

JAMES BURGESS

Mayor

RITA BISHOP

Mayor Pro Tem/

Councilmember Place 1

VACANT

Councilmember Place 2



JESSICA KUYKENDALL

Councilmember Place 3

GERONIMO HERNANDEZ

Councilmember Place 4

DREW WILSON

Councilmember Place 5

VENUS SPECIAL CALLED COUNCIL MEETING

Venus Civic Center

210 S. Walnut Street

Venus, Texas 76084

Thursday, December 1, 2022 7:00 PM

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 3 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 November 14, 2022.

I make a motion to approve/deny the consent agenda.

5. Public Hearing and Action Item related to Public Hearing:

- 5.1. Conduct Public Hearing on levying of assessments in Improvement Area #1A and Improvement Area #1B within the Brahman Ranch Public Improvement District No. 1.

Open Public Hearing:

Close Public Hearing:

- 5.2. Discuss and consider adoption of Ordinance No. 769-2022-12 of the City of Venus, Texas accepting and approving a Service and Assessment Plan and Assessment Rolls for the Brahman Ranch Public Improvement District No. 1; making a finding of special benefit to the property in the District; levying Special Assessments against Property within Improvement Area #1A and Improvement Area #1B of the District and establishing a lien on such Property; providing for the method of Assessment and the payment of the Assessment in accordance with Chapter 372, Texas Local Government Code, as amended, providing penalties and interest on delinquent Assessment, providing for severability, and providing an effective date.

5 - 113

[769-2022-12 Ordinance Levying Assessments v1.pdf](#) 

I make a motion to approve/deny Ordinance No. 769-2022-12.

6. Discussion and Consideration Items:

- 6.1. Discuss and consider adoption of Ordinance No. 770-2022-12 authorizing the Issuance of the "City of Venus, Texas, Special Assessment Revenue Bonds, Series 2022 (Brahman Ranch Public Improvement District No. 1 Improvement Area #1A/1B Projects)"; approving and authorizing an Indenture of Trust, a Bond Purchase Agreement, a Limited Offering Memorandum, a Continuing Disclosure Agreement and other agreements and documents in connection therewith; making findings with respect to the issuance of such bonds; and providing an effective date.

114 - 291

[770-2022-12 Bond Ordinance v2.pdf](#) 

I make a motion to approve/deny Ordinance No. 770-2022-12.

- 6.2. Discuss changing the City of Venus election process from at-large voting to four (4) wards voting with one council place and Mayor seats remaining at-large voting.

6.3.	Discuss and consider Ordinance No. 768-2022-11 amending the Code of Ordinances Chapter 6 "Animals" Section 6-5, "Prohibited Animals". 768-2022-11- VENUS amending Chpater 6 animals.pdf  I make a motion to approve/deny Ordinance No. 768-2022-11.	292 - 294
6.4.	Discuss and consider Ordinance No. 771-2022-12 amending the Code Ordinances, Chapter 8 "Building and Building Regulations", Article IV. "Fences" 771-2022-12- VENUS amending Chapter 8 building.pdf  I make a motion to approve/deny Ordinance No. 771-2022-12.	295 - 298
6.5.	Discuss and consider entering into an Interlocal Agreement with Johnson County, Texas for Fire and Explosion Investigation. Johnson County Fire Investigation Agreement (004).pdf  I make a motion to approve/deny entering into an Interlocal Agreement with Johnson County for Fire and Explosion Investigation.	299 - 302
6.6.	Discuss and consider Resolution No. 22-2022-12 awarding a grant administration contract for a 2023/2024 Community Development Fund application/project. 22-2022-12 - 2023-2024 CDBG RESOLUTION-Complete.pdf  I make a motion to approve/deny Resolution No. 22-2022-12.	303
6.7.	Discuss and consider accepting the resignation from Council member Place 2, Kayla Sanguinetti. Resigning.pdf  I make a motion to accept/deny the resignation for Council member Place 2.	304

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, Wednesday, November 23, 2022 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; 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 .



ORDINANCE NO. ____-2022-12

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 IMPROVEMENT AREA #1A AND IMPROVEMENT AREA #1B 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 IMPROVEMENT AREA #1A AND IMPROVEMENT AREA #1B 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 City of Venus, Texas (the “City”), pursuant to and in accordance with the terms, provisions and requirements of the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “Act”), has previously established the “Brahman Ranch Public Improvement District No. 1” (the “District”), and is authorized by the Act to levy special assessments against property within the District to pay the costs of public improvement projects set forth in the Service and Assessment Plan attached hereto as Exhibit B (the “Service and Assessment Plan”) that confer a special benefit on property within the District (the “Authorized Improvements”)

WHEREAS, the City, pursuant to Section 372.016(b) of the Act, published notice of a public hearing in a newspaper of general circulation in the City 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 Improvement Area #1A, Improvement Area #1B, and Improvement Area #2 within the District (each as defined in the Service and Assessment Plan); and

WHEREAS, the City, pursuant to Section 372.016(c) of the 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 Act and adopted an "Initial Assessment Ordinance", which Initial Assessment Ordinance has never been recorded in the real property records of Ellis County, Texas; and

WHEREAS, the estimated costs of the Improvement Area #1A-1B/2 Improvements (as defined in the Service and Assessment Plan) were incorrect, the legal descriptions of Improvement Area #1A, Improvement Area #1B, and Improvement Area #2 were inaccurate and, as a result, the assessments levied upon certain lots pursuant to the Initial Assessment Ordinance were incorrect and were therefore invalid, and the Initial Assessment Ordinance was repealed by the City Council on April 12, 2021 via Ordinance No. 723-2021-04; 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 Act, to consider corrected "Assessment Rolls" and "Service and Assessment Plan" and the corrected levy of "Assessments" on Improvement Area #1A and Improvement Area #1B within the District; and

WHEREAS, the City, pursuant to Section 372.016(c) of the Act, mailed a second notice of the public hearing to consider the proposed corrected Assessment Rolls and the Service and Assessment Plan and the corrected levy of Assessments on property in the District to the last known addresses of the owners of the property liable for the Assessments; and

WHEREAS, the City Council convened a second public hearing on December 1, 2022, (the "Assessment Public Hearing") 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 Rolls, and the Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of Actual 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 Assessment Public Hearing, there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of Actual Costs, the Assessment Rolls, or the levy of the Assessments; and

WHEREAS, all owners of the Assessed Property appeared at the Assessment Public Hearing either personally or through their authorized representatives and affirmed their support for the levy of assessments against the Assessed Property; and

WHEREAS, no one appeared at the Assessment Public Hearing in opposition to the levy of the Assessments (as defined in the Service and Assessment Plan) against the Assessed Property;

WHEREAS, after all persons having an interest in the levy of Assessments against the Assessed Property were given an opportunity to be heard in support of or in opposition to the Assessments, the City Council closed the Assessment Public Hearing on December 1, 2022;

WHEREAS, after the closing of the Assessment Public Hearing, and after considering the information, materials, evidence, and testimony offered to the City Council prior to and at the Assessment Public Hearing, and after taking into consideration the fact that the owners of all real property within the District support the levy of the Assessments against the Assessed Property and there were no objections to the levy of Assessments against the Assessed Property, the City Council has determined that it promotes the interests of the City to adopt and approve this Ordinance;

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

Section 1. The recitals set forth in the WHEREAS clauses of this Ordinance are true and correct, are part of this Ordinance for all purposes, and constitute findings of the City Council acting in its discretionary, legislative capacity.

Section 2. Unless otherwise defined in this Ordinance, capitalized terms used in this Ordinance shall have the meanings given to them in the Service and Assessment Plan for the District.

Section 3. All actions of the City in connection with the creation and establishment of the District and the approval of this Ordinance: (i) have been taken and performed in compliance with the Act and all other applicable laws, policies, and procedures; (ii) have been taken and performed in a regular, proper, and valid manner; and (iii) are approved and ratified.

Section 4. The Service and Assessment Plan for the District attached as Exhibit B to this Ordinance is approved and adopted by the City Council as the “service plan” for the District as required by Section 372.013 of the Act, the “assessment plan” for the District as required by Section 372.014 of the Act, and the “assessment roll” for the District as required by Section 372.016 of the Act. The Service and Assessment Plan for the District has been reviewed by the City Council and is hereby approved and adopted. The Service and Assessment Plan for the District shall be updated annually as required by the Act.

Section 5. The Improvement Area #1A Assessments are hereby assessed and levied against the Improvement Area #1A Assessed Property, and the Improvement Area #1B Assessments are hereby assessed and levied against the Improvement Area #1B Assessed Property, each as set forth in the Service and Assessment Plan for the District. The Service and Assessment Plan for the District and the Assessments are effective upon the effective date of this Ordinance.

Section 6. The Assessments (or the unpaid balance thereof) may be paid in full or in part at any time; however, if not paid in full, the Assessments shall be paid in Annual Installments as set forth in the Service and Assessment Plan. The principal amount of the Assessments may be reduced by the City Council in accordance with the Act, but cannot be increased. Each Assessment shall bear interest at a rate set forth in the Service and Assessment Plan for the District. Annual Installments for each Assessment shall be due January 31st of each year (the "Installment Payment Date"), with the first Annual Installment due on January 31, 2023 and the final Annual Installment due on January 31, 2052. Each Annual Installment shall be delinquent if not paid prior to February 1st of the calendar year immediately following the Installment Payment Date (the "Installment Delinquent Date"). Estimates of the Annual Installments are shown on Exhibits F-2 and G-2 to the Service and Assessment Plan for the District.

Section 7. Delinquent Annual Installments shall incur interest, penalties, and attorney's fees in the same manner as delinquent ad valorem taxes. If an Annual Installment remains unpaid on the July 1st immediately following the Installment Delinquent Date, the delinquent Annual Installment shall incur an additional penalty to defray the costs of collection if it is necessary for the City to contract with an attorney to collect the delinquent Annual Installment. Penalties on delinquent Annual Installments shall not exceed the penalties the City is authorized to impose on delinquent payments of ad valorem taxes. There will be no discounts for the early payment of an Annual Installment.

Section 8. The Assessments plus accrued interest, together with the expenses of collection and reasonable attorney's fees as permitted by the Act, shall be 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, and shall be a personal liability of and charge against the owners of the assessed property regardless of whether the owners are named in this Ordinance and regardless of any errors in describing the Assessed Property. The lien shall be effective on the effective date of this Ordinance and shall continue until the date the Assessments and Annual Installments have been paid in full. To the extent not inconsistent with the Act or this Ordinance, the provisions of the Texas Tax Code that apply to the collection of ad valorem taxes and enforcement of tax liens shall apply to the collection of Annual Installments and to the enforcement of assessment liens. The assessment lien runs with the land, and that portion of a Assessment and the Annual Installments that have not yet come due shall not be eliminated by the foreclosure of an ad valorem tax lien. The foreclosure and sale of property to pay delinquent Annual Installments does not eliminate the outstanding principal balance of the Assessment or the Annual Installments that have not come due. Any purchaser at foreclosure of any tax or assessment lien takes the property subject to the continuing lien for that portion of the Assessment and Annual Installment that have not come due. The failure to pay an Annual Installment when due shall not accelerate payment of the remaining Annual Installments. The remaining Annual Installments shall be due as if such failure had not occurred.

Section 9. Based on information, materials, evidence, and testimony available to or provided to the City Council, the City Council has found and determined that the Assessments: (i) have been levied in accordance with the Act based solely on the special benefits conferred on the Assessed Property by the Authorized Improvements; (ii) have been levied based on the enhanced value of the Assessed Property as a result of the Authorized Improvements; (iii) have taken into consideration reasonable classifications and formulas to allocate the Actual Costs (as defined in the Service and Assessment Plan); (iv) impose equal shares of the Actual Cost on property similarly benefited; (v) are, together with private funds provided by Miskimon Management I, LLC (the “Owner”), in amounts necessary to pay the annual costs of the Authorized Improvements; and (vii) will continue for the period of time necessary to pay the full amount of the Actual Costs, taking into account private funds provided by the Owner. The City Council further finds and determines that the Assessed Property is benefited by the Authorized Improvements in an amount that equals or exceeds the Assessments against the Assessed Property and that the Assessments are otherwise just and equitable. The findings and determinations by the City Council represent the discretionary exercise by the City Council of its legislative and governmental authority and power.

Section 10. If any provision of this Ordinance, or the application of any provision to any person or set of circumstances, is held by any court to be invalid for any reason, the remaining provisions of this Ordinance shall be unaffected. All provisions of this Ordinance are held to be severable for such purpose.

Section 11. The City Secretary is directed to cause a copy of this Ordinance, including the Service and Assessment Plan for the District, to be recorded in the real property records of Ellis County. The City Secretary is further directed to similarly file each Annual Service Plan Update approved by the City Council.

Section 12. Should any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. The City Council hereby declares that the City Council would have passed this Ordinance, and each section, subsection, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional or invalid.

Section 13. All provisions of any ordinance in conflict with this Ordinance are hereby repealed to the extent they are in conflict; but such repeal shall not abate any pending prosecution for violation of the repealed ordinance, nor shall the repeal prevent a prosecution from being commenced for any violation if occurring prior to the repeal of the ordinance. Any remaining portions of said ordinances shall remain in full force and effect.

Section 14. This Ordinance shall take effect immediately upon its passage and approval by the City Council and recording as required by law.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF VENUS, TEXAS ON THIS THE 1ST DAY OF DECEMBER, 2022.

CALLIE GREEN
City Secretary

JAMES L. BURGESS
Mayor

[SEAL]

ACKNOWLEDGMENT

This instrument was acknowledged before me on the _____ day of December, 2022 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)

Exhibit A
Legal Description of Property
(Metes and Bounds Description)

BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1 - IMPROVEMENT AREA 1A

BEING A 45.09 ACRES (1,964,278 SQ.FT.) TRACT OF LAND OUT OF THE S.B. PRICE SURVEY, ABSTRACT NO. 860 AND THE LEEMAN KELSEY SURVEY, ABSTRACT NO. 594, CITY OF VENUS, ELLIS COUNTY, TEXAS.

BEING a 45.09 acres (1,964,278 square feet) tract of land situated in the S.B. Price Survey, Abstract No. 860 and the Leeman Kelsey Survey, Abstract No. 594, City of Venus, Ellis County, Texas; being a portion of that called 170.0456 acres tract of record in Volume 1209, Page 293, Deed Records, Ellis County, Texas, (D.R.E.C.T.) and being a portion of that called 30.0 acres tract or parcel of land being known and designated as Lot 1, Southland Addition, an addition in Ellis County, Texas, according to the plat thereof recorded in Cabinet C, Slide 512, Plat Records, Ellis County, Texas, (P.R.E.C.T.) and a portion of that called 10.00 acres tract or parcel of land being known and designated as Tract 1, Armstrong Creek Estates, a subdivision in Ellis County, Texas, according to the plat thereof recorded in Cabinet C, Slide 26, P.R.E.C.T., and more particularly described by metes and bounds as follows:

COMMENCING at 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) 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,

THENCE, South 60°36'16" West, 225.02 feet leaving the west line of said F.M. 157 the **POINT OF BEGINNING**, and 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 and the beginning of a curve to the left;

THENCE, 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°28'26" East, 6.82 feet to a point and the beginning of a curve to the right;

THENCE, 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°28'26" 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, 119.67 feet to a point and the beginning of a curve to the right;

THENCE, 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 and the beginning of a curve to the left;

THENCE, 6.94 feet along said curve to the right 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" West, 79.73 feet to a point;

THENCE, South 28°27'42" East, 1,130.00 feet to a point;

THENCE, North 61°32'18" East, 73.04 feet to a point and the beginning of a curve to the left;

THENCE, 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°28'26" East, 6.82 feet to a point and the beginning of a curve to the right;

THENCE, 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°28'26" East, 41.55 feet to a point;

THENCE, North 61°32'18" East, 122.72 feet to a point and the beginning of a curve to the right;

THENCE, 90.15 feet along said curve to the right having a radius of 3,864.72 feet, a delta angle of 01°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 and the beginning of a curve to the right;

THENCE, 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 and the beginning of a curve to the left;

THENCE, 6.94 feet along said curve to the right 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" West, 65.45 feet to a point;

THENCE, South 28°27'42" West, 180.05 feet to a point;

THENCE, South 61°32'25" West, 840.00 feet to a point;

THENCE, North 28°27'42" West, 60.03 feet to a point;

THENCE, South 61°32'18" West, 140.00 feet to a point;

THENCE, North 28°27'42" West, 120.00 feet to a point;

THENCE, South 61°32'18" West, 18.49 feet to a point;

THENCE, North 28°27'42" West, 60.00 feet to a point and the beginning of a curve to the left;

THENCE, 18.17 feet along said curve to the left having a radius of 11.00 feet, a delta angle of 94°39'58" and a chord bearing North 14°12'19" East, 16.18 feet to a point and the beginning of a curve to the left;

THENCE, 52.40 feet along said curve to the left having a radius of 470.00 feet, a delta angle of 06°23'14" and a chord bearing North 36°19'17" West, 52.37 feet to a point;

THENCE, North 39°30'54" West, 101.50 feet to a point and the beginning of a curve to the right;

THENCE, 57.13 feet along said curve to the right having a radius of 530.00 feet, a delta angle of 06°10'33" and a chord bearing North 36°25'38" West, 57.10 feet to a point and the beginning of a curve to the left;

THENCE, 16.34 feet along said curve to the left having a radius of 11.00 feet, a delta angle of 85°07'21" and a chord bearing North 75°54'01" West, 14.88 feet to a point;

THENCE, North 29°11'15" West, 60.00 feet to a point and the beginning of a curve to the left;

THENCE, 16.55 feet along said curve to the left having a radius of 11.00 feet, a delta angle of 86°11'04" and a chord bearing North 18°26'46" East, 15.03 feet to a point and the beginning of a curve to the right;

THENCE, 66.95 feet along said curve to the right having a radius of 530.00 feet, a delta angle of 07°14'16" and a chord bearing North 21°01'38" East, 66.91 feet to a point;

THENCE, North 17°24'30" West, 101.50 feet to a point and the beginning of a curve to the left;

THENCE, 52.40 feet along said curve to the left having a radius of 470.00 feet, a delta angle of 06°23'14" and a chord bearing North 20°36'07" West, 52.37 feet to a point and the beginning of a curve to the left;

THENCE, 18.17 feet along said curve to the left having a radius of 11.00 feet, a delta angle of 94°39'58" and a chord bearing North 71°07'43" West, 16.18 feet to a point;

THENCE, South 61° 32' 18" West, 17.52 feet to a point;

THENCE, North 28° 27' 42" West, 205.00 feet to a point;

THENCE, North 61° 32' 18" East, 203.41 feet to a point;

THENCE, North 28° 27' 42" West, 420.00 feet to a point;

THENCE, South 61° 32' 18" West, 215.92 feet to a point;

THENCE, North 28° 27' 42" West, 91.04 feet to a point;

THENCE, North 69° 45' 04" West, 167.78 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 the Point of Beginning and Containing 45.09 acres
(1,964,278 Square Feet) of land.

BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1 - IMPROVEMENT AREA 1B

BEING A 43.57 ACRES (1,897,819 SQ.FT.) TRACT OF LAND OUT OF THE STEPHEN B. PRICE SURVEY, ABSTRACT NO. 860 AND THE J.E MCQUATTER SURVEY, ABSTRACT NO. 781, CITY OF VENUS, ELLIS COUNTY, TEXAS.

BEING a 43.57 Acres (1,897,819 Square Feet) Tract of Land situated in the Stephen B. Price Survey, Abstract No. 860 and the J. E. McQuatter Survey, Abstract 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 Falls Creek Land & Cattle, LLC., deed of record in Document No. 20181808509, Deed Records, Ellis County, Texas, (D.R.E.C.T.) and being a portion of that called 30.0 acres Tract or parcel of land being known and designated as Lot 1, Southland Addition, an addition in Ellis County, Texas, according to the plat thereof recorded in Cabinet C, Slide 512, Plat Records, Ellis County, Texas, (P.R.E.C.T.) and a portion of that called 10.00 Acres tract or parcel of land being known and designated as Tract 1, Armstrong Creek Estates, a subdivision in Ellis County, Texas, according to the plat thereof recorded in Cabinet C, Slide 26, P.R.E.C.T., and a portion of that called 50.99 acres tract conveyed to Miskimon Management I, LLC by deed of record in Document No. 20202029777, D.R.E.C.T. and being more particularly described by metes and bounds as follows:

COMMENCING at 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 (variable width) and marking the northeast corner of that tract conveyed to Jason D. Stottlemire & Jill S. Stottlemire, by deed of record in Volume 1890, Page 1778, D.R.E.C.T. and the southeast corner of Brahman Ranch Phase 1A;

THENCE, with the south line of Brahman Ranch Phase 1A the following three (3) courses;

1. South 61°32'25" West, 1,065.00 feet with the north line of said Stottlemire tract to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" (ir w/cap) set marking a southwest corner;
2. North 28°27'42" West, 60.03 feet to a 1/2-inch ir w/cap set marking an interior corner;
3. South 61°32'18" West, 140.00 feet to a 1/2-inch ir w/cap set marking the **POINT OF BEGINNING**, and being a southeast corner of the herein described tract;

THENCE, South 61°32'18" West, 275.00 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 28°27'42" East, 122.87 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, North 62°37'26" East, 45.55 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 27°22'34" East, 135.00 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 62°37'26" West, 180.00 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, North 27°22'34" West, 5.00 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 62°37'26" West, 120.00 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 27°22'34" East, 35.00 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 62°37'26" West, 274.96 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, North 27°22'34" West, 35.00 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 62°37'26" West, 306.85 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 27°22'34" East, 35.98 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 62°37'26" West, 170.00 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, North 27°22'34" West, 23.84 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 62°37'26" West, 120.00 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 62°45'10" West, 60.00 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 62°41'25" West, 124.99 feet to a 1/2-inch ir w/cap set in the east line of an Old Ocean Fuel Co. 80 feet wide easement of record in Volume 471, Page 288 and Volume 471, Page 16, D.R.E.C.T. marking the southwest corner of the herein described tract;

THENCE, North 25°47'56" West, 265.58 feet with the east line of said 80 feet wide easement to a 1/2-inch ir w/cap set marking a corner;

THENCE, North 62°40'40" East, 474.29 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, North 21°48'54" West, 737.24 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, North 68°11'06" East, 120.00 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, North 21°48'54" West, 35.84 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, North 61°32'18" East, 190.91 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, North 28°27'42" West, 254.56 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 61°32'18" West, 435.78 feet to a 1/2-inch ir w/cap set in the east line of the aforementioned 80 feet wide easement;

THENCE, North 04°57'39" East, 731.54 feet with the east line of said 80 feet wide easement to a 1/2-inch ir w/cap set marking a corner;

THENCE, North 56°08'11" East, 120.33 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, North 78°51'58" East, 55.01 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 28°27'42" East, 100.27 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, North 72°33'43" East, 292.58 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, North 38°16'47" East, 109.18 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 69°45'04" East, 167.78 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 28°27'42" East, 91.04 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, North 61°32'18" East, 215.92 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 28°27'42" East, 420.00 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 61°32'18" West, 203.41 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 28°27'42" East, 205.00 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, North 61°32'18" East, 17.52 feet to a 1/2-inch ir w/cap set marking corner and the beginning of a non-tangent curve to the right;

THENCE, 18.17 feet with the arc of said curve to the right having a radius of 11.00 feet, a central angle of 94°39'58" and a chord that bears South 71°07'43" East, 16.18 feet to a 1/2-inch ir w/cap set marking the beginning of a compound curve;

THENCE, 52.40 feet with the arc of said curve to the right having a radius of 470.00 feet, a central angle of 06°23'14" and a chord that bears South 20°36'07" East, 52.37 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 17°24'30" East, 101.50 feet to a 1/2-inch ir w/cap set marking the beginning of a non-tangent curve to the left;

THENCE, 66.95 feet with the arc of said curve to the left having a radius of 530.00 and a central angle of 07°14'16" and a chord that bears South 21°01'38" East, 66.91 feet to a 1/2-inch ir w/cap set marking the beginning of a non-tangent curve to the right;

THENCE, 16.55 feet with the arc of said curve to the right having a radius of 11.00 feet, a central angle of 86°11'04" and a chord that bears South 18°26'46" West, 15.03 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 29°11'15" East, 60.00 feet to a 1/2-inch ir w/cap set marking the beginning of a non-tangent curve to the right;

THENCE, 16.34 feet with the arc of said curve to the right having a radius of 11.00 feet, a central angle of 85°07'21" and a chord that bears South 75°54'01" East, 14.88 feet to a 1/2-inch ir w/cap set marking the beginning of a non-tangent curve to the left;

THENCE, 57.13 feet with the arc of said curve to the left having a radius of 530.00 feet a central angle of 06°10'33" and a chord that bears South 36°25'38" East, 57.10 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 39°30'54" East, 101.50 feet to a 1/2-inch ir w/cap set marking the beginning of a non-tangent curve to the right;

THENCE, 52.40 feet with the arc of said curve to the right having a radius of 470.00 feet central angle of 06°23'14" and a chord that bears South 36°19'17" East, 52.37 feet to a 1/2-inch ir w/cap set marking the beginning of a compound curve;

THENCE, 18.17 feet with the arc of said curve to the right having a radius of 11.00 feet central angle of 94°39'58" and a chord that bears South 14°12'19" West, 16.18 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 28°27'42" East, 60.00 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, North 61°32'18" East, 18.49 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 28°27'42" East, 120.00 feet to the **POINT OF BEGINNING and CONTAINING** 43.57 acres (1,897,819 Square Feet) of land.

Exhibit B
Service and Assessment Plan

Brahman Ranch Public Improvement District No. 1

PRELIMINARY SERVICE AND ASSESSMENT PLAN

NOVEMBER 14, 2022 – VERSION 2.0



AUSTIN, TX | NORTH RICHLAND HILLS, TX

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INTRODUCTION

Capitalized terms used in this Service and Assessment Plan shall have the meanings given to them in **Section I** unless otherwise defined in this Service and Assessment Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a “Section,” an “Exhibit,” or an “Appendix” shall be a reference to a Section of this Service and Assessment Plan or an Exhibit or Appendix attached to and made a part of this Service and Assessment Plan for all purposes.

On May 11, 2020, the City Council passed and approved Resolution No. 11-2020-05 authorizing the establishment of the District. On March 8, 2021, the City Council passed and approved Resolution No. 01-2021-03 authorizing the revision of the boundaries of the District and increase in Authorized Improvements costs of the District in accordance with the PID Act, which authorization was effective upon publication in accordance with the PID Act. The purpose of the District is to finance the Actual Costs of Authorized Improvements that confer a special benefit on approximately 661.9 acres located within the corporate limits of the City, as described by the legal description on **Exhibit K-1** and depicted on **Exhibit A-1**.

The PID Act requires a service plan must (i) cover a period of at least five years; (ii) define the annual indebtedness and projected cost of the Authorized Improvements; and (iii) include a copy of the notice form required by Section 5.014 of the Texas Property Code, as amended. The Service Plan is contained in **Section IV** and the notice form is attached as **Appendix B**.

The PID Act requires that the Service Plan include an Assessment Plan that assesses the Actual Costs of the Authorized Improvements against the Assessed Property within the District based on the special benefits conferred on such property by the Authorized Improvements. The Assessment Plan is contained in **Section V**.

The PID Act requires an Assessment Roll that states the Assessment against each Parcel determined by the method chosen by the City Council. The Assessment against each Parcel of Assessed Property must be sufficient to pay the share of the Actual Costs of the Authorized Improvements apportioned to such Parcel and cannot exceed the special benefit conferred on the Parcel by such Authorized Improvements. The Assessment Roll for Improvement Area #1A is included as **Exhibit F-1**. The Assessment Roll for Improvement Area #1B is included as **Exhibit G-1**.

SECTION I: DEFINITIONS

“Actual Costs” mean, with respect to Authorized Improvements, the actual costs paid or incurred by or on behalf of the Owner, (either directly or through affiliates), including : (1) the costs for the design, planning, financing, administration/management, acquisition, installation, construction and/or implementation of such Authorized Improvements; (2) the fees paid for obtaining permits, licenses, or other governmental approvals for such Authorized Improvements; (3) the costs for external professional services, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting, and similar professional services; (4) the costs for all labor, bonds, and materials, including equipment and fixtures, owing to contractors, builders, and materialmen engaged in connection with the acquisition, construction, or implementation of the Authorized Improvements; (5) all related permitting and public approval expenses, and architectural, engineering, consulting, and other governmental fees and charges and (6) costs to implement, administer, and manage the above-described activities including, but not limited to, a construction management fee equal to four percent (4%) of construction costs if managed by or on behalf of the Owners.

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

“Additional Interest Rate” means the 0.50% additional interest rate that may be charged on Assessments securing PID Bonds pursuant to Section 372.018 of the PID Act.

“Administrator” means the City or independent firm designated by the City who shall have the responsibilities provided in this Service and Assessment Plan, any Indenture, or any other agreement or document approved by the City related to the duties and responsibilities of the administration of the District. The initial Administrator is P3Works, LLC.

“Annual Collection Costs” mean the actual or budgeted costs and expenses related to the operation of the District, including, but not limited to, costs and expenses for: (1) the Administrator; (2) City staff; (3) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (4) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (5) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (6) paying and redeeming PID Bonds; (7) investing or depositing Assessments and Annual Installments; (8) complying with this Service and Assessment Plan, the PID Act, and any Indenture, with respect to the PID Bonds, including the City’s continuing disclosure requirements; and (9) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

“Annual Installment” means the annual installment payment of an Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest related to the PID Bonds, if applicable.

“Annual Service Plan Update” means an update to this Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the City Council.

“Apportioned Property” means any Parcel within the District against which the costs of the Authorized Improvements are apportioned based on special conferred benefit and against which an Assessment is anticipated to be levied, but not yet levied.

“Assessed Property” means any Parcel within the District against which an Assessment is levied.

“Assessment” means an assessment levied against a Parcel within the District, other than Non-Benefitted Property, and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on an Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

“Assessment Ordinance” means an ordinance adopted by the City Council in accordance with the PID Act that levies an Assessment on the Assessed Property, as shown on any Assessment Roll.

“Assessment Plan” means the methodology employed to assess the Actual Costs of the Authorized Improvements against the Assessed Property based on the special benefits conferred on such property by the Authorized Improvements, more specifically set forth and described in **Section V**.

“Assessment Roll” means any assessment roll for the Assessed Property, including the Improvement Area #1A Assessment Roll and the Improvement Area #1B Assessment Roll, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds or any Annual Service Plan Update.

“Authorized Improvements” means the improvements authorized by Section 372.003 of the PID Act, and described in **Section III**, as further depicted on **Exhibit H**.

“Bond Issuance Costs” means the costs associated with issuing PID Bonds, including, but not limited to, attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, capitalized interest, reserve fund requirements, underwriter’s discount, fees charged by the Texas Attorney General, and any other cost or expense incurred by the City directly associated with the issuance of any series of PID Bonds.

“City” means the City of Venus, Texas.

“City Council” means the governing body of the City.

“County” means Ellis County, Texas.

“Delinquent Collection Costs” mean costs related to the foreclosure on Assessed Property and the costs of collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under this Service and Assessment Plan, including penalties and reasonable attorney’s fees actually paid, but excluding amounts representing interest and penalty interest.

“District” means Brahman Ranch Public Improvement District No. 1 containing approximately 661.9 acres located within the corporate limits of the City, and more specifically described in **Exhibit K-1** and depicted on **Exhibit A-1**.

“District Formation Costs” means the costs associated with forming the District, including, but not limited to, attorney fees, and any other cost or expense incurred by the City directly associated with the establishment of the District.

“Engineer’s Report” means a report provided by a licensed professional engineer that describes the Authorized Improvements, including their costs, location, and benefit, and is attached hereto as **Appendix A** for Improvement Area #1A, Improvement Area #1B, and Improvement Area #2.

“Estimated Buildout Value” means the estimated value of an Assessed Property as if there were fully constructed buildings, as provided by the Owner and confirmed by the City Council by considering such factors as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, builder contracts, discussions with homebuilders, reports from third party consultants, or any other factors that, in the judgment of the City, may impact value. The Estimated Buildout Value for each Lot Type is shown on **Exhibit E**.

“Improvement Area #1A” means approximately 45.09 acres located within the District, more specifically described in **Exhibit K-2** and depicted on **Exhibit A-2**.

“Improvement Area #1A Annual Installment” means the Annual Installment of the Improvement Area #1A Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) the pro rata portion of the Annual Collection Costs based on outstanding Assessment related to Improvement Area #1A; and (4) the pro rata portion of the Additional Interest based on outstanding Assessment related to the Improvement Area #1A/1B Bonds, as shown on **Exhibit F-2**.

“Improvement Area #1A Assessed Property” means any Parcel within Improvement Area #1A against which an Improvement Area #1A Assessment is levied.

“Improvement Area #1A Assessment” means an Assessment levied against a Parcel within Improvement Area #1A and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #1A Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

“Improvement Area #1A Assessment Roll” means the Assessment Roll for the Improvement Area #1A Assessed Property, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any updates prepared in connection with the issuance of PID Bonds or any Annual Service Plan Updates. The Improvement Area #1A Assessment Roll is included in this Service and Assessment Plan as **Exhibit F-1**.

“Improvement Area #1A Projects” means collectively, (1) the pro rata portion of the Improvement Area #1A-1B/2 Improvements allocable to Improvement Area #1A; (2) the pro rata portion of the Bond Issuance Costs based on outstanding Assessment incurred in connection with the issuance of Improvement Area #1A/1B Bonds; and (3) the pro rata portion of the first year’s Annual Collection Costs based on outstanding Assessment related to the Improvement Area #1A-1B Bonds.

“Improvement Area #1A/1B Bonds” means those certain “City of Venus, Texas, Special Assessment Revenue Bonds, Series 2022 Brahman Ranch Public Improvement District No. 1 Improvement Area #1A/1B Projects)” that are secured by Improvement Area #1A Assessments and Improvement Area #1B Assessments.

“Improvement Area #1A Initial Parcel” means all of the Improvement Area #1A Assessed Property against which the entire Improvement Area #1A Assessment is levied, as shown on the Improvement Area #1A Assessment Roll.

“Improvement Area #1A-1B/2 Improvements” means those Authorized Improvements that confer special benefit to all Parcels within Improvement Area #1A, Improvement Area #1B, and Improvement Area #2, as further described in **Section III.A**, and as depicted on **Exhibit H**.

“Improvement Area #1B” means approximately 43.57 acres located within the District, more specifically described in **Exhibit K-3** and depicted on **Exhibit A-3**.

“Improvement Area #1B Annual Installment” means the Annual Installment of the Improvement Area #1B Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) the pro rata portion of the Annual Collection Costs based on outstanding Assessment related to Improvement Area #1B; and (4) the pro rata portion of the Additional Interest based on outstanding Assessment related to the Improvement Area #1A/1B Bonds, as shown on **Exhibit G-2**.

“Improvement Area #1B Assessed Property” means any Parcel within Improvement Area #1B against which an Improvement Area #1B Assessment is levied.

“Improvement Area #1B Assessment” means an Assessment levied against a Parcel within Improvement Area #1B and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #1B Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

“Improvement Area #1B Assessment Roll” means the Assessment Roll for the Improvement Area #1B Assessed Property, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any updates prepared in connection with the issuance of PID Bonds or any Annual Service Plan Updates. The Improvement Area #1B Assessment Roll is included in this Service and Assessment Plan as **Exhibit G-1**.

“Improvement Area #1B Projects” means collectively, (1) the pro rata portion of the Improvement Area #1A-1B/2 Improvements allocable to Improvement Area #1B; (2) the pro rata portion of Bond Issuance Costs based on outstanding Assessment incurred in connection with the issuance of Improvement Area #1A/1B Bonds allocable to Improvement Area #1B; and (3) the pro rata portion of the first year’s Annual Collection Costs based on outstanding Assessment related to the Improvement Area #1A/1B Bonds.

“Improvement Area #1B Initial Parcel” means all of the Improvement Area #1B Assessed Property against which the entire Improvement Area #1B Assessment is levied, as shown on the Improvement Area #1B Assessment Roll.

“Improvement Area #2” means approximately 53.94 acres located within the District, more specifically described in **Exhibit K-4** and depicted on **Exhibit A-4**.

“Improvement Area #2 Apportioned Property” means any Parcel within Improvement Area #2 against which a portion of the Actual Costs of the Improvement Area #1A-1B/2 Improvements are apportioned based on special conferred benefit, and against which an Assessment is expected to be levied, but not yet levied.

“Improvement Area #2 Initial Parcel” means all of Improvement Area #2, which is more particularly described on **Exhibit K-4**.

“Improvement Area #2 Improvements” means the pro rata portion of the Improvement Area #1A-1B/2 Improvements allocable to Improvement Area #2.

“Indenture” means an Indenture of Trust entered into between the City and the Trustee in connection with the issuance of each series of PID Bonds, as amended from time to time, setting forth the terms and conditions related to a series of PID Bonds.

“Lot” means (1) for any portion of the District for which a final subdivision plat has been recorded in the Plat or Official Public Records of the County, a tract of land described by “lot” in such subdivision plat; and (2) for any portion of the District for which a subdivision plat has not been recorded in the Plat or Official Public Records of the County, a tract of land anticipated to be described as a “lot” in a final recorded subdivision plat as shown on a concept plan or a preliminary plat. A “Lot” shall not include real property owned by a government entity, even if such property is designated as a separate described tract or lot on a recorded Subdivision Plat.

“Lot Type” means a classification of final building Lots with similar characteristics (e.g. lot size, home product, Estimated Buildout Value, etc.), as determined by the Administrator and confirmed by the City Council. In the case of single-family residential Lots, the Lot Type shall be further defined by classifying the residential Lots by the Estimated Buildout Value of the Lot as provided by the Owner, and confirmed by the City Council, as shown on **Exhibit E**.

“Lot Type 1” means a Lot within Improvement Area #1A marketed to homebuilders as a 60’-70’ Lot.

“Lot Type 2” means a Lot within Improvement Area #1B marketed to homebuilders as a 60’-70’ Lot.

“Maximum Assessment” means, for each Lot, an Assessment equal to the lesser of (1) the amount calculated pursuant to **Section VI.A**, or (2) the amount shown on **Exhibit E**.

“Non-Assessed Property” means Parcels within the boundaries of the District or outside the boundaries of the District that accrue special benefit from the Authorized Improvements as determined by the City Council but are not assessed.

“Non-Benefitted Property” means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements as determined by the City Council.

“Notice of Assessment Termination” means a document that shall be recorded in the Official Public Records of the County evidencing the termination of an Assessment, a form of which is attached as **Exhibit I**.

“Owner” or **“Owners”** means Miskimon Management I, LLC, and any successors or assigns thereof that intends to develop the property in the District for the ultimate purpose of transferring title to end users.

“Parcel” or **“Parcels”** means a specific property within the District identified by either a tax parcel identification number assigned by the Ellis Appraisal District for real property tax purposes, by legal description, or by lot and block number in a final subdivision plat recorded in the Official Public Records of the County, or by any other means determined by the City.

“PID Act” means Chapter 372, Texas Local Government Code, as amended.

“PID Bonds” means any bonds issued by the City in one or more series and secured in whole or in part by Assessments.

“Prepayment” means the payment of all or a portion of an Assessment before the due date of the final Annual Installment 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 Annual Installment.

“Prepayment Costs” means interest, including Additional Interest and Annual Collection Costs, to the date of Prepayment.

“Remainder Area” means approximately 519.3 acres located within the District, not included in Improvement Area #1A, Improvement Area #1B, and Improvement Area #2.

“Service and Assessment Plan” means this Brahman Ranch Public Improvement District No. 1 Preliminary Service and Assessment Plan as updated, amended, or supplemented from time to time.

“Service Plan” covers a period of at least five years and defines the annual indebtedness and projected costs of the Authorized Improvements, more specifically described in **Section IV**.

“Trustee” means the trustee or successor trustee under an Indenture.

SECTION II: THE DISTRICT

The District includes approximately 661.9 contiguous acres located within the corporate limits of the City, the boundaries of which are more particularly described on **Exhibit K-1** and depicted on **Exhibit A-1**. Development of the District is anticipated to include approximately 1,736 Lots developed with single-family homes.

Improvement Area #1A includes approximately 45.09 contiguous acres located within the corporate limits of the City, the boundaries of which are more particularly described on **Exhibit K-2** and depicted on **Exhibit A-2**. Development of Improvement Area #1A is anticipated to include approximately 121 Lots developed with single-family homes (all classified as Lot Type 1).

Improvement Area #1B includes approximately 43.57 contiguous acres located within the corporate limits of the City, the boundaries of which are more particularly described on **Exhibit K-3** and depicted on **Exhibit A-3**. Development of Improvement Area #1B is anticipated to include approximately 145 Lots developed with single-family homes (all classified as Lot Type 2).

Improvement Area #2 includes approximately 53.94 contiguous acres located within the corporate limits of the City, the boundaries of which are more particularly described on **Exhibit K-4** and depicted on **Exhibit A-4**. Development of Improvement Area #2 is anticipated to include approximately 131 Lots developed with single-family homes.

The Remainder Area includes approximately 519.3 contiguous acres located within the corporate limits of the City. Development of the Remainder Area is anticipated to include approximately 1,339 Lots developed with single-family homes.

SECTION III: AUTHORIZED IMPROVEMENTS

Based on information provided by the Owner and its engineer(s) and reviewed by the City staff and by third-party consultants retained by the City, the City has determined that the Authorized Improvements confer a special benefit on the Assessed Property and/or the Apportioned Property. Authorized Improvements will be designed and constructed in accordance with the City's standards and specifications and will be owned and operated by the City or owned by the City and maintained by a homeowners' association, except as noted below for streetlights. The budget for the Authorized Improvements is shown on **Exhibit B-1**.

A. Improvement Area #1A-1B/2 Improvements

▪ *Mass and Raw Grading*

Improvements including initial dirt work for streets and lots. All initial dirt work and the costs for the machinery used are included. The mass and raw grading improvements will

provide benefit to each Lot within Improvement Area #1A, Improvement Area #1B, and Improvement Area #2.

- *Paving*

Improvements including subgrade stabilization, concrete and reinforcing steel for roadways and testing. All related earthwork, excavation, retaining walls, intersections, and re-vegetation of all disturbed areas within the right-of-way are included. The paving improvements will provide benefit to each Lot within Improvement Area #1A, Improvement Area #1B, and Improvement Area #2.

- *Erosion Control*

Improvements including silt fences, inlet protection, rock check dams, drill seeding, soil retention blankets, biodegradable erosion control logs, and construction exit/entrances necessary to provide erosion control for all Lots within Improvement Area #1A, Improvement Area #1B, and Improvement Area #2.

- *Storm Sewer*

Improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, outfall structures, detention ponds and testing as well as all related earthwork, excavation, and embankment necessary to provide storm sewer for all Lots within Improvement Area #1A, Improvement Area #1B, and Improvement Area #2.

- *Sewer*

Improvements including trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, and all necessary appurtenances required to provide sewer service to all Lots within Improvement Area #1A, Improvement Area #1B, and Improvement Area #2.

- *Traffic and Lighting*

Improvements including traffic signage, streetlights, and stop lights are included. These traffic and lighting improvements will provide a benefit to all Lots within Improvement Area #1A, Improvement Area #1B, and Improvement Area #2. Streetlights are owned by the City but maintained under a service agreement with Oncor.

- *Soft Costs*

Costs related to designing, constructing, and installing the Authorized Improvements

including land planning and design, City fees, engineering, soil testing, survey, construction management, contingency, District Formation Costs, legal fees, and consultant fees.

B. Bond Issuance Costs

- *Debt Service Reserve Fund*

Equals the amount to be deposited in a debt service reserve fund under an applicable Indenture in connection with the issuance of PID Bonds.

- *Capitalized Interest*

Equals the amount required to be deposited for the purpose of paying capitalized interest under an applicable Indenture in connection with the issuance of PID Bonds.

- *Underwriter's Discount*

Equals a percentage of the par amount of a particular series of PID Bonds related to the costs of underwriting such PID Bonds plus a fee for underwriter's counsel.

- *Cost of Issuance*

Includes costs of issuing a particular series of PID Bonds, including but not limited to issuer fees, attorney's fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City's costs, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

C. Other Costs

- *Initial Administrative Fund Deposit*

Equals the amount necessary to fund the first year's Annual Collection Costs for a particular series of PID Bonds.

SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan is also required to include a copy of the notice form required by Section 5.014 of the Texas Property Code, as amended. The Service Plan must be reviewed and updated in each Annual Service Plan Update. **Exhibit C** summarizes the initial Service Plan for the District. Per the PID Act and Section 5.014 of the Texas Property Code, as amended, this Service and Assessment Plan, and any future

Annual Service Plan Updates, shall include a form of the buyer disclosures for the District. The buyer disclosures are attached hereto as **Appendix B**.

Exhibit D summarizes the sources and uses of funds required to construct the Authorized Improvements. The sources and uses of funds shown on **Exhibit D** shall be updated in an Annual Service Plan Update to show the amount required to fund the required reserves and issue the PID Bonds at the time the PID Bonds are issued.

SECTION V: ASSESSMENT PLAN

The PID Act allows the City Council to apportion the costs of the Authorized Improvements to the Assessed Property and the Apportioned Property based on the special benefit received from the Authorized Improvements. The PID Act provides that such costs may be apportioned: (1) equally per front foot or square foot; (2) according to the value of property as determined by the City, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the City that results in imposing equal shares of such costs on property similarly benefited. The PID Act further provides that the governing body may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the City and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

This section of this Service and Assessment Plan describes the special benefit received by each Parcel within the District as a result of the Authorized Improvements and provides the basis and justification for the determination that this special benefit apportioned to the Assessed Property equals or exceeds the amount of the Assessments to be levied on such Assessed Property for such Authorized Improvements.

The determination by the City Council of the assessment methodologies set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Owner, and all future owners of the Assessed Property and Apportioned Property.

A. Assessment Methodology

Acting in its legislative capacity and based on information provided by the Owner and reviewed by the City staff and by third-party consultants retained by the City, the City Council has determined that the costs of the Improvement Area #1A-1B/2 Improvements shall be allocated or apportioned entirely to Improvement Area #1A, Improvement Area #1B, and Improvement Area #2 pro rata based on acreage.

- Improvement Area #1A is allocated 31.62% of the Improvement Area #1A-1B/2

Improvement costs, and Improvement Area #1B is allocated 30.55% of the Improvement Area #1A-1B/2 Improvement costs. Improvement Area #1A and Improvement Area #1B's shares of the Improvement Area #1A-1B/2 Improvement costs are illustrated in **Exhibit B-1**.

- Improvement Area #2 is apportioned 37.83% of the Improvement Area #1A-1B/2 Improvement costs. Improvement Area #2's share of the Improvement Area #1A-1B/2 Improvements are illustrated in **Exhibit B-2**.

Upon subdivision of an Assessed Property or Apportioned Property, the Actual Costs of the Authorized Improvements shall be reallocated based on Estimated Buildout Value as further described in **Section VI**.

B. Assessments

The Improvement Area #1A Assessment will be levied on the Improvement Area #1A Initial Parcel in the amount shown on the Improvement Area #1A Assessment Roll, attached hereto as **Exhibit F-1**. The projected Improvement Area #1A Annual Installments are shown on **Exhibit F-2**. Upon division or subdivision of the Improvement Area #1A Initial Parcel, the Improvement Area #1A Assessment will be reallocated pursuant to **Section VI**.

The Improvement Area #1B Assessment will be levied on the Improvement Area #1B Initial Parcel in the amount shown on the Improvement Area #1B Assessment Roll, attached hereto as **Exhibit G-1**. The projected Improvement Area #1B Annual Installments are shown on **Exhibit G-2**. Upon division or subdivision of the Improvement Area #1B Initial Parcel, the Improvement Area #1B Assessment will be reallocated pursuant to **Section VI**.

The Maximum Assessment for each Lot Type is shown on **Exhibit E**. In no case will the Assessment for Lots classified as Lot Type 1 and Lot Type 2, exceed the corresponding Maximum Assessment for each Lot classification. As development continues, additional Lot Types may be created, and **Exhibit E** may be updated.

C. Findings of Special Benefit

Acting in its legislative capacity and based on information provided by the Owner and its engineer(s) and reviewed by the City staff and by third-party consultants retained by the City, the City Council has found and determined:

- *Improvement Area #1A*
 - The costs of the Improvement Area #1A Projects equal \$4,852,157 as shown on **Exhibit B-1**;

- The Improvement Area #1A Assessed Property receives special benefit from the Improvement Area #1A Projects equal to or greater than the Actual Cost of the Improvement Area #1A Projects;
 - The Improvement Area #1A Initial Parcel will be allocated 100% of the Improvement Area #1A Assessment levied for the Improvement Area #1A Projects, which equals \$4,195,000 as shown on the Improvement Area #1A Assessment Roll attached hereto as **Exhibit F-1**;
 - The special benefit ($\geq$ \$4,852,157) received by Improvement Area #1A Initial Parcel from the Improvement Area #1A Projects is greater than or equal to the amount of the Improvement Area #1A Assessment (\$4,195,000) levied on the Improvement Area #1A Initial Parcel for the Improvement Area #1A Projects; and
 - At the time the City Council approved this Service and Assessment Plan, the Owner owned 100% of the Improvement Area #1A Initial Parcel. The Owner acknowledged that the Improvement Area #1A Projects confer a special benefit on the Improvement Area #1A Initial Parcel and consented to the imposition of the Improvement Area #1A Assessments to pay for the Actual Costs associated therewith. The Owner has ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein and the applicable Assessment Ordinance; (2) this Service and Assessment Plan and the applicable Assessment Ordinance; and (3) the levying of the Improvement Area #1A Assessment on the Improvement Area #1A Initial Parcel.
- *Improvement Area #1B*
- The costs of the Improvement Area #1B Projects equal \$5,122,891 as shown on **Exhibit B-1**;
 - The Improvement Area #1B Assessed Property receives special benefit from the Improvement Area #1B Projects equal to or greater than the Actual Cost of the Improvement Area #1B Projects;
 - The Improvement Area #1B Initial Parcel will be allocated 100% of the Improvement Area #1B Assessment levied for the Improvement Area #1B Projects, which equals \$5,120,000 as shown on the Improvement Area #1B Assessment Roll attached hereto as **Exhibit G-1**;
 - The special benefit ($\geq$ \$5,122,891) received by the Improvement Area #1B Initial Parcel from the Improvement Area #1B Projects is equal to or greater than the

amount of the Improvement Area #1B Assessment (\$5,120,000) levied on the Improvement Area #1B Initial Parcel for the Improvement Area #1B Projects; and

- At the time the City Council approved this Service and Assessment Plan, the Owner owned 100% of the Improvement Area #1B Initial Parcel. The Owner acknowledged that the Improvement Area #1B Projects confer a special benefit on the Improvement Area #1B Initial Parcel and consented to the imposition of the Improvement Area #1B Assessment to pay for the Actual Costs associated therewith. The Owners ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein and the applicable Assessment Ordinance; (2) this Service and Assessment Plan and the applicable Assessment Ordinance; and (3) the levying of the Improvement Area #1B Assessment on the Improvement Area #1B Initial Parcel.
- *Improvement Area #2*
 - The costs of the Improvement Area #2 Improvements equal \$4,873,876 as shown on **Exhibit B-2**;
 - The Improvement Area #2 Apportioned Property receives special benefit from the Improvement Area #2 Improvements equal to or greater than the Actual Cost of the Improvement Area #2 Improvements ;
 - The Improvement Area #2 Initial Parcel will be apportioned 100% of the Improvement Area #2 Improvements, which equals \$4,873,876 as shown on **Exhibit B-2**;
 - It is anticipated, at the time the City Council approved this Service and Assessment Plan, the Owner owned 100% of the Improvement Area #2 Initial Parcel. The Owner acknowledged that the Improvement Area #2 Improvements confer a special benefit on the Improvement Area #2 Initial Parcel and consented to the apportionment of the Improvement Area #2 Improvements in anticipation of a future levy of Assessments by the City Council to pay for all or a portion of the Improvement Area #2 Improvements associated therewith. The Owners ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein; (2) this Service and Assessment Plan; and (3) the apportionment of the Improvement Area #2 Improvements on the Improvement Area #2 Initial Parcel.

D. Annual Collection Costs

The Annual Collection Costs shall be paid for annually by the owner of each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding Assessment. The Annual Collection Costs shall be collected as part of and in the same manner as Annual Installments in the amounts shown on the Assessment Roll, which may be revised based on Actual Costs incurred in Annual Service Plan Updates.

E. Additional Interest

The interest rate on Assessments securing each respective series of PID Bonds may exceed the interest rate on each respective series of PID Bonds by the Additional Interest Rate. To the extent required by any Indenture, Additional Interest shall be collected as part of each Annual Installment and shall be deposited pursuant to the applicable Indenture.

SECTION VI: TERMS OF THE ASSESSMENTS

A. Reallocation of Assessments

1. Upon Division Prior to Recording of Subdivision Plat

Upon the division of any Assessed Property (without the recording of a subdivision plat), the Administrator shall reallocate the Assessment for the Assessed Property prior to the division among the newly divided Assessed Properties according to the following formula:

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

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

C = the Estimated Buildout Value of the newly divided Assessed Property

D = the sum of the Estimated Buildout Value for all of the newly divided Assessed Properties

The calculation of the Assessment of an Assessed Property shall be performed by the Administrator and shall be based on the Estimated Buildout Value of that Assessed Property, as provided by the Owner, relying on information from homebuilders, market studies, appraisals, Official Public Records of the County, and any other relevant information regarding the Assessed Property. The Estimated Buildout Values for Lot Type 1 and Lot Type 2 are shown on **Exhibit E** and will not change in future Annual Service Plan Updates but **Exhibit E** may be updated in future Annual Service Plan Updates to account

for additional Lot Types. The calculation as confirmed by the City Council shall be conclusive.

The sum of the Assessments for all newly divided Assessed Properties shall equal the Assessment for the Assessed Property prior to subdivision. The calculation shall be made separately for each newly divided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in the Annual Service Plan Update immediately following such reallocation.

2. Upon Subdivision by a Recorded Subdivision Plat

Upon the subdivision of any Assessed Property based on a recorded subdivision plat, the Administrator shall reallocate the Assessment for the Assessed Property prior to the subdivision among the new subdivided Lots based on Estimated Buildout Value according to the following formula:

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

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision

C = the sum of the Estimated Buildout Value of all newly subdivided Lots with same Lot Type

D = the sum of the Estimated Buildout Value for all of the newly subdivided Lots excluding Non-Benefitted Property

E = the number of newly subdivided Lots with same Lot Type

Prior to the recording of a subdivision plat, the Owner shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat. The calculation of the Assessment for a Lot shall be performed by the Administrator and confirmed by the City Council based on Estimated Buildout Value information provided by the Owner, homebuilders, third party consultants, and/or the Official Public Records of the County regarding the Lot. The Estimated Buildout Values for Lot Type 1 and Lot Type 2 are shown on **Exhibit E** and will not change in future Annual Service Plan Updates.

The sum of the Assessments for all newly subdivided Lots shall not exceed the Assessment for the portion of the Assessed Property subdivided prior to subdivision. The calculation shall be made separately for each newly subdivided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not

exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in the Annual Service Plan Update immediately following such reallocation.

3. Upon Consolidation

If two or more Lots or Parcels are consolidated into a single Parcel or Lot, the Administrator shall allocate the Assessments against the Lots or Parcels before the consolidation to the consolidated Lot or Parcel, which allocation shall be reflected in the next Annual Service Plan Update and approved by the City Council. The Assessment for any resulting Lot may not exceed the Maximum Assessment for the applicable Lot Type and compliance may require a mandatory Prepayment of Assessments pursuant to **Section VI.C.**

B. Mandatory Prepayment of Assessments

If an Assessed Property or a portion thereof is conveyed to a party that is exempt from payment of the Assessment under applicable law, or the owner causes a Lot, Parcel or portion thereof to become Non-Benefitted Property, the owner of such Lot, Parcel or portion thereof shall pay to the City, or cause to be paid to the City, the full amount of the Assessment, plus all Prepayment Costs and Delinquent Collection Costs for such Assessed Property, prior to any such conveyance or act, and no such conveyance shall be effective until the City receives such payment. Following payment of the foregoing costs in full, the City shall provide the owner with a recordable "Notice of Assessment Termination," a form of which is attached hereto as **Exhibit I.**

C. True-Up of Assessments if Maximum Assessment Exceeded at Plat

Prior to the City approving a final subdivision plat, the Administrator will certify that such plat will not result in the Assessment per Lot for any Lot Type to exceed the Maximum Assessment. If the Administrator determines that the resulting Assessment per Lot for any Lot Type will exceed the Maximum Assessment for that Lot Type, then (1) the Assessment applicable to each Lot Type shall each be reduced to the Maximum Assessment, and (2) the person or entity filing the plat shall pay to the City, or cause to be paid to the City, the amount the Assessment was reduced, plus Prepayment Costs and Delinquent Collection Costs, if any, prior to the City approving the final plat. The City's approval of a plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such amounts. At no time shall the aggregate Assessments for any Lot exceed the Maximum Assessment.

D. Reduction of Assessments

If as a result of cost savings or the failure to construct all or a portion of an Authorized Improvement the Actual Costs of any Authorized Improvements are less than the Assessments,

then (i) in 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 Property equals the reduced Actual Costs that were expended, or (ii) in the event that PID Bonds are issued, the Trustee shall apply amounts on deposit in the applicable account of the Project Fund created under the Indenture relating to the specific set of PID Bonds affected by such reduction in Actual Costs, that are not expected to be used for the purposes of the Project Fund specified in such Indenture to redeem outstanding PID Bonds, unless otherwise directed by the applicable Indenture. Excess PID Bond proceeds shall be applied to redeem outstanding PID Bonds or for such other purposes authorized by an Indenture. The Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirements on all outstanding PID Bonds.

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

E. Prepayment of Assessments

The owner of any Assessed Property may, at any time, pay all or any part of an Assessment in accordance with the PID Act. Prepayment Costs, if any, may be paid from a reserve established under the applicable Indenture. If an Annual Installment has been billed, or the Annual Service Plan Update has been approved by City Council prior to the Prepayment, the Annual Installment shall be due and payable and shall be credited against the Prepayment.

If an Assessment on an Assessed Property is prepaid in full, with Prepayment Costs, (1) the Administrator shall cause the Assessment to be reduced to zero on said Assessed Property and the Assessment Roll to be revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit such revised Assessment Roll to the City Council for review and approval as part of the next Annual Service Plan Update; (3) the obligation to pay the Assessment and corresponding Annual Installments shall terminate with respect to said Assessed Property; and (4) the City shall provide the owner with a recordable "Notice of Assessment Termination."

If an Assessment on an Assessed Property is prepaid in part with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced on said Assessed Property and the Assessment Roll revised, accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit to the City Council for review and approval as part of the next Annual Service Plan Update; and (3) the obligation to pay the Assessment will be reduced to the extent of the Prepayment made.

F. Payment of Assessment in Annual Installments

Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit F-2** shows the estimated Improvement Area #1A Annual Installments, and **Exhibit G-2** shows the estimated Improvement Area #1B Annual Installments. Annual Installments are subject to adjustment in each Annual Service Plan Update.

Prior to the recording of a final subdivision plat, if any Parcel shown on the Assessment Roll is assigned multiple tax parcel identification numbers for billing and collection purposes, the Annual Installment shall be allocated pro rata based on the acreage of the Parcel not including any Non-Benefitted Property or Non-Assessed Property, as shown by the Ellis Appraisal District for each tax parcel identification number.

The Administrator shall prepare and submit to the City Council for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and updated calculations of Annual Installments. The Annual Collection Costs for a given Assessment shall be paid by the owner of each Parcel pro rata based on the ratio of the amount of outstanding Assessment remaining on the Parcel to the total outstanding Assessment. Annual Installments shall be reduced by any credits applied under an applicable Indenture, such as capitalized interest, interest earnings on account balances, and any other funds available to the Trustee for such purposes. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act and in the same manner as ad valorem taxes due and owing to the City. The City Council may provide for other means of collecting Annual Installments. To the extent permitted by the PID Act or other applicable law, but in no case shall the City take any action, or fail to take any action, that would cause it to be in default under any Indenture. Assessments shall have the lien priority specified in the PID Act.

Sales of the Assessed Property for nonpayment of Annual Installments shall be subject to the lien for the remaining unpaid Annual Installments against the Assessed Property, and the Assessed Property may again be sold at a judicial foreclosure sale if the purchaser fails to timely pay any of the remaining unpaid Annual Installments as they become due and payable.

The City reserves the right to refund PID Bonds in accordance with applicable law, including the PID Act. In the event of a refunding, the Administrator shall recalculate the Annual Installments so that total Annual Installments will be sufficient to pay the refunding bonds, and the refunding bonds shall constitute "PID Bonds."

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and

shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments of the Improvement Area #1A Assessments and Improvement Area #1B Assessments shall be due when billed and shall be delinquent if not paid by January 31, 2023.

Failure of an owner of an Assessed Property to receive an invoice for an Annual Installment shall not relieve said owner of the responsibility for payment of the Assessment. Assessments, or Annual Installments thereof, that are delinquent shall incur Delinquent Collection Costs.

G. Prepayment as a Result of an Eminent Domain Proceeding or Taking

Subject to applicable law, if any portion of any Parcel of Assessed Property is taken from an owner as a result of eminent domain proceedings or if a transfer of any portion of any Parcel of Assessed Property is made to an entity with the authority to condemn all or a portion of the Assessed Property in lieu of or as a part of an eminent domain proceeding (a **"Taking"**), the portion of the Assessed Property that was taken or transferred (the **"Taken Property"**) shall be reclassified as Non-Benefitted Property.

For the Assessed Property that is subject to the Taking as described in the preceding paragraph, the Assessment that was levied against the Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Assessed Property (the Assessed Property less the Taken Property) (the **"Remaining Property"**), following the reclassification of the Taken Property as Non-Benefitted Property, subject to an adjustment of the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. The owner of the Remaining Property will remain liable to pay in Annual Installments, or payable as otherwise provided by this Service and Assessment Plan, as updated, or the PID Act, the Assessment that remains due on the Remaining Property, subject to an adjustment in the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Assessment that remains due on the Remaining Property exceeds the applicable Maximum Assessment, the owner of the Remaining Property will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Remaining Property does not exceed such Maximum Assessment, in which case the Assessment applicable to the Remaining Property will be reduced by the amount of the partial Prepayment. If the City receives all or a portion of the eminent domain proceeds (or payment made in an agreed sale in lieu of condemnation), such amount shall be credited against the amount of Prepayment, with any remainder credited against the Assessment on the Remainder Property.

In all instances the Assessment remaining on the Remaining Property shall not exceed the applicable Maximum Assessment.

By way of illustration, if an owner owns 100 acres of Assessed Property subject to a \$100 Assessment and 10 acres is taken through a Taking, the 10 acres of Taken Property shall be reclassified as Non-Benefitted Property and the remaining 90 acres constituting the Remaining Property shall be subject to the \$100 Assessment (provided that this \$100 Assessment does not exceed the Maximum Assessment on the Remaining Property). If the Administrator determines that the \$100 Assessment reallocated to the Remaining Property would exceed the Maximum Assessment, as applicable, on the Remaining Property by \$10, then the owner shall be required to pay \$10 as a Prepayment of the Assessment against the Remaining Property and the Assessment on the Remaining Property shall be adjusted to be \$90.

Notwithstanding the previous paragraphs in this subsection, if the owner of the Remaining Property notifies the City and the Administrator that the Taking prevents the Remaining Property from being developed for any use which could support the Estimated Buildout Value requirement, the owner shall, upon receipt of the compensation for the Taken Property, be required to prepay the amount of the Assessment required to buy down the outstanding Assessment to the applicable Maximum Assessment on the Remaining Property to support the Estimated Buildout Value requirement. The owner will remain liable to pay the Annual Installments on both the Taken Property and the Remaining Property until such time that such Assessment has been prepaid in full.

Notwithstanding the previous paragraphs in this subsection, the Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirements on all outstanding PID Bonds.

SECTION VII: ASSESSMENT ROLL

The Improvement Area #1A Assessment Roll is attached as **Exhibit F-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Improvement Area #1A Assessment Roll and Improvement Area #1A Annual Installments for each Parcel as part of each Annual Service Plan Update.

The Improvement Area #1B Assessment Roll is attached as **Exhibit G-1**. The Administrator shall prepare and submit to the City Council for review and approval proposed revisions to the Improvement Area #1B Assessment Roll and Improvement Area #1B Annual Installments for each Parcel as part of each Annual Service Plan Update.

SECTION VIII: ADDITIONAL PROVISIONS

A. Calculation Errors

If the owner of a Parcel claims that an error has been made in any calculation required by this Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the owner's sole and exclusive remedy shall be to submit a written notice of error to the Administrator by December 1st of each year following City Council's approval of the calculation. Otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. The Administrator shall provide a written response to the City Council and the owner not later than 30 days of such receipt of a written notice of error by the Administrator. The City Council shall consider the owner's notice of error and the Administrator's response at a public meeting, and, not later than 30 days after closing such meeting, the City Council shall make a final determination as to whether an error has been made. If the City Council determines that an error has been made, the City Council shall take such corrective action as is authorized by the PID Act, this Service and Assessment Plan, the applicable Assessment Ordinance, the applicable Indenture, or as otherwise authorized by the discretionary power of the City Council. The determination by the City Council as to whether an error has been made, and any corrective action taken by the City Council, shall be final and binding on the owner and the Administrator.

B. Amendments

Amendments to this Service and Assessment Plan must be made by the City Council in accordance with the PID Act. To the extent permitted by the PID Act, this Service and Assessment Plan may be amended without notice to owners of the Assessed Property: (1) to correct mistakes and clerical errors; (2) to clarify ambiguities; and (3) to provide procedures to collect Assessments, Annual Installments, and other charges imposed by this Service and Assessment Plan.

C. Administration and Interpretation

The Administrator shall: (1) perform the obligations of the Administrator as set forth in this Service and Assessment Plan; (2) administer the District for and on behalf of and at the direction of the City Council; and (3) interpret the provisions of this Service and Assessment Plan. Interpretations of this Service and Assessment Plan by the Administrator shall be in writing and shall be appealable to the City Council by owners of Assessed Property adversely affected by the interpretation. Appeals shall be decided by the City Council after holding a public meeting at which all interested parties have an opportunity to be heard. Decisions by the City Council shall be final and binding on the owners of Assessed Property and developers and their successors and assigns.

D. Form of Buyer Disclosure/Filing Requirements

Per Section 5.014 of the Texas Property Code, as amended, this Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosures for the District. The buyer disclosures are attached hereto as **Appendix B**.

Within seven days of approval by the City Council, the City shall file and record in the Official Public Records of the County the executed ordinance of this Service and Assessment Plan, or any future Annual Service Plan Updates. The executed ordinance, including any attachments, approving this Service and Assessment Plan or any future Annual Service Plan Updates shall be filed and recorded in their entirety.

E. Severability

If any provision of this Service and Assessment Plan is determined by a governmental agency or court to be unenforceable, the unenforceable provision shall be deleted and, to the maximum extent possible, shall be rewritten to be enforceable. Every effort shall be made to enforce the remaining provisions.

EXHIBITS

The following Exhibits are attached to and made a part of this Service and Assessment Plan for all purposes:

Exhibit A-1	Map of the District
Exhibit A-2	Map Improvement Area #1A
Exhibit A-3	Map of Improvement Area #1B
Exhibit A-4	Map of Improvement Area #2
Exhibit B-1	Project Costs
Exhibit B-2	Apportionment of Project Costs
Exhibit C	Service Plan
Exhibit D	Sources and Uses of Funds
Exhibit E	Maximum Assessment and Tax Rate Equivalent
Exhibit F-1	Improvement Area #1A Assessment Roll
Exhibit F-2	Improvement Area #1A Annual Installments
Exhibit G-1	Improvement Area #1B Assessment Roll
Exhibit G-2	Improvement Area #1B Annual Installments
Exhibit H-1	Improvement Area #2 Assessment Roll
Exhibit H-2	Improvement Area #2 Annual Installments
Exhibit I	Maps of Improvement Area #1A-1B/2 Improvements
Exhibit J	Form of Notice of Assessment Termination
Exhibit K-1	Debt Service Schedules for Improvement Area #1A/1B Bonds
Exhibit L-1	District Boundary Legal Description
Exhibit L-2	Improvement Area #1A Boundary Legal Description
Exhibit L-3	Improvement Area #1B Boundary Legal Description
Exhibit L-4	Improvement Area #2 Boundary Legal Description

APPENDICES

The following Appendices are attached to and made a part of this Service and Assessment Plan for all purposes:

Appendix A	Improvement Area #1A, Improvement Area #1B, and Improvement Area #2 Engineer's Report
Appendix B	Buyer Disclosures

EXHIBIT A-1 – MAP OF THE DISTRICT

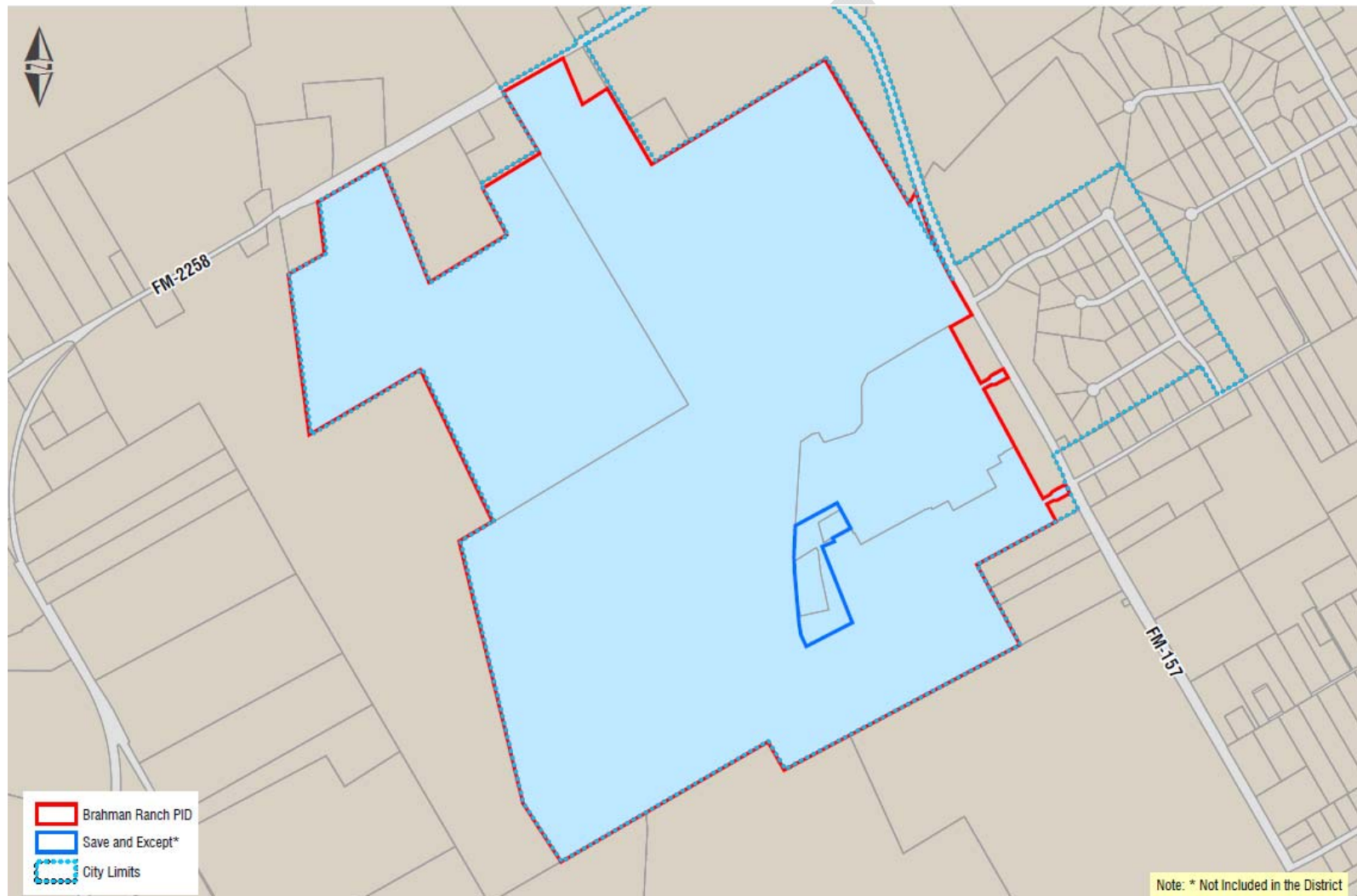


EXHIBIT A-2 – MAP OF IMPROVEMENT AREA #1A

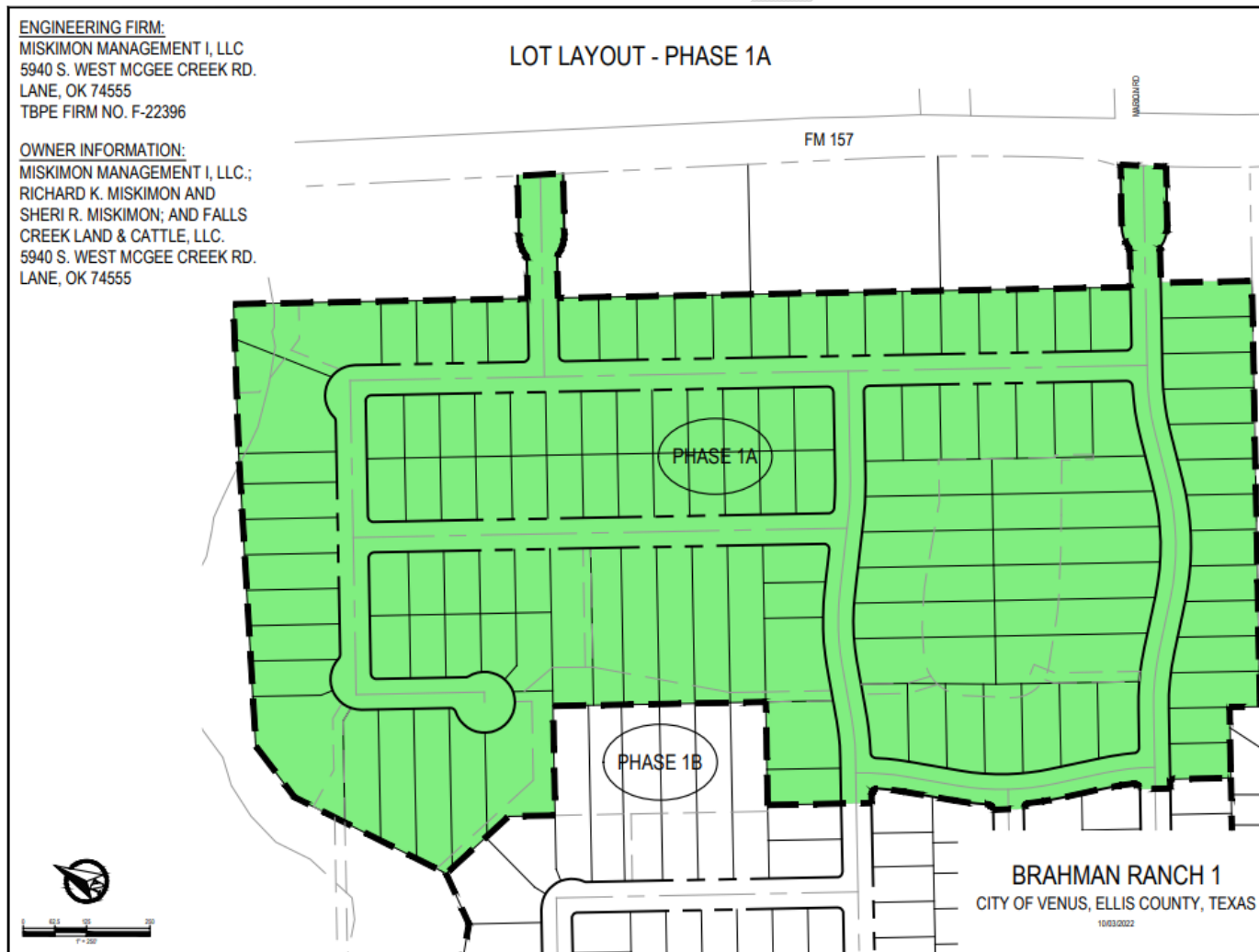


EXHIBIT A-3 – MAP OF IMPROVEMENT AREA #1B

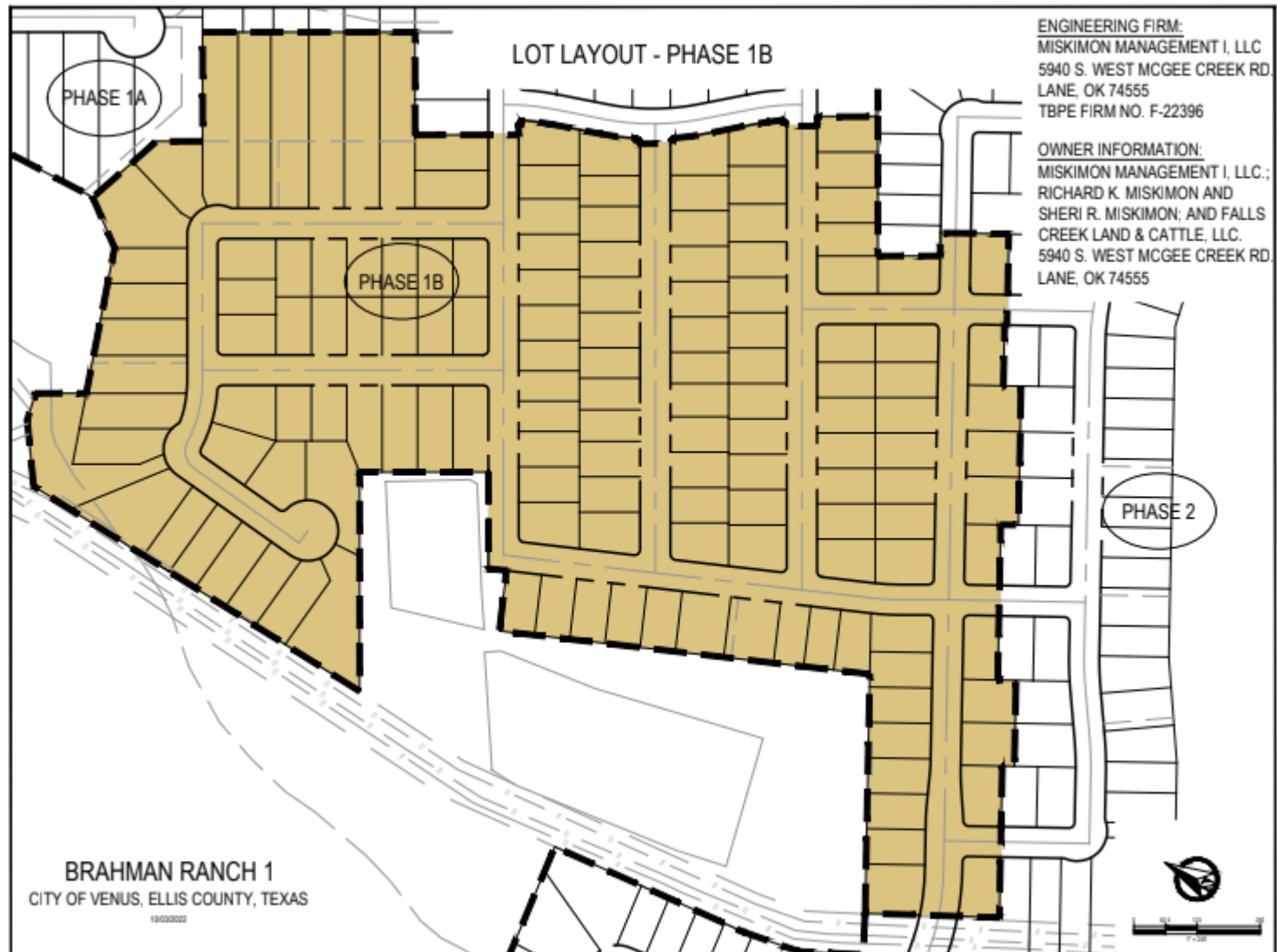


EXHIBIT A-4 – MAP OF IMPROVEMENT AREA #2

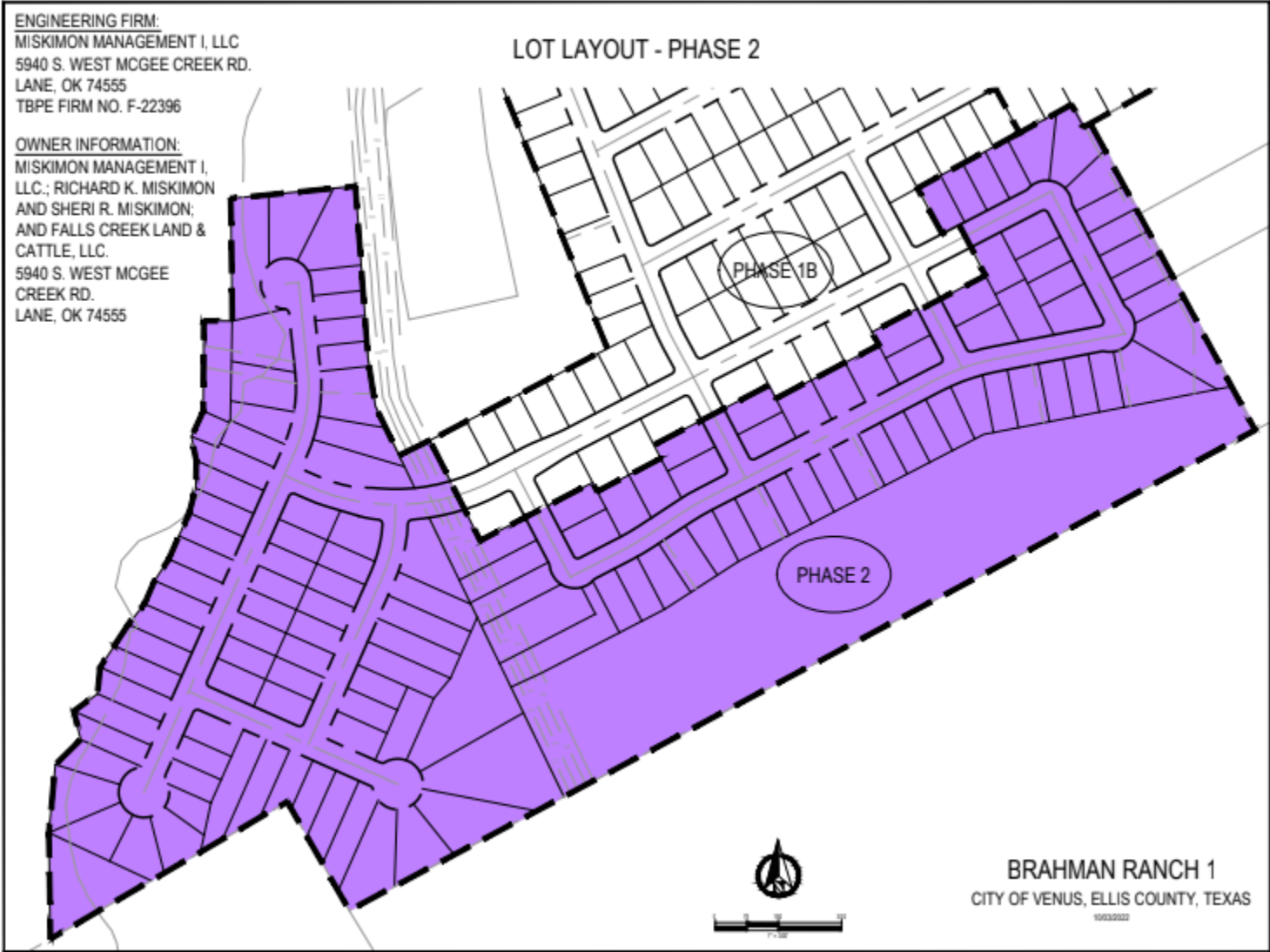


EXHIBIT B-1 – PROJECT COSTS

	Total Cost	Non-Assessed Property ^[a]	Private Cost ^[b]	District Eligible Costs	Improvement Area #1A		Improvement Area #1B		Improvement Area #2 ^[c]	
					%	Cost	%	Cost	%	Cost
<i>Improvement Area #1A-1B/2 Improvements^{[d],[e]}</i>										
Mass & Raw Grading	\$ 5,550,847	\$ 40,983	\$ 4,953,272	\$ 556,591	31.62%	\$ 175,994	30.55%	\$ 170,061	37.83%	\$ 210,537
Paving	4,999,032	342,847	-	4,656,186	31.62%	1,472,282	30.55%	1,422,651	37.83%	1,761,253
Erosion Control	394,492	27,055	-	367,436	31.62%	116,183	30.55%	112,266	37.83%	138,987
Storm Sewer	2,084,830	142,983	-	1,941,846	31.62%	614,010	30.55%	593,312	37.83%	734,525
Sewer	4,260,498	292,196	-	3,968,302	31.62%	1,254,774	30.55%	1,212,475	37.83%	1,501,053
Traffic and Lighting ^[f]	239,675	16,438	-	223,237	31.62%	70,587	30.55%	68,208	37.83%	84,442
Soft Costs ^[g]	1,752,937	86,250	495,327	1,171,360	31.62%	370,383	30.55%	357,897	37.83%	443,080
	<u>\$ 19,282,311</u>	<u>\$ 948,752</u>	<u>\$ 5,448,599</u>	<u>\$ 12,884,959</u>		<u>\$ 4,074,213</u>		<u>\$ 3,936,870</u>		<u>\$ 4,873,876</u>
<i>Private Improvements</i>										
Water ^[h]	<u>\$ 2,681,628</u>	<u>\$ -</u>	<u>\$ 2,681,628</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ 2,681,628</u>	<u>\$ -</u>	<u>\$ 2,681,628</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Bond Issuance Costs^[i]</i>										
Debt Service Reserve Fund	\$ 700,656	\$ -	\$ -	\$ 700,656		\$ 315,540		\$ 385,116		\$ -
Capitalized Interest	236,544	-	-	236,544		-		236,544		-
Underwriter Discount	279,450	-	-	279,450		125,850		153,600		-
Cost of Issuance	690,815	-	-	690,815		311,108		379,707		-
	<u>\$ 1,907,465</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,907,465</u>		<u>\$ 752,497</u>		<u>\$ 1,154,968</u>		<u>\$ -</u>
<i>Other Costs^[j]</i>										
Initial Deposit to Administrative Fund	\$ 56,500	\$ -	\$ -	\$ 56,500		\$ 25,447		\$ 31,053		\$ -
	<u>\$ 56,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,500</u>		<u>\$ 25,447</u>		<u>\$ 31,053</u>		<u>\$ -</u>
Total	\$ 23,927,904	\$ 948,752	\$ 8,130,228	\$ 14,848,924		\$ 4,852,157		\$ 5,122,891		\$ 4,873,876

Footnotes:

[a] Improvements that benefit the Non-Assessed Property are allocated pro rata based on acreage, and are not reimbursable through Assessments or PID Bonds.

[b] Private Improvements required to reach final Lot completion, including lot grading, moisture control, etc.

[c] Apportioned costs to be levied in part or in full at a later date.

[d] Per the Engineer's Report, attached hereto as **Appendix A**.

[e] Costs allocated pro rata based on acreage to Improvement Area #1A, Improvement Area #1B, and Improvement Area #2.

[f] City to own street lights, Oncor to provide power and maintain, per Oncor agreement.

[g] Soft Costs include 10% contingency. District Formation Costs are included in Soft Costs.

[h] Includes 10% contingency allocable to Water, not to be reimbursed to the Owner through Assessments or PID Bonds.

[i] Per the information provided by the Owner, not to be reimbursed to the Owner through Assessments or PID Bonds.

[j] Bond Issuance Costs and Other Costs generally allocated pro rata based on outstanding Assessment amount.

EXHIBIT B-2 – APPORTIONMENT OF PROJECT COSTS

Improvement Area	Acreage	Improvement Area #1A-1B/2 Improvements		Total Apportionment for Future Funding ^[a]
		%	Costs	
Improvement Area #1A	45.09	31.62%	\$ 4,074,213	
Improvement Area #1B	43.57	30.55%	\$ 3,936,870	
Improvement Area #2 ^[b]	53.94	37.83%	\$ 4,873,876	\$ 4,873,876
Total	142.60	100.00%	\$ 12,884,959	

Footnotes:

[a] Reimbursable in part or in full from future Assessments levied in Improvement Area #2 .

[b] The costs of Improvement Area #1A-1B/2 Improvements apportioned pro rata based on acreage to Improvement Area #2.

EXHIBIT C – SERVICE PLAN

		Improvement Area #1A				
Annual Installments Due		1/31/2023	1/31/2024	1/31/2025	1/31/2026	1/31/2027
Principal		\$ -	\$ 57,000.00	\$ 60,000.00	\$ 64,000.00	\$ 67,000.00
Interest		193,809.00	258,412.00	254,900.80	251,204.80	247,262.40
Capitalized Interest		-	-	-	-	-
	(1)	\$ 193,809.00	\$ 315,412.00	\$ 314,900.80	\$ 315,204.80	\$ 314,262.40
Annual Collection Costs	(2)	\$ 25,444.71	\$ 25,953.61	\$ 26,472.68	\$ 27,002.13	\$ 27,542.18
Additional Interest	(3)	\$ 20,975.00	\$ 20,975.00	\$ 20,690.00	\$ 20,390.00	\$ 20,070.00
Total Annual Installment	(4) = (1) + (2) + (3)	\$ 240,228.71	\$ 362,340.61	\$ 362,063.48	\$ 362,596.93	\$ 361,874.58

		Improvement Area #1B				
Annual Installments Due		1/31/2023	1/31/2024	1/31/2025	1/31/2026	1/31/2027
Principal		\$ -	\$ 69,000.00	\$ 73,000.00	\$ 78,000.00	\$ 82,000.00
Interest		236,544.00	315,392.00	311,141.60	306,644.80	301,840.00
Capitalized Interest		(236,544.00)	-	-	-	-
	(1)	\$ -	\$ 384,392.00	\$ 384,141.60	\$ 384,644.80	\$ 383,840.00
Annual Collection Costs	(2)	\$ 31,055.29	\$ 31,676.39	\$ 32,309.92	\$ 32,956.12	\$ 33,615.24
Additional Interest	(3)	\$ 25,600.00	\$ 25,600.00	\$ 25,255.00	\$ 24,890.00	\$ 24,500.00
Total Annual Installment	(4) = (1) + (2) + (3)	\$ 56,655.29	\$ 441,668.39	\$ 441,706.52	\$ 442,490.92	\$ 441,955.24

EXHIBIT D – SOURCES AND USES OF FUNDS

	Privately Funded ^[a]	Improvement Area #1A	Improvement Area #1B	Improvement Area #2 ^[b]
Sources of Funds				
Improvement Area #1A/1B Bonds	\$ -	\$ 4,195,000	5,120,000	\$ -
Owner Contribution - Private Improvements ^[a]	8,130,228	-	-	-
Owner Contribution - Non-Assessed Property ^[c]	948,752	-	-	-
Owner Contribution ^[a]	-	657,157	2,891	4,873,876
Total Sources	\$ 9,078,980	\$ 4,852,157	\$ 5,122,891	\$ 4,873,876
Uses of Funds				
Improvement Area #1A-1B/2 Improvements	\$ 948,752	\$ 4,074,213	\$ 3,936,870	\$ 4,873,876
Private Improvements	8,130,228	-	-	-
	<u>\$ 9,078,980</u>	<u>\$ 4,074,213</u>	<u>\$ 3,936,870</u>	<u>\$ 4,873,876</u>
<i>Bond Issuance Costs</i>				
Debt Service Reserve Fund	\$ -	\$ 315,540	\$ 385,116	\$ -
Capitalized Interest	-	-	236,544	-
Underwriter's Discount	-	125,850	153,600	-
Cost of Issuance	-	311,108	379,707	-
	<u>\$ -</u>	<u>\$ 752,497</u>	<u>\$ 1,154,968</u>	<u>\$ -</u>
<i>Other Costs</i>				
Initial Deposit to Administrative Fund	\$ -	\$ 25,447	\$ 31,053	\$ -
	<u>\$ -</u>	<u>\$ 25,447</u>	<u>\$ 31,053</u>	<u>\$ -</u>
Total Uses	\$ 9,078,980	\$ 4,852,157	\$ 5,122,891	\$ 4,873,876

Footnotes:

[a] Not reimbursable to the Owner through Assessments or PID Bond proceeds.

[b] Apportioned costs to be levied in part or in full at a later date.

[c] Non-Assessed Property allocated pro rata based on acreage that is not reimbursable through Assessments or PID Bonds.

EXHIBIT E – MAXIMUM ASSESSMENT AND TAX RATE EQUIVALENT

Lot Type	Units ^[a]	Completed Lot Value ^[b]		Estimated Buildout Value ^[c]		Assessment		Average Annual Installment		District Tax Rate Equivalent
		Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	
<i>Improvement Area #1A</i>										
Lot Type 1	121	\$ 89,256	\$ 10,799,976	\$ 545,000	\$ 65,945,000	\$ 34,669	\$ 4,195,000	\$ 2,993	\$ 362,150	\$ 0.5492
Improvement Area #1A Total	121		\$ 10,799,976		\$ 65,945,000		\$ 4,195,000		\$ 362,150	\$ 0.5492
<i>Improvement Area #1B</i>										
Lot Type 2	145	\$ 93,103	\$ 13,499,935	\$ 555,000	\$ 80,475,000	\$ 35,310	\$ 5,120,000	\$ 3,049	\$ 442,052	\$ 0.5493
Improvement Area #1B Total	145		\$ 13,499,935		\$ 80,475,000		\$ 5,120,000		\$ 442,052	\$ 0.5493
Total	266		\$ 24,299,911		\$ 146,420,000		\$ 9,315,000		\$ 804,202	

Footnotes:

[a] Per information provided by the Owner dated 7/19/2022.

[b] Per the Appraisal Report dated 9/16/2022.

[c] As provided by the Owner dated 11/2/2022.

EXHIBIT F-1 – IMPROVEMENT AREA #1A ASSESSMENT ROLL

		Improvement Area #1A	
		Outstanding Assessment	Annual Installment Due 1/31/2023
Property ID ^[a]	Lot Type		
189385, 284565	Improvement Area #1A Initial Parcel	\$ 4,195,000.00	\$ 240,228.71
Total		\$ 4,195,000.00	\$ 240,228.71

Footnotes:

[a] The entire Improvement Area #1A Initial Parcel is contained within Property IDs 189385 and 284565. For billing purposes, the Annual Installment due 1/31/2023 shall be allocated to the Property IDs pro rata based on acreage.

EXHIBIT F-2 – IMPROVEMENT AREA #1A ANNUAL INSTALLMENTS

Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Reserve Fund Release	Annual Collection Costs	Total Annual Installment ^[b]
2023	\$ -	\$ 193,809.00	\$ 20,975.00	\$ -	\$ 25,444.71	\$ 240,228.71
2024	\$ 57,000.00	\$ 258,412.00	\$ 20,975.00	\$ -	\$ 25,953.61	\$ 362,340.61
2025	\$ 60,000.00	\$ 254,900.80	\$ 20,690.00	\$ -	\$ 26,472.68	\$ 362,063.48
2026	\$ 64,000.00	\$ 251,204.80	\$ 20,390.00	\$ -	\$ 27,002.13	\$ 362,596.93
2027	\$ 67,000.00	\$ 247,262.40	\$ 20,070.00	\$ -	\$ 27,542.18	\$ 361,874.58
2028	\$ 71,000.00	\$ 243,135.20	\$ 19,735.00	\$ -	\$ 28,093.02	\$ 361,963.22
2029	\$ 75,000.00	\$ 238,761.60	\$ 19,380.00	\$ -	\$ 28,654.88	\$ 361,796.48
2030	\$ 80,000.00	\$ 234,141.60	\$ 19,005.00	\$ -	\$ 29,227.98	\$ 362,374.58
2031	\$ 84,000.00	\$ 229,213.60	\$ 18,605.00	\$ -	\$ 29,812.54	\$ 361,631.14
2032	\$ 90,000.00	\$ 224,039.20	\$ 18,185.00	\$ -	\$ 30,408.79	\$ 362,632.99
2033	\$ 95,000.00	\$ 218,495.20	\$ 17,735.00	\$ -	\$ 31,016.96	\$ 362,247.16
2034	\$ 101,000.00	\$ 212,643.20	\$ 17,260.00	\$ -	\$ 31,637.30	\$ 362,540.50
2035	\$ 107,000.00	\$ 206,421.60	\$ 16,755.00	\$ -	\$ 32,270.05	\$ 362,446.65
2036	\$ 113,000.00	\$ 199,830.40	\$ 16,220.00	\$ -	\$ 32,915.45	\$ 361,965.85
2037	\$ 120,000.00	\$ 192,869.60	\$ 15,655.00	\$ -	\$ 33,573.76	\$ 362,098.36
2038	\$ 127,000.00	\$ 185,477.60	\$ 15,055.00	\$ -	\$ 34,245.23	\$ 361,777.83
2039	\$ 135,000.00	\$ 177,654.40	\$ 14,420.00	\$ -	\$ 34,930.14	\$ 362,004.54
2040	\$ 143,000.00	\$ 169,338.40	\$ 13,745.00	\$ -	\$ 35,628.74	\$ 361,712.14
2041	\$ 152,000.00	\$ 160,529.60	\$ 13,030.00	\$ -	\$ 36,341.32	\$ 361,900.92
2042	\$ 162,000.00	\$ 151,166.40	\$ 12,270.00	\$ -	\$ 37,068.14	\$ 362,504.54
2043	\$ 172,000.00	\$ 141,187.20	\$ 11,460.00	\$ -	\$ 37,809.50	\$ 362,456.70
2044	\$ 182,000.00	\$ 130,592.00	\$ 10,600.00	\$ -	\$ 38,565.69	\$ 361,757.69
2045	\$ 194,000.00	\$ 119,380.80	\$ 9,690.00	\$ -	\$ 39,337.01	\$ 362,407.81
2046	\$ 206,000.00	\$ 107,430.40	\$ 8,720.00	\$ -	\$ 40,123.75	\$ 362,274.15
2047	\$ 219,000.00	\$ 94,740.80	\$ 7,690.00	\$ -	\$ 40,926.22	\$ 362,357.02
2048	\$ 233,000.00	\$ 81,250.40	\$ 6,595.00	\$ -	\$ 41,744.75	\$ 362,590.15
2049	\$ 247,000.00	\$ 66,897.60	\$ 5,430.00	\$ -	\$ 42,579.64	\$ 361,907.24
2050	\$ 263,000.00	\$ 51,682.40	\$ 4,195.00	\$ -	\$ 43,431.24	\$ 362,308.64
2051	\$ 279,000.00	\$ 35,481.60	\$ 2,880.00	\$ -	\$ 44,299.86	\$ 361,661.46
2052	\$ 297,000.00	\$ 18,295.20	\$ 1,485.00	\$ (315,539.66)	\$ 45,185.86	\$ 46,426.40
Total	\$ 4,195,000.00	\$ 5,096,245.00	\$ 418,900.00	\$ (315,539.66)	\$ 1,032,243.13	\$ 10,426,848.47

Footnotes:

[a] Interest is calculated at a 6.16% rate for illustrative purposes.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT G-1 – IMPROVEMENT AREA #1B ASSESSMENT ROLL

		Improvement Area #1B	
		Outstanding Assessment	Annual Installment Due 1/31/2023 ^[b]
Property ID ^[a]	Lot Type		
189385, 284565	Improvement Area #1B Initial Parcel	\$ 5,120,000.00	\$ 56,655.29
Total		\$ 5,120,000.00	\$ 56,655.29

Footnotes:

[a] The entire Improvement Area #1B Initial Parcel is contained within Property IDs 189385 and 284565. For billing purposes, the Annual Installment due 1/31/2023 shall be allocated to the Property IDs pro rata based on acreage.

[b] Net of Capitalized Interest.

EXHIBIT G-2 – IMPROVEMENT AREA #1B ANNUAL INSTALLMENTS

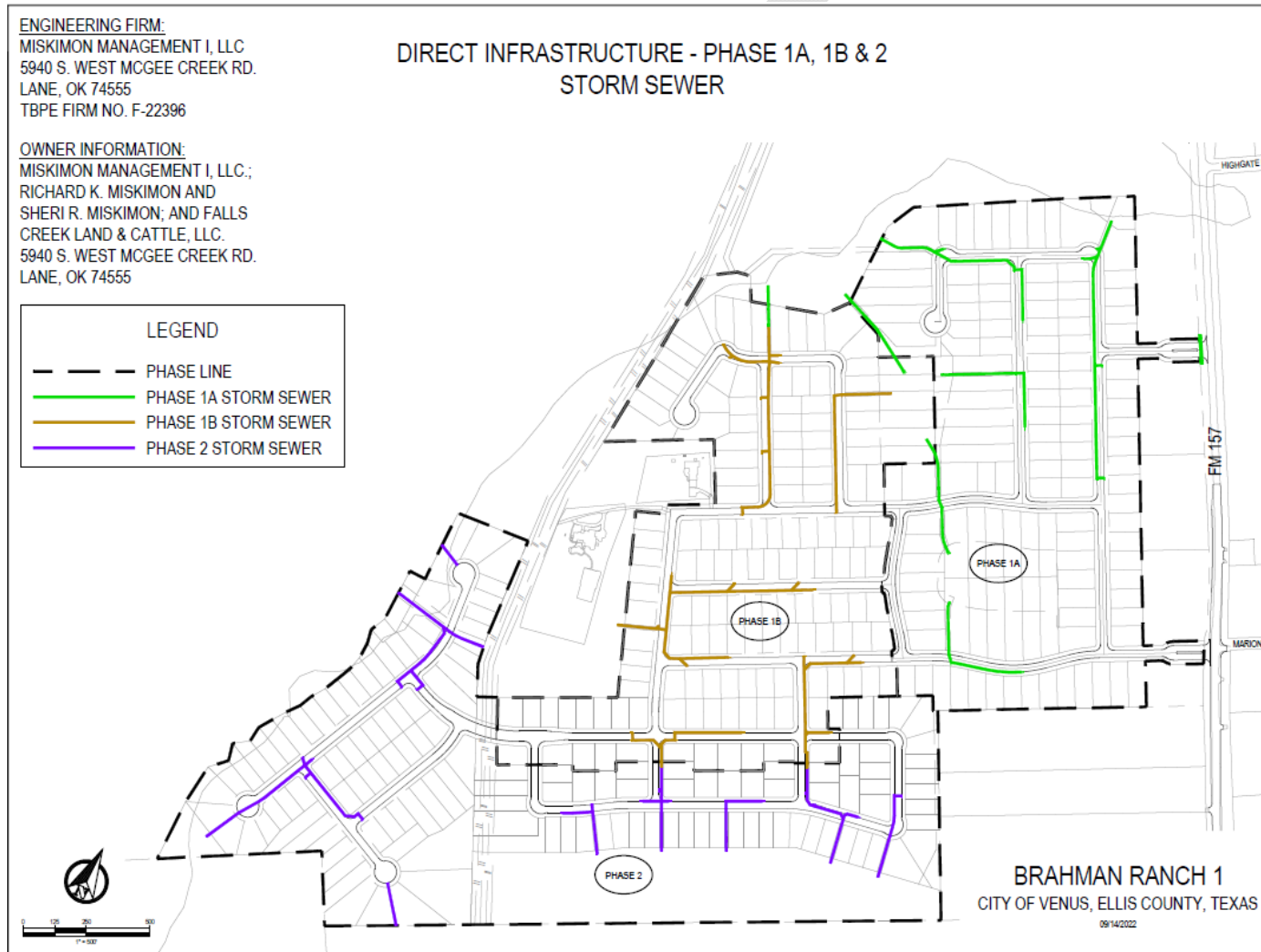
Installment Due 1/31	Principal	Interest ^[a]	Capitalized Interest	Additional Interest	Reserve Fund Release	Annual Collection Costs	Total Annual Installment ^[b]
2023	\$ -	\$ 236,544.00	\$ (236,544.00)	\$ 25,600.00	\$ -	\$ 31,055.29	\$ 56,655.29
2024	\$ 69,000.00	\$ 315,392.00	\$ -	\$ 25,600.00	\$ -	\$ 31,676.39	\$ 441,668.39
2025	\$ 73,000.00	\$ 311,141.60	\$ -	\$ 25,255.00	\$ -	\$ 32,309.92	\$ 441,706.52
2026	\$ 78,000.00	\$ 306,644.80	\$ -	\$ 24,890.00	\$ -	\$ 32,956.12	\$ 442,490.92
2027	\$ 82,000.00	\$ 301,840.00	\$ -	\$ 24,500.00	\$ -	\$ 33,615.24	\$ 441,955.24
2028	\$ 87,000.00	\$ 296,788.80	\$ -	\$ 24,090.00	\$ -	\$ 34,287.55	\$ 442,166.35
2029	\$ 92,000.00	\$ 291,429.60	\$ -	\$ 23,655.00	\$ -	\$ 34,973.30	\$ 442,057.90
2030	\$ 97,000.00	\$ 285,762.40	\$ -	\$ 23,195.00	\$ -	\$ 35,672.76	\$ 441,630.16
2031	\$ 103,000.00	\$ 279,787.20	\$ -	\$ 22,710.00	\$ -	\$ 36,386.22	\$ 441,883.42
2032	\$ 109,000.00	\$ 273,442.40	\$ -	\$ 22,195.00	\$ -	\$ 37,113.94	\$ 441,751.34
2033	\$ 116,000.00	\$ 266,728.00	\$ -	\$ 21,650.00	\$ -	\$ 37,856.22	\$ 442,234.22
2034	\$ 123,000.00	\$ 259,582.40	\$ -	\$ 21,070.00	\$ -	\$ 38,613.35	\$ 442,265.75
2035	\$ 130,000.00	\$ 252,005.60	\$ -	\$ 20,455.00	\$ -	\$ 39,385.61	\$ 441,846.21
2036	\$ 138,000.00	\$ 243,997.60	\$ -	\$ 19,805.00	\$ -	\$ 40,173.33	\$ 441,975.93
2037	\$ 146,000.00	\$ 235,496.80	\$ -	\$ 19,115.00	\$ -	\$ 40,976.79	\$ 441,588.59
2038	\$ 155,000.00	\$ 226,503.20	\$ -	\$ 18,385.00	\$ -	\$ 41,796.33	\$ 441,684.53
2039	\$ 165,000.00	\$ 216,955.20	\$ -	\$ 17,610.00	\$ -	\$ 42,632.25	\$ 442,197.45
2040	\$ 175,000.00	\$ 206,791.20	\$ -	\$ 16,785.00	\$ -	\$ 43,484.90	\$ 442,061.10
2041	\$ 186,000.00	\$ 196,011.20	\$ -	\$ 15,910.00	\$ -	\$ 44,354.60	\$ 442,275.80
2042	\$ 197,000.00	\$ 184,553.60	\$ -	\$ 14,980.00	\$ -	\$ 45,241.69	\$ 441,775.29
2043	\$ 210,000.00	\$ 172,418.40	\$ -	\$ 13,995.00	\$ -	\$ 46,146.52	\$ 442,559.92
2044	\$ 223,000.00	\$ 159,482.40	\$ -	\$ 12,945.00	\$ -	\$ 47,069.45	\$ 442,496.85
2045	\$ 237,000.00	\$ 145,745.60	\$ -	\$ 11,830.00	\$ -	\$ 48,010.84	\$ 442,586.44
2046	\$ 251,000.00	\$ 131,146.40	\$ -	\$ 10,645.00	\$ -	\$ 48,971.06	\$ 441,762.46
2047	\$ 267,000.00	\$ 115,684.80	\$ -	\$ 9,390.00	\$ -	\$ 49,950.48	\$ 442,025.28
2048	\$ 284,000.00	\$ 99,237.60	\$ -	\$ 8,055.00	\$ -	\$ 50,949.49	\$ 442,242.09
2049	\$ 302,000.00	\$ 81,743.20	\$ -	\$ 6,635.00	\$ -	\$ 51,968.48	\$ 442,346.68
2050	\$ 321,000.00	\$ 63,140.00	\$ -	\$ 5,125.00	\$ -	\$ 53,007.85	\$ 442,272.85
2051	\$ 341,000.00	\$ 43,366.40	\$ -	\$ 3,520.00	\$ -	\$ 54,068.01	\$ 441,954.41
2052	\$ 363,000.00	\$ 22,360.80	\$ -	\$ 1,815.00	\$ (385,116.34)	\$ 55,149.37	\$ 57,208.83
Total	\$ 5,120,000.00	\$ 6,221,723.20	\$ (236,544.00)	\$ 511,410.00	\$ (385,116.34)	\$ 1,259,853.35	\$ 12,491,326.21

Footnotes:

[a] Interest is calculated at a 6.16% rate for illustrative purposes.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT H – MAPS OF IMPROVEMENT AREA #1A-1B/2 IMPROVEMENTS



ENGINEERING FIRM:
MISKIMON MANAGEMENT I, LLC
5940 S. WEST MCGEE CREEK RD.
LANE, OK 74555
TBPE FIRM NO. F-22396

OWNER INFORMATION:
MISKIMON MANAGEMENT I, LLC.;
RICHARD K. MISKIMON AND
SHERI R. MISKIMON; AND FALLS
CREEK LAND & CATTLE, LLC.
5940 S. WEST MCGEE CREEK RD.
LANE, OK 74555

DIRECT INFRASTRUCTURE - PHASE 1A, 1B & 2 PAVING



ENGINEERING FIRM:
MISKIMON MANAGEMENT I, LLC
5940 S. WEST MCGEE CREEK RD.
LANE, OK 74555
TBPE FIRM NO. F-22396

OWNER INFORMATION:
MISKIMON MANAGEMENT I, LLC.;
RICHARD K. MISKIMON AND
SHERI R. MISKIMON; AND FALLS
CREEK LAND & CATTLE, LLC.
5940 S. WEST MCGEE CREEK RD.
LANE, OK 74555

DIRECT INFRASTRUCTURE - PHASE 1A, 1B & 2 SANITARY SEWER



EXHIBIT I – FORM OF NOTICE OF ASSESSMENT TERMINATION



P3Works, LLC
9284 Huntington Square, Suite 100
North Richland Hills, TX 76182

[Date]
Ellis County Clerk's Office
Honorable [County Clerk]
109 S Jackson St.
Waxahachie, TX 75165

Re: City of Venus Lien Release documents for filing

Dear Ms./Mr. [County Clerk]

Enclosed is a lien release that the City of Venus is requesting to be filed in your office. Lien release for [insert legal description]. Recording Numbers: [Plat]. Please forward copies of the filed documents to my attention:

City of Venus
Attn: City Secretary
700 West US-67
Venus, TX 76084

Please contact me if you have any questions or need additional information.

Sincerely,
[Signature]

P3Works, LLC
(817) 393-0353
Admin@P3-Works.com
www.P3-Works.com

**[City Secretary Name]
700 West US-67
Venus, TX 76084**

FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN

STATE OF TEXAS §
 §
COUNTY OF ELLIS § **KNOW ALL MEN BY THESE PRESENTS:**

RECITALS

WHEREAS, the Assessment Ordinance imposed an assessment in the amount of [amount] (hereinafter referred to as the "Lien Amount") and further imposed a lien to secure the payment of the Lien Amount (the "Lien") against the following property located within the District, to wit:

[legal description], an addition to the City of [City], [County], Texas, according to the map or plat thereof recorded as Instrument No. _____ in the Map Records of Ellis County, Texas (the "Property"); and

WHEREAS, the Lien Amount has been paid in full.

RELEASE

NOW THEREFORE, for and in consideration of the full payment of the Lien Amount, the City hereby releases and discharges, and by these presents does hereby release and discharge, the Lien to the extent that it affects and encumbers the Property.

EXECUTED to be **EFFECTIVE** this the ____ day of _____, 20__.

CITY OF VENUS, TEXAS,
A Texas general law municipality,

By: _____
[Administrator Name], City Administrator

ATTEST:

[Secretary Name], City Secretary

STATE OF TEXAS §
§
COUNTY OF ELLIS §

This instrument was acknowledged before me on the ____ day of _____, 20__, by the City Manager for the City of Venus, Texas, a Texas general law municipality, on behalf of said municipality.

Notary Public, State of Texas

EXHIBIT J – DEBT SERVICE SCHEDULE FOR IMPROVEMENT AREA #1A/1B BONDS

[To be provided at pricing.]

DRAFT

EXHIBIT K-1 – DISTRICT BOUNDARY LEGAL DESCRIPTION

Being a 661.9 acres (28,830,620 sq. ft.) tract of land situated in the Leeman Kelsey Survey, Abstract No. 594, the James Bateman Survey, Abstract No. 103, the Hughey E. Slaughter Survey, Abstract No. 1016, the Jesse Jackson Survey, Abstract No. 560, the Stephen B. Price Survey, Abstract No. 860, and the J. E. McQuatter Survey, Abstract No. 781, City of Venus, Ellis County, Texas, and being a portion of that called 200.046 acres tract (Tract 1), all that called 162.33 acres tract (Tract 2), all of that called 71.813 acres tract (Tract 3), a portion of that 23.738 acres tract (Tract 4), a portion of that called 97.8915 acres tract (Tract 5), a portion of Lot 1, Southland Addition, Cabinet C, Slide 512, Plat Records Ellis County Texas(P.R.E.C.T.) (Tract 6) conveyed to Falls Creek Land & Cattle, LLC by deed of record in Document No. 20181808509 and all of that called 148.367 acres tract conveyed to Falls Creek Land & Cattle, L.L.C. by deed of record in Doc. No. 20191927070, Deed Records Ellis County Texas, (D.R.E.C.T.) and all of that called 50.99 acres tract conveyed to Miskimon Management I, LLC by deed of record in Document No. 20202029777, D.R.E.C.T. and being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8-inch iron rod with cap stamped "TXRCS" found in the west right-of-way (R.O.W.) line of F.M. Highway 157 (R.O.W. varies) from which a 1/2-inch iron rod with a 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;

THENCE, South 30°14'03" East, 254.86 feet with the west R.O.W. line of said F.M. Highway 157 to a 1/2-inch iron rod with cap stamped "Rockin CT" found marking a southeast corner of the herein described tract;

THENCE, South 60°36'16" West, 225.02 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a interior corner of the herein described tract;

THENCE, South 28°27'42" East, 580.53 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 61°32'18" East, 79.73 feet to a 5/8-inch iron rod found marking the beginning of a non-tangent curve to the left;

THENCE, 6.94 feet with the arc of said curve to the left having a radius of 11.00 feet, a central angle of 36°07'44" and a chord that bears North 43°28'26" East, 6.82 to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, 42.25 feet with the arc of said curve to the right having a radius of 67.00 feet, a central angle of 36°07'44" and a chord that bears North 43°28'26" East, 41.55 to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 61°32'18" East, 116.88 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner in the west R.O.W. line of said F.M. Highway 157;

THENCE, South 30°14'03" East, 90.04 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner in the west R.O.W. line of said F.M. Highway 157;

THENCE, South 61°32'18" West, 119.67 feet departing the west R.O.W. line of said F.M. Highway 157 to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking the beginning of a non-tangent curve to the right;

THENCE, 42.25 feet with the arc of said curve to the right having a radius of 67.00 feet, a central angle of 36°07'44" and a chord that bears South 79°36'10" West, 41.55 to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, 6.94 feet with the arc of said curve to the right having a radius of 11.00 feet, a central angle of 36°07'44" and a chord that bears South 79°36'10" West, 6.82 to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, South 61°32'18" West, 79.73 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, South 28°27'42" East, 1,130.00 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 61°32'18" East, 73.04 feet to a 5/8-inch iron rod found marking the beginning of a non-tangent curve to the left;

THENCE, 6.94 feet with the arc of said curve to the left having a radius of 11.00 feet, a central angle of 36°07'44" and a chord that bears North 43°28'26" East, 6.82 to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, 42.25 feet with the arc of said curve to the right having a radius of 67.00 feet, a central angle of 36°07'44" and a chord that bears North 43°28'26" East, 41.55 to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 61°32'18" East, 122.72 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner in the west R.O.W. line of said F.M. Highway 157

the beginning of a non-tangent curve to the left;

THENCE, 90.15 feet with the arc of said curve to the left having a radius of 3,864.72 feet, a central angle of 01°20'12" and a chord that bears South 25°09'30" East, 90.15 to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner in the west R.O.W. line of said F.M. Highway 157;

THENCE, South 61°32'18" West, 117.52 feet to a 5/8-inch iron rod found marking the beginning of a non-tangent curve to the right;

THENCE, 42.25 feet with the arc of said curve to the right having a radius of 67.00 feet, a central angle of 36°07'44" and a chord that bears South 79°36'10" West, 41.55 to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, 6.94 feet with the arc of said curve to the left having a radius of 11.00 feet, a central angle of 36°07'44" and a chord that bears South 79°36'10" West, 6.82 to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, South 61°32'18" West, 65.45 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, South 28°27'42" East, 180.05 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, South 61°32'25" West, 821.66 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking the northwest corner of that tract conveyed to Jill S. Stottlemire, by deed of record in Volume 1890, Page 1778, D.R.E.C.T.;

THENCE, South 28°14'24" East, 825.08 feet with the west line of said Jill S. Stottlemire tract to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking the southwest corner of that tract conveyed to Timothy D. Stottlemire and Linda K. Stottlemire by deed of record in Volume 2692, Page 1143, D.R.E.C.T.;

THENCE, South 62°04'51" West, 2,428.83 feet with the north line of that called 415.14 acres tract conveyed to JSA Maypearl Development, LLC by deed of record in Doc. No. 2135184, D.R.E.C.T. to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 29°42'06" West, 296.13 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking the northeast corner of that called 2.893 acres tract conveyed to M. J. Crocker Company LLC & Dekman Properties LLC by deed of record in Doc. No. 2135185, D.R.E.C.T.;

THENCE, South 59°56'10" West, 2,175.26 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking the southwest corner of the aforementioned called Tract five and the southeast corner of that 192.5624 acres tract conveyed to OBK Realty LLC by deed of record in Doc. No. 1807542, D.R.E.C.T. marking the southwest corner of the herein described tract;

THENCE, with the boundary line of said 192.5624 acres tract the following six (6) courses:

1. North 33°09'50" West, 635.80 feet a 1/2-inch iron rod found;
2. North 13°43'54" West, 2,447.39 feet a 1/2-inch iron rod found;
3. North 59°39'55" East, 351.64 feet to a 5/8-inch iron rod found;
4. North 25°27'54" West, 1,526.53 feet a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;
5. South 59°41'29" West, 1,172.26 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;
6. North 07°25'09" West, 1,467.33 feet with the east line of said 192.5624 acres tract to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking the southwest corner of that 3.987 acres tract conveyed to Rodney McCown & Gale Ann McCown by deed of record in Doc. No. 1834411, O.P.R.E.C.T.;

THENCE, North 60°10'32" East, 378.86 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking the southeast corner of said 3.987 acres tract;

THENCE, North 07°11'25" West, 476.05 feet to a 1/2-inch iron rod found marking the northwest corner of the aforementioned 148.367 acres tract in the south right-of-way (R.O.W.) line of F.M. Highway 2258 (R.O.W. varies) and marking a northwest corner of the herein described tract;

THENCE, with the south R.O.W. line of said F.M. Highway 2258 the following two (2) courses:

1. North 66°16'20" East, 32.88 feet to a 1/2-inch iron rod found marking a corner;
2. North 59°50'32" East, 645.33 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, South 21°34'10" East, 1,150.58 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking the southwest corner of that 20 acres tract conveyed to Richard E. Swain & Jennifer L. Swain by deed of record in Volume 2256, Page 645, D.R.E.C.T.;

THENCE, North 58°36'56" East, 829.43 feet to a 1/2-inch iron rod found marking the southeast corner of said 20 acres tract;

THENCE, North 27°28'57" West, 474.80 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking the southwest corner of called 0.25 acres tract conveyed to Reuel C. Hendrick & Wanda O. Hendrick by deed of record in Volume 556, Page 213, O.P.R.E.C.T.;

THENCE, North 58°46'05" East, 607.53 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking the southeast corner of said 0.25 acres tract;

THENCE, North 30°47'18" West, 649.83 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking the northeast corner of said 0.25 acres tract in the south R.O.W. line of said F.M. Highway 2258;

THENCE, North 60°35'34" East, 625.35 feet with the south R.O.W. line of the said F.M. Highway 2258 to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking the northwest corner of that called 2.415 acres tract by deed of record in Volume 1910, Page 20, D.R.E.C.T.;

THENCE, South 22°48'54" East, 455.76 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking the southwest corner of said called 2.415 acres tract;

THENCE, North 57°29'06" East, 267.31 feet to a 5/8-inch iron rod found marking the southeast corner of said 2.415 acres tract;

THENCE, South 30°31'03" East, 797.25 feet to a 5/8-inch iron rod found marking the southwest corner of called 4.83 acre tract conveyed to Barnett Gathering, L.P. by deed of record in Volume 2283, Page 315, O.P.R.E.C.T.;

THENCE, North 58°54'12" East, 1,840.83 feet to a 5/8-inch iron found marking the northeast corner the aforementioned Tract two;

THENCE, South 30°14'03" East, 1,517.26 feet with the west line of that 114.179 acres tract conveyed to Joe Lee & Margaret Lee by deed of record in Volume 471, Page 280, O.P.R.E.C.T. to a 1/2-inch iron rod

with cap stamped "APEX LAND SURVEYING" set marking the northwest corner of the aforementioned called 0.6498 acres tract;

THENCE, North 30°16'44" East, 127.66 feet to a 5/8-inch iron rod found marking the northeast corner of said called 0.6498 acres tract in the west R.O.W. line of the aforementioned F.M. Highway 157;

THENCE, with the west R.O.W. line of said F.M. Highway 157 the following two (2) courses:

1. South 17°34'27" East, 124.94 feet to a 5/8-inch iron rod found marking the beginning of a non-tangent curve to the left;
2. 849.90 feet with the arc of said curve to the left having a radius of 3,864.72 feet, a central angle of 12°36'00" and a chord that bears South 23°52'27" East, 848.18 feet to a 5/8-inch iron rod with cap stamped "TXRCS" found, to the **POINT OF BEGINNING** and **CONTAINING** 671.9 acres (29,266,462 Square Feet) of land.

SAVE AND EXCEPT from the above described 671.9 acres tract of land as follows:

3.038 acres of land conveyed to Ricky Dale Gibson and Neli Kaye Gibson, of record in Document No. 2018-1828357, D.R.E.C.T.

SAVE AND EXCEPT from the above described 671.9 acres tract of land as follows:

1.129 acres of land conveyed to Kenneth Daniel Grisham and Christy Nicole Grisham, of record in Document No. 2018-1826418, D.R.E.C.T.

SAVE AND EXCEPT from the above described 671.9 acres tract of land as follows:

3.961 acres and 1.877 acres remnant of that called 200.046 acres (Tract 1) of record in Document 2018-1808509, D.R.E.C.T.

HAVING A TOTAL ACREAGE OF 661.9 ACRES (28,830,620 SQUARE FEET) OF LAND.

EXHIBIT K-2 – IMPROVEMENT AREA #1A BOUNDARY LEGAL DESCRIPTION

BRAHMAN RANCH PHASE 1A

BEING A 45.09 ACRES (1,964,278 SQ.FT.) TRACT OF LAND OUT OF THE S.B. PRICE SURVEY, ABSTRACT NO. 860 AND THE LEEMAN KELSEY SURVEY, ABSTRACT NO. 594, CITY OF VENUS, ELLIS COUNTY, TEXAS.

BEING a 45.09 acres (1,964,278 square feet) tract of land situated in the S.B. Price Survey, Abstract No. 860 and the Leeman Kelsey Survey, Abstract No. 594, City of Venus, Ellis County, Texas; being a portion of that called 170.0456 acres tract of record in Volume 1209, Page 293, Deed Records, Ellis County, Texas, (D.R.E.C.T.) and being a portion of that called 30.0 acres tract or parcel of land being known and designated as Lot 1, Southland Addition, an addition in Ellis County, Texas, according to the plat thereof recorded in Cabinet C, Slide 512, Plat Records, Ellis County, Texas, (P.R.E.C.T.) and a portion of that called 10.00 acres tract or parcel of land being known and designated as Tract 1, Armstrong Creek Estates, a subdivision in Ellis County, Texas, according to the plat thereof recorded in Cabinet C, Slide 26, P.R.E.C.T., and more particularly described by metes and bounds as follows:

COMMENCING at 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) 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,

THENCE, South 60°36'16" West, 225.02 feet leaving the west line of said F.M. 157 the **POINT OF BEGINNING**, and 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 and the beginning of a curve to the left;

THENCE, 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°28'26" East, 6.82 feet to a point and the beginning of a curve to the right;

THENCE, 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°28'26" 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, 119.67 feet to a point and the beginning of a curve to the right;

THENCE, 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 and the beginning of a curve to the left;

THENCE, 6.94 feet along said curve to the right 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" West, 79.73 feet to a point;

THENCE, South 28°27'42" East, 1,130.00 feet to a point;

THENCE, North 61°32'18" East, 73.04 feet to a point and the beginning of a curve to the left;

THENCE, 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°28'26" East, 6.82 feet to a point and the beginning of a curve to the right;

THENCE, 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°28'26" East, 41.55 feet to a point;

THENCE, North 61°32'18" East, 122.72 feet to a point and the beginning of a curve to the right;

THENCE, 90.15 feet along said curve to the right having a radius of 3,864.72 feet, a delta angle of 01°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 and the beginning of a curve to the right;

THENCE, 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 and the beginning of a curve to the left;

THENCE, 6.94 feet along said curve to the right 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" West, 65.45 feet to a point;

THENCE, South 28°27'42" West, 180.05 feet to a point;

THENCE, South 61°32'25" West, 840.00 feet to a point;

THENCE, North 28°27'42" West, 60.03 feet to a point;

THENCE, South 61°32'18" West, 140.00 feet to a point;

THENCE, North 28°27'42" West, 120.00 feet to a point;

THENCE, South 61°32'18" West, 18.49 feet to a point;

THENCE, North 28°27'42" West, 60.00 feet to a point and the beginning of a curve to the left;

THENCE, 18.17 feet along said curve to the left having a radius of 11.00 feet, a delta angle of 94°39'58" and a chord bearing North 14°12'19" East, 16.18 feet to a point and the beginning of a curve to the left;

THENCE, 52.40 feet along said curve to the left having a radius of 470.00 feet, a delta angle of 06°23'14" and a chord bearing North 36°19'17" West, 52.37 feet to a point;

THENCE, North 39°30'54" West, 101.50 feet to a point and the beginning of a curve to the right;

THENCE, 57.13 feet along said curve to the right having a radius of 530.00 feet, a delta angle of 06°10'33" and a chord bearing North 36°25'38" West, 57.10 feet to a point and the beginning of a curve to the left;

THENCE, 16.34 feet along said curve to the left having a radius of 11.00 feet, a delta angle of 85°07'21" and a chord bearing North 75°54'01" West, 14.88 feet to a point;

THENCE, North 29°11'15" West, 60.00 feet to a point and the beginning of a curve to the left;

THENCE, 16.55 feet along said curve to the left having a radius of 11.00 feet, a delta angle of 86°11'04" and a chord bearing North 18°26'46" East, 15.03 feet to a point and the beginning of a curve to the right;

THENCE, 66.95 feet along said curve to the right having a radius of 530.00 feet, a delta angle of 07°14'16" and a chord bearing North 21°01'38" East, 66.91 feet to a point;

THENCE, North 17°24'30" West, 101.50 feet to a point and the beginning of a curve to the left;

THENCE, 52.40 feet along said curve to the left having a radius of 470.00 feet, a delta angle of 06°23'14" and a chord bearing North 20°36'07" West, 52.37 feet to a point and the beginning of a curve to the left;

THENCE, 18.17 feet along said curve to the left having a radius of 11.00 feet, a delta angle of 94°39'58" and a chord bearing North 71°07'43" West, 16.18 feet to a point;

THENCE, South 61° 32' 18" West, 17.52 feet to a point;

THENCE, North 28° 27' 42" West, 205.00 feet to a point;

THENCE, North 61° 32' 18" East, 203.41 feet to a point;

THENCE, North 28° 27' 42" West, 420.00 feet to a point;

THENCE, South 61° 32' 18" West, 215.92 feet to a point;

THENCE, North 28° 27' 42" West, 91.04 feet to a point;

THENCE, North 69° 45' 04" West, 167.78 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 the Point of Beginning and Containing 45.09 acres
(1,964,278 Square Feet) of land.

EXHIBIT K-3 – IMPROVEMENT AREA #1B BOUNDARY LEGAL DESCRIPTION

BRAHMAN RANCH PHASE 1B

BEING A 43.57 ACRES (1,897,819 SQ.FT.) TRACT OF LAND OUT OF THE STEPHEN B. PRICE SURVEY, ABSTRACT NO. 860 AND THE J.E MCQUATTER SURVEY, ABSTRACT NO. 781, CITY OF VENUS, ELLIS COUNTY, TEXAS.

BEING a 43.57 Acres (1,897,819 Square Feet) Tract of Land situated in the Stephen B. Price Survey, Abstract No. 860 and the J. E. McQuatter Survey, Abstract 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 Falls Creek Land & Cattle, LLC., deed of record in Document No. 20181808509, Deed Records, Ellis County, Texas, (D.R.E.C.T.) and being a portion of that called 30.0 acres Tract or parcel of land being known and designated as Lot 1, Southland Addition, an addition in Ellis County, Texas, according to the plat thereof recorded in Cabinet C, Slide 512, Plat Records, Ellis County, Texas, (P.R.E.C.T.) and a portion of that called 10.00 Acres tract or parcel of land being known and designated as Tract 1, Armstrong Creek Estates, a subdivision in Ellis County, Texas, according to the plat thereof recorded in Cabinet C, Slide 26, P.R.E.C.T., and a portion of that called 50.99 acres tract conveyed to Miskimon Management I, LLC by deed of record in Document No. 20202029777, D.R.E.C.T. and being more particularly described by metes and bounds as follows:

COMMENCING at 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 (variable width) and marking the northeast corner of that tract conveyed to Jason D. Stottlemire & Jill S. Stottlemire, by deed of record in Volume 1890, Page 1778, D.R.E.C.T. and the southeast corner of Brahman Ranch Phase 1A;

THENCE, with the south line of Brahman Ranch Phase 1A the following three (3) courses;

1. South 61°32'25" West, 1,065.00 feet with the north line of said Stottlemire tract to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" (ir w/cap) set marking a southwest corner;
2. North 28°27'42" West, 60.03 feet to a 1/2-inch ir w/cap set marking an interior corner;
3. South 61°32'18" West, 140.00 feet to a 1/2-inch ir w/cap set marking the **POINT OF BEGINNING**, and being a southeast corner of the herein described tract;

THENCE, South 61°32'18" West, 275.00 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 28°27'42" East, 122.87 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, North 62°37'26" East, 45.55 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 27°22'34" East, 135.00 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 62°37'26" West, 180.00 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, North 27°22'34" West, 5.00 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 62°37'26" West, 120.00 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 27°22'34" East, 35.00 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 62°37'26" West, 274.96 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, North 27°22'34" West, 35.00 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 62°37'26" West, 306.85 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 27°22'34" East, 35.98 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 62°37'26" West, 170.00 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, North 27°22'34" West, 23.84 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 62°37'26" West, 120.00 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 62°45'10" West, 60.00 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 62°41'25" West, 124.99 feet to a 1/2-inch ir w/cap set in the east line of an Old Ocean Fuel Co. 80 feet wide easement of record in Volume 471, Page 288 and Volume 471, Page 16, D.R.E.C.T. marking the southwest corner of the herein described tract;

THENCE, North 25°47'56" West, 265.58 feet with the east line of said 80 feet wide easement to a 1/2-inch ir w/cap set marking a corner;

THENCE, North 62°40'40" East, 474.29 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, North 21°48'54" West, 737.24 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, North 68°11'06" East, 120.00 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, North 21°48'54" West, 35.84 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, North 61°32'18" East, 190.91 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, North 28°27'42" West, 254.56 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 61°32'18" West, 435.78 feet to a 1/2-inch ir w/cap set in the east line of the aforementioned 80 feet wide easement;

THENCE, North 04°57'39" East, 731.54 feet with the east line of said 80 feet wide easement to a 1/2-inch ir w/cap set marking a corner;

THENCE, North 56°08'11" East, 120.33 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, North 78°51'58" East, 55.01 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 28°27'42" East, 100.27 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, North 72°33'43" East, 292.58 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, North 38°16'47" East, 109.18 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 69°45'04" East, 167.78 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 28°27'42" East, 91.04 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, North 61°32'18" East, 215.92 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 28°27'42" East, 420.00 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 61°32'18" West, 203.41 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 28°27'42" East, 205.00 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, North 61°32'18" East, 17.52 feet to a 1/2-inch ir w/cap set marking corner and the beginning of a non-tangent curve to the right;

THENCE, 18.17 feet with the arc of said curve to the right having a radius of 11.00 feet, a central angle of 94°39'58" and a chord that bears South 71°07'43" East, 16.18 feet to a 1/2-inch ir w/cap set marking the beginning of a compound curve;

THENCE, 52.40 feet with the arc of said curve to the right having a radius of 470.00 feet, a central angle of 06°23'14" and a chord that bears South 20°36'07" East, 52.37 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 17°24'30" East, 101.50 feet to a 1/2-inch ir w/cap set marking the beginning of a non-tangent curve to the left;

THENCE, 66.95 feet with the arc of said curve to the left having a radius of 530.00 and a central angle of 07°14'16" and a chord that bears South 21°01'38" East, 66.91 feet to a 1/2-inch ir w/cap set marking the beginning of a non-tangent curve to the right;

THENCE, 16.55 feet with the arc of said curve to the right having a radius of 11.00 feet, a central angle of 86°11'04" and a chord that bears South 18°26'46" West, 15.03 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 29°11'15" East, 60.00 feet to a 1/2-inch ir w/cap set marking the beginning of a non-tangent curve to the right;

THENCE, 16.34 feet with the arc of said curve to the right having a radius of 11.00 feet, a central angle of 85°07'21" and a chord that bears South 75°54'01" East, 14.88 feet to a 1/2-inch ir w/cap set marking the beginning of a non-tangent curve to the left;

THENCE, 57.13 feet with the arc of said curve to the left having a radius of 530.00 feet a central angle of 06°10'33" and a chord that bears South 36°25'38" East, 57.10 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 39°30'54" East, 101.50 feet to a 1/2-inch ir w/cap set marking the beginning of a non-tangent curve to the right;

THENCE, 52.40 feet with the arc of said curve to the right having a radius of 470.00 feet central angle of 06°23'14" and a chord that bears South 36°19'17" East, 52.37 feet to a 1/2-inch ir w/cap set marking the beginning of a compound curve;

THENCE, 18.17 feet with the arc of said curve to the right having a radius of 11.00 feet central angle of 94°39'58" and a chord that bears South 14°12'19" West, 16.18 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 28°27'42" East, 60.00 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, North 61°32'18" East, 18.49 feet to a 1/2-inch ir w/cap set marking a corner;

THENCE, South 28°27'42" East, 120.00 feet to the **POINT OF BEGINNING** and **CONTAINING** 43.57 acres (1,897,819 Square Feet) of land.

EXHIBIT K-4 – IMPROVEMENT AREA #2 BOUNDARY LEGAL DESCRIPTION

BRAHMAN RANCH PHASE 2

BEING A 53.94 ACRES (2,349,511 SQ.FT.) TRACT OF LAND OUT OF THE J.E. MCQUATTER SURVEY, ABSTRACT NO. 781, S.B.PRICE SURVEY, ABSTRACT NO. 860, JAMES BATEMAN SURVEY, A-103, AND THE JESSE JACKSON SURVEY, A-560, CITY OF VENUS, ELLIS COUNTY, TEXAS.

BEING a 53.94 acres (2,349,511 Square Feet) Tract of Land situated in the Jesse Jackson Survey, Abstract No. 560, James Bateman Survey, Abstract No. 103, Stephen B. Price Survey, Abstract No. 860 and the J. E. McQuatter Survey, Abstract 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 Falls Creek Land & Cattle, LLC., deed of record in Document No. 20181808509, Deed Records, Ellis County, Texas, (D.R.E.C.T.) and being more particularly described by metes and bounds as follows:

COMMENCING at 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 (variable width) and marking the northeast corner of that tract conveyed to Jason D. Stottlemire & Jill S. Stottlemire, by deed of record in Volume 1890, Page 1778, D.R.E.C.T. and in the south line of Brahman Ranch Phase 1A;

THENCE, South 61°32'25" West, 1,046.66 feet with the north line of said Stottlemire tract to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" (ir w/cap) set marking the northwest corner of said Stottlemire tract being THE POINT OF BEGINNING, and being a northeast corner of the herein described tract;

THENCE, South 28°14'24" East, 825.08 feet with the west line of said Stottlemire tract to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking the southwest corner of that tract conveyed to Timothy D. Stottlemire and Linda K. Stottlemire by deed of record in Volume 2692, Page 1143, D.R.E.C.T.;

THENCE, South 62°04'51" West, 2,428.83 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 29°42'06" West, 296.13 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, South 59°56'10" West, 648.57 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 00°45'35" West, 251.47 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 05°26'06" East, 162.43 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 45°32'32" East, 84.16 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 13°45'06" West, 69.55 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 54°08'52" East, 69.46 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 05°27'23" East, 63.25 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 33°21'13" East, 121.66 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 37°55'39" East, 61.85 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 23°53'29" East, 60.00 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 33°21'13" East, 60.83 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 23°53'29" East, 120.00 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 14°25'44" East, 60.83 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 01°16'17" East, 65.00 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 11°08'49" West, 58.02 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 24°37'21" East, 66.51 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 00°24'52" East, 213.49 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, South 89°35'08" East, 67.35 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 00°41'17" West, 290.30 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 84°24'01" East, 292.65 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set in the west line of an Old Ocean Fuel Co. 80 feet wide easement, deed of record in Volume 471, Page 288 and Volume 471, Page 16, D.R.E.C.T. marking a corner of the herein described tract;

THENCE, South 05°35'59" East, 212.92 feet with the west line of said 80 feet wide easement, to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, South 03°39'23" East, 56.54 feet with the west line of said 80 feet wide easement, to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, South 03°47'23" East, 140.98 feet with the west line of said 80 feet wide easement, to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, South 08°59'13" East, 113.96 feet with the west line of said 80 feet wide easement, to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, South 25°44'59" East, 127.94 feet with the west line of said 80 feet wide easement, to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, South 25°47'56" East, 86.17 feet with the west line of said 80 feet wide easement, to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set for corner to a point and the beginning of a non-tangent curve to the left;

THENCE, 82.91 feet with said curve to the left having a radius of 463.00 feet, a central angle of 10°15'38" and a chord bearing North 79°09'08" East, 82.80 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set in the east R.O.W. line of the aforementioned Old Ocean Fuel Co. easement;

THENCE, South 25°47'56" East, 157.71 feet with the east line of said easement to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 62°37'26" East, 125.00 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, South 62°45'10" West, 60.00 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 62°37'26" East, 120.00 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, South 27°22'34" East, 23.84 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 62°37'26" East, 170.00 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 27°22'34" West, 35.98 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 62°37'26" East, 306.85 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 62°37'26" East, 306.85 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, South 27°22'34" East, 35.00 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 62°37'26" East, 274.96 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 27°22'34" West, 35.00 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 62°37'26" East, 120.00 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, South 27°22'34" East, 5.00 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 62°37'26" East, 180.00 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, South 62°37'26" West, 45.55 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, North 61°32'18" East, 415.00 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, South 28° 27' 42" East, 60.00 feet to a 1/2-inch iron rod with cap stamped "APEX LAND SURVEYING" set marking a corner;

THENCE, South 61° 37' 07" West, 18.34 feet to the **POINT OF BEGINNING** and **CONTAINING** 53.94 acres (2,349,511 Square Feet) of land.

APPENDIX A – IMPROVEMENT AREA #1A, IMPROVEMENT AREA #1B, AND IMPROVEMENT AREA #2 ENGINEER’S REPORT



ZECO Enterprises, LLC
25638 Myrtle Springs
Spring Texas, 77373
TBPE Firm No. 18317

August 23, 2022

RE: *Engineer's Report*
Brahman Ranch
Venus, Texas

Introduction:

Brahman Ranch is a 149.8-acre development generally located west of F.M. Highway 157, approximately 4-miles north of Maypearl and 6-miles south of U.S. Highway 67 in Venus, Texas. The development includes 397 single-family residential lots to be constructed in multiple phases (Phase 1A - 121 lots, Phase 1B - 145 lots and Phase 2 - 131 lots). Approx. 10.5 acres immediately adjacent to F.M. Highway 157 is designated as future commercial and is not included in the phasing listed above. The use of this area is subject to change to residential depending on market conditions as Brahman Ranch is developed. Refer to Exhibit A, Brahman Ranch 1, Phase 1A, 1B, & 2, Concept Plan, prepared by Miskimon Management I, LLC, dated 8/17/22.

Development Costs:

An engineer's opinion of probable cost (EOPC) has been prepared for infrastructure costs related to the 397 single family lot development (RE: Exhibit B, dated 8/23/22). The EOPC is based on the plans prepared by the Engineer for Phase 1A and Phase 1B and a concept for future Phase 2 development. The EOPC is not intended to be considered a formal estimate or an all-inclusive list of development costs. The EOPC excludes the cost of fees related to engineering, surveying, inspection, permitting, etc.

Design Stage:

- A Preliminary Plat for Phase 1 which includes 301 single-family lots, 5 commercial lots and 1 open space lot was approved with conditions by the City of Venus Planning and Zoning Commission and City Council.
- Civil Construction Plans for Brahman Ranch Phase 1 were submitted, and review comments were received from the City of Venus.
- Review comments from the City of Venus for Brahman Ranch Phase 1 were incorporated in the Civil Construction Plans for Brahman Ranch Phase 1A – 121 lots. The Phase 1A plans have been approved by the City of Venus.
- A Final Plat for Phase 1A was submitted to the City of Venus and pending approval.



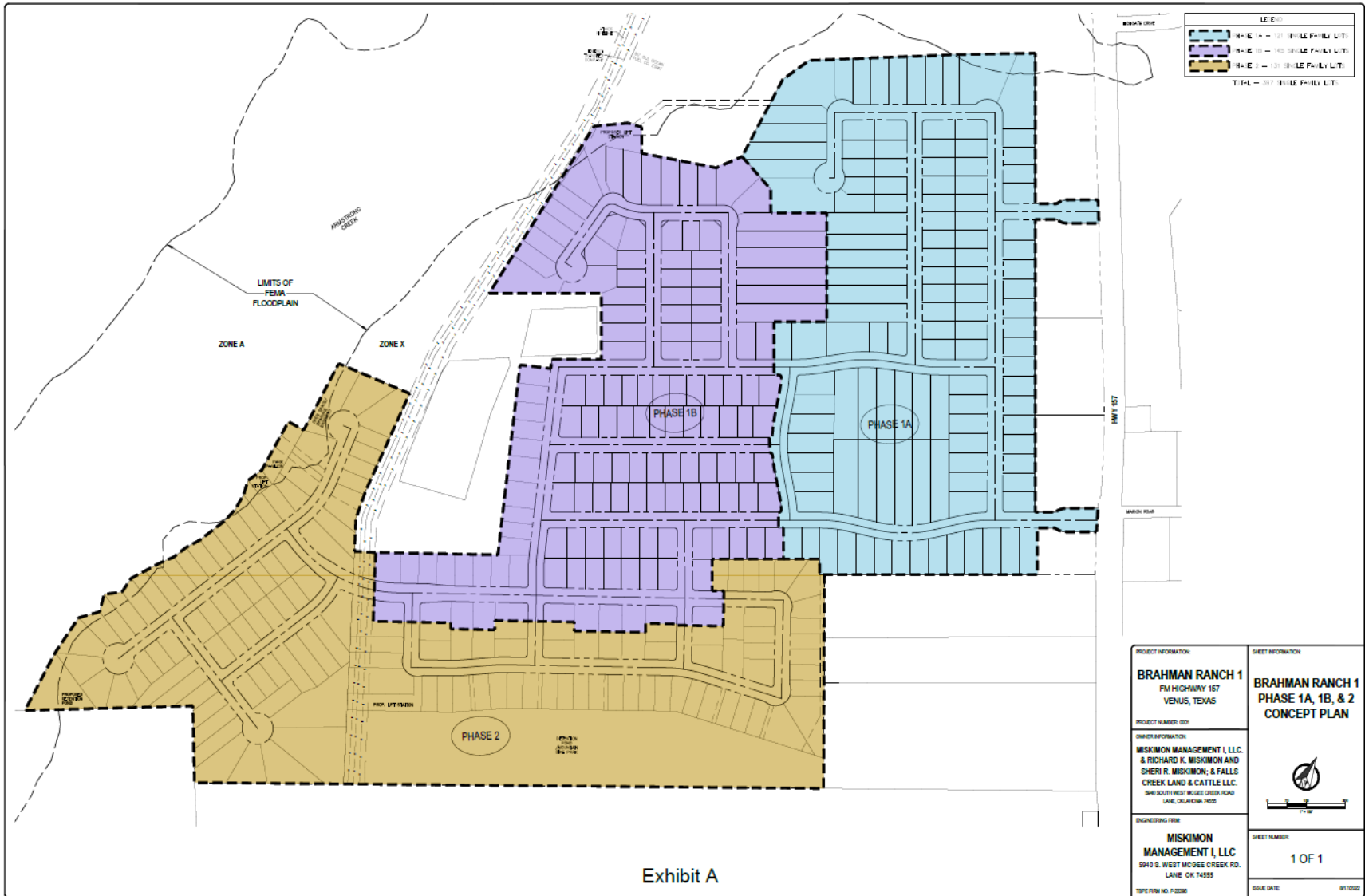
Design Stage (continued from page 1):

- Driveway Plans for Brahman Ranch which include 2 new driveways (Brahman Ranch St and Rangeland Ave), and a deceleration lane and center turn lane at Brahman Ranch St. have been approved by the Texas Department of Transportation (TxDOT).
- Water system improvement plans for Phase 1A have been approved by Mountain Peak Special Utility District (S.U.D.).
- Water system improvement plans for Phase 1B have been submitted to Mountain Peak S.U.D. and minor comments were received. Approval is anticipated with second review.
- The Floodplain study with Brahman Phase 1A, Request for Letter of Map Revision (LOMR) was approved by the City of Venus on August 05, 2022 and is pending signatures for submittal to FEMA.
- The City of Venus will require a LOMR for Phase 1B and Phase 2
- Design of Phase 1B – 145 lots is approx. 95% complete.
- Design of Phase 2 – 131 lots is anticipated to begin October, 2023.

Construction Stage:

- Construction of Phase 1A infrastructure is anticipated to be completed in Fall of 2022 pending permitting, weather, and unforeseen conditions:
 - Earthwork is approximately 95% complete.
 - Construction of utilities is approximately 95% complete pending storm inlet lid construction and final cleanup.
 - Construction of paving improvements is approximately 45% complete.
- Construction of TxDOT Driveways, deceleration and center turn lanes is scheduled to start September 2022.
- Construction of Phase 1B infrastructure is anticipated to be completed in Fall 2023
 - Earthwork is approx. 10% complete.
 - Construction of utilities are anticipated to begin upon completion of Phase 1A.
 - Construction of paving improvements are expected to begin as sections of utilities are completed.
- Construction of Phase 2 infrastructure is anticipated to begin upon completion of Phase 1B and completed Fall 2024.





Engineer's Opinion of Probable Cost

Project: Brahman Ranch - Venus, Texas
Phase 1A, 1B, and 2 - 397 Residential Lots
Prepared by: ZECO Enterprises, LLC | TBPE Firm 18317
Date: August 23, 2022

Item No.	Description	Unit	Quantity	Unit Cost	Total
Earthwork					
1	Excavation	CY	555,815	\$2.50	\$1,389,537.63
2	Fill	CY	552,924	\$2.50	\$1,382,309.10
3	Moisture Conditioning	CY	555,800	\$5.00	\$2,779,000.00
Earthwork Subtotal:					\$5,550,846.73
Paving					
4	Saw-Cut & Remove Existing Pavement	SY	1,013	\$5.00	\$5,065.00
5	6" Concrete Paving	SY	61,055	\$60.00	\$3,663,300.00
6	7" Concrete Paving	SY	2,164	\$64.00	\$138,496.00
7	8" Concrete Paving	SY	475	\$68.00	\$32,300.00
8	6" Curb	LF	38,206	\$3.25	\$124,169.50
9	Prime Coat	GAL	2,750	\$4.75	\$13,062.50
10	2" HMA	SY	2,880	\$17.25	\$49,672.18
11	2" HMA Overlay	SY	7,395	\$17.25	\$127,563.75
12	4" HMA	SY	2,461	\$34.00	\$83,670.18
13	15" Base Course	SY	3,884	\$19.75	\$76,716.57
14	Proof Roll	SY	3,884	\$2.00	\$7,768.77
15	Lime Stabilization	SY	68,655	\$7.20	\$494,317.88
16	6" Gravel Road	SY	4,495	\$14.00	\$62,930.00
17	Sidewalk By Developer	SY	500	\$60.00	\$30,000.00
18	ADA Ramp & Landing	EA	50	\$1,800.00	\$90,000.00
Paving Subtotal:					\$4,999,032.32
Erosion Control					
19	Silt Fence Install	LF	22,092	\$2.30	\$50,811.60
20	Silt Fence Remove	LF	22,092	\$0.75	\$16,569.00
21	Inlet Protection IP1 Install	EA	83	\$250.00	\$20,750.00
22	Inlet Protection IP1 Remove	EA	83	\$100.00	\$8,300.00
23	Inlet Protection IP2 Install	EA	6	\$250.00	\$1,500.00
24	Inlet Protection IP2 Remove	EA	6	\$100.00	\$600.00
25	Rock Check Dam Install (Type II)	LF	881	\$30.00	\$26,430.00
26	Rock Check Dam Remove	LF	881	\$9.00	\$7,929.00
27	Drill Seeding (Slopes Only)	AC	19	\$750.00	\$14,250.00
28	Soil Retention Blanket (CL1, Type A)	SY	75,000	\$2.00	\$150,000.00
29	Soil Retention Blanket (CL1, Type G)	SY	7,600	\$3.50	\$26,600.00
30	Biodeg Erosion Control Logs	LF	13,200	\$4.25	\$56,100.00
31	Construction Exit/Entrance Install	SY	333	\$35.00	\$11,655.00
32	Construction Exit/Entrance Remove	SY	333	\$9.00	\$2,997.00
Erosion Control Subtotal:					\$394,491.60
Storm Sewer					
33	18" HDPE (ADS N-12 WT)	LF	3,756	\$50.00	\$187,800.00
34	24" HDPE (ADS N-12 WT)	LF	1,204	\$70.00	\$84,280.00
35	18" RCP	LF	1,948	\$70.00	\$136,360.00
36	21" RCP	LF	860	\$90.00	\$77,400.00
37	24" RCP	LF	1,259	\$95.00	\$119,605.00
38	27" RCP	LF	579	\$110.00	\$63,690.00
39	30" RCP	LF	1,736	\$115.00	\$199,663.00
40	33" RCP	LF	276	\$140.00	\$38,640.00
41	36" RCP	LF	202	\$145.00	\$29,290.00
42	39" RCP	LF	60	\$160.00	\$9,600.00
43	Sloped Headwall -18"	EA	4	\$1,500.00	\$6,000.00
44	Sloped Headwall -24"	EA	4	\$1,850.00	\$7,400.00
45	Sloped Headwall -27"	EA	1	\$2,000.00	\$2,000.00

Exhibit B

Page 1 of 3

Storm Sewer					
46	Sloped Headwall -30"	EA	8	\$2,200.00	\$17,600.00
47	Sloped Headwall -33"	EA	1	\$2,200.00	\$2,200.00
48	Sloped Headwall -36"	EA	1	\$2,500.00	\$2,500.00
49	Sloped Headwall -39"	EA	1	\$3,000.00	\$3,000.00
50	Safety End Treatment	EA	4	\$5,000.00	\$20,000.00
51	Stone Riprap - 15"	SY	389	\$70.00	\$27,230.00
52	Stone Riprap - 18"	SY	655	\$78.00	\$51,055.33
53	Trench Safety	LF	11,880	\$1.20	\$14,256.24
54	8' Curb Inlet	EA	31	\$6,875.00	\$213,125.00
55	10' Curb Inlet	EA	6	\$7,500.00	\$45,000.00
56	12' Curb Inlet	EA	14	\$8,215.00	\$115,010.00
57	14' Curb Inlet	EA	32	\$8,750.00	\$280,000.00
58	Storm Manhole	EA	19	\$10,625.00	\$201,875.00
59	Y-Inlet	EA	6	\$9,375.00	\$56,250.00
60	18"-45° RCP Bend	EA	3	\$1,500.00	\$4,500.00
61	21"-45° RCP Bend	EA	3	\$2,000.00	\$6,000.00
62	24"-22.5° RCP Bend	EA	1	\$2,500.00	\$2,500.00
63	24"-45° HDPE Bend	EA	5	\$2,000.00	\$10,000.00
64	27"-30° RCP Bend	EA	1	\$3,250.00	\$3,250.00
65	27"-45° RCP Bend	EA	1	\$3,250.00	\$3,250.00
66	30"-45° RCP Bend	EA	4	\$3,500.00	\$14,000.00
67	21"x18" RCP 45° Wye	EA	3	\$2,500.00	\$7,500.00
68	24"x18" RCP 45° Wye	EA	6	\$2,750.00	\$16,500.00
69	27"x18" RCP 45° Wye	EA	1	\$3,000.00	\$3,000.00
70	33"x18" Tee	EA	1	\$3,500.00	\$3,500.00
				Storm Sewer Subtotal:	\$2,084,829.57
Water					
71	8" Water	LF	17,728	\$55.00	\$975,040.00
72	8" Gate Valve w/Valve Box and Adjustment	EA	84	\$2,500.00	\$210,000.00
73	8" Tee	EA	14	\$685.00	\$9,590.00
74	8" -11.25 Bend	EA	13	\$350.00	\$4,550.00
75	8" - 22.5 Bend	EA	14	\$390.00	\$5,460.00
76	8" - 45 Bend	EA	30	\$450.00	\$13,500.00
77	8" - 90 Bend	EA	2	\$510.00	\$1,020.00
78	8" Cap	EA	9	\$190.00	\$1,710.00
79	8" Cross	EA	1	\$190.00	\$190.00
80	14" Casing	LF	1,616	\$100.00	\$161,600.00
81	14" Casing Jack & Bore	LF	90	\$290.00	\$26,100.00
82	12" Water	LF	3,675	\$75.00	\$275,625.00
83	12" Gate Valve w/Valve Box and Adjustment	EA	25	\$4,375.00	\$109,375.00
84	12"x8" Tee	EA	7	\$925.00	\$6,475.00
85	12" Cross	EA	1	\$1,200.00	\$1,200.00
86	12" - 11.25 Bend	EA	4	\$875.00	\$3,500.00
87	12" - 22.5 Bend	EA	3	\$880.00	\$2,640.00
88	12" - 90 Bend	EA	2	\$885.00	\$1,770.00
89	12" Cap	EA	2	\$440.00	\$880.00
90	12" x 12" Tee	EA	1	\$1,900.00	\$1,900.00
91	12" x 12" Tee on Existing Water Line	EA	2	\$1,850.00	\$3,700.00
92	16" Steel Casing Open Cut	LF	180	\$106.00	\$19,080.00
93	16" Steel Casing (Jack & Bore)	LF	216	\$312.00	\$67,392.00
94	Water Service Lateral (Single)	EA	60	\$1,250.00	\$75,000.00
95	Water Service Lateral (Double)	EA	169	\$1,500.00	\$253,500.00
96	Connect to Existing 12" Water Line	EA	4	\$2,500.00	\$10,000.00
97	Fire Hydrant Assembly	EA	34	\$3,500.00	\$119,000.00
98	Flush Valve	EA	12	\$3,750.00	\$45,000.00
99	Trench Safety	LF	27,539	\$1.20	\$33,046.80
				Water Subtotal:	\$2,437,843.80

Exhibit B

Page 2 of 3

Sewer					
100	4" Force Main Open Cut	LF	3,750	\$45.00	\$168,750.00
101	6" Force Main Open Cut	LF	860	\$50.00	\$43,000.00
102	6" Force Main - HDD	LF	400	\$310.00	\$124,000.00
103	4" - 11.25 Bend	EA	4	\$300.00	\$1,200.00
104	4" - 22.5 Bend	EA	4	\$300.00	\$1,200.00
105	4" - 45 Bend	EA	6	\$350.00	\$2,100.00
106	4" - 90 Bend	EA	3	\$375.00	\$1,125.00
107	6" - 11.25 Bend	EA	1	\$350.00	\$350.00
108	6" - 45 Bend	EA	1	\$400.00	\$400.00
109	8" PVC	LF	18,792	\$50.00	\$939,600.00
110	8" Cap	EA	6	\$200.00	\$1,200.00
111	Sewer Manhole	EA	65	\$9,000.00	\$585,000.00
112	Sewer Service Lateral (4", Single Service)	EA	98	\$1,000.00	\$98,000.00
113	Sewer Service Lateral (6", Double Service)	EA	151	\$1,500.00	\$226,500.00
114	Lift Station 1 - Phase 1A	EA	1	\$582,059.00	\$582,059.00
115	Lift Station 2 - Phase 1B	EA	1	\$500,000.00	\$500,000.00
116	Lift Station 3 - Phase 2	EA	1	\$450,000.00	\$450,000.00
117	Trench Safety	LF	30,012	\$1.20	\$36,014.40
118	Developer's Contribution to WWTP	LS	1.00	\$500,000.00	\$500,000.00
Sewer Subtotal:					\$4,260,498.40
Traffic & Lighting					
119	Stop Signs with Street Signs	EA	31	\$925.00	\$28,675.00
120	Street Lights	EA	37	\$3,000.00	\$111,000.00
121	Traffic Control	LS	1	\$100,000.00	\$100,000.00
Traffic & Lighting Subtotal:					\$239,675.00

Project SubTotal: \$19,967,217.42
Contingency (10%): \$1,996,721.74
Project Total (excludes sales tax): \$21,963,939.16

Engineer's Opinion of Probable Cost

Project: Brahman Ranch - Venus, Texas
 Phase 1A, 1B, and 2 - 397 Residential Lots
Prepared by: ZECO Enterprises, LLC | TBPE Firm 18317
 25638 Myrtle Springs
 Spring, Texas 77373
 832.702.6386
Date: August 23, 2022



Notes:

1. The above stated costs are opinions only and should not be considered a formal estimate.
2. The quantities listed above are based on plans prepared by the Engineer in addition to concept plans for future development prepared by others.
3. The Engineer has no control over the cost of labor and material, competitive bidding, or market conditions and does not guarantee the accuracy or completeness of the opinion as compared to actual bids or project cost.

APPENDIX B – BUYER DISCLOSURES

Buyer disclosures for the following Lot Types are found in this Appendix:

- Improvement Area #1A Lot Type 1
- Improvement Area #1B Lot Type 2
- Improvement Area #1A Initial Parcel
- Improvement Area #1B Initial Parcel

**BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1 – IMPROVEMENT
AREA #1A – LOT TYPE 1 BUYER DISCLOSURE**

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

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

STREET ADDRESS

IMPROVEMENT AREA #1A LOT TYPE 1 PRINCIPAL ASSESSMENT: \$34,669.42

As the purchaser of the real property described above, you are obligated to pay assessments to City of Venus, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Brahman Ranch Public Improvement District No. 1*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

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

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

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

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Ellis County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

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

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

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

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

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

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

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

COUNTY OF _____

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

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

Notary Public, State of Texas]³

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

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

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

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COUNTY OF _____

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

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

Notary Public, State of Texas]⁴

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

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1A LOT TYPE 1

Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Reserve Fund Release	Annual Collection Costs	Total Annual Installment ^[b]
2023	\$ -	\$ 1,601.73	\$ 173.35	\$ -	\$ 210.29	\$ 1,985.36
2024	\$ 471.07	\$ 2,135.64	\$ 173.35	\$ -	\$ 214.49	\$ 2,994.55
2025	\$ 495.87	\$ 2,106.62	\$ 170.99	\$ -	\$ 218.78	\$ 2,992.26
2026	\$ 528.93	\$ 2,076.07	\$ 168.51	\$ -	\$ 223.16	\$ 2,996.67
2027	\$ 553.72	\$ 2,043.49	\$ 165.87	\$ -	\$ 227.62	\$ 2,990.70
2028	\$ 586.78	\$ 2,009.38	\$ 163.10	\$ -	\$ 232.17	\$ 2,991.43
2029	\$ 619.83	\$ 1,973.24	\$ 160.17	\$ -	\$ 236.82	\$ 2,990.05
2030	\$ 661.16	\$ 1,935.05	\$ 157.07	\$ -	\$ 241.55	\$ 2,994.83
2031	\$ 694.21	\$ 1,894.33	\$ 153.76	\$ -	\$ 246.38	\$ 2,988.69
2032	\$ 743.80	\$ 1,851.56	\$ 150.29	\$ -	\$ 251.31	\$ 2,996.97
2033	\$ 785.12	\$ 1,805.75	\$ 146.57	\$ -	\$ 256.34	\$ 2,993.78
2034	\$ 834.71	\$ 1,757.38	\$ 142.64	\$ -	\$ 261.47	\$ 2,996.20
2035	\$ 884.30	\$ 1,705.96	\$ 138.47	\$ -	\$ 266.69	\$ 2,995.43
2036	\$ 933.88	\$ 1,651.49	\$ 134.05	\$ -	\$ 272.03	\$ 2,991.45
2037	\$ 991.74	\$ 1,593.96	\$ 129.38	\$ -	\$ 277.47	\$ 2,992.55
2038	\$ 1,049.59	\$ 1,532.87	\$ 124.42	\$ -	\$ 283.02	\$ 2,989.90
2039	\$ 1,115.70	\$ 1,468.22	\$ 119.17	\$ -	\$ 288.68	\$ 2,991.77
2040	\$ 1,181.82	\$ 1,399.49	\$ 113.60	\$ -	\$ 294.45	\$ 2,989.36
2041	\$ 1,256.20	\$ 1,326.69	\$ 107.69	\$ -	\$ 300.34	\$ 2,990.92
2042	\$ 1,338.84	\$ 1,249.31	\$ 101.40	\$ -	\$ 306.35	\$ 2,995.91
2043	\$ 1,421.49	\$ 1,166.84	\$ 94.71	\$ -	\$ 312.48	\$ 2,995.51
2044	\$ 1,504.13	\$ 1,079.27	\$ 87.60	\$ -	\$ 318.72	\$ 2,989.73
2045	\$ 1,603.31	\$ 986.62	\$ 80.08	\$ -	\$ 325.10	\$ 2,995.11
2046	\$ 1,702.48	\$ 887.85	\$ 72.07	\$ -	\$ 331.60	\$ 2,994.00
2047	\$ 1,809.92	\$ 782.98	\$ 63.55	\$ -	\$ 338.23	\$ 2,994.69
2048	\$ 1,925.62	\$ 671.49	\$ 54.50	\$ -	\$ 345.00	\$ 2,996.61
2049	\$ 2,041.32	\$ 552.87	\$ 44.88	\$ -	\$ 351.90	\$ 2,990.97
2050	\$ 2,173.55	\$ 427.13	\$ 34.67	\$ -	\$ 358.94	\$ 2,994.29
2051	\$ 2,305.79	\$ 293.24	\$ 23.80	\$ -	\$ 366.11	\$ 2,988.94
2052	\$ 2,454.55	\$ 151.20	\$ 12.27	\$ (2,607.77)	\$ 373.44	\$ 383.69
Total	\$ 34,669.42	\$ 42,117.73	\$ 3,461.98	\$ (2,607.77)	\$ 8,530.93	\$ 86,172.30

Footnotes:

[a] Interest is calculated at a 6.16% rate for illustrative purposes.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

**BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1 – IMPROVEMENT
AREA #1B – LOT TYPE 2 BUYER DISCLOSURE**

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

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

STREET ADDRESS

IMPROVEMENT AREA #1B LOT TYPE 2 PRINCIPAL ASSESSMENT: \$35,310.34

As the purchaser of the real property described above, you are obligated to pay assessments to City of Venus, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Brahman Ranch Public Improvement District No. 1*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

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

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

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

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Ellis County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

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

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

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

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

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

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

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

COUNTY OF _____

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§
§

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

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

Notary Public, State of Texas]³

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

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

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

COUNTY OF _____

§
§
§

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

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

Notary Public, State of Texas]⁴

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

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1B LOT TYPE 2

Installment Due 1/31	Principal	Interest ^[a]	Capitalized Interest	Additional Interest	Reserve Fund Release	Annual Collection Costs	Total Annual Installment ^[b]
2023	\$ -	\$ 1,631.34	\$ (1,631.34)	\$ 176.55	\$ -	\$ 214.17	\$ 390.73
2024	\$ 475.86	\$ 2,175.12	\$ -	\$ 176.55	\$ -	\$ 218.46	\$ 3,045.99
2025	\$ 503.45	\$ 2,145.80	\$ -	\$ 174.17	\$ -	\$ 222.83	\$ 3,046.25
2026	\$ 537.93	\$ 2,114.79	\$ -	\$ 171.66	\$ -	\$ 227.28	\$ 3,051.66
2027	\$ 565.52	\$ 2,081.66	\$ -	\$ 168.97	\$ -	\$ 231.83	\$ 3,047.97
2028	\$ 600.00	\$ 2,046.82	\$ -	\$ 166.14	\$ -	\$ 236.47	\$ 3,049.42
2029	\$ 634.48	\$ 2,009.86	\$ -	\$ 163.14	\$ -	\$ 241.20	\$ 3,048.68
2030	\$ 668.97	\$ 1,970.78	\$ -	\$ 159.97	\$ -	\$ 246.02	\$ 3,045.73
2031	\$ 710.34	\$ 1,929.57	\$ -	\$ 156.62	\$ -	\$ 250.94	\$ 3,047.47
2032	\$ 751.72	\$ 1,885.81	\$ -	\$ 153.07	\$ -	\$ 255.96	\$ 3,046.56
2033	\$ 800.00	\$ 1,839.50	\$ -	\$ 149.31	\$ -	\$ 261.08	\$ 3,049.89
2034	\$ 848.28	\$ 1,790.22	\$ -	\$ 145.31	\$ -	\$ 266.30	\$ 3,050.11
2035	\$ 896.55	\$ 1,737.97	\$ -	\$ 141.07	\$ -	\$ 271.62	\$ 3,047.22
2036	\$ 951.72	\$ 1,682.74	\$ -	\$ 136.59	\$ -	\$ 277.06	\$ 3,048.11
2037	\$ 1,006.90	\$ 1,624.12	\$ -	\$ 131.83	\$ -	\$ 282.60	\$ 3,045.44
2038	\$ 1,068.97	\$ 1,562.09	\$ -	\$ 126.79	\$ -	\$ 288.25	\$ 3,046.10
2039	\$ 1,137.93	\$ 1,496.24	\$ -	\$ 121.45	\$ -	\$ 294.02	\$ 3,049.64
2040	\$ 1,206.90	\$ 1,426.15	\$ -	\$ 115.76	\$ -	\$ 299.90	\$ 3,048.70
2041	\$ 1,282.76	\$ 1,351.80	\$ -	\$ 109.72	\$ -	\$ 305.89	\$ 3,050.18
2042	\$ 1,358.62	\$ 1,272.78	\$ -	\$ 103.31	\$ -	\$ 312.01	\$ 3,046.73
2043	\$ 1,448.28	\$ 1,189.09	\$ -	\$ 96.52	\$ -	\$ 318.25	\$ 3,052.14
2044	\$ 1,537.93	\$ 1,099.88	\$ -	\$ 89.28	\$ -	\$ 324.62	\$ 3,051.70
2045	\$ 1,634.48	\$ 1,005.14	\$ -	\$ 81.59	\$ -	\$ 331.11	\$ 3,052.32
2046	\$ 1,731.03	\$ 904.46	\$ -	\$ 73.41	\$ -	\$ 337.73	\$ 3,046.64
2047	\$ 1,841.38	\$ 797.83	\$ -	\$ 64.76	\$ -	\$ 344.49	\$ 3,048.45
2048	\$ 1,958.62	\$ 684.40	\$ -	\$ 55.55	\$ -	\$ 351.38	\$ 3,049.95
2049	\$ 2,082.76	\$ 563.75	\$ -	\$ 45.76	\$ -	\$ 358.40	\$ 3,050.67
2050	\$ 2,213.79	\$ 435.45	\$ -	\$ 35.34	\$ -	\$ 365.57	\$ 3,050.16
2051	\$ 2,351.72	\$ 299.08	\$ -	\$ 24.28	\$ -	\$ 372.88	\$ 3,047.96
2052	\$ 2,503.45	\$ 154.21	\$ -	\$ 12.52	\$ (2,655.97)	\$ 380.34	\$ 394.54
Total	\$ 35,310.34	\$ 42,908.44	\$ (1,631.34)	\$ 3,526.97	\$ (2,655.97)	\$ 8,688.64	\$ 86,147.08

Footnotes:

[a] Interest is calculated at a 6.16% rate for illustrative purposes.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

**BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1 – IMPROVEMENT AREA
#1A INITIAL PARCEL BUYER DISCLOSURE**

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

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

STREET ADDRESS

IMPROVEMENT AREA #1A INITIAL PARCEL PRINCIPAL ASSESSMENT: \$4,195,000.00

As the purchaser of the real property described above, you are obligated to pay assessments to City of Venus, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Brahman Ranch Public Improvement District No. 1*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

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

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

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

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Ellis County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

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

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

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

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

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

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

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

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COUNTY OF _____

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

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

Notary Public, State of Texas]³

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

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

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

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COUNTY OF _____

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

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

Notary Public, State of Texas]⁴

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

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1A INITIAL PARCEL

Installment Due 1/31	Principal	Interest ^[a]	Additional Interest	Reserve Fund Release	Annual Collection Costs	Total Annual Installment ^[b]
2023	\$ -	\$ 193,809.00	\$ 20,975.00	\$ -	\$ 25,444.71	\$ 240,228.71
2024	\$ 57,000.00	\$ 258,412.00	\$ 20,975.00	\$ -	\$ 25,953.61	\$ 362,340.61
2025	\$ 60,000.00	\$ 254,900.80	\$ 20,690.00	\$ -	\$ 26,472.68	\$ 362,063.48
2026	\$ 64,000.00	\$ 251,204.80	\$ 20,390.00	\$ -	\$ 27,002.13	\$ 362,596.93
2027	\$ 67,000.00	\$ 247,262.40	\$ 20,070.00	\$ -	\$ 27,542.18	\$ 361,874.58
2028	\$ 71,000.00	\$ 243,135.20	\$ 19,735.00	\$ -	\$ 28,093.02	\$ 361,963.22
2029	\$ 75,000.00	\$ 238,761.60	\$ 19,380.00	\$ -	\$ 28,654.88	\$ 361,796.48
2030	\$ 80,000.00	\$ 234,141.60	\$ 19,005.00	\$ -	\$ 29,227.98	\$ 362,374.58
2031	\$ 84,000.00	\$ 229,213.60	\$ 18,605.00	\$ -	\$ 29,812.54	\$ 361,631.14
2032	\$ 90,000.00	\$ 224,039.20	\$ 18,185.00	\$ -	\$ 30,408.79	\$ 362,632.99
2033	\$ 95,000.00	\$ 218,495.20	\$ 17,735.00	\$ -	\$ 31,016.96	\$ 362,247.16
2034	\$ 101,000.00	\$ 212,643.20	\$ 17,260.00	\$ -	\$ 31,637.30	\$ 362,540.50
2035	\$ 107,000.00	\$ 206,421.60	\$ 16,755.00	\$ -	\$ 32,270.05	\$ 362,446.65
2036	\$ 113,000.00	\$ 199,830.40	\$ 16,220.00	\$ -	\$ 32,915.45	\$ 361,965.85
2037	\$ 120,000.00	\$ 192,869.60	\$ 15,655.00	\$ -	\$ 33,573.76	\$ 362,098.36
2038	\$ 127,000.00	\$ 185,477.60	\$ 15,055.00	\$ -	\$ 34,245.23	\$ 361,777.83
2039	\$ 135,000.00	\$ 177,654.40	\$ 14,420.00	\$ -	\$ 34,930.14	\$ 362,004.54
2040	\$ 143,000.00	\$ 169,338.40	\$ 13,745.00	\$ -	\$ 35,628.74	\$ 361,712.14
2041	\$ 152,000.00	\$ 160,529.60	\$ 13,030.00	\$ -	\$ 36,341.32	\$ 361,900.92
2042	\$ 162,000.00	\$ 151,166.40	\$ 12,270.00	\$ -	\$ 37,068.14	\$ 362,504.54
2043	\$ 172,000.00	\$ 141,187.20	\$ 11,460.00	\$ -	\$ 37,809.50	\$ 362,456.70
2044	\$ 182,000.00	\$ 130,592.00	\$ 10,600.00	\$ -	\$ 38,565.69	\$ 361,757.69
2045	\$ 194,000.00	\$ 119,380.80	\$ 9,690.00	\$ -	\$ 39,337.01	\$ 362,407.81
2046	\$ 206,000.00	\$ 107,430.40	\$ 8,720.00	\$ -	\$ 40,123.75	\$ 362,274.15
2047	\$ 219,000.00	\$ 94,740.80	\$ 7,690.00	\$ -	\$ 40,926.22	\$ 362,357.02
2048	\$ 233,000.00	\$ 81,250.40	\$ 6,595.00	\$ -	\$ 41,744.75	\$ 362,590.15
2049	\$ 247,000.00	\$ 66,897.60	\$ 5,430.00	\$ -	\$ 42,579.64	\$ 361,907.24
2050	\$ 263,000.00	\$ 51,682.40	\$ 4,195.00	\$ -	\$ 43,431.24	\$ 362,308.64
2051	\$ 279,000.00	\$ 35,481.60	\$ 2,880.00	\$ -	\$ 44,299.86	\$ 361,661.46
2052	\$ 297,000.00	\$ 18,295.20	\$ 1,485.00	\$ (315,539.66)	\$ 45,185.86	\$ 46,426.40
Total	\$ 4,195,000.00	\$ 5,096,245.00	\$ 418,900.00	\$ (315,539.66)	\$ 1,032,243.13	\$ 10,426,848.47

Footnotes:

[a] Interest is calculated at a 6.16% rate for illustrative purposes.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

**BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1 – IMPROVEMENT AREA
#1B INITIAL PARCEL BUYER DISCLOSURE**

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.005), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

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

STREET ADDRESS

IMPROVEMENT AREA #1B INITIAL PARCEL PRINCIPAL ASSESSMENT: \$5,120,000.00

As the purchaser of the real property described above, you are obligated to pay assessments to City of Venus, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Brahman Ranch Public Improvement District No. 1*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

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

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

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

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Ellis County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

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

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

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

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

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

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

DATE:

DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

STATE OF TEXAS

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COUNTY OF _____

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

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

Notary Public, State of Texas]³

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

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

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

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COUNTY OF _____

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

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

Notary Public, State of Texas]⁴

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

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1B INITIAL PARCEL

Installment Due 1/31	Principal	Interest ^[a]	Capitalized Interest	Additional Interest	Reserve Fund Release	Annual Collection Costs	Total Annual Installment ^[b]
2023	\$ -	\$ 236,544.00	\$ (236,544.00)	\$ 25,600.00	\$ -	\$ 31,055.29	\$ 56,655.29
2024	\$ 69,000.00	\$ 315,392.00	\$ -	\$ 25,600.00	\$ -	\$ 31,676.39	\$ 441,668.39
2025	\$ 73,000.00	\$ 311,141.60	\$ -	\$ 25,255.00	\$ -	\$ 32,309.92	\$ 441,706.52
2026	\$ 78,000.00	\$ 306,644.80	\$ -	\$ 24,890.00	\$ -	\$ 32,956.12	\$ 442,490.92
2027	\$ 82,000.00	\$ 301,840.00	\$ -	\$ 24,500.00	\$ -	\$ 33,615.24	\$ 441,955.24
2028	\$ 87,000.00	\$ 296,788.80	\$ -	\$ 24,090.00	\$ -	\$ 34,287.55	\$ 442,166.35
2029	\$ 92,000.00	\$ 291,429.60	\$ -	\$ 23,655.00	\$ -	\$ 34,973.30	\$ 442,057.90
2030	\$ 97,000.00	\$ 285,762.40	\$ -	\$ 23,195.00	\$ -	\$ 35,672.76	\$ 441,630.16
2031	\$ 103,000.00	\$ 279,787.20	\$ -	\$ 22,710.00	\$ -	\$ 36,386.22	\$ 441,883.42
2032	\$ 109,000.00	\$ 273,442.40	\$ -	\$ 22,195.00	\$ -	\$ 37,113.94	\$ 441,751.34
2033	\$ 116,000.00	\$ 266,728.00	\$ -	\$ 21,650.00	\$ -	\$ 37,856.22	\$ 442,234.22
2034	\$ 123,000.00	\$ 259,582.40	\$ -	\$ 21,070.00	\$ -	\$ 38,613.35	\$ 442,265.75
2035	\$ 130,000.00	\$ 252,005.60	\$ -	\$ 20,455.00	\$ -	\$ 39,385.61	\$ 441,846.21
2036	\$ 138,000.00	\$ 243,997.60	\$ -	\$ 19,805.00	\$ -	\$ 40,173.33	\$ 441,975.93
2037	\$ 146,000.00	\$ 235,496.80	\$ -	\$ 19,115.00	\$ -	\$ 40,976.79	\$ 441,588.59
2038	\$ 155,000.00	\$ 226,503.20	\$ -	\$ 18,385.00	\$ -	\$ 41,796.33	\$ 441,684.53
2039	\$ 165,000.00	\$ 216,955.20	\$ -	\$ 17,610.00	\$ -	\$ 42,632.25	\$ 442,197.45
2040	\$ 175,000.00	\$ 206,791.20	\$ -	\$ 16,785.00	\$ -	\$ 43,484.90	\$ 442,061.10
2041	\$ 186,000.00	\$ 196,011.20	\$ -	\$ 15,910.00	\$ -	\$ 44,354.60	\$ 442,275.80
2042	\$ 197,000.00	\$ 184,553.60	\$ -	\$ 14,980.00	\$ -	\$ 45,241.69	\$ 441,775.29
2043	\$ 210,000.00	\$ 172,418.40	\$ -	\$ 13,995.00	\$ -	\$ 46,146.52	\$ 442,559.92
2044	\$ 223,000.00	\$ 159,482.40	\$ -	\$ 12,945.00	\$ -	\$ 47,069.45	\$ 442,496.85
2045	\$ 237,000.00	\$ 145,745.60	\$ -	\$ 11,830.00	\$ -	\$ 48,010.84	\$ 442,586.44
2046	\$ 251,000.00	\$ 131,146.40	\$ -	\$ 10,645.00	\$ -	\$ 48,971.06	\$ 441,762.46
2047	\$ 267,000.00	\$ 115,684.80	\$ -	\$ 9,390.00	\$ -	\$ 49,950.48	\$ 442,025.28
2048	\$ 284,000.00	\$ 99,237.60	\$ -	\$ 8,055.00	\$ -	\$ 50,949.49	\$ 442,242.09
2049	\$ 302,000.00	\$ 81,743.20	\$ -	\$ 6,635.00	\$ -	\$ 51,968.48	\$ 442,346.68
2050	\$ 321,000.00	\$ 63,140.00	\$ -	\$ 5,125.00	\$ -	\$ 53,007.85	\$ 442,272.85
2051	\$ 341,000.00	\$ 43,366.40	\$ -	\$ 3,520.00	\$ -	\$ 54,068.01	\$ 441,954.41
2052	\$ 363,000.00	\$ 22,360.80	\$ -	\$ 1,815.00	\$ (385,116.34)	\$ 55,149.37	\$ 57,208.83
Total	\$ 5,120,000.00	\$ 6,221,723.20	\$ (236,544.00)	\$ 511,410.00	\$ (385,116.34)	\$ 1,259,853.35	\$ 12,491,326.21

Footnotes:

[a] Interest is calculated at a 6.16% rate for illustrative purposes.

[b] The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

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 Special Session on the 1st day of December, 2022, 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
Rita Bishop, Mayor Pro-Tem
Geronimo Hernandez, Council Member

Jessica Kuykendall, Council Member
Kayla Sanguinetti, Council Member
Drew Wilson, Council Member

Tonya Roberts, 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 AUTHORIZING THE ISSUANCE OF THE "CITY OF VENUS, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022 (BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1 IMPROVEMENT AREA #1A/1B PROJECTS)"; APPROVING AND AUTHORIZING AN INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT, A LIMITED OFFERING MEMORANDUM, A CONTINUING DISCLOSURE AGREEMENT AND OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION THEREWITH; MAKING FINDINGS WITH RESPECT TO THE ISSUANCE OF SUCH BONDS; AND PROVIDING AN EFFECTIVE DATE

was duly introduced for 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.

PASSED AND APPROVED BY THE VENUS CITY COUNCIL ON THIS THE 1ST DAY OF DECEMBER, 2022.

JAMES L. BURGESS
Mayor

ATTEST:

CALLIE GREEN
City Secretary

(SEAL)

CERTIFICATE FOR AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE "CITY OF VENUS, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022 (BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1 IMPROVEMENT AREA #1A/1B PROJECTS)"; APPROVING AND AUTHORIZING AN INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT, A LIMITED OFFERING MEMORANDUM, A CONTINUING DISCLOSURE AGREEMENT AND OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION THEREWITH; MAKING FINDINGS WITH RESPECT TO THE ISSUANCE OF SUCH BONDS; AND PROVIDING AN EFFECTIVE DATE



**CITY OF VENUS, TEXAS
ORDINANCE NO. ____-2022-12**

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE "CITY OF VENUS, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022 (BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1 IMPROVEMENT AREA #1A/1B PROJECTS)"; APPROVING AND AUTHORIZING AN INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT, A LIMITED OFFERING MEMORANDUM, A CONTINUING DISCLOSURE AGREEMENT AND OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION THEREWITH; MAKING FINDINGS WITH RESPECT TO THE ISSUANCE OF SUCH BONDS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Venus, Texas (the "City"), pursuant to and in accordance with the terms, provisions and requirements of the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "PID Act"), has previously established the "Brahman Ranch Public Improvement District No. 1" (the "District"); and

WHEREAS, pursuant to the PID Act, the City Secretary of the City (the "City Secretary") published notice of the assessment hearing in a newspaper of general circulation in the City and mailed the notice of the assessment hearing to the last known address of the owners of the property liable for the assessments; and

WHEREAS, the City Council of the City (the "City Council") held a public hearing on December 1, 2022, regarding the levy of special assessments within the District, and on such date, the Council adopted an ordinance levying such special assessments (the "Assessment Ordinance"); and

WHEREAS, in the Assessment Ordinance, the Council approved and accepted the Service and Assessment Plan (as defined in the Assessment Ordinance) relating to the District and levied the Assessments (as defined in the Indenture (defined below)) against the Assessed Property (as defined in the Service and Assessment Plan); and

WHEREAS, the Council has found and determined that it is in the best interests of the City to issue its bonds to be designated "City of Venus, Texas, Special Assessment Revenue Bonds, Series 2022 (Brahman Ranch Public Improvement District No. 1 Improvement Area #1A/1B Projects)" (the "Bonds"), such Bonds to be payable from and secured by the Pledged Revenues (as defined in the Indenture); and

WHEREAS, the City is authorized by the PID Act to issue the Bonds for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #1A/1B Improvements (each as defined in the Indenture), (ii) paying a portion of the interest on the Bonds during and after the

period of acquisition and construction of the Improvement Area #1B Improvements (as defined in the Indenture), (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 Council has found and determined to approve (i) the issuance of the Bonds to finance the Authorized Improvements, (ii) the form, terms and provisions of the Indenture securing the Bonds authorized hereby, (iii) the form, terms and provisions of a Bond Purchase Agreement (defined below) between the City and the Underwriter (defined below), (iv) a Limited Offering Memorandum (defined below); and (v) a Continuing Disclosure Agreement (defined below); and

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

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

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

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

(a) The issuance of the Bonds in the principal amount of \$_____ for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #1A/1B Improvements (each as defined in the Indenture), (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #1B Improvements (as defined in the Indenture), (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, is hereby authorized and approved.

(b) The Bonds shall be issued and secured under that certain Indenture of Trust (the "Indenture"), dated as of December 1, 2022, between the City and Regions Bank in Houston, Texas, as trustee (the "Trustee"), with such changes as may be necessary or desirable to carry out the intent of this Ordinance and as approved by the Mayor or Mayor Pro Tem of the City, such approval to be evidenced by the execution and delivery of the Indenture, which Indenture is hereby approved in substantially final form attached hereto as **Exhibit A** and incorporated herein as a part hereof for all purposes. The Mayor or Mayor Pro Tem of the City is hereby authorized and directed to execute the Indenture and the City Secretary is hereby authorized and directed to attest such signature of the Mayor or Mayor Pro Tem.

(c) The Bonds shall be dated, shall mature on the date or dates and in the principal amount or amounts, shall bear interest, shall be subject to redemption and shall have such other terms and provisions as set forth in the Indenture. The Bonds shall be in substantially the form set forth in the Indenture, with such insertions, omissions and modifications as may be required to conform the form of Bond to the actual terms of the Bonds. The Bonds shall be payable from and secured by the Pledged Revenues (as

defined in the Indenture) and other assets of the Trust Estate (as defined in the Indenture) pledged to the Bonds, and shall never be payable from ad valorem taxes or any other funds or revenues of the City.

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

SECTION 4. Limited Offering Memorandum. The form and substance of the final Limited Offering Memorandum for the Bonds and any addenda, supplement or amendment thereto (the "Limited Offering Memorandum") presented to and considered at the meeting at which this Ordinance is considered is hereby approved and adopted in all respects. The Limited Offering Memorandum, with such appropriate variations as shall be approved by the Mayor or Mayor Pro Tem of the City and the Underwriter, may be used by the Underwriter in the offering and sale of the Bonds. The City Secretary is hereby authorized and directed to include and maintain a copy of the Preliminary Limited Offering Memorandum (as defined in the Bond Purchase Agreement) and the Limited Offering Memorandum and any addenda, supplement or amendment thereto thus approved among the permanent records of this meeting. The use and distribution of the Preliminary Limited Offering Memorandum in the offering of the Bonds is hereby ratified, approved and confirmed. The City deems the Preliminary Limited Offering Memorandum final, within the meaning of Rule 15c2-12 issued by the United States Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule"), as of its date, except for the omission of information specified in Section (b)(1) of the Rule, as permitted by Section (b)(1) of the Rule. Notwithstanding the approval and delivery of such Preliminary Limited Offering Memorandum and Limited Offering Memorandum by the Council, the Council is not responsible for and proclaims no specific knowledge of the information contained in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum pertaining to the District, the Developer or its financial ability, any builders, any landowners or the appraisal of the property in the District.

SECTION 5. Continuing Disclosure Agreement. The Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") between the City, P3Works, LLC and Regions Bank is hereby authorized and approved in substantially final form attached hereto as **Exhibit C** and incorporated herein as a part hereof for all purposes, and the Mayor or Mayor Pro Tem of the City is hereby authorized and directed to execute and deliver such Continuing Disclosure Agreement with such changes as may be required to carry out the purpose of this Ordinance and approved by the Mayor or Mayor Pro Tem, such approval to be evidenced by the execution thereof.

SECTION 6. Additional Actions. The Mayor, the Mayor Pro Tem, the City Manager, the Finance Assistant, and the City Secretary are hereby authorized and directed to take any and all actions on behalf of the City necessary or desirable to carry out the intent and purposes of this Ordinance and to issue the Bonds in accordance with the terms of this Ordinance. The Mayor,

the Mayor Pro Tem, the City Manager, the Finance Assistant, and the City Secretary are hereby authorized and directed to execute and deliver any and all certificates, agreements, notices, instruction letters, requisitions and other documents which may be necessary or advisable in connection with the sale, issuance and delivery of the Bonds and the carrying out of the purposes and intent of this Ordinance.

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

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

EXHIBIT A

INDENTURE OF TRUST

(See attached)

INDENTURE OF TRUST

By and Between

CITY OF VENUS, TEXAS

and

**REGIONS BANK
as Trustee**

DATED AS OF DECEMBER 1, 2022

SECURING

\$_____

**CITY OF VENUS, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(BRAHMAN RANCH PUBLIC
IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREA #1A/1B PROJECTS)**

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INDENTURE OF TRUST

THIS INDENTURE, dated as of December 1, 2022, is by and between the CITY OF VENUS, TEXAS (the "*City*"), and REGIONS BANK, , an Alabama banking corporation having offices located in 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 First 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 First 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 First 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 Second 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 Second 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, on July 29, 2021, 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 Improvement Area #1A, Improvement Area #1B, and Improvement Area #2 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 Improvement Area #1A-1B/2 Improvements were incorrect, the legal descriptions of Improvement Area #1A, Improvement Area #1B, and Improvement Area #2 were inaccurate and, as a result, the assessments levied upon certain lots pursuant to the Initial Assessment Ordinance were incorrect and were therefore invalid, and the Initial Assessment Ordinance was repealed by the City Council on April 12, 2021 via Ordinance No. 723-2021-04; 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 corrected "*Assessment Rolls*" and "*Service and Assessment Plan*" and the corrected levy of "*Assessments*" on Improvement Area #1A and Improvement Area #1B 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 Rolls 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 December 1, 2022, 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 Rolls, and the Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of Actual 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 December 1, 2022 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 Actual Costs, the Assessment Rolls, 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 December 1, 2022, 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 Rolls and levied the Assessments; and

WHEREAS, pursuant to the terms of the Assessment Ordinance and as part of the Service and Assessment Plan, the City Council (i) redefined the legal description of the District and which Parcels within Improvement Area #1A, Improvement Area #1B, and Improvement Area #2 constitute the Assessed Property, (ii) changed the amounts of the Authorized Improvements, the Actual Costs, and the Assessments, and (iii) levied the Assessments against the Assessed Property within Improvement Area #1A and Improvement Area #1B 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 Actual Costs of the

Improvement Area #1A/1B Improvements, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #1B 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 2022 (Brahman Ranch Public Improvement District No. 1 Improvement Area #1A/1B Projects)" (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 Trust Estate, as and to the extent provided in this Indenture. The Bonds do not give rise to a charge against the general credit or taxing powers of the City and are not payable except as provided in this Indenture. Notwithstanding anything to the contrary herein, the Owners of the Bonds shall never have the right to demand payment thereof out of any funds of the City other than the 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 Trust Estate.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated, and delivered and the Trust Estate hereby created, assigned, and pledged is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses, and purposes as hereinafter expressed, and the City has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners from time to time of the Bonds as follows:

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1. **Definitions.**

Unless otherwise expressly provided or unless the context clearly requires otherwise in this Indenture, the following terms shall have the meanings specified below:

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

"*Actual Costs*" mean, with respect to Improvement Area #1A/1B Improvements, the actual costs paid or incurred by or on behalf of the Developer, (either directly or through affiliates), including: (1) the costs for the design, planning, financing, administration/management, acquisition, installation, construction and/or implementation of such Improvement Area #1A/1B Improvements; (2) the fees paid for obtaining permits, licenses, or other governmental approvals for such Improvement Area #1A/1B Improvements; (3) the costs for external professional services, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting, and similar professional services; (4) the costs for all labor, bonds, and materials, including equipment and fixtures, owing to contractors, builders, and materialmen engaged in connection with the acquisition, construction, or implementation of the Improvement Area #1A/1B Improvements; (5) all related permitting and

public approval expenses, and architectural, engineering, consulting, and other governmental fees and charges and (6) costs to implement, administer, and manage the above-described activities including, but not limited to, a construction management fee equal to four percent (4%) of construction costs if managed by or on behalf of the Developer.

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

"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 Collection Costs" mean the actual or budgeted costs and expenses related to the operation of the District, including, but not limited to, costs and expenses for: (1) the Administrator; (2) City staff; (3) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (4) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (5) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (6) paying and redeeming Bonds; (7) investing or depositing Assessments and Annual Installments; (8) complying with the Service and Assessment Plan, the PID Act, and the Indenture, including the City's continuing disclosure requirements; and (9) the paying agent/registrar and Trustee in connection with the Bonds, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

"Annual Debt Service" means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds 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 Appendices F-1 and G-1, 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) Annual Collection Costs, 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, collectively, the Improvement Area #1A Assessed Property and the Improvement Area #1B Assessed Property.

"*Assessment Ordinance*" means the ordinance adopted by the City Council on December 1, 2022, 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 Rolls*" mean, collectively, the Improvement Area #1A Assessment Roll and the Improvement Area #1B Assessment Roll.

"*Assessments*" means, collectively, the Improvement Area #1A Assessments and Improvement Area #1B Assessments.

"*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.

"*Authorized Improvements*" means the improvements authorized by Section 372.003 of the PID Act, and described in Section III, as further depicted on Exhibit H to the Service and Assessment Plan.

"*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*" means, collectively, the Improvement Area #1A Bond Improvement Account and the Improvement Area #1B Improvement Account, each in the Project Fund established pursuant to Section 6.1 of this Indenture.

"*Bond Ordinance*" means the ordinance adopted by the City Council on December 1, 2022 authorizing the issuance of the Bonds pursuant to this Indenture.

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

"*Bond Year*" means the one-year period beginning on 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 2022 (Brahman Ranch Public Improvement District No. 1 Improvement Area #1A/1B Projects)" 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 Actual Costs thereof, and requesting payment for such Actual Costs from money on deposit in 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.

"*Collection Fund*" means the Fund established pursuant to Section 6.1 and administered as provided in Section 6.10 hereof.

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

"*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 December 15, 2022, 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.

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

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

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

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

"*Improvement Area #1A*" means approximately 45.09 acres located within the District, more specifically described in Exhibit K-2 and depicted on Exhibit A-2 of the Service and Assessment Plan.

"*Improvement Area #1A Annual Installment*" means the Annual Installment of the Improvement Area #1A Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs related to Improvement Area #1A; and (4) Additional Interest related to the Bonds, if applicable, as shown on Exhibit F-2 of the Service and Assessment Plan.

"Improvement Area #1A Assessed Property" means any Parcel within Improvement Area #1A against which an Assessment is levied.

"Improvement Area #1A Assessment" means an assessment levied against a Parcel within Improvement Area #1A and imposed pursuant to the Assessment Ordinance, as shown on the Improvement Area #1A Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

"Improvement Area #1A Assessment Roll" means the document attached to the Service and Assessment Plan as Exhibit F-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

"Improvement Area #1A Bond Improvement Account" means the account with within the Project Fund established pursuant to Section 6.1 of this Indenture designated as such.

"Improvement Area #1A Improvements" the pro rata portion of the Improvement Area #1A-1B/2 Improvements allocable to Improvement Area #1A.

"Improvement Area #1A Initial Parcel" means all of the Improvement Area #1A Assessed Property against which the entire Improvement Area #1A Assessment is levied, as shown on the Improvement Area #1A Assessment Roll.

"Improvement Area #1A Redemption Account" means the account within the Redemption Fund established pursuant to Section 6.1 of this Indenture designated as such.

"Improvement Area #1A/1B" means, collectively, Improvement Area #1A and Improvement Area #1B.

"Improvement Area #1A/B Improvements" means, collectively, the Improvement Area #1 Improvements and Improvement Area #1B Improvements.

"Improvement Area #1A-1B/2 Improvements" means those Authorized Improvements that confer special benefit to all Parcels within Improvement Area #1A, Improvement Area #1B, and Improvement Area #2, as further described in Section III.A, and as depicted in Exhibit H to the Service and Assessment Plan.

"Improvement Area #1B" means approximately 43.57 acres located within the District, more specifically described in Exhibit K-3 and depicted on Exhibit A-3 of the Service and Assessment Plan.

"Improvement Area #1B Annual Installment" means the Annual Installment of the Improvement Area #1B Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs related to Improvement Area #1B; and (4) Additional Interest related to the Bonds, if applicable, as shown on Exhibit G-2 of the Service and Assessment Plan.

"Improvement Area #1B Assessed Property" means any Parcel within Improvement Area #1B against which an Assessment is levied.

"Improvement Area #1B Assessment" means an assessment levied against a Parcel within Improvement Area #1B and imposed pursuant to the Assessment Ordinance, as shown on the Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

"Improvement Area #1B Assessment Roll" means the document attached to the Service and Assessment Plan as Exhibit G-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

"Improvement Area #1B Bond Improvement Account" means the account within the Project Fund established pursuant to Section 6.1 of this Indenture designated as such.

"Improvement Area #1B Improvements" the pro rata portion of the Improvement Area #1A-1B/2 Improvements allocable to Improvement Area #1B.

"Improvement Area #1B Initial Parcel" means all of the Improvement Area #1B Assessed Property against which the entire Improvement Area #1B Assessment is levied, as shown on the Improvement Area #1B Assessment Roll.

"Improvement Area #1B Redemption Account" means the account within the Redemption Fund established pursuant to Section 6.1 of this Indenture designated as such.

"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, 2023.

"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.

"*Pledged Funds*" means, collectively, the Pledged Revenue Fund, the Bond Fund, the Project Fund, the Reserve Fund and the Redemption Fund.

"*Pledged Revenue Fund*" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.3 of this Indenture.

"*Pledged Revenues*" means, collectively, the (i) Assessment Revenues (excluding the portion of the Assessments and Annual Installments collected for the payment of Annual Collection Costs 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 Annual Collection Costs 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 November 14, 2022, 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 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 Rolls, 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 Actual Costs of the Improvement Area #1A/1B Improvements, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #1B 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, 2023, 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>

(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 any date, 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(c)) or any other transfers to the Redemption Fund under the terms of this Indenture. At the discretion of the City, deposits in one of the Accounts within the Redemption Fund may be aggregated with funds in another Account within the Redemption Fund in order to effect a single redemption of Bonds on a particular redemption date.

Section 4.5. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to either Sections 4.2, 4.3 or 4.4, Bonds 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. 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.

(b) If less than all of the Bonds are called for optional redemption pursuant to Section 4.3 hereof, the Trustee shall rely on directions provided in a City Order in selecting the Bonds to be redeemed.

(c) If less than all of the Bonds are called for extraordinary optional redemption pursuant to Section 4.4 hereof, the Bonds or portion of a Bond to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds.

(d) Upon surrender of any Bond for redemption in part, the Trustee in accordance with Section 3.7 of this Indenture, shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, such exchange being without charge.

Section 4.6. Notice of Redemption to Owners.

(a) Upon written direction from the City to the Trustee of the exercise of any redemption provision provided hereunder, the Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register.

(b) The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, and subject to Section 4.5, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond shall become due and payable.

(c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

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

(e) 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. 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.

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 2022
(BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT
NO. 1 IMPROVEMENT AREA #1A/1B PROJECTS)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DELIVERY DATE</u>	<u>CUSIP NUMBER</u>
_____ %	September 15, 20__	December 15, 2022	_____

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, 2023.

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 December 1, 2022 (the "*Indenture*"), by and between the City and the Trustee, to which Indenture reference is hereby made for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder to the holders of the Bonds, the Trustee, and the City, and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each holder of this Bond hereby consents. All Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The Bonds are being issued for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #1A/1B Improvements, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #1B 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 any date, 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.

If less than all of the Bonds are to be redeemed, 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. 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.

If less than all of the Bonds are called for optional redemption, the Trustee shall rely on directions provided in a City Order in selecting the Bonds to be redeemed.

If less than all of the Bonds are called for extraordinary optional redemption, the Bonds to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds.

Upon written direction from the City to the Trustee of the exercise of any redemption provision provided 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 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.

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

The 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. 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.

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	§	REGISTER NO. _____
THE STATE OF TEXAS	§	

I HEREBY CERTIFY THAT there is on file and of record in my office a certificate to the effect that the Attorney General of the State of Texas has approved this Bond, and that this Bond has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts
of the State of Texas

[SEAL]

(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;
- (vii) Administrative Fund; and
- (viii) Collection Fund.

(b) Creation of Accounts.

Bond Fund: (i) The following Accounts are hereby created and established under the

- (A) Capitalized Interest Account; and
- (B) Principal and Interest Account.

Reserve Fund: (ii) The following Accounts are hereby created and established under the

- (A) Reserve Account; and
- (B) Delinquency and Prepayment Reserve Account.

Project Fund: (iii) The following Accounts are hereby created and established under the

- (A) Improvement Area #1A Bond Improvement Account;
- (B) Improvement Area #1B Bond Improvement Account; and
- (C) Costs of Issuance Account.

Pledged Revenue Fund: (iv) The following Account is hereby created and established under the

- (A) Bond Pledged Revenue Account.

Redemption Fund: (v) The following Accounts are hereby created and established under the

(A) Improvement Area #1A Redemption Account; and

(B) Improvement Area #1B Redemption Account.

(c) Each Fund and each Account created within such Fund shall be maintained by the Trustee separate and apart from all other funds and accounts of the City. The Pledged Funds shall constitute trust funds which shall be held in trust by the Trustee as part of the Trust Estate solely for the benefit of the Owners of the Bonds. Amounts on deposit in the Funds and Accounts shall be used solely for the purposes set forth herein.

(d) Interest earnings and profit on each respective Fund and Account established by this Indenture shall be applied or withdrawn for the purposes of such Fund or Account as specified below.

Section 6.2. Initial Deposits to Funds and Accounts.

(a) The proceeds from the sale of the Bonds shall be paid to the Trustee and deposited or transferred by the Trustee as follows:

- (i) to the 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;
- (ii) to the Costs of Issuance Account of the Project Fund: \$ _____;
- (iii) to the Improvement Area #1A Bond Improvement Account of the Project Fund: \$ _____;
- (iv) to the Improvement Area #1B Bond Improvement Account of the Project Fund: \$ _____; and
- (iv) to the Administrative Fund: \$ _____.

Section 6.3. Pledged Revenue Fund.

(a) Immediately upon receipt thereof, the City shall transfer to the Trustee for deposit to the Pledged Revenue Fund the Assessments and Annual Installments, other than (1) the portion of the Assessments and Annual Installments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs, which shall be deposited to the Administrative Fund in accordance with Section 6.9 hereof, (2) any Assessments and Annual Installments in excess of the amounts required to be deposited into the Accounts described in the following sentence, and (3) the Assessment Revenues on deposit in the Collection Fund which revenues shall be transferred in accordance with Section 6.10 hereof. 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 Rebataable 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 Rebataable Arbitrage owed by the City, as provided in Sections 6.8 and 6.11(f) hereof. If any funds remain on deposit in the Pledged Revenue Fund after the foregoing deposits are made, the City shall have the option, in its sole and absolute discretion, to use such excess funds for any one or more of the following purposes: (1) pay other costs of the Improvement Area #1A/1B Improvements, (2) pay other costs permitted by the PID Act, or (3) deposit such excess into one or more of the Accounts in 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 of Improvement Area #1A Assessments to the Improvement Area #1A Redemption Account of the Redemption Fund and Prepayments of Improvement Area #1B Assessments to the Improvement Area #1B Redemption Account of 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 respective Account within the Redemption Fund to which such Foreclosure Proceeds relate.

(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.

(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 a portion of the interest due on the Bonds on September 15, 2023, attributable to Improvement Area #1B. 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 Improvement Area #1B Bond Improvement Account of the Project Fund, or if the Improvement Area #1B 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 Improvement Area #1B Redemption Account of 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 respective Bond Improvement Account of the Project Fund to pay Actual Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certificate for Payment. The funds from

the respective Bond Improvement Account of the Project Fund shall be disbursed in accordance with a Certificate for Payment as described in the Reimbursement Agreement. Each such Certificate for Payment 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 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 Improvement Area #1A Bond Improvement Account of the Project Fund shall be used solely to pay Actual Costs of the Improvement Area #1A Improvements, and money on deposit in the Improvement Area #1B Bond Improvement Account of the Project Fund shall be used solely to pay Actual Costs of the Improvement Area #1B Improvements, but only once released in accordance with section 6.5(h) herein.

(d) If the City Representative determines in his or her sole discretion that amounts then on deposit in either Bond Improvement Account of the Project Fund are not expected to be expended for purposes of the said Bond Improvement Account of the Project Fund due to the abandonment, or constructive abandonment, of one or more of the Improvement Area #1A Improvements or Improvement Area #1B Improvements such that, in the opinion of the City Representative, it is unlikely that the amounts in the respective Bond Improvement Account of the Project Fund will ever be expended for the purposes of the respective Bond 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 respective Bond Improvement Account of the Project Fund that are not expected to be used for purposes of the respective Bond Improvement Account of the Project Fund. If such City Order is so filed, the identified amounts on deposit in the respective Bond Improvement Account of the Project Fund shall be transferred to the Bond Fund or to the corresponding Account within the Redemption Fund as directed by the City Representative in a City Order filed with the Trustee. Upon such transfers, the respective Bond 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 Improvement Area #1A Improvements or Improvement Area #1B Improvements have been completed and that all related Actual Costs have been paid, or that any related Actual Costs are not required to be paid from the respective Bond Improvement Account of the Project Fund pursuant to a Certificate for Payment, the Trustee shall transfer the amount, if any, remaining within the respective Bond Improvement Account of the Project Fund to the Bond Fund or to the corresponding account within the Redemption Fund as directed by the City Representative in a City Order filed with the Trustee. Upon such transfer, the respective Bond 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 pro rata to the Bond Improvement Accounts of the Project Fund and used to pay related Actual 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) In the event the Developer has not completed all Improvement Area #1A/1B Improvements by December 15, 2027, then the City may provide written direction to the Trustee to (i) transfer all funds on deposit in each Bond Improvement Account to the corresponding account within the Redemption Fund to redeem Bonds pursuant to Section 4.4 hereof. Upon such transfers, both Bond Improvement Accounts 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; provided, however, that money on deposit in the Improvement Area #1A Redemption Account of the Redemption Fund shall be used solely to reduce Improvement Area #1A Assessments levied on Improvement Area #1A Assessed Property, and money on deposit in the Improvement Area #1B Redemption Account of the Redemption Fund shall be used solely to reduce Improvement Area #1B Assessments levied on Improvement Area #1B Assessed Property, as further provided in Section 4.4 of this Indenture.

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, 2023, 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 corresponding Account of 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 corresponding Account of the Redemption Fund to be applied to the redemption of the Bonds.

(d) Whenever, on any Interest Payment Date, or on any other date at the 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 Annual Collection Costs for the Bonds, (iii) pro rata to the Improvement Area #1A Bond Improvement Account and Improvement Area #1B Bond Improvement Account of the Project Fund to pay Actual Costs of the Improvement Area #1A/1B Improvements if such application and the expenditure of funds is expected to occur within three years of the date hereof or (iv) pro rata to the Improvement Area #1A Redemption Account and Improvement Area #1B Redemption Account of 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 Annual Collection Costs or pro rata to the Accounts in 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 pro rata to the Accounts within 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 pro rata to the Accounts in 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 Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan, other than the Delinquent Collection Costs and Annual Collection Costs on deposit in the Collection Fund, which revenues shall be deposited in accordance with Section 6.10 hereof.

(b) Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds 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 Annual Collection Costs 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. Collection Fund.

While any Bonds are Outstanding, another taxing unit or an appraisal district, by agreement with the City, may collect Assessment Revenues, Delinquent Collection Costs and Annual Collection Costs on the City's behalf. If such taxing unit or appraisal district presents or otherwise tenders to the Trustee such collected Assessment Revenues and Annual Collection Costs for deposit on the City's behalf, the Trustee shall accept such Assessment Revenues, Delinquent Collection Costs and Annual Collection Costs and deposit the same into the Collection Fund. The Trustee shall, as directed by the City pursuant to a City Order, deposit or cause to be deposited (i) all Assessment Revenues deposited into the Collection Fund into the Pledged Revenue Fund and (ii) all Delinquent Collection Costs and Annual Collection Costs deposited into the Collection Fund to the Administrative Fund for future allocations as set forth in this Indenture. The City shall provide such City Order on or before March 1, 2023, and monthly thereafter, as practicable, while the Bonds are Outstanding. The Collection Fund is not a Pledged Fund.

Section 6.11. 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 6.12. 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 Annual Collection Costs 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 Administrator and Finance Director 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 Actual Costs on its books and records in accordance with the requirements of the Code. The City recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Improvement Area #1A/1B 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 Improvement Area #1A/1B 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 and 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 that 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;

(iii) Default in the performance or observance of any covenant, agreement or obligation of the City under this Indenture, other than a default under (iv) below, and the continuation thereof for a period of ninety (90) days after written notice specifying such default and requiring same to be remedied shall have been given to the City by the Trustee, which shall give such notice at the written request of the Owners of not less than fifty-one percent (51%) in principal amount of the Bonds then Outstanding; provided, however, if the default stated in the notice is capable of cure but cannot reasonably be cured within the applicable period, the City shall be entitled to a further extension of time reasonably necessary to remedy such default so long as corrective action is instituted by the City within the applicable period and is diligently pursued until such failure is corrected, but in no event for a period of time of more than one hundred eighty (180) days after such notice; and

(iv) The failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable and such failure is not remedied within thirty (30) days thereafter.

Section 11.2. Immediate Remedies for Default.

(a) Subject to Article VIII, upon the happening and continuance of any of the Events of Default described in Section 11.1, then and in every such case the Trustee may proceed, and upon the written request of the Owners of not less than fifty-one percent (51%) in principal amount of the Bonds then Outstanding hereunder shall proceed, to protect and enforce the rights of the Owners under this Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted.

(b) PURSUANT TO SECTION 11.7, THE PRINCIPAL OF THE BONDS SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

(c) If the assets of the Trust Estate are sufficient to pay all amounts due with respect to Outstanding Bonds, in the selection of Trust Estate assets to be used in the payment of Bonds due under this Article, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City 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 and subordinate lien obligations permitted hereunder, 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 and subordinate lien obligations permitted hereunder. 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) 244-8041

(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. Texas Government Code Verifications.

(a) The Trustee represents that, neither the Trustee, nor any parent company, wholly- or majority-owned subsidiaries or affiliates of the same, if any, are companies 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 the following page of such officer's internet website:

<https://comptroller.texas.gov/purchasing/publications/divestment.php>

The foregoing representation is made solely to enable the City to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Trustee and each parent company, wholly- or majority-owned subsidiaries, and other affiliates of the same, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) The Trustee hereby verifies that the Trustee and any 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 enable the City 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.

(c) The Trustee hereby verifies that it and any parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, to the extent this Indenture is a contract for goods or services, will not boycott energy companies during the term of this Indenture. The foregoing verification is made solely to enable the City to comply with Section 2274.002, Texas Government Code, as added by Senate Bill 13 in the Regular Session of the 87th Legislature of Texas, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, "boycott energy company" means (without an ordinary business purpose) refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company either (i) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law or (ii) does business with such a company.

(d) The Trustee hereby verifies that it and any parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not discriminate against a firearm entity or firearm trade association and, to the extent this Indenture is a contract for goods or services, will not discriminate against a firearm entity or firearm trade association during the term of this Indenture. The foregoing verification is made solely to enable the City to comply with Section 2274.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, (a) 'discriminate against a firearm entity or firearm trade association' means to refuse to engage in the trade of any goods or services, or to refrain from continuing or terminate an existing business relationship, with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, but does not include any such action taken (i) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (ii) for a traditional business reason that is specific to the firearm entity or firearm trade association and not based solely on its status as a firearm entity or firearm trade association, (b) 'firearm entity' means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms, firearm accessories (i.e.,

devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (i.e., a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (as defined by Section 250.001, Texas Local Government Code), and (c) ‘firearm trade association’ means a person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

(e) As used in subsections (a) through (d) above, the Trustee understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 133(f), 17 C.F.R. § 230.133(f), and exists to make a profit.

(f) The Trustee represents that it has, or will have prior to the date of delivery of the Bonds, on file with the Texas Attorney General a standing letter addressing the representations and verifications in subsections (a) through (d) above in a form acceptable to the Texas Attorney General. In addition, if the Trustee has received notice from the Texas Comptroller of Public Accounts that the Trustee or its affiliate may appear on the State of Texas’ list of financial companies that boycott energy companies, the Trustee agrees to provide to the City or Bond Counsel, two business days prior to the delivery date for the Bonds, written verification to the effect that the applicable standing letter remains in effect and may be relied upon by the City and the Texas Attorney General. The written verification will also confirm that the Trustee (or its affiliate which received the letter from the Comptroller) intends to timely respond to the Comptroller’s request. Such written verification may be in the form of an e-mail.

Section 15.11. Disclosure of Interested Parties.

The Trustee represents and warrants that it is exempt from the requirements of Section 2252.908 of the Texas Government Code, as amended, pursuant to subsection (c)(4) thereof. Accordingly, the Trustee is not required to file a Certificate of Interested Parties Form 1295.

[Remainder of page left blank intentionally]

IN WITNESS WHEREOF, the City and the Trustee have caused this Indenture of Trust to be executed as of the date hereof.

CITY OF 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

EXHIBIT B

BOND PURCHASE AGREEMENT

(See attached)

\$(PRINCIPAL)
CITY OF VENUS, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREA #1A/1B PROJECTS)

BOND PURCHASE AGREEMENT

December 1, 2022

City of Venus, Texas
700 W. US Highway 67
Venus, Texas 76084

Ladies and Gentlemen:

The undersigned, FMSbonds, Inc. (the “Underwriter”), offers to enter into this Bond Purchase Agreement (this “Agreement”) with the City of Venus, Texas (the “City”), which will be binding upon the City and the Underwriter upon the acceptance of this Agreement by the City. This offer is made subject to its acceptance by the City by execution of this Agreement and its delivery to the Underwriter on or before 10:00 p.m., Central Time, on the date hereof and, if not so accepted, will be subject to withdrawal by the Underwriter upon written notice delivered to the City at any time prior to the acceptance hereof by the City. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Indenture (as defined herein) between the City and Regions Bank, as trustee (the “Trustee”), authorizing the issuance of the Bonds (as defined herein), and in the Limited Offering Memorandum (as defined herein).

1. Purchase and Sale of Bonds. Upon the terms and conditions and upon the basis of representations, warranties, and agreements hereinafter set forth, the Underwriter hereby agrees to purchase from the City, and the City hereby agrees to sell to the Underwriter, all (but not less than all) of the \$(PRINCIPAL) aggregate principal amount of the “City of Venus, Texas, Special Assessment Revenue Bonds, Series 2022 (Brahman Ranch Public Improvement District No. 1 Improvement Area #1A/1B Projects)” (the “Bonds”), at a purchase price of \$[_____] (representing the aggregate principal amount of the Bonds, less an Underwriter’s discount of \$[_____]).

Inasmuch as this purchase and sale represents a negotiated transaction, the City understands, and hereby confirms, that the Underwriter is not acting as a municipal advisor or fiduciary of the City (including, without limitation, a “municipal advisor” (as such term is defined in Section 975(e) of the Dodd Frank Wall Street Reform and Consumer Protection Act)), but rather is acting solely in its capacity as Underwriter for its own account. The City

acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm's length commercial transaction between the City and the Underwriter, (ii) in connection with the discussions, undertakings, and procedures leading up to the consummation of this transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent, municipal advisor, financial advisor, or fiduciary of the City, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City with respect to the offering described herein or the discussions, undertakings, and procedures leading thereto (regardless of whether the Underwriter has provided other services or is currently providing other services to the City on other matters) and the Underwriter has no obligation to the City with respect to the offering described herein except the obligations expressly set forth in this Agreement, (iv) the City has consulted its own legal, financial and other advisors to the extent it has deemed appropriate, (v) the Underwriter has financial and other interests that differ from those of the City, and (vi) the Underwriter has provided to the City prior disclosures under Rule G-17 of the Municipal Securities Rulemaking Board ("MSRB"), which have been received by the City. The City further acknowledges and agrees that following the issuance and delivery of the Bonds, the Underwriter has indicated that it may have periodic discussions with the City regarding the expenditure of Bond proceeds and the construction of the Improvement Area #1A/1B Improvements financed with the Bonds and, in connection with such discussions, the Underwriter shall be acting solely as a principal and will not be acting as the agent or fiduciary of, and will not be assuming an advisory or fiduciary responsibility in favor of, the City.

The Bonds shall be dated December 15, 2022 and shall have the maturities and redemption features, if any, and bear interest at the rates per annum shown on Schedule I hereto. Payment for and delivery of the Bonds, and the other actions described herein, shall take place on December 15, 2022 (or such other date as may be agreed to by the City and the Underwriter) (the "Closing Date").

2. Authorization Instruments and Law. The Bonds were authorized by an ordinance enacted by the City Council of the City (the "City Council") on December 1, 2022 (the "Bond Ordinance") and shall be issued pursuant to the provisions of the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "Act"), and the Indenture of Trust, dated as of December 1, 2022, between the City and the Trustee (the "Indenture"). The Bonds shall be substantially in the form described in, and shall be secured under the provisions of, the Indenture.

The Bonds and interest thereon shall be secured by a pledge and lien upon the "Trust Estate" consisting primarily of revenue from proceeds of special assessments (the "Assessments") levied on the assessable parcels within Improvement Area #1A/1B of the Brahman Ranch Public Improvement District No. 1 (the "District"). The District was established by a resolution enacted by the City Council on May 11, 2020, as amended on March 29, 2021 (the "Creation Resolution"), in accordance with the Act. The Assessments were levied in accordance with a service and assessment plan, adopted by the City Council on December 1, 2022 (the "Service and Assessment Plan"), pursuant to an ordinance (the "Assessment Ordinance" and, together with the Creation Resolution, the Indenture and the Bond Ordinance, the "Authorizing Documents"). The Bonds shall be further secured by certain applicable funds and accounts created pursuant to the Indenture.

The Bonds shall be as described in Schedule I attached hereto, the Indenture, and the Limited Offering Memorandum. The proceeds of the Bonds shall be used for (i) paying a portion of the Actual Costs of the Improvement Area #1A/1B Improvements, (ii) paying a portion of the interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #1B 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.

3. Public Offering. The Underwriter agrees to make a bona fide limited public offering of all of the Bonds in accordance with Section 4 hereof and to no more than thirty-five (35) persons that qualify as “Accredited Investors” (as defined in Rule 501 of Regulation D under the Securities Act (as defined herein) or “Qualified Institutional Buyers” (as defined in Rule 144A under the Securities Act)). On or before the third (3rd) business day prior to the Closing Date, the Underwriter shall execute and deliver to Bond Counsel (as defined herein) the Issue Price Certificate (as defined herein), in substantially the form attached hereto as Appendix B.

4. Establishment of Issue Price. Notwithstanding any provision of this Agreement to the contrary, the following provisions related to the establishment of the issue price of the Bonds apply:

a. Definitions. For purposes of this Section 4, the following definitions apply:

(i) “*Public*” means any person (including an individual, trust, estate, partnership, association, company or corporation) other than a Participating Underwriter or a Related Party to a Participating Underwriter.

(ii) “*Participating Underwriter*” means (A) any person that agrees pursuant to a written contract with the City (or with the Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public).

(iii) “*Related Party*” means any two or more persons who are subject, directly or indirectly, to (A) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another) or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interest or profits interest of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(iv) “*Sale Date*” means the date of execution of this Agreement by all parties.

b. Issue Price Certificate. The Underwriter agrees to assist the City in establishing the issue price of the Bonds and to execute and deliver to the City at Closing an Issue Price Certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the City and Bond Counsel (as defined herein), to accurately reflect, as applicable, the initial offering price (the “Initial Offering Price”) or prices or the sales price or prices to the Public of the Bonds. As applicable, all actions to be taken by the City under this section to establish the issue price of the Bonds may be taken on behalf of the City by the City's financial advisor and any notice or report to be provided to the City may be provided to the City's financial advisor.

c. Substantial Amount Test. The City will treat the Initial Offering Price at which at least ten percent (a “Substantial Amount”) in principal amount of each maturity of the Bonds is sold to the Public as of the Sale Date (the “Substantial Amount Test”) as the issue price of that maturity (or each separate CUSIP number within that maturity). Those maturities of the Bonds which do not satisfy the Substantial Amount Test (the “Hold-the-Price Maturities”) will be identified in the Issue Price Certificate and will be subject to the Hold-the-Price Restriction (as hereinafter defined). At or promptly after the execution of this Agreement, the Underwriter will report to the City the price or prices at which the Underwriter has offered and sold to the Public each maturity of the Bonds.

d. Hold-The-Price Restriction. The Underwriter agrees that it will neither offer nor sell any of the Hold-the-Price Maturities to any person at a price that is higher than the applicable Initial Offering Price for such maturity during the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date or (ii) the date on which the Underwriter has sold a Substantial Amount of such Hold-the-Price Maturity to the Public at a price that is no higher than the Initial Offering Price of such Hold-the-Price Maturity (the “Hold-the-Price Restriction”). The Initial Offering Price of the Hold-the-Price Maturities shall be the issue price for such maturities.

The Underwriter shall promptly advise the City when the Underwriter has sold a Substantial Amount of each such Hold-The-Price Maturity to the Public at a price that is no higher than the applicable Initial Offering Price of such Hold-The-Price Maturity, if that occurs prior to the close of the fifth business day after the Sale Date.

The City acknowledges that, in making the representation set forth in this subparagraph (4), the Underwriter will rely on (A) the agreement of each Participating Underwriter to comply with the Hold-the-Price Restriction, as set forth in an agreement among underwriters and the related pricing wires, (B) in the event a selling group has been created in connection with the sale of the Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the Hold-the-Price

Restriction, as set forth in a selling group agreement and the related pricing wires, and (C) in the event that a Participating Underwriter is a party to a third-party distribution agreement that was employed in connection with the sale of the Bonds, the agreement of each such underwriter, dealer or broker-dealer that is a party to such agreement to comply with the Hold-the-Price Restriction, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each Participating Underwriter will be solely liable for its failure to comply with its agreement regarding the Hold-the-Price Restriction and that no Participating Underwriter will be liable for the failure of any other Participating Underwriter to comply with its corresponding agreement regarding the Hold-the-Price Restrictions as applicable to the Bonds.

e. Agreements Among Participating Underwriters. The Underwriter confirms that (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement to which the Underwriter is a party relating to the initial sale of the Bonds to the Public, together with related pricing wires, contains or will contain language obligating each Participating Underwriter, each dealer who is a member of any selling group, and each broker-dealer that is a party to any such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allocated to it until it is notified by the Underwriter that either the Substantial Amount Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public, (B) comply with the Hold-the-Price Restriction, if applicable, in each case if and for so long as directed by the Underwriter and as set forth in the relating pricing wires, and (C) acknowledge that, unless otherwise advised by the Participating Underwriter, the Underwriter will assume that based on such agreement each order submitted by the underwriter, dealer or broker-dealer is a sale to the Public; and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the Public, together with related pricing wires, contains or will contain language obligating each Participating Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each underwriter or broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter or the applicable Participating Underwriter that either the Substantial Amount Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (B) comply with the Hold-the-Price Restriction, if applicable, in each case if and for so long as directed by the Underwriter or the applicable Participating Underwriter and as set forth in the relating pricing wires.

f. Sale to Related Party not a Sale to the Public. The Underwriter acknowledges that sales of any Bonds to any person that is a Related Party to the Underwriter do not constitute sales to the Public for purposes of this Section. If a Related Party to the Underwriter purchases during the initial offering period all of a Hold-The-Price Maturity, the related Participating Underwriter will notify the Underwriter and will take steps to confirm in writing that such Related Party will either (i) hold such Bonds for its own account, without present intention to sell, reoffer or

otherwise dispose of such Bonds for at least five business days from the Sale Date, or (ii) comply with the Hold-The-Price Restriction.

5. Limited Offering Memorandum.

a. Delivery of Limited Offering Memorandum. The City previously has delivered, or caused to be delivered, to the Underwriter the Preliminary Limited Offering Memorandum for the Bonds dated [November __], 2022, (the “Preliminary Limited Offering Memorandum”), in a “designated electronic format,” as defined in the MSRB Rule G-32 (“Rule G-32”). The City will prepare, or cause to be prepared, a final Limited Offering Memorandum relating to the Bonds (as more particularly defined below, the “Limited Offering Memorandum”) which will be (i) dated the date of this Agreement, (ii) complete within the meaning of the United States Securities and Exchange Commission’s Rule 15c2-12, as amended (“Rule 15c2-12”), (iii) in a “designated electronic format,” and (iv) substantially in the form of the most recent version of the Preliminary Limited Offering Memorandum provided to the Underwriter before the execution hereof, except for the inclusion of the information permitted to be excluded from the Preliminary Limited Offering Memorandum by Section (b)(1) of Rule 15c2-12. The Limited Offering Memorandum, including the cover page thereto, all exhibits, schedules, appendices, maps, charts, pictures, diagrams, reports, and statements included or incorporated therein or attached thereto, and all amendments and supplements thereto that may be authorized for use with respect to the Bonds are collectively referred to herein as the “Limited Offering Memorandum.” Until the Limited Offering Memorandum has been prepared and is available for distribution, the City shall provide to the Underwriter, upon request, sufficient quantities (which may be in electronic format) of the Preliminary Limited Offering Memorandum as the Underwriter reasonably deems necessary to satisfy the obligation of the Underwriter under Rule 15c2-12 with respect to distribution to each potential customer.

b. Preliminary Limited Offering Memorandum Deemed Final. The Preliminary Limited Offering Memorandum has been prepared for use by the Underwriter in connection with the limited public offering, sale, and distribution of the Bonds. The City hereby represents and warrants that the Preliminary Limited Offering Memorandum has been deemed final by the City as of its date, except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of Rule 15c2-12.

c. Use of Limited Offering Memorandum in Offering and Sale. The City hereby authorizes the Limited Offering Memorandum and the information therein contained to be used by the Underwriter in connection with the limited public offering and the sale of the Bonds. The City consents to the use by the Underwriter prior to the date hereof of the Preliminary Limited Offering Memorandum in connection with the limited public offering of the Bonds. The City shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the City’s acceptance of this Agreement (but, in any event, not later than the earlier of the Closing Date or seven (7) business days after the City’s acceptance of this Agreement) copies of the Limited Offering Memorandum which is complete as of the date of its delivery to the

Underwriter. The City shall provide the Limited Offering Memorandum, or cause the Limited Offering Memorandum to be provided, (i) in a “designated electronic format” consistent with the requirements of Rule G-32 and (ii) in a printed format in such quantity as the Underwriter shall reasonably request in order for the Underwriter to comply with Section (b)(4) of Rule 15c2-12 and the rules of the MSRB.

d. Updating of Limited Offering Memorandum. If, after the date of this Agreement, up to and including the date the Underwriter is no longer required to provide a Limited Offering Memorandum to potential customers who request the same pursuant to Rule 15c2-12 (the earlier of (i) ninety (90) days from the “end of the underwriting period” (as defined in Rule 15c2-12) and (ii) the time when the Limited Offering Memorandum is available to any person from the MSRB, but in no case less than the twenty-fifth (25th) day after the “end of the underwriting period” for the Bonds), the City becomes aware of any fact or event which might or would cause the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary to amend or supplement the Limited Offering Memorandum to comply with law, the City will notify the Underwriter promptly (and for the purposes of this clause provide the Underwriter with such information as it may from time to time reasonably request), and if, in the reasonable judgment of the Underwriter, such fact or event requires preparation and publication of a supplement or amendment to the Limited Offering Memorandum, the City will forthwith prepare and furnish, at no expense to the Underwriter (in a form and manner approved by the Underwriter), either an amendment or a supplement to the Limited Offering Memorandum so that the statements therein as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading or so that the Limited Offering Memorandum will comply with law; provided, however, that for all purposes of this Agreement and any certificate delivered by the City in accordance herewith, the City makes no representations with respect to the following information (collectively, the “Non-City Disclosures”) (i) the descriptions in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum of The Depository Trust Company, New York, New York (“DTC”), or its book-entry-only system, and (ii) the information in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum in any maps included therein or under the captions and subcaptions “PLAN OF FINANCE — Development Plan” and “ — Single-Family Residential Development within the District,” “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS,” “BOOK-ENTRY-ONLY SYSTEM,” “OVERLAPPING TAXES AND DEBT — Homeowners’ Association,” “THE IMPROVEMENT AREA #1A/1B PROJECTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “THE PID ADMINISTRATOR,” “APPRAISAL OF PROPERTY WITHIN IMPROVEMENT AREA #1A/1B,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Improvement Area #1A/1B Improvements and the Development, as defined in the Limited Offering Memorandum), “LEGAL MATTERS — Litigation – The Developer,” “CONTINUING DISCLOSURE — The Developer” and “ — The Developer’s Compliance with Prior Undertakings,” “INFORMATION

RELATING TO THE TRUSTEE,” “APPENDIX E-2” and “APPENDIX H.” If such notification shall be subsequent to the Closing (as defined herein), the City, at no expense to the Underwriter, shall furnish such legal opinions, certificates, instruments, and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Limited Offering Memorandum. The City shall provide any such amendment or supplement, or cause any such amendment or supplement to be provided, (i) in a “designated electronic format” consistent with the requirements of Rule G-32 and (ii) in a printed format in such quantity as the Underwriter shall reasonably request in order for the Underwriter to comply with Section (b)(4) of Rule 15c2-12 and the rules of the MSRB.

e. Filing with MSRB. The Underwriter hereby agrees to timely file the Limited Offering Memorandum with the MSRB through its Electronic Municipal Market Access system within one (1) business day after receipt but no later than the Closing Date. Unless otherwise notified in writing by the Underwriter, the City can assume that the “end of the underwriting period” for purposes of Rule 15c2-12 is the Closing Date.

f. Limited Offering. The Underwriter hereby represents, warrants and covenants that the Bonds were initially sold pursuant to a limited offering. The Bonds were sold to not more than thirty-five (35) persons that qualify as “Accredited Investors” (as defined in Rule 501 of Regulation D under the Securities Act) or “Qualified Institutional Buyers” (as defined in Rule 144A under the Securities Act).

6. City Representations, Warranties and Covenants. The City represents, warrants and covenants that:

a. Due Organization, Existence and Authority. The City is a political subdivision of the State of Texas (the “State”), and has, and at the Closing Date will have, full legal right, power and authority:

(i) to enter into and perform its duties and obligations under:

(1) this Agreement;

(2) the Indenture;

(3) the Reimbursement Agreement Brahman Ranch Public Improvement District No. 1 Improvement Area #1A/1B Projects, effective as of November 14, 2022 (the “Reimbursement Agreement”), executed and delivered by the City and Miskimon Management I, L.L.C. (the “Developer”);

(4) the Development Agreement by and between the City and the Developer, effective as of November 22, 2019, as amended on March 29, 2021 and November 14, 2022 (as amended, the “Development Agreement”); and

(5) the Continuing Disclosure Agreement of Issuer with respect to the Bonds, dated as of December 1, 2022 (the “Continuing Disclosure Agreement of Issuer”), executed and delivered by the City, P3Works, LLC, (the “PID Administrator”) and Regions Bank, as “Dissemination Agent.”

(ii) to issue, sell, and deliver the Bonds to the Underwriter as provided herein; and

(iii) to carry out and consummate the transactions on its part described in (1) the Authorizing Documents, (2) this Agreement, (3) the Reimbursement Agreement, (4) the Development Agreement, (5) the Continuing Disclosure Agreement of Issuer and (6) the Limited Offering Memorandum (the documents described by subclauses (1) through (6) being referred to collectively herein as the “City Documents”).

b. Due Authorization and Approval of City. By all necessary official action of the City, the City has duly authorized and approved the adoption or execution and delivery by the City of, and the performance by the City of the obligations on its part contained in, the City Documents and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded, except as may have been approved by the Underwriter. When validly executed and delivered by the other parties thereto, the City Documents will constitute the legally valid and binding obligations of the City enforceable upon the City in accordance with their respective terms, except insofar as enforcement may be limited by principles of sovereign immunity, bankruptcy, insolvency, reorganization, moratorium, or similar laws or equitable principles relating to or affecting creditors’ rights generally. The City has complied, and will at the Closing be in compliance, in all material respects, with the obligations on its part to be performed on or prior to the Closing Date under the City Documents.

c. Due Authorization for Issuance of the Bonds. The City has duly authorized the issuance and sale of the Bonds pursuant to the Bond Ordinance, the Indenture, and the Act. The City has, and at the Closing will have, full legal right, power and authority (i) to enter into, execute, deliver, and perform its obligations under this Agreement and the other City Documents, (ii) to issue, sell and deliver the Bonds to the Underwriter pursuant to the Indenture, the Bond Ordinance, the Act, and as provided herein, and (iii) to carry out, give effect to and consummate the transactions on the part of the City described by the Bond Ordinance and the other City Documents.

d. No Breach or Default. As of the time of acceptance hereof, and to its knowledge, the City is not, and as of the Closing Date the City will not be, in breach of or in default in any material respect under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument related to the Bonds and to which the City is a party or is otherwise subject, and no event has occurred and is continuing which, with the

passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument which breach, default or event could have a material adverse effect on the City's ability to perform its obligations under the Bonds or the City Documents; and, as of such times, the authorization, execution and delivery of the Bonds and the City Documents and compliance by the City with the obligations on its part to be performed in each of such agreements or instruments does not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the City (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties are bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be permitted by the City Documents.

e. No Litigation. At the time of acceptance hereof there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body (collectively and individually, an "Action") pending against the City with respect to which the City has been served with process, nor to the knowledge of the City is any Action threatened against the City, in which any such Action (i) in any way questions the existence of the City or the rights of the members of the City Council to hold their respective positions, (ii) in any way questions the formation or existence of the District, (iii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of any amounts pledged to pay the principal of and interest on the Bonds, or in any way contests or affects the validity of the City Documents or the consummation of the transactions on the part of the City described therein, or contests the exclusion of the interest on the Bonds from federal income taxation, or (iv) which may result in any material adverse change in the financial condition of the City; and, as of the time of acceptance hereof, to the City's knowledge, there is no basis for any action, suit, proceeding, inquiry, or investigation of the nature described in clauses (i) through (iv) of this sentence.

f. Bonds Issued Pursuant to Indenture. The City represents that the Bonds, when issued, executed, and delivered in accordance with the Indenture and sold to the Underwriter as provided herein, will be validly issued and outstanding obligations of the City subject to the terms of the Indenture, entitled to the benefits of the Indenture and the security of the pledge of the proceeds of the levy of the Assessments received by the City, all to the extent provided for in the Indenture. The Indenture creates a valid pledge of certain revenues and the monies in certain funds and accounts established pursuant to the Indenture to the extent provided for in the Indenture, including the investments thereof, subject in all cases to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.

g. Assessments. The Assessments constituting the security for the Bonds have been levied by the City in accordance with the Assessment Ordinance and the Act

on those parcels of land identified in the Improvement Area #1A Assessment Roll and Improvement Area #1B Assessment Roll (each as defined in the Service and Assessment Plan). According to the Act, such Assessments constitute a valid and legally binding first and prior lien against the properties assessed, superior to all other liens and claims, except liens or claims for state, county, school district, or municipality ad valorem taxes.

h. Consents and Approvals. All authorizations, approvals, licenses, permits, consents, elections, and orders of or filings with any governmental authority, legislative body, board, agency, or commission having jurisdiction in the matters which are required by the Closing Date for the due authorization of, which would constitute a condition precedent to or the absence of which would adversely affect the due performance by the City of, its obligations in connection with the City Documents have been duly obtained or made and are in full force and effect, except the approval of the Bonds by the Attorney General of the State, registration of the Bonds by the Comptroller of Public Accounts of the State, and the approvals, consents and orders as may be required under Blue Sky or securities laws of any jurisdiction.

i. Public Debt. Prior to the Closing, the City will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by a pledge of the Assessments which secure the Bonds without the prior approval of the Underwriter.

j. Preliminary Limited Offering Memorandum. The information contained in the Preliminary Limited Offering Memorandum is true and correct in all material respects, and such information does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the City makes no representations with respect to the Non-City Disclosures.

k. Limited Offering Memorandum. At the time of the City's acceptance hereof and (unless the Limited Offering Memorandum is amended or supplemented pursuant to Section 5(d) of this Agreement) at all times subsequent thereto during the period up to and including the twenty-fifth (25th) day subsequent to the "end of the underwriting period," the information contained in the Limited Offering Memorandum does not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the City makes no representations with respect to the Non-City Disclosures; and further provided, however, that if the City notifies the Underwriter of any fact or event as required by Section 5(d) hereof, and the Underwriter determines that such fact or event does not require preparation and publication of a supplement or amendment to the Limited Offering Memorandum, then the Limited Offering Memorandum in its then-current form shall be conclusively deemed to be complete and correct in all material respects.

l. Supplements or Amendments to Limited Offering Memorandum. If the Limited Offering Memorandum is supplemented or amended pursuant to Section 5(d) of this Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the twenty-fifth (25th) day subsequent to the “end of the underwriting period,” the Limited Offering Memorandum as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that if the City notifies the Underwriter of any fact or event as required by Section 5(d) hereof, and the Underwriter determines that such fact or event does not require preparation and publication of a supplement or amendment to the Limited Offering Memorandum, then the Limited Offering Memorandum in its then-current form shall be conclusively deemed to be complete and correct in all material respects.

m. Compliance with Rule 15c2-12. During the past five (5) years, the City has complied in all material respects with its previous continuing disclosure undertakings made by it in accordance with Rule 15c2-12, except as described in the Limited Offering Memorandum.

n. Use of Bond Proceeds. The City will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Indenture and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

o. Blue Sky and Securities Laws and Regulations. The City will furnish such information and execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request, at no expense to the City, (i) to (y) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and (z) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and (ii) to continue such qualifications in effect so long as required for the initial distribution of the Bonds by the Underwriter (provided, however, that the City will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Underwriter immediately of receipt by the City of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose.

p. Certificates of the City. Any certificate signed by any official of the City authorized to do so in connection with the transactions described in this Agreement shall be deemed a representation and/or warranty, as applicable in the legal context, by the City to the Underwriter as to the statements made therein and can be relied upon by the Underwriter as to the statements made therein.

q. Intentional Actions Regarding Representations and Warranties. The City covenants that between the date hereof and the Closing it will not intentionally take actions which will cause the representations and warranties made in this Section to be untrue as of the Closing.

r. Financial Advisor. The City has engaged Hilltop Securities Inc. as its financial advisor (the “Financial Advisor”) in connection with its offering and issuance of the Bonds.

By delivering the Limited Offering Memorandum to the Underwriter, the City shall be deemed to have reaffirmed, with respect to the Limited Offering Memorandum, the representations, warranties and covenants set forth above.

7. Developer Letter of Representations. At the signing of this Agreement, the City and Underwriter shall receive from the Developer an executed Developer Letter of Representations (the “Developer Letter of Representations”) in the form of Appendix A hereto, and, at the Closing, a certificate signed by the Developer as set forth in Section 10(e) hereof (the “Developer Closing Certificate”).

8. The Closing. At 10:00 a.m., Central time, on the Closing Date, or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the City and the Underwriter, (i) the City will deliver or cause to be delivered to DTC through its “FAST” System, the Bonds in the form of one fully registered Bond for each maturity, registered in the name of Cede & Co., as nominee for DTC, duly executed by the City and authenticated by the Trustee as provided in the Indenture, and (ii) the City will deliver the closing documents hereinafter mentioned to McCall, Parkhurst & Horton L.L.P. (“Bond Counsel”), or a place to be mutually agreed upon by the City and the Underwriter. Settlement will be through the facilities of DTC. The Underwriter will accept delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer in federal funds payable to the order of the City or its designee. These payments and deliveries, together with the delivery of the aforementioned documents, are herein called the “Closing.” The Bonds will be made available to the Underwriter or Underwriter’s Counsel (as defined herein) for inspection not less than twenty-four (24) hours prior to the Closing.

9. Underwriter’s Closing Conditions. The Underwriter has entered into this Agreement in reliance upon the representations and covenants herein and in the Developer Letter of Representations and the performance by the City of its obligations under this Agreement, both as of the date hereof and as of the Closing Date. Accordingly, the Underwriter’s obligations under this Agreement to purchase, accept delivery of, and pay for the Bonds shall be conditioned upon the performance by the City of its obligations to be performed hereunder at or prior to Closing and shall also be subject to the following additional conditions:

a. Bring-Down Representations of the City. The representations and covenants of the City contained in this Agreement shall be true and correct in all material respects as of the date hereof and at the time of the Closing, as if made on the Closing Date.

b. Executed Agreements and Performance Thereunder. At the time of the Closing (i) the City Documents shall be in full force and effect, and shall not have been amended, modified, or supplemented except with the written consent of the Underwriter; (ii) the Authorizing Documents shall be in full force and effect; (iii) there shall be in full force and effect such other resolutions or actions of the City as, in the opinion of Bond Counsel and Underwriter's Counsel, shall be necessary on or prior to the Closing Date in connection with the transactions on the part of the City described in this Agreement and the City Documents; (iv) there shall be in full force and effect such other resolutions or actions of the Developer as, in the opinion of Winstead PC ("Developer's Counsel"), shall be necessary on or prior to the Closing Date in connection with the transactions on the part of the Developer described in the Developer Letter of Representations, the Reimbursement Agreement, the Development Agreement, the [Landowner Consent Certificate], dated as of December 1, 2022, executed and delivered by the Developer (the "Landowner Certificate"), the Continuing Disclosure Agreement of Developer with respect to the Bonds, dated as of December 1, 2022, executed and delivered by the Developer, the PID Administrator, and the Dissemination Agent (the "Continuing Disclosure Agreement of Developer") and the Completion Agreement Brahman Ranch Public Improvement District No. 1 Improvement Area #1A/1B effective as of December 1, 2022 by and between the Developer and Regions Bank, in its capacity as Trustee for the Bonds (the "Completion Agreement" and, together with the Developer Letter of Representation, the Reimbursement Agreement, the Development Agreement, the Landowner Certificate and the Continuing Disclosure Agreement of Developer, the "Developer Documents"); and (v) the City shall perform or have performed its obligations required or specified in the City Documents to be performed at or prior to Closing.

c. No Default. At the time of the Closing, no default shall have occurred or be existing and no circumstances or occurrences that, with the passage of time or giving of notice, shall constitute an event of default under this Agreement, the Indenture, the City Documents, the Developer Documents or other documents relating to the financing and construction of the Improvement Area #1A/1B Improvements and the Development (as defined in the Limited Offering Memorandum), and the Developer shall not be in default in the payment of principal or interest on any of its indebtedness which default shall materially adversely impact the ability of the Developer to pay the Assessments when due or complete the Improvement Area #1A/1B Improvements.

d. Closing Documents. At or prior to the Closing, the Underwriter shall have received each of the documents required under Section 10 below.

e. Termination Events. The Underwriter shall have the right to cancel its obligation to purchase the Bonds and to terminate this Agreement without liability therefor by written notification to the City if, between the date of this Agreement and the Closing, in the Underwriter's reasonable judgment, any of the following shall have occurred:

(i) the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall be materially adversely affected by the occurrence of any of the following:

(1) legislation shall have been introduced in or enacted by the Congress of the United States or adopted by either House thereof, or legislation pending in the Congress of the United States shall have been amended, or legislation shall have been recommended to the Congress of the United States or otherwise endorsed for passage (by press release, other form of notice, or otherwise) by the President of the United States, the Treasury Department of the United States, or the Internal Revenue Service or legislation shall have been proposed for consideration by either the U.S. Senate Committee on Finance or the U.S. House of Representatives Committee on Ways and Means or legislation shall have been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision by a court of the United States or the Tax Court of the United States shall be rendered or a ruling, regulation, or official statement (final, temporary, or proposed) by or on behalf of the Treasury Department of the United States, the Internal Revenue Service, or other federal agency shall be made, which would result in federal taxation of revenues or other income of the general character expected to be derived by the City or upon interest on securities of the general character of the Bonds or which would have the effect of changing, directly or indirectly, the federal income tax consequences of receipt of interest on securities of the general character of the Bonds in the hands of the holders thereof, and which in either case, makes it, in the reasonable judgment of the Underwriter, impracticable or inadvisable to proceed with the offer, sale, or delivery of the Bonds on the terms and in the manner described in the Limited Offering Memorandum; or

(2) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as described herein or by the Limited Offering Memorandum, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect (the "Securities Act"), or that the Indenture need to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect (the "Trust Indenture Act"); or

(3) a general suspension of trading in securities on the New York Stock Exchange, the establishment of minimum prices on such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so; provided, however that such suspension in trading or any disruption in securities settlement, payment or clearance services is not in force on the date hereof; or

(4) there shall have occurred (whether or not foreseeable) (i) any outbreak of hostilities (including, without limitation, an act of terrorism) including, but not limited to, an escalation of hostilities that existed prior to the date hereof, (ii) national or international calamity or crisis, including, but not limited to, an escalation in the scope or magnitude of any natural disaster, or (iii) material financial crisis or adverse change in the financial or economic conditions affecting the United States government or the securities markets in the United States; or

(5) there shall have occurred since the date of this Agreement any materially adverse change in the affairs or financial condition of the City, except as disclosed in or described in the Limited Offering Memorandum; or

(6) any state blue sky or securities commission or other governmental agency or body in any state in which more than ten percent (10%) of the Bonds have been offered and sold shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto; or

(7) any amendment to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the City, its property, income, securities (or interest thereon), or the validity or enforceability of the Assessments pledged to pay principal of and interest on the Bonds; or

(ii) the New York Stock Exchange or other national securities exchange or any governmental authority shall impose, as to the Bonds or as to obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter; or

(iii) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Limited Offering Memorandum, or has

the effect that the Limited Offering Memorandum contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, which change shall occur subsequent to the date of this Agreement and shall not be due to the malfeasance, misfeasance or nonfeasance of the Underwriter; or

(iv) any fact or event shall exist or have existed that, in the Underwriter's reasonable judgment, requires or has required an amendment of or supplement to the Limited Offering Memorandum; or

(v) a general banking moratorium shall have been declared by federal or State authorities having jurisdiction and shall be in force; or

(vi) a material disruption in securities settlement, payment or clearance services shall have occurred; or

(vii) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as described in this Agreement or in the Limited Offering Memorandum, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws on the Closing Date, including the Securities Act, the Securities Exchange Act of 1934 and the Trust Indenture Act; or

(viii) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission, which prohibition shall occur subsequent to the date hereof and shall not be due to the malfeasance, misfeasance, or nonfeasance of the Underwriter.

With respect to the conditions described in subparagraphs (ii), (vii) and (viii) above, the Underwriter is not aware of any current, pending or proposed law or government inquiry or investigation as of the date of execution of this Agreement which would permit the Underwriter to invoke its termination rights hereunder.

10. Closing Documents. At or prior to the Closing, the Underwriter (or Underwriter's Counsel on behalf of the Underwriter) shall receive the following documents:

a. Bond Opinion. The approving opinion of Bond Counsel, dated the Closing Date and substantially in the form included as Appendix D to the Limited Offering Memorandum, together with a reliance letter from Bond Counsel, dated the Closing Date and addressed to the Underwriter, which may be included in the supplemental opinion required by Section 10(b) hereof, to the effect that the foregoing

opinion may be relied upon by the Underwriter to the same extent as if such opinion were addressed to it.

b. Supplemental Opinion. A supplemental opinion of Bond Counsel dated the Closing Date and addressed to the City and the Underwriter, in form and substance acceptable to Underwriter's Counsel, to the following effect:

(i) Except to the extent noted therein, Bond Counsel has not verified and is not passing upon, and does not assume any responsibility for, the accuracy, completeness or fairness of the statements and information contained in the Preliminary Limited Offering Memorandum and in the Limited Offering Memorandum but that Bond Counsel has reviewed the statements and information appearing in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum under the captions and subcaptions "PLAN OF FINANCE — The Bonds," "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS," "ASSESSMENT PROCEDURES" (except for the subcaptions "Assessment Methodology" and "Assessment Amounts"), "THE DISTRICT," "TAX MATTERS," "LEGAL MATTERS — Legal Proceedings" (first paragraph only) and "— Legal Opinions," "SUITABILITY FOR INVESTMENT," "CONTINUING DISCLOSURE — The City," "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE," "LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS," "INVESTMENTS" and "APPENDIX B," and Bond Counsel is of the opinion that the information relating to the Bonds and legal issues contained under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Bond Ordinance, the Assessment Ordinance and the Indenture;

(ii) The Bonds are not subject to the registration requirements of the Securities Act, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act;

(iii) The City has or at the time of the adoption thereof had full power and authority to adopt the Creation Resolution, the Assessment Ordinance and the Bond Ordinance (collectively, the foregoing documents are referred to herein as the "City Actions") and perform its obligations thereunder and the City Actions have been duly adopted, are in full force and effect and have not been modified, amended or rescinded; and

(iv) The Indenture, the Reimbursement Agreement, the Development Agreement, the Continuing Disclosure Agreement of Issuer, and this Agreement have been duly authorized, executed and delivered by the City and, assuming the due authorization, execution and delivery of such instruments, documents, and agreements by the other parties thereto, constitute the legal, valid, and binding agreements of the City, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, or other laws affecting enforcement of creditors' rights, or by the application of equitable

principles if equitable remedies are sought and to the application of Texas law relating to governmental immunity applicable to governmental entities.

c. City Legal Opinion. An opinion of the attorney for the City, The Halla Law Firm (the “City Attorney”), dated the Closing Date and addressed to the Underwriter, the City and the Trustee, with respect to matters relating to the City, substantially in the form of Appendix C hereto or in form otherwise agreed upon by the Underwriter.

d. Opinion of Developer’s Counsel. An opinion of Developer’s Counsel, substantially in the form of Appendix D hereto, dated the Closing Date and addressed to the City, Bond Counsel, the Underwriter, the City Attorney and the Trustee.

e. Developer Closing Certificate. The Developer Closing Certificate dated as of the Closing Date, signed by authorized officers of the Developer in substantially the form of Appendix E hereto.

f. City Closing Certificate. A certificate of the City, dated the Closing Date, signed by an appropriate City official, to the effect that:

(i) the representations and warranties of the City contained herein and in the City Documents are true and correct in all material respects on and as of the Closing Date as if made on the date thereof;

(ii) the Authorizing Documents and City Documents are in full force and effect and have not been amended, modified, or supplemented;

(iii) except as disclosed in the Limited Offering Memorandum, no litigation or proceeding against the City is pending or, to the best of the knowledge of such person, threatened in any court or administrative body nor is there a basis for litigation which would (a) contest the right of the members or officials of the City to hold and exercise their respective positions, (b) contest the due organization and valid existence of the City or the establishment of the District, (c) contest the validity, due authorization and execution of the Bonds or the City Documents, or (d) attempt to limit, enjoin or otherwise restrict or prevent the City from levying and collecting the Assessments pledged to pay the principal of and interest on the Bonds, or the pledge thereof;

(iv) the City has, to the best of such person’s knowledge, complied with all agreements and covenants and satisfied all conditions set forth in the City Documents, on its part to be complied with or satisfied hereunder at or prior to the Closing; and

(v) all official action of the City relating to the Limited Offering Memorandum, the Bonds and the City Documents have been duly taken by the City, are in full force and effect and have not been modified, amended, supplemented or repealed; and

(vi) to his or her knowledge, no event affecting the City has occurred since the date of the Limited Offering Memorandum which should be disclosed therein for the purpose for which it is to be used or which is necessary to be disclosed therein in order to make the statements and information therein not misleading in any respect.

g. Trustee's Counsel Opinion. An opinion of counsel to the Trustee, dated the Closing Date and addressed to the Underwriter, the City and Bond Counsel, in form and substance acceptable to Underwriter's Counsel, the City and Bond Counsel to the following effect:

(i) The Trustee is duly organized, validly existing and in good standing as an Alabama banking corporation organized under the laws of the United States of America, with full corporate power and authority to conduct its business and affairs as Trustee;

(ii) The Trustee has full right, power, and authority to enter into the Indenture, to perform its obligations under, and to carry out and consummate all of the transactions involving the Trustee contemplated by, the Indenture;

(iii) The Indenture has been duly authorized, executed and delivered by the Trustee and is valid and enforceable against the Trustee in accordance with its terms; and

(iv) No consent, approval, authorization or other action by any governmental authority having jurisdiction over the Trustee that has not been obtained is or will be required for the authentication of the Bonds or the consummation by the Trustee of the other transactions contemplated to be performed by the Trustee in connection with the authentication of the Bonds and the acceptance and performance of the obligations created by the Indenture.

h. Trustee's Certificate. A customary authorization and incumbency certificate dated prior to the Closing Date, signed by authorized officers of the Trustee in form and substance acceptable to the Underwriter, Underwriter's Counsel and Bond Counsel.

i. Underwriter Counsel's Opinion. An opinion, dated the Closing Date and addressed to the Underwriter, of Orrick, Herrington & Sutcliffe LLP, ("Underwriter's Counsel"), to the effect that:

(i) The Bonds are not subject to the registration requirements of the Securities Act, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act;

(ii) Such counsel is not passing upon and does not assume any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Preliminary Limited Offering Memorandum or in the Limited Offering Memorandum and makes no representation that it has independently

verified the accuracy, completeness or fairness of any such statements. In its capacity as counsel to the Underwriter, to assist the Underwriter in part of its responsibility with respect to the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, such counsel has participated in conferences with representatives of the Underwriter, representatives of the City, and its counsel, McCall, Parkhurst & Horton L.L.P., as bond counsel, Hilltop Securities Inc., as financial advisor, the public improvement district administrator, the Developer, its counsel, Winstead PC, and its engineers and consultants, and others, during which the contents of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum and related matters were discussed. Based on such counsel's participation in the above-mentioned conferences (which, with respect to the Preliminary Limited Offering Memorandum, did not extend beyond the date of this Agreement, and, with respect to the Limited Offering Memorandum, did not extend beyond its date), and in reliance thereon, on oral and written statements and representations of the City, the Developer and others and on the records, documents, certificates, opinions and matters herein mentioned, such counsel advises the Underwriter as a matter of fact and not opinion that, during the course of such counsel's representation of the Underwriter on this matter, (a) no facts had come to the attention of the attorneys in such counsel's firm rendering legal services to the Underwriter in connection with the Preliminary Limited Offering Memorandum which caused such counsel to believe, as of the date of the Preliminary Limited Offering Memorandum and as of the date of this Agreement, based on the documents, drafts and facts in existence and reviewed as of those dates, that the Preliminary Limited Offering Memorandum contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except any information marked as preliminary or subject to change, any information permitted to be omitted by Securities and Exchange Commission Rule 15c2-12 or otherwise left blank and any other differences with the information in the Limited Offering Memorandum), and (b) no facts had come to the attention of the attorneys in such counsel's firm rendering legal service to the Underwriter in connection with the Limited Offering Memorandum which caused such counsel to believe that the Limited Offering Memorandum as of its date contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, such counsel expressly excludes from the scope of this paragraph and expresses no view or conclusion, with respect to both the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, about any CUSIP numbers, financial, accounting, statistical or economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any information about verification, feasibility, valuation, appraisals, absorption, real estate or environmental matters, relationship among the parties, Appendices, or any information about book-entry, DTC, Cede & Co., underwriting or underwriter, tax matters, included or referred to therein or omitted therefrom. No responsibility is undertaken or view expressed with respect to any

other disclosure document, materials or activity, or as to any information from another document or source referred to by or incorporated by reference in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum; and

(iii) The Continuing Disclosure Agreement of Issuer satisfies the requirements contained in Securities and Exchange Commission Rule 15c2-12(b)(5) for an undertaking by the City for the benefit of the holders of the Bonds to provide the information at the times and in the manner required by said Rule; provided that, for purposes of this opinion, such counsel is not expressing any view regarding the content of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum that is not expressly stated in numbered paragraph ii, above.

j. Limited Offering Memorandum. The Limited Offering Memorandum and each supplement or amendment, if any, thereto.

k. Delivery of City Documents and Developer Documents. The City Documents and Developer Documents shall have been executed and delivered in form and content satisfactory to the Underwriter.

l. Form 8038-G. Evidence that the federal tax information form 8038-G has been prepared by Bond Counsel for filing.

m. Federal Tax Certificate. A certificate of the City in form and substance satisfactory to Bond Counsel and Underwriter's Counsel setting forth the facts, estimates and circumstances in existence on the Closing Date, which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and any applicable regulations (whether final, temporary or proposed) issued pursuant to the Code.

n. Attorney General Opinion and Comptroller Registration. The approving opinion of the Attorney General of the State regarding the Bonds and the Comptroller of the State's Certificate of Registration for the Initial Bond.

o. Continuing Disclosure Agreements. The Continuing Disclosure Agreement of Issuer and the Continuing Disclosure Agreement of Developer shall have been executed by the parties thereto in substantially the forms attached to the Limited Offering Memorandum as Appendix E-1 and Appendix E-2.

p. Letter of Representation of the Appraiser. (i) Letter of Representation of the Appraiser, substantially in the form of Appendix F hereto, addressed to the City, Bond Counsel, the Underwriter, and the Trustee, or in form otherwise agreed upon by the Underwriter, and (ii) a copy of the real estate appraisal of the property in the District dated November 9, 2022.

q. Letter of Representation of PID Administrator. Letter of Representation of the PID Administrator, substantially in the form of Appendix G hereto, addressed to the City, Bond Counsel, the Underwriter, and the Trustee, or in form otherwise agreed upon by the Underwriter.

r. Evidence of Filing of Creation Resolution and Assessment Ordinance. Evidence that (i) the Creation Resolution including a legal description of the District by metes and bounds and (ii) the Assessment Ordinance, including the legal description of the property within the District, the assessment rolls and a statement indicating the contact for and address of where a copy of the Service and Assessment Plan, and any updates thereto may be obtained or viewed have been filed of record in the real property records of Ellis County, Texas.

s. Lender Consent Certificate. Lender Consent Certificate of Pinnacle Bank consenting to and acknowledging the creation of the District, the adoption of the Assessment Ordinance, the levy of the Assessments, and the subordination of their respective liens to the lien created by the Assessments, in form and substance acceptable to the Underwriter, Underwriter's Counsel and Bond Counsel.

t. Developer Organizational Documents. The Developer shall have delivered to the Underwriter and the City, (i) fully executed copies of the Developer's organizational documents, (ii) a Certificate of Status from the Texas Secretary of State and (iii) verification of franchise tax account status from the Texas Comptroller of Public Accounts for the Developer.

u. Rule 15c2-12 Certification. A resolution, ordinance or certificate whereby the City has deemed the Preliminary Limited Offering Memorandum final as of its date, except for permitted omissions, as contemplated by Rule 15c2-12 in connection with the offering of the Bonds, which certification may be included in the Bond Ordinance.

v. Dissemination Agent. Evidence acceptable to the Underwriter in its sole discretion that the City has engaged a dissemination agent acceptable to the Underwriter for the Bonds, with the execution of the Continuing Disclosure Agreement of Issuer and the Continuing Disclosure Agreement of Developer by other parties thereto being conclusive evidence of such acceptance by the Underwriter.

w. BLOR. A copy of the current Blanket Issuer Letter of Representation to DTC signed by the City.

x. Additional Documents. Such additional legal opinions, certificates, instruments, and other documents as the Underwriter or Underwriter's Counsel may reasonably deem necessary.

11. City's Closing Conditions. The obligation of the City hereunder to deliver the Bonds shall be subject to receipt on or before the Closing Date of the purchase price set forth in Section 1 hereof, the Attorney General Opinion, the opinion of Bond Counsel described in Section 10(a) hereof and all documents required to be delivered by the Developer.

12. Consequences of Termination. If the City shall be unable to satisfy the conditions contained in this Agreement or if the obligations of the Underwriter shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and the Underwriter and the City shall have no further obligation hereunder, except as further set forth in Sections 13, 15 and 16 hereof.

13. Costs and Expenses.

a. The Underwriter shall be under no obligation to pay, and the City shall cause to be paid from proceeds of the Bonds the following expenses incident to the issuance of the Bonds and performance of the City's obligations hereunder: (i) the costs of the preparation and printing of the Bonds; (ii) the cost of preparation, printing, and mailing of the Preliminary Limited Offering Memorandum, the final Limited Offering Memorandum and any supplements and amendments thereto; (iii) the fees and disbursements of the City's Financial Advisor, the Trustee's counsel, Bond Counsel, Developer's Counsel, and the Trustee relating to the issuance of the Bonds; (iv) the Attorney General's review fees; (v) the fees and disbursements of accountants, advisers and any other experts or consultants retained by the City or the Developer, including but not limited to the fees and expenses of the Appraiser and the PID Administrator; and (vi) the expenses incurred by or on behalf of City employees and representatives that are incidental to the issuance of the Bonds and the performance by the City of its obligations under this Agreement.

b. The Underwriter shall pay the following expenses: (i) all advertising expenses in connection with the limited offering of the Bonds; (ii) fees of Underwriter's Counsel; and (iii) all other expenses, including CUSIP fees (including out-of-pocket expenses and related regulatory expenses), incurred by it in connection with its limited public offering and distribution of the Bonds, except as noted in Subsection 13(a) above.

c. The City acknowledges that the Underwriter will pay from the Underwriter's expense allocation of the underwriting discount the applicable per bond assessment charged by the Municipal Advisory Council of Texas, a nonprofit corporation whose purpose is to collect, maintain and distribute information relating to issuing entities of municipal securities.

14. Notice. Any notice or other communication to be given to the City under this Agreement may be given by delivering the same in writing to: City of Venus, Texas, 700 W. US Highway 67, Venus, Texas 76084, Attention: Director of Finance.

Any notice or other communication to be given to the Underwriter under this Agreement may be given by delivering the same in writing to: FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Frisco, Texas 75034, Attention: Tripp Davenport, Director.

15. Entire Agreement. This Agreement is made solely for the benefit of the City and the Underwriter (including their respective successors and assigns), and no other person shall acquire or have any right hereunder or by virtue hereof. All of the City's representations, warranties, and agreements contained in this Agreement shall remain operative and in full force

and effect regardless of: (i) any investigations made by or on behalf of the Underwriter, provided the City shall have no liability with respect to any matter of which the Underwriter has actual knowledge prior to the purchase of the Bonds; or (ii) delivery of any payment for the Bonds pursuant to this Agreement. The agreements contained in this Section and in Section 16 shall survive any termination of this Agreement.

16. Survival of Representations and Warranties. All representations and warranties of the parties made in, pursuant to or in connection with this Agreement shall survive the execution and delivery of this Agreement, notwithstanding any investigation by the parties. All statements contained in any certificate, instrument, or other writing delivered by a party to this Agreement or in connection with the transactions described in or by this Agreement constitute representations and warranties by such party under this Agreement to the extent such statement is set forth as a representation and warranty in the instrument in question.

17. Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

18. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof.

19. State Law Governs. The validity, interpretation, and performance of this Agreement shall be governed by the laws of the State.

20. No Assignment. The rights and obligations created by this Agreement shall not be subject to assignment by the Underwriter or the City without the prior written consent of the other party hereto.

21. No Personal Liability. None of the members of the City Council, nor any officer, representative, agent, or employee of the City, shall be charged personally by the Underwriter with any liability, or be held liable to the Underwriter under any term or provision of this Agreement, or because of execution or attempted execution, or because of any breach or attempted or alleged breach of this Agreement.

22. Anti-Boycott Verification. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2271.002, Texas Government Code, the Underwriter hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to enable the City to comply with such section and to the extent such section does not contravene applicable Federal or Texas 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.

23. Iran, Sudan and Foreign Terrorist Organizations. The Underwriter represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to enable the City to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable State or Federal law and excludes the Underwriter and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

24. No Discrimination Against Fossil-Fuel Companies. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Underwriter hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, "boycott energy companies," a term defined in Section 2274.001(1), Texas Government Code (as enacted by such Senate Bill) by reference to Section 809.001, Texas Government Code (also as enacted by such Senate Bill), shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above.

25. No Discrimination Against Firearm Entities and Firearm Trade Associations. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Underwriter hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law.

As used in the foregoing verification and the following definitions,

a. “discriminate against a firearm entity or firearm trade association,” a term defined in Section 2274.001(3), Texas Government Code (as enacted by such Senate Bill), (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company’s refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity’s or association’s status as a firearm entity or firearm trade association,

b. “firearm entity,” a term defined in Section 2274.001(6), Texas Government Code (as enacted by such Senate Bill), means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4), Texas Government Code, as enacted by such Senate Bill, as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined in Section 2274.001(5), Texas Government Code, as enacted by such Senate Bill, as devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (defined in Section 2274.001(1), Texas Government Code, as enacted by such Senate Bill, as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (defined in Section 250.001, Texas Local Government Code, as a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting), and

c. “firearm trade association,” a term defined in Section 2274.001(7), Texas Government Code (as enacted by such Senate Bill), means any person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

26. Affiliate. As used in Sections 22 through 25, the Underwriter understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Underwriter within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

27. Form 1295. Submitted herewith is a completed Form 1295 in connection with the Underwriter's participation in the execution of this Agreement generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The City hereby confirms receipt of the Form 1295 from the Underwriter, and the City agrees to acknowledge such form with the TEC through its electronic filing application not later than the thirtieth (30th) day after the receipt of such form. The Underwriter and the City understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Underwriter; and, neither the City nor its consultants have verified such information.

[Signature pages follow.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first set forth above.

FMSbonds, Inc.,
as Underwriter

By: _____
Name: Theodore A. Swinarski
Title: Senior Vice President - Trading

Accepted at _____ a.m./p.m. central time on the
date first stated above.

City of Venus, Texas

By: _____
Mayor

SCHEDULE I

\$(PRINCIPAL)

CITY OF VENUS, TEXAS

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

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022

(BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1

IMPROVEMENT AREA #1A/1B PROJECTS)

Interest Accrues From: Date of Delivery

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

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

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

- (a) [The initial reoffering prices or yields of the Bonds have been determined in accordance with the 10% test.]
- (b) The Bonds maturing on or after September 15, 20__ may be redeemed 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.
- (c) The Bonds are also subject to extraordinary optional redemption as described in the Limited Offering Memorandum under “DESCRIPTION OF THE BONDS — Redemption Provisions.”
- (d) The Bonds maturing September 15, 20__, are also subject to mandatory sinking fund redemption on the dates and in the respective Sinking Fund Installment Amounts as set forth in the following schedule.

\$ Term Bonds due September 15, 20

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

† Stated Maturity.

The Bonds maturing September 15, 20__, are also subject to mandatory sinking fund redemption on the dates and in the respective Sinking Fund Installment Amounts as set forth in the following schedule.

\$ Term Bonds due September 15, 20

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

† Stated Maturity.

The Bonds maturing September 15, 20__, are also subject to mandatory sinking fund redemption on the dates and in the respective Sinking Fund Installment Amounts as set forth in the following schedule.

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

† Stated Maturity.

APPENDIX A

FORM OF DEVELOPER LETTER OF REPRESENTATIONS

[\$[PRINCIPAL]]
CITY OF VENUS, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREA #1A/1B PROJECTS)

DEVELOPER LETTER OF REPRESENTATIONS

December 1, 2022

City of Venus, Texas
700 W. US Highway 67
Venus, Texas 76084

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Ladies and Gentlemen:

This letter is being delivered to the City of Venus, Texas (the “City”) and FMSbonds, Inc. (the “Underwriter”), in consideration for your entering into the Bond Purchase Agreement dated the date hereof (the “Bond Purchase Agreement”) for the sale and purchase of the [\$[PRINCIPAL]] “City of Venus, Texas, Special Assessment Revenue Bonds, Series 2022 (Brahman Ranch Public Improvement District No. 1 Improvement Area #1A/1B Projects)” (the “Bonds”). Pursuant to the Bond Purchase Agreement, the Underwriter has agreed to purchase from the City, and the City has agreed to sell to the Underwriter the Bonds. In order to induce the City to enter into the Bond Purchase Agreement and as consideration for the execution, delivery, and sale of the Bonds by the City and the purchase of them by the Underwriter, the undersigned, Miskimon Management I, L.L.C. (the “Developer”), makes the representations, warranties, and covenants contained in this Developer Letter of Representations. Unless the context clearly indicates otherwise, each capitalized term used in this Developer Letter of Representations will have the meaning set forth in the Bond Purchase Agreement.

1. Purchase and Sale of Bonds. Inasmuch as the purchase and sale of the Bonds represents a negotiated transaction, the Developer understands, and hereby confirms, that the Underwriter is not acting as a fiduciary of the Developer, but rather is acting solely in its capacity as Underwriter of the Bonds for its own account.

2. Updating of the Limited Offering Memorandum. If, after the date of this Developer Letter of Representations, up to and including the date the Underwriter is no longer required to provide a Limited Offering Memorandum to potential customers who request the same pursuant to Rule 15c2-12 (the earlier of (i) ninety (90) days from the “end of the underwriting period” (as defined in Rule 15c2-12) and (ii) the time when the Limited Offering Memorandum is available to any person from the MSRB, but in no case less than twenty-five (25) days after the “end of the underwriting period” for the Bonds), the Developer becomes aware of any fact or event which might or would cause the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or if it is necessary to amend or supplement the Limited Offering Memorandum to comply with law, the Developer will notify the Underwriter promptly (and for the purposes of this clause provide the Underwriter with such information as it may from time to time request); however, that for the purposes of this Developer Letter of Representations and any certificate delivered by the Developer in accordance with the Bond Purchase Agreement, the Developer makes no representations with respect to the information appearing in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum except for the information set forth in all of the maps included therein and under the captions and subcaptions “PLAN OF FINANCE — Development Plan,” “— Financing Plan,” “ — Single-Family Residential Development within the District,” and “— Additional Indebtedness,” “OVERLAPPING TAXES AND DEBT — Homeowners’ Association,” “THE IMPROVEMENT AREA #1A/1B PROJECTS,” “THE DEVELOPMENT” and “THE DEVELOPER” and, to the Developer’s knowledge after due inquiry, under the captions “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Improvement Area #1A/1B Improvements and the Development, as defined in the Limited Offering Memorandum), “LEGAL MATTERS — Litigation – The Developer,” “CONTINUING DISCLOSURE — The Developer” and “ — The Developer’s Compliance with Prior Undertakings,” “SOURCES OF INFORMATION — The Developer,” “APPENDIX F,” and “APPENDIX G” (collectively, the “Developer Disclosures”) in accordance with subsection 4(f) herein.

3. Developer Documents. The Developer has executed and delivered each of the below listed documents (individually, a “Developer Document” and collectively, the “Developer Documents”) in the capacity provided for in each such Developer Document, and each such Developer Document constitutes a valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms:

- a. this Developer Letter of Representations;
- b. the Reimbursement Agreement Brahman Ranch Public Improvement District No. 1 Improvement Area #1A/1B Projects, effective as of November 14, 2022, (the “Reimbursement Agreement”), executed and delivered by the City and the Developer;
- c. the Development Agreement by and between the City and the Developer, effective as of November 22, 2019, as amended on March 29, 2021 and November 14, 2022 (as amended, the “Development Agreement”);

d. the [Landowner Consent Certificate], dated as of December 1, 2022 (the “Landowner Certificate”), executed and delivered by the Developer;

e. the Continuing Disclosure Agreement of Developer with respect to the Bonds, dated as of December 1, 2022 (the “Continuing Disclosure Agreement of Developer”), executed and delivered by the Developer, P3Works, LLC, as PID Administrator, and Regions Bank, as dissemination agent; and

f. the Completion Agreement Brahman Ranch Public Improvement District No. 1 Improvement Area #1A/1B, effective as of December 1, 2022, by and between the Developer and Regions Bank, in its capacity as trustee for the Bonds.

The Developer has complied in all material respects with all of the Developer’s agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Developer under the Developer Documents on or prior to the date hereof.

The representations and warranties of the Developer contained in the Developer Documents are true and correct in all material respects on and as of the date hereof.

4. Developer Representations, Warranties and Covenants. The Developer represents, warrants, and covenants to the City and the Underwriter that:

a. Due Organization and Existence. The Developer is duly formed and validly existing as a limited liability company under the laws of the State of Texas.

b. Organizational Documents. The copies of the organizational documents of the Developer provided by the Developer (the “Developer Organizational Documents”) to the City and the Underwriter are fully executed, true, correct, and complete copies of such documents and such documents have not been amended or supplemented since delivery to the City and the Underwriter and are in full force and effect as of the date hereof.

c. No Breach. The execution and delivery of the Developer Documents by Developer does not violate any judgment, order, writ, injunction or decree binding on Developer or any indenture, agreement, or other instrument to which the Developer is a party.

d. No Litigation. Other than as described in the Preliminary Limited Offering Memorandum and in the Limited Offering Memorandum, there are no proceedings pending or threatened in writing before any court or administrative agency against the Developer that are either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Developer to perform its obligations under the Developer Documents in all material respects or that would reasonably be expected to prevent or prohibit the development of the District in accordance with the description thereof in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

e. Information. The information prepared and submitted by the Developer to the City or the Underwriter in connection with the preparation of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum was, and is, as of this date, true and correct in all material respects.

f. Preliminary Limited Offering Memorandum and Limited Offering Memorandum. The Developer represents and warrants that the information set forth in the Developer Disclosures in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum is true and correct and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Developer agrees to provide a certificate dated the Closing Date affirming, as of such date, the representations contained in this subsection (f) with respect to the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

g. Events of Default. No “Event of Default” or “event of default” by the Developer under any of the Developer Documents, any documents to which the Developer is a party described in the Limited Offering Memorandum, or under any material documents relating to the financing and construction of the Improvement Area #1A/1B Improvements to which the Developer is a party, or event that, with the passage of time or the giving of notice or both, would constitute such “Event of Default” or “event of default” by the Developer, has occurred and is continuing.

5. Indemnification.

a. The Developer will indemnify and hold harmless the City and the Underwriter and each of their officers, directors, employees and agents against any losses, claims, damages or liabilities to which any of them may become subject, under the Securities Act of 1933 or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained or incorporated by reference in the Developer Disclosures in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, or any amendment or supplement to the Limited Offering Memorandum amending or supplementing the information contained under the aforementioned captions (as qualified above), or arise out of or are based upon the omission, untrue statement or alleged untrue statement or omission to state therein a material fact necessary to make the statements under the aforementioned captions (as qualified above) not misleading under the circumstances under which they were made and will reimburse any indemnified party for any reasonable legal or other expenses reasonably incurred by them in connection with investigating or defending any such action or claim as such expenses are incurred.

b. Promptly after receipt by an indemnified party under subsection (a) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to

notify the indemnifying party shall not relieve the indemnifying party from any liability which it may have to the indemnified party otherwise than under such subsection, unless such indemnifying party was prejudiced by such delay or lack of notice. In case any such action shall be brought against an indemnified party, it shall promptly notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. The indemnifying party shall not be liable for any settlement of any such action effected without its consent, but if settled with the consent of the indemnifying party or if there is a final judgment for the plaintiff in any such action, the indemnifying party will indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment. The indemnity herein shall survive delivery of the Bonds and shall survive any investigation made by or on behalf of the City, the Developer or the Underwriter.

6. Survival of Representations, Warranties and Covenants. All representations, warranties, and agreements in this Developer Letter of Representations will survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of any payment by the Underwriter for the Bonds hereunder, and (c) any termination of the Bond Purchase Agreement.

7. Binding on Successors and Assigns. This Developer Letter of Representations will be binding upon the Developer and its successors and assigns and inure solely to the benefit of the Underwriter and the City, and no other person or firm or entity will acquire or have any right under or by virtue of this Developer Letter of Representations.

[Signature page follows.]

MISKIMON MANAGEMENT I, L.L.C.
a Texas limited liability company
(as Developer)

By: _____
Rick Miskimon, Managing Member

APPENDIX B

[\$[PRINCIPAL] CITY OF VENUS, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022 (BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1 IMPROVEMENT AREA #1A/1B PROJECTS)

ISSUE PRICE CERTIFICATE

The undersigned, as the duly authorized representative of FMSbonds, Inc., (“Purchaser”), with respect to the “City of Venus, Texas, Special Assessment Revenue Bonds, Series 2022 (Brahman Ranch Public Improvement District No. 1 Improvement Area #1A/1B Projects),” issued by the City of Venus, Texas (“Issuer”) in the principal amount of \$[PRINCIPAL] (“Bonds”), hereby certifies, based on its records and information, as follows:

(a) [Other than the Bonds maturing in _____ (“Hold-the-Price Maturities”), the][The first price at which at least ten percent (“Substantial Amount”) of the principal amount of each maturity of the Bonds having the same credit and payment terms (a “Maturity”) was sold to a person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter (the “Public”) is set forth in the final Limited Offering Memorandum relating to the Bonds.

(Add (b) and (c) only if there are Hold-the-Price maturities)

(b) On or before the first day on which the Bond Purchase Agreement is entered into (the “Sale Date”), the Purchaser offered to the Public each Maturity of the Hold-the-Price Maturities at their respective initial offering prices (the “Initial Offering Prices”), as listed in the final Limited Offering Memorandum relating to the Bonds.

(c) As set forth in the Bond Purchase Agreement, the Purchaser agreed in writing to neither offer nor sell any of the Hold-the-Price Maturities to any person at any higher price than the respective Initial Offering Price for such Maturity until a date that is the earlier of the close of the fifth business day after the Sale Date or the date on which the Purchaser sells a Substantial Amount of a Maturity of the Bonds to the Public at no higher price than the Initial Offering Price for such Maturity.

A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule A.

For purposes of this Issue Price Certificate, the term “Underwriter” means (1) (i) a person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, or (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1)(i) of this paragraph (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public) to participate in

the initial sale of the Bonds to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

[Signature page follows.]

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by McCall, Parkhurst & Horton L.L.P. in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. Notwithstanding anything set forth herein, the Purchaser is not engaged in the practice of law and makes no representation as to the legal sufficiency of the factual matters set forth herein.

EXECUTED and DELIVERED as of this _____, 2022.

FMSbonds, Inc.,
as Underwriter

By: _____

Name: Theodore A. Swinarski
Title: Senior Vice President – Trading

SCHEDULE A
PRICING WIRE OR EQUIVALENT COMMUNICATION
(*Attached*)

APPENDIX C

[LETTERHEAD OF THE HALLA LAW FIRM]

December 15, 2022

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Regions Bank
3773 Richmond Ave., Suite 1100
Houston, Texas 77046

City of Venus, Texas
700 W. US Highway 67
Venus, Texas 76084

\$[PRINCIPAL]
CITY OF VENUS, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREA #1A/1B PROJECTS)

Ladies and Gentlemen:

We are the Attorney for the City of Venus, Texas (the “City”) for limited purposes, and are rendering this opinion in connection with the issuance and sale of \$[PRINCIPAL] “City of Venus, Texas, Special Assessment Revenue Bonds, Series 2022 (Brahman Ranch Public Improvement District No. 1 Improvement Area #1A/1B Projects)” (the “Bonds”), by the City, a political subdivision of the State of Texas.

The Bonds are authorized pursuant to an ordinance enacted by the City Council of the City (the “City Council”) on December 1, 2022 (the “Bond Ordinance”) and shall be issued pursuant to the provisions of Subchapter A of the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the “Act”) and the Indenture of Trust dated as of December 1, 2022 (the “Indenture”) by and between the City and Regions Bank, as trustee (the “Trustee”). Capitalized terms not defined herein shall have the same meanings as in the Indenture, unless otherwise stated herein.

In connection with rendering this opinion, we have reviewed the:

(a) The resolution creating the District adopted by the City Council on May 11, 2020, as amended on March 29, 2021 (the “Creation Resolution”);

(b) The ordinance levying the Assessments adopted by the City Council on December 1, 2022 (the “Assessment Ordinance”), and the service and assessment plan (the “Service and Assessment Plan”) attached as an exhibit thereto;

(c) The Bond Ordinance;

(d) The Indenture;

(e) The Reimbursement Agreement Brahman Ranch Public Improvement District No. 1 Improvement Area #1A/1B Projects, effective as of November 14, 2022, (the “Reimbursement Agreement”), executed and delivered by the City and Miskimon Management I, L.L.C. (the “Developer”);

(f) The Development Agreement by and between the City and the Developer, effective as of November 22, 2019, as amended on March 29, 2021 and November 14, 2022 (as amended, the “Development Agreement”); and

(g) The Continuing Disclosure Agreement of the Issuer with respect to the Bonds, dated as of December 1, 2022 (the “Continuing Disclosure Agreement of Issuer”), executed and delivered by the City, P3Works, LLC as PID Administrator, and Regions Bank, as dissemination agent (the “Continuing Disclosure Agreement of Issuer”).

The Creation Resolution, the Assessment Ordinance, the Indenture and the Bond Ordinance shall herein after be referred to as the “Authorizing Documents” and the remaining documents shall herein after be collectively referred to as the “City Documents.”

In all such examinations, we have assumed that all signatures on documents and instruments executed by the City are genuine and that all documents submitted to me as copies conform to the originals. In addition, for purposes of this opinion, we have assumed the due authorization, execution and delivery of the City Documents by all parties other than the City. Our firm is not a bond counsel firm, nor does it advertise itself as one, nor does it regularly practice in the bond area of law. Our firm has relied greatly upon Bond Counsel in the drafting of the Authorizing Documents and commenting on the City Documents, other than the Development Agreement.

Based upon and subject to the foregoing and the additional qualifications and assumptions set forth herein and with consultation with City representatives such as Bond Counsel and the PID Administrator, we are of the opinion that:

1. The City is a Texas political subdivision and has all necessary power and authority to enter into and perform its obligations under the Authorizing Documents and the City Documents. To the best of my knowledge and belief, the City has taken or obtained all actions, approvals, consents and authorizations required of it by applicable laws in connection with the execution of the Authorizing Documents and the City Documents and the performance of its obligations thereunder.

2. To the best of my knowledge and belief, there is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, public board or body, pending, or, to the best of our knowledge, threatened against the City: (a) affecting the existence of the City or the titles of its officers to their respective offices, (b) in any way questioning the formation or existence of the District, (c) affecting, contesting or seeking to prohibit, restrain or enjoin the delivery of any of the Bonds, or the payment, collection or application of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, including the Assessments in Improvement Area #1A/1B of the District pursuant to the provisions of the

Assessment Ordinance, the Bond Ordinance and the Service and Assessment Plan referenced therein, (d) contesting or affecting the validity or enforceability or the City's performance of the City Documents, (e) contesting the exclusion of the interest on the Bonds from federal income taxation, or (f) which may result in any material adverse change relating to the financial condition of the City; and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (a) through (f) of this sentence.

3. The Authorizing Documents were duly enacted by the City and remain in full force and effect on the date hereof.

4. To the best of my knowledge, the City Documents have been duly authorized, executed and delivered by the City and remain legal, valid and binding obligations of the City enforceable against the City in accordance with their terms. However, the enforceability of the obligations of the City under such City Documents may be limited or otherwise affected by (a) bankruptcy, insolvency, reorganization, moratorium and other laws affecting the rights of creditors generally, (b) principles of equity, whether considered at law or in equity, and (c) the application of Texas law relating to action by future councils and relating to governmental immunity applicable to governmental entities.

5. The performance by the City of the obligations under the Authorizing Documents and the City Documents will not violate any provision of any federal or Texas constitutional or statutory provision.

6. No further consent, approval, authorization, or order of any court or governmental agency or body or official is required to be obtained by the City as a condition precedent to the performance by the City of its obligations under the Authorizing Documents and the City Documents.

7. To the best of my knowledge, the City has duly authorized and delivered the Preliminary Limited Offering Memorandum.

8. Based upon our limited participation in the preparation of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum (collectively, the "Limited Offering Memorandum"), the statements and information contained in the Limited Offering Memorandum with respect to the City under the captions and subcaptions "ASSESSMENT PROCEDURES," "THE CITY," "THE DISTRICT," "LEGAL MATTERS — Litigation — The City," "CONTINUING DISCLOSURE — The City" and " — The City Compliance with Prior Undertakings" and "APPENDIX A" is a fair and accurate summary of the law and the documents and facts summarized therein.

9. The adoption of the Authorizing Documents and the execution and delivery of the City Documents and the compliance with the provisions of the Authorizing Documents and the City Documents under the circumstances contemplated thereby, to the best of our knowledge: (a) do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement to which the City is a party or by which it is bound, and (b) do not and will not in any material respect conflict with or constitute on the part of the

City a violation, breach of or default under any existing law, regulation, court order or consent decree to which the City is subject.

This opinion may not be relied upon by any other person except those specifically addressed in this letter.

[Signature page follows]

Very truly yours,

APPENDIX D

[LETTERHEAD OF WINSTEAD PC]

December 15, 2022

City of Venus, Texas
700 W. US Highway 67
Venus, Texas 76084

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

McCall, Parkhurst & Horton L.L.P.
717 North Harwood, Suite 900
Dallas, Texas 75201

Regions Bank
3773 Richmond Ave., Suite 1100
Houston, Texas 77046

The Halla Law Firm
[]
[]

\$[PRINCIPAL]
CITY OF VENUS, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREA #1A/1B PROJECTS)

I. Introduction

We have acted as special counsel to Miskimon Management I, L.L.C., a Texas limited liability company (the “Developer”), in connection with the issuance and sale by the City of Venus, Texas (the “City”), of \$[] City of Venus, Texas, Special Assessment Revenue Bonds, Series 2022 (Brahman Ranch Public Improvement District No. 1 Improvement Area #1A/1B Projects) (the “Bonds”), pursuant to the Indenture of Trust dated as of December 1, 2022 (the “Indenture”), by and between the City and Regions Bank, as trustee (the “Trustee”). Proceeds from the sale of the Bonds will be used, in part, to fund certain public infrastructure improvements benefiting the Brahman Ranch Public Improvement District No. 1 in the development commonly known as “Brahman Ranch” (the “Development”) located in the City.

The Bonds are being sold by FMSbonds, Inc. (the “Underwriter”), pursuant to that certain Bond Purchase Agreement dated December 1, 2022, (the “Bond Purchase Agreement”), between the City and the Underwriter. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Bond Purchase Agreement.

In our capacity as special counsel to the Developer, and for purposes of rendering the opinions set forth herein, we have examined originals or copies, certified or otherwise identified to our satisfaction, of:

(a) The following documents (collectively, the “Material Documents”):

(1) that certain Development Agreement between the Developer and the City, effective November 22, 2019, as amended on March 29, 2021 and November 14, 2022 (as amended, the “Development Agreement”); and

(2) the Reimbursement Agreement Brahman Ranch Public Improvement District No. 1 Improvement Area #1A/1B Projects by and between the City and the Developer, effective as of November 14, 2022 (the “Reimbursement Agreement”);

(3) the Developer Letter of Representations dated December 1, 2022, relating to the Bonds (the “Developer Letter of Representations”);

(4) the [Landowner Consent Certificate], dated as of December 1, 2022 (the “Landowner Certificate”), executed and delivered by the Developer;

(5) the Continuing Disclosure Agreement of the Developer with respect to the Bonds, effective December 1, 2022 (the “Continuing Disclosure Agreement of Developer”), executed and delivered by the Developer, P3Works, LLC, as PID Administrator; and Regions Bank, as dissemination agent;

(6) the Completion Agreement Brahman Ranch Public Improvement District No. 1 Improvement Area #1A/1B, effective as of December 1, 2022, by and between the Developer and Regions Bank, in its capacity as trustee for the Bonds;

(7) the Closing Certificate of Developer with respect to the Bonds, dated December 15, 2022, (the “Closing Certificate”); and

(8) the General Certificate of the Developer with respect to the Bonds, effective as of December 15, 2022 (the “Developer Certificate”).

(b) The Preliminary Limited Offering Memorandum, dated [____], 2022, relating to the issuance of the Bonds (the “Preliminary Limited Offering Memorandum”), specifically the sections described in Section II(h) of this opinion;

(c) The final Limited Offering Memorandum, dated December 1, 2022, relating to the issuance of the Bonds (the “Limited Offering Memorandum”), specifically the sections described in Section II(h) of this opinion; and

(d) Such other documents, records, agreements and certificates of the Developer as we have deemed necessary or appropriate to render the opinions expressed below.

In basing the opinions and other matters set forth herein on “our knowledge,” the words “our knowledge” signify that, in the course of our representation of the Developer the principal attorneys in this firm involved in the current actual transaction do not have actual knowledge or actual notice that any such opinions or other matters are not accurate or that any of the documents, certificates, reports and information on which we have relied are not accurate and complete. Except as otherwise stated herein, we have undertaken no independent investigation or certification of such matters. The words “our knowledge” and similar language used herein

are intended to be limited to the knowledge of the attorneys within our firm who have worked on the matters contemplated by our representation as special counsel.

In rendering the opinions set forth herein, we have assumed, without independent investigation (other than the Developer as applicable), that: (i) the due authorization, execution, and delivery of each of the documents referred to in this opinion letter by all parties thereto (other than the authorization, execution, and delivery by the Developer) and that each such document constitutes a valid, binding, and enforceable obligation of each party thereto (other than the authorization, execution, and delivery by the Developer), (ii) all of the parties to the documents referred to in this opinion letter are duly organized, validly existing, in good standing and have the requisite power, authority (corporate, limited liability company, partnership or other) and legal right to execute, deliver, and perform its obligations under such documents (except to the extent set forth in our opinions set forth herein regarding valid existence and power and authority of the Developer to execute, deliver, and perform its respective obligations under the Material Documents), (iii) each certificate from governmental officials reviewed by us is accurate, complete, and authentic, and all official public records are accurate and complete, (iv) the legal capacity of all natural persons, (v) the genuineness of all signatures (other than those of the Developer in respect of the Material Documents), (vi) the authenticity and accuracy of all documents submitted to us as originals, (vii) the conformity to original documents of all documents submitted to us as photostatic or certified copies, (viii) that no laws or judicial, administrative, or other action of any governmental City of any jurisdiction not expressly opined to herein would adversely affect the opinions set forth herein, and (ix) that the execution and delivery by each party of, and performance of its agreements in, the Material Documents do not breach or result in a default under any existing obligation of such party under any agreements, contracts or instruments to which such party is a party to or otherwise subject to or any order, writ, injunction or decree of any court applicable to such party.

In addition, we have assumed that the Material Documents accurately reflect the complete understanding of the parties with respect to the transactions contemplated thereby and the rights and obligations of the parties thereunder. We have also assumed that the terms and conditions of the transaction as reflected in the Material Documents have not been amended, modified or supplemented, directly or indirectly, by any other agreement or understanding of the parties or waiver of any of the material provisions of the Material Documents.

We assume that none of the parties to the Material Documents (other than the Developer) is a party to any court or regulatory proceeding relating to or otherwise affecting the Material Documents or is subject to any order, writ, injunction or decree of any court or federal, state or local governmental agency or commission that would prohibit the execution and delivery of the Material Documents, or the consummation of the transactions therein contemplated in the manner therein provided, or impair the validity or enforceability thereof. We assume that each of the parties to the Material Documents (other than the Developer) has full authority to close this transaction in accordance with the terms and provisions of the Material Documents.

We assume that neither the Underwriter nor the City nor their respective counsel has any current actual knowledge of any facts not known to us or any law or judicial decision which

would make the opinions set forth herein incorrect, and that no party upon whom we have relied for purposes of this opinion letter has perpetrated a fraud.

We have only been engaged by our clients in connection with the Material Documents (and the transactions contemplated in the Material Documents) and do not represent these clients generally.

II. Opinions and Assurances

Based solely upon the foregoing, and subject to the assumptions and limitations set forth herein, we are of the opinion that:

(a) The Developer is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Texas.

(b) The Developer has the power and authority to execute and deliver the Material Documents to which it is a party, and to perform its obligations thereunder.

(c) The execution and delivery by the Developer of the Material Documents to which it is a party, and the performance by the Developer of its respective obligations under the Material Documents will not (i) violate any applicable law; or (ii) conflict with or result in the breach of any court decree or order of any governmental body identified in the Developer Certificate or otherwise actually known to the lawyers who have provided substantive attention to the representation reflected in this opinion binding upon or affecting the Developer, the conflict with which or breach of which would have a material, adverse effect on the ability of the Developer to perform its respective obligations under the Material Documents to which it is a party.

(d) To our knowledge, no governmental approval which has not been obtained or taken is required to be obtained or taken by the Developer on or before the date hereof as a condition to the performance by the Developer of its respective obligations under the Material Documents to which it is a party, except for governmental approvals that may be required to comply with certain covenants contained in the Material Documents (including, without limitation, covenants to comply with applicable laws).

(e) The Developer has duly executed and delivered each of the Material Documents to which it is a party, and each of the Material Documents constitute the legal, valid, and binding obligations of the Developer, enforceable against the Developer in accordance with their respective terms, subject to the following qualifications: (i) the effect of applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, (ii) the effect of the exercise of judicial discretion in accordance with general principles of equity (whether applied by a court of law or of equity), and (iii) the effect that enforceability of the indemnification provisions therein may be limited, in whole or in part. The execution, delivery, and performance by the Developer of its respective obligations under the Material Documents do not violate any existing laws of the State of Texas applicable to the Developer.

(f) There are no actions, suits or proceedings pending or, to our knowledge, threatened against the Developer identified in the Developer Certificate, or otherwise actually known to the lawyers who have provided substantive attention to the representation reflected in this opinion in any court of law or equity, or before or by any governmental instrumentality with respect to: (i) its organization or existence or qualification to do business in the State of Texas; (ii) its authority to execute or deliver the Material Documents to which it is a party; (iii) the titles of the parties executing the Material Documents; (iv) the execution, delivery, validity or enforceability of the Material Documents on behalf of the Developer; (v) the operations or financial condition of the Developer that would materially adversely affect those operations or the financial condition of the Developer; or (vi) the acquisition and construction of the property and improvements identified in the Limited Offering Memorandum the cost of which is to be funded or reimbursed, in whole or in part, by proceeds of the Bonds.

(g) The execution and delivery of the Material Documents do not, and the transactions described therein may be consummated and the terms and conditions thereof may be observed and performed in a manner that does not, conflict with or constitute a breach of or default under any loan agreement, indenture, bond note, resolution, agreement or other instrument to which the Developer is a party or is otherwise subject and which have been identified in the Developer Certificate, which violation, breach or default would materially adversely affect the Developer or its performance of its respective obligations under the transactions described in the Material Documents; nor will any such execution, delivery, adoption, fulfillment, or compliance result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Developer, except as expressly described in the Material Documents (i) under applicable law or (ii) under any such loan agreement, indenture, bond note, resolution, agreement, or other instrument.

(h) The information set forth in the Preliminary Limited Offering Memorandum and Limited Offering Memorandum in the maps on pages (ii), (iii), (iv) and (v), and under the captions “PLAN OF FINANCE - Development Plan,” “- Financing Plan,” “- Single- Family Residential Development within the District,” “- Additional Indebtedness,” “OVERLAPPING TAXES AND DEBT — Homeowners’ Association,” “THE IMPROVEMENT AREA #1A/1B PROJECTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Improvement Area #1A/1B Improvements, and the Development, as defined in the Limited Offering Memorandum), “LEGAL MATTERS – Litigation — The Developer,” “CONTINUING DISCLOSURE - The Developer,” and “- The Developer’s Compliance with Prior Undertakings” adequately and fairly describe the information summarized under such captions and are correct as to matters of law.

(i) Subject to the below qualifications and based upon our participation in the preparation of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and our participation at conferences with representatives of the Underwriter and its counsel, of the City and its counsel, and with representatives of the Developer at which the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and related matters were discussed, and although we have not independently verified the information in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of

the statements contained in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and any amendment or supplement thereto, no facts have come to our attention that lead us to believe that the information set forth under the captions referenced in the preceding paragraph with respect to the Preliminary Limited Offering Memorandum, as of the date of the Preliminary Limited Offering Memorandum and as of December 1, 2022, and with respect to the Limited Offering Memorandum, as of the date of the Limited Offering Memorandum and the date hereof, contained or contains any untrue statement of a material fact, or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

III. Qualifications

In addition to any assumptions, qualifications and other matters set forth elsewhere herein, the opinions set forth above are subject to the following assumptions and qualifications:

- (a) We have not examined any court dockets, agency files or other public records regarding the entry of any judgments, writs, decrees or orders or the pendency of any actions, proceedings, investigations or litigation.
- (b) We have relied upon the Developer Certificate, as well as the representations of the Developer contained in the Material Documents, with respect to certain facts material to our opinion. Except as otherwise specifically indicated herein, we have made no independent investigation regarding any of the foregoing documents or the representations contained therein.
- (c) Our opinion delivered pursuant to Section II(c) above is subject to the effect of any applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other laws affecting creditors' rights generally and to the effect of general principles of equity, including (without limitation) remedies of specific performance and injunctive relief and concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law).
- (d) Except for the Material Documents, we have not reviewed, and express no opinion as to, any other contracts or agreements to which the Developer is a party or by which the Developer is or may be bound.
- (e) The opinions expressed herein are based upon and limited to the applicable laws of the State of Texas and the laws of the United States of America, excluding the principles of conflicts of laws thereof, as in effect as of the date hereof, and our knowledge of the facts relevant to such opinions on such date. In this regard, we note that we are members of the Bar of the State of Texas, we do not express any opinion herein as to matters governed by the laws of any other jurisdiction, except the United States of America, we do not purport to be experts in any other laws and we can accept no responsibility for the applicability or effect of any such laws. In addition, we assume no obligation to supplement the opinions expressed herein if any applicable laws change after the date hereof, or if we become aware of any facts or circumstances that affect the opinions expressed herein.

(f) This letter is strictly limited to the matters expressly set forth herein and no statements or opinions should be inferred beyond such matters.

(g) Notwithstanding anything contained herein to the contrary, we express no opinion whatsoever concerning the status of title to any real or personal property.

(h) The opinions expressed herein regarding the enforceability of the Material Documents are subject to the qualification that certain of the remedial, waiver or other provisions thereof may not be enforceable; but such unenforceability will not, in our judgment, render the Material Documents invalid as a whole or substantially interfere with the practical realization of the principal legal benefits provided in the Material Documents, except to the extent of any economic consequences of any procedural delays which may result therefrom.

(i) The opinion expressed herein as to the enforceability of the Material Documents is specifically subject to the qualification that enforceability of the Material Documents is limited by the following: (i) the rights of the United States under the Federal Tax Lien Act of 1966, as amended; (ii) principles of equity, public policy and unconscionability which may limit the availability of certain remedies; (iii) bankruptcy, insolvency, reorganization, fraudulent conveyance, liquidation, probate, conservatorship and other laws applicable to creditors' rights or the collection of debtors' obligations generally; and (iv) requirements of due process under the United States Constitution, the Constitution of the State of Texas and other laws or court decisions limiting the rights of creditors to repossess, foreclose or otherwise realize upon the property of a debtor without appropriate notice or hearing or both.

(j) We express no opinion as to whether a court would grant specific performance or any other equitable remedy with respect to the enforcement of the Material Documents.

(k) We express no opinion as to the validity, binding effect, or enforceability of: (i) provisions which purport to waive rights or notices, including rights to trial by jury, counterclaims or defenses, jurisdiction or venue; (ii) provisions relating to consent judgments, waivers of defenses or the benefits of statutes of limitations, marshaling of assets, the transferability of any assets which by their nature are nontransferable, sales in inverse order of alienation, or severance; (iii) provisions purporting to waive the benefits of present or of future laws relating to exemptions, appraisal, valuation, stay of execution, redemption, extension of time for payment, setoff and similar debtor protection laws; or (iv) provisions requiring a party to pay fees and expenses regardless of the circumstances giving rise to such fees or expenses or the reasonableness thereof.

(l) The opinions expressed herein are subject to the effect of generally applicable rules of law that provide that forum selection clauses in contracts are not necessarily binding on the court(s) in the forum selected.

(m) We express no opinion as to the enforceability of any provisions in the Material Documents purporting to entitle a party to indemnification in respect of any matters arising in whole or in part by reason of any negligent, illegal or wrongful act or omission of such party.

This opinion is furnished to those parties addressed in this letter solely in connection with the transactions, for the purposes and on the terms described above and may not be relied upon for any other purpose or by any other person in any manner or for any purpose.

Very truly yours,

EXHIBIT E

CLOSING CERTIFICATE OF DEVELOPER

Miskimon Management I, L.L.C. (the “Developer”), DOES HEREBY CERTIFY the following as of the date hereof. All capitalized terms not otherwise defined herein shall have the meaning given to such term in the Limited Offering Memorandum.

1. The Developer is a limited liability company organized, validly existing and in good standing under the laws of the State of Texas.

2. Representatives of the Developer have provided information to the City of Venus, Texas (the “City”) and FMSbonds, Inc. (the “Underwriter”) to be used in connection with the offering by the City of its \$[PRINCIPAL] aggregate principal amount of Special Assessment Revenue Bonds, Series 2022 (Brahman Ranch Public Improvement District No. 1 Improvement Area #1A/1B Projects) (the “Bonds”), pursuant to the Preliminary Limited Offering Memorandum, dated [____], 2022 (the “Preliminary Limited Offering Memorandum”), and Limited Offering Memorandum dated December 1, 2022 (the “Limited Offering Memorandum”).

3. The Developer has delivered to the Underwriter and the City true, correct, complete and fully executed copies of the Developer’s organizational documents, and such documents have not been amended or supplemented since delivery to the Underwriter and the City and are in full force and effect as of the date hereof.

4. The Developer has delivered to the Underwriter and the City a (i) Certificate of Status from the Texas Secretary of State and (ii) verification of franchise tax account status from the Texas Comptroller of Public Accounts for the Developer.

5. The Developer has executed and delivered each of the below listed documents (individually, a “Developer Document” and collectively, the “Developer Documents”) in the capacity provided for in each such Developer Document, and each such Developer Document constitutes a valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms:

(a) the Developer Letter of Representations dated December 1, 2022;

(b) the Reimbursement Agreement Brahman Ranch Public Improvement District No. 1 Improvement Area #1A/1B Projects, effective as of November 14, 2022, (the “Reimbursement Agreement”), executed and delivered by the City and the Developer;

(c) the Development Agreement by and between the City and the Developer, effective as of November 22, 2019, as amended on March 29, 2021 and November 14, 2022 (as amended, the “Development Agreement”);

(d) the [Landowner Consent Certificate], dated as of December 1, 2022 (the “Landowner Certificate”), executed and delivered by the Developer;

(e) the Continuing Disclosure Agreement of Developer with respect to the Bonds, dated as of December 1, 2022 (the “Continuing Disclosure Agreement of Developer”), executed and delivered by the Developer, P3Works, LLC, as PID Administrator, and Regions Bank, as dissemination agent; and

(f) the Completion Agreement Brahman Ranch Public Improvement District No. 1 Improvement Area #1A/1B, effective as of December 1, 2022, by and between the Developer and Regions Bank, in its capacity as trustee for the Bonds.

6. The Developer or other development entities affiliated with the Developer owned all of the Assessed Property located in Improvement Area #1A/1B of the District on the date that the Assessment Ordinance was adopted and such landowners are not entities that may claim a homestead right under Texas law.

7. The Developer has complied in all material respects with all of the Developer’s agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Developer under the Developer Documents on or prior to the date hereof.

8. The representations and warranties of the Developer contained in the Developer Documents are true and correct in all material respects on and as of the date hereof.

9. The execution and delivery of the Developer Documents by the Developer does not violate any judgment, order, writ, injunction or decree binding on the Developer or any indenture, agreement, or other instrument to which the Developer is a party. There are no proceedings pending or threatened in writing before any court or administrative agency against the Developer that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Developer to perform its obligations under the Developer Documents in all material respects or that would reasonably be expected to prevent or prohibit the development of the District in accordance with the description thereof in the Limited Offering Memorandum.

10. The Developer has reviewed and approved the information contained in the Preliminary Limited Offering Memorandum in all of the maps included therein and under the captions and subcaptions “PLAN OF FINANCE — Development Plan,” “— Financing Plan,” “— Single-Family Residential Development within the District,” and “— Additional Indebtedness,” “OVERLAPPING TAXES AND DEBT — Homeowners’ Association,” “THE IMPROVEMENT AREA #1A/1B PROJECTS,” “THE DEVELOPMENT” and “THE DEVELOPER” and, to the Developer’s knowledge after due inquiry, under the captions “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Improvement Area #1A/1B Improvements and the Development, as defined in the Limited Offering Memorandum), “LEGAL MATTERS — Litigation – The Developer,” “CONTINUING DISCLOSURE — The Developer” and “— The Developer’s Compliance with Prior Undertakings,” “SOURCES OF INFORMATION — The Developer,” “APPENDIX E-2,” “APPENDIX F” and “APPENDIX G” (collectively, the “Developer Disclosures”) and certifies that the information contained in the Developer Disclosures is true and correct and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading, as of the date of the

Preliminary Limited Offering Memorandum and as of the date of the Limited Offering Memorandum; provided, however, that the foregoing certification is not a certification as to the accuracy, completeness or fairness of any of the other statements contained in the Preliminary Limited Offering Memorandum.

11. The Developer has reviewed and approved the information contained in the Developer Disclosures in the Limited Offering Memorandum and certifies that the same is true and correct and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading, as of the date of the Limited Offering Memorandum and as of the date hereof; provided, however, that the foregoing certification is not a certification as to the accuracy, completeness or fairness of any of the other statements contained in the Limited Offering Memorandum.

12. To the Developer's knowledge, the Developer is in compliance in all material respects with all provisions of applicable law relating to the Developer in connection with the Development. Except as otherwise described in the Limited Offering Memorandum: (a) to the Developer's knowledge, there is no default of any zoning condition, land use permit or development agreement binding upon the Developer or any portion of the Development that would materially and adversely affect the Developer's ability to complete or cause to be completed the development of the property within Improvement Area #1A/1B of the District as described in the Limited Offering Memorandum; and (b) the Developer has no reason to believe that any additional permits, consents and licenses required to complete the development of the property within Improvement Area #1A/1B of the District as and in the manner described in the Limited Offering Memorandum will not be reasonably obtainable in due course.

13. The Developer is not insolvent and has not made an assignment for the benefit of creditors, filed or consented to a petition in bankruptcy, petitioned or applied (or consented to any third-party petition or application) to any tribunal for the appointment of a custodian, receiver or any trustee or commenced any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction.

14. The levy of the Assessments on property in Improvement Area #1A/1B of the District owned by the Developer will not conflict with or constitute a breach of or default under any agreement, mortgage, deed of trust, indenture or other instrument to which the Developer is a party or to which the Developer or any of its property or assets is subject.

15. The Developer is not in default under any mortgage, trust indenture, lease or other instrument to which it or any of its assets is subject, which default would have a material and adverse effect on the Bonds or the Developer's ability to perform its obligations under the Developer Documents.

16. The Developer has no knowledge of any physical condition of the Development owned or to be developed by the Developer that currently requires, or currently is reasonably expected to require in the process of development investigation or remediation under any applicable federal, state or local governmental laws or regulations relating to the environment in any material and adverse respect.

Dated: December 15, 2022

DEVELOPER:

MISKIMON MANAGEMENT I, L.L.C.
a Texas limited liability company
(as Developer)

By: _____
Rick Miskimon, Managing Member

APPENDIX F

[LETTERHEAD OF PEYCO SOUTHWEST REALTY]

_____, 2022

City of Venus, Texas
700 W. US Highway 67
Venus, Texas 76084

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

McCall, Parkhurst & Horton L.L.P.
717 North Harwood, Suite 900
Dallas, Texas 75201

Regions Bank
3773 Richmond Ave., Suite 1100
Houston, Texas 77046

Re: City of Venus, Texas, Special Assessment Revenue Bonds, Series 2022 (Brahman Ranch Public Improvement District No. 1 Improvement Area #1A/1B Projects) (the “Bonds”)

Ladies and Gentlemen:

The undersigned, _____, representative of Peyco Southwest Realty (“Peyco”), the appraiser of the undeveloped property contained in Brahman Ranch Public Improvement District No. 1 (the “District”), does hereby represent the following:

1. Peyco has supplied certain information contained in the Preliminary Limited Offering Memorandum for the Bonds, dated [_____] , 2022 and the Limited Offering Memorandum for the Bonds, dated December 1, 2022 (together, the “Limited Offering Memorandum”), relating to the issuance of the Bonds by the City of Venus, Texas, as described above. The information Peyco provided for the Limited Offering Memorandum is the real estate appraisal of the property in the District (the “Appraisal”), located in APPENDIX H to the Limited Offering Memorandum, and the description thereof, set forth under the caption “APPRAISAL OF PROPERTY WITHIN IMPROVEMENT AREA #1A/1B.”

2. To the best of my professional knowledge and belief, as of the date of the Appraisal, the portion of the Limited Offering Memorandum described above does not contain an untrue statement of a material fact as to the information and data set forth therein and does not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

3. Peyco agrees to the inclusion of the Appraisal in the Limited Offering Memorandum and the use of its name in the Limited Offering Memorandum for the Bonds.

4. Peyco agrees that, to the best of its ability, it will inform you immediately should it learn of any event(s) or information of which you are not aware subsequent to the date of this letter and prior to the actual time of delivery of the Bonds (anticipated to occur on or about December 15, 2022) which would render any such information in the Limited Offering

Memorandum untrue, incomplete, or incorrect, in a material fact or render any statement in the appraisal materially misleading.

5. The undersigned hereby represents that he or she has been duly authorized to execute this letter of representations.

Sincerely yours,

Peyco Southwest Realty

By: _____
Its: _____

APPENDIX G

[LETTERHEAD OF P3WORKS, LLC]

_____, 2022

City of Venus, Texas
700 W. US Highway 67
Venus, Texas 76084

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

McCall, Parkhurst & Horton L.L.P.
717 North Harwood, Suite 900
Dallas, Texas 75201

Regions Bank
3773 Richmond Ave., Suite 1100
Houston, Texas 77046

Re: City of Venus, Texas, Special Assessment Revenue Bonds, Series 2022 (Brahman Ranch Public Improvement District No. 1 Improvement Area #1A/1B Projects) (the “Bonds”)

Ladies and Gentlemen:

The undersigned, _____, representative of P3Works, LLC (“P3Works”), consultant in connection with the creation by the City of Venus, Texas (the “City”), of Brahman Ranch Public Improvement District No. 1 (the “District”), does hereby represent the following:

1. P3Works has supplied certain information contained in the Preliminary Limited Offering Memorandum for the Bonds, dated [_____] , 2022, and the final Limited Offering Memorandum for the Bonds, dated December 1, 2022 (together, the “Limited Offering Memorandum”), relating to the issuance of the Bonds by the City, as described above. The information P3Works provided for the Limited Offering Memorandum is located (a) under the captions “ASSESSMENT PROCEDURES” and “PID ADMINISTRATOR” and (b) in the Service and Assessment Plan (the “SAP”) for the City located in APPENDIX C to the Limited Offering Memorandum.

2. At the request of the City, P3Works has prepared the SAP and acknowledges and agrees that the SAP will be included in the Limited Offering Memorandum for the Bonds.

3. To the best of my professional knowledge and belief, the portions of the Limited Offering Memorandum described in paragraph 1 above do not contain an untrue statement of a material fact as to the information and data set forth therein and does not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

4. P3Works agrees to the use of its name in the Limited Offering Memorandum for the Bonds.

5. P3Works agrees that, to the best of its ability, it will inform you immediately should it learn of any event(s) or information of which you are not aware subsequent to the date of this letter and prior to the actual time of delivery of the Bonds (anticipated to occur on or

about December 15, 2022) which would render any such information in the Limited Offering Memorandum untrue, incomplete, or incorrect, in a material fact or render any such information materially misleading.

6. The undersigned hereby represents that he or she has been duly authorized to execute this letter of representation.

Sincerely yours,

P3Works, LLC

By: _____
Its: _____

EXHIBIT C

CONTINUING DISCLOSURE AGREEMENT

(See attached)

**CITY OF VENUS, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREA #1A/1B PROJECTS)**

CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

This Continuing Disclosure Agreement of the Issuer dated as of December 1, 2022 (this “Disclosure Agreement”) is executed and delivered by and among the City of Venus, Texas (the “Issuer”), P3Works, LLC (the “Administrator”) and Regions Bank, an Alabama banking corporation, acting solely in its capacity as dissemination agent (the “Dissemination Agent”), with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2022 (Brahman Ranch Public Improvement District No. 1 Improvement Area #1A/1B Projects)” (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 December 1, 2022, 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 P3Works, LLC as the current Administrator.

“Annual Collection Costs” shall have the meaning assigned to such term in the Indenture.

“Annual Financial Information” shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

“Annual 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 December 1, 2022 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, 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>.

"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 twelve-month period from October 1 through September 30.

“Improvement Area #1A” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #1B” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #1A/1B” shall mean, collectively, Improvement Area #1A and Improvement Area #1B.

“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.

“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, an Alabama banking corporation, 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, 2022, 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 updates to the Service and Assessment Plan, including the Annual Service Plan Update (collectively, a “SAP Update”).

(iv) Until certificates of occupancy (“COs”) have been issued (or, if COs are not issued upon completion of construction of single-family dwellings, approval of the final inspection has been granted) for lots representing, in the aggregate, ninety-five percent (95%) of the total single-family residential lots within the Improvement Area #1A/1B, the aggregate taxable assessed valuation for parcels or lots within the Improvement Area #1A/1B based on the most recent certified tax roll available to the Issuer.

(v) With respect to single-family residential lots, until COs have been issued (or, if COs are not issued upon completion of construction of single-family dwellings, approval of the final inspection has been granted) for lots representing, in the aggregate, ninety-five percent (95%) of the total single-family residential lots within the Improvement Area #1A/1B, 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 COs issued for new homes completed in the Improvement Area #1A/1B during such Fiscal Year; and

(B) the aggregate number of COs issued for new homes completed within the Improvement Area #1A 1B since filing the initial Annual Financial Information for Fiscal Year ended September 30, 2022.

(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.

(vi) Until certificates of occupancy have been issued (or, if COs are not issued upon completion of construction of single-family dwellings, approval of the final inspection has been granted) for lots representing, in the aggregate, ninety-five percent (95%) of the total single-family residential lots within the Improvement Area #1A/1B, a listing of the top five (5) Assessment payers in the Improvement Area #1A/1B, 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 Improvement Area #1A/1B, as shown on the Assessment Roll attached to the SAP Update for such Fiscal Year.

(vii) Collection and delinquency history of the Assessments within the Improvement Area #1A/1B for the past five (5) Fiscal Years, in the following format:

Collection and Delinquent History of Assessments within Improvement Area #1A

Collected in Fiscal Year	Assessment <u>Billed</u>	Parcels	Delinquent Amount	Delinquent Percentage	Delinquent Amount	Delinquent Percentage	Total Assessments
<u>Ending 9/30</u>		<u>Levied</u>	<u>as of 3/1</u>	<u>as of 3/1</u>	<u>as of 9/1</u>	<u>as of 9/1</u>	<u>Collected⁽¹⁾</u>
20__	\$						\$

⁽¹⁾ Collected as of _____, 20__. Includes \$_____ attributable to Prepayments.

Collection and Delinquent History of Assessments within Improvement Area #1B

Collected in Fiscal Year	Assessment <u>Billed</u>	Parcels	Delinquent Amount	Delinquent Percentage	Delinquent Amount	Delinquent Percentage	Total Assessments
<u>Ending 9/30</u>		<u>Levied</u>	<u>as of 3/1</u>	<u>as of 3/1</u>	<u>as of 9/1</u>	<u>as of 9/1</u>	<u>Collected⁽¹⁾</u>
20__	\$						\$

⁽¹⁾ Collected as of _____, 20__. Includes \$_____ attributable to Prepayments.

(viii) For each calendar year, the total amount of Annual Installments that are delinquent as of September 1 in such calendar year, and, if such amount 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.

(ix) 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 Improvement Area #1A if the assessed property sold at a foreclosure sale represents more than five percent (5%) of the total amount of Assessments.

(x) 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).

(xi) 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 P3Works, LLC 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 Improvement Area #1A/1B 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 Annual Collection Costs collected from the property owners in the Improvement Area #1A, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Dissemination Agent for losses, expenses or liabilities arising from information provided to the Dissemination Agent by the Developer or the failure of the Developer to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the 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 Annual Collection Costs collected from the property owners in the Improvement Area #1A, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Administrator for losses, expenses or liabilities arising from information provided to the Administrator by the Developer or the failure of the Developer to provide information to the Administrator as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii)

any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

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

SECTION 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 Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent and the Administrator, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in the Improvement Area #1A/1B, for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

SECTION 18. Anti-Boycott Verification. Each of the Dissemination Agent and Administrator hereby verifies separately and on behalf of itself only 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 enable the Issuer 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.

SECTION 19. Iran, Sudan and Foreign Terrorist Organizations. Each of the Dissemination Agent and the Administrator hereby represents separately and on behalf of itself only 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 enable the Issuer 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.

SECTION 20. No Discrimination Against Fossil-Fuel Companies. To the extent this Disclosure Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, each of the Dissemination Agent and the Administrator hereby verifies separately and on behalf of itself only 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 energy companies and will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to enable the Issuer to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification, “boycott energy companies” shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above.

SECTION 21. No Discrimination Against Firearm Entities and Firearm Trade Associations. To the extent this Disclosure Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, each of the Dissemination Agent and the Administrator hereby verifies separately and on behalf of itself only that the Dissemination Agent, the Administrator and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination and Administrator, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of this Disclosure Agreement against a firearm entity or firearm trade association. The foregoing verification is made solely to enable the Issuer to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification,

(a) “discriminate against a firearm entity or firearm trade association” (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company’s refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity’s or association’s status as a firearm entity or firearm trade association,

(b) “firearm entity” means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (i.e., weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (i.e., devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (i.e., a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (as defined by Section 250.001, Texas Local Government Code), and

(c) “firearm trade association” means a person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

SECTION 22. Affiliate. As used in Sections 18 through 21, the Dissemination Agent and Administrator understand “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

SECTION 23. Disclosure of Interested Parties. Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Dissemination Agent hereby certifies it is a publicly traded business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Disclosure Agreement. Submitted herewith is a completed Form 1295 in connection with the Administrator’s participation in the execution of this Disclosure Agreement generated by the Texas Ethics Commission’s (the “TEC”) electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the “Form 1295”). The Issuer hereby confirms receipt of the Form 1295 from the Administrator, and the Issuer agrees to acknowledge such form with the TEC through its electronic filing application not later than the thirtieth (30th) day after the receipt of such form. The Administrator and the Issuer understand and agree that, with the exception of information identifying the Issuer and the contract identification number, neither the Issuer nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Administrator; and, neither the Issuer nor its consultants have verified such information.

SECTION 24. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 25. 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

P3WORKS, LLC
(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 2022
(Brahman Ranch Public Improvement District No. 1 Improvement
Area #1A/1B Projects) (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 December 1, 2022, by and among the Issuer, P3Works, LLC, 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 2022
(BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1
IMPROVEMENT AREA #1A/1B PROJECTS)**

ANNUAL FINANCIAL INFORMATION¹

Delivery Date: _____, 20__

CUSIP NOS: [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) – (vi)

[Insert a line item]

SECTION 4(a)(vii) COLLECTION AND DELINQUENCY HISTORY OF THE ASSESSMENTS WITHIN IMPROVEMENT AREA #1A FOR THE PAST FIVE FISCAL YEARS, IN THE FOLLOWING FORMAT:**Collection and Delinquent History of Assessments in Improvement Area #1A**

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>
20__	\$						\$

⁽¹⁾ Collected as of _____, 20__. Includes \$_____ attributable to Prepayments.

Collection and Delinquent History of Assessments in Improvement Area #1B

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>
20__	\$						\$

⁽¹⁾ Collected as of _____, 20__. Includes \$_____ attributable to Prepayments.

ITEMS REQUIRED BY SECTIONS 4(a)(viii) – (xi) OF THE CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER RELATING TO THE CITY OF VENUS, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022, (BRAHMAN RANCH PUBLIC IMPROVEMENT DISTRICT NO. 1 IMPROVEMENT AREA #1A/1B PROJECTS)

[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 Ellis 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 on 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.

ORDINANCE NO. 768-2022-11

AN ORDINANCE OF THE CITY OF VENUS, TEXAS AMENDING THE CODE ORDINANCES, CHAPTER 6 “ANIMALS”, SECTION 6-5, “PROHIBITED ANIMALS; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A PENALTY FOR VIOLATIONS HEREOF; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, from time to time the City Council revisits various sections of the Code of Ordinances for the City of Venus; and

WHEREAS, to protect the health, safety and welfare of the citizens it has become necessary to update the rules and regulations in relation to grease traps and backflow and cross connection controls as such inadequate regulation poses a significant potential danger to the said health, safety and welfare of the community.

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

SECTION 1. Chapter 6, “Animals”, Section 6-5, “Prohibited Animals” is hereby repealed and replaced by a new Chapter 6, “Animals”, Section 6-5, “Prohibited Animals”, which shall read as follows:

“...

CHAPTER 6. ANIMALS

...

Sec. 6-5. Prohibited Animals.

...

(4) *Fowl*. Any duck, goose, turkey, emu, peacock, ostrich or other fowl are prohibited.

a. Chickens are permitted as follows:

1. Roosters are prohibited;

2. Owner shall not keep or maintain more than four chickens;

3. Chickens shall be kept a distance of twenty-five (25) feet or more from any habitation located on another's property;

...”

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

SECTION 3. If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance or application thereof to any person or circumstance is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Ordinance, and the City Council hereby declares it would have passed such remaining portions of this Ordinance despite such invalidity, which remaining portions shall remain in full force and effect.

SECTION 4. That this ordinance shall take effect immediately from and after its passage and the publication of the caption, as the law in such cases provide.

SECTION 5. Upon publication of this ordinance by the City Secretary, any person, firm or corporation who violates, disobeys, omits, neglects or refuses to comply with or resists the enforcement of any of the provisions of this Ordinance shall be fined not more than Five Hundred Dollars (\$500.00) for each offense. Each day that a violation is permitted to exist shall constitute a separate offense.

SECTION 6. That all recitals contained in this Ordinance are fully incorporated herein as if fully written.

SECTION 7. This ordinance shall be in full force and effect from this and after its passage and publication as required by law, and it is so ordained.

DULY PASSED and approved by the City Council of the City of Venus, Texas on this the 1st day of December 2022.

APPROVED:

JAMES L. BURGESS, MAYOR

ATTEST:

CALLIE GREEN, CITY SECRETARY

ORDINANCE NO. 771-2022-12

AN ORDINANCE OF THE CITY OF VENUS, TEXAS AMENDING THE CODE ORDINANCES, CHAPTER 8 “BUILDING AND BUILDING REGULATIONS”, ARTICLE IV. “FENCES”. SECTIONS 8-104, “RESIDENTIAL USES”, SECTION 8-109, “PERMITS REQUIRED”, AND 8-110, REQUIREMENTS FOR SWIMMING POOLS; PENALTY”; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A PENALTY FOR VIOLATIONS HEREOF; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, from time to time the City Council revisits various sections of the Code of Ordinances for the City of Venus and

WHEREAS, to protect the health, safety and welfare of the citizens it has become necessary to update the rules and regulations in relation to grease traps and backflow and cross connection controls as such inadequate regulation poses a significant potential danger to the said health, safety and welfare of the community.

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

SECTION 1. Chapter 8, “Building and Building Regulations”, Article IV. “Fences”, Sections 8-104, “Residential Uses”, Section 8-109, “Permits Required”, and Section 8-110, “Requirement for swimming pools; penalty”, are hereby repealed and replaced by a new Chapter 8, “Building and Building Regulations”, Article IV. “Fences”, Sections 8-104, “Residential Uses”, Section 8-109, “Permits Required”, and Section 8-110, “Requirement for swimming pools; penalty” which shall read as follows:

“...

CHAPTER 8. BUILDING AND BUILDING REGULATIONS

...

Sec. 8-104. Residential uses.

In residentially zoned districts, fences, walls and outdoor area enclosure structures may be erected if in accordance with the following regulations:

- (1) Privacy/security enclosures.
- (2) Privacy/security enclosures may be fences or walls as defined herein.
- (3) Maximum height shall not exceed seven feet.
- (4) May be erected upon the rear lot line of any lot.

(5) May be erected upon the side lot lines of any interior lot; however, no fence may be erected along side lot lines to exceed the required front yard setback.

...

Sec. 8-109. Permits required.

Prior to construction of any Non Residential outdoor area enclosure, a permit shall be obtained from the building official. An application shall be accompanied by a plot plan and shall accurately reflect all proposed outdoor area enclosure structures, all easements, building setback lines and visibility triangles. Residential subdivision enclosures, office, business or industrial park/complex enclosures and any privacy/security enclosure constructed as a wall within any nonresidential zoning district shall have detailed drawings submitted with an application. Upon approval of the application, approval by the development review committee (when applicable) and payment of the permit fee, as set by the city council, a permit shall be issued for construction. If the permit holder fails to comply with the provisions of this article, the permit shall be revoked, and the so-constructed fence shall be considered a nuisance per se and must be immediately removed. All masonry screening structures 4' or over in height shall require a permit and design by a Texas Professional Engineer. Permits shall not be required for Residential Fences providing they are under seven feet in height, not constructed with Masonry Elements, and are not erected beyond the current front wall of a residential structure or front setback excepting zoning wherein such fences are permitted. All non-permitted fences shall still be constructed to adopted city ordinances.

...

Sec. 8-110. Requirements for swimming pools; penalty.

An outdoor swimming pool shall be provided with a barrier that shall be installed, inspected and approved prior to plastering or filling with water. Residential Pool and Spa Permits on lots without a current barrier shall permit an enclosure with the Pool Permit. The barrier shall comply with the following:

...”

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

SECTION 3. If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance or application thereof to any person or circumstance is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Ordinance, and the City Council hereby declares it would have passed such remaining portions of this Ordinance despite such invalidity, which remaining portions shall remain in full force and effect.

SECTION 4. That this ordinance shall take effect immediately from and after its passage and the publication of the caption, as the law in such cases provide.

SECTION 5. Upon publication of this ordinance by the City Secretary, any person, firm or corporation who violates, disobeys, omits, neglects or refuses to comply with or resists the enforcement of any of the provisions of this Ordinance shall be fined not more than Two Thousand Dollars (\$2,000.00) for each offense. Each day that a violation is permitted to exist shall constitute a separate offense.

SECTION 6. That all recitals contained in this Ordinance are fully incorporated herein as if fully written.

SECTION 7. This ordinance shall be in full force and effect from this and after its passage and publication as required by law, and it is so ordained.

DULY PASSED and approved by the City Council of the City of Venus, Texas on this the 1st day of December 2022.

APPROVED:

JAMES L. BURGESS, MAYOR

ATTEST:

CALLIE GREEN, CITY SECRETARY

The State of Texas}

County of Johnson}

**INTERLOCAL ASSISTANCE AGREEMENT FOR
FIRE AND EXPLOSION INVESTIGATION**

This agreement is entered into by and between the city, county, or other governmental agency that is a signatory to this agreement, all being either municipal corporations, county governments, or some other political subdivision chartered or established by the Constitution of the State of Texas, hereinafter referred to as “member agencies” or “party,” and each acting through their duly authorized elected representatives.

This agreement supersedes and shall be controlling over all other interlocal agreements for fire, arson, or explosion investigation between any of the member agencies, and all other such agreements are specifically repealed in whole.

WITNESSETH

WHEREAS, the governing officials of the member agencies and political subdivisions of the State of Texas, desire to secure for each member agency or political subdivision the benefits of mutual aid in the protection of life and property from fire or explosion by entering into this interlocal agreement for establishing investigative resources to conduct the origin and cause investigation of a fire or explosion and perform any latent criminal investigations resulting from said fire or explosion incident.

WHEREAS, there is a need for investigative cooperation for suspected arson cases in Johnson County and the surrounding Counties; and

WHEREAS, the parties hereto have determined that the best possible method for attacking the crime of arson within Johnson County and the agencies within the surrounding Counties, as undersigned hereto, is an agreement establishing such cooperation; and

WHEREAS, the parties desire to enter into this agreement to provide investigative cooperation in connection with arson or suspected arson cases; and

WHEREAS, each participating agency is authorized to perform the services contemplated for it herein;

NOW, THEREFORE, the parties do hereby agree as follows:

1. The parties hereto execute this agreement for the purpose of providing fire and arson investigation and prosecutorial capabilities to each other as the need arises.

2. The Johnson County ESD Director shall be the Coordinator of the investigative task force created by this agreement, and his office shall be the central repository for the documents executing such agreements.
3. Any request for investigative assistance by one party or another under the terms of this agreement does not obligate that party to respond if resources are not available. The availability of any officer to respond to a request for assistance shall be determined by the party responding to the request.
4. When requested by a party, any other party to this agreement shall provide available members of its arson investigation unit to assist in the origin and cause investigation of a fire or explosive incident and provide such other investigative assistance that is necessary for the prosecution of any criminal activity associated with the incident. While engaged in such activities, employees of the responding party shall be under the direction and supervision of the requesting party's officer in charge of the investigation process. However, if a member of a responding party is requested to perform a task that is in conflict with the responding party's internal policies, the responding party retains the right to advise the officer in charge that the task cannot be completed. If agreement cannot be reached on the issue, the responding party has the option of leaving the scene. Each party to this Agreement shall at all times be and remain legally responsible for the conduct of their respective fire department employees regardless of whether such employees were performing duties under this Agreement at the request of the requesting party and regardless of whether such employees were acting under the authority, direction, suggestion or orders of an officer of the requesting party. This assignment of civil liability is specifically permitted by section 791.006(a-1) of the Texas Government Code ("Code") and is intended to be different than the liability otherwise assigned under section 791.006(a) of the Code. Each party hereby waives all claims against the other Party for compensation for any loss, damage, personal injury, or death occurring as a consequence of the performance of the Agreement.
5. While performing tasks under this agreement, employees of the responding party shall be vested with all fire and/or arson investigation and/or police powers of the requesting party's officer-in-charge.
6. In performing its duties under this agreement, each party will comply with all necessary Federal, State, and local laws, rules and regulations, including those relating to the disposal of property acquired from grant funds.
7. The party that regularly employs the investigative officer shall be responsible for all salary, disability and pension payments, injury or death benefits, workers compensation benefits, damages to equipment and clothing of the officer while he or she is involved in activities pursuant to this agreement, the same as though the services had been rendered within the

limits of the jurisdiction wherein he or she is regularly employed. The requesting Party shall have no obligation to reimburse the responding Party for such cost.

8. In the event that any person performing services pursuant to this Agreement shall be cited as a party to any civil lawsuits, State or Federal, arising out of performance of those services, he or she shall be entitled to the same benefits that he or she would be entitled to receive if such civil action had arisen out of performance of duties as a member of the department or agency where he or she is regularly employed and in the jurisdiction of the party by which he or she is regularly employed.
9. Each party waives all claims against the other party for compensation for any loss, property damage, personal injury, or death occurring as a consequence of the performance of this Agreement.

Neither member party shall be reimbursed by the other for costs incurred pursuant to this Agreement, with the exception of supplies and consumable items.

10. It is expressly understood that when an employee or volunteer of the responding member agency is performing duties under the terms of this agreement, that the person is considered to be acting in the line of duty for the purposes of 42 U.S.C.A., Section 3796; is considered to be in performing duties within the provisions of Chapter 615, Texas Government Code and Chapter 142, Texas Local Government Code; and shall be entitled to any other benefits which accrue under law as a result of injury or death, or loss which occurs while in the line of duty.
11. A party to this agreement may withdraw from it only after providing not less than ninety (90) days written notice of same to the Johnson County ESD Director, who is acting as the central repository of all agreements between member agencies.
12. This Agreement shall be interpreted under the laws of the State of Texas. The venue for any lawsuit arising out of this Agreement will be the Fort Worth Division of the Northern District of Texas if the lawsuit arises in Federal Court or Johnson County, Texas, if the matter arises in State Court.
13. In case one or more of the provisions contained in this Agreement shall be for any reason held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision, and this Agreement shall be construed as if the invalid, illegal or unenforceable provision had never been contained in the Agreement.
14. This agreement, when signed into effect by the elected official of each member agency, will authorize that agency to be placed on "Member's Agency List," which will hereafter

be known as Exhibit "A" and will constitute a listing of agencies whose fire and arson investigative personnel will constitute the man-power pool of Arson Task Force Members.

15. This Agreement shall become effective between the Parties hereto on the day after it is fully executed and shall continue in effect for twelve (12) months from the effective date. This Agreement shall renew automatically renew for a period of one year upon the completion of the initial term and each subsequent term thereafter unless and until such time as the governing body of a Party terminates its participation prior to the date of automatic renewal or as prescribed in Section 1 of this Agreement.

ATTEST:

Approved:

City Secretary

Mayor

On this the _____ day of _____ 20____.

APPROVED AS TO FORM:

City Attorney

City or Department in this agreement:

RESOLUTION 22-2022-12

A RESOLUTION OF THE CITY OF VENUS, TEXAS, AUTHORIZING PROFESSIONAL SERVICE PROVIDER SELECTION FOR A 2023/2024 TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM – COMMUNITY DEVELOPMENT FUND (CDBG) THROUGH THE TEXAS DEPARTMENT OF AGRICULTURE (TDA).

WHEREAS, participation in the CDBG requires implementation by professionals experienced in the administration/project delivery of federally-funded projects and creation of planning documents;

WHEREAS, in order to identify qualified and responsive providers for these services a Request for Proposals (RFP) process for administration services has been completed in accordance with the TDA requirements;

WHEREAS, the proposals received by the due date have been reviewed to determine the most qualified and responsive provider for the professional service giving consideration to ability to perform successfully under the terms and conditions of the proposed procurement, integrity, compliance with public policy, record of past performance, and financial and technical resources

NOW, THEREFORE, BE IT RESOLVED:

- Section 1. That _____ is selected to provide application and project-related administration/project delivery services for a 2023/2024 CDBG grant for the City.
- Section 2. That a cost-price analysis has been conducted and determined the proposed fee to be appropriate and reasonable based upon program requirements and rules.
- Section 3. That any and all project-related services contracts or commitments made with the above-named service provider(s) are dependent on the successful negotiation of a contract with the service provider(s).

PASSED AND APPROVED ON DECEMBER 1, 2022.

APPROVED:

James Burgess, Mayor

ATTEST:

Callie Green, City Secretary

From: [KAYLA MAXEY](#)
To: [Callie Green](#)
Subject: Resigning
Date: Tuesday, November 22, 2022 2:16:19 PM

I, Kayla Sanguinetti Councilmember place 2 for the City of Venus, Texas hereby resign my council seat effective immediately.

Please reach out if you have questions or concerns.
Kayla Sanguinetti