

AMENDED AND RESTATED
TRACE PUBLIC IMPROVEMENT DISTRICT
FINANCING AGREEMENT

BETWEEN

HIGHPOINTE TRACE, LLC, a California limited liability company

AND

CITY OF SAN MARCOS, TEXAS

**AMENDED AND RESTATED
TRACE PUBLIC IMPROVEMENT DISTRICT
FINANCING AGREEMENT**

This Amended and Restated Trace Public Improvement District Financing Agreement (this “**Agreement**”), dated as of September ____, 2018, (the “**Effective Date**”), is entered into between Highpointe Trace, LLC, a California limited liability company (including its Designated Successors and Assigns, the “**Owner**”), Pacesetter Homes, LLC, a Texas limited liability company (including its Designated Successors and Assigns, “**Pacesetter**”), Buffington Texas Classic Homes, LLC, a Texas limited liability company (including its Designated Successors and Assigns, “**Buffington**”), and the City of San Marcos, Texas (the “**City**”), acting by and through its duly authorized representative. Buffington and Pacesetter are sometimes collectively referenced in this Agreement as the “**Consenting Parties**” and the Owner and the City are sometimes collectively referenced in this Agreement as the “**Parties**,” or, each individually, as the “**Party**.”

Recitals:

WHEREAS, Owner and the Consenting Parties own a total of approximately 417.63 acres of land located within the City which is more particularly described in Exhibit “B” attached hereto and made a part hereof (the “**Property**”).

WHEREAS, it is intended that the Property will be developed as a mixed use development (the “**Project**”);

WHEREAS, the City Council authorized the formation of the Trace Public Improvement District (the “**District**”) on October 20, 2015, pursuant to Resolution No. 2015-145R in accordance with the PID Act (as defined in Exhibit “A”);

WHEREAS, the City and Owner have entered into the Trace Public Improvement District Financing Agreement, dated October 20, 2015 (the “**Original Financing Agreement**”);

WHEREAS, the City and Owner have entered into the Trace Public Improvement District Reimbursement Agreement, dated October 18, 2016 (the “**Original Reimbursement Agreement**”);

WHEREAS, the City has adopted Assessment Ordinance No. 2016-42 on October 18, 2016, adopting a service and assessment plan (the “**Original Service and Assessment Plan**”), levying the Initial Special Assessments in the amount of \$11,175,000.00 on the Property (the “**Original Assessment Ordinance**”);

WHEREAS, the 2018 Amended and Restated Service and Assessment Plan was approved by the City on August 7, 2018, amends and replaces the Original Service and Assessment Plan (as amended or updated from time to time the “**2018 SAP**”);

WHEREAS, the City has also approved the levy of additional assessments in the amount of \$10,925,000.00 pursuant to Assessment Ordinance No:_____, dated August 7, 2018 (the “**Additional Assessment Ordinance**”);

WHEREAS, the City and Owner wish to amend and restate the Original Financing Agreement to reflect the approval of, among other things, the 2018 SAP and the levy of additional assessments on the Property pursuant to the Additional Assessment Ordinance;

WHEREAS, the terms of annexation and zoning of the Property have been agreed to by the City and the Owner pursuant to the Trace Planned Development District agreement (as amended from time to time the “**PDD**”) which was approved by the City contemporaneously with the Original Financing Agreement;

WHEREAS, the Agreement Regarding Fire Station (defined herein) was also approved by the City on even date of the Original Financing Agreement;

WHEREAS, the City and Owner have entered into that certain Amended and Restated Trace Public Improvement District Reimbursement Agreement on even date herewith (as the same may be amended from time to time the “**Amended Reimbursement Agreement**”) which supersedes and replaces the Original Reimbursement Agreement;

WHEREAS, the Owner proposes to construct certain improvements over time to serve Property located in the District (or portions thereof) and transfer some or all of those improvements to the City or City in accordance with the terms and provisions of this Agreement;

WHEREAS, the City has adopted the 2018 SAP, approved the Original and Additional Assessment Ordinance, and levied Special Assessments on all of the property located within the District and intends to issue bonds in two or more series for payment of costs associated with the acquisition of the Public Improvements (as defined herein) included in the 2018 SAP, as such plan may be amended from time to time; and

WHEREAS, the City has determined that it is in its best interests to contract with the Owner for the construction and acquisition of the Public Improvements, which will result in the efficient and effective implementation of the 2018 SAP.

NOW, THEREFORE, for and in consideration of the mutual agreements, covenants, and conditions contained herein, and other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I. SCOPE OF AGREEMENT

This Agreement establishes provisions for the apportionment, levying, and collection of Special Assessments on the Property (Article II), the Construction of Public Improvements to be acquired by the City (Article III), funding of Public Improvements through the issuance of PID Bonds (as hereinafter defined), acquisition and maintenance of Public Improvements within the District (Article IV), and the issuance of bonds for the financing of the Public Improvements

(Article V). Definitions used herein are set forth in Exhibit “A” attached hereto and made a part hereof and in the 2018 SAP.

ARTICLE II. APPORTIONMENT, LEVY AND COLLECTION OF ASSESSMENTS

Section 2.01. Preliminary Matters

(a) On October 20, 2015, the City authorized the formation of the District by Resolution No. 2015-145R. The District includes all of the Property.

(b) Although the Property may be developed in phases, it is anticipated that the Public Improvements will benefit the entire District. As a result, it is currently contemplated that there will be (i) one initial series of bonds issued for the entire District, the “**Initial Major Improvement PID Bonds**” (as further defined in Exhibit “A”) and (ii) bonds issued for the entire District at a future date if the Initial Major Improvement PID Bonds are less than the amount of the outstanding Special Assessments, the “**Additional Major Improvement PID Bonds**” (as further defined in Exhibit “A”). It is hereby acknowledged that the Special Assessments have already been levied by the Initial Assessment Ordinance and the Additional Assessment Ordinance and, subject to the Amended Reimbursement Agreement, will be used to secure the Initial Major Improvement PID Bonds and the Additional Major Improvement PID Bonds.

(c) The 2018 SAP was approved by the City on August 7, 2018 and amends and restates the Original Service and Assessment Plan. The 2018 SAP will be updated and amended by the City or its Administrator at least once per year, and submitted for the City Council’s review and approval. Notwithstanding the above, it is hereby understood and acknowledged by the Parties that the 2018 SAP may need to be amended over time if there are any changes in the Public Improvements in accordance with the terms set forth in this Agreement. Nevertheless, the basic terms and methodology described in the 2018 SAP will generally apply to the Initial Major Improvement PID Bonds and the Additional Major Improvement PID Bonds.

(d) Special Assessments on any portion of the Property will bear a direct proportional relationship to and be less than or equal to the special benefit of the Public Improvements within the District.

(e) Special Assessments on any portion of the Property may be adjusted in connection with Major Improvement PID Bond issues or otherwise so long as the Special Assessments are determined in accordance with the 2018 SAP.

(f) The Property may also be subject to an Owner’s Association assessment.

(g) Prior to the issuance of the PID Bonds, the Owner shall provide an Appraisal to the City for the City’s review and approval covering the portion of the Property that are subject to the Special Assessments. The City shall select the appraiser, in consultation with the Owner and the Underwriter, and all reasonable fees of the Appraisal shall be paid by the Owner.

Section 2.02. Apportionment and Levy of Assessments

The City has levied Special Assessments on the Property in accordance herewith and with the 2018 SAP (as such plan is amended from time to time) and the Assessment Ordinance as approved by the City Council in accordance with Article IV hereof. The City's apportionment and levy of Special Assessments has been made in accordance with the PID Act.

Section 2.03. Collection of Assessments

(a) Subject to the terms and conditions of this Agreement, the City covenants and agrees that it shall, as authorized by the PID Act and other applicable law, continuously collect or cause to be collected Special Assessments levied pursuant to the Original Assessment Ordinance and Additional Assessment Ordinance in accordance with the 2018 SAP during the term of this Agreement in the manner and to the maximum extent permitted by applicable law and subject to Section 2.06(b) of this Agreement. The City covenants and agrees that to the extent permitted by applicable law and Section 2.06(b) of this Agreement, it will not permit a reduction, abatement, or exemption in the Special Assessments due on any portion of the Property until the Major Improvement PID Bonds related to that particular portion of the Property are no longer outstanding, whether as a result of payment in full, defeasance, or otherwise. The City shall use best efforts to collect the Special Assessments consistent with the City's policies and standard practices applicable to the collection of City ad valorem taxes and assessments.

(b) It is hereby acknowledged that Special Assessments can be used for the following purposes: (i) prior to or after completion of the applicable Public Improvements, but prior to the issuance of Major Improvement PID Bonds for those Public Improvements, Owner will be reimbursed for Actual Costs associated with those Public Improvements from Special Assessments collected by the City and held by the City pursuant to the Amended Reimbursement Agreement and (ii) after Major Improvement PID Bonds are issued with respect to any given completed Public Improvements, the Special Assessments will be used first to secure such Major Improvement PID Bonds and second, to the extent any such Special Assessments are remaining after payments are made on the Major Improvement PID Bonds, to reimburse Owner for any Actual Costs not reimbursed by the Major Improvement PID Bonds. Any reimbursement obligation to Owner under the Amended Reimbursement Agreement or as provided above will be subordinate to payment of the applicable Major Improvement PID Bonds.

(c) Notwithstanding anything to the contrary contained herein or in the 2018 SAP, once Major Improvement PID Bonds have been issued the Special Assessment Revenues collected annually from the Property will be deposited in the Pledged Revenue Fund and thereafter transferred in the priority as set forth in the Indenture.

(d) Further notwithstanding anything to the contrary contained herein, the City covenants and agrees to use best efforts to contract with the Hays County Tax Assessor's office for the collection of the Special Assessments such that the Special Assessments will be included on the ad valorem tax bill(s) for the Property and will be collected as part of and in the same manner as ad valorem taxes.

Section 2.04. Approval and Recordation of Special Assessments through Landowner Agreement

A Landowner Agreement (herein so called) in which the Owner (who was the only Landowner within the District at the time the District was created) approved and accepted the apportionment of Special Assessments and the levy of the Special Assessments by the City was entered into by the Owner and the City on October 18, 2016. The Landowner Agreement (a) evidences the Owner's intent that the Special Assessments be covenants running with the land that (i) will bind any and all current and successor owners of the Property to the Special Assessments, including applicable interest thereon, as and when due and payable thereunder and (ii) provide that subsequent purchasers of such land take their title subject to and expressly assume the terms and provisions of the Special Assessments; and (b) provides that the liens created by the levy of the Special Assessments are a first and prior lien on the Property, subject only to liens for ad valorem taxes of the State, County, City, school district, road district and special improvement district.

Section 2.05 Reimbursement Of Owner-Expended Costs

(a) Owner's right, title and interest into the payments of unreimbursed Actual Costs, as described herein, shall be the sole and exclusive property of Owner (or its Transferee) and no other third party shall have any claim or right to such funds unless Owner transfers its rights to its unreimbursed Actual Costs to a Transferee in writing and otherwise in accordance with the requirements set forth herein. Subject to the terms of Section 8.03 hereof, Owner has the right to convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part, all or any portion of Owner's right, title, or interest under this Agreement including, but not limited to, any right, title or interest of Owner in and to payment of its unreimbursed Actual Costs (a "**Transfer**," and the person or entity to whom the transfer is made, a "**Transferee**"). Notwithstanding the foregoing, no Transfer shall be effective until written notice of the Transfer, including the name and address of the Transferee, is provided to the City. The City may rely conclusively on any written notice of a Transfer provided by Owner without any obligation to investigate or confirm the Transfer.

Section 2.06. Mandatory Prepayment Amount / 2018 Annual Installment

(a) Prior to the earlier of (i) the date of issuance of the Additional Major Improvement PID Bonds or (ii) August 31, 2022, the Owner shall prepay Special Assessments in the amount of \$2,600,000.00 that are applicable to the parcels within the District identified as "Retail" and "Business Park" within the PDD (the "Mandatory Prepayment Amount").

(b) In the event the Mandatory Prepayment Amount is not paid in accordance with Section 2.06(b) above, the City shall reduce the outstanding Special Assessments on the District by \$2,600,000.00 for all assessed properties within the District on a pro rata basis based on the amount of outstanding Special Assessments.

(c) The payment of the Mandatory Prepayment Amount which results in a direct reimbursement to the Owner shall not count against any cap on the maximum net PID Bond proceeds as described in Section 5.01(b) of this Agreement.

(d) Prior to the distribution of any Preliminary Offering statement/Preliminary Limited Offering Memorandum for the Initial Major Improvement PID Bonds, the Owner shall pay \$830,500.00 in Annual Installments that were not billed on January 31, 2018.

Section 2.07. Obligations Secured by Pledged Revenues

THE MAJOR IMPROVEMENT PID BONDS ARE SPECIAL OBLIGATIONS OF THE CITY SECURED SOLELY BY PLEDGED REVENUES (AS DEFINED IN THE INDENTURE) AND ANY OTHER FUNDS HELD UNDER THE INDENTURE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE PID BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE CITY AND ARE NOT SECURED EXCEPT AS PROVIDED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND ANY OTHER FUNDS HELD UNDER THE INDENTURE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO THE OWNERS OF THE BONDS TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES.

ARTICLE III. CONSTRUCTION AND ACQUISITION

Section 3.01. Acquisition of Public Improvements

The Owner will dedicate some of the applicable Public Improvements identified in the 2018 SAP to the City upon completion of Public Improvements, and the City will accept dedication of such Public Improvements after confirming that the Public Improvements have been completed in accordance with this Agreement and the Regulatory Requirements. Some of the Public Improvements identified in the 2018 SAP will be dedicated to the City by easement and maintained by an Owner's Association.

Section 3.02. Designation of Construction Manager, Construction Engineers

(a) The City hereby designates the Owner, or its assignees, as the Construction Manager with full responsibility for the design, the designation of easement locations, facilities site designations and acquisitions, supervision of construction, and the bidding and letting of construction contracts for the construction of the Public Improvements in accordance with the provisions of this Article III and in accordance with any requirements of the City and, as applicable, City approved plans.

(b) Except as otherwise provided herein, inspection of the construction of any Public Improvement being conveyed to the City will be by City Construction Representative or its designee. Any City inspection of a Public Improvement being conveyed to the City will be in accordance with any requirements of the City.

(c) The Owner shall be entitled to a separate Construction Management Fee for the construction of each Segment, unless Owner contracts with a third party to act as the Construction

Manager with respect to construction of the Public Improvements. The Construction Management Fee is part of Actual Costs and will be paid as part of the Actual Costs.

(d) The City shall cooperate with the Owner in connection with its services as Construction Manager.

(e) The Owner shall designate the consulting engineers for the Public Improvements for the compensation specified by the Owner.

Section 3.03. Designation of Construction Manager Subcontractor

The City acknowledges and agrees that Owner may subcontract out all or some of the duties of Construction Manager to a third party. Owner may designate an individual, company, or partnership or other entity as a subcontractor for construction management services for one or more Public Improvements or distinct Segments thereof provided that such designee has the technical capacity, experience and expertise to perform such construction management duties or obligations. Owner may make such designation under the same terms as set out in Section 8.03(a) of this Agreement.

Section 3.04. Maintenance of Project, Warranties

Unless otherwise provided for, the Owner (or the Owner's Association, as applicable) shall maintain each Public Improvement (or Segment thereof) in good and safe condition until such Public Improvement (or Segment thereof) is accepted by the City. The City's acceptance of Public Improvements shall be in accordance with the City's standard rules and procedures for the type of improvements being constructed. Prior to such acceptance, the Owner shall be responsible for performing any required maintenance on such Public Improvement. On or before the acceptance by the City of a Public Improvement (or Segment thereof), the Owner shall assign to the City all of the Owner's rights in any warranties, guarantees, maintenance obligations, or other evidences of contingent obligations of third persons with respect to such Public Improvement (or Segment thereof).

Section 3.05. Sales and Use Tax Exemptions

(a) The parties agree that, as municipally and publicly owned and acquired properties, all costs of materials, other properties and services used in constructing the Public Improvements to be acquired by the City are exempt under the Texas Tax Code from sales and use taxes levied by the State of Texas, or by any County, City, special district, or other political subdivision of the State, as set forth in Texas Tax Code Section 151.309.

(b) The City will provide such certifications to the Owner and/or to suppliers and contractors as may be required to assure the exemptions claimed herein.

(c) The City and the Owner shall cooperate in structuring the construction contracts for the Public Improvements to comply with requirements (including those set forth in Texas Tax Code Section 151.309) for exemption from sales and use taxes.

Section 3.06. Exemption from Public Bidding

It is agreed that the PID will be exempt from any public bidding or other purchasing and procurement policies pursuant to Texas Local Government Code Section 252.022(a)(9) which states that a project is exempt from such policies if “paving drainage, street widening, and other public improvements, or related matters, if at least one-third of the cost is to be paid by or through special assessments levied on property that will benefit from the improvements.”

ARTICLE IV. PAYMENT FOR PUBLIC IMPROVEMENTS

Section 4.01. Overall Requirements

(a) The City shall not be obligated to provide funds for any Public Improvement except from the proceeds of the Major Improvement PID Bonds or from Special Assessments as provided in Section 2.03(b) above; provided however, the City and the Owner have executed that certain Developer Participation Agreement dated as of May 15, 2018 in which the City has agreed to reimburse the Owner for certain wastewater infrastructure costs. The City makes no warranty, either express or implied, that Special Assessments or the proceeds of the Major Improvement PID Bonds available for the payment of the Actual Cost of the Public Improvements to be constructed for or acquired by the City will be sufficient for the construction or acquisition of all of those particular Public Improvements. The Parties anticipate that the Actual Cost to construct the Public Improvements may be greater than the proceeds of the Major Improvement PID Bonds or from Special Assessments available for Public Improvements and any shortfalls will be funded by the Owner, subject to Section 2.03(b).

(b) Upon written acceptance of a Public Improvement, and subject to any applicable maintenance-bond period, the City shall be responsible for all operation and maintenance of such Public Improvements, including all costs thereof and relating thereto except for such Public Improvements conveyed to the City by easement, and which will be maintained by an Owner's Association.

(c) The Public Improvements are intended to be constructed pursuant to the Amended Reimbursement Agreement and paid for by the Owner prior to the issuance of Major Improvement PID Bonds intended to fund such Public Improvements. Such funding of the Public Improvements will be governed by the Amended Reimbursement Agreement and Section 4.02 of this Agreement.

Section 4.02. Payments for Completed Public Improvements

The costs of all Public Improvements will be initially financed through the Amended Reimbursement Agreement. Pursuant to the terms of the Amended Reimbursement Agreement the Owner shall convey, and the City shall acquire, any given Public Improvement for the Actual Cost, after such Public Improvement is completed and has been accepted by the City. The general process for funding of Public Improvements is as follows:

(a)

(1) The City and Owner have executed the Amended Reimbursement Agreement for the Public Improvements which provides for Special Assessments that will reimburse the Owner for Actual Costs incurred in connection with the Public Improvements until the Major Improvement PID Bonds are issued in amount necessary to reimburse Owner for the Actual Costs of the Public Improvements less any amounts already reimbursed to Owner pursuant to the Amended Reimbursement Agreement, as provided in Section 2.03(b). Additional Major Improvement PID Bonds may be issued in the event the outstanding Special Assessments exceed the amount of outstanding Initial Major Improvement PID Bonds.

(2) The City will approve any necessary updates to the Assessment Ordinances and the 2018 SAP at the time of issuance of any Major Public Improvement PID Bonds.

(3) Owner has constructed, or will construct (or cause the construction of), the Public Improvements.

(4) The City will collect the Special Assessments on the Property. Upon collection of such Special Assessments, the City will place such Special Assessments in a designated account separate from the City's other accounts. As set forth in Section 2.03(b), the funds within the account will be used to reimburse Owner for the Actual Cost of the Major Public Improvements pursuant to terms of the Amended Reimbursement Agreement.

(5) Pursuant to the Bond Issuance Request letter sent by the Owner to the City dated February 9, 2018, the Owner has requested that the City issue the Initial Major Improvement PID Bonds, subject to meeting the requirements and conditions stated herein and State law, to reimburse the Owner for Actual Cost of the Public Improvements (or Segments thereof completed at the time of bond issuance) less any amounts already reimbursed to Owner pursuant to the Amended Reimbursement Agreement. The City shall commence the documentation and preparation for sale of the PID Bonds within 30 days of a Bond Issuance Request from the Owner. The City acknowledges and agrees that the Initial Major Improvement PID Bonds are expected to be issued by November 30, 2018.

(b) To receive funds from the proceeds of the Major Improvement PID Bonds to pay the Actual Cost of a given Public Improvement, the Owner shall deliver to the City and the Project Engineer (i) documentation evidencing the Actual Cost, (ii) documentation evidencing the acceptance of the Public Improvement by the City or Owner's execution of an easement granting the City and the public the right of access to and use of such Public Improvement (as set forth in the PDD), and (iii) an assignment of the warranties and guaranties, if applicable, for such Public Improvement, in form reasonably acceptable to the City. Nothing herein shall prohibit Owner from being reimbursed for design costs associated with a Public Improvement.

(c) At the time of the closing of the Initial Major Improvement PID Bonds, Owner shall, concurrently with the initial draw from the proceeds of the PID Bonds submit to the City a Closing Disbursement Request to the City and the Trustee to be reimbursed for (i) the Unpaid Balance under the Amended Reimbursement Agreement and (ii) any other qualified and permitted costs approved by the City (collectively, the "**Owner Expended Funds**"). The total amount of Initial Owner Expended Funds approved by the City pursuant to this Section shall be referred to

herein as the “**Reimbursement Payment.**” Prior to disbursement of proceeds of the Initial Major Improvement PID Bonds, the City will sign the Closing Disbursement Request and deliver said Closing Disbursement Request to the Trustee. At the closing of the Initial Major Improvement PID Bonds, Owner shall be reimbursed an amount equal to the Initial Reimbursement Payment and such amount shall be transferred to the Trustee for distribution to the Owner or the Owner’s designee.

(d) It is contemplated that Additional Major Improvement PID Bonds may be issued after the Initial Major Improvement PID Bonds are issued in order to reimburse the Owner for the Public Improvements in the Project that were not completed at the time of the Initial Major Improvement PID Bonds. The Additional Major Improvement PID Bonds may also be used to cover the Actual Cost of Public Improvements that were completed at the time the Initial Major Improvement PID Bonds were issued but were not fully reimbursed by the Initial Major Improvement PID Bonds. If the outstanding Initial Major Improvement Bonds plus the outstanding Additional Major Improvement PID Bonds are equal to the outstanding Special Assessments, then Owner’s right to receive any portion of the Assessments shall automatically terminate and thereafter all Special Assessments would be used to pay debt service to the Major Improvement PID Bonds. However, if the outstanding Initial Major Improvement Bonds plus the outstanding Additional Major Improvement PID Bonds are less than the outstanding Special Assessments, then Owner shall continue to receive a portion of the Special Assessments Revenue from the segregated account. The process to receive funds from the proceeds of the Additional Major Improvement PID Bonds shall be the same as the process for the Initial Major Improvement PID Bonds. Notwithstanding the above, the Parties acknowledge and agree that Owner shall deliver to the City a Bond Issuance Request for Additional Major Improvement PID Bonds. The City shall commence the documentation and preparation for sale of the Additional Major Improvement PID Bonds within 30 days of receipt of the Bond Issuance Request.

ARTICLE V. PID BONDS

Section 5.01. Issuance of PID Bonds

(a) Subject to the terms and conditions set forth in this Section V, the City intends to pay for the Public Improvements, by issuing Major Improvement PID Bonds in one or more series. The City will use diligent, reasonable and good faith efforts, subject to meeting the requirements and conditions stated herein and State law, to issue Major Improvement PID Bonds within four months after receiving a Bond Issuance Request from Owner, and subject to the completion of the applicable Public Improvements contemplated to be paid for by the Major Improvement PID Bonds to be issued, provided that Owner can reasonably demonstrate to the City and its financial advisors that (i) the applicable Future PID Bond Test has been satisfied and (ii) there is sufficient security for the Major Improvement PID Bonds, based upon the bond market conditions existing at the time of such proposed sale. The planning and documentation of a Major Improvement PID Bond issuance shall begin no later than 120 days in advance of the expected completion date of the construction of the Public Improvements to be reimbursed by such Major Improvement PID Bond issuance, as evidenced by a Bond Issuance Request. Notwithstanding the above, the Parties agree that the Developer has made a Bond Issuance Request and City intends to issue Initial Major Improvement PID Bonds on or before November 30, 2018.

(b) The aggregate principal amount of Major Improvement PID Bonds required to be issued hereunder shall not exceed an amount sufficient to fund: (i) the Actual Costs of the Public Improvements, (ii) required reserves and capitalized interest of not more than 12 months after the completion of construction of the applicable Public Improvements funded by the PID Bond issue in question and in no event for a period greater than 12 months from the date of the initial delivery of the applicable PID Bonds and (iii) Bond Issuance Costs. Provided, however that to the extent the law(s) which limit the period of capitalized interest to 12 months after completion of construction change, the foregoing limitation may be adjusted to reflect the law(s) in effect at the time of future PID Bond issuances. In no event, however, will the aggregate principal amount of the Major Improvement PID Bonds exceed \$19,500,000.00 and the maximum net reimbursement shall not exceed \$15,500,000.00, plus the Mandatory Prepayment amount (as defined in the amended Reimbursement Agreement).

(c) The final maturity for each series of PID Bonds shall occur no later than 30 years from the date of the levy of the Additional Special Assessments.

(d) It is the intent of the Owner to request the issuance of at least one but no more than two PID Bonds to provide the agreed upon reimbursements. However, the Owner retains the right to request the agreed upon reimbursements through additional PID Bond issues subject to the condition that the maximum cost of Public Improvements to be reimbursed shall not exceed \$15,500,000.

(e) The maximum annual PID installment equivalent tax rate, calculated as of the date of the pricing of PID Bonds, shall be \$0.50. Special assessments on any given portion of the Property may be adjusted in connection with subsequent PID Bond issues, as long as the maximum annual PID annual installment equivalent tax rate, as described in the foregoing sentence, is not exceeded, and the Special Assessments are determined in accordance with the Original Service and Assessment Plan. Special Assessments on any portion of the Property shall bear a direct proportionate relationship to the special benefit of the Public Improvements to that portion of the Property.

(f) The minimum appraised value to lien ratio at the issuance date of each series of PID Bonds shall be 3 to 1.

(g) The maximum annual permitted increase in PID annual installments shall be 2%.

(h) In addition to any other requirements of this Agreement, including but not limited to City Council approval, Major Improvement PID Bonds are not required to be issued under this Article V unless (i) the statutory requirements set forth in Chapter 372 of the Texas Local Government Code have been satisfied; (ii) the City receives at the time of issuance of such Major Improvement PID Bonds an opinion of counsel selected by the City stating in effect that the Major Improvement PID Bonds are legal and valid obligations under Texas law and that all preconditions to their issuance under State law have been satisfied; (iii) the Attorney General of the State of Texas has issued an opinion approving issuance of the bonds as required by the PID Act, and (iv) the retail and business park parcels are separate tax parcels with individual tax IDs as provided by the Hays Central Appraisal District.

(i) The City will deliver a certificate relating to any Major Improvement PID Bonds authorized by the City Council (such certificate, as it may be amended and supplemented from time to time, being referred to herein as the “**Tax Certificate**”) containing covenants and agreements designed to satisfy the requirements of Sections 103 and 141 through 150, inclusive, of the Tax Code and the income tax regulations issued thereunder relating to the use of the proceeds of the Major Improvement PID Bonds or of any monies, securities or other obligations on deposit to the credit of any of the funds and accounts created by the Indenture or this Agreement or otherwise that may be deemed to be proceeds of the Bonds within the meaning of Section 148 of the Tax Code (collectively, “**Bond Proceeds**”).

(j) The foregoing requirements apply to each series of Initial Major Improvement PID Bonds and Additional Major Improvement PID Bonds issued, if any.

Section 5.02. Project Fund

The City hereby covenants and agrees that if Major Improvement PID Bonds are issued, the Indenture will establish a Project Fund as a separate fund to be held by the Trustee under the Indenture. The portion of the proceeds of the Major Improvement PID Bonds issued to pay Actual Costs of Public Improvements and Bond Issuance Costs shall be deposited upon issuance into separate accounts within the Project Fund.

Section 5.03. Denomination, Maturity, Interest, and Security for Bonds

(a) Each series of Major Improvement PID Bonds is subject to authorization by the City Council. If authorized, the Major Improvement PID Bonds shall be issued in the denominations, shall mature and be prepaid, shall bear interest, and shall be secured by and payable solely from the PID Bond Security, all to be as described and provided in the PID Bond Ordinance or Indenture, as applicable.

(b) The final and adopted versions of the PID Bond Ordinance and the Indenture (and all documents incorporated or approved therein) shall contain provisions relating to the withdrawal, application, and uses of the proceeds of the Major Improvement PID Bonds when and as issued and delivered and otherwise contain such terms and provisions as are mutually approved by the City and the Owner.

Section 5.04. Sale of Major Improvement PID Bonds.

The Major Improvement PID Bonds, if issued by the City, shall be marketed and sold through a negotiated competitive or privately placed sale to an approved third party or parties with the cooperation and assistance of the Owner in all respects with respect to the preparation of marketing documents, such as preliminary and final official statements or in such other marketing and/or sales method mutually agreed upon by the City and the Owner.

Section 5.05. Phased Issuance of Debt

As previously stated, the proposed bond issuance program is anticipated to entail a minimum of two bond financings that will finance the Public Improvements required for the

development of the Project. Following the issuance of the Initial Major Improvement PID Bonds, Additional Major Improvement PID Bonds may be issued over the upcoming years as the value of the Property increases or additional Public Improvements are completed.

Section 5.06 Partial Payment of Assessments

It is hereby acknowledged and agreed that Additional Major Improvement PID Bonds may be covered under a new and separate Indenture; however all of the Special Assessments pledged for the payment of any future PID Bonds will have the same lien priority as the Special Assessments pledged for the payment of the Initial Major Improvement PID Bonds.

If the total Special Assessments levied on a particular Parcel within the Project consist of Special Assessments stemming from two or more different types of PID Bonds and an owner of an Assessed Parcel pays only a portion of the Annual Installment due for such Special Assessments, then such payment will be allocated pro-rata to the payment of the Annual Installment based on the portions of each Special Assessment as it relates to the total Special Assessments. For example, assume that a parcel has Special Assessments totaling \$20,000, \$12,000 of which is for the Initial Major Public Improvement Bonds and \$8,000 of which is for a Additional Major Improvement PID Bond. Further assume that the Annual Installment for such Parcel is \$1,000 which consists of a \$550 annual installment from the Initial Major Public Improvement PID Bonds and a \$450 annual installment from the Additional Major Improvement PID Bonds and an owner of an Assessed Parcel pays \$600, then the \$600 will be allocated as follows:

\$360 (60% of \$600) will go towards the Special Assessment for the Initial Major Public Improvement PID Bonds; and

\$240 (40% of \$600) will go towards the Special Assessment for the Additional Major Improvement PID Bonds

Section 5.07 Dissolution Upon Non-Issuance

Owner or its Designated Successor and Assign may petition the City to dissolve the District if no Major Improvement PID Bonds have been issued within four (4) years from the Effective Date.

ARTICLE VI. REPRESENTATIONS, WARRANTIES, AND INDEMNIFICATION

Section 6.01. Representations and Warranties of City

The City makes the following covenant, representation and warranty for the benefit of the Owner:

The City is a political subdivision of the State of Texas, duly incorporated, organized and existing under the Constitution and general laws of the State, and has full legal right, power and

authority under the PID Act and other applicable law (i) to enter into, execute and deliver this Agreement, (ii) to adopt the Assessment Ordinance, and (iii) to carry out and consummate the transactions contemplated by this Agreement.

Section 6.02. Covenants, Representation, and Warranties of Owner

The Owner makes the following representations, warranties and covenants for the benefit of the City:

(a) The Owner represents and warrants that the Owner is a limited liability company duly organized and validly existing under the laws of the State of California, is in compliance with the laws of the State of Texas, and has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated.

(b) The Owner represents and warrants that the Owner has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered on behalf of the Owner.

(c) The Owner represents and warrants that this Agreement is valid and enforceable obligation of the Owner and is enforceable against the Owner in accordance with its terms, subject to bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

(d) The Owner covenants that once it commences construction of a Segment it will use its reasonable and diligent efforts to do all things which may be lawfully required of it in order to cause such Segment of the Public Improvements to be completed in accordance with this Agreement.

(e) The Owner represents and warrants that (i) it will not request payment from the City for the acquisition of any Public Improvements that are not part of the Project, and (ii) it will diligently follow all procedures set forth in this Agreement with respect to Payment Requests.

(f) For a period of three (3) years after the final Acceptance Date of each applicable Public Improvement, the Owner covenants to maintain proper books of record and account for the Public Improvements and all costs related thereto. The Owner covenants that such accounting books will be maintained in accordance with sound accounting practices, and will be available for inspection by the City or its agent at any reasonable time during regular business hours upon at least 72 hours' notice.

(g) The Owner agrees to provide the information required pursuant to the Owner Continuing Disclosure Agreement executed by the Owner in connection with the Major Improvement PID Bonds.

(h) The Owner covenants to provide, or cause to be provided, such facts and estimates as the City reasonably considers necessary to enable it to execute and deliver its Tax Certificate. The Owner further covenants that (i) such facts and estimates will be based on its reasonable expectations on the date of issuance of the Major Improvement PID Bonds and will be, to the best

of the knowledge of the officers of the Owner providing such facts and estimates, true, correct and complete as of that date, and (ii) the Owner will make reasonable inquiries to ensure such truth, correctness and completeness. The Owner covenants that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use or investment of the Bond Proceeds that would cause any of the covenants or agreements of the City contained in the Tax Certificate to be violated or that would otherwise have an adverse effect on the tax-exempt status of the interest payable on the Major Improvement PID Bonds for federal income tax purposes.

Section 6.03. Indemnification and Hold Harmless by Owner

THE OWNER WILL DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY, AND ITS OFFICIALS, EMPLOYEES, OFFICERS, REPRESENTATIVES, AND AGENTS (IN THIS SECTION, THE "CITY") AGAINST AND FROM, AND WILL PAY TO THE CITY, THE AMOUNT OF, ALL ACTIONS, DAMAGES, CLAIMS, LOSSES, OR EXPENSE OF ANY TYPE, WHETHER OR NOT INVOLVING A THIRD-PARTY CLAIM (COLLECTIVELY, "DAMAGES"), ARISING DIRECTLY OR INDIRECTLY, FROM (i) THE BREACH OF ANY PROVISION OF THIS AGREEMENT BY THE OWNER; (ii) THE NEGLIGENT DESIGN, ENGINEERING, OR CONSTRUCTION BY THE OWNER OF ANY PUBLIC IMPROVEMENT ACQUIRED BY THE CITY; OR (iii) THE OWNER'S NONPAYMENT UNDER CONTRACTS WITH THE OWNER FOR ANY PUBLIC IMPROVEMENT UNDER THIS AGREEMENT. THE OWNER WILL DEFEND THE CITY AGAINST ALL SUCH CLAIMS AND THE CITY WILL REASONABLY COOPERATE AND ASSIST IN PROVIDING SUCH DEFENSE. THIS SECTION SURVIVES THE TERMINATION OF THIS AGREEMENT INDEFINITELY, SUBJECT TO APPROPRIATE STATUTES OF LIMITATIONS, AS THEY MAY BE TOLLED OR EXTENDED BY AGREEMENT OR OPERATION OF LAW.

ARTICLE VII. DEFAULT AND REMEDIES

(a) A Party shall be deemed in default under this Agreement (which shall be deemed a breach hereunder) if such Party fails to materially perform, observe or comply with any of its covenants, agreements or obligations hereunder or breaches or violates any of its representations contained in this Agreement.

(b) Before any failure of any Party to perform its obligations under this Agreement shall be deemed to be a breach of this Agreement, the Party claiming such failure shall notify, in writing, the Party alleged to have failed to perform of the alleged failure and shall demand performance. No breach of this Agreement may be found to have occurred if performance has commenced to the reasonable satisfaction of the complaining Party within thirty (30) days of the receipt of such notice (or five (5) days in the case of a monetary default), subject, however, in the case of non-monetary default, to the terms and provisions of subparagraph (c). Upon a breach of this Agreement, the non-defaulting Party in any court of competent jurisdiction, by an action or proceeding at law or in equity, may secure the specific performance of the covenants and agreements herein contained (and/or an action for mandamus as and if appropriate). Except as otherwise set forth herein, no action taken by a Party pursuant to the provisions of this Article VII

or pursuant to the provisions of any other Section of this Agreement shall be deemed to constitute an election of remedies and all remedies set forth in this Agreement shall be cumulative and non-exclusive of any other remedy either set forth herein or available to any Party at law or in equity. Each of the Parties shall have the affirmative obligation to mitigate its damages in the event of a default by the other Party. Notwithstanding any provision contained herein to the contrary, the Owner shall not be required to construct any portion of the Public Improvements (or take any other action related to or in furtherance of same) while the City is in default under this Agreement).

(c) Notwithstanding any provision in this Agreement to the contrary, if the performance of any covenant or obligation to be performed hereunder by any Party is delayed as a result of circumstances which are beyond the reasonable control of such Party (which circumstances may include, without limitation, pending litigation, acts of God, war, acts of civil disobedience, widespread pestilence, fire or other casualty, shortage of materials, adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or tornadoes, labor action, strikes, changes in the law affecting the obligations of the Parties hereunder, or similar acts), the time for such performance shall be extended by the amount of time of the delay directly caused by and relating to such uncontrolled circumstances. The Party claiming delay of performance as a result of any of the foregoing “force majeure” events shall deliver written notice of the commencement of any such delay resulting from such force majeure event not later than seven (7) days after the claiming Party becomes aware of the same, and if the claiming Party fails to so notify the other Party of the occurrence of a “force majeure” event causing such delay, the claiming Party shall not be entitled to avail itself of the provisions for the extension of performance contained in this Article.

ARTICLE VIII. GENERAL PROVISIONS

Section 8.01. Notices.

Any notice, communication, or disbursement required to be given or made hereunder shall be in writing and shall be given or made by facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses set forth below or at such other addresses as any be specified in writing by any Party hereto to the other parties hereto. Each notice which shall be mailed or delivered in the manner described above shall be deemed sufficiently given, served, sent, and received for all purpose at such time as it is received by the addressee (with return receipt, the delivery receipt or the affidavit of messenger being deemed conclusive evidence of such receipt) at the following addresses:

If to City: City of San Marcos
 Attn: City Manager
 630 East Hopkins
 San Marcos, TX 78666
 Facsimile: 512-396-2683

If to Owner: Highpointe Trace, LLC
 Attn: Timothy D. England
 2 Venture Suite 350

Irvine, California 92618
Facsimile: 949-472-0198

With a copy to: Metcalfe Wolff Stuart & Williams, LLP
Attn: Steven C. Metcalfe
221 W. 6th, Suite 1300
Austin, Texas 78701
Facsimile: 512-404-2244

Section 8.02. Fee Arrangement /Administration of District

(a) The Owner agrees that it will pay all of the City's reasonable costs and expenses (including the City's third party advisors and consultants) related to the creation and administration of the District, as well as costs and expenses relating to the development and review of the 2018 SAP (including legal fees and financial advisory fees) ("**City PID Costs**"). Prior to closing of the Initial Major Improvement PID Bonds, the City shall (i) submit to the Owner and the Trustee invoices and other supporting documentation evidencing the City PID Costs and (ii) direct the Trustee to pay these fees, as applicable, to the City or on behalf of the City from proceeds of the Initial Major Improvement PID Bonds. In addition to any City PID Costs pursuant to the preceding sentences, all fees of legal counsel related to the issuance of the Initial Major Improvement PID Bonds, including fees for the review of the District creation and District administration documentation, the preparation of customary bond documents and the obtaining of Attorney General approval for the Initial Major Improvement PID Bonds incurred by the Owner or otherwise, will be paid at closing from proceeds of the Initial Major Improvement PID Bonds.

(b) The Owner shall be solely responsible for the costs associated with the issuance of any Additional Major Improvement PID Bonds. The terms of subparagraph (a) above shall apply to the Owner in the event that any Additional Major Improvement PID Bonds are issued.

(c) The City has entered into a separate agreement with an Administrator to administer the District after Closing. The Administrative Expenses shall be collected as part of and in the same manner as Annual Installments in the amounts set forth in the 2018 SAP.

Section 8.03. Assignment

(a) Owner may, in its sole and absolute discretion, transfer or assign its rights or obligations under this Agreement with respect to all or part of the Project from time to time to an Affiliate without the consent of the City. Prior to the issuance of the Initial Major Public Improvement PID Bonds, however, Owner shall not transfer or assign its rights or obligations under this Agreement with respect to all or part of the Project to a non-affiliated entity without the prior consent of the City. After the issuance of the Initial Major Public Improvement PID Bonds, the Owner may transfer or assign its rights or obligations under this Agreement to any party without the City's consent. Owner shall provide the City thirty (30) days prior written notice of any such assignment. Upon such assignment or partial assignment, Owner shall be fully released from any and all future obligations under this Agreement and shall have no liability for such obligations with respect to this Agreement for the part of the Project so assigned.

(b) The City hereby acknowledges and agrees that Owner shall have the right to make a collateral assignment of any reimbursements and/or proceeds under this Agreement to any lender on the Project and the City shall execute any documentation reasonably requested by such lender evidencing such fact.

(c) Any sale of a portion of the Property or assignment of any right hereunder shall not be deemed a sale or assignment to a Designated Successor or Assign unless the conveyance or transfer instrument effecting such sale or assignment expressly states that the sale or assignment is to a Designated Successor or Assign.

(d) Any sale of a portion of the Property or assignment of any right hereunder shall not be deemed a Transfer unless the conveyance or transfer instrument effecting such sale or assignment expressly states that the sale or assignment is deemed to be a Transfer.

Section 8.04. Construction of Certain Terms

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction shall apply:

(a) Words importing a gender include either gender.

(b) Words importing the singular include the plural and vice versa.

(c) A reference to a document includes an amendment, supplement, or addition to, or replacement, substitution, or novation of, that document but, if applicable, only if such amendment, supplement, addition, replacement, substitution, or novation is permitted by and in accordance with that applicable document.

(d) Any term defined herein by reference to another instrument or document shall continue to have the meaning ascribed thereto whether or not such other instrument or document remains in effect.

(e) A reference to any Party includes, with respect to Owner, its Designated Successors and Assigns, and reference to any Party in a particular capacity excludes such Party in any other capacity or individually.

(f) All references in this Agreement to designated "Articles," "Sections," and other subdivisions are to the designated Articles, Sections, and other subdivisions of this Agreement. All references in this Agreement to "Exhibits" are to the designated Exhibits to this Agreement.

(g) The words "herein," "hereof," "hereto," "hereby," "hereunder," and other words of similar import refer to this Agreement as a whole and not to the specific Section or provision where such word appears.

(h) The words "including" and "includes," and words of similar import, are deemed to be followed by the phrase "without limitation."

(i) Unless the context otherwise requires, a reference to the "Property," the "Public Improvements," or the "District" is deemed to be followed by the phrase "or a portion thereof."

(j) Every "request," "order," "demand," "direction," "application," "appointment," "notice," "statement," "certificate," "consent," "approval," "waiver," "identification," or similar action under this Agreement by any Party shall, unless the form of such instrument is specifically provided, be in writing duly signed by a duly authorized representative of such Party.

(k) The Parties hereto acknowledge that each such party and their respective counsel have participated in the drafting and revision of this Agreement. Accordingly, the Parties agree that any rule of construction that disfavors the drafting party shall not apply in the interpretation of this Agreement.

Section 8.05. Table of Contents; Titles and Headings

The titles of the articles, and the headings of the sections of this Agreement are solely for convenience of reference, are not a part of this Agreement, and shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

Section 8.06. Amendments.

This Agreement may be amended, modified, revised or changed by written instrument executed by the Parties and approved by the City Council.

Section 8.07. Time

In computing the number of days for purposes of this Agreement, all days will be counted, including Saturdays, Sundays, and legal holidays; however, if the final day of any time period falls on a Saturday, Sunday, or legal holiday, then the final day will be deemed to be the next day that is not a Saturday, Sunday, or legal holiday.

Section 8.08. Counterparts

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, and all of which will together constitute the same instrument.

Section 8.09. Entire Agreement

This Agreement contains the entire agreement of the Parties.

Section 8.10. Severability; Waiver

If any provision of this Agreement is illegal, invalid, or unenforceable, under present or future laws, it is the intention of the parties that the remainder of this Agreement not be affected and, in lieu of each illegal, invalid, or unenforceable provision, a provision be added to this Agreement which is legal, valid, and enforceable and is as similar in terms to the illegal, invalid, or enforceable provision as is possible.

Any failure by a Party to insist upon strict performance by the other party of any material provision of this Agreement will not be deemed a waiver or of any other provision, and such Party

may at any time thereafter insist upon strict performance of any and all of the provisions of this Agreement.

Section 8.11. Owner as Independent Contractor

In performing under this Agreement, it is mutually understood that the Owner is acting as an independent contractor, and not an agent of the City.

Section 8.12. Supplemental Agreements

Other agreements and details concerning the obligations of the Parties under and with respect to this Agreement are/or will be included in the Original Service and Assessment Plan, the Assessment Ordinance, PID Bond Ordinance and/or Indenture. The Owner will provide any continuing disclosures required under the Indenture and will execute a separate agreement outlining Owner's continuing disclosure obligations, if required.

Section 8.13. City's Acceptance of Public Improvements

The City hereby agrees that it will not unreasonably withhold the final acceptance of any of the Public Improvements and will work with the Owner in good faith to expedite review and acceptance of such Public Improvements.

Section 8.14. Agreement Regarding Fire Station

The City hereby acknowledges and agrees that Owner's obligation to provide the Owner Contribution (as defined in the Agreement Regarding Fire Station) is contingent on the City having issued the Major Improvement PID Bonds. Owner will dedicate the fire station site pursuant to the terms of the Agreement Regarding Fire Station which has been approved by the City Council on the date of the Original Financing Agreement.

Section 8.15. Boycotts and Foreign Business Engagements

(a) The Owner represents and warrants, for purposes of Chapter 2270 of the Texas Government Code, that at the time of execution and delivery of this Agreement, neither the Owner, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Owner, boycotts Israel. The Owner agrees that, except to the extent otherwise required by applicable federal law, including, without limitation, 50 U.S.C. Section 4607, neither the Owner, nor any wholly-owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the Owner, will boycott Israel during the term of this Agreement. The terms "boycotts Israel" and "boycott Israel" as used in this clause (a) has the meaning assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code.

(b) The Owner represents and warrants, for purposes of Subchapter F of Chapter 2252 of the Texas Government Code, that at the time of execution and delivery of this Agreement neither the Owner, nor any wholly-owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the Owner, (1) engages in business with Iran, Sudan, or any foreign terrorist organization as described in Chapters 806 or 807 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (2) is a company listed by the Texas Comptroller under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code. The

term “foreign terrorist organization” as used in this clause (b) has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.

Section 8.16. Restatement and Replacement

THIS AMENDED AND RESTATED TRACE PUBLIC IMPROVEMENT DISTRICT FINANCE AGREEMENT RESTATES AND REPLACES THE TRACE PUBLIC IMPROVEMENT DISTRICT FINANCE AGREEMENT DATED EFFECTIVE OCTOBER 20, 2015.

Section 8.16. Exhibits

The following exhibits are attached to and incorporated into this Agreement for all purposes:

- | | | |
|-----------|---|-----------------------------------|
| Exhibit A | - | Definitions |
| Exhibit B | - | Property |
| Exhibit C | - | Form of Certification for Payment |
| Exhibit D | - | Closing Disbursement Request |

[Signature Pages to Follow]

City of San Marcos, Texas

By: _____
Name: _____
Title: _____

[Signatures Continue on Next Page]

HIGHPOINTE TRACE, LLC,
a California limited liability company

By: Highpointe Posey, L.P., a California
limited partnership, its Managing
Member

By: Highpointe Investments, Inc.,
a California corporation, its
General Partner

By: _____
Timothy D. England, SVP

[Signatures Continue on Next Page]

It is hereby acknowledged that the Consenting Parties are executing this Agreement solely due to the fact that they are owners of a portion of the Property and, except for their obligations expressly set forth under the Landowner's Agreement, the Consenting Parties has no rights, duties or obligations under this Agreement.

CONSENTING PARTIES:

BUFFINGTON TEXAS CLASSIC HOMES, LLC, a
Texas limited liability company

By: **BUFFINGTON HOMEBUILDING GROUP, LTD.**,
a Texas limited partnership,
its sole member

By: **BUFFINGTON HOMEBUILDING
GROUP MANAGEMENT, L.L.C.**,
a Texas limited liability company,
its general partner

By: _____

Name: _____

Title: _____

PACESETTER HOMES, LLC,
a Texas limited liability company

By: _____

Name: Thomas Lynch

Its: President

By: _____

Name: LaNelle Deardorf

Its: Assistant Secretary

Exhibit “A”

DEFINITIONS

Unless the context requires otherwise, and in addition to the terms defined above, each of the following terms and phrases used in this Agreement has the meaning ascribed thereto below:

2018 SAP” has the meaning set forth in the recitals of this Agreement.

“Acceptance Date” means, with respect to a Segment, the date that the Actual Cost thereof is paid to the Owner pursuant to the terms hereof.

“Amended Reimbursement Agreement” means the Amended and Restated Acquisition and Reimbursement Agreement set forth in the recitals that provides for construction and dedication of a Public Improvement (or Segments) to the City prior to the Owner being paid out of the applicable Initial Major Improvement PID Bond or Additional Major Improvement PID Bond proceeds, whereby all or a portion of the Actual Costs will be paid to Owner initially from Special Assessment Revenues reimburse the Owner for actual costs paid by the Owner that are eligible to be paid with Major Improvement PID Bond proceeds.

“Actual Cost(s)” means, with respect to the Public Improvements, the Owner’s demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvement, as specified in a payment request in a form that has been reviewed and approved by the City and in an amount not to exceed the amount for each Public Improvements as set forth in the 2018 SAP (subject to cost overruns). Actual Costs may include (a) the costs incurred by or on behalf of the Owner (either directly or through affiliates) for the design, planning, financing, administration/management, acquisition, installation, construction and/or implementation of such Public Improvements, (b) the fees paid for obtaining permits, licenses or other governmental approvals for such Public Improvements, (c) Construction Management Fee, (d) the costs incurred by or on behalf of the Owner for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, (e) all labor, bonds and materials, including equipment and fixtures, by contractors, builders and materialmen in connection with the acquisition, construction or implementation of the Public Improvements, (f) all related permitting and public approval expenses, architectural, engineering, and consulting fees, financing charges, taxes, governmental fees and charges, insurance premiums, and all payments for Administrative Expenses after the date of a resolution authorizing such reimbursement, plus Interest, if any, at the lower of (x) the maximum interest rate permitted by the PID Act or (y) the interest rate of the Bonds calculated from the respective dates of the expenditures until the date of reimbursement therefore.

“Additional Assessment Ordinance” has the meaning given in the recitals of this Agreement.

“Additional Major Improvement PID Bonds” means collectively any additional bonds beyond the Initial Major Improvement PID Bonds.

“Administrator” has shall mean P3Works, LLC, or any subsequent person or entity designated by the City.

“Administrative Expenses” means the administrative, organization, maintenance and operation costs and expenses associated with, or incident to, the administration, organization, maintenance and operation of the District, including, but not limited to, the costs of (i) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, (ii) creating and organizing the District and preparing the assessment roll, (iii) computing, levying, collecting and transmitting the Special Assessments or the installments thereof, (iv) maintaining the record of installments, payments and reallocations and/or cancellations of the Special Assessments, (v) issuing, paying and redeeming the Major Improvement PID Bonds, (vi) investing or depositing the Special Assessments, (vii) complying with the PID Act with respect to the Major Improvement PID Bonds, (viii) paying the paying agent/registrar’s and trustee’s fees and expenses (including the fees and expenses of its legal counsel), and (ix) administering the construction of the Public Improvements, in accordance with the terms of this Agreement.

“Affiliate” means entity which is controlled by, controls, or is under common control with Owner.

“Agreement” has the meaning given in the recitals to this Agreement.

“Agreement Regarding Fire Station” means that certain Agreement Regarding Fire Station dated of October 20, 2015 by and between the City and Owner.

“Amended Reimbursement Agreement” has the meaning given in the recitals of this Agreement.

“Annual Installment” shall have the meaning given in the 2018 SAP.

“Appraisal” means each appraisal of the Property (or applicable component thereof, as required by Section 2.01(h) hereof.

“Assessment Ordinance” means each ordinance, resolution or order adopted by the City Council levying the Special Assessments on the Property, as required by Article II of this Agreement. The Original Assessment Ordinance and the Additional Assessment Ordinance are each an “Assessment Ordinance”.

“Attorney General” means the Texas Attorney General’s Office.

“Bond Counsel” means McCall, Parkhurst & Horton LLP.

“Bond Improvement Account” means an account established pursuant to an Indenture and into which the Trustee will deposit Bond Proceeds to be used for the construction of any Public Improvements.

“Bond Issuance Costs” means costs relating to the authorization, sale and issuance of the PID Bonds including, printing costs, costs of reproducing and binding documents, closing costs,

filing and recording fees, initial fees, expenses and charges of the Trustee, including its first annual administration fee, expenses incurred by the City or Owners in connection with the issuance of the Major Improvement PID Bonds (provided such expenses are defined as “issuance costs” under the Tax Code), the SAP Consultant’s fees, bond (underwriter’s) discount or underwriting fee, legal fees and charges, including Bond Counsel, charges for execution, transportation and safekeeping of the Major Improvement PID Bonds and other costs, charges and fees in connection with the issuance of the Major Improvement PID Bonds.

“Bond Issuance Request” means written request made by Owner to the City in good faith as evidenced by Owner’s expenditure of necessary amounts for market studies, financial analysis, legal counsel, and other professional services and due diligence necessary to support the request.

“Bond Ordinance” shall mean the order or ordinance of the City Council that will authorize and approve the issuance and sale of the Major Improvement PID Bonds and provide for their security and payment, either by the terms of the Bond Ordinance or an Indenture related to the PID Bonds.

“Bond Proceeds” shall have the meaning given to them in Section 5.02(i) hereof.

“Certification for Payment” means the certificate (whether one or more) in substantially the same form as Exhibit “C” attached hereto.

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

“City Construction Representative” means the City Engineer or such other person selected by the City to oversee the construction of the Public Improvements on behalf of the City.

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

“City PID Costs” shall have the meaning given in Section 8.02 of this Agreement.

“Closing Disbursement Request” means the request (whether one or more) in substantially the same form as Exhibit “D” attached hereto.

“Construction Manager” means initially the Owner, and thereafter subject to change in accordance with Section 3 of this Agreement. The City acknowledges and agrees that (i) the Owner intends to subcontract out the duties of Construction Manager to a third party and (ii) Owner’s hiring of the initial subcontractor to serve as the Construction Manager shall not be deemed a change in the Construction Manager pursuant to the terms and conditions of Section 3.

“Construction Management Fee” means 4% of the costs incurred by or on behalf of Owner for the construction of each Segment. The Construction Management Fee is part of the Actual Costs.

“Cost of Issuance Account” shall have the meaning given in the Indenture.

“County” means Hays County, Texas.

“Debt” means any bond, note, or other evidence of indebtedness incurred, entered into, or issued by the City related exclusively to the District.

“Designated Successors and Assigns” shall mean (i) an entity to which Owner assigns (in writing) its rights and obligations contained in this Agreement pursuant to Section 8.03 related to all or a portion of the Property, (ii) any entity which is the successor by merger or otherwise to all or substantially all of Owner’s assets and liabilities including, but not limited to, any merger or acquisition pursuant to any public offering or reorganization to obtain financing and/or growth capital; or (iii) any entity which may have acquired all of the outstanding stock or ownership of assets of Owner.

“District” has the meaning given in the recitals to this Agreement.

“Effective Date” has the meaning given in the recitals to this Agreement.

“Force majeure” shall mean delays due to strikes, acts of God, inability to obtain labor or materials, litigation, enemy action, civil commotion, fire, rain or windstorm, governmental action or inaction, or similar causes, provided such similar causes are beyond the reasonable control of the party whose obligations are affected by such acts.

“Indenture” means the applicable Indenture of Trust between the City and a trustee relating to the issuance of a series of PID Bonds for financing costs of Public Improvements, as it may be amended from time to time.

“Initial Major Improvement PID Bonds” means those certain City of San Marcos, Texas Special Assessment Revenue Bonds, Series [2018] (Trace Public Improvement District Major Public Improvement Project) that will be secured by Special Assessments levied on an assessed parcel in order to fund the Public Improvements.

“Interest” shall mean the interest rate charged for the Major Improvement PID Bonds or such other interest rate as may be required by applicable law.

“Issue Date” means the date of the initial delivery of any of the Major Improvement PID Bonds.

“Major Improvement PID Bonds” or **“PID Bonds”** shall collectively refer to the Initial Major Improvement PID Bonds and the Additional Major Improvement PID Bonds, and singularly the Initial Major Improvement PID Bonds or the Additional Major Improvement PID Bonds.

“Non-Benefited Property” shall have the meaning assigned to it in the 2018 SAP.

“Notice” means any notice, writing, or other communication given under this Agreement.

“Original Assessment Ordinance” has the meaning given in the recitals to this Agreement.

“Original Financing Agreement” has the meaning given in the recitals to this Agreement.

“Original Reimbursement Agreement” has the meaning given in the recitals to this Agreement.

“Original Service and Assessment Plan” has the meaning given in the recitals to this Agreement.

“Owner” has the meaning given in the recitals to this Agreement.

“Owner’s Association” means a homeowner’s association or property owner’s association.

“Owner Association Property” means property within the boundaries of the PID that is owned by or irrevocably offered for dedication to, whether in fee simple or through an exclusive use easement, an Owners’ Association established for the benefit of a group of homeowners or property owners within the PID.

“Owner Continuing Disclosure Agreement” shall have the meaning given in the Indenture or any purchase agreement relating to the sale of the Major Improvement PID Bonds.

“Owner Expended Funds” has the meaning given in Section 4.02(c) of this Agreement.

“Party” means the Owner or the City, as parties to this Agreement, and **“Parties”** means collectively, the Owner and the City.

“Payment Request” means the document to be provided by the Owner to substantiate the Actual Cost of one or more Segments.

“PDD” has the meaning given in the recitals to this Agreement.

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

“PID Bond Ordinance” means and refers to the order(s) or ordinances of the City Council that will authorize and approve the issuance and sale of the Major Improvement PID Bonds and provide for their security and payment, either under the terms of the bond order or a trust indenture related to the Major Improvement PID Bonds.

“PID Bond Security” means the funds that are to be pledged in or pursuant to the PID Bond Ordinance or the Indenture to the payment of the debt service requirements on the Major Improvement PID Bonds, consisting of the Special Assessments, including earnings and income derived from the investment or deposit of Special Assessments in the special funds or accounts created and established for the payment and security of the Major Improvement PID Bonds, unless such earnings are required to be deposited into a rebate fund for payment to the federal government.

“Pledged Revenue Fund” means the separate and unique fund established by the City under such name pursuant to the Indenture wherein the Special Assessment Revenues are deposited.

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

“Project” has the meaning given in the recitals to this Agreement.

“Project Costs” means the total of all Actual Costs.

“Project Engineer” means the civil engineer or firm of civil engineers selected by the Owner to perform the duties set forth herein, which is currently Texas Engineering Solutions. Owner reserves the right to replace the Project Engineer at any time in Owner’s sole discretion.

“Project Fund” means the separate and unique fund established by the City under such name pursuant to the Indenture as described in Section 5.02 hereof.

“Property” has the meaning given in the recitals to this Agreement.

“Public Improvements” mean the improvements permitted by the PID Act and described in the 2018 SAP for which Special Assessments are levied against the Assessed Property that receives a special benefit from such improvement as depicted on Appendix D to the 2018 SAP.

“Public Property” means property, plat, real property, right of way and easements located within the boundaries of the District that is owned by or irrevocably offered for dedication to the federal government, the State of Texas, the County, the City, a school district, a public utility provider or any other political subdivision or public agency, whether in fee simple, through an exclusive use easement, or through a public utility easement.

“Regulatory Requirements” means the requirements and provisions of the City over the Public Improvements, as adjusted by the PUD.

“Reimbursement Payment” has the meaning given in Section 4.02(c) of this Agreement.

“SAP Consultant” means Development Planning & Financing Group, Inc.

“Segment” or “Segments” means the discrete portions of the Public Improvements identified as such.

“Special Assessments” means the assessments levied against properties in the District, as provided for in the Initial Assessment Ordinance and in the Additional Assessment Ordinance, including any supplemental assessments or reallocation of assessments levied in accordance with Sections 372.019 and 372.020 of the PID Act.

“Special Assessment Revenues” means money collected by or on behalf of the City from any one or more of the following: (i) a Special Assessment levied against an assessed parcel, or Annual Installment payment thereof, including any interest on such Special Assessment or Annual

Installment thereof during any period of delinquency, (ii) a Prepayment, (iii) Delinquent Collection Costs (as defined in the Indenture), and (iv) Foreclosure Proceeds (as defined in the Indenture).

“State” means the State of Texas.

“Tax Certificate” shall have the meaning given in Section 6.02(a) hereof.

“Tax Code” means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings and court decisions.

“Transfer” shall have the meaning given in Section 2.05(b) hereof.

“Transferee” shall have the meaning given in Section 2.05(b) hereof.

“Trustee” means the trustee under the Indenture, and any successor thereto permitted under such Indenture and any other Trustee under a future Indenture.

“Underwriter” means FMSBonds, Inc.

“Unpaid Balance” shall have the meaning given in the Amended Reimbursement Agreement.

Exhibit “B”

PROPERTY DESCRIPTION FOR PROJECT

EXHIBIT B

DESCRIPTION OF HIGHPOINTE

Legal description of land:

BEING A 417.630 ACRE TRACT OUT OF THE WILLIAM H. VAN HORN SURVEY, ABSTRACT NO. 464, HAYS COUNTY, TEXAS, AND BEING A PORTION OF THOSE CERTAIN 100.22 ACRE, 67.53 ACRE, 248.77 ACRE, AND 5.01 ACRE TRACTS CONVEYED TO JOQ-SAN MARCOS VENTURES L.P. BY DEED OF RECORD IN VOLUME 1820, PAGE 715, OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS; SAID 417.630 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, at a 1-inch iron pipe found in the east right-of-way line of Interstate Highway 35 (300' R.O.W.), being the called northeast corner of that certain 85.00 acre tract conveyed to San Marcos 197 Acre Associates, LLC, by Deed of record in Volume 4015, Page 562, of said Official Public Records, also being the northwest corner of said 248.77 acre tract, for the northwesterly corner hereof;

THENCE, N43°34'33"E, along said east right-of-way line of Interstate Highway 35, being the north line of said 248.77 acre tract, a distance of 2222.49 feet to a 1/2-inch iron rod found near the base of a fence post at the called northeast corner of said 248.77 acre tract, being the northwest corner of that certain 14.86 acre tract conveyed to Kimberley Gunnarson, by Deed of record in Volume 3281, Page 47, of said Official Public Records, for the northeasterly corner hereof;

THENCE, S45°57'08"E, leaving said east right-of-way line, along the west line of said 14.86 acre tract, being an east line of said 248.77 acre tract, generally with the remnants of an old barbed-wire fence (a new barbed-wire fence meanders parallel and several feet to the west), a distance of 976.48 feet to a calculated point at the called southwest corner of said 14.86 acre tract, being an angle point of said 248.77 acre tract, for an angle point hereof, from which an 8-inch cedar fence post found bears S45°57'08"E, a distance of 0.87 feet;

THENCE, N44°02'46"E, along the south line of said 14.86 acre tract, generally with a barbed-wire fence, at 14.92 feet passing a 1/2-inch iron rod found at the base of an 8-inch cedar fence post, being approximately at an angle point in the east line of said 248.77 acre tract and the approximate northwest corner of said 67.53 acre tract, and continuing along the north line of said 67.53 acre tract for a total distance of 673.37 feet to a 1/2-inch iron rod found at the base of a leaning 10-inch cedar fence post at the called southeast corner of said 14.86 acre tract, being the northeast corner of said 67.53 acre tract, also being in the west line of Lot 2, Final Plat of San Marcos Toyota Subdivision, of record in Book 9, Pages 155-156, of the Plat Records of Hays County, Texas, for an angle point hereof;

THENCE, S46°27'25"E, in part along the west line of said Lot 2 and in part along the remainder of that certain 56.288 acre tract conveyed to JMC Realty, LP, by Deed of record in Volume 1662, Page 628, of said Official Public Records, being the east line of said 67.53 acre tract, generally with a barbed-wire fence as called in said Volume 1662, Page 628 and Volume 1820, Page 715, a distance of 181.47 feet to a 3-inch cedar fence post found, for an angle point hereof;

THENCE, continuing along the west line of said 56.288 acre tract, being the east line of said 67.53 acre tract, generally with a barbed-wire fence as called in said Volume 1662, Page 628 and said Volume 1820, Page 715, the following four (4) courses and distances:

- 1) S46°59'15"E, a distance of 232.69 feet to an 8-inch cedar fence post found, for an angle point hereof;
- 2) S49°30'26"E, deviating from a re-established fence line over a creek, a distance of 126.95 feet to a 6-inch cedar fence post found, for an angle point hereof;

3) S47°20'32"E, rejoining and continuing generally with a barbed-wire fence line, a distance of 387.84 feet to a 1/2-inch iron rod found in the base of a hackberry tree, as called in said Volume 1662, Page 628, for an angle point hereof;

4) S47°39'57"E, a distance of 528.76 feet to a 1/2-inch iron rod found at the called southwest corner of said 56.288 acre tract, being at the base of a 10-inch cedar fence post at a called angle point in the east line of said 67.53 acre tract, for an angle point hereof;

THENCE, N44°31'00"E, along the south line of said 56.288 acre tract, being an east line of said 67.53 acre tract, generally with a barbed-wire fence, a distance of 646.04 feet to a 1/2-inch iron rod found at an angle point in the east line of said 67.53 acre tract, being the northwest corner of that certain 1.000 acre tract conveyed to Wilford L. Wootan, Jr., et ux, by Deed of record in Volume 536, Page 849, of the Real Property Records of Hays County, Texas, for an angle point hereof;

THENCE, S46°59'32"E, leaving the south line of said 56.288 acre tract, along the west line of said 1.000 acre tract, being an east line of said 67.53 acre tract, generally with a barbed-wire fence, a distance of 280.51 feet to a 1/2-inch iron rod found at the base of a fence post at the called southwest corner of said 1.000 acre tract, for an angle point hereof;

THENCE, N47°03'15"E, along the south line of said 1.000 acre tract and that certain 1.335 acre tract conveyed to Wilford L. Wootan, Jr., et ux, by Deed of record in Volume 401, Page 769, of said Real Property Records, being an east line of said 67.53 feet, generally with a barbed-wire fence, a distance of 335.24 feet to a 1/2-inch iron rod with "Capital Surveying Company" cap found at the northwest corner of that certain 0.8521 acre tract

conveyed to Hays County, Texas for right-of-way purposes, by Deed of record in Volume 2927, Page 699, of said Official Public Records, being the southwest right-of-way line of Posey Road (R.O.W. varies), for an angle point hereof;

THENCE, leaving the south line of said 1.335 acre tract, over and across said 67.53 acre tract and said 100.22 acre tract, along said southwest right-of-way line of Posey Road, being the west line of said 0.8521 acre tract, and those certain 0.5415 acre and 2.4004 acre tracts conveyed to Hays County, Texas for right-of-way purposes, by said Deed of record in Volume 2927, Page 699, the following eight (8) courses and distances:

1) S41°53'43"E, a distance of 78.28 feet to a disturbed 1/2-inch iron rod found at the point of curvature of a curve to the left;

2) Along said curve, having a radius of 6075.00 feet, a central angle of 04°47'50", an arc length of 508.66 feet, and a chord which bears S44°20'45"E, a distance of 508.51 feet to a 1/2-inch iron rod with "Capital Surveying Company" cap found at the point of tangency of said curve;

3) S46°43'43"E, at 327.46 feet passing a 1/2-inch iron rod found on the south line of said 67.53 acre tract, being the north line of said 100.22 acre tract, and continuing for a total distance of 865.99 feet to a calculated point at the point of curvature of a curve to the right;

4) Along said curve, having a radius of 15031.48 feet, a central angle of 00°34'12", an arc length of 149.56 feet, and a chord which bears S46°08'19"E, a distance of 149.56 feet to a 1/2-inch iron rod with "Capital Surveying Company" cap found at the point of tangency of said curve;

5) S46°08'26"E, a distance of 1770.49 feet to a calculated point at the point of curvature of a curve to the left;

6) Along said curve, having a radius of 14862.04 feet, a central angle of 00°34'49", an arc length of 150.53 feet, and a chord which bears S46°25'49"E, a distance of 150.53 feet to a 1/2-inch iron rod with "Capital Surveying Company" cap found at the point of tangency of said curve;

7) S46°41'07"E, a distance of 195.22 feet to a 1/2-inch iron rod with "Capital Surveying Company" stamp found near the base of a 2-inch steel fence post, for an angle point hereof;

8) S01°32'03"E, a distance of 28.03 feet to a calculated point at the southwest corner of said 2.4004 acre tract, being in the south line of said 100.22 acre tract, also being the intersection of said southwest right-of-way line of Posey Road and the northeast right-of-way line of County Road 266/Old Bastrop Highway/El Camino Real (R.O.W. varies), for the southeasterly corner hereof;

THENCE, along the used and occupied northeast right-of-way line of County Road 266, being the called south line of said 100.22 acre tract, generally with a barbed-wire fence, the following two (2) courses and distances:

1) S43°45'05"W, a distance of 70.45 feet to an 8-inch cedar fence post found, for an angle point hereof;

2) S44°04'56"W, a distance of 207.09 feet to a calculated point at the point of curvature of a curve to the right, being near the base of a 2-inch steel fence post, also being the east corner of that certain 0.0123 acre tract conveyed to Hays County, Texas for right-of-way purposes, by Deed of record in Volume 4600, Page 118, of said Official Public Records;

THENCE, continuing along said northeast right-of-way line, over and across said 100.22 acre tract, along said curve to the right, having a radius of 950.00 feet, a central angle of 08°05'19", an arc length of 134.11 feet, and a chord which bears S62°20'44"W, a distance of 134.00 feet to a calculated point near the base of a 2-inch steel fence post at the west corner of said 0.123 acre tract, being on the called south line of said 100.22 acre tract, for an angle point hereof;

THENCE, continuing along the used and occupied northeast right-of-way line of County Road 266, being the called south line of said 100.22 acre tract, generally with a barbed-wire fence, the following four (4) courses and distances:

1) S68°39'21"W, a distance of 769.76 feet to an 8-inch cedar fence post found, for an angle point hereof;

2) S69°15'47"W, a distance of 221.52 feet to a 60D nail found in an 8-inch cedar fence post, for an angle point hereof;

3) S70°25'00"W, a distance of 127.68 feet to an 8-inch cedar fence post found, for an angle point hereof;

4) S69°14'26"W, a distance of 228.32 feet to a calculated point at the called southwest corner of said 100.22 acre tract, being the southeast corner of that certain 5.0000 acre tract conveyed to Pleasant F. Rexroat and wife, Elwanda J. Rexroat, by Deed of record in Volume 1898, Page 98, of said Official Public Records, for an angle point hereof;

THENCE, N45°06'19"W, leaving said northeast right-of-way line of County Road 266, along the called west line of said 100.22 acre tract, generally with the remnants of an old barbed-wire fence (new wire fence meanders approximately parallel and several feet southwest of old fence), a distance of 85.52 feet to a 6-inch cedar fence post found leaning, for an angle point;

THENCE, N46°36'04"W, continuing generally with the remnants of an old-barbed wire fence as called in said Volume 1820, Page 715, a distance of 642.34 feet to a 1/2-inch iron pipe found near the base of a fence post, being the called northeast corner of said Rexroat 5.0000 acre tract, also being an angle point in the occupied east line of said 248.77 acre tract, for an angle point hereof;

THENCE, S70°39'07"W, leaving the occupied west line of said 100.22 acre tract, along the called and occupied north line of said Rexroat 5.0000 acre tract, being the occupied east line of said 248.77 acre tract, generally with a barbed-wire fence, a distance of 329.36 feet to a 1/2-inch iron pipe found near the base of a fence post at the called northwest corner of said Rexroat 5.0000 acre tract, being the occupied northeast corner of said 5.01 acre tract, for an angle point hereof;

THENCE, S46°20'51"E, leaving the east line of said 248.77 acre tract, along the called and occupied west line of said Rexroat 5.0000 acre tract, being the occupied east line of said 5.01 acre tract, generally with a barbed-wire fence, a distance of 747.43 feet to a 1/2-inch iron pipe found near the base of a fence post at the called southwest corner of said Rexroat 5.0000 acre tract, being the southeast corner of said 5.01 acre tract, also being in said used and occupied northeast right-of-way line of County Road 266, for an angle point hereof;

THENCE, S72°25'29"W, along the used and occupied northeast right-of-way of County Road 266, being the called south line of said 5.01 acre tract, generally with a barbed-wire fence, a distance of 335.30 feet to a calculated point in a fence line, being the called southwest corner of said 5.01 acre tract, being the occupied southeast corner of said 248.77 acre tract, from which a 1/2-inch iron pipe found bears N46°20'31"W, a distance of 2.00 feet, for an angle point hereof;

THENCE, continuing along the used and occupied northeast right-of-way line of County Road 266, being the called south line of said 248.77 acre tract, generally with a barbed-wire fence, the following nine (9) courses and distances:

- 1) S71°40'15"W, a distance of 115.86 feet to a calculated point in a fence line, for an angle point hereof;
- 2) S76°06'10"W, a distance of 46.03 feet to an 8-inch cedar fence post found, for an angle point hereof;
- 3) S86°28'05"W, a distance of 428.20 feet to an 8-inch cedar fence post found, for an angle point hereof;
- 4) N89°34'56"W, a distance of 321.83 feet to a T-post found, for an angle point hereof;
- 5) N89°02'24"W, a distance of 554.59 feet to a calculated point in a fence line, for an angle point hereof;
- 6) S89°48'27"W, a distance of 68.91 feet to an 8-inch creosoted fence post found, for an angle point hereof;
- 7) N81°53'25"W, a distance of 50.53 feet to an 8-inch creosoted fence post found, for an angle point hereof;
- 8) N88°55'45"W, at approximately 713 feet leaving said barbed-wire fence line, and continuing for a distance of 802.47 feet to a 1/2-inch iron rod with "Macias" cap found, for an angle point hereof;
- 9) N70°06'57"W, a distance of 39.04 feet to an 8-inch creosoted fence post found, for the southwesterly corner hereof;

THENCE, N46°27'14"W, continuing along the used and occupied northeast right-of-way line of County Road 266, being the called west line of said 248.77 acre tract, generally with a barbed-wire fence, a distance of 79.93 feet to a 1/2-inch iron pipe found at the called southeast corner of said 85.00 acre tract, for an angle point hereof;

THENCE, leaving said northeast right-of-way line of County Road 266, along the occupied east line of said 85.00 acre tract, being the called and occupied west line of said 248.77 acre tract, generally with a barbed wire fence, the following eight (8) courses and distances:

- 1) N41°35'30"W, a distance of 51.65 feet to a 1/2-inch iron pipe found, for an angle point hereof;
- 2) N45°22'24"W, a distance of 1221.06 feet to a 6-inch cedar fence post found, for an angle point hereof;
- 3) N45°15'48"W, a distance of 427.82 feet to a 6-inch cedar fence post found, for an angle point hereof;
- 4) N45°19'43"W, a distance of 673.22 feet to a 10-inch cedar fence post found, for an angle point hereof;
- 5) N46°33'40"W, a distance of 275.02 feet to a calculated point in a fence line, for an angle point hereof;
- 6) N47°51'30"W, a distance of 124.53 feet to a 6-inch cedar fence post found, for an angle point hereof;
- 7) N46°26'02"W, a distance of 218.87 feet to a T-post found, for an angle point hereof;
- 8) N46°25'10"W, at 158.03 feet passing a 1/2-inch iron pipe found, and continuing for a total distance of 769.08 feet to the POINT OF BEGINNING, and containing 417.630 acres (18,191,980 square feet) of land, more or less.

NOTE: THE COMPANY IS PROHIBITED FROM INSURING THE AREA OR QUANTITY OF THE LAND DESCRIBED HEREIN. ANY STATEMENT IN THE ABOVE LEGAL DESCRIPTION OF THE AREA OR QUANTITY OF LAND IS NOT A REPRESENTATION THAT SUCH AREA OR QUANTITY IS CORRECT, BUT IS MADE ONLY FOR INFORMATIONAL AND/OR IDENTIFICATION PURPOSES AND DOES NOT OVERRIDE ITEM 2 OF SCHEDULE B HEREOF.

Exhibit “C”

2018 SAP

RESOLUTION NO. 2018-139R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS APPROVING THE 2018 AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN WITH HIGHPOINTE TRACE, L.L.C. IN CONNECTION WITH THE TRACE PUBLIC IMPROVEMENT DISTRICT; AUTHORIZING THE CITY MANAGER TO EXECUTE SAID DOCUMENT ON BEHALF OF THE CITY; AND DECLARING AN EFFECTIVE DATE.

RECITALS:

WHEREAS, the City Council of the City of San Marcos (City Council) adopted Resolution No. 2015-145 creating the Trace Public Improvement District on October 20, 2015;

WHEREAS, the City Council adopted Resolution No. 2015-146 approving a Financing Agreement, Service and Assessment Plan and Reimbursement Agreement relating to the Trace Public Information District on October 20, 2015.

WHEREAS, the City Council adopted the Resolution 2016-150R approving the first Special Assessment on October 18, 2016.

WHEREAS, the City Council posted public notice and held a public hearing on August 7, 2018.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

PART 1. The attached 2018 Amended and Restated with Highpointe Trace, L.L.C. in connection with the Trace Public Improvement District is hereby approved.

PART 2. The City Manager is authorized to execute the document on behalf of the City.


PART 3. This Resolution shall be in full force and effect immediately from and after its passage.

ADOPTED on August 7, 2018.



Mayor
John Thomaides

Attest:



Jamie Lee Case
City Clerk

Trace Public Improvement District

2018 Amended and Restated Service and Assessment
Plan

August 7, 2018

Section I

PLAN DESCRIPTION AND DEFINED TERMS

A. Introduction

On October 20, 2015, (the “**Creation Date**”), the City Council (the “**City Council**”) of the City of San Marcos, Texas (the “**City**”) approved Resolution No. 2015-145R, which authorized the creation of the Trace Public Improvement District (the “**PID**”) to finance the Actual Costs of the Public Improvements for the benefit of certain property in the PID, all of which is located within the city limits of the City.

Chapter 372 of the Texas Local Government Code (as amended, the “**PID Act**”), governs the creation and operation of public improvement districts within the State of Texas. This 2018 Amended and Restated Service and Assessment Plan (the “**2018 SAP**”) was prepared pursuant to the PID Act. The PID Act requires that a service plan cover a period of at least five years and must also define the annual indebtedness and the projected costs for improvements. The PID Act also requires a service plan be reviewed and updated annually for the purpose of determining the annual budget for improvements. The service plan for the PID is described in more detail in **Section V** herein.

The Assessment Roll for the PID is attached hereto as **Appendix A**, and is addressed in **Section VII** of this 2018 SAP. The Special Assessments as shown on the Assessment Roll are based on the method for establishing and levying the Special Assessment described in **Sections IV** and **VI** of this 2018 SAP.

B. Definitions

“**2018 SAP**” means this 2018 Amended and Restated Trace Public Improvement District Service and Assessment Plan (as such plan is amended, supplemented or updated from time to time) approved by the City Council by an Assessment Ordinance.

“**Acquisition and Reimbursement Agreement**” means (whether one or more) an agreement that provides for construction and dedication of a Public Improvement to the City prior to the Landowner being paid out of the applicable Major Improvement PID Bonds proceeds, whereby all or a portion of the Actual Costs will be paid to Landowner initially from Special Assessments (and ultimately from the applicable Major Improvement PID Bonds) to reimburse the Landowner for Actual Costs paid by the Landowner that are eligible to be paid with PID Bond proceeds. The form of Acquisition and Reimbursement Agreement shall be reasonably acceptable to both City and Landowner and substantially in accordance with the form from the PID Financing Agreement – Exhibit “H”. It is intended that Acquisition and Reimbursement Agreements will be used in connection with the Initial Major Improvement PID Bonds and the Additional Major Improvement PID Bonds.

“**Actual Cost(s)**” means, with respect to the Public Improvements, the Landowner’s demonstrated, reasonable, allocable, and allowable costs of constructing such Public

Improvement, as specified in a payment request in a form that has been reviewed and approved by the City and in an amount not to exceed the amount for each Public Improvement as set forth in the 2018 SAP (subject to cost overruns in Section 5.01(e)). Actual Costs may include (a) the costs incurred by or on behalf of the Landowner (either directly or through affiliates) for the design, planning, financing, administration/management, acquisition, installation, construction and/or implementation of such Public Improvements, (b) the fees paid for obtaining permits, licenses or other governmental approvals for such Public Improvements, (c) construction management fee, (d) the costs incurred by or on behalf of the Landowner for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, (e) all labor, bonds and materials, including equipment and fixtures, by contractors, builders and materialmen in connection with the acquisition, construction or implementation of the Public Improvements, (f) all related permitting and public approval expenses, architectural, engineering, and consulting fees, financing charges, taxes, governmental fees and charges, insurance premiums, and all payments for Administrative Expenses after the date of a resolution authorizing such reimbursement, plus interest, if any, at the lower of (x) the maximum interest rate permitted by the PID Act or (y) the interest rate of the Major Improvement PID Bonds calculated from the respective dates of the expenditures until the date of reimbursement therefore.

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

“Additional Major Improvement PID Bonds” means the bonds issued to fund Public Improvements (or a portion thereof) that were not funded with the Initial Major Improvement PID Bonds and are secured by Special Assessments levied on Assessed Property.

“Additional Special Assessments” means the \$10,925,000 of Special Assessment levied on all Assessed Property within the PID upon the adoption of the Assessment Ordinance approving this 2018 SAP, with the consent of the Landowners and prior to the creation of any homestead within the PID.

“Administrative Expenses” means the administrative, organization, maintenance and operation costs and expenses associated with, or incident to, the administration, organization, maintenance and operation of the PID, including, but not limited to, the costs of (i) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, (ii) creating and organizing the PID and preparing the Assessment Roll, (iii) computing, levying, collecting and transmitting the Special Assessments or the Annual Installments thereof, (iv) maintaining the record of installments, payments and reallocations and/or cancellations of the Special Assessments, (v) paying and redeeming the Major Improvement PID Bonds, (vi) investing or depositing the Special Assessments or other monies, (vii) complying with the PID Act with respect to the Major Improvement PID Bonds, (viii) paying the paying agent/registrar’s and trustee’s fees and expenses (including the fees

and expenses of its legal counsel) related to the Major Improvement PID Bonds, and (ix) administering the construction of the Public Improvements.

“Administrator” means an employee of the City or third party designee of the City who shall have the responsibilities provided for herein, in an Indenture relating to Major Improvement PID Bonds or in any other agreement approved by the City Council.

“Annual Installment” means, with respect to each Parcel, each annual payment of: (i) the Special Assessment (including the principal of and interest on), as shown on the Assessment Roll attached hereto as **Appendix A**, as applicable, and calculated as provided in **Section VI** of this 2018 SAP, (ii) Administrative Expenses, (iii) the Additional Interest.

“Annual Service Plan Update” means any update to this 2018 SAP.

“Assessed Property” or **“Assessed Properties”** means property on which Special Assessments have been levied as shown on the Assessment Roll (as the same may be updated each year by an Annual Service Plan Update) and which includes any and all Parcels within the PID other than Non-Benefited Property.

“Assessment Ordinance” means each ordinance adopted by the City Council approving this 2018 SAP (or amendments or supplements to the 2018 SAP) and levying the Special Assessments.

“Assessment Roll” means the Assessment Roll included in this 2018 SAP as **Appendix A**, which may be updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of Major Improvement PID Bonds or in connection with any Annual Service Plan Update.

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

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

“County” means Hays County, Texas.

“Creation Date” means the date, October 20, 2015, the City Council approved Resolution No. 2015-145R which authorized the creation of the PID.

“Delinquent Collection Costs” means interest, penalties and expenses incurred or imposed with respect to any delinquent Special Assessment, or an Annual Installment thereof, in accordance with the PID Act which includes the costs related to pursuing collection of such delinquent Special Assessment, or an Annual Installment thereof, and the costs related to foreclosing the lien against the Assessed Property, including attorney’s fees.

“Fire Station Agreement” means that certain agreement entered into between the City and the Landowner on November 2, 2015.

“Indenture” means the applicable Indenture of Trust between the City and a trustee relating to the issuance of a series of Major Improvement PID Bonds for financing costs of Public Improvements, as it may be amended from time to time.

“Initial Major Improvement PID Bonds” means bonds issued to fund the initial Public Improvements (or a portion thereof) that are secured by Special Assessments levied on Assessed Property.

“Initial Special Assessment(s)” means the \$11,175,000 of Special Assessment levied on all Assessed Property within the PID upon the adoption of the Assessment Ordinance 2016-42 dated October 18, 2016 and levied in accordance with Sections 372.019 and 372.020 of the PID Act.

“Landowners” means Highpointe Trace, LLC, a California limited liability corporation, or other entity affiliated with Highpointe Communities, Inc.; Buffington Classic Texas Homes LLC, and Pacesetter Homes LLC.

“Lot” means (i) for any portion of the Property 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 (ii) for any portion of the Property 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, multifamily residential, single family residential, etc.), as determined by the Administrator and confirmed by the City Council. In the case of single family residential Lots, the Lot Type shall be further defined by classifying the residential Lots based on the estimated buildout value of the Lot, as determined by the Administrator and confirmed by the City Council.

“Lot Type 1” means a Lot platted prior to January 1, 2018 designated as a 32’/34’ alley lot.

“Lot Type 2” means a Lot platted prior to January 1, 2018 designated as a 41’ alley lot.

“Lot Type 3” means a Lot platted prior to January 1, 2018 designated as a 50’ lot.

“Major Improvement PID Bonds” means the special assessment revenue bonds to be issued by the City, in one or more series, to finance the Public Improvements that confer special benefit on the Assessed Property within the PID, which may include funds for any required reserves and amounts necessary to pay the Major Improvement Area PID Bonds issuance cost, and to be secured by the revenues and funds pledged under an Indenture, consisting primarily of the Special Assessments, pursuant to the authority granted in the PID Act, and as described by this 2018 SAP for the purposes of (i) financing the costs of Public Improvements and related costs and (ii) reimbursing the Landowner for Actual Costs paid prior to the issuance of the Major Improvement Area PID Bonds. This term is also used to

collectively refer to the Initial Major Improvement PID Bonds and any Additional Major Improvement PID Bonds throughout this 2018 SAP.

“Non-Benefited Property” means Parcels within the boundaries of the Property that accrue no special benefit from the Public Improvements, including Owner’s Association Property, Public Property and easements that create an exclusive use for a public utility provider. Property identified as Non-Benefited Property at the time the Special Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel is not assessed. Assessed Property converted to Non-Benefited Property, if the Special Assessments may not be reallocated pursuant to **Section VI.C** or **Section VI.D**, remains subject to the Special Assessments and requires the Special Assessments to be prepaid as provided for in **Section VI.E**.

“Owner’s Association” means a homeowner’s association or property owner’s association.

“Owner’s Association Property” means property within the boundaries of the PID that is owned by or irrevocably offered for dedication to, whether in fee simple or through an exclusive use easement, an Owners’ Association established for the benefit of a group of homeowners or property owners within the PID.

“Parcel” means a property identified by either a tax map identification number assigned by the Hays County Appraisal District for real property tax purposes, by metes and bounds description, 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” means the Trace Public Improvement District created by the City pursuant to Resolution No. 2015-145R approved on October 20, 2015.

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

“PID Financing Agreement” means that certain financing agreement between the Highpointe Trace, LLC and the City approved by Resolution No. 2015-146R on October 20, 2015, as amended.

“Prepayment Costs” mean interest and expenses to the date of prepayment, plus any additional expenses related to the prepayment, reasonably expected to be incurred by or imposed upon the City as a result of any prepayment of a Special Assessment and the Major Improvement PID Bonds secured by such Special Assessment.

“Property” means the approximately 417.63 acres of property depicted and described by metes and bounds on Exhibit A to Resolution No. 2015-146R as adopted by City Council on October 29, 2015 of which 320.28 acres are developable and are to be assessed with a Special Assessment. The Property is located within the City and is legally described in **Appendix B** to this 2018 SAP and is depicted in **Table II.A** of this 2018 SAP.

“Public Improvements” mean the improvements permitted by the PID Act and designed, constructed, and installed in accordance with this 2018 SAP for which Special Assessments are levied against the Assessed Property that receives a special benefit from such improvement and depicted in **Appendix D**.

“Public Property” means property, real property, right of way and easements located within the boundaries of the PID that is owned by or irrevocably offered for dedication to the federal government, the State of Texas, the County, the City, a school district, a public utility provider or any other political subdivision or public agency, whether in fee simple, through an exclusive use easement, plat, or a public utility easement.

“Special Assessment(s)” means the assessments levied against Assessed Property in the PID, as provided for in the applicable Assessment Ordinance and in this 2018 SAP, including any supplemental assessments or reallocation of assessments levied in accordance with Sections 372.019 and 372.020 of the PID Act.

“Trustee” means the trustee under the Indenture, and any successor thereto permitted under such Indenture and any other Trustee under a future Indenture.

“Unplatted Parcel” means the Parcel described in **Appendix F** and shown on **Appendix G**.

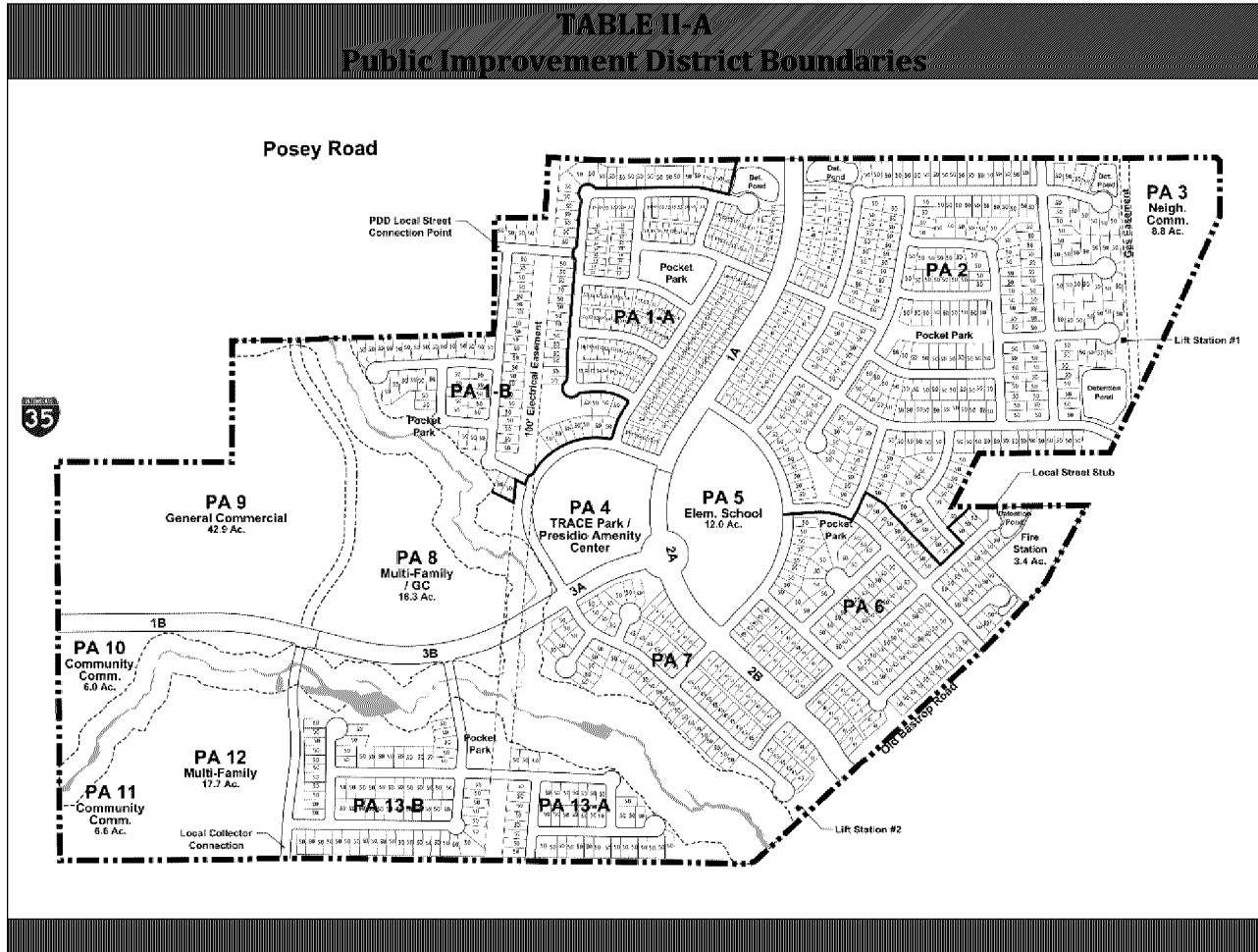
Section II

PROPERTY INCLUDED IN THE PID

A. Property Included in the PID

The PID is comprised of the Property. The PID is located entirely within the City's jurisdiction. It contains a total of approximately 417.63 acres of which approximately 302.7 acres are planned for development to include a combination of residential and commercial development as well as the associated rights of way, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities to the PID.

A map of the Property is shown in **Table II-A**. A Legal description for the Property is included in **Appendix E**.



Section III

DESCRIPTION OF THE PUBLIC IMPROVEMENTS

A. Description and Estimated Cost of the Public Improvements

The Public Improvements are described below and generally depicted in **Appendix D. Table III-A** shows the estimated cost of the Public Improvements. The estimated cost to construct the Public Improvements is \$22,386,420. The costs shown in **Table III-A** may be revised in Annual Service Plan Updates.

A description of the Public Improvements is provided below:

- *Street Improvements*
 - The street improvement portion of the Public Improvements consists of the construction of perimeter road and thoroughfare improvements, including related paving, sidewalks, retaining walls, signage, and traffic control devices, and the acquisition of related rights-of-way which benefit the Assessed Property. The City has determined that the acquisition of rights-of-way related to road improvements meets the requirements of its current policy on the financing of roadway rights-of-way through public improvement district assessments. The road improvements will be constructed according to City standards.
- *Drainage Improvements*
 - The storm drainage improvement portion of the Public Improvements consists of the construction of one detention pond, storm drain pipes, culverts, catch basins and appurtenances thereto to appropriately control and convey storm water. The storm drainage improvements will be constructed according to City standards.
- *Erosion & Sedimentation Control/Mobilization & General Conditions*
 - The Erosion and Sedimentation Control Measures (temporary BMPs) of the Public Improvements will include stabilized construction entrances, silt fence located downstream of all disturbed area, rock berms, inlet protection, and protection of mature trees and vegetation.
- *Water Line Distribution*
 - The water improvement portion of the Public Improvements consists of construction and installation of waterlines, mains, pipes, valves and appurtenances, necessary for the water distribution system that will service the Assessed Property. The water improvements will be constructed according to City standards.

- *Waste Water*
 - The wastewater improvement portion of the Public Improvements consists of construction and installation of pipes, service lines, manholes, encasements and appurtenances necessary to provide sanitary sewer service to the Assessed Property. The wastewater improvements will be constructed according to City standards.
- *Sewer Lift Station*
 - The sewer Lift Station portion of the Public Improvements consists of construction and installation for Lift Station A of manholes, wet wells, piping, pumps, electrical control equipment and appurtenances necessary to collect wastewater on one side of a geographical highpoint and transporting it across that highpoint to Lift Station B, construction and installation for Lift Station B of manholes, wet wells, piping, pumps, electrical control equipment and appurtenances necessary to collect wastewater on one side of a geographical highpoint and transporting it across that highpoint to a City designated discharge point. All sewer Lift Station improvements will be constructed according to City standards.
- *Landscaping – Arterial Roads, Open Space and Trails*
 - The landscape portion of the Public Improvements consists of the installation of various landscape improvements along arterial roads. The improvements include: street tree plantings, enhanced landscaping on perimeters and medians, bio-swales in medians (where functionally possible), associated irrigation, street lighting, and hardscape improvements at key locations for wayfinding. The open space and trails system consists of selective clearing and removal of trees or other select (invasive) vegetative cover to enhance the quality and function of the natural drainage areas and open spaces. Other improvements shall include a variety of trails with either; concrete, decomposed granite or natural earth surfacing, throughout the open spaces to provide access to the natural features of the site. Landscaping will include native grasses, wildflowers, trees and shrubs, associated irrigation as required, lighting, fencing or walls if necessary and hardscape improvements.
- *Public Safety Facilities*
 - The Landowner will pay costs, in an amount not to exceed \$500,000, associated with the construction of a new Fire Station per the Fire Station Agreement entered into the City and Landowner on November 2, 2015.

TABLE III-A
Public Improvements

Public Improvement	Hard Cost	Soft Costs	Construction		Total
			Management	Contingency	
		21.50%	4.35%	8.12%	
Street Improvements	5,788,090	1,244,628	251,949	470,186	7,754,853
Drainage Improvements	1,272,692	273,670	55,399	103,385	1,705,146
ErosionControl/Mobilization & General Conditions	563,672	121,208	24,536	45,789	755,205
Water Line Distribution	728,070	156,559	31,692	59,144	975,464
Wastewater	1,026,228	220,672	44,671	83,364	1,374,935
Sewer Lift Station	3,967,557	853,154	172,703	322,298	5,315,712
Landscaping - Arterial Roads, Open Space, and Trails	2,989,342	642,806	130,123	242,834	4,005,105
Public Safety Facilities	500,000	-	-	-	500,000
	16,835,651	3,512,697	711,072	1,327,000	22,386,420

Section IV

ASSESSMENT PLAN

A. Introduction

The PID Act requires the City Council to apportion the cost of the Public Improvements based on the special benefits conferred to each Parcel or Lot from the Public Improvements. The PID Act provides that the Actual Costs may be assessed: (i) equally per front foot or square foot; (ii) according to the value of the property as determined by the governing body, with or without regard to improvements on the property; or (iii) in any other manner that results in imposing equal shares of the cost on property similarly benefited. The PID Act further provides that the City Council may establish the methods of assessing the special benefits for various classes of improvements.

The determination by the City Council of the assessment methodology 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 Landowners and all future owners and developers of any Assessed Property.

B. Special Assessment Methodology

The City Council has determined that the costs of the Public Improvements shall be allocated to the Assessed Property by spreading the entire Special Assessment across all Assessed Property based on the ratio of the estimated build out value of each Lot to the total build out value for all Parcels. Table IV-A summarizes the allocation of the Initial Special Assessments and Additional Special Assessments.

TABLE IV-A
Allocation of Initial Special Assessments and Additional Special Assessments

	Lot Type	Lot Size	Land Use	Estimated Buildout Values	Units/SF	Gross AV	% of Total Buildout Value	Total			Per Unit		
								Initial Special Assessment	Additional Special Assessment	Total Special Assessment	Initial Special Assessment	Additional Special Assessment	Total Special Assessment
PLATTED LOTS													
Phase A	1	34	Single Family	192,131	30	5,763,930	1.20%	134,450	131,442	265,892	4,482	4,381	8,863
Phase A	2	40	Single Family	235,400	26	6,120,400	1.28%	142,765	139,571	282,336	5,491	5,368	10,859
Phase A	3	50	Single Family	259,657	23	5,972,115	1.25%	139,306	136,190	275,495	6,057	5,921	11,978
						17,856,445	3.73%	416,521	407,203	823,723			
UNPLATTED PARCEL													
Phase A			Retail	150	233,155	34,973,250	7.30%	815,788	797,538	1,613,327	3.50	3.42	6.92
Phase A			Business Park	200	467,181	93,436,200	19.50%	2,179,499	2,130,741	4,310,240	4.67	4.56	9.23
Phase A			Multi Family	135,000	402	54,270,000	11.33%	1,265,906	1,237,586	2,503,492	3,149	3,079	6,228
Phase A	34		Single Family	192,131	27	5,187,537	1.08%	121,005	118,298	239,303	4,482	4,381	8,863
Phase A	50		Single Family	259,657	42	10,905,601	2.28%	254,385	248,694	503,079	6,057	5,921	11,978
Phase B	34		Single Family	192,131	53	10,182,943	2.13%	237,528	232,214	469,742	4,482	4,381	8,863
Phase B	40		Single Family	235,400	33	7,768,200	1.62%	181,202	177,148	358,349	5,491	5,368	10,859
Phase B	50		Single Family	259,657	143	37,130,975	7.75%	866,120	846,743	1,712,863	6,057	5,921	11,978
Phase C	34		Single Family	192,131	69	13,257,039	2.77%	309,235	302,317	611,551	4,482	4,381	8,863
Phase C	40		Single Family	235,400	14	3,295,600	0.69%	76,873	75,154	152,027	5,491	5,368	10,859
Phase C	50		Single Family	259,657	128	33,236,117	6.94%	775,268	757,924	1,533,192	6,057	5,921	11,978
Phase D	40		Single Family	235,400	48	11,299,200	2.36%	263,566	257,670	521,236	5,491	5,368	10,859
Phase D	50		Single Family	259,657	160	41,545,147	8.67%	969,085	947,405	1,916,490	6,057	5,921	11,978
Phase E	40		Single Family	235,400	28	6,591,200	1.38%	153,747	150,307	304,054	5,491	5,368	10,859
Phase E	50		Single Family	259,657	62	16,098,744	3.36%	375,520	367,120	742,640	6,057	5,921	11,978
Phase F	50		Single Family	259,657	121	31,418,517	6.56%	732,871	716,475	1,449,346	6,057	5,921	11,978
Phase F			Multi Family	135,000	375	50,625,000	10.57%	1,180,882	1,154,464	2,335,347	3,149	3,079	6,228
						461,221,270	96.27%	10,758,479	10,517,797	21,276,277			
TOTAL						\$ 479,077,715	100.00%	\$ 11,175,000	\$ 10,925,000	\$ 22,100,000			

Note: Estimates based on information available as of the date the Annual Service Plan Update was adopted by the City Council. The unit counts and estimated buildout values for the unplatted parcel will be updated in future Annual Service Plan Updates, but the changes will not result in any changes to the platted lots or the overall assessment level on the Unplatted Parcel.

The Special Assessments and Annual Installments for each Parcel or Lot is shown on the Assessment Roll, attached as **Appendix A**, and no Special Assessment shall be changed except as authorized by this 2018 SAP or the PID Act.

C. Findings of Special Benefit

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

1. The estimated costs of the Public Improvements equal \$22,386,420, as shown on **Table III-A**; and
2. The Assessed Property receives special benefit from the Public Improvements equal to or greater than the Actual Cost of the Public Improvements; and
3. The special benefit ($\geq \$22,386,420$) received by the Assessed Property from the Public Improvements is greater than the combined amount of the Initial Special Assessments and Additional Special Assessments (\$22,100,000) levied for the Public Improvements.
4. The Landowners acknowledge that the Public Improvements confer a special benefit on the Assessed Property and has consented to the imposition of the Special Assessments to pay for the Actual Costs associated therewith. The Landowners have ratified, confirmed, accepted, agreed to and approved: (i) the determinations and findings by the City Council as to the special benefits described herein and the Assessment Ordinance; (ii) the 2018 SAP and the Assessment Ordinance, and (iii) the levying of Special Assessments on the Assessed Property.

D. Administrative Expenses

The cost of administering the PID and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel or Lot based on the amount of outstanding assessment remaining on the Parcel or Lot. The Administrative Expenses shall be collected as part of and in the same manner as Annual Installments in the amounts shown on the Assessment Roll shown on **Appendix A**, which is subject to revision through Annual Service Plan Updates.

E. Additional Interest

The interest rate on Special Assessments levied on the Assessed Property may exceed the interest rate on the Major Improvement PID Bonds by the Additional Interest. The Additional Interest shall be collected as part of each Annual Installment. The Additional Interest shall be deposited and used as described in the Indenture for any Major Improvement PID Bonds. Prior to the issuance of Major Improvement PID Bonds, no Additional Interest will be collected.

Section V

SERVICE PLAN

The PID Act requires a service plan to (i) cover a period of at least five years, and (ii) define the annual projected costs and indebtedness for the Public Improvements undertaken within the PID during the five year period. It is anticipated that it will take approximately 18 months for the Public Improvements to be constructed.

The estimated cost for the Public Improvements is \$22,386,420 as shown in **Table V-A**. The service plan shall be reviewed and updated at least annually for purposes of determining the annual budget for Administrative Expenses, updating the costs of the Public Improvements, and updating Assessment Roll shown on **Appendix A**.

Table V-A summarizes the sources and uses of funds required to construct the Public Improvements. The sources and uses of funds shown in **Table V-A** shall be updated each year in the Annual Service Plan Update.

TABLE V-A	
Sources and Uses of Funds	
SOURCES	
Initial Special Assessment (a)	\$ 11,175,000
Additional Special Assessment (a)	10,925,000
Developer Contribution (b)	286,420
	<u>\$ 22,386,420</u>
USES	
Public Improvements	\$ 22,386,420
Debt Service Reserve Fund (c)	-
Capitalized Interest (c)	-
Underwriter Discount (c)	-
Cost of Issuance (c)	-
	<u>\$ 22,386,420</u>
(a) Subject to Acquisition and Reimbursement Agreement	
(b) Not subject to Acquisition and Reimbursement Agreement	
(c) To be determined at time Major Improvement PID Bonds are issued.	

The projected Annual Installments for the first five years after the approval of this 2018 SAP are presented in **Table V-B**. The projected Annual Installments are subject to revision and shall be updated in the Annual Service Plan Update.

TABLE V-B
Projected Annual Installments

Installment Due January 31	Initial Special Assessment		Additional Special Assessment		Additional Interest	Administrative Expenses	Total
	Principal	Interest	Principal	Interest			
2018	100,000	670,500	-	-	-	60,000	830,500
2019	150,000	664,500	150,000	600,875	-	20,000	1,585,375
2020	160,000	655,500	160,000	592,625	-	40,800	1,608,925
2021	170,000	645,900	170,000	583,825	-	41,616	1,611,341
2022	180,000	635,700	175,000	574,475	-	42,448	1,607,623
2023	190,000	624,900	185,000	564,850	-	43,297	1,608,047

Section VI

TERMS OF THE SPECIAL ASSESSMENTS

A. Amount of Special Assessments and Annual Installments for Parcels

The Special Assessments and Annual Installments for the Assessed Property are shown on the Assessment Roll in **Appendix A**. The Special Assessment and Annual Installments shall not be changed except as authorized under the terms of this 2018 SAP and the PID Act.

B. Reallocation of Special Assessments

1. Upon Division Prior to Recording of Subdivision Plat

Upon the division of any Assessed Property (without the recording of a subdivision plat), the Administrator shall reallocate the Special 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 Special Assessment for the newly divided Assessed Property

B = the Special Assessment for the Assessed Property prior to division

C = the estimated buildout value of the newly divided Assessed Property

D = the sum of the estimated buildout value for all of the newly divided Assessed Properties

The calculation of the buildout value of an Assessed Property shall be performed by the Administrator based on information from the Landowners, homebuilders, market studies, appraisals, official public records of the County, and any other relevant information regarding the Assessed Property. The calculation as confirmed by the City Council shall be conclusive.

The sum of the Special Assessments for all newly divided Assessed Properties shall equal the Special Assessment for the Assessed Property prior to subdivision. The calculation shall be made separately for each newly divided Assessed Property. The reallocation of a Special Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Special Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update 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, the Administrator shall reallocate the Special Assessment for the Assessed Property prior to the subdivision among the newly subdivided Lots based on buildout value according to the following formula:

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

Where the terms have the following meanings:

A = the Special Assessment for the newly subdivided Lot

B = the Special Assessment for the Parcel prior to subdivision

C = the sum of the estimated average buildout value of all newly subdivided Lots with same Lot Type

D = the sum of the estimated average buildout value for all of the newly subdivided Lots excluding Non-Benefitted Property

E = the number of Lots with same Lot Type

Prior to the recording of a subdivision plat, the Landowner 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 considering factors such as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, discussions with homebuilders, and any other factors that may impact value. The calculation of the estimated average buildout value for a Lot shall be performed by the Administrator and confirmed by the City Council based on information provided by the Landowner, homebuilders, third party consultants, and/or the official public records of the County regarding the Lot.

The sum of the Special Assessments for all newly subdivided Lots shall not exceed the Special 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 a Special Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Special Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the City Council.

3. Upon Consolidation

Upon the consolidation of two or more Assessed Properties, the Special Assessment for the consolidated Assessed Property shall be the sum of the Special Assessments for the Assessed Properties prior to consolidation. The reallocation of a Special Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Special Assessment prior to the reallocation. Any reallocation pursuant to this section shall be calculated by the Administrator and reflected in an Annual Service Plan Update approved by the City Council. The consolidation of any Assessed Property as described herein shall be considered an administrative action and will not require any notice or public hearing (as defined in the PID Act) by the City Council.

C. Mandatory Prepayment of Assessments

If Assessed Property or a portion thereof is transferred to a party that is exempt from the payment of the Special Assessment under applicable law, or if an owner causes a Parcel or portion thereof to become Non-Benefitted Property, the owner of such Parcel or portion

thereof shall pay to the City the full amount of the Special Assessment, plus all Prepayment Costs, for such Parcel, Lot or portion thereof prior to any such transfer or act.

D. Mandatory Reduction of Special Assessments

The Landowner is required to prepay \$2,600,000 in Special Assessments levied against the business park and retail parcels by the earlier of i) the issuance of Additional Major Improvement PID Bonds, and ii) August 31, 2022. If the \$2,600,000 prepayment described above has not been received on or before August 31, 2022, then the Special Assessment levied against all property in the PID shall be reduced by \$2,600,000, allocated to each Parcel pro rata based on the amount of outstanding Special Assessment levied against each Parcel.

E. Reduction of Special Assessments

If after all Public Improvements to be funded with Major Improvement PID Bonds have been completed and the Actual Costs for the Public Improvements are less than the costs used to calculate the Special Assessments, then the City may reduce the Special Assessment for each Assessed Property pro rata such that the sum of the resulting reduced Special Assessments for all Assessed Properties equals the reduced Actual Costs. Additionally, the City may, at its discretion use such excess bond proceeds to fund additional Public Improvements in the PID. The Special Assessments shall not be reduced to an amount less than the outstanding principal amount of the Major Improvement PID Bonds.

Similarly, if the City does not undertake some of the Public Improvements, then the City may, at its discretion, reduce the Special Assessment for each Assessed Property pro-rata to reflect only the Actual Costs that were expended. The Special Assessments shall not be reduced to an amount less than the outstanding principal amount of the Major Improvement PID Bonds.

F. Payment of Special Assessments

1. Payment in Full

The Special Assessment for any Parcel or Lot may be paid in full at any time in accordance the PID Act. The Payment shall include all Prepayment Costs, if any. If prepayment in full will result in redemption of Major Improvement PID Bonds, the payment amount shall be reduced by the applicable portion of the proceeds from a debt service reserve fund applied to the redemption pursuant to the Indenture, net of any other costs applicable to the redemption of Major Improvement PID Bonds.

If an Annual Installment has been billed prior to payment in full of a Special Assessment, the Annual Installment shall be due and payable and shall be credited against the payment-in-full amount upon payment.

Upon payment in full of a Special Assessment and all Prepayment Costs, the City shall deposit the payment in accordance with the related Indenture; whereupon, the Special Assessment for the Parcel or Lot shall be reduced to zero, and the Parcel or

Lot owner's obligation to pay the Special Assessment and Annual Installments thereof shall automatically terminate. The City shall provide the owner of the affected Assessed Property a recordable "Notice of PID Assessment Termination."

At the option of a Parcel or Lot owner, the Special Assessment on any Parcel or Lot may be paid in part in an amount equal to the amount of prepaid Special Assessments plus Prepayment Costs, if any, with respect thereto. Upon the payment of such amount for a Parcel or Lot, the Special Assessment for the Parcel or Lot shall be reduced by the amount of such partial payment, the Assessment Roll shall be updated to reflect such partial payment, and the obligation to pay the Annual Installment for such Parcel or Lot shall be reduced to the extent the partial payment is made.

2. Payment of Annual Installments

The PID Act provides that a Special Assessment for a Parcel or Lot may be paid in full at any time. If not paid in full, the PID Act authorizes the City to collect interest and collection costs on the outstanding Special Assessment. A Special Assessment for a Parcel or Lot that is not paid in full will be collected in Annual Installments each year in the amounts shown in the Assessment Roll, which includes interest on the outstanding Special Assessment and Administrative Expenses.

The Annual Installments for the Initial Special Assessments have been calculated utilizing an interest rate of 6.0%, and the Annual Installments for the Additional Special Assessments have been calculated utilizing an interest rate of 5.5% .

The City reserves and shall have the right and option to refund Major Improvement PID Bonds in accordance with Section 372.027 of the PID Act, and such refunding bonds shall constitute "Major Improvement PID Bonds" for purposes of this 2018 SAP.

Any sale of Assessed Property for nonpayment of the delinquent Annual Installments shall be subject to the lien established for the remaining unpaid Annual Installments against such Assessed Property and such Assessed Property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent Annual Installments against such Assessed Property as they become due and payable.

Each Annual Installment, including the interest on the unpaid amount of a Special Assessment, shall be assessed annually. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments will be due when billed, and will be delinquent if not paid prior to February 1, 2019.

Section VII
THE ASSESSMENT ROLL

The Assessment Roll is attached as **Appendix A**. The Administrator shall prepare, and submit to the City Council for review and approval, proposed revisions to the Assessment Roll as well as the Annual Installments 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 2018 SAP, 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 City within 30 days of the mailing of a bill for the Annual Installment resulting from the this 2018 SAP or any Annual Service Plan Update; otherwise, the owner shall be deemed to have unconditionally approved the calculation. Upon receipt of a written notice of error from an owner, the City shall refer the notice to the Administrator who shall provide a written response to the City 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, and within 30 days 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 Act, this 2018 SAP, the Assessment Ordinance, 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 2018 SAP must be made by the City Council in accordance with the Act. To the extent permitted by the Act, this 2018 SAP 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 2018 SAP.

C. Administration and Interpretation

The Administrator shall: (1) perform the obligations of the Administrator as set forth in this 2018 SAP; (2) administer the District for and on behalf of and at the direction of the City Council; and (3) interpret the provisions of this 2018 SAP. Interpretations of this 2018 SAP by the Administrator shall be in writing and shall be appealable to the City Council by owners or developers adversely affected by the interpretation. Appeals shall be decided by the City Council after holding a public hearing at 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. Severability

If any provision of this 2018 SAP 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.

Appendices

The following appendices are attached to and made a part of the SAP for all purposes:

Appendix A	Assessment Roll
Appendix B	Estimated Annual Installments
Appendix B-1	Estimated Annual Installments (Lot Type 1)
Appendix B-2	Estimated Annual Installments (Lot Type 2)
Appendix B-3	Estimated Annual Installments (Lot Type 3)
Appendix B-4	Estimated Annual Installments (Unplatted Parcel)
Appendix C	Land Use Map (Conceptual)
Appendix D	Map of Public Improvements
Appendix E	Legal Description of PID
Appendix F	Legal Description of Unplatted Parcel
Appendix G	Unplatted Parcel Boundary Map
Appendix H	Trace Subdivision Section A, PA 1A Phase A-1 Final Plat
Appendix I	Trace Subdivision Section A, PA 2A Phase A Final Plat
Appendix J	Trace Subdivision PID Phase 1A Esplanade Parkway Final Plat

Appendix A

Assessment Roll

Property ID	Legal Description	Address	Lot Type	Outstanding Special Assessment			Installment Due 1/31/19
				Initial Special Assessment	Additional Special Assessment	Total	
R155692	TRACE SUB SEC A, PA 1A PH A-1, BLOCK G, Lot 1, ACRES 0.107	1036 ESPLANADE	1	\$ 4,481.66	\$ 4,381.40	\$ 8,863.06	\$ 635.80
R155701	TRACE SUB SEC A, PA 1A PH A-1, BLOCK G, Lot 10, ACRES 0.096	1072 ESPLANADE	1	\$ 4,481.66	\$ 4,381.40	\$ 8,863.06	\$ 635.80
R155704	TRACE SUB SEC A, PA 1A PH A-1, BLOCK G, Lot 14, ACRES 0.104	169 BOSQUE	1	\$ 4,481.66	\$ 4,381.40	\$ 8,863.06	\$ 635.80
R155705	TRACE SUB SEC A, PA 1A PH A-1, BLOCK G, Lot 15, ACRES 0.086	165 BOSQUE	1	\$ 4,481.66	\$ 4,381.40	\$ 8,863.06	\$ 635.80
R155706	TRACE SUB SEC A, PA 1A PH A-1, BLOCK G, Lot 16, ACRES 0.086	161 BOSQUE	1	\$ 4,481.66	\$ 4,381.40	\$ 8,863.06	\$ 635.80
R155707	TRACE SUB SEC A, PA 1A PH A-1, BLOCK G, Lot 17, ACRES 0.086	157 BOSQUE	1	\$ 4,481.66	\$ 4,381.40	\$ 8,863.06	\$ 635.80
R155708	TRACE SUB SEC A, PA 1A PH A-1, BLOCK G, Lot 18, ACRES 0.082	153 BOSQUE	1	\$ 4,481.66	\$ 4,381.40	\$ 8,863.06	\$ 635.80
R155709	TRACE SUB SEC A, PA 1A PH A-1, BLOCK G, Lot 19, ACRES 0.094	149 BOSQUE	1	\$ 4,481.66	\$ 4,381.40	\$ 8,863.06	\$ 635.80
R155693	TRACE SUB SEC A, PA 1A PH A-1, BLOCK G, Lot 2, ACRES 0.092	1040 ESPLANADE	1	\$ 4,481.66	\$ 4,381.40	\$ 8,863.06	\$ 635.80
R155710	TRACE SUB SEC A, PA 1A PH A-1, BLOCK G, Lot 20, ACRES 0.103	145 BOSQUE	1	\$ 4,481.66	\$ 4,381.40	\$ 8,863.06	\$ 635.80
R155711	TRACE SUB SEC A, PA 1A PH A-1, BLOCK G, Lot 21, ACRES 0.129	448 SPINY LIZARD	1	\$ 4,481.66	\$ 4,381.40	\$ 8,863.06	\$ 635.80
R155712	TRACE SUB SEC A, PA 1A PH A-1, BLOCK G, Lot 22, ACRES 0.113	452 SPINY LIZARD	1	\$ 4,481.66	\$ 4,381.40	\$ 8,863.06	\$ 635.80
R155713	TRACE SUB SEC A, PA 1A PH A-1, BLOCK G, Lot 23, ACRES 0.104	456 SPINY LIZARD	1	\$ 4,481.66	\$ 4,381.40	\$ 8,863.06	\$ 635.80
R155714	TRACE SUB SEC A, PA 1A PH A-1, BLOCK G, Lot 24, ACRES 0.099	460 SPINY LIZARD	1	\$ 4,481.66	\$ 4,381.40	\$ 8,863.06	\$ 635.80
R155715	TRACE SUB SEC A, PA 1A PH A-1, BLOCK G, Lot 25, ACRES 0.094	464 SPINY LIZARD	1	\$ 4,481.66	\$ 4,381.40	\$ 8,863.06	\$ 635.80
R155716	TRACE SUB SEC A, PA 1A PH A-1, BLOCK G, Lot 26, ACRES 0.104	468 SPINY LIZARD	1	\$ 4,481.66	\$ 4,381.40	\$ 8,863.06	\$ 635.80
R155717	TRACE SUB SEC A, PA 1A PH A-1, BLOCK G, Lot 27, ACRES 0.157	472 SPINY LIZARD	1	\$ 4,481.66	\$ 4,381.40	\$ 8,863.06	\$ 635.80
R155694	TRACE SUB SEC A, PA 1A PH A-1, BLOCK G, Lot 3, ACRES 0.091	1044 ESPLANADE	1	\$ 4,481.66	\$ 4,381.40	\$ 8,863.06	\$ 635.80
R155695	TRACE SUB SEC A, PA 1A PH A-1, BLOCK G, Lot 4, ACRES 0.097	1048 ESPLANADE	1	\$ 4,481.66	\$ 4,381.40	\$ 8,863.06	\$ 635.80
R155696	TRACE SUB SEC A, PA 1A PH A-1, BLOCK G, Lot 5, ACRES 0.096	1052 ESPLANADE	1	\$ 4,481.66	\$ 4,381.40	\$ 8,863.06	\$ 635.80
R155697	TRACE SUB SEC A, PA 1A PH A-1, BLOCK G, Lot 6, ACRES 0.096	1056 ESPLANADE	1	\$ 4,481.66	\$ 4,381.40	\$ 8,863.06	\$ 635.80
R155698	TRACE SUB SEC A, PA 1A PH A-1, BLOCK G, Lot 7, ACRES 0.09	1060 ESPLANADE	1	\$ 4,481.66	\$ 4,381.40	\$ 8,863.06	\$ 635.80
R155699	TRACE SUB SEC A, PA 1A PH A-1, BLOCK G, Lot 8, ACRES 0.089	1064 ESPLANADE	1	\$ 4,481.66	\$ 4,381.40	\$ 8,863.06	\$ 635.80
R155700	TRACE SUB SEC A, PA 1A PH A-1, BLOCK G, Lot 9, ACRES 0.094	1068 ESPLANADE	1	\$ 4,481.66	\$ 4,381.40	\$ 8,863.06	\$ 635.80
R155719	TRACE SUB SEC A, PA 1A PH A-1, BLOCK N, Lot 1, ACRES 0.098	164 BOSQUE	1	\$ 4,481.66	\$ 4,381.40	\$ 8,863.06	\$ 635.80
R155720	TRACE SUB SEC A, PA 1A PH A-1, BLOCK N, Lot 2, ACRES 0.085	168 BOSQUE	1	\$ 4,481.66	\$ 4,381.40	\$ 8,863.06	\$ 635.80
R155721	TRACE SUB SEC A, PA 1A PH A-1, BLOCK N, Lot 3, ACRES 0.085	172 BOSQUE	1	\$ 4,481.66	\$ 4,381.40	\$ 8,863.06	\$ 635.80
R155722	TRACE SUB SEC A, PA 1A PH A-1, BLOCK N, Lot 4, ACRES 0.08	176 BOSQUE	1	\$ 4,481.66	\$ 4,381.40	\$ 8,863.06	\$ 635.80
R155723	TRACE SUB SEC A, PA 1A PH A-1, BLOCK N, Lot 5, ACRES 0.08	180 BOSQUE	1	\$ 4,481.66	\$ 4,381.40	\$ 8,863.06	\$ 635.80
R155724	TRACE SUB SEC A, PA 1A PH A-1, BLOCK N, Lot 6, ACRES 0.08	184 BOSQUE	1	\$ 4,481.66	\$ 4,381.40	\$ 8,863.06	\$ 635.80
R155728	TRACE SUB SEC A, PA 2A PH A, BLOCK A, Lot 1, ACRES 0.2	248 HORSEMINT	3	\$ 6,056.78	\$ 5,921.28	\$ 11,978.06	\$ 859.26
R155737	TRACE SUB SEC A, PA 2A PH A, BLOCK A, Lot 10, ACRES 0.166	208 HORSEMINT	3	\$ 6,056.78	\$ 5,921.28	\$ 11,978.06	\$ 859.26
R155738	TRACE SUB SEC A, PA 2A PH A, BLOCK A, Lot 11, ACRES 0.179	204 HORSEMINT	3	\$ 6,056.78	\$ 5,921.28	\$ 11,978.06	\$ 859.26
R155739	TRACE SUB SEC A, PA 2A PH A, BLOCK A, Lot 12, ACRES 0.181	152 SAGE MEADOWS	3	\$ 6,056.78	\$ 5,921.28	\$ 11,978.06	\$ 859.26
R155740	TRACE SUB SEC A, PA 2A PH A, BLOCK A, Lot 13, ACRES 0.169	148 SAGE MEADOWS	3	\$ 6,056.78	\$ 5,921.28	\$ 11,978.06	\$ 859.26
R155741	TRACE SUB SEC A, PA 2A PH A, BLOCK A, Lot 14, ACRES 0.168	144 SAGE MEADOWS	3	\$ 6,056.78	\$ 5,921.28	\$ 11,978.06	\$ 859.26
R155742	TRACE SUB SEC A, PA 2A PH A, BLOCK A, Lot 15, ACRES 0.16	140 SAGE MEADOWS	3	\$ 6,056.78	\$ 5,921.28	\$ 11,978.06	\$ 859.26

Property ID	Legal Description	Address	Lot Type	Outstanding Special Assessment			Installment Due 1/31/19
				Initial Special Assessment	Additional Special Assessment	Total	
R155743	TRACE SUB SEC A, PA 2A PH A, BLOCK A, Lot 16, ACRES 0.142	136 SAGE MEADOWS	3	\$ 6,056.78	\$ 5,921.28	\$ 11,978.06	\$ 859.26
R155744	TRACE SUB SEC A, PA 2A PH A, BLOCK A, Lot 17, ACRES 0.138	132 SAGE MEADOWS	3	\$ 6,056.78	\$ 5,921.28	\$ 11,978.06	\$ 859.26
R155745	TRACE SUB SEC A, PA 2A PH A, BLOCK A, Lot 18, ACRES 0.138	128 SAGE MEADOWS	3	\$ 6,056.78	\$ 5,921.28	\$ 11,978.06	\$ 859.26
R155746	TRACE SUB SEC A, PA 2A PH A, BLOCK A, Lot 19, ACRES 0.138	124 SAGE MEADOWS	3	\$ 6,056.78	\$ 5,921.28	\$ 11,978.06	\$ 859.26
R155729	TRACE SUB SEC A, PA 2A PH A, BLOCK A, Lot 2, ACRES 0.149	240 HORSEMINT	3	\$ 6,056.78	\$ 5,921.28	\$ 11,978.06	\$ 859.26
R155747	TRACE SUB SEC A, PA 2A PH A, BLOCK A, Lot 20, ACRES 0.138	120 SAGE MEADOWS	3	\$ 6,056.78	\$ 5,921.28	\$ 11,978.06	\$ 859.26
R155748	TRACE SUB SEC A, PA 2A PH A, BLOCK A, Lot 21, ACRES 0.138	116 SAGE MEADOWS	3	\$ 6,056.78	\$ 5,921.28	\$ 11,978.06	\$ 859.26
R155749	TRACE SUB SEC A, PA 2A PH A, BLOCK A, Lot 22, ACRES 0.138	112 SAGE MEADOWS	3	\$ 6,056.78	\$ 5,921.28	\$ 11,978.06	\$ 859.26
R155750	TRACE SUB SEC A, PA 2A PH A, BLOCK A, Lot 23, ACRES 0.157	108 SAGE MEADOWS	3	\$ 6,056.78	\$ 5,921.28	\$ 11,978.06	\$ 859.26
R155730	TRACE SUB SEC A, PA 2A PH A, BLOCK A, Lot 3, ACRES 0.149	236 HORSEMINT	3	\$ 6,056.78	\$ 5,921.28	\$ 11,978.06	\$ 859.26
R155731	TRACE SUB SEC A, PA 2A PH A, BLOCK A, Lot 4, ACRES 0.149	232 HORSEMINT	3	\$ 6,056.78	\$ 5,921.28	\$ 11,978.06	\$ 859.26
R155732	TRACE SUB SEC A, PA 2A PH A, BLOCK A, Lot 5, ACRES 0.149	228 HORSEMINT	3	\$ 6,056.78	\$ 5,921.28	\$ 11,978.06	\$ 859.26
R155733	TRACE SUB SEC A, PA 2A PH A, BLOCK A, Lot 6, ACRES 0.152	224 HORSEMINT	3	\$ 6,056.78	\$ 5,921.28	\$ 11,978.06	\$ 859.26
R155734	TRACE SUB SEC A, PA 2A PH A, BLOCK A, Lot 7, ACRES 0.156	220 HORSEMINT	3	\$ 6,056.78	\$ 5,921.28	\$ 11,978.06	\$ 859.26
R155735	TRACE SUB SEC A, PA 2A PH A, BLOCK A, Lot 8, ACRES 0.169	216 HORSEMINT	3	\$ 6,056.78	\$ 5,921.28	\$ 11,978.06	\$ 859.26
R155736	TRACE SUB SEC A, PA 2A PH A, BLOCK A, Lot 9, ACRES 0.162	212 HORSEMINT	3	\$ 6,056.78	\$ 5,921.28	\$ 11,978.06	\$ 859.26
R155752	TRACE SUB SEC A, PA 2A PH A, BLOCK B, Lot 1, ACRES 0.118	1025 ESPLANDE	2	\$ 5,490.96	\$ 5,368.12	\$ 10,859.07	\$ 778.99
R155761	TRACE SUB SEC A, PA 2A PH A, BLOCK B, Lot 10, ACRES 0.143	1061 ESPLANDE	2	\$ 5,490.96	\$ 5,368.12	\$ 10,859.07	\$ 778.99
R155763	TRACE SUB SEC A, PA 2A PH A, BLOCK B, Lot 12, ACRES 0.108	213 BOSQUE	2	\$ 5,490.96	\$ 5,368.12	\$ 10,859.07	\$ 778.99
R155764	TRACE SUB SEC A, PA 2A PH A, BLOCK B, Lot 13, ACRES 0.108	217 BOSQUE	2	\$ 5,490.96	\$ 5,368.12	\$ 10,859.07	\$ 778.99
R155765	TRACE SUB SEC A, PA 2A PH A, BLOCK B, Lot 14, ACRES 0.108	221 BOSQUE	2	\$ 5,490.96	\$ 5,368.12	\$ 10,859.07	\$ 778.99
R155766	TRACE SUB SEC A, PA 2A PH A, BLOCK B, Lot 15, ACRES 0.108	225 BOSQUE	2	\$ 5,490.96	\$ 5,368.12	\$ 10,859.07	\$ 778.99
R155767	TRACE SUB SEC A, PA 2A PH A, BLOCK B, Lot 16, ACRES 0.125	229 BOSQUE	2	\$ 5,490.96	\$ 5,368.12	\$ 10,859.07	\$ 778.99
R155768	TRACE SUB SEC A, PA 2A PH A, BLOCK B, Lot 17, ACRES 0.14	213 HORSEMINT	2	\$ 5,490.96	\$ 5,368.12	\$ 10,859.07	\$ 778.99
R155769	TRACE SUB SEC A, PA 2A PH A, BLOCK B, Lot 18, ACRES 0.115	217 HORSEMINT	2	\$ 5,490.96	\$ 5,368.12	\$ 10,859.07	\$ 778.99
R155770	TRACE SUB SEC A, PA 2A PH A, BLOCK B, Lot 19, ACRES 0.114	221 HORSEMINT	2	\$ 5,490.96	\$ 5,368.12	\$ 10,859.07	\$ 778.99
R155753	TRACE SUB SEC A, PA 2A PH A, BLOCK B, Lot 2, ACRES 0.121	1029 ESPLANDE	2	\$ 5,490.96	\$ 5,368.12	\$ 10,859.07	\$ 778.99
R155771	TRACE SUB SEC A, PA 2A PH A, BLOCK B, Lot 20, ACRES 0.11	225 HORSEMINT	2	\$ 5,490.96	\$ 5,368.12	\$ 10,859.07	\$ 778.99
R155772	TRACE SUB SEC A, PA 2A PH A, BLOCK B, Lot 21, ACRES 0.108	229 HORSEMINT	2	\$ 5,490.96	\$ 5,368.12	\$ 10,859.07	\$ 778.99
R155773	TRACE SUB SEC A, PA 2A PH A, BLOCK B, Lot 22, ACRES 0.109	233 HORSEMINT	2	\$ 5,490.96	\$ 5,368.12	\$ 10,859.07	\$ 778.99
R155774	TRACE SUB SEC A, PA 2A PH A, BLOCK B, Lot 23, ACRES 0.112	237 HORSEMINT	2	\$ 5,490.96	\$ 5,368.12	\$ 10,859.07	\$ 778.99
R155775	TRACE SUB SEC A, PA 2A PH A, BLOCK B, Lot 24, ACRES 0.115	241 HORSEMINT	2	\$ 5,490.96	\$ 5,368.12	\$ 10,859.07	\$ 778.99
R155776	TRACE SUB SEC A, PA 2A PH A, BLOCK B, Lot 25, ACRES 0.133	245 HORSEMINT	2	\$ 5,490.96	\$ 5,368.12	\$ 10,859.07	\$ 778.99
R155777	TRACE SUB SEC A, PA 2A PH A, BLOCK B, Lot 26, ACRES 0.129	249 HORSEMINT	2	\$ 5,490.96	\$ 5,368.12	\$ 10,859.07	\$ 778.99
R155778	TRACE SUB SEC A, PA 2A PH A, BLOCK B, Lot 27, ACRES 0.12	253 HORSEMINT	2	\$ 5,490.96	\$ 5,368.12	\$ 10,859.07	\$ 778.99
R155754	TRACE SUB SEC A, PA 2A PH A, BLOCK B, Lot 3, ACRES 0.12	1033 ESPLANDE	2	\$ 5,490.96	\$ 5,368.12	\$ 10,859.07	\$ 778.99
R155755	TRACE SUB SEC A, PA 2A PH A, BLOCK B, Lot 4, ACRES 0.12	1037 ESPLANDE	2	\$ 5,490.96	\$ 5,368.12	\$ 10,859.07	\$ 778.99
R155756	TRACE SUB SEC A, PA 2A PH A, BLOCK B, Lot 5, ACRES 0.12	1041 ESPLANDE	2	\$ 5,490.96	\$ 5,368.12	\$ 10,859.07	\$ 778.99
R155757	TRACE SUB SEC A, PA 2A PH A, BLOCK B, Lot 6, ACRES 0.119	1045 ESPLANDE	2	\$ 5,490.96	\$ 5,368.12	\$ 10,859.07	\$ 778.99
R155758	TRACE SUB SEC A, PA 2A PH A, BLOCK B, Lot 7, ACRES 0.119	1049 ESPLANDE	2	\$ 5,490.96	\$ 5,368.12	\$ 10,859.07	\$ 778.99
R155759	TRACE SUB SEC A, PA 2A PH A, BLOCK B, Lot 8, ACRES 0.118	1053 ESPLANDE	2	\$ 5,490.96	\$ 5,368.12	\$ 10,859.07	\$ 778.99
R155760	TRACE SUB SEC A, PA 2A PH A, BLOCK B, Lot 9, ACRES 0.118	1057 ESPLANDE	2	\$ 5,490.96	\$ 5,368.12	\$ 10,859.07	\$ 778.99
R18614	Unplatted Parcel			\$ 10,758,479.33	\$ 10,517,797.47	\$ 21,276,276.80	\$ 1,526,284.04
				\$ 11,175,000.00	\$ 10,925,000.00	\$ 22,100,000.00	\$ 1,585,375.00

Appendix B

Estimated Annual Installments

Installment Due January 31	Initial Special Assessment		Additional Special Assessment		Additional Interest	Administrative Expenses	Total
	Principal	Interest	Principal	Interest			
2018	100,000	670,500	-	-	-	60,000	830,500
2019	150,000	664,500	150,000	600,875	-	20,000	1,585,375
2020	160,000	655,500	160,000	592,625	-	40,800	1,608,925
2021	170,000	645,900	170,000	583,825	-	41,616	1,611,341
2022	180,000	635,700	175,000	574,475	-	42,448	1,607,623
2023	190,000	624,900	185,000	564,850	-	43,297	1,608,047
2024	200,000	613,500	195,000	554,675	-	44,163	1,607,338
2025	215,000	601,500	210,000	543,950	-	45,046	1,615,496
2026	225,000	588,600	220,000	532,400	-	45,947	1,611,947
2027	240,000	575,100	230,000	520,300	-	46,866	1,612,266
2028	255,000	560,700	245,000	507,650	-	47,804	1,616,154
2029	270,000	545,400	260,000	494,175	-	48,760	1,618,335
2030	285,000	529,200	270,000	479,875	-	49,735	1,613,810
2031	305,000	512,100	285,000	465,025	-	50,730	1,617,855
2032	320,000	493,800	305,000	449,350	-	51,744	1,619,894
2033	340,000	474,600	320,000	432,575	-	52,779	1,619,954
2034	360,000	454,200	335,000	414,975	-	53,835	1,618,010
2035	380,000	432,600	355,000	396,550	-	54,911	1,619,061
2036	405,000	409,800	375,000	377,025	-	56,010	1,622,835
2037	430,000	385,500	395,000	356,400	-	57,130	1,624,030
2038	455,000	359,700	420,000	334,675	-	58,272	1,627,647
2039	480,000	332,400	440,000	311,575	-	59,438	1,623,413
2040	510,000	303,600	465,000	287,375	-	60,627	1,626,602
2041	540,000	273,000	490,000	261,800	-	61,839	1,626,639
2042	575,000	240,600	515,000	234,850	-	63,076	1,628,526
2043	610,000	206,100	545,000	206,525	-	64,337	1,631,962
2044	645,000	169,500	575,000	176,550	-	65,624	1,631,674
2045	685,000	130,800	605,000	144,925	-	66,937	1,632,662
2046	725,000	89,700	640,000	111,650	-	68,275	1,634,625
2047	770,000	46,200	675,000	76,450	-	69,641	1,637,291
2048	-	-	715,000	39,325	-	71,034	825,359
	11,175,000		10,925,000				

Appendix B-1

Estimated Annual Installments (Lot Type 1)

Installment Due January 31	Initial Special Assessment		Additional Special Assessment		Additional Interest	Administrative Expenses	Total
	Principal	Interest	Principal	Interest			
2018	40.10	268.90	-	-	-	24.06	333.07
2019	60.16	266.49	60.16	240.98	-	8.02	635.80
2020	64.17	262.88	64.17	237.67	-	16.36	645.25
2021	68.18	259.03	68.18	234.14	-	16.69	646.22
2022	72.19	254.94	70.18	230.39	-	17.02	644.73
2023	76.20	250.61	74.19	226.53	-	17.36	644.90
2024	80.21	246.04	78.20	222.45	-	17.71	644.61
2025	86.22	241.23	84.22	218.15	-	18.07	647.88
2026	90.23	236.05	88.23	213.52	-	18.43	646.46
2027	96.25	230.64	92.24	208.66	-	18.80	646.59
2028	102.27	224.87	98.26	203.59	-	19.17	648.15
2029	108.28	218.73	104.27	198.19	-	19.55	649.02
2030	114.30	212.23	108.28	192.45	-	19.95	647.21
2031	122.32	205.37	114.30	186.50	-	20.34	648.83
2032	128.33	198.04	122.32	180.21	-	20.75	649.65
2033	136.35	190.34	128.33	173.48	-	21.17	649.67
2034	144.38	182.15	134.35	166.42	-	21.59	648.89
2035	152.40	173.49	142.37	159.03	-	22.02	649.31
2036	162.42	164.35	150.39	151.20	-	22.46	650.83
2037	172.45	154.60	158.41	142.93	-	22.91	651.31
2038	182.47	144.26	168.44	134.22	-	23.37	652.76
2039	192.50	133.31	176.46	124.96	-	23.84	651.06
2040	204.53	121.76	186.49	115.25	-	24.31	652.34
2041	216.56	109.48	196.51	104.99	-	24.80	652.35
2042	230.60	96.49	206.54	94.19	-	25.30	653.11
2043	244.64	82.66	218.57	82.83	-	25.80	654.49
2044	258.67	67.98	230.60	70.80	-	26.32	654.37
2045	274.71	52.46	242.63	58.12	-	26.84	654.77
2046	290.76	35.97	256.67	44.78	-	27.38	655.56
2047	308.80	18.53	270.70	30.66	-	27.93	656.62
2048	-	-	286.75	15.77	-	28.49	331.00
	4,481.66		4,381.40				

Appendix B-2

Estimated Annual Installments (Lot Type 2)

Installment Due January 31	Initial Special Assessment		Additional Special Assessment		Additional Interest	Administrative Expenses	Total
	Principal	Interest	Principal	Interest			
2018	49.14	329.46	-	-	-	29.48	408.08
2019	73.70	326.51	73.70	295.25	-	9.83	778.99
2020	78.62	322.09	78.62	291.19	-	20.05	790.56
2021	83.53	317.37	83.53	286.87	-	20.45	791.75
2022	88.44	312.36	85.99	282.27	-	20.86	789.92
2023	93.36	307.05	90.90	277.55	-	21.27	790.13
2024	98.27	301.45	95.82	272.55	-	21.70	789.78
2025	105.64	295.55	103.19	267.28	-	22.13	793.79
2026	110.56	289.21	108.10	261.60	-	22.58	792.05
2027	117.93	282.58	113.01	255.66	-	23.03	792.20
2028	125.30	275.51	120.38	249.44	-	23.49	794.11
2029	132.67	267.99	127.75	242.82	-	23.96	795.19
2030	140.04	260.03	132.67	235.79	-	24.44	792.96
2031	149.87	251.63	140.04	228.50	-	24.93	794.95
2032	157.24	242.63	149.87	220.79	-	25.43	795.95
2033	167.06	233.20	157.24	212.55	-	25.93	795.98
2034	176.89	223.18	164.61	203.90	-	26.45	795.03
2035	186.72	212.56	174.43	194.85	-	26.98	795.54
2036	199.00	201.36	184.26	185.26	-	27.52	797.40
2037	211.29	189.42	194.09	175.12	-	28.07	797.98
2038	223.57	176.74	206.37	164.45	-	28.63	799.76
2039	235.85	163.33	216.20	153.10	-	29.21	797.68
2040	250.59	149.18	228.48	141.20	-	29.79	799.25
2041	265.33	134.14	240.77	128.64	-	30.39	799.27
2042	282.53	118.22	253.05	115.40	-	30.99	800.19
2043	299.73	101.27	267.79	101.48	-	31.61	801.88
2044	316.93	83.29	282.53	86.75	-	32.25	801.74
2045	336.58	64.27	297.27	71.21	-	32.89	802.23
2046	356.24	44.08	314.47	54.86	-	33.55	803.19
2047	378.35	22.70	331.67	37.56	-	34.22	804.50
2048	-	-	351.32	19.32	-	34.90	405.55
	5,490.96		5,368.12				

Appendix B-3

Estimated Annual Installments (Lot Type 3)

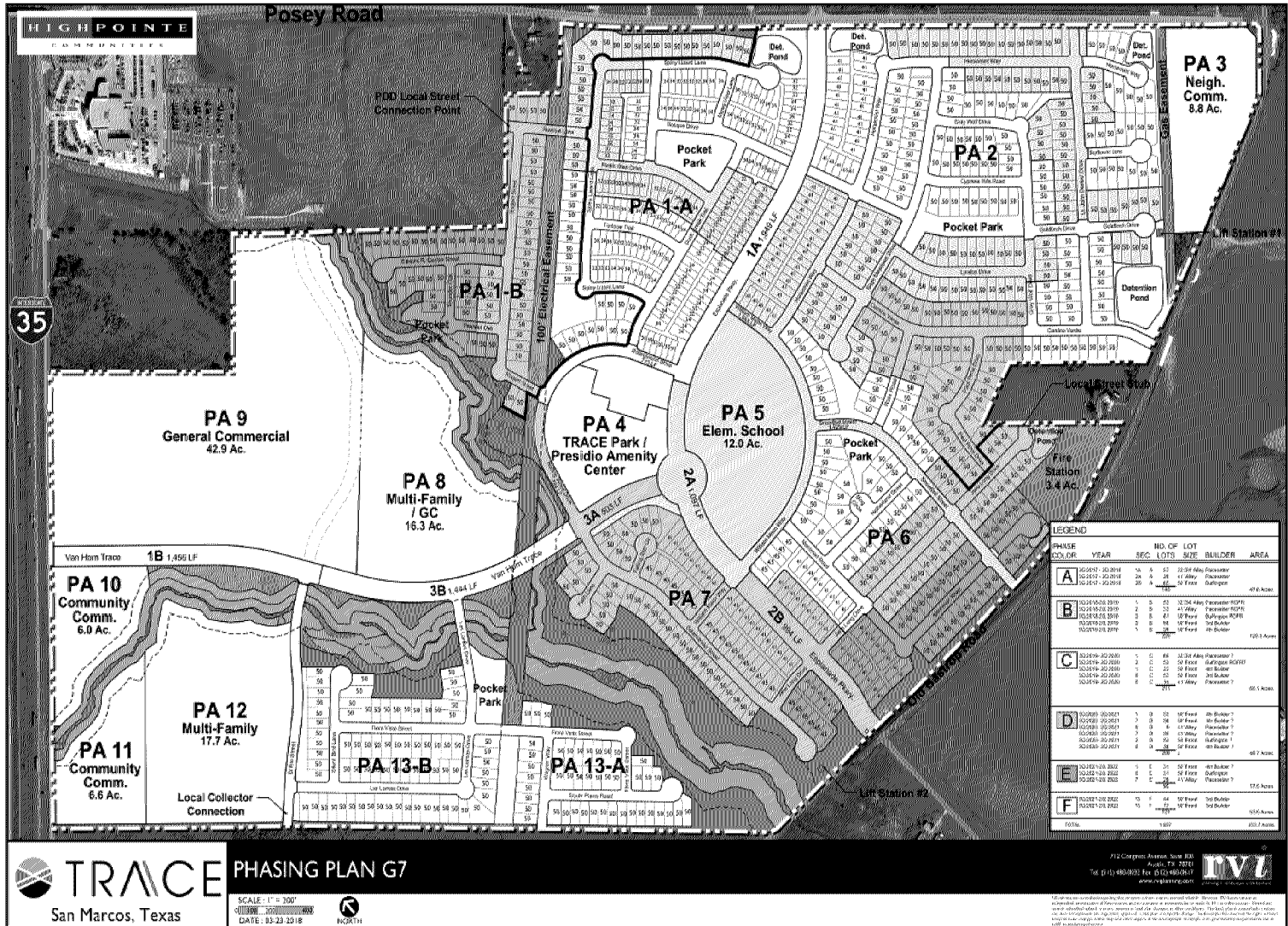
Installment Due January 31	Initial Special Assessment		Additional Special Assessment		Additional Interest	Administrative Expenses	Total
	Principal	Interest	Principal	Interest			
2018	54.20	363.41	-	-	-	32.52	450.13
2019	81.30	360.15	81.30	325.67	-	10.84	859.26
2020	86.72	355.28	86.72	321.20	-	22.11	872.03
2021	92.14	350.07	92.14	316.43	-	22.56	873.34
2022	97.56	344.55	94.85	311.36	-	23.01	871.32
2023	102.98	338.69	100.27	306.15	-	23.47	871.55
2024	108.40	332.51	105.69	300.63	-	23.94	871.17
2025	116.53	326.01	113.82	294.82	-	24.41	875.59
2026	121.95	319.02	119.24	288.56	-	24.90	873.67
2027	130.08	311.70	124.66	282.00	-	25.40	873.84
2028	138.21	303.90	132.79	275.14	-	25.91	875.95
2029	146.34	295.60	140.92	267.84	-	26.43	877.13
2030	154.47	286.82	146.34	260.09	-	26.96	874.68
2031	165.31	277.56	154.47	252.04	-	27.50	876.87
2032	173.44	267.64	165.31	243.54	-	28.05	877.97
2033	184.28	257.23	173.44	234.45	-	28.61	878.01
2034	195.12	246.17	181.57	224.91	-	29.18	876.95
2035	205.96	234.47	192.41	214.93	-	29.76	877.52
2036	219.51	222.11	203.25	204.35	-	30.36	879.57
2037	233.06	208.94	214.09	193.17	-	30.96	880.21
2038	246.61	194.96	227.64	181.39	-	31.58	882.17
2039	260.16	180.16	238.48	168.87	-	32.21	879.88
2040	276.42	164.55	252.03	155.76	-	32.86	881.61
2041	292.68	147.96	265.58	141.89	-	33.52	881.63
2042	311.65	130.40	279.13	127.29	-	34.19	882.65
2043	330.62	111.70	295.39	111.94	-	34.87	884.51
2044	349.59	91.87	311.65	95.69	-	35.57	884.36
2045	371.27	70.89	327.91	78.55	-	36.28	884.89
2046	392.95	48.62	346.88	60.51	-	37.00	885.96
2047	417.34	25.04	365.85	41.44	-	37.74	887.40
2048	-	-	387.53	21.31	-	38.50	447.34
	6,056.78		5,921.28				

Appendix B-4

Estimated Annual Installments (Unplatted Parcel)

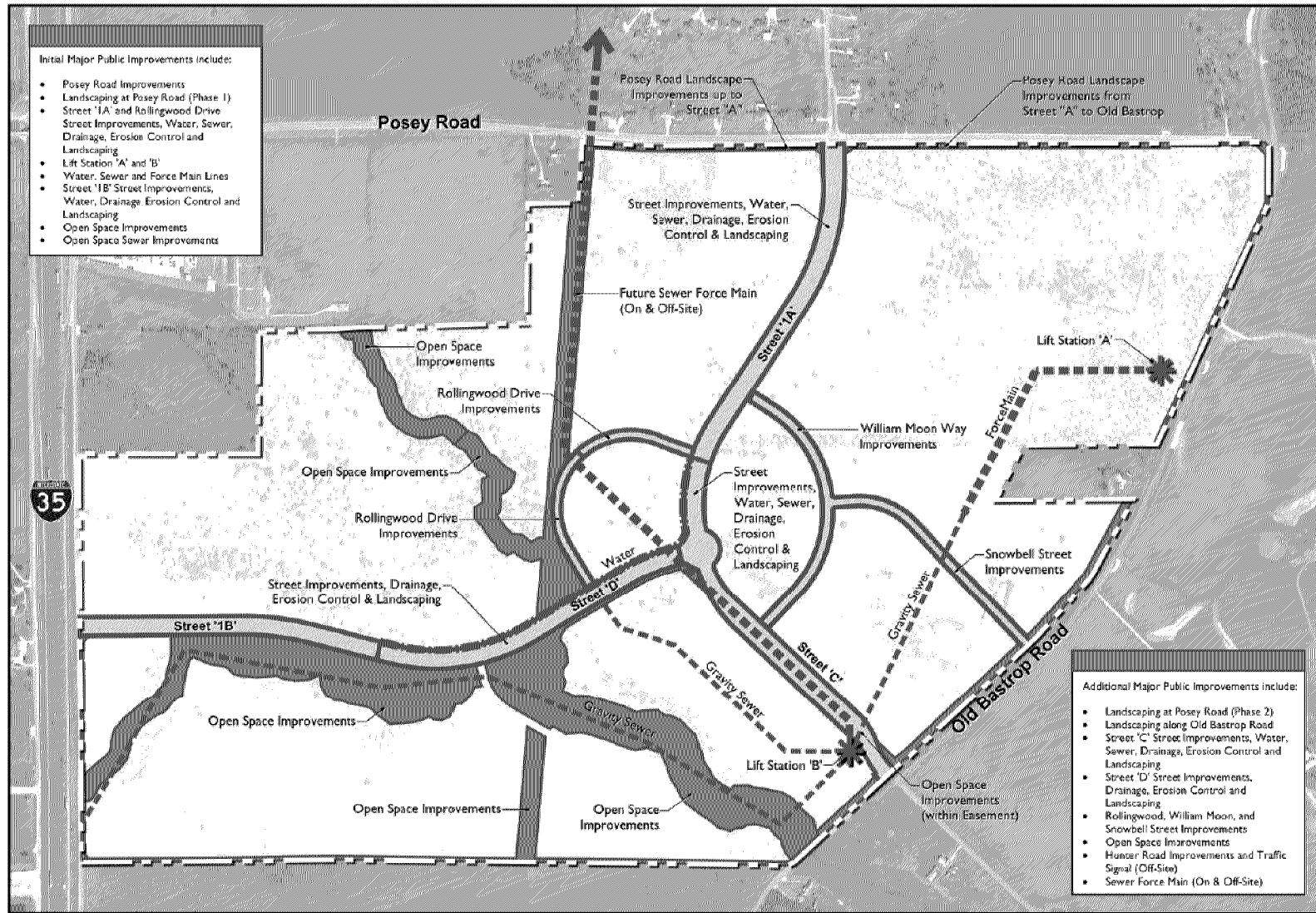
Installment Due January 31	Initial Special Assessment		Additional Special Assessment		Additional Interest	Administrative Expenses	Total
	Principal	Interest	Principal	Interest			
2018	96,272.75	645,508.76	-	-	-	57,763.65	799,545.15
2019	144,409.12	639,732.40	144,409.12	578,478.86	-	19,254.55	1,526,284.04
2020	154,036.39	631,067.85	154,036.39	570,536.36	-	39,279.28	1,548,956.27
2021	163,663.67	621,825.66	163,663.67	562,064.36	-	40,064.87	1,551,282.22
2022	173,290.94	612,005.84	168,477.30	553,062.86	-	40,866.16	1,547,703.11
2023	182,918.22	601,608.39	178,104.58	543,796.60	-	41,683.49	1,548,111.27
2024	192,545.49	590,633.29	187,731.85	534,000.85	-	42,517.16	1,547,428.65
2025	206,986.40	579,080.57	202,172.77	523,675.60	-	43,367.50	1,555,282.83
2026	216,613.68	566,661.38	211,800.04	512,556.10	-	44,234.85	1,551,866.05
2027	231,054.59	553,664.56	221,427.32	500,907.10	-	45,119.55	1,552,173.11
2028	245,495.50	539,801.29	235,868.23	488,728.59	-	46,021.94	1,555,915.54
2029	259,936.41	525,071.55	250,309.14	475,755.84	-	46,942.38	1,558,015.32
2030	274,377.33	509,475.37	259,936.41	461,988.84	-	47,881.22	1,553,659.17
2031	293,631.87	493,012.73	274,377.33	447,692.34	-	48,838.85	1,557,553.11
2032	308,072.79	475,394.82	293,631.87	432,601.58	-	49,815.62	1,559,516.69
2033	327,327.34	456,910.45	308,072.79	416,451.83	-	50,811.94	1,559,574.34
2034	346,581.88	437,270.81	322,513.70	399,507.83	-	51,828.18	1,557,702.40
2035	365,836.43	416,475.90	341,768.25	381,769.57	-	52,864.74	1,558,714.89
2036	389,904.62	394,525.71	361,022.80	362,972.32	-	53,922.03	1,562,347.48
2037	413,972.81	371,131.43	380,277.35	343,116.07	-	55,000.48	1,563,498.13
2038	438,040.99	346,293.07	404,345.53	322,200.81	-	56,100.48	1,566,980.89
2039	462,109.18	320,010.61	423,600.08	299,961.81	-	57,222.49	1,562,904.17
2040	490,991.00	292,284.06	447,668.27	276,663.80	-	58,366.94	1,565,974.07
2041	519,872.83	262,824.60	471,736.45	252,042.05	-	59,534.28	1,566,010.21
2042	553,568.29	231,632.23	495,804.64	226,096.54	-	60,724.97	1,567,826.67
2043	587,263.75	198,418.13	524,686.46	198,827.29	-	61,939.47	1,571,135.10
2044	620,959.21	163,182.30	553,568.29	169,969.53	-	63,178.26	1,570,857.59
2045	659,468.31	125,924.75	582,450.11	139,523.28	-	64,441.82	1,571,808.27
2046	697,977.41	86,356.65	616,145.57	107,488.52	-	65,730.66	1,573,698.81
2047	741,300.14	44,478.01	649,841.03	73,600.51	-	67,045.27	1,576,264.97
2048	-	-	688,350.13	37,859.26	-	68,386.18	794,595.57
	10,758,479.33		10,517,797.47				

Land Use Map (Conceptual)



Appendix D

Map of Public Improvements



Appendix E

Legal Description of PID

FIELD NOTES

BEING A 417.630 ACRE TRACT OUT OF THE WILLIAM H. VAN HORN SURVEY, ABSTRACT NO. 464, HAYS COUNTY, TEXAS, AND BEING A PORTION OF THOSE CERTAIN 100.22 ACRE, 67.53 ACRE, 248.77 ACRE, AND 5.01 ACRE TRACTS CONVEYED TO JOQ-SAN MARCOS VENTURES L.P. BY DEED OF RECORD IN VOLUME 1820, PAGE 715, OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS; SAID 417.630 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, at a 1-inch iron pipe found in the east right-of-way line of Interstate Highway 35 (300' R.O.W.), being the called northeast corner of that certain 85.00 acre tract conveyed to San Marcos 197 Acre Associates, LLC, by Deed of record in Volume 4015, Page 562, of said Official Public Records, also being the northwest corner of said 248.77 acre tract, for the northwesterly corner hereof;

THENCE, N43°34'33"E, along said east right-of-way line of Interstate Highway 35, being the north line of said 248.77 acre tract, a distance of 2222.49 feet to a 1/2-inch iron rod found near the base of a fence post at the called northeast corner of said 248.77 acre tract, being the northwest corner of that certain 14.86 acre tract conveyed to Kimberley Gunnarson, by Deed of record in Volume 3281, Page 47, of said Official Public Records, for the northeasterly corner hereof;

THENCE, S45°57'08"E, leaving said east right-of-way line, along the west line of said 14.86 acre tract, being an east line of said 248.77 acre tract, generally with the remnants of an old barbed-wire fence (a new barbed-wire fence meanders parallel and several feet to the west), a distance of 976.48 feet to a calculated point at the called southwest corner of said 14.86 acre tract, being an angle point of said 248.77 acre tract, for an angle point hereof, from which an 8-inch cedar fence post found bears S45°57'08"E, a distance of 0.87 feet;

THENCE, N44°02'46"E, along the south line of said 14.86 acre tract, generally with a barbed-wire fence, at 14.92 feet passing a 1/2-inch iron rod found at the base of an 8-inch cedar fence post, being approximately at an angle point in the east line of said 248.77 acre tract and the approximate northwest corner of said 67.53 acre tract, and continuing along the north line of said 67.53 acre tract for a total distance of 673.37 feet to a 1/2-inch iron rod found at the base of a leaning 10-inch cedar fence post at the called southeast corner of said 14.86 acre tract, being the northeast corner of said 67.53 acre tract, also being in the

west line of Lot 2, Final Plat of San Marcos Toyota Subdivision, of record in Book 9, Pages 155-156, of the Plat Records of Hays County, Texas, for an angle point hereof;

THENCE, S46°27'25"E, in part along the west line of said Lot 2 and in part along the remainder of that certain 56.288 acre tract conveyed to JMC Realty, LP, by Deed of record in Volume 1662, Page 628, of said Official Public Records, being the east line of said 67.53 acre tract, generally with a barbed-wire fence as called in said Volume 1662, Page 628 and Volume 1820, Page 715, a distance of 181.47 feet to a 3-inch cedar fence post found, for an angle point hereof;

THENCE, continuing along the west line of said 56.288 acre tract, being the east line of said 67.53 acre tract, generally with a barbed-wire fence as called in said Volume 1662, Page 628 and said Volume 1820, Page 715, the following four (4) courses and distances:

- 1) S46°59'15"E, a distance of 232.69 feet to an 8-inch cedar fence post found, for an angle point hereof;
- 2) S49°30'26"E, deviating from a re-established fence line over a creek, a distance of 126.95 feet to a 6-inch cedar fence post found, for an angle point hereof;
- 3) S47°20'32"E, rejoining and continuing generally with a barbed-wire fence line, a distance of 387.84 feet to a 1/2-inch iron rod found in the base of a hackberry tree, as called in said Volume 1662, Page 628, for an angle point hereof;
- 4) S47°39'57"E, a distance of 528.76 feet to a 1/2-inch iron rod found at the called southwest corner of said 56.288 acre tract, being at the base of a 10-inch cedar fence post at a called angle point in the east line of said 67.53 acre tract, for an angle point hereof;

THENCE, N44°31'00"E, along the south line of said 56.288 acre tract, being an east line of said 67.53 acre tract, generally with a barbed-wire fence, a distance of 646.04 feet to a 1/2-inch iron rod found at an angle point in the east line of said 67.53 acre tract, being the northwest corner of that certain 1.000 acre tract conveyed to Wilford L. Wootan, Jr., et ux, by Deed of record in Volume 536, Page 849, of the Real Property Records of Hays County, Texas, for an angle point hereof;

THENCE, S46°59'32"E, leaving the south line of said 56.288 acre tract, along the west line of said 1.000 acre tract, being an east line of said 67.53 acre tract, generally with a barbed-wire fence, a distance of 280.51 feet to a 1/2-inch iron rod found at the base of a fence post at the called southwest corner of said 1.000 acre tract, for an angle point hereof;

THENCE, N47°03'15"E, along the south line of said 1.000 acre tract and that certain 1.335 acre tract conveyed to Wilford L. Wootan, Jr., et ux, by Deed of record in Volume 401, Page 769, of said Real Property Records, being an east line of said 67.53 feet, generally with a barbed-wire fence, a distance of 335.24 feet to a 1/2-inch iron rod with "Capital Surveying Company" cap found at the northwest corner of that certain 0.8521 acre tract

conveyed to Hays County, Texas for right-of-way purposes, by Deed of record in Volume 2927, Page 699, of said Official Public Records, being the southwest right-of-way line of Posey Road (R.O.W. varies), for an angle point hereof;

THENCE, leaving the south line of said 1.335 acre tract, over and across said 67.53 acre tract and said 100.22 acre tract, along said southwest right-of-way line of Posey Road, being the west line of said 0.8521 acre tract, and those certain 0.5415 acre and 2.4004 acre tracts conveyed to Hays County, Texas for right-of-way purposes, by said Deed of record in Volume 2927, Page 699, the following eight (8) courses and distances:

- 1) S41°53'43"E, a distance of 78.28 feet to a disturbed 1/2-inch iron rod found at the point of curvature of a curve to the left;
- 2) Along said curve, having a radius of 6075.00 feet, a central angle of 04°47'50", an arc length of 508.66 feet, and a chord which bears S44°20'45"E, a distance of 508.51 feet to a 1/2-inch iron rod with "Capital Surveying Company" cap found at the point of tangency of said curve;
- 3) S46°43'43"E, at 327.46 feet passing a 1/2-inch iron rod found on the south line of said 67.53 acre tract, being the north line of said 100.22 acre tract, and continuing for a total distance of 865.99 feet to a calculated point at the point of curvature of a curve to the right;
- 4) Along said curve, having a radius of 15031.48 feet, a central angle of 00°34'12", an arc length of 149.56 feet, and a chord which bears S46°08'19"E, a distance of 149.56 feet to a 1/2-inch iron rod with "Capital Surveying Company" cap found at the point of tangency of said curve;
- 5) S46°08'26"E, a distance of 1770.49 feet to a calculated point at the point of curvature of a curve to the left;
- 6) Along said curve, having a radius of 14862.04 feet, a central angle of 00°34'49", an arc length of 150.53 feet, and a chord which bears S46°25'49"E, a distance of 150.53 feet to a 1/2-inch iron rod with "Capital Surveying Company" cap found at the point of tangency of said curve;
- 7) S46°41'07"E, a distance of 195.22 feet to a 1/2-inch iron rod with "Capital Surveying Company" stamp found near the base of a 2-inch steel fence post, for an angle point hereof;
- 8) S01°32'03"E, a distance of 28.03 feet to a calculated point at the southwest corner of said 2.4004 acre tract, being in the south line of said 100.22 acre tract, also being the intersection of said southwest right-of-way line of Posey Road and the northeast right-of-way line of County Road 266/Old Bastrop Highway/El Camino Real (R.O.W. varies), for the southeasterly corner hereof;

THENCE, along the used and occupied northeast right-of-way line of County Road 266, being the called south line of said 100.22 acre tract, generally with a barbed-wire fence, the following two (2) courses and distances:

- 1) S43°45'05"W, a distance of 70.45 feet to an 8-inch cedar fence post found, for an angle point hereof;
- 2) S44°04'56"W, a distance of 207.09 feet to a calculated point at the point of curvature of a curve to the right, being near the base of a 2-inch steel fence post, also being the east corner of that certain 0.0123 acre tract conveyed to Hays County, Texas for right-of-way purposes, by Deed of record in Volume 4600, Page 118, of said Official Public Records;

THENCE, continuing along said northeast right-of-way line, over and across said 100.22 acre tract, along said curve to the right, having a radius of 950.00 feet, a central angle of 08°05'19", an arc length of 134.11 feet, and a chord which bears S62°20'44"W, a distance of 134.00 feet to a calculated point near the base of a 2-inch steel fence post at the west corner of said 0.123 acre tract, being on the called south line of said 100.22 acre tract, for an angle point hereof;

THENCE, continuing along the used and occupied northeast right-of-way line of County Road 266, being the called south line of said 100.22 acre tract, generally with a barbed-wire fence, the following four (4) courses and distances:

- 1) S68°39'21"W, a distance of 769.76 feet to an 8-inch cedar fence post found, for an angle point hereof;
- 2) S69°15'47"W, a distance of 221.52 feet to a 60D nail found in an 8-inch cedar fence post, for an angle point hereof;
- 3) S70°25'00"W, a distance of 127.68 feet to an 8-inch cedar fence post found, for an angle point hereof;
- 4) S69°14'26"W, a distance of 228.32 feet to a calculated point at the called southwest corner of said 100.22 acre tract, being the southeast corner of that certain 5.0000 acre tract conveyed to Pleasant F. Rexroat and wife, Elwanda J. Rexroat, by Deed of record in Volume 1898, Page 98, of said Official Public Records, for an angle point hereof;

THENCE, N45°06'19"W, leaving said northeast right-of-way line of County Road 266, along the called west line of said 100.22 acre tract, generally with the remnants of an old barbed-wire fence (new wire fence meanders approximately parallel and several feet southwest of old fence), a distance of 85.52 feet to a 6-inch cedar fence post found leaning, for an angle point;

THENCE, N46°36'04"W, continuing generally with the remnants of an old-barbed wire fence as called in said Volume 1820, Page 715, a distance of 642.34 feet to a 1/2-inch iron pipe found near the base of a fence post, being the called northeast corner of said Rexroat 5.0000 acre tract, also being an angle point in the occupied east line of said 248.77 acre tract, for an angle point hereof;

THENCE, S70°39'07"W, leaving the occupied west line of said 100.22 acre tract, along the called and occupied north line of said Rexroat 5.0000 acre tract, being the occupied east line of said 248.77 acre tract, generally with a barbed-wire fence, a distance of 329.36 feet to a 1/2-inch iron pipe found near the base of a fence post at the called northwest corner of said Rexroat 5.0000 acre tract, being the occupied northeast corner of said 5.01 acre tract, for an angle point hereof;

THENCE, S46°20'51"E, leaving the east line of said 248.77 acre tract, along the called and occupied west line of said Rexroat 5.0000 acre tract, being the occupied east line of said 5.01 acre tract, generally with a barbed-wire fence, a distance of 747.43 feet to a 1/2-inch iron pipe found near the base of a fence post at the called southwest corner of said Rexroat 5.0000 acre tract, being the southeast corner of said 5.01 acre tract, also being in said used and occupied northeast right-of-way line of County Road 266, for an angle point hereof;

THENCE, S72°25'29"W, along the used and occupied northeast right-of-way of County Road 266, being the called south line of said 5.01 acre tract, generally with a barbed-wire fence, a distance of 335.30 feet to a calculated point in a fence line, being the called southwest corner of said 5.01 acre tract, being the occupied southeast corner of said 248.77 acre tract, from which a 1/2-inch iron pipe found bears N46°20'31"W, a distance of 2.00 feet, for an angle point hereof;

THENCE, continuing along the used and occupied northeast right-of-way line of County Road 266, being the called south line of said 248.77 acre tract, generally with a barbed-wire fence, the following nine (9) courses and distances:

- 1) S71°40'15"W, a distance of 115.86 feet to a calculated point in a fence line, for an angle point hereof;
- 2) S76°06'10"W, a distance of 46.03 feet to an 8-inch cedar fence post found, for an angle point hereof;
- 3) S86°28'05"W, a distance of 428.20 feet to an 8-inch cedar fence post found, for an angle point hereof;
- 4) N89°34'56"W, a distance of 321.83 feet to a T-post found, for an angle point hereof;
- 5) N89°02'24"W, a distance of 554.59 feet to a calculated point in a fence line, for an angle point hereof;

- 6) S89°48'27"W, a distance of 68.91 feet to an 8-inch creosoted fence post found, for an angle point hereof;
- 7) N81°53'25"W, a distance of 50.53 feet to an 8-inch creosoted fence post found, for an angle point hereof;
- 8) N88°55'45"W, at approximately 713 feet leaving said barbed-wire fence line, and continuing for a distance of 802.47 feet to a 1/2-inch iron rod with "Macias" cap found, for an angle point hereof;
- 9) N70°06'57"W, a distance of 39.04 feet to an 8-inch creosoted fence post found, for the southwesterly corner hereof;

THENCE, N46°27'14"W, continuing along the used and occupied northeast right-of-way line of County Road 266, being the called west line of said 248.77 acre tract, generally with a barbed-wire fence, a distance of 79.93 feet to a 1/2-inch iron pipe found at the called southeast corner of said 85.00 acre tract, for an angle point hereof;

THENCE, leaving said northeast right-of-way line of County Road 266, along the occupied east line of said 85.00 acre tract, being the called and occupied west line of said 248.77 acre tract, generally with a barbed wire fence, the following eight (8) courses and distances:

- 1) N41°35'30"W, a distance of 51.65 feet to a 1/2-inch iron pipe found, for an angle point hereof;
- 2) N45°22'24"W, a distance of 1221.06 feet to a 6-inch cedar fence post found, for an angle point hereof;
- 3) N45°15'48"W, a distance of 427.82 feet to a 6-inch cedar fence post found, for an angle point hereof;
- 4) N45°19'43"W, a distance of 673.22 feet to a 10-inch cedar fence post found, for an angle point hereof;
- 5) N46°33'40"W, a distance of 275.02 feet to a calculated point in a fence line, for an angle point hereof;
- 6) N47°51'30"W, a distance of 124.53 feet to a 6-inch cedar fence post found, for an angle point hereof;
- 7) N46°26'02"W, a distance of 218.87 feet to a T-post found, for an angle point hereof;
- 8) N46°25'10"W, at 158.03 feet passing a 1/2-inch iron pipe found, and continuing for a total distance of 769.08 feet to the **POINT OF BEGINNING**, and containing 417.630 acres (18,191,980 square feet) of land, more or less.

BEARING BASIS: TEXAS COORDINATE SYSTEM, NAD 83[2011], SOUTH CENTRAL ZONE, REFERENCING THE LEICA SMARTNET REFERENCE NETWORK.

I HEREBY CERTIFY THAT THIS DESCRIPTION AND ANY ACCOMPANYING SKETCHES ARE THE RESULT OF AN ACTUAL ON-THE-GROUND SURVEY PERFORMED UNDER MY DIRECT SUPERVISION DURING THE MONTH OF FEBRUARY, 2014, AND ARE TRUE AND CORRECT TO THE BEST OF MY ABILITIES.

Witness my hand and seal March 4, 2014

Abram C. Dashner, R.P.L.S. 5901

PROJECT NO. 253-001

Appendix F

Legal Description of Unplatted Parcel

Being approximately 417.630 acres of land as more particularly described in Appendix E,

SAVE AND EXCEPT the approximately 6.512 acre tract of land described comprising the Trace Subdivision Section A, PA 1A Phase A-1 Final Plat, as described in **Appendix H** attached to this 2018 SAP,

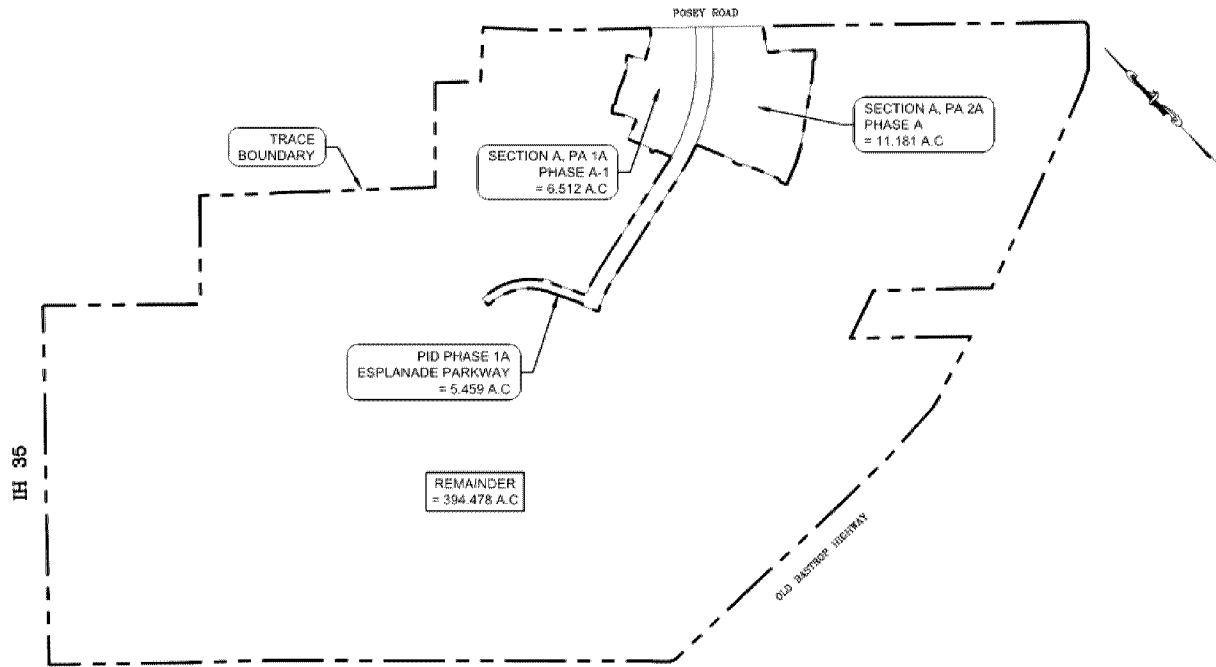
SAVE AND EXCEPT the approximately 11.181 acre tract of land described comprising the Trace Subdivision Section A, PA 2A Phase A Final Plat, as described in **Appendix I** attached to this 2018 SAP,

SAVE AND EXCEPT the approximately 5.459 acre tract of land described comprising the Trace Subdivision PID Phase 1A Esplanade Parkway Final Plat, as described in **Appendix J** attached to this 2018 SAP,

containing approximately 394.478 acres of land, more or less.

Appendix G

Unplatted Parcel Boundary Map



Appendix H

Trace Subdivision Section A, PA 1A Phase A-1 Final Plat

TRACE SUBDIVISION, SECTION A, PA 1A PHASE A-1 FINAL PLAT

STATE OF TEXAS
COUNTY OF DALLAS

WE, the undersigned, being a duly qualified surveyor and engineer, do hereby certify that we are the authors of the foregoing plat, and that the same is a true and correct representation of the facts and conditions as shown to us by the parties thereto, and that we are not aware of any fraud or mistake in the same.

IN WITNESS WHEREOF, we have hereunto set our hands and seals at the City of Dallas, Texas, this 11th day of November, 2019.

[Signature]
Surveyor

[Signature]
Engineer

NOTARY PUBLIC
My Comm. Exp. 12/31/2021

VARIETY MAP
NEXT TO SCALE

STATE OF TEXAS
COUNTY OF DALLAS

WE, the undersigned, being a duly qualified surveyor and engineer, do hereby certify that we are the authors of the foregoing plat, and that the same is a true and correct representation of the facts and conditions as shown to us by the parties thereto, and that we are not aware of any fraud or mistake in the same.

IN WITNESS WHEREOF, we have hereunto set our hands and seals at the City of Dallas, Texas, this 11th day of November, 2019.

[Signature]
Surveyor

[Signature]
Engineer

NOTARY PUBLIC
My Comm. Exp. 12/31/2021

CITY OF DALLAS
CERTIFICATE OF APPROVAL

APPROVED FOR RECORDATION BY THE CITY OF DALLAS, TEXAS, ON 11/15/2019.

[Signature]
City Manager

[Signature]
City Engineer

[Signature]
City Surveyor

[Signature]
City Clerk

STATE OF TEXAS
COUNTY OF DALLAS

WE, the undersigned, being a duly qualified surveyor and engineer, do hereby certify that we are the authors of the foregoing plat, and that the same is a true and correct representation of the facts and conditions as shown to us by the parties thereto, and that we are not aware of any fraud or mistake in the same.

IN WITNESS WHEREOF, we have hereunto set our hands and seals at the City of Dallas, Texas, this 11th day of November, 2019.

[Signature]
Surveyor

[Signature]
Engineer

NOTARY PUBLIC
My Comm. Exp. 12/31/2021

CITY OF DALLAS
CERTIFICATE OF APPROVAL

APPROVED FOR RECORDATION BY THE CITY OF DALLAS, TEXAS, ON 11/15/2019.

[Signature]
City Manager

[Signature]
City Engineer

[Signature]
City Surveyor

[Signature]
City Clerk

[illegible]

TRACE SUBDIVISION
SECTION A, PA 2A
PHASE A
FINAL PLAT

LIFE TABLE		
LINE #	BREATHING	DISTANCE
1	5 0000 11 4	1.00
2	5 0000 11 4	2.50
3	5 0000 11 4	4.00
4	5 0000 11 4	5.50
5	5 0000 11 4	7.00
6	5 0000 11 4	8.50
7	5 0000 11 4	10.00
8	5 0000 11 4	11.50
9	5 0000 11 4	13.00
10	5 0000 11 4	14.50
11	5 0000 11 4	16.00
12	5 0000 11 4	17.50
13	5 0000 11 4	19.00
14	5 0000 11 4	20.50
15	5 0000 11 4	22.00
16	5 0000 11 4	23.50
17	5 0000 11 4	25.00
18	5 0000 11 4	26.50
19	5 0000 11 4	28.00
20	5 0000 11 4	29.50
21	5 0000 11 4	31.00
22	5 0000 11 4	32.50
23	5 0000 11 4	34.00
24	5 0000 11 4	35.50
25	5 0000 11 4	37.00
26	5 0000 11 4	38.50
27	5 0000 11 4	40.00
28	5 0000 11 4	41.50
29	5 0000 11 4	43.00
30	5 0000 11 4	44.50
31	5 0000 11 4	46.00
32	5 0000 11 4	47.50
33	5 0000 11 4	49.00
34	5 0000 11 4	50.50
35	5 0000 11 4	52.00
36	5 0000 11 4	53.50
37	5 0000 11 4	55.00
38	5 0000 11 4	56.50
39	5 0000 11 4	58.00
40	5 0000 11 4	59.50
41	5 0000 11 4	61.00
42	5 0000 11 4	62.50
43	5 0000 11 4	64.00
44	5 0000 11 4	65.50
45	5 0000 11 4	67.00
46	5 0000 11 4	68.50
47	5 0000 11 4	70.00
48	5 0000 11 4	71.50
49	5 0000 11 4	73.00
50	5 0000 11 4	74.50
51	5 0000 11 4	76.00
52	5 0000 11 4	77.50
53	5 0000 11 4	79.00
54	5 0000 11 4	80.50
55	5 0000 11 4	82.00
56	5 0000 11 4	83.50
57	5 0000 11 4	85.00
58	5 0000 11 4	86.50
59	5 0000 11 4	88.00
60	5 0000 11 4	89.50
61	5 0000 11 4	91.00
62	5 0000 11 4	92.50
63	5 0000 11 4	94.00
64	5 0000 11 4	95.50
65	5 0000 11 4	97.00
66	5 0000 11 4	98.50
67	5 0000 11 4	100.00
68	5 0000 11 4	101.50
69	5 0000 11 4	103.00
70	5 0000 11 4	104.50
71	5 0000 11 4	106.00
72	5 0000 11 4	107.50
73	5 0000 11 4	109.00
74	5 0000 11 4	110.50
75	5 0000 11 4	112.00
76	5 0000 11 4	113.50
77	5 0000 11 4	115.00
78	5 0000 11 4	116.50
79	5 0000 11 4	118.00
80	5 0000 11 4	119.50
81	5 0000 11 4	121.00
82	5 0000 11 4	122.50
83	5 0000 11 4	124.00
84	5 0000 11 4	125.50
85	5 0000 11 4	127.00
86	5 0000 11 4	128.50
87	5 0000 11 4	130.00
88	5 0000 11 4	131.50
89	5 0000 11 4	133.00
90	5 0000 11 4	134.50
91	5 0000 11 4	136.00
92	5 0000 11 4	137.50
93	5 0000 11 4	139.00
94	5 0000 11 4	140.50
95	5 0000 11 4	142.00
96	5 0000 11 4	143.50
97	5 0000 11 4	145.00
98	5 0000 11 4	146.50
99	5 0000 11 4	148.00
100	5 0000 11 4	149.50

CURVE #	RADIUS	ARC DISTANCE	CHORD BEARING	CHORD DISTANCE
1	1000.00	40.00	1.487531°	40.000
2	1000.00	40.00	1.501511°	40.000
3	500.00	50.00	1.250000°	50.000
4	400.00	75.00	1.273565°	75.000
5	300.00	75.00	0.821781°	75.000
6	1000.00	100.00	0.707107°	100.000
7	800.00	120.00	1.133690°	120.000
8	700.00	120.00	0.674481°	120.000
9	600.00	120.00	0.773747°	120.000
10	500.00	120.00	0.902161°	120.000
11	400.00	150.00	0.500000°	150.000
12	300.00	150.00	0.473683°	150.000
13	200.00	150.00	0.607107°	150.000
14	150.00	150.00	0.583812°	150.000
15	100.00	150.00	0.564419°	150.000
16	50.00	150.00	0.545419°	150.000
17	100.00	150.00	0.526419°	150.000
18	50.00	150.00	0.507419°	150.000
19	100.00	150.00	0.488419°	150.000
20	50.00	150.00	0.469419°	150.000
21	100.00	150.00	0.450419°	150.000
22	50.00	150.00	0.431419°	150.000
23	100.00	150.00	0.412419°	150.000
24	50.00	150.00	0.393419°	150.000
25	100.00	150.00	0.374419°	150.000
26	50.00	150.00	0.355419°	150.000
27	100.00	150.00	0.336419°	150.000
28	50.00	150.00	0.317419°	150.000
29	100.00	150.00	0.298419°	150.000
30	50.00	150.00	0.279419°	150.000
31	100.00	150.00	0.260419°	150.000
32	50.00	150.00	0.241419°	150.000
33	100.00	150.00	0.222419°	150.000
34	50.00	150.00	0.203419°	150.000
35	100.00	150.00	0.184419°	150.000
36	50.00	150.00	0.165419°	150.000
37	100.00	150.00	0.146419°	150.000
38	50.00	150.00	0.127419°	150.000
39	100.00	150.00	0.108419°	150.000
40	50.00	150.00	0.089419°	150.000
41	100.00	150.00	0.070419°	150.000
42	50.00	150.00	0.051419°	150.000
43	100.00	150.00	0.032419°	150.000
44	50.00	150.00	0.013419°	150.000
45	100.00	150.00	0.000000°	150.000

CURVE #	HAZARDS	ADJ.	DISTANCE	CHORD	BEARING	CHECKED	PERMANENT
154	367.93	46.76	5.141333 E			42.25	
155	367.97	46.76	5.143417 E			44.56	
156	367.98	46.76	5.145483 E			46.86	
157	367.99	46.75	5.147551 E			49.15	
158	367.99	46.75	5.149621 E			51.45	
159	367.99	46.75	5.151691 E			53.75	
160	367.99	46.75	5.153761 E			56.05	
161	367.99	46.75	5.155831 E			58.35	
162	367.99	46.75	5.157901 E			60.65	
163	367.99	46.75	5.159971 E			62.95	
164	367.99	46.75	5.162041 E			65.25	
165	367.99	46.75	5.164111 E			67.55	
166	367.99	46.75	5.166181 E			69.85	
167	367.99	46.75	5.168251 E			72.15	
168	367.99	46.75	5.170321 E			74.45	
169	367.99	46.75	5.172391 E			76.75	
170	367.99	46.75	5.174461 E			79.05	
171	367.99	46.75	5.176531 E			81.35	
172	367.99	46.75	5.178601 E			83.65	
173	367.99	46.75	5.180671 E			85.95	
174	367.99	46.75	5.182741 E			88.25	
175	367.99	46.75	5.184811 E			90.55	
176	367.99	46.75	5.186881 E			92.85	
177	367.99	46.75	5.188951 E			95.15	
178	367.99	46.75	5.191021 E			97.45	
179	367.99	46.75	5.193091 E			99.75	
180	367.99	46.75	5.195161 E			102.05	
181	367.99	46.75	5.197231 E			104.35	
182	367.99	46.75	5.199301 E			106.65	
183	367.99	46.75	5.201371 E			108.95	
184	367.99	46.75	5.203441 E			111.25	
185	367.99	46.75	5.205511 E			113.55	
186	367.99	46.75	5.207581 E			115.85	
187	367.99	46.75	5.209651 E			118.15	
188	367.99	46.75	5.211721 E			120.45	
189	367.99	46.75	5.213791 E			122.75	
190	367.99	46.75	5.215861 E			125.05	
191	367.99	46.75	5.217931 E			127.35	
192	367.99	46.75	5.219999 E			129.65	
193	367.99	46.75	5.222069 E			131.95	
194	367.99	46.75	5.224139 E			134.25	
195	367.99	46.75	5.226209 E			136.55	
196	367.99	46.75	5.228279 E			138.85	
197	367.99	46.75	5.230349 E			141.15	
198	367.99	46.75	5.232419 E			143.45	
199	367.99	46.75	5.234489 E			145.75	
200	367.99	46.75	5.236559 E			148.05	

Trace Subdivision PID Phase 1A Esplanade Parkway Final Plat

[illegible]

TRACY WARDEN SURVEY NO. 21

TRACE SUBDIVISION PID PHASE 1A ESPLANADE PARKWAY FINAL PLAT

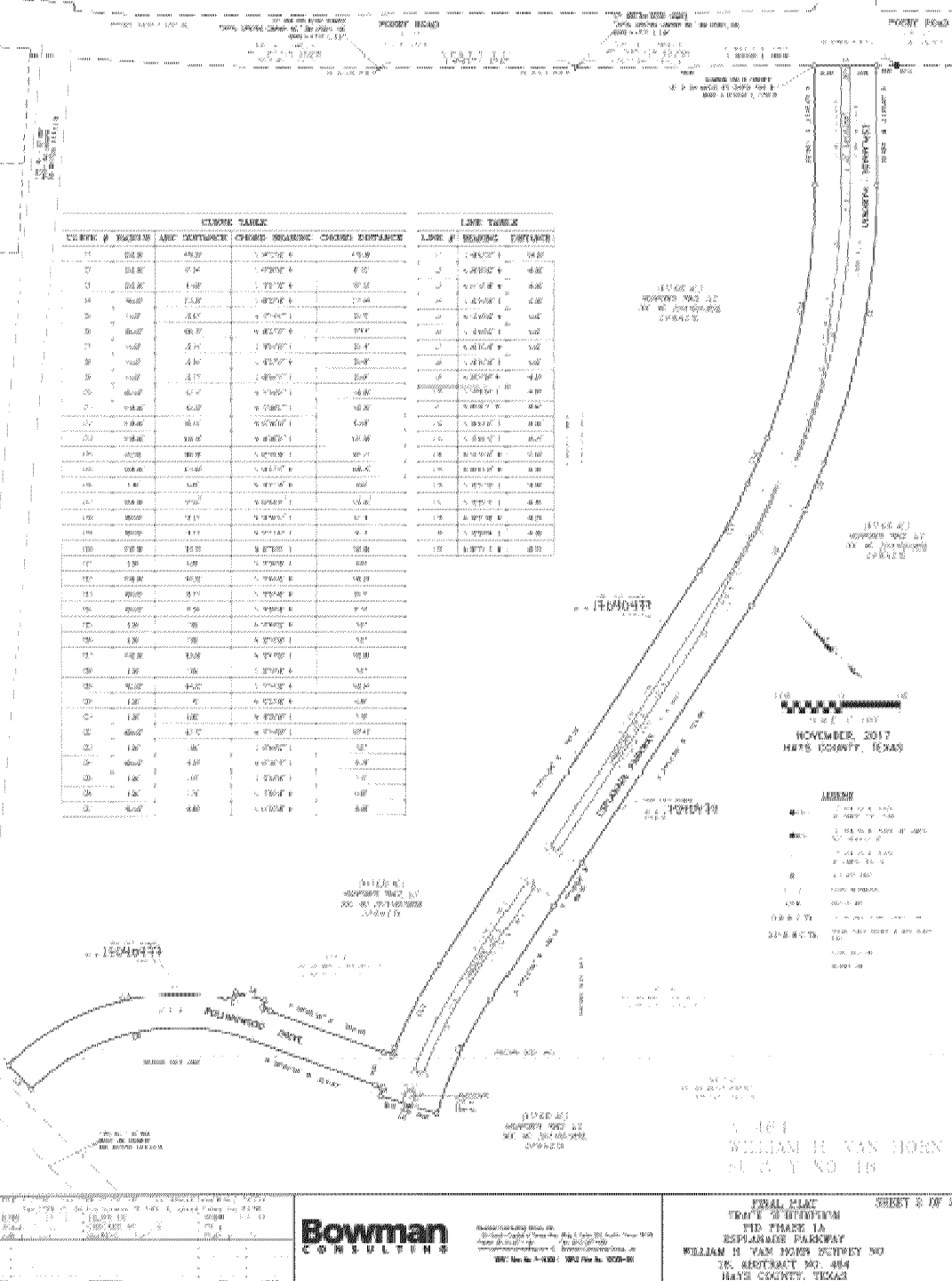


Exhibit “D”
FORM OF CERTIFICATION FOR PAYMENT
(Design – Trace)

_____ (“**Construction Manager**”) hereby requests payment for the percentage of design costs completed (the “**Design Costs**”) described in Attachment A attached hereto. Capitalized undefined terms shall have the meanings ascribed thereto in the Amended and Restated Trace Public Improvement District Financing Agreement between Highpointe TRACE, LLC., a California limited liability company, and the City of San Marcos (the “**City**”), dated as of _____ (the “**Finance Agreement**”). In connection with this Certification for Payment, the undersigned, in his or her capacity as the _____ of Construction Manager, to his or her knowledge, hereby represents and warrants to the City as follows:

1. He (she) is a duly authorized representative of Construction Manager, qualified to execute this request for payment on behalf of the Construction Manager and knowledgeable as to the matters forth herein.
2. The design work described in Attachment A has been completed in the percentages stated therein.
3. The true and correct Design Costs for which payment is requested is set forth in Attachment A and payment for such requested amounts and purposes has not been subject to any previously submitted request for payment.
4. Attached hereto as Attachment B is a true and correct copy of a bills paid affidavit evidencing that any contractor or subcontractor having performed design work described in Attachment A has been paid in full for all work completed through the previous Certification for Payment.
5. Attached hereto as Attachment C are invoices, receipts, worksheets and other evidence of costs which are in sufficient detail to allow the City to verify the Design Costs for which payment is requested.

[Signature Page Follows]

SIGNATURE PAGE TO
FORM OF CERTIFICATION FOR PAYMENT

Date : _____

[Construction Manager Signature Block to be
added]

APPROVAL BY THE CITY

The Design described in Attachment A has been reviewed, verified and approved by the City Construction Representative. Payment of the Design Costs are hereby approved.

Date: _____

CITY OF SAN MARCOS, TEXAS

By: _____

ATTACHMENT A TO CERTIFICATION OF PAYMENT (DESIGN)

Jurisdiction Name: Travis County
Bella Fortuna Public Improvement District
Certification of Payment #:
Date:

Reimbursement Detail						Required Documents (Completed By Administrator)			Allocation to Project Accounts		
Vendor	Description of Work	Invoice Number	Check Number	Date Paid	Amount	Invoice	Cancelled Check	Lien Release or All Bills Paid Affidavit	Project Category #1	Project Category #2	Project Ca
					\$ -				\$ -	\$ -	\$ -
					\$ -				\$ -	\$ -	\$ -
					\$ -				\$ -	\$ -	\$ -
					\$ -				\$ -	\$ -	\$ -
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					\$ -				\$ -	\$ -	\$ -
					\$ -				\$ -	\$ -	\$ -
					\$ -				\$ -	\$ -	\$ -
						Total		(1)	\$ -	\$ -	\$ -
						Original Budget		(2)	\$ -	\$ -	\$ -
						Budget Revisions		(3)	\$ -	\$ -	\$ -
						Revised Budger		(4) = (2) + (3)	\$ -	\$ -	\$ -
						LESS: Drawn to Date		(5)	\$ -	\$ -	\$ -
						LESS: This Draw		= (1)	\$ -	\$ -	\$ -
						Remaining Budget		(6) = (4) - (5) - (1)	\$ -	\$ -	\$ -

ATTACHMENT B TO CERTIFICATION OF PAYMENT (DESIGN)

[attached – bills paid affidavit]

ATTACHMENT C TO CERTIFICATION OF PAYMENT (DESIGN)

[attached – receipts]

FORM OF CERTIFICATION FOR PAYMENT
(Construction – Trace)

_____ (“**Construction Manager**”)
hereby requests payment of the Actual Cost of the work described in Attachment A attached hereto (the “**Draw Actual Costs**”). Capitalized undefined terms shall have the meanings ascribed thereto in the Amended and Restated Trace Public Improvement District Financing Agreement between Highpointe TRACE, LLC. and the City of San Marcos, Texas (the “**City**”), dated as of _____. In connection with this Certification for Payment, the undersigned, in his or her capacity as the _____ of Construction Manager, to his or her knowledge, hereby represents and warrants to the City as follows:

1. He (she) is a duly authorized representative of Construction Manager, qualified to execute this request for payment on behalf of the Construction Manager and knowledgeable as to the matters forth herein.
2. The true and correct Draw Actual Costs for which payment is requested is set forth in Attachment A and payment for such requested amounts and purposes has not been subject to any previously submitted request for payment.
3. Attached hereto as Attachment B is a true and correct copy of a bills paid affidavit evidencing that any contractor or subcontractor having performed work on a Segment described in Attachment A has been paid in full for all work completed through the previous Certification for Payment.
4. Attached hereto as Attachment C are invoices, receipts, worksheets and other evidence of costs which are in sufficient detail to allow the City to verify the Draw Actual Costs of each Segment for which payment is requested.

[Signature Page Follows]

SIGNATURE PAGE TO
FORM OF CERTIFICATION FOR PAYMENT

Date : _____

[Construction Manager Signature Block to
Be inserted]

JOINDER OF PROJECT ENGINEER

The undersigned Project Engineer joins this Certification for Payment solely for the purposes of certifying that the representations made by Construction Manager in Paragraph 2 above are true and correct in all material respects.

Project Engineer

APPROVAL BY THE CITY

The Draw Actual Costs of each Segment described in Attachment A has been reviewed, verified and approved by the City Construction Representative of the City. Payment of the Draw Actual Costs of each such Segment is hereby approved.

Date: _____

CITY OF SAN MARCOS, TEXAS

By: _____

Jurisdiction Name: Travis County
 Fortuna Public Improvement District
 Identification of Payment #:

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ATTACHMENT B TO CERTIFICATION OF PAYMENT (CONSTRUCTION)

[bills paid affidavit – attached]

ATTACHMENT C TO CERTIFICATION OF PAYMENT (CONSTRUCTION)

[receipts – attached]

Exhibit "E"

FORM OF CLOSING DISBURSEMENT REQUEST

The undersigned is a lawfully authorized representative for Highpointe Trace, LLC (the "**Owner**") and requests payment from the Costs of Issuance Account of the Project Fund (as defined in the Amended and Restated Trace Public Improvement District Financing Agreement) from _____ (the "**Trustee**") in the amount of _____ (\$_____) to be transferred from the [Cost of Issuance Account of the Project Fund] upon the delivery of the [_____ Bonds] for costs incurred in the establishment, administration, and operation of the Trace Public Improvement District (the "**District**"), as follows.

In connection to the above referenced payment, the Owner represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Owner, is qualified to execute this Closing Disbursement Request on behalf of the Owner, and is knowledgeable as to the matters set forth herein.

2. The payment requested for the below referenced establishment, administration, and operation of the District at the time of the delivery of the Bonds has not been the subject of any prior payment request submitted to the City.

3. The amount listed for the below itemized costs is a true and accurate representation of the Actual Costs incurred by Owner with the establishment of the District at the time of the delivery of the Bonds, and such costs are in compliance with the 2018 SAP. The itemized costs are as follows:

[insert itemized list of costs here]

TOTAL REQUESTED: \$_____

4. The Owner is in compliance with the terms and provisions of the Amended and Restated Trace Public Improvement District Financing Agreement, the Indenture and the 2018 SAP.

5. All conditions set forth in the Indenture and [the Acquisition and Reimbursement Agreement for _____] for the payment hereby requested have been satisfied.

6. The Owner agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete its review.

Payments requested hereunder shall be made as directed below:

[Information regarding Payee, amount, and deposit instructions]

I hereby declare that the above representations and warranties are true and correct.

HIGHPOINTE TRACE, LLC,
a California limited liability company

By: Highpointe Posey, L.P., a California
limited partnership, Its Managing
Member

By: Highpointe Investments, Inc.,
a California corporation, Its
General Partner

By: _____
Timothy D. England, SVP

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Closing Disbursement Request. After reviewing the Closing Disbursement Request, the City approves the Closing Disbursement Request and shall include said payments in the City Certificate submitted to the Trustee directing payments to be made from Costs Issuance Account upon delivery of the Bonds.

CITY OF SAN MARCOS, TEXAS

By: _____

Name: _____

Title: _____

EXHIBIT B

DESCRIPTION OF HIGHPOINTE

Legal description of land:

BEING A 417.630 ACRE TRACT OUT OF THE WILLIAM H. VAN HORN SURVEY, ABSTRACT NO. 464, HAYS COUNTY, TEXAS, AND BEING A PORTION OF THOSE CERTAIN 100.22 ACRE, 67.53 ACRE, 248.77 ACRE, AND 5.01 ACRE TRACTS CONVEYED TO JOQ-SAN MARCOS VENTURES L.P. BY DEED OF RECORD IN VOLUME 1820, PAGE 715, OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS; SAID 417.630 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, at a 1-inch iron pipe found in the east right-of-way line of Interstate Highway 35 (300' R.O.W.), being the called northeast corner of that certain 85.00 acre tract conveyed to San Marcos 197 Acre Associates, LLC, by Deed of record in Volume 4015, Page 562, of said Official Public Records, also being the northwest corner of said 248.77 acre tract, for the northwesterly corner hereof;

THENCE, N43°34'33"E, along said east right-of-way line of Interstate Highway 35, being the north line of said 248.77 acre tract, a distance of 2222.49 feet to a 1/2-inch iron rod found near the base of a fence post at the called northeast corner of said 248.77 acre tract, being the northwest corner of that certain 14.86 acre tract conveyed to Kimberley Gunnarson, by Deed of record in Volume 3281, Page 47, of said Official Public Records, for the northeasterly corner hereof;

THENCE, S45°57'08"E, leaving said east right-of-way line, along the west line of said 14.86 acre tract, being an east line of said 248.77 acre tract, generally with the remnants of an old barbed-wire fence (a new barbed-wire fence meanders parallel and several feet to the west), a distance of 976.48 feet to a calculated point at the called southwest corner of said 14.86 acre tract, being an angle point of said 248.77 acre tract, for an angle point hereof, from which an 8-inch cedar fence post found bears S45°57'08"E, a distance of 0.87 feet;

THENCE, N44°02'46"E, along the south line of said 14.86 acre tract, generally with a barbed-wire fence, at 14.92 feet passing a 1/2-inch iron rod found at the base of an 8-inch cedar fence post, being approximately at an angle point in the east line of said 248.77 acre tract and the approximate northwest corner of said 67.53 acre tract, and continuing along the north line of said 67.53 acre tract for a total distance of 673.37 feet to a 1/2-inch iron rod found at the base of a leaning 10-inch cedar fence post at the called southeast corner of said 14.86 acre tract, being the northeast corner of said 67.53 acre tract, also being in the west line of Lot 2, Final Plat of San Marcos Toyota Subdivision, of record in Book 9, Pages 155-156, of the Plat Records of Hays County, Texas, for an angle point hereof;

THENCE, S46°27'25"E, in part along the west line of said Lot 2 and in part along the remainder of that certain 56.288 acre tract conveyed to JMC Realty, LP, by Deed of record in Volume 1662, Page 628, of said Official Public Records, being the east line of said 67.53 acre tract, generally with a barbed-wire fence as called in said Volume 1662, Page 628 and Volume 1820, Page 715, a distance of 181.47 feet to a 3-inch cedar fence post found, for an angle point hereof;

THENCE, continuing along the west line of said 56.288 acre tract, being the east line of said 67.53 acre tract, generally with a barbed-wire fence as called in said Volume 1662, Page 628 and said Volume 1820, Page 715, the following four (4) courses and distances:

- 1) S46°59'15"E, a distance of 232.69 feet to an 8-inch cedar fence post found, for an angle point hereof;
- 2) S49°30'26"E, deviating from a re-established fence line over a creek, a distance of 126.95 feet to a 6-inch cedar fence post found, for an angle point hereof;

3) S47°20'32"E, rejoining and continuing generally with a barbed-wire fence line, a distance of 387.84 feet to a 1/2-inch iron rod found in the base of a hackberry tree, as called in said Volume 1662, Page 628, for an angle point hereof;

4) S47°39'57"E, a distance of 528.76 feet to a 1/2-inch iron rod found at the called southwest corner of said 56.288 acre tract, being at the base of a 10-inch cedar fence post at a called angle point in the east line of said 67.53 acre tract, for an angle point hereof;

THENCE, N44°31'00"E, along the south line of said 56.288 acre tract, being an east line of said 67.53 acre tract, generally with a barbed-wire fence, a distance of 646.04 feet to a 1/2-inch iron rod found at an angle point in the east line of said 67.53 acre tract, being the northwest corner of that certain 1.000 acre tract conveyed to Wilford L. Wootan, Jr., et ux, by Deed of record in Volume 536, Page 849, of the Real Property Records of Hays County, Texas, for an angle point hereof;

THENCE, S46°59'32"E, leaving the south line of said 56.288 acre tract, along the west line of said 1.000 acre tract, being an east line of said 67.53 acre tract, generally with a barbed-wire fence, a distance of 280.51 feet to a 1/2-inch iron rod found at the base of a fence post at the called southwest corner of said 1.000 acre tract, for an angle point hereof;

THENCE, N47°03'15"E, along the south line of said 1.000 acre tract and that certain 1.335 acre tract conveyed to Wilford L. Wootan, Jr., et ux, by Deed of record in Volume 401, Page 769, of said Real Property Records, being an east line of said 67.53 feet, generally with a barbed-wire fence, a distance of 335.24 feet to a 1/2-inch iron rod with "Capital Surveying Company" cap found at the northwest corner of that certain 0.8521 acre tract

conveyed to Hays County, Texas for right-of-way purposes, by Deed of record in Volume 2927, Page 699, of said Official Public Records, being the southwest right-of-way line of Posey Road (R.O.W. varies), for an angle point hereof;

THENCE, leaving the south line of said 1.335 acre tract, over and across said 67.53 acre tract and said 100.22 acre tract, along said southwest right-of-way line of Posey Road, being the west line of said 0.8521 acre tract, and those certain 0.5415 acre and 2.4004 acre tracts conveyed to Hays County, Texas for right-of-way purposes, by said Deed of record in Volume 2927, Page 699, the following eight (8) courses and distances:

1) S41°53'43"E, a distance of 78.28 feet to a disturbed 1/2-inch iron rod found at the point of curvature of a curve to the left;

2) Along said curve, having a radius of 6075.00 feet, a central angle of 04°47'50", an arc length of 508.66 feet, and a chord which bears S44°20'45"E, a distance of 508.51 feet to a 1/2-inch iron rod with "Capital Surveying Company" cap found at the point of tangency of said curve;

3) S46°43'43"E, at 327.46 feet passing a 1/2-inch iron rod found on the south line of said 67.53 acre tract, being the north line of said 100.22 acre tract, and continuing for a total distance of 865.99 feet to a calculated point at the point of curvature of a curve to the right;

4) Along said curve, having a radius of 15031.48 feet, a central angle of 00°34'12", an arc length of 149.56 feet, and a chord which bears S46°08'19"E, a distance of 149.56 feet to a 1/2-inch iron rod with "Capital Surveying Company" cap found at the point of tangency of said curve;

5) S46°08'26"E, a distance of 1770.49 feet to a calculated point at the point of curvature of a curve to the left;

6) Along said curve, having a radius of 14862.04 feet, a central angle of 00°34'49", an arc length of 150.53 feet, and a chord which bears S46°25'49"E, a distance of 150.53 feet to a 1/2-inch iron rod with "Capital Surveying Company" cap found at the point of tangency of said curve;

7) S46°41'07"E, a distance of 195.22 feet to a 1/2-inch iron rod with "Capital Surveying Company" stamp found near the base of a 2-inch steel fence post, for an angle point hereof;

8) S01°32'03"E, a distance of 28.03 feet to a calculated point at the southwest corner of said 2.4004 acre tract, being in the south line of said 100.22 acre tract, also being the intersection of said southwest right-of-way line of Posey Road and the northeast right-of-way line of County Road 266/Old Bastrop Highway/El Camino Real (R.O.W. varies), for the southeasterly corner hereof;

THENCE, along the used and occupied northeast right-of-way line of County Road 266, being the called south line of said 100.22 acre tract, generally with a barbed-wire fence, the following two (2) courses and distances:

1) S43°45'05"W, a distance of 70.45 feet to an 8-inch cedar fence post found, for an angle point hereof;

2) S44°04'56"W, a distance of 207.09 feet to a calculated point at the point of curvature of a curve to the right, being near the base of a 2-inch steel fence post, also being the east corner of that certain 0.0123 acre tract conveyed to Hays County, Texas for right-of-way purposes, by Deed of record in Volume 4600, Page 118, of said Official Public Records;

THENCE, continuing along said northeast right-of-way line, over and across said 100.22 acre tract, along said curve to the right, having a radius of 950.00 feet, a central angle of 08°05'19", an arc length of 134.11 feet, and a chord which bears S62°20'44"W, a distance of 134.00 feet to a calculated point near the base of a 2-inch steel fence post at the west corner of said 0.123 acre tract, being on the called south line of said 100.22 acre tract, for an angle point hereof;

THENCE, continuing along the used and occupied northeast right-of-way line of County Road 266, being the called south line of said 100.22 acre tract, generally with a barbed-wire fence, the following four (4) courses and distances:

1) S68°39'21"W, a distance of 769.76 feet to an 8-inch cedar fence post found, for an angle point hereof;

2) S69°15'47"W, a distance of 221.52 feet to a 60D nail found in an 8-inch cedar fence post, for an angle point hereof;

3) S70°25'00"W, a distance of 127.68 feet to an 8-inch cedar fence post found, for an angle point hereof;

4) S69°14'26"W, a distance of 228.32 feet to a calculated point at the called southwest corner of said 100.22 acre tract, being the southeast corner of that certain 5.0000 acre tract conveyed to Pleasant F. Rexroat and wife, Elwanda J. Rexroat, by Deed of record in Volume 1898, Page 98, of said Official Public Records, for an angle point hereof;

THENCE, N45°06'19"W, leaving said northeast right-of-way line of County Road 266, along the called west line of said 100.22 acre tract, generally with the remnants of an old barbed-wire fence (new wire fence meanders approximately parallel and several feet southwest of old fence), a distance of 85.52 feet to a 6-inch cedar fence post found leaning, for an angle point;

THENCE, N46°36'04"W, continuing generally with the remnants of an old-barbed wire fence as called in said Volume 1820, Page 715, a distance of 642.34 feet to a 1/2-inch iron pipe found near the base of a fence post, being the called northeast corner of said Rexroat 5.0000 acre tract, also being an angle point in the occupied east line of said 248.77 acre tract, for an angle point hereof;

THENCE, S70°39'07"W, leaving the occupied west line of said 100.22 acre tract, along the called and occupied north line of said Rexroat 5.0000 acre tract, being the occupied east line of said 248.77 acre tract, generally with a barbed-wire fence, a distance of 329.36 feet to a 1/2-inch iron pipe found near the base of a fence post at the called northwest corner of said Rexroat 5.0000 acre tract, being the occupied northeast corner of said 5.01 acre tract, for an angle point hereof;

THENCE, S46°20'51"E, leaving the east line of said 248.77 acre tract, along the called and occupied west line of said Rexroat 5.0000 acre tract, being the occupied east line of said 5.01 acre tract, generally with a barbed-wire fence, a distance of 747.43 feet to a 1/2-inch iron pipe found near the base of a fence post at the called southwest corner of said Rexroat 5.0000 acre tract, being the southeast corner of said 5.01 acre tract, also being in said used and occupied northeast right-of-way line of County Road 266, for an angle point hereof;

THENCE, S72°25'29"W, along the used and occupied northeast right-of-way of County Road 266, being the called south line of said 5.01 acre tract, generally with a barbed-wire fence, a distance of 335.30 feet to a calculated point in a fence line, being the called southwest corner of said 5.01 acre tract, being the occupied southeast corner of said 248.77 acre tract, from which a 1/2-inch iron pipe found bears N46°20'31"W, a distance of 2.00 feet, for an angle point hereof;

THENCE, continuing along the used and occupied northeast right-of-way line of County Road 266, being the called south line of said 248.77 acre tract, generally with a barbed-wire fence, the following nine (9) courses and distances:

- 1) S71°40'15"W, a distance of 115.86 feet to a calculated point in a fence line, for an angle point hereof;
- 2) S76°06'10"W, a distance of 46.03 feet to an 8-inch cedar fence post found, for an angle point hereof;
- 3) S86°28'05"W, a distance of 428.20 feet to an 8-inch cedar fence post found, for an angle point hereof;
- 4) N89°34'56"W, a distance of 321.83 feet to a T-post found, for an angle point hereof;
- 5) N89°02'24"W, a distance of 554.59 feet to a calculated point in a fence line, for an angle point hereof;
- 6) S89°48'27"W, a distance of 68.91 feet to an 8-inch creosoted fence post found, for an angle point hereof;
- 7) N81°53'25"W, a distance of 50.53 feet to an 8-inch creosoted fence post found, for an angle point hereof;
- 8) N88°55'45"W, at approximately 713 feet leaving said barbed-wire fence line, and continuing for a distance of 802.47 feet to a 1/2-inch iron rod with "Macias" cap found, for an angle point hereof;
- 9) N70°06'57"W, a distance of 39.04 feet to an 8-inch creosoted fence post found, for the southwesterly corner hereof;

THENCE, N46°27'14"W, continuing along the used and occupied northeast right-of-way line of County Road 266, being the called west line of said 248.77 acre tract, generally with a barbed-wire fence, a distance of 79.93 feet to a 1/2-inch iron pipe found at the called southeast corner of said 85.00 acre tract, for an angle point hereof;

THENCE, leaving said northeast right-of-way line of County Road 266, along the occupied east line of said 85.00 acre tract, being the called and occupied west line of said 248.77 acre tract, generally with a barbed wire fence, the following eight (8) courses and distances:

- 1) N41°35'30"W, a distance of 51.65 feet to a 1/2-inch iron pipe found, for an angle point hereof;
- 2) N45°22'24"W, a distance of 1221.06 feet to a 6-inch cedar fence post found, for an angle point hereof;
- 3) N45°15'48"W, a distance of 427.82 feet to a 6-inch cedar fence post found, for an angle point hereof;
- 4) N45°19'43"W, a distance of 673.22 feet to a 10-inch cedar fence post found, for an angle point hereof;
- 5) N46°33'40"W, a distance of 275.02 feet to a calculated point in a fence line, for an angle point hereof;
- 6) N47°51'30"W, a distance of 124.53 feet to a 6-inch cedar fence post found, for an angle point hereof;
- 7) N46°26'02"W, a distance of 218.87 feet to a T-post found, for an angle point hereof;
- 8) N46°25'10"W, at 158.03 feet passing a 1/2-inch iron pipe found, and continuing for a total distance of 769.08 feet to the POINT OF BEGINNING, and containing 417.630 acres (18,191,980 square feet) of land, more or less.

NOTE: THE COMPANY IS PROHIBITED FROM INSURING THE AREA OR QUANTITY OF THE LAND DESCRIBED HEREIN. ANY STATEMENT IN THE ABOVE LEGAL DESCRIPTION OF THE AREA OR QUANTITY OF LAND IS NOT A REPRESENTATION THAT SUCH AREA OR QUANTITY IS CORRECT, BUT IS MADE ONLY FOR INFORMATIONAL AND/OR IDENTIFICATION PURPOSES AND DOES NOT OVERRIDE ITEM 2 OF SCHEDULE B HEREOF.