

RESOLUTION 2014-143R

A RESOLUTION OF THE CITY OF SAN MARCOS, TEXAS, MAKING FINDINGS AS TO THE ADVISABILITY OF THE IMPROVEMENTS PROPOSED IN THE WHISPER PUBLIC IMPROVEMENT DISTRICT IN ACCORDANCE WITH CHAPTER 372 OF THE TEXAS LOCAL GOVERNMENT CODE.

WHEREAS, the City of San Marcos, Texas (the “City”), is authorized under Chapter 372 of the Texas Local Government Code, as amended (the “Act”), to create a public improvement district;

WHEREAS, on September 25, 2014, Yarrington Partners, Ltd. (“Yarrington”), and the State of Texas, acting through the General Land Office (“GLO”) (collectively, the “Owner”), submitted and filed with the City Clerk of the City a petition (“Petition”) requesting the establishment of a public improvement district to be known as the Whisper Public Improvement District (“District”);

WHEREAS, the Petition indicated that (i) the owners of more than 50% of the appraised value of the taxable real property liable for assessment and (ii) the owners of more than 50% of the area of all taxable real property liable for assessment within the District executed the Petition requesting that the governing body of the City (the “City Council”) create the District;

WHEREAS, the City Council has investigated and determined that the facts contained in the Petition are true and correct;

WHEREAS, the District will include the approximately 705.853 acres owned by the Owner and located within the City and the City’s extraterritorial jurisdiction (the “Property”), which Property is more particularly described and depicted on “Exhibit A” attached hereto and made a part hereof;

WHEREAS, after providing all notices required by Section 372.009 of the Act, the City Council on October 6, 2014 conducted a public hearing on the advisability of the proposed improvements; and

WHEREAS, the City Council adjourned and closed such public hearing.

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

Section 1. The findings set forth in the recitals of this Resolution are hereby found to be true and correct.

Section 2. The Petition submitted to the City by the Owner was filed with the City Clerk of the City and complies with Subchapter A of the Act.

Section 3. Pursuant to the requirements of the Act, including, without limitation, Sections 372.006, 372.009(a), and 372.009(b), the City Council, after considering the Petition and the evidence and testimony presented at the public hearing on October 6, 2014, hereby finds and declares:

(a) Advisability of the Proposed Improvements. It is advisable to provide the Authorized Improvements described in the Petition and this Resolution. The Authorized Improvements will promote the interests of the City and will confer a special benefit on the Property.

(b) General Nature of the Authorized Improvements. The purposes of the District include the design, acquisition, and construction of public improvement projects authorized by Section 372.003(b) of the Act that are necessary for development of the Property, which public improvements will include, but not be limited to, streets, roadway construction and improvements, right-of-way acquisition, water, wastewater, and drainage facilities and improvements, and other improvement projects (collectively, the "Authorized Improvements"), as well as payment of costs associated with developing and financing the Authorized Improvements. These Authorized Improvements shall promote the interests of the City and confer a special benefit on the Property, and are described in further detail on the Term Sheet attached hereto as Exhibit "B" and incorporated herein.

(c) Estimated Cost of the Authorized Improvements. The Owner estimates the cost to design, acquire, and construct the Authorized Improvements is \$10,398,361.00.

(d) Boundaries of the Proposed District. The boundaries of the proposed District shall contain the Property.

(e) Proposed Method of Assessment. The City shall levy an assessment on each tract within the District to pay the cost of the Authorized Improvements in a manner that results in imposing equal shares of the cost on property similarly benefitted. Each assessment may be paid in full at any time (including accrued and unpaid interest) or may be paid in annual installments (including interest and debt). The installments must be paid in amounts necessary to meet annual costs for the Authorized Improvements and must continue for a period necessary to retire the indebtedness on the Authorized Improvements.

(f) Apportionment of the Cost Between District and the City. The City shall not be obligated to provide any funds to finance the Authorized Improvements. The cost of the Authorized improvements will be paid from the assessments and from other sources of funds, if any, available to the Owner.

(g) Management of the District. The District shall be managed by the City, with the assistance of a consultant, who shall, from time to time, advise the City regarding certain operations of the District.

(h) Advisory Board. The District shall be managed without the creation of an advisory board.

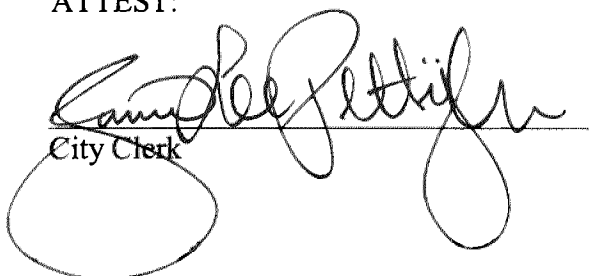
Section 4. City Council hereby makes the above findings as to the advisability of the Authorized Improvements contained in this Resolution, and the conclusion that the District is needed to fund such Authorized Improvements.

Section 5. This Resolution shall take effect immediately from and after its passage and publication as required by law.

PASSED AND APPROVED on this 6th day of October, 2014.

ATTEST:

THE CITY OF SAN MARCOS, TEXAS


City Clerk


Mayor

EXHIBIT “A”

EXHIBIT "A"

FIELD NOTES
FOR
A 201.496 ACRE TRACT

Being a 201.496 acre tract of land, being approximately 94.639 acres out of the William Ward Survey No. 3 and approximately 106.837 acres out of the Joel Miner Survey, Hays County, Texas, and being out of a tract called 214.40 acres conveyed to Yarrington Properties by Warranty Deed recorded in Volume 773, Page 816 of the Official Public Records of Hays County, Texas, and all bearings referred to in this description are related to and referenced to a bearing of N 45° 52' W between iron pins found along the Southwest line of the above referenced 214.40 acre tract, and all bearings and distances referred to in this description as record calls are taken from Volume 773, Page 816 of the Official Public Records of Hays County, Texas, said 201.496 acre tract of land surveyed under the supervision of Richard A. Goodwin, RPLS #4069, S. Craig Hollmig, Inc., and being more particularly described as follows:

BEGINNING: At a concrete highway monument found at the intersection of the Southwest line of a road, called County Road No. 159, called Yarrington Road, with the Southeast line of Interstate Highway No. 35, for the most Northerly corner of the above referenced 214.40 acre tract, for the most Northerly corner and Point of Beginning of this tract;

THENCE: Leaving Interstate Highway No. 35, with a Southwest line of Yarrington Road, S 46° 02' 04" E 1812.44 feet (record call: S 46° 01' 00" E - 1813.06 feet) to a 1/2" iron pin found for a corner of the above referenced 214.40 acre tract, for a corner of this tract;

THENCE: Continuing along the Southwest line of said Yarrington Road and a turn to the right in said Yarrington Road, S 36° 43' 40" E 14.10 feet, a 1/2" iron pin set, S 02° 13' 26" E 44.83 feet, a 1/2" iron pin set, and S 40° 10' 14" W 32.45 feet to a 1/2" iron pin found in the Northwest line of said Yarrington Road, for a corner of the above referenced 214.40 acre tract, for a corner of this tract;

THENCE: Along said Northwest line, S 43° 58' 45" W 1263.87 feet (record call: S 43° 59' 00" W - 1263.40 feet) to a 1/2" iron pin found at a turn in said Yarrington Road, for an interior corner of the above referenced 214.40 acre tract, for an interior corner of this tract;

THENCE: Along a Southwest line of said Yarrington Road, a Northeast line of the above referenced 214.40 acre tract, S 43° 58' 21" E 3700.49 feet (record call: S 43° 58'

00" E - 3700.64 feet) to a 1/4" iron pin found in situ, for the Lower East corner of the above referenced 214.40 acre tract, for the East corner of this tract;

THENCE: Along the Southeast line of the above referenced 214.40 acre tract, the Northwest line of a tract called 100 acres recorded in Volume 52, Page 68 of the Deed Records of Hays County, Texas, S 44° 02' 31" W 1256.51 feet to a 1/4" iron pin found at fence corner, for the South corner of the above referenced 214.40 acre tract, an East corner of a tract called 328.824 acres described in Volume 720, Page 155 of the Official Public Records of Hays County, Texas, for the South corner of this tract;

THENCE: Along the Southwest line of the above referenced 214.40 acre tract, the Northeast line of said 328.824 acre tract, the general direction of an existing fence, N 45° 52' 00" W 2136.80 feet to a 1/4" iron pin found at fence corner, for a North corner of said 328.824 acre tract, a corner of the above referenced 214.40 acre tract, the East corner of Lot 4 of San Marcos Technology Park, a subdivision of record in Volume 5, Page 147 of the Map and Plat Records of Hays County, Texas, for a corner of this tract;

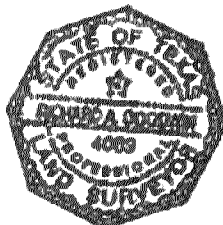
THENCE: Along the Northeast line of Lots 4 and 5 of said San Marcos Technology Park, and continuing along the Southwest line of the above referenced 214.40 acre tract, the general direction of an existing fence, N 45° 47' 19" W 692.77 feet, a 1/4" iron pin found, N 45° 52' 57" W 696.50 feet to a 1/4" iron pin set and N 46° 02' 37" W 201.81 feet to a 1/2" pipe found at fence corner, for an interior corner of the above referenced 214.40 acre tract, the North corner of Lot 5, the East corner of Lot 6, for an interior corner of this tract;

THENCE: Along the North line of Lot 6, S 82° 00' 53" W 1041.40 feet to a 1/4" iron pin found at the Northwest corner of Lot 6, lying in the Southeast line of Interstate Highway No. 35, for the most Westerly corner of this tract;

THENCE: Along the Southeast line of Interstate Highway No. 35, as now found upon the ground, N 21° 19' 20" E (record call: N 21° 17' E) 416.11 feet, a 1/4" iron pin found, N 24° 08' 43" E 2699.76 feet (record call: N 24° 09' E - 2700.00 feet) to a 1/4" iron pin found, N 24° 55' 22" E 367.45 feet to a concrete monument found, N 24° 56' 43" E 85.45 feet (record call for last two calls: N 24° 55' E - 452.99 feet) to a concrete monument found and N 79° 32' 49" E 57.95 feet (record call: 57.80 feet) to the Point of Beginning and containing 201.496 acres of land, more or less.

The foregoing field notes represent the results of an on-the-ground survey made under my supervision, August 1, 2003. Reference plat prepared this same date of this 201.496 acre tract.

Job 403-643



Richard A. Goodwin
Richard A. Goodwin, RPTS 44069



Professional Land Surveying, Inc.
Surveying and Mapping

Office: 512-443-1724
Fax: 512-441-6887

2807 Manchaca Road
Building One
Austin, Texas 78704

**318.105 ACRES
JOEL MINER SURVEY**

A DESCRIPTION OF 318.105 ACRES IN THE JOEL MINER SURVEY, HAYS COUNTY, TEXAS, BEING A PORTION OF A 328.824 ACRE TRACT OF LAND DESCRIBED IN TRUSTEE'S DEED TO JIM McCROCKLIN, TRUSTEE, DATED MARCH 1, 1988, OF RECORD IN VOLUME 720, PAGE 152 OF THE REAL PROPERTY RECORDS OF HAYS COUNTY, TEXAS; SAID 318.105 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a $\frac{1}{4}$ " rebar found in the east right-of-way line of Interstate Highway 35 (right-of-way width varies) for the west corner of said 328.824 acre tract and the north corner of a 97.84 acre tract of land described in Volume 714, Page 603 of the Real Property Records of Hays County, Texas,

THENCE North $22^{\circ}55'27''$ East, with the east right-of-way line of said IH-35 and the northwest line of the 328.824 acre tract, a distance of 1366.86 feet to a $\frac{1}{4}$ " rebar with cap set for the southwest corner of Lot 1, San Marcos Technology Park, a subdivision of record in Volume 5, Page 147 of the Plat Records of Hays County, Texas, from which a concrete highway monument found bears North $22^{\circ}55'27''$ East, a distance of 2010.30 feet;

THENCE South $67^{\circ}05'52''$ East, over and across the 328.824 acre tract with the southwest line of said San Marcos Technology Park, a distance of 1606.37 feet to a $\frac{1}{2}$ " rebar with cap set for an angle point in the north line of the 328.824 acre tract and the south corner of Lot 3, San Marcos Technology Park;

THENCE with the north line of the 328.824 acre tract and the southeast line of Lots 3 and 4, San Marcos Technology Park, the following three (3) courses:

1. North $43^{\circ}06'54''$ East, a distance of 1113.31 feet to a $\frac{1}{4}$ " rebar found;
2. North $41^{\circ}52'41''$ East, a distance of 231.92 feet to a $\frac{1}{4}$ " rebar found;
3. North $43^{\circ}00'24''$ East, a distance of 894.28 feet to a $\frac{1}{4}$ " rebar found in the southwest line of a 214.40 acre tract of land described in Volume 773, Page 816 of the Real Property Records of Hays County, Texas, for the east corner of Lot 4, San Marcos Technology Park and the north corner of the 328.824 acre tract;

THENCE South $47^{\circ}05'53''$ East, with the northeast line of the 328.824 acre tract

318.105 ACRES

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and the southwest line of said 214.40 acre tract, a distance of 2138.85 feet to a ½" rebar found for the south corner of the 214.40 acre tract and the northeast corner of the 328.824 acre tract and in the northwest line of a 100 acre tract of land described in Volume 52, Page 68 of the Deed Records of Hays County, Texas;

THENCE with the common line of the 328.824 acre tract and the said 100 acres, the following two (2) courses:

1. South 42°49'26" West, a distance of 819.02 feet to a ½" iron pipe found for the west corner of the 100.00 acre tract;
2. South 46°53'58" East, a distance of 2092.27 feet to a ½" rebar with cap set in the northwest right-of-way line of County Road 160 (Harris Hill Road, right-of-way width varies) for the easternmost corner of the 328.824 acre tract;

THENCE with the northwest right-of-way line of said C.R. 160 and the southeast line of the 328.824 acre tract, the following six (6) courses:

1. South 43°41'13" West, a distance of 675.23 feet to a ½" rebar with cap set;
2. South 45°13'02" West, a distance of 369.18 feet to a ½" rebar with cap set;
3. South 45°38'13" West, a distance of 508.86 feet to a ½" rebar with cap set;
4. South 57°28'20" West, a distance of 74.15 feet to a ½" rebar with cap set;
5. South 33°18'43" West, a distance of 64.34 feet to a ½" rebar with cap set;
6. South 45°42'28" West, a distance of 395.47 feet to a ½" rebar found for the south corner of the 328.824 acre tract and the east corner of a 36.40 acre tract of land described in Volume 1435, Page 407 of the Official Public Records of Hays County, Texas;

THENCE North 47°04'03" West, with a southwest line of the 328.824 acre tract and the northeast line of said 36.40 acre tract, a distance of 3052.04 feet to a ½" rebar found for the north corner of the 36.40 acre tract;

318.105 ACRES

Page 3

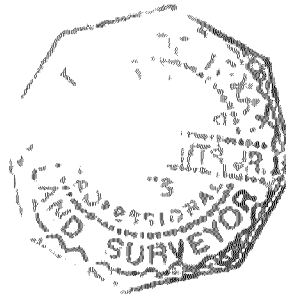
THENCE South $42^{\circ}56'45''$ West, with a southwest line of the 328.824 acre tract and the northwest line of the 36.40 acre tract, passing at a distance of 521.59 feet a $\frac{1}{4}$ " rebar found for the west corner of the 36.40 acre tract and the north corner of a 36.40 acre tract described in Document No. 9924088 of the Official Public Records of Hays County, Texas, for a total distance of 1163.93 feet to a $\frac{1}{4}$ " rebar found for the east corner of a 6.6 acre tract described in Volume 946, Page 575 of the Official Public Records of Hays County, Texas, being in the northwest line of a 72.85 acre tract described in Volume 895, Page 450 of the Official Public Records of Hays County, Texas;

THENCE North $47^{\circ}09'41''$ West, with a southwest line of the 328.824 acre tract and the northeast lines of said 6.6 acre tract and said 97.84 acre tract, a distance of 2145.66 feet to the **POINT OF BEGINNING**, containing 318.105 acres of land, more or less.

Surveyed on the ground September 12, 2003. Attachments: survey drawing 111-005-T1. Bearing Basis: Grid Azimuth for Texas Central Zone, 1983/93 HARN Values from LCRA Control Network.



Robert C. Watts, Jr.
Registered Professional Land Surveyor
State of Texas No. 4995



3-11-05

S. CRAIG HOLLMIG, INC.
CONSULTING ENGINEERS - SURVEYORS
411 N. GRIFFIN STREET
NEW BRUNSWICK, TEXAS 79113-8073

TEXAS SOCIETY OF PROFESSIONAL ENGINEERS
AMERICAN SOCIETY OF CIVIL ENGINEERS

TEXAS SURVEYORS ASSOCIATION
TELEPHONE 738-1131-8525 • FAX 738-621-8586

WATER SYSTEMS • SEWER SYSTEMS • SUBDIVISIONS • LAND PLANNING • SURVEYS • SURVEYING

**FIELD NOTES
FOR
AN 86.948 ACRE TRACT**

Being an 86.948 acre tract of land situated in the Joel Miner Survey, Abstract No. 321, Hays County, Texas, being a portion of that certain tract of land called 97.84 acres conveyed to Albert M. Walker, Trustee, by instrument recorded in Volume 714, Page 603 of the Official Public Records of Hays County, Texas, and all bearings referred to in this description are referenced to a bearing of N 24° 08' 30" E between monumentation found along the Easterly right-of-way line of Interstate Highway 35 (basis is taken from Texas State Highway Department Right-of-Way Map), said 86.948 acre tract of land surveyed under the supervision of Richard A. Goodwin, RPLS #4069, S. Craig Hollmig, Inc., and being more particularly described as follows:

BEGINNING: At a 1/2" iron pin set on the Northeasterly line of the above referenced 97.84 acre tract, same being a Southwesterly line of that certain tract now being a remainder of a 328.824 acre tract described in Volume 720, Page 152 of the Official Public Records of Hays County, Texas, said 1/2" iron pin set S 45° 57' 20" E 232.0 feet from a 3/4" iron pipe found on the Easterly right-of-way line of Interstate Highway 35, for the North corner of the above referenced 97.84 acre tract, for a Northerly corner of this tract;

THENCE: Generally along an old meandering cedar post and wire fence (falling down), with a Southwesterly line of said 328.824 acre tract, the Northeasterly line of the above referenced 97.84 acre tract, S 45° 57' 20" E 1,913.50 feet to a 1/2" iron pin found for a Southwesterly corner of said 328.824 acre tract, situated on the Northwesterly line of a tract called 72.85 acres (Popham Tract), recorded in Volume 895, Page 450 of the Official Public Records of Hays County, Texas, for the East corner of the above referenced 97.84 acre tract, for the East corner of this tract;

THENCE: Generally with fence, along a Southeast line of the above referenced 97.84 acre tract, the Northwest line of said 72.85 acre tract, S 44° 19' 36" W 390.40 feet to a 1/2" iron pin found and S 44° 37' 31" W 551.28 feet to a 3/4" iron pin found for the West corner of said 72.85 acre tract, same being the North corner of Saddle Brook Subdivision, a plat recorded in Volume 9, Pages 107-109 of the Map and Plat Records of Hays County, Texas, for a corner of this tract;

THENCE: Continuing along the Southeast line of the above referenced 97.84 acre tract, a Northwest line of said Saddle Brook Subdivision, generally along a wood fence, S 44°

16° 53' W 1,278.72 feet to a 1/2" iron pin set for an interior corner of Saddle Brook Subdivision, for the South corner of this tract;

THENCE: Entering the above referenced 97.84 acre tract, with a Northeasterly line of Saddle Brook Subdivision, N 46° 04' 27" W 1,232.19 feet to a 1/2" iron pin set on said Northeast line, for a Southwesterly corner of this tract;

THENCE: Leaving the Northeasterly line of Saddle Brook Subdivision, N 24° 08' 30" E 52.37 feet to a 1/2" iron pin set and N 59° 31' 04" W 90.55 feet to a 1/2" iron pin set on the Easterly right-of-way line of Interstate Highway 35, for a Southwest corner of this tract, being located N 24° 08' 30" E 30.0 feet from a 1/2" iron pin found for a corner of Saddle Brook Subdivision;

THENCE: Continuing with the Easterly right-of-way line of Interstate Highway 35, N 24° 08' 30" E 959.44 feet to a 1/2" iron pin set in the curving Southeast line of that certain 10.67 acre tract described in Deed from Kitty Page Yarrington to State of Texas, dated February 7, 1935, recorded in Volume 110, Page 219 of the Deed Records of Hays County, Texas, for a corner of this tract;

THENCE: Entering the above referenced 97.84 acre tract (which is in conflict with the 10.67 acre tract), with the Southeast line of said 10.67 acre tract, in a curve to the right, having a radius of 2,925.00 feet, an arc length of 415.32 feet, a central angle of 08° 08' 07", and a chord bearing and distance of N 55° 56' 05" E 414.97 feet to a 1/2" iron pin set for an interior corner of this tract;

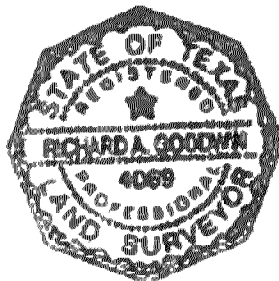
THENCE: Continuing with the remainder of said 10.67 acre tract, N 47° 55' 30" W 229.79 feet to a 1/2" iron pin found on the Easterly right-of-way line of Interstate Highway 35, for a corner of this tract;

THENCE: Continuing with said Easterly right-of-way line, N 24° 08' 30" E 851.42 feet to a 1/2" iron pin set in same, for the most Northwesterly corner of this tract;

THENCE: Entering the above referenced 97.84 acre tract, S 45° 57' 20" E 232.00 feet to a 1/2" iron pin set for an interior corner of this tract and N 24° 08' 30" E 100.00 feet to the Point of Beginning and containing 86.948 acres of land, more or less.

The foregoing field notes represent the results of an on-the-ground survey made under my supervision, October 13, 2005. Reference plat prepared this same date of this 86.948 acre tract.

Job #05-901




Richard A. Goodwin, RPLS #4069

VICKREY & ASSOCIATES, Inc.
CONSULTING ENGINEERS

**METES AND BOUNDS DESCRIPTION
FOR A 99.80 ACRE TRACT OF LAND
OUT OF THE JOEL MINER SURVEY,
ABSTRACT 321,
HAYS COUNTY, TEXAS**

Being a 99.80 acre tract of land situated in the Joel Miner Survey, Abstract No. 321 in Hays County, Texas, being the same property called two 60 acre tracts of land conveyed to Jane Richmond Benasutti, Trustee of Thomas R. Richmond Testamentary Family Trust by Deed recorded in Volume 52, Page 68 of the Deed Records of Hays County, Texas, and individually one-half interest to Victoria Elizabeth Richmond aka Elizabeth L. Richmond by Deed recorded in Volume 850, Page 595 of the Deed Records of Hays County, Texas, said 99.80 acre tract being more particularly described by metes and bounds with all bearings being referenced to the North American Datum 1983, Texas Coordinate System, South Central Zone, Ground distances may be converted to grid by dividing by 1.0001700:

BEGINNING at a 1/2-inch iron rod found at the intersection of the Southwest line of County Road No. 169, known as Yarrington Road and the Northwest line of County Road No. 160, known as Harris Hill Road for the East corner of the herein described tract, said Beginning point having Texas South Central Grid Coordinates of (N=13,886,570.38, E=2,327,816.81);

Thence: S 43°21'39" W, along the Northwest line of said County Road No. 160, a distance of 2086.12 feet to a found 1/2 inch iron rod with yellow cap, for a Northeast corner of a 318.105 acre tract of land recorded in Volume 2715, Page 533 of the Official Public Records of Hays County, Texas, being the South corner of the herein described tract;

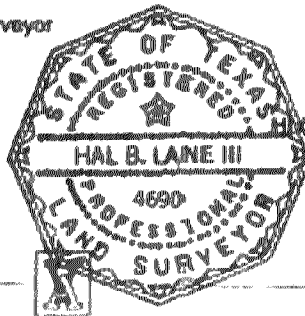
Thence: N 48°11'01" W, along the common line of said 318.105 acre tract and the herein described tract, a distance of 2082.35 feet to a found 1/2 inch iron pipe in concrete being a re-entrant corner of said 318.105 acre tract and the West corner of the herein described tract,

Thence: N 43°31'53" E, along a Southeastly line of said 318.105 acre tract, passing the common corner of said 318.105 acre tract and a 201.498 acre tract recorded in Volume 2484, Page 403 of the Official Public Records of Hays County, Texas, at a distance of 818.94 feet, and continuing along the Southeast line of said 201.498 acre tract, for a total distance of 2075.38 feet, to a found 1/2" iron rod on the Southwest line of said County Road No. 159 and being the North corner of the herein described tract;

Thence: S 46°28'35" E, along said Southwest line of County Road No. 159, a distance of 2086.11 feet to the POINT OF BEGINNING and containing 99.80 acres of land, more or less.

Note: Survey Plat of even date accompanies this legal description.

Hal B. Lane III 4/11/08
Hal B. Lane III
Registered Professional Land Surveyor
Texas Registration Number 4690
Vickrey & Associates, Inc.



Job No. 2042-002-104
Hays 99.80 Acres 041105
April 8, 2008
April 11, 2008

N 2542-002-002-104 Acres (Final) 041105 08

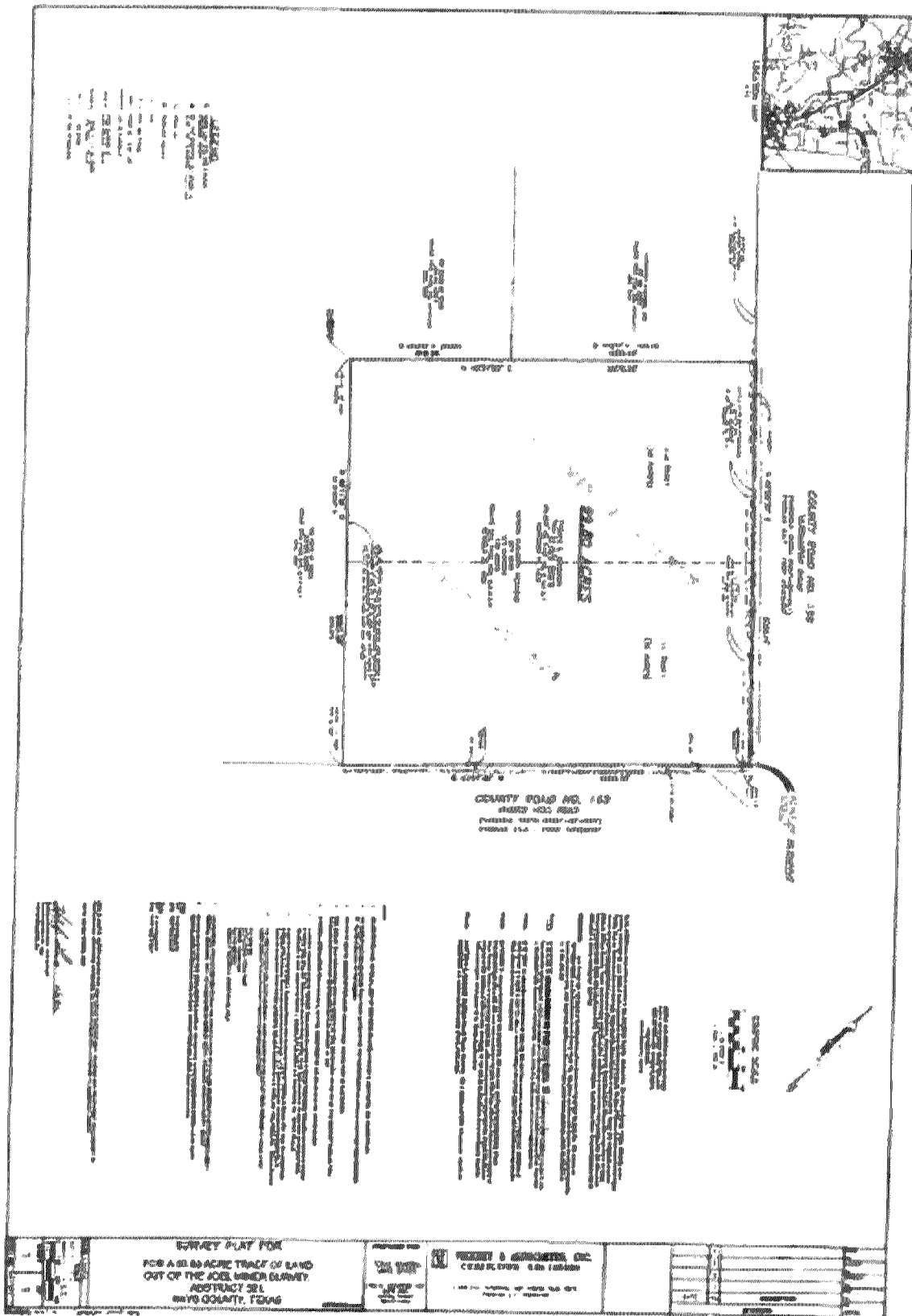


EXHIBIT “B”

TERM SHEET
WHISPER TEXAS PUBLIC IMPROVEMENT DISTRICT
9/16/14

The following limitations and performance standards shall apply to the Whisper Texas Public Improvement District as agreed by the City of San Marcos ("the City") and McDonald Development Group ("McDonald"):

FINANCING CRITERIA

- | | |
|--|--------------|
| 1. Maximum total indebtedness: | \$14,630,000 |
| 2. Maximum annual assessment rate as equivalent tax rate: | \$0.150 |
| 3. Maximum construction costs to be funded: | \$10,398,361 |
| 4. Minimum appraised value to lien ratio at date of each bond issue: | 3:1 |
| 5. Maximum annual permitted increase in annual assessment: | 2% |
| 6. Maximum years of capitalized interest for each bond issue : | 2 |
| 7. Maturity for each series of bonds (to extent allowed by law): | 30 years |
| 8. The aggregate principal amount of bonds required to be issued shall not exceed an amount sufficient to fund: (i) the actual costs of the qualified public improvements (ii) required reserves and capitalized interest during the period of construction and not more than 12 months after the completion of construction and in no event for a period greater than 2 years from the date of the initial delivery of the bonds and (iii) any costs of issuance. 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 Bond issuances. | |

PROJECTED LAND USES

Parcels	Approximate Acreage	Proposed Land Use
1 -2	281	Business Park
3	10	Commercial
4 - 5	22	Commercial
6	153	Commercial
7	106	SF Residential - Detached/Townhomes
8	111	Master Retail and Commercial Center
Rights of Way	23	Rights of Way
Totals	706	

DEFINITIONS

1. “City” shall mean the City of San Marcos, Texas
2. “Developer” shall mean McDonald Development Group and/or its successors and assigns
3. “Project” shall consist of the approximately 706 acres as described in Exhibit A and illustrated in Exhibit B
4. “Improvements” shall refer to the construction projects to be funded by the Public Improvement District (“PID”)

Definitions shall be effective in every instance regardless of capitalization.

PROPOSED PROJECT TIMETABLE

1. Engineering and Design of the Improvements shall commence within 90 days after City Council approves the formation of the PID.
2. Engineering and Design of the Improvements shall be submitted to the City for review within 180 days after City Council approves formation of the PID.
3. The Improvements shall be constructed within 210 days of City approval of Engineering and Design plans subject to *force majeure*.
4. Construction of a 50,000 square foot speculative commercial building, in accordance with the minimum specifications below, shall commence within 100 days of City acceptance of the Improvements.

TERMS AND CONDITIONS

1. No PID bonds will be issued without the approval by the City Council of a Service and Assessment Plan for the District.
2. No General Obligation or Certificate of Obligation bonds will be utilized by the City to fund the PID.
3. The Appraiser preparing the appraisal required in connection with the PID Bonds shall be selected by the City in consultation with the Developer and all reasonable fees shall be paid by the Developer.
4. The Developer agrees to obtain site development and building permits and, commence construction of a 50,000 square foot speculative commercial building (i) within 100 days of City acceptance of the Improvements, and (ii) before any PID Bonds are issued to reimburse the Developer for the costs of such Improvements.
5. The City and the Developer agree that the following will constitute the minimum building standards for the 50,000 square foot speculative building.
 - a. The building shall have a minimum of 35% glazing on all primary street facing facades and 20% on all secondary street facing facades.
 - b. A maximum of one row of parking (defined to include two sides of parking) shall be permitted between the street and the front of the building
 - c. Decorative awnings shall be provided over pedestrian entrances.
 - d. All street facing facades shall be a minimum of 50% decorative masonry.
 - e. A landscape area of 15% shall be required and shall follow Section 6.1.1.4 of the City's Land Development Code.
 - f. No freestanding pole signs shall be permitted.
 - g. All utilities shall be underground (there shall be no overhead utilities).
6. It is the intent of the Developer to request the issuance of one PID bond to provide the agreed upon reimbursements. However, the Developer retains the right to request the agreed upon reimbursements through more than one PID Bond issue with the condition that the maximum construction costs to be reimbursed will not exceed the amount described in Financing Criteria #3 and the total amount of all Bond issues shall not exceed the amount described in Financing Criteria #1.
7. The Developer and the City agree that each PID bond issue will be subject to approval by the City Council but that the terms outlined in this term sheet will apply.
8. Special assessments on any given portion of the property may be adjusted in connection with subsequent bond issues as long as the maximum annual assessment rate as described in Financing Criteria #2 is not exceeded, and the special assessments are determined in accordance with the Service and Assessment Plan. Special assessments on any portion of the property will bear a direct proportionate relationship to the special benefit of the Improvements to that improvement area.
9. The City shall not be obligated to provide funds for any improvement except from the proceeds of the bonds and/or per the terms of an Oversize Participation Agreement.

10. The City and the Developer may enter into an Oversize Participation Agreement under which the City will agree to fund the costs of additional lanes for public roadways as illustrated in the attached exhibits.
11. No PID bond funds are permitted to be used to construct water line improvements within that portion of the Project not located with the City of San Marcos Water CCN.
12. Should the portions of the Project that are not currently located within the City's Water CCN hereafter be relocated into the City's Water CCN, the Developer will have the right to request reimbursement through PID bond issues for the water line improvements as long as the amounts requested do not result in total maximum construction costs exceeding the amount described in Financing Criteria #3 and the total amount of all Bond issues does not exceed the amount described in Financing Criteria #1.
13. Each PID Bond Indenture will contain language precluding the City from making any debt service payments for the PID Bonds other than from available special assessment revenues.
14. The PID will be responsible for payment of all of the City's reasonable and customary costs and expenses including, but not limited to, administration, collection services and legal representation as necessary.
15. The Developer consents to annexation of the portion of the Project currently located within the extraterritorial jurisdiction of the City. The Developer will submit a zoning change request to the City for the annexed portion of the Property consistent with the zoning classifications shown on the Concept Plan attached as Exhibit B, in compliance with Term #16 below. The Annexation of and approval of zoning for such portion shall be completed prior to the issuance of any PID bonds.
16. The Developer will submit a zoning request to the City for all or portions of the Project, as desired by Developer; provided that, such zoning request shall be consistent with the zoning classifications shown on the Concept Plan attached as Exhibit B. The City acknowledges that the location and configuration of the Parcels shown on the Concept Plan are preliminary and approximate and changes, subject to approval of the city may be made by the Developer.
17. The PID may be exempt from any public bidding or other purchasing and procurement policies per 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 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."
18. The Improvements to be funded by the PID are limited to those defined as Authorized Improvements under Texas Local Government Code Section 372.003 as agreed upon by the City and as referenced in the attached exhibits.
19. No additional security or surety, beyond the land and any Improvements on the land, will be provided by the Developer, or its assignees, for the PID Bonds.
20. The PID will automatically dissolve if no PID Bonds are issued within a period of five (5) years from the date of the formation of the PID by the San Marcos City Council.

21. All landowners will provide any required continuing disclosure obligations associated with the issuance of PID Bonds as required under the Indenture or any other regulatory agreement or regulatory agency.
22. PID bonds shall be issued by the City upon request by the Developer and approval by the City Council following (i) City acceptance of the Improvements, (ii) annexation of the portion of the Project currently located in the City's extra-territorial jurisdiction, and (iii) commencement of the construction of a commercial building described under Terms and Conditions #3. Proceeds from the issuance of the PID bonds will be used to reimburse the Developer for the costs to construct the Improvements.

EXHIBITS

- A. Metes and Bounds
- B. Concept Plan
- C. Roadway Cross Sections & Opinions of Probable Cost
- D. Qualified PID Costs
- E. Value to Lien Bond Capacity Analysis
- F. Estimated Asset Value at Build Out
- G. Bond Sizing Analysis
- H. Assessment Allocation Analysis at Build Out
- I. Feasibility Analysis – Assumptions
- J. Rendering of Proposed 50,000 square foot speculative building

Exhibit A
Metes and Bounds

EXHIBIT "A"

FIELD NOTES FOR A 201.496 ACRE TRACT

Being a 201.496 acre tract of land, being approximately 94.659 acres out of the William Ward Survey No. 3 and approximately 106.837 acres out of the Joel Miner Survey, Hays County, Texas, and being out of a tract called 214.40 acres conveyed to Yarrington Properties by Warranty Deed recorded in Volume 773, Page 816 of the Official Public Records of Hays County, Texas, and all bearings referred to in this description are rotated to and referenced to a bearing of N 45° 52' W between iron pins found along the Southwest line of the above referenced 214.40 acre tract, and all bearings and distances referred to in this description as record calls are taken from Volume 773, Page 816 of the Official Public Records of Hays County, Texas, said 201.496 acre tract of land surveyed under the supervision of Richard A. Goodwin, RPLS #4069, S. Craig Hollmig, Inc., and being more particularly described as follows:

BEGINNING: At a concrete highway monument found at the intersection of the Southwest line of a road, called County Road No. 159, called Yarrington Road, with the Southeast line of Interstate Highway No. 35, for the most Northerly corner of the above referenced 214.40 acre tract, for the most Northerly corner and Point of Beginning of this tract;

THENCE: Leaving Interstate Highway No. 35, with a Southwest line of Yarrington Road, S 46° 02' 04" E 1812.44 feet (record call: S 46° 01' 00" E - 1813.06 feet) to a ½" iron pin found for a corner of the above referenced 214.40 acre tract, for a corner of this tract;

THENCE: Continuing along the Southwest line of said Yarrington Road and a turn to the right in said Yarrington Road, S 36° 43' 40" E 14.10 feet, a ½" iron pin set, S 02° 13' 26" E 44.83 feet, a ½" iron pin set, and S 40° 10' 14" W 32.45 feet to a ½" iron pin found in the Northwest line of said Yarrington Road, for a corner of the above referenced 214.40 acre tract, for a corner of this tract;

THENCE: Along said Northwest line, S 43° 58' 45" W 1263.87 feet (record call: S 43° 59' 00" W - 1263.40 feet) to a ½" iron pin found at a turn in said Yarrington Road, for an interior corner of the above referenced 214.40 acre tract, for an interior corner of this tract;

THENCE: Along a Southwest line of said Yarrington Road, a Northeast line of the above referenced 214.40 acre tract, S 45° 58' 21" E 3700.49 feet (record call: S 45° 58'

00" E - 3700.64 feet) to a ½" iron pin found in same, for the Lower East corner of the above referenced 214.40 acre tract, for the East corner of this tract;

THENCE: Along the Southeast line of the above referenced 214.40 acre tract, the Northwest line of a tract called 100 acres recorded in Volume 52, Page 68 of the Deed Records of Hays County, Texas, S 44° 02' 31" W 1256.51 feet to a ½" iron pin found at fence corner, for the South corner of the above referenced 214.40 acre tract, an East corner of a tract called 328.824 acres described in Volume 720, Page 155 of the Official Public Records of Hays County, Texas, for the South corner of this tract;

THENCE: Along the Southwest line of the above referenced 214.40 acre tract, the Northeast line of said 328.824 acre tract, the general direction of an existing fence, N 45° 52' 00" W 2136.80 feet to a ½" iron pin found at fence corner, for a North corner of said 328.824 acre tract, a corner of the above referenced 214.40 acre tract, the East corner of Lot 4 of San Marcos Technology Park, a subdivision of record in Volume 5, Page 147 of the Map and Plat Records of Hays County, Texas, for a corner of this tract;

THENCE: Along the Northeast line of Lots 4 and 5 of said San Marcos Technology Park, and continuing along the Southwest line of the above referenced 214.40 acre tract, the general direction of an existing fence, N 45° 47' 19" W 692.77 feet, a ½" iron pin found, N 45° 52' 57" W 696.50 feet to a ½" iron pin set and N 46° 02' 37" W 201.81 feet to a ¾" pipe found at fence corner, for an interior corner of the above referenced 214.40 acre tract, the North corner of Lot 5, the East corner of Lot 6, for an interior corner of this tract;

THENCE: Along the North line of Lot 6, S 82° 00' 53" W 1041.40 feet to a ½" iron pin found at the Northwest corner of Lot 6, lying in the Southeast line of Interstate Highway No. 35, for the most Westerly corner of this tract;

THENCE: Along the Southeast line of Interstate Highway No. 35, as now found upon the ground, N 21° 19' 20" E (record call: N 21° 17' E) 416.11 feet, a ½" iron pin found, N 24° 08' 41" E 2699.76 feet (record call: N 24° 09' E - 2700.00 feet) to a ½" iron pin found, N 24° 55' 22" E 367.45 feet to a concrete monument found, N 24° 56' 43" E 85.45 feet (record call for last two calls: N 24° 55' E - 452.99 feet) to a concrete monument found and N 79° 32' 49" E 57.95 feet (record call: 57.80 feet) to the Point of Beginning and containing 201.496 acres of land, more or less.

The foregoing field notes represent the results of an on-the-ground survey made under my supervision, August 1, 2003. Reference plat prepared this same date of this 201.496 acre tract.

Job #03-643



Richard A. Goodwin
Richard A. Goodwin, RPLS #4069

EXHIBIT "B"
PERMITTED EXCEPTIONS

A 100 FOOT EASEMENT DATED DECEMBER 20, 1950, GRANTED TO LOWER COLORADO RIVER AUTHORITY BY JOHN T. YARRINGTON AND WIFE, VIRGINIA YARRINGTON, RECORDED IN VOLUME 148, PAGE 570, DEED RECORDS, HAYS COUNTY, TEXAS. (EASEMENT FOR ELECTRIC TRANSMISSION AND/OR DISTRIBUTION LINE, TOGETHER WITH ALL RIGHTS RECITED THEREIN)

50 FOOT PIPELINE EASEMENT TO UNITED GAS PIPELINE COMPANY, LOCATED ACROSS THE SOUTHEASTERLY PORTION OF THE TRACT, RECORDED IN VOLUME 230, PAGE 120, DEED RECORDS, HAYS COUNTY, TEXAS.

AN EASEMENT DATED AUGUST 14, 1973, GRANTED TO SOUTHWESTERN BELL TELEPHONE COMPANY BY MRS. JOHN YARRINGTON, RECORDED IN VOLUME 261, PAGE 472, DEED RECORDS, HAYS COUNTY, TEXAS. (EASEMENT FOR UNDERGROUND TELECOMMUNICATION SYSTEMS AND LINES, TOGETHER WITH ALL RIGHTS RECITED THEREIN)

AN EASEMENT DATED MAY 4, 1989, GRANTED TO PEDERNALES ELECTRIC COOPERATIVE, INC. BY YARRINGTON PROPERTY, JOHN T. YARRINGTON, RECORDED IN VOLUME 789, PAGE 319, REAL PROPERTY RECORDS, HAYS COUNTY, TEXAS. (EASEMENT FOR ELECTRIC TRANSMISSION AND/OR DISTRIBUTION LINE, TOGETHER WITH ALL RIGHTS RECITED THEREIN)

AN EASEMENT DATED OCTOBER 13, 1989, GRANTED TO ENTEX, A DIVISION OF ARKLA, INC. BY YARRINGTON PROPERTIES, RECORDED IN VOLUME 801, PAGE 847, REAL PROPERTY RECORDS, TRAVIS COUNTY, TEXAS. (EASEMENT FOR PIPELINE, TOGETHER WITH ALL RIGHTS RECITED THEREIN)

AN EASEMENT DATED DECEMBER 22, 1994, GRANTED TO THE CITY OF SAN MARCOS, TEXAS BY JOHN T. YARRINGTON, JR., RICHARD J. YARRINGTON, RONALD M. YARRINGTON AND DIANNE Y. PRUETT, AS PARTNERS OF YARRINGTON PROPERTIES, A TEXAS GENERAL PARTNERSHIP, RECORDED IN VOLUME 1207, PAGE 627, OFFICIAL PUBLIC RECORDS, HAYS COUNTY, TEXAS. (EASEMENT FOR UTILITY, TOGETHER WITH ALL RIGHTS RECITED THEREIN)

AN EASEMENT DATED OCTOBER 25, 2000, GRANTED TO CITY OF SAN MARCOS, TEXAS BY JOHN YARRINGTON, RECORDED IN VOLUME 1736, PAGE 28, OFFICIAL PUBLIC RECORDS, HAYS COUNTY, TEXAS. (EASEMENT FOR WATER/WASTEWATER AND TEMPORARY CONSTRUCTION, TOGETHER WITH ALL RIGHTS RECITED THEREIN)

AN EASEMENT DATED DECEMBER 10, 2001, GRANTED TO MAXWELL WATER SUPPLY CORPORATION BY YARRINGTON PROPERTIES, A TEXAS GENERAL PARTNERSHIP, RECORDED IN VOLUME 1934, PAGE 282, OFFICIAL PUBLIC RECORDS, HAYS COUNTY, TEXAS. (EASEMENT FOR WATER LINE, TOGETHER WITH ALL RIGHTS RECITED THEREIN)

A SAND, LIMESTONE AND GRAVEL LEASE DATED JUNE 26, 1974, EXECUTED BY MRS. VIRGINIA E. YARRINGTON, A WIDOW, ET AL, AS LESSOR, AND CENTEX MATERIALS, INC., A TEXAS CORPORATION, AS LESSEE, RECORDED IN VOLUME 269, PAGE 416, DEED RECORDS, HAYS COUNTY, TEXAS; AND AS AFFECTED BY VOLUME 384, PAGE 304, DEED RECORDS HAYS COUNTY, TEXAS.

AFFIDAVIT TO THE PUBLIC IN REGARDS TO A SOLID WASTE DISPOSAL SITE AS RECORDED IN VOLUME 725, PAGE 250, DEED RECORDS, HAYS COUNTY, TEXAS.

GAS PIPELINE SIGNS LOCATED ALONG THE SOUTHEASTERLY MOST SOUTHWEST PROPERTY LINE AND THE MOST NORTHWESTERLY PROPERTY LINE AS SHOWN ON THE SURVEY PREPARED BY RICHARD A. GOODWIN, R.P.L.S. NO. 4069, DATED AUGUST 1, 2003.

OVERHEAD UTILITY LINES WITH POWER POLES AND GUY WIRES LOCATED ALONG THE SOUTHEASTERLY MOST SOUTHWEST PROPERTY LINE, THE WESTERLY MOST SOUTH PROPERTY LINE, THE MOST NORTHWESTERLY PROPERTY LINE, NORTHERLY MOST NORTHEAST PROPERTY LINE, THE SOUTHERLY MOST NORTHEAST PROPERTY LINE AND TRAVERSING THE NORTHEASTERLY PORTION OF THE SUBJECT PROPERTY AS SHOWN ON THE SURVEY PREPARED BY RICHARD A. GOODWIN, R.P.L.S. NO. 4069, DATED AUGUST 1, 2003.

FIBEROPTIC SIGNS, TELEPHONE SIGNS, TELEPHONE PEDASTALS AND UNDERGROUND TELEPHONE SIGNS LOCATED ALONG THE MOST NORTHWESTERLY AND MOST NORTHEASTERLY AND SOUTHERN MOST NORTHEASTERLY PROPERTY LINES AS SHOWN ON THE SURVEY PREPARED BY RICHARD A. GOODWIN, R.P.L.S. NO. 4069, DATED AUGUST 1, 2003.

FIRE HYDRANTS LOCATED ALONG THE MOST NORTHWESTERLY, NORTHERLY MOST NORTHEASTERLY, AND THE SOUTHEASTERLY MOST NORTHEASTERLY PROPERTY LINES AS SHOWN ON THE SURVEY PREPARED BY RICHARD A. GOODWIN, R.P.L.S. NO 4069, DATED AUGUST 1, 2003.

BURIED CABLE AND UNDERGROUND CABLE SIGNS LOCATED ALONG THE NORTHERLY MOST SOUTHEAST AND SOUTHERLY MOST NORTHEAST PROPERTY LINES AS SHOWN ON THE SURVEY PREPARED BY RICHARD A. GOODWIN, R.P.L.S. NO. 4069, DATED AUGUST 1, 2003.

After Recording Return To:
LandAmerica Service Center
9200 Waterford Centre
Suite 100
Austin Texas 78758

S. CRAIG HOLLMIG, INC.
CONSULTING ENGINEERS - SURVEYORS
419 N. SEGUIN STREET
NEW BRAUNFELS, TEXAS 78130-6085

TEXAS SOCIETY OF PROFESSIONAL ENGINEERS
AMERICAN SOCIETY OF CIVIL ENGINEERS

TEXAS SURVEYORS ASSOCIATION
TELEPHONE (830) 625-8555 • FAX: (830) 625-8556

WATER SYSTEMS • SEWER SYSTEMS • SUBDIVISIONS • LAND PLANNING • STREETS • SURVEYING

**FIELD NOTES
FOR
AN 86.948 ACRE TRACT**

Being an 86.948 acre tract of land situated in the Joel Miner Survey, Abstract No. 321, Hays County, Texas, being a portion of that certain tract of land called 97.84 acres conveyed to Albert M. Walker, Trustee, by instrument recorded in Volume 714, Page 603 of the Official Public Records of Hays County, Texas, and all bearings referred to in this description are referenced to a bearing of N 24° 08' 30" E between monumentation found along the Easterly right-of-way line of Interstate Highway 35 (basis is taken from Texas State Highway Department Right-of-Way Map), said 86.948 acre tract of land surveyed under the supervision of Richard A. Goodwin, RPLS #4069, S. Craig Hollmig, Inc., and being more particularly described as follows:

BEGINNING: At a ½" iron pin set on the Northeasterly line of the above referenced 97.84 acre tract, same being a Southwesterly line of that certain tract now being a remainder of a 328.824 acre tract described in Volume 720, Page 152 of the Official Public Records of Hays County, Texas, said ½" iron pin set S 45° 57' 20" E 232.0 feet from a ¾" iron pipe found on the Easterly right-of-way line of Interstate Highway 35, for the North corner of the above referenced 97.84 acre tract, for a Northerly corner of this tract;

THENCE: Generally along an old meandering cedar post and wire fence (falling down), with a Southwesterly line of said 328.824 acre tract, the Northeasterly line of the above referenced 97.84 acre tract, S 45° 57' 20" E 1,913.50 feet to a ½" iron pin found for a Southwesterly corner of said 328.824 acre tract, situated on the Northwesterly line of a tract called 72.85 acres (Popham Tract), recorded in Volume 895, Page 450 of the Official Public Records of Hays County, Texas, for the East corner of the above referenced 97.84 acre tract, for the East corner of this tract;

THENCE: Generally with fence, along a Southeast line of the above referenced 97.84 acre tract, the Northwest line of said 72.85 acre tract, S 44° 19' 36" W 390.40 feet to a ½" iron pin found and S 44° 37' 31" W 551.28 feet to a ¾" iron pin found for the West corner of said 72.85 acre tract, same being the North corner of Saddle Brook Subdivision, a plat recorded in Volume 9, Pages 107-109 of the Map and Plat Records of Hays County, Texas, for a corner of this tract;

THENCE: Continuing along the Southeast line of the above referenced 97.84 acre tract, a Northwest line of said Saddle Brook Subdivision, generally along a wood fence, S 44°

16' 53" W 1,278.72 feet to a ½" iron pin set for an interior corner of Saddle Brook Subdivision, for the South corner of this tract;

THENCE: Entering the above referenced 97.84 acre tract, with a Northeasterly line of Saddle Brook Subdivision, N 46° 04' 27" W 1,232.19 feet to a ½" iron pin set on said Northeast line, for a Southwesterly corner of this tract;

THENCE: Leaving the Northeasterly line of Saddle Brook Subdivision, N 24° 08' 30" E 52.37 feet to a ½" iron pin set and N 59° 31' 04" W 90.55 feet to a ½" iron pin set on the Easterly right-of-way line of Interstate Highway 35, for a Southwest corner of this tract, being located N 24° 08' 30" E 30.0 feet from a ½" iron pin found for a corner of Saddle Brook Subdivision;

THENCE: Continuing with the Easterly right-of-way line of Interstate Highway 35, N 24° 08' 30" E 959.44 feet to a ½" iron pin set in the curving Southeast line of that certain 10.67 acre tract described in Deed from Kitty Page Yarrington to State of Texas, dated February 7, 1935, recorded in Volume 110, Page 219 of the Deed Records of Hays County, Texas, for a corner of this tract;

THENCE: Entering the above referenced 97.84 acre tract (which is in conflict with the 10.67 acre tract), with the Southeast line of said 10.67 acre tract, in a curve to the right, having a radius of 2,925.00 feet, an arc length of 415.32 feet, a central angle of 08° 08' 07", and a chord bearing and distance of N 55° 56' 05" E 414.97 feet to a ½" iron pin set for an interior corner of this tract;

THENCE: Continuing with the remainder of said 10.67 acre tract, N 47° 55' 30" W 229.79 feet to a ½" iron pin found on the Easterly right-of-way line of Interstate Highway 35, for a corner of this tract;

THENCE: Continuing with said Easterly right-of-way line, N 24° 08' 30" E 851.42 feet to a ½" iron pin set in same, for the most Northwesterly corner of this tract;

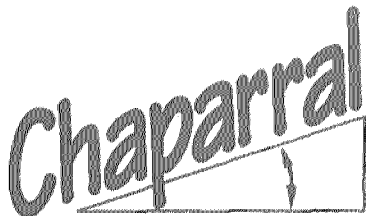
THENCE: Entering the above referenced 97.84 acre tract, S 45° 57' 20" E 232.00 feet to a ½" iron pin set for an interior corner of this tract and N 24° 08' 30" E 100.00 feet to the Point of Beginning and containing 86.948 acres of land, more or less.

The foregoing field notes represent the results of an on-the-ground survey made under my supervision, October 13, 2005. Reference plat prepared this same date of this 86.948 acre tract.



Job #05-901


Richard A. Goodwin, RPLS #4069



**Professional Land Surveying, Inc.
Surveying and Mapping**

Office: 512-443-1724
Fax: 512-441-6987

2807 Manchaca Road
Building One
Austin, Texas 78704

**318.105 ACRES
JOEL MINER SURVEY**

A DESCRIPTION OF 318.105 ACRES IN THE JOEL MINER SURVEY, HAYS COUNTY, TEXAS, BEING A PORTION OF A 328.824 ACRE TRACT OF LAND DESCRIBED IN TRUSTEE'S DEED TO JIM McCROCKLIN, TRUSTEE, DATED MARCH 1, 1988, OF RECORD IN VOLUME 720, PAGE 152 OF THE REAL PROPERTY RECORDS OF HAYS COUNTY, TEXAS; SAID 318.105 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a ½" rebar found in the east right-of-way line of Interstate Highway 35 (right-of-way width varies) for the west corner of said 328.824 acre tract and the north corner of a 97.84 acre tract of land described in Volume 714, Page 603 of the Real Property Records of Hays County, Texas;

THENCE North 22°55'27" East, with the east right-of-way line of said IH-35 and the northwest line of the 328.824 acre tract, a distance of 1366.86 feet to a ½" rebar with cap set for the southwest corner of Lot 1, San Marcos Technology Park, a subdivision of record in Volume 5, Page 147 of the Plat Records of Hays County, Texas, from which a concrete highway monument found bears North 22°55'27" East, a distance of 2010.30 feet;

THENCE South 67°05'52" East, over and across the 328.824 acre tract with the southwest line of said San Marcos Technology Park, a distance of 1606.37 feet to a ½" rebar with cap set for an angle point in the north line of the 328.824 acre tract and the south corner of Lot 3, San Marcos Technology Park;

THENCE with the north line of the 328.824 acre tract and the southeast line of Lots 3 and 4, San Marcos Technology Park, the following three (3) courses:

1. North 43°06'54" East, a distance of 1113.31 feet to a ½" rebar found;
2. North 41°52'41" East, a distance of 231.92 feet to a ½" rebar found;
3. North 43°00'24" East, a distance of 894.28 feet to a ½" rebar found in the southwest line of a 214.40 acre tract of land described in Volume 773, Page 816 of the Real Property Records of Hays County, Texas, for the east corner of Lot 4, San Marcos Technology Park and the north corner of the 328.824 acre tract;

THENCE South 47°05'53" East, with the northeast line of the 328.824 acre tract

318.105 ACRES

Page 2

and the southwest line of said 214.40 acre tract, a distance of 2136.85 feet to a ½" rebar found for the south corner of the 214.40 acre tract and the northeast corner of the 328.824 acre tract and in the northwest line of a 100 acre tract of land described in Volume 52, Page 68 of the Deed Records of Hays County, Texas;

THENCE with the common line of the 328.824 acre tract and the said 100 acres, the following two (2) courses:

1. South 42°49'26" West, a distance of 819.02 feet to a ½" iron pipe found for the west corner of the 100.00 acre tract;
2. South 46°53'58" East, a distance of 2092.27 feet to a ½" rebar with cap set in the northwest right-of-way line of County Road 160 (Harris Hill Road, right-of-way width varies) for the easternmost corner of the 328.824 acre tract;

THENCE with the northwest right-of-way line of said C.R. 160 and the southeast line of the 328.824 acre tract, the following six (6) courses:

1. South 43°41'13" West, a distance of 675.23 feet to a ½" rebar with cap set;
2. South 45°13'02" West, a distance of 369.18 feet to a ½" rebar with cap set;
3. South 45°38'13" West, a distance of 508.86 feet to a ½" rebar with cap set;
4. South 57°29'20" West, a distance of 74.15 feet to a ½" rebar with cap set;
5. South 33°18'43" West, a distance of 64.34 feet to a ½" rebar with cap set;
6. South 45°42'28" West, a distance of 395.47 feet to a ½" rebar found for the south corner of the 328.824 acre tract and the east corner of a 36.40 acre tract of land described in Volume 1435, Page 407 of the Official Public Records of Hays County, Texas;

THENCE North 47°04'03" West, with a southwest line of the 328.824 acre tract and the northeast line of said 36.40 acre tract, a distance of 3052.04 feet to a ½" rebar found for the north corner of the 36.40 acre tract;

318.105 ACRES

Page 3

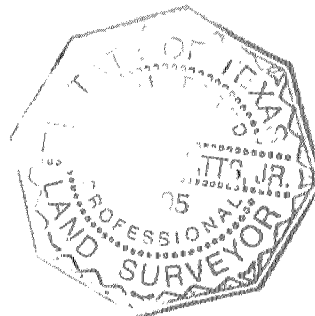
THENCE South $42^{\circ}56'45''$ West, with a southwest line of the 328.824 acre tract and the northwest line of the 36.40 acre tract, passing at a distance of 521.59 feet a $\frac{1}{2}$ " rebar found for the west corner of the 36.40 acre tract and the north corner of a 36.40 acre tract described in Document No. 9924088 of the Official Public Records of Hays County, Texas, for a total distance of 1163.93 feet to a $\frac{1}{2}$ " rebar found for the east corner of a 6.6 acre tract described in Volume 946, Page 575 of the Official Public Records of Hays County, Texas, being in the northwest line of a 72.85 acre tract described in Volume 895, Page 450 of the Official Public Records of Hays County, Texas;

THENCE North $47^{\circ}09'41''$ West, with a southwest line of the 328.824 acre tract and the northeast lines of said 6.6 acre tract and said 97.84 acre tract, a distance of 2145.66 feet to the **POINT OF BEGINNING**, containing 318.105 acres of land, more or less.

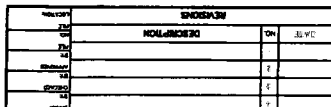
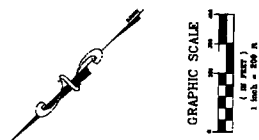
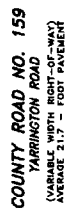
Surveyed on the ground September 12, 2003. Attachments: survey drawing 111-005-T1. Bearing Basis: Grid Azimuth for Texas Central Zone, 1983/93 HARN Values from LCRA Control Network.



Robert C. Watts, Jr.
Registered Professional Land Surveyor
State of Texas No. 4995



3-11-05



METES AND BOUNDS DESCRIPTION
 FOR A 99.80 ACRE TRACT OF LAND
 OUT OF THE JOEL MINNER SURVEY,
 ABSTRACT 321,
 HAYS COUNTY, TEXAS

Using a 90,000-acre tract of land situated in the Joel Miller Survey, Abstract No. 321 in Hays County, Texas, being the same property called by 50 acre tracts of land conveyed to Jere Richmond Bowers, Trustee of Thomas H. Richmond, Incorporated, by deed recorded in Volume 22, Page 68 of the Deed Records of Hays County, Texas, and, indirectly, one-half interest to Victoria Elizabeth Richmond, also Elizabeth L. Richmond by deed recorded in Volume 460, Page 686 of the Deed Records of Hays County, Texas, and 90 acre tract being more particularly described by search and with all listings fully referenced in the North American Dairies 1883, Texas Coordinate System, South Central Zone, Ground elevations may be ascertained to grid by adding by 1,000,700.

ALL A-N-ECH LINES NOT FOUND AT THE INTERSECTION OF THE SOUTHWEST LINE OF COUNTY ROAD NO. 140, KNOWN AS YARBROUGH ROAD AND THE NORTHWEST LINE OF COUNTY ROAD NO. 140, KNOWN AS HARRIS HILL ROAD FOR THE EAST CORNER OF THE HEREIN DESCRIBED TRACT, AND BEGINNING POINT NAD 83 SOUTH CENTRAL GRID COORDINATES OF 60413.688, 670.384.
E= 2,327.19, N=11.

Section 5.43-2133' W, along the Northwest line of said County Road No. 140, a distance of 2088.12 feet to a found 3/4 inch iron rod with yellow cap, for a Northwest corner of a 318.103 acre tract of land recorded in Volume 2716, Page 523 of the Official Public Records of Hays County, Texas, being the South corner of the hereby described tract.

N 47°15'11" W, along the common line of said 318.105 acre tract and the herein described tract, a distance of 2032.36 feet to a bound ¼ inch iron pipe in concrete being a re-entrant corner of said 318.105 acre tract and the West corner of the herein described tract.

318.126 acre tract and a 201.488 acre tract recorded in Volume 2494, Page 402 of the Official Public Records of Meigs County, Texas, at a distance of #1164 feet, and containing along the Southeast line of said 201.488 acre tract, for a total distance of 2075.28 feet, to a found 3/4 inch rod on the Southeast line of said County Road No. 1164.

9 4672367 E, along with Southeast 1/4 of County Road No. 153, a distance of 2000.11 feet to the POINT OF BEGINNING of said survey, more or less.

[illegible]

COORDINATES CITED IN THIS DESCRIPTION ARE BASED ON TEXAS STATE PLANE COORDINATES SYSTEM HAD 83 SOUTH CENTRAL ZONE GRID, WITH DATUM/ANGLE CITED IN SURFACE USING A COMBINED SCALE FACTOR OF 1.001708. BEARING REFERENCE FOR THIS SURVEY IS BASED ON TEXAS STATE PLANE COORDINATES SYSTEM HAD 83 SOUTH

200507 0004 40 00
M 200507 0004 40 00

1111.1720-05 AM
0000073-91-002 IN

6. LANE B. HERBERT CERTIFY THAT THIS SURVEY SUBSTANTIALLY COMPLIES WITH THE CURRENT TOWAS SOCIETY OF PERSONAL SURVEYORS STANDARDS AND IMPLICATIONS FOR CATEGORY 1A, CONDITION 1, SURVEY

1000

Land ID: 91186

Lead Professional Land Grantee:

Registration No. 4001

**METES AND BOUNDS DESCRIPTION
FOR A 99.80 ACRE TRACT OF LAND
OUT OF THE JOEL MINER SURVEY,
ABSTRACT 321,
HAYS COUNTY, TEXAS**

Being a 99.80 acre tract of land situated in the Joel Miner Survey, Abstract No. 321 in Hays County, Texas, being the same property called two 50 acre tracts of land conveyed to Jane Richmond Benasutti, Trustee of Thomas R. Richmond Testamentary Family Trust by Deed recorded in Volume 52, Page 68 of the Deed Records of Hays County, Texas, and individually one-half interest to Victoria Elizabeth Richmond a/k/a Elizabeth L. Richmond by Deed recorded in Volume 850, Page 595 of the Deed Records of Hays County, Texas, said 99.80 acre tract being more particularly described by metes and bounds with all bearings being referenced to the North American Datum 1983, Texas Coordinate System, South Central Zone; Ground distances may be converted to grid by dividing by 1.0001700:

BEGINNING at a ½-inch iron rod found at the intersection of the Southwest line of County Road No. 159, known as Yarrington Road and the Northwest line of County Road No. 160, known as Harris Hill Road for the East corner of the herein described tract, said Beginning point having Texas South Central Grid Coordinates of (N=13,886,570.38, E= 2,327,818.81);

Thence: S 43°21'39" W, along the Northwest line of said County Road No. 160, a distance of 2086.12 feet to a found ½ inch iron rod with yellow cap, for a Northeast corner of a 318.105 acre tract of land recorded in Volume 2715, Page 533 of the Official Public Records of Hays County, Texas, being the South corner of the herein described tract;

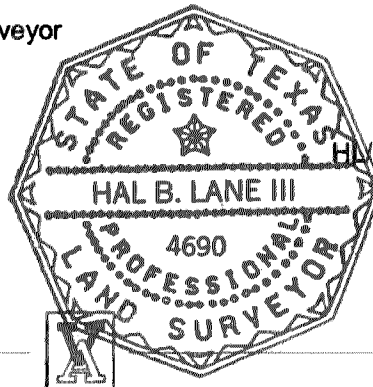
Thence: N 46°11'01" W, along the common line of said 318.105 acre tract and the herein described tract, a distance of 2092.35 feet to a found ½ inch iron pipe in concrete being a re-entrant corner of said 318.105 acre tract and the West corner of the herein described tract;

Thence: N 43°31'53" E, along a Southeasterly line of said 318.105 acre tract, passing the common corner of said 318.105 acre tract and a 201.496 acre tract recorded in Volume 2494, Page 403 of the Official Public Records of Hays County, Texas, at a distance of 818.94 feet, and continuing along the Southeast line of said 201.496 acre tract, for a total distance of 2075.38 feet, to a found ½" iron rod on the Southwest line of said County Road No. 159 and being the North corner of the herein described tract;

Thence: S 46°28'39" E, along said Southwest line of County Road No. 159, a distance of 2086.11 feet to the POINT OF BEGINNING and containing 99.80 acres of land, more or less.

Note: Survey Plat of even date accompanies this legal description.


Hal B. Lane III
Registered Professional Land Surveyor
Texas Registration Number 4690
Vickrey & Associates, Inc.



Job No. 2042-002-104
Hays 99.80 Acres 041106
April 6, 2006
April 11, 2006

Exhibit B
Concept Plan

YARRINGTON RD.

SAN MARCOS CITY LIMIT

NOTES:

1. LOCATION OF ROAD 'C' IS CONTINGENT TO FUTURE LOCATION OF TxDOT RAMPS.
2. ROAD 'C' IS TENTATIVE, AND SUBJECT TO RELOCATION OR DELETION SUBJECT TO OTHER PROPOSED USE OF FUNDS.

PROPOSED 12"
WATER LINE "C"

PROPOSED P.I.D.
ROAD 'C' (3 LANE)
(SEE NOTES)

8
MASTER RETAIL
AND
COMMERCIAL CENTER

SAN MARCOS CITY LIMIT

PROPOSED P.I.D.
ROAD 'B' (3 LANE)

PROPOSED 12"
WATER LINE "B"

3
COMMERCIAL

PROPOSED 8"
WASTEWATER LINE
"A"

2
BUSINESS
PARK

PROPOSED 12"
WATER LINE "A"

PROPOSED 8"
WASTEWATER LINE
"B"

PROPOSED 12"
WATER LINE "B"

PROPOSED P.I.D.
ROAD 'A-2' (3 LANE)

4
COMMERCIAL

PROPOSED 8"
WASTEWATER LINE
"A"

1
BUSINESS
PARK

5
COMMERCIAL

7
RESIDENTIAL

PROPOSED 4"
WASTEWATER LINE "D"
(FORCE MAIN)

PROPOSED 12"
WASTEWATER LINE
"A"

PROPOSED 12"
WATER LINE "A"

SAN MARCOS CITY LIMIT

PROPOSED
P.I.D. ROAD 'A-1'
(DIVIDED 4 LANE)

PROPOSED P.I.D.
LIFT STATION

HARRIS HILL RD.

PROPOSED 12"
WASTEWATER LINE
"A"

6
COMMERCIAL
(CORPORATE CAMPUS AND
GENERAL COMMERCIAL)

SAN MARCOS CITY LIMIT

P.I.D. LIMITS

CITY LIMITS

PARKWAYS

4 LANE DIVIDED ROAD
(WITHIN P.I.D.)

MAJOR ARTERIALS

MINOR ARTERIALS

3 LANE ROAD
(WITHIN P.I.D.)

COLLECTORS

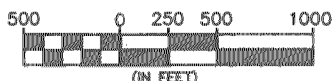
PARCEL LINES

PROPOSED
WATER LINE

PROPOSED
WASTE WATER LINE

PARCEL NUMBER

PROPOSED ZONING



GRAPHIC SCALE 1"=1000'



WHISPER TEXAS
PUBLIC IMPROVEMENT DISTRICT

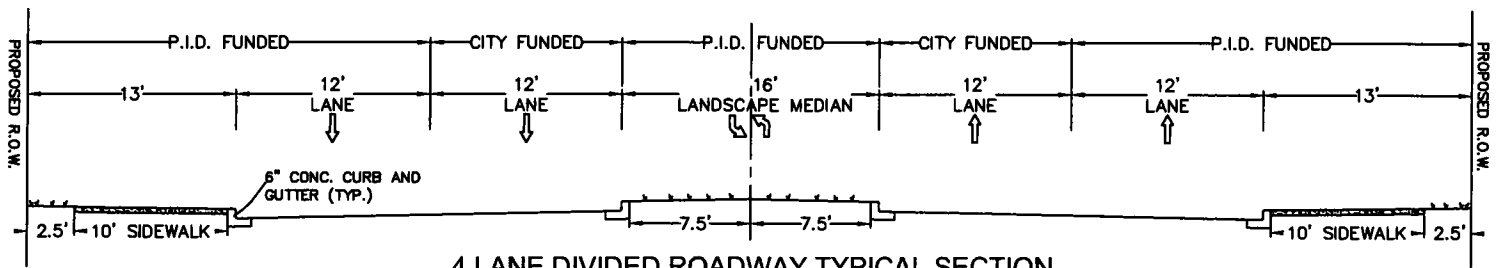
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20
YEARS
1992-2012

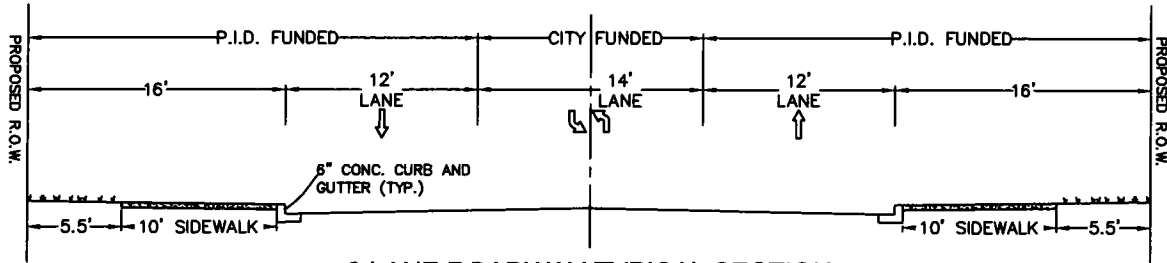
Exhibit C
Roadway Cross Sections & Opinions of Probable Cost



4 LANE DIVIDED ROADWAY TYPICAL SECTION

NOT TO SCALE

2 LANES FUNDED BY P.I.D.
2 LANES FUNDED BY CITY OF SAN MARCOS



3 LANE ROADWAY TYPICAL SECTION

NOT TO SCALE

2 LANES FUNDED BY P.I.D.
1 LANE FUNDED BY CITY OF SAN MARCOS

PID Construction Estimates - Opinion of Probable Costs (San Marcos, Texas)

Item	Description	Subtotal	Cost
General			
1	Road A and Associated Utilities	3,937,443	5,118,663
2	Road B and Associated Utilities	1,645,891	2,139,661
3	Road C and Associated Utilities	1,725,353	2,242,973
4	Lit Station and Waste Water Line D (Forcemain)	181,900	236,470
5	Wastewater Line B	201,000	261,300
Total		7,691,587	9,999,067

* - ESTIMATED PROBABLE COST OF WATER LINE WITHIN THE CITY OF SAN MARCOS CCN IS \$285,000 (31%)

NOTE: THIS OPINION OF PROBABLE COST DOES NOT INCLUDE ANY OVERSIZING OF THE WATER LINE AND WASTE WATER LINES. PER DIRECTION FROM CITY OF SAN MARCOS STAFF, OVERSIZING WILL BE HANDLED OUTSIDE OF THE PID. IN ADDITION, THE PID IS TO BE RESPONSIBLE FOR 2 LANES OF THE ROADWAY CROSS SECTION AND OUR CLIENT IS REQUESTING THE CITY OF SAN MARCOS BE RESPONSIBLE FOR THE ADDITIONAL 2 LANES ON THE 4 LANE CROSS SECTION (ROAD A-1) AND THE ADDITIONAL LANE ON THE 3 LANE CROSS SECTION (ROAD A-2, B AND C) AND FUND AT THE TIME OF CONSTRUCTION TO ALLOW FOR THE FULL SECTION TO BE CONSTRUCTED AT ONE TIME. IN THIS OPC, ONLY THE PID COST IS SHOWN.

Oversize Participation - Opinion of Probable Costs (San Marcos, Texas)

Item	Description	Subtotal	Cost
General			
1	Road A	881,200	1,145,560
2	Road B	236,800	307,840
3	Road C	247,900	322,270
Total		1,365,900	1,775,670

NOTE: THIS OPINION OF PROBABLE COST DOES NOT INCLUDE ANY OVERSIZING OF THE WATER LINE AND WASTE WATER LINES. PER DIRECTION FROM CITY OF SAN MARCOS STAFF, OVERSIZING WILL BE HANDLED OUTSIDE OF THE PID. IN ADDITION, THE PID IS TO BE RESPONSIBLE FOR 2 LANES OF THE ROADWAY CROSS SECTION AND OUR CLIENT IS REQUESTING THE CITY OF SAN MARCOS BE RESPONSIBLE FOR THE ADDITIONAL 2 LANES ON THE 4 LANE CROSS SECTION (ROAD A-1) AND THE ADDITIONAL LANE ON THE 3 LANE CROSS SECTION (ROAD A-2, B & C) AND FUND AT THE TIME OF CONSTRUCTION TO ALLOW FOR THE FULL SECTION TO BE CONSTRUCTED AT ONE TIME. IN THIS OPC, ONLY THE CITY COST IS SHOWN.

LAND USE TABLE

LAND USE	TOTAL	PERCENT
BUSINESS PARK (BP)	281 Ac	40%
COMMERCIAL (C)	185 Ac	26%
RESIDENTIAL	106 Ac	15%
MASTER RETAIL AND COMMERCIAL CENTER	111 Ac	16%
RIGHT-OF-WAY (ROW)	23 Ac	3%
TOTAL	706 Ac	100%

ROADWAY TABLE

ROADWAY	LENGTH
4 LANE DIVIDED W/ LANDSCAPE MEDIAN	3,500 LF
3 LANE W/ CENTER TURN LANE	9,800 LF

PID WATER UTILITY TABLE

UTILITY	LENGTH
12" WATER LINE	13,400 LF *

* - PORTION OF WATER LINE WITHIN CITY OF SAN MARCOS CCN IS 30%

PID WASTEWATER UTILITY TABLE

UTILITY	LENGTH
12" WASTEWATER LINE	3,600 LF
8" WASTEWATER LINE	8,500 LF
4" WASTEWATER FORCE MAIN	2,200 LF

PARCEL TABLE

PARCEL NO.	Land Use	Area (ac)
1	BUSINESS PARK	132 Ac
2	BUSINESS PARK	149 Ac
3	COMMERCIAL	10 Ac
4	COMMERCIAL	19 Ac
5	COMMERCIAL	3 Ac
6	COMMERCIAL	153 Ac
7	RESIDENTIAL	106 Ac
8	MASTER RETAIL AND COMMERCIAL CENTER	111 Ac
ROW	RIGHT-OF-WAY	23 Ac
TOTAL		706 Ac

NOTE: THE OWNER RETAINS THE RIGHT TO ADD CROSS-OVER LANES THROUGH THE LANDSCAPE MEDIAN ON ROADWAY 'A' AS FUTURE PARCELS ARE DEVELOPED.

WHISPER TEXAS
PUBLIC IMPROVEMENT DISTRICT

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Exhibit D
Qualified PID Costs

EXHIBIT D
McDONALD DEVELOPMENT
WHISPER TEXAS PUBLIC IMPROVEMENT DISTRICT
QUALIFIED PID COSTS
9/16/2014

ITEM	PHASE/YEAR	DESCRIPTION	Acres/Lots	TOTAL CONSTRUCTION COSTS	NET HARD COSTS	PROJECT MANAGEMENT 4%	TOTAL
Major Improvement Area Bond							
1	Master	Road A & Associated Utilities		\$ 5,118,663	\$ 5,118,663	\$ 204,747	\$ 5,323,410
2	Master	Road B & Associated Utilities		\$ 2,139,661	\$ 2,139,661	\$ 85,586	\$ 2,225,247
3	Master	Lift Station & Waste Water Line D		\$ 236,470	\$ 236,470	\$ 9,459	\$ 245,929
4	Master	Road C & Associated Utilities		\$ 2,242,973	\$ 2,242,973	\$ 89,719	\$ 2,332,692
5	Master	Offsite Waste Water Line B		\$ 261,300	\$ 261,300	\$ 10,452	\$ 271,752
		TOTALS		\$ 9,999,067	\$ 9,999,067	\$ 399,963	\$ 10,399,030
PROJECT TOTALS				\$ 9,999,067	\$ 9,999,067	\$ 399,963	\$ 10,399,030

Source: McDonald Development, Doucet, DPFG

Exhibit E
Value to Lien Bond Capacity Analysis

EXHIBIT E
McDONALD DEVELOPMENT
WHISPER TEXAS PUBLIC IMPROVEMENT DISTRICT
Value to Lien Bond Capacity Analysis @ Minimum 3.0:1 Value
to Lien Ratio
September 16, 2014

Bond Issuance Year	PID Bond
Bond Issuance Month	2015
# of Bond Issues	1
	1
Estimated Land Value	
Net Construction Proceeds Funded	\$ 35,189,050
Estimated Post Bond Sale Valuation	\$ 10,398,161
	\$ 45,587,211
Projected PID Gross Bond Amount	\$ 14,630,000
Reserve Fund (10% of Bond Amount)	\$ 1,463,000
Capitalized Interest (24 months)	\$ 2,029,939
Underwriter Discount/Financial Advisor Fee (3%)	\$ 438,900
Cost of Issuance	\$ 300,000
Infrastructure Bond Net Construction Proceeds	\$ 10,398,161
Equivalent Tax Rate	\$ 0.150
Projected Value to Lien Ratio	3.12
Net Construction Proceeds	\$ 10,398,161
Total Qualified Construction Costs	\$ 10,399,030
(Shortage)/Surplus (a)	\$ (869)

(a) Developer may be required to escrow all or a portion of the additional funding requirement at the time bonds are issued.

Exhibit F
Estimated Asset Value at Build Out

EXHIBIT F
MCDONALD DEVELOPMENT
WHISPER TEXAS PUBLIC IMPROVEMENT DISTRICT
ESTIMATED ASSESSED VALUE AT BUILD OUT
9/16/2014

Parcel Number	Acreage	FAR/Units per Acre	Land Use	Estimated Raw Land Value	Units	Square Feet	AV per Unit	AV per SF	Projected AV
8A	55.5	0.15	Retail/Commercial	\$ 3,626,370		362,637		\$ 120.00	\$ 43,516,440
8B	55.5	0.20	Light Industrial	\$ 2,417,580		483,516		\$ 75.00	\$ 36,263,700
1 - 2	281	0.25	Business Park	\$ 14,100,100	-	3,060,090	\$ -	\$ 120.00	\$ 367,210,800
3	10	0.25	Commercial	\$ 600,000		108,900		\$ 100.00	\$ 10,890,000
4 - 5	22	0.25	Commercial	\$ 1,320,000	-	239,580	\$ -	\$ 100.00	\$ 23,958,000
6	153	0.25	Commercial	\$ 11,025,000	-	1,666,170	\$ -	\$ 100.00	\$ 166,617,000
7	106	4.72	SF Residential - Detached/Townhomes	\$ 2,100,000	500	-	\$ 200,000	\$ -	\$ 100,000,000
Project Totals	683			\$ 35,189,050	500	\$5,920,893		\$ -	\$ 748,455,940

Exhibit G
Bond Sizing Capacity Analysis

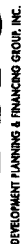


Exhibit G

Gross Bond Amount (7.00% Interest Rate)

£14 630 0002015

a) Preliminary estimate. Assumes City administrative expenses escalate at 2.00% per year.

a) Preliminary estimate. Assumes City administrative expenses escalate at 2.00% per year.

b) Preliminary estimate. Assumes the interest rate used to calculate the assessments is 0.20% higher than the actual interest rate on the bonds to fund interest related to prepayment of assessments. The prepayment reserve is capped at 10% of the next year's debt service. Unused funds will be applied to the next year's debt service.

c) Preliminary estimate. Assumes the interest rate used to calculate the assessments is 0.30% higher than the actual interest rate on the bonds to fund a reserve for delinquent assessments. The delinquency reserve is capped at 25% of the next year's debt service. Unused funds will be applied to the next year's debt service.

d) Preliminary estimate. Assumes 24 months capitalized interest.

(e) Net of capitalized interest, reserve fund interest earnings, and reserve fund releases.

Exhibit H
Assessment Allocation Analysis at Build Out

EXHIBIT H
McDONALD DEVELOPMENT
WHISPER TEXAS PUBLIC IMPROVEMENT DISTRICT
Assessment Allocation Analysis @ Build Out
9/16/2014

Land Use Assumptions					Allocation Based on Estimated Raw Land Value								
Parcel Number	# of Units	Square Feet	Acreage	Land Use	Estimated Raw Land Value	Projected Assessed Value	Total Assessment	Annual Payment (1st Year)	Assessment Per Unit	Annual Payment Per Unit	Assessment Per Sq. Ft	Annual Payment Per Sq.Ft.	Equivalent Tax Rate (per \$100/AV)
8A		362,637	56	Retail/Commercial	\$ 3,626,370	\$ 43,516,440	\$ 1,492,602	\$ 114,579	\$ -	\$ -	\$ 4.12	\$ 0.32	\$ 0.263
8B		483,516	56	Light Industrial	\$ 2,417,580	\$ 36,263,700	\$ 995,068	\$ 76,386	\$ -	\$ -	\$ 2.06	\$ 0.16	\$ 0.211
1-2	-	3,060,090	281	Business Park	\$ 14,100,100	\$ 367,210,800	\$ 5,803,556	\$ 445,509	\$ -	\$ -	\$ 1.90	\$ 0.15	\$ 0.121
3	-	108,900	10	Commercial	\$ 600,000	\$ 10,890,000	\$ 246,958	\$ 18,958	\$ -	\$ -	\$ -	\$ 0.17	\$ 0.174
4 - 5	-	239,580	22	Commercial	\$ 1,320,000	\$ 23,958,000	\$ 543,308	\$ 41,707	\$ -	\$ -	\$ 2.27	\$ 0.17	\$ 0.174
6	-	1,666,170	153	Commercial	\$ 11,025,000	\$ 166,617,000	\$ 4,537,855	\$ 348,348	\$ -	\$ -	\$ 2.72	\$ 0.21	\$ 0.209
7	500	-	106	SF Residential - Detached/Townhomes	\$ 2,100,000	\$ 100,000,000	\$ 864,353	\$ 66,352	\$ 1,729	\$ 133	\$ -	\$ -	\$ 0.066
Subtotal							\$ 14,483,700	\$ 1,111,840					\$ 0.149
Property Owners Association							\$ 146,300	\$ 11,231					
Project Total		5,920,893	683		\$ 35,189,050	\$ 748,455,940	\$ 14,630,000	\$ 1,123,071					\$ 0.150

Note: Assessment payments are due starting in the third year given two years of capitalized interest.

Exhibit I
Feasibility Analysis – Assumptions

EXHIBIT I
McDONALD DEVELOPMENT
WHISPER TEXAS PUBLIC IMPROVEMENT DISTRICT
FEASIBILITY ANALYSES - ASSUMPTIONS

Item	Assumption		Source
Date of Analysis	9/16/2014		
Net Acres	683		McDonald
Land Value per Parcel - Raw as Entitled	Per AV tab		McDonald
Project Management Fees	4.0%		DPFG
Minimum Required Value to Lien Ratio	3.00		DPFG
PID Estimated Equivalent Ad Valorem Assessment Rate per \$100 AV	\$ 0.150		DPFG
Estimated PID Bond Net Infrastructure Proceeds	\$ 10,398,161		DPFG
Estimated Total Construction Costs	\$ 10,399,030		Doucet
Estimated Equity Requirement	\$ (869)		Calculated
Estimated Allocation to POA	1.0%		DPFG
Estimated Value - Single Family Home	\$ 200,000		McDonald
Finished Lot as % of Completed AV	20.0%		McDonald
Interest Rate	7.0%		DPFG
Underwriter Discount/Financial Advisor Fee	3.0%		DPFG
Cost of Issuance	\$ 300,000		DPFG
Debt Service Escalator	2.0%		DPFG
Reserve Fund Earnings	0.10%		DPFG
Capitalized Interest Period - Years	2.00		DPFG
District Operations	35,000		DPFG
District Operations Escalator	2.0%		DPFG
Denomination	\$ 5,000		DPFG
Prepayment Reserve Cap as % of DS	10.0%		DPFG
Delinquency Reserve %	0.3%		DPFG
Delinquency Reserve Cap as % of DS	25.0%		DPFG

Exhibit J
Rendering of Proposed 50,000 sq. ft. Speculative Building

Rendering of proposed 50,000 sq. ft. spec building

