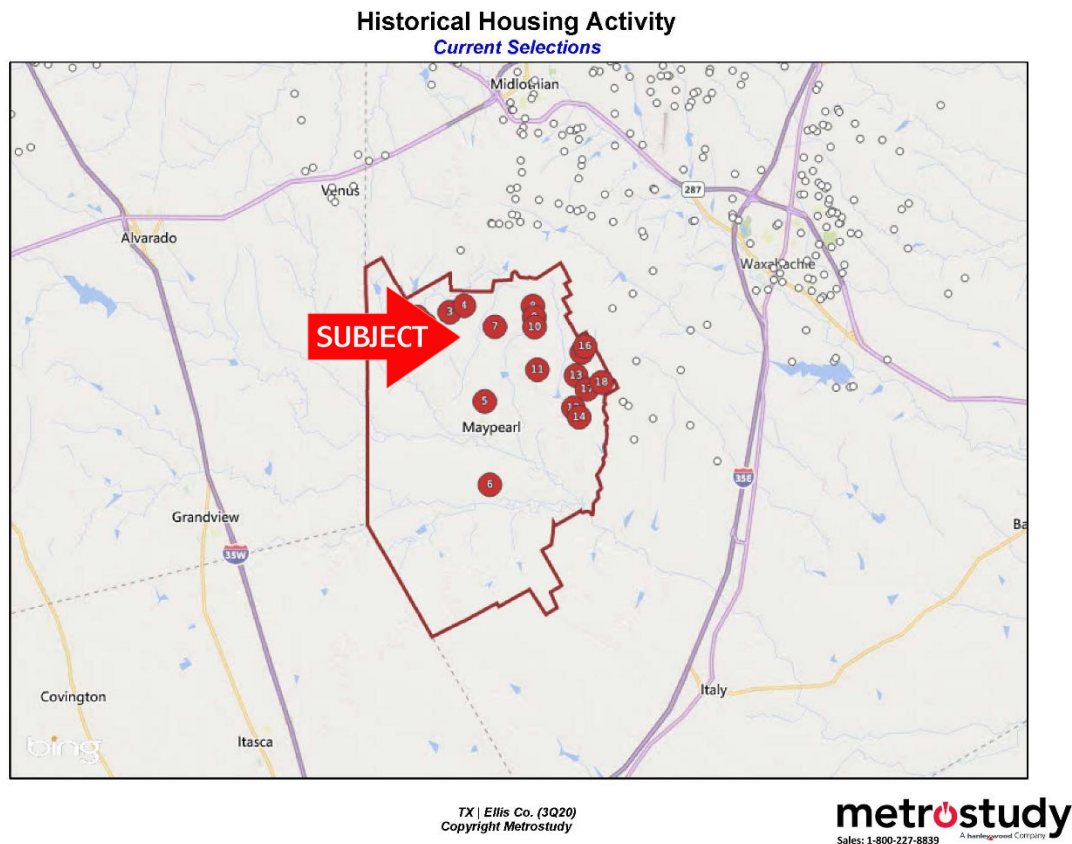


Residential Analysis

When analyzing the financially feasible and maximally productive use of the site, all of the uses that are both physically possible and legally permissible must be considered. For the subject, the primary potential use is considered to be single-family residential development. As mentioned, the subject is zoned for residential use and is proposed with single-family lots. Thus, an important factor affecting development of the subject is the surrounding land usage. The neighborhood is predominantly vacant land that is being developed into single-family residential uses. The immediate area surrounding the subject is residential in nature.

During the past decade, the residential real estate market has seen many positive changes. With the steady increase in multifamily residential rental rates, coupled with the low interest rates and the large numbers pertaining to job growth, there has been a trend of individuals choosing to purchase homes rather than to rent apartments and multifamily housing. Furthermore, with the decline in the availability of vacant developable land, population growth has quickly expanded into the suburban areas of the Dallas/Fort Worth area. As such, the proposed absorption of single-family home lots in the subject's neighborhood will be analyzed using historical absorption data provided by Metrostudy, a locally recognized information provider, as well as information obtained from area market participants and developers. It is important to note that our absorption data is based on historical trends. Inasmuch as we are forecasting an economy for this area that is at least equal to recent trends, using these historical trends is felt to be quite justifiable. The subject development is physically located within the City of Venus in Ellis County and is also located within the Maypearl ISD. As such, we have analyzed the market area of Maypearl ISD. However, as will be seen, this is a very small market area with no subdivisions with a competing lot size as that proposed for the subject. Thus, we have also presented an analysis of the adjacent Venus and Midlothian school districts as well. All data was obtained from Metrostudy as of Third Quarter 2020 for these defined areas, as shown in the maps presented and will be analyzed with a summary of the details following.

Defined Submarket Map Area – Maypearl ISD



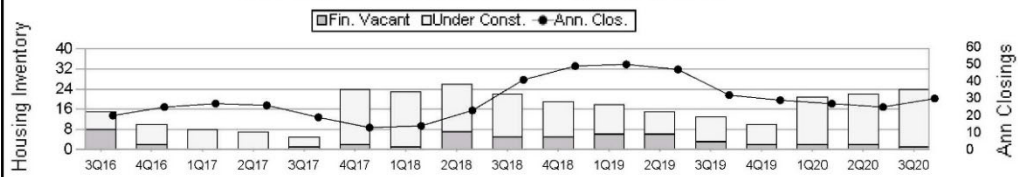
Following is a chart provided by Metrostudy summarizing the historical home/lot absorption from the past several years for the defined submarket area:

Historical Housing Activity Summary

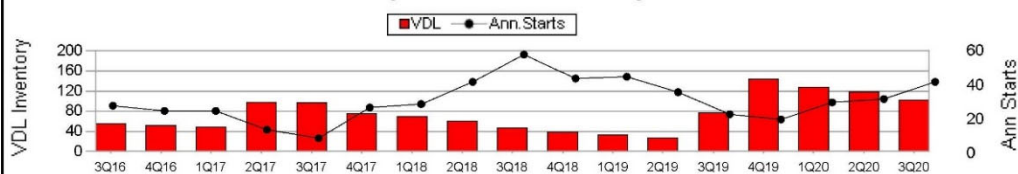
Current Selections

Qtr	Qtr Clos	Ann Clos	Model	FinVac	UC	Total Inv	Total Supply	Qtr Starts	Ann Starts	VDL	VDL Supply	Fut Lots	Ann Lot Deliv
3Q16	10	20	0	8	7	15	9.0	6	28	56	24.0	170	30
4Q16	9	25	0	2	8	10	4.8	4	25	52	25.0	170	4
1Q17	5	27	0	0	8	8	3.6	3	25	49	23.5	170	4
2Q17	2	26	0	0	7	7	3.2	1	14	98	84.0	118	50
3Q17	3	19	0	1	4	5	3.2	1	9	97	129.3	118	50
4Q17	3	13	0	2	22	24	22.2	22	27	75	33.3	167	50
1Q18	6	14	0	1	22	23	19.7	5	29	70	29.0	175	50
2Q18	11	23	0	7	19	26	13.6	14	42	60	17.1	171	4
3Q18	21	41	0	5	17	22	6.4	17	58	47	9.7	167	8
4Q18	11	49	0	5	14	19	4.7	8	44	39	10.6	167	8
1Q19	7	50	0	6	12	18	4.3	6	45	33	8.8	340	8
2Q19	8	47	0	6	9	15	3.8	5	36	28	9.3	417	4
3Q19	6	32	0	3	10	13	4.9	4	23	77	40.2	364	53
4Q19	8	29	0	2	8	10	4.1	5	20	144	86.4	291	125
1Q20	5	27	0	2	19	21	9.3	16	30	128	51.2	291	125
2Q20	6	25	0	2	20	22	10.6	7	32	119	44.6	291	123
3Q20	11	30	1	1	23	25	10.0	14	42	103	29.4	291	68

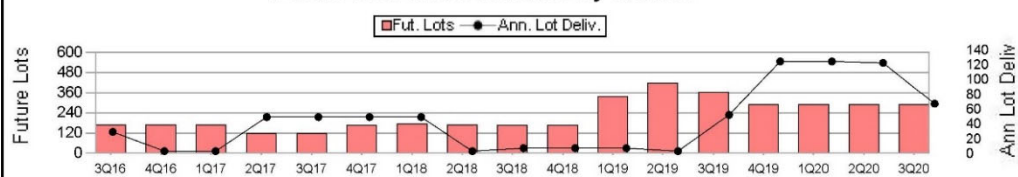
Housing Inventory and Closings By Quarter



Vacant Developed Lots and Starts By Quarter



Future Lots and Deliveries By Quarter



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Defined Submarket Area – Maypearl ISD

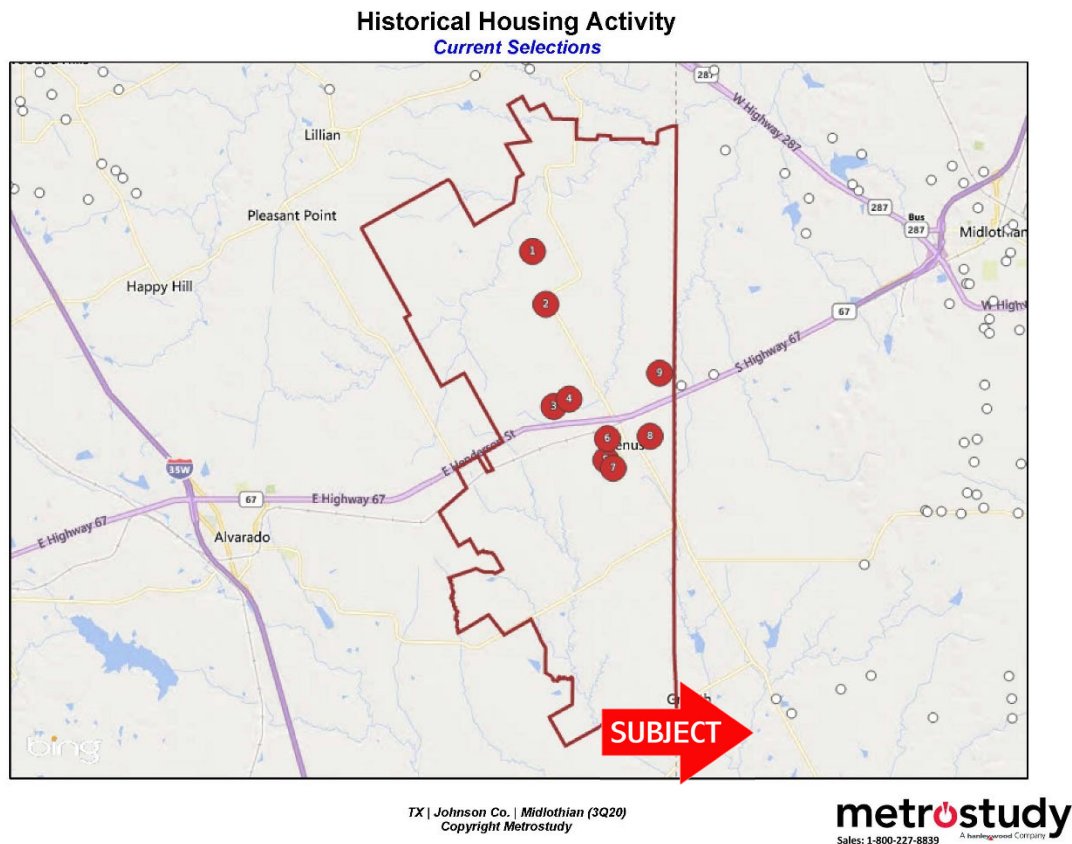
According to Metrostudy, the defined submarket area absorbed a total of 27 homes/lots in 2017 increasing in 2018 with 44 homes/lots absorbed. However, absorption dropped in 2019 with 20 homes/lots absorbed before bouncing back in 2020 with 37 homes/lots absorbed as of Third Quarter. It is important to note that in the previous 12-month period, from October 2019 to September 2020, a total of 42 homes/lots were absorbed. Thus, since 2017 (3.75 years), the annual average of homes/lots absorbed was 34 homes/lots in the defined submarket area.

According to Metrostudy, the existing supply of available housing is currently at the upper end of ideal lot supply levels in the defined submarket. The number of vacant developed lots in the defined submarket has increased substantially over the past year or so from a low of 28 in Second Quarter 2019 to a high of 144 as of Fourth Quarter 2019 before dropping to its current level of 103 lots in Third Quarter 2020.

Based upon the Metrostudy absorption figures of the past 3.75 years, there is currently a $36\pm$ -month ($103 \text{ lots} \div 34 \text{ lots} = 3.0\pm\text{-years}$) total supply of existing lots available in the defined submarket. This total supply is considered to be above the upper end of the optimum lot supply levels of 2.0 to 2.5 years per Metrostudy. However, when utilizing the more current 12-month absorption average of 42 home/lots, the total supply of existing lots available in the subject's defined submarket decreases to only $29\pm$ -months ($103 \text{ lots} \div 42 \text{ lots/year} = 2.5\pm\text{-years}$), which is substantially below the upper end of optimum lot supply levels in the defined submarket.

Thus, the total lot supply within the subject's defined submarket is estimated to be between $2.5\pm$ to $3.0\pm$ years ($29\pm$ to $36\pm$ months) which would not support new development in the market area. However, it is noted that all of the vacant lots in the Maypearl ISD market area are 1.0 acre or larger whereas the lots proposed for the subject range from 7,200 to 8,400 square feet. As such, we have also analyzed the adjacent similarly small Venus ISD market area for demand levels of similar lot product.

Defined Submarket Map Area – Venus ISD



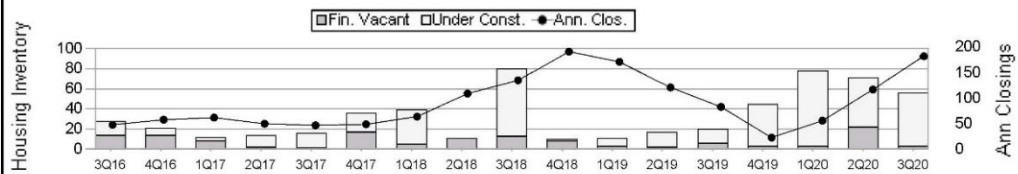
Following is a chart provided by Metrostudy summarizing the historical home/lot absorption from the past several years for the defined submarket area:

Historical Housing Activity Summary

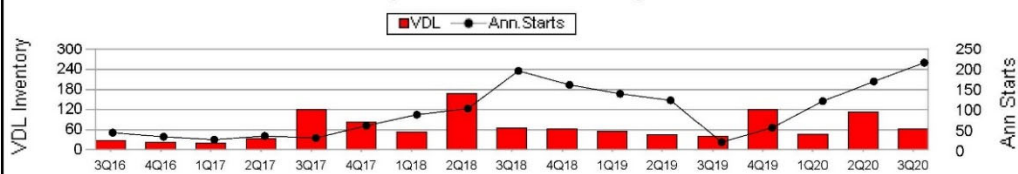
Current Selections

Qtr	Qtr Clos	Ann Clos	Model	FinVac	UC	Total Inv	Total Supply	Qtr Starts	Ann Starts	VDL	VDL Supply	Fut Lots	Ann Lot Deliv
3Q16	16	48	3	14	14	31	7.8	20	47	29	7.4	270	33
4Q16	14	58	2	14	7	23	4.8	6	37	23	7.5	270	0
1Q17	12	62	2	8	4	14	2.7	3	30	20	8.0	395	0
2Q17	8	50	2	2	12	16	3.8	10	39	35	10.8	370	25
3Q17	13	47	2	1	15	18	4.6	15	34	120	42.4	270	125
4Q17	16	49	2	17	19	38	9.3	36	64	84	15.8	270	125
1Q18	27	64	2	5	34	41	7.7	30	91	54	7.1	923	125
2Q18	53	109	2	11	0	13	1.4	25	106	168	19.0	788	239
3Q18	39	135	1	13	67	81	7.2	107	198	65	3.9	784	143
4Q18	72	191	1	8	2	11	0.7	2	164	63	4.6	784	143
1Q19	7	171	1	3	8	12	0.8	8	142	55	4.6	784	143
2Q19	3	121	1	2	15	18	1.8	9	126	46	4.4	1,352	4
3Q19	1	83	2	6	14	22	3.2	5	24	41	20.5	1,352	0
4Q19	12	23	2	3	42	47	24.5	37	59	120	24.4	1,236	116
1Q20	40	56	2	3	75	80	17.1	73	124	47	4.5	1,236	116
2Q20	64	117	2	22	49	73	7.5	57	172	113	7.9	1,113	239
3Q20	66	182	2	3	53	58	3.8	51	218	62	3.4	1,119	239

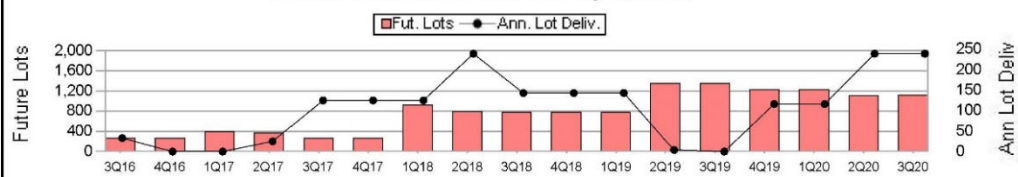
Housing Inventory and Closings By Quarter



Vacant Developed Lots and Starts By Quarter



Future Lots and Deliveries By Quarter



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Defined Submarket Area – Venus ISD

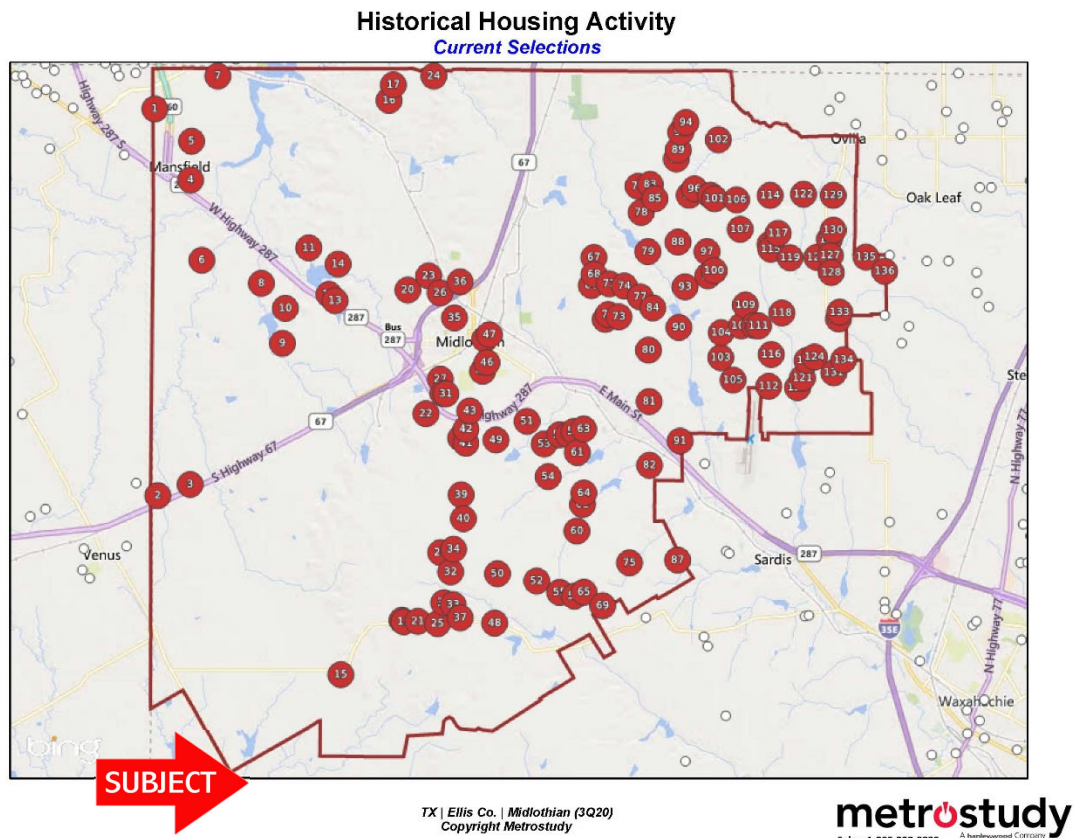
According to Metrostudy, the defined submarket area absorbed a total of 64 homes/lots in 2017 increasing in 2018 with 164 homes/lots absorbed. However, absorption dropped in 2019 with 59 homes/lots absorbed before bouncing back in 2020 with 181 homes/lots absorbed as of Third Quarter. It is important to note that in the previous 12-month period, from October 2019 to September 2020, a total of 218 homes/lots were absorbed. Thus, since 2017 (3.75 years), the annual average of homes/lots absorbed was 125 homes/lots in the defined submarket area.

According to Metrostudy, the existing supply of available housing is currently at the upper end of ideal lot supply levels in the defined submarket. The number of vacant developed lots in the defined submarket has increased substantially over the past year or so from a low of 41 in Third Quarter 2019 to a high of 120 as of Fourth Quarter 2019 before dropping to its current level of 62 lots in Third Quarter 2020.

Based upon the Metrostudy absorption figures of the past 3.75 years, there is currently a 6±-month ($62 \text{ lots} \div 125 \text{ lots} = 0.5\pm\text{-years}$) total supply of existing lots available in the defined submarket. This total supply is considered to be far below the lower end of the optimum lot supply levels of 2.0 to 2.5 years per Metrostudy. Furthermore, when utilizing the more current 12-month absorption average of 218 home/lots, the total supply of existing lots available in the subject's defined submarket decreases to only 3±-months ($62 \text{ lots} \div 218 \text{ lots/year} = 0.3\pm\text{-years}$), which is substantially below the low end of optimum lot supply levels in the defined submarket.

Thus, the total lot supply within the subject's defined submarket is estimated to be between 0.3± to 0.5± years (3± to 6± months) which supports new development in the market area. Furthermore, it is noted that virtually all of the lot absorption in the Venus ISD market area are of similar size as that proposed for the subject. As such, we have also analyzed the larger adjacent Midlothian ISD market area for demand levels of similar lot product.

Defined Submarket Map Area – Midlothian ISD



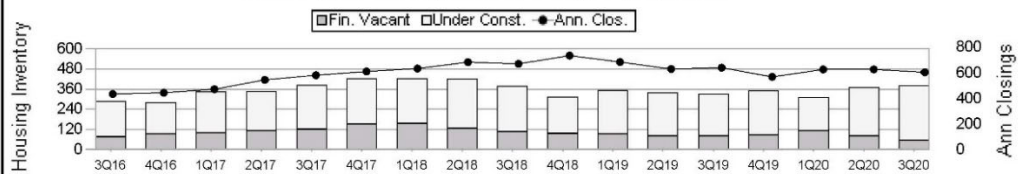
Following is a chart provided by Metrostudy summarizing the historical home/lot absorption from the past several years for the defined submarket area:

Historical Housing Activity Summary

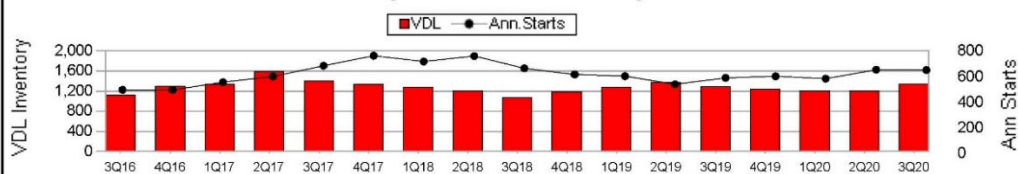
Current Selections

Qtr	Qtr Clos	Ann Clos	Model	FinVac	UC	Total Inv	Total Supply	Qtr Starts	Ann Starts	VDL	VDL Supply	Fut Lots	Ann Lot Deliv
3Q16	154	435	16	78	210	304	8.4	143	498	1,121	27.0	20,366	361
4Q16	117	445	19	94	186	299	8.1	112	497	1,295	31.3	20,074	597
1Q17	119	472	22	99	246	367	9.3	187	558	1,337	28.8	20,032	751
2Q17	156	546	24	114	233	371	8.2	160	602	1,588	31.7	19,602	1,103
3Q17	190	582	25	121	262	408	8.4	227	686	1,402	24.5	19,640	967
4Q17	146	611	28	154	270	452	8.9	190	764	1,332	20.9	19,702	801
1Q18	142	634	28	156	268	452	8.6	142	719	1,281	21.4	19,683	663
2Q18	206	684	28	129	292	449	7.9	203	762	1,205	19.0	19,695	379
3Q18	177	671	25	108	270	403	7.2	131	666	1,074	19.4	19,810	338
4Q18	210	735	20	98	217	335	5.5	142	618	1,184	23.0	19,626	470
1Q19	92	685	18	94	260	372	6.5	129	605	1,283	25.4	19,468	607
2Q19	151	630	20	82	258	360	6.9	139	541	1,378	30.6	19,260	714
3Q19	188	641	21	84	248	353	6.6	181	591	1,288	26.2	19,275	805
4Q19	138	569	21	89	260	370	7.8	155	604	1,247	24.8	19,143	667
1Q20	150	627	18	114	198	330	6.3	110	585	1,201	24.6	19,197	503
2Q20	151	627	18	83	287	388	7.4	209	655	1,207	22.1	19,112	484
3Q20	166	605	20	54	327	401	8.0	179	653	1,344	24.7	19,076	709

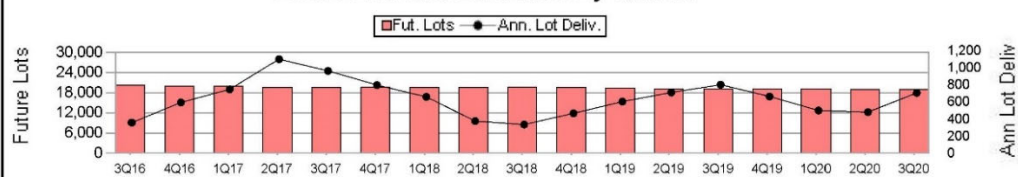
Housing Inventory and Closings By Quarter



Vacant Developed Lots and Starts By Quarter



Future Lots and Deliveries By Quarter



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Defined Submarket Area – Midlothian ISD

According to Metrostudy, the defined submarket area absorbed a total of 764 homes/lots in 2017 decreasing in 2018 with 618 homes/lots absorbed. However, absorption was relatively stable in 2019 with 604 homes/lots absorbed as well as in 2020 with 498 homes/lots absorbed as of Third Quarter. It is important to note that in the previous 12-month period, from October 2019 to September 2020, a total of 653 homes/lots were absorbed. Thus, since 2017 (3.75 years), the annual average of homes/lots absorbed was 662 homes/lots in the defined submarket area.

According to Metrostudy, the existing supply of available housing is currently at the lower end of ideal lot supply levels in the defined submarket. The number of vacant developed lots in the defined submarket has increased substantially over the past year or so from a high of 1,588 in Second Quarter 2017 to a low of 1,074 as of Third Quarter 2018 before arriving at its current level of 1,344 lots in Third Quarter 2020.

Based upon the Metrostudy absorption figures of the past 3.75 years, there is currently a 24±-month ($1,344 \text{ lots} \div 662 \text{ lots} = 2.0\pm\text{-years}$) total supply of existing lots available in the defined submarket. This total supply is considered to be within the optimum lot supply levels of 2.0 to 2.5 years per Metrostudy. However, when utilizing the more current 12-month absorption average of 653 home/lots, the total supply of existing lots available in the subject's defined submarket slightly increases to only 25±-months ($1,344 \text{ lots} \div 653 \text{ lots/year} = 2.1\pm\text{-years}$), which is also near the low end of optimum lot supply levels in the defined submarket.

Thus, the total lot supply within the subject's defined submarket is estimated to be between 2.0± to 2.1± years (24± to 25± months) which would support new development in the market area. However, it is noted that all of the vacant lots in the market area are 1.0 acre or larger whereas the lots proposed for the subject range from 7,200 to 8,400 square feet. As such, we have also analyzed the adjacent market areas for demand levels of similar lot product.

Thus, with no competing lots in the immediate Maypearl ISD market area, a vast undersupply of competing lot product in the adjacent Venus ISD market area and a healthy total lot supply in the adjacent competing Midlothian market area, it appears that additional lot product in the defined submarket is feasible at the current time.

Having address the overall market area, we will now narrow our residential analysis to the absorption history of specific competing subdivisions within these competing market areas with similar lot features and amenities relative to the subject to determine the projected absorption and feasibility of the subject's proposed lots with 60' and 70' frontages as follows.

Subject Neighborhood

The similarities considered to be most important are lot size, home price range, and amenity features. The tables that follow detail the active subdivisions, including the subject's subdivision, that are considered to compete with the subject's lots.

Our analysis will be presented beginning with the 60' frontage lots followed by individual analyses of the 70' frontage lots. All data is per Metrostudy as of Third Quarter 2020.

Competitive Supply – 60' Frontage Lots

Competitive Supply - 60' Frontage Lots					
Subdivisions	School District	Home Prices (000's)	Available Lots	Typical Lot Dimensions	Typical Lot SF
<u>Patriot Estates</u> Venus, Texas	Venus	\$210-\$255	43	50' x 110'	5,500
<u>Hawkins Meadow</u> Midlothian, Texas	Midlothian	\$296-\$440	4	60' x 125'	7,500
<u>Mill Valley</u> Midlothian, Texas	Midlothian	\$315-\$403	102	55' x 115'	6,325
Total			149		
Subject: Brahman Ranch, Phase 2		Maypearl		60' x 110'	6,600
Source: Metrostudy as of Third Quarter 2020					

The competitive supply presented above recognizes residential developments which are located in the subject's immediate and surrounding vicinity. The lot sizes, home prices, and amenities in the subdivisions shown are generally similar relative to the subject's 60' frontage lots. Thus, the competing residential developments are considered to be the immediate competition for the subject's proposed lots and are believed to accurately reflect the potential absorption levels for the subject's lots at this time.

Having addressed the immediate competition, we will determine the approximate absorption time frame for the subject by analyzing absorption trends of the previously shown developments.

Absorption Analysis – 60' Frontage Lots

The following table outlines the monthly absorption of the residential developments listed in the competitive supply. It should be noted that all data is as of Third Quarter 2020.

Monthly Absorption Performance - 60' Frontage Lots					
Subdivisions	Available Lots	Building Starts*	No. Months	Units/Month	Months Supply
Patriot Estates	43	203	12	16.9	2.5
Hawkins Meadow	4	103	21	4.9	0.8
Mill Valley	102	84	15	5.6	18.2
Totals/Averages	149	390		27.4	5.4
Average Units/Month				9.1	
Subject: Brahman Ranch, Phase 2					
Source: Metrostudy as of Third Quarter 2020					

Based upon the number of available lots and average absorption per month, the 149 lots remaining within these residential developments indicates only a 5.4±-month supply (0.5± years). This appears to be representative of a significant under-supply of lots within the subject's projected price/lot size range.

Overall, the competing residential developments indicate an absorption range of 4.9 units to 16.9 units per month, with an overall average of 9.1 units per month. To summarize, it is important to note the following facts:

- Two of the three residential developments presented are projected to be sold out within 2.5± months. Thus, it is reasonable that the subject, upon completion in August 2022, may capture a portion of the demand that these projects currently enjoy.
- The subject's competitive supply is significantly under-supplied with only a 5.4± month-supply of developed lots.
- The overall lot supply within the competing submarkets is estimated to range from 0.5± to 2.0± years (6± to 24± months) which is to within equilibrium lot supply levels of 2.0 – 2.5 years.

Absorption Projection – 60' Frontage Lots

Thus, the preceding data supports a projected absorption on a semi-annual basis for the subject's lots with 60' frontages at 9.0 units per month (54.0 units per semi-annual period) which is supported by the overall average of the competitive supply (9.1 upm). As such, our absorption projection is considered reasonable based upon the lot supply and demand levels within the subject's submarket area for 60' frontage lots.

Competitive Supply – 70' Frontage Lots

Competitive Supply - 70' Frontage Lots					
Subdivisions	School District	Home Prices (000's)	Available Lots	Typical Lot Dimensions	Typical Lot SF
<u>Dove Creek</u> Midlothian, Texas	Midlothian	\$300-\$394	12	75' x 155'	11,625
<u>The Grove</u> Midlothian, Texas	Midlothian	\$285-\$350	10	73' x 120'	8,760
<u>Massey Meadows</u> Midlothian, Texas	Midlothian	\$300-\$438	78	70' x 120'	8,400
<u>Thomas Trail Estates</u> Midlothian, Texas	Midlothian	\$313-\$445	8	74' x 130'	9,620
Total			108		
Subject: Braham Ranch, Phase 1		Maypearl		70' x 120'	8,400
Source: Metrostudy as of Third Quarter 2020					

The competitive supply presented above recognizes residential developments which are located in the subject's immediate and surrounding vicinity. The lot sizes, home prices, and amenities in the subdivisions shown are generally similar relative to the subject's 70' frontage lots. Thus, the competing residential developments are considered to be the immediate competition for the subject's proposed lots and are believed to accurately reflect the potential absorption levels for the subject's lots at this time.

Having addressed the immediate competition, we will determine the approximate absorption time frame for the subject by analyzing absorption trends of the previously shown developments.

Absorption Analysis – 70' Frontage Lots

The following table outlines the monthly absorption of the residential developments listed in the competitive supply. It should be noted that all data is as of Third Quarter 2020.

Monthly Absorption Performance - 70' Frontage Lots					
Subdivisions	Available Lots	Building Starts*	No. Months	Units/Month	Months Supply
Dove Creek	12	203	27	7.5	1.6
The Grove	10	71	27	2.6	3.8
Massey Meadows	78	108	15	7.2	10.8
Thomas Trail Estates	8	81	21	3.9	2.1
Totals/Averages	108	463		21.2	5.1
Average Units/Month				5.3	
Subject: Braham Ranch, Phase 1					
Source: Metrostudy as of Third Quarter 2020					

Based upon the number of available lots and average absorption per month, the 108 lots remaining within these residential developments indicates only a 5.1±-month supply (0.5± years). This appears to be representative of a significant under-supply of lots within the subject's projected price/lot size range.

Overall, the competing residential developments indicate an absorption range of 2.6 units to 7.5 units per month, with an overall average of 5.3 units per month. To summarize, it is important to note the following facts:

- All four residential developments presented are projected to be sold out within 10.8± months. Thus, it is reasonable that the subject, upon completion in January 2022, may capture a portion of the demand that these projects currently enjoy.
- The subject's competitive supply is significantly under-supplied with only a 5.1± month-supply of developed lots.
- At the effective date of this appraisal, 50 of the subject's Phase 1 lots are under contract to two volume homebuilders (Carnegie Homes and Lillian Homes).
- The overall lot supply within the competing submarkets is estimated to range from 0.5± to 2.0± years (6± to 24± months) which is to within equilibrium lot supply levels of 2.0 – 2.5 years.

Absorption Projection – 70' Frontage Lots

Thus, the preceding data supports a projected absorption on a semi-annual basis for the subject's 266 lots with 70' frontages at 5.0 units per month (30.0 units per semi-annual period) which is supported by the overall average of the competitive supply (5.3 upm). As such, our absorption projection is considered reasonable based upon the lot supply and demand levels within the subject's submarket area for 70' frontage lots.

Overall Absorption Summary Projections

Our semi-annual absorption projections are summarized as follows for the subject:

Phase 1 – 266 Lots

Projected Semi-Annual Absorption Summary											
Lot Type	Jan-22	Jul-22	Jan-23	Jul-23	Jan-24	Jul-24	Jan-25	Jul-25	Jan-26	Lots	Months
60'	19									19	2+/-
70'	30	30	30	30	30	30	30	30	7	247	49+/-
Totals	49	30	30	30	30	30	30	30	7	266	

As shown, the overall absorption for the subject's 266 lots in Phase 1 is estimated to be 49+/- months.

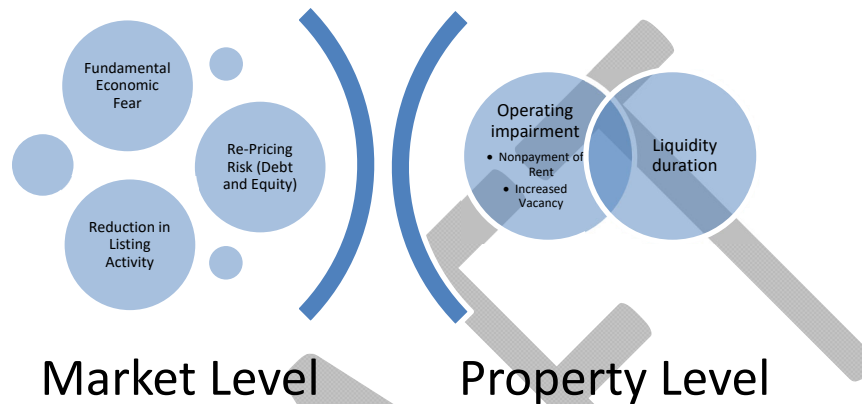
Phase 2 – 120 Lots

Projected Semi-Annual Absorption Summary						
Lot Type	Jan-22	Jul-22	Jan-23	Jul-23	Lots	Months
60'	15				15	2+/-
70'	30	30	30	15	105	21+/-
Totals	45	30	30	15	120	

As shown, the overall absorption for the subject's 120 lots in Phase 2 is estimated to be 21+/- months.

COVID-19 Impact on Current Valuations

Transaction indicators are the best measure of any impact on values due to COVID-19. At the beginning of the pandemic, many transactions were tabled, and market data was scarce. After an initial lull in activity, price discovery has occurred in many markets across different property types and transactions are getting done. Market instability remains a factor on various levels:



Based on discussions and interviews with a wide range of market participants including brokers, lenders, asset managers, owners, property managers and others, a variety of concerns, and opportunities, are apparent.

The Virus

A surge in COVID-19 cases throughout the country began in 4Q20. Infection rates are exploding with many state and local governments restricting movement and social gatherings. The stock market rose to new highs in 4Q20 on the news of multiple promising vaccine options expected to first become widely available to health care workers and then the general public by mid-2021. In the interim, volatility will remain with starts and stops in economic activity. A widely distributed vaccine is critical for bringing workers back to the office; for allowing public schools to remain open with consistency; and for perceived safe use of public transportation in getting people to work.

Macro-Economic Impacts

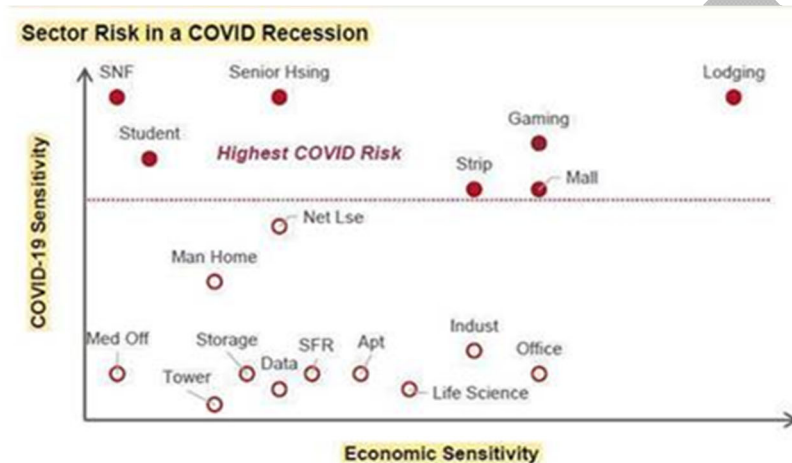
Not surprisingly, 3Q20 GDP was up significantly but varies considerably by segment. Consumption of goods is up while consumption of services remains off, due in large part to households remaining in various levels of lockdown in many parts of the country. Warehouses and manufacturing are winners. Hotels, retail, and restaurants remain weak.

State and local finances are troubling not to mention the outlook for employers and workers, particularly in the service sector, who remain on the downside of a K shaped recovery.

After initially ramping up cash reserves to cover bad loans, many larger lending institutions have begun reducing those set-asides as the expectation of losses is on the decline. Many smaller to mid-size banks, which have typically been the primary capital source to local, service-oriented businesses, may not be so fortunate.

Impact by Property Type, Class & Location

Below is a graph prepared by Greenstreet Advisors plotting the sensitivity (and risk) associated with various property types with the negative impact on value being greater for those assets with greater sensitivity. Those assets relating to essential business operations (grocery, medical, distribution) have been less affected than for example lodging and malls where social distancing is more difficult.



Rates of Return and Valuation Methodology

Offsetting the increased risk due to uncertainty in the property markets is the Fed's monetary policy of holding rates down to enhance liquidity in the debt markets. While many financial institutions have lowered their loan to value ratios as a risk management tool, the cost of borrowing is at historic lows for assets with sustainable cash flow and solid sponsors. The result is downward pressure on rates of return where leverage is attainable but offset to some extent by a rise in equity return requirements. As transactions continue to occur, the overall impact on rates of return, and how they are responding differently by property type and location, is becoming apparent.

Some market participants believe the answer to market value lies in capitalization rates while others believe rates are not moving. Instead, the value impact is limited to cash flow loss plus profit until re-stabilization occurs. Once again, the answers vary by property type and location.

The following valuation tempers the various inputs given the wide range of data in the market. Care must be taken not to "double hit" the analysis by modeling lower net income via lower performance projections and at the same time raising the return requirements, particularly in light of a low interest rate environment.

Market Sentiment/Participant Interviews

In addition to transaction data, which is slowly materializing, we have interviewed market participants (developers, investors, lenders, brokers) as a leading indicator of where the market is currently, and where they believe the market is heading. These survey results have been analyzed and incorporated into our analysis and conclusions.

Conclusion

Considering the subject's relative sensitivity to COVID-19 risks as of the effective date of the valuation, the following valuation considerations were developed:

Valuation Approach Implications from COVID-19		Comment
Sales Comparison Approach		
Market conditions adjustment?	No	Demand for Single-Family Residential in the market area remains high.
Transaction evidence?	No	
Marketing Time		
Has marketing time been adjusted?	Yes	

Property Analysis

Land Description and Analysis

Location

The property (Braham Ranch Public Improvement District) is located on the west side of FM-157, at the terminus of Marion Road in Venus, Ellis County, Texas.

Land Area

The following table summarizes the subject's land area.

Land Area Summary		
	SF	Acres
Subject	6,067,270	139.28

Shape and Dimensions

The site containing Phase 1 and Phase 2 is limited to the land to be utilized as the entryway to be known as Brahman Street. However, overall site utility based on shape and dimensions is average.

Topography

The site is generally level and at street grade. The topography does not result in any particular development limitations.

Drainage

No particular drainage problems were observed or disclosed at the time of field inspection. This appraisal assumes that there are not any unusual drainage issues that would affect the development of the subject.

Flood Hazard Status

The following table provides flood hazard information.

Flood Hazard Status	
Community Panel Number	48139C0300F
Date	June 13, 2013
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No

Environmental Hazards

An environmental assessment report was not provided for review, and during our inspection, we did not observe any obvious signs of contamination on or near the subject. However, environmental issues are beyond our scope of expertise. It is assumed that the property is not adversely affected by environmental hazards.

Ground Stability

A soils report was not provided for our review. Based on our inspection of the subject and observation of development on nearby sites, there are no apparent ground stability problems. However, we are not experts in soils analysis. We assume that the subject's soil bearing capacity is sufficient to support a variety of uses, including those permitted by zoning.

Streets, Access and Frontage

The development will be accessed from FM-157 which runs parallel to the development to the east.

Utilities

The availability of utilities to the subject is summarized in the following table.

Utilities	
Service	Provider
Water	Mountain Peak Special Utility District
Sewer	City of Venus

Zoning

The subject is to be governed by a development agreement with the City of Venus. Under this agreement the subject property is limited to single-family development by the City of Venus. The following table summarizes our understanding and interpretation of the zoning requirements that affect the subject.

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance is required.

Other Land Use Regulations

We are not aware of any other land use regulations that would affect the property.

Easements, Encroachments and Restrictions

Based upon a review of the property survey, there do not appear to be any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Proposed Site Improvements

The subject's Phase 1 is being developed with 266 detached, single-family lots and Phase 2 will contain 120 detached, single-family lots on an assemblage of land totaling 139.28 gross acres (2.8 upa) in a development to be known as Braham Ranch. The lots are designed with two typical lot sizes.

- 70' x 120' (8,400 square feet)
- 60' x 110' (6,600 square feet)

The unit mix is as follows:

Brahman Ranch (Phases 1 and 2)				
Phase	Typical Lot Dimensions		Projected	
	70' x 120'	60' x 110'	Total Lots	Completion Date
1	247	19	266	January 7, 2022
2	105	15	120	August 7, 2022
	352	34	386	

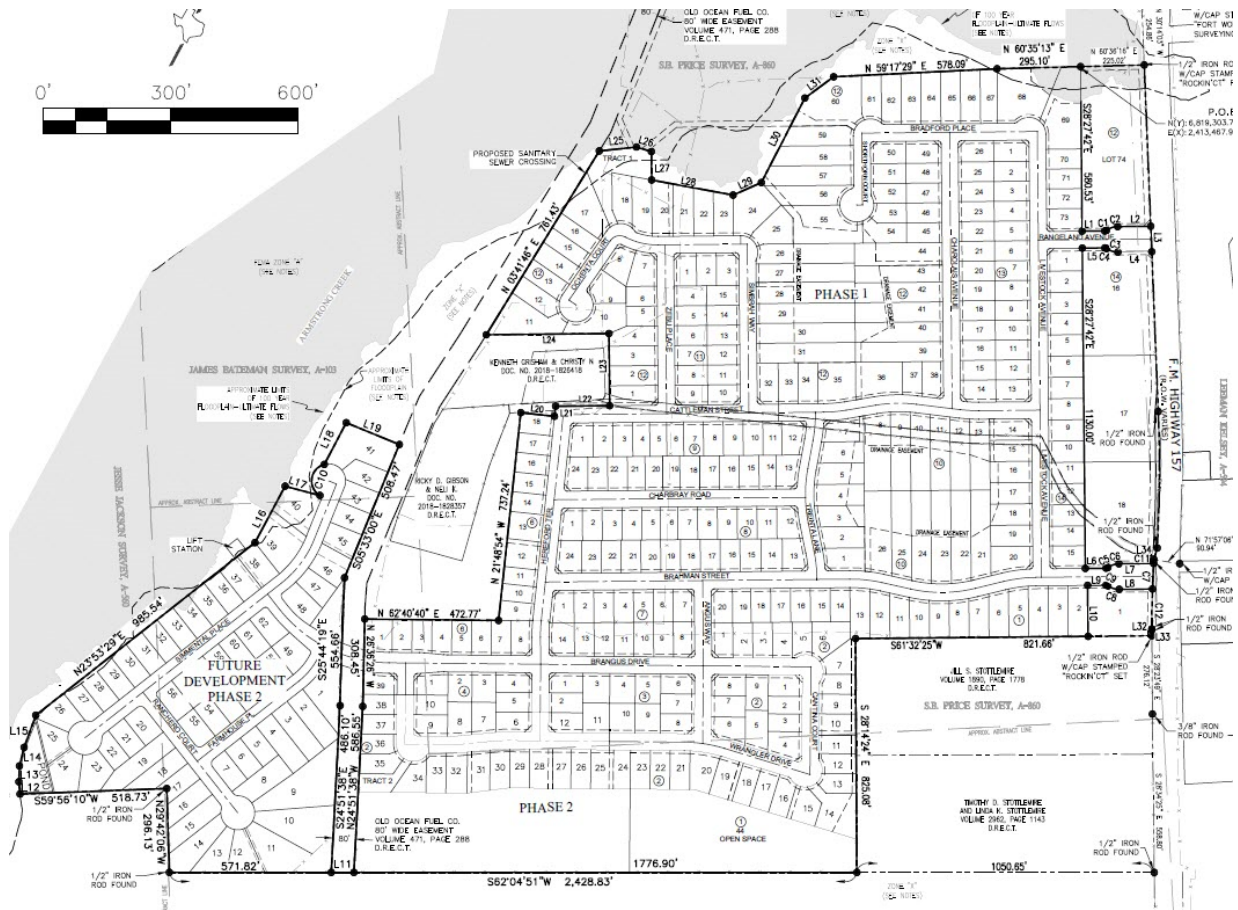
All of the lots are designed for front access. Access to Phase 1 will be provided from two entries/exits from FM-157 while Phase 2 will be access through the Phase 1 interior street system. Following is a summary of the proposed lots:

Conclusion of Site Analysis

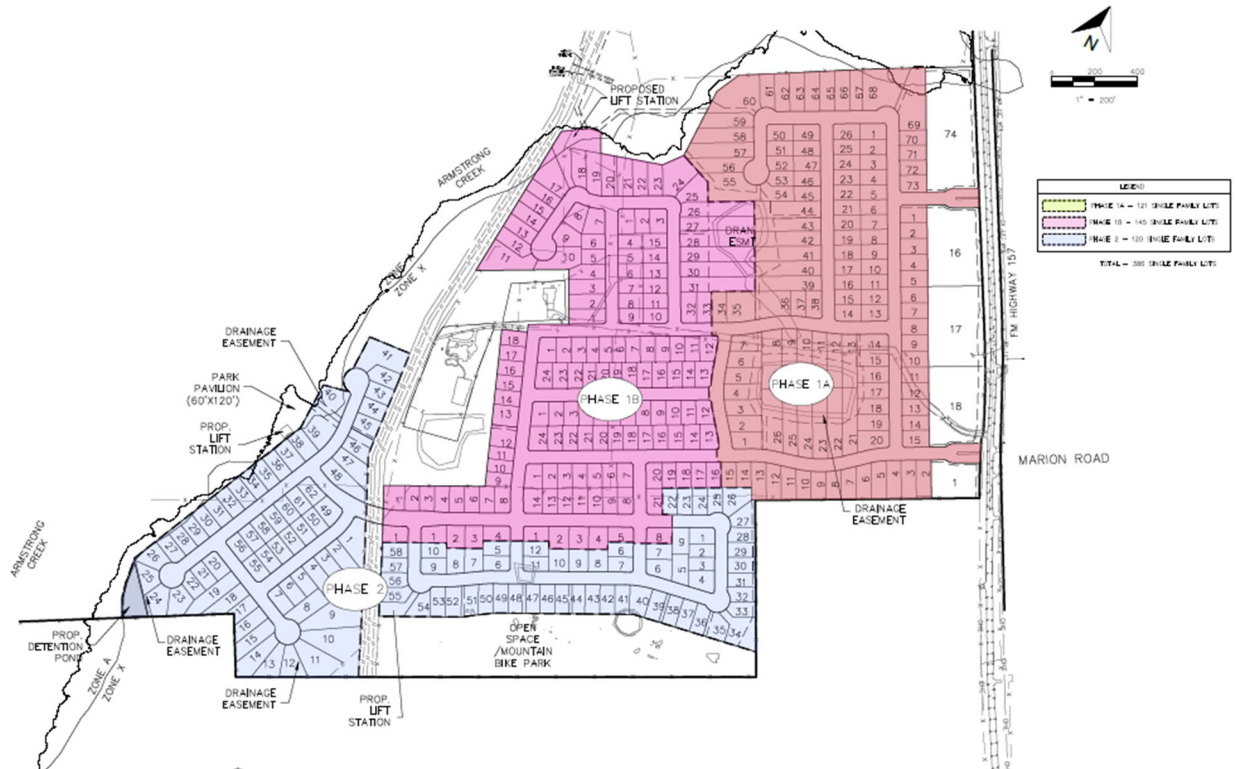
Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. Uses permitted by zoning include residential development. We are not aware of any other particular restrictions on development.



Survey



Phasing Plan



Real Estate Taxes

Real estate tax assessments are administered by the Ellis County and are estimated by jurisdiction on a county basis for the subject. Real estate taxes in this state and this jurisdiction represent ad valorem taxes, meaning a tax applied in proportion to value. The real estate taxes for an individual property may be determined by dividing the assessed value (certified in July) for a property by \$100, then multiplying the estimate by the composite rate. The composite rate is based on a consistent state tax rate throughout the state, in addition to one or more local taxing district rates. Real estate taxes and assessments for the current tax year are shown in the following table.

Taxes and Assessments - 2020							
Assessed Value			Taxes and Assessments				
Land	Improvements	Total	Ad Valorem				Total
			Tax Rate	Taxes	Ag Assesment		
\$2,394,860	\$89,800	\$2,484,660	2.447767%	\$60,819	\$163,490		\$4,002

The subject is currently assessed as part of a 532.19-acre tax parcel. However, the assessed value as vacant land is irrelevant as the estimated taxes for the subject's proposed lots will be based upon our market value opinions within the discounted cash flow statements within this report.

Based on the concluded market value of the subject, the assessed value appears low.

Texas is a non-disclosure State with a mandate to assess property at 100% of market value. Some Texas County Assessors are more successful at achieving the mandate than others. In Texas Counties with little or no transaction activity, values can lag the market. However, there is no limit on increases in the event of a re-assessment.

Property owners in Texas may protest ad valorem assessments using the one of two tests, 1) Market Value or 2) "Equal Appraisal". Market Value is self-explanatory. "Equal Appraisal" means there is a burden on the District's Assessor to ensure mass appraisal methods produce consistent results from property to property. To measure equality, the Appraisal Review Board will consider the assessed values of competing properties in the District. The process involves generation of "ratio study" in which, after appropriate adjustments, the "median value" is the conclusion of "Equal Appraisal".

Highest and Best Use

Process

Before a property can be valued, an opinion of highest and best use must be developed for the subject site, both as vacant, and as improved. By definition, the highest and best use must be:

- Physically possible
- Legally permissible under the zoning regulations and other restrictions that apply to the site
- Financially feasible
- Maximally productive, i.e., capable of producing the highest value from among the permissible, possible, and financially feasible uses

Highest and Best Use As Vacant

Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.

Legally Permissible

The site is zoned under a development agreement with the City of Venus to allow for single-family residential development. Permitted uses include single-family residential use. To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property. Given prevailing land use patterns in the area, only single-family residential is given further consideration in determining the highest and best use of the site as vacant.

Financially Feasible

Based on our analysis of the market, there is currently adequate demand for single-family residential in the subject's area. It appears that a newly developed single-family residential on the site would have a value commensurate with its cost. Therefore, single-family residential is considered to be financially feasible.

Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than single-family residential. Accordingly, it is our opinion that single-family residential, developed to the normal market density level permitted by zoning, is the maximally productive use of the property.

Conclusion

Development of the site for single-family residential is the only use that meets the four tests of highest and best use.

As Improved

No improvements are situated on the subject. Therefore, a highest and best analysis as improved is not applicable.

Most Probable Buyer

Taking into account the functional utility of the site and area development trends, the probable buyer is a developer/investor.

Valuation

Valuation Methodology

Appraisers usually consider three approaches to estimating the market value of real property. These are the cost approach, sales comparison approach and the income capitalization approach.

The **cost approach** assumes that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

The **sales comparison approach** assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data. The sales comparison approach is less reliable in an inactive market or when estimating the value of properties for which no directly comparable sales data is available. The sales comparison approach is often relied upon for owner-user properties.

The **income capitalization approach** reflects the market's perception of a relationship between a property's potential income and its market value. This approach converts the anticipated net income from ownership of a property into a value indication through capitalization. The primary methods are direct capitalization and discounted cash flow analysis, with one or both methods applied, as appropriate. This approach is widely used in appraising income-producing properties.

Reconciliation of the various indications into a conclusion of value is based on an evaluation of the quantity and quality of available data in each approach and the applicability of each approach to the property type.

The methodology employed in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Not Applicable	Not Utilized

Sales Comparison Approach

To develop an opinion of the subject's lot values within Phase 1 and 2 upon completion of proposed development and available to be developed to its highest and best use, we utilize the Sales Comparison Approach. This approach develops an indication of value by researching, verifying, and analyzing sales of similar properties.

As discussed previously, the property is divided for valuation purposes relative to the two lot types being 60-feet and 70-feet in lot width. The Sales Comparison Approach will be utilized to determine lot values for the individual lot which are summarized as follows:

Land Parcels		
Name	SF	Unit of Acres Comparison
70' Lots	8,400	0.19 Foot Frontages
60' Lots	6,600	0.15 Foot Frontages

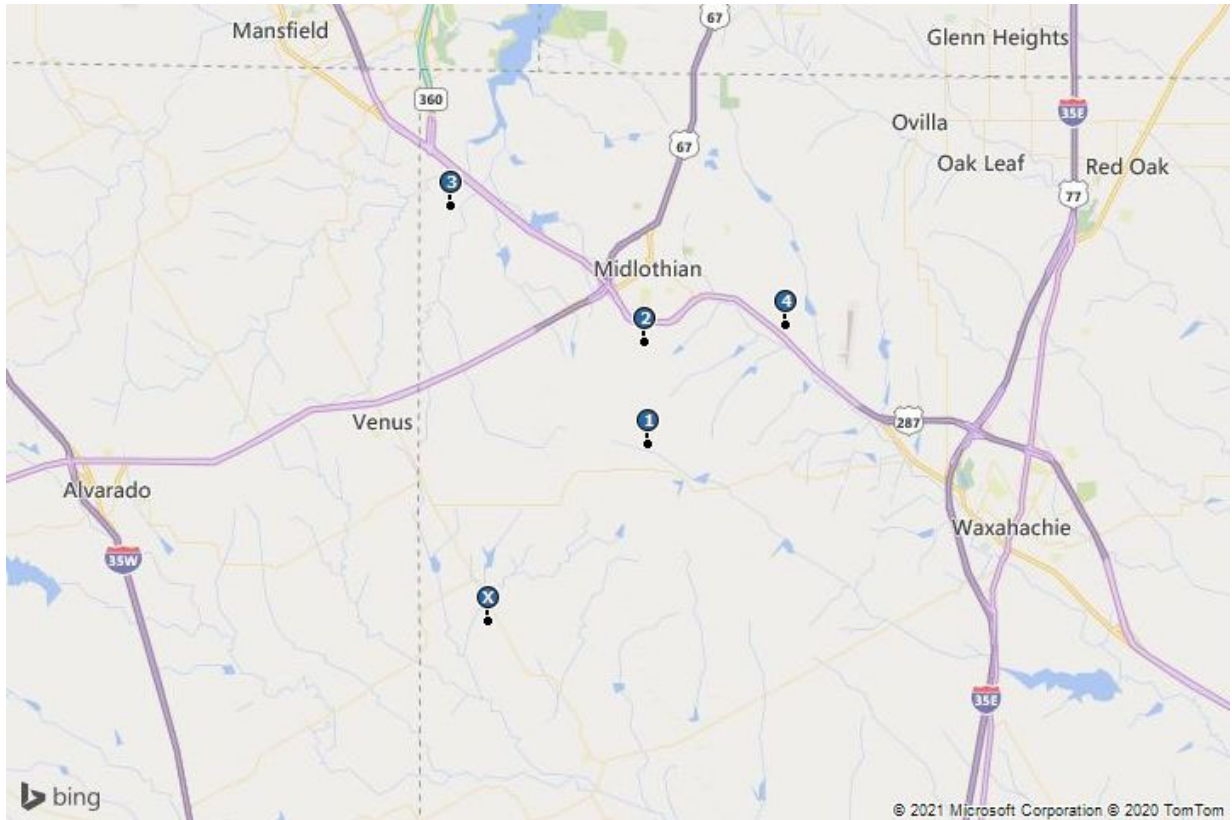
Phase 1 - 70' Lots (8,400 SF)

To apply the sales comparison approach to the Phase 1 - 70' Lots, we searched for sale transactions within the following parameters:

- Location: Immediate Market Area
- Size: 60' to 70' Frontages
- Use: Single-Family Residential
- Transaction Date: Past 12 months

For this analysis, we use price per foot frontage as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. The most relevant sales are summarized in the following table.

Summary of Comparable Land Sales - Phase 1 - 70' Lots								
No.	Name/Address	Sale Date; Status	Sale Price	SF; Acres	Front Foot	Zoning	\$/Foot Frontage	\$/SF Land
1	Coventry Crossing, Phase 2 - 60' Lots Southeast quadrant of FM-663 and McAlpin Road Midlothian Ellis County TX <i>Comments: Lots in this multiphase subdivision are located in the Midlothian ISD. Home prices are ranging from \$292,000 to \$399,000.</i>	Aug-20 Closed	\$61,200	7,500 0.17	60	Planned Development - 44	\$1,020	\$8.16
2	Hawkins Meadows, Phase 1 - 70' Lots Southeast quadrant of FM-663 and Autumn Run Drive Midlothian Ellis County TX <i>Comments: Lots in this development are located in the Midlothian ISD. Home prices are ranging from \$300,000 to \$360,000.</i>	Jan-20 Closed	\$74,200	8,400 0.19	70	Planned Development - 68	\$1,060	\$8.83
3	Prairie Ridge, Phase 1 - 60' Lots 6313 Whitebrush Ln. City of Grand Prairie ETJ Texas County TX <i>Comments: Sale of a single family residential lot located in Prairie Ridge Phase 1. The lot sold with 13 other lots in Phase 1. It had a base price of \$63,000 + a \$750 marketing fee.</i>	Jun-20 Closed	\$63,750	7,200 0.17	60	Unincorporated	\$1,063	\$8.85
4	Bridgewater (Proposed) - 70' Lots Northeast quadrant of US-287 and Walnut Grove Road Midlothian Ellis County TX <i>Comments: This is a proposed master-planned development with substantial completion by Third Quarter 2022. All lots will be located in the Midlothian ISD. Home prices are projected to range from \$350,000 to \$437,500.</i>	Jul-22 In-Contract	\$87,500	8,400 0.19	70	Planned Development	\$1,250	\$10.42
Subject Brahman Ranch Public Improvement District (PID) Venus, TX				8,400 0.19	70	Single-Family Residential		

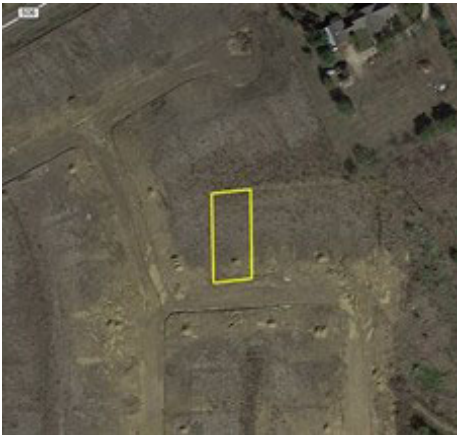
Comparable Land Sales Map – Phase 1 - 70' Lots



Sale 1
Coventry Crossing, Phase 2 - 60' Lots



Sale 2
Hawkins Meadows, Phase 1 - 70' Lots



Sale 3
Prairie Ridge, Phase 1 - 60' Lots



Sale 4
Bridgewater (Proposed) - 70' Lots

Adjustment Factors

The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown below.

Adjustment Factors	
Effective Sale Price	Accounts for atypical economics of a transaction, such as demolition cost, expenditures by the buyer at time of purchase, or other similar factors. Usually applied directly to sale price on a lump sum basis.
Real Property Rights	Fee simple, leased fee, leasehold, partial interest, etc.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.
Conditions of Sale	Extraordinary motivation of buyer or seller, assemblage, forced sale, related parties transaction.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.
Location	Market or submarket area influences on sale price; surrounding land use influences.
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility from main thoroughfares; traffic counts.
Size	Inverse relationship that often exists between parcel size and unit value.
Shape and Topography	Primary physical factors that affect the utility of a site for its highest and best use.
Zoning	Government regulations that affect the types and intensities of uses allowable on a site.
Entitlements	The specific level of governmental approvals attained pertaining to development of a site.

When considering market conditions, we note that the sales took place from January 2020 to July 2022, and that market conditions generally have been strengthening over this period through the effective date of value. Accordingly, we apply upward adjustments of 6% per year to account for this trend.

Analysis and Adjustment of Sales

Our analysis of the comparable sales is described in the following paragraphs.

Land Sale 1 is a typical 7,500-square foot lot located in the Coventry Crossing subdivision in Midlothian, with development potential for 60-foot frontages. The property sold in August 2020 for \$61,200, or \$1,020 per foot frontage.

An upward adjustment of 8% is indicated for market conditions. A downward adjustment of (20%) is indicated for location. Overall, a downward adjustment is indicated.

Land Sale 2 is a typical 8,400 square foot lot located in the Hawkins Meadow subdivision in Midlothian, with development potential for 70-foot frontages. The property sold in January 2020 for \$74,200, or \$1,060 per foot frontage.

An upward adjustment of 12% is indicated for market conditions. A downward adjustment of (20%) is indicated for location. Overall, a downward adjustment is indicated.

Land Sale 3 is a 7,200-square foot lot located in the Prairie Ridge subdivision in the City of Grand Prairie ETJ, with development potential for 60-foot frontages. The property sold in June 2020 for \$63,750, or \$1,063 per foot frontage.

An upward adjustment of 10% is indicated for market conditions. A downward adjustment of (20%) is indicated for location. Overall, a downward adjustment is indicated.

Land Sale 4 is a 8,400-square foot lot located in the Bridgewater subdivision in Midlothian, with development potential for 70-foot frontages. The property is under development with a proposed completion date of July 2022 for \$87,500, or \$1,250 per foot frontage.

Downward adjustments are indicated for market conditions (3%) and location (20%). Overall, a substantial downward adjustment is indicated.

The following table summarizes the adjustments we make to each sale.

Land Sales Adjustment Grid - Phase 1 - 70' Lots					
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Name	Brahman Ranch Public Improvement District (PID)	Coventry Crossing, Phase 2 - 60' Lots	Hawkins Meadows, Phase 1 70' Lots	Prairie Ridge, Phase 1 - 60' Lots	Bridgewater (Proposed) - 70' Lots
Address	West side of US-67 at the Terminus of Marion Road	Southeast quadrant of FM- 663 and McAlpin Road	Southeast quadrant of FM- 663 and Autumn Run Drive	6313 Whitebrush Ln.	Northeast quadrant of US- 287 and Walnut Grove Road
City	Venus	Midlothian	Midlothian	City of Grand Prairie ETJ	Midlothian
County	Ellis	Ellis	Ellis	Texas	Ellis
State	Texas	TX	TX	TX	TX
Sale Date		Aug-20	Jan-20	Jun-20	Jul-22
Sale Status		Closed	Closed	Closed	In-Contract
Sale Price		\$61,200	\$74,200	\$63,750	\$87,500
Square Feet	8,400	7,500	8,400	7,200	8,400
Number of Foot Frontages	70	60	70	60	70
Price per Foot Frontage		\$1,020	\$1,060	\$1,063	\$1,250
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		-	-	-	-
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		-	-	-	-
Conditions of Sale		-	-	-	-
% Adjustment		-	-	-	-
Market Conditions	1/7/2022	Aug-20	Jan-20	Jun-20	Jul-22
Annual % Adjustment	6%	8%	12%	10%	-3%
Cumulative Adjusted Price		\$1,102	\$1,187	\$1,169	\$1,213
Location		-20%	-20%	-20%	-20%
Access/Exposure		-	-	-	-
Size		-	-	-	-
Shape and Topography		-	-	-	-
Zoning		-	-	-	-
Net \$ Adjustment		-\$220	-\$237	-\$234	-\$243
Net % Adjustment		-20%	-20%	-20%	-20%
Final Adjusted Price		\$881	\$950	\$935	\$970
Overall Adjustment		-14%	-10%	-12%	-22%
Range of Adjusted Prices		\$881 - \$970			
Average		\$934			
Indicated Value		\$930			

Land Value Conclusion – Phase 1 - 70' Lots

Prior to adjustments, the sales reflect a range of \$1,020 - \$1,250 per foot frontage. After adjustment, the range is narrowed to \$881 - \$970 per foot frontage, with an average of \$934 per foot frontage. To arrive at an indication of value, we place equal emphasis on all sales

Based on the preceding analysis, we reach a value conclusion as follows:

Land Value Conclusion

Indicated Value per Foot Frontage	\$930
Subject Foot Frontages	<u>70</u>
Indicated Value	\$65,100
Rounded	<u>\$65,000</u>

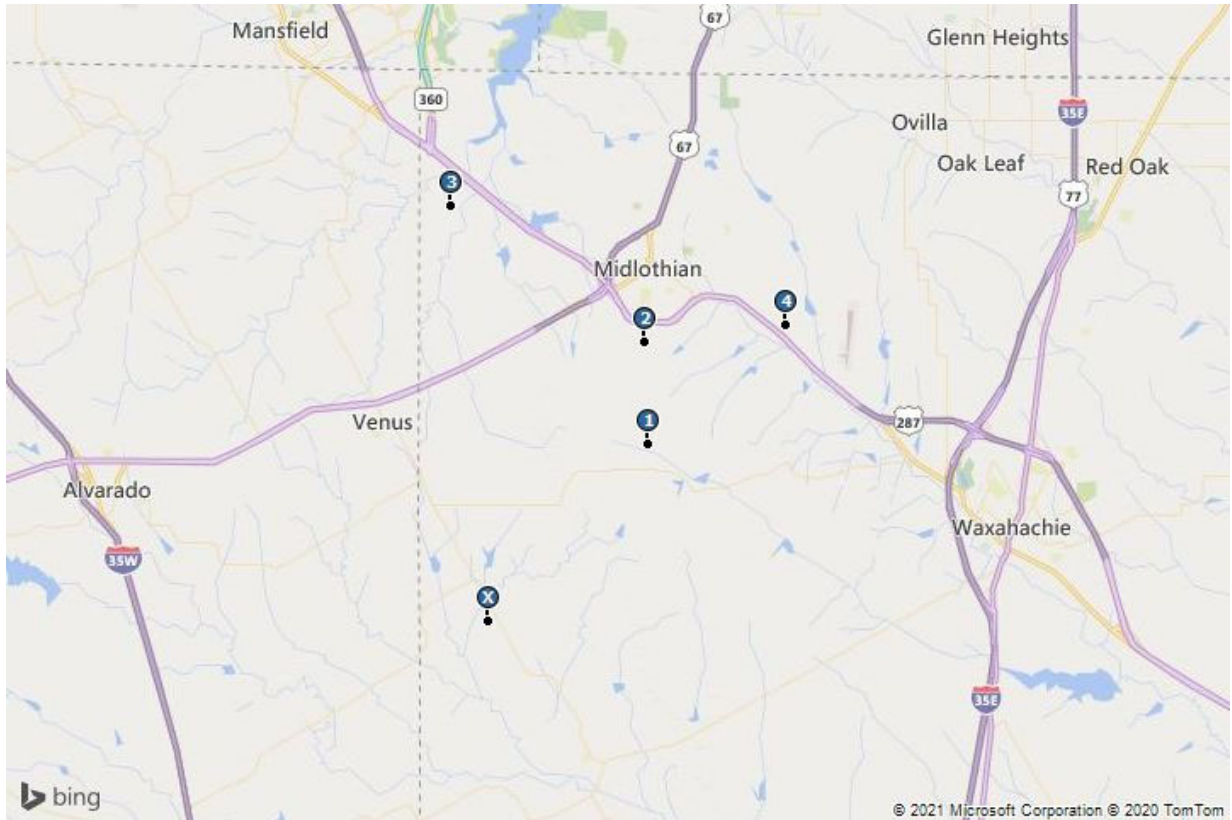
Phase 2 - 60' Lots (6,600 SF)

To apply the sales comparison approach to the Phase 2 - 60' Lots, we searched for sale transactions within the following parameters:

- Location: Immediate Market Area
- Size: 60' Frontages
- Use: Single-Family Residential
- Transaction Date: Past 12 months

For this analysis, we use price per foot frontage as the appropriate unit of comparison. The most relevant sales are summarized in the following table.

Summary of Comparable Land Sales - Phase 2 - 60' Lots								
No.	Name/Address	Sale Date; Status	Sale Price	SF; Acres	Front Foot	Zoning	\$/Foot Frontage	\$/SF Land
1	Coventry Crossing, Phase 2 - 60' Southeast quadrant of FM-663 and McAlpin Road Midlothian Ellis County TX	Aug-20 Closed	\$61,200	7,500 0.17	60	Planned Development - 44	\$1,020	\$8.16
<i>Comments: Lots in this multiphase subdivision are located in the Midlothian ISD. Home prices are ranging from \$292,000 to \$399,000.</i>								
2	Hawkins Meadows, Phase 1 - 60' Southeast quadrant of FM-663 and Autumn Run Drive Midlothian Ellis County TX	Jan-20 Closed	\$63,600	7,500 0.17	60	Planned Development - 68	\$1,060	\$8.48
<i>Comments: Lots in this development are located in the Midlothian ISD. Home prices are ranging from \$250,000 to \$320,000.</i>								
3	Prairie Ridge, Phase 1 - 60' Lots 6313 Whitebrush Ln. City of Grand Prairie ETJ Texas County TX	Jun-20 Closed	\$63,750	7,200 0.17	60	Unincorporated	\$1,063	\$8.85
<i>Comments: Sale of a single family residential lot located in Prairie Ridge Phase 1. The lot sold with 13 other lots in Phase 1. It had a base price of \$63,000 + a \$750 marketing fee.</i>								
4	Bridgewater (Proposed) - 60' Lots Northeast quadrant of US-287 and In-Contract Walnut Grove Road Midlothian Ellis County TX	Jul-22	\$78,000	7,200 0.17	60	Planned Development	\$1,300	\$10.83
<i>Comments: This is a proposed master-planned development with substantial completion by Third Quarter 2022. The future lots will be located in the Midlothian ISD. Home prices are projected to range from \$312,000 to \$390,000.</i>								
Subject				6,600	60	Single-Family		
Brahman Ranch Public				0.15		Residential		
Venus, TX								

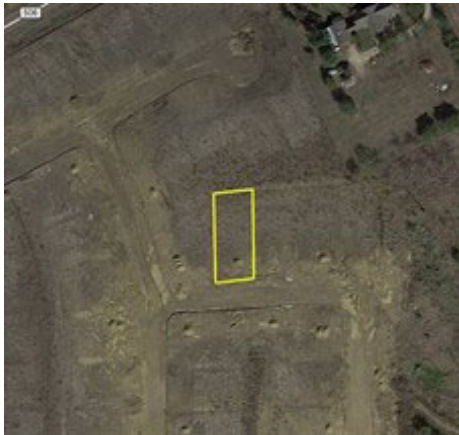
Comparable Land Sales Map – Phase 2 - 60' Lots



Sale 1
Coventry Crossing, Phase 2 - 60' Lots



Sale 2
Hawkins Meadows, Phase 1 - 60' Lots



Sale 3
Prairie Ridge, Phase 1 - 60' Lots



Sale 4
Bridgewater (Proposed) - 60' Lots

Analysis and Adjustment of Sales

Our analysis of the comparable sales is described in the following paragraphs.

Land Sale 1 is a typical 7,500- square foot lot located in the Coventry Crossing subdivision in Midlothian, with development potential for 60-foot frontages. The property sold in August 2020 for \$61,200, or \$1,020 per foot frontage.

An upward adjustment of 12% is indicated for market conditions. A downward adjustment of (20%) is indicated for location. Overall, a downward adjustment is indicated.

Land Sale 2 is a typical 7,500-square foot lot located in the Hawkins Meadow subdivision in Midlothian, with development potential for 60-foot frontages. The property sold in January 2020 for \$63,600, or \$1,060 per foot frontage.

An upward adjustment of 16% is indicated for market conditions. A downward adjustment of (20%) is indicated for location. Overall, a downward adjustment is indicated.

Land Sale 3 is a typical 7,200-square foot lot located in the Prairie Ridge subdivision in the City of Grand Prairie ETJ, with development potential for 60-foot frontages. The property sold in June 2020 for \$63,750, or \$1,063 per foot frontage.

An upward adjustment of 13% is indicated for market conditions. A downward adjustment of (20%) is indicated for location. Overall, a downward adjustment is indicated.

Land Sale 4 is a typical 7,200-square foot lot located in the Bridgewater subdivision in Midlothian, with development potential for 60-foot frontages. The property is under development with a proposed completion date of July 2022 for \$78,000, or \$1,300 per foot frontage.

An upward adjustment of 1% is indicated for market conditions. A downward adjustment of (20%) is indicated for location. Overall, a downward adjustment is indicated.

The following table summarizes the adjustments we make to each sale.

Land Sales Adjustment Grid - Phase 2 - 60' Lots

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Name	Brahman Ranch Public Improvement District (PID)	Coventry Crossing, Phase 2 - 60' Lots	Hawkins Meadows, Phase 1 60' Lots	Prairie Ridge, Phase 1 - 60' Lots	Bridgewater (Proposed) - 60' Lots
Address	West side of US-67 at the Terminus of Marion Road	Southeast quadrant of FM- 663 and McAlpin Road	Southeast quadrant of FM- 663 and Autumn Run Drive	6313 Whitebrush Ln.	Northeast quadrant of US- 287 and Walnut Grove Road
City	Venus	Midlothian	Midlothian	City of Grand Prairie ETJ	Midlothian
County	Ellis	Ellis	Ellis	Texas	Ellis
State	Texas	TX	TX	TX	TX
Sale Date		Aug-20	Jan-20	Jun-20	Jul-22
Sale Status		Closed	Closed	Closed	In-Contract
Sale Price		\$61,200	\$63,600	\$63,750	\$78,000
Square Feet	6,600	7,500	7,500	7,200	7,200
Number of Foot Frontages	60	60	60	60	60
Price per Foot Frontage		\$1,020	\$1,060	\$1,063	\$1,300
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		-	-	-	-
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		-	-	-	-
Conditions of Sale		-	-	-	-
% Adjustment		-	-	-	-
Market Conditions	8/7/2022	Aug-20	Jan-20	Jun-20	Jul-22
Annual % Adjustment	6%	12%	16%	13%	1%
Cumulative Adjusted Price		\$1,142	\$1,230	\$1,201	\$1,313
Location		-20%	-20%	-20%	-20%
Access/Exposure		-	-	-	-
Size		-	-	-	-
Shape and Topography		-	-	-	-
Zoning		-	-	-	-
Net \$ Adjustment		-\$228	-\$246	-\$240	-\$263
Net % Adjustment		-20%	-20%	-20%	-20%
Final Adjusted Price		\$914	\$984	\$961	\$1,050
Overall Adjustment		-10%	-7%	-10%	-19%
Range of Adjusted Prices		\$914 - \$1,050			
Average		\$977			
Indicated Value		\$980			

Land Value Conclusion – Phase 2 - 60' Lots

Prior to adjustments, the sales reflect a range of \$1,020 - \$1,300 per foot frontage. After adjustment, the range is narrowed to \$914 - \$1,050 per foot frontage, with an average of \$977 per foot frontage. To arrive at an indication of value, we equal emphasis on all sales.

Based upon the above, we reach a value conclusion as follows:

Land Value Conclusion	
Indicated Value per Foot Frontage	\$980
Subject Foot Frontages	60
Indicated Value	\$58,800
Rounded	\$59,000

Cumulative Retail Value Summary**Phase 1**

The cumulative retail lot value for Brahman Ranch, Phase 1 is \$17,176,000 or an overall average retail value/lot of \$64,571.

Cumulative Retail Lot Value Calculation					
Phase	Total Lots	Typical Lot Dimensions	Average Price/Lot	Price/FF	Total Cumulative Retail Value
1	19	60' x 110'	\$59,000	\$983	\$1,121,000
1	247	70' x 120'	\$65,000	\$929	\$16,055,000
	266		\$64,571		\$17,176,000

Phase 2

The cumulative retail lot value for Brahman Ranch, Phase 2 is \$7,710,000 or an overall average retail value/lot of \$64,250.

Cumulative Retail Lot Value Calculation					
Phase	Total Lots	Typical Lot Dimensions	Average Price/Lot	Price/FF	Total Cumulative Retail Value
2	15	60' x 110'	\$59,000	\$983	\$885,000
2	105	70' x 120'	\$65,000	\$929	\$6,825,000
	120		\$64,250		\$7,710,000

Summary of Net/Gross Value Conclusion

The preceding value was based on a retail sale of small batches of lots (less than 20 lots at a time). However, occasionally entire subdivisions are sold to builders, or other investors, at a discount. These builders will then warehouse the land themselves, or the investors will resell the lots to builders over a longer-term takedown schedule. Thus, to determine the appropriate discount for the subject, we have assembled a number of bulk sales of other developed subdivision lots located throughout North Texas. The comparables presented represent the bulk sale of developed lots to homebuilders and/or investors. As shown below, the discount for the sales presented ranged from 3.9% to 64.2% of the retail value from 2010 through First Quarter 2020. Since late 2012, the discounts for bulk lot sales appear to be decreasing in many submarket areas as the economy recovers. As such, comparable bulk sales are limited in all submarkets in the Dallas /Fort Worth area indicating a strengthening economy and builders willing to pay retail lot prices.

Thus, when consideration is given to the subject's projected marketing periods for Phases 1 and 2 within the Brahman Ranch PID, the following net to gross sales price ratios (average bulk sale value per lot/average retail sales price per lot) are deemed appropriate for the subject:

Phase 1

49± months – 80%

Phase 2

21± months – 85%

Our bulk sale comparables from 2010 - 2020 are listed in the following summary table.

Bulk Lot Sale Summary							
Subdivision	Date of Sale	Total Lots	Lot Dimensions	Total SF	Bulk Price/Lot	Retail Price/Lot	N/G Ratio
Austin Ridge	Apr-10	192	55' x 115'	6,325	\$46,700	\$62,500	74.7%
Frisco			80' x 125'	10,000			
Chase Oaks Village (TH)	Jul-10	92	25' x 100'	2,500	\$18,587	\$30,000	62.0%
Plano							
Stone River Estates	Dec-10	69	65' x 125'	8,125	\$11,594	\$25,000	46.4%
Royse City			75' x 125'	9,375			
Myers Meadows	Sep-10	35	65' x 120'	7,800	\$35,000	\$62,000	56.5%
Garland							
Founders Addition	Jun-11	38	150' x 320'	48,000	\$20,000	\$40,000	50.0%
Kaufman County							
Williamsburg	Nov-11	75	50' x 115'	5,750	\$30,000	\$32,500	92.3%
Fate							
Hidden Creek, Ph. 1	Mar-12	26	70' x 105'	7,350	\$19,000	\$30,141	63.0%
Royse City			80' x 105'	8,400			
Woodland Creek	Jul-12	68	60' x 120'	7,200	\$17,000	\$25,000	68.0%
Royse City							
Ovilla Parc	Dec-12	50	100' x 200'	20,000	\$43,200	\$50,000	86.4%
Ovilla							
Mission Ridge Estates	Jun-12	20	50' x 120'	6,000	\$12,000	\$20,000	60.0%
Fort Worth							
Hunters Field	Jun-12	78	50' x 120'	6,000	\$15,120	\$20,000	75.6%
Fort Worth							
Deer Meadows	Jun-12	75	50' x 120'	6,000	\$20,000	\$25,500	78.4%
Fort Worth							
Prestwyck	Jan-13	90	50'/60' x 110'	5,500-6,600	\$53,000	\$62,500	84.8%
McKinney			50'/60' x 120'	6,000-7,200	\$53,000	\$67,500	78.5%
Pecan Ridge Estates	Feb-13	80	50' x 120'	6,000	\$40,000	\$50,000	80.0%
McKinney							
Verandah	Feb-13	28	40' x 115'	4,600	\$22,857	\$25,974	88.0%
Royse City ETJ			50' x 115'	5,750			
Canyon West	Jul-13	25	200' x 220'	44,000	\$10,750	\$30,000	35.8%
Parker County							
Shiloh Manor	Oct-13	49	150' x 350'	52,500	\$46,857	\$54,000	86.8%
Midlothian ETJ							
Lakeridge Townhomes	Jul-14	79	20' x 75'	1,500	\$26,000	\$45,000	57.8%
Lewisville							
The Gables at Ohio	Aug-16	85	25' x 81'	2,025	\$88,500	\$100,000	88.5%
Frisco							
Bristol Park	Aug-17	24	1.572 acres	68,485	\$115,000	\$165,055	69.7%
Lucas							
Sonoma Verde	Mar-17	93	60' x 120'	7,200	\$43,750	\$50,000	87.5%
McLendon-Chisholm							
Winn Ridge, Ph. 2	Aug-18	389	50' x 120'	6,000	\$39,500	\$62,500	63.2%
Aubrey							
Sutton Fields	Jul-19	100	50' x 115'	5,750	\$50,000	\$61,000	82.0%
Celina		85	60' x 115'	6,900	\$57,000	\$70,000	81.4%
LakePointe	Jul-19	114	50' x 120'	6,000	\$47,500	\$51,000	93.1%
Lavon		109	60' x 120'	7,200	\$54,900	\$58,000	94.7%
Massey Meadows, Ph. 1	19-May	186	70' x 120'	8,400	\$70,000	\$77,000	90.9%
Midlothian							
Ventana, Ph. 2	May-20	62	50' x 120'	6,000	\$60,000	\$66,250	90.6%
Fort Worth							
Inspiration, Ph. 9	Mar-20	125	50' x 120'	6,000	\$76,125	\$79,170	96.1%
St. Paul							

Source: Developers 2010-2020

Net/Gross Value Conclusions**Phase 1**

Based upon the preceding, it is our opinion that the net/gross market value for Phase 1 is \$13,740,000 (R), or an overall average of \$51,657/lot.

Phase 2

Based upon the preceding, it is our opinion that the net/gross market value for Phase 2 is \$6,553,500 (R), or an overall average of \$54,613/lot.

Net/Gross Ratio Market Value Summary		
	Phase 1	Phase 2
Average Lot Value	\$64,571	\$64,250
Total Lots	266	120
N/G Ratio %	80%	85%
Total Market Value	\$13,740,709	\$6,553,500
Average/Lot	\$51,657	\$54,613

Development Approach (Subdivision Analysis)

Having completed the retail valuation section of the assignment, we will now provide an opinion of the market value of the property to a single purchaser, as of this date. Obviously, this value will include a provision for compensating the developer/sponsor, i.e., profit for risk and expenditure of time. This value contemplates that the developer/sponsor of the subject would sell the subject property to another developer who would in turn sell the developed lots on a retail basis. This value represents the concept of market value to a single purchaser as of this date, wherein a portion of the overall real property rights or physical asset would typically be sold to its ultimate users over some future time period. Valuations involving such properties must fully reflect all appropriate deductions and discounts as well as the anticipated cash flows to be derived from the disposition of the asset over time. Appropriate deductions and discounts are considered to be those which reflect all expenses associated with the disposition of the realty, as of the date of completion, as well as the cost of capital and entrepreneurial profit. This latter item of entrepreneurial profit is accounted for herein as part of the discount rate. Based on our experience, profit is not expensed as a line item as it is not realized until the project's expenses (including debt) are paid.

The various assumptions necessary to complete our Discounted Cash Flow Analysis for the developed subject subdivision are discussed in detail in the following paragraphs.

Absorption

As discussed in detail in the "Single-Family Analysis" section of our analysis, our semi-annual projections are summarized as follows Phases 1 and 2:

Phase 1 – 266 Lots

Projected Semi-Annual Absorption Summary											
Lot Type	Jan-22	Jul-22	Jan-23	Jul-23	Jan-24	Jul-24	Jan-25	Jul-25	Jan-26	Lots	Months
60'	19									19	2+/-
70'	30	30	30	30	30	30	30	30	7	247	49+/-
Totals	49	30	30	30	30	30	30	30	7	266	

As shown, the overall absorption for the subject's 266 lots in Phase 1 is estimated to be 49+/- months.

Phase 2 – 120 Lots

Projected Semi-Annual Absorption Summary						
Lot Type	Jan-22	Jul-22	Jan-23	Jul-23	Lots	Months
60'	15				15	2+/-
70'	30	30	30	15	105	21+/-
Totals	45	30	30	15	120	

As shown, the overall absorption for the subject's 120 lots in Phase 2 is estimated to be 21+/- months.

Price/Value Increases Over the Sellout Period

Despite overall national recessionary effects on real estate in general, price/values for residential and commercial land in the overall Dallas/Fort Worth marketplace have remained reasonably stable. As can be seen from the following table, the past few years have seen a reduction in previous strong inflation rates. This is due in large part to the federal government's efforts to curb inflation, as well as the effect of level or declining prices for agricultural goods, petroleum and related manufactured products.

Trends in National Inflation and Interest Rates

Year	U.S. Prime	Increase in	
	Rate	U.S. CPI	Real Rate of Return
2010	3.25%	1.50%	1.75%
2011	3.25%	3.00%	0.25%
2012	3.25%	1.70%	1.55%
2013	3.25%	1.50%	1.75%
2014	3.25%	1.30%	1.95%
2015	3.50%	0.70%	2.80%
2016	3.75%	1.40%	2.35%
2017	4.25%	2.11%	2.14%
2018	5.50%	1.95%	3.55%
2019	4.75%	2.29%	2.46%
08/2020	3.25%	0.48%	2.77%

Source: Federal Reserve Bank of St. Louis, U.S. Financial Data

As shown in the preceding table, CPI increases ranged from 0.48% to 3.00% from 2010 through August 2020 with 3.25% to 5.50% prime rates resulting in real annual rates of returns ranging from 0.25% to 3.55% (with the most current real rate of return at 2.77%). Thus, the real rates of return are substantially affected with fluctuations in the prime rates and the increases/decreases in the consumer price index. (The increase is calculated relative to the previous year-to-year December index rates).

Historically, in the sales contracts of the volume lot sales in the marketplace, the lot prices are typically adjusted upward at rates ranging from the prime rate to the prime rate, plus one percent (annually) up to 8.0%. Thus, for valuation purposes herein, we have estimated an annual appreciation on the sale of the subject units at 6% per year for the subject lots. This is considered reasonable given the supply of available housing product in the area and the historical collection of interest carry/appreciation by developers within the Dallas/Fort Worth and surrounding market areas.

Expenses

Cost of Sales has been estimated at 2.5% of gross sales proceeds for various closing costs and title policies.

Taxes are paid by the developer annually. The estimation of taxes paid per period is based upon the premise that taxes are prorated at closing and are paid in arrears. Therefore, we have deducted taxes based upon the estimated retail market value of the unsold lots. The taxes are prorated in each calendar year based upon the projected sales in each period. Based upon our experience and information gathered from numerous reputable builders/developers and taxing authorities, this methodology and percentage estimate (2.0%) is well founded.

Marketing expense is not included in this analysis as the majority of the subject lots are contracted to two volume homebuilders who traditionally provide for marketing.

HOA dues are not included as these fees belong to the Homeowner's Association and not to the developer.

Management Expense/Entrepreneurial Coordination/Remuneration: The last major deduction is that for Entrepreneurial (i.e., the developer/sponsor)/coordination talent expenditure. The Dictionary of Real Estate Appraisal defines entrepreneurial profit as a market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. Inasmuch as the discount rate will include a provision for return on the equity investment, this deduction will be for actual time and expenses only.

Typically, the developer will allow a budgeted line item equal to 0.5% to 2.0%, of sales and/or costs, depending on the size of the project, expertise required, and management developmental time involved. Because the site requires planning and development, an expense of 0.5% is deemed appropriate and will be a direct line-item deduction from the gross sales proceeds.

Discount Rate

According to the Dictionary of Real Estate Appraisal, Sixth Addition, Discount Rate is defined as “an interest rate used to convert future payments or receipts into present value. The discount rate may or may not be the same as the internal rate of return (IRR), or yield rate, depending on how it is extracted from the market and/or used in the analysis.” Furthermore, Internal Rate of Return (IRR) is defined as “the annualized yield rate or rate of return on capital that is generated or capable of being generated within an investment or portfolio over a period of ownership. The IRR is the rate of discount that makes the net present value of the investment equal to zero. The IRR discounts all returns from the investment, including returns from its reversion, to equal the original capital outlay. This rate is similar to the equity yield rate. As a measure of investment performance, the IRR is the rate of discount that produces a profitability index of one and a net present value of zero. It may be used to measure profitability after income taxes, i.e., the after-tax equity yield rate.” In other words, it is a rate of profit (or loss) or a measure of performance. It is literally, an interest rate. The effective interest rate on a real estate investment is the equity investor's IRR. The yield to maturity on a bond is the bond holder's IRR, when the bond is held for its full term. The IRR is the rate of return on capital expressed as a ratio per unit of time; for example, 10% per annum. The discount rate utilized herein is essentially an anticipated IRR for the subject property, as estimated from investment performance realized by market participants. Although the investment vehicle being analyzed herein is real property, competition for investment dollars in other investment media is intense, and the prudent investment manager must carefully consider all options. Because of the element of risk involved in real estate investment versus alternative investment vehicles, the prudent investment manager must compare rates of return. The performance of real estate is dependent upon and could fluctuate with the degree of quality of management, unexpected competition, disasters, or economic cycles, particularly in the subject's market area. Therefore, it entails a greater degree of risk than instruments such as government-backed bonds or fixed-rate mortgages.

Following is a summary of yield comparisons as of July 1, 2020 provided by PwC Real Estate Investor, as published by PricewaterhouseCoopers in Third Quarter 2020.

YIELD COMPARISON July 1, 2020

	2015 AVERAGE	2016 AVERAGE	2017 AVERAGE	2018 AVERAGE	2019 AVERAGE	2020 JANUARY	2020 APRIL	2020 JULY
PwC Yield Indicator (PYI) ^a	7.82%	7.70%	7.65%	7.58%	7.47%	7.43%	7.57%	7.62%
Long-Term Mortgages ^b	4.31%	4.18%	4.59%	4.95%	4.71%	4.14%	3.90%	3.68%
10-Year Treasuries ^c	2.34%	1.81%	2.37%	2.79%	2.21%	1.88%	0.62%	0.69%
Consumer Price Index Change ^d	0.19%	1.63%	2.03%	2.50%	1.76%	0.97%	(2.45%)	4.23%
SPREAD TO PYI (Basis Points)								
Long-Term Mortgages	351	352	306	263	276	329	367	394
10-Year Treasuries	548	589	528	479	526	555	695	750
Consumer Price Index Change	763	607	562	508	571	646	1,002	389

a. A composite IRR average of all markets surveyed (excluding hotels, development land, self storage, and student housing).

b. Source: Survey; Select Commercial Funding; Commercial Loan Direct; conventional funding, 60% to 80% LTV loans; fixed rates; 6- to 30-year terms.

c. Source: Federal Reserve; the annual average change is the mean of the four corresponding quarters.

d. Source: U.S. Department of Labor; quarterly changes are annualized based on the index change from the prior quarter; the annual average change is the mean of the four corresponding quarters.

One of the more comprehensive surveys of IRR's for real estate investments is performed within the PwC Real Estate Investor Survey, as published by PricewaterhouseCoopers. In its most recent Second Quarter 2020 National Land Yield Study, pretax IRRs for these higher risk properties currently range from 10% to 25%, with an average of 15.2% for mixed-use respondents regarding vacant land, which has a slightly inferior diminishing return asset as the subject - developed residential lots. This average is 70 basis points lower than six months ago and 30 basis points lower than a year ago.

Exhibit DL-1

DISCOUNT RATES (IRRS)^a

Second Quarter 2020

	CURRENT QUARTER	FOURTH QUARTER 2019
FREE & CLEAR		
Range	10.00% – 25.00%	10.00% – 20.00%
Average	15.20%	15.90%
Change		– 70

a. Rate on unleveraged, all-cash transactions; including developer's profit

Of the 80 U.S. metros included in *Emerging Trends*, is important to note that Dallas/Fort Worth ranks fifth as a preferred metro area with regard to development/redevelopment prospects for 2020.

The subject's discount rate should be less than a typical land project, as the value to be determined is for a fully developed project that is available for immediate resale and which will ultimately possess less risk than that of the total development process. Therefore, a "risk-adjusted discount rate" is deemed appropriate herein.

RealtyRates.com in their most recent Third Quarter 2020 "Developer Survey" for Second Quarter 2020 data summarizes discount rates for conventionally financed (interest-only interim or construction financing) subdivisions and Planned Development Districts (PUDs) in the State of Texas. Actual Rates are historical rates achieved by survey respondents, while Pro-Forma Rates reflect forward-looking revenue and development costs. Subdivision rates do include provisions for developer's profit, i.e., profit is not treated as a line item expense.

Texas: Subdivisions & PUDs

	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
Site-Built Residential	13.53%	31.89%	21.04%	12.99%	30.62%	20.20%
-100 Units	13.53%	27.49%	20.10%	12.99%	26.39%	19.30%
100-500 Units	13.87%	30.24%	21.17%	13.31%	29.03%	20.33%
500+ Units	14.20%	31.62%	21.54%	13.64%	30.35%	20.67%
Mixed Use	14.54%	31.89%	21.36%	13.96%	30.62%	20.51%
Manufactured Housing	13.30%	34.53%	22.14%	12.77%	33.15%	21.26%
-100 Units	13.30%	30.03%	21.23%	12.77%	28.83%	20.38%
100-500 Units	13.63%	33.03%	22.40%	13.08%	31.71%	21.50%
500+ Units	13.96%	34.53%	22.79%	13.40%	33.15%	21.88%
Business Parks	13.54%	31.39%	20.84%	12.99%	30.13%	20.00%
-100 Acres	13.54%	27.29%	20.01%	12.99%	26.20%	19.21%
100-500 Acres	13.87%	30.02%	21.07%	13.32%	28.82%	20.23%
500+ Acres	14.21%	31.39%	21.43%	13.64%	30.13%	20.58%
Industrial Parks	13.70%	27.26%	19.05%	13.15%	26.17%	18.29%
-100 Acres	13.70%	23.70%	18.33%	13.15%	22.75%	17.59%
100-500 Acres	14.04%	26.07%	19.26%	13.48%	25.03%	18.49%
500+ Acres	14.39%	27.26%	19.57%	13.81%	26.17%	18.79%

*2nd Quarter 2020 Data

Source: RealtyRates.com Investor Survey Q3 - 2020

As shown above, the minimum actual rates in Texas range from 13.53% for less than 100 units; 13.87% for 100 to 500+ units; and 14.20% for 500+ units with minimum pro-forma rates ranging from 12.99% to 13.64%.

The Sixth Edition of the Dictionary of Real Estate Appraisal defines this term as “a discount rate that is adjusted to offset one or more risk factors, i.e., when a future downswing in the business cycle is likely, the risk associated with a project may increase near the end of its term, necessitating a special adjustment to the discount rate. Such discount rates include all of the elements of risk associated with an income stream for a specified period adjusted to offset additional term risk”.¹ Thus, it is our opinion that a potential purchaser would expect to receive a much lower return on his investment for a completed project similar to the subject, which has a purchaser of the end product relative to that of a vacant tract of land awaiting eventual development (higher risk of escalating costs to site development and of the eventual timing of completion).

¹ The Dictionary of Real Estate Appraisal, Sixth Edition, the Appraisal Institute, Chicago, Illinois

Based upon the preceding, an IRR that is below the lower end of the range as indicated in the National Land Yield Study as of Second Quarter 2020 (10% - 25%; 15.2% average) and slightly below the minimum rates provided by the RealtyRates "Developer Survey" for Texas of 13.53% for less than 100 units; 13.87% for 100 to 500+ units; and 14.20% for 500+ units with minimum pro-forma rates ranging from 12.99% to 13.64% is considered reasonable for the subject. Hence, taking into consideration the supply and demand levels within the subject's submarket area, we have selected a discount rate of 12% for the subject which takes into consideration the degree of risk, developer profit, and the liquidity inherent in a project such as the subject, as well as the current market conditions. It should be noted that our cash flow also deducts a straight 0.5% entrepreneurial coordination/remuneration (management cost) from all sales proceeds, which effectively increases the discount rate to approximately 12.5% for the subject. To be consistent with the timing of the cash flows, the annual income stream is discounted semi-annual. With each of the required elements now identified, we are able to analyze the subject in the DCF analysis as shown on the following page.

Development Approach Conclusion

Phase 1

Based upon the preceding, and the cash flow presented on the following page, our as complete opinion of value for the subject is \$13,550,000, or an overall average of \$50,940/lot.

Phase 2

Based upon the preceding, and the cash flow presented on the following page, our as complete opinion of value for the subject is \$6,650,000, or an overall average of \$55,417/lot.

Brahman Ranch– Phase 1

Brahman Ranch - Phase 1															Ernest Gatewood														
Prepared By:															266														
Number of Units:																													
Periods:																													
Scenario:																													
As Complete															Semi-Annual														
Cash Flows Beginning																													
Inventory																													
60' Lots																													
70' Lots																													
Appreciation ->																													
Revenues																													
Expenses																													
TAXES																													
COST OF SALES																													
MARKETING																													
REMINERATION																													
Total Expenses																													
Net Income																													
Annual Discount Rate: 12.00%																													
Discounted Value																													
Net Present Value																													
Rounded																													

Reconciliation and Conclusion of Value

In the previous sections, we have provided an opinion of the market value of the fee simple interest in Neighborhood Improvement Area #1 using three approaches. Following is a summary of the values indicated by these approaches.

The first approach used was the Sales Comparison Approach to value the subject property by developed lot. This approach is based on the theory of substitution and implies that a purchaser would pay no more for an individual property/lot than it would cost to buy, or build, a substitute property. This approach is the most common technique for valuing individual lots, and it is the preferred method when comparable sales are available and is considered to provide a very good indication of value.

The second approach used was the Net/Gross Ratio Approach to value. This is also sometimes known as a Sales Ratio study. This is a ratio study that uses sales prices as proxies for market values. In this instance we utilized market data to estimate value as a percentage of gross (or retail) sales price.

The final approach used was the Development Approach (Discounted Cash Flow method) utilizing a projection of the future individual lot sales, historical absorption data upon the development, and deducting taxes on the developed lots, costs of sales, marketing, and management expenses. In conclusion, the Development Approach is considered to provide a generally good indication of value for the subject.

Reconciliation of Opinion of Prospective Values

Summary of Prospective Value Indications	Phase 1	Phase 2
Valuation Date	January 7, 2022	#####
Net/Gross Ratio Market Value	\$13,740,709	\$6,553,500
Discounted Cash Flow Analysis	\$13,550,000	\$6,650,000
Final Opinion of Value	\$13,600,000	\$6,600,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. The individual tract values are based on the site sizes and uses found on the site plans/exhibits found herein.
2. All information relative to the undeveloped property located within the Braham Public Improvement District including land areas, lot totals, lot sizes, and other pertinent data that was provided by Zeco Enterprises, LLC. (engineering/planning/surveying), Miskimon Management I LLC (owner/developer), the City of Venus, and the Ellis Central Appraisal District is assumed to be correct.
3. Our opinion of prospective market values assume that the proposed improvements are completed in accordance with plans and specifications as of the effective appraisal dates.
4. The values found herein assume the completion within the PID of Phases 1 by January 7, 2022 and Phase 2 by August 7, 2022.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. Our values assume that the subject tracts are located within a Public Improvement District (PID).

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

The value conclusion(s) in this report consider the impact of COVID-19 on the subject property.

The opinions of value expressed in this report are based on estimates and forecasts that are prospective in nature and subject to considerable risk and uncertainty. Events may occur that could cause the performance of the property to differ materially from our estimates, such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. Additionally, our opinions and forecasts are based partly on data obtained from interviews and third-party sources, which are not always completely reliable. Although we are of the opinion that our findings are reasonable based on available evidence, we are not responsible for the effects of future occurrences that cannot reasonably be foreseen at this time.

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Exposure time is always presumed to precede the effective date of the appraisal. Based on our review of recent sales transactions for similar properties and our analysis of supply and demand in the local market, it is our opinion that the probable exposure time for the subject at the concluded market values stated previously is 3-6 months.

Marketing Time

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. As we foresee no significant changes in market conditions in the near term, it is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 3-6 months.

Certification

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. Ernest Gatewood made a personal inspection of the property that is the subject of this report. Jimmy H. Jackson, MAI, has not personally inspected the subject.
12. Significant real property appraisal assistance was provided by Garrett Cook, Appraiser Trainee License #1342407 who has not signed this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.
14. As of the date of this report, Jimmy H. Jackson, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.

15. As of the date of this report, Ernest Gatewood, has completed the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.



Ernest Gatewood
Senior Director
Certified General Real Estate Appraiser
Texas Certificate #TX 1324355 G
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Email: egatewood@irr.com



Jimmy H. Jackson, MAI
Executive Director
Certified General Real Estate Appraiser
Texas Certificate #TX 1324004 G
Telephone: (972) 725-7724
Email: jhackson@irr.com

Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal and any other work product related to this engagement are subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.

6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
14. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
15. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.

17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of you, your subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. IRR - Dallas, Integra Realty Resources, Inc., and their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
22. We are not a building or environmental inspector. The Integra Parties do not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
23. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.

24. **IRR - Dallas is an independently owned and operated company. The parties hereto agree that Integra shall not be liable for any claim arising out of or relating to any appraisal report or any information or opinions contained therein as such appraisal report is the sole and exclusive responsibility of IRR - Dallas. In addition, it is expressly agreed that in any action which may be brought against the Integra Parties arising out of, relating to, or in any way pertaining to the engagement letter, the appraisal reports or any related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further expressly agreed that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the assignment (unless the appraisal was fraudulent or prepared with intentional misconduct). It is expressly agreed that the fees charged herein are in reliance upon the foregoing limitations of liability.**
25. IRR - Dallas is an independently owned and operated company, which has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

28. The appraisal is also subject to the following:

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions. An extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

1. The individual tract values are based on the site sizes and uses found on the site plans/exhibits found herein.
2. All information relative to the undeveloped property located within the Braham Public Improvement District including land areas, lot totals, lot sizes, and other pertinent data that was provided by Zeco Enterprises, LLC. (engineering/planning/surveying), Miskimon Management I LLC (owner/developer), the City of Venus, and the Ellis Central Appraisal District is assumed to be correct.
3. Our opinion of prospective market values assume that the proposed improvements are completed in accordance with plans and specifications as of the effective appraisal dates.
4. The values found herein assume the completion within the PID of Phases 1 by January 7, 2022 and Phase 2 by August 7, 2022.

The value conclusions are based on the following hypothetical conditions. A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

1. Our values assume that the subject tracts are located within a Public Improvement District (PID).

The use of any extraordinary assumption or hypothetical condition may have affected the assignment results.

Addendum A
Appraiser Qualifications

Jimmy H. Jackson, MAI

Experience

Executive Director with the Dallas, Lubbock/West Texas and Oklahoma City offices of Integra Realty Resources, a full-service real estate consulting and appraisal firm.

Jimmy H. Jackson, MAI has over 35 years of experience as a commercial appraiser as well as years of experience as a seasoned real estate investor. Prior to joining Integra Realty Resources, Jackson was one of the founding partners of JPP Capital Advisors as well as is one of the original two founding partners of Jackson Claborn, Inc. (JCI), a real estate consulting/valuation firm that was established in 1992. JCI grew to have one of the largest staffs of commercial and residential appraisers in the Southwest and has performed valuation and consulting on a vast number of commercial property types across Texas as well as the United States. Mr. Jackson holds the MAI designation and has been involved in the analysis of virtually all types of commercial and residential properties. Mr. Jackson's experience includes consultation and valuation of a wide array of property types including apartment developments, industrial facilities, retail developments, office buildings, single-family subdivisions, single-family residences, condominiums, hotels, golf courses, mixed-use developments, special-use projects and vacant land. In addition to typical real estate valuations and consultations, Mr. Jackson has experience in state and federal courts as an expert witness. Testimony has involved such varied issues as bankruptcy, taxation and condemnation. Mr. Jackson has also been involved in numerous real estate developments and personal real estate investments which includes land acquisition & development, ground-up office build-to-suit development, garden apartment development, student housing development, and single-family lot development.

A major philanthropic achievement for Mr. Jackson was consulting with and influencing family members to provide the start-up expertise as well as the seed funding in 1994 for the formation of The Parent Project for Muscular Dystrophy/PPMD (www.parentprojectmd.org). The PPMD organization has developed into a worldwide non-profit centered to provide research funds for children suffering from Duchenne Muscular Dystrophy. Since inception, the PPMD organization has directly funded more than \$50 million in direct research and assisted and helped leverage more than \$500 million of other research related to other genetic diseases through government grants and other private funding sources. In 2008, Mr. Jackson received a Humanitarian Award from Texas Gov. Rick Perry for charitable work with National Jewish Hospital in Denver. Mr. Jackson currently serves as a national trustee for the hospital which is the #1 respiratory care hospital in the world.

Mr. Jackson graduated from Texas Tech University in 1984 with a B.B.A. in Finance with a Real Estate Emphasis. Mr. Jackson has served on numerous professional boards, including serving on the Ethics and Counseling Panel of the North Texas Chapter of the Appraisal Institute as well as serving on the Board of Directors as well as being Chair and Co-Chair of the Public Relations Committee.

As a college student, Mr. Jackson was a member of Phi Delta Theta social fraternity and the Texas Tech Finance Association. Mr. Jackson currently serves on the Advisory Board for the Jerry Rawls College of Business Administration (COBA) at Texas Tech University. Mr. Jackson has also served as a guest lecturer on real estate entrepreneurship to upper-level COBA students at Texas Tech over the years. Mr. Jackson and his wife Cheryl Harman Jackson (1984/Finance COBA/Texas Tech University) reside in Plano, Texas and are active members of Parkway Hills Baptist Church in Plano, Texas.

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Integra Realty Resources Oklahoma City

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Oklahoma City, Oklahoma, 73104

T (405) 422-0718

irr.com



Jimmy H. Jackson, MAI

Experience (Cont'd)

Basic Core Real Estate Appraisal Services:

Feasibility Studies, Absorption Studies & Demographic Studies
Highest & Best Use Studies for All Property Types
3rd Party Appraisal Reviews
Detrimental Conditions Valuation & Consulting
Encroachment Analysis
Land Use Studies & Planning/Zoning Studies
Litigation/Litigation Support
In-Depth Market Analysis for All Property Types
Tax Assessment & Mass Appraisal Analysis
Fair & Equitable Appraisal Analysis
Right of Way Analysis Appraisals
Mediation, Arbitration, & Dispute Resolution
Portfolio Valuation & Analysis
Retrospective Valuation Opinions

Appraisal of All Property Types including The Following:

Residential

High-Rise Condominium and Garden-Style Multi-Family and Townhome Projects
High-End Residential Property
Historical Residential Property
All types of Single-Family Appraisals (Conventional, Relocation, Unique / Historical Property)

Land

Acreage (Commercial Mixed-Use)
Subdivided Land (Mixed-Use, Commercial and Industrial)
Standard Single-Family Subdivision Lot development appraisals
PID/MUD Single-Family Subdivision Lot development appraisals

Commercial, Office & Retail

Branch Banks / Financial Building
Convenience Stores / Service Stations
Convention Center / Hotel / Resort /Motel
Office Building (High Rise, over three stories)
Office Building (Low Rise, three stories or less)
Parking Facility (Lot or Garage)
Retail (Single Tenant or Free Standing)
Shopping Center (Local, Strip, Neighborhood, Community, Etc.)
Shopping Center (Power Center, Outlet Center, Lifestyle, Etc.)
Shopping Center (Super Regional, Regional Mall)

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Jimmy H. Jackson, MAI

Experience (Cont'd)

Industrial

Industrial (Heavy (Manufacturing)
Industrial (Small Office Warehouse / Mfg.)
Industrial Light (Distribution, Storage)

Special Purpose

Automobile Dealerships
Church Facilities
Collegiate Student Housing
Self-Serve and Full-Service Car Wash Facilities
Self-Storage Facilities

Professional Activities & Affiliations

Appraisal Institute, Member (MAI) Appraisal Institute

Licenses

Texas, Certified General Real Estate Appraiser, TX 1324004 G, Expires November 2022
Oklahoma, Certified General Real Estate Appraiser, 13279CGA, Expires September 2023

Education

Mr. Jackson is a graduate of Texas Tech University where he received a Bachelor of Business Administration in Finance with a Real Estate Emphasis.

Miscellaneous

Member of Region 8 Ethics and Counseling Regional Panel (1992-1995)
Chair - Public Relations North Texas Chapter (2003, 2004)
Co-Chair - Public Relations North Texas Chapter (2005)
Board Member - North Texas Chapter (2005-2007)

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Oklahoma City

14 NE 13th Street
Oklahoma City, Oklahoma, 73104

T (405) 422-0718

irr.com





Certified General Real Estate Appraiser

Appraiser: Jimmy Huel Jackson

License #: TX 1324004 G

License Expires: 11/30/2022

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.


Chelsea Buchholtz
Commissioner

DRAFT

Ernest Gatewood

Experience

Senior Director PID/MUD/SF Lot Development Valuation Specialist with the Dallas office of Integra Realty Resources DFW, a full-service real estate consulting and appraisal firm.

Mr. Gatewood has been in the appraisal field for almost 40 years. This extensive experience has formed knowledge of the Texas real estate market as well as select areas throughout the entire United States. This experience has formed an understanding of the dynamics of market forces in both increasing, as well as declining markets. Mr. Gatewood began his appraisal career in 1980 at Crosson Dannis, Inc. where he spent 10 years specializing in master-planned communities. Mr. Gatewood's appraisals were utilized in the funding of Legacy Business Park in Plano, Texas as well as Stonebridge Ranch in McKinney, Texas. In 1991, Mr. Gatewood joined Heartland (Seattle, Washington) as Acquisitions Director for Texas. In this role, Mr. Gatewood was key to the development of several single-family subdivisions, a property type which he still specializes into this day. From 1992 until 2017, Mr. Gatewood represented Jackson Claborn, Inc. as the Vice President of the Commercial Division where he has helped manage the production of the commercial appraisal practice which has enhanced JCI's strong commitment to client services.

Mr. Gatewood has experience in appraising commercial, industrial, multifamily, and investment-grade real property and related tangible assets to provide opinions of value for purposes of mortgage lending, sale or purchase, financial reporting, federal tax, capital lease testing, litigation support, allocation of purchase price, estate tax planning/settlement, ad valorem taxation, property exchange, internal planning, and partial taking/just compensation by eminent domain agencies.

Property types include vacant land, agricultural land, rights of way (road and pipeline), shopping centers, single-tenant retail buildings, CBD and suburban office projects, air rights, truck terminals, light industrial facilities, heavy manufacturing plants, corporate headquarters, hospitals, surgery centers, medical office buildings, self-storage facilities, religious facilities, hotels, mixed-use developments, apartment projects, convenience stores, and, single-family subdivision analyses.

Licenses

Texas, Certified General Real Estate Appraiser, TX 1324355 G, Expires December 2022

Texas, Licensed Real Estate Salesman, 277705-32, Expires December 2021

Education

Richland Junior College, Dallas, Texas

The University of North Texas, Denton, Texas

Miscellaneous

An affiliate of the Appraisal Institute

Integra Realty Resources Dallas

1100 Mira Vista Boulevard
Plano, TX 75093

T (972) 881-7191
F (972) 733-1403

irr.com





Certified General Real Estate Appraiser

Appraiser: **Ernest Elva Gatewood III**

License #: **TX 1324355 G**

License Expires: **12/31/2022**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.


Chelsea Buchholtz
Commissioner



About IRR

Integra Realty Resources, Inc. (IRR) provides world-class commercial real estate valuation, counseling, and advisory services. Routinely ranked among leading property valuation and consulting firms, we are now the largest independent firm in our industry in the United States, with local offices coast to coast and in the Caribbean.

IRR offices are led by MAI-designated Senior Managing Directors, industry leaders who have over 25 years, on average, of commercial real estate experience in their local markets. This experience, coupled with our understanding of how national trends affect the local markets, empowers our clients with the unique knowledge, access, and historical perspective they need to make the most informed decisions.

Many of the nation's top financial institutions, developers, corporations, law firms, and government agencies rely on our professional real estate opinions to best understand the value, use, and feasibility of real estate in their market.

Local Expertise...Nationally!

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Addendum B
Definitions

Definitions

The source of the following definitions is the Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015), unless otherwise noted.

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.

Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. An adequate marketing effort will be made during the exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms.

Effective Date

1. The date on which the appraisal or review opinion applies.
2. In a lease document, the date upon which the lease goes into effect.

Entitlement

In the context of ownership, use, or development of real estate, governmental approval for annexation, zoning, utility extensions, number of lots, total floor area, construction permits, and occupancy or use permits.

Entrepreneurial Incentive

The amount an entrepreneur expects to receive for his or her contribution to a project. Entrepreneurial incentive may be distinguished from entrepreneurial profit (often called *developer's profit*) in that it is the expectation of future profit as opposed to the profit actually earned on a development or improvement. The amount of entrepreneurial incentive required for a project represents the economic reward sufficient to motivate an entrepreneur to accept the risk of the project and to invest the time and money necessary in seeing the project through to completion.

Entrepreneurial Profit

1. A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses.
2. In economics, the actual return on successful management practices, often identified with coordination, the fourth factor of production following land, labor, and capital; also called entrepreneurial return or entrepreneurial reward.

Exposure Time

1. The time a property remains on the market.
2. The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market.

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Floor Area Ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.

Highest and Best Use

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (ISV)
3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)

Investment Value

1. The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market.
2. The value of an asset to the owner or a prospective owner for individual investment or operational objectives.

Lease

A contract in which rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

Liquidation Value

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.

8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms.

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- buyer and seller are typically motivated;
- both parties are well informed or well advised, and acting in what they consider their own best interests;
- a reasonable time is allowed for exposure in the open market;
- payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[h]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Addendum C
Property Information

PHASE 1 & 2 DESCRIPTION

Being a 139.28 acres (6,067,270 Square Feet) tract of land situated in the S.B. Price Survey, Abstract No. 860, the Leeman Kelsey Survey, Abstract No. 594 and the J.E. McQuatter Survey, Abstract No. 781, City of Venus, Ellis County, Texas; being a portion of that called 200.046 acres (tract 1) and that called 97.8915 acres (tract 5), conveyed to Fall Creek Land & Cattle, LLC., of record in Document No. 2018-1808508, Deed Records, Ellis County, Texas, (D.R.E.C.T.) and more particularly described by metes and bounds as follows:

BEGINNING at a point same as the northeast corner of this tract from which a 1/2-inch iron rod with cap stamped "Rockin'CT" found in the west right of way (R.O.W.) line of F.M. Highway 157 (R.O.W. varies) bears North 60°36'16" East, 225.02 feet, from which a 5/8-inch iron rod with cap stamped "TXRCS" found in the west R.O.W. line of said F.M. Highway 157 bears North 30°14'03" West, 254.86 feet and from said 5/8-inch iron rod with cap stamped "TXRCS" found a 1/2-inch iron rod with cap stamped "FORT WORTH SURVEYING" found in the east R.O.W. line of said F.M. Highway 157 bears North 59°49'58" East, 104.77 feet, said POINT OF BEGINNING being the northeast corner of the herein described tract,

THENCE, South 28°27'42" East, 580.53 feet to a point;

THENCE, North 61°32'18" East, 79.73 feet to a point marking the beginning of a curve to the left;

6.94 feet along said curve to the left having a radius of 11.00 feet, a delta angle of 36°07'44" and a chord bearing North 43°28'28" East, 6.82 feet to a point marking the beginning of a curve to the right;

42.25 feet along said curve to the right having a radius of 67.00 feet, a delta angle of 36°07'44" and a chord bearing North 43°28'28" East, 41.55 feet to a point;

THENCE, North 61°32'18" East, 116.88 feet to a point;

THENCE, South 30°14'03" East, 90.04 feet to a point;

THENCE, South 61°32'18" West, 119.87 feet to a point marking the beginning of a curve to the right;

42.25 feet along said curve to the right having a radius of 67.00 feet, a delta angle of 36°07'44" and a chord bearing South 79°36'10" West, 41.55 feet to a point marking the beginning of a curve to the left;

6.94 feet along said curve to the left having a radius of 11.00 feet, a delta angle of 36°07'44" and a chord bearing South 79°36'10" West, 6.82 feet to a point;

THENCE, South 61°32'18" East, 79.73 feet to a point;

THENCE, South 28°27'42" East, 1130.00 feet to a point;

THENCE, North 61°32'18" East, 73.04 feet to a point marking the beginning of a curve to the left;

6.94 feet along said curve to the left having a radius of 11.00 feet, a delta angle of 36°07'44" and a chord bearing North 43°28'28" East, 6.82 feet to a point marking the beginning of a curve to the right;

42.25 feet along said curve to the right having a radius of 67.00 feet, a delta angle of 36°07'44" and a chord bearing North 43°28'28" East, 41.55 feet to a point;

THENCE, North 61°32'18" East, 122.72 feet to a point marking the beginning of a curve to the right;

90.15 feet along said curve to the right having a radius of 3,864.72 feet, a delta angle of 1°20'12" and a chord bearing South 25°09'30" East, 90.15 feet to a point;

THENCE, South 61°32'18" West, 117.52 feet to a point marking the beginning of a curve to the right;

42.25 feet along said curve to the right having a radius of 67.00 feet, a delta angle of 36°07'44" and a chord bearing South 79°36'10" West, 41.55 feet to a point marking the beginning of a curve to the left;

6.94 feet along said curve to the left having a radius of 11.00 feet, a delta angle of 36°07'44" and a chord bearing South 79°36'10" West, 6.82 feet to a point;

THENCE, South 28°14'24" East, 825.08 feet with the west line of said Jill S. Stottlemire tract and that tract conveyed to Timothy D. Stottlemire and Linda K. Stottlemire of record in Volume 2962, Page 1143, D.R.E.C.T. to a point;

THENCE, South 62°04'51" West, 2,428.83 feet to a 1/2-inch iron rod found marking the southwest corner of this tract;

THENCE, North 29°42'08" West, 298.13 feet to a 1/2-inch iron rod found marking the southwest corner of this tract;

THENCE, South 59°58'10" West, 518.73 feet to a point;

THENCE, North 33°14'35" West, 43.50 feet to a point;

THENCE, North 25°52'45" West, 55.90 feet to a point;

THENCE, North 13°44'18" West, 67.65 feet to a point;

THENCE, North 08°01'56" West, 120.32 feet to a point;

THENCE, North 23°53'29" East, 985.54 feet to a point;

THENCE, North 00°11'08" East, 225.70 feet to a point;

THENCE, North 77°01'59" East, 127.35 feet to a point marking the beginning of a curve to the left;



140.79 feet along said curve to the right having a radius of 60.00 feet, a delta angle of 134°26'46" and a chord bearing North 19°49'17" West, 110.64 feet to a point;

THENCE, North 00°10'17" West, 166.40 feet to a point;

THENCE, North 84°24'01" East, 202.65 feet to a point in the west line of an 80 feet wide easement conveyed to Old Ocean Fuel Company of record in Volume 471, Page 288, D.R.E.C.T.;

THENCE, South 05°33'00" East, 508.47 feet to a point along the west R.O.W. line of the aforementioned Old Ocean Fuel Company easement;

THENCE, South 25°44'19" East, 554.66 feet with the west line of said easement to a point;

THENCE, South 24°51'38" East, 486.10 feet to a point on the south boundary line of this tract;

THENCE, South 62°04'51" West, 80.11 feet with the south boundary line of this tract;

THENCE, North 24°51'38" West, 586.55 feet with the east line of the aforementioned Old Ocean Fuel Company easement;

THENCE, North 26°36'26" West, 308.45 feet with the east line said easement to a point;

THENCE, North 62°40'40" East, 472.77 feet departing the east line of said easement to a point;

THENCE, North 21°48'54" West, 737.24 feet to a point;

THENCE, North 68°11'06" East, 120.00 feet to a point;

THENCE, North 21°48'54" West, 35.84 feet to a point;

THENCE, North 61°32'18" East, 190.91 feet to a point;

THENCE, North 28°27'42" West, 254.56 feet to a point;

THENCE, South 61°32'18" West, 433.28 feet to a point in the east line of the aforementioned Old Ocean Fuel Company easement;

THENCE, North 03°41'46" East, 761.43 with the east line of said easement to a point;

THENCE, North 56°08'11" East, 131.95 feet departing the east line of said easement to a point;

THENCE, North 78°51'58" East, 55.01 feet to a point;

THENCE, South 28°27'42" East, 100.27 feet to a point;

THENCE, North 72°33'43" East, 292.58 feet to a point;

THENCE, North 38°16'47" East, 109.18 feet to a point;

THENCE, North 00°38'15" West, 335.58 feet to a point;

THENCE, North 25°37'52" East, 126.30 feet to a point;

THENCE, North 59°17'29" East, 578.09 feet to a point;

THENCE, North 60°35'13" East, 295.10 feet to a point;

THENCE, North 60°36'16" East, 225.02 feet to the **Point of Beginning** and **Containing** 139.28 acres (6,067,270 Square Feet) of land.

Property ID: 189385 For Year 2020

[illegible]

Property Details

Account	
Property ID:	189385
Legal Description:	860 S B PRICE 1016 J E SLAUGHTER 103 F BRIGANCE 560 J JACKSON 781 J MCQUARTERS 532.1916 ACRES
Geographic ID:	99.0860.000.002.00.115
Agent:	
Type:	Real
Location	
Address:	FM 157 VENUS, TX 76084
Map ID:	3-14
Neighborhood CD:	COMM
Owner	
Owner ID:	54377
Name:	MISKIMON RICHARD K & SHERI R
Mailing Address:	5940 S WEST MCGEE CREEK RD LANE, OK 74555-1770
% Ownership:	100.0%
Exemptions:	For privacy reasons not all exemptions are shown online.

Property Values

Improvement Homesite Value:	\$0
Improvement Non-Homesite Value:	\$89,800
Land Homesite Value:	\$0
Land Non-Homesite Value:	\$11,250
Agricultural Market Valuation:	\$2,383,610
Market Value:	\$2,484,660
Ag Use Value:	\$62,440
Appraised Value:	\$163,490
Homestead Cap Loss: ⓘ	\$0
Assessed Value:	\$163,490

VALUES DISPLAYED ARE 2020 PRELIMINARY VALUES AND ARE SUBJECT TO CHANGE PRIOR TO CERTIFICATION.

DISCLAIMER Information provided for research purposes only. Legal descriptions and acreage amounts are for appraisal district use only and should be verified prior to using for legal purpose and or documents. Please contact the Appraisal District to verify all information for accuracy.

Property Taxing Jurisdiction

Entity	Description	Tax Rate	Market Value	Taxable Value	Estimated Tax	Freeze Ceiling
070	ELLIS COUNTY	0.320194	\$2,484,660	\$163,490	\$523.49	
215	MAYPEARL ISD	1.174400	\$2,484,660	\$163,490	\$1,920.03	
385	CITY OF VENUS	0.838991	\$2,484,660	\$163,490	\$1,371.67	
501	EC ESD #1 (MAYPEARL)	0.084100	\$2,484,660	\$163,490	\$137.50	
R70	ELLIS COUNTY LATERAL ROAD	0.030082	\$2,484,660	\$163,490	\$49.18	

Total Tax Rate: 2.447767 Estimated Taxes With Exemptions: \$4,001.85 Estimated Taxes Without Exemptions: \$60,818.69

Property Improvement - Building

Description: Appr type: RS **Type:** Residential **State Code:** D2 **Living Area:** 0.00sqft **Value:** \$8,480

Type	Description	Class CD	Year Built	SQFT
BARN	BARN	EQPA	1975	5,000.00
CNPA	CANOPY	CNPA	1975	3,800.00

Description: Commercial **Type:** Commercial **State Code:** F1 **Living Area:** 5,000.00sqft **Value:** \$79,390

Type	Description	Class CD	Year Built	SQFT
COMM	COMMERCIAL	IOAS	2009	5,000.00
STGA	STORAGE AVERAGE	STGA	2009	32.00

Description: Residential **Type:** Residential **State Code:** D2 **Living Area:** 0.00sqft **Value:** \$1,930

Type	Description	Class CD	Year Built	SQFT
BARN	BARN	UTL	2000	770.00

Property Land

Type	Description	Acreage	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
ACRE	PER ACRE	2.5	108,900.00	0.00	0.00	\$11,250	\$0
NPP	NATIVE PASTURE POOR	320.376	13,955,578.56	0.00	0.00	\$1,441,690	\$34,600
IPP	IMPROVED PASTURE POOR	209.3156	9,117,787.54	0.00	0.00	\$941,920	\$27,840

Property Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap Loss	Assessed
2021	N/A	N/A	N/A	N/A	N/A	N/A
2020	\$89,800	\$2,394,860	\$62,440	\$163,490	\$0	\$163,490
2019	\$93,840	\$1,277,260	\$62,440	\$162,280	\$0	\$162,280
2018	\$81,260	\$1,277,260	\$61,380	\$148,640	\$0	\$148,640
2017	\$572,320	\$1,287,260	\$60,340	\$648,260	\$0	\$648,260
2016	\$534,790	\$1,287,260	\$59,280	\$609,670	\$0	\$609,670
2015	\$535,460	\$1,287,260	\$58,230	\$609,290	\$0	\$609,290
2014	\$535,350	\$1,287,260	\$58,230	\$609,180	\$0	\$609,180
2013	\$544,920	\$1,287,260	\$58,230	\$618,750	\$0	\$618,750
2012	\$547,990	\$1,287,260	\$57,380	\$620,970	\$0	\$620,970
2011	\$549,600	\$1,287,260	\$55,780	\$620,980	\$0	\$620,980

Property Deed History

Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Number
3/21/2018	35	DEED			201803W4	DG	1808509
11/30/1995	OT	DO NOT USE	SOUTHLAND CONSTRUCTION CO INC	MISKIMON RICHARD K & SHERI R	1209	0293	0
5/28/1993	OT	DO NOT USE	PAYNE CHARLES & GEORGE PAYNE	SOUTHLAND CONSTRUCTION CO INC	1002	0611	0
4/1/1992	OT	DO NOT USE	AMERICAN BANC SAVINGS ASSOC	PAYNE CHARLES & GEORGE PAYNE	0915	0376	0
6/7/1988	OT	DO NOT USE	COPE W N	AMERICAN BANC SAVINGS ASSOC	0794	0467	0
11/7/1986	OT	DO NOT USE		COPE W N	0757	0613	0

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Google

Map data ©2021 Imagery ©2021 Maxar Technologies, USDA Farm Service Agency

MAP DATA

FEMA Special Flood Hazard Area: **No**
 Map Number: 48139C0300F
 Zone: **X**
 Map Date: **June 03, 2013**
 FIPS: 48139

MAP LEGEND

Areas inundated by 500-year flooding
 Areas inundated by 100-year flooding
 Velocity Hazard

Protected Areas
 Floodway
 Subject Area

Powered by CoreLogic®

Addendum D

Land Sales – Phase 1 – 7' Lots

Location & Property Identification

Property Name: Coventry Crossing, Phase 2 - 60' Lots

Sub-Property Type: Residential, Single Family Lot

Address: Southeast quadrant of FM-663 and McAlpin Road

City/State/Zip: Midlothian, TX 76065

County: Ellis

Submarket: Midlothian

Market Orientation: Suburban

IRR Event ID: 2534290



Sale Information

Sale Price: \$61,200

Effective Sale Price: \$61,200

Sale Date: 08/13/2020

Sale Status: Closed

\$/Acre(Gross): \$355,401

\$/Land SF(Gross): \$8.16

\$/Unit: \$1,020 /Unit

Grantor/Seller: Coventry Crossing Lot Venture LTD

Grantee/Buyer: DR Horton Texas LTD

Property Rights: Fee Simple

Financing: Cash to seller

Terms of Sale: The base lot price was set at \$60,000/lot (\$1,000/FF) in April 2020 with an annual 6.0% escalation.

Document Type: Warranty Deed

Recording No.: 2028796

Verified By: Shelley Sivakumar

Verification Date: 12/04/2020

Confirmation Source: Bryan Holland (Skorburg Co. 214-888-8854)

Verification Type: Confirmed-Seller

Improvement and Site Data

Legal/Tax/Parcel ID: Coventry Crossing, Phase 2, Block H, Lot 4/Tax ID 281096

Acres(Gross): 0.17

Land-SF(Gross): 7,500

No. of Units (Potential): 60

Shape: Rectangular

Topography: Level

Frontage Feet: 60

Frontage Desc.: 60' x 125'

Zoning Code: PD-44

Zoning Desc.: Planned Development - 44

Flood Plain: No

Utilities: Water Public, Sewer

Source of Land Info.: Public Records

Comments

Lots in this multiphase subdivision are located in the Midlothian ISD. Home prices are ranging from \$292,000 to \$399,000.

Location & Property Identification

Property Name: Hawkins Meadows, Phase 1 - 70' Lots

Sub-Property Type: Residential, Single Family Lot

Address: Southeast quadrant of FM-663 and Autumn Run Drive

City/State/Zip: Midlothian, TX 76065

County: Ellis

Submarket: Midlothian

Market Orientation: Suburban

IRR Event ID: 2534310



Sale Information

Sale Price: \$74,200

Effective Sale Price: \$74,200

Sale Date: 01/22/2020

Sale Status: Closed

\$/Acre(Gross): \$384,855

\$/Land SF(Gross): \$8.83

\$/Unit: \$1,060 /Unit

Grantor/Seller: Hawkins Midlothian Development LLC

Grantee/Buyer: First Texas Homes, Inc.

Property Rights: Fee Simple

Financing: Cash to seller

Terms of Sale: The base lot price was set at \$70,000/lot (\$1,000/FF) in 1Q2019 with an annual 6.0% escalation.

Document Type: Warranty Deed

Recording No.: 2002803

Verified By: Shelley Sivakumar

Verification Date: 12/04/2020

Confirmation Source: Tony Shaw (First Texas Homes)

Verification Type: Confirmed-Buyer

Improvement and Site Data

Legal/Tax/Parcel ID: Hawkins Meadows, Phase 1, Block 2, Lot 20/Tax ID 272835

Acres(Gross): 0.19

Land-SF(Gross): 8,400

No. of Units (Potential): 70

Shape: Rectangular

Topography: Level

Frontage Feet: 70

Frontage Desc.: 70' x 120'

Zoning Code: PD-68

Zoning Desc.: Planned Development - 68

Flood Plain: No

Utilities: Water Public, Sewer

Source of Land Info.: Public Records

Comments

Lots in this development are located in the Midlothian ISD. Home prices are ranging from \$300,000 to \$360,000.

Location & Property Identification

Property Name: Prairie Ridge, Phase 1 - 60' Lots

Sub-Property Type: Residential, Single Family Lot

Address: 6313 Whitebrush Ln.

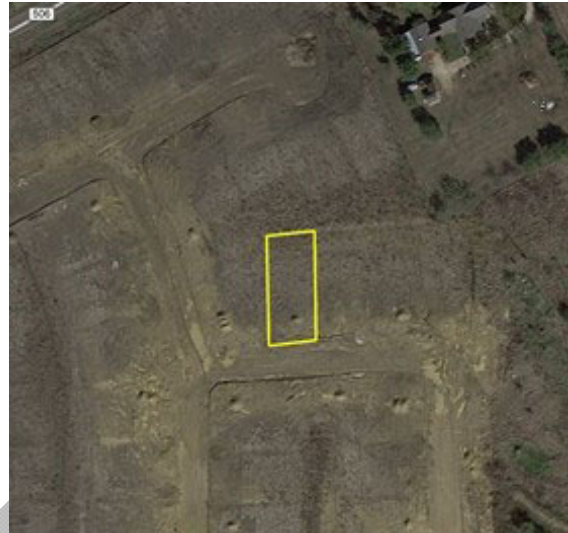
City/State/Zip: City of Grand Prairie ETJ, TX 76065

County: Texas

Submarket: Midlothian

Market Orientation: Suburban

IRR Event ID: 2477983



Sale Information

Sale Price: \$63,750

Effective Sale Price: \$63,750

Sale Date: 06/05/2020

Sale Status: Closed

\$/Acre(Gross): \$385,662

\$/Land SF(Gross): \$8.85

\$/Unit: \$1,063 /Approved Unit

Grantor/Seller: Prairie Ridge Partners, LP

Grantee/Buyer: TSHH, LLC

Property Rights: Fee Simple

Financing: Cash to seller

Document Type: Warranty Deed

Recording No.: 2018994

Verified By: Ms. Caitlin Duncan

Verification Date: 07/15/2020

Confirmation Source: Rylan Yowell

Verification Type: Confirmed-Seller

Shape: Rectangular

Topography: Level

Corner Lot: No

Frontage Desc.: 60 x 120'

Frontage Type: 2 way, 1 lane each way

Traffic Control at Entry: None

Traffic Flow: Low

AccessibilityRating: Average

Visibility Rating: Average

Zoning Code: None

Zoning Desc.: Unincorporated

Flood Plain: No

Utilities: Water Public, Sewer

Source of Land Info.: Other

Comments

Sale of a single family residential lot located in Prairie Ridge Phase 1. The lot sold with 13 other lots in Phase 1. It had a base price of \$63,000 + a \$750 marketing fee.

Improvement and Site Data

Legal/Tax/Parcel ID: Lot 28, Block F, Prairie Ridge Phase 1, Ellis County, Texas

Acres(Gross): 0.17

Land-SF(Gross): 7,200

No. of Units (Potential): 60

Location & Property Identification

Property Name: Bridgewater (Proposed) - 70' Lots

Sub-Property Type: Residential, Single Family Lot

Address: Northeast quadrant of US-287 and Walnut Grove Road

City/State/Zip: Midlothian, TX 76065

County: Ellis

Submarket: Midlothian

Market Orientation: Suburban

IRR Event ID: 2534343



Sale Information

Sale Price: \$87,500

Effective Sale Price: \$87,500

Sale Date: 07/01/2022

Sale Status: In-Contract

\$/Acre(Gross): \$453,838

\$/Land SF(Gross): \$10.42

\$/Unit: \$1,250 /Unit

Grantor/Seller: Hanover Property Company

Grantee/Buyer: Highland Homes, American Legend Homes, Perry Homes, John Houston Homes

Property Rights: Fee Simple

Financing: Cash to seller

Terms of Sale: The base lot price is set for substantial completion by 3Q2022.

Document Type: Contract of Sale

Verified By: Shelley Sivakumar

Verification Date: 12/04/2020

Confirmation Source: Brett Blakey k(972-960-9797)

Verification Type: Confirmed-Seller Broker

Improvement and Site Data

Legal/Tax/Parcel ID: I. Cooper Survey, Abstract No. 226/Tax ID 181688 (Vacant land)

Acres(Gross): 0.19

Land-SF(Gross): 8,400

No. of Units (Potential): 70

Shape: Rectangular

Topography: Level

Frontage Feet: 60

Frontage Desc.: 60' x 120'

Zoning Code: PD

Zoning Desc.: Planned Development

Flood Plain: No

Utilities: Water Public, Sewer

Source of Land Info.: Other

Comments

This is a proposed master-planned development with substantial completion by Third Quarter 2022. All lots will be located in the Midlothian ISD. Home prices are projected to range from \$350,000 to \$437,500.

Land Sales - Phase 2 - 60' Lots

Property Name:	Coventry Crossing, Phase 2 - 60' Lots
Sub-Property Type:	Residential, Single Family Lot
Address:	Southeast quadrant of FM-663 and McAlpin Road
City/State/Zip:	Midlothian, TX 76065
County:	Ellis
Submarket:	Midlothian
Market Orientation:	Suburban
IRR Event ID:	2534290



Sale Price:	\$61,200
Effective Sale Price:	\$61,200
Sale Date:	08/13/2020
Sale Status:	Closed
\$/Acre(Gross):	\$355,401
\$/Land SF(Gross):	\$8.16
\$/Unit:	\$1,020 /Unit
Grantor/Seller:	Coventry Crossing Lot Venture LTD
Grantee/Buyer:	DR Horton Texas LTD
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale:	The base lot price was set at \$60,000/lot (\$1,000/FF) in April 2020 with an annual 6.0% escalation.
Document Type:	Warranty Deed
Recording No.:	2028796
Verified By:	Shelley Sivakumar
Verification Date:	12/04/2020
Confirmation Source:	Bryan Holland (Skorburg Co. 214-888-8854)
Verification Type:	Confirmed-Seller

Legal/Tax/Parcel ID:	Coventry Crossing, Phase 2, Block H, Lot 4/Tax ID 281096
Acres(Gross):	0.17
Land-SF(Gross):	7,500
No. of Units (Potential):	60
Shape:	Rectangular
Topography:	Level
Frontage Feet:	60
Frontage Desc.:	60' x 125'
Zoning Code:	PD-44
Zoning Desc.:	Planned Development - 44
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Public Records

Lots in this multiphase subdivision are located in the Midlothian
ISD. Home prices are ranging from \$292,000 to \$399,000.

Location & Property Identification

Property Name: Hawkins Meadows, Phase 1 - 60' Lots

Sub-Property Type: Residential, Single Family Lot

Address: Southeast quadrant of FM-663 and Autumn Run Drive

City/State/Zip: Midlothian, TX 76065

County: Ellis

Submarket: Midlothian

Market Orientation: Suburban

IRR Event ID: 2534315



Sale Information

Sale Price: \$63,600

Effective Sale Price: \$63,600

Sale Date: 01/02/2020

Sale Status: Closed

\$/Acre(Gross): \$369,338

\$/Land SF(Gross): \$8.48

\$/Unit: \$1,060 /Unit

Grantor/Seller: Hawkins Development LLC Midlothian

Grantee/Buyer: First Texas Homes, Inc.

Property Rights: Fee Simple

Financing: Cash to seller

Terms of Sale: The base lot price was set at \$60,000/lot (\$1,000/FF) in 1Q2019 with an annual 6.0% escalation.

Document Type: Deed

Recording No.: 2000384

Verified By: Shelley Sivakumar

Verification Date: 12/04/2020

Confirmation Source: Tony Shaw (First Texas Homes)

Verification Type: Confirmed-Buyer

Improvement and Site Data

Legal/Tax/Parcel ID: Hawkins Meadows, Phase 1, Block 3, Lot 12/Tax ID 272900

Acres(Gross): 0.17

Land-SF(Gross): 7,500

No. of Units (Potential): 60

Shape: Rectangular

Topography: Level

Frontage Feet: 60

Frontage Desc.: 60' x 125'

Zoning Code: PD-68

Zoning Desc.: Planned Development - 68

Flood Plain: No

Utilities: Water Public, Sewer

Source of Land Info.: Public Records

Comments

Lots in this development are located in the Midlothian ISD. Home prices are ranging from \$250,000 to \$320,000.

Location & Property Identification

Property Name: Prairie Ridge, Phase 1 - 60' Lots

Sub-Property Type: Residential, Single Family Lot

Address: 6313 Whitebrush Ln.

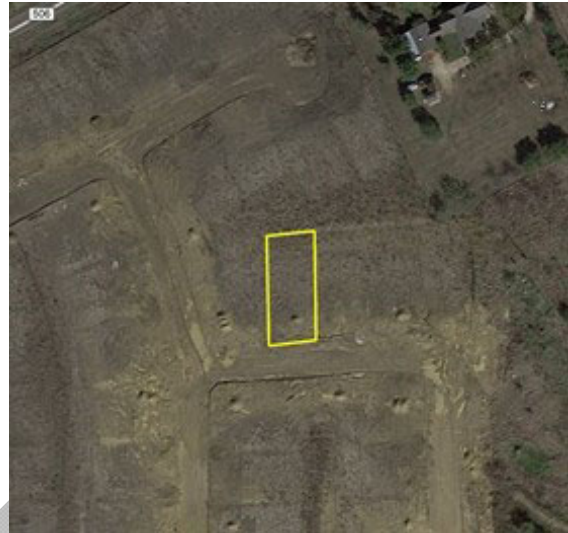
City/State/Zip: City of Grand Prairie ETJ, TX 76065

County: Texas

Submarket: Midlothian

Market Orientation: Suburban

IRR Event ID: 2477983



Sale Information

Sale Price: \$63,750

Effective Sale Price: \$63,750

Sale Date: 06/05/2020

Sale Status: Closed

\$/Acre(Gross): \$385,662

\$/Land SF(Gross): \$8.85

\$/Unit: \$1,063 /Approved Unit

Grantor/Seller: Prairie Ridge Partners, LP

Grantee/Buyer: TSHH, LLC

Property Rights: Fee Simple

Financing: Cash to seller

Document Type: Warranty Deed

Recording No.: 2018994

Verified By: Ms. Caitlin Duncan

Verification Date: 07/15/2020

Confirmation Source: Rylan Yowell

Verification Type: Confirmed-Seller

Shape: Rectangular

Topography: Level

Corner Lot: No

Frontage Desc.: 60 x 120'

Frontage Type: 2 way, 1 lane each way

Traffic Control at Entry: None

Traffic Flow: Low

AccessibilityRating: Average

Visibility Rating: Average

Zoning Code: None

Zoning Desc.: Unincorporated

Flood Plain: No

Utilities: Water Public, Sewer

Source of Land Info.: Other

Comments

Sale of a single family residential lot located in Prairie Ridge Phase 1. The lot sold with 13 other lots in Phase 1. It had a base price of \$63,000 + a \$750 marketing fee.

Improvement and Site Data

Legal/Tax/Parcel ID: Lot 28, Block F, Prairie Ridge Phase 1, Ellis County, Texas

Acres(Gross): 0.17

Land-SF(Gross): 7,200

No. of Units (Potential): 60

Property Name:	Bridgewater (Proposed) - 60' Lots
Sub-Property Type:	Residential, Single Family Lot
Address:	Northeast quadrant of US-287 and Walnut Grove Road
City/State/Zip:	Midlothian, TX 76065
County:	Ellis
Submarket:	Midlothian
Market Orientation:	Suburban
IRR Event ID:	2534341



Sale Price:	\$78,000
Effective Sale Price:	\$78,000
Sale Date:	07/01/2022
Sale Status:	In-Contract
\$/Acre(Gross):	\$471,869
\$/Land SF(Gross):	\$10.83
\$/Unit:	\$1,300 /Unit
Grantor/Seller:	Hanover Property Company
Grantee/Buyer:	Highland Homes, American Legend Homes, Perry Homes, John Houston Homes
Property Rights:	Fee Simple
Financing:	Cash to seller
Terms of Sale:	The base lot price was set for substantial completion in Third Quarter 2022.
Document Type:	Contract of Sale
Verified By:	Shelley Sivakumar
Verification Date:	12/04/2020
Confirmation Source:	Brett Blakey (972-960-9797)
Verification Type:	Confirmed-Seller Broker

Legal/Tax/Parcel ID:	I. Cooper Survey, Abstract No. 226/Tax ID 181688 (Vacant land)
Acres(Gross):	0.17
Land-SF(Gross):	7,200
No. of Units (Potential):	60
Shape:	Rectangular
Topography:	Level
Frontage Feet:	60
Frontage Desc.:	60' x 120'
Zoning Code:	PD
Zoning Desc.:	Planned Development
Flood Plain:	No
Utilities:	Water Public, Sewer
Source of Land Info.:	Other

This is a proposed master-planned development with substantial completion by Third Quarter 2022. The future lots will be located in the Midlothian ISD. Home prices are projected to range from \$312,000 to \$390,000.

DRAFT



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\$ 8,125

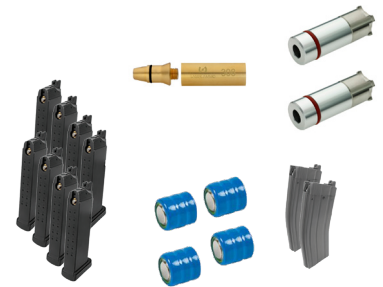
Firearms Trainer Simulator Combo
M-Range (Simulator add-on)
Tactical Targets (Simulator add-on)
Game Range (Simulator add-on)



- 1 i-MTTs System Controller
- 2 i-MTTs 5 Pack Reactive Targets
- 1 LA-PET II 3 Pack Reactive Targets



- 2 SS Ultimate LE Drop In IR Lasers
- 2 SS Ultimate LE Drop In RED Lasers
- 2 SS 12 Gauge Hunting Pack - IR
- 1 SS 308 Hunting Pack - RED
- 4 Glock G17 Pistol - GG - IR
- 2 AR-15 Rifle - KWA LM4 GBB - IR



- 8 Extra Glock 17 GG Mags
- 2 Extra Mags for LM4/AR15
- 1 SS Drill cards for Reactive Target Kits
- 4 Extra Laser Battery Packs
- 3 Cases of Green Gas



- Simulation kit includes recoil producing Glock pistols and AR-15s with magazine changes just like real life
- Requires projector, sound, and laptop to run which we have
- Can be used for target practice and scenario based learning
- Can be used for citizen engagement
- Has targets that can be setup for room clearing scenarios
- Able to create custom video scenarios
- Ability to use our less lethal options inside the scenarios



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QUOTE

LASER AMMO

PO Box 222017

Great Neck, NY 11022

(316) 655-1075

www.Laser-Ammo.com

CUSTOMER ID Venus TX PD, 1

DATE **April 6, 2021**

PACKAGE ID 2021 Chief's Package

EXPIRATION DATE December 2021

TO Venus TX PD
700 W, US-67
Venus, TX 76084
(972) 366-3332

Attn: J. Groom

jgroom@venuspolice.org

SALESPERSON	SOURCE	DISCOUNT	SHIPPING TERMS	LA Track #	PAYMENT TERMS	DUE DATE
CG-R	TX CPA	LEO Agency	Standard			

QTY	ITEM #	DESCRIPTION	UNIT PRICE	DISCOUNT	LINE TOTAL
1.00	FTSC	Firearms Trainer Simulator Combo	\$ 1,550.00	\$ 155.00	\$ 1,395.00
1.00	MR001	M-Range (Simulator add-on)	\$ 299.00	\$ 29.90	\$ 269.10
1.00	TT001	Tactical Targets (Simulator add-on)	\$ 299.00	\$ 29.90	\$ 269.10
1.00	GRA001	Game Range (Simulator add-on)	\$ 299.00	\$ 29.90	\$ 269.10
1.00	i-MTTS-C	i-MTTS System Controller	\$ 110.00	\$ 11.00	\$ 99.00
2.00	i-MTTS-5	i-MTTS 5 Pack Reactive Targets	\$ 299.95	\$ 59.99	\$ 539.91
3.00	LA-PET II	LA-PET II Reactive Targets	\$ 125.00	\$ 37.50	\$ 337.50
2.00	223SSUK-780IR	SS Ultimate LE Drop In IR Lasers	\$ 219.00	\$ 43.80	\$ 394.20
2.00	223SSUK	SS Ultimate LE Drop In RED Lasers	\$ 199.00	\$ 39.80	\$ 358.20
2.00	SSHP12 - IR	SS 12 Gauge Hunting Pack - IR	\$ 149.95	\$ 29.99	\$ 269.91
1.00	SSHP308	SS 308 Hunting Pack - RED	\$ 129.95	\$ 13.00	\$ 116.96
4.00	REPT-UG17-IRGG	Glock G17 Pistol - GG - IR	\$ 439.95	\$ 175.98	\$ 1,583.82
8.00	G17-GBB-MAG	Extra Glock 17 GG Mags	\$ 49.99		\$ 399.92
2.00	AR15-RIS-IR	AR-15 Rifle - KWA LM4 GBB - IR	\$ 565.00	\$ 113.00	\$ 1,017.00
2.00	Extra LM4 Mag	Extra Mags for LM4/AR15	\$ 44.95		\$ 89.90
1.00	SSD	SS Drill cards for Reactive Target Kits	\$ 14.95	\$ 1.50	\$ 13.46
4.00	3BP	Extra Laser Battery Packs	\$ 9.99	\$ 4.00	\$ 35.96
1.00	EFGG-3	3 Cases of EF Green Gas	\$ 468.00		\$ 468.00
1.00		Discount for Interview	\$ (100.00)		\$ (100.00)
				\$ -	\$ -
				\$ -	\$ -

Laser Ammo Contact: Colin P. Gallagher

LEO/Military Specialist

Colin@laser-ammo.com

316-655-1075

Sales Tax

SUBTOTAL \$ 7,826.03

Pkg/Ship/CC \$ 195.65

TOTAL \$ 8,021.68

From: [Hessler, Bruce](#)
To: [James Groom](#)
Subject: InVeris Training Solutions (Formerly Meggitt & FATS) System Price Breakdowns
Date: Friday, April 9, 2021 12:15:50 PM

Re: InVeris Training Solutions (Formerly Meggitt & FATS) System Price Breakdowns

-
NOTE: All Systems comes with a 1 Year Warranty, and includes Installation & Training.

100P (Portable) Training System / Option 1 = \$37,000

1 Blue Fire Glock 17 Handgun = \$7,541.00 each

1 AR15/M4 Rifles = Blue Fire SRS Carbine Rifle-BLUEFIRE®-Auto-Removable Carrying Handle-Picatinny Handguard = \$9,976 each

Blue Fire Refill Station = \$2,389

NOTE: The Blue Fire Refill Station Uses Breathing Air / Each tank when filled gets you 40 to 50 thousand rounds / It can be refilled at your local Fire Department for FREE (If you have a good working relationship), or inexpensively at a local Scuba Shop.

100P (Portable) Training System / Option 2 = \$37,000

1 Glock 17 Handgun = Dvorak Drop In Recoil Kits = \$3,470.00

1 AR15/M4 Rifles = Dvorak Drop In Recoil Kits Blue Fire AR/MR Rifle = \$2,769.00

NOTE: You will have a significant cost for the purchase of 12 gram CO2 Cartridges for the Dvorak handguns and Rifle Kits

100LE Training System / Option 1 = \$45,000

1 Blue Fire Glock 17 Handgun = \$7,541.00 each

1 AR15/M4 Rifles = Blue Fire SRS Carbine Rifle-BLUEFIRE®-Auto-Removable Carrying Handle-Picatinny Handguard = \$9,976 each

Blue Fire Refill Station = \$2,389

NOTE: The Blue Fire Refill Station Uses Breathing Air / Each tank when filled gets you 40 to 50 thousand rounds / It can be refilled at your local Fire Department for FREE (If you have a good working relationship), or inexpensively at a local Scuba Shop.

100LE Training System / Option 2 = \$45,000

1 Glock 17 Handgun = Dvorak Drop In Recoil Kits Blue Fire Glock 22 & 23 = \$3,470.00

1 AR15/M4 Rifles = Dvorak Drop In Recoil Kits Blue Fire AR/MR Rifle = \$2,769.00

NOTE: You will have a significant cost for the purchase of 12 gram CO2 Cartridges for the Dvorak handguns and Rifle Kits

-
180-Degree system / Option 1 = \$75,000

1 Blue Fire Glock 17 Handgun = \$7,541.00 each

1 AR15/M4 Rifles = Blue Fire SRS Carbine Rifle-BLUEFIRE®-Auto-Removable Carrying Handle-Picatinny Handguard = \$9,976 each

Blue Fire Refill Station = \$2,389

NOTE: The Blue Fire Refill Station Uses Breathing Air / Each tank when filled gets you 40 to 50 thousand rounds / It can be refilled at your local Fire Department for FREE (If you have a good working relationship), or inexpensively at a local Scuba Shop.

180-Degree system / Option 2 = \$75,000

1 Glock 17 Handgun = Dvorak Drop In Recoil Kits Blue Fire Glock 22 & 23 = \$3,470.00

1 AR15/M4 Rifles = Dvorak Drop In Recoil Kits Blue Fire AR/MR Rifle = \$2,769.00

NOTE: You will have a significant cost for the purchase of 12 gram CO2 Cartridges for the Dvorak handguns and Rifle Kits

300-Degree system / Option 1- = \$120,000

1 Blue Fire Glock 17 Handgun = \$7,541.00 each

1 AR15/M4 Rifles = Blue Fire SRS Carbine Rifle-BLUEFIRE®-Auto-Removable Carrying Handle-Picatinny Handguard = \$9,976 each

Blue Fire Refill Station = \$2,389

NOTE: The Blue Fire Refill Station Uses Breathing Air / Each tank when filled gets you 40 to 50 thousand rounds / It can be refilled at your local Fire Department for FREE (If you have a good working relationship), or inexpensively at a local Scuba Shop.

-

300-Degree system / Option 2- = \$120,000

1 Glock 17 Handgun = Dvorak Drop In Recoil Kits Blue Fire Glock 22 & 23 = \$3,470.00

1 AR15/M4 Rifles = Dvorak Drop In Recoil Kits Blue Fire AR/MR Rifle = \$2,769.00

NOTE: You will have a significant cost for the purchase of 12 gram CO2 Cartridges for the Dvorak handguns and Rifle Kits

If you want an official proposal for any of the above systems and accessories let me know?

Bruce

Bruce Hessler

Virtual System Sales – Southeast, USA

InVeris Training Solutions

(formerly Meggitt Training Systems)

296 Brogdon Road
Suwanee, GA 30024
USA

Tel: +1 800 813-9046

Fax: +1 678 288-1515

Cell: +1 470 266-9218

bruce.hessler@inveristraining.com

www.InVerisTrainingSolutions.com

