

Res. 2021-247R - Appendix C -- 2021-11- 4_SAN_WhisperSouth_SAP

NOVEMBER 16, 2021
PRELIMINARY SERVICE AND ASSESSMENT PLAN



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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” or an “Exhibit” shall be a reference to a Section of this Service and Assessment Plan, or an Exhibit attached to and made a part of this Service and Assessment Plan for all purposes.

On May 4, 2021, the City passed and approved Resolution 2021-91R authorizing the creation of the District in accordance with the PID Act, which authorization was effective upon publication as required by the PID Act. The purpose of the District is to finance the Actual Costs of Authorized Improvements that confer a special benefit on approximately 595.94 acres located within the City, as described by metes and bounds on **Exhibit A-1** and depicted on **Exhibit B**.

The PID Act requires a Service Plan covering a period of at least five years and defining the annual indebtedness and projected cost of the Authorized Improvements. The Service Plan is contained in **Section IV**.

The 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 the District 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. The Assessment against each Assessed Property must be sufficient to pay its share of the Actual Costs apportioned to the Assessed Property and cannot exceed the special benefit conferred on the Assessed Property by the Authorized Improvements. The Improvement Area #1 Assessment Roll is included as **Exhibit F**. The Improvement Area #2 Assessment Roll is included as **Exhibit H**. The Improvement Area #3 Assessment Roll is included as **Exhibit J**.

SECTION I: DEFINITIONS

“Actual Costs” mean, with respect to Authorized Improvements, the actual costs paid or incurred by or on behalf of the Developer: (1) to plan, design, acquire, construct, install, and dedicate such improvements to the City; (2) to prepare plans, specifications (including bid packages), contracts, and as-built drawings; (3) to obtain zoning, licenses, plan approvals, permits, inspections, and other governmental approvals; (4) for third-party professional consulting services including but not limited to, engineering, surveying, geotechnical, land planning, architectural, landscaping, legal, accounting, and appraisals; (5) of labor, materials, equipment, fixtures, payment and performance bonds and other construction security, and insurance premiums; and (6) to implement, administer, and manage the above-described activities. Actual Costs shall not include general contractor’s fees in an amount that exceeds a percentage equal to the percentage of work completed or construction management fees in an amount that exceeds an amount equal to the construction management fee amortized in approximately equal monthly installments over the term of the applicable construction management contract. Amounts expended for costs described in subsection (3), (4), and (6) above shall be excluded from the amount upon which the general contractor and construction management fees are calculated.

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

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

“Administration Reserves” means the estimated 1st year Annual Collection Costs.

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

“Annual Collection Costs” mean the actual or budgeted costs and expenses for: (1) the Administrator and City staff; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (4) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (5) issuing, paying, and redeeming PID Bonds; (6) investing or depositing Assessments and Annual Installments; (7) complying with this Service and Assessment Plan and the Act with respect to the issuance and sale of PID Bonds, including continuing disclosure requirements; and (8) 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.

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

“Appraisal District” means Hays Central Appraisal District.

“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 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 the PID Act.

“Assessment Ordinance” means an ordinance adopted by the City Council in accordance with the PID Act that levies an Assessment.

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

“Assessment Roll” means one or more assessment rolls for the Assessed Property within the District, as updated, modified or amended from time to time in accordance with the procedures set forth herein, and in the PID Act, including any Annual Service Plan Updates. The Improvement Area #1 Assessment Roll is included as **Exhibit F**. The Improvement Area #2 Assessment Roll is included as **Exhibit H**. The Improvement Area #3 Assessment Roll is included as **Exhibit J**.

“Authorized Improvements” means improvements authorized by Section 372.003 of the PID Act as described in **Section III** and **Exhibit C**, inclusive of Bond Issuance Costs and Administration Reserves, and depicted on **Exhibit N-1, Exhibit N-2, Exhibit N-3** and **Exhibit N-4**.

“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, City costs, capitalized interest, reserve fund requirements, underwriter’s discount, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

“City” means the City of San Marcos, Texas.

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

“Commercial Owner” means Harris Hill Commercial Land Holdings, LTD. and any successor and assigns.

“County” means Hays County, Texas.

“Delinquent Collection Costs” mean, for a Parcel, interest, penalties, and other costs and expenses authorized by the PID Act that directly or indirectly relate to the collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under this Service and Assessment Plan, including costs and expenses to foreclose liens.

“Developer” means Harris Hill Residential Land Holdings, LTD. and any successor and assigns.

“District” means the Whisper South Public Improvement District containing approximately 595.94 acres located within the City and shown on **Exhibit B** and more specifically described in **Exhibit A-1**.

“District Formation Expenses” means the costs associated with forming the District, including but not limited to costs incurred by the Developer and/or City for legal fees, consulting fees, professional fees, and any other cost or expense directly associated with the establishment of the District.

“Estimated Buildout Value” means the estimated buildout value of an Assessed Property at the time Assessments are levied, and shall be determined by the Administrator 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 information that may impact value.

“Improvement Area” means a defined area within the District, including Improvement Area #1, Improvement Area #2, and Improvement Area #3.

“Improvement Area #1” means approximately ____ acres located within the District, as shown on **Exhibit B** and more specifically described in **Exhibit A-2**.

“Improvement Area #1-3 Bonds” mean those certain “City of San Marcos, Texas, Special Assessment Revenue Bonds, Series 2021 (Whisper South Public Improvement District Improvement Area #1-3 Project)”, that are secured by Improvement Area #1 Assessments, Improvement Area #2 Assessments and Improvement Area #3 Assessments.

“Improvement Area #1 Annual Installment” means the annual installment payment of the Improvement Area #1 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.

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

“Improvement Area #1 Assessment” means an Assessment levied against Improvement Area #1 Assessed Property and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #1 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 #1 Assessment Roll” means the Assessment Roll for the Improvement Area #1 Assessed Property and included in this Service and Assessment Plan as **Exhibit F**, 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 in connection with any Annual Service Plan Update.

“Improvement Area #1 Improvements” mean those Authorized Improvements that only benefit Improvement Area #1, more specifically described in **Section III.B**, and which are to be financed with the proceeds of the Improvement Area #1-3 Bonds.

“Improvement Area #1 Initial Parcel” means all of the area within Improvement Area #1, other than Non-Benefited Property, as generally described by metes and bounds in **Exhibit A-2** and shown on the map on **Exhibit B**, consisting of approximately ____ acres. Until a plat has been recorded and a Property ID has been assigned by the Appraisal District to each Lot within Improvement Area #1, the Improvement Area #1 Annual Installment will be allocated to each property ID within the Improvement Area #1 Initial Parcel based on the Hays Central Appraisal District acreage for billing purposes only.

“Improvement Area #1 Projects” mean Improvement Area #1 Improvements and Improvement Area #1’s allocable share of the Major Improvements.

“Improvement Area #2” means approximately 216.10 acres located within the District, as shown on **Exhibit B** and more specifically described in **Exhibit A-3**.

“Improvement Area #2 Annual Installment” means the annual installment payment of the Improvement Area #2 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.

“Improvement Area #2 Assessed Property” means any Parcel within Improvement Area #2 against which an Improvement Area #2 Assessment is levied.

“Improvement Area #2 Assessment” means an Assessment levied against Improvement Area #2 Assessed Property and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #2 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 #2 Assessment Roll” means the Assessment Roll for the Improvement Area #2 Assessed Property and included in this Service and Assessment Plan as **Exhibit H**, 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 in connection with any Annual Service Plan Update.

“Improvement Area #2 Improvements” mean those Authorized Improvements that only benefit Improvement Area #2, and more specifically described in **Section III.C**, and which are to be financed with the proceeds of the Improvement Area #1-3 Bonds.

“Improvement Area #2 Initial Parcel” means all of the area within Improvement Area #2, other than Non-Benefited Property, as generally described by metes and bounds in **Exhibit A-3** and shown on the map on **Exhibit B**, consisting of approximately 216.10 acres. Until a plat has been recorded and a Property ID has been assigned by the Appraisal District to each Lot within Improvement Area #2, the Improvement Area #2 Annual Installment will be allocated to each property ID within the Improvement Area #2 Initial Parcel based on the Hays Central Appraisal District acreage for billing purposes only.

“Improvement Area #2 Projects” mean Improvement Area #2 Improvements and Improvement Area #2’s allocable share of the Major Improvements.

“Improvement Area #3” means approximately ____ acres located within the District, as shown on **Exhibit B** and more specifically described in **Exhibit A-4**.

“Improvement Area #3 Annual Installment” means the annual installment payment of the Improvement Area #3 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.

“Improvement Area #3 Assessed Property” means any Parcel within Improvement Area #3 against which an Improvement Area #3 Assessment is levied.

“Improvement Area #3 Assessment” means an Assessment levied against Improvement Area #3 Assessed Property and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #3 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 #3 Assessment Roll” means the Assessment Roll for the Improvement Area #3 Assessed Property and included in this Service and Assessment Plan as **Exhibit J**, 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 in connection with any Annual Service Plan Update.

“Improvement Area #3 Improvements” mean those Authorized Improvements that only benefit Improvement Area #3, and more specifically described in **Section III.D**, and which are to be financed with the proceeds of the Improvement Area #1-3 Bonds.

“Improvement Area #3 Initial Parcel” means all of the area within Improvement Area #3, other than Non-Benefited Property, as generally described by metes and bounds in **Exhibit A-4** and shown on the map on **Exhibit B**, consisting of approximately ____ acres. Until a plat has been recorded and a Property ID has been assigned by the Appraisal District to each Lot within Improvement Area #3, the Improvement Area #3 Annual Installment will be allocated to each property ID within the Improvement Area #3 Initial Parcel based on the Hays Central Appraisal District acreage for billing purposes only.

“Improvement Area #3 Projects” mean Improvement Area #3 Improvements and Improvement Area #3’s allocable share of the Major Improvements.

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

“Lot” means (1) for any portion of the District for which a subdivision plat has been recorded in the official public records of the County, a tract of land described as a “lot” in such subdivision plat, and (2) for any portion of the District for which a subdivision plat has not been recorded in the official public records of the County, a tract of land anticipated to be described as a “lot” in a final recorded subdivision plat.

“Lot Type” means a classification of final building Lots with similar characteristics (e.g. commercial, light industrial, multi-family, single-family residential, etc.), as determined by the Administrator and confirmed and approved 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 determined by the Administrator and confirmed and approved by the City Council.

“Lot Type 1” means a Lot within Improvement Area #1 or Improvement Area #3 designated as a 42’ single-family residential lot by the Developer, as shown on the map attached as **Exhibit M**.

“Lot Type 2” means a Lot within Improvement Area #1 designated as a 50’ single-family residential lot by the Developer, as shown on the map attached as **Exhibit M**.

“Lot Type 3” means a Lot within Improvement Area #1 designated as a 60’ single-family residential lot by the Developer, as shown on the map attached as **Exhibit M**.

“Lot Type Multi-Family” means a Lot within Improvement Area #1 or Improvement Area #2 designated as a multi-family residential lot by the Developer, as shown on the map attached as **Exhibit M**.

“Lot Type Commercial” means a Lot within Improvement Area #2 designated as a commercial lot by the Developer, as shown on the map attached as **Exhibit M**.

“Major Improvements” mean the Authorized Improvements that benefit more than one Improvement Area, and are more specifically described in **Section III.A**, and which are to be financed with the proceeds of the Improvement Area #1-3 Bonds.

“Maximum Assessment” means, for each Lot within Improvement Area #1, Improvement Area #2 and Improvement Area #3, the amount shown for each Lot Type on **Exhibit L**. The Maximum Assessment shall be reduced annually by the principal portion of the Annual Installment.

“Non-Benefited Property” means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements. Property is identified as Non-Benefited Property at the time the Assessments (1) are levied or (2) are reallocated pursuant to a subdivision of a Parcel that receives no benefit.

“Owners Association” means one or more property owners associations formed with respect to all or a portion of the Assessed Properties that may own, operate and/ or maintain some of the Authorized Improvements and which the City acknowledges are approved and authorized by the City pursuant to Section 372.023(a)(3) of the PID Act.

“Parcel(s)” means a property within the District, identified by either a tax map identification number assigned by the Hays Central 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 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” mean bonds issued by the City to finance the Actual Costs of the Authorized Improvements including the Improvement Area #1-3 Bonds.

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

“Prepayment Costs” mean interest and Annual Collection Costs incurred up to the date of Prepayment.

“Property ID” mean a unique number assigned to each Parcel by the Appraisal District.

“Service and Assessment Plan” means this Service and Assessment Plan as amended, modified and updated 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 a trustee (or successor trustee) under the applicable Indenture.

SECTION II: THE DISTRICT

The District includes approximately 595.94 contiguous acres located within the corporate limits of the City, as more particularly described by metes and bounds on **Exhibit A-1** and depicted on **Exhibit B**. Development of the District is anticipated to include approximately 1,338 single-family units, 920 multi-family units and 607,000 square feet of commercial space.

Improvement Area #1 includes approximately 313.04 acres located within the District, as more particularly described by metes and bounds on **Exhibit A-2** and depicted on **Exhibit B**. Development of Improvement Area #1 is anticipated to include approximately 1,091 single-family units and 240 multi-family units.

Improvement Area #2 includes approximately 216.10 acres located within the District, as more particularly described by metes and bounds on **Exhibit A-3** and depicted on **Exhibit B**. Development of Improvement Area #2 is anticipated to include approximately 680 multi-family units and 607,000 square feet of commercial space.

Improvement Area #3 includes approximately 66.77 acres located within the District, as more particularly described by metes and bounds on **Exhibit A-4** and depicted on **Exhibit B**. Development of Improvement Area #3 is anticipated to include approximately 247 single-family units.

SECTION III: AUTHORIZED IMPROVEMENTS

The City Council, based on information provided by the Developer and their engineer and reviewed by the City staff and by third-party consultants retained by the City, has determined that the Major Improvements, the Improvement Area #1 Improvements, the Improvement Area #2 Improvements, the Improvement Area #3 Improvements, the Administration Reserves and Bond Issuance Costs are Authorized Improvements and confer a special benefit on the Assessed Property. The budget for the Authorized Improvements is shown on **Exhibit C**, and maps depicting the Authorized Improvements are shown on **Exhibit N-1**, **Exhibit N-2**, **Exhibit N-3**, and **Exhibit N-4**.

A. Major Improvements

▪ *Roadways*

Improvements include subgrade stabilization (including clearing, grubbing, erosion control, excavation, embankment and drainage), asphalt, lime stabilization, and flexible base for roadways, entrance monument(s), traffic controls, sidewalks, ADA ramps, curbs

and gutter, retaining walls, utilities, drainage infrastructure flowing to detention improvements, street light conduits and streetlights. Along with the intersections, striping, signage, lighting and landscaping, utilities, drainage, and other items referenced in the foregoing sentence, within the right-of-way are included. Included within erosion control and specified under the project's stormwater pollution prevention plan are silt fencing, construction entrances, tree protection and re-vegetation of all disturbed areas within the right of way. These roadway improvements include streets that will provide access from I-35 to the future FM 110 and will benefit each lot within the District. The roadway improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City. The roadway improvements will provide street access to all Parcels in Improvement Area #1, Improvement Area #2, and Improvement Area #3.

- *Wastewater*

Improvements include the excavation and embedment, trench safety, piping, manholes, service connections, testing, related earthwork, erosion control, and installation of a sanitary sewer main, lift station, and force main and all necessary appurtenances required to provide wastewater service. The wastewater improvements will provide sanitary sewer access to all Parcels in Improvement Area #1, Improvement Area #2, and Improvement Area #3.

- *Parks, Landscaping & Trails*

Improvements include earthwork, excavation, erosion control, retaining walls, signage, playground equipment, shade structures, park furniture fixtures, lighting, fountains, parking, sidewalks, trails, drainage infrastructure, landscaping, screen wall, water and sewer utility improvements, concrete paving, irrigation, and revegetation of all disturbed areas. These improvements will benefit Improvement Area #1, Improvement Area #2, and Improvement Area #3. The Parks, Landscaping and Trail Improvements will be either (i) conveyed to the City and Maintained by an Owners Association on behalf of the City, or (ii) conveyed to an Owners Association for operation and maintenance but subject to a public easement for the benefit of the City.

- *Water*

Improvements including the construction of a water tower along with all necessary lines and appurtenances needed for operation and functionality of the water tower to serve Improvement Area #1 and Improvement Area #3. The necessary water distribution lines include excavation and embedment, trench safety, piping, fire hydrant assemblies, service connections, testing, related earthwork, erosion control and all necessary

appurtenances required to provide water service.

- *Soft Costs*

Estimated to be 8% of above-described hard costs, inclusive of a 4% construction management fee.

- *District Formation Expenses*

Costs associated with forming the District, including but not limited to costs incurred by the Developer and/or City for legal fees, consulting fees, professional fees, and any other cost or expense directly associated with the establishment of the District.

B. Improvement Area #1 Improvements

- *Water*

Improvements include trench excavation and embedment, trench safety, piping, valves, manholes, fire hydrant assemblies, service connections, testing, related earthwork, erosion control, the installation and testing of a 12" water distribution line within Improvement Area #1 and all necessary appurtenances constructed to City and utility provider standards and specifications required to provide water access to every lot within Improvement Area #1.

- *Drainage*

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

- *Soft Costs*

Estimated to be 8% of above-described hard costs, inclusive of a 4% construction management fee.

C. Improvement Area #2 Improvements

- *Water*

Improvements include trench excavation and embedment, trench safety, piping, valves, fire hydrant assemblies, service connections, testing, related earthwork, erosion control, the installation and testing of a water main and all necessary appurtenances constructed to City and utility provider standards and specifications required to provide water access to every lot within Improvement Area #2.

- *Soft Costs*

Estimated to be 8% of above-described hard costs, inclusive of a 4% construction management fee.

D. Improvement Area #3 Improvements

- *Roadways*

Improvements include subgrade stabilization (including clearing, grubbing, excavation, embankment and drainage), asphalt and flexible base for roadways, entrance monument, traffic control, sidewalks, ADA ramps, curbs and gutter, street light conduits and streetlights. Along with the intersections, striping, signage, lighting and landscaping within the right-of-way are included. Included within erosion control and specified under the project's stormwater pollution prevention plan are silt fencing, construction entrances, tree protection and re-vegetation of all disturbed areas within the right of way. The street improvements will be designed and constructed in accordance with city standards and specifications, will be owned and operated by the city, and will provide street access to Improvement Area #3.

- *Soft Costs*

Estimated to be 8% of above-described hard costs, inclusive of a 4% construction management fee.

E. Bond Issuance Costs

- *Debt Service Reserve Fund*

Equals the amount required to fund a reserve under an applicable Indenture.

- *Capitalized Interest*

Equals the amount of capitalized interest available for payment of interest on PID Bonds as reflected in an applicable Indenture.

- *Underwriter's Discount*

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

- *Cost of Issuance*

Costs associated with issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs,

City costs, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

F. Administration Reserves

Estimated 1st year Annual Collection Costs.

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 must be reviewed and updated, at least annually, and approved by the City Council. **Exhibit D** summarizes the Service Plan for the District.

Exhibit E summarizes the sources and uses of funds required to construct and pay the Authorized Improvements. The sources and uses of funds shown on **Exhibit E** shall be updated each year in the Annual Service Plan Update to reflect any budget revisions and Actual Costs.

SECTION V: ASSESSMENT PLAN

The PID Act allows the City Council to apportion the costs of the Authorized Improvements to the Assessed 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 Council, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the City Council that results in imposing equal shares of such costs on property similarly benefited. The PID Act further provides that the governing body may establish by ordinance reasonable classifications and formulas for the apportionment of the cost between the municipality or the City and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

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

A. Assessment Methodology

The City Council, acting in its legislative capacity based on information provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has determined that the Authorized Improvements shall be allocated as follows:

- Major Improvements shall be allocated as follows:
 - Roadway improvements shall be allocated between Improvement Area #1, Improvement Area #2, and Improvement Area #3 pro rata based on Estimated Buildout Value, as shown on **Exhibit P**.
 - Wastewater improvements shall be allocated between Improvement Area #1, Improvement Area #2, and Improvement Area #3 pro rata based on Estimated Buildout Value, as shown on **Exhibit P**.
 - Parks, Landscaping & Trails improvements shall be allocated between Improvement Area #1, Improvement Area #2, and Improvement Area #3 pro rata based on Estimated Buildout Value, as shown on **Exhibit P**.
 - Water improvements shall be allocated between Improvement Area #1, and Improvement Area #3 pro rata based on Estimated Buildout Value, as shown on **Exhibit P**.
 - Soft costs shall be allocated between Improvement Area #1, Improvement Area #2, and Improvement Area #3 pro rata based on the respective Major Improvements and the costs thereof allocated to each Improvement Area.
 - District Formation Expenses, Bond Issuance Costs, and Administration Reserves shall be allocated between Improvement Area #1, Improvement Area #2, and Improvement Area #3 pro rata based on Estimated Buildout Value, as shown on **Exhibit P**.
- The Improvement Area #1 Improvements are allocated entirely to the Improvement Area #1 Initial Parcel.
- The Improvement Area #2 Improvements are allocated entirely to the Improvement Area #2 Initial Parcel.
- The Improvement Area #3 Improvements are allocated entirely to the Improvement Area #3 Initial Parcel.

B. Assessments

Improvement Area #1 Assessments will be levied on the Improvement Area #1 Initial Parcel as shown on the Improvement Area #1 Assessment Roll, attached hereto as **Exhibit F**. The projected

Improvement Area #1 Annual Installments are shown on **Exhibit G**, subject to revisions made during any Annual Service Plan Update.

Improvement Area #2 Assessments will be levied on the Improvement Area #2 Initial Parcel as shown on the Improvement Area #2 Assessment Roll, attached hereto as **Exhibit H**. The projected Improvement Area #2 Annual Installments are shown on **Exhibit I**, subject to revisions made during any Annual Service Plan Update.

Improvement Area #3 Assessments will be levied on the Improvement Area #3 Initial Parcel as shown on the Improvement Area #3 Assessment Roll, attached hereto as **Exhibit J**. The projected Improvement Area #3 Annual Installments are shown on **Exhibit K**, subject to revisions made during any Annual Service Plan Update.

Upon subdivisions of the Improvement Area #1 Initial Parcel, the Improvement Area #2 Initial Parcel or the Improvement Area #3 Initial Parcel by final plat, the applicable Assessment shall be reallocated pursuant to **Section VI.A**. The Maximum Assessment for each Lot Type is shown on **Exhibit L**. In no case will the Assessment for any Lot Type exceed the Maximum Assessment.

C. Findings of Special Benefit

The City Council, acting in its legislative capacity based on information provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has found and determined:

▪ *Improvement Area #1*

1. The costs of Improvement Area #1 Projects and Bond Issuance Costs and Administration Reserves allocable to Improvement Area #1 equal \$9,507,787, as shown on **Exhibit C**; and
2. The Improvement Area #1 Assessed Property receives special benefit from Improvement Area #1 Projects and Bond Issuance Costs and Administration Reserves allocable to Improvement Area #1 equal to or greater than the Actual Costs of the Improvement Area #1 Projects and Bond Issuance Costs and Administration Reserves allocable to Improvement Area #1; and
3. The Improvement Area #1 Assessed Property will be allocated 100% of the Improvement Area #1 Assessments levied on the Improvement Area #1 Initial Parcel for Improvement Area #1 Projects and Bond Issuance Costs and Administration Reserves allocable to Improvement Area #1, which equal \$8,687,518, as shown on the Improvement Area #1 Assessment Roll attached hereto as **Exhibit F**; and

4. The special benefit ($\geq \$9,507,787$) received by the Improvement Area #1 Assessed Property from Improvement Area #1 Projects and Bond Issuance Costs and Administration Reserves allocable to Improvement Area #1 is equal to or greater than the amount of the Improvement Area #1 Assessments (\$8,687,518) levied on the Improvement Area #1 Initial Parcel; and
 5. At the time the City Council approved the Assessment Ordinance levying the Improvement Area #1 Assessments, the Developer owned 100% of the Improvement Area #1 Assessed Property. The Developer acknowledged that Improvement Area #1 Projects and Bond Issuance Costs and Administration Reserves allocable to Improvement Area #1 confer a special benefit on the Improvement Area #1 Assessed Property and consented to the imposition of the Improvement Area #1 Assessments to pay for Improvement Area #1 Projects and Bond Issuance Costs and Administration Reserves allocable to Improvement Area #1 associated therewith. The Developer ratified, confirmed, accepted, agreed to, and approved (1) the determinations and findings by the City Council as to the special benefits described herein and in the Assessment Ordinance, (2) the Service and Assessment Plan and the Assessment Ordinance, and (3) the levying of the Improvement Area #1 Assessments on the Improvement Area #1 Initial Parcel.
- *Improvement Area #2*
1. The costs of Improvement Area #2 Projects and Bond Issuance Costs and Administration Reserves allocable to Improvement Area #2 equal \$3,669,923, as shown on **Exhibit C**; and
 2. The Improvement Area #2 Assessed Property receives special benefit from Improvement Area #2 Projects and Bond Issuance Costs and Administration Reserves allocable to Improvement Area #2 equal to or greater than the Actual Costs of the Improvement Area #2 Projects and Bond Issuance Costs and Administration Reserves allocable to Improvement Area #2; and
 3. The Improvement Area #2 Assessed Property will be allocated 100% of the Improvement Area #2 Assessments levied on the Improvement Area #2 Initial Parcel for Improvement Area #2 Projects and Bond Issuance Costs and Administration Reserves allocable to Improvement Area #2, which equal \$3,589,408, as shown on the Improvement Area #2 Assessment Roll attached hereto as **Exhibit H**; and
 4. The special benefit ($\geq \$3,669,923$) received by the Improvement Area #2 Assessed Property from Improvement Area #2 Projects and Bond Issuance Costs and Administration Reserves allocable to Improvement Area #2 is equal to or greater than

the amount of the Improvement Area #2 Assessments (\$3,589,408) levied on the Improvement Area #2 Initial Parcel; and

5. At the time the City Council approved the Assessment Ordinance levying the Improvement Area #2 Assessments, the Commercial Owner owned 100% of the Improvement Area #2 Assessed Property. The Commercial Owner acknowledged that Improvement Area #2 Projects and Bond Issuance Costs and Administration Reserves allocable to Improvement Area #2 confer a special benefit on the Improvement Area #2 Assessed Property and consented to the imposition of the Improvement Area #2 Assessments to pay for Improvement Area #2 Projects and Bond Issuance Costs and Administration Reserves allocable to Improvement Area #2 associated therewith. The Commercial Owner ratified, confirmed, accepted, agreed to, and approved (1) the determinations and findings by the City Council as to the special benefits described herein and in the Assessment Ordinance, (2) the Service and Assessment Plan and the Assessment Ordinance, and (3) the levying of the Improvement Area #2 Assessments on the Improvement Area #2 Initial Parcel.

▪ *Improvement Area #3*

1. The costs of the Improvement Area #3 Projects and Bond Issuance Costs and Administration Reserves allocable to Improvement Area #3 equal \$1,866,878, as shown on **Exhibit C**; and
2. The Improvement Area #3 Assessed Property receives special benefit from the Improvement Area #3 Projects and Bond Issuance Costs and Administration Reserves allocable to Improvement Area #3 equal to or greater than the Actual Costs of the Improvement Area #3 Projects and Bond Issuance Costs and Administration Reserves allocable to Improvement Area #3; and
3. The Improvement Area #3 Assessed Property will be allocated 100% of the Improvement Area #3 Assessments levied on the Improvement Area #3 Initial Parcel for the Improvement Area #3 Projects and Bond Issuance Costs and Administration Reserves allocable to Improvement Area #3, which equal \$1,723,074, as shown on the Improvement Area #3 Assessment Roll attached hereto as **Exhibit J**; and
4. The special benefit (\geq \$1,866,878) received by the Improvement Area #3 Assessed Property from the Improvement Area #3 Projects and Bond Issuance Costs and Administration Reserves allocable to Improvement Area #3 is equal to or greater than the amount of the Improvement Area #3 Assessments (\$1,723,074) levied on the Improvement Area #3 Initial Parcel; and

5. At the time the City Council approved the Assessment Ordinance levying the Improvement Area #3 Assessments, the Developer owned 100% of the Improvement Area #3 Assessed Property. The Developer acknowledged that the Improvement Area #3 Projects and Bond Issuance Costs and Administration Reserves allocable to Improvement Area #3 confers a special benefit on the Improvement Area #3 Assessed Property and consented to the imposition of the Improvement Area #3 Assessments to pay for the Improvement Area #3 Projects and Bond Issuance Costs and Administration Reserves allocable to Improvement Area #3 associated therewith. The Developer ratified, confirmed, accepted, agreed to, and approved (1) the determinations and findings by the City Council as to the special benefits described herein and in the Assessment Ordinance, (2) the Service and Assessment Plan and the Assessment Ordinance, and (3) the levying of the Improvement Area #3 Assessments on the Improvement Area #3 Initial Parcel.

D. Annual Collection Costs

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

E. Additional Interest

The interest rate on Assessments levied on the Assessed Property to pay the PID Bonds may exceed the interest rate on the PID Bonds by the Additional Interest Rate. Interest at the rate of the PID Bonds and the 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 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 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 an update to this Service and Assessment Plan approved by the City Council.

2. *Upon Subdivision by a Recorded Subdivision Plat*

Upon the subdivision of any Assessed Property based on a recorded subdivision plat and a Property ID has been assigned by the Appraisal District, 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-Benefited Property

E= the number of Lots with the same Lot Type

Prior to the recording of a subdivision plat, the Developer 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 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 an update to this Service and Assessment Plan approved by the City Council.

3. Upon Consolidation

If two or more Lots or Parcels are consolidated, the Administrator shall allocate the Assessments against the Lots or Parcels before the consolidation to the consolidated Lot or Parcel, which allocation shall be approved by the City Council in the next Annual Service Plan Update.

The Assessment for any resulting Lot will not exceed the Maximum Assessment, and compliance may require a mandatory prepayment of Assessments pursuant to **Section VI.B.**

B. True-Up of Assessments if Maximum Assessment Exceeded

Prior to the approval of a final subdivision plat, the Administrator shall certify that the final plat will not cause the Assessment for any Lot Type to exceed the Maximum Assessment. If the subdivision of any Assessed Property by a final subdivision plat causes the Assessment per Lot for any Lot Type to exceed the applicable Maximum Assessment for such Lot Type, the owner of the applicable Assessed Property must partially prepay the Assessment for each Assessed Property that exceeds the applicable Maximum Assessment for such Lot Type in an amount sufficient to reduce the Assessment to the applicable Maximum Assessment for such Lot Type. The City's approval of a final subdivision plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such Assessments.

C. Mandatory Prepayment of Assessments

If Assessed Property is transferred to a person or entity that is exempt from payment of the Assessment or any portion of the Assessed Property become Non-Benefitted Property, the owner transferring the Assessed Property causing the portion to become Non-Benefitted

Property shall pay to the Administrator the full amount of the outstanding Assessment, plus Prepayment Costs and Delinquent Collection Costs, if any, prior to the transfer; provided that, however, such mandatory Prepayment of the Assessment shall not be required for portions of a Parcel that are dedicated or conveyed to the City, any other governmental entity or utility provider, or an Owners Association for use as internal roads, utilities, parks, landscaping, trails, drainage and detention facilities, and other similar improvements, in which case the Assessment that was allocated to the Parcel will be reallocated to the remainder of the Parcel. If a reallocation to the remainder of the Parcel as provided in the foregoing sentence causes the Assessment for such remainder to exceed the Maximum Assessment, the owner of the remainder of the Parcel must partially prepay the Assessment to the extent it exceeds the Maximum Assessment in an amount sufficient to reduce the Assessment to the Maximum Assessment.

D. Reduction of Assessments

If as a result of cost savings or an Authorized Improvement not being constructed, the Actual Costs of completed Authorized Improvements are less than the Assessments, (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 Properties equals the reduced Actual Costs, 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 relating to the PID Bonds that are not expected to be used for purposes of the Project Fund, to redeem outstanding PID Bonds, in accordance with the applicable Indenture. The Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds.

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

E. Prepayment of Assessments

The owner of the Assessed Property may pay, at any time, all or any part of an Assessment in accordance with the PID Act. Interest costs from the date of prepayment to the date of redemption of the applicable PID Bonds, if any, may be paid from a reserve established under the applicable Indenture. If an Annual Installment has been billed prior to the Prepayment, the Annual Installment shall be due and payable and shall be credited against the Prepayment.

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

corresponding Annual Installments shall terminate; and (4) the City shall provide the owner with a recordable "Notice of PID Assessment Termination," a form of which is attached hereto as **Exhibit O**.

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

F. Prepayment as a Result of 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-Benefited 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-Benefited Property, subject to an adjustment of the Assessment and Annual Installments 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 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 the 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 Remaining Property.

In all instances the Assessment remaining on the Remaining Property shall not exceed the 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-Benefited Property and the remaining 90 acres of 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 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 and the Annual Installment adjusted accordingly.

Notwithstanding the previous paragraphs in this subsection, if the owner of the Taken 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 Maximum Assessment on the Remaining Property to support the Estimated Buildout Value requirement. Said 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 requirement on all outstanding PID Bonds.

G. Payment of Assessment in Annual Installments

Exhibit G shows the projected Improvement Area #1 Annual Installments. **Exhibit I** shows the projected Improvement Area #2 Annual Installments. **Exhibit K** shows the projected Improvement Area #3 Annual Installments.

Assessments that are not paid in full shall be due and payable in Annual Installments. Annual Installments are subject to adjustment in each Annual Service Plan Update. Until a plat has been recorded on a Parcel and a Property ID has been assigned by the Appraisal District within Improvement Area #1, Improvement Area #2, or Improvement Area #3, the Annual Installment will be allocated to each Property ID within the Improvement Area #1 Initial Parcel, Improvement Area #2 Initial Parcel and Improvement Area #3 Initial Parcel, respectively, based on the Hays Central Appraisal District acreage for billing purposes only.

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. Annual Collection Costs shall be allocated pro rata among Assessed Properties for which the Assessments remain unpaid in proportion to the amount of the unpaid Assessment. Annual Installments shall be collected 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 for the City. The City Council may provide for other means of collecting Annual Installments. 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 the non-delinquent Annual Installments as they become due and payable.

The City reserves the right to refund PID Bonds in accordance with the PID Act and the applicable Indenture. 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 shall be due when billed and shall be delinquent if not paid prior to February 1, 2023.

Failure of an owner to receive an invoice for an Annual Installment on the property tax bill shall not relieve the owner of the responsibility for payment of the Assessment. Assessments, or Annual Installments thereof, that are delinquent shall incur Delinquent Collection Costs. The City may provide for other means of collecting the Annual Installments to the extent permitted by the PID Act.

SECTION VII: ASSESSMENT ROLL

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

The Improvement Area #2 Assessment Roll is attached as **Exhibit H**. The Administrator shall prepare and submit to the City Council for review and approval, proposed revisions to the Improvement Area #2 Assessment Roll and Improvement Area #2 Annual Installments for each Parcel within the Improvement Area #2 Assessed Property as part of each Annual Service Plan Update.

The Improvement Area #3 Assessment Roll is attached as **Exhibit J**. The Administrator shall prepare and submit to the City Council for review and approval, proposed revisions to the Improvement Area #3 Assessment Roll and Improvement Area #3 Annual Installments for each Parcel within the Improvement Area #3 Assessed Property 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 approval of the calculation; otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. Upon receipt of a written notice of error from an owner the Administrator shall provide a written response to the City Council and the owner within 30 days of such referral. The City Council shall consider the owner's notice of error and the Administrator's response at a City Council meeting, and within 30 days after closing such meeting, the City Council shall make a final determination as to whether or not 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 ordinance authorizing the PID Bonds, or the Indenture, or is 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 at a meeting of the City Council during which all interested parties have an opportunity to be heard. Decisions by the City Council shall be final and binding on the owners and developers and their successors and assigns.

D. Form of Buyer Disclosure

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 A**. Within seven days of approval by the City Council, the City shall file and record in the real property 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.

LIST OF EXHIBITS

Exhibit A-1	District Legal Description
Exhibit A-2	Improvement Area #1 Legal Description
Exhibit A-3	Improvement Area #2 Legal Description
Exhibit A-4	Improvement Area #3 Legal Description
Exhibit B	District, Improvement Area #1, Improvement Area #2, and Improvement Area #3 Boundary Map
Exhibit C	Authorized Improvements
Exhibit D	Service Plan
Exhibit E	Sources and Uses
Exhibit F	Improvement Area #1 Assessment Roll
Exhibit G	Improvement Area #1 Annual Installments
Exhibit H	Improvement Area #2 Assessment Roll
Exhibit I	Improvement Area #2 Annual Installments
Exhibit J	Improvement Area #3 Assessment Roll
Exhibit K	Improvement Area #3 Annual Installments
Exhibit L	Maximum Assessment Per Lot Type
Exhibit M	Lot Type Classification Map
Exhibit N-1	Map of Major Improvements
Exhibit N-2	Map of Improvement Area #1 Improvements
Exhibit N-3	Map of Improvement Area #2 Improvements
Exhibit N-4	Map of Improvement Area #3 Improvements
Exhibit O	Notice of PID Assessment Termination
Exhibit P	Estimated Buildout Value for Improvement Area #1, Improvement Area #2, and Improvement Area #3
Exhibit Q	Improvement Area #1-3 Bond Debt Service Schedule

LIST OF APPENDICES

Appendix A Buyer Disclosures

Appendix B Engineer's Report

EXHIBIT A-1 – DISTRICT LEGAL DESCRIPTION

FIELD NOTES FOR A 216.1 ACRE TRACT OF LAND

A **216.1 acre** tract of land, out of the J. Veramendi Survey, Abstract 17, Hays County, Texas and being all of a called 216.30 acre tract of land as described and conveyed to N.O.B. Holdings, Ltd., of record in Volume 3086, Page 39 of the Official Public Records of Hays County, Texas. Said **216.1 acre** tract being more particularly described by metes and bounds as follows:

BEGINNING at a set $\frac{1}{2}$ " iron rod with a red plastic cap stamped "Matkin Hoover Eng. & Survey" at an angle in the easterly right-of-way line of Interstate Highway 35, a variable width right-of-way, as shown on the Texas Department of Transportation (TxDOT) Right-of-Way Map, Account No. 6014-5-6, in the southeast line of a called 73.98 acre tract of land as described in Volume 126, Page 101 of the Deed Records of Hays County, Texas, for a westerly exterior corner of said 216.30 acre tract and the tract described herein, from which a found TxDOT Monument, Type I, for an angle in the easterly right-of-way line of Interstate Highway 35 bears, N 05° 27' 06" E, a distance of 314.95 feet;

THENCE: N 43° 22' 21" E, departing the easterly right-of-way line of Interstate Highway 35 and with the common line between said 73.98 acre tract and said 216.30 acre tract, a distance of **1866.87 feet** to a found 6" steel post at the east corner of said 73.98 acre tract, in the southwest line of a called 97.840 acre tract of land as described in Volume 714, Page 603 of the Official Public Records of Hays County, Texas, for the north corner of said 216.30 acre tract and the tract described herein;

THENCE: With the northeast line of said 216.30 acre tract the following two (2) courses:

1. S 46° 40' 58" E, a distance of **2877.42 feet** to a found 6" steel post for an angle, and
2. S 47° 24' 10" E, a distance of **427.01 feet** to a found 6" steel post in the apparent northwest right-of-way line of County Road 160 (Harris Hill Road), for the east corner of said 216.30 acre tract and the tract described herein;

THENCE: S 44° 09' 02" W, with the apparent northwest right-of-way line of Harris Hill Road and the southeast line of said 216.30 acre tract, a distance of **1601.39 feet** to a found 6" steel post at the east corner of a called 7.40 acre tract of land as described in Volume 219, Page 574 of the Official Public Records of Hays County, Texas, for a southeasterly corner of said 216.30 acre tract and the tract described herein;

THENCE: N 47° 22' 10" W, departing the apparent northwest right-of-way line of Harris Hill Road and with the common line between said 7.40 acre tract and said 216.30 acre tract, a distance of **428.13 feet** to a found 6" steel post at the north corner of said 7.40 acre tract, an interior corner of said 216.30 acre tract and the tract described herein;

THENCE: With a southeast line of said 216.30 acre tract, the following two (2) courses:

1. S 44° 12' 44" W, a distance of **2185.65 feet** to a set $\frac{1}{2}$ " iron rod with a red plastic cap stamped "Matkin Hoover Eng. & Survey" for an angle, and
2. S 44° 14' 14" W, a distance of **939.19 feet** to a found $\frac{1}{2}$ " iron rod at the southwest corner of a called 10.409 acre tract of land as described in Volume 4252, Page 213 of the Official Public Records of Hays County, Texas, in a northeast line of a called 82.651 acre tract of land as described in Volume 2405, Page 387 of the Official Public Records of Hays County, Texas, for the most southerly corner of said 216.30 acre tract and the tract described herein;

THENCE: With the common line between said 216.30 acre tract and said 82.651 acre tract, the following four (4) courses:

1. N 48° 14' 26" W, a distance of **48.48 feet** to a found $\frac{1}{2}$ " iron rod for a corner,
2. N 09° 50' 28" E, a distance of **631.67 feet** to a found $\frac{1}{2}$ " iron rod for an angle,
3. N 28° 58' 59" E, a distance of **267.64 feet** to a found $\frac{1}{2}$ " iron rod for an angle, and
4. N 25° 02' 43" W, a distance of **94.55 feet** to a point in the approximate centerline of the Blanco River and for angle of the tract described herein;

THENCE: With the approximate centerline of Blanco River and the southwesterly lines of said 216.30 acre tract and the northeasterly lines of said 82.651 acre tract, the following courses:

1. N 18° 44' 06" E, a distance of **588.03 feet** to a point for an angle,
2. N 26° 47' 10" E, a distance of **329.18 feet** to a point for an angle,
3. N 06° 27' 57" W, a distance of **482.15 feet** to a point for an angle,
4. N 35° 20' 59" W, a distance of **321.44 feet** to a point for an angle,
5. N 27° 07' 59" W, a distance of **199.34 feet** to a point for an angle, and
6. N 75° 40' 13" W, a distance of **100.33 feet** to a point for the common north corner of said 82.651 acre tract and Lot 2 of the Gary Farm Subdivision, a plat of record in Volume 10, Page 46 of the Plat Records of Hays County, Texas, for an exterior corner of said 216.30 acre tract and the tract described herein;

THENCE: Continuing with the southwesterly lines of said 216.30 acre tract, and along the north bank of the Blanco River as called for in Volume 3086, Page 39 of the Official Public Records of Hays County, Texas, the following four (4) courses:

1. N 43° 49' 02" E, a distance of **61.55 feet** to a point for a corner,
2. N 68° 34' 31" W, a distance of **46.79 feet** to a point for a corner,
3. S 81° 50' 25" W, a distance of **143.29 feet** to a point for a corner, and
4. S 65° 44' 11" W, a distance of **348.47 feet** to a found ½" iron rod with a yellow plastic cap stamped "Byrn" in the easterly right-of-way line of Interstate Highway 35, for an angle in the north line of said Lot 2, the most westerly corner of said 216.30 acre tract and the tract described herein;

THENCE: With the easterly right-of-way line of Interstate Highway 35 and the westerly line of said 216.30 acre tract, the following three (3) courses:

1. N 23° 30' 30" E, a distance of **1000.55 feet** to a found TxDOT Monument, Type I, for an angle,
2. N 12° 02' 09" W, a distance of **428.00 feet** to a found TxDOT Monument, Type I, for an angle, and
3. N 05° 27' 06" E, a distance of **1.78 feet** to the **POINT OF BEGINNING** and containing **216.1 acres** of land situated in the City of San Marcos, Hays County, Texas.

Note: The basis of bearing was established using the Trimble VRS Network, NAD (83), Texas State Plane Coordinate System, South Central Zone, 4204, US Survey Foot, Grid. A survey plat was prepared by a separate document. Field work completed on January 23, 2020.

Job # 20-4003 216.1 Acres

Date: January 27, 2020



FIELD NOTES FOR A 311.9 ACRE TRACT OF LAND

A **311.9 acre** tract of land, out of the J. Veramendi Survey, Abstract 17, Hays County, Texas and being all of a called 312.005 acre tract of land as conveyed to Reuben Nicholai Revocable Trust of record in Volume 2946, Page 47 of the Official Public Records of Hays County, Texas. Said **311.9 acre** tract being more particularly described by metes and bounds as follows:

BEGINNING at a found 1-1/2" iron pipe in the apparent northeast right-of-way line of County Road 160 (Harris Hill Road), for the most southerly corner of said 312.005 acre tract and the tract described herein;

THENCE: With the apparent northeast and easterly right-of-way line of Harris Hill Road and the southwest and northwest line of said 312.005 acre tract, the following three (3) courses:

1. **N 45° 55' 28" W**, a distance of **2602.87 feet** to a found 1/2" iron rod for a point of curvature,
2. With a curve to the right having a radius of **250.00 feet**, an arc length of **392.54 feet**, a delta angle of **089° 57' 48"** and a chord bears, **N 00° 52' 20" W**, a distance of **353.44 feet** to a found 1/2" iron rod for a point of non-tangency, and
3. **N 44° 07' 28" E**, a distance of **4516.12 feet** to a found 1/2" iron rod at the apparent west corner of a 33-2/5 acre tract of land as described in Volume 154, Page 504 of the Deed Records of Hays County, Texas, for the north corner of said 312.005 acre tract and the tract described herein;

THENCE: **S 45° 55' 33" E**, departing the apparent easterly right-of-way line of Harris Hill Road and with the northeast line of said 312.005 acre tract, a distance of **2853.29 feet** to a found 1/2" iron rod in the northwest line of a called 100.0 acre tract of land as described in Volume 154, Page 503 of the Deed Records of Hays County, Texas, for the east corner of said 312.005 acre tract and the tract described herein;

THENCE: **S 44° 07' 50" W**, with the common line between said 100.0 acre tract, the northwest line of a called 24.93 acre tract of land as described in Volume 4186, Page 253 of the Official Public Records of Hays County, Texas and said 312.005 acre tract, a distance of **4766.34 feet** to the **POINT OF BEGINNING** and containing **312.005 acres** of land situated in Hays County, Texas.

Note: The basis of bearing was established using the Trimble VRS Network, NAD (83), Texas State Plane Coordinate System, South Central Zone, 4204, US Survey Foot, Grid. A survey plat was prepared by a separate document. Field work completed on January 23, 2020.



Job # 20-4003 311.9 Acres

Date: January 27, 2020

8 Spencer Rd, Boerne, TX 78006 | 830-249-0600 | www.matkinhoover.com | Firm Registration #F-10024000
3303 Shell Rd, Suite 3, Georgetown, TX 78628 | 512-868-2244 | Firm Registration #F-10194347

1

FIELD NOTES FOR A 67.94 ACRE TRACT OF LAND

A **67.94 acre** tract of land, out of the J. Miner Survey, Abstract 321, and the T.G. McGehee Survey, Abstract 11, Hays County, Texas and being all of a called 33-2/5 acre tract of land, all of a called 17.76 acre tract of land, and a portion of a called 118-1/2 acre tract of land, all as described in Volume 154, Page 504 of the Deed Records of Hays County, Texas. Said **67.94 acre** tract being more particularly described by metes and bounds as follows:

BEGINNING at a found 1/2" iron rod in the apparent southeast right-of-way line of County Road 160 (Harris Hill Road), for the southwest corner of Lot 1 of the Northpoint Section 1 Subdivision, a plat of record in Volume 2, Pages 251-252 of the Plat Records of Hays County, Texas, at the apparent north corner of said 33-2/5 acre tract and for the northwest corner of the tract described herein;

THENCE: S 46° 24' 00" E, departing the apparent southeast right-of-way line of Harris Hill Road, and with the southwest lines of said Northpoint Section 1 Subdivision, Northpoint Section 4 Subdivision, a plat of record in Volume 7, Pages 289-290 of the Plat Records of Hays County, Texas, and the apparent northeast lines of said 33-2/5 acre tract and the 17.76 acre tract, a distance of **2525.46 feet** to a found 1" iron pipe for the south corner of Lot 99 of said Northpoint Section 4 Subdivision, in the west line of said 118-1/2 acre tract, at the apparent east corner of said 17.76 acre tract and for an interior corner of the tract described herein;

THENCE: N 43° 13' 46" E, with the southeast line of said Northpoint Section 4 Subdivision, Northpoint Section 3 Subdivision, a plat of record in Volume 3, Pages 281-282 of the Plat Records of Hays County, Texas, and the northwest line of said 118-1/2 acre tract, a distance of **1397.62 feet** to a found 1-1/2" iron pipe for the southeast corner of Lot 1 of the Harris Hill Road Sport Vehicle Track Subdivision, a plat of record in Volume 14, Pages 42-43 of Plat Records of Hays County, Texas, for the south corner of a R.O.W. Dedication as shown on said Harris Hill Road Sport Vehicle Track Subdivision Plat, for the east corner of Lot 69 of said Northpoint Section 3 Subdivision, for the southwest corner of a called 5.058 acre tract of land as described and conveyed to Hays County of record in Volume 5158, Page 87 of the Official Public Records of Hays County, Texas, for the north corner of said 118-1/2 acre tract and the most northerly northeast corner of the tract described herein;

THENCE: S 46° 28' 36" E, with the common line between said 118-1/2 acre tract and said 5.058 acre tract, a distance of **10.95 feet** to a found 1/2" iron rod with an orange plastic cap stamped "McGray-McGray" for the northwest corner of a called 11.736 acre tract of land as described and conveyed to Hays County of record in Document No. 16008150 of the Official Public Records of Hays County, Texas, and for the most easterly northeast corner and a point of curvature of the tract described herein;

THENCE: Departing the northeast line of said 118-1/2 acre tract and with the westerly lines of said 11.736 acre tract, the following six (6) courses:

1. With a non-tangent curve to the left having a radius of **9110.00 feet**, an arc length of **60.14 feet**, a delta angle of **000° 22' 42"** and a chord bears, **S 33° 27' 18" W**, a distance of **60.14 feet** to a found 1/2" iron rod with an orange plastic cap stamped "McGray-McGray" for a point of tangency,
2. **S 33° 15' 57" W**, a distance of **948.71 feet** to a found 1/2" iron rod with a yellow plastic cap stamped "Byrn" for an angle,
3. **S 36° 07' 42" W**, a distance of **200.23 feet** to a found 1/2" iron rod with a yellow plastic cap stamped "Byrn" for an angle,
4. **S 33° 15' 57" W**, a distance of **199.98 feet** to a found 1/2" iron rod with a yellow plastic cap stamped "Byrn" for an angle,
5. **S 27° 33' 19" W**, a distance of **100.49 feet** to a found 1/2" iron rod for an angle, and
6. **S 33° 15' 57" W**, a distance of **796.45 feet** to a set 1/2" iron rod with a red plastic cap stamped "Matkin Hoover Eng. & Survey" in the north line of a called 100.0 acre tract of land as described in Volume 154, Page 503 of the Deed Records of Hays County, Texas, for the southwest corner of said 11.736 acre tract, the northwest corner

of a called 19.083 acre tract of land as described and conveyed to Hays County of record in Document No. 17041297 of the Official Public Records of Hays County, Texas, in the southwest line of said 118-1/2 acre tract and for the most easterly southeast corner of the tract described herein;

THENCE: N 45° 24' 57" W, with the common line between said 100.0 acre tract and said 118-1/2 acre tract, a distance of **96.67 feet** to a set 1/2" iron rod with a red plastic cap stamped "Matkin Hoover Eng. & Survey" for the northwest corner of said 100.0 acre tract and an interior corner of the tract described herein;

THENCE: S 44° 07' 50" W, with the northwest line of said 100.0 acre tract, a distance of **112.31 feet** to a found 1/2" iron rod for the east corner of a called 312.005 acre tract of land as conveyed to Reuben Nicholas Revocable Trust of record in Volume 2946, Page 47 of the Official Public Records of Hays County, Texas, and for a southerly exterior corner of the tract described herein;

THENCE: N 45° 55' 33" W, with the northeast line of said 312.005 acre tract, a distance of **2853.29 feet** to a found 1/2" iron rod in the apparent southeast right-of-way line of Harris Hill Road, at the apparent west corner of said 33-2/5 acre tract, for the north corner of said 312.005 acre tract and for the west corner of the tract described herein;

THENCE: N 44° 12' 31" E, with the apparent southeast right-of-way line of Harris Hill Road and the apparent northwest line of said 33-2/5 acre tract, a distance of **957.35 feet** to the **POINT OF BEGINNING** and containing **67.94 acres** of land situated in Hays County, Texas.

Note: The basis of bearing was established using the Trimble VRS Network, NAD (83), Texas State Plane Coordinate System, South Central Zone, 4204, US Survey Foot, Grid. A survey plat was prepared by a separate document. Field work completed on January 23, 2020.



Job # 20-4003 67.94 Acres

Date: January 27, 2020

EXHIBIT A-2 – IMPROVEMENT AREA #1 LEGAL DESCRIPTION



FIELD NOTES FOR A 313.04 ACRE TRACT OF LAND

A 313.04 acre tract of land, located in the J. Miner Survey, Abstract 321, the J. Veramendi Survey, Abstract 17, and the T.G. McGehee Survey, Abstract 11, Hays County, Texas, being a portion of a called 312.005 acre tract of land as described in Volume 2946, Page 47 of the Official Public Records of Hays County, Texas, all of a called 33-2/5 acre tract of land, all of a called 17.76 acre tract of land, and a portion of a called 118-1/2 acre tract of land, all being described in Volume 154, Page 504 of the Deed Records of Hays County, Texas. Said 313.04 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at a found 1/2" iron rod in the apparent southeast right-of-way line of County Road 160, a.k.a. Harris Hill Road, for the southwest corner of Lot 1 of the Northpoint Section 1 Subdivision as recorded in Volume 2, Pages 251-252 of the Plat Records of Hays County, Texas, at the apparent north corner of said 33-2/5 acre tract and for the northwest corner of the tract described herein;

THENCE: S 46° 24' 00" E, departing said right-of-way line of County Road 160, a.k.a. Harris Hill, with the southwest lines of said Northpoint Section 1 Subdivision, Northpoint Section 4 Subdivision as recorded in Volume 7, Pages 289-290 of the Plat Records of Hays County, Texas, the apparent northeast lines of said 33-2/5 acre tract and said 17.76 acre tract, a distance of 2525.46 feet to a found 1" iron pipe for the south corner of Lot 99 of said Northpoint Section 4 Subdivision, in the west line of said 118-1/2 acre tract, at the apparent east corner of said 17.76 acre tract and for an interior corner of the tract described herein;

THENCE: N 43° 13' 46" E, with the southeast line of said Northpoint Section 4 Subdivision, Northpoint Section 3 Subdivision, a plat of record in Volume 3, Pages 281-282 of the Plat Records of Hays County, Texas, and the northwest line of said 118-1/2 acre tract, a distance of 1397.62 feet to a found 1-1/2" iron pipe for the southeast corner of Lot 1 of the Harris Hill Road Sport Vehicle Track Subdivision, a plat of record in Volume 14, Pages 42-43 of Plat Records of Hays County, Texas, for the south corner of a R.O.W. Dedication as shown on said Harris Hill Road Sport Vehicle Track Subdivision Plat, for the east corner of Lot 69 of said Northpoint Section 3 Subdivision, for the southwest corner of a called 5.058 acre tract of land as described and conveyed to Hays County of record in Volume 5158, Page 87 of the Official Public Records of Hays County, Texas, for the north corner of said 118-1/2 acre tract and the most northerly northeast corner of the tract described herein;

THENCE: S 46° 28' 36" E, with the common line between said 118-1/2 acre tract and said 5.058 acre tract, a distance of 10.95 feet to a found 1/2" iron rod with an orange plastic cap stamped "McGray-McGray" for the northeast corner of a called 11.736 acre tract of land as described and conveyed to Hays County of record in Document No. 16008150 of the Official Public Records of Hays County, Texas, and for the most easterly northeast corner and a point of curvature of the tract described herein;

THENCE: Departing the northeast line of said 118-1/2 acre tract and with the westerly lines of said 11.736 acre tract, the following six (6) courses:

1. With a non-tangent curve to the left having a radius of 9110.00 feet, an arc length of 60.14 feet, a delta angle of 000° 22' 42" and a chord bears, S 33° 27' 18" W, a distance of 60.14 feet to a found 1/2" iron rod with an orange plastic cap stamped "McGray-McGray" for a point of tangency,
2. S 33° 15' 57" W, a distance of 948.71 feet to a found 1/2" iron rod with a yellow plastic cap stamped "Byrn" for an angle,
3. S 36° 07' 42" W, a distance of 200.23 feet to a found 1/2" iron rod with a yellow plastic cap stamped "Byrn" for an angle,
4. S 33° 15' 57" W, a distance of 199.98 feet to a found 1/2" iron rod with a yellow plastic cap stamped "Byrn" for an angle,
5. S 27° 33' 19" W, a distance of 100.49 feet to a found 1/2" iron rod for an angle, and

6. S 33° 15' 57" W, a distance of 796.45 feet to a point in the north line of a called 100.0 acre tract of land as described in Volume 154, Page 503 of the Deed Records of Hays County, Texas, for the southwest corner of said 11.736 acre tract, the northwest corner of a called 19.083 acre tract of land as described and conveyed to Hays County of record in Document No. 17041297 of the Official Public Records of Hays County, Texas, in the southwest line of said 118-1/2 acre tract and for the most easterly southeast corner of the tract described herein;

THENCE: N 45° 24' 57" W, with the common line between said 100.0 acre tract and said 118-1/2 acre tract, a distance of 96.67 feet to point for the northwest corner of said 100.0 acre tract and an interior corner of the tract described herein;

THENCE: S 44° 07' 50" W, with the northwest line of said 100.0 acre tract, the northwest line of a called 24.93 acre tract of land as described in Volume 4186, Page 253 of the Official Public Records of Hays County, Texas, and the southeast line of said 312.005 acre tract, a distance of 4200.54 feet a point for the most southerly corner of the tract described herein;

THENCE: Into said 312.005 acre tract, the following six (6) courses:

1. N 24° 56' 57" W, a distance of 167.66 feet to a point for corner,
2. N 45° 30' 49" W, a distance of 208.84 feet to a point for corner,
3. N 67° 16' 51" W, a distance of 456.86 feet to a point for corner,
4. N 35° 47' 57" W, a distance of 315.62 feet to a point for corner,
5. N 58° 37' 51" E, a distance of 206.71 feet to a point for corner, and
6. N 21° 36' 55" W, a distance of 1977.75 feet to a point in the apparent southeast right-of-way line of Harris Hill Road, in the northwest line of said 312.005 acre tract and for the most westerly corner of the tract described herein;

THENCE: N 44° 07' 28" E, with the apparent southeast right-of-way line of Harris Hill Road and the northwest line of said 312.005 acre tract, a distance of 3123.31 feet to a found 1/2" iron rod at the northwest corner of said 312.005 acre tract and for an angle of the tract described herein;

THENCE: N 44° 12' 31" E, with the apparent southeast right-of-way line of Harris Hill Road and the northwest line of said 33-2/5 acre tract, a distance of 957.35 feet to the POINT OF BEGINNING and containing 313.04 acres of land situated in Hays County, Texas.

Note: The basis of bearing was established using the Trimble VRS Network, NAD (83), Texas State Plane Coordinate System, South Central Zone, 4204, US Survey Foot, Grid. A survey plat was prepared by a separate document.



Job # 20-4003 313.04 Acres

Date: November 4, 2021

EXHIBIT A-3 – IMPROVEMENT AREA #2 LEGAL DESCRIPTION

FIELD NOTES FOR A 216.1 ACRE TRACT OF LAND

A **216.1 acre** tract of land, out of the J. Veramendi Survey, Abstract 17, Hays County, Texas and being all of a called 216.30 acre tract of land as described and conveyed to N.O.B. Holdings, Ltd., of record in Volume 3086, Page 39 of the Official Public Records of Hays County, Texas. Said **216.1 acre** tract being more particularly described by metes and bounds as follows:

BEGINNING at a set $\frac{1}{2}$ " iron rod with a red plastic cap stamped "Matkin Hoover Eng. & Survey" at an angle in the easterly right-of-way line of Interstate Highway 35, a variable width right-of-way, as shown on the Texas Department of Transportation (TxDOT) Right-of-Way Map, Account No. 6014-5-6, in the southeast line of a called 73.98 acre tract of land as described in Volume 126, Page 101 of the Deed Records of Hays County, Texas, for a westerly exterior corner of said 216.30 acre tract and the tract described herein, from which a found TxDOT Monument, Type I, for an angle in the easterly right-of-way line of Interstate Highway 35 bears, N 05° 27' 06" E, a distance of 314.95 feet;

THENCE: N 43° 22' 21" E, departing the easterly right-of-way line of Interstate Highway 35 and with the common line between said 73.98 acre tract and said 216.30 acre tract, a distance of **1866.87 feet** to a found 6" steel post at the east corner of said 73.98 acre tract, in the southwest line of a called 97.840 acre tract of land as described in Volume 714, Page 603 of the Official Public Records of Hays County, Texas, for the north corner of said 216.30 acre tract and the tract described herein;

THENCE: With the northeast line of said 216.30 acre tract the following two (2) courses:

1. **S 46° 40' 58" E**, a distance of **2877.42 feet** to a found 6" steel post for an angle, and
2. **S 47° 24' 10" E**, a distance of **427.01 feet** to a found 6" steel post in the apparent northwest right-of-way line of County Road 160 (Harris Hill Road), for the east corner of said 216.30 acre tract and the tract described herein;

THENCE: S 44° 09' 02" W, with the apparent northwest right-of-way line of Harris Hill Road and the southeast line of said 216.30 acre tract, a distance of **1601.39 feet** to a found 6" steel post at the east corner of a called 7.40 acre tract of land as described in Volume 219, Page 574 of the Official Public Records of Hays County, Texas, for a southeasterly corner of said 216.30 acre tract and the tract described herein;

THENCE: N 47° 22' 10" W, departing the apparent northwest right-of-way line of Harris Hill Road and with the common line between said 7.40 acre tract and said 216.30 acre tract, a distance of **428.13 feet** to a found 6" steel post at the north corner of said 7.40 acre tract, an interior corner of said 216.30 acre tract and the tract described herein;

THENCE: With a southeast line of said 216.30 acre tract, the following two (2) courses:

1. **S 44° 12' 44" W**, a distance of **2185.65 feet** to a set $\frac{1}{2}$ " iron rod with a red plastic cap stamped "Matkin Hoover Eng. & Survey" for an angle, and
2. **S 44° 14' 14" W**, a distance of **939.19 feet** to a found $\frac{1}{2}$ " iron rod at the southwest corner of a called 10.409 acre tract of land as described in Volume 4252, Page 213 of the Official Public Records of Hays County, Texas, in a northeast line of a called 82.651 acre tract of land as described in Volume 2405, Page 387 of the Official Public Records of Hays County, Texas, for the most southerly corner of said 216.30 acre tract and the tract described herein;

THENCE: With the common line between said 216.30 acre tract and said 82.651 acre tract, the following four (4) courses:

1. **N 48° 14' 26" W**, a distance of **48.48 feet** to a found $\frac{1}{2}$ " iron rod for a corner,
2. **N 09° 50' 28" E**, a distance of **631.67 feet** to a found $\frac{1}{2}$ " iron rod for an angle.
3. **N 28° 58' 59" E**, a distance of **267.64 feet** to a found $\frac{1}{2}$ " iron rod for an angle, and
4. **N 25° 02' 43" W**, a distance of **94.55 feet** to a point in the approximate centerline of the Blanco River and for angle of the tract described herein;

THENCE: With the approximate centerline of Blanco River and the southwesterly lines of said 216.30 acre tract and the northeasterly lines of said 82.651 acre tract, the following courses:

1. N 18° 44' 06" E, a distance of **588.03 feet** to a point for an angle,
2. N 26° 47' 10" E, a distance of **329.18 feet** to a point for an angle,
3. N 06° 27' 57" W, a distance of **482.15 feet** to a point for an angle,
4. N 35° 20' 59" W, a distance of **321.44 feet** to a point for an angle,
5. N 27° 07' 59" W, a distance of **199.34 feet** to a point for an angle, and
6. N 75° 40' 13" W, a distance of **100.33 feet** to a point for the common north corner of said 82.651 acre tract and Lot 2 of the Gary Farm Subdivision, a plat of record in Volume 10, Page 46 of the Plat Records of Hays County, Texas, for an exterior corner of said 216.30 acre tract and the tract described herein;

THENCE: Continuing with the southwesterly lines of said 216.30 acre tract, and along the north bank of the Blanco River as called for in Volume 3086, Page 39 of the Official Public Records of Hays County, Texas, the following four (4) courses:

1. N 43° 49' 02" E, a distance of **61.55 feet** to a point for a corner,
2. N 68° 34' 31" W, a distance of **46.79 feet** to a point for a corner,
3. S 81° 50' 25" W, a distance of **143.29 feet** to a point for a corner, and
4. S 65° 44' 11" W, a distance of **348.47 feet** to a found ½" iron rod with a yellow plastic cap stamped "Byrn" in the easterly right-of-way line of Interstate Highway 35, for an angle in the north line of said Lot 2, the most westerly corner of said 216.30 acre tract and the tract described herein;

THENCE: With the easterly right-of-way line of Interstate Highway 35 and the westerly line of said 216.30 acre tract, the following three (3) courses:

1. N 23° 30' 30" E, a distance of **1000.55 feet** to a found TxDOT Monument, Type I, for an angle,
2. N 12° 02' 09" W, a distance of **428.00 feet** to a found TxDOT Monument, Type I, for an angle, and
3. N 05° 27' 06" E, a distance of **1.78 feet** to the **POINT OF BEGINNING** and containing **216.1 acres** of land situated in the City of San Marcos, Hays County, Texas.

Note: The basis of bearing was established using the Trimble VRS Network, NAD (83), Texas State Plane Coordinate System, South Central Zone, 4204, US Survey Foot, Grid. A survey plat was prepared by a separate document. Field work completed on January 23, 2020.



Job # 20-4003 216.1 Acres

Date: January 27, 2020

EXHIBIT A-4 – IMPROVEMENT AREA #3 LEGAL DESCRIPTION



FIELD NOTES FOR A 66.767 ACRE TRACT OF LAND

A 66.767 acre tract of land, located in the J. Veramendi Survey, Abstract 17, Hays County, Texas, and being a portion of a called 312.005 acre tract of land as described in Volume 2946, Page 47 of the Official Public Records of Hays County, Texas. Said 66.767 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at a found 1-1/2" iron pipe in the apparent northeast right-of-way line of County Road 160 (Harris Hill Road), for the most southerly corner of said 312.005 acre tract and the tract described herein;

THENCE: With the apparent northeast and easterly right-of-way line of Harris Hill Road and the southwest and northwest line of said 312.005 acre tract, the following three (3) courses:

1. N 45° 55' 28" W, a distance of 2602.87 feet to a found 1/2" iron rod for a point of curvature,
2. With a curve to the right having a radius of 250.00 feet, an arc length of 392.54 feet, a delta angle of 089° 57' 48" and a chord bears, N 00° 52' 20" W, a distance of 353.44 feet to a found 1/2" iron rod for a point of non-tangency, and
3. N 44° 07' 28" E, a distance of 1392.82 feet to a point for the most northerly corner of the tract described herein;

THENCE: Departing said right-of-way line and into said 312.005 acre tract, the following six (6) courses:

1. S 21° 36' 55" E, a distance of 1977.75 feet to a point for corner,
2. S 58° 37' 51" W, a distance of 206.71 feet to a point for corner,
3. S 35° 47' 57" E, a distance of 315.62 feet to a point for corner,
4. S 67° 16' 51" E, a distance of 456.86 feet to a point for corner,
5. S 45° 30' 49" E, a distance of 208.84 feet to a point for corner, and
6. S 24° 56' 57" E, a distance of 167.66 feet to a point in the northwest line of a called 24.93 acre tract of land as described in Volume 4186, Page 253 of the Official Public Records of Hays County, Texas, the southeast line of said 312.005 acre tract and for the most easterly corner of the tract described herein;

THENCE: S 44° 07' 50" W, with the common line between said 24.93 acre tract and said 312.005 acre tract, a distance of 678.11 feet to the **POINT OF BEGINNING** and containing 66.767 acres of land situated in Hays County, Texas.

Note: The basis of bearing was established using the Trimble VRS Network, NAD (83), Texas State Plane Coordinate System, South Central Zone, 4204, US Survey Foot, Grid. A survey plat was prepared by a separate document. Field work completed on January 23, 2020.



Job # 20-4003 66.767 Acres

Date: November 4, 2021

EXHIBIT B – DISTRICT, IMPROVEMENT AREA #1, IMPROVEMENT AREA #2, AND IMPROVEMENT AREA #3 BOUNDARY MAP

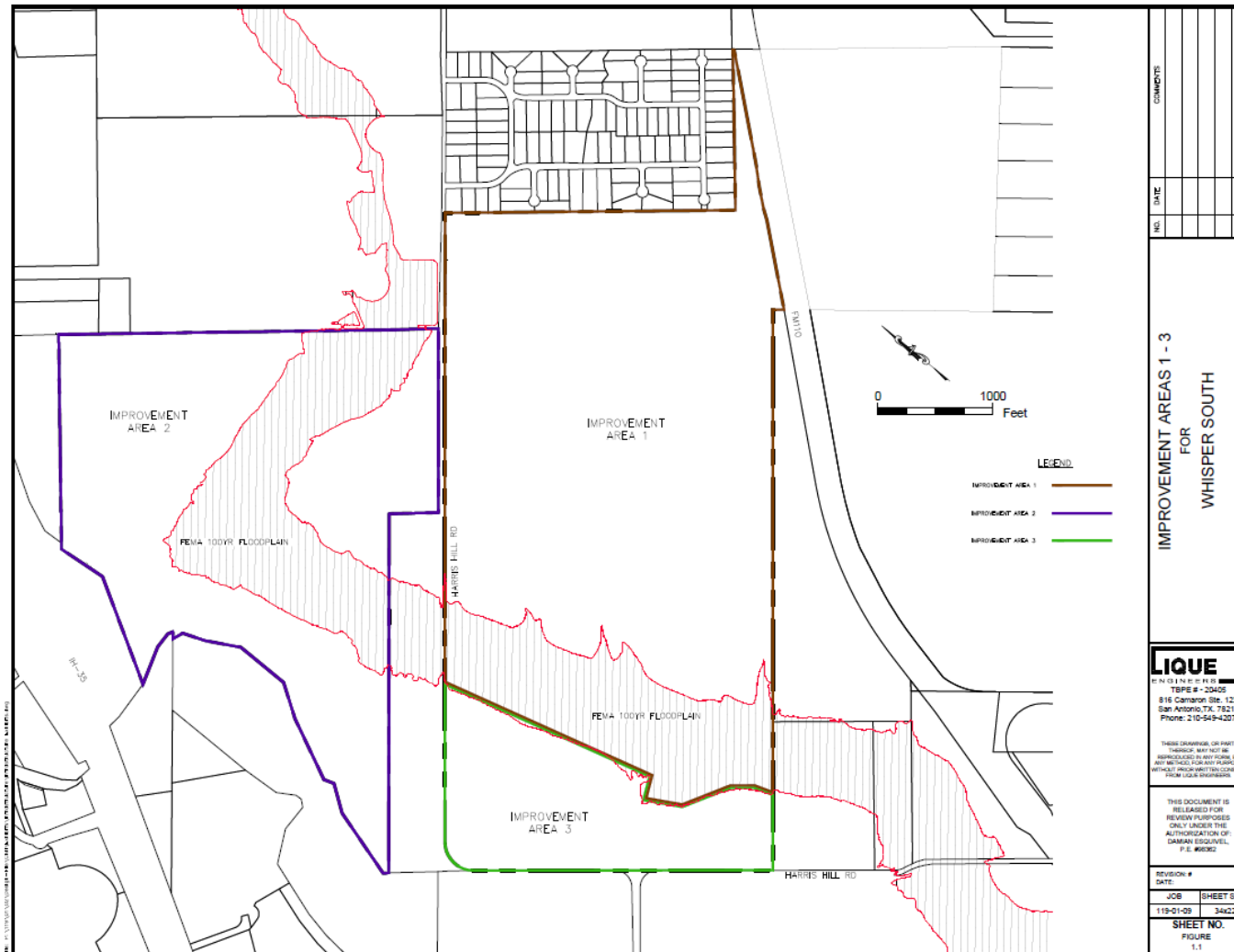


EXHIBIT C – AUTHORIZED IMPROVEMENTS

	Total Costs [a]		Improvement Area #1		Improvement Area #2		Improvement Area #3	
			%	Cost	%	Cost	%	Cost
Major Improvements								
Roadways	\$ 6,476,205	62.05%	\$ 4,018,725	25.64%	\$ 1,660,410	12.31%	\$ 797,070	
Wastewater	1,728,876	62.05%	1,072,832	25.64%	443,260	12.31%	212,784	
Parks, Landscaping & Trails	500,000	62.05%	310,269	25.64%	128,193	12.31%	61,538	
Water [b]	250,000	83.45%	208,622	0.00%	-	16.55%	41,378	
Soft Costs [c]	716,406	62.65%	448,836	24.92%	178,549	12.43%	89,022	
District Formation Expenses	250,000	62.05%	155,134	25.64%	64,097	12.31%	30,769	
	<u>\$ 9,921,487</u>		<u>\$ 6,214,417</u>		<u>\$ 2,474,509</u>		<u>\$ 1,232,561</u>	
Improvement Area #1 Improvements								
Water	\$ 540,034	100.00%	\$ 540,034	0.00%	\$ -	0.00%	\$ -	
Drainage	556,510	100.00%	556,510	0.00%	-	0.00%	-	
Soft Costs [c]	87,724	100.00%	87,724	0.00%	-	0.00%	-	
	<u>\$ 1,184,268</u>		<u>\$ 1,184,268</u>		<u>\$ -</u>		<u>\$ -</u>	
Improvement Area #2 Improvements								
Water	\$ 300,000	0.00%	\$ -	100.00%	\$ 300,000	0.00%	\$ -	
Soft Costs [c]	24,000	0.00%	-	100.00%	24,000	0.00%	-	
	<u>\$ 324,000</u>		<u>\$ -</u>		<u>\$ 324,000</u>		<u>\$ -</u>	
Improvement Area #3 Improvements								
Roadways	\$ 200,000	0.00%	\$ -	0.00%	\$ -	100.00%	\$ 200,000	
Soft Costs [c]	16,000	0.00%	-	0.00%	-	100.00%	16,000	
	<u>\$ 216,000</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ 216,000</u>	
Bond Issuance Costs								
Debt Service Reserve Fund [d]	\$ 924,000	62.05%	\$ 573,376	25.64%	\$ 236,901	12.31%	\$ 113,723	
Capitalized Interest [d]	1,174,833	62.05%	729,028	25.64%	301,211	12.31%	144,595	
Underwriter Discount [d]	420,000	62.05%	260,626	25.64%	107,682	12.31%	51,692	
Cost of Issuance [d]	840,000	62.05%	521,251	25.64%	215,364	12.31%	103,384	
	<u>\$ 3,358,833</u>		<u>\$ 2,084,280</u>		<u>\$ 861,159</u>		<u>\$ 413,394</u>	
Administration Reserves								
First Year's Annual Collection Costs	<u>\$ 40,000</u>	62.05%	<u>\$ 24,821</u>	25.64%	<u>\$ 10,255</u>	12.31%	<u>\$ 4,923</u>	
	\$ 40,000		\$ 24,821		\$ 10,255		\$ 4,923	
Total	\$ 15,044,588		\$ 9,507,787		\$ 3,669,923		\$ 1,866,878	

Notes:

[a] Costs were determined by the Engineer's Report prepared by Lique Engineers dated 10/14/2021.

[b] The water tower improvement will only benefit Improvement Area #1 and Improvement Area #3.

[c] Soft costs are estimated at 8% of hard costs, inclusive of a 4% construction management fee.

[d] Costs associated with the issuance of Improvement Area #1-3 Bonds were allocated between Improvement Area # 1, Improvement Area #2 and Improvement Area #3 on a pro rata basis based on the amount of Assessments levied.

EXHIBIT D – SERVICE PLAN

Improvement Area #1						
Installments Due		1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026
Principal		\$ -	\$ -	\$ 160,719	\$ 168,166	\$ 175,612
Interest		316,370	412,657	412,657	405,023	397,035
Capitalized Interest		(316,370)	(412,657)	-	-	-
	(1)	\$ -	\$ -	\$ 573,376	\$ 573,188	\$ 572,647
Annual Collection Costs	(2)	\$ -	\$ 25,318	\$ 25,824	\$ 26,341	\$ 26,868
Additional Interest	(3)	\$ -	\$ 43,438	\$ 43,438	\$ 42,634	\$ 41,793
Total Annual Installment	(4) = (1) + (2) + (3)	\$ -	\$ 68,756	\$ 642,638	\$ 642,163	\$ 641,308

Improvement Area #2						
Installments Due		1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026
Principal		\$ -	\$ -	\$ 66,404	\$ 69,481	\$ 72,557
Interest		130,714	170,497	170,497	167,343	164,042
Capitalized Interest		(130,714)	(170,497)	-	-	-
	(1)	\$ -	\$ -	\$ 236,901	\$ 236,823	\$ 236,600
Annual Collection Costs	(2)	\$ -	\$ 10,461	\$ 10,670	\$ 10,883	\$ 11,101
Additional Interest	(3)	\$ -	\$ 17,947	\$ 17,947	\$ 17,615	\$ 17,268
Total Annual Installment	(4) = (1) + (2) + (3)	\$ -	\$ 28,408	\$ 265,518	\$ 265,322	\$ 264,968

Improvement Area #3						
Installments Due		1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026
Principal		\$ -	\$ -	\$ 31,877	\$ 33,354	\$ 34,831
Interest		62,749	81,846	81,846	80,332	78,748
Capitalized Interest		(62,749)	(81,846)	-	-	-
	(1)	\$ -	\$ -	\$ 113,723	\$ 113,686	\$ 113,578
Annual Collection Costs	(2)	\$ -	\$ 5,022	\$ 5,122	\$ 5,224	\$ 5,329
Additional Interest	(3)	\$ -	\$ 8,615	\$ 8,615	\$ 8,456	\$ 8,289
Total Annual Installment	(4) = (1) + (2) + (3)	\$ -	\$ 13,637	\$ 127,460	\$ 127,366	\$ 127,196

EXHIBIT E – SOURCES AND USES

	Improvement Area #1	Improvement Area #2	Improvement Area #3	Total
Sources of Funds				
Improvement Area #1-3 Bond Par	\$ 8,687,518	\$ 3,589,408	\$ 1,723,074	\$ 14,000,000
Developer Contribution	820,269	80,515	143,804	1,044,588
Total Sources	\$ 9,507,787	\$ 3,669,923	\$ 1,866,878	\$ 15,044,588
Uses of Funds				
Major Improvements	\$ 6,214,417	\$ 2,474,509	\$ 1,232,561	\$ 9,921,487
Improvement Area #1 Improvements	1,184,268	-	-	1,184,268
Improvement Area #2 Improvements	-	324,000	-	324,000
Improvement Area #3 Improvements	-	-	216,000	216,000
	<u>\$ 7,398,685</u>	<u>\$ 2,798,509</u>	<u>\$ 1,448,561</u>	<u>\$ 11,645,755</u>
<i>Bond Issuance Costs</i>				
Debt Service Reserve Fund	\$ 573,376	\$ 236,901	\$ 113,723	\$ 924,000
Capitalized Interest	729,028	301,211	144,595	1,174,833
Underwriter Discount	260,626	107,682	51,692	420,000
Cost of Issuance	521,251	215,364	103,384	840,000
	<u>\$ 2,084,280</u>	<u>\$ 861,159</u>	<u>\$ 413,394</u>	<u>\$ 3,358,833</u>
<i>Administration Reserves</i>				
First Year's Annual Collection Costs	\$ 24,821	\$ 10,255	\$ 4,923	\$ 40,000
	<u>\$ 24,821</u>	<u>\$ 10,255</u>	<u>\$ 4,923</u>	<u>\$ 40,000</u>
Total Uses	\$ 9,507,787	\$ 3,669,923	\$ 1,866,878	\$ 15,044,588

EXHIBIT F – IMPROVEMENT AREA #1 ASSESSMENT ROLL

		Improvement Area #1	
Parcel ID	Legal Description	Outstanding Assessment	Annual Installment Due 1/31/2022
R12103	Improvement Area #1 Initial Parcel	\$ 7,133,627.23	\$ -
R11267	Improvement Area #1 Initial Parcel	\$ 1,303,036.26	\$ -
R151669	Improvement Area #1 Initial Parcel	\$ 250,854.84	\$ -
Total		\$ 8,687,518.33	\$ -

Note: For billing purposes only, until a plat has been recorded within the Improvement Area #1 Initial Parcel, the Annual Installment will be billed to each Tax Parcel within the Improvement Area #1 Initial Parcel based on the acreage of the Tax Parcel as calculated by the Hays Central Appraisal District.

EXHIBIT G – IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

Installment Due 1/31	Principal	Interest [a]	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment
2022	\$ -	\$ 316,370.46	\$ -	\$ -	\$ (316,370.46)	\$ -
2023	-	412,657.12	25,317.91	43,437.59	(412,657.12)	68,755.50
2024	160,719.09	412,657.12	25,824.27	43,437.59	-	642,638.07
2025	168,165.53	405,022.96	26,340.75	42,634.00	-	642,163.25
2026	175,611.98	397,035.10	26,867.57	41,793.17	-	641,307.82
2027	183,678.96	388,693.53	27,404.92	40,915.11	-	640,692.52
2028	191,745.94	379,968.78	27,953.02	39,996.71	-	639,664.46
2029	200,433.46	370,860.85	28,512.08	39,037.98	-	638,844.37
2030	209,120.98	361,340.26	29,082.32	38,035.82	-	637,579.38
2031	219,049.57	351,407.01	29,663.97	36,990.21	-	637,110.76
2032	228,357.62	341,002.16	30,257.25	35,894.96	-	635,512.00
2033	238,906.75	330,155.17	30,862.39	34,753.18	-	634,677.49
2034	248,835.35	318,807.10	31,479.64	33,558.64	-	632,680.73
2035	261,246.09	306,987.42	32,109.23	32,314.47	-	632,657.21
2036	271,795.22	294,578.23	32,751.42	31,008.24	-	630,133.10
2037	284,826.49	281,667.96	33,406.45	29,649.26	-	629,550.16
2038	297,237.23	268,138.70	34,074.57	28,225.13	-	627,675.64
2039	310,268.51	254,019.93	34,756.07	26,738.94	-	625,783.45
2040	324,540.86	239,282.18	35,451.19	25,187.60	-	624,461.83
2041	339,433.75	223,866.49	36,160.21	23,564.89	-	623,025.34
2042	355,567.71	207,743.38	36,883.41	21,867.72	-	622,062.24
2043	371,081.14	190,853.92	37,621.08	20,089.89	-	619,646.03
2044	387,835.64	173,227.56	38,373.50	18,234.48	-	617,671.19
2045	405,831.21	154,805.37	39,140.98	16,295.30	-	616,072.86
2046	424,447.32	135,528.39	39,923.79	14,266.15	-	614,165.65
2047	443,683.97	115,367.14	40,722.27	12,143.91	-	611,917.29
2048	463,541.16	94,292.15	41,536.72	9,925.49	-	609,295.51
2049	484,639.42	72,273.95	42,367.45	7,607.78	-	606,888.60
2050	506,978.75	49,253.57	43,214.80	5,184.59	-	604,631.71
2051	529,938.62	25,172.08	44,079.10	2,649.69	-	601,839.49
Total	\$ 8,687,518.33	\$ 7,873,036.09	\$ 982,138.32	\$ 795,438.49	\$ (729,027.58)	\$ 17,609,103.65

[a] Interest is calculated at a 4.75% rate for illustrative purposes only.

Note: 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 – IMPROVEMENT AREA #2 ASSESSMENT ROLL

		Improvement Area #2	
Parcel ID	Legal Description	Outstanding Assessment	Annual Installment Due 1/31/2022
R12381	Improvement Area #2 Initial Parcel	\$ 3,589,408.20	\$ -
Total		\$ 3,589,408.20	\$ -

Note: For billing purposes only, until a plat has been recorded within the Improvement Area #2 Initial Parcel, the Annual Installment will be billed to each Tax Parcel within the Improvement Area #2 Initial Parcel based on the acreage of the Tax Parcel as calculated by the Hays Central Appraisal District.

EXHIBIT I – IMPROVEMENT AREA #2 ANNUAL INSTALLMENT

Installment Due 1/31	Principal	Interest [a]	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment
2022	\$ -	\$ 130,714.28	\$ -	\$ -	\$ (130,714.28)	\$ -
2023	-	170,496.89	10,460.56	17,947.04	(170,496.89)	28,407.60
2024	66,404.05	170,496.89	10,669.77	17,947.04	-	265,517.75
2025	69,480.69	167,342.70	10,883.17	17,615.02	-	265,321.57
2026	72,557.32	164,042.36	11,100.83	17,267.62	-	264,968.14
2027	75,890.34	160,595.89	11,322.85	16,904.83	-	264,713.92
2028	79,223.37	156,991.10	11,549.30	16,525.38	-	264,289.15
2029	82,812.78	153,227.99	11,780.29	16,129.26	-	263,950.32
2030	86,402.18	149,294.38	12,015.90	15,715.20	-	263,427.66
2031	90,504.36	145,190.28	12,256.21	15,283.19	-	263,234.05
2032	94,350.16	140,891.32	12,501.34	14,830.67	-	262,573.49
2033	98,708.73	136,409.69	12,751.37	14,358.91	-	262,228.70
2034	102,810.91	131,721.03	13,006.39	13,865.37	-	261,403.70
2035	107,938.63	126,837.51	13,266.52	13,351.32	-	261,393.98
2036	112,297.20	121,710.42	13,531.85	12,811.62	-	260,351.10
2037	117,681.31	116,376.31	13,802.49	12,250.14	-	260,110.24
2038	122,809.04	110,786.44	14,078.54	11,661.73	-	259,335.75
2039	128,193.15	104,953.01	14,360.11	11,047.69	-	258,553.96
2040	134,090.04	98,863.84	14,647.31	10,406.72	-	258,007.91
2041	140,243.31	92,494.56	14,940.26	9,736.27	-	257,414.40
2042	146,909.35	85,833.01	15,239.06	9,035.05	-	257,016.47
2043	153,319.01	78,854.81	15,543.84	8,300.51	-	256,018.17
2044	160,241.44	71,572.16	15,854.72	7,533.91	-	255,202.23
2045	167,676.64	63,960.69	16,171.81	6,732.70	-	254,541.85
2046	175,368.23	55,996.05	16,495.25	5,894.32	-	253,753.85
2047	183,316.20	47,666.06	16,825.16	5,017.48	-	252,824.90
2048	191,520.57	38,958.54	17,161.66	4,100.90	-	251,741.66
2049	200,237.70	29,861.31	17,504.89	3,143.30	-	250,747.20
2050	209,467.61	20,350.02	17,854.99	2,142.11	-	249,814.73
2051	218,953.90	10,400.31	18,212.09	1,094.77	-	248,661.07
Total	\$ 3,589,408.20	\$ 3,252,889.86	\$ 405,788.54	\$ 328,650.06	\$ (301,211.17)	\$ 7,275,525.49

[a] Interest is calculated at a 4.75% rate for illustrative purposes only.

Note: 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 J – IMPROVEMENT AREA #3 ASSESSMENT ROLL

		Improvement Area #3	
Parcel ID	Legal Description	Outstanding Assessment	Annual Installment Due 1/31/2022
R12103	Improvement Area #3 Initial Parcel	\$ 1,723,073.46	\$ -
Total		\$ 1,723,073.46	\$ -

Note: For billing purposes only, until a plat has been recorded within the Improvement Area #3 Initial Parcel, the Annual Installment will be billed to each Tax Parcel within the Improvement Area #3 Initial Parcel based on the acreage of the Tax Parcel as calculated by the Hays Central Appraisal District.

EXHIBIT K – IMPROVEMENT AREA #3 ANNUAL INSTALLMENTS

Installment Due 1/31	Principal	Interest [a]	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment
2022	\$ -	\$ 62,748.59	\$ -	\$ -	\$ (62,748.59)	\$ -
2023	-	81,845.99	5,021.53	8,615.37	(81,845.99)	13,636.90
2024	31,876.86	81,845.99	5,121.96	8,615.37	-	127,460.17
2025	33,353.78	80,331.84	5,224.40	8,455.98	-	127,366.00
2026	34,830.70	78,747.53	5,328.89	8,289.21	-	127,196.33
2027	36,430.70	77,093.08	5,435.46	8,115.06	-	127,074.30
2028	38,030.69	75,362.62	5,544.17	7,932.91	-	126,870.39
2029	39,753.77	73,556.16	5,655.06	7,742.75	-	126,707.74
2030	41,476.84	71,667.86	5,768.16	7,543.98	-	126,456.84
2031	43,446.07	69,697.71	5,883.52	7,336.60	-	126,363.89
2032	45,292.22	67,634.02	6,001.19	7,119.37	-	126,046.80
2033	47,384.52	65,482.64	6,121.22	6,892.91	-	125,881.28
2034	49,353.75	63,231.87	6,243.64	6,655.99	-	125,485.25
2035	51,815.28	60,887.57	6,368.51	6,409.22	-	125,480.58
2036	53,907.58	58,426.34	6,495.88	6,150.14	-	124,979.95
2037	56,492.19	55,865.73	6,625.80	5,880.60	-	124,864.33
2038	58,953.73	53,182.35	6,758.32	5,598.14	-	124,492.54
2039	61,538.34	50,382.05	6,893.48	5,303.37	-	124,117.25
2040	64,369.10	47,458.98	7,031.35	4,995.68	-	123,855.12
2041	67,322.94	44,401.45	7,171.98	4,673.84	-	123,570.21
2042	70,522.94	41,203.61	7,315.42	4,337.22	-	123,379.19
2043	73,599.85	37,853.77	7,461.73	3,984.61	-	122,899.96
2044	76,922.92	34,357.78	7,610.96	3,616.61	-	122,508.27
2045	80,492.15	30,703.94	7,763.18	3,231.99	-	122,191.26
2046	84,184.45	26,880.56	7,918.44	2,829.53	-	121,812.98
2047	87,999.82	22,881.80	8,076.81	2,408.61	-	121,367.05
2048	91,938.28	18,701.81	8,238.35	1,968.61	-	120,847.05
2049	96,122.88	14,334.74	8,403.12	1,508.92	-	120,369.66
2050	100,553.64	9,768.90	8,571.18	1,028.31	-	119,922.03
2051	105,107.48	4,992.61	8,742.60	525.54	-	119,368.23
Total	\$ 1,723,073.46	\$ 1,561,529.89	\$ 194,796.31	\$ 157,766.45	\$ (144,594.58)	\$ 3,492,571.53

[a] Interest is calculated at a 4.75% rate for illustrative purposes only.

Note: 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.

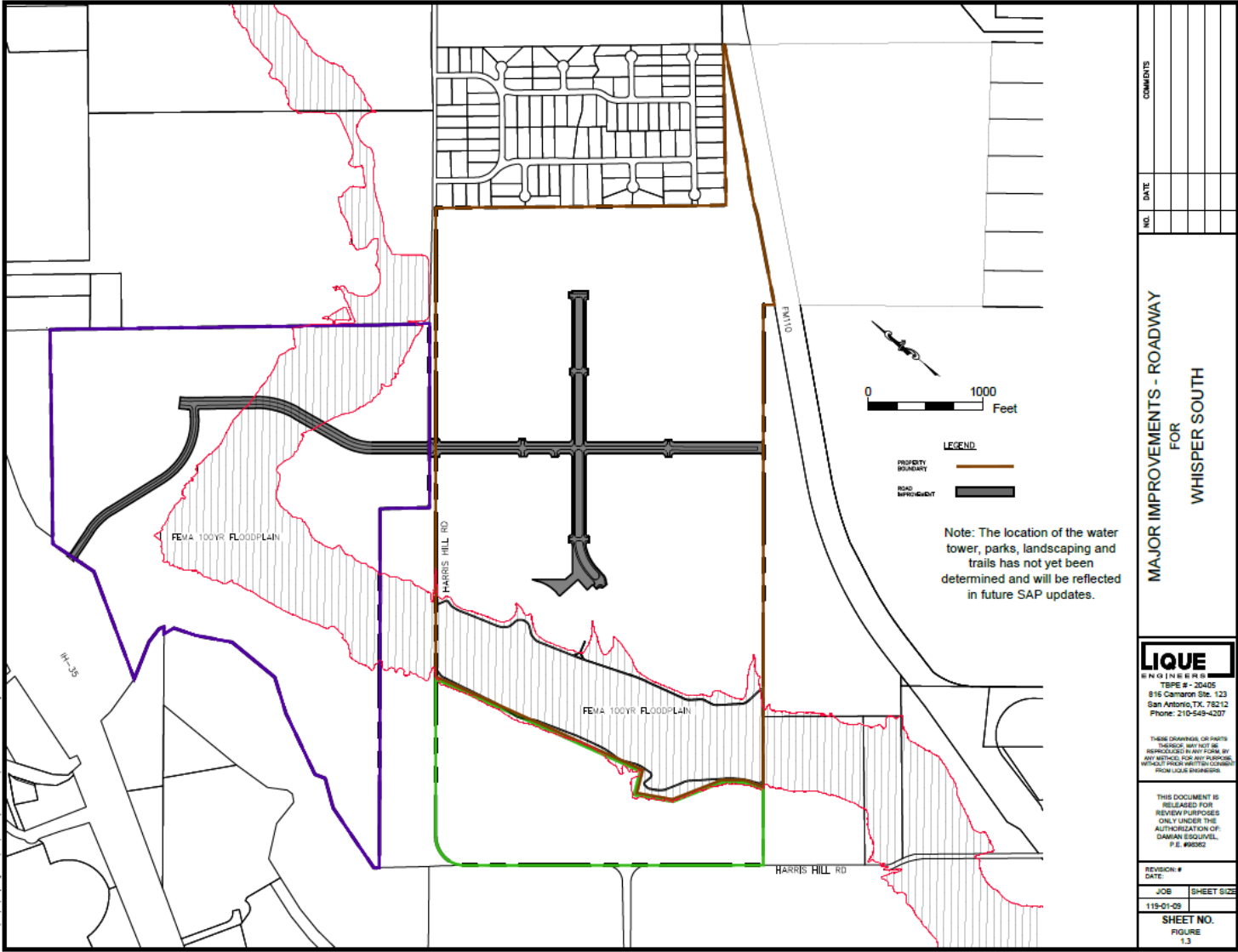
EXHIBIT L – MAXIMUM ASSESSMENT PER LOT TYPE

Lot Type	Units/Square Feet	Total Assessment	Maximum Assessment per Lot Type
Improvement Area #1			
1	700	\$ 4,883,204.14	\$6,976.01 per Unit
2	329	2,637,520.95	\$8,016.78 per Unit
3	62	592,960.50	\$9,563.88 per Unit
Multi-Family	240	573,832.74	\$2,390.97 per Unit
Total		\$ 8,687,518.33	
Improvement Area #2			
Multi-Family	680	\$ 1,625,859.44	\$2,390.97 per Unit
Commercial	607,000	1,963,548.76	\$3.23 per Building Square Foot
Total		\$ 3,589,408.20	
Improvement Area #3			
1	247	\$ 1,723,073.46	\$6,976.01 per Unit
Total		\$ 1,723,073.46	

EXHIBIT M – LOT TYPE CLASSIFICATION MAP



EXHIBIT N-1 – MAP OF MAJOR IMPROVEMENTS



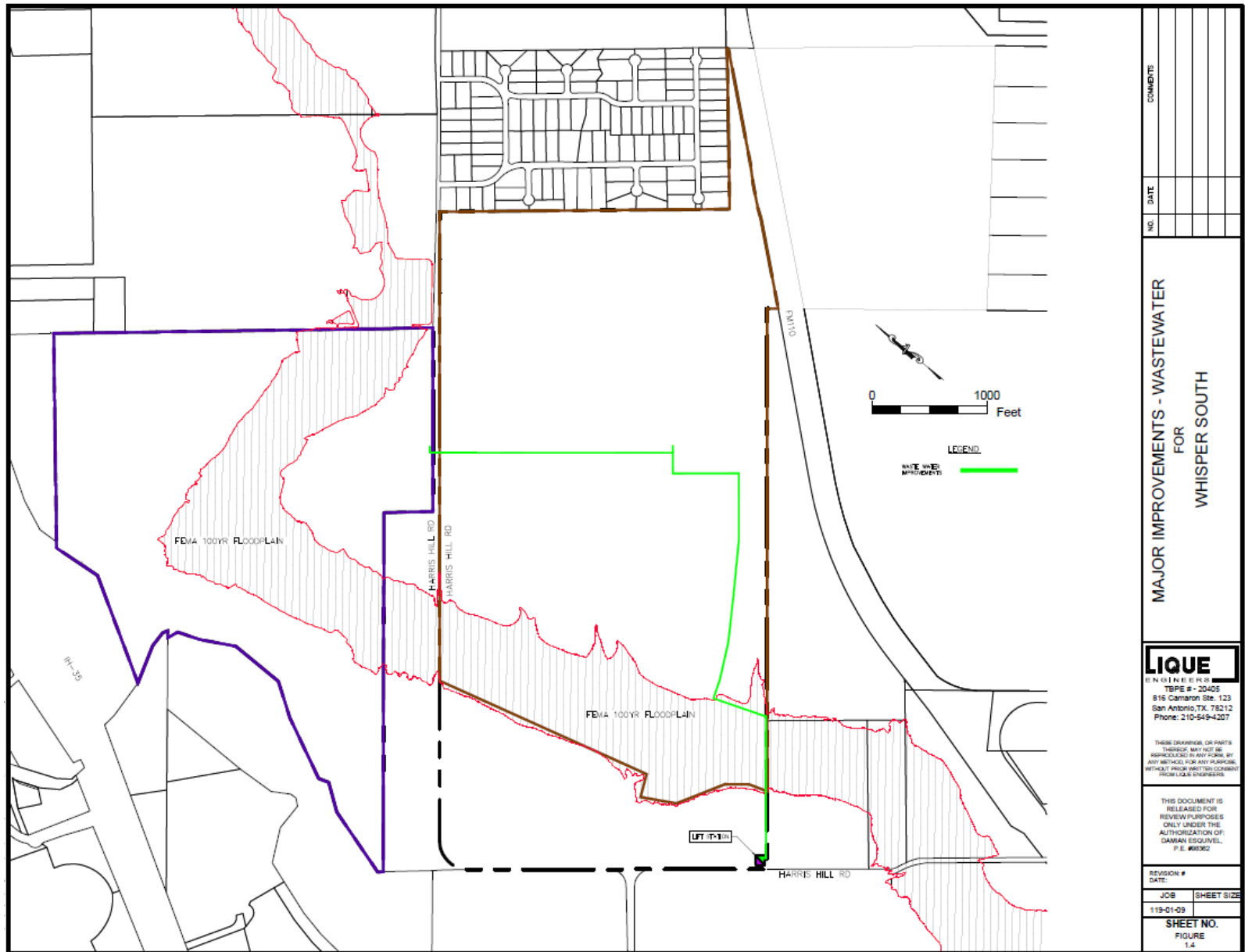


EXHIBIT N-2 – MAP OF IMPROVEMENT AREA #1 IMPROVEMENTS

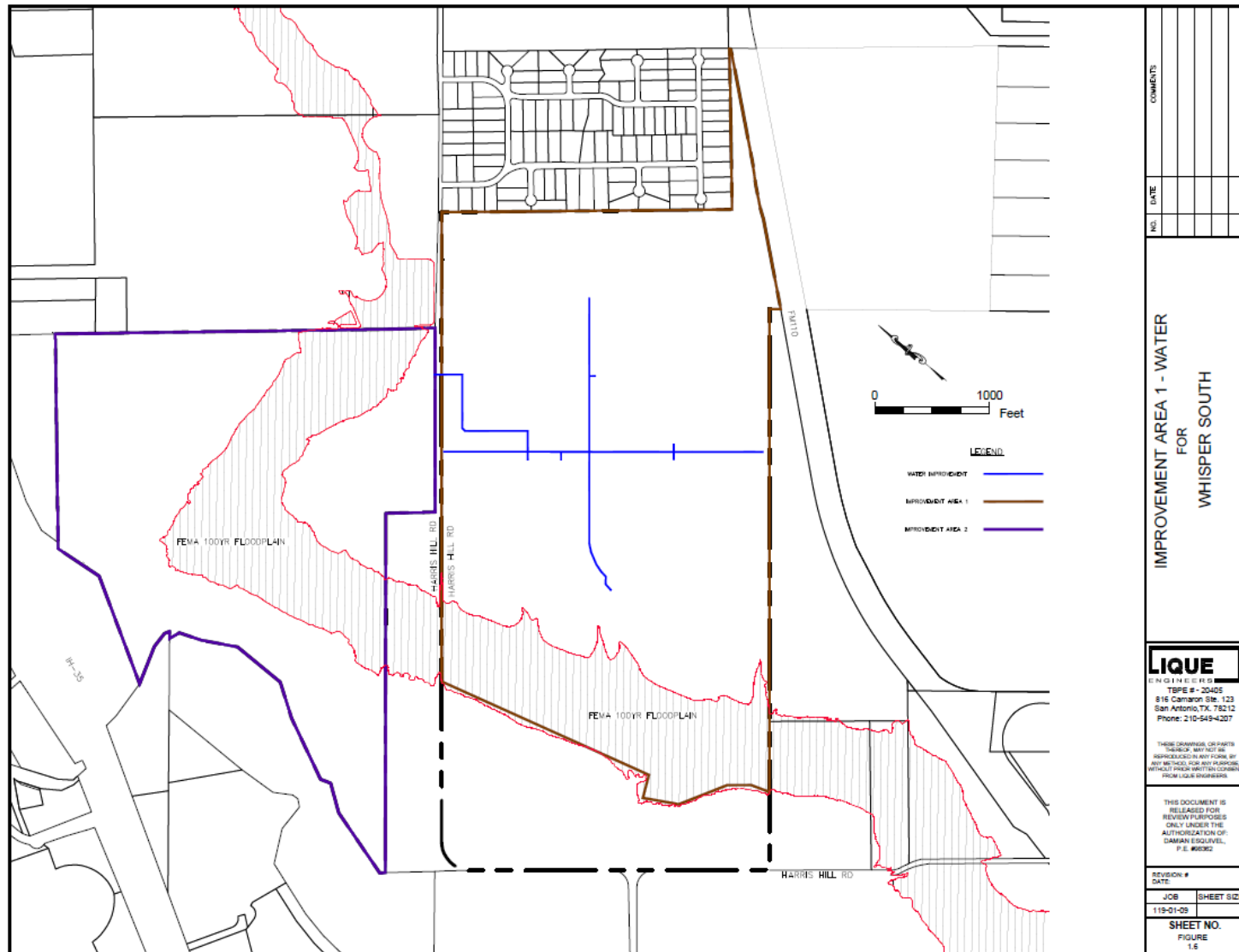


EXHIBIT N-3 – MAP OF IMPROVEMENT AREA #2 IMPROVEMENTS

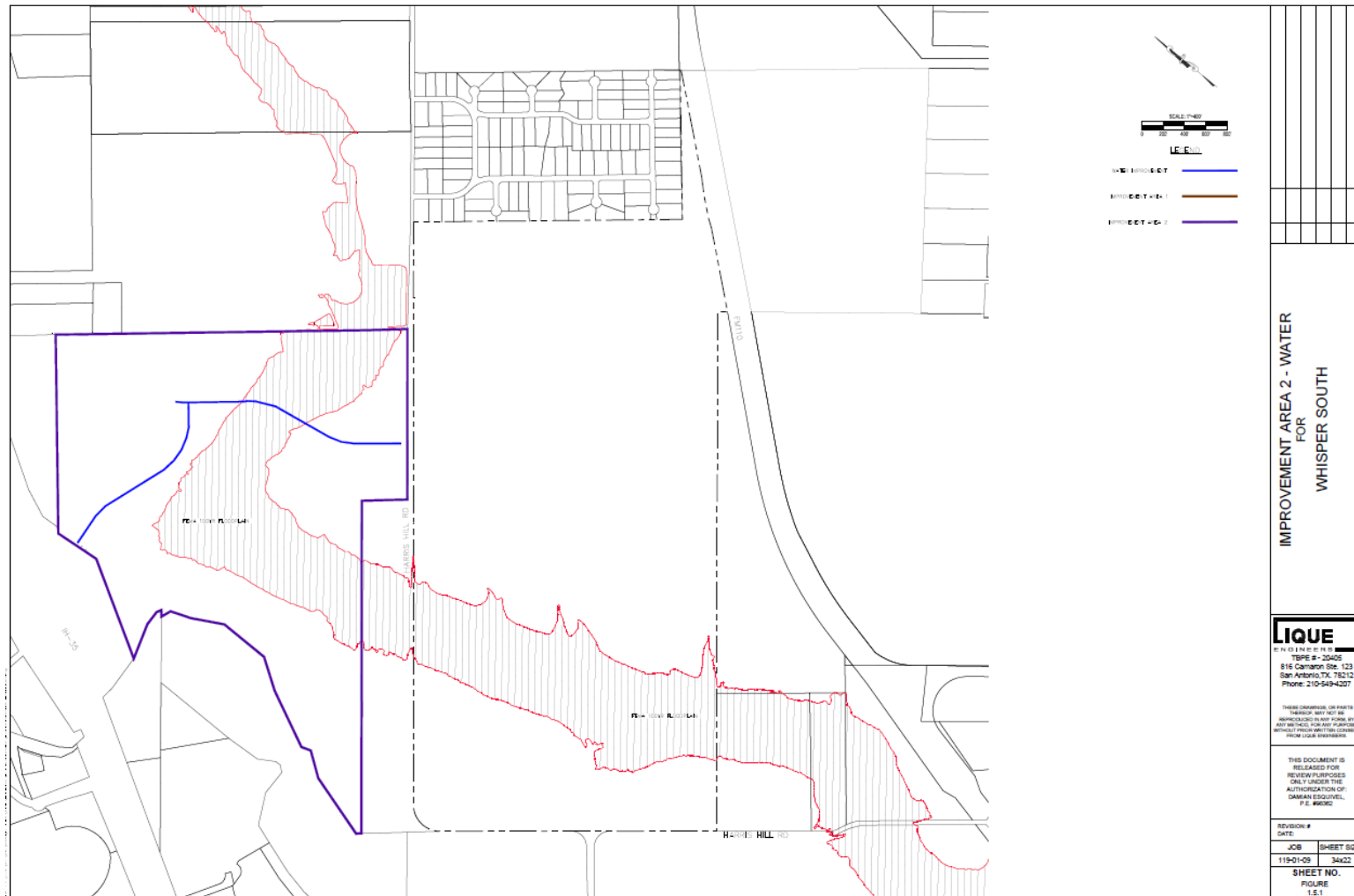


EXHIBIT N-4 – MAP OF IMPROVEMENT AREA #3 IMPROVEMENTS

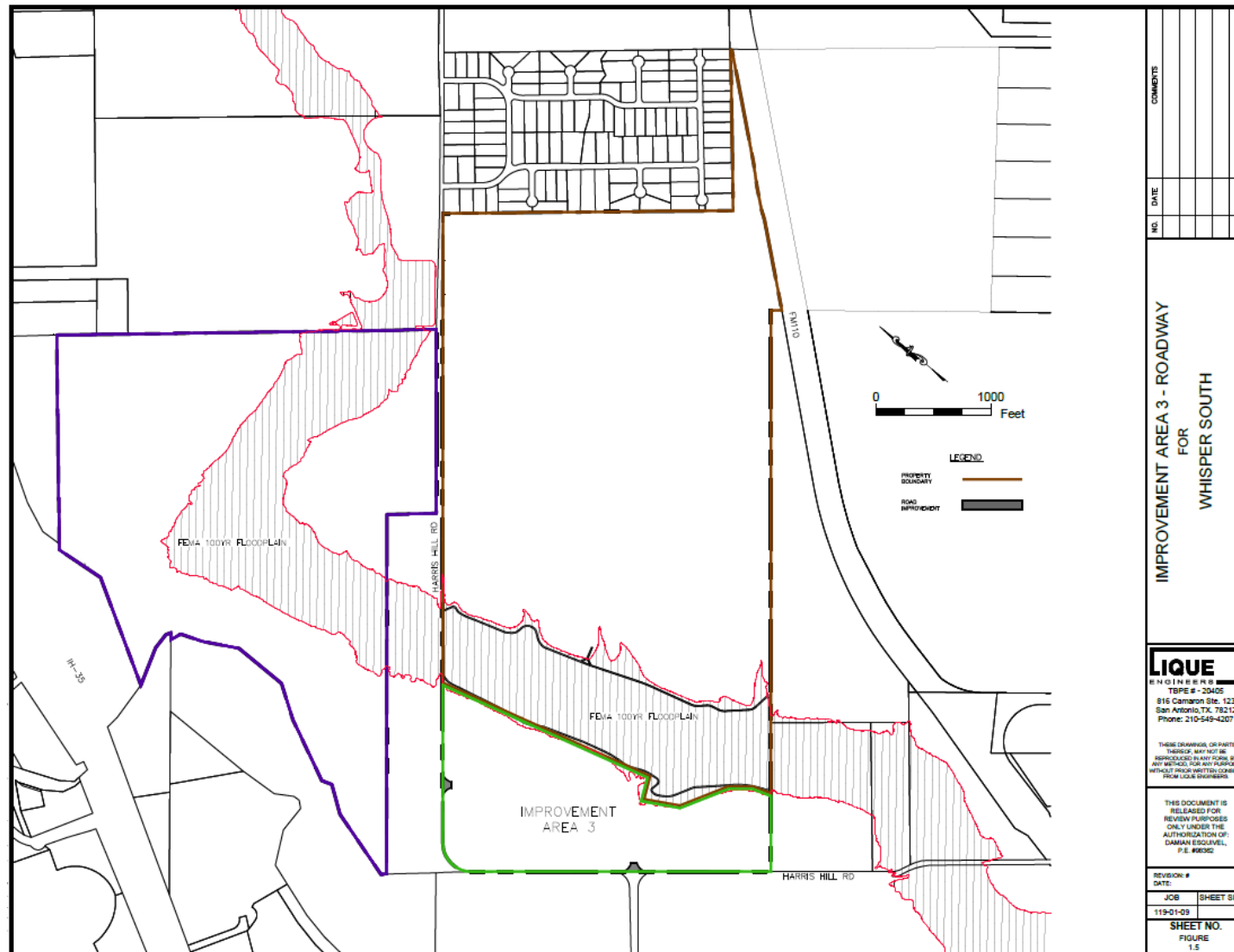


EXHIBIT O – NOTICE OF PID ASSESSMENT TERMINATION



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

[Date]
Hays County Clerk's Office
Honorable [County Clerk Name]
Hays Government Center
712 S. Stagecoach Trail
San Marcos, TX 78666

Re: City of San Marcos Lien Release documents for filing

Dear Ms./Mr. [County Clerk Name],

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

City of San Marcos
Attn: [City Secretary]
630 E Hopkins St
San Marcos, TX 78666

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

Sincerely,
[Signature]

P3Works, LLC
P: (817) 393-0353
admin@p3-works.com

AFTER RECORDING RETURN TO:

[City Secretary Name]
630 E Hopkins St
San Marcos, TX 78666

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN

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

THIS FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN (this "Full Release") is executed and delivered as of the Effective Date by the City of San Marcos, Texas.

RECITALS

WHEREAS, the governing body (hereinafter referred to as the "City Council") of the City of San Marcos, Texas (hereinafter referred to as the "City "), is authorized by Chapter 372, Texas Local Government Code, as amended (hereinafter referred to as the "Act"), to create public improvement districts within the corporate limits and extraterritorial jurisdiction of the City; and

WHEREAS, on or about May 4, 2021, the City Council for the City, approved Resolution 2021-91R, creating the Whisper South Public Improvement District; and

WHEREAS, the Whisper South Public Improvement District consists of approximately 595.94 contiguous acres located within the City; and

WHEREAS, on or about [REDACTED], the City Council, approved Ordinance No. [REDACTED], (hereinafter referred to as the "Assessment Ordinance") approving a service and assessment plan and assessment roll for the Property within the Whisper South Public Improvement District; and

WHEREAS, the Assessment Ordinance imposed an assessment in the amount of \$_____ (hereinafter referred to as the "Lien Amount") for the following property:

[legal description], a subdivision in Hays County, Texas, according to the map or plat of record in Document/Instrument No. _____ of the Plat Records of Hays County, Texas (hereinafter referred to as the "Property"); and

WHEREAS, the property owners of the Property have paid unto the City the Lien Amount.

RELEASE

NOW THEREFORE, the City, the owner and holder of the Lien, Instrument No. _____, in the Real Property Records of Hays County, Texas, in the amount of the Lien Amount against the Property releases and discharges, and by these presents does hereby release and discharge, the above-described Property from said lien held by the undersigned securing said indebtedness.

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

CITY OF SAN MARCOS, TEXAS,

By: _____
[Manager Name], City Manager

ATTEST:

[Secretary Name], City Secretary

STATE OF TEXAS §
§
COUNTY OF HAYS §

This instrument was acknowledged before me on the ____ day of _____, 20__, by [Manager Name], City Manager for the City of San Marcos, Texas, on behalf of said municipality.

Notary Public, State of Texas

EXHIBIT P – ESTIMATED BUILDOUT VALUE FOR IMPROVEMENT AREA #1, IMPROVEMENT AREA #2, AND IMPROVEMENT AREA #3

			Estimated Buildout Value		District Estimated Buildout Value	% of District Estimated Buildout Value	Improvement Area #1 & Improvement Area #3	% of Improvement Area #1 & Improvement Area #3		
Units/Square Feet			Per Unit/Square Foot	Estimated Buildout Value			Estimated Buildout Value	Estimated Buildout Value		
Improvement Area #1										
42'	700	units	\$	248,000	\$	173,600,000	\$	173,600,000		
50'	329	units	\$	285,000	\$	93,765,000	\$	93,765,000		
60'	62	units	\$	340,000	\$	21,080,000	\$	21,080,000		
Multi-Family	240	units	\$	85,000	\$	20,400,000	\$	20,400,000		
					\$	308,845,000	62.05%	\$	308,845,000	83.45%
Improvement Area #2										
Multi-Family	680	units	\$	85,000	\$	57,800,000	\$	-		
Commercial	607,000	square feet	\$	115	\$	69,805,000	\$	-		
					\$	127,605,000	25.64%	\$	-	0.00%
Improvement Area #3										
1	247	units	\$	248,000	\$	61,256,000	\$	61,256,000		
					\$	61,256,000	12.31%	\$	61,256,000	16.55%
					\$	497,706,000	100.00%	\$	370,101,000	100.00%

EXHIBIT Q – IMPROVEMENT AREA #1-3 BOND DEBT SERVICE SCHEDULE

APPENDIX A – BUYER DISCLOSURES

Buyer Disclosures for the following are found in this Appendix:

- Lot Type 1
- Lot Type 2
- Lot Type 3
- Improvement Area #1 Initial Parcel
- Improvement Area #2 Initial Parcel
- Improvement Area #3 Initial Parcel

WHISPER SOUTH PUBLIC IMPROVEMENT DISTRICT – 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 372.0035), 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
SAN MARCOS, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

LOT TYPE 1 PRINCIPAL ASSESSMENT: \$6,976.01

As the purchaser of the real property described above, you are obligated to pay assessments to San Marcos, 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 ***Whisper South Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

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

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

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 Hays 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 HAYS

§

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 Hays 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 HAYS

§

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 Hays County.

ANNUAL INSTALLMENTS - LOT TYPE 1

Installment Due 1/31	Principal	Interest [a]	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment
2022	\$ -	\$ 254.04	\$ -	\$ -	\$ (254.04)	\$ -
2023	-	331.36	20.33	34.88	(331.36)	55.21
2024	129.06	331.36	20.74	34.88	-	516.03
2025	135.04	325.23	21.15	34.23	-	515.65
2026	141.01	318.82	21.57	33.56	-	514.96
2027	147.49	312.12	22.01	32.85	-	514.47
2028	153.97	305.11	22.45	32.12	-	513.65
2029	160.95	297.80	22.89	31.35	-	512.99
2030	167.92	290.15	23.35	30.54	-	511.97
2031	175.90	282.18	23.82	29.70	-	511.59
2032	183.37	273.82	24.30	28.82	-	510.31
2033	191.84	265.11	24.78	27.91	-	509.64
2034	199.81	256.00	25.28	26.95	-	508.04
2035	209.78	246.51	25.78	25.95	-	508.02
2036	218.25	236.54	26.30	24.90	-	505.99
2037	228.71	226.18	26.83	23.81	-	505.52
2038	238.68	215.31	27.36	22.66	-	504.02
2039	249.14	203.98	27.91	21.47	-	502.50
2040	260.60	192.14	28.47	20.23	-	501.44
2041	272.56	179.76	29.04	18.92	-	500.28
2042	285.52	166.82	29.62	17.56	-	499.51
2043	297.98	153.25	30.21	16.13	-	497.57
2044	311.43	139.10	30.81	14.64	-	495.98
2045	325.88	124.31	31.43	13.08	-	494.70
2046	340.83	108.83	32.06	11.46	-	493.17
2047	356.27	92.64	32.70	9.75	-	491.36
2048	372.22	75.72	33.35	7.97	-	489.26
2049	389.16	58.04	34.02	6.11	-	487.33
2050	407.10	39.55	34.70	4.16	-	485.51
2051	425.54	20.21	35.40	2.13	-	483.27
Total	\$ 6,976.01	\$ 6,321.98	\$ 788.65	\$ 638.73	\$ (585.40)	\$ 14,139.97

[a] Interest is calculated at a 4.75% rate for illustrative purposes only.

Note: 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.

**WHISPER SOUTH PUBLIC IMPROVEMENT DISTRICT – 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 372.0035), 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
SAN MARCOS, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

LOT TYPE 2 PRINCIPAL ASSESSMENT: \$8,016.78

As the purchaser of the real property described above, you are obligated to pay assessments to San Marcos, 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 ***Whisper South Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

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

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

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 Hays 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 HAYS

§

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 Hays 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 HAYS

§

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 Hays County.

ANNUAL INSTALLMENTS - LOT TYPE 2

Installment Due 1/31	Principal	Interest [a]	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment
2022	\$ -	\$ 291.94	\$ -	\$ -	\$ (291.94)	\$ -
2023	-	380.80	23.36	40.08	(380.80)	63.45
2024	148.31	380.80	23.83	40.08	-	593.02
2025	155.18	373.75	24.31	39.34	-	592.58
2026	162.05	366.38	24.79	38.57	-	591.79
2027	169.50	358.68	25.29	37.76	-	591.23
2028	176.94	350.63	25.79	36.91	-	590.28
2029	184.96	342.23	26.31	36.02	-	589.52
2030	192.98	333.44	26.84	35.10	-	588.35
2031	202.14	324.28	27.37	34.13	-	587.92
2032	210.73	314.67	27.92	33.12	-	586.45
2033	220.46	304.66	28.48	32.07	-	585.68
2034	229.62	294.19	29.05	30.97	-	583.83
2035	241.08	283.29	29.63	29.82	-	583.81
2036	250.81	271.83	30.22	28.61	-	581.48
2037	262.84	259.92	30.83	27.36	-	580.94
2038	274.29	247.44	31.44	26.05	-	579.21
2039	286.31	234.41	32.07	24.67	-	577.47
2040	299.48	220.81	32.71	23.24	-	576.25
2041	313.23	206.58	33.37	21.75	-	574.92
2042	328.12	191.70	34.04	20.18	-	574.03
2043	342.43	176.12	34.72	18.54	-	571.81
2044	357.89	159.85	35.41	16.83	-	569.98
2045	374.50	142.85	36.12	15.04	-	568.51
2046	391.68	125.06	36.84	13.16	-	566.75
2047	409.43	106.46	37.58	11.21	-	564.67
2048	427.75	87.01	38.33	9.16	-	562.25
2049	447.22	66.69	39.10	7.02	-	560.03
2050	467.84	45.45	39.88	4.78	-	557.95
2051	489.02	23.23	40.68	2.45	-	555.37
Total	\$ 8,016.78	\$ 7,265.18	\$ 906.31	\$ 734.03	\$ (672.74)	\$ 16,249.56

[a] Interest is calculated at a 4.75% rate for illustrative purposes only.

Note: 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.

**WHISPER SOUTH PUBLIC IMPROVEMENT DISTRICT – LOT TYPE 3 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 372.0035), 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
SAN MARCOS, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

LOT TYPE 3 PRINCIPAL ASSESSMENT: \$9,563.88

As the purchaser of the real property described above, you are obligated to pay assessments to San Marcos, 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 ***Whisper South Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

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

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

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 Hays 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 HAYS

§

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 Hays 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 HAYS

§

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 Hays County.

ANNUAL INSTALLMENTS - LOT TYPE 3

Installment Due 1/31	Principal	Interest [a]	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment
2022	\$ -	\$ 348.28	\$ -	\$ -	\$ (348.28)	\$ -
2023	-	454.28	27.87	47.82	(454.28)	75.69
2024	176.93	454.28	28.43	47.82	-	707.46
2025	185.13	445.88	29.00	46.93	-	706.94
2026	193.33	437.09	29.58	46.01	-	706.00
2027	202.21	427.90	30.17	45.04	-	705.32
2028	211.09	418.30	30.77	44.03	-	704.19
2029	220.65	408.27	31.39	42.98	-	703.29
2030	230.22	397.79	32.02	41.87	-	701.90
2031	241.15	386.86	32.66	40.72	-	701.38
2032	251.39	375.40	33.31	39.52	-	699.62
2033	263.01	363.46	33.98	38.26	-	698.70
2034	273.94	350.97	34.66	36.94	-	696.50
2035	287.60	337.96	35.35	35.57	-	696.48
2036	299.21	324.29	36.06	34.14	-	693.70
2037	313.56	310.08	36.78	32.64	-	693.06
2038	327.22	295.19	37.51	31.07	-	690.99
2039	341.57	279.64	38.26	29.44	-	688.91
2040	357.28	263.42	39.03	27.73	-	687.45
2041	373.67	246.45	39.81	25.94	-	685.87
2042	391.44	228.70	40.60	24.07	-	684.81
2043	408.51	210.11	41.42	22.12	-	682.15
2044	426.96	190.70	42.24	20.07	-	679.98
2045	446.77	170.42	43.09	17.94	-	678.22
2046	467.26	149.20	43.95	15.71	-	676.12
2047	488.44	127.00	44.83	13.37	-	673.64
2048	510.30	103.80	45.73	10.93	-	670.76
2049	533.53	79.56	46.64	8.38	-	668.11
2050	558.12	54.22	47.57	5.71	-	665.62
2051	583.40	27.71	48.53	2.92	-	662.55
Total	\$ 9,563.88	\$ 8,667.24	\$ 1,081.21	\$ 875.68	\$ (802.57)	\$ 19,385.44

[a] Interest is calculated at a 4.75% rate for illustrative purposes only.

Note: 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.

WHISPER SOUTH PUBLIC IMPROVEMENT DISTRICT – IMPROVEMENT AREA #1
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 372.0035), 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
SAN MARCOS, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

IMPROVEMENT AREA #1 INITIAL PARCEL PRINCIPAL ASSESSMENT: \$8,687,518.33

As the purchaser of the real property described above, you are obligated to pay assessments to San Marcos, 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 ***Whisper South Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

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

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

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 Hays 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 HAYS

§

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 Hays 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 HAYS

§

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 Hays County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 INITIAL PARCEL

Installment Due 1/31	Principal	Interest [a]	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment
2022	\$ -	\$ 316,370.46	\$ -	\$ -	\$ (316,370.46)	\$ -
2023	-	412,657.12	25,317.91	43,437.59	(412,657.12)	68,755.50
2024	160,719.09	412,657.12	25,824.27	43,437.59	-	642,638.07
2025	168,165.53	405,022.96	26,340.75	42,634.00	-	642,163.25
2026	175,611.98	397,035.10	26,867.57	41,793.17	-	641,307.82
2027	183,678.96	388,693.53	27,404.92	40,915.11	-	640,692.52
2028	191,745.94	379,968.78	27,953.02	39,996.71	-	639,664.46
2029	200,433.46	370,860.85	28,512.08	39,037.98	-	638,844.37
2030	209,120.98	361,340.26	29,082.32	38,035.82	-	637,579.38
2031	219,049.57	351,407.01	29,663.97	36,990.21	-	637,110.76
2032	228,357.62	341,002.16	30,257.25	35,894.96	-	635,512.00
2033	238,906.75	330,155.17	30,862.39	34,753.18	-	634,677.49
2034	248,835.35	318,807.10	31,479.64	33,558.64	-	632,680.73
2035	261,246.09	306,987.42	32,109.23	32,314.47	-	632,657.21
2036	271,795.22	294,578.23	32,751.42	31,008.24	-	630,133.10
2037	284,826.49	281,667.96	33,406.45	29,649.26	-	629,550.16
2038	297,237.23	268,138.70	34,074.57	28,225.13	-	627,675.64
2039	310,268.51	254,019.93	34,756.07	26,738.94	-	625,783.45
2040	324,540.86	239,282.18	35,451.19	25,187.60	-	624,461.83
2041	339,433.75	223,866.49	36,160.21	23,564.89	-	623,025.34
2042	355,567.71	207,743.38	36,883.41	21,867.72	-	622,062.24
2043	371,081.14	190,853.92	37,621.08	20,089.89	-	619,646.03
2044	387,835.64	173,227.56	38,373.50	18,234.48	-	617,671.19
2045	405,831.21	154,805.37	39,140.98	16,295.30	-	616,072.86
2046	424,447.32	135,528.39	39,923.79	14,266.15	-	614,165.65
2047	443,683.97	115,367.14	40,722.27	12,143.91	-	611,917.29
2048	463,541.16	94,292.15	41,536.72	9,925.49	-	609,295.51
2049	484,639.42	72,273.95	42,367.45	7,607.78	-	606,888.60
2050	506,978.75	49,253.57	43,214.80	5,184.59	-	604,631.71
2051	529,938.62	25,172.08	44,079.10	2,649.69	-	601,839.49
Total	\$ 8,687,518.33	\$ 7,873,036.09	\$ 982,138.32	\$ 795,438.49	\$ (729,027.58)	\$ 17,609,103.65

[a] Interest is calculated at a 4.75% rate for illustrative purposes only.

Note: 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.

WHISPER SOUTH PUBLIC IMPROVEMENT DISTRICT – IMPROVEMENT AREA #2
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 372.0035), 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
SAN MARCOS, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

IMPROVEMENT AREA #2 INITIAL PARCEL PRINCIPAL ASSESSMENT: \$3,589,408.20

As the purchaser of the real property described above, you are obligated to pay assessments to San Marcos, 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 ***Whisper South Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

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

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

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 Hays 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 HAYS

§

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 Hays 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 HAYS

§

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 Hays County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #2 INITIAL PARCEL

Installment Due 1/31	Principal	Interest [a]	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment
2022	\$ -	\$ 130,714.28	\$ -	\$ -	\$ (130,714.28)	\$ -
2023	-	170,496.89	10,460.56	17,947.04	(170,496.89)	28,407.60
2024	66,404.05	170,496.89	10,669.77	17,947.04	-	265,517.75
2025	69,480.69	167,342.70	10,883.17	17,615.02	-	265,321.57
2026	72,557.32	164,042.36	11,100.83	17,267.62	-	264,968.14
2027	75,890.34	160,595.89	11,322.85	16,904.83	-	264,713.92
2028	79,223.37	156,991.10	11,549.30	16,525.38	-	264,289.15
2029	82,812.78	153,227.99	11,780.29	16,129.26	-	263,950.32
2030	86,402.18	149,294.38	12,015.90	15,715.20	-	263,427.66
2031	90,504.36	145,190.28	12,256.21	15,283.19	-	263,234.05
2032	94,350.16	140,891.32	12,501.34	14,830.67	-	262,573.49
2033	98,708.73	136,409.69	12,751.37	14,358.91	-	262,228.70
2034	102,810.91	131,721.03	13,006.39	13,865.37	-	261,403.70
2035	107,938.63	126,837.51	13,266.52	13,351.32	-	261,393.98
2036	112,297.20	121,710.42	13,531.85	12,811.62	-	260,351.10
2037	117,681.31	116,376.31	13,802.49	12,250.14	-	260,110.24
2038	122,809.04	110,786.44	14,078.54	11,661.73	-	259,335.75
2039	128,193.15	104,953.01	14,360.11	11,047.69	-	258,553.96
2040	134,090.04	98,863.84	14,647.31	10,406.72	-	258,007.91
2041	140,243.31	92,494.56	14,940.26	9,736.27	-	257,414.40
2042	146,909.35	85,833.01	15,239.06	9,035.05	-	257,016.47
2043	153,319.01	78,854.81	15,543.84	8,300.51	-	256,018.17
2044	160,241.44	71,572.16	15,854.72	7,533.91	-	255,202.23
2045	167,676.64	63,960.69	16,171.81	6,732.70	-	254,541.85
2046	175,368.23	55,996.05	16,495.25	5,894.32	-	253,753.85
2047	183,316.20	47,666.06	16,825.16	5,017.48	-	252,824.90
2048	191,520.57	38,958.54	17,161.66	4,100.90	-	251,741.66
2049	200,237.70	29,861.31	17,504.89	3,143.30	-	250,747.20
2050	209,467.61	20,350.02	17,854.99	2,142.11	-	249,814.73
2051	218,953.90	10,400.31	18,212.09	1,094.77	-	248,661.07
Total	\$ 3,589,408.20	\$ 3,252,889.86	\$ 405,788.54	\$ 328,650.06	\$ (301,211.17)	\$ 7,275,525.49

[a] Interest is calculated at a 4.75% rate for illustrative purposes only.

Note: 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.

WHISPER SOUTH PUBLIC IMPROVEMENT DISTRICT – IMPROVEMENT AREA #3
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 372.0035), 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
SAN MARCOS, TEXAS
CONCERNING THE FOLLOWING PROPERTY

PROPERTY ADDRESS

IMPROVEMENT AREA #3 INITIAL PARCEL PRINCIPAL ASSESSMENT: \$1,723,073.46

As the purchaser of the real property described above, you are obligated to pay assessments to San Marcos, 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 ***Whisper South Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

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

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

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 Hays 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 HAYS

§

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 Hays 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 HAYS

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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]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 Hays County.

ANNUAL INSTALLMENTS - IMPROVEMENT AREA #3 INITIAL PARCEL

Installment Due 1/31	Principal	Interest [a]	Annual Collection Costs	Additional Interest	Capitalized Interest	Total Annual Installment
2022	\$ -	\$ 62,748.59	\$ -	\$ -	\$ (62,748.59)	\$ -
2023	-	81,845.99	5,021.53	8,615.37	(81,845.99)	13,636.90
2024	31,876.86	81,845.99	5,121.96	8,615.37	-	127,460.17
2025	33,353.78	80,331.84	5,224.40	8,455.98	-	127,366.00
2026	34,830.70	78,747.53	5,328.89	8,289.21	-	127,196.33
2027	36,430.70	77,093.08	5,435.46	8,115.06	-	127,074.30
2028	38,030.69	75,362.62	5,544.17	7,932.91	-	126,870.39
2029	39,753.77	73,556.16	5,655.06	7,742.75	-	126,707.74
2030	41,476.84	71,667.86	5,768.16	7,543.98	-	126,456.84
2031	43,446.07	69,697.71	5,883.52	7,336.60	-	126,363.89
2032	45,292.22	67,634.02	6,001.19	7,119.37	-	126,046.80
2033	47,384.52	65,482.64	6,121.22	6,892.91	-	125,881.28
2034	49,353.75	63,231.87	6,243.64	6,655.99	-	125,485.25
2035	51,815.28	60,887.57	6,368.51	6,409.22	-	125,480.58
2036	53,907.58	58,426.34	6,495.88	6,150.14	-	124,979.95
2037	56,492.19	55,865.73	6,625.80	5,880.60	-	124,864.33
2038	58,953.73	53,182.35	6,758.32	5,598.14	-	124,492.54
2039	61,538.34	50,382.05	6,893.48	5,303.37	-	124,117.25
2040	64,369.10	47,458.98	7,031.35	4,995.68	-	123,855.12
2041	67,322.94	44,401.45	7,171.98	4,673.84	-	123,570.21
2042	70,522.94	41,203.61	7,315.42	4,337.22	-	123,379.19
2043	73,599.85	37,853.77	7,461.73	3,984.61	-	122,899.96
2044	76,922.92	34,357.78	7,610.96	3,616.61	-	122,508.27
2045	80,492.15	30,703.94	7,763.18	3,231.99	-	122,191.26
2046	84,184.45	26,880.56	7,918.44	2,829.53	-	121,812.98
2047	87,999.82	22,881.80	8,076.81	2,408.61	-	121,367.05
2048	91,938.28	18,701.81	8,238.35	1,968.61	-	120,847.05
2049	96,122.88	14,334.74	8,403.12	1,508.92	-	120,369.66
2050	100,553.64	9,768.90	8,571.18	1,028.31	-	119,922.03
2051	105,107.48	4,992.61	8,742.60	525.54	-	119,368.23
Total	\$ 1,723,073.46	\$ 1,561,529.89	\$ 194,796.31	\$ 157,766.45	\$ (144,594.58)	\$ 3,492,571.53

[a] Interest is calculated at a 4.75% rate for illustrative purposes only.

Note: 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.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

APPENDIX B – ENGINEER’S REPORT

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