

CITY OF HUNTSVILLE, TEXAS

Russell Humphrey, Mayor

Vicki McKenzie, Mayor Pro Tem
Position 3 At-Large
Bert Lyle, Position 1 At-Large
Karen Denman, Position 2 At-Large
Pat Graham, Position 4 At-Large



Tore Fossum, Ward 1
Casey Cox, Ward 2
Anissa Antwine, Ward 3
Jon Strong, Ward 4

HUNTSVILLE CITY COUNCIL AGENDA

TUESDAY, OCTOBER 15, 2024

REGULAR SESSION 6:00 P.M. - Main Conference Room

City of Huntsville Service Center Complex, 448 Highway 75 N, Huntsville, Texas, 77320

Persons with disabilities who plan to attend this meeting and may need auxiliary aids or services are requested to contact the City Secretary's office (936.291.5413) two working days prior to the meeting for appropriate arrangements.

MAIN SESSION (6:00 p.m.)

CALL TO ORDER

INVOCATION AND PLEDGES - *U.S. Flag and Texas Flag: Honor the Texas Flag. I pledge allegiance to thee, Texas, one state, under God, one, and indivisible.*

PROCLAMATION

- a. Proclamation No. 2024-25 Municipal Court Appreciation Week
Russell Humphrey, Mayor

PRESENTATIONS

PUBLIC HEARING

- a. Hold a Public Hearing for the Reserves of Huntsville Public Improvement District for the purpose of receiving public comments concerning the Preliminary Service and Assessment Plan, with such changes and amendments as the City Council deems necessary, and the Proposed Assessment Rolls with such amendments to the assessments on any parcel as the City Council deems necessary as the final Service and Assessment Plan and Assessment Rolls of the District, respectively.
Kevin Byal, Director of Development Services

1. CONSENT AGENDA

The presiding officer will call for public comments before action is taken on these items. *(Approval of Consent Agenda authorizes the City Manager to implement each item in accordance with staff recommendations. An item may be removed from the Consent Agenda and added to the Statutory Agenda for full discussion by request of a member of Council.)*

- a. Consider approving the Minutes from the October 1, 2024 Regular City Council Meeting.
Kristy Doll, City Secretary
- b. Consider approving the Minutes from the October 7, 2024, Special City Council Meeting.
Kristy Doll, City Secretary

- c. Consider the approval of a City uniform rental and cleaning services for a term October 16, 2024 - May 31, 2028 and renew from June 1, 2028 - May 31, 2033
Lance Hall, Assistant Finance Director
- d. Consider approval of the annual purchase of PCs due for replacement as per the FY 24/25 computer replacement schedule.
Bill Wavra, IT Director
- e. Consider authorizing the City Manager to award the purchase of Litter Control Contract Services, to Wayne Pool LLC in the amount of \$74,834.42 for a two (2) year term contract.
Brent Sherrod, Public Works Director
- f. Consider the ground lease first extension at the Bruce Brothers Huntsville Regional Airport and authorize the City Manager to enter into this extension with Prairie Flower Air Asset Company, LLC.
Layne Yeager, Planner/Airport Manager
- g. Consider adopting Resolution 2024-23 to adopt a policy prohibiting usage of certain social media applications on city-owned, leased, or rented devices with the intent of following Texas Government Code Chapter 620.
Kristy Doll, City Secretary

2. STATUTORY AGENDA

- a. **Second Reading** - Consider Ordinance 2024-27, levying special assessments for, and apportioning the costs of, certain improvements to property in and for the Reserves of Huntsville Public Improvement District; fixing a charge and lien against all properties within the district, and the owners thereof; providing for the manner and method of collection of such assessments; making a finding of special benefit to property in the district and the real and true owners thereof; approving a service and assessment plan; providing a severability clause; and providing an effective date.
Kevin Byal, Director of Development Services
- b. Consider adopting Ordinance 2024-28 an Ordinance authorizing the issuance of the "City of Huntsville, Texas Special Assessment Revenue Bonds, Series 2024 (The Reserves of Huntsville Public Improvement District project)"; approving and authorizing an indenture of trust, a bond purchase agreement, an offering memorandum, a continuing disclosure agreement, a landowner agreement and other agreements and documents in connection therewith; making findings with respect to the issuance of such bonds; and providing an effective date.
Steve Ritter, Finance Director

3. CITY COUNCIL/MAYOR/CITY MANAGER

- a. Consider directing staff to review and propose an amendment/change to Sec. 46-105(a) of the City ordinances.
Casey Cox, Councilmember Ward 2
Jon Strong, Councilmember Ward 4
Vicki McKenzie, Councilmember At-Large Position 3
- b. Consider a FBO lease at the Bruce Brothers Huntsville Regional Airport and authorize the City Manager to enter into a FBO lease agreement for said airport property pending finalization of the metes and bounds of the identified hangers and terminal building.
Layne Yeager, Planner/Airport Manager

4. MEDIA INQUIRIES RELATED TO MATTERS ON THE AGENDA

5. ITEMS OF COMMUNITY INTEREST

6. EXECUTIVE SESSION

- a. City Council will convene in closed session as authorized by Texas Government Code, Chapter 551, Section 551.071 to receive legal advice on the request to authorize the release of +/- 2,071 acres, made up of 18 different parcels, as requested by Voyager Group, LTD and Kelvin & Deann Steely revocable trust, from the City of Huntsville Extra Territorial Jurisdiction (ETJ).
Kevin Byal, Director of Development Services
- b. City Council will convene in closed session as authorized by Texas Government Code, Chapter 551, Section 551.074 – Personnel Matters: regarding the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee: City Attorney.
Leonard Schneider, City Attorney
- c. City Council will convene in closed session as authorized by Texas Government Code, Chapter 551, Section 551.074 – Personnel Matters: regarding the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee: Interim City Manager.
Russell Humphrey, Mayor

7. RECONVENE

Take action on item discussed in executive session, if needed.

ADJOURNMENT

*If during the course of the meeting and discussion of any items covered by this notice, City Council determines that a Closed or Executive session of the Council is required, then such closed meeting will be held as authorized by Texas Government Code, Chapter 551, Section 551.071 – consultation with counsel on legal matters; 551.072 – deliberation regarding purchase, exchange, lease or value of real property; 551.073 – deliberation regarding a prospective gift; 551.074 – personnel matters regarding the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; 551.076 – implementation of security personnel or devices; 551.087 – deliberation regarding economic development negotiation; Sec. 551.089 - deliberation regarding security devices or security audits; and/or other matters as authorized under the Texas Government Code. If a Closed or Executive session is held in accordance with the Texas Government Code as set out above, the City Council will reconvene in Open Session to take action, if necessary, on the items addressed during Executive Session.

CERTIFICATE

I, Kristy Doll, City Secretary, do hereby certify that the above notice was posted on the City Hall bulletin board, a place convenient and readily accessible to the general public at all times, and to the City's website, www.HuntsvilleTX.gov, in compliance with Chapter 551, Texas Government Code.

DATE OF POSTING: October 10, 2024

TIME OF POSTING: 5:00 p.m.

TAKEN DOWN:

Kristy Doll

Kristy Doll, City Secretary



CITY COUNCIL AGENDA

10/15/2024

Agenda Item Number: a.

Agenda Item: Proclamation No. 2024-25 Municipal Court Appreciation Week

Initiating Department/Presenter: City Council

Presenter:
Russell Humphrey, Mayor

Recommended Motion: Not Applicable

Strategic Initiative: N/A

Discussion: N/A

Previous Council Action: N/A

Financial Implications: N/A

Approvals:
Kristy Doll

Associated Information:



CITY COUNCIL AGENDA

10/15/2024

Agenda Item Number: a.

Agenda Item: Hold a Public Hearing for the Reserves of Huntsville Public Improvement District for the purpose of receiving public comments concerning the Preliminary Service and Assessment Plan, with such changes and amendments as the City Council deems necessary, and the Proposed Assessment Rolls with such amendments to the assessments on any parcel as the City Council deems necessary as the final Service and Assessment Plan and Assessment Rolls of the District, respectively.

Initiating Department/Presenter: Development Services

Presenter:

Kevin Byal, Director of Development Services

Recommended Motion: Public Hearing - No Action Required

Strategic Initiative: Strategic Priority #2, Economic Development - Create an economic climate for the City of Huntsville that drives development of diverse industries and sectors, providing sustainable economic growth and improved living standards.

Discussion: State Statute requires the City Council to hold a public hearing to consider any public comments on the Service and Assessment Plan (SAP) for the Reserves of Huntsville Public Improvement District (PID). The SAP was prepared by DTA Public Finance, the city's PID administrator, in compliance with Chapter 372 of the Texas Local Government Code (TLGC). According to the TLGC, the SAP must cover a period of 5 years, define the annual indebtedness and projected costs for improvements, and include a copy of the notice form required by Section 5.014 of the Property Code. The municipality's governing body is required to review and update the service plan annually to establish the annual budget for improvements.

The SAP, which is included in item 2b of this agenda, serves as the foundational framework for managing the infrastructure financing, the assessment roll, and the projected annual installments for each property within the PID.

Previous Council Action: December 21, 2021 – City Council voted to approve the concept of creating a Public Improvement District for this specific project.

February 1, 2022 – City Council approved Resolution 2022-5 setting a public hearing date to solicit public input concerning the creation of Public Improvement District (PID) No. 1 for the Reserves of Huntsville.

March 1, 2022 – City Council held a public hearing giving the public an opportunity to comment on the creation of the proposed PID.

August 16, 2022 – City Council approved Resolution 2022-23, a resolution creating "The Reserves of Huntsville" Public Improvement District (PID) in accordance with Chapter 372 of the Texas Local Government Code as amended, to create a public improvement district within the corporate limits of Huntsville and authorized the City Manager to enter into a development agreement with the developer.

May 7, 2024 - City Council authorized the City Manager to enter into a reimbursement agreement with the developer.

October 1, 2024 - City Council considered the first reading of this ordinance where the City's Bond Council and Financial Advisor answered council's questions.

Financial Implications: The financial impact of any action the Council considers will be included in the PID assessment.

Approvals:

Kevin Byal
Sam Masiel
Aron Kulhavy
Kristy Doll

Associated Information:



CITY COUNCIL AGENDA

10/15/2024

Agenda Item Number: 1.a.

Agenda Item: Consider approving the Minutes from the October 1, 2024 Regular City Council Meeting.

Initiating Department/Presenter: City Secretary

Presenter:

Kristy Doll, City Secretary

Recommended Motion: Motion to approve the Minutes from the October 1, 2024 Regular City Council Meeting.

Strategic Initiative:

Discussion:

Previous Council Action:

Financial Implications:

Approvals:

Kristy Doll

Associated Information:

1. CC Minutes 10-01-2024

MINUTES FROM THE HUNTSVILLE CITY COUNCIL REGULAR MEETING HELD ON THE 1st DAY OF OCTOBER 2024, AT THE CITY OF HUNTSVILLE SERVICE CENTER COMPLEX, LOCATED AT 448 HIGHWAY 75, IN THE CITY OF HUNTSVILLE, COUNTY OF WALKER, TEXAS, AT 6:00 P.M.

The City Council met in a workshop and regular session with the following:

COUNCILMEMBERS PRESENT: Councilmember At-Large Position 1 Lyle, Councilmember Ward 1 Fossum, Councilmember At-Large Position 2 Denman, Councilmember Ward 2 Cox, Councilmember Ward 3 Antwine, Councilmember At-Large Position 4 Graham, Councilmember Ward 4 Strong

COUNCILMEMBERS ABSENT: Mayor Humphrey and Mayor Pro Tem McKenzie

OFFICERS PRESENT: Aron Kulhavy, City Manager; Kristy Doll, City Secretary; Leonard Schneider, City Attorney

WORKSHOP (5:30 p.m.)

Councilmember Jon Strong called the workshop to order at 5:36 p.m.

Councilmember Vicki McKenzie arrived at 5:43 p.m.

Mayor Humphrey arrived at 5:48 p.m.

DISCUSSION

- a. **Receive a presentation on the requirements of cities with 50,000 population.**
Aron Kulhavy, City Manager

Councilmember Jon Strong adjourned the workshop at 5:56 p.m.

MAIN SESSION (6:00 p.m.)

CALL TO ORDER

Mayor Humphrey called the meeting to order at 6:01 p.m.

INVOCATION AND PLEDGES - *U.S. Flag and Texas Flag: Honor the Texas Flag. I pledge allegiance to thee, Texas, one state, under God, one, and indivisible.*

Mayor Humphrey gave the invocation and led the pledges.

PROCLAMATION

- a. **Proclamation No. 2024-21 First Responders Appreciation Day.**
Russell Humphrey, Mayor
- b. **Proclamation No. 2023-5 Sexual Assault Awareness Month.**
Russell Humphrey, Mayor

PRESENTATIONS

- a. **Huntsville Public Library recap of the spring and summer programs and activities.**
Lisa Lance, City Librarian

Citizen comment was heard from former Mayor Andy Brauning.

PUBLIC HEARING

1. CONSENT AGENDA

The presiding officer will call for public comments before action is taken on these items. (*Approval of Consent Agenda authorizes the City Manager to implement each item in accordance with staff recommendations. An item may be removed from the Consent Agenda and added to the Statutory Agenda for full discussion by request of a member of Council.*)

- a. Consider approving the Minutes from the September 17, 2024, Regular City Council Meeting.
Kristy Doll, City Secretary**
- b. Consider ratifying purchases from Walker County Hardware in fiscal year 2023-2024 in the amount of \$100,379 and approval of purchases from Walker County Hardware in fiscal year 2024-2025 for an amount not to exceed \$120,000.
Steve Ritter, Finance Director**
- c. Consider adoption of Ordinance 2024-26 to amend the budget for FY 24-25 and/or CIP Project Budgets.
Steve Ritter, Finance Director**
- d. Consider approval of continued annual maintenance with Tyler Technologies for Finance, Public Safety, Utility Billing, time-keeping, and Municipal Court software.
Bill Wavra, IT Director**
- e. Consider approval of continued phone and data services with Verizon Wireless through the State of Texas Department of Information Resources (DIR) contract.
Bill Wavra, IT Director**
- f. Consider approval of continued annual maintenance with CivicPlus for City Website, City Secretary, and Development Services software.
Bill Wavra, IT Director**
- g. Consider approval of continued annual maintenance with Onix Networking Corporation for Google Workspace.
Bill Wavra, IT Director**
- h. Consider approval of annual maintenance with Lodestone for Antivirus Protection and Monitoring
Bill Wavra, IT Director**
- i. Consider renewal of the Microsoft Enterprise software agreement.
Bill Wavra, IT Director**
- j. Consider approval of continued fiber and cable communication services with Optimum.
Bill Wavra, IT Director**
- k. Consider the purchase of FY 2025 vehicles, from multiple vendors, authorizing the City Manager to award the contract.
Brent Sherrod, Public Works Director**

- l. Consider adopting Resolution 2024-18 designating The Huntsville Item as the official newspaper for the City of Huntsville for the Fiscal Year 2024-2025.**

Kristy Doll, City Secretary

- m. Consider Resolution 2024-19 authorizing the City Manager to apply for and accept, if awarded, funding under the U.S. Department of Justice – BJA FY 24 Edward Byrne Memorial Justice Assistance Grant (JAG) Program - Local Solicitation and enter into an Interlocal Agreement with Walker County.**

Ashley Brown, Grants Manager

Councilmember Jon Strong made a motion to approve Consent Agenda Items a. through m. The motion was seconded by Councilmember Casey Cox. The motion passed 9 - 0. Yes: Russell Humphrey, Karen Denman, Vicki McKenzie, Jon Strong, Pat Graham, Bert Lyle, Anissa Antwine, Tore Fossum, Casey Cox; No: None

2. STATUTORY AGENDA

- a. First Reading - Consider authorizing the City Manager to enter into a contract for furniture for the new City Hall Project.**

Kathlie Jeng-Bulloch, City Engineer

Councilmember Vicki McKenzie made a motion to waive the two-reading requirement and authorize the City Manager to enter into a contract with HBI Office Solutions, Inc. for the supply and installation of furniture at the new City Hall in the amount of \$957,117.22. The motion was seconded by Councilmember Casey Cox. The motion passed 9 – 0. Yes: Russell Humphrey, Karen Denman, Vicki McKenzie, Jon Strong, Pat Graham, Bert Lyle, Anissa Antwine, Tore Fossum, Casey Cox; No: None

- b. First Reading - Consider authorizing the City Manager to award the construction contract for Capital Improvements Program (CIP) FY 22 Waterline Replacement Projects.**

Kathlie Jeng-Bulloch, City Engineer

Councilmember Jon Strong made a motion to waive the two-reading requirement and authorize the City Manager to enter into a construction contract with 5-T Utilities, Inc. for an amount of \$4,118,579.45 for the construction of the FY 22 Waterline Replacement Projects. The motion was seconded by Councilmember Pat Graham. The motion passed 9 - 0. Yes: Russell Humphrey, Karen Denman, Vicki McKenzie, Jon Strong, Pat Graham, Bert Lyle, Anissa Antwine, Tore Fossum, Casey Cox; No: None

- c. First Reading - Consider Ordinance 2024-27, levying special assessments for, and apportioning the costs of, certain improvements to property in and for the Reserves of Huntsville Public Improvement District; fixing a charge and lien against all properties within the district, and the owners thereof; providing for the manner and method of collection of such assessments; making a finding of special benefit to property in the district and the real and true owners thereof; approving a service and assessment plan; providing a severability clause; and providing an effective date.**

Kevin Byal, Director of Development Services

City Secretary, Kristy Doll announced that the correct Ordinance number is 2024-27 and it will be corrected for the second reading.

Mayor Humphrey then read the item with the corrected Ordinance number.

First Reading - No action taken.

- d. Consider Resolution 2024-20, approving the form and authorizing the distribution of a Preliminary Limited Offering Memorandum (PLOM) for the City of Huntsville, Texas Special Assessment Revenue Bonds, Series 2024 for the Reserves of Huntsville Public Improvement District.
Kevin Byal, Director of Development Services**

Councilmember Vicki McKenzie made a motion to approve Resolution 2024-20, approving the form and authorizing the distribution of a Preliminary Limited Offering Memorandum (PLOM) for the City of Huntsville, Texas Special Assessment Revenue Bonds, Series 2024 for the Reserves of Huntsville Public Improvement District. The motion was seconded by Councilmember Anissa Antwine. The motion passed 9 - 0. Yes: Russell Humphrey, Karen Denman, Vicki McKenzie, Jon Strong, Pat Graham, Bert Lyle, Anissa Antwine, Tore Fossum, Casey Cox; No: None

- e. Consider Resolution 2024-21 accepting the Preliminary Service and Assessment Plan for the Reserves of Huntsville Public Improvement District; Setting a date for a public hearing; Authorizing the publication of notice; and enacting other provisions related thereto.
Kevin Byal, Director of Development Services**

Councilmember Vicki McKenzie made a motion to approve Resolution 2024-21 accepting the Preliminary Service and Assessment Plan for the Reserves of Huntsville Public Improvement District; Setting a date for a public hearing; Authorizing the publication of notice; and enacting other provisions related thereto. The motion was seconded by Councilmember Tore Fossum. The motion passed 9 - 0. Yes: Russell Humphrey, Karen Denman, Vicki McKenzie, Jon Strong, Pat Graham, Bert Lyle, Anissa Antwine, Tore Fossum, Casey Cox; No: None

3. CITY COUNCIL/MAYOR/CITY MANAGER

- a. Consider temporarily suspending the Rules of Procedure Section 3.01 requiring a regular City Council meeting on the first Tuesday of the month for the November 5, 2024, Regular City Council meeting.
Kristy Doll, City Secretary**

Councilmember Jon Strong made a motion to temporarily suspend the Rules of Procedure Section 3.01 requiring a regular City Council meeting on the first Tuesday of the month for the November 5, 2024, Regular City Council meeting. The motion was seconded by Councilmember Anissa Antwine. The motion passed 9 - 0. Yes: Russell Humphrey, Karen Denman, Vicki McKenzie, Jon Strong, Pat Graham, Bert Lyle, Anissa Antwine, Tore Fossum, Casey Cox; No: None

- b. Consider nominating one candidate for each of the five Board of Director Positions for the Walker County Appraisal District's (WCAD) Board of Directors.
Russell Humphrey, Mayor**

Councilmember Vicki McKenzie made a motion to nominate each of the current members who are not retiring to the five Board of Director Positions for the Walker County Appraisal District's (WCAD) Board of Directors Jody Crawford, Jack Dean, Otis Oliphant, Ed Owens, and David Stanley. The motion was seconded by Councilmember Anissa Antwine. The motion passed 9 - 0. Yes: Russell Humphrey, Karen Denman, Vicki McKenzie, Jon Strong, Pat Graham, Bert Lyle, Anissa Antwine, Tore Fossum, Casey Cox; No: None

- c. Consider the appointments to the City of Huntsville Boards and Commissions.
Russell Humphrey, Mayor**

Councilmember McKenzie announced Mayor Humphrey's nominations to the Board and Commission

members as presented. The motion passed 9 - 0. Yes: Russell Humphrey, Karen Denman, Vicki McKenzie, Jon Strong, Pat Graham, Bert Lyle, Anissa Antwine, Tore Fossum, Casey Cox; No: None

BOARD NAME	SEAT #	APPOINT/ REAPPOINT	BOARD MEMBER	TERM EXPIRES
HUNTSVILLE PUBLIC LIBRARY				
	1	Appoint	Ericka Guadarrama	8-31-2027
ARTS COMMISSION				
	9	Appoint	Megan Buro	8-31-2026
PARKS AND RECREATION				
	3	Appoint	Donald Kopnick	8-31-2027
	4	Appoint	Kelli Ramey	8-31-2026

4. MEDIA INQUIRIES RELATED TO MATTERS ON THE AGENDA

None

5. ITEMS OF COMMUNITY INTEREST

Councilmembers announced Items of Community Interest.

6. EXECUTIVE SESSION

- a. The City Council will convene in closed session as authorized by Texas Government Code, Chapter 551, Section 551.071, to receive legal advice on City Hall Project.**
Leonard Schneider, City Attorney

City Council convened into Executive Session at 7:04 p.m.

7. RECONVENE

City Council reconvened from Executive Session at 7:25 p.m.

ADJOURNMENT

Mayor Humphrey adjourned the meeting without objection at 7:25 p.m.

ATTEST:

CITY OF HUNTSVILLE

Kristy Doll, City Secretary

Russell Humphrey, Mayor



CITY COUNCIL AGENDA

10/15/2024

Agenda Item Number: 1.b.

Agenda Item: Consider approving the Minutes from the October 7, 2024, Special City Council Meeting.

Initiating Department/Presenter: City Secretary

Presenter:

Kristy Doll, City Secretary

Recommended Motion: Motion to approve the Minutes from the October 7 , 2024, Special City Council Meeting.

Strategic Initiative:

Discussion:

Previous Council Action:

Financial Implications:

Approvals:

Kristy Doll

Associated Information:

1. CC Minutes 10-07-2024

MINUTES FROM THE HUNTSVILLE CITY COUNCIL SPECIAL MEETING HELD ON THE 7TH DAY OF OCTOBER 2024, AT THE CITY OF HUNTSVILLE SERVICE CENTER COMPLEX, LOCATED AT 448 HIGHWAY 75, IN THE CITY OF HUNTSVILLE, COUNTY OF WALKER, TEXAS, AT 4:00 P.M.

The City Council met in a Special Session with the following:

COUNCILMEMBERS PRESENT: Mayor Humphrey, Mayor Pro Tem McKenzie, Councilmember At-Large Position 2 Denman, Councilmember Ward 2 Cox, Councilmember At-Large Position 4 Graham, Councilmember Ward 4 Strong

COUNCILMEMBERS ABSENT: Councilmember At-Large Position 1 Lyle, Councilmember Ward 3 Antwine, Councilmember Ward 1 Fossum

OFFICERS PRESENT: Aron Kulhavy, City Manager; Kristy Doll, City Secretary; Leonard Schneider, City Attorney

SPECIAL SESSION (4:00 p.m.)

CALL TO ORDER

Mayor Humphrey called the meeting to order at 4:05 p.m.

INVOCATION AND PLEDGES - *U.S. Flag and Texas Flag: Honor the Texas Flag. I pledge allegiance to thee, Texas, one state, under God, one, and indivisible.*

Mayor Humphrey gave the invocation and led the pledges.

1. EXECUTIVE SESSION

- a. **City Council will convene in closed session as authorized by Texas Government Code, Chapter 551, Section 551.074 – Personnel Matters: regarding the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee: City Manager.**

Vicki McKenzie, Councilmember At-Large Position 3

Casey Cox, Councilmember Ward 2

Pat Graham, Councilmember At-Large Position 4

City Council convened into Executive Session at 4:07 p.m.

Councilmember Fossum arrived at 4:15 p.m.

2. RECONVENE

City Council reconvened from Executive Session at 5:35 p.m.

Councilmember Vicki McKenzie made a motion to move Aron Kulhavy, City Manager to administrative leave with consulting abilities for the City through February 7, 2025. The motion was seconded by Councilmember Pat Graham. The motion passed 4 - 3.

roll call vote:

Yes: Vicki McKenzie, Jon Strong, Pat Graham, Casey Cox

No: Russell Humphrey, Karen Denman, Tore Fossum

ADJOURNMENT

Mayor Humphrey adjourned the meeting without objection at 5:36 p.m.

ATTEST:

CITY OF HUNTSVILLE

Kristy Doll, City Secretary

Russell Humphrey, Mayor



CITY COUNCIL AGENDA

10/15/2024

Agenda Item Number: 1.c.

Agenda Item: Consider the approval of a City uniform rental and cleaning services for a term October 16, 2024 - May 31, 2028 and renew from June 1, 2028 - May 31, 2033

Initiating Department/Presenter: Finance

Presenter:

Lance Hall, Assistant Finance Director

Recommended Motion: Move to approve the award of City uniform rental and cleaning services to Cintas at the unit prices as highlighted in the attached tabulation for the term October 16, 2024–May 31, 2028 and renew from June 1, 2028 - May 31, 2033.

Strategic Initiative: Strategic Priority #3, Quality of Life – Establish an environment where citizens can thrive and enjoy the city in which they live. Provide services that enhance the quality of life for all, with focus on the full life cycle (children, students, families, and retirees) - by creating amenities that support physical, mental and social well-being. Support access to quality health services, education, housing, transportation, recreation and natural environment.

Discussion: Cintas provides cooperative pricing with OMNIA Partners Workplace Solutions with The University of Nebraska Contract Number: 001299. The City of Huntsville typically provides City Crews with work uniforms, primarily for safety and identification purposes. The uniforms are sturdy and intended to provide safety for employees working in or around potentially harmful environments (i.e. City Water & Wastewater (WW) Plants), and to provide a means for citizen recognition of these employees as City personnel while performing services in the community (i.e., water meter reads/replacements, Water/WW repairs). Rental and cleaning services for building entry mats are also included in this contract.

Previous Council Action: Per specifications of the Bid No.20-02 contract for two years plus one (1) additional two (2) year terms through January 2024, council approved the contract on January 21, 2020, per consent Item 1c.

Financial Implications: The estimated fiscal year average annual cost for each year through May 31, 2028, is \$87,024
The estimated fiscal year average annual cost for each year from June 1, 2028, through May 31, 2033, is \$95,726

Approvals:

Steve Ritter

Sam Masiel

Aron Kulhavy

Associated Information:

1. City of Huntsville Agreement - May 2024
2. image
3. OMNIA - Cintas - The University of Nebraska Contract Number 001299
4. Agenda Item 1c Corrected 24-30 City Wide Workplace Solutions Estimated Fee Schedule (1)

Workplace Solutions Cooperative Acceptance Agreement



Location #: 619

Contract #:

Customer #: 13586713

Main Corporate Code → **Omnia Nebraska Rental/FS MLA CC #13897 MLA Agreement #211011348**

GPO CC #13897 GPO Agreement #211011196

Date:

Customer/Participating Agency: City of Huntsville

("Customer")

Phone:

Address: 448 State Highway 75 N

City: Huntsville

State: Tx.

Zip: 77320

UNIFORM PRODUCT RENTAL PRICING:

ITEM #	DESCRIPTION	STANDARD ITEM	UNIT PRICE	LOSS/DAMAGE REPLACE. VALUE
270	Cargo Pants	☒ Yes ☐ No	.367	
935	Work Shirt	☒ Yes ☐ No	.19	
894	jean	☒ Yes ☐ No	.392	
330	Cotton Work Shirt	☒ Yes ☐ No	.26	
382	Carhartt Jean	☒ Yes ☐ No	.63	
275	Polo Shirt	☒ Yes ☐ No	.38	

Space for additional entries provided on page 5

This Workplace Solutions Cooperative Acceptance Agreement (this "Acceptance Agreement") is effective as of the date of execution for a term of 60 months from the date of installation or renewal (the "Term").				
Standard Name Emblem	\$ 1.75	ea	Standard Agency Emblem	\$ 2.95 ea
Custom Agency Emblem	\$ Quote	ea	Embroidery	\$ Quote ea
Uniform Advantage	Item:		\$	ea per week
Premium Uniform Advantage	Item:		\$	ea per week
Emblem Advantage	Item:		\$	ea per week
Prep Advantage	Item:		\$	ea per week
Minimum Charge	\$35 per delivery or 50% of initial invoice (the greater of the two).			
Make-Up Charge	\$ 2.50	per garment		
Non-Standard/Special Cut Garment (i.e., non-standard, non-stocked unusually small or large sizes, unusually short or long sleeve or length, etc.) premium			\$.15	per garment
Under no circumstances will Cintas accept textiles bearing free liquid. Shop towels may not be used to clean up oil or solvent spills.				
Artwork Charge for Logo Mat	\$ Quote			
Payment Terms: Net 30				
Size Change	Customer agrees to have employees measured by a Cintas representative using garment "size samples" or Cintas TruFit. A charge of \$ 5.00 per garment will be assessed for employee's size changed within 4 weeks of installation.			
Other				

WORKPLACE SERVICES PRODUCTS PRICING:

ITEM #	DESCRIPTION	RENTAL FREQ.	INVENTORY	UNIT PRICE
10184	3x5 Active Scraper	01		4.32
10196	3x5 Traffic Mat	01		7.056
10197	4x6 Traffic Mat	01		8.582
1919	2x3 Wellness Mat	01		2.475
84335	3x5 Black Mat	01		2.24
84302	Safety Net Mat	01		3.202
10186	4x6 Active Scraper	01		4.851
2477	3x5 Scraper Mat	01		2.38

Space for additional entries provided on page 5

Automatic Lost Replacement Charge	Item:	% of inventory	\$	ea
Automatic Lost Replacement Charge	Item:	% of inventory	\$	ea

	CHECKBOX	INITIALS	DATE
Initial and check box if Unilease. All Garments will be cleaned by customer.	☐		
Initial and check box if receiving Linen Service. Company will take periodic physical inventories of items in possession or under control.	☐		
Initial and check box if receiving direct embroidery. If service is discontinued for any employee or Customer deletes any of the garments direct embroidery for any reason, or terminates this Acceptance Agreement for any reason or fails to renew this Acceptance Agreement, Customer will purchase all direct embroidered garments at the time they are removed from service at the then current replacement values. (See Section 6 of Cintas General Service Terms Section).	☐		

Cintas Representative Initials:

Customer Initials:

PLEASE READ THESE TERMS CAREFULLY. BY SIGNING THIS ACCEPTANCE AGREEMENT, YOU ACKNOWLEDGE THAT YOU HAVE READ, AND THAT YOU UNDERSTAND AND AGREE TO BE BOUND BY, THESE TERMS.

OMNIA PARTICIPATING PUBLIC AGENCIES TERMS

1. **Participating Public Agencies:** Cintas Corporation No. 2 ("Cintas") agrees to extend the same terms, conditions, and covenants agreed to under the OMNIA Vendor Agreement executed between Cintas and University of Nebraska (the "Master Agreement") to other government agencies ("Participating Public Agencies") that, in their discretion, desire to access the Master Agreement in accordance with all terms and conditions contained herein or attached hereto. Each Participating Public Agency will be exclusively responsible and deal directly with Cintas on matters relating to length of agreement, ordering, delivery, inspection, acceptance, invoicing, and payment for products and services in accordance with the terms and conditions of the Master Agreement. By executing this Acceptance Agreement, the Customer identified on Page 1 herein agrees to be bound by the terms and conditions set forth in the Master Agreement as a Participating Public Agency and the terms and conditions set forth in this Acceptance Agreement. Master Agreement available at <https://www.omniapartners.com/publicsector>.
2. **Dispute Resolution – Arbitration and Class Waiver:** This provision shall take precedence over and supersede any contrary or conflicting provision in the Master Agreement.
 - a. **Arbitration Notice:** Customer agrees to the maximum extent permitted by law that any dispute, controversy, or claim arising out of or relating to this Acceptance Agreement (including its enforcement, performance, breach, arbitrability, or interpretation) or to the products or services provided hereunder will be submitted to and resolved by final and binding individual arbitration. ARBITRATION MEANS THAT AN ARBITRATOR, AND NOT A JUDGE OR A JURY, WILL DECIDE THE DISPUTE, CONTROVERSY, OR CLAIM. BY ACCEPTING THESE TERMS, YOU AND CINTAS ARE EACH EXPRESSLY WAIVING THE RIGHT TO A TRIAL BY JURY AND TO PURSUE OR PARTICIPATE IN ANY CLASS ACTION, COLLECTIVE ACTION, OR REPRESENTATIVE CLAIMS OR PROCEEDINGS EITHER IN ARBITRATION OR IN ANY COURT. To the extent a class or collective action or representative claim or proceeding may not be waived, you agree to stay any such actions, claims, and proceedings until after all actions, claims, and proceedings subject to arbitration are fully resolved.
 - b. **Arbitration Procedures:** Any arbitration between Customer and Cintas will be governed by the Commercial Dispute Resolution Procedures and the Supplementary Procedures for Consumer Related Disputes (collectively, "AAA Rules") of the American Arbitration Association ("AAA"), as modified by this Acceptance Agreement, and will be administered by the AAA. The AAA Rules and filing forms are available online at www.adr.org, by calling the AAA at 1-800-778-7879, or by contacting Cintas. Any arbitration hearings will take place in the state in which Customer is located; provided, however, that if the claim is for \$10,000 or less, Customer may choose for the arbitration instead to be conducted: (i) solely on the basis of documents submitted to the arbitrator; or (ii) through a telephonic hearing. The arbitrator must issue a reasoned written decision sufficient to explain the essential findings and conclusions on which the decision and award, if any, are based.
 - c. **Fees:** Arbitration fees will be assessed consistent with the AAA Rules.
 - d. **No Class Actions in Arbitration or in Any Court, No Jury Trial:** CUSTOMER AND CINTAS AGREE THAT, TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH MAY BRING CLAIMS AGAINST THE OTHER ONLY IN THEIR INDIVIDUAL CAPACITIES AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING, WHETHER IN ARBITRATION OR IN ANY COURT. FURTHER, UNLESS BOTH CUSTOMER AND CINTAS AGREE OTHERWISE, AN ARBITRATOR OR JUDGE MAY NOT CONSOLIDATE MORE THAN ONE PARTICIPATING PUBLIC AGENCY'S CLAIMS AND MAY NOT OTHERWISE PRESIDE OVER ANY FORM OF A REPRESENTATIVE OR CLASS PROCEEDING.
FOR THE AVOIDANCE OF DOUBT, CUSTOMER AND CINTAS AGREE TO RESOLVE ANY DISPUTE ON AN INDIVIDUAL, NON-REPRESENTATIVE, NON-CLASS BASIS IN ARBITRATION, BUT IF FOR ANY REASON SUCH DISPUTE PROCEEDS IN COURT, CUSTOMER AND CINTAS AGREE TO WAIVE ANY RIGHT TO HAVE THE DISPUTE PROCEED AS A CLASS ACTION OR IN ANY REPRESENTATIVE CAPACITY WHATSOEVER. IF THE DISPUTE PROCEEDS IN COURT, CUSTOMER AND CINTAS AGREE TO WAIVE ANY RIGHT TO A TRIAL BY JURY.
 - e. **Enforceability:** If the requirement to submit any and all disputes, controversies, and claims to binding arbitration is found to be unenforceable or contrary to applicable law, the dispute, controversy or claim will be resolved in accordance with, and governed by, the laws of the State in which the Participating Public Agency exists.
 - f. **Severability:** If any section or provision of this ¶ 2, Dispute Resolution – Arbitration and Class Waiver, is found to be unenforceable or invalid, the parties will substitute an enforceable provision that, to the maximum extent possible under applicable law, preserves the original intentions of the parties, and the remainder will be given full force and effect.
3. **Dispute Resolution – Timing of invoice challenges:** Requests for an invoice adjustment or challenges to invoice amounts must be received by Cintas within 60 days of Customer's receipt of the contested invoice, or any billing dispute is waived. Notification to Cintas of a request for an invoice adjustment must be made in writing and must include the invoice number, disputed amount, and the reason for the disputed charge.
4. In the event of any conflict between this Acceptance Agreement and the Master Agreement, the Master Agreement shall prevail, except to the extent this Acceptance Agreement specifically provides that it is superseding a provision in the Master Agreement.

CINTAS GENERAL SERVICE TERMS SECTION

1. **Prices:** Customer agrees to rent from Cintas, and Cintas agrees to provide to Customer, all of Customer's requirements for uniform rental products and services at the prices listed in the Master Agreement, including annual price adjustments. An amendment to this Acceptance Agreement is not required when pricing in the Master Agreement is updated and adjusted. There will be a minimum charge of thirty-five dollars (\$35.00) or 50% of initial invoice (whichever is greater) per delivery (the "Minimum Stop Charge") for each Customer location required to purchase its rental services from Cintas as set forth in this Acceptance Agreement. The Minimum Stop Charge shall supersede any conflicting or different term in the Master Agreement.
2. **Buyback of Non-Standard Garments:** Customer has ordered from Company a garment rental service requiring garments that may not be standard to Company's normal rental product line or include direct embroidery or an unusual emblem placement. Non-standard items will also include standard garments that have been embroidered. Those non-standard products will be designated as such under Garment Description in the Uniform Product Rental Pricing Chart(s). In the event the Customer deletes a non-standard product, alters the design of the non-standard product, fails to renew the Agreement, or terminates the Agreement in whole or in part for any reason, the Customer agrees to buy back all remaining non-standard products allocated to Customer that the Company has in service and out of service at the then current Loss/Damage Replacement Values.
3. **Garments' Lack of Flame Retardant or Acid Resistant Features:** Unless specified otherwise in writing by Cintas, the garments supplied under this Acceptance Agreement are not flame retardant or acid resistant and contain no special flame retardant or acid resistant features. They are not designed for use in areas of flammability risk or where contact with hazardous materials is possible. Flame resistant and acid resistant garments are available from Cintas upon request. Customer warrants that none of the employees for whom garments are supplied pursuant to this Acceptance Agreement require flame retardant or acid resistant clothing.
4. **Logo Mats:** In the event that Customer decides to delete any mat bearing the Customer's logo (Logo Mat) from the rental program, changes the design of the Logo Mats, terminates this Acceptance Agreement for any reason or fails to renew this Acceptance Agreement, the Customer will purchase at the time of deletion, design change or termination, all remaining Logo mats that Cintas has in service and out of service held in inventory at the then current Loss/Damage Replacement Value.
5. **Adding Employees:** Additional employees and merchandise may be added to this Acceptance Agreement at any time upon written or oral request by the Customer to Cintas. Any such additional employees or merchandise shall automatically become a part of and subject to the terms of this Acceptance Agreement. If such employees are employed at a Customer location that is then participating under this Acceptance Agreement, the Customer shall pay Cintas the one-time preparation fee indicated on the Master Agreement and / or outlined above. Customer shall not pay Cintas any one-time preparation fee for garments for employees included in the initial installation of a Customer location. There will be a one-time charge for name and/or company emblems when employees are added to the program in garments requiring emblems.
6. **Emblem Guarantee:** If Customer has requested that Cintas supply emblems designed exclusively for Customer featuring Customer's logo or other specific identification (hereinafter "Customer Emblems"), Cintas will maintain a sufficient quantity of Customer Emblems in inventory to provide for Customer's needs and maintain a low cost per emblem through quantity purchases.
In the event Customer decides to discontinue the use of Customer Emblems, changes the design of the Customer Emblems, terminates this Acceptance Agreement for any reason or fails to renew this Acceptance Agreement, the Customer will purchase at the time of deletion, design change, termination or expiration, all remaining Customer Emblems that Cintas allocated to Customer at the price indicated on the Master Agreement and / or outlined above of this Acceptance Agreement. In no event shall the number of Customer Emblems allocated to Customer exceed the greater of (a) twelve (12) months' volume for each unique Customer Emblem or (b) a quantity agreed to by Cintas and Customer and noted on the Master Agreement and / or outlined above.
7. **Terminating Employees:** Subject to the provisions of this Acceptance Agreement, the weekly rental charge attributable to any individual leaving the employ of the Customer, or on a temporary leave of absence of three (3) weeks or more, shall be terminated upon oral or written notice by the Customer to Cintas but only after all garments issued to that individual, or value of same at the then current Loss/Damage Replacement Values, are returned to Cintas.
8. **Replacement:** In the event any merchandise is lost, stolen or is not returned to Cintas, or is destroyed or damaged by fire, welding damage, acid, paint, ink, chemicals, neglect or otherwise, the Customer agrees to pay for said merchandise at the then current Loss/Damage Replacement Values.
9. **Additional Customer Locations:** Notwithstanding anything to the contrary contained herein, there will be a minimum term equal to the greater of thirty-six (36) months or the remainder of the Term for any individual Customer location added after the date of this Acceptance Agreement.

Cintas Representative Initials:

Customer Initials:

- 10. Additional Items:** Additional Customer employees, products and services may be added to this Acceptance Agreement and shall automatically become a part of and subject to the terms hereof and all of its provisions. If this Acceptance Agreement is terminated early for convenience, the parties agree that the damages sustained by Cintas will be substantial and difficult to ascertain. Therefore, if this Acceptance Agreement is terminated by Customer prior to the applicable expiration date for any reason other than documented quality of service reasons which are not cured, or terminated by Cintas for non-payment by Customer at any time Customer will pay to Cintas, as termination charges and not as a penalty based upon the following schedule:
- If this Acceptance Agreement is cancelled for convenience in the first twelve months of the term, Customer shall pay as termination charges equal to 52 weeks of rental service.
 - If this Acceptance Agreement is cancelled for convenience in months thirteen (13) through twenty-four (24) of the term, Customer shall pay as termination charges equal to thirty-nine (39) weeks of rental service.
 - If this Acceptance Agreement is cancelled for convenience in months twenty-five (25) through thirty-six (36) of the term, Customer shall pay as termination charges equal to twenty-six (26) weeks of rental service.
 - If this Acceptance Agreement is cancelled for convenience after forty-eight (48) months of service, Customer shall pay as termination charges of thirteen (13) weeks of rental service.
 - Customer shall also be responsible to return all of the merchandise allocated to such Customer locations terminating this Acceptance Agreement at the then current Loss/Damage Replacement Values and for any unpaid charges on Customer's account prior to termination.
- 11. No Federal Contractor:** As a material condition of this Agreement, Customer represents and warrants that: (a) this Agreement is not federally funded; (b) this Agreement does not constitute, and is not entered into to support a federal government contract, subcontract or third party contract; (c) Cintas does not hereby become a subrecipient, subgrantee, project participant, or third party contractor or subcontractor in relation to any contract with the federal government; and (d) by entering this Agreement, Cintas does not become obligated to comply with federal regulations or federal laws (including specifically the Service Contract Act), whether by virtue of such obligation flowing down from a contract between Customer and any third party, by virtue of federal funding being used in relation to this project, or otherwise. In the event that any of the foregoing is or becomes untrue, Cintas shall have the option to unilaterally terminate this Agreement.
- 12. Prevailing Wage/Living Wage:** Customer represents and warrants that this agreement is not subject to laws pertaining to prevailing wages, living wages, or other wage and/or benefit requirements established by law ("Wage Statutes"). Customer agrees and acknowledges that it will not attempt to enforce any Wage Statutes in relation to this agreement and Customer hereby waives and releases Cintas from any and all fines, penalties, interest, or other costs, expenses, or charges of any type imposed by any federal, state, or local authority in relation to Cintas's failure to satisfy any such Wage Statute in relation to agreement.
- 13. Customer Type:** Customer must select the appropriate response below:
Is Customer a United States federal government agency or instrumentality?
- ☐ Yes ☐ No (If Yes, Customer must provide any applicable U.S. government flowdown terms and conditions, which will only be binding on Cintas if attached hereto and agreed to by Cintas prior to execution of this Acceptance Agreement).
- 14. Customer Funding Source:** Customer must select the appropriate response below:
Will Customer pay for the goods and services ordered under this Acceptance Agreement with any United States government funds?
- ☐ Yes ☐ No (If Yes, Customer must provide any applicable U.S. government flowdown terms and conditions, which will only be binding on Cintas if attached hereto and agreed to by Cintas prior to execution of this Acceptance Agreement).
- 15. Additional Terms:** Customer must select the appropriate response below:
Does Customer require any additional terms and conditions to be incorporated into this Acceptance Agreement, or is Customer accepting the Agreement without additional terms?
- ☐ Yes, additional terms required ☐ No additional terms needed (If Yes, Customer must provide any applicable additional terms and conditions, which will only be binding on Cintas if attached hereto and agreed to by Cintas prior to execution of this Acceptance Agreement).
- 16.** I authorize Cintas to verify my credit on Credit.net and/or by contacting the parties provided. I am authorized to sign on behalf of this company. In addition, I authorize Cintas to open a new account on behalf of the company and deliver the products or services listed above at the agreed upon pricing and delivery terms.

Cintas Location #:

Customer Signature:

By:

Print Name:

Title:

Print Title:

Accepted-GM:

Email:

Cintas Enterprise Account: ☐ Yes ☐ No

Customer Contact:

Cintas Enterprise Partner Name:

Customer Contact Email:

Cintas Representative Initials:

Customer Initials:

Accounts Payable Contact Billing Information



How should the Business Name read on the invoice?

Do you have other sites/locations within your company that are set up for billing with Cintas? ☐ YES ☐ NO ☐ UNSURE

Are you Tax Exempt? ☐ YES ☐ NO If Yes, where can I get a copy of your tax-exempt form?

PAYER INFORMATION: This section covers the address where the person who pays the bills is and their contact information.

Account Payable Contact Name:

Account Payable Contact Phone #:

Account Payable Email:

Payer Street Address:

City: ST/PROV: ZIP/PC:
We will use the Payer address above as the address that is used for credit reference/credit check if it is different from service address.

BILL-TO INFORMATION: This section covers where the bill will be mailed/sent to.

☐ Same as Payer OR ☐ Same as Sold-To

Bill-To Street Address:

City: ST/PROV: ZIP/PC:

WE CAN CUSTOMIZE HOW YOU RECEIVE YOUR BILL FOR PAYMENT PROCESSING

Invoice Delivery (choose one): ☐ Leave at Site and Email ☐ Email Only ☐ Physically Mail ☐ Leave at site after service

Do invoices require a purchase order? ☐ YES ☐ NO If yes, please provide PO#

Will the same PO need to appear on each invoice? ☐ YES ☐ NO Is there an expiration date?

PAYMENT TERMS: Net 30 Standard

PAYMENT OPTIONS

☐ Check

☐ ACH/EFT - We will have our ACH/EFT team contact the AP contact above with ACH/EFT payment details

☐ Credit Card - We will have our Payment Center contact the AP Contact above for credit card details

Unless noted below, your AP contact above will be automatically registered to manage your Cintas account online with myCintas Billing. myCintas allows you to conveniently access your account anytime using your computer, tablet, or mobile device!

Do not send information about Online Bill Pay (US Only)

Cintas Representative Initials: Customer Initials:

UNIFORM PRODUCT RENTAL PRICING (cont.):

Continued from page 1

[illegible]

WORKPLACE SERVICES PRODUCTS PRICING (cont.):

Continued from page 1

[illegible]

LOCATION LISTING

13586713 - CITY OF HUNTSVILLE
448 STATE HIGHWAY 75 N HUNTSVILLE TX 77320-1118

13584770 - CITY OF HUNTSVILLE
1220 11TH ST HUNTSVILLE TX 77340-3917

19259868 - CITY OF HUNTSVILLE FIRE DEPARTMENT
2109 SAM HOUSTON AVE HUNTSVILLE TX 77340

19260361 - CITY OF HUNTSVILLE POLICE DEPARTMEN
560 FM 2821 HUNTSVILLE TX 77340

13586634 - CITY OF HUNTSVILLE
448 STATE HIGHWAY 75 N HUNTSVILLE TX 77320-1118

24-30 City Wide Workplace Solutions				ESTIMATE	
TERM	June 1, 2023 - May 31, 2028	October 1, 2024 - September 30, 2025	FY24-25	\$ 87,024.19	\$ 319,088.70
		October 1, 2025 - September 30, 2026	FY25-26	\$ 87,024.19	
		October 1, 2026 - September 30, 2027	FY26-27	\$ 87,024.19	
		October 1, 2027 - May 31, 2028	FY27-28	\$ 58,016.13	
Option to Renew	June 1, 2028 - May 31, 2033	June 1, 2028 - September 30, 2028	FY27-28	\$ 31,908.87	\$ 478,633.06
		October 1, 2028 - May 31, 2029	FY28-29	\$ 63,817.74	
		June 1, 2029 - September 30, 2029	FY28-29	\$ 31,908.87	
		October 1, 2029 - May 31, 2030	FY29-30	\$ 63,817.74	
		June 1, 2030 - September 30, 2030	FY29-30	\$ 31,908.87	
		October 1, 2030 - May 31, 2031	FY30-31	\$ 63,817.74	
		June 1, 2031 - September 30, 2031	FY30-31	\$ 31,908.87	
		October 1, 2031 - May 31, 2032	FY31-32	\$ 63,817.74	
		June 1, 2032 - September 30, 2032	FY31-32	\$ 31,908.87	
		October 1, 2032 - May 31, 2033	FY32-33	\$ 63,817.74	
EXPIRES	May 31, 2033			\$ 797,721.76	\$ 797,721.76

Cintas

America's Leader in the Service Industry

With Cintas & OMNIA Partners, getting your facility Ready for the Workday® is easier than you might think. Cintas Corporation helps more than one million businesses of all types and sizes get ready™ to open their doors with confidence every day by providing a wide range of products and services that enhance their image and help keep their facilities and employees clean, safe and looking their best. With products and services including uniforms, mats, mops, restroom supplies, first aid and safety products, fire extinguishers and testing, and training and compliance courses, Cintas helps customers get **Ready for the Workday®**.

Click Your Industry

Education | Government

Nonprofit

Corporate | Enterprise

Real Estate

Private Equity

Public Sector

K-12 Education

Higher Education

State & Local Government

For years, Cintas Corporation has been collaborating with the public sector to provide cleaning products, janitorial supplies as well as a variety of maintenance products and services. Our cooperative purchasing strategy with Cintas will help your agency lower costs while saving you time and resources. With OMNIA Partners, there is no extra cost to participate so you don't have to stress about hidden fees.

- **Facilities Management Products and Solutions**

Prince William County Public Schools, VA | R-BB-19002

- **Rental of Uniforms, Floor Mats, Mops, Towels, and Related Services**

City of Tucson, AZ | 222886

- **Workplace Solutions**

The University of Nebraska | 001299

[VIEW CONTRACT
DOCUMENTATION](#)

[CONTACT US](#)



Cintas Contract Documentation

U.S. Communities, National IPA, & NCPA are wholly-owned subsidiaries of OMNIA Partners, dba OMNIA Partners, Public Sector. All public sector participants already registered with National IPA, U.S. Communities, or NCPA continue to have access to all contracts, with certain exceptions, in the portfolio and do not need to re-register to use a legacy National IPA, legacy U.S. Communities, legacy NCPA, or new OMNIA Partners contract. U.S. Communities, National IPA, and NCPA remain separate legal entities and lead agency contracts completed under each brand are effective and available for use through the contract's approved term. In the event we believe re-registration is necessary for any reason, OMNIA Partners will let you know.

Facilities Management Products and Solutions

Prince William County Public Schools, VA

Contract Number: R-BB-19002

RENEWED THROUGH October 31, 2027

Executive Summary

- [Uniform Guidance](#)
- [Due Diligence](#)

Master Agreement Documents

- [Official Signed Contract](#)
- [New Jersey LFN Packet](#)
- [Contract Renewal 1](#)
- [Contract Renewal 2](#)
- [Contract Amendment 1](#)
- [Contract Amendment 2](#)
- [Contract Amendment 3](#)
- [Contract Amendment 4](#)
- [Contract Amendment 5](#)
- [Contract Amendment 6](#)
- [Contract Amendment 7](#)
- [Contract Amendment 8](#)
- [Contract Amendment 9](#)
- [Contract Amendment 10](#)
- [Contract Amendment 11](#)

Response Evaluation

- [Supplier Response to RFP](#)
- [Response Evaluation and Notice of Award](#)

Solicitation Process

- [Original RFP Document](#)
- [RFP Amendment](#)
- [Proof of Publication](#)

Rental of Uniforms, Floor Mats, Mops, Towels, and Related Services

City of Tucson, AZ

Contract Number: 222886

July 15, 2022 through July 14, 2025

Option to renew for one additional two-year period through July 14, 2027

Executive Summary

- [Executive Summary - OMNIA Partners](#)
- [OMNIA Partners - City of Tucson](#)
- [Pricing](#)
- [Due Diligence](#)

Master Agreement Documents

- [Official Signed Contract](#)
- [Contract Award Documents](#)
- [Contract Amendment 1](#)
- [Contract Amendment 2](#)

Response Evaluation

- [Supplier Response to RFP](#)
- [Evaluation Documents](#)

Solicitation Process

- [Original RFP Document](#)
- [RFP Amendment 1](#)
- [Proof of Publication](#)
- [Historically Underutilized Business Outreach](#)

Workplace Solutions

The University of Nebraska

Contract Number: 001299

Initial Term: June 1, 2023 through May 31, 2028

Renewal Options: Option to renew for one (1) additional five-year period through May 31, 2033

Executive Summary

- [Executive Summary](#)
- [Pricing](#)
- [Due Diligence](#)

Master Agreement Documents

- [Official Signed Contract](#)
- [Contract Amendment 1](#)

Response Evaluation

- [Supplier Response to RFP](#)

Solicitation Process

- [Original RFP Document](#)
- [Proof of Publication](#)
- [Historically Underutilized Business Outreach](#)



5001 Aspen Grove Drive
Franklin, TN 37067

info@omniapartners.com
(866) 875-3299

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Industry Experts

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RESOURCES

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24-30 City Wide Workplace Solutions					ESTIMATE					
TERM	June 1, 2023 – May 31, 2028	October 1, 2024 – September 30, 2025	FY24-25	\$	87,024.19	\$	319,088.70			
		October 1, 2025 – September 30, 2026	FY25-26	\$	87,024.19					
		October 1, 2026 – September 30, 2027	FY26-27	\$	87,024.19					
		October 1, 2027 – May 31, 2028	FY27-28	\$	58,016.13					
Option to Renew	June 1, 2028 – May 31, 2033	June 1, 2028 – September 30, 2028	FY27-28	\$	31,908.87	\$	478,633.06			
		October 1, 2028 – May 31, 2029	FY28-29	\$	63,817.74					
		June 1, 2029 – September 30, 2029	FY28-29	\$	31,908.87					
		October 1, 2029 – May 31, 2030	FY29-30	\$	63,817.74					
		June 1, 2030 – September 30, 2030	FY29-30	\$	31,908.87					
		October 1, 2030 – May 31, 2031	FY30-31	\$	63,817.74					
		June 1, 2031 – September 30, 2031	FY30-31	\$	31,908.87					
		October 1, 2031 – May 31, 2032	FY31-32	\$	63,817.74					
		June 1, 2032 – September 30, 2032	FY31-32	\$	31,908.87					
		October 1, 2032 – May 31, 2033	FY32-33	\$	63,817.74					
EXPENSES					May 31, 2033		\$	797,721.76	\$	797,721.76

TERM		TOTAL	FISCAL YEAR RANGE	BUDGET YEAR
June 1, 2023 – May 31, 2028				
June 2023	\$ 6,592.74	\$ 26,370.96	June 1, 2023 – September 30, 2023	FY22-23
July 2023	\$ 6,592.74			
August 2023	\$ 6,592.74			
September 2023	\$ 6,592.74			
October 2023	\$ 7,252.02	\$ 87,024.19	October 1, 2023 – September 30, 2024	FY23-24
November 2023	\$ 7,252.02			
December 2023	\$ 7,252.02			
January 2024	\$ 7,252.02			
February 2024	\$ 7,252.02			
March 2024	\$ 7,252.02			
April 2024	\$ 7,252.02			
May 2024	\$ 7,252.02			
June 2024	\$ 7,252.02			
July 2024	\$ 7,252.02			
August 2024	\$ 7,252.02			
September 2024	\$ 7,252.02			
October 2024	\$ 7,252.02	\$ 87,024.19	October 1, 2024 – September 30, 2025	FY24-25
November 2024	\$ 7,252.02			
December 2024	\$ 7,252.02			
January 2025	\$ 7,252.02			
February 2025	\$ 7,252.02			
March 2025	\$ 7,252.02			
April 2025	\$ 7,252.02			
May 2025	\$ 7,252.02			
June 2025	\$ 7,252.02			
July 2025	\$ 7,252.02			
August 2025	\$ 7,252.02			
September 2025	\$ 7,252.02			
October 2025	\$ 7,252.02	\$ 87,024.19	October 1, 2025 – September 30, 2026	FY25-26
November 2025	\$ 7,252.02			
December 2025	\$ 7,252.02			
January 2026	\$ 7,252.02			
February 2026	\$ 7,252.02			
March 2026	\$ 7,252.02			
April 2026	\$ 7,252.02			
May 2026	\$ 7,252.02			
June 2026	\$ 7,252.02			
July 2026	\$ 7,252.02			
August 2026	\$ 7,252.02			
September 2026	\$ 7,252.02	\$ 87,024.19	October 1, 2026 – September 30, 2027	FY26-27
October 2026	\$ 7,252.02			
November 2026	\$ 7,252.02			
December 2026	\$ 7,252.02			
January 2027	\$ 7,252.02			
February 2027	\$ 7,252.02			
March 2027	\$ 7,252.02			
April 2027	\$ 7,252.02			
May 2027	\$ 7,252.02			
June 2027	\$ 7,252.02			
July 2027	\$ 7,252.02			
August 2027	\$ 7,252.02	\$ 58,016.13	October 1, 2027 – May 31, 2028	FY27-28
September 2027	\$ 7,252.02			
October 2027	\$ 7,252.02			
November 2027	\$ 7,252.02			
December 2027	\$ 7,252.02			
January 2028	\$ 7,252.02			
February 2028	\$ 7,252.02			
March 2028	\$ 7,252.02			
April 2028	\$ 7,252.02			
May 2028	\$ 7,252.02			

Option to Renew		TOTAL	FISCAL YEAR RANGE	BUDGET YEAR
June 1, 2028 – May 31, 2029				
June 2028	\$ 7,977.22	\$ 31,908.87	June 1, 2028 – September 30, 2028	FY27-28
July 2028	\$ 7,977.22			
August 2028	\$ 7,977.22			
September 2028	\$ 7,977.22			
October 2028	\$ 7,977.22	\$ 63,817.74	October 1, 2028 – May 31, 2029	FY28-29
November 2028	\$ 7,977.22			
December 2028	\$ 7,977.22			
January 2029	\$ 7,977.22			
February 2029	\$ 7,977.22			
March 2029	\$ 7,977.22			
April 2029	\$ 7,977.22			
May 2029	\$ 7,977.22			
June 2029	\$ 7,977.22			
July 2029	\$ 7,977.22			
August 2029	\$ 7,977.22			
September 2029	\$ 7,977.22	\$ 63,817.74	October 1, 2029 – May 31, 2030	FY29-30
October 2029	\$ 7,977.22			
November 2029	\$ 7,977.22			
December 2029	\$ 7,977.22			
January 2030	\$ 7,977.22			
February 2030	\$ 7,977.22			
March 2030	\$ 7,977.22			
April 2030	\$ 7,977.22			
May 2030	\$ 7,977.22			
June 2030	\$ 7,977.22			
July 2030	\$ 7,977.22			
August 2030	\$ 7,977.22			
September 2030	\$ 7,977.22	\$ 63,817.74	October 1, 2030 – May 31, 2031	FY30-31
October 2030	\$ 7,977.22			
November 2030	\$ 7,977.22			
December 2030	\$ 7,977.22			
January 2031	\$ 7,977.22			
February 2031	\$ 7,977.22			
March 2031	\$ 7,977.22			
April 2031	\$ 7,977.22			
May 2031	\$ 7,977.22			
June 2031	\$ 7,977.22			
July 2031	\$ 7,977.22			
August 2031	\$ 7,977.22			
September 2031	\$ 7,977.22	\$ 63,817.74	October 1, 2031 – May 31, 2032	FY31-32
October 2031	\$ 7,977.22			
November 2031	\$ 7,977.22			
December 2031	\$ 7,977.22			
January 2032	\$ 7,977.22			
February 2032	\$ 7,977.22			
March 2032	\$ 7,977.22			
April 2032	\$ 7,977.22			
May 2032	\$ 7,977.22			
June 2032	\$ 7,977.22			
July 2032	\$ 7,977.22			
August 2032	\$ 7,977.22			
September 2032	\$ 7,977.22	\$ 63,817.74	October 1, 2032 – May 31, 2033	FY32-33
October 2032	\$ 7,977.22			
November 2032	\$ 7,977.22			
December 2032	\$ 7,977.22			
January 2033	\$ 7,977.22			
February 2033	\$ 7,977.22			
March 2033	\$ 7,977.22			
April 2033	\$ 7,977.22			
May 2033	\$ 7,977.22			

Cintas	
The University of Nebraska Contract Number 001199	
TERM	June 1, 2023 – May 31, 2028
Option to Renew	June 1, 2028 – May 31, 2033
EXPIRES	May 31, 2033

12	FY20-21	FY21-22	FY22-23	FY23-24, FY24-25, FY25-26, FY26-27	FY27-28, FY28-29, FY29-30, FY30-31, FY31-32, FY32-33
			June 1, 2023 – September 30, 2023	October 1, 2023 – September 30, 2027	October 1, 2027 – September 30, 2033
	ACTUAL	ACTUAL	ACTUAL	Estimate	Estimate
Actual % Increase	\$ 56,206.50	\$ 69,553.18	\$ 79,091.97		
Estimated % Increase		23.743%	13.743%		
New Total With Estimated %	\$ 56,206.50	\$ 69,554.08	\$ 79,112.90	\$ 87,024.19	\$ 95,726.61
Per Month	\$ 4,684.04	\$ 5,796.17	\$ 6,592.74	\$ 7,262.02	\$ 7,977.22

FY24-25	\$ 87,024.19
FY25-26	\$ 87,024.19
FY26-27	\$ 87,024.19
FY27-28	\$ 89,923.00
FY28-29	\$ 95,726.61
FY29-30	\$ 95,726.61
FY30-31	\$ 95,726.61
FY31-32	\$ 95,726.61
FY32-33	\$ 63,817.74

(this is not a full year simply because Cintas has the contract until May 2033 and our Fiscal Year ends October 2033)

Purchase Order Request Form 101-888-62030				
1	FY22-23	June 1, 2023 – September 30, 2023		\$ 319,088.70
2	FY23-24	October 1, 2023 – September 30, 2024		
3	FY24-25	October 1, 2024 – September 30, 2025	\$ 87,024.19	
4	FY25-26	October 1, 2025 – September 30, 2026	\$ 87,024.19	
5	FY26-27	October 1, 2026 – September 30, 2027	\$ 87,024.19	\$ 478,633.06
6	FY27-28	October 1, 2027 – May 31, 2028	\$ 58,016.13	
7	FY27-28	June 1, 2028 – September 30, 2028	\$ 31,908.87	
8	FY28-29	October 1, 2028 – May 31, 2029	\$ 63,817.74	
9	FY28-29	June 1, 2029 – September 30, 2029	\$ 31,908.87	
10	FY29-30	October 1, 2029 – May 31, 2030	\$ 63,817.74	
11	FY29-30	June 1, 2030 – September 30, 2030	\$ 31,908.87	
12	FY30-31	October 1, 2030 – May 31, 2031	\$ 63,817.74	
13	FY30-31	June 1, 2031 – September 30, 2031	\$ 31,908.87	
14	FY31-32	October 1, 2031 – May 31, 2032	\$ 63,817.74	
15	FY31-32	June 1, 2032 – September 30, 2032	\$ 31,908.87	
16	FY32-33	October 1, 2032 – May 31, 2033	\$ 63,817.74	
Grand Total			\$ 797,721.76	\$ 797,721.76



CITY COUNCIL AGENDA

10/15/2024

Agenda Item Number: 1.d.

Agenda Item: Consider approval of the annual purchase of PCs due for replacement as per the FY 24/25 computer replacement schedule.

Initiating Department/Presenter: Information Technology

Presenter:

Bill Wavra, IT Director

Recommended Motion: Move to approve the annual purchase of PCs due for replacement as per the FY24/25 computer replacement schedule in the amount of \$87,560.93

Strategic Initiative: Strategic Priority #4: Infrastructure: Develop and maintain a comprehensive and well-planned infrastructure network that prepares for the challenges of the future and provides quality, modern and efficient, water, wastewater, drainage and transportation services.

Discussion: Regular replacement of PCs is essential to keeping operations running efficiently. The Texas Department of Information Resources established industry best practices for PC and server replacement lifecycle several years ago. The recommended replacement schedule for PCs is 3 to 5 years, depending on usage and environment. As PCs age, hardware performance declines, and the likelihood of failure increases, leading to service interruption.

78 PCs have reached the retirement phase, end of support, and warranty by the manufacturer. Replacement of this hardware will ensure reliability, vendor support, and increase staff efficiency by minimizing repair frequency.

If approved, these PCs will be purchased using the State of Texas Department of Information Resources (DIR) contract, a cooperative purchasing program for state and local government, education, and other public entities in Texas.

Last year (FY23/24), the combined PC replacement cost was \$79,398.51. The PC replacement cost for this year (FY24/25) will be \$87,560.93

Previous Council Action: The City Council authorized the following:

- Dell Computers – PC Replacement Schedule on 10/3/2023

Financial Implications: Item is budgeted: 309-655-52200

In the amount of: \$87,560.93

Approvals:

Bill Wavra

Sam Masiel
Aron Kulhavy
Kristy Doll

Associated Information:



CITY COUNCIL AGENDA

10/15/2024

Agenda Item Number: 1.e.

Agenda Item: Consider authorizing the City Manager to award the purchase of Litter Control Contract Services, to Wayne Pool LLC in the amount of \$74,834.42 for a two (2) year term contract.

Initiating Department/Presenter: Public Works

Presenter:

Brent Sherrod, Public Works Director

Recommended Motion: Move to authorize the City Manager to award the purchase of Litter Control Contract Services, to Wayne Pool LLC in the amount of \$74,834.42 for a two (2) year term contract.

Strategic Initiative: Goal #1, City Appearance - Provide policies, amenities, and events that enhance the City's already beautiful and historic natural environment.

Discussion: The City contracts litter control services for a monthly litter control pick up on approximately 40.13 miles of City streets and the Wynne Home parking lot. Wayne Pool LLC was the only bidder for the Litter Control Services Contract. The monthly rate for Wayne Pool LLC to remove litter from approximately 40.13 miles of City streets and the Wynne Home parking lot is \$2,969.62.

City staff utilized sealed bid proposals for litter control services to achieve optimal results at a competitive price with the notice published as required. One (1) bid was received and opened on October 3, 2024. Based on the positive feedback and current experience, we recommend approving Wayne Pool LLC to continue providing the outlined services.

The term of this contract is October 2024-September 30, 2025, with the option to renew for one (1) additional one (1) year term. This option to extend is contingent on budget and City Council approval, with an estimated expense of \$35,635.44 for FY 24-25, and \$39,198.98 for FY 25-26. The Grand Total for the life of the contract would be \$74,834.42.

Previous Council Action: The previous award was approved by the City Council on April 2, 2024.

Financial Implications: Item is budgeted account 101-323-55070 in the amount of \$71,270.40.

Approvals:

Brent Sherrod

Leonard Schneider

Sam Masiel

Aron Kulhavy

Kristy Doll

Associated Information:

1. Bid NO. 24-47 Litter Control Services Estimated Fee Schedule

Bid NO. 24-47 Litter Control Services	
TERM	October 2024 - September 30, 2025
1st Renewal	October 1, 2025 - September 30, 2026
EXPIRES	September 30, 2026

TERM:		TOTAL	Budget Year
October 2024 - September 30, 2025			
October 2024	\$ 2,969.62	\$ 35,635.44	FY24-25
November 2024	\$ 2,969.62		
December 2024	\$ 2,969.62		
January 2025	\$ 2,969.62		
February 2025	\$ 2,969.62		
March 2025	\$ 2,969.62		
April 2025	\$ 2,969.62		
May 2025	\$ 2,969.62		
June 2025	\$ 2,969.62		
July 2025	\$ 2,969.62		
August 2025	\$ 2,969.62		
September 2025	\$ 2,969.62		

1st Renewal:		TOTAL	Budget Year
October 1, 2025 - September 30, 2026			
October 2025	\$ 3,266.58	\$ 39,198.98	FY25-26
November 2025	\$ 3,266.58		
December 2025	\$ 3,266.58		
January 2026	\$ 3,266.58		
February 2026	\$ 3,266.58		
March 2026	\$ 3,266.58		
April 2026	\$ 3,266.58		
May 2026	\$ 3,266.58		
June 2026	\$ 3,266.58		
July 2026	\$ 3,266.58		
August 2026	\$ 3,266.58		
September 2026	\$ 3,266.58		

Budget Year Total	
FY24-25	\$ 35,635.44
FY25-26	\$ 39,198.98
Grand Total For The Life Of The Contract	\$ 74,834.42

Purchase Order Request Form 101-323-55070		
Line Item		
1	October 2024 - September 30, 2025 (FY24-25)	\$ 35,635.44
2	October 1, 2025 - September 30, 2026 (FY25-26)	\$ 39,198.98
Grand Total		\$ 74,834.42

10%



CITY COUNCIL AGENDA

10/15/2024

Agenda Item Number: 1.f.

Agenda Item: Consider the ground lease first extension at the Bruce Brothers Huntsville Regional Airport and authorize the City Manager to enter into this extension with Prairie Flower Air Asset Company, LLC.

Initiating Department/Presenter: Development Services

Presenter:

Layne Yeager, Planner/Airport Manager

Recommended Motion: Move to approve the ground lease first extension at the Bruce Brothers Huntsville Regional Airport and authorize the City Manager to enter into this extension with Prairie Flower Air Asset Company, LLC.

Strategic Initiative: Strategic Priority #2, Economic Development - Create an economic climate for the City of Huntsville that drives development of diverse industries and sectors, providing sustainable economic growth and improved living standards.

Discussion: The current ground lease at 443 Airport Road, with a map included in this packet, was executed through a public bid in November 2014. This lease pertains to a hangar owned by the City. Prairie Flower Air Asset Company was the highest bidder, offering \$6,500 annually.

The agreement includes two five-year renewal options, as outlined in Article III. Prairie Flower Air Asset Company has notified the City of their intention to exercise the first option, leaving one remaining five-year option.

Staff recommends considering the ground lease extension and authorizing the City Manager to execute the first extension of the agreement with Prairie Flower Air Asset Company, LLC.

Previous Council Action: The original agreement was approved by council on November 18, 2014.

Financial Implications: \$6,500 annual lease payment based off the original agreement for the lease of the hangar.

Approvals:

Kevin Byal

Leonard Schneider

Sam Masiel

Aron Kulhavy

Kristy Doll

Associated Information:

1. Prairie Flower AirAsset-First 5 Year Extension - Clean
2. Prairie Flower Air Asset Original Executed Lease
3. Exhibit A Prairie Flower Air Asset - Site Map

COUNTY OF WALKER §

HANGAR AGREEMENT EXTENSION

STATE OF TEXAS §

This is an agreement made on the 18th day of November, 2024, between the City of Huntsville, Walker County, a municipal corporation of the State of Texas (City), and Prairie Flower Air Asset Company, LLC, (Company), organized and existing by virtue of the laws of the State of Texas.

The City, in consideration of the terms and conditions below, leases to Company the premises on Huntsville Municipal Airport (Airport), situated in the City of Huntsville, County of Walker, State of Texas. Those premises are described and designated on Exhibit A attached hereto and made a part hereof.

The extension term of this agreement is for five years, commencing on the 1st day of December, 2024, and expiring on the 30th day of November, 2029.

In consideration of this lease and the agreements expressed below, it is agreed as follows:

ARTICLE I Nature of Tenancy

- A. City grants to Company the quiet use and enjoyment for the purpose of utilizing a hangar and appurtenant airport facilities at the airport, Huntsville Municipal Airport (KUTS), for the storage, maintenance and operation of aircraft and for any other lawful aircraft storage and operation purpose, save and except the operation of a "for hire" repair or maintenance facility, fueling facility providing fuel to any aircraft other than those owned and stored in the premises by Company, flight training facility. It is the intent of the parties that Company shall be free to utilize the premises for the ownership, maintenance, operation, leasing, chartering, buying, selling or trading of aircraft owned and or operated and regularly stored and operated from the premises but shall not act as a fixed base operator. This grant and reservation is in no event to be construed as a grant, reservation or preservation of an exclusive right of use at the airport.

The City covenants that the premises are properly zoned for the uses described in Article I, and that access is provided from the leased premises to all of the runways at the Airport, and access is provided to the Airport by public streets

- B. The tenancy shall not include the right to install or maintain fuel storage areas or the right to service, repair or maintain any aircraft other than those that are owned or operated by Company. The tenancy shall not include the right to operate a Fixed Base of Operation (FBO) as a service provider to transient aircraft or aircraft based upon the field in

competition with the operator in operation for the sale of fuel and maintenance services at the Huntsville Municipal Airport.

ARTICLE II Restrictions of Other Statutes and Agreements

This agreement shall be subject and subordinate to any existing or future federal or state statute or any existing or future lease or agreement between the City and the United States or the State of Texas relative to the development, construction, operation or maintenance of the airport.

ARTICLE III Option

Company shall have the right to extend its leasehold rights for one five (5) year terms. Company shall notify the City in writing of its intention to continue its lease of the hangar site no less than three (3) months prior to the expiration of the initial term of this agreement. Upon notification the lease shall be extended under the same terms and conditions of this lease, unless additional terms are otherwise agreed upon.

ARTICLE IV Rent

Company shall pay to the City for the leased premises yearly rent in equal annual installments, in advance, on each anniversary of this agreement Six Thousand Five Hundred Dollars (\$6,500.00).

Company shall pay all utility charges, permit and license fees, and taxes and assessments, general and special, if any, levied or assessed upon the leased premises, or any part of them, or upon any buildings or improvements as additional rental.

ARTICLE V Repair and Maintenance

The City covenants to continue and maintain all lines for water, sewer and drainage which connect with the premises, and to provide paved roads for vehicular and pedestrian ingress and egress to the premises. The City shall be under no obligation to provide any other public utilities to the site. However, if such public services are available Company shall be granted access to such along an easement across any City owned property and charged the existing costs of such service.

The hangar and hangar site improvements shall not be modified without the written consent of the City. That consent shall not be unreasonably withheld or delayed, and other necessary permits are to be received for that purpose.

Company shall at all times throughout this lease maintain the hangar and hangar site improvements and all other portions of the leased premises in good and serviceable condition and repair, reasonable wear and tear, acts of God and other unavoidable casualties excepted.

Company shall keep the grounds included within the boundaries of this lease in good condition including, but not limited to, mowing and trash pickup.

Company shall be responsible for disposal of its own trash accumulations. Company shall not permit hazardous materials to be stored at the premises.

Company agrees that it shall not engage in any business or activity within the confines of the Airport other than those expressly authorized in writing by the City or as authorized under this agreement.

ARTICLE VI

Illumination, Signs, Inspection by City

Company shall provide for and illuminate the apron in front of the hangar and shall also install, maintain, and operate such obstruction or warning lights or structures in or constituting part of the demised premises as may be required to conform to standards prescribed by any other governmental agency having jurisdiction.

Company shall not install, erect or place, any illuminated signs, placards, displays or other advertising media on the hangar. Company may install one non illuminated fascia type sign, not extending beyond the building height, width or depth upon providing City with the plans and specification and obtains written approval of those plans and specifications.

The City shall have the right at any reasonable time to inspect the leased premises.

ARTICLE VII

Title

The City of Huntsville does not warrant title to the lease hold interest and Company may obtain, at its expense, if it so chooses, a policy of title insurance insuring the lease hold interest. However, the City of Huntsville shall not be obligated to cure any defect in the title for any reason whatsoever. Company takes it lease holders interest in the premises "as is" with all faults, if any. However, in the event that the title in the City of Huntsville is found inadequate for the purposes and considerations of this lease, Company may cancel this lease.

Title to the realty now existing and hereafter created, regardless of the creating party, shall vest upon termination of this lease in and to the City of Huntsville.

ARTICLE VIII

Access

The City grants to Company the right of access and ingress to and egress from the leased

premises, to the taxiways, runways, ramps, all other airport facilities commonly available for aircraft operations, and to the public street for the use of the Company and its employees, contractors, suppliers, servicemen, guests, patrons and invitees provided those rights of access, ingress and egress are exercised in conformance with any City of Huntsville ordinances and all regulations promulgated by the City, for the care, operation, maintenance and protection of the airport and the public. To the extent that there are no other prohibitions by the Federal Aviation Administration or The Texas Department of Transportation, Company may develop a private driveway to its facility directly from Airport drive and install its security gate upon written approval of plans for said drive from the City. The operations of Company and its employees shall be conducted in an orderly and proper manner so as not to disturb, offend, or pose a danger to others at the airport. The City shall notify Company of any complaint as to the demeanor, conduct, or appearance of Company's use and operations. Company will immediately and within a reasonable time cure the cause of the complaint.

Company and its employees, invitees, and those doing business with it shall not park vehicles upon the airport premises, other than in places leased to Company under this agreement, or except in regular parking areas upon payment of any regular parking charges, if any.

ARTICLE IX Landing Fees

For Company's aircraft utilized and stored at the demised premises there shall be no parking, ramp, landing or other use fee.

ARTICLE X Abatement of Rent

Company shall not be obligated to operate the leased premises or to pay rent during any time when all of the leased premises shall be un-tenantable caused by the inaccessibility of the taxi ways and runway, Company shall not be obligated to operate at the premises and the rent shall be proportionately and equitably abated. In such an event where the lease premises is un-tenantable for a period of ninety (90) days or more, tenant shall have the right to cancel the lease and be re-funded pro-rated rent.

ARTICLE XI Insurance Requirement

Company, at the expense of Company, shall keep in force, during the term of this agreement, insurance of the following types and in not less than the following amounts, in connection with Company use and occupancy of the airport and hanger.

1. General liability insurance with bodily injury and property damage limits of liability of \$1,000,000 per occurrence.
2. Aircraft public liability and property damage insurance with limits of liability of \$500,000 per occurrence.

Company shall furnish to the City certificates evidencing such insurance coverage with the City of Huntsville as an additional insured, as its interest may appear.

Company, at the expense of Company, shall keep in force during this agreement insurance upon the buildings and improvements (1) for the replacement cost of the improvements (except as provided below), (2) covering such hazards as are insured against by fire and extended coverage insurance upon improvements of similar character, and (3) the proceeds of which will be disbursed in accordance with this agreement and the customary terms of the customarily available fire insurance policy. Company shall furnish to the City of Huntsville certificates evidencing such insurance coverage upon completion of any improvement or commencement of construction of any improvement as the case may be.

In any event, Company shall not commence or exercise any of the rights and privileges granted under this agreement until such time as all insurance stipulated herein is in full force and effect.

It is expressly understood and agreed that any insurance protection furnished shall in no way limit the responsibility to indemnify the City under the provisions of this agreement by Company.

ARTICLE XII

Damage to or Destruction of Premises

If during the term of this agreement all or part of the leased premises are damaged or destroyed by fire or other peril(s) for which insurance proceeds are or under this agreement should have been payable, Company shall in a timely and diligently manner cause plans, specifications and estimates of cost for repairing, replacing or reconstructing the damaged or destroyed property. Upon approval of the plans and specifications for the work and Company's receipt of insurance recovered on account of that damage or destruction, Company shall, with reasonable diligence, proceed to repair, restore, replace or rebuild, according to the approved plans and specifications, the buildings, structures or other improvements so damaged or destroyed.

ARTICLE XIII

Indemnity

Company shall indemnify the City, its officers, agents and employees, against all liabilities of and to third persons, excluding liabilities resulting from the primary or active negligence of the City, its officers, agents and employees, arising out of the use or occupancy of the premises by Company or others with its consent or out of any other acts or omissions of Company, its officers, agents and employees, on the premises or elsewhere on the airport. In the event any claim is made or action brought that is covered by the above indemnity the City shall give prompt written notice of that claim or action to Company and, if requested, Company shall attend to the defense of it. The City shall not take any action, including settlement or compromise, which may in any manner adversely affect Company's ability to defend against any

claim or action, and if the City desires to defend itself without waiving its rights under the indemnity above it shall do so at its own expense and Company shall be allowed to participate, at its expense, in the defense.

ARTICLE XIV Applicable Laws, Ordinances, Rules and Regulations

Company , its officers, agents, employees, and any other persons over which Company has control, shall comply with all lawful rules and regulations and amendments or supplements to them governing or related to the use of the airport or of the leased premises as may be promulgated by the City in the interests of health, safety, sanitation and good order that are not inconsistent with applicable rules and regulations of any federal, state or local governmental body having jurisdiction in that respect.

Company shall always faithfully obey and comply with all lawful present and future laws and ordinances of federal, state or local governmental bodies and rules and regulations lawfully promulgated under them, whether or not of the type enumerated, applicable to, or affecting Company and its operations and activities in the leased premises or elsewhere at the airport not inconsistent with the provisions of this agreement.

City reserves the right to take action it considers necessary to protect the aerial approaches of the airport against obstructions, together with the right to prevent Company from erecting or permitting to be erected any building or other structure, or the conduct of any activity, on the airport which, in the opinion of the Airport, would interfere with the operations of the airport or constitute a hazard to aircraft.

Company, its successors, and assigns will not make or permit any use of the property which would interfere with landing or taking off of aircraft at the airport, or otherwise constitute an airport hazard. This includes such items as electrical or electronic equipment, creation of smoke or dust, or glaring or misleading lights.

This lease agreement shall be subject to any Airport rules, regulations and standards, and City Ordinances, as well as applicable State and Federal regulations and laws. It is expressly understood and agreed that this lease is subject to and subordinate to and controlled by provisions, stipulations, covenants, and agreements contained in those certain contracts, agreements, resolutions, and actions of the City constituting agreements between the City and the United States of America and its agents including, but not limited to, the Federal Aviation Administration (FAA) and all regulations now and hereafter imposed upon the City and that the Airport shall not be liable to Tenant on account of any of the foregoing matters.

ARTICLE XV Legal Transfer of Interest, Peaceful Possession

Company shall not assign, transfer, mortgage or pledge this agreement or the leasehold interest it creates, nor sublet the use of the premises or any part of them, without the approval of the City in writing, nor permit any transfer by operation of law of its interest created there.

It is agreed that the only activity which Company may conduct from the leased premises, directly or indirectly, alone or through others, is only as authorized under the terms of this agreement. . Nothing contained herein shall prohibit Company from operating for itself or leasing a portion of the premises to a third party for the storage of an aircraft and the equipment used to own, operate and service such private aircraft subject to approval by the City, said approval not to be unreasonably withheld.

This agreement does not make either party the agent or representative of the other for any reason.

The City agrees that Company shall and may peaceably enjoy the premises of space leased exclusively to it during the lease.

ARTICLE XVI Equal Opportunity

Company, in performing under this agreement, shall not discriminate against any worker, employee or applicant, or any member of the 'public, because of race, creed, color, religion, age, sex, or national origin. That performance includes, but is not limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Company further agrees that this clause will be incorporated in all contracts entered into with suppliers of materials or services, contractors and subcontractors, and all labor organizations, furnishing skilled, unskilled, and craft union skilled labor, or who may perform any such labor or services in connection with this agreement.

Company and Company's personal representatives, successors in interest, and assigns, as part of the consideration here agrees, as a covenant running with the land, that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied benefits of , or otherwise be subjected to discrimination in the use of the facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services there, no person on the grounds of race, color or national origin shall be excluded from participation in, denied benefits of, or otherwise be subjected to discrimination, and (3) that Company the premises shall be used in compliance with all other requirements imposed by, or pursuant to, the Department of Transportation Regulations.

Prohibition Against Exclusive Rights

It is agreed that nothing contained here shall be construed to authorize the granting of an exclusive right to provide aeronautical services to the public as prohibited by section 308(a) of the Federal Aviation Act of 1958, as amended, and the City reserves the right to grant to others the privilege and right of conducting any one or all activities of an aeronautical nature.

Nondiscrimination in Furnishing Services

Company agrees to furnish services on a fair, equal and not unjustly discriminatory basis to all users, and to charge fair, reasonable and not unjustly discriminatory prices for each unit or services; provided, that Company may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar types or price reductions to volume purchasers.

Affirmative Action

Company assures that it will undertake affirmative action program as required by 14 CFR Part 152, subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, subpart E. Company assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. Company assures that it will require that its covered suborganizations provide assurances to Company that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, subpart E, to the same effect.

ARTICLE XVII Termination by City

In any of the following events which shall constitute "events of default," the City shall have the right at the City's election, immediately to terminate this agreement, or to terminate Company tenancy hereunder:

- A. Company shall fail to pay the rent in the amounts and at the times and in the manner provided here and that failure shall continue for ninety (90) or more days after written notice of it shall have been given to Company.
- B. Company shall make an assignment for the benefit of creditors, or shall file a petition in bankruptcy, or shall be adjudged a bankrupt, and that adjudication be not stayed or vacated within 120 days later, or the interest of Company under this agreement shall be levied upon and sold upon execution or shall be operation of law become vested in another person, firm or corporation because of the insolvency of Company; or in the event that a receiver or trustee shall be appointed for Company or the interest of Company under this agreement, and such appointment has not been vacated within 120 days later.
- C. Company shall abandon the premises, or for a period of one year, cease to utilize the premises for an aviation purpose as allowed for herein.
- D. Company shall fail to observe any other provision of this agreement after ninety (90) days written notice given by the City of such failure, or, if such failure cannot be cured within ninety (90) days through no fault of Company, Company shall have further time as is reasonably necessary to cure.

ARTICLE XVIII

Default

Upon the occurrence of any of the events of default specified, in Article XVII, Company's right to possession of the leased premises shall at the City's option terminate and Company shall surrender possession immediately. In that event Company grants to the City full license to enter into the premises, or any part of them, to take possession with or without process of law, and to remove Company or any other person who may be occupying the premises, or any part of them, and the City may use that force in removing Company or any other person as may be reasonably necessary. And the City may repossess itself of the premises as of its former estate, but that entry of the premises shall not constitute a trespass or forcible entry or detainer, nor shall it cause a forfeiture of rents due, nor waiver of any agreement or promise in this lease that is to be performed by Company. Company shall make no claim of any kind against the City, its agents and representatives by reason of that termination or any act incident to it. At its option, the City may terminate this agreement for any uncorrected default. The City may sue for all damages and rent accrued or accruing under this agreement or arising out of any breach of it.

If it so elects, the City may pursue any remedies provided by law for the breach of this agreement or any of its terms or conditions. No right or remedy conferred here or reserved to the City or Company is intended to be exclusive of any other right or remedy, and each right and remedy shall be in addition to any other right or remedy given, or now or later existing at law or at equity or by statute.

The acceptance of rent by the City, whether in a single instance or repeatedly, after it falls due, or after knowledge of any breach of this agreement by Company, or the giving or making of any notice or demand, whether according to any statutory provision or not, or any act or series of acts except an express waiver in writing, shall not be construed as a waiver of the City's right to act or of any other right here given the City, or as an election not to proceed under the provisions of this agreement.

The obligation of Company to pay the rent shall not be deemed to be waived, released or terminated by the service of any five-day notice, other notice to collect, demand for possession, or notice that the tenancy here created will be terminated on the date there named, the institution of any action of forcible detainer or ejectment or any judgment for possession of the leased premises. The City may collect any rent due from Company, and payment or receipt of that rent shall not waive or affect any notice, demand or suit, or in any manner waive, affect, change, modify or alter any rights or remedies the City may have by virtue of this lease agreement.

ARTICLE XIX

Surrender

Upon termination of this agreement by lapse of time or otherwise as provided here, Company agrees to surrender the leased premises and the hangar and improvements situated there in good condition and repair, normal wear and tear excepted, without the receipt of any demand for rent, notice to quit or demand for possession.

Company shall be entitled during the term of this agreement and for-ten (10) calendar days after its termination, to remove from the premises all trade fixtures, tools, machinery, equipment, materials and supplies placed there by it under this agreement, subject, however, to any valid lien the City may have on those items for unpaid rentals or other amounts payable by Company to the City, and provided that Company shall have repaired all damage resulting from that removal.

Company shall be deemed to have abandoned to the City any of that equipment or property of Company which it has failed to remove from the premises within the mentioned ten (10) calendar days after the end of the period of this agreement or effective date of termination, unless the City shall grant in writing a further period for this purpose.

ARTICLE XX

Notices

This agreement shall be deemed to have been made in and shall be construed in accordance with the laws of the State of Texas.

Notices to the City provided for here shall be sent by registered or certified United States mail, postage prepaid, addressed to the City Manager of the City of Huntsville, 1212 Avenue M, Huntsville, Texas 77340, and notices to Company provided for here shall be sent by registered or certified United States mail, postage prepaid, addressed to Company at P.O. Box 6153, Huntsville, Texas 77342-6153, or in either case to such other respective parties and addresses as the parties may designate in writing, and those notices shall be deemed to have been given when so sent.

Anti-Boycott Verification. As required by Chapter 2271, Texas Government Code, Company hereby verifies that Company, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, does not boycott Israel and will not boycott Israel through the term of this Agreement. The term "boycott Israel" in this paragraph has the meaning assigned to such term in Section 808.001 of the Texas Government Code, as amended.

Foreign Terrorists Organizations. Pursuant to Chapter 2252, Texas Government Code, Company represents and certifies that, at the time of execution of this Agreement neither the Company, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, is a company listed by the Texas Comptroller of Public Accounts under Sections 2270.0201 or 2252.153 of the Texas Government Code.

Fossil Fuels Boycott Verification. As required by 2274.002, Texas Government Code (as added by Senate Bill 13, 87th Texas Legislature, Regular Session), as amended, Company hereby verifies that Company, including any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, does not boycott energy companies, and will not boycott energy companies during the term of this Agreement. As used in the foregoing verification, "boycott energy companies" shall have the meaning assigned to the term "boycott energy company" in Section 809.001, Texas Government Code, as amended.

Firearms Discrimination Verification. As required by Section 2274.002, Texas

Government Code (as added by Senate Bill 19, 87th Texas Legislature, Regular Session, "SB 19"), as amended, Company hereby verifies that Company, including any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, (i) does not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association, and (ii) will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, "discriminate against a firearm entity or trade association" shall have the meaning assigned to such term in Section 2274.001(3), Texas Government Code (as added by SB 19), as amended.

This agreement consisting of Articles numbered I to XX inclusive and exhibits lettered A and B constitute the entire agreement between the parties, and no warranties, inducements, considerations, promises or other inferences shall be implied or impressed upon such agreement that are not set forth here at length.

In witness, the parties have caused this instrument to be executed under their respective seals on the day and year written first above.

EXECUTED this the _____ of _____, _____

THE CITY OF HUNTSVILLE

City Manager

ATTEST:

City Secretary

APPROVED AS TO FORM:

City Attorney

COMPANY



City of Huntsville
Contract Approval Form

Contract Name:

Hanger Lease Agreement-Prairie Flower AirAsset Co.

Date

12/29/14

Council Action Taken (if any):

Approved by Council 11/18/14

Director and/or Division Heads:

Name:

[Signature]

Date:

12/29/14

Name:

Date:

Name:

Date:

Name:

Date:

Required Approvals:

Steve Ritter
Finance Director

Date:

Leonard Schneider
City Attorney

Date:

Matt Benoit
City Manager

Date:

Lee Woodward
City Secretary

Date:

Return Approved Contract to:

Aron Kulhavy - Community & Economic Development Director

All contracts must have an Approval/Signature cover sheet attached with appropriate signatures prior to being submitted to the City Manager for his approval/signature.

Rev. Apr., 2014



CITY COUNCIL AGENDA

11/18/2014

Agenda Item:

Item/Subject: Consider the award of bid for lease of the hangar located at 443 Airport Road, Bruce Brothers Huntsville airport, and authorize the City Manager to enter into a lease agreement for said hangar.

Initiating Department/Presenter: Community & Economic Development

Presenter: Aron L. Kulhavy, AICP, Community and Economic Development Director

Recommended Motion: Approve the award of bid for lease of the hangar located at 443 Airport Road, Bruce Brothers Huntsville airport to Prairie Flower Air Asset LLC, and authorize the City Manager to enter into a lease agreement for said hangar.

Strategic Initiative: Goal #4 - Infrastructure - Ensure the quality of the City utilities, transportation and physical structures so that the City's core services can be provided in an effective and efficient manner.

Discussion: The City of Huntsville owns one executive hangar located at the south end of the Bruce Brothers Huntsville airport. The hangar was previously used for a variety of purposes including the storage of emergency equipment and for temporary storage of aircraft for the HEARTS museum. All of the items have since been relocated and the hangar is now vacant.

In September of 2014, the City solicited bids for the lease of this hangar. Notice to Bidders was posted on the Huntsville Item and the City of Huntsville Web site. Also, project drawings and contract documents were posted on the City of Huntsville and other purchasing web sites. Hard copies of the bid document were sent to potential bidders upon request.

Two bids were received with the highest bidder Prairie Flower Air Asset Company. The attached bid tabulation shows that the highest bid was for \$6,600 annually. The high bidder has provided all necessary insurance and documentation to meet the minimum requirements of the bid. Upon award of the bid, the City will finalize a lease on the hangar for a period of ten years.

The staff recommendation is to award the bid to the high bidder, Prairie Flower Air Asset, and authorize the City Manager to execute a lease agreement.

Previous Council Action: The Council has not previously considered this item.

Financial Implications:

☐ There is no financial impact associated with this item.

☐ Item is budgeted:

☒ Item is not budgeted:

☒ Item is estimated to generate additional revenue: \$6,600 annual lease payment

Approvals: ☐ City Attorney ☐ Director of Finance ☐ City Manager



Bid No. 14-19 Airport/Aircraft Hanger Lease Bid Response		 October 2, 2014 2:00 pm Central Standard Time
Firm Name		Annual Rent
Huntsville Aviation Inc		\$ 5,940.00
Prairie Flower Air Asset Co.		\$ 6,600.00

*NOTICE: Bid award is contingent upon vendor meeting bid requirements and formal authorization by City officials

Aron Kulhavy

Date

COUNTY OF WALKER §

HANGAR AGREEMENT

STATE OF TEXAS §

This is an agreement made on the 18th day of November, 2014, between the City of Huntsville, Walker County, a municipal corporation of the State of Texas (City), and Prairie Flower Air Asset Company, LLC, (Company), organized and existing by virtue of the laws of the State of Texas .

The City, in consideration of the terms and conditions below, leases to Company the premises on Huntsville Municipal Airport (Airport), situated in the City of Huntsville, County of Walker, State of Texas. Those premises are described and designated on Exhibit A attached hereto and made a part hereof.

The primary term of this agreement is for ten years, commencing on the 1st day of December, 2014, and expiring on the 30th day of November, 2024.

In consideration of this lease and the agreements expressed below, it is agreed as follows:

ARTICLE I
Nature of Tenancy

- A. City grants to Company the quiet use and enjoyment for the purpose of utilizing a hangar and appurtenant airport facilities at the airport, Huntsville Municipal Airport (KUTS), for the storage, maintenance and operation of aircraft and for any other lawful aircraft storage and operation purpose, save and except the operation of a "for hire" repair or maintenance facility, fueling facility providing fuel to any aircraft other than those owned and stored in the premises by Company, flight training facility. It is the intent of the parties that Company shall be free to utilize the premises for the ownership, maintenance, operation, leasing, chartering, buying, selling or trading of aircraft owned and or operated and regularly stored and operated from the premises but shall not act as a fixed base operator. This grant and reservation is in no event to be construed as a grant, reservation or preservation of an exclusive right of use at the airport.

The City covenants that the premises are properly zoned for the uses described in Article I, and that access is provided from the leased premises to all of the runways at the Airport, and access is provided to the Airport by public streets

- B. The tenancy shall not include the right to install or maintain fuel storage areas or the right to service, repair or maintain any aircraft other than those that are owned or operated by Company. The tenancy shall not include the right to operate a Fixed Base of Operation (FBO) as a service provider to transient aircraft or aircraft based upon the field in

WBS

competition with the operator in operation for the sale of fuel and maintenance services at the Huntsville Municipal Airport.

ARTICLE II Restrictions of Other Statutes and Agreements

This agreement shall be subject and subordinate to any existing or future federal or state statute or any existing or future lease or agreement between the City and the United States or the State of Texas relative to the development, construction, operation or maintenance of the airport.

ARTICLE III Option

Company shall have the right to extend its leasehold rights for two five (5) year terms. Company shall notify the City in writing of its intention to continue its lease of the hangar site no less than one (3) three months prior to the expiration of the initial term of this agreement. Upon notification the lease shall be extended under the same terms and conditions of this lease, unless additional terms are otherwise agreed upon.

Need to change the word "one" to "three"

ARTICLE IV Rent

Company shall pay to the City for the leased premises rent in equal annual installments, in advance, on each anniversary of this agreement Six Thousand Five Hundred Dollars (\$6,500.00).

IS this lease \$6500.00 per year??

Company shall pay all utility charges, permit and license fees, and taxes and assessments, general and special, if any, levied or assessed upon the leased premises, or any part of them, or upon any buildings or improvements as additional rental.

ARTICLE V Repair and Maintenance

The City covenants to continue and maintain all lines for water, sewer and drainage which connect with the premises, and to provide paved roads for vehicular and pedestrian ingress and egress to the premises. The City shall be under no obligation to provide any other public utilities to the site. However, if such public services are available Company shall be granted access to such along an easement across any City owned property and charged the existing costs of such service.

The hangar and hangar site improvements shall not be modified without the written consent of the City. That consent shall not be unreasonably withheld or delayed, and other necessary permits are to be received for that purpose.



Company shall at all times throughout this lease maintain the hangar and hangar site improvements and all other portions of the leased premises in good and serviceable condition and repair, reasonable wear and tear, acts of God and other unavoidable casualties excepted.

Company shall keep the grounds included within the boundaries of this lease in good condition including, but not limited to, mowing and trash pickup.

Company shall be responsible for disposal of its own trash accumulations. Company shall not permit hazardous materials to be stored at the premises.

Company agrees that it shall not engage in any business or activity within the confines of the Airport other than those expressly authorized in writing by the City or as authorized under this agreement.

Why did we take out the language in the 12-6-14 draft?

ARTICLE VI

Illumination, Signs, Inspection by City

Company shall provide for and illuminate the apron in front of the hangar and shall also install, maintain, and operate such obstruction or warning lights or structures in or constituting part of the demised premises as may be required to conform to standards prescribed by any other governmental agency having jurisdiction.

Company shall not install, erect or place, any illuminated signs, placards, displays or other advertising media on the hangar. Company may install one non illuminated fascia type sign, not extending beyond the building height, width or depth upon providing City with the plans and specification and obtains written approval of those plans and specifications.

The City shall have the right at any reasonable time to inspect the leased premises.

ARTICLE VII

Title

The City of Huntsville does not warrant title to the lease hold interest and Company may obtain, at its expense, if it so chooses, a policy of title insurance insuring the lease hold interest. However, the City of Huntsville shall not be obligated to cure any defect in the title for any reason whatsoever. Company takes it lease holders interest in the premises "as is" with all faults, if any. However, in the event that the title in the City of Huntsville is found inadequate for the purposes and considerations of this lease, Company may cancel this lease.

Title to the realty now existing and hereafter created, regardless of the creating party, shall vest upon termination of this lease in and to the City of Huntsville.

ARTICLE VIII

Access

The City grants to Company the right of access and ingress to and egress from the leased

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premises, to the taxiways, runways, ramps, all other airport facilities commonly available for aircraft operations, and to the public street for the use of the Company and its employees, contractors, suppliers, servicemen, guests, patrons and invitees provided those rights of access, ingress and egress are exercised in conformance with any City of Huntsville ordinances and all regulations promulgated by the City, for the care, operation, maintenance and protection of the airport and the public. To the extent that there are no other prohibitions by the Federal Aviation Administration or The Texas Department of Transportation, Company may develop a private driveway to its facility directly from Airport drive and install its security gate upon written approval of plans for said drive from the City. The operations of Company and its employees shall be conducted in an orderly and proper manner so as not to disturb, offend, or pose a danger to others at the airport. The City shall notify Company of any complaint as to the demeanor, conduct, or appearance of Company's use and operations. Company will immediately and within a reasonable time cure the cause of the complaint.

Company and its employees, invitees, and those doing business with it shall not park vehicles upon the airport premises, other than in places leased to Company under this agreement, or except in regular parking areas upon payment of any regular parking charges, if any.

ARTICLE IX Landing Fees

For Company's aircraft utilized and stored at the demised premises there shall be no parking, ramp, landing or other use fee.

ARTICLE X Abatement of Rent

Company shall not be obligated to operate the leased premises or to pay rent during any time when all of the leased premises shall be un-tenantable caused by the inaccessibility of the taxi ways and runway, Company shall not be obligated to operate at the premises and the rent shall be proportionately and equitably abated. In such an event where the lease premises is un-tenantable for a period of ninety (90) days or more, tenant shall have the right to cancel the lease and be re-funded pro-rated rent.

ARTICLE XI Insurance Requirement

Company, at the expense of Company, shall keep in force, during the term of this agreement, insurance of the following types and in not less than the following amounts, in connection with Company use and occupancy of the airport and hanger.

1. General liability insurance with bodily injury and property damage limits of liability of \$1,000,000 per occurrence.
2. Aircraft public liability and property damage insurance with limits of liability of \$500,000 per occurrence.

Company shall furnish to the City certificates evidencing such insurance coverage with the City of Huntsville as an additional insured, as its interest may appear.

Company, at the expense of Company, shall keep in force during this agreement insurance upon the buildings and improvements (1) for the replacement cost of the improvements (except as provided below), (2) covering such hazards as are insured against by fire and extended coverage insurance upon improvements of similar character, and (3) the proceeds of which will be disbursed in accordance with this agreement and the customary terms of the customarily available fire insurance policy. Company shall furnish to the City of Huntsville certificates evidencing such insurance coverage upon completion of any improvement or commencement of construction of any improvement as the case may be.

In any event, Company shall not commence or exercise any of the rights and privileges granted under this agreement until such time as all insurance stipulated herein is in full force and effect.

It is expressly understood and agreed that any insurance protection furnished shall in no way limit the responsibility to indemnify the City under the provisions of this agreement by Company.

ARTICLE XII

Damage to or Destruction of Premises

If during the term of this agreement all or part of the leased premises are damaged or destroyed by fire or other peril(s) for which insurance proceeds are or under this agreement should have been payable, Company shall in a timely and diligently manner cause plans, specifications and estimates of cost for repairing, replacing or reconstructing the damaged or destroyed property. Upon approval of the plans and specifications for the work and Company's receipt of insurance recovered on account of that damage or destruction, Company shall, with reasonable diligence, proceed to repair, restore, replace or rebuild, according to the approved plans and specifications, the buildings, structures or other improvements so damaged or destroyed.

ARTICLE XIII

Indemnity

Company shall indemnify the City, its officers, agents and employees, against all liabilities of and to third persons, excluding liabilities resulting from the primary or active negligence of the City, its officers, agents and employees, arising out of the use or occupancy of the premises by Company or others with its consent or out of any other acts or omissions of Company, its officers, agents and employees, on the premises or elsewhere on the airport. In the event any claim is made or action brought that is covered by the above indemnity the City shall give prompt written notice of that claim or action to Company and, if requested, Company shall attend to the defense of it. The City shall not take any action, including settlement or compromise, which may in any manner adversely affect Company's ability to defend against any

claim or action, and if the City desires to defend itself without waiving its rights under the indemnity above it shall do so at its own expense and Company shall be allowed to participate, at its expense, in the defense.

ARTICLE XIV

Applicable Laws, Ordinances, Rules and Regulations

Company, its officers, agents, employees, and any other persons over which Company has control, shall comply with all lawful rules and regulations and amendments or supplements to them governing or related to the use of the airport or of the leased premises as may be promulgated by the City in the interests of health, safety, sanitation and good order that are not inconsistent with applicable rules and regulations of any federal, state or local governmental body having jurisdiction in that respect.

Company shall always faithfully obey and comply with all lawful present and future laws and ordinances of federal, state or local governmental bodies and rules and regulations lawfully promulgated under them, whether or not of the type enumerated, applicable to, or affecting Company and its operations and activities in the leased premises or elsewhere at the airport not inconsistent with the provisions of this agreement.

City reserves the right to take action it considers necessary to protect the aerial approaches of the airport against obstructions, together with the right to prevent Company from erecting or permitting to be erected any building or other structure, or the conduct of any activity, on the airport which, in the opinion of the Airport, would interfere with the operations of the airport or constitute a hazard to aircraft.

Company, its successors, and assigns will not make or permit any use of the property which would interfere with landing or taking off of aircraft at the airport, or otherwise constitute an airport hazard. This includes such items as electrical or electronic equipment, creation of smoke or dust, or glaring or misleading lights.

This lease agreement shall be subject to any Airport rules, regulations and standards, and City Ordinances, as well as applicable State and Federal regulations and laws. It is expressly understood and agreed that this lease is subject to and subordinate to and controlled by provisions, stipulations, covenants, and agreements contained in those certain contracts, agreements, resolutions, and actions of the City constituting agreements between the City and the United States of America and its agents including, but not limited to, the Federal Aviation Administration (FAA) and all regulations now and hereafter imposed upon the City and that the Airport shall not be liable to Tenant on account of any of the foregoing matters

ARTICLE XV

Legal Transfer of Interest, Peaceful Possession



Company shall not assign, transfer, mortgage or pledge this agreement or the leasehold interest it creates, nor sublet the use of the premises or any part of them, without the approval of the City in writing, nor permit any transfer by operation of law of its interest created there. It is agreed that the only activity which Company may conduct from the leased premises, directly or indirectly, alone or through others, is only as authorized under the terms of this agreement. . Nothing contained herein shall prohibit Company from operating for itself or leasing a portion of the premises to a third party for the storage of an aircraft and the equipment used to own, operate and service such private aircraft subject to approval by the City, said approval not to be unreasonably withheld.

This agreement does not make either party the agent or representative of the other for any reason.

The City agrees that Company shall and may peaceably enjoy the premises of space leased exclusively to it during the lease..

ARTICLE XVI Equal Opportunity

Company, in performing under this agreement, shall not discriminate against any worker, employee or applicant, or any member of the 'public, because of race, creed, color, religion, age, sex, or national origin. That performance includes, but is not limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Company further agrees that this clause will be incorporated in all contracts entered into with suppliers of materials or services, contractors and subcontractors, and all labor organizations, furnishing skilled, unskilled, and craft union skilled labor, or who may perform any such labor or services in connection with this agreement.

Company and Company's personal representatives, successors in interest, and assigns, as part of the consideration here agrees, as a covenant running with the land, that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied benefits of , or otherwise be subjected to discrimination in the use of the facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services there, no person on the grounds of race, color or national origin shall be excluded from participation in, denied benefits of, or otherwise be subjected to discrimination, and (3) that Company the premises shall be used in compliance with all other requirements imposed by, or pursuant to, the Department of Transportation Regulations.

Prohibition Against Exclusive Rights

It is agreed that nothing contained here shall be construed to authorize the granting of an exclusive right to provide aeronautical services to the public as prohibited by section 308(a) of the Federal Aviation Act of 1958, as amended, and the City reserves the right to grant to others the privilege and right of conducting any one or all activities of an aeronautical nature.



Nondiscrimination in Furnishing Services

Company agrees to furnish services on a fair, equal and not unjustly discriminatory basis to all users, and to charge fair, reasonable and not unjustly discriminatory prices for each unit or services; provided, that Company may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar types or price reductions to volume purchasers.

Affirmative Action

Company assures that it will undertake affirmative action program as required by 14 CFR Part 152, subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, subpart E. Company assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. Company assures that it will require that its covered suborganizations provide assurances to Company that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, subpart E, to the same effect.

ARTICLE XVII Termination by City

In any of the following events which shall constitute "events of default," the City shall have the right at the City's election, immediately to terminate this agreement, or to terminate Company tenancy hereunder:

- A. Company shall fail to pay the rent in the amounts and at the times and in the manner provided here and that failure shall continue for ninety (90) or more days after written notice of it shall have been given to Company.
- B. Company shall make an assignment for the benefit of creditors, or shall file a petition in bankruptcy, or shall be adjudged a bankrupt, and that adjudication be not stayed or vacated within 120 days later, or the interest of Company under this agreement shall be levied upon and sold upon execution or shall be operation of law become vested in another person, firm or corporation because of the insolvency of Company; or in the event that a receiver or trustee shall be appointed for Company or the interest of Company under this agreement, and such appointment has not been vacated within 120 days later.
- C. Company shall abandon the premises, or for a period of one year, cease to utilize the premises for an aviation purpose as allowed for herein.
- D.. Company shall fail to observe any other provision of this agreement after ninety (90) days written notice given by the City of such failure, or, if such failure cannot be cured within ninety (90) days through no fault of Company, Company shall have further time as is reasonably necessary to cure.

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ARTICLE XVIII

Default

Upon the occurrence of any of the events of default specified, in Article XVII, Company's right to possession of the leased premises shall at the City's option terminate and Company shall surrender possession immediately. In that event Company grants to the City full license to enter into the premises, or any part of them, to take possession with or without process of law, and to remove Company or any other person who may be occupying the premises, or any part of them, and the City may use that force in removing Company or any other person as may be reasonably necessary. And the City may repossess itself of the premises as of its former estate, but that entry of the premises shall not constitute a trespass or forcible entry or detainer, nor shall it cause a forfeiture of rents due, nor waiver of any agreement or promise in this lease that is to be performed by Company. Company shall make no claim of any kind against the City, its agents and representatives by reason of that termination or any act incident ^{to it} at its option, the City may terminate this agreement for any uncorrected default. The City may sue for all damages and rent accrued or accruing under this agreement or arising out of any breach of it. Need to put words "to

it"
If it so elects, the City may pursue any remedies provided by law for the breach of this agreement or any of its terms or conditions. No right or remedy conferred here or reserved to the City or Company is intended to be exclusive of any other right or remedy, and each right and remedy shall be in addition to any other right or remedy given, or now or later existing at law or at equity or by statute.

The acceptance of rent by the City, whether in a single instance or repeatedly, after it falls due, or after knowledge of any breach of this agreement by Company, or the giving or making of any notice or demand, whether according to any statutory provision or not, or any act or series of acts except an express waiver in writing, shall not be construed as a waiver of the City's right to act or of any other right here given the City, or as an election not to proceed under the provisions of this agreement.

The obligation of Company to pay the rent shall not be deemed to be waived, released or terminated by the service of any five-day notice, other notice to collect, demand for possession, or notice that the tenancy here created will be terminated on the date there named, the institution of any action of forcible detainer or ejectment or any judgment for possession of the leased premises. The City may collect any rent due from Company, and payment or receipt of that rent shall not waive or affect any notice, demand or suit, or in any manner waive, affect, change, modify or alter any rights or remedies the City may have by virtue of this lease agreement.

ARTICLE XIX

Surrender

Upon termination of this agreement by lapse of time or otherwise as provided here, Company agrees to surrender the leased premises and the hangar and improvements situated there in good condition and repair, normal wear and tear excepted, without the receipt of any demand for rent, notice to quit or demand for possession.

Company shall be entitled during the term of this agreement and for ten (10) calendar days after its termination, to remove from the premises all trade fixtures, tools, machinery, equipment, materials and supplies placed there by it under this agreement, subject, however, to any valid lien the City may have on those items for unpaid rentals or other amounts payable by Company to the City, and provided that Company shall have repaired all damage resulting from that removal.

Company shall be deemed to have abandoned to the City any of that equipment or property of Company which it has failed to remove from the premises within the mentioned ten (10) calendar days after the end of the period of this agreement or effective date of termination, unless the City shall grant in writing a further period for this purpose.

ARTICLE XX

Notices

This agreement shall be deemed to have been made in and shall be construed in accordance with the laws of the State of Texas.

Notices to the City provided for here shall be sent by registered or certified United States mail, postage prepaid, addressed to the City Manager of the City of Huntsville, 1212 Avenue M, Huntsville, Texas 77340, and notices to Company provided for here shall be sent by registered or certified United States mail, postage prepaid, addressed to Company at P.O. Box 6153, Huntsville, Texas 77342-6153, or in either case to such other respective parties and addresses as the parties may designate in writing, and those notices shall be deemed to have been given when so sent.

This agreement consisting of Articles numbered I to XX inclusive and exhibits lettered A and B constitute the entire agreement between the parties, and no warranties, inducements, considerations, promises or other inferences shall be implied or impressed upon such agreement that are not set forth here at length.

WBB

In witness, the parties have caused this instrument to be executed under their respective seals on the day and year written first above.

EXECUTED this the _____ of _____, _____

THE CITY OF HUNTSVILLE

By: _____
Mayor

ATTEST:

City Secretary

APPROVED AS TO FORM:

City Attorney

COMPANY



EXHIBIT "A"

LOT A AIRPORT HANGAR

Exhibit A
To the Lease dated November 18th, 2014 by and
between The City of Huntsville, Texas and
Prairie Flower Air Asset Company



The photograph not to scale and is a depiction of the Huntsville Municipal Airport
And the southernmost facilities of the airport
The subject property of the lease is depicted in the red box.

WB3

Exhibit A

Hangar Lease

Created at www.huntsvillegis.com



Layout Letter (8.5 x 11) - Portrait

1 in = 200 ft

On 8.5 x 11 inch Print

0 100 200 400 Feet

On Any Print Size

Coordinate System: NAD 1983 StatePlane Texas Central FIPS 4203 Feet

DISCLAIMER: These data are to be used for graphical representation only. The accuracy is not to be taken/used as data produced for engineering purposes or by a Registered Professional Land Surveyor for the State of Texas. For this level of detail, supervision and certification of the produced data by a Registered Professional Land Surveyor for the State of Texas would have to be performed. The City of Huntsville assumes no responsibility for the accuracy of said data.



November 4, 2014
City of Huntsville
GIS Division
Map Created At
www.huntsvillegis.com



CITY COUNCIL AGENDA

10/15/2024

Agenda Item Number: 1.g.

Agenda Item: Consider adopting Resolution 2024-23 to adopt a policy prohibiting usage of certain social media applications on city-owned, leased, or rented devices with the intent of following Texas Government Code Chapter 620.

Initiating Department/Presenter: City Secretary

Presenter:

Kristy Doll, City Secretary

Recommended Motion: Motion to adopt Resolution 2024-23 prohibiting the installation and use of TikTok on City devices.

Strategic Initiative: Strategic Priority #1, Public Safety - Create a community where all individuals feel safe and protected, where citizens trust the effectiveness of our agencies through community engagement, technologies, and best practices. We strive to promote a culture of service, prevention and partnership.

Discussion: Under the requirements of Texas S.B. 1893, the City would need to adopt Resolution 2024-23, and the policy prohibiting the installation or use of certain social media applications covered by Chapter 620 of the Texas Government Code on any device owned or leased by the City and would require removal of the application from those devices if already installed. The policy will prohibit employee use of those applications for City-related business specified under Section 620.004, with the exceptions outlined in Section 2. Section 2 approves the use of TikTok and/or any covered application to the extent necessary for providing law enforcement or developing or implementing information security measures to mitigate risks to the security of the City's information.

Previous Council Action: N/A

Financial Implications: N/A

Approvals:

Leonard Schneider

Sam Masiel

Kristy Doll

Associated Information:

1. Resolution No. 2024-23
2. Ex A Policy for Preventing Use of Prohibited Technology and Covered Applications City of Huntsville 10-9-2024 (2)

**CITY OF HUNTSVILLE
RESOLUTION NO. 2024-23**

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF HUNTSVILLE, TEXAS, ADOPTED A POLICY PROHIBITING USAGE OF CERTAIN SOCIAL MEDIA APPLICATIONS ON CITY-OWNED, LEASED, OR RENTED DEVICES WITH THE INTENT OF FOLLOWING TEXAS GOVERNMENT CODE CHAPTER 620.

WHEREAS, Under Texas S.B. 1893, the City is required to adopt a policy prohibiting the installation or use of certain social media application covered by Chapter 620 of the Texas Government Code on any device owned or leased by the City and requiring removal of the application from those devices if already installed; and

WHEREAS, The Huntsville City Council wishes to adopt the attached “Covered Applications and Prohibited Technology Policy” attached hereto as Exhibit “A” and based on the model policy created by the Texas Department of Public Safety and the Texas Department of Information Resources; and

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

SECTION I The Huntsville City Council adopts the attached “Covered Applications and Prohibited Technology” based on the model policy created by the Texas Department of Public Safety and the Texas Department of Information Resources.

SECTION II. That this Resolution shall become effective immediately upon its passage.

PASSED, APPROVED, AND ADOPTED THIS 15th DAY OF OCTOBER 2024.

THE CITY OF HUNTSVILLE

Russell Humphrey, Mayor

ATTEST:

APPROVED AS TO FORM:

Kristi Doll, City Secretary

Leonard Schneider, City Attorney

City of Huntsville, Texas

Covered Applications and Prohibited Technology Policy

Date: September 16, 2024

Version: 1.0

CONTENTS

Instructions for Governmental Entity.....	3
1.0 Introduction	4
1.1 Purpose	4
1.2 Scope.....	4
2.0 Covered Applications.....	5
2.1 Scope and Definitions.....	5
2.2 Covered Applications on Government-Owned or Leased Devices	5
2.3 Ongoing and Emerging Technology Threats	6
2.4 Bring Your Own Device Policy.....	6
2.5 Covered Application Exceptions.....	7
3.0 Prohibited Technology Policy	7
3.1 Scope.....	7
3.2 State Agency-Owned or -Leased Devices	8
3.3 Personal Devices Used For State Agency Business	8
3.4 Sensistive Locations.....	8
3.5 Network Restrictions	9
3.6 Prohibited Technologies Exceptions.....	9
3.7 Bring Your Own Device Policy for [Governmental Entity] Not Subject to Section 3.2.....	10
3.8 Ongoing and Emerging Technology Threats Pursuant to the Governor's Directive	10
4.0 Policy Compliance	10
5.0 Policy Review	11

INSTRUCTIONS FOR GOVERNMENTAL ENTITY

This document is intended to serve as a model policy for Texas governmental entities to modify and adopt to fulfill the requirements of Government Code Chapter 620 and the Office of the Governor's directive regarding the installation and use of prohibited technologies on personal devices used to conduct state business. Entities should review this document and implement any organization-specific components as necessary. Sections in the policy **[contained in bold brackets]** are intended to be replaced by the entity implementing the policy.

Please direct questions regarding this model policy to GRC@dir.texas.gov.

1.0 INTRODUCTION

1.1 PURPOSE

On December 7, 2022, Governor Greg Abbott required all state agencies to ban the video-sharing application TikTok from all state-owned and state-issued devices and networks over the Chinese Communist Party's ability to use the application for surveilling Texans. Governor Abbott also directed the Texas Department of Public Safety (DPS) and the Texas Department of Information Resources (DIR) to develop a plan providing state agencies guidance on managing personal devices used to conduct state business. Following the issuance of the Governor's directive, the 88th Texas Legislature passed [Senate Bill 1893](#), which prohibits the use of covered applications on governmental entity devices.

As required by the Governor's directive and Senate Bill 1893, this model policy establishes a template that entities subject to the directive or bill may mimic to prohibit the installation or use of covered applications or prohibited technologies on applicable devices.

1.2 SCOPE AND APPLICATION

Due to distinctions in requirements between the Governor's directive and SB 1893, Sections 2 and 3 apply to distinct organizations. Where appropriate, each section will identify the unique entities to whom the section applies and the appropriate definitions.

Governmental entities, including local governments, must adopt a covered applications policy as described by [Section 2.0](#).

State agencies to whom the Governor issued his December 7, 2022, directive must adopt a prohibited technology policy as described by [Section 3.0](#). To the extent a state agency is also subject to the requirements of Senate Bill 1893, that agency must also adopt a covered applications policy as described by [Section 2.0](#).

2.0 COVERED APPLICATIONS POLICY FOR GOVERNMENTAL ENTITIES

2.1 SCOPE AND DEFINITIONS

Pursuant to Senate Bill 1893, governmental entities, as defined below, must establish a covered applications policy:

- A department, commission, board, office, or other agency that is in the executive or legislative branch of state government and that was created by the constitution or a statute, including an institution of higher education as defined by Education Code Section 61.003.
- The supreme court, the court of criminal appeals, a court of appeals, a district court, or the Texas Judicial Council or another agency in the judicial branch of state government.
- A political subdivision of this state, including a municipality, county, or special purpose district.

This policy applies to all City of Huntsville full- and part-time employees, contractors, paid or unpaid interns, and other users of government networks. All City of Huntsville employees are responsible for complying with this policy.

A covered application is:

- The social media service TikTok or any successor application or service developed or provided by ByteDance Limited, or an entity owned by ByteDance Limited.
- A social media application or service specified by proclamation of the governor under Government Code Section 620.005.

2.2 COVERED APPLICATIONS ON GOVERNMENT-OWNED OR LEASED DEVICES

Except where approved exceptions apply, the use or installation of covered applications is prohibited on all government-owned or -leased devices, including cell phones, tablets, desktop and laptop computers, and other internet-capable devices.

The City of Huntsville will identify, track, and manage all government-owned or -leased devices including mobile phones, tablets, laptops, desktop computers, or any other internet-capable devices to:

- a. Prohibit the installation of a covered application.
- b. Prohibit the use of a covered application.
- c. Remove a covered application from a government-owned or -leased device that was on the device prior to the passage of S.B. 1893 (88th Leg, R.S.).
- d. Remove an application from a government-owned or -leased device if the Governor issues a proclamation identifying it as a covered application.

City of Huntsville will manage all government-owned or leased mobile devices by implementing the security measures listed below:

- a. Restrict access to “app stores” or unauthorized software repositories to prevent the installation of unauthorized applications.
- b. Maintain the ability to wipe non-compliant or compromised mobile devices remotely.
- c. Maintain the ability to uninstall unauthorized software from mobile devices remotely.
- d. implemented security measures.

2.3 ONGOING AND EMERGING TECHNOLOGY THREATS

To provide protection against ongoing and emerging technological threats to the government’s sensitive information and critical infrastructure, DPS and DIR will regularly monitor and evaluate additional social media applications or services that pose a risk to this state.

DIR will annually submit to the Governor a list of social media applications and services identified as posing a risk to Texas. The Governor may proclaim items on this list as covered applications that are subject to this policy.

If the Governor identifies an item on the DIR-posted list described by this section, then the City of Huntsville will remove and prohibit the covered application.

The City of Huntsville may also prohibit social media applications or services in addition to those specified by proclamation of the Governor.

2.4 BRING YOUR OWN DEVICE POLICY

If the City of Huntsville has a “Bring Your Own Device” (BYOD) program, then the

The City of Huntsville may consider prohibiting the installation or operation of covered applications on employee-owned devices that are used to conduct government business.

2.5 COVERED APPLICATION EXCEPTIONS

The **City of Huntsville** may permit exceptions authorizing the installation and use of a covered application on government-owned or -leased devices consistent with the authority provided by Government Code Chapter 620.

Government Code Section 620.004 only allows the City of Huntsville to install and use a covered application on an applicable device to the extent necessary for:

- (1) Providing law enforcement; or
- (2) Developing or implementing information security measures.

If the City of Huntsville authorizes an exception allowing for the installation and use of a covered application. In that case, the City of Huntsville must use measures to mitigate the risks posed to the state during the application's use, including:

- Exceptions must be requested through the IT Helpdesk and have already been pre-approved by the requestee's Department Head.
- Usage scope and time frame for the exception must be clearly defined in the request.
- Cameras and microphones must be disabled on the device.
- Further conditions and restrictions may be applied on a case-by-case basis.

The City of Huntsville must document whichever measures it took to mitigate the risks posed to the state during the use of the covered application.

While typically restricted to law enforcement and Information Technology personnel, exceptions are considered case-by-case.

3.0 PROHIBITED TECHNOLOGY POLICY FOR STATE AGENCIES

3.1 SCOPE

This policy applies to all state agencies to whom the Governor issued his December 7, 2022, [directive](#). While not a State Agency, the City of Huntsville has implemented various portions of Section 3 into policy to ensure future compliance with DIR's security and

policy recommendations. Section 3 has been modified to allow reasonable policy adoption without disrupting our adherence to Section 2. This policy applies to all City of Huntsville employees, including interns and apprentices, contractors, and users of city networks. All City of Huntsville employees, contractors, and city network users to whom this policy applies are responsible for complying with these requirements and prohibitions.

3.2 CITY-OWNED DEVICES

Except where approved exceptions apply, the use or download of prohibited applications or websites is prohibited on all city-owned devices, including cell phones, tablets, desktop and laptop computers, and other internet-capable devices.

See [2.2](#).

3.3 PERSONAL DEVICES USED FOR STATE AGENCY BUSINESS

Employees and contractors may not install or operate prohibited applications or technologies on any personal device that is used to conduct city business, which includes using the device to access any city-owned data, applications, email accounts, non-public facing communications, city email, VoIP, SMS, video conferencing, Huntsville.tx.gov, and any other city databases or applications.

3.4 SENSITIVE LOCATIONS

The City of Huntsville may identify, catalogue, and label all sensitive locations. A sensitive location is any location, physical or logical (such as video conferencing, or electronic meeting rooms), that is used to discuss confidential or sensitive information including information technology configurations, criminal justice information, financial data, personally identifiable data, sensitive personal information, or any data protected by federal or state law.

An employee whose personal device, including their personal cell phone, tablet, or laptop, is not compliant with this prohibited technology policy may not bring their personal device into sensitive locations. This includes using their unauthorized personal device to access any electronic meeting labeled as a sensitive location.

Visitors granted access to sensitive locations are subject to the same limitations as employees and contractors. If a visitor is granted access to a sensitive location and their personal device has a prohibited application installed on it, then the visitor must leave their unauthorized personal device at an appropriate location that is not identified as sensitive.

3.5 NETWORK RESTRICTIONS

DIR has blocked access to prohibited technologies on the state network. To ensure multiple layers of protection, the City of Huntsville may also implement additional network-based restrictions, which include:

- a. Configuring city firewalls to block access to citywide prohibited services on all city technology infrastructures, including local networks, WAN, and VPN connections.
- b. Prohibiting personal devices with prohibited technologies installed from connecting to city technology infrastructure or state data.

3.6 PROHIBITED TECHNOLOGIES EXCEPTIONS

Only the Director of Information Technology may approve exceptions to the ban on “prohibited technologies.” This authority may not be delegated. If a “prohibited technology” has been confirmed to be a “covered application,” Section 2’s policies should be prioritized. All approved “prohibited technology” applications, software, or hardware exceptions must be documented.

Exceptions to the prohibited technology policy must only be considered when:

- the use of prohibited technologies is required for a specific business need, such as enabling criminal or civil investigations; or
- for sharing of information to the public during an emergency.

For personal devices used for city business, exceptions should be limited to extenuating circumstances and only granted for a predefined period. To the extent practicable or possible, exception-based use should only be performed on devices that are not used for other city business and on non-city networks, and the user should disable cameras and microphones on devices authorized for exception-based use.

3.7 BRING YOUR OWN DEVICE POLICY FOR A GOVERNMENTAL ENTITY NOT SUBJECT TO THE GOVERNOR’S PROHIBITED TECHNOLOGY DIRECTIVE

If a Governmental Entity is not subject to the Governor’s prohibited technology directive but is subject to Senate Bill 1893, it may also consider prohibiting the installation or operation of prohibited technologies and covered applications on employee-owned devices that are used to conduct government business.

If the City of Huntsville has a “Bring Your Own Device” (BYOD) program, then the City of Huntsville shall institute a “Bring Your Own Device” (BYOD) policy requiring the enrollment of these personal devices in the entity’s program before their continued use in conducting governmental business.

3.8 ONGOING AND EMERGING TECHNOLOGY THREATS PURSUANT TO THE GOVERNOR’S DIRECTIVE

To provide protection against ongoing and emerging technological threats to the state’s sensitive information and critical infrastructure, DPS and DIR will regularly monitor and evaluate additional technologies posing concerns for inclusion in this policy.

DIR posts the list of all prohibited technologies, including applications, software, hardware, or technology providers, to its website. If, after consultation between DIR and DPS, a new technology must be added to this list, DIR will update the prohibited technology list posted on its website.

The City of Huntsville may implement the removal and prohibition of any listed technology on all applicable devices. The City of Huntsville may prohibit other technology threats in addition to those on the posted list should the City of Huntsville determine that such prohibition is appropriate.

4.0 POLICY COMPLIANCE

The City of Huntsville will verify compliance with this policy through various methods, including but not limited to IT/security system reports and feedback to leadership.

An employee found to have violated this policy may be subject to disciplinary action, including termination of employment.

5.0 POLICY REVIEW

This policy will be reviewed annually and updated as necessary to reflect changes in state law, additions to applications identified under Government Code Section 620.006, updates to the prohibited technology list posted to DIR's website, or to suit the needs of the City of Huntsville.



CITY COUNCIL AGENDA

10/15/2024

Agenda Item Number: 2.a.

Agenda Item: Second Reading - Consider Ordinance 2024-27, levying special assessments for, and apportioning the costs of, certain improvements to property in and for the Reserves of Huntsville Public Improvement District; fixing a charge and lien against all properties within the district, and the owners thereof; providing for the manner and method of collection of such assessments; making a finding of special benefit to property in the district and the real and true owners thereof; approving a service and assessment plan; providing a severability clause; and providing an effective date.

Initiating Department/Presenter: Development Services

Presenter:

Kevin Byal, Director of Development Services

Recommended Motion: Move to approve Ordinance 2024-27, levying special assessments for, and apportioning the costs of, certain improvements to property in and for the Reserves of Huntsville Public Improvement District; fixing a charge and lien against all properties within the district, and the owners thereof; providing for the manner and method of collection of such assessments; making a finding of special benefit to property in the district and the real and true owners thereof; approving a service and assessment plan; providing a severability clause; and providing an effective date.

Strategic Initiative: Strategic Priority #2, Economic Development - Create an economic climate for the City of Huntsville that drives development of diverse industries and sectors, providing sustainable economic growth and improved living standards.

Discussion: At the August 16, 2022 City Council meeting, City Council approved Resolution 2022-23, a resolution creating "The Reserves of Huntsville" Public Improvement District (PID) and also authorized the City Manager to enter into a Development agreement with the developer.

The Reserves of Huntsville is a single-family residential development having approximately 140 single family home lots and includes the first Public Improvement District (PID) in Huntsville. The PID is created as a funding mechanism to reimburse the developer for the construction of authorized public improvements that serve the residence of the PID.

The passage of this ordinance levying special assessments for improvements in the PID is a formal legal step required to finance the public improvements that benefit properties within the district. It provides the legal authority to impose and collect the special assessments from property owners. Without this ordinance, there would be no binding legal framework to enforce payment.

The public improvements like streets, sidewalks, drainage, or landscaping are funded through this special assessments on property owners within the district. The ordinance ensures that the cost of these improvements is fairly distributed among the benefiting properties.

The ordinance also establishes a first and prior lien on properties within the district for the amounts assessed, including interest, attorney's fees, and collection costs. This lien takes priority over all other liens except for state, county, school district, or municipal taxes. Property owners, whether correctly named or not, are personally liable for the assessments. The assessments will be payable to the city according to the Assessment Roll attached to the Service and Assessment Plan.

Key points include:

- The levy of assessments becomes effective upon the adoption of the ordinance.
- The costs of improvements are apportioned as described in the Service and Assessment Plan.
- Assessments and annual installments can be paid in a lump sum or in installments, accruing interest as specified in the plan.
- The city will collect and manage the assessments to cover improvement costs and related debt service, with any excess funds reducing annual installment amounts.

Previous Council Action: December 21, 2021 – City Council voted to approve the concept of creating a Public Improvement District for this specific project.

February 1, 2022 – City Council approved resolution 2022-5 setting a public hearing date to solicit public input concerning the creation of Public Improvement District (PID) No. 1 for the Reserves of Huntsville.

March 1, 2022 – City Council held a public hearing giving the public an opportunity to comment on the creation of the proposed PID.

August 16, 2022 – City Council approved Resolution 2022-23, a resolution creating "The Reserves of Huntsville" Public Improvement District (PID) in accordance with Chapter 372 of the Texas Local Government Code as amended, to create a public improvement district within the corporate limits of Huntsville and authorized the City Manager to enter into a development agreement with the developer.

May 7, 2024 - City Council authorized the City Manager to enter into a reimbursement agreement with the developer.

October 1, 2024 - City Council considered the first reading of this ordinance where the City's Bond Council and Financial Advisor answered council's questions.

Financial Implications: The financial impact of any action the Council considers will be included in the PID assessment.

Approvals:

Kevin Byal
Leonard Schneider
Sam Masiel
Aron Kulhavy
Kristy Doll

Associated Information:

1. Ord 2024-27 Assessment Ordinance-Corrected (3)
2. Exhibit A Service & Assessment Plan - The Reserves

ORDINANCE NO. 2024-27

AN ORDINANCE LEVYING SPECIAL ASSESSMENTS FOR, AND APPORTIONING THE COSTS OF, CERTAIN IMPROVEMENTS TO PROPERTY IN AND FOR THE RESERVES OF HUNTSVILLE PUBLIC IMPROVEMENT DISTRICT; FIXING A CHARGE AND LIEN AGAINST ALL PROPERTIES WITHIN THE DISTRICT, AND THE OWNERS THEREOF; PROVIDING FOR THE MANNER AND METHOD OF COLLECTION OF SUCH ASSESSMENTS; MAKING A FINDING OF SPECIAL BENEFIT TO PROPERTY IN THE DISTRICT AND THE REAL AND TRUE OWNERS THEREOF; APPROVING A SERVICE AND ASSESSMENT PLAN; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Subchapter A of Chapter 372 of the Texas Local Government Code (the "*Act*") allows for the creation of public improvement districts; and

WHEREAS, a petition was submitted and filed with the City Secretary (the "*City Secretary*") of the City of Huntsville, Texas (the "*City*") pursuant to the Act, requesting the creation of a public improvement district located within the corporate limits of the City to be known as The Reserves of Huntsville Public Improvement District to provide public improvements within the District to 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 District, which public improvements will include, but not be limited to, streets, roadway construction, water, wastewater, and drainage facilities and improvements, and other improvement projects; and

WHEREAS, the petition contained the signatures of the record owners of taxable real property representing more than 50% of the appraised value of the real property liable for assessments within the District, as determined by the then current ad valorem tax rolls of the Walker Central Appraisal District, and the signatures of record property owners who own taxable real property that constitutes more than 50% of the area of all taxable property that is liable for assessment by the District; and

WHEREAS, on August 16, 2022, after due notice, the City Council (the "*City Council*") of the City held the public hearing in the manner required by law on the advisability of the improvement projects described in the petition as required by Section 372.009 of the Act and on August 16, 2022 the City Council made the findings required by Section 372.009(b) of the Act and, by Resolution No. 2022-23 (the "*Creation Resolution*"), adopted by a majority of the members of the City Council, authorized the creation of the District in accordance with its finding as to the advisability of the improvement projects; and

WHEREAS, following the adoption of the Creation Resolution, the City recorded such resolution with Walker County on August 6, 2024; and; and

WHEREAS, no written protests regarding the creation of the District from any owners of record of property within the District were filed with the City Secretary within 20 days after the date of publication of such notice; and

WHEREAS, pursuant to the Act, the proposed assessment roll for the District (the "*Assessment Roll*") and service and assessment plan were filed with the City Secretary; and

WHEREAS, the statutory notice of a public hearing was published on October 3, 2024, to consider the levy of the proposed assessments (the "*Assessments*") on real property within the District was published in the *Huntsville Item*, a newspaper of general circulation in the City and was mailed to the last known address of the owners of the property liable for the Assessments; and

WHEREAS, after notice was provided as required by the Act, the City Council on October 15, 2024, held a public hearing to consider the levy of the proposed Assessments on property within the District, at which any and all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Assessment Roll, and the proposed Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of the Actual Costs of the authorized improvements to be undertaken for the benefit of all property to be assessed within the District (the "*Authorized Improvements*"), the purposes of the Assessments, the special benefits of the Authorized Improvements, and the penalties and interest on annual installments and on delinquent annual installments of the Assessments; and

WHEREAS, the City Council finds and determines that the Assessment Roll and The Reserves of Huntsville Public Improvement District the Service and Assessment Plan, in a form substantially similar to the attached Exhibit A, which final form shall be approved by the City Manager (the "*Service and Assessment Plan*"), and which is incorporated herein for all purposes, should be approved and that the Assessments should be levied as provided in this Ordinance, the Service and Assessment Plan and the Assessment Roll; and

WHEREAS, the City Council further finds that there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the Actual Costs of the Authorized Improvements as described in the Service and Assessment Plan, the Assessment Roll, and the levy of the Assessments; and

WHEREAS, in connection with the levy of the Assessments, concurrently herewith, the owners (the "*Landowners*") of the privately-owned and taxable property located within the District will execute a landowner agreement, wherein the Landowners, among other things, approve and accept this Ordinance and the Service and Assessment Plan, including the Assessment Roll, consent to and accept the levy of the Assessments against their property located within the District and agree to pay the Assessments; and

WHEREAS, the City Council closed the hearing on April 1, 2021, and, after considering all written and documentary evidence presented at the hearing, including all written comments

and statements filed with the City, determined to proceed with the adoption of this Ordinance in conformity with the requirements of the Act; and

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

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

Section 1. All matters stated in the preamble of this Ordinance are found to be true and correct and are incorporated into the body of this Ordinance as if copied in their entirety.

Section 2. The Service and Assessment Plan, attached hereto as Exhibit A has been presented to and reviewed by the City Council and the City Council hereby approves the Service and Assessment Plan and adopts the Service and Assessment Plan as the service plan and assessment plan for the District. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Service and Assessment Plan.

Section 3. The Authorized Improvements described in the preamble hereof include the improvements that will benefit and serve all of the property within the District and are set forth in Section IV of the Service and Assessment Plan.

Section 4. The City Council hereby finds and determines upon the evidence presented in reference to the property located within the District that: (i) the enhancement and value to accrue to the District and the real and true owner or owners thereof by virtue of construction of the Authorized Improvements will be equal to or in excess of the amount of the cost of the proposed Authorized Improvements; (ii) that the apportionment of the costs of the Authorized Improvements and the Assessments here and below made are just and equitable and produce substantial equality, considering the benefits received and the burdens imposed thereby, and result in imposing equal shares of the cost of the Authorized Improvements on property similarly benefitted, and are in accordance with the laws of the State of Texas; (iii) the property assessed is specially benefitted by means of the said Authorized Improvements in the District in relation to the costs of such improvements; (iv) all procedures that have taken place heretofore with reference to the Authorized Improvements and Assessments are in all respects regular, proper, and valid; and (v) all prerequisites to the fixing of the assessment liens against the properties within the District, and the personal liability of the real and true owner or owners thereof, whether correctly named herein or not, have been in all things regularly and duly performed in compliance with the Act and the proceedings of the City Council. The cost of said Authorized Improvements is hereby assessed and levied as a special assessment against such properties and the real and true owner or owners thereof in the amounts as described in Exhibit F of the Service and Assessment Plan attached hereto.

Section 5. There shall be and is hereby levied and assessed against the property within the District, and against the real and true owners thereof (whether such owners be

correctly named or not), the sums of money as listed in Exhibit F of the Service and Assessment Plan attached hereto and made a part hereof shown for each of the respective parcels of property, and the assessed against the same, and the owners thereof.

Section 6. The sums assessed against property located within the District and the real and true owners or owner thereof, whether the owner or owners be named or correctly named, or the properties be correctly described therein or not, together with interest thereon at the rate per annum when required as set forth in the Service and Assessment Plan and with reasonable attorney's fees and all costs and expenses of collection, if incurred, are hereby declared to be and made a first and prior lien upon the respective parcels of property against which same are assessed from and after this date, and a personal liability and charge against the real and true owner or owners thereof, whether or not such owner or owners be correctly named herein, paramount and superior to all other liens, claims or titles except for lawful claims for state, county, school district, or municipality ad valorem taxes; and that the sum so assessed shall be payable to the City or its assigns in accordance with the Assessment Roll attached as Exhibit F to the Service and Assessment Plan.

Section 7. (a) The levy of the Assessments shall be effective on the date of adoption of this Ordinance levying assessments and strictly in accordance with the terms of the Service and Assessment Plan.

(b) The apportionment of the costs of the Authorized Improvements to be assessed against the property within the District, shall be as set forth in the Service and Assessment Plan.

(c) Assessments and Annual Installments shall be collected, administered and may be reallocated, and the costs of improvements paid, as set forth in: (i) this Ordinance; (ii) the Service and Assessment Plan and (iii) any ordinance, resolution, bond indenture or agreement approved by the City Council.

(d) Each Assessment may be paid in a lump sum or may be paid in Annual Installments pursuant to the terms of the Service and Assessment Plan.

(e) Each Assessment shall accrue and bear interest at the rate or rates specified in the Service and Assessment Plan.

(f) Each Annual Installment shall be due and payable and shall be collected each year in the manner set forth in the Service and Assessment Plan.

(g) Assessments and the interest thereon shall be deposited as and when received by the City into a separate fund to be used to pay the costs incurred for the Authorized Improvements, including debt service on obligations issued to pay the costs of the Authorized Improvements, and the establishment of each such fund is hereby approved.

(h) The Annual Installments shall be reduced to equal the actual costs of repaying the related series of bonds and actual Annual Collection Costs (as provided for in the definition of

such term), taking into consideration any other available funds for these costs, such as interest income on account balances.

Section 8. This Ordinance incorporates by reference all provisions and requirements of the Act.

Section 9. If any section, article, paragraph, sentence, clause, phrase, or word in this Ordinance, or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Ordinance; and the City Council hereby declares it would have passed such remaining portion of this Ordinance, despite such invalidity, which remaining portions shall remain in full force and effect.

Section 10. This Ordinance shall take effect immediately from and after its passage and it is accordingly so ordained.

PASSED & APPROVED at first reading on October 1, 2024, by a vote of ____ (ayes) to ____ (nays) to ____ (abstentions) of the City Council of Huntsville, Texas

PASSED & APPROVED at second reading on October 15, 2024, by a vote of ____ (ayes) to ____ (nays) to ____ (abstentions) of the City Council of Huntsville, Texas.

By motion duly made, seconded and passed with an affirmative vote of all the Councilmembers present, the requirement for reading this ordinance on two separate dates was dispensed with.

ATTEST:

Mayor – Russell Humphrey

City Secretary - Kristy Doll

Approved as to form:

City Attorney – Leonard Schneider

Exhibit A

THE RESERVES OF HUNTSVILLE PUBLIC IMPROVEMENT DISTRICT
THE DISTRICT
SERVICE AND ASSESSMENT PLAN

(see attached)



www.FinanceDTA.com

SERVICE AND ASSESSMENT PLAN

CITY OF HUNTSVILLE, TX

THE RESERVES PUBLIC IMPROVEMENT
DISTRICT

Report Date: October 15, 2024

Public Finance
Public-Private Partnerships
Development Economics
Clean Energy Bonds

*Irvine / San Jose / San Francisco / Riverside
Dallas / Houston / Raleigh / Tampa*

CITY OF HUNTSVILLE



SERVICE AND ASSESSMENT PLAN THE RESERVES PUBLIC IMPROVEMENT DISTRICT

Prepared for:

City of Huntsville

1212 Avenue M

Huntsville, Texas 77340

Attn: Kevin Byal, Director of Development Services/Building Official

TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
I INTRODUCTION.....	1
II DEFINITIONS.....	2
III PROPERTY INCLUDED IN THE PID	7
IV DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS.....	8
A Descriptions and Estimated Costs of the Authorized Improvements	9
V SERVICE PLAN	11
VI ASSESSMENT PLAN.....	14
A Introduction.....	14
B Special Benefit.....	15
C Assessment Methodology.....	16
D Assessments Allocation.....	17
E Administrative Expenses	18
F Delinquency and Prepayment Reserve.....	18
VII TERMS.....	19
A Amount of Assessments and Annual Installments for Assessed Property Located within the PID.....	19
B Reallocation of Assessments for Assessed Property located within the PID.....	19
C Mandatory Prepayment of Assessments	20
D Reduction of Assessments.....	21
E Payment of Assessments	21
F Collection of Annual Installments	23
VIII ASSESSMENTS.....	25
A Assessment.....	25
B Annual Assessment Roll Updates.....	25

IX	MISCELLANEOUS PROVISIONS.....	26
A	Administrative Review.....	26
B	Termination of Assessments.....	26
C	Amendments	27
D	Administration and Interpretation of Provisions	27
E	Severability.....	27
F	Buyer Disclosure	27

APPENDICES

APPENDIX A	ASSESSMENT ROLL
APPENDIX B	BUYER DISCLOSURE FORM
APPENDIX C	PID BOUNDARIES AND LEGAL DESCRIPTION
APPENDIX D	LOT TYPE MAP

I INTRODUCTION

On August 16, 2022 (the “**Creation Date**”), the City Council of the City of Huntsville, Texas (the “**City**”) passed Resolution No. 2022-23 approving and authorizing the creation of The Reserves Public Improvement District (the “**PID**” or “**District**”), to finance the costs of certain public improvements for the benefit of property in the PID (the “**Authorized Improvement(s)**”), of which 33.22 acres are currently located in the City.

Chapter 372 of the Texas Local Government Code, Improvement Districts in municipalities and counties (as amended, the “**PID Act**”), governs the creation of public improvement districts within the State of Texas. This Service and Assessment Plan has been prepared pursuant to the PID Act. According to the PID Act, a Service Plan “must (i) cover a period of 5 years; (ii) define the annual indebtedness and the projected costs for improvements; and (iii) include a copy of the notice form required by Section 5.014, Property Code”. The governing body of the municipality or county shall review and update the service plan annually for the purpose of determining the annual budget for improvements.” The Service Plan is described in **Section V** of this Service and Assessment Plan.

The Assessment Roll for the District is attached hereto as **Appendix A**, and identifies the Assessment and anticipated Annual Installments for each property. The Assessments as shown on the Assessment Roll are based on the method of assessment described in **Section VI** of this Service and Assessment Plan. A copy of the notice required by Section 5.014 of the Texas Property Code is attached hereto as **Appendix B**; this notice will also be included in all future annual updates to the Service and Assessment Plan.

Notably, the final pricing of the PID Bonds will occur concurrently with the City Council’s approval of this Service and Assessment Plan. As the result, all figures related to the PID Bonds and Assessment, including those listed in Tables IV-1, V-1, V-2, V-3, VI-2, and VIII-1, Sections VIII.A, V, VI.A, and VIII.A, and Appendix A, shall be considered preliminary and will be finalized in the next Service and Assessment Plan Update.

II DEFINITIONS

Capitalized terms shall have the meanings ascribed to them as follows:

"Actual Cost(s)" means, with respect to an Authorized Improvement, the demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvement, as specified in a Certificate for Payment that has been reviewed and approved by the City. Actual Cost may include: (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction, and/or implementation of such Authorized Improvement, including general contractor construction management fees, if any, as limited below; (b) the costs of preparing the construction plans for such Authorized Improvement; (c) the fees paid for obtaining permits, licenses, or other governmental approvals for such Authorized Improvement; (d) the costs for external professional costs associated with such Authorized Improvement, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting, and similar professional services; (e) the costs of all labor, bonds, and materials incurred by contractors, builders, and material men in connection with the acquisition, construction, or implementation of the Authorized Improvements; and (f) all related permitting, zoning, and public approval expenses, architectural, engineering, and consulting fees, financing charges, taxes, governmental fees, and charges (including inspection fees, City permit fees, development fees), insurance premiums, miscellaneous expenses.

Actual Costs include general contractor's fees in an amount up to a percentage equal to the percentage of work completed and accepted by the City or construction management fees in an amount up to 5.0% of the eligible Actual Costs described in a Certificate for Payment. The amounts expended on legal costs, taxes, governmental fees, insurance premiums, permits, financing costs, and appraisals shall be excluded from the base upon which the general contractor and construction management fees are calculated.

"Additional Interest" means the incremental interest rate charged on the Assessments securing PID Bonds in excess of the interest rate charged on the PID Bonds issued by the City, not to exceed 0.50% as authorized pursuant to the PID Act and further described in **Section VI(F)**. Additional Interest shall be charged at the rate specified in the Development Agreement or Indenture, whichever governs, as amended.

"Administrative Expenses" means the portion of the Annual Installment collected for the administrative, organizational, and operation costs and expenses associated with, or incident to, the administration, organization, and operation of the PID. Administrative Expenses include, but are not limited to, the costs of:

- i. Hiring legal counsel, engineers, accountants, financial advisors, investment bankers, or other consultants and advisors;

- ii. Creating and organizing the PID (including engineering fees, legal fees, and consultant fees), preparing the Assessment Roll, and preparing the Annual Service Plan Update;
- iii. Computing, levying, collecting, and transmitting the Assessments or the Annual Installments thereof, including foreclosure and maintaining a record of installments, payments, and reallocations and/or cancellations of the Assessments;
- iv. Investing or depositing the Assessments or other monies;
- v. Complying with the PID Act and arbitrage requirements;
- vi. Paying the paying agent/registrar's and trustee's fees and expenses (including the fees and expenses of its legal counsel) related to the PID Bonds; and
- vii. Complying with continuing disclosure obligations.

"Administrator" means the City or a third party whom the City designates by contract who shall have the responsibilities provided for herein. The City has selected DTA, Inc. as the Administrator.

"Annual Installment(s)" means, with respect to each parcel of Assessed Property, each annual payment of: (i) annual principal amount due on the Assessments, (ii) annual interest amount due on the Assessments including the Additional Interest, as applicable, as set forth herein, and (iii) Administrative Expenses.

"Annual Service Plan Update" has the meaning set forth in **Section V** of this Service and Assessment Plan.

"Assessed Property" means the property that benefits from the Authorized Improvements to be provided by the PID on which Assessments have been imposed as shown on the applicable Assessment Roll and as the Assessment Roll is updated each year by the Annual Service Plan Update. Assessed Property includes all parcels or Lots within the PID other than Non-Benefited Property.

"Assessment" means an assessment levied against an Assessed Property imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on any Assessment Roll, subject to reallocation upon the subdivision of such Assessed Property or reduction according to the provisions herein and the PID Act.

"Assessment Ordinance" means an Assessment Ordinance adopted by the City Council approving the Service and Assessment Plan (including amendments or supplements to the Service and Assessment Plan) and levying the Assessments.

"Assessment Revenues" means the revenues actually received by or on behalf of the City from the collection of Assessments.

"Assessment Roll" means the Assessment Roll attached hereto as **Appendix A** identifying the Assessment and anticipated Annual Installments for each parcel or Lot, or any other Assessment Roll as set forth in an amendment or supplement to this Service and Assessment Plan or in an Annual Service Plan Update.

"Authorized Improvement Costs" mean the budgeted costs, as applicable, of all or any portion of the Authorized Improvements, as described in **Section IV**.

"Authorized Improvements" means those improvements (i) listed in **Table IV-1** and described in **Section IV(A)**, authorized by **Section 372.003** of the PID Act, acquired, constructed, or installed in accordance with this SAP, as may be amended pursuant to any Annual Service Plan Updates and/or amended and restated SAP, and (ii) for which Assessments are levied against the Assessed Property receiving a special benefit from such improvements.

"Build-out" means, for the District, that all Assessed Property expected to be developed within the District has been constructed, as determined by the City and based on assumptions provided by the Developer. Although the actual unit counts and assessed value at Build-out may vary from the estimates identified in **Table VI-1** of this SAP, the initial Assessment allocation for each Lot Type as set forth in this SAP will not change and any adjustments to unit counts or assessed value at Build-out resulting in an allocation of the Assessment that exceeds the Assessment for the Lot Type as set forth in this SAP shall require a Mandatory Prepayment as outlined in **Section VII**.

"Certificate for Payment" means the certificate to be provided by the Owner, or the Owner's designee, to substantiate the Actual Cost of one or more Authorized Improvements, as described in the Indenture.

"City" means the City of Huntsville, Texas.

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

"Delinquency and Prepayment Reserve" means a reserve amount to be funded from the Additional Interest collected each year as more fully described in **Section VI(I)** of this Service and Assessment Plan.

"Delinquent Collection Costs" means interest, penalties, and expenses incurred or imposed with respect to any delinquent installment of an Assessment in accordance with the PID Act and the costs related to pursuing collection of a delinquent Assessment and foreclosing the lien against the Assessed Property, including attorney's fees, and any third-party costs paid or incurred by the City as a result of any delinquency of an Assessment.

"Developer" means, collectively, PHD-Huntsville 34, L.P., or their respective successors and assigns.

"Development Agreement" means The Reserves Development Agreement by and among the City and the Owner dated November 9, 2022, including any subsequent amendments.

"Fiscal Year" or "FY" means the 12-month period starting October 1 and ending September 30.

"Indenture" means one or more indentures of trust or similar document setting forth the terms and other provisions relating to the PID Bonds, as modified, amended, and/or supplemented from time to time.

"Lot" means a tract of land that is (i) a "lot" in a final subdivision plat recorded in the official records of Walker County, Texas, (ii) tract of land identified in a development/concept plan anticipated to be described as a "lot" in a final recorded subdivision plat or (iii) tract of land identified in preliminary plat anticipated to be described as a "lot" in a final recorded subdivision plat, and such (i), (ii), or (iii) is the basis for the determination of benefit and the levy of Assessments.

"Lot Type" means a classification of final building Lots with similar characteristics as determined or approved by the Administrator and confirmed by the City Council. Lots within the PID shall be classified as "50'-wide Lot," encompassing all Lots with a typical lot width of 50 feet, as determined from the final subdivision plat/plotting plan attached hereto as **Appendix D**. The Administrator's classifications shall be final.

"Non-Benefited Property" means the property that accrues no special benefit from the Authorized Improvements. Property identified as Non-Benefited Property at the time the 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 Assessments may not be reallocated pursuant to the provisions herein, remains subject to the Assessments and requires the Assessments to be prepaid as provided for in **Section VII.C.3**.

"Non-Eligible Improvement Costs" mean the budgeted costs, as applicable, of all or any portion of the Non-Eligible Improvements, as described in **Section IV**.

"Non-Eligible Improvements" means those improvements listed in **Table IV-1** that are constructed and/or installed in connection with the development of property within the PID that are not permitted by **Section 372.003** of the PID Act. Non-Eligible Improvements will be paid for entirely by the Developer and will not be eligible to be funded through either PID Bond proceeds or Annual Installment revenues.

"Owner" means, collectively, PHD-Huntsville 34, L.P., a Texas limited liability company, or their respective successors and assigns.

"Parcel(s)" means a parcel or parcels within the PID identified by either a tax map identification number assigned by the Walker Central Appraisal District for real property tax purposes or by lot and block number in a final subdivision plat recorded in the real property records of Walker County.

"PID" has the meaning set forth in **Section I** of this Service and Assessment Plan.

"PID Act" has the meaning set forth in **Section I** of this Service and Assessment Plan.

"PID Bonds" refer to \$6,500,000 City of Huntsville, Texas (a Municipal Corporation of the State of Texas Located In Walker County), Special Assessment Revenue Bonds, Series 2024 (The Reserves of Huntsville Public Improvement District).

"Prepayment Costs" means interest (including Additional Interest) and Administrative Expenses incurred up to the date of prepayment of an Assessment.

"Service and Assessment Plan" or **"SAP"** means this Service and Assessment Plan prepared for the PID pursuant to the PID Act, and as may be updated or amended from time to time.

"Trustee" means the trustee as specified in the Indenture, including a substitute or successor trustee.

III PROPERTY INCLUDED IN THE PID

The PID is located entirely within the City and contains approximately 33.22 total acres of land. Legal descriptions of the boundaries of the PID are included in **Appendix C**.

A site plan of the property within the PID is shown below in Figure III-1. At completion, the PID is expected to consist of approximately 140 single-family residential units as well as the infrastructure necessary to provide roadways, landscaping, drainage, and utilities to the property within the PID. The estimated number of Lots (140) and the classification of each Lot to a Lot Type are based upon the proposed development plan provided by the Developer, attached hereto as **Appendix D**.

Figure III-1: PID Site Plan



IV DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS

Section 372.003 of the PID Act defines the Authorized Improvements that may be undertaken by the City through the establishment of the PID. Authorized Improvements that may be undertaken pursuant to the PID Act include the following:

- Landscaping;
- Erection of fountains, distinctive lighting, and signs;
- Acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of way;
- Construction or improvement of pedestrian mall;
- Acquisition and assessment of pieces of art;
- Acquisition, construction, or improvement of libraries;
- Acquisition, construction, or improvement of off-street parking facilities;
- Acquisition, construction, or improvement of rerouting of mass transportation facilities;
- Acquisition, construction, or improvement of water, wastewater, or drainage facilities or improvements;
- The establishment or improvement of parks;
- Projects similar to those listed in Subdivisions (i)-(x);
- Acquisition, by purchase or otherwise, of real property in connection with a public improvement;
- Special supplemental services for improvement and promotion of the district, including services relating to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development recreation, and cultural enhancement;
- Payment of expenses incurred in the establishment, administration, and operation of the district; and
- The development, rehabilitation, or expansion of affordable housing.

After analyzing the public improvement projects authorized by the PID Act, the City has determined that the Authorized Improvements described in **Section IV(A)** of this SAP should be undertaken by the Developer.

A Descriptions and Estimated Costs of the Authorized Improvements

The costs of the Authorized Improvements, shown in **Table IV-1**, include the costs which benefit all Lots. These figures are estimates and may be revised in subsequent Annual Service Plan Updates.

The Authorized Improvements are generally described as follows and are constructed in accordance with the Development Agreement, the plans and specifications approved by the City, applicable local ordinances to the extent not modified by the City in writing, applicable state and federal regulations, and good engineering practices.

- **Roadway Improvements** – The roadway improvements are public road improvements including construction, grading, concrete, reinforcing steel, asphalt, lime, sidewalks, signs, lighting fixtures, street scaping, related dry utility work, and public walkway widening. The roadway improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City. The costs of the roadway improvements are set forth in **Table IV-1**.
- **Water Improvements** – The water improvements include water mains, trench excavation and embedment, dewatering, trench safety, PVC piping, bore, valves, ground storage, pumps, fire hydrants, thrust restraint devices, service connections, and testing. The water improvements will be designed and constructed in accordance with City and Texas Commission on Environmental Quality (“TCEQ”) standards and specifications and will be owned and operated by the City. The costs of the water improvements are set forth in **Table IV-1**.
- **Sanitary Sewer Improvements** – The sanitary sewer improvements include sewer mains, manholes, trench excavation and embedment, dewatering, trench safety, and PVC piping. The sanitary sewer improvements will be designed and constructed in accordance with City and TCEQ standards and specifications and will be owned and operated by the City. The costs of the sanitary sewer improvements are set forth in **Table IV-1**.
- **Storm Drainage Improvements** – The drainage improvements include preparation of a Stormwater Pollution Prevention Plan (“SWPPP”), storm sewer mains, inlets, earthen channels, swales, excavation and embedment, dewatering, trench safety, grade inlets, RCP piping and hoses, headways, concrete flumes, rock rip rap, and concrete outfalls. The drainage improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City. The costs of the drainage improvements are set forth in **Table IV-1**.
- **Earthwork Improvements** – The earthwork improvements include excavation, embankment, and grading. The earthwork improvements will be designed and constructed in accordance with City standards and specifications and will be owned

and operated by the City. The costs of the landscaping improvements are set forth in **Table IV-1**.

- **Professional and Soft Costs** – Professional and Soft Costs are the expenses incurred in the design, engineering and construction management of the Authorized Improvements and the establishment, administration, and operation of the district, but exclude the costs related to the issuance of the PID Bonds. The professional and soft costs are set forth in **Table IV-1**.

Table IV-1: PID Eligible Project Costs*

Description	PID Eligible Authorized Improvement Costs			Non-Eligible Improvement Costs	Total Improvement Costs
	PID Bond Funded	Developer Funded	Total		
Road Improvements	\$1,160,444	\$290,352	\$1,450,796	\$0	\$1,450,796
Water Systems	\$562,679	\$140,786	\$703,465	\$0	\$703,465
Sanitary Sewer	\$490,479	\$122,722	\$613,201	\$0	\$613,201
Storm Sewer	\$1,125,256	\$281,547	\$1,406,803	\$0	\$1,406,803
Earthwork	\$428,794	\$107,287	\$536,081	\$823,200	\$1,359,281
Park & Play Pavillion	\$0	\$0	\$0	\$541,530	\$541,530
Contingency	\$127,465	\$31,893	\$159,358	\$0	\$159,358
Miscellaneous	\$333,388	\$83,416	\$416,804	\$55,000	\$471,804
Professional & Soft Costs	\$966,883	\$241,922	\$1,208,805	\$424,758	\$1,633,563
Total	\$5,195,388	\$1,299,926	\$6,495,313	\$1,844,488	\$8,339,801

***Note:** Costs provided by the Developer. The amounts shown are subject to rounding and may be revised in Annual Service Plan Updates.

The funding of the Authorized Improvements as depicted in **Table IV-1** will be from the proceeds of the PID Bonds and/or Developer cash contributions. The entire Non-Eligible Improvement Costs will be privately funded by the Developer, without any reimbursements from the PID Bond proceeds or Annual Installment revenues. Note, the construction and/or installation of the Authorized Improvements and Non-Eligible Improvements are entirely the responsibility of the Developer and are non-recourse to the City.

V SERVICE PLAN

The PID Act requires the service plan to cover a period of at least 5 years and define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the PID during the 5-year period.

Construction of the Authorized Improvements began in Q2 of 2024 and is anticipated to be substantially complete in September 2024.

As reflected in **Table V-1** on the following page, the total uses of funds are approximately \$6,500,000 and include the following:

- Estimated Authorized Improvement Costs and the source funding;
- Estimated costs related to the issuance of PID Bonds;
- Deposits to fund the required reserves and capitalized interest, if required, for PID Bonds; and
- Payment of expenses incurred in the establishment, administration, and operation of the PID.

The sources of funds are comprised of cash contributions from the Owner and aggregate principal amount of the PID Bonds, which are computed using the following assumptions:

- PID Bonds will each be issued in a single series of 30-year bonds with an estimated average coupon rate of 6.50%;
- Capitalized Interest is calculated through March 15, 2025; and
- PID Bonds are expected to be issued on October 31, 2024.

The sources and uses of funds shown in **Table V-1** shall be updated each year in the Annual Service Plan Update to reflect any budget revisions and changes to Actual Costs.

Table V-1: Sources and Uses

Description	PID Bonds
Sources of Funds	
PID Bond Par Amount	\$6,500,000
Total Sources of Funds	\$6,500,000
Uses of Funds	
<u>Estimated Costs</u>	
Road Improvements	\$1,160,444
Water Systems	\$562,679
Sanitary Sewer	\$490,479
Storm Sewer	\$1,125,256
Earthwork	\$428,794
Park & Play Pavillion	\$0
Contingency	\$127,465
Miscellaneous	\$333,388
Professional & Soft Costs	\$966,883
Subtotal Improvements Costs	\$5,195,388
<u>Financing Costs</u>	
Costs of Issuance	\$415,000
Underwriter's Discount	\$195,000
Capitalized Interest	\$158,438
Reserve Fund Deposit	\$506,175
Administrative Expenses	\$30,000
Subtotal Financing Costs	\$1,304,613
Total Uses of Funds	\$6,500,000

***Note:** Numbers may not sum due to rounding. The current appraised market value of the District of \$9,163,000 would yield a value-to-lien ratio at 1.41. To comply with the mandated value-to-lien ratio of 2:1, only \$1,358,387 of \$5,195,387 earmarked for funding the Authorized Improvements will be available at the time of closing, with the remaining \$3,837,000 released after the completion of 17 residential homes within the District, upon the approval from the City.

This Service and Assessment Plan shall be reviewed and updated annually for the purpose of determining the annual budget for Administrative Expenses, incorporating the most recent estimate of Authorized Improvement Costs, and revising the Assessment Roll to reflect such updates. Any update to this Service and Assessment Plan shall be referred to as an Annual Service Plan Update.

The annual projected debt service and Administrative Expenses are shown in **Table V-2**. The annual projected debt service and Administrative Expenses portion of the Annual Installments are subject to revision and shall be updated in the Annual Service Plan Update

to reflect any changes expected for each year provided, however, that any Administrative Expenses charged as part of the Annual Installment shall not exceed the amount set forth in the Assessment Roll without compliance with the provisions of **Section 372.016** and **372.017** of the PID Act.

Table V-2: 5-Year Summary

Fiscal Year Ending	Principal	Interest	Capitalized Interest	Additional Interest	Administrative Expenses	Annual Assessment Installment
2025	\$0	\$369,688	(\$158,438)	\$16,250	\$30,000	\$257,500
2026	\$80,000	\$422,500	\$0	\$16,250	\$30,600	\$549,350
2027	\$85,000	\$417,300	\$0	\$16,050	\$31,212	\$549,562
2028	\$90,000	\$411,775	\$0	\$15,838	\$31,836	\$549,449
2029	\$100,000	\$405,925	\$0	\$15,613	\$32,473	\$554,010
TOTAL	\$355,000	\$2,027,188	(\$158,438)	\$80,000	\$156,121	\$2,459,871

***Note:** Numbers may not sum due to rounding. The projected Annual Installments are based on the interest rate on the PID Bonds, a 29-year term of the Assessments, Additional Interest component equal to 0.25% of outstanding principal portion of the Assessment, and initial annual administrative expenses of \$30,000 in FY 2024-25 and increasing at 2.0% per year thereafter. Administrative Expenses for the first year will be funded through the initial deposit at bond closing.

The projected annual costs shown in **Table V-3** are the annual expenditures relating to the Authorized Improvements, the costs associated with setting up the PID, and the costs of issuance, including reserves.

Table V-3: Annual Projected Costs and Indebtedness

Fiscal Year Ending	Projected Annual Costs of Authorized Improvements	Projected Annual Indebtedness
2025	\$5,195,388	\$369,688
2026	\$0	\$502,500
2027	\$0	\$502,300
2028	\$0	\$501,775
2029	\$0	\$505,925
TOTAL	\$5,195,388	\$2,382,188

VI ASSESSMENT PLAN

A Introduction

The PID Act requires the City Council to apportion the costs of the Authorized Improvements on the basis of special benefits conferred upon the property as a result of the Authorized Improvements. The PID Act provides that the costs of the Authorized Improvements 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 governing body may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the municipality and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

The proposed bond issuance program entails a single series of bond financings that are intended to finance the public infrastructure required for the development. This financing will necessarily be undertaken to coincide with the private investment and development of the Authorized Improvements.

The purpose of the issuance of bonds is to mirror the actual development of the Authorized Improvements. PID Bonds are most prudently and efficiently utilized when directly coinciding with construction of the public infrastructure needed for the private development that is to occur once the infrastructure is completed; it is most effective to issue the Bonds when the infrastructure is needed, not before.

Additionally, the issuance of PID Bonds will maintain a prudent Value-to-Lien ("VTL") within the financing program. In order to maintain a prudent VTL, the issuance of bonds at the time of bond issuance may not fund all of the necessary Authorized Improvements because the property value is not high enough to support the entire debt load at the VTL chosen for the development. In the event that the VTL cannot support the full bond issuance, the City shall escrow a portion of the PID Bonds not supported by the overall VTL requirement until such time as the Developer can demonstrate that the overall VTL requirement has been obtained. The target VTL shall be outlined in the Development Agreement or Indenture, whichever governs, as amended.

The value-to-lien ratio in connection with the issuance of PID Bonds is estimated at 1.41, based on \$9,163,000 in the current District appraised value and \$6,500,000 in the PID Bonds. To comply with the mandated value-to-lien ratio of 2:1, only \$1,358,387 of \$5,195,387 earmarked for funding the Authorized Improvements will be available at the time of closing, with the remaining \$3,837,000 anticipated to be released after the completion of approximately 17 residential homes within the District. The City shall reserve the right to request supporting materials before authorizing the release of such funds, including an updated appraisal.

For purposes of this Service and Assessment Plan, the City Council has determined that the costs of the Authorized Improvements shall be allocated on the basis of the size of the Lots and their estimated assessed value at Build-Out, and that such method of allocation will result in the imposition of equal shares of the costs of the improvements to Lots similarly benefited. At this time, the Assessed Property will be assessed for the special benefits conferred upon the property due to the Authorized Improvements.

This section of the SAP currently (i) describes the special benefit received by the Assessed Property as a result of the construction of the Authorized Improvements, (ii) provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments to be levied on the Assessed Property for such improvements, and (iii) establishes the methodologies by which the City Council allocates and reallocates the special benefit of the Authorized Improvements to Assessed Property in a manner that results in equal shares of the Actual Costs of such improvements being apportioned to Assessed Property similarly benefited.

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

B Special Benefit

Assessed Property must receive a direct and special benefit from the Authorized Improvements, and this benefit must be equal to or greater than the amount of the Assessments. The Authorized Improvements are provided specifically for the benefit of the Assessed Property. The Authorized Improvements (more particularly described in **Section IV(A)** of this Service and Assessment Plan) and the costs of issuance and payment of costs incurred in the establishment of the PID, shown in **Table V-1**, are authorized by the Act. These improvements are provided specifically for the benefit of the Assessed Property.

Each owner of Assessed Property at the time Assessments are levied on their property has acknowledged that the Authorized Improvements confer a special benefit on the property and has consented to the imposition of Assessments to pay for the Actual Costs associated therewith. Each of the owners is acting in his or her best interest in consenting to this apportionment and levying of Assessments because the special benefit conferred upon the Assessed Property by the Authorized Improvements is equal to or greater than the amount of the Assessments.

The Authorized Improvements provide a special benefit to the Assessed Property as a result of the close proximity of these improvements to the Assessed Property and the specific purpose of these improvements of providing infrastructure for the Assessed Property. In other words, the Assessed Property could not be used in the manner proposed without the construction of the Authorized Improvements. The Authorized Improvements are being provided specifically to meet the needs of the Assessed Property as required for the proposed use of the property.

The Assessments are being levied to provide the Authorized Improvements that are required for the highest and best use of the Assessed Property (i.e., the use of the property that is most valuable, including any costs associated with that use). Highest and best use can be defined as “The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value.” (*The Appraisal of Real Estate, Fourteenth Edition.*) The Authorized Improvements are expected to be required for the proposed use of the Assessed Property to be physically possible, appropriately supported, financially feasible, and maximally productive.

The Owner has evaluated the potential use of the property and has determined that the highest and best use of the property is the use intended and the legal use for the property for single-family residential units as described in **Section III** of this Service and Assessment Plan. The use of the Assessed Property as described herein will require the construction of the Authorized Improvements.

Each Owner of Assessed Property will ratify, confirm, accept, agree to, and approve: (i) the determinations and findings by the City Council and Administrator as to the special benefits described in this Service and Assessment Plan and the Assessment Ordinance; (ii) the Service and Assessment Plan and the Assessment Ordinance, and (iii) the levying of Assessments on the Assessed Property.

The use of Assessed Property as described in this Service and Assessment Plan and as authorized by the PID Act requires that Authorized Improvements be acquired, constructed, installed, and/or improved. Funding the Actual Costs of the Authorized Improvements through the PID has been determined by the City Council to be the most beneficial and cost-effective means of doing so. The Assessments result in a special benefit to the Assessed Property, and this special benefit exceeds the amount of the Assessment. This conclusion is based on and supported by the evidence, information, and testimony provided to the City Council.

In summary, the Authorized Improvements result in a special benefit to the Assessed Property for the following reasons:

1. The Authorized Improvements are being provided specifically for the use of the Assessed Property, and provide a special benefit to the Assessed Property;
2. The special benefits to the Assessed Property from the Authorized Improvements will be equal to or greater than the Assessments.

C Assessment Methodology

The estimated costs of the Authorized Improvements may be assessed by the City Council against the Assessed Property so long as the special benefit conferred upon the property by the Authorized Improvements equals or exceeds the Assessments. The estimated costs of the Authorized Improvements may be assessed using any methodology that results in the imposition of equal shares of the costs on Assessed Property similarly benefited.

C.1 Assessment Methodology for Authorized Improvements

For purpose of this SAP, the City Council has determined that the estimated costs of the Authorized Improvements, shall be allocated entirely to the Assessed Property. As reflected in **Table VI-1**, the entire Assessment is spread across the Lot Types based on their respective estimated assessed value at Build-out and number of Lots anticipated to be developed within such Lot Type. Authorized Improvements are to be financed in part with the proceeds of the PID Bonds.

Based on the estimated costs for the Authorized Improvements provided by the Developer, the City Council has determined that the benefit to the Assessed Property from the Authorized Improvements is at least equal to the Assessments levied on the Assessed Property.

The Assessment and Annual Installments for Assessed Property are shown on the Assessment Roll, attached as **Appendix A**, and no Assessment shall be changed except as authorized by this SAP or the PID Act.

Table VI-1: Assessment Allocations by Lot Type

Lot type	# of Lots	Estimated Assessed Value Per Home	Estimated Assessed Value at Buildout	Assessment Allocation
50'-wide Lot	140	\$295,000	\$41,300,000	100.00%
Total	140	N/A	\$41,300,000	100.00%

***Note:** Value estimates provided by the Developer. Final sale price of homes may vary.

D Assessments Allocation

The Assessments for the PID Bonds will be levied on the Assessed Property according to the Assessment Roll, attached hereto as **Appendix A**. The Annual Installments for the PID Bonds will be collected at the time and in the amounts shown on the respective Assessment Roll, subject to any revisions made during an Annual Service Plan Update.

Although the actual unit counts and Build-out values may vary from the estimates shown below, the initial assessment allocation for each Lot Type as set forth will not change, except as authorized by this SAP or the PID Act, and any adjustments to unit counts or Build-out values resulting in an assessment that exceeds the Assessment for the Lot Type as set forth in this SAP shall require a Mandatory Prepayment as outlined in **Section VII.C**.

The total Assessment is set forth below in **Table VI-2**.

Table VI-2: Assessments Per Lot

Lot type	# of Lots	Estimated Assessed Value Per Home	Estimated Assessed Value at Buildout	Assessment Allocation	Total Assessment Principal	Average Annual Installment	PID Tax Rate	Total Tax Rate
50'-wide Lot	140	\$295,000	\$41,300,000	100.00%	\$6,500,000	\$3,967.07	1.3448	3.0197
Total	140	N/A	\$41,300,000	100.00%	\$6,500,000	N/A	N/A	N/A

E Administrative Expenses

The Administrative Expense portion of the Assessment shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Assessment remaining on the Parcel. The Administrative Expenses shall be collected as part of the Annual Installments in the amounts shown on the Assessment Rolls shown on **Appendix A**. Administrative Expenses do not include payment of the actual principal of and interest on the PID Bonds or any costs which constitute expenses payable as an expense of issuing the PID Bonds. Administrative Expenses commence upon the levy of the Assessments and terminate upon the payment on the final installment of the Assessments. The initial payment of Administrative Expenses may be paid from the proceeds of the PID Bonds issued. The Administrative Expenses may be revised, based on actual costs incurred, in Annual Service Plan Updates, as shown on **Table V-1**.

F Delinquency and Prepayment Reserve

Pursuant to the PID Act, the interest rate for Assessments securing PID Bonds may exceed the actual interest rate per annum paid on the related PID Bonds by no more than 0.50%. The interest rate used to determine the interest rate on the Assessments is 0.25% per annum higher than the actual rate paid on the PID Bonds (the "Additional Interest"). Additional Interest shall be collected as part of each Annual Installment as set forth on the Assessment Roll. Under the Indenture, Additional Interest shall ultimately be deposited into a reserve account pursuant to the Indenture (the "Delinquency and Prepayment Reserve Account") such that the balance in the Delinquency and Prepayment Reserve Account equals a percentage of the outstanding principal balance of the PID Bonds (the "Delinquency and Prepayment Reserve Requirement") determined by the Indenture, and shall then be deposited as set forth in the Indenture. The Delinquency and Prepayment Reserve Account shall be used to pay Prepayment Costs, Delinquent Collection Costs, or to cover any deficiencies in the funds available to pay debt service on the PID Bonds, all as set forth in the Indenture. If the Delinquency and Prepayment Reserve Account contains the Delinquency and Prepayment Reserve Requirement, the Additional Interest will be allocated for the additional purposes set forth in the PID Bond Indenture.

VII TERMS

A Amount of Assessments and Annual Installments for Assessed Property Located within the PID

A.1 Assessed Property

The Assessment and Annual Installments for Assessed Property located within the PID are presented in **Appendix A**. No Assessment shall be changed except as authorized in an Annual Service Plan Update and the PID Act.

The Annual Installments shall be collected in an amount sufficient to pay the (i) annual principal amount due on the Assessments, (ii) annual interest amount due on the Assessments including the Additional Interest with respect to the PID Bonds, and (iii) Administrative Expenses.

B Reallocation of Assessments for Assessed Property located within the PID

B.1 Apportionment of Assessments Upon Consolidation of Assessed Properties

Subject to the limitations described herein and applicable law, upon the consolidation of two or more Assessed Properties, the Assessment for the consolidated Assessed Property shall be the sum of the Assessments for the Assessed Properties prior to consolidation.

B.2 Apportionment of Assessments Upon Division of Assessed Properties

In general, the sum of the Assessments for all newly subdivided Assessed Property shall equal the Assessment for the subdivided Assessed Property prior to subdivision. The Assessment initially applicable to each Assessed Property is equal to the Assessment that corresponds to the Lot Type for such Assessed Property; if an Assessed Property contains two or more Lots, the Assessment initially applicable is equal to the sum of the Assessments that correspond to the actual or proposed Lot Types for such Assessed Property. Similarly, if an Assessed Property is subsequently platted, subdivided, re-subdivided or re-platted, the Assessment applicable to each resulting new Lot shall be equal to the Assessment that corresponds to the actual or proposed Lot Type for such Assessed Property. However, the reallocation of an Assessment for an Assessed Property may not exceed the Assessment prior to the reallocation without a Mandatory Prepayment made pursuant to **Section VII(C)**. Any reallocation pursuant to this section shall be calculated by the Administrator and shall be reflected in an Annual Service Plan Update approved by the City. The reallocation of any Assessments 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.

B.3 Non-Benefited Property to Assessed Property

In the case it has been determined that a Non-Benefited Property shall be classified as an Assessed Property (i.e., it has been determined that the property now receives benefit from the Authorized Improvements), an Assessment shall be allocated against such Assessed Property in accordance with the methodology described in this Assessment Plan and in accordance with the provisions of the PID Act, and the Assessment Roll shall be amended in the next Annual Service Plan Update. Following City Council approval, the assessment will be allocated and the newly Assessed Property will be subject to the terms defined in Section VII(C) regarding Assessment excess.

C Mandatory Prepayment of Assessments

An owner of Assessed Property is required to (i) partially prepay any Assessment that exceeds the applicable Assessment for such Lot Type in an amount sufficient to reduce the Assessment to the applicable Assessment for such Lot Type or shortfall and (ii) prepay any Assessment for Assessed Property transferred to a party that is exempt from the payment of the Assessments under applicable law or for which the owner causes all or portion thereof to become Non-Benefited Property, plus Prepayment Costs and any Delinquent Collection Costs, as described below (a "Mandatory Prepayment").

The Mandatory Prepayments required below shall be treated the same as any Assessment that is due and owing under the PID Act, the Assessment Ordinance, and this SAP, including the same lien priority, penalties, procedures, and foreclosure specified by the PID Act.

C.1 Assessment Excess

If at any time the Assessment on a Lot exceeds the original Assessment calculated for the Lot as set forth in the SAP as a result of any reallocation of an Assessment authorized by this SAP (including platting or re-platting) and initiated by the owner of the Lot, then following compliance with any applicable notice and hearing requirement of the PID Act (unless a waiver of such notice and hearing is obtained from the owner of the Lot) such owner shall pay to the City prior to the recordation of the document subdividing or re-subdividing the Lot the amount calculated by the Administrator by which the new Assessment for the Lot exceeds the original Assessment for the Lot.

C.2 Assessment Shortfall

If at any time the Assessment on a Lot is less than the original Assessment calculated for the Lot as a result of any reallocation of an Assessment authorized by this SAP (including platting or re-platting) and initiated by the owner of the Lot, then, such owner shall pay to the City prior to the recordation of the document subdividing or re-subdividing the Lot the amount calculated by the Administrator by which the new Assessment for the Lot is less than the original Assessment for the Lot.

C.3 Transfer of Assessed Property to Exempt Party and Conversion of Assessed Property to Non-Benefited Property

If an Assessed Property or portion thereof is transferred to a party that is exempt from the payment of the Assessment under applicable law, or if an owner causes an Assessed Property or portion thereof to become Non-Benefited Property, the owner of such Assessed Property or portion thereof shall pay to the City the full amount of the Assessment or portion thereof that is related to the transferred property, plus all Prepayment Costs and Delinquent Collection Costs, if applicable, for such Assessed Property or portion thereof prior to any such transfer or act.

D Reduction of Assessments

If as a result of cost savings or Authorized Improvements not being constructed, the Actual Costs of completed Authorized Improvements are less than the Assessments, (i) in the event PID Bonds are not issued, the City Council shall reduce each Assessment on a pro rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs, or (ii) in the event PID Bonds are issued, the Trustee shall apply amounts on deposit in the applicable account of the project fund, relating to the PID Bonds, that are not expected to be used for purposes of the project fund to redeem outstanding PID Bonds, in accordance with the applicable Indenture. The Assessments shall not be reduced to an amount less than the amount due on the related outstanding PID Bonds. The Administrator shall update (and submit to the City Council for review and approval as part of the next Annual Service Plan Update) the Assessment Roll and corresponding Annual Installments to reflect the reduced Assessments.

Similarly, if any of the Authorized Improvements to be funded with a series of PID Bonds are not undertaken resulting in excess bond proceeds, then the City may, in its discretion and in accordance with the applicable Indenture, reduce the Assessment for each Assessed Property securing such PID Bonds on a pro rata basis to reflect only the Actual Costs that were expended and deposit and apply such excess PID Bond proceeds as described in the paragraph above or as authorized in the Indenture.

E Payment of Assessments

E.1 Payment in Full

The Assessment for any Assessed Property may be paid in full or in part at any time. Such payment shall include all Prepayment Costs. If prepayment will result in redemption of PID Bonds, the payment amount shall be reduced by the amount, if any, of reserve funds applied to the redemption under the Indenture.

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

If an Assessment is paid in full: (i) the Administrator shall cause such Assessment to be reduced to zero and the Assessment Roll to be revised accordingly; (ii) the Administrator shall submit the revised Assessment Roll to be approved by the City Council as part of the next Annual Service Plan Update; (iii) the obligation to pay such Assessment and corresponding Annual Installments shall terminate; and (iv) the City shall provide the Owner with a recordable notice that the lien on such Assessed Property has been released by the City. If an Annual Installment has been billed prior to payment in full of an Assessment, the Annual Installment shall be due and payable and shall be credited against the payment-in-full amount.

If an Assessment is prepaid in part: (i) the Administrator shall cause such Assessment to be reduced by the amount of such partial prepayment in a manner conforming to the provisions of the Indenture and the Assessment Roll revised accordingly; (ii) the Administrator shall submit the revised Assessment Roll reflecting such partial prepayment to be approved by the City Council as part of the next Annual Service Plan Update; and (iii) the obligation to pay such Assessment and corresponding Annual Installments shall be reduced to the extent the partial payment is made.

E.2 Payment in Annual Installments

The PID Act provides that an Assessment for any Assessed Property may be paid in full at any time. If not paid in full, the PID Act authorizes the Assessment to be paid in installments and additionally allows the City to collect principal, interest, Additional Interest, and Administrative Expenses in installments. An Assessment for Assessed Property that is not paid in full will be collected in Annual Installments each year in the amounts shown on the Assessment Roll, as updated and provided for herein. Payment of the Annual Installments shall commence with tax bills mailed in 2024 and shall be delinquent if not paid prior to February 1, 2025.

The Assessment Roll sets forth for each year the Annual Installment for each Assessed Property consisting of the (i) annual principal amount due on the Assessments, (ii) annual interest amount due on the Assessments including the Additional Interest with respect to the PID Bonds, and (iii) Administrative Expense. The Annual Installments may not exceed the amounts shown on the Assessment Rolls in **Appendix A** as of the date the respective Assessments are levied.

The Annual Installments shown on the Assessment Roll shall be adjusted to equal the Actual Costs of repaying the PID Bonds, including Additional Interest and Administrative Expenses. In addition, the City may adopt additional Assessment Roll(s) relating to the Authorized Improvements within the PID and the issuance of future PID Bonds.

The City reserves and shall have the right and option to refund PID Bonds in accordance with the PID Act and/or Chapter 1207, Texas Government Code, as amended, and the Indenture related to such Bonds. In the event of issuance of refunding bonds, the Administrator shall recalculate the Annual Installments, and if

necessary, may adjust, or decrease, the amount of the Annual Installment so that total Annual Installments of Assessments will be produced in annual amounts that are required to pay the debt service on the refunding bonds when due and payable as required by and established in the ordinance and/or the Indenture authorizing and securing the refunding bonds plus interest generated from the Additional Interest rate, and such refunding bonds shall constitute "PID Bonds" for purposes of the SAP.

F Collection of Annual Installments

The Administrator shall, no less frequently than annually, prepare and submit to the City Council for its approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include an updated Assessment Roll and a calculation of the Annual Installment for each Assessed Property. Administrative Expenses shall be allocated on a pro rata basis by each Parcel based on the amount of outstanding Assessment remaining on the Parcel. Each Annual Installment shall be reduced by any credits applied under the Indenture, such as interest earnings on any account balances, and any other funds available under the applicable Indenture for such purpose. Annual Installments may be collected by the City (or such entity to whom the City directs) in the same manner and at the same time as *ad valorem* taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act and in the same manner as *ad valorem* taxes for the City. The City Council may provide for other means of collecting the Annual Installments to the extent permitted under the PID Act. The Assessments shall have lien priority as specified in the PID Act.

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 an Assessment, shall be updated annually and each Annual Installment shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments shall be due when billed in 2024 and will be delinquent if not paid prior to February 1, 2025.

The City or County Tax Assessor/Collector or another collection entity engaged by the City will invoice each owner of property for the Annual Installment payment at approximately the same time as the County's annual property tax bill, and the Annual Installments shall be due and payable, and incur penalty and interest for unpaid Annual Installments in the same manner as provided for property taxes. Thereafter, subsequent Annual Installments shall be due in the same manner in each succeeding calendar year until the Assessment, together with interest, Additional Interest, and Administrative Expenses as provided in this SAP, has been paid in full.

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

The Assessments, with interest and Administrative Expenses, are personal liability of charges against the owners of the property. The lien is effective from the date of the ordinance or order levying the assessment and lasts until the assessment is paid. Any sale of property for nonpayment of the Annual Installments shall be subject to the lien established for the remaining unpaid Annual Installments against such property and such property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent Annual Installments against such property as they become due and payable.

VIII ASSESSMENTS

A Assessment

As described by this SAP, Assessed Property will be assessed for the special benefits conferred upon the property as a result the Authorized Improvements. **Table VIII-1** summarizes the \$7,799,926 in special benefit received by Assessed Property as a result of the Authorized Improvements and the PID formation and bond issuance costs.

Table VIII-1: Special Benefit Summary

Public Improvement	Improvement Costs
Total Authorized Improvements	\$6,495,313
Costs of Issuance	\$415,000
Underwriter's Discount	\$195,000
Capitalized Interest	\$158,438
Reserve Fund Deposit	\$506,175
Administrative Expenses	\$30,000
Total Special Benefit	\$7,799,926
Total Assessment	\$6,500,000
Excess Benefit	\$1,299,926

B Annual Assessment Roll Updates

The Administrator shall prepare, and shall submit to the City Council for approval, annual updates to the Assessment Roll in conjunction with the Annual Service Plan Update to reflect the following matters, together with any other changes helpful to the Administrator or the City and permitted by the PID Act: (i) the identification of each Parcel and Lot; (ii) the Assessment for each Lot of Assessed Property, including any adjustments authorized by this Service and Assessment Plan and the PID Act; (iii) the Annual Installment for the Assessed Property for the year (if the Assessment is payable in installments); and (iv) payments of the Assessment, if any, as provided in **Section VI** of this Service and Assessment Plan. The Annual Service Plan Update shall reflect the actual interest on the PID Bonds on which the Annual Installments shall be paid plus Additional Interest, any reduction in the Assessments, and any revisions in the Actual Costs to be funded by the PID Bonds and Developer funds.

IX MISCELLANEOUS PROVISIONS

A Administrative Review

To the extent consistent with the PID Act, an owner of Assessed Property claiming that a calculation error has been made in the Assessment Roll, including the calculation of the Annual Installment, shall send a written notice describing the error to the City not later than 30 days after the date the invoice or other bill for the Annual Installment is received. If the Owner(s) fails to give such notice, such Owner(s) shall be deemed to have accepted the calculation of the Assessment Roll (including the Annual Installments) and to have waived any objection to the calculation. The Administrator shall promptly review the notice, and if necessary, meet with the Assessed Parcel owner, consider written and oral evidence regarding the alleged error and decide whether, in fact, such a calculation error occurred. The City may elect to designate a third party who is not an officer or employee of the City to serve as administrator of the PID.

If the Administrator determines that a calculation error has been made and the Assessment Roll should be modified or changed in favor of the Assessed Property owner, such change or modification shall be presented to the City Council for approval to the extent permitted by the PID Act. A cash refund may not be made for any amount previously paid by the Assessed Property owner (except for the final year during which the Annual Installment shall be collected or if it is determined there are sufficient funds to meet the expenses of the PID for the current year), but an adjustment may be made in the amount of the Annual Installment to be paid in the following year. The decision of the Administrator regarding a calculation error relating to the Assessment Roll may be appealed to the City Council. Any amendments made to the Assessment Roll pursuant to calculation errors shall be made pursuant to the PID Act.

The decision of the Administrator, or if such decision is appealed to the City Council, the decision of the City Council shall be conclusive as long as there is a reasonable basis for such determination. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to any other appeal or legal action by such owner.

B Termination of Assessments

Each Assessment shall be extinguished on the date the Assessment is paid in full, including unpaid Annual Installments and Delinquent Collection Costs, if any. After the extinguishment of an Assessment and the collection of any delinquent Annual Installments and Delinquent Collection Costs, the City shall provide the owner of the affected Parcel a recordable Notice of the PID Assessment Termination.

C Amendments

Amendments to the Service and Assessment Plan can be made as permitted or required by the PID Act and under Texas law.

The City Council reserves the right to the extent permitted by the PID Act to amend this Service and Assessment Plan without notice under the PID Act and without notice to property owners of Parcels: (i) to correct mistakes and clerical errors; (ii) to clarify ambiguities; and (iii) to provide procedures for the collection and enforcement of Assessments, Prepayment Costs, Delinquent Collection Costs, and other charges imposed by the Service and Assessment Plan.

D Administration and Interpretation of Provisions

The City Council shall administer the PID, this Service and Assessment Plan, and all Annual Service Plan Updates consistent with the PID Act and shall make all interpretations and determinations related to the application of this Service and Assessment Plan unless stated otherwise herein or in the Indenture. Such determinations shall be final, binding, and conclusive.

E Severability

If any provision, section, subsection, sentence, clause, or phrase of this Service and Assessment Plan or the application of same to Assessed Property or any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Service and Assessment Plan or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Service and Assessment Plan that no part hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, or invalidity of any other part hereof, and all provisions of this Service and Assessment Plan are declared to be severable for that purpose.

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

F Buyer Disclosure

The PID Act requires that this Service and Assessment Plan and each Annual Service Plan Update include a copy of the notice form required by Section 5.014 of the Texas Property Code. The buyer disclosure is attached hereto as **Appendix B** and may be updated in an Annual Service Plan Update.

APPENDIX A

City of Huntsville, Texas
The Reserves Public Improvement District
Service and Assessment Plan



ASSESSMENT ROLL

Appendix A
The Reserves Public Improvement District
Assessment Roll

Assessment by Parcel ID and Phase

Parcel ID	Owner¹	Total Lots	Outstanding PID Assessment Principal
11372	PHD HUNTSVILLE 34 LP	140	\$6,500,000.00
Total		140	\$6,500,000.00

¹Ownership data according to Walker CAD, as of March 20, 2024.

Total Amortization								
FY Ending	Principal	Interest	CAP I	Debt Service	Prepay Reserve	DQ Reserve	Admin	Total Installment
2025	\$0.00	\$369,687.50	(\$158,437.50)	\$211,250.00	\$6,500.00	\$9,750.00	\$30,000.00	\$257,500.00
2026	\$80,000.00	\$422,500.00	\$0.00	\$502,500.00	\$6,500.00	\$9,750.00	\$30,600.00	\$549,350.00
2027	\$85,000.00	\$417,300.00	\$0.00	\$502,300.00	\$6,420.00	\$9,630.00	\$31,212.00	\$549,562.00
2028	\$90,000.00	\$411,775.00	\$0.00	\$501,775.00	\$6,335.00	\$9,502.50	\$31,836.24	\$549,448.74
2029	\$100,000.00	\$405,925.00	\$0.00	\$505,925.00	\$6,245.00	\$9,367.50	\$32,472.96	\$554,010.46
2030	\$105,000.00	\$399,425.00	\$0.00	\$504,425.00	\$6,145.00	\$9,217.50	\$33,122.42	\$552,909.92
2031	\$110,000.00	\$392,600.00	\$0.00	\$502,600.00	\$6,040.00	\$9,060.00	\$33,784.87	\$551,484.87
2032	\$120,000.00	\$385,450.00	\$0.00	\$505,450.00	\$5,930.00	\$8,895.00	\$34,460.57	\$554,735.57
2033	\$125,000.00	\$377,650.00	\$0.00	\$502,650.00	\$5,810.00	\$8,715.00	\$35,149.78	\$552,324.78
2034	\$135,000.00	\$369,525.00	\$0.00	\$504,525.00	\$5,685.00	\$8,527.50	\$35,852.78	\$554,590.28
2035	\$145,000.00	\$360,750.00	\$0.00	\$505,750.00	\$5,550.00	\$8,325.00	\$36,569.84	\$556,194.84
2036	\$150,000.00	\$351,325.00	\$0.00	\$501,325.00	\$5,405.00	\$8,107.50	\$37,301.24	\$552,138.74
2037	\$160,000.00	\$341,575.00	\$0.00	\$501,575.00	\$5,255.00	\$7,882.50	\$38,047.26	\$552,759.76
2038	\$175,000.00	\$331,175.00	\$0.00	\$506,175.00	\$5,095.00	\$7,642.50	\$38,808.21	\$557,720.71
2039	\$185,000.00	\$319,800.00	\$0.00	\$504,800.00	\$4,920.00	\$7,380.00	\$39,584.37	\$556,684.37
2040	\$195,000.00	\$307,775.00	\$0.00	\$502,775.00	\$4,735.00	\$7,102.50	\$40,376.06	\$554,988.56
2041	\$210,000.00	\$295,100.00	\$0.00	\$505,100.00	\$4,540.00	\$6,810.00	\$41,183.58	\$557,633.58
2042	\$220,000.00	\$281,450.00	\$0.00	\$501,450.00	\$4,330.00	\$6,495.00	\$42,007.25	\$554,282.25
2043	\$235,000.00	\$267,150.00	\$0.00	\$502,150.00	\$4,110.00	\$6,165.00	\$42,847.40	\$555,272.40
2044	\$250,000.00	\$251,875.00	\$0.00	\$501,875.00	\$3,875.00	\$5,812.50	\$43,704.35	\$555,266.85
2045	\$270,000.00	\$235,625.00	\$0.00	\$505,625.00	\$3,625.00	\$5,437.50	\$44,578.44	\$559,265.94
2046	\$285,000.00	\$218,075.00	\$0.00	\$503,075.00	\$3,355.00	\$5,032.50	\$45,470.01	\$556,932.51
2047	\$305,000.00	\$199,550.00	\$0.00	\$504,550.00	\$3,070.00	\$4,605.00	\$46,379.41	\$558,604.41
2048	\$325,000.00	\$179,725.00	\$0.00	\$504,725.00	\$2,765.00	\$4,147.50	\$47,307.00	\$558,944.50
2049	\$345,000.00	\$158,600.00	\$0.00	\$503,600.00	\$2,440.00	\$3,660.00	\$48,253.14	\$557,953.14
2050	\$370,000.00	\$136,175.00	\$0.00	\$506,175.00	\$2,095.00	\$3,142.50	\$49,218.20	\$560,630.70
2051	\$390,000.00	\$112,125.00	\$0.00	\$502,125.00	\$1,725.00	\$2,587.50	\$50,202.56	\$556,640.06
2052	\$415,000.00	\$86,775.00	\$0.00	\$501,775.00	\$1,335.00	\$2,002.50	\$51,206.61	\$556,319.11
2053	\$445,000.00	\$59,800.00	\$0.00	\$504,800.00	\$920.00	\$1,380.00	\$52,230.74	\$559,330.74
2054	\$475,000.00	\$30,875.00	\$0.00	\$505,875.00	\$475.00	\$712.50	\$53,275.35	\$560,337.85
	\$6,500,000.00	\$8,477,137.50	(\$158,437.50)	\$14,818,700.00	\$131,230.00	\$196,845.00	\$1,217,042.64	\$16,363,817.64

Note: First year administrative expenses to be funded through funds deposited at bond closing.

Amortization, Single Lot								
Tax Year	Principal	Interest	CAP I	Debt Service	Prepay Reserve	DQ Reserve	Admin	Total Installment
2025	\$0.00	\$2,640.63	(\$1,131.70)	\$1,508.93	\$46.43	\$69.64	\$214.29	\$1,839.29
2026	\$571.43	\$3,017.86	\$0.00	\$3,589.29	\$46.43	\$69.64	\$218.57	\$3,923.93
2027	\$607.14	\$2,980.71	\$0.00	\$3,587.86	\$45.86	\$68.79	\$222.94	\$3,925.44
2028	\$642.86	\$2,941.25	\$0.00	\$3,584.11	\$45.25	\$67.88	\$227.40	\$3,924.63
2029	\$714.29	\$2,899.46	\$0.00	\$3,613.75	\$44.61	\$66.91	\$231.95	\$3,957.22
2030	\$750.00	\$2,853.04	\$0.00	\$3,603.04	\$43.89	\$65.84	\$236.59	\$3,949.36
2031	\$785.71	\$2,804.29	\$0.00	\$3,590.00	\$43.14	\$64.71	\$241.32	\$3,939.18
2032	\$857.14	\$2,753.21	\$0.00	\$3,610.36	\$42.36	\$63.54	\$246.15	\$3,962.40
2033	\$892.86	\$2,697.50	\$0.00	\$3,590.36	\$41.50	\$62.25	\$251.07	\$3,945.18
2034	\$964.29	\$2,639.46	\$0.00	\$3,603.75	\$40.61	\$60.91	\$256.09	\$3,961.36
2035	\$1,035.71	\$2,576.79	\$0.00	\$3,612.50	\$39.64	\$59.46	\$261.21	\$3,972.82
2036	\$1,071.43	\$2,509.46	\$0.00	\$3,580.89	\$38.61	\$57.91	\$266.44	\$3,943.85
2037	\$1,142.86	\$2,439.82	\$0.00	\$3,582.68	\$37.54	\$56.30	\$271.77	\$3,948.28
2038	\$1,250.00	\$2,365.54	\$0.00	\$3,615.54	\$36.39	\$54.59	\$277.20	\$3,983.72
2039	\$1,321.43	\$2,284.29	\$0.00	\$3,605.71	\$35.14	\$52.71	\$282.75	\$3,976.32
2040	\$1,392.86	\$2,198.39	\$0.00	\$3,591.25	\$33.82	\$50.73	\$288.40	\$3,964.20
2041	\$1,500.00	\$2,107.86	\$0.00	\$3,607.86	\$32.43	\$48.64	\$294.17	\$3,983.10
2042	\$1,571.43	\$2,010.36	\$0.00	\$3,581.79	\$30.93	\$46.39	\$300.05	\$3,959.16
2043	\$1,678.57	\$1,908.21	\$0.00	\$3,586.79	\$29.36	\$44.04	\$306.05	\$3,966.23
2044	\$1,785.71	\$1,799.11	\$0.00	\$3,584.82	\$27.68	\$41.52	\$312.17	\$3,966.19
2045	\$1,928.57	\$1,683.04	\$0.00	\$3,611.61	\$25.89	\$38.84	\$318.42	\$3,994.76
2046	\$2,035.71	\$1,557.68	\$0.00	\$3,593.39	\$23.96	\$35.95	\$324.79	\$3,978.09
2047	\$2,178.57	\$1,425.36	\$0.00	\$3,603.93	\$21.93	\$32.89	\$331.28	\$3,990.03
2048	\$2,321.43	\$1,283.75	\$0.00	\$3,605.18	\$19.75	\$29.63	\$337.91	\$3,992.46
2049	\$2,464.29	\$1,132.86	\$0.00	\$3,597.14	\$17.43	\$26.14	\$344.67	\$3,985.38
2050	\$2,642.86	\$972.68	\$0.00	\$3,615.54	\$14.96	\$22.45	\$351.56	\$4,004.51
2051	\$2,785.71	\$800.89	\$0.00	\$3,586.61	\$12.32	\$18.48	\$358.59	\$3,976.00
2052	\$2,964.29	\$619.82	\$0.00	\$3,584.11	\$9.54	\$14.30	\$365.76	\$3,973.71
2053	\$3,178.57	\$427.14	\$0.00	\$3,605.71	\$6.57	\$9.86	\$373.08	\$3,995.22
2054	\$3,392.86	\$220.54	\$0.00	\$3,613.39	\$3.39	\$5.09	\$380.54	\$4,002.41
Total	\$46,428.58	\$60,551.00	(\$1,131.70)	\$105,847.89	\$937.36	\$1,406.03	\$8,693.18	\$116,884.43

Note: First year administrative expenses to be funded through funds deposited at bond closing.

APPENDIX B

City of Huntsville, Texas
The Reserves Public Improvement District
Service and Assessment Plan



**BUYER DISCLOSURE
FORM**

**Texas Property Code Section 5.014(A) Notice
(Required Before Contract Execution)**

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

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

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

This Notice requirement does not apply to a transfer:

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

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

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

**Texas Property Code Section 5.014(A) Notice
(Required Before Contract Execution)**

NOTICE OF OBLIGATION TO PAY
PUBLIC IMPROVEMENT DISTRICT ASSESSMENT TO HUNTSVILLE, TEXAS
THE RESERVES PUBLIC IMPROVEMENT DISTRICT

CONCERNING THE FOLLOWING PROPERTY

As the purchaser of the real property described above, you are obligated to pay assessments to Huntsville, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within **The Reserves Public Improvement District** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

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

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

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

**Texas Property Code Section 5.014(A) Notice
(Required Before Contract Execution)**

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

Buyer (Print Name)	Signature	Date
--------------------	-----------	------

Buyer (Print Name)	Signature	
--------------------	-----------	--

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

Seller (Print Name)	Signature	Date
---------------------	-----------	------

Seller (Print Name)	Signature	Date
---------------------	-----------	------

Texas Property Code Section 5.0143 Notice
(Required At Closing And Must Be Recorded In Walker County Deed Of Records)

AFTER RECORDING RETURN TO:

NOTICE OF OBLIGATION TO PAY
PUBLIC IMPROVEMENT DISTRICT ASSESSMENT TO HUNTSVILLE, TEXAS
THE RESERVES PUBLIC IMPROVEMENT DISTRICT

CONCERNING THE FOLLOWING PROPERTY

As the purchaser of the real property described above, you are obligated to pay assessments to Huntsville, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within **The Reserves Public Improvement District** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

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

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

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

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

Texas Property Code Section 5.0143 Notice
(Required At Closing And Must Be Recorded In Walker County Deed Of Records)

Buyer (Print Name)	Signature	Date
--------------------	-----------	------

Buyer (Print Name)	Signature	
--------------------	-----------	--

STATE OF TEXAS §
 §
COUNTY OF _____ §

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

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

Notary Public, State of Texas

Texas Property Code Section 5.0143 Notice
(Required At Closing And Must Be Recorded In Walker County Deed Of Records)

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

Seller (Print Name)	Signature	Date
---------------------	-----------	------

Seller (Print Name)	Signature	
---------------------	-----------	--

STATE OF TEXAS §
 §
COUNTY OF _____ §

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

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

Notary Public, State of Texas

APPENDIX C

City of Huntsville, Texas
The Reserves Public Improvement District
Service and Assessment Plan



PID BOUNDARIES AND LEGAL DESCRIPTION

Metes-and-Bounds Description of The Property

H.E. McADAMS & SON SURVEYING, INC.

Registered Professional Land Surveyors

P.O. Box 5047, Huntsville, Texas

77342TBPELS Firm No.

10194425

THE STATE OF TEXAS §

COUNTY OF WALKER §

I, Harold E. McAdams, Registered Professional Land Surveyor No. 2005, do hereby state that the following field notes represent a survey made on the ground of the following described tractor parcel of land located in Walker County, Texas. Coordinates, bearings, distances, and areas surveyed herein are Grid N.A.D. 1983 (1993), Texas Central Zone referenced to the City of Huntsville Mapping Control Network and is based on the position of Control Point 7187 having published coordinates of N= 10,256,115.190 feet, E= 3,786,890.283 feet, and G.P.S. observations. Distances herein may be converted to Geodetic Horizontal (surface) by dividing by a CombinedScale Factor of 0.99988.

Being 33.22 acres of land, situated in the City of Huntsville, LEWIS COX LEAGUE, Abstract No. 13, Walker County, Texas, and being part of a called 33.49-acre tract described as 28.31 acre and 10.05-acre tracts save and except 3.74 acre and 1.13-acre tracts in a Deed from James B. Hall Trust to James L. Hall Trust, et al dated October 25, 2016, and recorded in Volume 1259, page 633, Official Public Records of Walker County, Texas, said 33.22 acres being more definitely described as follows:

BEGINNING at the northwest corner of said Hall Trust 33.49 acres and the northeast corner of a called 251.78-acre tract (51% interest) described as Tract II in a Deed from Thomas Carroll Cole, Jr., et al to Thomas Carroll Cole, Jr. and Jan Carroll Cole dated April 16, 1987, and recorded in Volume 42, page 5, Official Public Records, same 251.78-acre tract being described as 49% interest in a Deed: from Margaret Thomason Cole to Thomas Carroll Cole, Jr. and Jan Carroll Cole dated April 23, 1987, and recorded in Volume 42, page 9, Official Public Records in a south line of a called 515-acre tract described in a Deed from Ed. H. Cunningham, et al to John Ireland, Governor of the State of Texas and his successors (now being T.D.C.J. Institutional Division "Wynne Farm") dated June 23, 1883, and recorded in Volume Y, page 181, Deed Records of Walker County, set a 5/8" iron rod

with yellow plastic cap stamped "H.E. McAdams RPLS 2005" having coordinates of N= 10,257,920.90 feet and E= 3,787,525.41 feet for corner from which a 3" diameter concrete monument found bears N 01°24'48"W- 1.44 feet and a 4"x4" concrete monument stamped "TPL" found for a southwest corner of said the State of Texas 515 acres bears S 87°26'52" W- 1215.30 feet;

THENCE N 87°26'52"E, with the common boundary of said Hall Trust 33.49 acre and State of Texas 515 acre tracts, at 782.26 feet pass the common corner of said 28.31 and 10.05 acre tracts, from the said point found a 3" diameter concrete monument S 01°39'E- 1.20 feet, continuing a total distance of 1107.25 feet to the northeast corner of said Hall Trust 33.49 acres and the northwest corner of a called 34.499-acre tract described in a Deed from Thomason Family Trust to Amstad Development, LLC dated June 14, 2018, and recorded in Volume 1331, page 683, Official Public Records, a point for corner from which found a 5/8" iron rod with plastic cap stamped "Johnson Incorporate" S 01°54'40" E- 0.79 feet and a concrete monument with broken top bears N 87°26'52" E- 1761.56 feet;

THENCE S 01°54'40"E, with the common boundary of said Hall Trust 33.49 acre and Amstad Development 34.499 acre tracts, a distance of 1163.19 feet to their common corner and then northeast corner of a called 3.74-acre tract (out said 33.49 acres) awarded to the State of Texas described in an Agreed Judgment styled The State of Texas v James L. Hall Trustee, et al dated April 28, 2008, and recorded in Volume 873, page 74, Official Public Records in a northwest right-of-way line of State Highway No. 30, found a 3.5" diameter Texas Department of Transportation (hereinafter referred to as TXDOT) concrete monument with brass disc stamped "850+02.40" for corner;

THENCE S 76°19'15"W, with the southeast line of said Hall Trust and the northwest right- of-way line of State Highway 30, a distance of 326.22 feet to an angle point in said line, found a 3.5" diameter TXDOT concrete monument with brass disc stamped "846+86.00";

THENCE S 71°15'07"W, continuing with the southeast line of said Hall Trust and the northwest right-of-way line of State Highway 30, at 512.12 feet pass a 3.5" diameter TXDOT concrete monument with brass disc stamped "841+90.93" found for reference, continuing a total distance of 836.35 feet to the southwest corner of said Hall Trust 33.49 acres and the southeast corner of said Cole 251.78 acre tract, found a 3.5" diameter TXDOT concrete monument with brass disc stamped "838+68.58" for corner;

THENCE N 01°24'48"W, with the common boundary of said Hall Trust and Cole tracts, a distance of 1459.64 feet to the POINT OF BEGINNING.

APPENDIX D

City of Huntsville, Texas
The Reserves Public Improvement District
Service and Assessment Plan



LOT TYPE MAP



LOT SF		LOTS	
TOTALS	SF	140	
	5750+	45	32%
	5750	95	68%
RANGE	5750	17558	
AVERAGE	6404		

DRAWING ISSUE			
#	DATE	BY	* COMMENT
0	7/21/22	RHM	FOR REVIEW ONLY

DRAWING INFORMATION			
PROJECT	10755	TDLR	**
DRAWN	RHM	EIT	JP
SCALE		SHEET	
1" = 100' (24x36)			
1" = 200' (11x17)			

THIS DOCUMENT IS RELEASED FOR
THE PURPOSE OF INTERIM REVIEW
UNDER THE AUTHORITY OF:

E. LEVI LOVE, PE #99340
OR
JONATHAN WHITE, PE #127058

FOR REVIEW PURPOSES ONLY
NOT FOR CONSTRUCTION



L SQUARED ENGINEERING
MUNICIPAL COMMERCIAL RESIDENTIAL
WWW.L2ENGINEERING.COM
FIRM REGISTRATION NUMBER 112135
3307 W. DAVIS STREET #100
CONROE, TEXAS 77304
OFFICE: 936-647-0420
21123 EVA STREET #200
MONTGOMERY, TEXAS 77356

CLIENT INFORMATION
BTR ADVISORS, LLC
PAUL GARZA
26207 PARK IVY LANE
KATY, TX 77494

PROJECT ADDRESS
3400 SH 30
HUNTSVILLE, TX 77340

THE RESERVE AT HUNTSVILLE

LOT FITMENT LAYOUT



www.FinanceDTA.com

8117 PRESTON ROAD, SUITE 300
DALLAS, TX 75225
PHONE: (800) 969-4DTA

Public Finance
Public-Private Partnerships
Development Economics
Clean Energy Bonds



CITY COUNCIL AGENDA

10/15/2024

Agenda Item Number: 2.b.

Agenda Item: Consider adopting Ordinance 2024-28 an Ordinance authorizing the issuance of the "City of Huntsville, Texas Special Assessment Revenue Bonds, Series 2024 (The Reserves of Huntsville Public Improvement District project)"; approving and authorizing an indenture of trust, a bond purchase agreement, an offering memorandum, a continuing disclosure agreement, a landowner agreement and other agreements and documents in connection therewith; making findings with respect to the issuance of such bonds; and providing an effective date.

Initiating Department/Presenter: Finance

Presenter:

Steve Ritter, Finance Director

Recommended Motion: Move to adopt Ordinance 2024-28 an Ordinance authorizing the issuance of the "City of Huntsville, Texas Special Assessment Revenue Bonds, Series 2024 (The Reserves of Huntsville Public Improvement District project)"; approving and authorizing an indenture of trust, a bond purchase agreement, an offering memorandum, a continuing disclosure agreement, a landowner agreement and other agreements and documents in connection therewith; making findings with respect to the issuance of such bonds; and providing an effective date.

Strategic Initiative: Strategic Priority #3, Quality of Life – Establish an environment where citizens can thrive and enjoy the city in which they live. Provide services that enhance the quality of life for all, with focus on the full life cycle (children, students, families, and retirees) - by creating amenities that support physical, mental and social well-being. Support access to quality health services, education, housing, transportation, recreation and natural environment. Strategic Priority #4, Infrastructure - Develop and maintain a comprehensive and well-planned infrastructure network that prepares for the challenges of the future and provides quality, modern and efficient, water, wastewater, drainage and transportation services.

Discussion: At the August 16, 2022 City Council meeting, City Council approve Resolution 2022-23, a resolution creating "The Reserves of Huntsville" Public Improvement District (PID) and also authorized the City Manager to enter into a Development agreement with the developer. The Reserves of Huntsville is a single-family residential development having approximately 140 single family home lots and includes the first Public Improvement District (PID) in Huntsville. The PID is created as a funding mechanism to reimburse, or acquire from, the developer for the construction of authorized public improvements that serve the residents of the PID.

Public improvements like streets, sidewalks, drainage, water lines, sewer lines and landscaping are funded partially with these bonds via reimbursement to, or acquisition from, the developer from the bond proceeds for such public improvement costs.

The passage of this ordinance issuing the Special Assessment Revenue Bonds provides proceeds to

reimburse, or acquire from, the developer for the costs of the public improvements. Ultimately, the residents of the PID pay for the public improvements via the special assessments that pay the debt service on the bonds.

Previous Council Action: December 21, 2021 – City Council voted to approve the concept of creating a Public Improvement District for this specific project.

February 1, 2022 – City Council approved resolution 2022-5 setting a public hearing date to solicit public input concerning the creation of Public Improvement District (PID) No. 1 for the Reserves of Huntsville.

March 1, 2022 – City Council held a public hearing giving the public an opportunity to comment on the creation of the proposed PID.

August 16, 2022 – City Council approved Resolution 2022-23, a resolution creating "The Reserves of Huntsville" Public Improvement District (PID) in accordance with Chapter 372 of the Texas Local Government Code as amended, to create a public improvement district within the corporate limits of Huntsville and authorized the City Manager to enter into a development agreement with the developer.

May 7, 2024 - City Council authorized the City Manager to enter into a reimbursement agreement with the developer.

October 1, 2024 - City Council approved Resolution 2024-20 approving the form and authorizing the distribution of a Preliminary Limited Offering Memorandum (PLOM) related to issuing the Series 2024 Special Assessment Revenue Bonds.

Financial Implications: \$6,500,000 of Special Assessment Revenue Bonds will be issued. Debt Service on the Bonds will be paid from the Special Assessments levied on the property owners in the Public Improvement District (PID #1/The Reserves of Huntsville).

Approvals:

Steve Ritter

Leonard Schneider

Sam Masiel

Aron Kulhavy

Kristy Doll

Associated Information:

1. Bond Ordinance with exhibits - rcvd from Bart Fowler 10.04.2024

ORDINANCE NO. 2024-28

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE "CITY OF HUNTSVILLE, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024 (THE RESERVES OF HUNTSVILLE PUBLIC IMPROVEMENT DISTRICT PROJECT)"; APPROVING AND AUTHORIZING AN INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT, AN OFFERING MEMORANDUM, A CONTINUING DISCLOSURE AGREEMENT, A LANDOWNER AGREEMENT AND OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION THEREWITH; MAKING FINDINGS WITH RESPECT TO THE ISSUANCE OF SUCH BONDS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Huntsville, Texas (the "City"), pursuant to and in accordance with the terms, provisions and requirements of the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code (the "PID Act"), has previously established the Reserves of Huntsville Public Improvement District" (the "District"), pursuant to Resolution No. 2022-23 adopted by the City Council of the City (the "Council") on August 16, 2022; and

WHEREAS, the authorization creating the District was recorded in the real property records of Walker County on August 6, 2024; and

WHEREAS, no written protests of the District from any owners of record of property within the District were filed with the City Secretary within 20 days after the date of publication of such notice; and

WHEREAS, pursuant to the PID Act, on October 3, 2024, the Council published notice of the assessment hearing in the *Huntsville Item*, a newspaper of general circulation in the City, and held a public hearing on October 15, 2024, regarding the levy of special assessments within the Project, and on October 15, 2024, the Council adopted Ordinance No. 2024-27 (the "Assessment Ordinance"); and

WHEREAS, in the Assessment Ordinance, the Council approved and accepted the initial Service and Assessment Plan (the "Service and Assessment Plan") relating to the Project and levied the Assessments (as defined in the Service and Assessment Plan) in Project against the Project Assessment Roll (as defined and described in the Service and Assessment Plan); and

WHEREAS, the Council has found and determined that it is in the best interests of the City to issue its bonds to be designated "City of Huntsville, Texas Special Assessment Revenue Bonds, Series 2024 (The Reserves of Huntsville Public Improvement District Project)" (the "Bonds"), such Bonds to be payable from and secured by the Pledged Revenues, as defined in the Indenture (defined below) and other assets pledged under the Indenture to the payment of the Bonds; and

WHEREAS, the City is authorized by the PID Act to issue the Bonds for the purpose of paying for (1) the Actual Costs of the Authorized Improvements, (2) District Formation Expenses, and (3) Bond Issuance Costs, including capitalized interest and funding a reserve fund for the payment of principal and interest on the Bonds; and

WHEREAS, in connection with the issuance of the Bonds, the Project Improvements are located within the District, and the City has determined that the Project Improvements confer a special benefit on the District as provided in Section VI.B. of the Service and Assessment Plan; and

WHEREAS, the Council has found and determined to approve (i) the issuance of the Bonds to finance the Project Improvements, (ii) the form, terms and provisions of the Indenture securing the Bonds authorized hereby, (iii) the form, terms and provisions of a Bond Purchase Agreement (defined below) between the City and the purchaser of the Bonds, (iv) an Offering Memorandum (defined below), and (v) a Continuing Disclosure Agreement (defined below), (vi) a Landowner Agreement (defined below); and

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

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

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

Section 2. Approval of Issuance of Bonds and Indenture.

(a) The issuance of the Bonds in the principal amount of \$6,500,000 for the purpose of paying for (1) the Actual Costs of the Authorized Improvements, (2) District Formation Expenses, and (3) Bond Issuance Costs, including capitalized interest and funding a reserve fund for the payment of principal and interest on the Bonds.

(b) The Bonds shall be issued and secured under that certain Indenture of Trust (the "Indenture") dated as of October 15, 2024, between the City and BOKF, NA, as trustee (the "Trustee"), with such changes as may be necessary or desirable to carry out the intent of this Ordinance and as approved by the Mayor or Mayor Pro Tem of the City, such approval to be evidenced by the execution and delivery of the Indenture, which Indenture is hereby approved in substantially final form attached hereto as **Exhibit A** and incorporated herein as a part hereof for all purposes. The Mayor or Mayor Pro Tem of the City is hereby authorized and directed to execute the Indenture and the City Secretary is hereby authorized and directed to attest such signature of the Mayor or Mayor Pro Tem.

(c) The Bonds shall be dated, shall mature on the date or dates and in the principal amount or amounts, shall bear interest, shall be subject to redemption and shall have such other terms and provisions as set forth in the Indenture. The Bonds shall be in substantially the form set forth in the Indenture, with such insertions, omissions and modifications as may be required to conform the form of Bond to the actual terms of the Bonds. The Bonds shall be payable from and secured by the Pledged Revenues (as defined in the Indenture) and other assets of the Trust Estate (as defined in the Indenture) pledged to the Bonds, and shall never be payable from ad valorem taxes or any other funds or revenues of the City.

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

Section 4. Landowner Agreement and Notice of Assessments. The Landowner Agreement and Notice of Assessments substantially in the form attached hereto as **Exhibit C** is hereby approved and incorporated herein as a part hereof for all purposes and the City Manager of the City is hereby authorized and directed to execute and deliver such Landowner Agreement and Notice of Assessments with such changes as may be required to carry out the purpose of this Ordinance and approved by the City Manager, such approval to be evidenced by the execution thereof.

Section 5. Offering Memorandum. The form and substance of the Preliminary Limited Offering Memorandum for the Bonds and any addenda, supplement or amendment thereto and the final Limited Offering Memorandum (the "Offering Memorandum") presented to and considered at the meeting at which this Ordinance is considered are hereby in all respects approved and adopted. The Offering Memorandum, with such appropriate variations as shall be approved by the Mayor or Mayor Pro Tem of the City and the Underwriter, may be used by the Underwriter in the offering and sale of the Bonds. The Mayor or Mayor Pro Tem of the City is hereby authorized and directed to execute, and the City Secretary is hereby authorized and directed to attest, the Offering Memorandum. The City Secretary is hereby authorized and directed to include and maintain a copy of the Preliminary Limited Offering Memorandum and Offering Memorandum and any addenda, supplement or amendment thereto thus approved among the permanent records of this meeting. The use and distribution of the Preliminary Limited Offering Memorandum in the offering of the Bonds is hereby ratified, approved and confirmed. Notwithstanding the approval and delivery of such Preliminary Limited Offering Memorandum and Offering Memorandum by the Council, the Council is not responsible for and proclaims no specific knowledge of the information contained in the Preliminary Limited Offering Memorandum and Offering Memorandum pertaining to the Project Improvements, the Developer (as defined in the Offering Memorandum) or its financial ability, any builders, any landowners, or the appraisal of the property in the District.

Section 6. Continuing Disclosure Agreement. The Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") between the City and BOKF, NA, as dissemination agent, is hereby authorized and approved in substantially final form attached hereto as **Exhibit D** and incorporated herein as a part hereof for all purposes and the City Manager of the City is hereby authorized and directed to execute and deliver such Continuing Disclosure Agreement with such changes as may be required to carry out the purpose of this Ordinance and approved by the City Manager, such approval to be evidenced by the execution thereof.

Section 7. Additional Actions. The Mayor, the Mayor Pro Tem, the City Manager and the City Secretary are hereby authorized and directed to take any and all actions on behalf of the City necessary or desirable to carry out the intent and purposes of this Ordinance and to issue the Bonds in accordance with the terms of this Ordinance. The Mayor, the Mayor Pro Tem, the City Manager and the City Secretary are hereby authorized and directed to execute and deliver any and all certificates, agreements, notices, instruction letters, requisitions, and other documents which may be necessary or advisable in connection with the sale, issuance and delivery of the Bonds and the carrying out of the purposes and intent of this Ordinance.

Section 8. Severability. If any Section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such Section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 9. Effective Date. This Ordinance is passed on one reading as authorized by Texas Government Code, Section 1201.028, and shall be effective immediately upon its passage and adoption.

[Remainder of page left blank intentionally]

PASSED, APPROVED AND EFFECTIVE this October 15, 2024.

ATTEST:

Mayor – Russell Humphrey

City Secretary - Kristy Doll

Approved as to form:

City Attorney – Leonard Schneider

EXHIBIT A
INDENTURE OF TRUST

INDENTURE OF TRUST

By and Between

CITY OF HUNTSVILLE, TEXAS

and

**BOKF, NA,
AS TRUSTEE**

DATED AS OF OCTOBER 15, 2024

SECURING

\$6,500,000

**CITY OF HUNTSVILLE, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(THE RESERVES OF HUNTSVILLE
PUBLIC IMPROVEMENT DISTRICT)**

TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS, FINDINGS AND INTERPRETATION	4
Section 1.1. Definitions.....	4
Section 1.2. Findings.....	13
Section 1.3. Table of Contents, Titles and Headings.....	13
Section 1.4. Interpretation.....	13
ARTICLE II THE BONDS.....	14
Section 2.1. Security for the Bonds.	14
Section 2.2. Limited Obligations.	14
Section 2.3. Authorization for Indenture.	15
Section 2.4. Contract with Owners and Trustee.	15
ARTICLE III AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS	15
Section 3.1. Authorization.	15
Section 3.2. Date, Denomination, Maturities, Numbers and Interest.	15
Section 3.3. Conditions Precedent to Delivery of Bonds.....	16
Section 3.4. Medium, Method and Place of Payment.....	17
Section 3.5. Execution and Registration of Bonds.	18
Section 3.6. Ownership.	18
Section 3.7. Registration, Transfer and Exchange.....	19
Section 3.8. Cancellation.	20
Section 3.9. Temporary Bonds.....	20
Section 3.10. Replacement Bonds.	21
Section 3.11. Book-Entry Only System.....	22
Section 3.12. Successor Securities Depository: Transfer Outside Book-Entry-Only System.....	22
Section 3.13. Payments to Cede & Co.....	23
ARTICLE IV REDEMPTION OF BONDS BEFORE MATURITY.....	23
Section 4.1. Limitation on Redemption	23
Section 4.2. Mandatory Sinking Fund Redemption.....	23
Section 4.3. Optional Redemption	24
Section 4.4. Extraordinary Optional Redemption.....	24
Section 4.5. Partial Redemption.....	24
Section 4.6. Notice of Redemption to Owners.	25
Section 4.7. Payment Upon Redemption	25
Section 4.8. Effect of Redemption.....	25
ARTICLE V FORM OF THE BONDS	26
Section 5.1. Form Generally	26
Section 5.2. Form of the Bonds.	26
Section 5.3. CUSIP Registration.....	33

Section 5.4.	Legal Opinion.	34
ARTICLE VI	FUNDS AND ACCOUNTS	34
Section 6.1.	Establishment of Funds and Accounts.....	34
Section 6.2.	Initial Deposits to Funds and Accounts	35
Section 6.3.	Pledged Revenue Fund	35
Section 6.4.	Bond Fund.....	36
Section 6.5.	Project Fund.....	37
Section 6.6.	Redemption Fund.....	38
Section 6.7.	Reserve Fund	39
Section 6.8.	Rebate Fund: Rebatable Arbitrage.....	40
Section 6.9.	Administrative Fund.	41
Section 6.10.	Investment of Funds.....	41
Section 6.11.	Security of Funds	43
ARTICLE VII	COVENANTS.....	43
Section 7.1.	Confirmation of Assessments.	43
Section 7.2.	Collection and Enforcement of Assessments.....	43
Section 7.3.	Against Encumbrances.....	44
Section 7.4.	Records, Accounts, Accounting Reports.	44
Section 7.5.	Covenants Regarding Tax Exemption of Interest on Bonds.....	44
ARTICLE VIII	LIABILITY OF CITY.....	47
Section 8.1.	Liability of City.....	47
ARTICLE IX	THE TRUSTEE	49
Section 9.1.	Acceptance of Trust; Trustee as Registrar and Paying Agent.	49
Section 9.2.	Trustee Entitled to Indemnity.	49
Section 9.3.	Responsibilities of the Trustee.....	49
Section 9.4.	Property Held in Trust.	51
Section 9.5.	Trustee Protected in Relying on Certain Documents.....	51
Section 9.6.	Compensation.	52
Section 9.7.	Permitted Acts.....	53
Section 9.8.	Resignation of Trustee.	52
Section 9.9.	Removal of Trustee.....	53
Section 9.10.	Successor Trustee.....	54
Section 9.11.	Transfer of Rights and Property to Successor Trustee.....	55
Section 9.12.	Merger, Conversion or Consolidation of Trustee.	55
Section 9.13.	Trustee To File Continuation Statements.	55
Section 9.14.	Offering Documentation	55
Section 9.15.	Expenditure of Funds and Risk.....	55
Section 9.16.	Environmental Hazards.....	55
Section 9.17.	Accounts, Periodic Reports and Certificates.	56
Section 9.18.	Construction of Indenture.	57
ARTICLE X	MODIFICATION OR AMENDMENT OF THIS INDENTURE	56
Section 10.1.	Amendments Permitted.....	56

Section 10.2.	Owners' Meetings.	58
Section 10.3.	Procedure for Amendment with Written Consent of Owners.....	58
Section 10.4.	Procedure for Amendment Not Requiring Owner Consent.....	58
Section 10.5.	Effect of Supplemental Indenture.	59
Section 10.6.	Endorsement or Replacement of Bonds Issued After Amendments.....	60
Section 10.7.	Amendatory Endorsement of Bonds.....	60
Section 10.8.	Waiver of Default.	60
Section 10.9.	Execution of Supplemental Indenture.....	59
ARTICLE XI	DEFAULT AND REMEDIES.....	61
Section 11.1.	Events of Default.	61
Section 11.2.	Immediate Remedies for Default.	61
Section 11.3.	Restriction on Owner's Action.....	62
Section 11.4.	Application of Revenues and Other Moneys After Default.....	63
Section 11.5.	Effect of Waiver.....	64
Section 11.6.	Evidence of Ownership of Bonds.	64
Section 11.7.	No Acceleration.	65
Section 11.8.	Mailing of Notice.....	65
Section 11.9.	Exclusion of Bonds Similarly Secured.	65
Section 11.10.	Remedies Not Exclusive.....	65
Section 11.11.	Direction By Owner.....	65
ARTICLE XII	GENERAL COVENANTS AND REPRESENTATIONS	66
Section 12.1.	Representations as to Pledged Revenues.....	66
Section 12.2.	General.....	66
ARTICLE XIII	SPECIAL COVENANTS	66
Section 13.1.	Further Assurances; Due Performance.	66
Section 13.2.	Other Obligations or Other Liens; Future Bonds.....	67
Section 13.3.	Books of Record.	67
ARTICLE XIV	PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE.....	67
Section 14.1.	Trust Irrevocable.....	67
Section 14.2.	Satisfaction of Indenture.	67
Section 14.3.	Bonds Deemed Paid.....	68
ARTICLE XV	MISCELLANEOUS.....	69
Section 15.1.	Benefits of Indenture Limited to Parties.....	69
Section 15.2.	Successor is Deemed Included in All References to Predecessor.	69
Section 15.3.	Execution of Documents and Proof of Ownership by Owners.....	69
Section 15.4.	No Waiver of Personal Liability.....	70
Section 15.5.	Notices to and Demands on City and Trustee.....	70
Section 15.6.	Partial Invalidity.....	70
Section 15.7.	Applicable Laws; Jurisdiction.....	71
Section 15.8.	Payment on Business Day.....	71
Section 15.9.	Counterparts.....	71

Section 15.10. No Boycott of Israel; No Terrorist Organization.....	71
Section 15.11. Electronic Storage.....	71

EXHIBIT A	DESCRIPTION OF THE PROPERTY WITHIN THE RESERVES PUBLIC IMPROVEMENT DISTRICT
EXHIBIT B	FORM OF CERTIFICATION FOR PAYMENT

INDENTURE OF TRUST

THIS INDENTURE, dated as of October 15, 2024, is by and between the CITY OF HUNTSVILLE, TEXAS (the "*City*"), and BOKF, NA, as trustee (together with its successors, the "*Trustee*"). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article I.

WHEREAS, a petition was submitted and filed with the City Secretary of the City (the "*City Secretary*") pursuant to the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "*PID Act*"), requesting the creation of a public improvement district located within the corporate limits of the City to be known as The Reserves of Huntsville Public Improvement District; and

WHEREAS, on August 16, 2022, the City Council (the "*City Council*") authorized the formation of The Reserves of Huntsville Public Improvement District (the "*District*" or "*PID*") pursuant to Resolution No. 2022-23 (the "*Creation Resolution*") in accordance with the PID Act;

WHEREAS, the petition contained the signatures of the record owners of taxable real property representing more than 50% of the appraised value of the real property liable for assessments within the District, as determined by the then current ad valorem tax rolls of the Walker County Appraisal District, and the signatures of record property owners who own taxable real property that constitutes more than 50% of the area of all taxable property that is liable for assessment by the District; and

WHEREAS, on August 16, 2022, after due notice, the City Council held the public hearing in the manner required by law on the advisability of the improvement projects and services described in the petition as required by Section 372.009 of the PID Act and on March 1, 2022, the City Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 2022-23, adopted by a majority of the members of the City Council, authorized the District in accordance with its finding as to the advisability of the improvement projects and services; and

WHEREAS, following the adoption of Resolution No. 2022-23, the City recorded such resolution with Walker County on August 6, 2024; and

WHEREAS, no written protests of the District from any owners of record of property within the District were filed with the City Secretary within 20 days after the date of publication of such notice; and

WHEREAS, on December 19, 2023, the City Council approved a first amendment to the development agreement by and between the City and the Developer (as defined herein) to establish the development and improvement standards for the District; and

WHEREAS, effective May 7, 2024, the City Council approved a second amendment to the development agreement by and between the City and the Developer (as defined herein) to further establish the development and improvement standards for the District; and

WHEREAS, on May 7, 2024, the City Council approved the form and execution of the Reimbursement Agreement; and

WHEREAS, the City, pursuant to Section 372.016(b) of the PID Act, published notice on October 3, 2024 of a public hearing in a newspaper of general circulation in the City to consider the proposed " *Assessment Roll*" and the "*Service and Assessment Plan*" and the levy of the " *Assessments*" in the amount of \$6,500,000 on property in the District (all as defined herein); and

WHEREAS, the City Council, pursuant to Section 372.016(c) of the PID Act, mailed notice of the public hearing to consider the proposed Assessment Roll and the Service and Assessment Plan and the levy of Assessments on property in the District to the last known address of the owners of the property liable for the Assessments; and

WHEREAS, the City Council convened the hearing on October 15, 2024, at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Service and Assessment Plan, the Assessment Roll, and the Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of Actual Costs, the purposes of the Assessments, the special benefits of the Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the Assessments; and

WHEREAS, at the public hearing referenced in the preceding paragraph, there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of Actual Costs, the Assessment Roll, or the levy of the Assessments; and

WHEREAS, the City Council closed the hearing and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the City, at a meeting held on October 15, 2024, respectively, approved and accepted the Service and Assessment Plan in conformity with the requirements of the PID Act and adopted the Assessment Ordinance, which Assessment Ordinance approved the Assessment Roll and levied the Assessments; and

WHEREAS, the City Council is authorized by the PID Act to issue its revenue bonds payable from the Assessments for the purpose of paying a portion of (1) the Actual Costs of the Authorized Improvements, (2) District Formation Expenses, and (3) Bond Issuance Costs, including funding a reserve fund for the payment of principal and interest on the Bonds; and

WHEREAS, the City Council now desires to issue its revenue bonds, in accordance with the PID Act, such bonds to be entitled "City of Huntsville, Texas, Special Assessment Revenue Bonds, Series 2024 (The Reserves of Huntsville Public Improvement District)" (the "*Bonds*"), such Bonds being payable solely from the Assessments and other funds pledged under this Indenture to the payment of the Bonds and for the purposes set forth in this preamble; and

WHEREAS, the Trustee has agreed to accept the trusts herein created upon the terms set forth in this Indenture;

NOW, THEREFORE, the City, in consideration of the foregoing premises and acceptance by the Trustee of the trusts herein created, of the purchase and acceptance of the Bonds Similarly Secured by the Owners thereof, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby GRANT, CONVEY, PLEDGE, TRANSFER, ASSIGN, and DELIVER to the Trustee for the benefit of the Owners, a security interest in all of the moneys, rights and properties described in the Granting Clauses hereof, as follows (collectively, the "*Trust Estate*"):

FIRST GRANTING CLAUSE

The Pledged Revenues, as herein defined, including all moneys and investments held in the Pledged Funds and Accounts, and including any contract or any evidence of indebtedness related thereto or other rights of the City to receive any of such moneys or investments, whether now existing or hereafter coming into existence, and whether now or hereafter acquired; and

SECOND GRANTING CLAUSE

Any and all other property or money of every name and nature which is, from time to time hereafter by delivery or by writing of any kind, conveyed, pledged, assigned or transferred, to the Trustee as additional security hereunder by the City or by anyone on its behalf or with its written consent, and the Trustee is hereby authorized to receive any and all such property or money at any and all times and to hold and apply the same subject to the terms thereof; and

THIRD GRANTING CLAUSE

Any and all proceeds of the foregoing property and proceeds from the investment of the foregoing property;

TO HAVE AND TO HOLD the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its successors or assigns;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the benefit of all present and future Owners of the Bonds Similarly Secured from time to time issued under and secured by this Indenture, and for enforcement of the payment of the Bonds Similarly Secured in accordance with their terms, and for the performance of and compliance with the obligations, covenants, and conditions of this Indenture;

PROVIDED, HOWEVER, if the City or its assigns shall well and truly pay, or cause to be paid, the principal or Redemption Price of and the interest on the Bonds Similarly Secured at the times and in the manner stated in the Bonds Similarly Secured, according to the true intent and meaning thereof, then this Indenture and the rights hereby granted shall cease, terminate and be void; otherwise this Indenture is to be and remain in full force and effect;

IN ADDITION, the Bonds Similarly Secured are special obligations of the City payable solely from the Trust Estate, as and to the extent provided in this Indenture. The Bonds Similarly

Secured do not give rise to a charge against the general credit or taxing powers of the City and are not payable except as provided in this Indenture. Notwithstanding anything to the contrary herein, the Owners of the Bonds Similarly Secured shall never have the right to demand payment thereof out of any funds of the City other than the Trust Estate. The City shall have no legal or moral obligation to pay for the Bonds Similarly Secured out of any funds of the City other than the Trust Estate.

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

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1. **Definitions.**

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

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

"*Actual Cost(s)*" means, with respect to an Authorized Improvement, the demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvement, as specified in a Certificate for Payment that has been reviewed and approved by the City. Actual Cost may include: (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction, and/or implementation of such Authorized Improvement, including general contractor construction management fees, if any, as limited below; (b) the costs of preparing the construction plans for such Authorized Improvement; (c) the fees paid for obtaining permits, licenses, or other governmental approvals for such Authorized Improvement; (d) the costs for external professional costs associated with such Authorized Improvement, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting, and similar professional services; (e) the costs of all labor, bonds, and materials incurred by contractors, builders, and material men in connection with the acquisition, construction, or implementation of the Authorized Improvements; and (f) all related permitting, zoning, and public approval expenses, architectural, engineering, and consulting fees, financing charges, taxes, governmental fees, and charges (including inspection fees, City permit fees, development fees), insurance premiums, miscellaneous expenses. Actual Costs include general contractor's fees in an amount up to a percentage equal to the percentage of work completed and accepted by the City or construction management fees in an amount up to

5.0% of the eligible Actual Costs described in a Certificate for Payment. The amounts expended on legal costs, taxes, governmental fees, insurance premiums, permits, financing costs, and appraisals shall be excluded from the base upon which the general contractor and construction management fees are calculated.

"*Additional Interest*" means the amount collected by application of the Additional Interest Rate.

"*Additional Interest Rate*" means the additional interest charged on the Assessments pursuant to Section 372.018 of the PID Act which shall be a minimum of 0.25% and a maximum of 0.50%, as determined annually pursuant to the terms of the Development Agreement.

"*Administrative Fund*" means that Fund established by Section 6.1 and administered pursuant to Section 6.9.

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

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

"*Annual Debt Service*" means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds Similarly Secured in such Bond, assuming that the Outstanding Bonds Similarly Secured are retired as scheduled (including by reason of Sinking Fund Installments), and (ii) the principal amount of the Outstanding Bonds Similarly Secured due in such Bond Year (including any Sinking Fund Installments due in such Bond Year).

"*Annual Installment*" means the annual installment payment of an Assessment as calculated by the Administrator and approved by the City Council that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest.

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

"*Applicable Laws*" means the PID Act, and all other laws or statutes, rules, or regulations, and any amendments thereto, of the State or of the United States, by which the City and its powers, securities, operations, and procedures are, or may be, governed or from which its powers may be derived.

"*Assessment*" means an assessment levied against a Parcel imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on any Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein, in the SAP, and/or in the PID Act.

"*Assessment Ordinance*" means Ordinance No. 2024-27 adopted by the City Council on October 15, 2024, that levied the Assessments, and any additional ordinance adopted by the City Council in accordance with the PID Act that levies an Assessment on Assessed Property within of the District, as shown on any Assessment Roll.

"*Assessed Property*" or "*Assessed Properties*" means property within the District that benefits from an Authorized Improvement and on which Assessments have been levied as shown on an Assessment Roll (as the same may be updated each year by an update to a Service and Assessment Plan) and which includes any and all Parcels within the District other than Non-Benefitted Property.

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

"*Assessment Roll(s)*" means any assessment roll for the Assessed Property within the District, including the Assessment Roll included in the Service and Assessment Plan as Exhibit F, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the levy of an Assessment, the issuance of PID Bonds, or in connection with any Annual Service Plan Update.

"*Attorney General*" means the Attorney General of the State.

"*Authorized Denomination*" means \$100,000 and any integral multiple of \$1,000 in excess thereof. The City prohibits any Bond to be issued in a denomination of less than \$100,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than \$100,000, and, unless made pursuant to Section 4.5 herein, any attempt to accomplish either of the foregoing shall be void and of no effect.

"*Authorized Improvements*" means those improvements (i) listed in Table IV-1 of the SAP and described in Section IV(A) of the SAP, authorized by Section 372.003 of the PID Act, acquired, constructed, or installed in accordance with the SAP, as may be amended, and (ii) for which Assessments are levied against the Assessed Property receiving a special benefit from such improvements.

"*Bond*" means any of the Bonds.

"*Bond Counsel*" means McCall, Parkhurst & Horton L.L.P. or any other attorney or firm of attorneys designated by the City that are nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

"*Bond Date*" means the date designated as the initial date of the Bonds by Section 3.2(a) of this Indenture.

"*Bond Fund*" means the Fund established pursuant to Section 6.1 and administered pursuant to Section 6.4.

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

"*Bond Ordinance*" means Ordinance No. 2024-28 adopted by the City Council on October 15, 2024, authorizing the issuance of the Bonds pursuant to this Indenture.

"*Bond Year*" means the one-year period beginning on October 1 in each year and ending on September 30 in the following year.

"*Bonds*" means the City's bonds authorized to be issued by Section 3.1 of this Indenture entitled "City of Huntsville, Texas, Special Assessment Revenue Bonds, Series 2024 (The Reserves of Huntsville Public Improvement District)."

"*Bonds Similarly Secured*" means, collectively, any Outstanding Bonds and Refunding Bonds.

"*Business Day*" means any day other than a Saturday, Sunday or legal holiday in the State observed as such by the City or the Trustee or any national holiday observed by the Trustee.

"*Certification for Payment*" means a certificate given pursuant to the Reimbursement Agreement executed by an engineer, construction manager or other person or entity acceptable to the City, as evidenced by the written approval of a City Representative, specifying the amount of work performed and the cost thereof, presented to the Trustee to request funding for Actual Costs from money on deposit in the Project Fund. The Form of Certification for Payment is attached hereto as Exhibit B.

"*City Certificate*" means a certificate signed by the City Representative and delivered to the Trustee.

"*City Representative*" means that official or agent of the City authorized by the City Council to undertake the action referenced herein as evidenced by a written incumbency certificate provided to the Trustee. Such certificate may designate alternates, each of whom shall be entitled to perform all duties of the City Representative.

"*Closing Date*" means the date of the initial delivery of and payment for the Bonds.

"*Code*" means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings and court decisions.

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

"*Continuing Disclosure Agreement of the Developer*" means the agreement executed between the Developer, Administrator and dissemination agent in connection with the issuance of the Bonds pursuant to which the Developer agrees to provide certain information regarding the development of the District and the Authorized Improvements for the benefit of the owners of the Bonds.

"*Continuing Disclosure Agreement of the Issuer*" means the agreement executed between the Issuer, Administrator and the dissemination agent for the benefit of the Owners of the Bonds (including owners of beneficial interests of the Bonds), to provide, by certain dates prescribed in the Continuing Disclosure Agreement of the Issuer to provide periodic information and notices of material events regarding the Issuer in accordance with Securities and Exchange Commission Rule 15c2-12.

"*Defeasance Securities*" means Investment Securities then authorized by applicable law for the investment of funds to defease public securities.

"*Delinquency & Prepayment Reserve Requirement*" means an amount equal to 4.5% of the principal amount of the then Outstanding Bonds Similarly Secured, which amount will be funded from Assessments and Annual Installments deposited to the Pledged Revenue Fund for subsequent transfer to the Delinquency & Prepayment Reserve Account of the Reserve Fund in accordance with the terms of this Indenture.

"*Delinquent Collection Costs*" means interest, penalties, and expenses incurred or imposed with respect to any delinquent installment of an Assessment in accordance with the PID Act and the costs related to pursuing collection of a delinquent Assessment and foreclosing the lien against the Assessed Property, including attorney's fees, and any third-party costs paid or incurred by the City as a result of any delinquency of an Assessment.

"*Designated Payment/Transfer Office*" means (i) with respect to the initial Paying Agent/Registrar named in this Indenture, the transfer/payment office designated by the Paying Agent/Registrar, initially Dallas, Texas and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

"*Developer*" means PHD – Huntsville 34, L.P., a Texas limited partnership, or their respective successors and assigns.

"*District Formation Expenses*" means the costs associated with forming the District, including but not limited to 1st year Annual Collection Costs, and any other cost or expense directly associated with the establishment of the District.

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

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

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

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

"*Indenture*" means this Indenture of Trust as originally executed or as it may be from time to time supplemented or amended by one or more indentures supplemental hereto and entered into pursuant to the applicable provisions hereof.

"*Independent Financial Consultant*" means any consultant or firm of such consultants appointed by the City who, or each of whom: (i) is judged by the City, as the case may be, to have experience in matters relating to the issuance and/or administration of the Bonds; (ii) is in fact independent and not under the domination of the City; (iii) does not have any substantial interest, direct or indirect, with or in the City, or any owner of real property in the District, or any real property in the District; and (iv) is not connected with the City as an officer or employee of the City, but who may be regularly retained to make reports to the City.

"*Initial Bonds*" means the Initial Bonds authorized by Section 5.2 of this Indenture.

"*Interest Payment Date*" means the date or dates upon which interest on the Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being on March 15 and September 15 of each year, commencing March 15, 2025.

"*Investment Securities*" means those authorized investments determined by the City and described in the Public Funds Investment Act, Chapter 2256, Government Code, as amended, which investments are, at the time made, included in and authorized by the City's official investment policy as approved by the City Council from time to time.

"*Maximum Annual Debt Service*" means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds Similarly Secured.

"*Outstanding*" means, as of any particular date when used with reference to Bonds Similarly Secured, all Bonds Similarly Secured authenticated and delivered under this Indenture except (i) any Bond Similarly Secured that has been canceled by the Trustee (or has been delivered to the Trustee for cancellation) at or before such date, (ii) any Bond Similarly Secured for which the payment of the principal or Redemption Price of and interest on such Bond Similarly Secured shall have been made as provided in Article IV, (iii) any Bond Similarly Secured in lieu of or in substitution for which a new Bond Similarly Secured shall have been authenticated and delivered pursuant to Section 3.10, and (iv) Bond Similarly Secured alleged to have been mutilated, destroyed, lost or stolen which have been paid as provided in this Indenture.

"*Owner*" or "*Holder*" means the Person who is the registered owner of a Bond or Bonds, as shown in the Register, which shall be Cede & Co., as nominee for DTC, so long as the Bonds are in book-entry only form and held by DTC as securities depository in accordance with Section 3.11. The term "*Owner*" or "*Holder*", when used in connection with the Bonds Similarly Secured, shall also include the Person who is the registered owner of a Bond Similarly Secured under the terms of any indenture relating thereto.

"*Parcel*" or "*Parcels*" means a parcel or parcels within the District, identified by either a tax map identification number assigned by the Walker County Appraisal District for real property tax purposes, by metes and bounds description, or by lot and block number in a final subdivision plat recorded in the real property records of Walker County or by any other means determined by the City.

"*Paying Agent/Registrar*" means initially the Trustee, or any successor thereto as provided in this Indenture.

"*Person*" or "*Persons*" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"*PID Act*" means Chapter 372, Texas Local Government Code, as amended.

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

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

"*Pledged Revenues*" means, collectively, the (i) Assessment Revenues (excluding the portion of the Assessments and Annual Installments collected for the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan), (ii) the moneys held in any of the Pledged Funds and (iii) any additional revenues that the City may pledge to the payment of the Bonds or other Bonds Similarly Secured.

"*Prepayment*" means the payment of all or a portion of an Assessment before the due date thereof. Amounts received at the time of a Prepayment which represent a payment of principal,

interest or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Annual Installment.

"*Prepayment Costs*" means 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.

"*Project Fund*" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.5.

"*Property*" means that certain 33.22 acres of land more particularly described in Exhibit A attached hereto.

"*Public Improvements*" means the public improvements authorized by the PID Act, including the public improvements as described in Section III of the Service and Assessment Plan.

"*Purchaser*" means the initial purchaser of the Bonds.

"*Quarter in Interest*" means as of any particular date of calculation, the Owners of no less than twenty-five percent (25%) of the principal amount of the then Outstanding Bonds Similarly Secured. In the event that two or more groups of Owners satisfy the percentage requirement set forth in the immediately preceding sentence and act (or direct the Trustee in writing to act) in a conflicting manner, only the group of Owners with the greatest percentage of then Outstanding Bonds Similarly Secured (as measured in accordance with the immediately preceding sentence) shall, to the extent of such conflict, be deemed to satisfy such requirement.

"*Rebatable Arbitrage*" means rebatable arbitrage as defined in Section 1.148-3 of the Treasury Regulations.

"*Rebate Fund*" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.8.

"*Record Date*" means the close of business on the last business day of the month next preceding an Interest Payment Date.

"*Redemption Fund*" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.6.

"*Redemption Price*" means, when used with respect to any Bond or portion thereof, the principal amount of such Bond or such portion thereof plus the applicable premium, if any, plus accrued and unpaid interest on such Bond to the date fixed for redemption payable upon redemption thereof pursuant to this Indenture.

"*Refunding Bonds*" means bonds issued to refund all or any portion of the Outstanding Bonds and secured by a parity lien with the Outstanding Bonds on the Trust Estate, as more specifically described in the indenture authorizing such Refunding Bonds.

"*Register*" means the register specified in Article III of this Indenture.

"*Reimbursement Agreement*" means the Agreement for the Construction And Funding Of Authorized Improvements And Reimbursement Of Advances between the City and the Developer, dated as of May 7, 2024, as may have been or may be further amended and supplemented from time to time.

"*Release Condition*" has the meaning assigned in Section 6.5(h).

"*Reserve Account Requirement*" means Maximum Annual Debt Service on the Bonds Similarly Secured as of the date of issuance, provided, however, that as a result of (1) an optional redemption pursuant to Section 4.3 or (2) an extraordinary optional redemption pursuant to Section 4.4, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds Similarly Secured redeemed by such redemption divided by the total principal amount of the Outstanding Bonds Similarly Secured prior to such redemption. As of the date of delivery of the Bonds, the Reserve Account Requirement is \$_____. The City Representative shall provide the Trustee with written confirmation of the Reserve Account Requirement and any modifications related thereto.

"*Reserve Fund*" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.7.

"*Service and Assessment Plan*" and "*SAP*" each mean the document, including the Assessment Roll, which is attached as Exhibit A to the Assessment Ordinance, as amended and restated, as may be updated, amended and supplemented from time to time.

"*Sinking Fund Installment*" means the amount of money to redeem or pay at maturity the principal of a Stated Maturity of Bonds payable from such installments at the times and in the amounts provided in Section 4.2.

"*Special Record Date*" means in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment that will be established by the Trustee, if and when funds for the payment of such interest have been received from the City.

"*State*" means the State of Texas.

"*Stated Maturity*" means the date the Bonds, or any portion of the Bonds, as applicable are scheduled to mature without regard to any redemption or prepayment.

"*Subaccount*" means any of the subaccounts established pursuant to Section 6.1 of this Indenture.

"*Supplemental Indenture*" means an indenture which has been duly executed by the Trustee and the City Representative pursuant to an ordinance adopted by the City Council and which indenture amends or supplements this Indenture, but only if and to the extent that such indenture is specifically authorized hereunder.

"*Treasury Regulations*" shall have the meaning assigned to such term in Section 7.5(c).

"*Trust Estate*" means the Trust Estate described in the granting clauses of this Indenture.

"*Trustee*" means BOKF, NA, Dallas, Texas, and its successors, and any other corporation or association that may at any time be substituted in its place, as provided in Article IX, such entity to serve as Trustee and Paying Agent/Registrar for the Bonds Similarly Secured.

"*Value of Investment Securities*" means the amortized value of any Investment Securities, provided, however, that all United States of America, United States Treasury Obligations – State and Local Government Series shall be valued at par and those obligations which are redeemable at the option of the holder shall be valued at the price at which such obligations are then redeemable. The computations shall include accrued interest on the investment securities paid as a part of the purchase price thereof and not collected. For the purposes of this definition "amortized value," when used with respect to a security purchased at par means the purchase price of such security and when used with respect to a security purchased at a premium above or discount below par, means as of any subsequent date of valuation, the value obtained by dividing the total premium or discount by the number of interest payment dates remaining to maturity on any such security after such purchase and by multiplying the amount as calculated by the number of interest payment dates having passed since the date of purchase and (i) in the case of a security purchased at a premium, by deducting the product thus obtained from the purchase price, and (ii) in the case of a security purchased at a discount, by adding the product thus obtained to the purchase price. The Trustee retains the ability, and may rely upon the City's financial advisor to provide a determination as to the foregoing.

Section 1.2. **Findings.**

The declarations, determinations and findings declared, made and found in the preamble to this Indenture are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.3. **Table of Contents, Titles and Headings.**

The table of contents, titles, and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Indenture or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.4. **Interpretation.**

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) Words importing persons include any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or agency or political subdivision thereof.

(c) Any reference to a particular Article or Section shall be to such Article or Section of this Indenture unless the context shall require otherwise.

(d) When used in Article XI of this Indenture in connection with the Bonds Similarly Secured, any reference to this Indenture, Article XI of this Indenture or any Section thereunder, and/or any events of default or remedies set forth therein, such terms and references shall be read and interpreted to include any indenture relating to any Bonds Similarly Secured, the related Article or Section in such indenture, and/or the events of default and remedies set forth therein.

(e) This Indenture and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Indenture.

ARTICLE II

THE BONDS

Section 2.1. Security for the Bonds.

(a) The Bonds Similarly Secured, as to both principal and interest, are and shall be equally and ratably secured by and payable from a first lien on and pledge of the Trust Estate.

(b) The lien on and pledge of the Trust Estate shall be valid and binding and fully perfected from and after the Closing Date, which is the date of the delivery of this Indenture, without physical delivery or transfer of control of the Trust Estate, the filing of this Indenture or any other act; all as provided in Chapter 1208 of the Texas Government Code, as amended, which applies to the issuance of the Bonds Similarly Secured and the pledge of the Trust Estate granted by the City under this Indenture, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bonds are Outstanding such that the pledge of the Trust Estate granted by the City under this Indenture is to be subject to the filing requirements of Chapter 9, Texas Business and Commerce Code, as amended, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business and Commerce Code, as amended, and enable a filing to perfect the security interest in said pledge to occur.

Section 2.2. Limited Obligations.

The Bonds Similarly Secured are special and limited obligations of the City, payable solely from and secured solely by the Trust Estate, including the Pledged Revenues and the Pledged Funds; and the Bonds Similarly Secured shall never be payable out of funds raised or to be raised by taxation or from any other revenues, properties or income of the City.

Section 2.3. Authorization for Indenture.

The terms and provisions of this Indenture and the execution and delivery hereof by the City to the Trustee have been duly authorized by official action of the City Council of the City. The City has ascertained and it is hereby determined and declared that the execution and delivery of this Indenture is necessary to carry out and effectuate the purposes set forth in the preambles of this Indenture and that each and every covenant or agreement herein contained and made is necessary, useful and/or convenient in order to better secure the Bonds Similarly Secured and is a contract or agreement necessary, useful and/or convenient to carry out and effectuate the purposes herein described.

Section 2.4. Contract with Owners and Trustee.

(a) The purposes of this Indenture are to establish a lien and the security for, and to prescribe the minimum standards for the authorization, issuance, execution and delivery of, the Bonds Similarly Secured and to prescribe the rights of the Owners, and the rights and duties of the City and the Trustee.

(b) In consideration of the purchase and acceptance of any or all of the Bonds Similarly Secured by those who shall purchase and hold the same from time to time, the provisions of this Indenture shall be a part of the contract of the City with the Owner, and shall be deemed to be and shall constitute a contract among the City, the Owners, and the Trustee.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1. Authorization.

The Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State, including particularly the PID Act, as amended. The Bonds shall be issued in the aggregate principal amount of \$6,500,000 for the purpose of paying a portion of (1) the Actual Costs of the Authorized Improvements, (2) District Formation Expenses, and (3) Bond Issuance Costs, including capitalized interest and funding a reserve fund for the payment of principal and interest on the Bonds.

Section 3.2. Date, Denomination, Maturities, Numbers and Interest.

(a) The Bonds shall be dated the date of the initial delivery thereof (the "*Bond Date*") and shall be issued in Authorized Denominations. The Bonds shall be in fully registered form,

without coupons, and shall be numbered separately from R-1 upward, except the Initial Bond, which shall be numbered T-1.

(b) Interest shall accrue and be paid on each Bond from the later of the Bond Date or the most recent Interest Payment Date to which interest has been paid or provided for, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below or otherwise provided for. Such interest shall be payable semiannually on March 15 and September 15 of each year, commencing March 15, 2025, computed on the basis of a 360-day year of twelve 30-day months.

(c) The Bonds shall mature on September 15 in the years and in the principal amounts and shall bear interest at the rates set forth below:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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(d) The Bonds shall be subject to mandatory sinking fund redemption, optional redemption, and extraordinary optional redemption prior to maturity as provided in Article IV, and shall otherwise have the terms, tenor, denominations, details, and specifications as set forth in the form of Bond set forth in Section 5.2.

Section 3.3. Conditions Precedent to Delivery of Bonds.

The Bonds shall be executed by the City and delivered to the Trustee, whereupon the Trustee shall authenticate the Bonds and, upon payment of the purchase price of the Bonds, shall deliver the Bonds upon the order of the City, but only upon delivery to the Trustee of:

- (a) a certified copy of the Assessment Ordinance;
- (b) a certified copy of the Bond Ordinance;
- (c) a copy of the executed Reimbursement Agreement and any amendments;
- (d) a copy of the Continuing Disclosure Agreement of the Issuer and the Continuing Disclosure Agreement of the Developer;
- (e) a copy of this Indenture executed by the Trustee and the City;

(f) an executed City Certificate directing the authentication and delivery of the Bonds, describing the Bonds to be authenticated and delivered, designating the purchasers to whom the Bonds are to be delivered, stating the purchase price of the Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the City;

(g) an executed signature and no-litigation certificate of the City;

(h) executed opinions of Bond Counsel and the City Attorney; and

(i) the approving opinion of the Attorney General of the State and the State Comptroller's registration certificate.

Section 3.4. Medium, Method and Place of Payment.

(a) Principal of and interest on the Bonds Similarly Secured shall be paid in lawful money of the United States of America, as provided in this Section.

(b) Interest on the Bonds Similarly Secured shall be payable to the Owners thereof as shown in the Register at the close of business on the relevant Record Date or Special Record Date, as applicable.

(c) Interest on the Bonds Similarly Secured shall be paid by check, dated as of the Interest Payment Date, and sent, first class United States mail, postage prepaid, by the Paying Agent/Registrar to each Owner at the address of each as such appears in the Register or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, the Owner shall bear all risk and expense of such other banking arrangement.

(d) The principal of each Bond Similarly Secured shall be paid to the Owner of such Bond Similarly Secured on the due date thereof, whether at the maturity date or the date of prior redemption thereof, upon presentation and surrender of such Bond Similarly Secured at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

(e) If the date for the payment of the principal of or interest on the Bonds Similarly Secured shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in Section 3.2 of this Indenture.

(f) Unclaimed payments of amounts due hereunder shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds Similarly Secured to which such unclaimed payments pertain. Subject to any escheat, abandoned property, or similar law of the State, any such payments remaining unclaimed by the Owners entitled thereto for three (3) years after the applicable payment or redemption date shall

be applied to the next payment or payments on the Bonds Similarly Secured thereafter coming due and, to the extent any such money remains after the retirement of all Outstanding Bonds, shall be paid to the City to be used for any lawful purpose. Thereafter, none of the City, the Paying Agent/Registrar, or any other Person shall be liable or responsible to any holders of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds, subject to any applicable escheat law or similar law of the State.

Section 3.5. Execution and Registration of Bonds.

(a) The Bonds shall be executed on behalf of the City by the Mayor, Mayor Pro-Tem and City Secretary, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds.

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Indenture unless and until there appears thereon the Certificate of Trustee substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Trustee. It shall not be required that the same officer or authorized signatory of the Trustee sign the Certificate of Trustee on all of the Bonds. In lieu of the executed Certificate of Trustee described above, the Initial Bond delivered at the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller, or by his duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General, is a valid and binding obligation of the City, and has been registered by the Comptroller.

(d) On the Closing Date, one Initial Bond representing the entire principal amount of all Bonds, payable in stated installments to the Purchaser, or its designee, executed with the manual or facsimile signatures of the Mayor, Mayor Pro-Tem and the City Secretary, approved by the Attorney General, and registered and manually signed by the Comptroller, will be delivered to the Purchaser or its designee. Upon payment for the Initial Bond, the Trustee shall cancel the Initial Bond and upon City order deliver to DTC on behalf of the Purchaser one registered definitive Bond for each year of maturity of the Bonds, in the aggregate principal amount of all Bonds for such maturity, registered in the name of Cede & Co., as nominee of DTC.

Section 3.6. Ownership.

(a) The City, the Trustee, the Paying Agent/Registrar and any other Person may treat the Person in whose name any Bond is registered as the absolute owner of such Bond for the

purpose of making and receiving payment as provided herein (except interest shall be paid to the Person in whose name such Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not such Bond is overdue, and none of the City, the Trustee or the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of any Bond shall be valid and effectual and shall discharge the liability of the City, the Trustee and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 3.7. Registration, Transfer and Exchange.

(a) So long as any Bond remains Outstanding, the City shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a Register in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with this Indenture. The Paying Agent/Registrar represents and warrants that it will maintain a copy of the Register, and shall cause the Register to be current with all registration and transfer information as from time to time may be applicable.

(b) A Bond shall be transferable only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Bond shall be effective until entered in the Register.

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any Authorized Denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond presented for exchange. The Trustee is hereby authorized to authenticate and deliver Bonds exchanged for other Bonds in accordance with this Section.

(d) The Trustee is hereby authorized to authenticate and deliver Bonds transferred or exchanged in accordance with this Section. A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bond being transferred or exchanged, at the Designated Payment/Transfer Office, or sent by United States mail, first class, postage prepaid, to the Owner or his designee. Each transferred Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such transferred Bond is delivered.

(e) Each exchange Bond delivered in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such exchange Bond is delivered.

(f) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for a different Authorized Denomination of any of the Bonds. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer, or exchange of a Bond.

(g) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Bond or portion thereof called for redemption prior to maturity within forty-five (45) days prior to the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Bond.

Section 3.8. Cancellation.

All Bonds paid or redeemed before scheduled maturity in accordance with this Indenture, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Indenture, shall be cancelled, and proper records shall be made regarding such payment, redemption, exchange, or replacement. The Trustee, as Paying Agent should dispose of cancelled Bonds similarly secured in accordance with the records retention requirements of the Trustee.

Section 3.9. Temporary Bonds.

(a) Following the delivery and registration of the Initial Bond and pending the preparation of definitive Bonds, the proper officers of the City may execute and, upon the City's request, the Trustee shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the City executing such temporary Bonds may determine, as evidenced by their signing of such temporary Bonds.

(b) Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the benefit and security of this Indenture.

(c) The City, without unreasonable delay, shall prepare, execute and deliver to the Trustee the Bonds in definitive form; thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds in temporary form and the Trustee shall authenticate and deliver in exchange therefor a Bond or Bonds of the same maturity and series, in definitive form, in the Authorized Denomination, and in the same aggregate principal amount, as the Bond or Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.10. **Replacement Bonds.**

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Trustee shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Trustee, pursuant to the Applicable Laws of the State and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount bearing a number not contemporaneously outstanding, provided that the Owner first complies with the following requirements:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the Trustee to save them and the City harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Trustee and the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the City and the Trustee.

(c) After the delivery of such replacement Bond, if a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the Person to whom it was delivered or any Person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expense incurred by the City, the Paying Agent/Registrar or the Trustee in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond, may pay such Bond if it has become due and payable or may pay such Bond when it becomes due and payable.

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 3.11. **Book-Entry Only System.**

(a) The Bonds shall initially be issued in book-entry-only form and shall be deposited with DTC, which is hereby appointed to act as the securities depository therefor, in accordance with the letter of representations from the City to DTC. On the Closing Date the definitive Bonds shall be issued in the form of a single typewritten certificate for each maturity thereof registered in the name of Cede & Co., as nominee for DTC.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any Person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other Person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other Person, other than an Owner, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Indenture to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the Person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners as shown in the Register, as provided in this Indenture, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the Register, shall receive a Bond certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Indenture. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks or drafts being mailed to the registered owner at the close of business on the Record Date or Special Record Date, as applicable, the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

Section 3.12. **Successor Securities Depository: Transfer Outside Book-Entry-Only System.**

In the event that the City determines that DTC is incapable of discharging its responsibilities described herein and in the letter of representations from the City to DTC, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Bonds and cause the Paying Agent/Registrar to transfer one or more

separate registered Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Indenture.

Section 3.13. Payments to Cede & Co.

Notwithstanding any other provision of this Indenture to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds shall be made and given, respectively, in the manner provided in the blanket letter of representations from the City to DTC.

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1. Limitation on Redemption.

The Bonds shall be subject to redemption before their scheduled maturity only as provided in this Article IV.

Section 4.2. Mandatory Sinking Fund Redemption.

(a) The Bonds maturing on September 15 in the years _____ and _____ (collectively, "*Term Bonds*"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the redemption price equal to the principal amount of the Term Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI, on the dates and in the respective sinking fund installments as set forth in the following schedule:

Term Bonds Maturing September 15, 20____	
<u>Redemption Date</u>	<u>Principal Amount</u>

†Final Maturity

(b) At least thirty (30) days prior to each sinking fund redemption date, the Trustee shall select, in accordance with Section 4.5, a principal amount of Term Bonds of such maturity equal to the Sinking Fund Installment amount of such Term Bonds to be redeemed, shall call such

Term Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 4.6.

(c) The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced, at the option of the City, by the principal amount of any Term Bonds of such maturity which, at least 30 days prior to the sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

(d) The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Term Bonds which, at least 30 days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption provisions in Section 4.3 hereof or the extraordinary optional redemption provisions in Section 4.4 hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.3. Optional Redemption.

The Bonds may be redeemed prior to their scheduled maturities on any date on or after September 15, 2034, at the option of the City, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the City, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

Section 4.4. Extraordinary Optional Redemption.

The City reserves the right and option to redeem Bonds, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the City before their respective scheduled maturity dates, in whole or in part, on any date, at a redemption price equal to the principal amount of the Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption, from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund as provided in Section 6.7(c)) or any other transfers to the Redemption Fund under the terms of this Indenture.

Section 4.5. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to either Sections 4.2, 4.3 or 4.4, Bonds shall be redeemed in increments of \$1,000 by lot, provided that no redemption shall cause the principal amount of any Bond to be less than the minimum Authorized Denomination for such Bond except as provided in the following sentence. Notwithstanding the foregoing, if any Bonds are to be partially redeemed and such redemption results in the redemption of a portion of a single Bond in an amount less than the Authorized Denomination in effect at the time, a Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by the minimum Authorized Denomination for such Bond.

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

Section 4.6. Notice of Redemption to Owners.

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

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

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

(d) The City has the right to rescind any optional redemption or extraordinary optional redemption described in Section 4.3 or 4.4 by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

Section 4.7. Payment Upon Redemption.

(a) The Trustee shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust an amount from the Redemption Fund or otherwise received by the Trustee from the City and shall use such funds solely for the purpose of paying the Redemption Price on the Bonds being redeemed.

(b) Upon presentation and surrender of any Bond called for redemption at the Designated Payment/Transfer Office of the Trustee on or after the date fixed for redemption, the Trustee shall pay the Redemption Price on such Bond to the date of redemption from the moneys set aside for such purpose.

Section 4.8. Effect of Redemption.

Notice of redemption having been given as provided in Section 4.6 of this Indenture, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed

for redemption provided that funds for the payment of the principal amount plus accrued unpaid interest on such Bonds to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

ARTICLE V

FORM OF THE BONDS

Section 5.1. Form Generally.

(a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of the Trustee, and the Assignment to appear on each of the Bonds, (i) shall be substantially in the form set forth in this Article with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Indenture, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of Bond Counsel) thereon as, consistently herewith, may be determined by the City or by the officers executing such Bonds, as evidenced by their execution thereof.

(b) Any portion of the text of any Bonds may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds.

(c) The definitive Bonds shall be typewritten, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof.

(d) The Initial Bond submitted to the Attorney General may be typewritten and photocopied or otherwise reproduced.

Section 5.2. Form of the Bonds.

(a) Form of Bond.

NEITHER THE FAITH AND CREDIT NOR THE TAXING
POWER OF THE STATE OF TEXAS, THE CITY, WALKER
COUNTY, OR ANY OTHER POLITICAL CORPORATION,
SUBDIVISION OR AGENCY THEREOF, IS PLEDGED TO
THE PAYMENT OF THE PRINCIPAL OF OR INTEREST
ON THIS BOND.

REGISTERED
NO. _____

United States of America
State of Texas

REGISTERED
\$_____

CITY OF HUNTSVILLE, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 20__
(THE RESERVES OF HUNTSVILLE PUBLIC
IMPROVEMENT DISTRICT)

INTEREST RATE	MATURITY DATE	DATE OF DELIVERY	CUSIP NUMBER
_____%	September 15, 20__	_____, 2024	_____

The City of Huntsville, Texas (the "City"), for value received, hereby promises to pay, solely from the Trust Estate, to

or registered assigns, on the Maturity Date, as specified above, the sum of

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Date of Delivery, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on March 15 and September 15, of each year, commencing March 15, 2025.

Capitalized terms appearing herein that are defined terms in the Indenture (defined below), have the meanings assigned to them in the Indenture. Reference is made to the Indenture for such definitions and for all other purposes.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas (the "*Designated Payment/Transfer Office*"), of BOKF, NA, as trustee and paying agent/registrar (the "*Trustee*"), or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the 15th day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest

payment (a "*Special Record Date*") will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of a duly authorized issue of assessment revenue bonds of the City having the designation specified in its title (herein referred to as the "Bonds"), dated as of the Date of Delivery and issued in the aggregate principal amount of \$6,500,000 and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of October 15, 2024 (the "*Indenture*"), by and between the City and the Trustee, to which Indenture reference is hereby made for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder to the holders of the Bonds, the Trustee, and the City, and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each holder of this Bond hereby consents. All Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The Bonds are being issued for the purpose of paying a portion of (1) the Actual Costs of the Authorized Improvements, (2) District Formation Expenses, and (3) Bond Issuance Costs, including funding capitalized interest and a reserve fund for the payment of principal and interest on the Bonds.

The Bonds are special, limited obligations of the City payable solely from the Trust Estate. Reference is hereby made to the Indenture, copies of which are on file with and available upon request from the Trustee, for the provisions, among others, with respect to the nature and extent of the duties and obligations of the City, the Trustee and the Owners. The Owner of this Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms, conditions and provisions of the Indenture.

The City has reserved the right to issue Refunding Bonds and other obligations on the terms and conditions specified in the Indenture.

Notwithstanding any provision hereof, the Indenture may be released and the obligation of the City to make money available to pay this Bond may be defeased by the deposit of money and/or certain direct or indirect Defeasance Securities sufficient for such purpose as described in the Indenture.

The Bonds are issuable as fully registered bonds only in denominations of \$100,000 and any multiple of \$1,000 in excess thereof ("*Authorized Denominations*"). The City prohibits the

breaking up or allocation of CUSIP numbers to any Bond or Bonds in denominations of less than \$100,000, and any attempt to do so will be void and of no effect, except as may be the result of a partial redemption of a single Bond as provided in the Indenture.

The Bonds maturing on September 15 in the years _____ and _____ (collectively, "*Term Bonds*"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part a redemption price equal to the principal amount thereof plus accrued and unpaid interest thereon to the date set for redemption from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI of the Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

Term Bonds Maturing September 15, 20_____	
<u>Redemption Date</u>	<u>Principal Amount</u>

†Final Maturity

At least thirty (30) days prior to each sinking fund redemption date, the Trustee shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Term Bonds of such maturity equal to the sinking fund installments of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6 of the Indenture.

The principal amount of Bonds required to be redeemed on any sinking fund redemption date shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least 30 days prior to the sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The principal amount of Bonds required to be redeemed on any sinking fund redemption date shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Bonds which, at least 30 days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

The Bonds may be redeemed prior to their scheduled maturities on any date on or after September 15, 2034, at the option of the City, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the City, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

The Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, on any date, at a redemption price equal to the principal amount of the Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption from amounts on deposit in the Redemption Fund as a result of Prepayments or any other transfers to the Redemption Fund under the terms of the Indenture.

The Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown on the Register. The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed. Any notice so given shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

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

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the City and the rights of the holders of the Bonds under the Indenture at any time Outstanding affected by such modification. The Indenture also contains provisions permitting the holders of specified percentages in aggregate principal amount of the Bonds at the time Outstanding, on behalf of the holders of all the Bonds, to waive compliance by the City with certain past defaults under the Bond Ordinance or the Indenture and their consequences. Any such consent or waiver by the holder of this Bond or any predecessor Bond evidencing the same debt shall be conclusive and binding upon such holder and upon all future holders thereof and of any Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such consent or waiver is made upon this Bond.

As provided in the Indenture, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Trustee, and upon delivery to the Trustee of such certifications and/or opinion of counsel as may be required under the Indenture for the transfer of this Bond. Upon satisfaction of such requirements, one or more new fully registered Bonds of the same Stated Maturity, of Authorized Denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the City nor the Trustee shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within 45 calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond.

The City, the Trustee, and any other Person may treat the Person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the Person in whose name this Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond be overdue, and neither the City nor the Trustee shall be affected by notice to the contrary.

The City has reserved the right to issue Refunding Bonds and future bonds on the terms and conditions specified in the Indenture.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY, WALKER COUNTY, OR THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that the total indebtedness of the City, including the Bonds, does not exceed any Constitutional or statutory limitation.

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be executed under the official seal of the City.

City Secretary, City of Huntsville, Texas

Mayor, City of Huntsville, Texas

[CITY SEAL]

(b) Form of Comptroller's Registration Certificate.

The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Bond:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO. _____
THE STATE OF TEXAS	§	

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

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____

Comptroller of Public Accounts
of the State of Texas

[SEAL]

(c) Form of Certificate of Trustee.

CERTIFICATE OF TRUSTEE

It is hereby certified that this is one of the Bonds of the series of Bonds referred to in the within mentioned Indenture.

BOKF, NA, as Trustee

DATED: _____

By: _____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto (print or typewrite name and address, including zip code, of Transferee.)

(Social Security or other identifying number: _____) the within Bond and all rights hereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed by:

Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Trustee.

(e) The Initial Bond shall be in the form set forth in paragraphs (a) through (d) of this section, except for the following alterations:

(i) immediately under the name of the Bond the heading "INTEREST RATE" and "MATURITY DATE" shall both be completed with the expression "As Shown Below," and the reference to the "CUSIP NUMBER" shall be deleted;

(ii) the Initial Bond shall be numbered T-1; and

(ii) in the first paragraph of the Bond, the words "on the Maturity Date, as specified above, the sum of _____ DOLLARS" shall be deleted and the following will be inserted: "on _____ in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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Section 5.3. **CUSIP Registration.**

The City may secure identification numbers through CUSIP Global Services, managed by S&P Fact Set Research Systems Inc. on behalf of the American Bankers Association, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and none of the City, the attorneys approving said Bonds as to legality or the Trustee are to be held responsible for CUSIP numbers incorrectly printed on the Bonds. The City prohibits any Bond to be issued in a denomination of less than \$100,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than \$100,000, and any attempt to accomplish either of the foregoing shall be void and of no effect, except as provided in Section 4.5 hereof. The Trustee may include in any

redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Owners and that neither the City nor the Trustee shall be liable for any inaccuracies in such numbers.

Section 5.4. Legal Opinion.

The approving legal opinion of Bond Counsel may be printed on or attached to each Bond over the certification of the City Secretary of the City, which may be executed in facsimile.

ARTICLE VI

FUNDS AND ACCOUNTS

Section 6.1. Establishment of Funds and Accounts.

(a) Creation of Funds. The following Funds are hereby created and established under this Indenture:

- (i) Pledged Revenue Fund;
- (ii) Bond Fund;
- (iii) Project Fund;
- (iv) Reserve Fund;
- (v) Redemption Fund;
- (vi) Rebate Fund;
- (vii) Administrative Fund; and

(b) Creation of Accounts.

Fund: (i) The following Account is hereby created and established under the Bond

(A) Principal and Interest Account.

Fund: (ii) The following Account is hereby created and established under the Reserve

(A) Reserve Account; and

(B) Delinquency & Prepayment Reserve Account.

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

(A) Improvement Account; and

(B) Costs of Issuance Account.

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

(A) Bond Pledged Revenue Account.

(c) Each Fund, each Account created within such Fund shall be maintained by the Trustee separate and apart from all other funds and accounts of the City. The Pledged Funds shall constitute trust funds which shall be held in trust by the Trustee as part of the Trust Estate solely for the benefit of the Owners of the Bonds Similarly Secured. Amounts on deposit in the Funds and Accounts shall be used solely for the purposes set forth herein.

(d) Interest earnings and profit on each respective Fund and Account established by this Indenture shall be applied or withdrawn for the purposes of such Fund or Account as specified below.

Section 6.2. **Initial Deposits to Funds and Accounts.**

The proceeds from the sale of the Bonds shall be paid to the Trustee and deposited or transferred by the Trustee as follows:

- (i) to the Reserve Account of the Reserve Fund \$_____ which is equal to the initial Reserve Account Requirement;
- (ii) to the Principal and Interest Account of the Bond Fund \$_____ which is the amount of capitalized interest on the Bonds;
- (iii) to the Costs of Issuance Account of the Project Fund: \$_____;
- (iii) to the Improvement Account of the Project Fund: \$_____; and
- (v) to the Administrative Fund: \$_____.

Section 6.3. **Pledged Revenue Fund.**

(a) Immediately upon receipt thereof, the City shall transfer to the Trustee for deposit to the Pledged Revenue Fund the Pledged Revenues, as set forth in the Service and Assessment Plan. Specifically, the Trustee shall deposit or cause to be deposited the foregoing amounts as follows: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount

sufficient to pay debt service on the Bonds Similarly Secured next coming due, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, (iii) third to pay other Actual Costs, and (iv) fourth to pay other costs permitted by the PID Act. Notwithstanding the foregoing, the Additional Interest of the Annual Installments shall only be utilized for the purposes set forth in Section 6.7(a-1) hereof and, on each March 15, beginning March 15, 2025, and on any other day set forth in a City Certificate, the amount of Additional Interest of the Annual Installments confirmed by the City pursuant to a City Certificate, will be deposited into the Delinquency & Prepayment Reserve Account and/or the Redemption Fund, as applicable.

(b) From time to time as needed to pay the obligations relating to the Bonds Similarly Secured, but no later than five (5) Business Days before each Interest Payment Date, the Trustee shall withdraw from the Bond Pledged Revenue Account of the Pledged Revenue Fund and transfer to the Principal and Interest Account of the Bond Fund, an amount, taking into account any amounts then on deposit in such Principal and Interest Account, such that the amount on deposit in the Principal and Interest Account equals the principal (including any Sinking Fund Installments) and interest due on the Bonds Similarly Secured on the next Interest Payment Date.

(c) The Trustee shall transfer the amounts determined in writing by the City as Prepayments to the Redemption Fund promptly after deposit of such amounts into the Pledged Revenue Fund.

(d) Upon receipt of Foreclosure Proceeds, the Trustee shall transfer such amount of Foreclosure Proceeds determined in writing by the City, first to the Reserve Fund to restore any transfers from the Reserve Fund made to which the Foreclosure Proceeds relate, second, to replenish the Delinquency and Prepayment Reserve Requirement, and third, to the Redemption Fund.

(e) After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds Similarly Secured and to fund any deficiency that may exist in the Reserve Fund, the Trustee shall, at the written request of the City, transfer any Pledged Revenues remaining in the Pledged Revenue Fund to the City, which monies may be used for any lawful purpose for which Assessments may be used under the PID Act. The Trustee may rely upon any such request of the City and shall have no obligation to determine the lawful purposes permitted under the PID Act.

Section 6.4. Bond Fund.

(a) On each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account and transfer to the Paying Agent/Registrar the principal (including any Sinking Fund Installments) and interest then due and payable on the Bonds Similarly Secured.

(b) If amounts in the Principal and Interest Account are insufficient for the purposes set forth in paragraph (a) above, the Trustee shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the Paying Agent/Registrar.

(c) If, after the foregoing transfers and any transfer from the Reserve Fund as provided in Section 6.7, there are insufficient funds to make the payments provided in paragraph (a) above, the Trustee shall apply the available funds in the Principal and Interest Account first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Bonds Similarly Secured.

Section 6.5. **Project Fund.**

(a) Money on deposit in the Project Fund shall be used for the purposes specified in Section 3.1.

(b) Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more City Certificates. Disbursements from all other Accounts of the Project Fund to pay Actual Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certification for Payment. Each such City Certificate shall include a list of the payees and the payments (not to exceed) to be made to such payees as well as a statement that all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in such written request and the Trustee may rely on such payment instructions though given by the City with no duty to investigate or inquire as to the authenticity of or authorization for the invoice or the payment instructions contained therein.

(c) Except as provided in Section 6.5(d) and (f), money on deposit in the Improvement Account shall be used solely to pay Actual Costs provided the Trustee shall have no responsibility for the application of any funds disbursed from the Improvement Account in reliance upon a Certification for Payment approved by the City.

(d) If the City Representative determines in the City Representative's reasonable discretion that amounts then on deposit in the Improvement Account of the Project Fund are not expected to be expended for purposes of the Project Fund due to the abandonment, or constructive abandonment, of one or more of the Authorized Improvements such that, in the reasonable opinion of the City Representative, it is unlikely that the amounts in the Improvement Account of the Project Fund will ever be expended for the purposes of the Project Fund, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Account of the Project Fund that are not expected to be used for purposes of the Project Fund. If such City Certificate is so filed, the amounts on deposit in the Improvement Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds Similarly Secured on the earliest practicable date after notice of redemption has been provided in accordance with this Indenture. Upon such transfers, the Improvement Account of the Project Fund shall be closed.

(e) In making any determination pursuant to this Section, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

(f) Upon the filing of a City Certificate stating that all of the Authorized Improvements have been completed and that all Actual Costs have been paid, or that any Actual Costs are not required to be paid from the Improvement Account of the Project Fund pursuant to a Certification for Payment, the Trustee shall transfer the amount, if any, remaining within the Improvement Account of the Project Fund to the Bond Fund or to the Redemption Fund as directed by the City Representative in a City Certificate filed with the Trustee. Upon such transfers, the Improvement Account of the Project Fund shall be closed.

(g) Upon the Trustee's receipt of a written determination by the City Representative that all costs of issuance of the Bonds have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to another Account in the Project Fund and used to pay Actual Costs or to the Principal and Interest Account and used to pay interest on the Bonds, as directed in a City Certificate filed with the Trustee and the Costs of Issuance Account shall be closed.

(h) (1) Notwithstanding the above sections, the aggregate amount of funds that the Trustee may disburse from the Improvement Account shall not exceed \$_____ (the "Authorized Amount") except and until the Release Condition (as defined in Section 6.5(h)(2) below) has been satisfied, after which the Trustee may resume disbursements. The Trustee may make disbursements from the Improvement Account that exceed the Authorized Amount only when the Developer provides written certification to the Trustee and the City in a Certificate for Payment that the Release Condition has been satisfied. The first Certificate for Payment that requests funds in excess of the Authorized Amount from the Improvement Account after satisfaction of the Release Condition shall be submitted to the City, the Trustee, the City's financial advisor, Bond Counsel and the Administrator for review and confirmation.

(2) Money may be disbursed from the Improvement Account in excess of the Authorized Amount only if the City has performed and approved the final inspections of at least 17 homes within the District and issued certificates of occupancy on each such home in accordance with its customary residential building inspection practices (the "Release Condition"). The City may not approve a Certificate for Payment for payment from the Improvement Account for any amounts that exceed the Authorized Amount until the Release Condition has been satisfied.

(3) Notwithstanding anything in this Indenture to the contrary, in the event the Developer has not provided the required evidence that the Release Condition has been satisfied on or before _____, 2027, then the Trustee shall transfer any funds remaining in the Improvement Account to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 of this Indenture.

Section 6.6. Redemption Fund.

Subject to adequate amounts on deposit in the Pledged Revenue Fund, the Trustee shall cause to be deposited to the Redemption Fund from the Pledged Revenue Fund an amount sufficient to redeem Bonds as provided in Sections 4.3 and 4.4 on the dates specified for redemption as provided in Sections 4.3 and 4.4. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds as provided in Article IV.

Section 6.7. **Reserve Fund.**

(a) The City agrees with the Owners of the Bonds Similarly Secured to accumulate and, when accumulated, maintain in the Reserve Account, an amount equal to not less than the Reserve Account Requirement. All amounts deposited in the Reserve Account shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund as provided in this Indenture.

(a-1) Subject to 6.3(a) herein, the Trustee will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Delinquency & Prepayment Reserve Account on March 15 of each year, commencing March 15, 2025, and on any other day set forth in a City Certificate, an amount equal to the Additional Interest until the Delinquency & Prepayment Reserve Requirement has been accumulated in the Delinquency & Prepayment Reserve Account. Once the Delinquency & Prepayment Reserve Requirement has accumulated in the Delinquency & Prepayment Reserve Account, any amounts in excess of the Delinquency & Prepayment Reserve Requirement shall be transferred by the Trustee to the Redemption Fund to redeem Bonds Similarly Secured as provided in Article IV provided, however, that at any time the amount on deposit in the Delinquency & Prepayment Reserve Account is less than Delinquency & Prepayment Reserve Requirement, the Trustee shall resume depositing such Additional Interest into the Delinquency & Prepayment Reserve Account until the Delinquency & Prepayment Reserve Requirement has accumulated in the Delinquency & Prepayment Reserve Account. In determining the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on a City Certificate specifying the amounts to transfer.

(b) Whenever a transfer is made from the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Trustee shall provide written notice thereof to the City, specifying the amount withdrawn and the source of said funds.

(c) In the event of an extraordinary optional redemption of Bonds Similarly Secured pursuant to Section 4.4, the Trustee, pursuant to written directions from the City, shall transfer from the Reserve Account of the Reserve Fund to the Redemption Fund the amount specified in such directions, which shall be an amount equal to the principal amount of Bonds Similarly Secured to be redeemed multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayments toward payment of accrued interest, there are insufficient funds to pay the principal amount to the nearest roundup of \$1,000 increment, plus accrued and unpaid interest on such Bonds Similarly Secured to the date fixed for redemption of the Bonds Similarly Secured to be redeemed as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall from the Delinquency & Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds Similarly Secured.

(d) Whenever, on any Interest Payment Date, or on any other date at the request of a City Representative, the value of cash and Value of Investment Securities on deposit in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Bonds Similarly Secured on the next Interest Payment Date in accordance with Section 6.4, unless prior to the next Interest Payment Date, the Trustee receives a City Certificate instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8 hereof, (ii) to the Administrative Fund in an amount not more than the Annual Collection Costs for the Bonds Similarly Secured or (iii) to Improvement Account of the Project Fund to pay Actual Costs if such application and the expenditure of funds is expected to occur within three years of the date hereof.

(d-1) Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amount in the Delinquency & Prepayment Reserve Account exceeds the Delinquency & Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess, and the Trustee shall transfer such excess pursuant to Section 6.7(a-1) hereof.

(e) Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds Similarly Secured due on such date, the Trustee shall transfer first from the Delinquency & Prepayment Reserve Account of the Reserve Fund, and second from the Reserve Account of the Reserve Fund to the Bond Fund the amounts necessary to cure such deficiency.

(f) At the final maturity of the Bonds Similarly Secured, the amount on deposit in the Reserve Account and the Delinquency & Prepayment Reserve Account shall be transferred to the Redemption Fund and applied to the payment of the principal of the Bonds Similarly Secured.

(g) If, after a Reserve Account withdrawal, the amount on deposit in the Reserve Account is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account the amount of such deficiency, but only to the extent that such amount is not required for the timely payment of principal, interest, or Sinking Fund Installments.

(h) If the amount held in the Reserve Fund together with the amount held in the Pledged Revenue Fund, the Bond Fund and Redemption Fund is sufficient to pay the principal amount and of all Outstanding Bonds Similarly Secured on the next date the Bonds Similarly Secured may be optionally redeemed by the City at a redemption price of par, together with the unpaid interest accrued on such Bonds Similarly Secured as of such date, the moneys in the Reserve Fund shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds Similarly Secured on such date.

Section 6.8. Rebate Fund: Rebatable Arbitrage.

(a) The Rebate Fund is to be held by the Trustee in accordance with the terms and provisions of this Indenture. Amounts on deposit in the Rebate Fund shall be used solely for the

purpose of paying amounts due the United States Government in accordance with the Code. The Rebate Fund shall not be part of the Trust Estate and shall not be security for the Bonds Similarly Secured.

(b) In order to assure that Rebatable Arbitrage is paid to the United States rather than to a third party, investments of funds on deposit in the Rebate Fund shall be made in accordance with the Code and the Tax Certificate.

(c) The Trustee conclusively shall be deemed to have complied with the provisions of this Section and shall not be liable or responsible if it follows the instructions of the City and shall not be required to take any action under this Section in the absence of instructions from the City.

(d) If, on the date of each annual calculation, the amount on deposit in the Rebate Fund exceeds the amount of the Rebatable Arbitrage, the City may direct the Trustee, pursuant to a City Certificate, to transfer the amount in excess of the Rebatable Arbitrage to the Bond Fund.

Section 6.9. Administrative Fund.

(a) Immediately upon receipt thereof, the City shall deposit or cause to be deposited to the Administrative Fund the portion of the Assessments and Annual Installments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan.

(b) Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered hereunder and used as directed by a City Certificate solely for the purposes set forth in the Service and Assessment Plan, including payment of Annual Collection Costs and Delinquent Collection Costs or may be withdrawn by the Trustee without further authorization for the payment of the fees, expenses, advances and indemnities owed to the Trustee in accordance with Section 9.6. The Administrative Fund shall not be part of the Trust Estate and shall not be security for the Bonds Similarly Secured.

Section 6.10. Investment of Funds.

(a) Money in any Fund or Account, other than the Reserve Account, shall be invested by the Trustee as directed by the City pursuant to a City Certificate filed with the Trustee in Investment Securities; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund or Account will be available at the proper time or times. Money in the Reserve Account shall be invested in such Investment Securities as directed by the City pursuant to a City Certificate filed with the Trustee, provided that the final maturity of any individual Investment Security shall not exceed 270 days and the average weighted maturity of any investment pool or no-load money market mutual fund shall not exceed 90 days. Each such City Certificate shall be a certification that the investment directed therein constitutes an Investment Security and that such investments meet the maturity and average weighted maturity requirements set forth in the preceding sentence and the Trustee shall not be responsible for determining such requirements. Such investments shall be valued each year in terms of the Value of Investment Securities as of September 30. For purposes of maximizing

investment returns, to the extent permitted by law, money in the Funds and Accounts may be invested in common investments of the kind described above, or in a common pool of such investment which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold, in order to make the disbursements required or permitted by this Indenture, to prevent any default under this Indenture. To ensure that cash on hand is invested, if the City does not give the Trustee written or timely instructions with respect to investments of funds, the Trustee shall invest and re-invest cash balances in Invesco Short-Term Investments Trust Treasury, CUSIP No. 825252786, until directed otherwise by the City Certificate.

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

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades. The Trustee shall not incur any liability for losses arising from any investments made pursuant to this Section. The Trustee shall not be required to determine the legality of any investments. The Trustee is not providing investment supervision, recommendation, or advice in acting pursuant to the provisions hereof.

(d) Investments in any and all Funds and Accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular Funds or Accounts of amounts received or held by the Trustee hereunder, provided that the Trustee shall at all times account for such investments strictly in accordance with the Funds and Accounts to which they are credited and otherwise as provided in this Indenture.

(e) The Trustee will furnish to the City, upon the City's written request, periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the City. Upon the City's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The City waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The City further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

(f) In the event it is found, after an annual calculation has been done pursuant to Section 6.8 hereof, that the City owes Rebatale Arbitrage to the United States Government, the City shall direct the Trustee, pursuant to a City Certificate, to transfer to the Rebate Fund the investment earnings on funds on deposit in the Pledged Funds in an amount equal to the Rebatale Arbitrage owed by the City. The City Certificate shall specify the amount to be transferred and the Pledged Fund or Pledged Funds from which the investment earnings shall be transferred.

Section 6.11. Security of Funds.

All Funds heretofore created or reaffirmed, to the extent not invested as herein permitted, shall be secured in the manner and to the fullest extent required by law for the security of public funds, and such Funds shall be used only for the purposes and in the manner permitted or required by this Indenture.

ARTICLE VII

COVENANTS

Section 7.1. Confirmation of Assessments.

The City hereby confirms, covenants, and agrees that, in the Assessment Ordinance, it has levied the Assessments against the Assessed Property in the District from which the Assessment Revenues will be collected and received.

Section 7.2. Collection and Enforcement of Assessments.

(a) For so long as any Bonds Similarly Secured are Outstanding and, as applicable, amounts are due to the Developer under the Reimbursement Agreement to reimburse the Developer for the funds it has contributed to pay Actual Costs, the City covenants, agrees and warrants that it will take and pursue all reasonable actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement or exemption in the Assessments.

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

(c) The City will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be

required under any circumstances to purchase or make payment for the purchase of the delinquent Assessments or the corresponding property.

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

Section 7.3. Against Encumbrances.

(a) The City shall not create and shall not suffer to remain, any lien, encumbrance or charge upon the Trust Estate or upon any other property pledged under this Indenture, except the pledge created for the security of the Bonds, or any Refunding Bonds, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

(b) So long as Bonds are Outstanding hereunder, the City shall not issue any bonds, notes or other evidences of indebtedness, other than the Bonds and Refunding Bonds, secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under this Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

Section 7.4. Records, Accounts, Accounting Reports.

The City hereby covenants and agrees that so long as any Bonds Similarly Secured are Outstanding, it will keep and maintain a proper and complete system of records and accounts pertaining to the Assessments. The Trustee and holder or holders of any Bonds Similarly Secured or any duly authorized agent or agents of such holders shall have the right at all reasonable times to inspect all such records, accounts, and data relating thereto, upon written request to the City by the Trustee or duly authorized representative, as applicable. The City shall provide the Trustee or duly authorized representative, as applicable, an opportunity to inspect such books and records relating to the Bonds Similarly Secured during the City's regular business hours and on a mutually agreeable date not later than thirty days after the City receives such request.

Section 7.5. Covenants Regarding Tax Exemption of Interest on Bonds.

(a) The City covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Bonds as an obligation described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Article or any underlying arrangement, directly or indirectly, secure or provide for the

payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" that is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount that is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action that would otherwise result in the Bonds being treated as a "private activity bond" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds that were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) that produces a materially higher yield over the term of the Bonds, other than investment property acquired with –

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, for a period of 90 days or less until such proceeds are needed for the purpose for which the Bonds is issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(7) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code;

(8) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds has been paid

in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and,

(9) to refrain from using the proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Bonds in contravention of the requirements of section 149(d) of the Code.

(b) In order to facilitate compliance with the above covenant (a)(8), the Rebate Fund is established by the City pursuant to Section 6.1 for the sole benefit of the United States of America, and such Rebate Fund shall not be subject to the claim of any other person, including without limitation the Registered Owner. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) The City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto (the "*Treasury Regulations*"). In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Bonds, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Bonds, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Mayor or Mayor Pro-Tem to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, that may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) The City covenants to account for the expenditure of sale proceeds and investment earnings to be used for Actual Costs on its books and records in accordance with the requirements of the Code. The City recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Authorized Improvements are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the City recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds is retired. The City agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not

adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) The City covenants that the projects funded with the proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless the City obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains a legal opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

ARTICLE VIII

LIABILITY OF CITY

Section 8.1. Liability of City.

(a) Neither the full faith and credit nor the general taxing power of the City is pledged to the payment of the Bonds Similarly Secured, and no City taxes, fee or revenues from any source are pledged to the payment of, or available to pay any portion of, the Bonds Similarly Secured or any other obligations relating to the District. The City shall never be liable for any obligations relating to the Bonds Similarly Secured or other obligations relating to the District, other than as specifically provided for in this Indenture.

(b) The City shall not incur any responsibility in respect of the Bonds Similarly Secured or this Indenture other than in connection with the duties or obligations explicitly herein or in the Bonds Similarly Secured assigned to or imposed upon it. The City shall not be liable in connection with the performance of its duties hereunder, except for its own willful default or act of bad faith. The City shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions covenants or agreements of the Trustee herein or of any of the documents executed by the Trustee in connection with the Bonds Similarly Secured, or as to the existence of a default or event of default thereunder.

(c) In the absence of bad faith, the City may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the City and conforming to the requirements of this Indenture. The City shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

(d) No provision of this Indenture, the Bonds Similarly Secured, the Assessment Ordinance, or any agreement, document, instrument, or certificate executed, delivered or approved in connection with the issuance, sale, delivery, or administration of the Bonds Similarly Secured (collectively, the "*Bond Documents*"), shall require the City to expend or risk its own general funds or other funds or otherwise incur any financial liability (other than with respect to the Trust Estate)

in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of the City there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

(e) Neither the Owners nor any other Person shall have any claim against the City or any of its officers, officials, agents, or employees for damages suffered as a result of the City's failure to perform in any respect any covenant, undertaking, or obligation under any Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent that any such claim relates to an obligation, undertaking, representation, or covenant of the City, in accordance with the Bond Documents and the PID Act. Any such claim shall be payable only from the Trust Estate. Nothing contained in any of the Bond Documents shall be construed to preclude any action or proceeding in any court or before any governmental body, agency, or instrumentality against the City or any of its officers, officials, agents, or employees to enforce the provisions of any of the Bond Documents or to enforce all rights of the Owners of the Bonds Similarly Secured by mandamus or other proceeding at law or in equity.

(f) The City may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The City may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever in the administration of its duties under this Indenture the City shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the City, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector or City Manager or other independent person designated by the City Council to so act on behalf of the City, and such certificate shall be full warrant to the City for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the City may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

(g) In order to perform its duties and obligations hereunder, the City may employ such persons or entities as it deems necessary or advisable. The City shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations, and directions of such persons or entities.

ARTICLE IX

THE TRUSTEE

Section 9.1. Acceptance of Trust; Trustee as Registrar and Paying Agent.

(a) The Trustee accepts and agrees to execute the respective trusts imposed upon it by this Indenture, but only upon the terms and conditions and subject to the provisions of this Indenture to all of which the parties hereto and the respective Owners of the Bonds Similarly Secured agree. The Trustee undertakes to perform such duties and only such duties as are specifically set forth herein. No implied covenants or obligations shall be read into this Indenture against the Trustee.

(b) The Trustee is hereby designated and agrees to act as Paying Agent/Registrar for and in respect to the Bonds Similarly Secured.

Section 9.2. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to spend its own funds, to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction by the Owners against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct; provided, however, that in no event shall the Trustee request or require indemnification as a condition to making scheduled debt service payments prior to the occurrence of a default, or to delivering any notice when required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as the Trustee, without indemnity, and in such case the Trustee may make transfers from the Administrative Fund to pay all fees, costs, and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall be entitled to a preference therefor over any Bonds Similarly Secured Outstanding hereunder on amounts held within the Administrative Fund.

Section 9.3. Responsibilities of the Trustee.

(a) The recitals contained in this Indenture and in the Bonds Similarly Secured shall be taken as the statements of the City and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of the offering documents, this Indenture or the Bonds Similarly Secured or with respect to the security afforded by this Indenture, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds Similarly Secured for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to the City or others in accordance with this Indenture, except as to the application of any moneys paid to it in its capacity as Trustee; (iv) any calculation of

arbitrage or rebate under the Code; or (v) any loss suffered in connection with any investment of funds in accordance with this Indenture, or (vi) to undertake any other action unless specifically authorized pursuant to a written direction by the City pursuant to this Indenture. The Trustee has the right to act through agents and attorneys and shall have no liability for the negligence or willful misconduct of the agents and attorneys appointed with due care.

(b) The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture.

(c) The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture, except for its own negligence or willful misconduct. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from this Indenture for the existence, furnishing or use of the Project. If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

(d) The Trustee shall not be liable for any action taken, or errors of judgment made in good faith by any one of its officers, agents, or employees unless it shall be established that the Trustee was negligent in ascertaining the pertinent facts.

(e) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of at least a Quarter in Interest of the Bonds Similarly Secured relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

(f) The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default unless the Trustee has actual knowledge thereof or shall be notified specifically of the default or Event of Default in a written instrument or document delivered to it by the City or by the Owners of at least Quarter in Interest of the Bonds Similarly Secured at that time. The Trustee may assume conclusively that there is no Event of Default, except as noted above.

(g) The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and rights to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the discharge of this Indenture, and final payment of the Bonds Similarly Secured.

(h) The permissive rights of the Trustee to do things enumerated in this Agreement shall not be construed as a duty and, with respect to such permissive rights, the Trustee shall not be answerable for other than its negligence or willful misconduct.

(i) The Trustee may act through attorneys or agents and shall not be responsible for the acts or omissions of any such attorney or agent appointed with due care.

(j) Neither the Trustee nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor the performance or any action of the City, the Developer, or any of their directors, members, officers, agents, affiliates or employees, nor shall it have any liability in connection with the malfeasance or nonfeasance by such party. The Trustee may assume performance by all such Persons of their respective obligations. The Trustee shall have no enforcement or notification obligations relating to breaches of representations or warranties of any other Person.

(k) In the event that any of the Trust Estate shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the such assets, the Trustee is hereby expressly authorized, in its sole discretion, to respond as it deems appropriate or to comply with all writs, orders or decrees so entered or issued, or which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction. In the event that the Trustee obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties or to any other person, firm or corporation, should, by reason of such compliance notwithstanding, such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

(l) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its control, including without limitation, any act or provision of any present or future law or regulation or governmental authority; acts of God; earthquakes; fires; floods; wars; terrorism; civil or military disturbances; sabotage; epidemics; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority or governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility; it being understood that the Trustee shall use its best efforts to resume performance as soon as practicable under the circumstances.

Section 9.4. Property Held in Trust.

All moneys and securities held by the Trustee at any time pursuant to the terms of this Indenture shall be held by the Trustee in trust for the purposes and under the terms and conditions of this Indenture.

Section 9.5. Trustee Protected in Relying on Certain Documents.

(a) The Trustee may conclusively rely and shall be protected in acting or refraining from acting upon any order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond, resolution, direction, or other document provided to the Trustee in accordance with the terms of this Indenture that it shall in good faith believe to be genuine and to have been adopted or signed by the proper board or Person or to have been prepared and furnished pursuant

to any of the provisions of this Indenture, or upon the written opinion of any counsel, architect, engineer, insurance consultant, management consultant, or accountant believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry into any statements contained or matters referred to in any such instrument. Subject to Section 9.1 and 9.3, the Trustee may, at the expense of the City, consult with counsel selected by the Trustee with due care, who may or may not be Bond Counsel, and any advice from such counsel with respect to compliance with the provisions of this Indenture shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder, reasonably and in good faith, in accordance with such advice.

(b) Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter may be deemed to be conclusively proved and established by a City Certificate, unless other evidence in respect thereof be hereby specifically prescribed. Such City Certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice, or other direction required or permitted to be furnished pursuant to any provision hereof by the City to the Trustee shall be sufficiently executed if executed in the name of the City by the City Representative. the Trustee shall be entitled to conclusively rely upon the foregoing as sufficient evidence of the facts set forth herein. The execution of any City Certificate shall constitute, unto the Trustee, an irrevocable determination that all conditions precedent thereto have occurred.

(c) The Trustee shall not be under any obligation to see to the recording or filing of this Indenture, or otherwise to the giving to any Person of notice of the provisions hereof except as expressly required in Section 9.13.

Section 9.6. Compensation.

Unless otherwise provided by contract with the Trustee, the Trustee shall transfer from the Administrative Fund, from time to time, reasonable compensation for all services rendered by it hereunder, including its services as Paying Agent/Registrar, together with all its reasonable expenses, charges, and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, which, with respect to ordinary fees and expenses incurred prior to an Event of Default hereunder, shall be transferred pursuant to a City Certificate and subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by such City Certificate, and the Trustee shall have a lien therefor on any and all funds at any time held by it in the Administrative Fund prior to any Outstanding Bonds Similarly Secured. Following an Event of Default, the foregoing limitation on expenses shall not apply, however any such fees or expenses must be reasonable. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if in the judgment of the Trustee there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it. If the City shall fail to

make any payment required by this Section, the Trustee may make such payment from any moneys in its possession in the Administrative Fund and shall be entitled to a preference therefor over any Bonds Similarly Secured Outstanding hereunder. In the event that the Trustee renders any service not contemplated in this Agreement, or if any material controversy arises hereunder, or the Trustee is made a party to any litigation pertaining to this Agreement or the subject matter hereof, then the Trustee shall be compensated for such extraordinary services and any services or work performed by the Trustee in connection with any delay, controversy, litigation or event, and reimbursed for all costs and expenses, including reasonable attorneys' fees and expenses, occasioned by any such delay, controversy, litigation or event. The right of the Trustee to fees, expense, and indemnification shall survive the release, discharge, and satisfaction of the Indenture.

Section 9.7. Permitted Acts.

The Trustee and its directors, officers, employees, or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds Similarly Secured and may join in any action that any Owner of Bonds Similarly Secured may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the City or any committee formed to protect the rights of holders of Bonds Similarly Secured or to effect or aid in any reorganization growing out of the enforcement of the Bonds Similarly Secured or this Indenture, whether or not such committee shall represent the holders of a Quarter in Interest of the Bonds Similarly Secured.

Section 9.8. Resignation of Trustee.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than 30 days' notice, specifying the date when such resignation shall take effect, to the City and each Owner of any Outstanding Bonds Similarly Secured. Such resignation shall take effect upon the appointment of a successor as provided in Section 9.10 and the acceptance of such appointment by such successor.

Section 9.9. Removal of Trustee.

The Trustee may be removed by giving not fewer than 30 days' notice, specifying the date when such removal shall take effect at any time by (i) the Owners of at least a Quarter in Interest of the Bonds Similarly Secured by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to the City, or (ii) so long as the City is not in default under this Indenture, the City. Copies of each such instrument shall be delivered by the City to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the City or the Owners of not less than 10% of the aggregate principal amount of Bonds Similarly Secured then Outstanding.

Section 9.10. Successor Trustee.

(a) If the Trustee shall resign, be removed, be dissolved, or become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the position of the Trustee hereunder shall thereupon become vacant.

(b) If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed within one year after any such vacancy shall have occurred by the Owners of at least a Quarter in Interest of the Bonds Similarly Secured by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the City.

(c) Until such successor Trustee shall have been appointed by the Owners of the Bonds Similarly Secured, the City shall forthwith appoint a Trustee to act hereunder. Copies of any instrument of the City providing for any such appointment shall be delivered by the City to the Trustee so appointed. The City shall mail notice of any such appointment to each Owner of any Outstanding Bonds Similarly Secured within 30 days after such appointment. Any appointment of a successor Trustee made by the City immediately and without further act shall be superseded and revoked by an appointment subsequently made by the Owners of Bonds Similarly Secured.

(d) If in a proper case no appointment of a successor Trustee shall be made within 45 days after the giving by any Trustee of any notice of resignation in accordance with Section 9.8 or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner of Bonds Similarly Secured may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor and the City shall be responsible for the costs of such appointment process.

(e) Any successor Trustee appointed under the provisions of this Section shall be a commercial bank or trust company or national banking association (i) having a capital and surplus and undivided profits aggregating at least \$50,000,000, if there be such a commercial bank or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms, and (ii) authorized by law to perform all the duties of the Trustee required by this Indenture.

(f) Each successor Trustee shall mail, in accordance with the provisions of the Bonds Similarly Secured, notice of its appointment to the Trustee, any rating agency which, at the time of such appointment, is providing a rating on the Bonds Similarly Secured and each of the Owners of the Bonds Similarly Secured.

Section 9.11. Transfer of Rights and Property to Successor Trustee.

Any successor Trustee appointed under the provisions of Section 9.10 shall execute, acknowledge, and deliver to its predecessor and the City an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations, and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the City or of such successor and upon receipt of its outstanding charges, execute, acknowledge, and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers, and trusts of such Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and shall pay over, assign, and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing from the City be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties, or obligations, any and all such deeds, conveyances, and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged, and delivered by the City.

Section 9.12. Merger, Conversion or Consolidation of Trustee.

Any corporation or association into which the Trustee may be merged or with which it may be consolidated or any corporation or association resulting from any merger, conversion or consolidation to which it shall be a party or any corporation or association to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Trustee hereunder, without any further act, deed or conveyance, provided that such corporation or association shall be a commercial bank or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 9.10, or a trust company that is a wholly-owned subsidiary of any of the foregoing.

Section 9.13. Trustee To File Continuation Statements.

The City will cause to be filed all appropriate financing statements. If necessary, the Trustee shall file or cause to be filed, at the City's expense, such continuation statements as may be delivered to the Trustee and which may be required by the Texas Uniform Commercial Code, as from time to time in effect (the "UCC"), in order to continue perfection of the security interest and rights of the Trustee in such items of tangible or intangible personal property and any fixtures as may have been granted to the Trustee pursuant to this Indenture in the time, place and manner required by the UCC. Unless otherwise notified in writing by the City or an Owner, the Trustee may conclusively rely upon the initial financing statements in filing any continuation statements hereunder. The Trustee shall have no responsibility to file financing statements or continuation statements other than to file continuation statements that are delivered to it.

If applicable, but immediately upon its receipt thereof, the City, or an authorized third-party representative thereof, shall deliver to the Trustee file-stamped copies of each UCC initial financing statement recorded in the jurisdictions applicable thereto.

The Trustee's UCC filing requirements are limited to those responsibilities as set forth in this Section 9.13.

Section 9.14 Offering Documentation.

The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum, or any other disclosure material prepared or distributed with respect to the Bonds Similarly Secured and shall have no responsibility for compliance with any State or federal securities laws in connection with the Bonds Similarly Secured.

Section 9.15 Expenditure of Funds and Risk.

None of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of its rights or powers if the Trustee shall have reasonable grounds for believing that the repayment of such funds or indemnity against such risk or liability is not assured.

Section 9.16 Environmental Hazards.

The Trustee may inform any Owner of environmental hazards that the Trustee has reason to believe exist, and the Trustee has the right to take no further action and in such event, no fiduciary duty exists which imposes any obligation for further action with respect to the Trust Estate or any portion thereof if the Trustee, in its individual capacity, determines that any such action would materially and adversely subject the Trustee to environmental or other liability for which the Trustee has not been adequately indemnified.

The Trustee shall not be responsible or liable for the environmental condition related to the improvements to any real property or for diminution in value of the same, or for any claims by or on behalf of the owners thereof as the result of any contamination by a hazardous substance, hazardous material, pollutant, or contaminant. The Trustee assumes no duty or obligation to assess the environmental condition of any improvements or with respect to compliance thereof under State or federal laws pertaining to the transport, storage, treatment, or disposal of hazardous substances, hazardous materials, pollutants, or contaminants or regulations, permits, or licenses issued under such laws.

Section 9.17. Accounts, Periodic Reports and Certificates.

The Trustee shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Funds and Accounts established by this Indenture and which shall at all times be subject to inspection by the City, and the Owner or Owners of not less than 10% in principal amount of the Bonds Similarly Secured then Outstanding or their representatives duly authorized in writing.

Section 9.18. Construction of Indenture.

The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Owners of the Bonds Similarly Secured.

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. Amendments Permitted.

(a) This Indenture and the rights and obligations of the City and of the Owners of the Bonds Similarly Secured may be modified or amended at any time by a Supplemental Indenture, except as provided below, pursuant to the affirmative vote at a meeting of Owners of the Bonds Similarly Secured, or with the written consent without a meeting, of the Owners of the Bonds Similarly Secured of at least a majority of the aggregate outstanding principal of the Bonds Similarly Secured at that time and City approval of such modification or amendment. No such modification or amendment shall (i) extend the maturity of any Bond Similarly Secured or reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond Similarly Secured, without the express consent of the Owner of such Bond Similarly Secured, or (ii) permit the creation by the City of any pledge or lien upon the Trust Estate superior to or on a parity with the pledge and lien created for the benefit of the Bonds Similarly Secured (except as otherwise permitted by Applicable Laws and this Indenture), or reduce the percentage of Bonds Similarly Secured required for the amendment hereof. Any such amendment shall not modify any of the rights or obligations of the Trustee without its written consent. In executing or accepting any Supplemental Indenture, the Trustee shall be fully protected in relying upon an opinion of Bond Counsel addressed and delivered to the Trustee stating that (a) the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture, (b) the execution and delivery of will not adversely affect the exclusion from federal gross income of the interest on the Bonds Similarly Secured, and (c) such Supplemental Indenture will, upon the execution and delivery thereof, to be a valid and binding obligation of the City.

(b) This Indenture and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by Applicable Laws, and only for anyone or more of the following purposes:

(i) to add to the covenants and agreements of the City in this Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the City;

(ii) to make modifications not adversely affecting any Outstanding Bonds Similarly Secured in any material respect;

(iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in regard to questions arising under this Indenture, as the City and the Trustee may deem necessary or desirable and not inconsistent with this Indenture, and that shall not adversely affect the rights of the Owners of the Bonds Similarly Secured; and

(iv) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Bonds Similarly Secured.

(c) Notwithstanding anything to the contrary herein, no Supplemental Indenture entered into in accordance with Section 10.1(b) above shall be effective unless the City first delivers to the Trustee an opinion of Bond Counsel to the effect that such amendment will not adversely affect the: (i) interests of the Owners in any material respect, or (ii) exclusion of interest on any Bond Similarly Secured from gross income for purposes of federal income taxation.

Section 10.2. Owners' Meetings.

The City may at any time call a meeting of the Owners of the Bonds Similarly Secured. In such event the City is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof, and to fix and adopt rules and regulations for the conduct of said meeting.

Section 10.3. Procedure for Amendment with Written Consent of Owners.

(a) The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds Similarly Secured or of this Indenture, to the extent that such amendment is permitted by Section 10.1, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a request to Owners for their consent thereto, if such consent is required pursuant to Section 10.1, shall be mailed by first class mail, by the Trustee to each Owner of Bonds Similarly Secured from whom consent is required under this Indenture, but failure to mail copies of such Supplemental Indenture and request shall not affect the validity of the Supplemental Indenture when assented to as in this Section provided.

(b) Such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the written consents of the Owners as required by this Indenture and a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds Similarly Secured for which such consent is given, which proof shall be such as is permitted by Section 11.6. Any such consent shall be binding upon the Owner of the Bonds Similarly Secured giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof), unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

(c) After the Owners of the required percentage of Bonds Similarly Secured shall have filed their consents to the Supplemental Indenture, the City shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Indenture, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds Similarly Secured and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Indenture or consents thereto). Proof of the mailing of such notice shall be filed with the Trustee. A record, consisting of the papers required by this Section 10.3 to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Indenture shall become effective upon the filing with the Trustee of the proof of mailing of such notice, and the Supplemental Indenture shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the City and the Owners of all Bonds Similarly Secured at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period provided, however, that the Trustee during such sixty day period and any such further period during which any such action or proceeding may be pending shall be entitled in its sole discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Indenture, as it may deem expedient; provided, further, that the Trustee shall have no obligation to take or refrain from taking any such action and the Trustee shall have no liability with respect to any action taken or any instance of inactions.

Section 10.4. Procedure for Amendment Not Requiring Owner Consent.

(a) The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds Similarly Secured or of this Indenture, to the extent that such amendment is permitted by Section 10.1, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a notice stating that the Supplemental Indenture does not require Owner consent, shall be mailed by first class mail by the Trustee to each Owner of Bonds Similarly Secured, but failure to mail copies of such Supplemental Indenture shall not affect the validity of the Supplemental Indenture. The Trustee shall retain the proof of its mailing of such notice. A record, consisting of the papers required by this Section 10.4, shall be proof of the matters therein stated until the contrary is proved.

(b) The Supplemental Indenture shall become effective upon the execution and delivery of such Supplemental Indenture by the Trustee and the City, and the Supplemental Indenture shall be deemed conclusively binding upon the City, the Trustee and the Owners of all Bonds Similarly Secured as of the date of such execution and delivery.

Section 10.5. Effect of Supplemental Indenture.

From and after the time any Supplemental Indenture becomes effective pursuant to this Article X, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties, and obligations under this Indenture of the City, the Trustee and all Owners of Bonds Similarly Secured Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms

and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 10.6. Endorsement or Replacement of Bonds Similarly Secured Issued After Amendments.

The City may determine that Bonds Similarly Secured issued and delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bonds Similarly Secured Outstanding at such effective date and presentation of his Bond Similarly Secured for that purpose at the designated office of the Trustee or at such other office as the City may select and designate for that purpose, a suitable notation shall be made on such Bond Similarly Secured. The City may determine that new Bonds Similarly Secured, so modified as in the opinion of the City is necessary to conform to such Owners' action, shall be prepared, executed, and delivered. In that case, upon demand of the Owner of any Bonds Similarly Secured then Outstanding, such new Bonds Similarly Secured shall be exchanged at the designated office of the Trustee without cost to any Owner, for Bonds Similarly Secured then Outstanding, upon surrender of such Bonds Similarly Secured.

Section 10.7. Amendatory Endorsement of Bonds Similarly Secured.

The provisions of this Article X shall not prevent any Owner from accepting any amendment as to the particular Bonds Similarly Secured held by such Owner, provided that due notation thereof is made on such Bonds Similarly Secured.

Section 10.8. Waiver of Default.

Subject to Section 10.1, with the written consent of at least a majority of the aggregate outstanding principal of the Bonds Similarly Secured at that time, the Owners may waive compliance by the City with certain past defaults under this Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners.

Section 10.9. Execution of Supplemental Indenture.

In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel addressed and delivered to the Trustee and the City stating that the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.1. Events of Default.

Each of the following occurrences or events shall be and is hereby declared to be an "Event of Default," to wit:

(i) The failure of the City to deposit the Pledged Revenues to the Pledged Revenue Fund;

(ii) The failure of the City to enforce the collection of the Assessments including the prosecution of foreclosure proceedings, in accordance with Section 7.2;

(iii) Default in the performance or observance of any covenant, agreement or obligation of the City under this Indenture other than a default under (i) above or (iv) below, and the continuation thereof for a period of ninety (90) days after written notice specifying such default and requiring same to be remedied shall have been given to the City by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Owners of at least a majority of the aggregate outstanding principal of the Bonds Similarly Secured then Outstanding; and

(iv) The failure to make payment of the principal of or interest on any of the Bonds Similarly Secured when the same becomes due and payable and such failure is not remedied within thirty (30) days thereafter.

Section 11.2. Immediate Remedies for Default.

(a) Subject to Article VIII, upon the happening and continuance of any of the Events of Default described in Section 11.1, then and in every such case the Trustee may proceed, and upon the written request of the Owners of at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding hereunder and its receipt of indemnity satisfactory to it shall proceed, to protect and enforce the rights of the Owners under this Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that any action for money damages against the City shall be limited to recovery from the Trust Estate may be sought or shall be permitted. The Trustee retains the right to obtain the advice of counsel in its exercise of remedies for default.

(b) PURSUANT TO SECTION 11.7, THE PRINCIPAL OF THE BONDS SIMILARLY SECURED SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

(c) Whenever moneys are to be applied pursuant to this Article XI, irrespective of and whether other remedies authorized under this Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate and as may be required by law and apply the proceeds thereof in accordance with the provisions of this Section. The Trustee shall sell Trust Estate assets, according to the appraised value thereof, beginning with the asset of the highest value and continuing such sales in the order of next succeeding most valuable asset until satisfaction of debts pertaining to the outstanding Bonds Similarly Secured. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the judgment of the Trustee, proper for the purpose which may be designated in such request.

(d) In an Event of Default shall have occurred and be continuing, the City, upon demand of the Trustee, shall surrender the possession of, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of all or any part of the Trust Estate, together with the books, papers, and accounts of the City pertaining thereto, and including the rights and the position of the City, and to hold, operate, and manage the same, and from time to time make all needed repairs and improvements, as well as set up proper reserve for the payment of all proper costs and expenses, holding and managing the same, including (i) reasonable compensation to the Trustee, its agents, and counsel, (ii) any reasonable charges of the Trustee hereunder, (iii) any taxes and assessments and other charges prior to the lien of this of Indenture, and (iv) all expenses of such repairs and improvements. After payment in full of the foregoing, the Trustee shall surrender possession of the Trust Estate to the City, its successors or assigns.

Section 11.3. Restriction on Owner's Action.

(a) No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust thereof or any other remedy hereunder, unless (i) a default has occurred and is continuing of which the Trustee has actual knowledge thereof or has been notified in writing as provided in Section 9.3(f), or of which by such Section it is deemed to have notice, (ii) such default has become an Event of Default and the Owners of at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in Section 9.2, (iv) the Trustee has for 60 days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners

of at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds Similarly Secured then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy hereunder.

(b) Subject to Article VIII, nothing in this Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond Similarly Secured at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond Similarly Secured issued hereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed herein and in the Bonds Similarly Secured.

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

Section 11.4. Application of Revenues and Other Moneys After Default.

(a) All moneys, securities, funds and Pledged Revenues and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost, liabilities, advances and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out this Indenture, during the continuance of an Event of Default, notwithstanding Section 11.2, be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds Similarly Secured, as follows:

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

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

Within thirty (30) days of receipt of such good and available funds, the Trustee may fix a record date and a payment date for any payment to be made to Owners of Bonds Similarly Secured pursuant to this Section 11.4.

(b) In the event funds are not adequate to cure any of the Events of Default described in Section 11.1, the available funds shall be allocated to the Bonds Similarly Secured that are Outstanding in proportion to the quantity of Bonds Similarly Secured that are currently due and in default under the terms of this Indenture.

(c) The restoration of the City to its prior position after any and all defaults have been cured, as provided in Section 11.3, shall not extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 11.5. Effect of Waiver.

The Trustee may, with the prior written consent of at least a majority of the aggregate outstanding principal of the Bonds Similarly Secured at that time, waive an Event of Default occurring hereunder. No delay or omission of the Trustee, or any Owner, to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 11.6. Evidence of Ownership of Bonds Similarly Secured.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners of Bonds Similarly Secured may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, or the holding by any Person of the Bonds Similarly Secured shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

(i) The fact and date of the execution of such instruments by any Owner of Bonds Similarly Secured or the duly appointed attorney authorized to act on behalf of such Owner may be provided by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate, or affidavit shall also constitute sufficient proof of his authority.

(ii) The ownership of Bonds Similarly Secured and the amount, numbers and other identification and date of holding the same shall be proved by the Register.

(b) Except as otherwise provided in this Indenture with respect to revocation of a consent, any request or consent by an Owner of any Bond Similarly Secured shall bind all future Owners of the same Bond Similarly Secured in respect of anything done or suffered to be done by the City or the Trustee in accordance therewith.

Section 11.7. No Acceleration.

In the event of the occurrence of an Event of Default under Section 11.1, the right of acceleration of any Stated Maturity is not granted as a remedy hereunder and the right of acceleration under this Indenture is expressly denied.

Section 11.8. Mailing of Notice.

Any provision in this Article for the mailing of a notice or other document to Owners shall be fully complied with if it is mailed, first class postage prepaid, only to each Owner at the address appearing upon the Register.

Section 11.9. Exclusion of Bonds Similarly Secured.

Bonds Similarly Secured owned or held by or for the account of the City will not be deemed Outstanding for any purpose. The City shall promptly deliver any such Bonds Similarly Secured to the Trustee for cancellation.

Section 11.10. Remedies Not Exclusive.

Subject to Section 11.2, no remedy herein conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy and each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity, by statute or by contract.

Section 11.11. Direction by Owners.

Anything herein to the contrary notwithstanding, the Owners of a Quarter in Interest of the Bonds Similarly Secured shall have the right by an instrument in writing executed and delivered to the Trustee, to direct the choice of remedies and the time, method and place of conducting any proceeding for any remedy available to the Trustee hereunder, under each Supplemental Indenture or otherwise, or exercising any trust or power conferred upon the Trustee, including the power to direct or withhold directions with respect to any remedy available to the Trustee or the Owners, provided, (i) such direction shall not be otherwise than in accordance with law and the provisions hereof, (ii) that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and (iii) that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Owners not parties to such direction.

ARTICLE XII

GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. Representations as to Trust Estate.

(a) The City represents and warrants that it is authorized by Applicable Laws to authorize and issue the Bonds Similarly Secured, to execute and deliver this Indenture and to pledge the Trust Estate in the manner and to the extent provided in this Indenture, and that the Trust Estate are and will be and remain free and clear of any pledge, lien, charge, or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by this Indenture except as expressly provided herein.

(b) The City shall at all times, to the extent permitted by Applicable Laws, defend, preserve and protect the pledge of the Trust Estate and all the rights of the Owners and the Trustee, under this Indenture against all claims and demands of all Persons whomsoever.

(c) Subject to Section 7.2(d), the City will take all steps reasonably necessary and appropriate, and will direct the Trustee to take all steps reasonably necessary and appropriate, to collect all delinquencies in the collection of the Assessments and any other amounts pledged to the payment of the Bonds Similarly Secured to the fullest extent permitted by the PID Act and other Applicable Laws.

Section 12.2. General.

The City shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under the provisions of this Indenture.

ARTICLE XIII

SPECIAL COVENANTS

Section 13.1. Further Assurances; Due Performance.

(a) At any and all times the City will duly execute, acknowledge and deliver, or will cause to be done, executed and delivered, all and every such further acts, conveyances, transfers, and assurances in a manner as the Trustee shall reasonably require for better conveying, transferring, pledging, and confirming unto the Trustee, all and singular, the revenues, Funds, Accounts and properties constituting the Pledged Revenues, and the Trust Estate hereby transferred and pledged, or intended so to be transferred and pledged.

(b) The City will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, contained in this Indenture.

Section 13.2. Other Obligations or Other Liens; Refunding Bonds; Future Bonds.

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

(b) Other than Refunding Bonds, the City will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, and will not do or omit to do or suffer to be done or omit to be done any matter or things whatsoever whereby the lien of this Indenture or the priority hereof might or could be lost or impaired; and further covenants that it will pay or cause to be paid or will make adequate provisions for the satisfaction and discharge of all lawful claims and demands which if unpaid might by law be given precedence over or any equality with this Indenture as a lien or charge upon the Trust Estate; provided, however, that nothing in this Section shall require the City to apply, discharge, or make provision for any such lien, charge, claim, or demand so long as the validity thereof shall be contested by it in good faith, unless thereby, in the opinion of counsel to the Trustee, the same would endanger the security for the Bonds Similarly Secured.

(c) The City reserves the right to issue bonds in the future for any purpose permitted by the PID Act, pursuant to a separate indenture and secured by a separate assessment from the Assessment, subject to the conditions of the Financing Agreement.

Section 13.3. Books of Record.

(a) The City shall cause to be kept full and proper books of record and accounts, in which full, true and proper entries will be made of all dealings, business and affairs of the City, which relate to the Pledged Revenues, the Pledged Funds, and the Bonds Similarly Secured.

(b) The Trustee shall have no responsibility with respect to the financial and other information received by it pursuant to this Section 13.3 except to receive and retain same, subject to the Trustee's document retention policies, and to distribute the same in accordance with the provisions of this Indenture.

ARTICLE XIV

PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE

Section 14.1. Trust Irrevocable.

The trust created by the terms and provisions of this Indenture is irrevocable until the Bonds Similarly Secured that are secured hereby are fully paid or provision is made for their payment as provided in this Article.

Section 14.2. Satisfaction of Indenture.

If the City shall pay or cause to be paid, or there shall otherwise be paid to the Owners, principal of and interest on all of the Bonds Similarly Secured, at the times and in the manner stipulated in this Indenture, and all amounts due and owing with respect to the Bonds Similarly Secured have been paid or provided for, then the pledge of the Trust Estate and all covenants, agreements, and other obligations of the City to the Owners of such Bonds Similarly Secured, shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the City copies of all such documents as it may have evidencing that principal of and interest on all of the Bonds Similarly Secured has been paid so that the City may determine if this Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the Funds and Accounts held hereunder as directed in writing by the City.

Section 14.3. Bonds Similarly Secured Deemed Paid.

(a) Any Outstanding Bonds Similarly Secured shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and no longer Outstanding within the meaning of this Trust Indenture (a "*Defeased Debt*"), and particularly this Article XIV, when payment of the principal of, premium, if any, on such Defeased Debt, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), either (1) shall have been made in accordance with the terms thereof, or (2) shall have been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to the Bonds Similarly Secured with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds Similarly Secured. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, be reinvested in Defeasance Securities as directed by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds Similarly Secured on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

(b) Any determination not to redeem Defeased Debt that is made in conjunction with the payment arrangements specified in Sections 14.3(a)(1) or 14.3(a)(2) shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the City expressly reserves the right to call the Defeased Debt for redemption; (2) the City gives notice of the reservation of that right to the Owners of the Defeased Debt immediately following the defeasance; (3) the City directs that notice of the reservation be included in any defeasance or redemption notices that it authorizes; and (4) at or prior to the time of the redemption, the City satisfies the conditions of clause (a) of this Section 14.3 with respect to such Defeased Debt as though it was being defeased at the time of the exercise of the option to redeem the Defeased Debt, after taking the redemption

into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

ARTICLE XV

MISCELLANEOUS

Section 15.1. Benefits of Indenture Limited to Parties.

Nothing in this Indenture, expressed or implied, is intended to give to any Person other than the City, the Trustee and the Owners, any right, remedy, or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Trustee. This Indenture and the exhibits hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written.

Section 15.2. Successor is Deemed Included in All References to Predecessor.

Whenever in this Indenture or any Supplemental Indenture either the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 15.3. Execution of Documents and Proof of Ownership by Owners.

(a) Any request, declaration, or other instrument which this Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys duly appointed in writing.

(b) Except as otherwise expressly provided herein, the fact and date of the execution by any Owner or his attorney of such request, declaration, or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the Person signing such request, declaration, or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

(c) Except as otherwise herein expressly provided, the ownership of registered Bonds Similarly Secured and the amount, maturity, number, and date of holding the same shall be proved by the Register.

(d) Any request, declaration or other instrument or writing of the Owner of any Bond Similarly Secured shall bind all future Owners of such Bond Similarly Secured in respect of anything done or suffered to be done by the City or the Trustee in good faith and in accordance therewith.

Section 15.4. No Waiver of Personal Liability.

No member, officer, agent, or employee of the City shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds Similarly Secured; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

Section 15.5. Notices to and Demands on City and Trustee.

(a) Except as otherwise expressly provided herein, all notices or other instruments required or permitted under this Indenture shall be in writing and shall be faxed, delivered by hand, or mailed by first class mail, postage prepaid, and addressed as follows:

If to the City

City of Huntsville, Texas

Physical location:

1220 11th Street

Huntsville, TX 77340

Mailing address:

1212 Avenue M

Huntsville, TX 77340

Attn: City Manager

Telephone: 936-291-5400

Fax: 936-291-540

If to the Trustee

Or the Paying Agent/Registrar

(b) Any such notice, demand, or request may also be transmitted to the appropriate party by telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

(c) Any of such addresses may be changed at any time upon written notice of such change given to the other party by the party effecting the change. Notices and consents given by mail in accordance with this Section shall be deemed to have been given five Business Days after the date of dispatch; notices and consents given by any other means shall be deemed to have been given when received.

(d) The Trustee shall mail to each Owner of a Bond Similarly Secured notice of (1) any substitution of the Trustee; or (2) the redemption or defeasance of all Outstanding Bonds Similarly Secured.

Section 15.6. Partial Invalidity.

If any Section, paragraph, sentence, clause, or phrase of this Indenture shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The City hereby declares that it would have adopted this Indenture and each and

every other Section, paragraph, sentence, clause, or phrase hereof and authorized the issue of the Bonds Similarly Secured pursuant thereto irrespective of the fact that anyone or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

Section 15.7. Applicable Laws; Jurisdiction.

THIS INDENTURE SHALL BE CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAW OF THE STATE OF TEXAS AND THE OBLIGATIONS OF THE PARTIES HERETO ARE AND SHALL BE PERFORMABLE IN THE COUNTY WHEREIN THE PROPERTY IS LOCATED, AND IF LEGAL ACTION IS NECESSARY BY EITHER PARTY WITH RESPECT TO THE ENFORCEMENT OF ANY TERM OF THIS INDENTURE, EXCLUSIVE VENUE FOR SAME SHALL LIE IN THE COURTS OF WALKER COUNTY, TEXAS. BY EXECUTING THIS AGREEMENT, EACH PARTY HERETO EXPRESSLY (a) CONSENTS AND SUBMITS TO PERSONAL JURISDICTION AND VENUE CONSISTENT WITH THE PREVIOUS SENTENCE, (b) WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ALL CLAIMS AND DEFENSES THAT SUCH JURISDICTION AND VENUE ARE NOT PROPER OR CONVENIENT, AND (c) CONSENTS TO THE SERVICE OF PROCESS IN ANY MANNER AUTHORIZED BY TEXAS LAW.

Section 15.8. Payment on Business Day.

In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds Similarly Secured or the date fixed for redemption of any Bonds Similarly Secured or the date any action is to be taken pursuant to this Indenture is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day that is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 15.9. Counterparts.

This Indenture may be executed in counterparts, each of which shall be deemed an original.

Section 15.10. Boycotts and Foreign Business Engagements.

(a) The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Indenture. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable State or federal law. As used in the foregoing verification, ‘boycott Israel’ means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Trustee understands ‘affiliate’ to mean an entity that controls, is controlled by, or is under common control with the Trustee and exists to

make a profit.

(b) The Trustee represents that neither it nor any of its respective parent companies, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Trustee and its respective parent companies, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Trustee understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

(c) The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any,

(1) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and

(2) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" shall have the meaning assigned to such term in Section 2274.001(3), Texas Government Code (as added by SB 19). The Trustee understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

(d) The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of this Indenture. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, "boycott energy companies" shall have the meaning assigned to the term "boycott energy company" in Section 809.001, Texas Government Code. The Trustee understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

Section 15.11. Electronic Storage.

The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action, or suit in the appropriate court of law.

IN WITNESS WHEREOF, the City and the Trustee have caused this Indenture of Trust to be executed as of the date hereof.

CITY OF HUNTSVILLE, TEXAS

By: _____
Russell Humphrey, Mayor

Attest:

Kristy Doll, City Secretary

(CITY SEAL)

_____,
as Trustee

By: _____
Authorized Officer

Trustee Signature Page to Indenture of Trust

EXHIBIT A

**DESCRIPTION OF THE PROPERTY WITHIN
THE RESERVES PUBLIC IMPROVEMENT DISTRICT**

EXHIBIT B

FORM OF CERTIFICATION FOR PAYMENT

(Certification for Payment – The Reserves of Huntsville)

CERTIFICATION FOR PAYMENT FORM NO. _____

The undersigned _____ (the "**Construction Manager**") requests payment from [the applicable account of the Project Fund] [the Operating Account] from the City of Huntsville (the "**City**") in the amount of \$_____ for labor, design, materials, fees, and/or other general costs related to the acquisition or construction of certain Authorized Improvements providing a special benefit to property within The Reserves of Huntsville Public Improvement District (the "**District**"). Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Agreement For The Construction And Funding Of Authorized Improvements And Reimbursement Of Advances between the Owner and the City (the "**PID Financing Agreement**").

In connection with the above referenced payment, the Construction Manager represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Construction Manager, is qualified to execute this Certification for Payment Form No. _____ on behalf of the Construction Manager, and is knowledgeable as to the matters set forth herein.

2. The work described in Attachment A has been completed in the percentages stated therein.

3. The Certification for Payment for the below referenced Authorized Improvements has not been the subject of any prior Certification for Payment submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.

4. The amounts listed for Actual Costs of the Authorized Improvements, as set forth in Attachment A, is a true and accurate representation of the Actual Costs associated with the acquisition, design or construction of said Authorized Improvements, and such costs (i) are in compliance with the PID Financing Agreement, and (ii) are consistent with the Service and Assessment Plan.

5. The Construction Manager is in compliance with the terms and provisions of the PID Financing Agreement and the Service and Assessment Plan.

6. The Construction Manager has timely paid all ad valorem taxes and annual installments of Special Assessments it owes or an entity under common control with the

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B-1

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Construction Manager owes, located in the District and has no outstanding delinquencies for such taxes and assessments.

7. The work with respect to the Authorized Improvements referenced below (or its Segment) has been completed, and the City has inspected [and accepted] such Authorized Improvements (or its completed Segment). ***[Include bracketed language if final progress payment for such Authorized Improvement]***

8. No more than ninety-five percent (95%) of the budgeted or contracted hard costs for the Authorized Improvements identified may be paid until the work with respect to such Authorized Improvements (or Segment thereof) has been completed and the City has accepted such Authorized Improvements (or Segment thereof). One hundred percent (100%) of soft costs (e.g., engineering costs, inspection fees and the like) may be paid prior to City acceptance of such Authorized Improvements (or Segment thereof).

9. [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 described in Attachment A has been paid in full for all work completed through the previous Certification for Payment.]***[Include bracketed language if final progress payment for such Authorized Improvement]***

10. Attached hereto as Attachment C are invoices, receipts, purchase orders, change orders, and similar instruments, which are in sufficient detail to allow the City to verify the Actual Costs for which payment is requested.

11. Also attached hereto as Attachment D are any lender consents or approvals that the Construction Manager may be required to obtain under any loan documents relating to the District.

Pursuant to the PID Financing Agreement, after receiving this Certification for Payment, the City has inspected [and accepted] the Completed Authorized Improvements and confirmed that said work has been completed in accordance with approved plans and all applicable governmental laws, rules, and regulations. ***[Include bracketed language if final progress payment for such Authorized Improvement]***

(Signature pages follow)

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B-2

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

PHD – Huntsville 34, L.P.,
a Texas limited partnership, as
CONSTRUCTION MANAGER

By: _____
Name: _____
Title: _____

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B-3

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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.

By:

Name: _____

Title: _____

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B-4

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APPROVAL OF CERTIFICATION FOR PAYMENT

The City is in receipt of the attached Certification for Payment Form No. ____, acknowledges the Certification for Payment, acknowledges that the Authorized Improvements (or its Segment) covered by the certificate have been inspected by the City, and otherwise finds the Certification for Payment Form No. ____ to be in order. After reviewing the Certification for Payment Form, the City approves the Certification for Payment Form No. ____ and shall direct the Trustee to make payment from [the appropriate account of the Project Fund] [the Reimbursement Fund] to the Construction Manager or to any person designated by the Construction Manager.

CITY OF HUNTSVILLE, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

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B-5

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ATTACHMENT A

TO CERTIFICATION FOR PAYMENT FORM NO. ____

<u>Segment</u>	<u>Description of Work Completed under this Certification for Payment</u>	<u>Actual Costs</u>
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B-6

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ATTACHMENT B

TO CERTIFICATION FOR PAYMENT FORM NO. _____

[Include Attachment B bracketed if final progress payment for such Authorized Improvement]

[bills paid affidavit and release of liens - attached]

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B-7

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ATTACHMENT C

TO CERTIFICATION FOR PAYMENT FORM NO. ____

INVOICE LEDGER

Invoice Ledger Entity: PHD – Huntsville 34, L.P. Project: The Reserves of Huntsville Public Improvement District								
Certification of Payment Form No. ____	Date	Vendor	Invoice #	Invoice Amount	Requested Amount	Approved Amount	Budget Sub- Category	Budget Description

[INVOICES AND/OR RECEIPTS - ATTACHED]

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B-8

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ATTACHMENT D

TO CERTIFICATION FOR PAYMENT FORM NO. _____

[lender consents or approvals - attached]

EXHIBIT B

BOND PURCHASE AGREEMENT

\$[_____]]
CITY OF HUNTSVILLE, TEXAS
(a municipal corporation of the State of Texas located in Walker County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(THE RESERVES OF HUNTSVILLE PUBLIC IMPROVEMENT DISTRICT)

BOND PURCHASE AGREEMENT

October 15, 2024

City of Huntsville, Texas
1212 Avenue M
Huntsville, Texas 77340

Ladies and Gentlemen:

The undersigned, FMSbonds, Inc. (the “Underwriter”), offers to enter into this Bond Purchase Agreement (this “Agreement”) with the City of Huntsville, Texas (the “City”), which will be binding upon the City and the Underwriter upon the acceptance of this Agreement by the City. This offer is made subject to its acceptance by the City by execution of this Agreement and its delivery to the Underwriter on or before 10:00 p.m., Central Time, on the date hereof and, if not so accepted, will be subject to withdrawal by the Underwriter upon written notice delivered to the City at any time prior to the acceptance hereof by the City. *All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Indenture (defined herein) between the City and BOKF, NA, as trustee (the “Trustee”), authorizing the issuance of the Bonds (defined herein), and in the Limited Offering Memorandum (defined herein).*

1. Purchase and Sale of Bonds. Upon the terms and conditions and upon the basis of representations, warranties, and agreements hereinafter set forth, the Underwriter hereby agrees to purchase from the City, and the City hereby agrees to sell to the Underwriter, all (but not less than all) of the \$[_____] aggregate principal amount of the “City of Huntsville, Texas, Special Assessment Revenue Bonds, Series 2024 (The Reserves of Huntsville Public Improvement District)” (the “Bonds”), at a purchase price of \$[_____] (representing the aggregate principal amount of the Bonds, less an original issue discount of \$[_____] , less an Underwriter’s discount of \$[_____]) and no accrued interest.

Inasmuch as this purchase and sale represents a negotiated transaction, the City understands, and hereby confirms, that the Underwriter is not acting as a municipal advisor or fiduciary of the City (including, without limitation, a “municipal advisor” (as such term is defined in Section 975(e) of the Dodd Frank Wall Street Reform and Consumer Protection Act)), but rather is acting solely in its capacity as Underwriter for its own account. The City acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm’s length commercial transaction between the City and the Underwriter, (ii) in connection with the discussions, undertakings, and procedures leading up to the consummation of this transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent, municipal advisor, financial advisor, or fiduciary of the City, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City with respect to the offering described herein

or the discussions, undertakings, and procedures leading thereto (regardless of whether the Underwriter has provided other services or is currently providing other services to the City on other matters) and the Underwriter has no obligation to the City with respect to the offering described herein except the obligations expressly set forth in this Agreement, (iv) the City has consulted its own legal, financial and other advisors to the extent it has deemed appropriate, (v) the Underwriter has financial and other interests that differ from those of the City, and (vi) the Underwriter has provided to the City prior disclosures under Rule G-17 of the Municipal Securities Rulemaking Board (“MSRB”), which have been received by the City. The City further acknowledges and agrees that following the issuance and delivery of the Bonds, the Underwriter has indicated that it may have periodic discussions with the City regarding the expenditure of Bond proceeds and the construction of the Authorized Improvements financed with proceeds of the Bonds and, in connection with such discussions, the Underwriter shall be acting solely as a principal and will not be acting as the agent or fiduciary of, and will not be assuming an advisory or fiduciary responsibility in favor of, the City.

The Bonds shall be dated the Closing Date (defined below) and shall have the maturities and redemption features, if any, and bear interest at the rates per annum shown on Schedule I hereto. Payment for and delivery of the Bonds, and the other actions described herein, shall take place on October 31, 2024 (or such other date as may be agreed to by the City and the Underwriter) (the “Closing Date”).

2. Authorization Instruments and Law. The Bonds were authorized by an ordinance enacted by the City Council of the City (the “City Council”) on October 15, 2024 (the “Bond Ordinance”) and shall be issued pursuant to the provisions of the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “Act”), and an Indenture of Trust dated as of October 15, 2024 (the “Indenture”) entered into by and between the City and the Trustee authorizing the issuance of the Bonds. The Bonds shall be substantially in the form described in, and shall be secured under the provisions of, the Indenture.

The Bonds and interest thereon shall be secured by the Trust Estate, consisting primarily of Assessments levied on the Assessed Property within The Reserves of Huntsville Public Improvement District (the “District”). The District was established by a resolution (the “Creation Resolution”), adopted by the City Council on August 16, 2022, in accordance with the Act. The Assessments will be levied in accordance with a Service and Assessment Plan approved pursuant to an ordinance (the “Assessment Ordinance”) adopted by the City Council on October 15, 2024 (as such Service and Assessment Plan has been amended and updated, including to reflect the issuance of the Bonds, the “Service and Assessment Plan”). The Assessment Ordinance, the Creation Resolution, the Indenture, and the Bond Ordinance, are collectively referred to herein as the “Authorizing Documents.” The Bonds shall be further secured by certain applicable funds and accounts created pursuant to the Indenture.

The Bonds shall be as described in Schedule I attached hereto, the Indenture, and the Limited Offering Memorandum. The proceeds of the Bonds shall be used for paying a portion of (i) the Actual Costs of the Authorized Improvements, (ii) District Formation Expenses, and (iii) Bond Issuance Costs, including capitalized interest and funding a reserve fund for the payment of principal of and interest on the Bonds.

3. Public Offering. The Underwriter agrees to make a bona fide limited public offering of all of the Bonds in accordance with Section 4 hereof to no more than thirty-five (35) persons that qualify as “Accredited Investors” (as defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended and then in effect (the “Securities Act”)) or “Qualified Institutional Buyers” (as defined in Rule 144A under the Securities Act). On or before the fifth (5th) business day prior to the Closing Date, the Underwriter shall execute and deliver to Bond Counsel (as defined herein) the Issue Price Certificate (as defined herein), in substantially the form attached hereto as Appendix B.

4. Establishment of Issue Price. Notwithstanding any provision of this Agreement to the contrary, the following provisions related to the establishment of the issue price of the Bonds apply:

(a) Definitions. For purposes of this Section 4, the following definitions apply:

(i) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

(ii) “Related Party” means any two or more persons who are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profits interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(iii) “Sale Date” means the date of execution of this Agreement by all parties.

(iv) “Underwriter” means (A) any person that agrees pursuant to a written contract with the City to participate in the initial sale of the Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(b) Issue Price Certificate. The Underwriter agrees to assist the City in establishing the issue price of the Bonds and to execute and deliver to the City at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the City and Bond Counsel, to accurately reflect, as applicable, the initial offering price (the “Initial Offering Price”) or prices to the Public of the Bonds.

(c) Substantial Amount Test. Other than those maturities of the Bonds which are designated by the Underwriter in writing in Appendix B (the “Hold-the-Price Maturities”), the City will treat the first price at which at least ten percent (a “Substantial Amount”) in principal amount of each maturity of the Bonds is sold to the Public as of the Sale Date (the “Substantial Amount Test”) as the issue price of that maturity (or each separate CUSIP number within that maturity). At or promptly after the execution of this Agreement, the Underwriter will report to the City the price or prices at which the Underwriters have offered and sold to the Public each maturity of the Bonds. If at that time the Substantial Amount Test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the City the prices at which the Bonds have been sold by the Underwriter to the Public. That reporting obligation will continue, whether or not the Closing Date has occurred, until the Substantial Amount Test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the Public.

(d) Hold-The-Price Restriction. The Underwriter agrees that it will neither offer nor sell any of the Hold-the-Price Maturities to any person at a price that is higher than the applicable Initial Offering Price for such maturity during the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriter has sold a Substantial Amount of such a Maturity to the Public at a price that is no higher than the Initial Offering Price of such Maturity (the “Hold-the-Price Restriction”).

The Underwriter shall promptly advise the City when the Underwriter has sold a Substantial Amount of each such Hold-The-Price Maturity to the Public at a price that is no higher than the applicable Initial Offering Price of such Hold-The-Price Maturity, if that occurs prior to the close of the fifth business day after the Sale Date.

The City acknowledges that, in making the representation set forth in this subparagraph, the Underwriter will rely on (A) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the Hold-The-Price-Restriction, if applicable, as set forth in a selling group agreement and the related pricing wires, and (B) in the event that a retail distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the Hold-The-Price-Restriction, if applicable, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the Hold-The-Price-Restriction as applicable to the Bonds.

(e) Selling Group and Retail Distribution Agreements. The Underwriter confirms that any selling group agreement and each retail distribution agreement to which the Underwriter is a party relating to the initial sale of the Bonds to the Public, together with related pricing wires, contains or will contain language obligating each dealer who is a member of any selling group and each broker-dealer that is a party to any such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the Public

the unsold Bonds of each maturity allocated to it until it is notified by the Underwriter that either the Substantial Amount Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public, (B) comply with the Hold-the-Price Restriction, if applicable, in each case if and for so long as directed by the Underwriter and as set forth in the relating pricing wires, and (C) acknowledge that, unless otherwise advised by the Underwriter, the Underwriter will assume that based on such agreement each order submitted by the dealer or broker-dealer is a sale to the Public; and

(f) Sale to Related Party not a Sale to the Public. The Underwriter acknowledges that sales of any Bonds to any person that is a Related Party to the Underwriter do not constitute sales to the Public for purposes of this Section.

5. Limited Offering Memorandum.

(a) Delivery of Limited Offering Memorandum. The City previously has delivered, or caused to be delivered, to the Underwriter the Preliminary Limited Offering Memorandum for the Bonds dated October 2, 2024, (the “Preliminary Limited Offering Memorandum”), in a “designated electronic format,” as defined in the MSRB Rule G-32 (“Rule G-32”). The City will prepare, or cause to be prepared, a final Limited Offering Memorandum relating to the Bonds (as more particularly defined below, the “Limited Offering Memorandum”) which will be (i) dated the date of this Agreement, (ii) complete within the meaning of the United States Securities and Exchange Commission’s Rule 15c2-12, as amended (“Rule 15c2-12”), (iii) in a “designated electronic format,” and (iv) substantially in the form of the most recent version of the Preliminary Limited Offering Memorandum provided to the Underwriter before the execution hereof, except for the inclusion of the information permitted to be excluded from the Preliminary Limited Offering Memorandum by Section (b)(1) of Rule 15c2-12. The Limited Offering Memorandum, including the cover page thereto, all exhibits, schedules, appendices, maps, charts, pictures, diagrams, reports, and statements included or incorporated therein or attached thereto, and all amendments and supplements thereto that may be authorized for use with respect to the Bonds are collectively referred to herein as the “Limited Offering Memorandum.” Until the Limited Offering Memorandum has been prepared and is available for distribution, the City shall provide to the Underwriter, upon request, sufficient quantities (which may be in electronic format) of the Preliminary Limited Offering Memorandum as the Underwriter reasonably deems necessary to satisfy the obligation of the Underwriter under Rule 15c2-12 with respect to distribution to each potential customer.

(b) Preliminary Limited Offering Memorandum Deemed Final. The Preliminary Limited Offering Memorandum has been prepared for use by the Underwriter in connection with the public offering, sale, and distribution of the Bonds. The City hereby represents and warrants that the Preliminary Limited Offering Memorandum has been deemed final by the City as of its date, except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of Rule 15c2-12.

(c) Use of Limited Offering Memorandum in Offering and Sale. The City hereby authorizes the Limited Offering Memorandum and the information therein

contained to be used by the Underwriter in connection with the public offering and the sale of the Bonds. The City consents to the use by the Underwriter prior to the date hereof of the Preliminary Limited Offering Memorandum in connection with the public offering of the Bonds. The City shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the City's acceptance of this Agreement (but, in any event, not later than the earlier of the Closing Date or seven (7) business days after the City's acceptance of this Agreement) copies of the Limited Offering Memorandum which is complete as of the date of its delivery to the Underwriter. The City shall provide the Limited Offering Memorandum, or cause the Limited Offering Memorandum to be provided, (i) in a "designated electronic format" consistent with the requirements of Rule G-32, and (ii) in a printed format in such quantity as the Underwriter shall reasonably request in order for the Underwriter to comply with Section (b)(4) of Rule 15c2-12 and the rules of the MSRB.

(d) Updating of Limited Offering Memorandum. If, after the date of this Agreement, up to and including the date the Underwriter is no longer required to provide a Limited Offering Memorandum to potential customers who request the same pursuant to Rule 15c2-12 (the earlier of (i) ninety (90) days from the "end of the underwriting period" (as defined in Rule 15c2-12) and (ii) the time when the Limited Offering Memorandum is available to any person from the MSRB, but in no case less than the twenty-fifth (25th) day after the "end of the underwriting period" for the Bonds), the City becomes aware of any fact or event which might or would cause the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary to amend or supplement the Limited Offering Memorandum to comply with law, the City will notify the Underwriter promptly (and for the purposes of this clause provide the Underwriter with such information as it may from time to time reasonably request), and if, in the reasonable judgment of the Underwriter, such fact or event requires preparation and publication of a supplement or amendment to the Limited Offering Memorandum, the City will forthwith prepare and furnish, at no expense to the Underwriter (in a form and manner approved by the Underwriter), either an amendment or a supplement to the Limited Offering Memorandum so that the statements therein as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading or so that the Limited Offering Memorandum will comply with law; provided, however, that for all purposes of this Agreement and any certificate delivered by the City in accordance herewith, the City makes no representations with respect to the following information (collectively, the "Non-City Disclosures") (i) the descriptions in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum of The Depository Trust Company, New York, New York ("DTC"), or its book-entry-only system, and (ii) the information in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum in any maps included therein or under the captions and subcaptions "PLAN OF FINANCE" (except for the subcaption "- The Bonds"), "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS," "BOOK-ENTRY-ONLY SYSTEM," "THE AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "THE PID ADMINISTRATOR," "APPRAISAL," "BONDHOLDERS'

RISKS” (only as it pertains to the Developer, the Homebuilders, any affiliates of the foregoing, the Authorized Improvements, and the Development (as defined in the Limited Offering Memorandum)), “LEGAL MATTERS - Litigation - The Developer,” “CONTINUING DISCLOSURE - The Developer” and “- The Developer’s Compliance With Prior Undertakings,” “INFORMATION RELATING TO THE TRUSTEE,” “APPENDIX E-2,” and “APPENDIX F.” If such notification shall be subsequent to the Closing (as defined herein), the City, at no expense to the Underwriter, shall furnish such legal opinions, certificates, instruments, and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Limited Offering Memorandum. The City shall provide any such amendment or supplement, or cause any such amendment or supplement to be provided, (i) in a “designated electronic format” consistent with the requirements of Rule G-32 and (ii) in a printed format in such quantity as the Underwriter shall reasonably request in order for the Underwriter to comply with Section (b)(4) of Rule 15c2-12 and the rules of the MSRB.

(e) Filing with MSRB. The Underwriter hereby agrees to timely file the Limited Offering Memorandum with the MSRB through its Electronic Municipal Market Access (“EMMA”) system within one (1) business day after receipt but no later than the Closing Date. Unless otherwise notified in writing by the Underwriter, the City can assume that the “end of the underwriting period” for purposes of Rule 15c2-12 is the Closing Date.

(f) Limited Offering. The Underwriter hereby represents, warrants, and covenants that the Bonds were initially sold pursuant to a limited offering. The Bonds were sold to not more than thirty-five (35) persons that qualify as “Accredited Investors” (as defined in Rule 501 of Regulation D under the Securities Act) or “Qualified Institutional Buyers” (as defined in Rule 144A under the Securities Act).

6. City Representations, Warranties and Covenants. The City represents, warrants, and covenants that:

(a) Due Organization, Existence and Authority. The City is a political subdivision of the State of Texas (the “State”), and has, and at the Closing Date will have, full legal right, power, and authority:

(i) to enter into and perform its duties and obligations under:

(1) this Agreement;

(2) the Indenture;

(3) the Reimbursement Agreement, effective as of September 17, 2024 (the “Reimbursement Agreement”), executed and delivered by the City and PHD – Huntsville 34, L.P., a Texas limited partnership (the “Developer”);

(4) the Reserves of Huntsville Development Agreement, effective as of November 9, 2022, executed and delivered by the City and

the Developer (as amended by the First Amendment to Reserves of Huntsville Development Agreement, effective as of December 19, 2023, and the Second Amendment to Reserves of Huntsville Development Agreement, effective as of May 7, 2024, the “Development Agreement”); and

(5) the Continuing Disclosure Agreement of Issuer with respect to the Bonds, dated as of October 15, 2024 (the “Continuing Disclosure Agreement of Issuer”), executed and delivered by the City, David Taussig & Associates, Inc. dba DTA (the “PID Administrator”), and BOKF, NA, as dissemination agent (the “Dissemination Agent”);

(ii) to issue, sell, and deliver the Bonds to the Underwriter as provided herein; and

(iii) to carry out and consummate the transactions on its part described in (1) the Authorizing Documents, (2) this Agreement, (3) the Reimbursement Agreement, (4) the Development Agreement, (5) the Continuing Disclosure Agreement of Issuer, (6) the Limited Offering Memorandum, and (7) any other documents and certificates described in any of the foregoing (the documents described by subclauses (1) through (7) being referred to collectively herein as the “City Documents”).

(b) Due Authorization and Approval of City. By all necessary official action of the City, the City has duly authorized and approved the adoption or execution and delivery by the City of, and the performance by the City of the obligations on its part contained in, the City Documents and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified, or rescinded, except as may have been approved by the Underwriter. When validly executed and delivered by the other parties thereto, the City Documents will constitute the legally valid and binding obligations of the City enforceable upon the City in accordance with their respective terms, except insofar as enforcement may be limited by principles of sovereign immunity, bankruptcy, insolvency, reorganization, moratorium, or similar laws or equitable principles relating to or affecting creditors’ rights generally. The City has complied, and will at the Closing be in compliance, in all material respects, with the obligations on its part to be performed on or prior to the Closing Date under the City Documents.

(c) Due Authorization for Issuance of the Bonds. The City has duly authorized the issuance and sale of the Bonds pursuant to the Bond Ordinance, the Indenture, and the Act. The City has, and at the Closing will have, full legal right, power and authority (i) to enter into, execute, deliver, and perform its obligations under this Agreement and the other City Documents, (ii) to issue, sell and deliver the Bonds to the Underwriter pursuant to the Indenture, the Bond Ordinance, the Act, and as provided herein, and (iii) to carry out, give effect to and consummate the transactions on the part of the City described by the Bond Ordinance and the other City Documents.

(d) No Breach or Default. As of the time of acceptance hereof, and to its knowledge, the City is not, and as of the Closing Date the City will not be, in breach of or in default in any material respect under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument related to the Bonds and to which the City is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument which breach, default or event could have a material adverse effect on the City's ability to perform its obligations under the Bonds or the City Documents; and, as of such times, the authorization, execution and delivery of the Bonds and the City Documents and compliance by the City with obligations on its part to be performed in each of such agreements or instruments does not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the City (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties are bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be permitted by the City Documents.

(e) No Litigation. At the time of acceptance hereof there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body (collectively and individually, an "Action") pending against the City with respect to which the City has been served with process, nor to the knowledge of the City is any Action threatened against the City, in which any such Action (i) in any way questions the existence of the City or the rights of the members of the City Council to hold their respective positions, (ii) in any way questions the formation or existence of the District, (iii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contests or affects the validity of the City Documents or the consummation of the transactions on the part of the City described therein, or contests the exclusion of the interest on the Bonds from federal income taxation, or (iv) which may result in any material adverse change in the financial condition of the City; and, as of the time of acceptance hereof, to the City's knowledge, there is no basis for any action, suit, proceeding, inquiry, or investigation of the nature described in clauses (i) through (iv) of this sentence.

(f) Bonds Issued Pursuant to Indenture. The City represents that the Bonds, when issued, executed, and delivered in accordance with the Indenture and sold to the Underwriter as provided herein, will be validly issued and outstanding obligations of the City subject to the terms of the Indenture, entitled to the benefits of the Indenture and the security of the pledge of the proceeds of the levy of the Assessments received by the City, all to the extent provided for in the Indenture. The Indenture creates a valid pledge of certain revenues and the monies in certain funds and accounts established pursuant to the

Indenture to the extent provided for in the Indenture, including the investments thereof, subject in all cases to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.

(g) Assessments. The Assessments constituting the security for the Bonds will be levied by the City in accordance with the Assessment Ordinance and the Act on those parcels of land identified in the Assessment Roll (as defined in the Service and Assessment Plan). According to the Act, such Assessments constitute a valid and legally binding first and prior lien against the properties assessed, superior to all other liens and claims, except liens or claims for state, county, school district, or municipality ad valorem taxes.

(h) Consents and Approvals. All authorizations, approvals, licenses, permits, consents, elections, and orders of or filings with any governmental authority, legislative body, board, agency, or commission having jurisdiction in the matters which are required by the Closing Date for the due authorization of, which would constitute a condition precedent to or the absence of which would adversely affect the due performance by the City of, its obligations in connection with the City Documents have been duly obtained or made and are in full force and effect, except the approval of the Bonds by the Attorney General of the State, registration of the Bonds by the Comptroller of Public Accounts of the State, and the approvals, consents and orders as may be required under Blue Sky or securities laws of any jurisdiction.

(i) Public Debt. Prior to the Closing, the City will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by a pledge of the Assessments that secure the Bonds without the prior approval of the Underwriter.

(j) Preliminary Limited Offering Memorandum. The information contained in the Preliminary Limited Offering Memorandum is true and correct in all material respects, and such information does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the City makes no representations with respect to the Non-City Disclosures.

(k) Limited Offering Memorandum. At the time of the City's acceptance hereof and (unless the Limited Offering Memorandum is amended or supplemented pursuant to paragraph (d) of Section 5 of this Agreement) at all times subsequent thereto during the period up to and including the twenty-fifth (25th) day subsequent to the "end of the underwriting period," the information contained in the Limited Offering Memorandum does not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the City makes no representations with respect to the Non-City Disclosures; and further provided, however, that if the City notifies the Underwriter of any fact or event as required by Section 5(d) hereof, and the Underwriter determines that such fact or event does not require preparation and publication of a supplement or amendment to the Limited

Offering Memorandum, then the Limited Offering Memorandum in its then-current form shall be conclusively deemed to be complete and correct in all material respects.

(l) Supplements or Amendments to Limited Offering Memorandum. If the Limited Offering Memorandum is supplemented or amended pursuant to paragraph (d) of Section 5 of this Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the twenty-fifth (25th) day subsequent to the “end of the underwriting period,” the Limited Offering Memorandum as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that if the City notifies the Underwriter of any fact or event as required by Section 5(d) hereof, and the Underwriter determines that such fact or event does not require preparation and publication of a supplement or amendment to the Limited Offering Memorandum, then the Limited Offering Memorandum in its then-current form shall be conclusively deemed to be complete and correct in all material respects.

(m) Compliance with Rule 15c2-12. During the past five (5) years, the City has complied in all material respects with its previous continuing disclosure undertakings made by it in accordance with Rule 15c2-12, except as described in the Limited Offering Memorandum.

(n) Use of Bond Proceeds. The City will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Indenture and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

(o) Blue Sky and Securities Laws and Regulations. The City will furnish such information and execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request, at no expense to the City, (i) to (y) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and (z) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and (ii) to continue such qualifications in effect so long as required for the initial distribution of the Bonds by the Underwriter (provided, however, that the City will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Underwriter immediately of receipt by the City of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose.

(p) Certificates of the City. Any certificate signed by any official of the City authorized to do so in connection with the transactions described in this Agreement shall be deemed a representation and warranty by the City to the Underwriter as to the statements made therein and can be relied upon by the Underwriter as to the statements made therein.

(q) Intentional Actions Regarding Representations and Warranties. The City covenants that between the date hereof and the Closing it will not intentionally take actions which will cause the representations and warranties made in this Section to be untrue as of the Closing.

(r) Financial Advisor. The City has engaged Hilltop Securities Inc. as its financial advisor (the “Financial Advisor”) in connection with its offering and issuance of the Bonds.

By delivering the Limited Offering Memorandum to the Underwriter, the City shall be deemed to have reaffirmed, with respect to the Limited Offering Memorandum, the representations, warranties, and covenants set forth above.

7. Developer Letter of Representations. At the signing of this Agreement, the City and Underwriter shall receive from the Developer an executed Developer Letter of Representations (the “Developer Letter of Representations”) in the form of Appendix A hereto, and, at the Closing, a certificate signed by the Developer as set forth in Section 10(e) hereof (the “Developer Closing Certificate”).

8. The Closing. At 10:00 a.m., Central time, on the Closing Date, or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the City and the Underwriter, (i) the City will deliver or cause to be delivered to DTC through its “FAST” System, the Bonds in the form of one fully registered Bond for each maturity, registered in the name of Cede & Co., as nominee for DTC, duly executed by the City and authenticated by the Trustee as provided in the Indenture, and (ii) the City will deliver the closing documents hereinafter mentioned to McCall, Parkhurst & Horton L.L.P. (“Bond Counsel”), or a place to be mutually agreed upon by the City and the Underwriter. Settlement will be through the facilities of DTC. The Underwriter will accept delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer in federal funds payable to the order of the City or its designee. These payments and deliveries, together with the delivery of the aforementioned documents, are herein called the “Closing.” The Bonds will be made available to the Underwriter or Underwriter’s Counsel (as defined herein) for inspection not less than twenty-four (24) hours prior to the Closing.

9. Underwriter’s Closing Conditions. The Underwriter has entered into this Agreement in reliance upon the representations and covenants herein and in the Developer Letter of Representations and the performance by the City of its obligations under this Agreement, both as of the date hereof and as of the Closing Date. Accordingly, the Underwriter’s obligations under this Agreement to purchase, accept delivery of, and pay for the Bonds shall be conditioned upon the performance by the City of its obligations to be performed hereunder at or prior to Closing and shall also be subject to the following additional conditions:

(a) Bring-Down Representations of the City. The representations and covenants of the City contained in this Agreement shall be true and correct in all material respects as of the date hereof and at the time of the Closing, as if made on the Closing Date.

(b) Executed Agreements and Performance Thereunder. At the time of the Closing:

(i) the City Documents shall be in full force and effect, and shall not have been amended, modified, or supplemented except with the written consent of the Underwriter;

(ii) the Authorizing Documents shall be in full force and effect;

(iii) there shall be in full force and effect such other resolutions or actions of the City as, in the opinion of Bond Counsel and Underwriter's Counsel, shall be necessary, on or prior to the Closing Date, in connection with the transactions on the part of the City described in this Agreement and the City Documents;

(iv) there shall be in full force and effect such other resolutions or actions of the Developer as, in the opinion of the Coats Rose, P.C. ("Developer's Counsel"), shall be necessary, on or prior to the Closing Date, in connection with the transactions on the part of the Developer described in the Developer Letter of Representations, the Reimbursement Agreement, the Development Agreement, the Landowner Agreement and Notice of Assessments executed by the Developer as of October [___], 2024 (the "Landowner Agreement"), and the Continuing Disclosure Agreement of Developer with respect to the Bonds, dated as of October 15, 2023, executed and delivered by the Developer, David Taussig & Associates, Inc. dba DTA, as PID Administrator, and the Dissemination Agent, as dissemination agent (the "Continuing Disclosure Agreement of Developer" and, together with the Developer Letter of Representation, the Reimbursement Agreement, the Development Agreement, and the Landowner Agreement, the "Developer Documents"); and

(v) the City shall perform or have performed its obligations required or specified in the City Documents to be performed at or prior to Closing.

(c) No Default. At the time of the Closing, no default shall have occurred or be existing and no circumstances or occurrences that, with the passage of time or giving of notice, shall constitute an event of default under this Agreement, the Indenture, the City Documents, the Developer Documents or other documents relating to the financing and construction of the Authorized Improvements and the Development (as defined in the Limited Offering Memorandum), and the Developer shall not be in default in the payment of principal of or interest on any of its indebtedness which default shall materially adversely impact the ability of the Developer to pay the Assessments when due or complete the Authorized Improvements.

(d) Closing Documents. At or prior to the Closing, the Underwriter shall have received each of the documents required under Section 10 below.

(e) Termination Events. The Underwriter shall have the right to cancel its obligation to purchase the Bonds and to terminate this Agreement without liability therefor by written notification to the City if, between the date of this Agreement and the Closing, in the Underwriter's reasonable judgment, any of the following shall have occurred:

(i) the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall be materially adversely affected by the occurrence of any of the following:

(1) legislation shall have been introduced in or enacted by the Congress of the United States or adopted by either House thereof, or legislation pending in the Congress of the United States shall have been amended, or legislation shall have been recommended to the Congress of the United States or otherwise endorsed for passage (by press release, other form of notice, or otherwise) by the President of the United States, the Treasury Department of the United States, or the Internal Revenue Service or legislation shall have been proposed for consideration by either the U.S. Senate Committee on Finance or the U.S. House of Representatives Committee on Ways and Means or legislation shall have been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision by a court of the United States or the Tax Court of the United States shall be rendered or a ruling, regulation, or official statement (final, temporary, or proposed) by or on behalf of the Treasury Department of the United States, the Internal Revenue Service, or other federal agency shall be made, which would result in federal taxation of revenues or other income of the general character expected to be derived by the City or upon interest on securities of the general character of the Bonds or which would have the effect of changing, directly or indirectly, the federal income tax consequences of receipt of interest on securities of the general character of the Bonds in the hands of the holders thereof, and which in either case, makes it, in the reasonable judgment of the Underwriter, impracticable or inadvisable to proceed with the offer, sale, or delivery of the Bonds on the terms and in the manner described in the Limited Offering Memorandum; or

(2) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as described herein or by the Limited Offering Memorandum, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act, or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect (the "Trust Indenture Act"); or

(3) a general suspension of trading in securities on the New York Stock Exchange, the establishment of minimum prices on such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so; provided, however that such suspension in trading or any disruption in securities settlement, payment or clearance services is not in force on the date hereof; or

(4) there shall have occurred (whether or not foreseeable) (i) any outbreak of hostilities (including, without limitation, an act of terrorism) including, but not limited to, an escalation of hostilities that existed prior to the date hereof, (ii) national or international calamity or crisis, including, but not limited to, an escalation in the scope or magnitude of any natural disaster, or (iii) material financial crisis or adverse change in the financial or economic conditions affecting the United States government or the securities markets in the United States; or

(5) there shall have occurred since the date of this Agreement any materially adverse change in the affairs or financial condition of the City, except as disclosed or described in the Limited Offering Memorandum; or

(6) any state blue sky or securities commission or other governmental agency or body in any state in which more than ten percent (10%) of the Bonds have been offered and sold shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto, provided that such withholding or stop order is not due to the malfeasance, misfeasance, or nonfeasance of the Underwriter; or

(7) any amendment to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the City, its property, income, securities (or interest thereon), or the validity or enforceability of the Assessments pledged to pay principal of and interest on the Bonds; or

(ii) the New York Stock Exchange or other national securities exchange or any governmental authority shall impose, as to the Bonds or as to obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter; or

(iii) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material respect any

statement or information contained in the Limited Offering Memorandum, or has the effect that the Limited Offering Memorandum contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, which change shall occur subsequent to the date of this Agreement and shall not be due to the malfeasance, misfeasance or nonfeasance of the Underwriter; or

(iv) any fact or event shall exist or have existed that, in the Underwriter's reasonable judgment, requires or has required an amendment of or supplement to the Limited Offering Memorandum; or

(v) a general banking moratorium shall have been declared by federal or State authorities having jurisdiction and shall be in force; or

(vi) a material disruption in securities settlement, payment or clearance services shall have occurred; or

(vii) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as described in this Agreement or in the Limited Offering Memorandum, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws on the Closing Date, including the Securities Act, the Securities Exchange Act of 1934 and the Trust Indenture Act, as then in effect; or

(viii) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission, which prohibition shall occur subsequent to the date hereof and shall not be due to the malfeasance, misfeasance, or nonfeasance of the Underwriter.

With respect to the conditions described in subparagraphs (ii), (vii) and (viii) above, the Underwriter is not aware of any current, pending, or proposed law or government inquiry or investigation as of the date of execution of this Agreement which would permit the Underwriter to invoke its termination rights hereunder.

10. Closing Documents. At or prior to the Closing, the Underwriter (or Underwriter's Counsel on behalf of the Underwriter) shall receive the following documents:

(a) Bond Opinion. The approving opinion of Bond Counsel, dated the Closing Date and substantially in the form included as Appendix D to the Limited Offering Memorandum, together with a reliance letter from Bond Counsel, dated the Closing Date and addressed to the Underwriter, which may be included in the supplemental opinion

required by Section 10(b) hereof, to the effect that the foregoing opinion may be relied upon by the Underwriter to the same extent as if such opinion were addressed to it.

(b) Supplemental Opinion. A supplemental opinion of Bond Counsel dated the Closing Date and addressed to the City and the Underwriter, in form and substance acceptable to Underwriter's Counsel, to the following effect:

(i) Except to the extent noted therein, Bond Counsel has not verified and is not passing upon, and does not assume any responsibility for, the accuracy, completeness or fairness of the statements and information contained in the Preliminary Limited Offering Memorandum and in the Limited Offering Memorandum but that Bond Counsel has reviewed the statements and information appearing in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum under the captions and subcaptions "PLAN OF FINANCE - The Bonds," "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS" (except for the last paragraph under the subcaption "General"), "ASSESSMENT PROCEDURES" (except for the first paragraph under the subcaption "General" and the subcaptions "Assessment Methodology" and "Assessment Amounts"), "THE DISTRICT," "TAX MATTERS," "LEGAL MATTERS - Legal Proceedings" and "- Legal Opinions," "SUITABILITY FOR INVESTMENT," "CONTINUING DISCLOSURE - The City," "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE," "LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS," and APPENDIX B, and Bond Counsel is of the opinion that the information relating to the Bonds and legal issues contained under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Bond Ordinance, the Assessment Ordinance, and the Indenture;

(ii) The Bonds are not subject to the registration requirements of the Securities Act, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act;

(iii) The City has or at the time of the adoption thereof had full power and authority to adopt the Creation Resolution, the Assessment Ordinance, the Service and Assessment Plan, and the Bond Ordinance (collectively, the foregoing documents are referred to herein as the "City Actions") and perform its obligations thereunder and the City Actions have been duly adopted, are in full force and effect and have not been modified, amended or rescinded; and

(iv) The Indenture, the Reimbursement Agreement, the Development Agreement, the Continuing Disclosure Agreement of Issuer, and this Agreement have been duly authorized, executed and delivered by the City and, assuming the due authorization, execution and delivery of such instruments, documents, and agreements by the other parties thereto, constitute the legal, valid, and binding agreements of the City, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, or other

laws affecting enforcement of creditors' rights, or by the application of equitable principles if equitable remedies are sought and to the application of Texas law relating to governmental immunity applicable to governmental entities.

(c) City Legal Opinion. An opinion of the City Attorney, dated the Closing Date and addressed to the Underwriter, the City and the Trustee, with respect to matters relating to the City, substantially in the form of Appendix C hereto or in a form otherwise agreed upon by the Underwriter.

(d) Opinion of Developer's Counsel. An opinion of Developer's Counsel, substantially in the form of Appendix D hereto, dated the Closing Date and addressed to the City, Bond Counsel, the Underwriter, and the Trustee.

(e) Developer Closing Certificate. The Developer Closing Certificate dated as of the Closing Date, signed by authorized officers of the Developer in substantially the form of Appendix E hereto.

(f) City Closing Certificate. A certificate of the City, dated the Closing Date, signed by an appropriate City official, to the effect that:

(i) the representations and warranties of the City contained herein and in the City Documents are true and correct in all material respects on and as of the Closing Date as if made on the date thereof;

(ii) the Authorizing Documents and City Documents are in full force and effect and have not been amended, modified, or supplemented;

(iii) except as disclosed in the Limited Offering Memorandum, no litigation or proceeding against the City is pending or, to the knowledge of such person, threatened in any court or administrative body nor is there a basis for litigation which would (a) contest the right of the members or officials of the City to hold and exercise their respective positions, (b) contest the due organization and valid existence of the City or the establishment of the District, (c) contest the validity, due authorization and execution of the Bonds or the City Documents, or (d) attempt to limit, enjoin or otherwise restrict or prevent the City from levying and collecting the Assessments pledged to pay the principal of and interest on the Bonds, or the pledge thereof; and

(iv) the City has, to the best of such person's knowledge, complied with all agreements and covenants and satisfied all conditions set forth in the City Documents, on its part to be complied with or satisfied thereunder at or prior to the Closing.

(g) Trustee's Counsel Opinion. An opinion of counsel to the Trustee, dated the Delivery Date and addressed to the Underwriter, the City, and Bond Counsel, substantially in the form set forth in this subsection or in a form otherwise mutually agreed upon by the Trustee, the Underwriter, the City, and Bond Counsel:

(i) The Trustee was founded as an Oklahoma state banking corporation under the laws of the state of Oklahoma, and has not been dissolved, canceled, or terminated, and is authorized to carry out corporate trust power as Trustee in accordance with the Indenture;

(ii) The Trustee has all necessary corporate right, power, and authority to enter into the Indenture, to perform its obligations under, and to carry out and consummate all of the transactions involving the Trustee contemplated by, the Indenture; and

(iii) The Indenture has been duly authorized, executed and delivered by the Trustee and is valid and enforceable against the Trustee in accordance with its terms, except (a) as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws of general applicability affecting the enforcement of creditors' rights and by general principles of equity, (b) as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered a proceeding at law or in equity) and the discretion of the court before which any proceeding therefor may be brought, (c) as the exculpation provisions and rights to indemnification thereunder may be limited by U.S. federal and state securities laws and public policy considerations, and (d) as the waiver of rights and defenses in the Indenture may be limited by applicable law.

(h) Trustee's Certificate. A customary authorization and incumbency certificate dated prior to the Closing Date, signed by authorized officers of the Trustee in form and substance acceptable to the Underwriter, Underwriter's Counsel and Bond Counsel.

(i) Underwriter Counsel's Opinion. An opinion, dated the Closing Date and addressed to the Underwriter, of Jackson Walker LLP, ("Underwriter's Counsel"), to the effect that:

(i) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

(ii) Such counsel is not passing upon and does not assume any responsibility for the accuracy, completeness, or fairness of any of the statements contained in the Preliminary Limited Offering Memorandum or in the Limited Offering Memorandum and it has not independently verified the accuracy, completeness, or fairness of any such statements. In its capacity as counsel to the Underwriter, to assist the Underwriter in part of its responsibility with respect to the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, such counsel has participated in conferences with representatives of the Underwriter, representatives of the City, and its counsel, McCall, Parkhurst & Horton L.L.P., as bond counsel, Hilltop Securities Inc., as financial advisor, David Taussig & Associates, Inc. dba DTA, as public improvement district administrator, the Developer, and its engineers and consultants and others, during which the

contents of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum and related matters were discussed. Based on such counsel's participation in the above-mentioned conferences (which, with respect to the Preliminary Limited Offering Memorandum, did not extend beyond the date of this Agreement, and, with respect to the Limited Offering Memorandum, did not extend beyond its date), and in reliance thereon, on oral and written statements and representations of the City, the Developer and others and on the records, documents, certificates, opinions and matters herein mentioned, such counsel advises the Underwriter as a matter of fact and not opinion that, during the course of such counsel's representation of the Underwriter on this matter, (a) no facts had come to the attention of the attorneys in such counsel's firm rendering legal services to the Underwriter in connection with the Preliminary Limited Offering Memorandum which caused such counsel to believe, as of the date of the Preliminary Limited Offering Memorandum and as of the date of this Agreement, based on the documents, drafts and facts in existence and reviewed as of those dates, that the Preliminary Limited Offering Memorandum contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except any information marked as preliminary or subject to change, any information permitted to be omitted by Securities and Exchange Commission Rule 15c2-12 or otherwise left blank and any other differences with the information in the Limited Offering Memorandum), and (b) no facts had come to the attention of the attorneys in such counsel's firm rendering legal service to the Underwriter in connection with the Limited Offering Memorandum which caused such counsel to believe that the Limited Offering Memorandum as of its date contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, such counsel expressly excludes from the scope of this paragraph and expresses no opinion or conclusion, with respect to both the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, about any CUSIP numbers, financial, accounting, statistical or economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any information about verification, feasibility, valuation, appraisals, absorption, real estate or environmental matters, relationship among the parties, Appendices, or any information about book-entry, DTC, Cede & Co., tax exemption, underwriters, or underwriting, included or referred to therein or omitted therefrom. No responsibility is undertaken or conclusion expressed with respect to any other disclosure document, materials or activity, or as to any information from another document or source referred to by or incorporated by reference in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum; and

(iii) The Continuing Disclosure Agreement of Issuer satisfies the requirements contained in Securities and Exchange Commission Rule 15c2-12(b)(5) for an undertaking by the City for the benefit of the holders of the Bonds to provide the information at the times and in the manner required by said Rule;

provided that, for purposes of this opinion, such counsel is not expressing any view regarding the content of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum that is not expressly stated in numbered paragraph ii, above.

(j) Limited Offering Memorandum. The Limited Offering Memorandum and each supplement or amendment, if any, thereto.

(k) Delivery of City Documents and Developer Documents. The City Documents and Developer Documents shall have been executed and delivered in form and content satisfactory to the Underwriter.

(l) Form 8038-G. Evidence that the federal tax information form 8038-G has been prepared by Bond Counsel for filing.

(m) Federal Tax Certificate. A certificate of the City in form and substance satisfactory to Bond Counsel and Underwriter's Counsel setting forth the facts, estimates and circumstances in existence on the Closing Date, which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 48 of the Internal Revenue Code of 1986, as amended (the "Code"), and any applicable regulations (whether final, temporary or proposed), issued pursuant to the Code.

(n) Attorney General Opinion and Comptroller Registration. The approving opinion of the Attorney General of the State regarding the Bonds and the Comptroller of the State's Certificate of Registration for the Initial Bond.

(o) Continuing Disclosure Agreements. The Continuing Disclosure Agreement of Issuer and the Continuing Disclosure Agreement of Developer shall have been executed by the parties thereto in substantially the forms attached to the Limited Offering Memorandum as Appendix E-1 and Appendix E-2.

(p) Letter of Representation of the Appraiser. (i) Letter of Representation of the Appraiser, substantially in the form of Appendix G hereto, addressed to the City, Bond Counsel, the Underwriter, and the Trustee, or in form otherwise agreed upon by the Underwriter, and (ii) a copy of the real estate appraisal of the property in the District dated February 15, 2024.

(q) Letter of Representation of PID Administrator. Letter of Representation of PID Administrator, substantially in the form of Appendix F hereto, addressed to the City, Bond Counsel, the Underwriter, and the Trustee, or in a form otherwise agreed upon by the Underwriter.

(r) Evidence of Filing of Creation Resolution, Assessment Ordinance, and Landowner Agreement. Evidence that (i) the Creation Resolution including a legal description of the District by metes and bounds, (ii) the Assessment Ordinance and Service and Assessment Plan, including the legal description of the property within the District and

the assessment rolls, and (iii) the Landowner Agreement have been filed of record in the real property records of Walker County, Texas.

(s) Lender Consent Certificate. A Lender Consent Certificate of each holder of a lien, if any, on land in the District on the Delivery Date, consenting to and acknowledging the creation of the District, the adoption of the Assessment Ordinance, the levy of the Assessments, and the subordination of their respective liens to the lien created by the Assessments in a form acceptable to the Underwriter. In the event that there are no such lienholders, the Developer shall provide such certifications as may be reasonably requested by the Underwriter to confirm that no such liens exist as of the Delivery Date.

(t) Organizational and Formation Documents. The Developer shall have delivered to the Underwriter and the City, (i) fully executed copies of the organizational documents of the Developer; (ii) fully executed copies of the formation documents of CBA Strategic Fund II GP, LLC, a Texas limited liability company; (iii) Certificates of Fact - Status from the Texas Secretary of State for each such entity; and (iv) Certificates of Account Status from the Texas Comptroller of Public Accounts for each such entity.

(u) Rule 15c2-12 Certification. A resolution, ordinance, or certificate whereby the City has deemed the Preliminary Limited Offering Memorandum final as of its date, except for permitted omissions, as contemplated by Rule 15c2-12 in connection with the offering of the Bonds, which certification may be included in the City Certificate required by subsection 10(t) hereof or the Bond Ordinance.

(v) Dissemination Agent. Evidence acceptable to the Underwriter in its sole reasonable discretion that the City and the Developer have engaged a dissemination agent acceptable to the Underwriter for the Bonds, with the execution of the Continuing Disclosure Agreement of Issuer and the Continuing Disclosure Agreement of Developer by other parties thereto being conclusive evidence of such acceptance by the Underwriter.

(w) Blanket Letter of Representation. A copy of the current Blanket Issuer Letter of Representation to DTC signed by the City.

(x) Additional Documents. Such additional legal opinions, certificates, instruments, and other documents as the Underwriter or Underwriter's Counsel may reasonably deem necessary.

11. City's Closing Conditions. The obligation of the City hereunder to deliver the Bonds shall be subject to receipt on or before the Closing Date of the purchase price set forth in Section 1 hereof, the Attorney General Opinion, the opinion of Bond Counsel described in Section 10(a) hereof and all documents required to be delivered by the Developer.

12. Consequences of Termination. If the City shall be unable to satisfy the conditions contained in this Agreement or if the obligations of the Underwriter shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and the Underwriter and the City shall have no further obligation hereunder, except as further set forth in Sections 13, 15, and 20 hereof.

13. Costs and Expenses.

(a) The Underwriter shall be under no obligation to pay, and the City shall cause to be paid from proceeds of the Bonds the following expenses incident to the issuance of the Bonds and performance of the City's obligations hereunder: (i) the costs of the preparation and printing of the Bonds; (ii) the costs of preparation, printing, and mailing of the Preliminary Limited Offering Memorandum, the final Limited Offering Memorandum and any supplements and amendments thereto; (iii) the fees and disbursements of the City's Financial Advisor, the Trustee's counsel, Bond Counsel, Developer's Counsel, and the Trustee relating to the issuance of the Bonds; (iv) the Attorney General's review fees; (v) the fees and disbursements of accountants, advisers and any other experts or consultants retained by the City or the Developer, including but not limited to the fees and expenses of any Appraiser and the PID Administrator; and (vi) the expenses incurred by or on behalf of City employees and representatives that are incidental to the issuance of the Bonds and the performance by the City of its obligations under this Agreement.

(b) The Underwriter shall pay the following expenses: (i) all advertising expenses in connection with the limited offering of the Bonds; (ii) fees of Underwriter's Counsel; and (iii) all other expenses, including CUSIP fees (including out of pocket expenses and related regulatory expenses), incurred by it in connection with its public offering and distribution of the Bonds, except as noted in Subsection 13(a) above.

(c) The City acknowledges that the Underwriter will pay from the Underwriter's expense allocation of the underwriting discount the applicable per bond assessment charged by the Municipal Advisory Council of Texas, a nonprofit corporation whose purpose is to collect, maintain and distribute information relating to issuing entities of municipal securities.

14. Notice. Any notice or other communication to be given to the City under this Agreement may be given by delivering the same in writing to: City of Huntsville, Texas, 1212 Avenue M, Huntsville, Texas 77340, Attention: Director of Finance.

Any notice or other communication to be given to the Underwriter under this Agreement may be given by delivering the same in writing to: FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Frisco, Texas 75034, Attention: Tripp Davenport, Director.

15. Survival of Representations and Warranties. All representations and warranties of the parties made in, pursuant to or in connection with this Agreement shall survive the execution and delivery of this Agreement, notwithstanding any investigation by the parties. All statements contained in any certificate, instrument, or other writing delivered by a party to this Agreement or in connection with the transactions described in or by this Agreement constitute representations and warranties by such party under this Agreement to the extent such statement is set forth as a representation and warranty in the instrument in question.

16. Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such

counterparts shall together constitute but one and the same instrument. The City and the Underwriter agree that electronic signatures to this Agreement may be regarded as original signatures.

17. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof.

18. State Law Governs. The validity, interpretation, and performance of this Agreement shall be governed by the laws of the State.

19. No Assignment. The rights and obligations created by this Agreement shall not be subject to assignment by the Underwriter or the City without the prior written consent of the other party hereto.

20. No Personal Liability. None of the members of the City Council, nor any officer, representative, agent, or employee of the City, shall be charged personally by the Underwriter with any liability, or be held liable to the Underwriter under any term or provision of this Agreement, or because of execution or attempted execution, or because of any breach or attempted or alleged breach of this Agreement.

21. Verifications of Statutory Representations and Covenants. The Underwriter makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274 and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Underwriter within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

(a) Not a Sanctioned Company. The Underwriter represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Underwriter and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) No Boycott of Israel. The Underwriter hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Underwriter hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other

affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The Underwriter hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

22. Representation Regarding Texas Attorney General Standing Letter and Bringdown Verification. The Underwriter represents and verifies that it is aware of the Texas Office of the Attorney General’s (the “Texas Attorney General”) All Bond Counsel Letter, dated November 1, 2023, that is available on the website of the Texas Attorney General at the following address: (<https://www.texasattorneygeneral.gov/sites/default/files/files/divisions/public-finance/ABCLetter-11-01-2023.pdf>) and the Texas Attorney General’s supplemental All Bond Counsel Letter, dated November 16, 2023, that is available on the website of the Texas Attorney General at the following address: (<https://texasattorneygeneral.gov/sites/default/files/files/divisions/public-finance/ABCLetter-11-06-2023.pdf>). The Underwriter represents and verifies that it (i) has on file a standing letter (“Standing Letter”) acceptable to the Texas Attorney General addressing the representations and verifications in Section 21 (a) through (d) hereof, and (ii) will, upon request of the City or Bond Counsel on behalf of the City, provide the City and Bond Counsel with a copy of its Standing Letter. The Underwriter further represents and verifies that its Standing Letter remains in effect as of the date of this Agreement and that neither the Texas Attorney General nor the Texas Comptroller of Public Accounts has notified the Underwriter that a determination has been made that the Underwriter boycotts energy companies or has a policy that discriminates against firearm entities or firearm trade associations under the laws of the State of Texas. Upon request of the City or Bond Counsel on the City’s behalf, the Underwriter shall provide additional written certifications to the City and Bond Counsel (which may be by email) to the effect that the Texas Attorney General may continue to rely on the Standing Letter and the statutory representations and covenants contained in this Agreement through the date of the Closing (the “Bringdown Verification”). The City reserves the right, and the Underwriter hereby expressly authorizes the City, to provide such Bringdown Verification to the Texas Attorney General.

23. Form 1295. Submitted herewith is a completed Form 1295 in connection with the Underwriter’s participation in the execution of this Agreement generated by the Texas Ethics Commission’s (the “TEC”) electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the “Form 1295”). The City hereby confirms receipt of the Form 1295 from the Underwriter, and the City agrees to acknowledge such form with the TEC through its electronic filing application not later than the thirtieth (30th) day after the receipt of such form. The Underwriter and the City understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Underwriter; and, neither the City nor its consultants have verified such information.

24. Entire Agreement. This Agreement is made solely for the benefit of the City and the Underwriter (including their respective successors and assigns), and no other person shall acquire or have any right hereunder or by virtue hereof. All of the City's representations, warranties, and agreements contained in this Agreement shall remain operative and in full force and effect regardless of: (i) any investigations made by or on behalf of the Underwriter, provided the City shall have no liability with respect to any matter of which the Underwriter has actual knowledge prior to the purchase of the Bonds; or (ii) delivery of any payment for the Bonds pursuant to this Agreement. The agreements contained in this Section and in Sections 13 and 15 shall survive any termination of this Agreement.

Signature pages follow.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first set forth above.

FMSbonds, Inc.,
as Underwriter

By: _____
Name: Theodore A. Swinarski
Title: Senior Vice President - Trading

Accepted at _____ a.m./p.m. central time on
the date first stated above.

City of Huntsville, Texas

By: _____
Mayor

SCHEDULE I

\$[_____]

CITY OF HUNTSVILLE, TEXAS

(a municipal corporation of the State of Texas located in Walker County)

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024

(THE RESERVES OF HUNTSVILLE PUBLIC IMPROVEMENT DISTRICT)

Interest Accrues From: Date of Delivery

(a)(b)(d) \$[_____] [_____] % Term Bonds, Due September 15, 20[___], Priced to Yield [_____]

(a)(b)(c)(d) \$[_____] [_____] % Term Bonds, Due September 15, 20[___], Priced to Yield [_____]

- (a) The Bonds may be redeemed before their scheduled maturity date, in whole or from time to time in part, on any date on or after September 15, 20[___], such redemption date or dates to be fixed by the City, at the redemption price of 100% of the principal amount of the Bonds to be redeemed, plus accrued and unpaid interest to the date of redemption.
- (b) The Bonds are also subject to extraordinary optional redemption as described in the Limited Offering Memorandum under "DESCRIPTION OF THE BONDS - Redemption Provisions."
- (c) The Bonds are also subject to mandatory sinking fund redemption on the dates and in the respective Sinking Fund Installment Amounts as set forth in the following schedule.

\$[_____] Bonds Maturing September 15, 20[___]

Mandatory Sinking Fund Redemption Date	Sinking Fund Installment	Mandatory Sinking Fund Redemption Date	Sinking Fund Installment
September 15, 2024	\$	September 15, 2034	\$
September 15, 2025		September 15, 2035	
September 15, 2026		September 15, 2036	
September 15, 2027		September 15, 2037	
September 15, 2028		September 15, 2038	
September 15, 2029		September 15, 2039	
September 15, 2030		September 15, 2040	
September 15, 2031		September 15, 2041	
September 15, 2032		September 15, 2042 ⁺	
September 15, 2033			

⁺ Stated Maturity

\$[_____] Bonds Maturing September 15, 20[___]

Mandatory Sinking Fund Redemption Date	Sinking Fund Installment	Mandatory Sinking Fund Redemption Date	Sinking Fund Installment
September 15, 2043	\$	September 15, 2048	\$
September 15, 2044		September 15, 2049	
September 15, 2045		September 15, 2050	
September 15, 2046		September 15, 2051	

Schedule I-1

September 15, 2047

September 15, 2052⁺

APPENDIX A

FORM OF DEVELOPER LETTER OF REPRESENTATIONS

\$[_____]

CITY OF HUNTSVILLE, TEXAS

(a municipal corporation of the State of Texas located in Walker County)

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024

(THE RESERVES OF HUNTSVILLE PUBLIC IMPROVEMENT DISTRICT)

DEVELOPER LETTER OF REPRESENTATIONS

October 15, 2024

City of Huntsville, Texas
1212 Avenue M
Huntsville, Texas 77340

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Ladies and Gentlemen:

This letter is being delivered to the City of Huntsville, Texas (the “City”), and FMSbonds, Inc. (the “Underwriter”), in consideration for your entering into the Bond Purchase Agreement dated the date hereof (the “Bond Purchase Agreement”) for the sale and purchase of the \$[_____] “City of Huntsville, Texas, Special Assessment Revenue Bonds, Series 2024 (The Reserves of Huntsville Public Improvement District)” (the “Bonds”). Pursuant to the Bond Purchase Agreement, the Underwriter has agreed to purchase from the City, and the City has agreed to sell to the Underwriter the Bonds. In order to induce the City to enter into the Bond Purchase Agreement and as consideration for the execution, delivery, and sale of the Bonds by the City and the purchase of them by the Underwriter, the undersigned, PHD – Huntsville 34, L.P., a Texas limited partnership (the “Developer”), makes the representations, warranties, and covenants contained in this Developer Letter of Representations. Unless the context clearly indicates otherwise, each capitalized term used in this Developer Letter of Representations will have the meaning set forth in the Bond Purchase Agreement.

1. Purchase and Sale of Bonds. Inasmuch as the purchase and sale of the Bonds represents a negotiated transaction, the Developer understands, and hereby confirms, that the Underwriter is not acting as a fiduciary of the Developer, but rather is acting solely in its capacity as Underwriter of the Bonds for its own account.

2. Updating of the Limited Offering Memorandum. If, after the date of this Developer Letter of Representations, up to and including the date the Underwriter is no longer required to

provide a Limited Offering Memorandum to potential customers who request the same pursuant to Rule 15c2-12 (the earlier of (i) ninety (90) days from the “end of the underwriting period” (as defined in Rule 15c2-12) and (ii) the time when the Limited Offering Memorandum is available to any person from the MSRB, but in no case less than twenty-five (25) days after the “end of the underwriting period” for the Bonds), the Developer becomes aware of any fact or event which might or would cause the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or if it is necessary to amend or supplement the Limited Offering Memorandum to comply with law, the Developer will notify the Underwriter promptly (and for the purposes of this clause provide the Underwriter with such information as it may from time to time request); however, that for the purposes of this Developer Letter of Representations and any certificate delivered by the Developer in accordance with the Bond Purchase Agreement, the Developer makes no representations with respect to the information appearing in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum except for the information set forth in all of the maps included therein and under the captions and subcaptions “PLAN OF FINANCE” (except for the subcaption “- The Bonds”), “THE AUTHORIZED IMPROVEMENTS,” “THE DEVELOPMENT” and “THE DEVELOPER” and, to the Developer’s knowledge after due inquiry, under the captions “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Homebuilders, any affiliates of the foregoing, the Authorized Improvements, and the Development (as defined in the Limited Offering Memorandum)), “LEGAL MATTERS - Litigation - The Developer,” “CONTINUING DISCLOSURE - The Developer” and “- The Developer’s Compliance With Prior Undertakings,” “SOURCES OF INFORMATION - Source of Certain Information,” and “APPENDIX E-2,” (collectively, the “Developer Disclosures”) in accordance with subsection 4(f) herein.

3. Developer Documents. The Developer has executed and delivered each of the below listed documents (individually, a “Developer Document” and collectively, the “Developer Documents”) in the capacity provided for in each such Developer Document, and each such Developer Document constitutes a valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms:

- a. this Developer Letter of Representations;
- b. the Reimbursement Agreement, effective as of September 17, 2024, executed and delivered by the City and the Developer;
- c. the Reserves of Huntsville Development Agreement, as amended by the First Amendment to Reserves of Huntsville Development Agreement and the Second Amendment to Reserves of Huntsville Development Agreement, effective as of November 9, 2022, executed and delivered by the City and the Developer; and
- d. the Landowner Agreement and Notice of Assessments executed by the Developer, as of October [], 2024 (the “Landowner Agreement”); and
- e. the Continuing Disclosure Agreement of Developer with respect to the Bonds, dated as of October 15, 2024 (the “Continuing Disclosure Agreement of

Developer”), executed and delivered by the Developer, David Taussig & Associates, Inc. dba DTA, as PID Administrator, and BOKE, NA, as dissemination agent.

The Developer has complied in all material respects with all of the Developer’s agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Developer under the Developer Documents on or prior to the date hereof.

The representations and warranties of the Developer contained in the Developer Documents are true and correct in all material respects on and as of the date hereof.

4. Developer Representations, Warranties and Covenants. The Developer represents, warrants, and covenants to the City and the Underwriter that:

a. Due Organization and Existence. The Developer is duly formed and validly existing as a limited partnership under the laws of the State of Texas.

b. Organizational Documents. The copies of the organizational documents of the Developer and the formation documents of CBA Strategic Fund II GP, LLC, a Texas limited liability company, provided by the Developer to the City and the Underwriter are fully executed, true, correct, and complete copies of such documents and such documents have not been amended or supplemented since delivery to the City and the Underwriter and are in full force and effect as of the date hereof.

c. No Breach. The execution and delivery of the Developer Documents by Developer does not violate any judgment, order, writ, injunction or decree binding on Developer or any indenture, agreement, or other instrument to which the Developer is a party.

d. No Litigation. Other than as described in the Preliminary Limited Offering Memorandum and in the Limited Offering Memorandum, there are no proceedings pending or threatened in writing before any court or administrative agency against the Developer that are either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Developer to perform its obligations under the Developer Documents in all material respects or that would reasonably be expected to prevent or prohibit the development of the District in accordance with the description thereof in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

e. Information. The information prepared and submitted by the Developer to the City or the Underwriter in connection with the preparation of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum was, and is, as of this date, true and correct in all material respects.

f. Preliminary Limited Offering Memorandum and Limited Offering Memorandum. The Developer represents and warrants that the information set forth in the

Developer Disclosures in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum is true and correct and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Developer agrees to provide a certificate dated the Closing Date affirming, as of such date, the representations contained in this subsection (f) with respect to the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

g. Events of Default. No “Event of Default” or “event of default” by the Developer under any of the Developer Documents, any documents to which the Developer is a party described in the Limited Offering Memorandum, or under any material documents relating to the financing and construction of the Authorized Improvements to which the Developer is a party, or event that, with the passage of time or the giving of notice or both, would constitute such “Event of Default” or “event of default” by the Developer, has occurred and is continuing.

5. Indemnification.

a. The Developer will indemnify and hold harmless the City and the Underwriter and each of their officers, directors, employees and agents against any losses, claims, damages or liabilities to which any of them may become subject, under the Securities Act of 1933 or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained or incorporated by reference in the Developer Disclosures in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, or any amendment or supplement to the Limited Offering Memorandum amending or supplementing the information contained under the aforementioned captions (as qualified above), or arise out of or are based upon the omission, untrue statement or alleged untrue statement or omission to state therein a material fact necessary to make the statements under the aforementioned captions (as qualified above) not misleading under the circumstances under which they were made and will reimburse any indemnified party for any reasonable legal or other expenses reasonably incurred by them in connection with investigating or defending any such action or claim as such expenses are incurred.

b. Promptly after receipt by an indemnified party under subsection (a) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve the indemnifying party from any liability which it may have to the indemnified party otherwise than under such subsection, unless such indemnifying party was prejudiced by such delay or lack of notice. In case any such action shall be brought against an indemnified party, it shall promptly notify the

indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. The indemnifying party shall not be liable for any settlement of any such action effected without its consent, but if settled with the consent of the indemnifying party or if there is a final judgment for the plaintiff in any such action, the indemnifying party will indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment. The indemnity herein shall survive delivery of the Bonds and shall survive any investigation made by or on behalf of the City, the Developer or the Underwriter.

6. Survival of Representations, Warranties and Covenants. All representations, warranties, and agreements in this Developer Letter of Representations will survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of any payment by the Underwriter for the Bonds hereunder, and (c) any termination of the Bond Purchase Agreement.

7. Binding on Successors and Assigns. This Developer Letter of Representations will be binding upon the Developer and its successors and assigns and inure solely to the benefit of the Underwriter and the City, and no other person or firm or entity will acquire or have any right under or by virtue of this Developer Letter of Representations.

Signature page follows.

PHD-Huntsville 34, L.P.,
a Texas limited partnership

By: CBA Strategic Fund II GP, LLC,
its General Partner

By: _____

Name: _____

Title: _____

APPENDIX B

ISSUE PRICE CERTIFICATE

The undersigned, as the duly authorized representative of FMSbonds, Inc. (the “Purchaser”), with respect to the Special Assessment Revenue Bonds, Series 2024 (The Reserves of Huntsville Public Improvement District Improvement) issued by the City of Huntsville, Texas (the “Issuer”) in the principal amount of \$[_____] (the “Bonds”), hereby certifies, based on its records and information, as follows:

(a) [Other than the Bonds maturing in __ (“Hold-the-Price Maturities”), the] [The] first price at which at least ten percent (“Substantial Amount”) of the principal amount of each maturity of the Bonds having the same credit and payment terms (a “Maturity”) was sold to a person (including an individual, trust, estate, partnership, association, company, or corporation) other than the Underwriter (the “Public”) is set forth in the final Limited Offering Memorandum relating to the Bonds.

(Add (b) and (c) only if there are Hold-the-Price maturities)

(b) On or before the first day on which the Bond Purchase Agreement is entered into (the “Sale Date”), the Purchaser offered to the Public each Maturity of the Hold-the-Price Maturities at their respective initial offering prices (the “Initial Offering Prices”), as listed in the final Limited Offering Memorandum relating to the Bonds.

(c) As set forth in the Bond Purchase Agreement, the Purchaser agreed in writing to neither offer nor sell any of the Hold-the-Price Maturities to any person at any higher price than the respective Initial Offering Price for such Maturity until a date that is the earlier of the close of the fifth business day after the Sale Date or the date on which the Purchaser sells a Substantial Amount of a Maturity of the Bonds to the Public at no higher price than the Initial Offering Price for such Maturity.

A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule A.

For purposes of this Issue Price Certificate, the term “Underwriter” means (1) (i) a person that agrees pursuant to a written contract with the Issuer to participate in the initial sale of the Bonds to the Public, or (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1)(i) of this paragraph (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public) to participate in the initial sale of the Bonds to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

[Signature Page Follows]

EXECUTED as of this _____ day of _____, 2024.

FMSBONDS, INC.,
as Underwriter

By _____
Name: Theodore A. Swinarski
Title: Senior Vice President - Trading

SCHEDULE A

PRICING WIRE OR EQUIVALENT COMMUNICATION

APPENDIX C

[LETTERHEAD OF LILES PARKER PLLC]

October 31, 2024

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

BOKE, NA
5956 Sherry Lane, Suite 900
Dallas, Texas 75225

City of Huntsville, Texas
1212 Avenue M
Huntsville, Texas 77340

\$[_____]]
CITY OF HUNTSVILLE, TEXAS
(a municipal corporation of the State of Texas located in Walker County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(THE RESERVES OF HUNTSVILLE PUBLIC IMPROVEMENT DISTRICT)

Ladies and Gentlemen:

The undersigned serves as the City Attorney for the City of Huntsville, Texas (the “City”), and has, in that capacity, provided legal review in connection with the issuance and sale of \$[_____] “City of Huntsville, Texas, Special Assessment Revenue Bonds, Series 2024 (The Reserves of Huntsville Public Improvement District)” (the “Bonds”), by the City, a political subdivision of the State of Texas.

The Bonds are authorized pursuant to an ordinance enacted by the City Council of the City (the “City Council”) on October 15, 2024 (the “Bond Ordinance”) and shall be issued pursuant to the provisions of the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “Act”), and the Indenture of Trust, dated as of October 15, 2024 (the “Indenture”), by and between the City and BOKE, NA, as trustee (the “Trustee”). Capitalized terms not defined herein shall have the same meanings as in the Indenture, unless otherwise stated herein.

In connection with rendering this opinion, we have reviewed:

(a) The Resolution No 2022-23 (the “Creation Resolution”) enacted by the City Council on August 16, 2022;

(b) The Ordinance No. 2024-__ accepted and approved by City Council on October 15, 2024 (the “Assessment Ordinance”), and the amended and restated service and assessment plan (the “Service and Assessment Plan”) attached as an exhibit thereto, as such Service and Assessment Plan was updated by the Bond Ordinance;

(c) The Bond Ordinance;

(d) The Indenture;

(e) the Reimbursement Agreement, effective as of September 17, 2024 (the “Reimbursement Agreement”), executed and delivered by the City and PHD – Huntsville 34, L.P., a Texas limited partnership (the “Developer”);

(f) the Reserves of Huntsville Development Agreement, as amended by the First Amendment to Reserves of Huntsville Development Agreement and the Second Amendment to Reserves of Huntsville Development Agreement, effective as of November 9, 2022, executed and delivered by the City and the Developer (the “Development Agreement”); and

(g) the Continuing Disclosure Agreement of Issuer with respect to the Bonds, dated as of October 15, 2024 (the “Continuing Disclosure Agreement of Issuer”), executed and delivered by the City, David Taussig & Associates, Inc. dba DTA, as PID Administrator, and BOKF, NA, as Dissemination Agent.

The Creation Resolution, the Assessment Ordinance, and Bond Ordinance shall hereinafter be referred to as the “Authorizing Documents” and the remaining documents shall hereinafter be collectively referred to as the “City Documents.”

In all such examinations, we have assumed that all signatures on documents and instruments executed by the City are genuine and that all documents submitted to me as copies conform to the originals. In addition, for purposes of this opinion, we have assumed the due authorization, execution, and delivery of the City Documents by all parties other than the City.

Based upon and subject to the foregoing and the additional qualifications and assumptions set forth herein, we are of the opinion that:

1. The City is a home rule municipal corporation of the State of Texas and has all necessary power and authority to enter into and perform its obligations under the Authorizing Documents and the City Documents. The City has taken or obtained all actions, approvals, consents, and authorizations required of it by applicable laws in connection with the execution of the Authorizing Documents and the City Documents and the performance of its obligations thereunder.

2. To the best of our knowledge, there is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, public board or body, pending, or threatened against the City: (a) affecting the existence of the City or the titles of its officers to their respective offices; (b) in any way questioning the formation or existence of The Reserves of Huntsville Public Improvement District (the “District”); (c) affecting, contesting or seeking to prohibit, restrain or enjoin the delivery of any of the Bonds, or the payment, collection or application of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, including the Assessments in the District pursuant to the provisions of the Assessment Ordinance and the Service and Assessment Plan referenced therein; (d) contesting or affecting the validity or enforceability or the City’s performance of the City Documents; (e) contesting the exclusion of the interest on the Bonds from federal income taxation; or (f) which may result in any material adverse change relating to the financial condition of the City.

3. The Authorizing Documents were duly enacted by the City and remain in full force and effect on the date hereof.

4. The City Documents have been duly authorized, executed and delivered by the City and remain legal, valid, and binding obligations of the City enforceable against the City in accordance with their terms. However, the enforceability of the obligations of the City under such City Documents may be limited or otherwise affected by (a) bankruptcy, insolvency, reorganization, moratorium, and other laws affecting the rights of creditors generally, (b) principles of equity, whether considered at law or in equity, and (c) the application of Texas law relating to action by future councils and relating to governmental immunity applicable to governmental entities.

5. The performance by the City of the obligations under the Authorizing Documents and the City Documents will not violate any provision of any Federal or Texas constitutional or statutory provision.

6. No further consent, approval, authorization, or order of any court or governmental agency or body or official is required to be obtained by the City as a condition precedent to the performance by the City of its obligations under the Authorizing Documents and the City Documents.

7. The City has duly authorized and delivered the Preliminary Limited Offering Memorandum.

8. Based upon our limited participation in the preparation of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum (collectively, the "Limited Offering Memorandum"), the statements and information contained in the Limited Offering Memorandum with respect to the City under the captions and subcaptions "ASSESSMENT PROCEDURES - Assessment Methodology" and "- Assessment Amounts," "THE CITY," "THE DISTRICT," and "LEGAL MATTERS - Litigation - The City" are fair and accurate summaries of the law and the documents and facts summarized therein.

9. The adoption of the Authorizing Documents, the execution and delivery of the City Documents and the compliance with the provisions of the Authorizing Documents and the City Documents under the circumstances contemplated thereby, to the best of our knowledge: (a) do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement to which the City is a party or by which it is bound, and (b) do not and will not in any material respect conflict with or constitute on the part of the City a violation, breach of or default under any existing law, regulation, court order or consent decree to which the City is subject.

This opinion may not be relied upon by any other person except those specifically addressed in this letter.

APPENDIX D

COATS | ROSE

A PROFESSIONAL CORPORATION

October 31, 2024

City of Huntsville, Texas
1212 Avenue M
Huntsville, Texas 77340

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

McCall, Parkhurst & Horton L.L.P.
600 Congress Ave, Suite 2150
Austin, Texas 78701

BOKE, NA
5956 Sherry Lane, Suite 900
Dallas, Texas 75225

\$_[]

CITY OF HUNTSVILLE, TEXAS

(a municipal corporation of the State of Texas located in Walker County)

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024

(THE RESERVES OF HUNTSVILLE PUBLIC IMPROVEMENT DISTRICT)

Ladies and Gentlemen:

In our capacity as counsel to PHD – Huntsville 34, L.P., a Texas limited partnership (the “Developer”), and for purposes of rendering the opinions set forth herein, we have examined originals or copies, certified or otherwise identified to our satisfaction, of:

- (a) The following documents (collectively, the “Material Documents”):
- (1) The Developer Letter of Representations executed by the Developer dated October 15, 2024;
 - (2) the Reimbursement Agreement, effective as of September 17, 2024, executed and delivered by the City and the Developer;
 - (3) the Reserves of Huntsville Development Agreement, as amended by the First Amendment to Reserves of Huntsville Development Agreement and the Second Amendment to Reserves of Huntsville Development Agreement, effective as of November 9, 2022, executed and delivered by the City and the Developer; and
 - (4) the Landowner Agreement and Notice of Assessments dated October [], 2024;
 - (5) the Continuing Disclosure Agreement of Developer with respect to the Bonds, dated as of October 15, 2024 (the “Continuing Disclosure Agreement of Developer”), executed and delivered by the Developer, David

Taussig & Associates, Inc. dba DTA, as PID Administrator, and BOKF, NA, as Dissemination Agent.

- (6) The Preliminary Limited Offering Memorandum, dated October 2, 2024, relating to the issuance of the Bonds (the “Preliminary Limited Offering Memorandum”);
- (7) The final Limited Offering Memorandum, dated October 15, 2024, relating to the issuance of the Bonds (together with the Preliminary Limited Offering Memorandum, the “Limited Offering Memorandum”); and
- (8) the General Certificate of the Developer and the Developer Closing Certificate, each dated as of the date hereof (together, the “Developer Certificate”).

Opinions and Assurances

Based solely upon the foregoing, and subject to the assumptions and limitations set forth herein, we are of the opinion that:

1. The Developer is qualified to transact business as a limited partnership in the State of Texas.
2. The Developer has the power and authority to execute and deliver the Material Documents to which it is a party and to perform its obligations thereunder.
3. The execution and delivery by the Developer of the Material Documents to which it is a party, and the performance by the Developer of its obligations under such Material Documents, have been duly authorized by all necessary limited partnership action of the Developer.
4. The execution and delivery by the Developer of the Material Documents to which it is a party and the performance of the obligations of the Developer thereunder do not (i) violate any of the terms, conditions, or provisions of the Developer Organizational Documents; (ii) violate any applicable law; or (iii) conflict with or result in the breach of any court decree or order of any governmental body identified in the Developer Certificate or otherwise actually known to the lawyers who have provided substantive attention to the representation reflected in this opinion binding upon or affecting the Developer, the conflict with which or breach of which would have a material, adverse effect on the ability of the Developer to perform its respective obligations under the Material Documents to which it is a party.
5. No governmental approval which has not been obtained or taken is required to be obtained or taken by the Developer on or before the date hereof as a condition to the performance by the Developer of its respective obligations under the Material Documents to which it is a party, except for governmental approvals that may be

required to comply with certain covenants contained in the Material Documents (including, without limitation, covenants to comply with applicable laws).

6. There are no actions, suits or proceedings pending or, to our knowledge, threatened against the Developer identified in the Developer Certificate, or otherwise actually known to the lawyers who have provided substantive attention to the representation reflected in this opinion in any court of law or equity, or before or by any governmental instrumentality with respect to: (i) its organization or existence or qualification to do business in the State of Texas; (ii) its authority to execute or deliver the Material Documents to which it is a party; (iii) the titles of the parties executing the Material Documents; (iv) the execution, delivery, validity or enforceability of the Material Documents on behalf of the Developer; (v) the operations or financial condition of the Developer that would materially adversely affect those operations or the financial condition of the Developer; or (vi) the acquisition and construction of the property and improvements identified in the Limited Offering Memorandum the cost of which is to be funded or reimbursed, in whole or in part, by proceeds of the Bonds; or with respect to the validity or enforceability against it of such Material Documents or the transactions described therein.
7. The Developer has duly executed and delivered each of the Material Documents to which it is a party, and each of the Material Documents constitute the legal, valid, and binding obligations of the Developer, enforceable against the Developer in accordance with their respective terms, subject to the following qualifications: (i) the effect of applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, (ii) the effect of the exercise of judicial discretion in accordance with general principles of equity (whether applied by a court of law or of equity), and (iii) the effect that enforceability of the indemnification provisions therein may be limited, in whole or in part. The execution, delivery, and performance by the Developer of its respective obligations under the Material Documents do not violate any existing laws of the State of Texas applicable to the Developer.
8. The execution and delivery of the Material Documents do not, and the transactions described therein may be consummated and the terms and conditions thereof may be observed and performed in a manner that does not, conflict with or constitute a breach of or default under any loan agreement, indenture, bond note, resolution, agreement or other instrument to which the Developer is a party or is otherwise subject and which have been identified in the Developer Certificate, which violation, breach or default would materially adversely affect the Developer or its performance of its respective obligations under the transactions described in the Material Documents; nor will any such execution, delivery, adoption, fulfillment, or compliance result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Developer, except as expressly described in the Material Documents (a) under applicable law or (b) under any such loan agreement, indenture, bond note, resolution, agreement, or other instrument.

9. The information set forth in the Limited Offering Memorandum in the maps on pages iv, v, vi, and vii and under the captions “PLAN OF FINANCE” (except for the subcaption “The Bonds”), “THE AUTHORIZED IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Homebuilders; any affiliates of the foregoing, the Authorized Improvements, and the Development (as defined in the Limited Offering Memorandum)), “LEGAL MATTERS - Litigation - The Developer,” and “CONTINUING DISCLOSURE - The Developer” and “- The Developer’s Compliance With Prior Undertakings” adequately and fairly describes the information summarized on such pages and under such captions and are correct as to matters of law.

Subject to the below qualifications and based upon our participation in the preparation of the Limited Offering Memorandum and our participation at conferences with representatives of the Underwriter and its counsel, of the City and its counsel, and with representatives of the Developer at which the Limited Offering Memorandum and related matters were discussed, and although we have not independently verified the information in the Limited Offering Memorandum and are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Limited Offering Memorandum and any amendment or supplement thereto, no facts have come to our attention that lead us to believe that the information set forth under the captions referenced in the preceding paragraph as of the date of the Limited Offering Memorandum and the date hereof, contained or contains any untrue statement of a material fact, or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

EXHIBIT E

CLOSING CERTIFICATE OF DEVELOPER

PHD – Huntsville 34, L.P., a Texas limited partnership (the “Developer”), DOES HEREBY CERTIFY the following as of the date hereof. All capitalized terms not otherwise defined herein shall have the meaning given to such term in the Limited Offering Memorandum.

1. The Developer is a Texas limited partnership organized, validly existing and in good standing under the laws of the State of Texas and is authorized to do business in the State of Texas.

2. Representatives of the Developer have provided information to the City of Huntsville, Texas (the “City”) and FMSbonds, Inc. (the “Underwriter”) to be used in connection with the offering by the City of its \$[_____] aggregate principal amount of Special Assessment Revenue Bonds, Series 2024 (The Reserves of Huntsville Public Improvement District) (the “Bonds”), pursuant to the Preliminary Limited Offering Memorandum, dated October 2, 2024 (the “Preliminary Limited Offering Memorandum”), and Limited Offering Memorandum dated October 15, 2024 (the “Limited Offering Memorandum”).

3. The Developer has delivered to the Underwriter and the City true, correct, complete and fully executed copies of the organizational documents of the Developer and the formation documents of CBA Strategic Fund II GP, LLC, a Texas limited liability company, and such documents have not been amended or supplemented since delivery to the Underwriter and the City and are in full force and effect as of the date hereof.

4. For each of the entities identified in paragraph 3, the Developer has delivered to the Underwriter and the City (i) Certificates of Fact - Status from the Texas Secretary of State for each such entity and (ii) Certificates of Account Status from the Texas Comptroller of Public Accounts for each such entity.

5. The Developer has executed and delivered each of the below listed documents (individually, a “Developer Document” and collectively, the “Developer Documents”) in the capacity provided for in each such Developer Document, and each such Developer Document constitutes a valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms:

(a) the Developer Letter of Representations dated October 15, 2024;

(b) the Reimbursement Agreement, effective as of September 17, 2024, executed and delivered by the City and the Developer;

(c) the Reserves of Huntsville Development Agreement, as amended by the First Amendment to Reserves of Huntsville Development Agreement and the Second Amendment to Reserves of Huntsville Development Agreement, effective as of November 9, 2022, executed and delivered by the City and the Developer;

(d) the Landowner Agreement and Notice of Assessments executed by the Developer on October [___], 2024 (the “Landowner Agreement”); and

(e) the Continuing Disclosure Agreement of Developer with respect to the Bonds, dated as of October 15, 2025 (the “Continuing Disclosure Agreement of Developer”), executed and delivered by the Developer, David Taussig & Associates, Inc. dba DTA, as PID Administrator, and BOKF, NA, as dissemination agent.

6. The Developer or other development entities affiliated with the Developer owned all of the Assessed Property (as defined in the Service and Assessment Plan) located in the District on the date that the Assessment Ordinance was adopted and such landowners are not entities that may claim a homestead right under Texas law.

7. The Developer has complied in all material respects with all of the Developer’s agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Developer under the Developer Documents on or prior to the date hereof.

8. The representations and warranties of the Developer contained in the Developer Documents are true and correct in all material respects on and as of the date hereof.

9. The execution and delivery of the Developer Documents by the Developer does not violate any judgment, order, writ, injunction or decree binding on the Developer or any indenture, agreement, or other instrument to which the Developer is a party. There are no proceedings pending or threatened in writing before any court or administrative agency against the Developer that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Developer to perform its obligations under the Developer Documents in all material respects or that would reasonably be expected to prevent or prohibit the development of the District in accordance with the description thereof in the Limited Offering Memorandum.

10. The Developer has reviewed and approved the information contained in the Preliminary Limited Offering Memorandum in all of the maps included therein and under the captions and subcaptions “PLAN OF FINANCE” (except for the subcaption “- The Bonds”), “THE AUTHORIZED IMPROVEMENTS,” “THE DEVELOPMENT” and “THE DEVELOPER” and, to the Developer’s knowledge after due inquiry, under the captions “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Homebuilders, any affiliates of the foregoing, the Authorized Improvements, and the Development (as defined in the Limited Offering Memorandum)), “LEGAL MATTERS - Litigation - The Developer,” “CONTINUING DISCLOSURE - The Developer” and “- The Developer’s Compliance With Prior Undertakings,” “SOURCES OF INFORMATION - Source of Certain Information,” and “APPENDIX E-2” (collectively, the “Developer Disclosures”) and certifies that the same does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading, as of the date of the Preliminary Limited Offering Memorandum and as of the date of the Limited Offering Memorandum; provided, however, that the foregoing certification is not a certification as to the accuracy, completeness or fairness of any of the other statements contained in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum.

11. The Developer has reviewed and approved the information contained in the Developer Disclosures in the Limited Offering Memorandum and certifies that the same does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading, as of the date of the Limited Offering Memorandum and as of the date hereof;

provided, however, that the foregoing certification is not a certification as to the accuracy, completeness or fairness of any of the other statements contained in the Limited Offering Memorandum.

12. To the Developer's knowledge, the Developer is in compliance in all material respects with all provisions of applicable law relating to the Developer in connection with the Development. Except as otherwise described in the Limited Offering Memorandum: (a) to the Developer's knowledge, there is no default of any zoning condition, land use permit or development agreement binding upon the Developer or any portion of the Development that would materially and adversely affect the Developer's ability to complete or cause to be completed the development of the property within the District as described in the Limited Offering Memorandum; and (b) the Developer has no reason to believe that any additional permits, consents and licenses required to complete the development of the property within the District as and in the manner described in the Limited Offering Memorandum will not be reasonably obtainable in due course.

13. The Developer is not insolvent and has not made an assignment for the benefit of creditors, filed, or consented to a petition in bankruptcy, petitioned or applied (or consented to any third-party petition or application) to any tribunal for the appointment of a custodian, receiver or any trustee or commenced any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction.

14. The levy of the Assessments on property in the District owned by the Developer will not conflict with or constitute a breach of or default under any agreement, mortgage, deed of trust, indenture, or other instrument to which the Developer is a party or to which the Developer or any of its property or assets is subject.

15. The Developer is not in default under any mortgage, trust indenture, lease or other instrument to which it or any of its assets is subject, which default would have a material and adverse effect on the Bonds or the Developer's ability to perform its obligations under the Developer Documents.

16. The Developer has no knowledge of any physical condition of the Development owned or to be developed by the Developer that currently requires, or currently is reasonably expected to require in the process of development investigation or remediation under any applicable federal, state, or local governmental laws or regulations relating to the environment in any material and adverse respect.

Signature page follows.

Dated: October 31, 2024

DEVELOPER:

PHD-Huntsville 34, L.P.,
a Texas limited partnership

By: CBA Strategic Fund II GP, LLC,
its General Partner

By: _____

Name: _____

Title: _____

APPENDIX F

[LETTERHEAD OF DAVID TAUSSIG & ASSOCIATES, INC. DBA DTA]

[_____], 2024

City of Huntsville, Texas
1212 Avenue M
Huntsville, Texas 77340

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

McCall, Parkhurst & Horton L.L.P.
600 Congress Ave, Suite 2150
Austin, Texas 78701

BOKF, NA
5956 Sherry Lane, Suite 900
Dallas, Texas 75225

Re: City of Huntsville, Texas, Special Assessment Revenue Bonds, Series 2024 (The Reserves of Huntsville Public Improvement District) (the “Bonds”)

Ladies and Gentlemen:

The undersigned, _____, representative of David Taussig & Associates, Inc. dba DTA (“DTA”), consultant in connection with the creation by the City of Huntsville, Texas (the “City”), of The Reserves of Huntsville Public Improvement District (the “District”), does hereby represent the following:

1. DTA has supplied certain information contained in the Preliminary Limited Offering Memorandum for the Bonds, dated October 2, 2024, and the final Limited Offering Memorandum for the Bonds, dated October 15, 2024 (together, the “Limited Offering Memorandum”), relating to the issuance of the Bonds by the City, as described above. The information DTA provided for the Limited Offering Memorandum is located (a) under the captions “ASSESSMENT PROCEDURES” and “THE PID ADMINISTRATOR” and (b) in the Service and Assessment Plan (the “SAP”) for the City located in APPENDIX C to the Limited Offering Memorandum.

2. At the request of the City, DTA has prepared the SAP and acknowledges and agrees that the SAP will be included in the Limited Offering Memorandum for the Bonds.

3. To the best of my professional knowledge and belief, the portions of the Limited Offering Memorandum described in paragraph 1 above do not contain an untrue statement of a material fact as to the information and data set forth therein, and does not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

4. DTA agrees to the inclusion of the SAP in the Limited Offering Memorandum and use of its name in the Limited Offering Memorandum for the Bonds.

5. DTA agrees that, to the best of its ability, it will inform you immediately should it learn of any event(s) or information of which you are not aware subsequent to the date of this letter and prior to the actual time of delivery of the Bonds (anticipated to occur on or about October 31,

2024) which would render any such information in the Limited Offering Memorandum untrue, incomplete, or incorrect, in a material fact or render any such information materially misleading.

6. The undersigned hereby represents that he or she has been duly authorized to execute this letter of representation.

Sincerely yours,

David Taussig & Associates, Inc. dba DTA

By: _____
Its _____

APPENDIX G

[LETTERHEAD OF BARLETTA & ASSOCIATES, INC.]

[_____], 2024

City of Huntsville, Texas
1212 Avenue M
Huntsville, Texas 77340

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

McCall, Parkhurst & Horton L.L.P.
600 Congress Ave, Suite 2150
Austin, Texas 78701

BOKE, NA
5956 Sherry Lane, Suite 900
Dallas, Texas 75225

Re: City of Huntsville, Texas, Special Assessment Revenue Bonds, Series 2024 (The Reserves of Huntsville Public Improvement District) (the “Bonds”)

Ladies and Gentlemen:

The undersigned, _____, representative of Barletta & Associates, Inc. (the “Appraiser”), the appraiser of the undeveloped property contained in The Reserves of Huntsville Public Improvement District (the “District”), does hereby represent the following:

1. The Appraiser has supplied certain information contained in the Preliminary Limited Offering Memorandum for the Bonds, dated October 2, 2024, and the Limited Offering Memorandum for the Bonds, dated October 15, 2024 (together, the “Limited Offering Memorandum”), relating to the issuance of the Bonds by the City of Huntsville, Texas, as described above. The information provided by the Appraiser for the Limited Offering Memorandum is the real estate appraisal of the District (the “Appraisal”), located in APPENDIX F to the Limited Offering Memorandum, and the description thereof, set forth under the caption “APPRAISAL.”

2. To the best of my professional knowledge and belief, as of the date of the Appraisal, the portion of the Limited Offering Memorandum described above does not contain an untrue statement of a material fact as to the information and data set forth therein, and does not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

3. The Appraiser agrees to the inclusion of the Appraisal in the Limited Offering Memorandum and the use of its name in the Limited Offering Memorandum for the Bonds.

4. The Appraiser agrees that, to the best of its ability, it will inform you immediately should it learn of any event(s) or information of which you are not aware subsequent to the date of this letter and prior to the actual time of delivery of the Bonds (anticipated to occur on or about October 31, 2024) which would render any such information in the Limited Offering Memorandum untrue, incomplete, or incorrect, in a material fact or render any statement in the appraisal materially misleading.

5. The undersigned hereby represents that he or she has been duly authorized to execute this letter of representations.

Sincerely yours,

Barletta & Associates, Inc.

By: _____
Its: _____

EXHIBIT C

LANDOWNER AGREEMENT AND NOTICE OF ASSESSMENTS

THE RESERVES OF HUNTSVILLE PUBLIC IMPROVEMENT DISTRICT

**LANDOWNER AGREEMENT
AND NOTICE OF ASSESSMENTS**

between

THE CITY OF HUNTSVILLE, TEXAS

and

PHD – Huntsville 34, L.P.

Dated as of:

_____, 2024

LANDOWNER AGREEMENT AND NOTICE OF ASSESSMENTS
(The Reserves of Huntsville Public Improvement District)

This **LANDOWNER AGREEMENT AND NOTICE OF ASSESSMENTS** (the “**Agreement**”) is entered into among the CITY OF HUNTSVILLE, TEXAS, a home-rule municipal corporation of the State of Texas (the “**City**”), and PHD-HUNTSVILLE 34, L.P., a Texas limited partnership (the “**Landowner**”) (individually a “**Party**” or collectively the “**Parties**”). This Agreement shall be effective on the latest date it is executed by all the Parties.

RECITALS

WHEREAS, the Landowner owns approximately 33.22 acres of land located in Huntsville, Walker County, Texas which is more particularly described in “**Exhibit A**” attached hereto (the “**Land**”); and

WHEREAS, on August 16, 2022, the City Council of the City (the “**City Council**”) passed and approved Resolution No. 2022-23 authorizing the creation of the Reserves of Huntsville Public Improvement District, the “**District**”) pursuant to Chapter 372 of the Texas Local Government Code (the “**PID Act**”), with the boundaries of such District being coterminous with the boundaries of the Land; and

WHEREAS, development of the District is anticipated to be a single family residential development having approximately 140 single family home lots; and

WHEREAS, Landowner and the City entered into that certain Agreement For The Construction And Funding Of Authorized Improvements And Reimbursement Of Advances dated May 7, 2024 (as such agreement may be amended from time to time as provided therein, the “**PID Reimbursement Agreement**”), relating to, among other matters, the construction of the “**Authorized Improvements**” as defined therein, the levy of assessments within the Land, the reimbursement of the Landowner for the costs of the Authorized Improvements and the issuance of revenue bonds secured by such assessments (“**PID Bonds**”);

WHEREAS, certain of the Authorized Improvements will confer benefit only to property within the District; and

WHEREAS, on October 15, 2024, the City Council passed and approved Ordinance No. 2024-27 (the “**Assessment Ordinance**”) that, among other things, approved the Service and Assessment Plan that identified the amount of certain assessments on parcels within the District, including the amount of those certain assessments on the property within the District corresponding to the benefit thereon attributable to one or more of the Authorized Improvements (the “**Assessments**”), and established the dates upon which interest on the Assessments will begin to accrue and upon which collection of the Assessments will begin; and

WHEREAS, in addition to approving the Service and Assessment Plan, the Assessment Ordinance levied the Assessments against certain parcels within the boundaries of the to finance the the Authorized Improvements in accordance with the Service and Assessment Plan; and

WHEREAS, a copy of the Assessment Ordinance is attached hereto as “**Exhibit B**”; and

WHEREAS, the Service and Assessment Plan includes an “**Assessment Roll**” setting forth, among other things, the amount of the Assessment for each parcel subject to the Project Assessment (an “the **Assessed Parcel**”), including the amount of the “**Annual Installment**” (as that term is defined in the Service and Assessment Plan, but only with respect to the Assessments) for each Assessment paid in installments.

NOW THEREFORE, for and in consideration of the mutual promises, covenants, obligations, and benefits hereinafter set forth, the Parties agree as follows:

ARTICLE I
APPROVAL OF AGREEMENTS

The matters set forth in the recitals of this Agreement are true and correct and are incorporated in this Agreement as official findings of the City Council.

ARTICLE II
AGREEMENT OF LANDOWNER

A. Landowner ratifies, confirms, accepts, agrees to, and approves:

- (i) the creation of the District, the boundaries of the District, and the boundaries of the Assessed Parcels;
- (ii) the location and construction of the Authorized Improvements;
- (iii) the determinations and findings of special benefit to the Assessed Parcels made by the City Council in the Assessment Ordinance and Service and Assessment Plan; and
- (iv) the Assessment Ordinance and the Service and Assessment Plan.

B. Landowner consents, acknowledges, accepts, and agrees:

- (i) to the Assessments to be levied against the applicable the Assessed Parcels as shown on the Assessment Roll, as the Assessment Roll may be amended from time to time;
- (ii) that the Authorized Improvements and administration and operation of the District confer a special benefit on the Assessed Parcels in an amount that exceeds the Assessments against the Assessed Parcels as shown on the Assessment Roll;
- (iii) that the Assessments against the Assessed Parcels are final, conclusive, and binding upon the Landowner and its successors and assigns;

(iv) to pay the Assessments and Annual Installments against the Assessed Parcels when due and in the amounts stated in the Assessment Ordinance, Service and Assessment Plan, and Assessment Roll;

(v) that each Assessment or reassessment against the Assessed Parcels, with interest, the expense of collection, and reasonable attorney's fees, if incurred, is a first and prior lien against the Assessed Parcels, superior to all other liens and monetary claims except liens or monetary claims for state, county, school district, or municipal ad valorem taxes, and is a personal liability of and charge against the owner of the Assessed Parcels regardless of whether the owner is named;

(vi) that the Assessment liens on the Improvement Area #1 Assessed Parcels are liens and covenants that run with the land and are effective from the date of the Assessment Ordinance and continue until the Assessments are paid in full and may be enforced by the governing body of the City in the same manner that ad valorem tax liens against real property may be enforced;

(vii) that delinquent installments of the Assessments against the Assessed Parcels shall incur and accrue interest, penalties, and attorney's fees as provided in the PID Act;

(viii) that the owner of a Assessed Parcel may pay at any time the entire Assessment against the Assessed Parcel, with interest that has accrued on the Assessment to the date of such payment;

(ix) that Annual Installments may be adjusted, decreased, and extended and that owners of the Assessed Parcels shall be obligated to pay such Annual Installments as adjusted, decreased, or extended, when due and without the necessity of further action, assessments, or reassessments by the City Council;

(x) that the Landowner has received all notices required by State law (including, but not limited to the PID Act) in connection with the creation of the District on August 16, 2022, including the notice required pursuant to Section 372.009 of the PID Act, and the adoption and approval by the City Council of the Assessment Ordinance, the Service and Assessment Plan, and the Assessment Roll on October 15, 2024, including the notice required pursuant to Section 372.016 of the PID Act, and to the extent there was any irregularity, omission, or other issue regarding such notices, the Landowner hereby waives any such irregularity, omission or other issue regarding such notices; and

(xi) that this Agreement may be recorded in the Official Public Records of Walker County (the contents of which shall be consistent with the Assessment Ordinance, the Service and Assessment Plan, and this Agreement) and shall evidence the lien and encumbrance created upon the Landowner's Assessed Parcels by the Assessment Ordinance.

C. Landowner hereby waives:

(i) any and all defects, irregularities, illegalities or deficiencies in the proceedings establishing the District, including any similar issue in recording any required document with Walker County, defining the Assessed Parcels, adopting the Assessment Ordinance, Service and Assessment Plan, and Assessment Roll, levying of the Assessments, and determining the amount of the Annual Installments of the Assessments;

(ii) any and all notices and time periods provided by the PID Act including, but not limited to, notice of the establishment of the District and notice of public hearings regarding the approval of the Assessment Ordinance, Service and Assessment Plan, and Assessment Roll and regarding the levying of the Assessments and determining the amount of the Annual Installments of the Improvement Area #1 Assessments;

(iii) any and all actions and defenses against the adoption or amendment of the Assessment Ordinance, Service and Assessment Plan, and Assessment Roll;

(iv) any and all actions and defenses against the City's finding of "special benefit" pursuant to the PID Act and as set forth in the Service and Assessment Plan and the levying of the Assessments and determining the amount of the Annual Installment of the Assessments; and

(v) any right to object to the legality of the Assessment Ordinance, Service and Assessment Plan, Assessment Roll, or Assessments or to any proceedings connected therewith.

ARTICLE III

TEXAS PROPERTY CODE SECTION 5.014 NOTICE

A. Section 5.014 of the Texas Property Code requires that a seller of residential real property that is located in a public improvement district and that consists of not more than one dwelling unit shall give to the purchaser of the property written notice of the district in substantially the form set forth on Exhibit C hereto. The seller is required to deliver the notice to the purchaser before the effective date of an executory contract binding the purchaser to purchase the property. The notice may be given separately, as part of the contract during negotiations, or as part of any other notice the seller delivers to the purchaser. If the notice is included as part of the executory contract or another notice, the title of the required notice, the references to the street address, the date in the notice, and the purchaser's signature may be omitted.

B. As the property in the District is developed, a notice substantially in the form as the notice attached hereto as Exhibit "C" (as may be updated and amended from time to time) will be prepared and provided to any purchaser of an Assessed Property located in the District. If Section 5.014 of the Texas Property Code is amended, said amendment will control the notice to be provided as of the effective date of such amendment.

ARTICLE IV

DEDICATION OF AUTHORIZED IMPROVEMENTS

Landowner acknowledges that the Improvement Area #1 Improvements, together with the land, easements, or other rights-of-way needed for the Improvement Area #1 Improvements, shall be dedicated to the City or the applicable owner's association as provided in the PID Reimbursement Agreement. Landowner will execute such conveyances and/or dedications as may be reasonably required to evidence the same.

ARTICLE V **MISCELLANEOUS**

A. Notices. Any notice or other communication (a "**Notice**") required or contemplated by this Agreement shall be given at the addresses set forth below. Notices as to one or more Assessed Parcels shall only be given to the Landowner that owns the applicable Assessed Parcels. Notices shall be in writing and shall be deemed given: (i) five business days after being deposited in the United States Mail, Registered or Certified Mail, Return Receipt Requested; or (ii) when delivered by a nationally recognized private delivery service (e.g., FedEx or UPS) with evidence of delivery signed by any person at the delivery address. Each Party may change its address by written notice to the other Parties in accordance with this section.

If to Landowner:

PHD-Huntsville 34, L.P.
Attention:
E-Mail:

With a copy to:

If to City:

City of Huntsville
Attn: City Manager
Physical location:
1220 11th Street
Huntsville, TX 77340
Mailing address:
1212 Avenue M

Huntsville, TX 77340

Email:

With a copy to:

B. Parties in Interest. In the event of the sale or transfer of a Assessed Parcel or any portion thereof, the purchaser or transferee shall be deemed to have assumed the obligations of the Landowner with respect to such Assessed Parcel or such portion thereof, and the seller or transferor shall be released with respect to such Assessed Parcel or portion thereof. Notwithstanding the foregoing, the holders of PID Bonds are express beneficiaries of this Agreement and shall be

entitled to pursue any and all remedies at law or in equity to enforce the obligations of the Parties, subject to the limitations set forth in the Indenture.

C. Amendments. This Agreement may be amended only by a written instrument executed by all the Parties. No termination or amendment shall be effective until a written instrument setting forth the terms thereof has been executed by the then-current owners of the Land and recorded in the Official Public Records of Walker County, Texas.

D. Estoppels. Within ten days after written request from any Party, the other Parties shall provide a written certification indicating whether this Agreement remains in effect as to an Assessed Parcel and whether any Party is then in default hereunder.

E. Termination. This Agreement shall terminate as to each Assessed Parcel upon payment in full of the Assessment against the Assessed Parcel.

[SIGNATURE PAGES TO FOLLOW]

EXECUTED by the Parties on the dates stated below.

THE CITY OF HUNTSVILLE, TEXAS

By: _____
_____, City Manager

STATE OF TEXAS

§
§

COUNTY OF WALKER §

BEFORE ME, a Notary Public, on this day personally appeared _____, City Manager of the City of Huntsville, a Texas home-rule municipal corporation, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed on behalf of that municipal corporation.

GIVEN UNDER MY HAND AND SEAL of office this ____ day of _____, 2024

(SEAL)

Notary Public, State of Texas

LANDOWNER:

PHD-Huntsville 34, L.P,
a Texas limited partnership

By:_____

Name: _____

Title: _____

STATE OF TEXAS §

§

COUNTY OF _____ §

§

This instrument was acknowledged before me on _____ 2024 by,
_____, _____ of PHD-Huntsville 34, L.P, a Texas
limited partnership, on behalf of said company.

(SEAL)

Notary Public, State of Texas

Name printed or typed

Commission Expires: _____

Notary Public, State of Texas

[SIGNATURE PAGE TO MASTER AREA LANDOWNER AGREEMENT]

EXHIBIT A to THE PROJECT LANDOWNER AGREEMENT

Legal Description

EXHIBIT B To PROJECT LANDOWNER AGREEMENT

Assessment Ordinance

EXHIBIT C to THE PROJECT LANDOWNER AGREEMENT

Homebuyer Disclosure

**THE RESERVES OF HUNTSVILLE
PUBLIC IMPROVEMENT DISTRICT
LOT TYPE __
HOMEBUYER DISCLOSURE**

SECTION 5.014 TEXAS PROPERTY CODE NOTICE

**NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENT DISTRICT
ASSESSMENT TO THE CITY OF HUNTSVILLE, TEXAS, CONCERNING THE
PROPERTY AT THE FOLLOWING STREET ADDRESS AND TAX ID:**

Street Address

Tax ID

As the purchaser of this parcel of residential real property located in a public improvement district, you are obligated to pay an Assessment to the City of Huntsville, Texas for improvement projects undertaken by the Reserves of Huntsville Public Improvement District under Subchapter A, Chapter 372, Local Government Code. Information about the Assessment (such as its due date, the amount of the Assessment, or how it is paid) may be obtained by contacting the City. The Assessment against your parcel may be paid in full at any time together with interest through the date of payment. If you do not elect to pay the Assessment in full, it will be due and payable in annual installments, including interest and collection costs. The amount of the Assessments is subject to change. Your failure to pay the Assessment or any annual installment could result in a lien on and the foreclosure of your property.

Date: _____

Purchaser

EXHIBIT D

CONTINUING DISCLOSURE AGREEMENT

**CITY OF HUNTSVILLE, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(THE RESERVES OF HUNTSVILLE PUBLIC IMPROVEMENT DISTRICT)**

CONTINUING DISCLOSURE AGREEMENT OF ISSUER

This Continuing Disclosure Agreement of Issuer, dated as of October 15, 2024 (this “Disclosure Agreement”), is executed and delivered by and among the City of Huntsville, Texas (the “Issuer”), David Taussig & Associates, Inc. dba DTA (the “Administrator”), and BOKF, NA, acting solely in its capacity as dissemination agent (the “Dissemination Agent”), with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2024 (The Reserves of Huntsville Public Improvement District)” (the “Bonds”). The Issuer, the Administrator, and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer, the Administrator, and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of October 15, 2024, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, the following capitalized terms shall have the following meanings:

“Administrator” shall have the meaning assigned to such term in the Indenture. The initial Administrator is David Taussig & Associates, Inc. dba DTA.

“Annual Collection Costs” shall have the meaning assigned to such term in the Indenture.

“Annual Collections Report” shall mean any Annual Collections Report provided by the Issuer pursuant to, and as described in, Section 5 of this Disclosure Agreement.

“Annual Collections Report Filing Date” shall mean, for each Fiscal Year succeeding the reporting Fiscal Year, the date that is three (3) months after the Final Assessment Payment Date, which Annual Collections Report Filing Date is currently April 30.

“Annual Financial Information” shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in subsection 4(a) of this Disclosure Agreement.

“Annual Installment” shall have the meaning assigned to such term in the Indenture.

“Annual Issuer Report” shall mean any Annual Issuer Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Annual Issuer Report Filing Date” shall mean, for each Fiscal Year, the date that is six (6) months after the end of the Issuer’s Fiscal Year, which Annual Issuer Report Filing Date is currently March 31.

“Annual Service Plan Update” shall have the meaning assigned to such term in the Indenture.

“Assessments” shall have the meaning assigned to such term in the Indenture.

“Business Day” shall have the meaning assigned to such term in the Indenture.

“Collections Reporting Date” shall mean, for each Tax Year, the date that is one (1) month after the Delinquency Date, which Collections Reporting Date is currently March 1.

“Delinquency Date” shall mean February 1 of the year following the year in which the Assessments were billed or as may be otherwise defined in Section 31.02 of the Texas Tax Code, as amended.

“Developer” shall mean PHD – Huntsville 34, L.P., a Texas limited partnership, and its designated successors and assigns.

“Disclosure Agreement of Developer” shall mean the Continuing Disclosure Agreement of Developer relating to the Bonds, dated as of October 15, 2024, executed and delivered by the Developer, the Administrator, and the Dissemination Agent.

“Disclosure Representative” shall mean the Finance Director or City Manager of the Issuer or his or her designee or such other officer or employee as the Issuer may designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean BOKF, NA, acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“District” shall mean The Reserves of Huntsville Public Improvement District.

“EMMA” shall mean the Electronic Municipal Market Access System currently available on the internet at <http://emma.msrb.org>.

“Final Assessment Payment Date” shall mean the calendar day preceding the Delinquency Date.

“Financial Obligation” shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Fiscal Year” shall mean the Issuer’s fiscal year, currently the twelve-month period from October 1 through September 30.

“Listed Events” shall mean any of the events listed in subsection 6(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reports pursuant to the Rule.

“Other Obligations” means any bonds, temporary notes, time warrants, or an obligation under an installment sale contract or reimbursement agreement secured in whole or in part by an assessment, other than the Assessments securing the Bonds, levied against property within the District in accordance with the PID Act.

“Outstanding” shall have the meaning assigned to such term in the Indenture.

“Owner” shall have the meaning assigned to such term in the Indenture.

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

“Prepayment” shall have the meaning assigned to such term in the Indenture.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall have the meaning assigned to such term in the Indenture.

“Tax Year” means the calendar year, or as may be otherwise defined in Section 1.04 of the Texas Tax Code, as amended.

“Trust Estate” shall have the meaning assigned to such term in the Indenture.

“Trustee” shall have the meaning assigned to such term in the Indenture.

SECTION 3. Provision of Annual Issuer Reports.

(a) For each Fiscal Year, commencing with the Fiscal Year ending September 30, 2024, the Issuer shall cause, pursuant to written direction, and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, not later than the Annual Issuer Report Filing Date, an Annual Issuer Report provided to the Dissemination Agent which is consistent with the requirements of and within the time periods specified in Section 4 of this Disclosure Agreement. The Annual Issuer Report may, but is not required to, include the Audited Financial Statements and the failure to include the audited financial statements as a part of the Annual Issuer Report shall not violate the Issuer’s obligations under this Disclosure Agreement provided the Issuer provides its audited financial statements within twelve (12) months of the most recently ended Fiscal Year or, if the audited financial statements are not available within such twelve-month period, the Issuer provides unaudited financial statements within such twelve-month period, and provides audited financial statements when and if available. In each case, the Annual Issuer Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the Issuer’s Fiscal Year changes, it shall file notice of such change (including the date of the new Fiscal Year) with the MSRB prior to the

next Annual Issuer Report Filing Date. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Not later than ten (10) days prior to the Annual Issuer Report Filing Date, the Issuer shall provide the Annual Issuer Report to the Dissemination Agent together with written direction to file such Annual Issuer Report with the MSRB. The Dissemination Agent shall provide such Annual Issuer Report to the MSRB not later than ten (10) days from receipt of such Annual Issuer Report from the Issuer, but in no event later than the Annual Issuer Report Filing Date for such Fiscal Year.

If by the fifth (5th) day before the Annual Issuer Report Filing Date the Dissemination Agent has not received a copy of the Annual Issuer Report, the Dissemination Agent shall contact the Disclosure Representative in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Issuer Report pursuant to this subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Issuer Report no later than two (2) Business Days prior to the Annual Issuer Report Filing Date, or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Issuer Report by the Annual Issuer Report Filing Date, state the date by which the Annual Issuer Report for such year will be provided, and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Issuer Report or the notice of failure to file, as applicable, to the MSRB no later than the Annual Issuer Report Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than the last Business Day prior to the Annual Issuer Report Filing Date; or the Issuer will notify the Dissemination Agent in writing that the Issuer will provide or cause to be provided the Annual Issuer Report to the MSRB through alternate means. If the Issuer so notifies the Dissemination Agent, the Issuer will provide the Dissemination Agent with a written report certifying that the Annual Issuer Report has been provided to the MSRB pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB prior to the second (2nd) Business Day prior to the Annual Issuer Report Filing Date. In the event the Issuer fails to provide the Dissemination Agent with such a report, the Dissemination Agent shall file a notice of failure to file no later than the last Business Day prior to the applicable Annual Issuer Report Filing Date.

- (b) The Issuer shall or shall cause the Dissemination Agent pursuant to written direction to:
 - (i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Issuer Report; and
 - (ii) file the Annual Issuer Report containing or incorporating by reference the information set forth in Section 4 hereof.

(c) If the Issuer has provided the Dissemination Agent with the completed Annual Issuer Report and the Dissemination Agent has filed such Annual Issuer Report with the MSRB, then the Dissemination Agent shall provide written confirmation to the Issuer verifying that the Annual Issuer Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB, which report shall include a filing receipt from the MSRB.

SECTION 4. Content and Timing of Annual Issuer Reports. The Annual Issuer Report for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Issuer Report Filing Date, the following:

(a) Annual Financial Information. The following Annual Financial Information (any or all of which may be unaudited):

(i) Tables setting forth the following information, as of the end of such Fiscal Year:

(A) For the Bonds, the maturity date(s), the interest rate(s), the original aggregate principal amount(s), the principal amount(s) remaining Outstanding, and the total interest amount due on the aggregate principal amount Outstanding;

(B) The amounts in the funds and accounts securing the Bonds and a description of the related investments;

(C) The assets and liabilities of the Trust Estate.

(ii) Financial information and operating data with respect to the Issuer of the general type and in substantially similar form to that shown in the tables provided under Sections 4(a)(ii) of Exhibit B attached hereto. Such information shall be provided as of the end of the reporting Fiscal Year;

(iii) Any updates to the Service and Assessment Plan, including the Annual Service Plan Update;

(iv) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer's audited financial statements during such Fiscal Year.

(b) Audited Financial Statements. The audited financial statements of the Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer and that have been audited by an independent certified public accountant, *but only if* available by the Annual Issuer Report Filing Date. If the audited financial statements of the Issuer are not available within twelve months after the end of the Fiscal Year, the Issuer shall provide notice that the audited financial statements are not available, file unaudited financial statements within such twelve-month period, and file audited financial statements when prepared and available.

(c) A form for submitting the information described in subsection 4(a) above is attached as Exhibit B hereto. Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Financial Information. In all cases, the Issuer shall have the sole responsibility for the content, design, and other elements comprising substantive contents of the Annual Issuer Reports under this Section 4.

SECTION 5. Annual Collections Report.

(a) For each Fiscal Year succeeding the reporting Fiscal Year, the Issuer shall cause, pursuant to written direction, and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, not later than the Annual Collections Report Filing Date, an Annual Collections Report provided to the Dissemination Agent which complies with the requirements specified in this Section 5; provided that the Issuer may provide the Annual Collections Report as part of the Annual Issuer Report, if such Annual Collections Report is available when the Annual Issuer Report is provided to the MSRB. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Not later than ten (10) days prior to the Annual Collections Report Filing Date, the Issuer shall provide the Annual Collections Report to the Dissemination Agent together with written direction to file such Annual Collections Report with the MSRB. The Dissemination Agent shall provide such Annual Collections Report to the MSRB not later than ten (10) days from receipt of such Annual Collections Report from the Issuer, but in no event later than the Annual Collections Report Filing Date.

If by the fifth (5th) day before the Annual Collections Report Filing Date the Dissemination Agent has not received a copy of the Annual Collections Report, the Dissemination Agent shall contact the Disclosure Representative in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Collections Report pursuant to this subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Collections Report no later than two (2) Business Days prior to the Annual Collections Report Filing Date, or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Collections Report by the Annual Collections Report Filing Date, state the date by which the Annual Collections Report for such year will be provided, and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A hereto; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Collections Report or the notice of failure to file, as applicable, to the MSRB no later than the Annual Collections Report Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than the last Business Day prior to the Annual Collections Report Filing Date; or the Issuer will notify the Dissemination Agent in writing that the Issuer will provide or cause to be provided the Annual Collections Report to the MSRB through alternate means. If the Issuer so notifies the Dissemination Agent, the Issuer will provide the Dissemination Agent with a written report certifying that the Annual Collections Report has been provided to the MSRB pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB prior to the second (2nd) Business Day prior to the Annual Collections Report Filing Date. In the event the Issuer fails to provide the Dissemination Agent with such a report, the Dissemination Agent shall file a notice of failure to file no later than the last Business Day prior to the applicable Annual Collections Report Filing Date.

(b) The Annual Collections Report for the Bonds shall contain, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Collections Report Filing Date, certain financial information and operating data with respect to collection of the Assessments of the general type and in substantially similar form to that shown in the tables provided in Exhibit C attached hereto. Such information shall cover the period beginning the first (1st) day of the

Fiscal Year succeeding the reporting Fiscal Year through the Collections Reporting Date. If the State Legislature amends the definition of Delinquency Date or Tax Year, the City shall file notice of such change or changes with the MSRB prior to the next Annual Collections Report Filing Date. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Collections Report. In all cases, the Issuer shall have the sole responsibility for the content, design, and other elements comprising substantive contents of the Annual Collections Report under this Section 5.

SECTION 6. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 6, each of the following is a Listed Event with respect to the Bonds:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
7. Modifications to rights of Owners, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution, or sale of property securing repayment of the Bonds, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the Issuer.
13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

Any sale by the Developer of real property within the District in the ordinary course of the Developer's business will not constitute a Listed Event for the purposes of paragraph (10) above.

For these purposes, any event described in paragraph (12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer intends the words used in paragraphs (15) and (16) above and the definition of Financial Obligation to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018. For the avoidance of doubt, the incurrence of Other Obligations without the filing of a corresponding official statement with the MSRB will constitute the incurrence of a material Financial Obligation for which a notice of a Listed Event in accordance with this Section 6 must be filed with the MSRB.

Upon the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than three (3) Business Days immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event; provided, however, the failure of the Issuer to provide timely written notice to the Dissemination Agent in accordance with this paragraph shall not constitute a failure of the Dissemination Agent to comply with the MSRB's ten (10) Business Day filing requirement.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information.

In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures made under this Section 6. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 6 is filed within ten (10) Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative in writing of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. If the Dissemination Agent has been instructed in writing by the Disclosure Representative on behalf of the Issuer to report the occurrence of a Listed Event under this subsection (b), the Dissemination Agent shall file a notice of such occurrence with the MSRB no later than two (2) Business Days following the day on which it receives such written instructions. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer, the Trustee, any Owner or beneficial owner of any interests in the Bonds, or any other party as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8 (as to bond calls only), 10, 13, 14, or 15 of subparagraph (a) above is not material under applicable federal securities laws, the Issuer shall promptly, but in no case more than five (5) Business Days after the occurrence of the event, notify the Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (b).

SECTION 7. Termination of Reporting Obligations. The obligations of the Issuer, the Administrator, and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Dissemination Agent and the Administrator of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. So long as any of the Bonds remain Outstanding, the Administrator and the Dissemination Agent may assume that the Issuer is an obligated person with respect to the Bonds until they receive written notice from the Disclosure Representative stating that the Issuer is no longer an obligated person with respect to the Bonds, and the Dissemination Agent and the Administrator may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to the Bonds under Section 6(a).

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the Issuer discharges the Dissemination Agent without appointing a successor Dissemination Agent, the Issuer shall use best efforts to appoint a successor Dissemination Agent within 30 days of such discharge. The Dissemination Agent may resign at any time with 30 days’ written notice to the Issuer. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination appointed hereunder shall be BOKF,

NA. The Issuer will give prompt written notice to the Developer, or any other party responsible for providing quarterly information pursuant to the Continuing Disclosure Agreement of Developer, of any change in the identity of the Dissemination Agent under the Continuing Disclosure Agreement of Developer.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer, the Administrator, and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Issuer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5, or 6(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related Annual Financial Information, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6(a), and (ii) the Annual Financial Information for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Issuer Report, Annual Collections Report, or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Issuer Report, Annual Collections Report, or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such

information or include it in any future Annual Issuer Report, Annual Collections Report, or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and the Dissemination Agent (at the written request of the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction) shall, take such actions as may be necessary and appropriate to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action for mandamus or specific performance. A default under this Disclosure Agreement shall not be deemed a default under the Disclosure Agreement of Developer and a default under the Disclosure Agreement of Developer shall not be deemed a default under this Disclosure Agreement.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only from Annual Collection Costs collected from the property owners in the District, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Dissemination Agent for losses, expenses or liabilities arising from information provided to the Dissemination Agent by the Developer or the failure of the Developer to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive termination of this Disclosure Agreement, resignation or removal of the Dissemination Agent, and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. If the Issuer does not provide the Dissemination Agent with the Annual Issuer Report in accordance with subsection 3(a) or the Annual Collections Report in accordance with subsection 5(a), the Dissemination Agent shall not be responsible for the failure to submit an Annual Issuer Report or an Annual Collections Report, as applicable, to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(b) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Issuer agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only from Annual Collection Costs collected from the property owners in the District, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Administrator for losses, expenses or liabilities arising from information provided to the Administrator by third parties, or the failure of any third party to provide information to the Administrator as and when required under this Disclosure Agreement, or the failure of the Developer to provide information to the Administrator as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(c) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY PARTY TO THIS DISCLOSURE AGREEMENT, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 13. Assessment Timeline. The basic expected timeline for the collection of Assessments and the anticipated procedures for pursuing the collection of delinquent Assessments is set forth in Exhibit D which is intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Assessments. Failure to adhere to such expected timeline shall not constitute a default by the Issuer under this Disclosure Agreement, the Indenture, the Bonds, or any other document related to the Bonds.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer, the Administrator, or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent or employee of the Issuer, the Administrator, or the Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 16. Sovereign Immunity. The Dissemination Agent and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 17. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 18. Dissemination Agent and Administrator Compensation. The fees and expenses incurred by the Dissemination Agent and the Administrator for their respective services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent and the Administrator, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in the District, for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

SECTION 19. Statutory Verifications. The Dissemination Agent and the Administrator, each individually, make the following representation and verifications to enable the Issuer to comply with Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Disclosure Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator, as the case may be, within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification prior to the expiration or earlier termination of this Disclosure Agreement shall survive until barred by the applicable

statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Disclosure Agreement, notwithstanding anything in this Disclosure Agreement to the contrary.

(a) *Not a Sanctioned Company.* The Dissemination Agent and the Administrator, each individually, represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Dissemination Agent and the Administrator and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) *No Boycott of Israel.* The Dissemination Agent and the Administrator, each individually, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Disclosure Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

(c) *No Discrimination Against Firearm Entities.* The Dissemination Agent and the Administrator, each individually, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Disclosure Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

(d) *No Boycott of Energy Companies.* The Dissemination Agent and the Administrator, each individually, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Disclosure Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

SECTION 20. *Disclosure of Interested Parties.* Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Dissemination Agent hereby certifies it is a publicly traded business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Disclosure Agreement. Submitted herewith is a completed Form 1295 in connection with the Administrator’s participation in the execution of this Disclosure Agreement generated by the Texas Ethics Commission’s (the “TEC”) electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the “Form 1295”). The Issuer hereby confirms receipt of the Form 1295 from the Administrator, and the Issuer agrees to acknowledge such form with the TEC through its electronic filing application not later than the thirtieth (30th) day after the receipt of such form. The Administrator and the Issuer understand and agree that, with the exception of information identifying the Issuer and the contract identification number, neither the Issuer nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Administrator; and, neither the Issuer nor its consultants have verified such information.

SECTION 21. Governing Law and Venue. This Disclosure Agreement shall be governed by the laws of the State of Texas. Venue of any action to enforce the rights and privileges existing under this Disclosure Agreement shall be brought in the state district court of Walker County, Texas.

SECTION 22. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The Issuer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

Signature pages follow.

CITY OF HUNTSVILLE, TEXAS

By: _____
City Manager

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF ISSUER

BOKF, NA,
(as Dissemination Agent)

By: _____
Authorized Officer

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF ISSUER

David Taussig & Associates, Inc. dba DTA
(as Administrator)

By: _____
Authorized Officer

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF ISSUER

EXHIBIT A

**NOTICE TO MSRB OF FAILURE TO FILE
[ANNUAL ISSUER REPORT][ANNUAL COLLECTIONS REPORT]
[AUDITED/UNAUDITED FINANCIAL STATEMENTS]**

Name of Issuer: City of Huntsville, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2024
(The Reserves of Huntsville Public Improvement District) (the
“Bonds”)
CUSIP Nos. [insert CUSIP Nos.]
Date of Delivery: _____, 20__

NOTICE IS HEREBY GIVEN that the City of Huntsville Texas (the “Issuer”), has not provided [an Annual Issuer Report][an Annual Collections Report][audited/unaudited financial statements] with respect to the Bonds as required by the Continuing Disclosure Agreement of Issuer dated as of October 15, 2024, by and among the Issuer, David Taussig & Associates, Inc. dba DTA, as “Administrator,” and BOKF, NA, as “Dissemination Agent.” The Issuer anticipates that [the Annual Issuer Report][the Annual Collections Report][audited/unaudited financial statements] will be filed by _____.

Dated: _____

BOKF, NA, on behalf of the City of Huntsville,
Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: City of Huntsville, Texas

EXHIBIT B

CITY OF HUNTSVILLE, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024 (THE RESERVES OF HUNTSVILLE PUBLIC IMPROVEMENT DISTRICT)

ANNUAL FINANCIAL INFORMATION*

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: BOKF, NA
Address: [_____]
City: []
Telephone: () ____ - ____
Contact Person: Attn: _____

Section 4(a)(i)(A)

BONDS OUTSTANDING

Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount
				—
				—
Total				

Section 4(a)(i)(B)

INVESTMENTS

Fund/ Account Name	Investment Description	Par Value ⁽¹⁾	Book Value ⁽¹⁾	Market Value ⁽¹⁾

⁽¹⁾ According to account balance statement dated as of [insert date] as provided by the Trustee.

*Excluding audited financial statements of the Issuer

Section 4(a)(i)(C)**ASSETS AND LIABILITIES OF TRUST ESTATE**

Cash Position of Trust Estate for statements dated September 30, 20[]		
[List of Funds/Accounts Held Under Indenture]	Amount In the Fund	
Total		A
Bond Principal Amount Outstanding		B
Outstanding Assessment Amount to be collected		C
Net Position of Trust Estate and Outstanding Bonds and Assessments		A-B+C

September 30, 20[] Trust Statements: ☐ Audited ☐ Unaudited

Accounting Type: ☐ Cash ☐ Accrual ☐ Modified Accrual

Section 4(a)(ii)

FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AND IN SUBSTANTIALLY SIMILAR FORM PROVIDED IN THE FOLLOWING TABLES AS OF THE END OF THE FISCAL YEAR

Debt Service Requirements on the Bonds

<u>Year Ending</u> <u>(September 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
---	------------------	-----------------	--------------

Top [Five] Assessment Payers in the District ⁽¹⁾

<u>Property Owner</u>	<u>No. of Parcels/Lots</u>	<u>Percentage of</u> <u>Parcels/Lots</u>	<u>Outstanding</u> <u>Assessments</u>	<u>Percentage of Total</u> <u>Assessments</u>
-----------------------	----------------------------	---	--	--

⁽¹⁾ Does not include those owing less than one percent (1%) of total Assessments; may be fewer than five.

Assessed Value of the District

The [YEAR] certified total assessed value for the Assessed Property in the District is approximately \$[AMOUNT] according to the Walker County Appraisal District.

Foreclosure History Related to the Assessments for the Past Five Fiscal Years

Fiscal Year Ended (9/30)	Delinquent Assessment Amount not in Foreclosure Proceedings	Parcels in Foreclosure Proceedings	Delinquent Assessment Amount in Foreclosure Proceedings	Foreclosure Sales	Foreclosure Proceeds Received
20__	\$		\$		\$
20__					
20__					
20__					
20__					

[insert any necessary footnotes]

Collection and Delinquency History of Annual Installments for the Past Five Fiscal Years

Fiscal Year Ended (9/30)	Total Annual Installment Billed	Parcels Levied ⁽¹⁾	Delinquent Amount as of 3/1	Delinquent % as of 3/1	Delinquent Amount as of [9/1]	Delinquent % as of [9/1]	Total Assessments Collected ⁽²⁾
20__	\$		\$	%	\$	%	\$
20__							
20__							
20__							
20__							

⁽¹⁾ Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

⁽²⁾ [Does/does not] include interest and penalties.

Parcel Numbers for Delinquencies Equaling or Exceeding 10% of Annual Installments Due

For the past five Fiscal Years, if the total amount of delinquencies as of September 1 equals or exceeds ten percent (10%) of the amount of Annual Installments due, a list of parcel numbers for which the Annual Installments are delinquent.

Fiscal Year Ended (9/30)	Delinquent % as of 9/1	Parcel Numbers
20__	%	
20__		
20__		
20__		
20__		

History of Prepayment of Assessments for the Past Five Fiscal Years

Fiscal Year Ended (9/30)	Number of Prepayments	Amount of Prepayments	Bond Call Date	Amount of Bonds Redeemed
20__		\$		\$
20__				
20__				
20__				
20__				

[insert any necessary footnotes]

ITEMS REQUIRED BY SECTION 4(a)(iii) - (iv)

[Insert a line item for each applicable listing]

EXHIBIT C

**CITY OF HUNTSVILLE, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(THE RESERVES OF HUNTSVILLE PUBLIC IMPROVEMENT DISTRICT)**

ANNUAL COLLECTIONS REPORT

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: BOKF, NA
Address: [_____]
City: [_____, Texas _____]
Telephone: (____) ____-____
Contact Person: Attn: _____

**SELECT FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO
THE COLLECTION OF ASSESSMENTS COVERING THE PERIOD BEGINNING WITH
THE FIRST DAY OF THE FISCAL YEAR SUCCEEDING THE REPORTING FISCAL
YEAR THROUGH THE COLLECTIONS REPORTING DATE PROVIDED IN
COMPLIANCE WITH SUBSECTION 5(A) OF THE ISSUER'S DISCLOSURE
AGREEMENT**

Foreclosure History Related To The Annual Installments⁽¹⁾

<u>Succeeding Fiscal Year</u>	<u>Delinquent Annual Installment Amount not in Foreclosure Proceedings</u>	<u>Parcels in Foreclosure Proceedings</u>	<u>Delinquent Annual Installment Amount in Foreclosure Proceedings</u>	<u>Foreclosure Sales</u>	<u>Foreclosure Proceeds Received</u>
20__	\$ _____		\$ _____		\$ _____

(i) Period covered includes October 1, 20__ through March 1, 20__.

Collection and Delinquency of Annual Installments ⁽¹⁾

<u>Succeeding Fiscal Year</u> 20__	<u>Total Annual Installments Levied</u> \$	<u>Parcels Levied</u> ⁽²⁾	<u>Delinquent Amount as of 3/1</u> \$	<u>Delinquent % as of 3/1</u> %	<u>Total Annual Installments Collected</u> ⁽³⁾ \$
---	---	--	--	--	---

⁽¹⁾ Period covered includes October 1, 20__ through March 1, 20__.

⁽²⁾ Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

⁽³⁾ [Does/does not] include interest and penalties.

Prepayment of Assessments ⁽¹⁾

<u>Succeeding Fiscal Year</u>	<u>Number of Prepayments</u>	<u>Amount of Prepayments</u> \$	<u>Bond Call Date</u>	<u>Amount of Bonds Redeemed</u> \$
-----------------------------------	----------------------------------	--	-----------------------	---

⁽¹⁾ Period covered includes October 1, 20__ through March 1, 20__.

EXHIBIT D

BASIC EXPECTED TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES¹

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
January 31		Assessments are due.
February 1	1	Assessments delinquent if not received.
February 15	15	Upon receipt, but no later than February 15, Issuer forwards payment to Trustee for all collections received, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter. Issuer and/or Administrator should be aware of actual and specific delinquencies. Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year. Issuer and Administrator should determine if previously collected surplus funds, if any, plus actual Annual Installment collections will be fully adequate for debt service in the corresponding March and September.
March 15	43/44	Trustee pays bond interest payments to Owners.
April 1	59/60	At this point, if total delinquencies are under 5% and if there is adequate funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account for full September payments, no further action is anticipated for collection of Assessments except that the Issuer or Administrator, working with the City Attorney or an appropriate designee, will begin process to cure deficiency. Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent in writing of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw on the Reserve Fund.
July 1	152/153	If there are over 5% delinquencies or if there is insufficient funding in the Pledged Revenue Fund for

¹ Illustrates anticipated dates and procedures for pursuing the collection of delinquent Annual Installments of Assessments, which dates and procedures shall be in accordance with Chapters 31, 32, 33, and 34, Texas Tax Code, as amended (the "Code"), and the Tax Assessor/Collector's procedures, and are subject to adjustment by the Issuer. If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas, an amendment to the Code, or otherwise, such modifications shall control.

transfer to the Principal and Interest Account of such amounts as shall be required for the full September payment, Issuer and/or Administrator to notify Dissemination Agent in writing for inclusion in the next Annual Report.

Preliminary Foreclosure activity commences in accordance with Tax Assessor/Collector's procedures.

If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer.

If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.

August 15

197/198

The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent and the Trustee. The goal for the foreclosure actions is a filing by no later than August 15 (day 197/198).

Foreclosure action to be filed with the court as soon as practicable, in accordance with the Tax Assessor/Collector's procedures.

Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing for inclusion in next Annual Report.

A committee of not less than twenty-five percent (25%) of the Owners may request a meeting with the Issuer to discuss the Issuer's actions in pursuing the repayment of any delinquencies. This would also occur after day thirty (30) if it is apparent that a Reserve Fund draw is required. Further, if delinquencies exceed five percent (5%), Owners may also request a meeting with the Issuer at any time to discuss the Issuer's plan and progress on collection and foreclosure activity. If the Issuer is not diligently proceeding with the foreclosure process, the Owners may seek an action for mandamus or specific performance to direct the Issuer to pursue the collections of delinquent Annual Installments of Assessments.



CITY COUNCIL AGENDA

10/15/2024

Agenda Item Number: 3.a.

Agenda Item: Consider directing staff to review and propose an amendment/change to Sec. 46-105(a) of the City ordinances.

Initiating Department/Presenter: City Council

Presenter:

Casey Cox, Councilmember Ward 2

Jon Strong, Councilmember Ward 4

Vicki McKenzie, Councilmember At-Large Position 3

Recommended Motion: Move to direct staff to review and propose an amendment/change to Sec. 46-105(a) of the City ordinances related to the number of times in a 12 month period a customer may be given an adjustment to their Utility bill related to excessive usage due to unusual circumstances; changing the Ordinance/code to allow 2 adjustments in a 12 month period.

Strategic Initiative: Strategic Priority #3: Quality of Life

Establish an environment where citizens can thrive and enjoy the city in which they live. Provide services that enhance the quality of life for all, with a focus on the full life cycle (children, students, families, and retirees)-by creating amenities that support physical, mental and social well-being.

Support access to quality health services, education, housing, transportation, recreation and natural environment.

Discussion: As can be seen in the attached document that has the City's Code of Ordinances, Sec. 46-105(a) verbiage, the code allows for a once in a 12-month period adjustment to a customers' utility bill for excessive usage due to unusual circumstances (interpreted as 12 months from the date an adjustment is given and the adjustment may cover 2 months of billing). City staff encounter around 15 - 20 customers in a year who inquire about a second adjustment due to a different "unusual circumstance". Due to Sec. 46-105(a) as it now stands, staff cannot give an additional adjustment. Doing some research, staff found that some cities in Texas do allow for up to 2 adjustments in a 12-month period.

Some adjustments history:

FY 23-24 - 440 adjustments given for a total of \$132,391 (\$301 average per adjustment)

FY 22-23 - 388 adjustments given for a total of \$151,702 (\$391 average per adjustment)

Winterstorm/freeze of 2021 - 412 adjustments given for a total of \$61,938 (average here is not comparable, current code would not have allowed for another adjustment for a different unusual circumstance in the following 12 months)

Previous Council Action: None

Financial Implications: Potentially an estimated maximum of another \$10,000 in adjustments (loss of

revenue) based on an estimated high end of 20 customers seeking a second adjustment and an estimated high end of \$500 being the average adjustment amount.

Approvals:

Sam Masiel

Aron Kulhavy

Kristy Doll

Associated Information:

1. Sec 46-105a document

City of Huntsville Texas – Code of Ordinances

Sec. 46-105. - Adjustments to bill for unusual circumstances.

- (a) The city may grant, at the customer's request, a one-time adjustment to the customer's bill for unusual circumstances that cause the customer's bill to be abnormally high. Incidents such as broken water lines, leaking faucets, excessive usage caused by faulty indoor plumbing, equipment breakage including ice makers, commodes, water heaters, etc., forgetting to turn off a water hose, vandalism, unexplained high usage, or other unusual circumstances are examples of incidents that are eligible for adjustment of bills. The customer must document the nature of the incident, the time period requested for the adjustment, and provide documentation of repair or remedy of the occurrence that caused the abnormal usage. A customer may not apply and the city shall not give more than one adjustment in a 12-month period. The adjustment may cover a two-month billing period depending on when the incident occurred. A four-month average of water usage and the bills for the same period during the previous year shall serve as a basis for the calculation.



CITY COUNCIL AGENDA

10/15/2024

Agenda Item Number: 3.b.

Agenda Item: Consider a FBO lease at the Bruce Brothers Huntsville Regional Airport and authorize the City Manager to enter into a FBO lease agreement for said airport property pending finalization of the metes and bounds of the identified hangars and terminal building.

Initiating Department/Presenter: Development Services

Presenter:

Layne Yeager, Planner/Airport Manager

Recommended Motion: Move to approve the FBO lease at the Bruce Brothers Huntsville Regional Airport and authorize the City Manager to enter into a FBO lease agreement for said airport property pending finalization of the metes and bounds of the existing footprints of the identified hangars, maintenance shop and terminal building.

Strategic Initiative: Strategic Priority #2, Economic Development - Create an economic climate for the City of Huntsville that drives development of diverse industries and sectors, providing sustainable economic growth and improved living standards.

Discussion: City staff have been approached by Huntsville Aviation, the current FBO at Bruce Brothers Huntsville Regional Airport, to update the existing FBO lease agreement. A draft was presented at the September 17, 2024, Council meeting, where it was recommended to evaluate the lease term and requirements.

As a result of this discussion, the lease term has been reduced to 30 years. The proposed agreement maintains the existing footprints of the identified hangars, maintenance shop, and terminal building. Additional hangars, previously identified in earlier drafts, will be leased utilizing the current ground lease agreement.

By using the existing hangar footprints, compared to the current lease, the City will be able to ground lease up to an additional 18 acres. Huntsville Aviation will have 90 days to identify locations for ground lease site development and enter into a ground lease agreement. After 90 days, leasing will be available on a first-come, first-served basis.

If the Council chooses to proceed with the FBO lease, staff will work with the lessor to complete the improvements outlined in Article 9, Section 9.1 of the agreement. The lease will last for 30 years, after which the City will assume ownership of the improvements.

Previous Council Action: September 17, 2024, Council meeting, where it was recommended to evaluate the lease term and requirements.

Financial Implications: \$2,600 to \$2,700 annual lease payment based off the square footage of the FBO

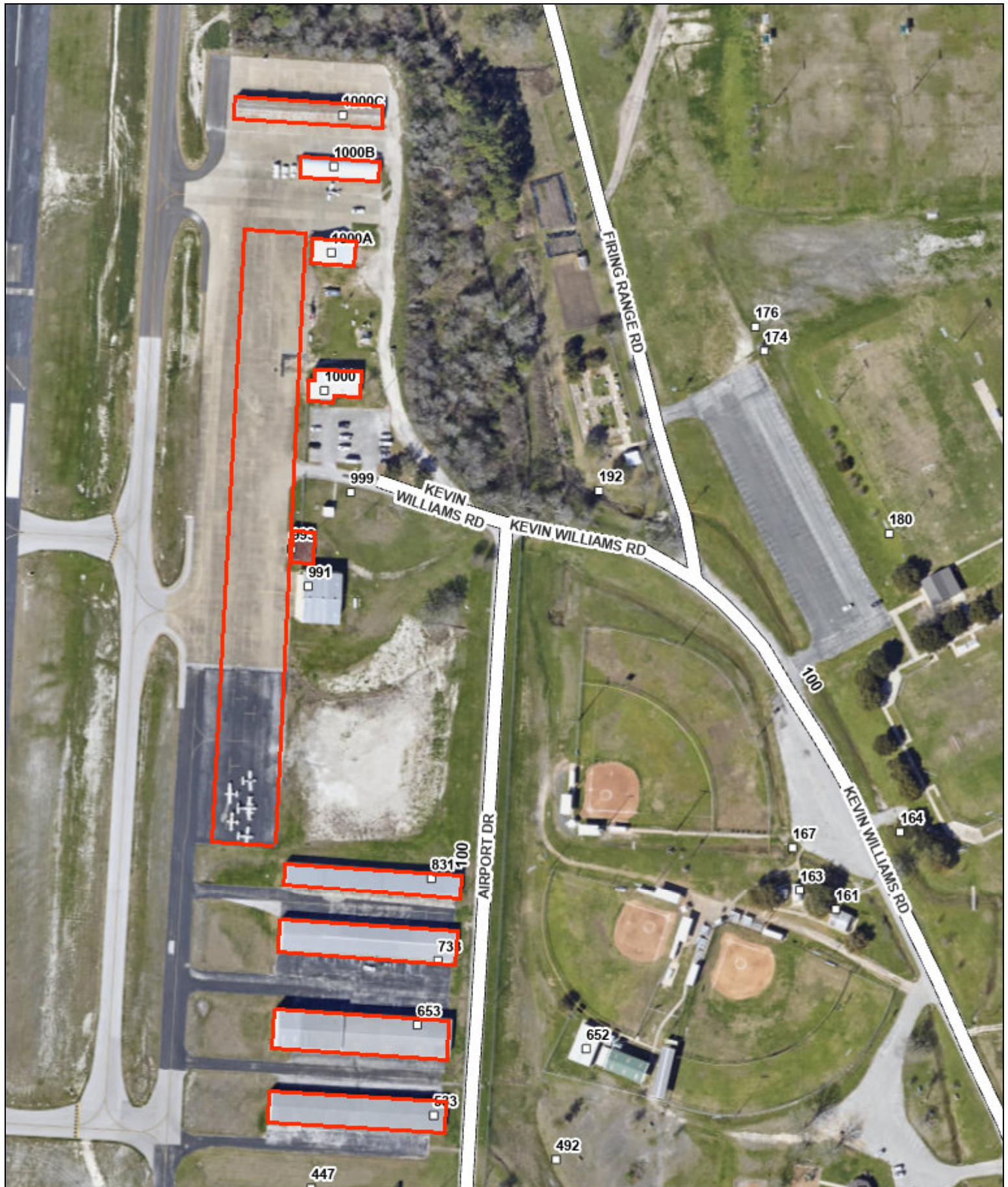
lease. This lease will also include a fuel flowage fee of \$0.05 per gallon. Using last year's total gallons of 100LL and Jet Fuel this will add an estimated amount of \$8,300 of revenue to the city. The total value of building improvements is estimated at \$430,000.

Approvals:

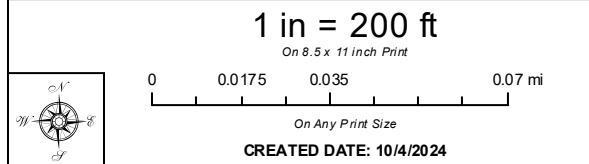
Kevin Byal
Leonard Schneider
Sam Masiel
Aron Kulhavy
Kristy Doll

Associated Information:

1. FBO Proposed Lease Agreement Map
2. FBO Current Lease Agreement Map
3. FBO Lease Third Draft- 10-10-24 Final



The City of Huntsville, Texas or its employees gives NO warranty, expressed or implied, as to the accuracy, reliability, or completeness of these data. See full GIS Data Disclaimer at: www.huntsvilletx.gov/gis



CITY OF HUNTSVILLE, TX
ENGINEERING DEPARTMENT / GIS DIVISION

FBO Proposed Lease Area

Huntsville GIS Division





The City of Huntsville, Texas or its employees gives NO warranty, expressed or implied, as to the accuracy, reliability, or completeness of these data. See full GIS Data Disclaimer at: www.huntsvilletx.gov/gis

1 in = 200 ft

On 8.5 x 11 inch Print

0 0.0175 0.035 0.07 mi

On Any Print Size

CREATED DATE: 10/4/2024

CITY OF HUNTSVILLE, TX
ENGINEERING DEPARTMENT / GIS DIVISION

FBO Current Lease Area

Huntsville GIS Division



STATE OF TEXAS X

COUNTY OF WALKER X

LEASE AGREEMENT FOR FIXED BASE
OPERATING SERVICE

CITY OF HUNTSVILLE X

THIS IS AN AGREEMENT (the "Agreement") entered into as of this ____ day of _____ by and between the CITY OF HUNTSVILLE, TEXAS, a home-rule municipal corporation, hereinafter referred to as the "CITY", and HUNTSVILLE AVIATION, INC., a Texas corporation, hereinafter referred to as the "OPERATOR", for the purpose of providing Fixed Base Operating Services at BRUCE BROTHERS HUNTSVILLE REGIONAL AIRPORT, herein referred to as the "AIRPORT". CITY and OPERATOR do hereby mutually agree as follows:

Article I
Lease of Premises

Section 1.1: By a certain lease dated, and attached hereto, CITY leased to OPERATOR a portion of the premises at the Airport. This Agreement serves as an amendment to the lease. In the event of any conflict between the provisions of the prior lease and this Agreement, the provisions of this Agreement shall control.

Section 1.2: In consideration of the mutual covenants and conditions herein contained, and under authority of the Texas Municipal Airport Act, in particular, Texas Transportation Code, Chapter 22 County and Municipal Airports, CITY does hereby lease, let and demise unto the said OPERATOR, and OPERATOR does lease and take from CITY, the following described public property owned by the City of Huntsville, Texas, as illustrated in Exhibit "A" and incorporated herein by reference (the "Leased Premises"):

Being 533, GEO ID:0006-109-0-02270; 653, GEO ID:0006-109-0-02270; 733, GEO ID:0006-109-0-02270; 831, GEO ID:0006-109-0-02270; 993, GEO ID:0006-109-0-02270; 1000, GEO ID:0006-109-0-02270; 1000A, GEO ID:0006-109-0-02270; 1000B, GEO ID:0006-109-0-02270 and 1000C, GEO ID:0006-109-0-02270 Airport Drive presently located at the Airport and in the area described as follows:

Survey to be updated by new surveyor or using the address and GEO ID identifiers being completed by the City Surveyor and GIS Department.

ARTICLE 2
Term of Agreement and Lease

Section 2.1: The term of this Agreement and Lease is for a period of thirty (30) years beginning the ____ day of _____, and extending to the ____ day of _____; provided, however, that said Agreement may be terminated as hereinafter provided. Locations noted as 1000B, GEO ID:0006-109-0-02270 and 1000C, GEO ID:0006-109-0-02270 Airport Drive will have a term of a period of five (5) years beginning the ____ day of _____, and extending to the ____ day of _____; provided, however, that said Agreement may be terminated as hereinafter provided.

ARTICLE 3

Obligation of the Parties

Section 3.1: Construction of Facilities. OPERATOR agrees to construct, at OPERATOR'S expense,

- (a) , Terminal Building Improvements at an estimated value of \$80,000 as noted in Article 9.1.,
- (b) Self Service Aviation Fueling Facility at an estimated value of \$350,000 as noted within Article 9.1. OPERATOR agrees that all construction shall comply with all City regulations and any other lawful regulations.
- (c) Prior to the commencement of construction in sections (a)&(b), OPERATOR will furnish or cause to be furnished a performance bond in an amount equal to the cost of all construction for the construction in favor of CITY, in a form acceptable to CITY.

CITY shall construct suitable taxiway access, designed for the appropriate aircraft traffic from the taxiway to the hanger apron, and provide access to water and sewer to the building location, but shall not be obligated to do so prior to one hundred eighty (180) days from the date of this Agreement.

OPERATOR shall be responsible for any existing storm sewer lines located within the footprint of the proposed hangar and must be relocated at OPERATOR'S expense.

The parties recognize that the OPERATOR shall be entitled to use the Hangar and all other buildings within the Leased Premises until this Agreement is terminated.

OPERATOR shall be entitled to build or construct any new aircraft storage or repair facilities or any other type buildings or structure normally found on public use airports, at OPERATOR'S expense, provided that location of such facilities is in general agreement with the Huntsville Municipal Airport Master Plan, 2020, and all improvements are to be constructed in compliance with all City regulations and any other lawful regulations. All design plans must be first approved by the CITY prior to any construction. All buildings or improvements existing or constructed by OPERATOR on the Leased Premises shall become the property of CITY.

The OPERATOR agrees that no signs, billboards, or advertising material shall be placed or erected upon the Leased Premises without the prior written consent of the CITY. No changes to Airport structure shall be permitted without prior written consent of the CITY.

Section 3.2: Required Services of the OPERATOR. The OPERATOR shall provide aircraft line servicing which includes the sale and in-to-plane delivery of recognized brands of aviation fuels and other petroleum products. The OPERATOR shall provide and maintain an adequate supply at all times of two (2) grades of fuel as closely related to the popular demand of the general aviation users of the Airport as is feasible. The OPERATOR shall provide mobile fuel pumping equipment, as needed, which will meet all applicable safety requirements relative to grounding and fuel contamination as required by federal, state and local codes and regulations.

The OPERATOR shall provide servicing to aircraft, including ramp assistance, itinerant parking, storage, and tie-downs. The OPERA TOR shall provide such minor services to general aviation aircraft as can be provided effectively on the ramp or apron parking area.

The OPERATOR shall have the Leased Premises open for business, with all line services, for a minimum of nine (9) hours per day, seven (7) days per week, and shall provide twenty-four (24) hour emergency service on an "on-call" basis during the remaining hours.

The OPERATOR shall hold aircraft out for hire and make available qualified personnel to perform this service.

The OPERATOR shall make available a minimum of two (2) late model aircraft for lease to qualified pilots.

The OPERATOR shall instruct student pilots. The OPERATOR shall provide dual and solo in-flight training and equipment. A sufficient number of qualified instructors and aircraft shall be made available to adequately meet the demand for these services.

The OPERATOR shall maintain and complete and available to the CITY a hangar tenant waiting list of all requests for hangar and tiedown request. This report is to include application date, applicant full contact information, hangar type, aircraft type and tail number.

The OPERATOR shall maintain and have available to the CITY a complete tenant list. This report will include name, address, phone number, email address, hangar or tiedown number/location and tail number.

The OPERATOR shall provide monthly fuel sales quantities by grade.

The OPERATOR shall maintain the tiedown area to ensure usage and storage is within compliance with FAA standards.

CITY and OPERATOR recognize that it is vital to the economic growth of the City of Huntsville, Walker County, and the Airport to have a well-managed airport and a fixed based operation that is an asset to the Airport operations. Therefore, OPERATOR shall furnish high-quality, prompt and efficient service suitable to meet all reasonable demands for its services at the Airport and operate in a manner that promotes the interests of the community and the Airport. OPERATOR shall furnish service on a fair, reasonable and non-discriminatory basis to all users of the Airport. OPERATOR shall charge fair, reasonable, and non-discriminatory prices for each unit of sale or service; provided, however, that OPERATOR may be allowed to make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

Upon acceptance of a commuter airline service at the Airport by the CITY, the OPERATOR shall provide convenient access and floor space for commuter operators within the terminal building; such space not to exceed 300 square feet, unless otherwise agreed upon,

Section 3.3: Maintenance of Premises. OPERATOR shall be responsible for the maintenance and repair of the Leased Premises and shall keep and maintain the Leased Premises in good condition, order and repair, and shall surrender the same upon the expiration of this Agreement, in the condition in which they are required to be kept, reasonable wear and tear and damage by the elements not caused by OPERATOR'S negligence, excepted.

The OPERATOR agrees, at its own expense, to provide such janitorial and cleaning services as may be necessary for the sanitary and safe operation of all the leased facilities.

The OPERATOR agrees to keep all structures in good repair at its own expense. This does not include equipment or building structural component replacement to the airport terminal building,

The OPERATOR agrees to periodically inspect and maintain lighting and heating/air conditioning systems of the terminal building at its own expense. The OPERATOR will incur the cost of normal light bulb and air filter replacement.

CITY shall be responsible for the repair, maintenance, and construction of all runways, taxiways, and ramp parking areas and covenants and agrees that same shall be maintained in a condition acceptable to federal or state agencies in order that the Airport be classified as an airport facility.

CITY shall be responsible for the construction, maintenance and repair of the entrance road to said Airport facility.

OPERATOR shall at all times maintain airport fueling system, hangar and hangar site improvements in good and serviceable condition and repair. Acts of God and other unavoidable casualties excepted.

CITY shall be responsible for all replacement and repairs to existing air navigation facilities to be constructed as from time to time required in updating the overall navigation facilities of the Airport.

OPERATOR shall be responsible for the mowing of grass located on the terminal building grounds.

CITY shall be responsible for maintenance of the surface area of the Airport premises, excluding those buildings which are the responsibility of the OPERATOR.

CITY shall be responsible for equipment or building component replacement and structural repairs of the Airport Terminal Building.

Since OPERATOR is located at the Airport, it shall promptly notify CITY of any situation that needs maintenance and/or repair which falls within the CITY'S responsibility for maintenance and/or repair. The OPERATOR shall provide a bi-annual inspection report of all facilities by building. This will include all as needed maintenance items to be performed and any major repairs.

Section 3.4: Utilities. OPERATOR shall pay and be chargeable with all expenses incurred in connection with electrical, gas, telephone, or other utility services used in connection with the operation of the Leased premises. with the exception of CITY water, sewer and garbage service, which shall be furnished by CITY. Provided, further, that OPERATOR agrees and understands Electrical services used in connection with the operation of lighting and navigational aids shall be the sole responsibility of CITY until such time as a second operation locates and provides Fixed Base Operator services at the Airport. At the initiation of such new service, the financial responsibilities for electrical power necessary to operate airfield lighting and navigational aids will be evenly divided among the operators and the CITY.

Section 3.5: Access of Premises. The CITY and its authorized agents and contractors shall have the right to enter the Leased Premises to make any repairs obligated to it by this Agreement, to inspect for the OPERATORS compliance to the terms set forth herein, or to conduct maintenance or other work obligated to the OPERATOR which has failed to be done after reasonable notice. In this latter situation, the OPERATOR will be billed for the reasonable value of work done by the CITY.

Section 3.6: Non-discriminatory Policy. OPERATOR, in exercising any of the rights or privileges herein granted, shall not on the grounds of race, color or national origin discriminate or permit discrimination against any person or group of persons in any manner prohibited by law or regulation of any state or federal agency or government and the CITY reserves the right to take any action which

may be directed or required by the state or federal governments to enforce this covenant of non-discrimination.

ARTICLE 4

Payment and Charges

Section 4.1: In consideration of the rights and privileges granted by this Agreement, OPERATOR agrees to pay to CITY during the term of this Agreement, a rental fee of \$0.015 per square foot of area covered under this Agreement as defined in Section 1.2. Rental payments shall be payable to the CITY at 1212 Avenue M Huntsville, Texas 77340 on an annual basis beginning _____ and on the same day of each succeeding year thereafter during the term of this Agreement. All payments shall be timely made by the OPERATOR and CITY shall have the right to assess a service charge for any late payments in accordance with the policies of the CITY.

Section 4.2: In addition to Section 4.1 above, OPERATOR agrees to pay to CITY during the term of this Agreement a fuel flowage fee \$0.05 per gallon on all fuel sold. This flowage fee shall be payable to the CITY at 1212 Avenue M Huntsville, TX 77340 on a monthly basis with payment due by the last day of the month that follows the month being paid.

Section 4.3: At the CITY'S sole discretion, OPERATOR's rental rates and fuel flowage fees may be adjusted at annual intervals on the anniversary date of this Agreement. Adjustment shall be based on the change in Consumer Price Index (CPI) for the Houston Region,

ARTICLE 5

Promotion of the Airport

Section 5.1: The OPERATOR agrees to so conduct his business so that credit reflects to the CITY and the Airport. It agrees not to accept work requiring the absence of key personnel from the Airport unless said work is directly related to the interest and well-being of the Airport, and that there is adequate qualified personnel to carry on their duties while they are absent. It further agrees that qualified personnel shall be present at the Airport during the period of operation specified in Article 2, Section 2.1.

ARTICLE 6

Indemnity and Insurance

Section 6.1: OPERATOR SHALL DEFEND AND INDEMNIFY CITY, ITS RESPECTIVE OFFICIALS, OFFICERS, EMPLOYEES AND AGENTS (TOGETHER, "INDEMNIFIED PERSONS") AGAINST, AND HOLD THE INDEMNIFIED PERSONS HARMLESS FROM, ANY AND ALL LIABILITY, ACTIONS, CAUSES OF ACTION, LAWSUITS, JUDGMENTS, CLAIMS, DAMAGES, PENALTIES, FINES, COSTS OR FEES, INCLUDING REASONABLE ATTORNEY'S FEES AND COSTS OF DEFENSE, FOR ANY INJURY TO OR THE DEATH OF ANY PERSON OR DAMAGE TO OR DESTRUCTION OF ANY PROPERTY, OR BREACH OF

CONTRACT, OR ANY OTHER HARM FOR WHICH ANY TYPE OF RECOVERY (WHETHER AT LAW OR IN EQUITY) IS SOUGHT, CAUSED BY, RESULTING FROM OR BASED UPON, IN WHOLE OR IN PART, ANY ACT OR OMISSION OF OPERATOR, ITS OFFICERS, EMPLOYEES, SERVANTS, CONTRACTORS, SUBCONTRACTORS, CUSTOMERS, INVITEES, SUBTENANTS, LICENSEES OR CONCESSIONAIRES UNDER OR IN CONNECTION WITH THIS AGREEMENT, AND REGARDLESS OF WHETHER OR NOT THE SAME IS CAUSED IN PART BY ANY OF THE INDEMNIFIED PERSONS. OPERATOR'S OBLIGATIONS AND DUTIES UNDER THIS SECTION WILL SURVIVE THE TERM OF THIS AGREEMENT.

Section 6.2: During the term hereof, OPERATOR shall maintain at OPERATOR's sole cost and expense insurance relating to the Leased Premises as follows:

(a): Commercial General Liability insurance against claims for bodily injury, death or property damage or destruction occurring on, in or about the Leased Premises, with limits of liability of not less than \$1,000,000 for each occurrence, CSL/\$1,000,000 general aggregate. Coverage shall include blanket contractual liability for liability assumed under the Agreement.

(b): Statutory limits of workers compensation insurance and employer's liability with limits of liability of not less than \$1,000,000.

(c): Hangar keepers Legal Liability insurance, at limits of \$1,000,000 per-occurrence is required if OPERATOR is engaged in maintenance, repair, or servicing of aircraft belonging to a third-party, or if OPERATOR is otherwise involved in any operation in which OPERATOR has care, custody, or control of an aircraft that belongs to a third-party.

(d): Aircraft Liability Insurance for all OPERATOR-owned or operated aircraft with a minimum bodily injury and property damage per occurrence limit of \$1,000,000 and \$1,000,000 for personal and advertising injury.

Section 6.3: The above policies shall be endorsed to provide the following, as applicable: (i) in all liability policies, name as additional insured the CITY and its officials, officers, agents, and employees, (ii) in all liability policies, provide that such policies are primary insurance to any other insurance available to the additional insured, with respect to any claims arising out of activities conducted under the permit, and that insurance applies separately to each insured against whom claim is made or suit is brought; and (iii) waiver of subrogation in favor of CITY must be included in all liability and Workers Compensation policies.

Section 6.4: All insurance policies shall be issued by an insurance company authorized to do business in Texas and in the standard form approved by the Texas Department of Insurance and shall be endorsed to provide for at least 30 days advance written notice to CITY of a material change in or cancellation of a policy. Certificates of insurance, satisfactory to CITY, evidencing all coverage above, shall be furnished to CITY prior to the Commencement Date, with complete copies of policies furnished to the CITY upon request. CITY reserves the right to review and revise from time to time the types of insurance and limits of liability required herein.

Section 6.5: The CITY shall be responsible for maintaining property owner's insurance for the buildings and structures on the Airport property.

Section 6.6 Each party hereto waives any and every claim which arises or may arise in such party's favor against the other party hereto during the term of this Agreement for any and all loss of, or damage to, any of such party's property located within or upon, or constituting a part of, the Leased Premises, which loss or damage is covered by valid and collectible fire and extended coverage insurance policies, to the extent that such loss or damage is recoverable under such insurance policies. Such mutual waivers shall be in addition to, and not in limitation or derogation of, any other waiver or release contained in this Agreement with respect to any loss of, or damage to, property of the parties hereto. In as much as such mutual waivers will preclude the assignment of any aforesaid claim by way of subrogation or otherwise to an insurance company (or any other person), each party hereby agrees immediately to give to each insurance company which has issued to such party policies of fire and extended coverage insurance, written notice of the terms of such mutual waivers, and to cause such insurance policies to be properly endorsed, if necessary, to prevent the invalidation of such insurance coverages by reason of such waivers.

ARTICLE 7

Casualty or Damage

Section 7.1: In case of any damage to or destruction of the buildings, structures, fixtures and equipment on the Leased Premises, or any part thereof, OPERATOR shall promptly give written notice thereof to CITY, generally describing the nature and extent of such damage and/or destruction.

Section 7.2: If the Leased Premises (excluding OPERATOR's fixtures, furniture, equipment, personal property and leasehold improvements made by or on behalf of OPERATOR or any assignee, subtenant or other occupant of the Leased Premises) should be substantially, totally, or partially destroyed or damaged by fire, tornado, flood, hurricane or other casualty, this Agreement shall not terminate, but CITY shall, at CITY's sole cost, expense and risk, proceed forthwith and use reasonable diligence to rebuild or repair the Leased Premises (other than OPERATOR's fixtures, furniture, equipment, personal property and leasehold improvements made by or on behalf of OPERATOR or any permitted assignee, subtenant or other occupant or user of the Leased Premises) to substantially the condition in which it existed prior to such destruction or damage. While CITY is engaged in rebuilding or repairing the Leased Premises and the Hangar is untenable, in whole or, in part following such destruction or damage and during such period of rebuilding or repair, the rent payable hereunder shall be equitably adjusted for that period which it is untenable, however, that if the destruction was caused by the negligence, gross negligence, or willful or wanton act or omission of OPERATOR, its officers, employees, agents, subtenants, licensees, contractors, subcontractors, or invitees, rent shall not be abated and OPERATOR shall have the continuing obligation to pay rent during the period of such rebuilding or repair.

Section 7.3: CITY's obligation to pay for the cost of the repair or rebuilding of the Leased Premises or any part thereof shall not extend beyond or exceed the proceeds of any casualty or property damage insurance payable and actually collected in connection with such damage or destruction. All insurance proceeds, if any, payable on account of such damage or destruction shall be held and retained by CITY and used to repair, rebuild or otherwise return the damaged Leased Premises to substantially the condition in which it existed prior to such destruction or damage.

ARTICLE 8

Default by OPERATOR

Section 8.1: The following events shall be deemed to be events of default by OPERATOR under this Agreement:

(a): Failure of OPERATOR to pay any installment of rent, or to pay or cause to be paid taxes (to the extent OPERATOR is obligated to pay or cause same to be paid), utilities, insurance premiums, or any other sum required to be payable to CITY by this Agreement on the date that same is due and such failure shall continue thereafter for a period of thirty (30) days and such failure shall not be cured within ten (10) days after written notice thereof to OPERATOR.

(b): Failure of OPERATOR to comply with any term, condition or covenant of this Agreement, other than the payment of rent or other sum of money, and such failure shall not be cured within thirty (30) days after written notice thereof to OPERATOR.

(c): Insolvency, the making of a transfer in fraud of creditors, or the making of an assignment for the benefit of creditors by OPERATOR or any guarantor of OPERATOR's obligations.

(d): Filing of a petition under any section or chapter of the National Bankruptcy Act, as amended, or under any similar law or statute of the United States or any State thereof by OPERATOR or any guarantor of OPERATOR's obligations, or adjudication as a bankrupt or insolvent in proceedings filed against OPERATOR or such guarantor.

(e): Appointment of a receiver or trustee for all or substantially all of the assets of OPERATOR or any guarantor of OPERATOR's obligations.

(f): Abandonment by OPERATOR of any substantial portion of the Leased Premises or cessation of use of the Leased Premises for the purposes leased.

ARTICLE 9

Remedies of CITY

Section 9.1: Upon the occurrence of any of the events of default listed in Article 8, CITY shall have the option to pursue anyone or more of the following remedies without notice or demand whatsoever:

(a): Terminate this Agreement, in which event OPERATOR shall immediately surrender the Leased Premises to CITY. If OPERATOR fails to surrender the Leased Premises, CITY may, without prejudice to any other remedy which CITY may have for possession of the Leased Premises or arrearages in rent and without further notice or demand, enter upon and take possession of the Leased Premises and expel or remove OPERATOR and any other person who may be occupying the Leased Premises or any part thereof, without being liable for prosecution or any claim for damages therefor. OPERATOR shall pay to CITY on demand the amount of all loss and damages which CITY may suffer by reason of such termination, whether through inability to relet the Leased Premises on satisfactory terms or otherwise,

(b): Terminate this Agreement, in which event OPERATOR shall immediately surrender the Leased Premises to CITY. If OPERATOR fails to so surrender the Leased Premises, CITY may, without prejudice to any other remedy which CITY may have for possession of the Leased Premises or arrearages in rent and without further notice or demand, enter upon and take possession of the Leased Premises and expel or remove OPERATOR and any other person who may be occupying the Leased Premises or any part thereof, without being liable for prosecution or any claim for damages therefor. OPERATOR shall pay to CITY on the date of such termination damages in any amount equal to the excess, if any, of the total

amount of all rental and other amounts to be paid by OPERATOR to CITY hereunder for the period which would otherwise have constituted the unexpired portion of the term of this Agreement over the then fair market rental value of the Leased Premises for such unexpired portion of the term of this Agreement.

(c): Enter upon and take possession of the Leased Premises without terminating this Agreement and without being liable for prosecution or for any claim for damages therefor, and expel or remove Operator and any other person who may be occupying the Leased Premises or any part thereof. CITY may (but shall not be required to) relet the Leased Premises and receive the rent therefor. OPERATOR agrees to pay to CITY monthly or on demand from time to time any deficiency that may arise by reason of any such reletting. In determining the amount of such deficiency, brokerage commissions, attorneys' fees, remodeling expenses and other costs of reletting shall be subtracted from the amount of rent received under such reletting.

(d): Enter upon the Leased Premises without terminating this Agreement and without being liable for prosecution or for any claim for damages therefor and do whatever OPERATOR is obligated to do under the terms of this Agreement. OPERATOR agrees to pay CITY on demand for expenses that CITY may incur in thus effecting compliance with OPERATOR's obligations under this Agreement, together with interest thereon at the rate of the lesser of the maximum lawful contractual rate of interest or eighteen percent (18) per annum from the date expended until paid. OPERATOR agrees to defend, indemnify and hold harmless CITY, its officials, officers, employees and agents, against and from all liability, costs, expense, claims and damages which it may at any time suffer or become liable for by reason of any accidents, damages or injuries to persons or property of OPERATOR or of any other parties, or to the Leased Premises, in any manner arising out of this Agreement, or the taking possession of the Leased Premises or reletting of same.

(e): Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to CITY herein or of any damages accruing to CITY by reason of the violation of any of the terms, conditions and covenants herein contained. If any of OPERATOR's property ("OPERATOR Property") remains upon the Leased Premises upon the expiration of the Agreement term or any earlier termination of this Agreement or any repossession of the Leased Premises by CITY because of OPERATOR's default under this Agreement, CITY shall have the right to remove such OPERATOR Property from the Leased Premises and store such OPERATOR Property, and OPERATOR shall be obligated to reimburse CITY for all of the costs incurred by CITY in removing and storing such OPERATOR Property. CITY shall not be required to release any OPERATOR Property to OPERATOR until OPERATOR has paid CITY all costs incurred by CITY in removing and storing such OPERATOR Property and all other amounts owed by OPERATOR to CITY pursuant to this Agreement, including, without limitation, unpaid rental and costs incurred by CITY to repair the Leased Premises.

City shall have the option to terminate for breach of this Agreement prior to expiration of the primary term. The basis of the termination will be based off of the agreed upon improvements detailed in Section 9.1 (f) by the identified completion dates. Failure to comply with are grounds for default. In order to exercise the option for early termination of this Agreement, City shall give written notice of its intention to terminate one hundred eighty (180) days prior to the proposed termination date. Within 6 months of such termination the City shall pay to

the Company the unamortized portion of the cost as established in Article 3 of the permanent structures and improvements constructed and installed there. That amortization is to be computed based on the number of months remaining on the lease from the date the Certificate of Occupancy is issued to the expiration date of the initial term of this agreement.

(f): REQUIRED SCHEDULE OF IMPROVEMENTS OF FBO FACILITIES: On or before the dates listed below, Lessee shall improve/repair, at its sole cost and expense, the current FBO Facilities. Improvements and repairs include but are not limited to:

(i) Terminal Building Operator shall complete the following no later than one year from the execution date of this agreement at an estimated cost of \$80,000. The design and materials shall be approved by the City prior to installation.

- a. Replace flooring; 1291 sq. ft. with new modern and attractive carpet, wood, or tile.
- b. Replace deteriorated wallpaper; 4400 sq. ft. with new wall treatment.
- c. Replace baseboard; 502 ft. with new commercial office grade product.
- d. Replace ceiling; 1291 sq. ft.
- e. Construct new Reception/Front Sales Counter.
- f. Replace furniture, fixtures and appointments in lobby and meeting rooms.
- g. Coordination is required with City prior to work being done.
- h. 24-hour Pilot accessibility to lounge area and restrooms.
- i. Install a pilot's shower facility that has 24-hour access.
- j. Update the existing restrooms.

(ii) Self Service Aviation Fueling Facility Operator shall complete the following no later than one year from the execution date of this agreement. The city will identify the location for this facility.

(iii) OPERATOR will have 90 days from the date this Agreement is entered into to identify in writing ground lease locations separate and apart from the Leased Premises and identify in writing the improvements Operator wishes to construct. For any ground lease location(s) timely identified within the 90-day period, a ground lease agreement must be entered into within 60 days of the written notification by the Operator and construction to start within a calendar year from the date of the ground lease agreement.

-a complete aviation fueling facility that includes required paving, tanks, dispensing equipment and appurtenances.

-shall install and maintain at OPERATOR'S expense, fuel storage areas and equipment for the purpose of providing self-service fuel to transient and local aircraft which includes the sale and in-to-plane delivery of recognized brands of aviation fuels and other petroleum products.

-shall describe any program that will provide the Airport with a minimum of 1500-gallon 100LL fuel tank refueler. Included with the proposal include a detailed description of ongoing repair and maintenance programs.

-Operator must be open to the opportunity of an additional fuel type as recommended by the Airport Advisory Board and Airport Manager as the need arises.

-System shall include a nationally recognized credit card program, card reader and provide as needed support.

ARTICLE 10

Default by CITY

Section 10.1: No default by City hereunder shall constitute an eviction or disturbance of OPERATOR's use and possession of the Leased Premises or render CITY liable for damages or entitle OEPRATOR to be relieved from any of OPERATOR's obligations hereunder (including the obligation to pay rent) or grant OEPRATOR any right of deduction, abatement, set-off or recoupment or entitle OEPRATOR to take any action whatsoever with regard to the Leased Premises or CITY until thirty (30) days after OPERATOR has given CITY written notice specifically setting forth such default by CITY, and CITY has failed to cure such default within said thirty (30) day period, or in the event such default cannot be cured within said thirty (30) day period then within an additional reasonable period of time so long as CITY has commenced curative action within said thirty (30) day period and thereafter is diligently attempting to cure such default.

ARTICLE 11

Title to Improvements

Section 11.1: The CITY solely owns the Leased Premises. Any and all improvements made to the Leased Premises by OPERATOR shall become the property of CITY upon the expiration or termination of this Agreement; provided, however if OEPRATOR is not then in default hereunder, OPERATOR shall have the right to remove all personal property, equipment, or trade fixtures owned by OPERATOR from the Leased Premises, but OPERATOR shall be required to repair any damage to the Leased Premises caused by such removal in a good and workmanlike manner and at OPERATOR's sole cost and expense. If OPERATOR fails or refuses to remove any or all of OPERATOR's personal property, equipment, and trade fixtures from the Leased Premises on or before the date of the termination of this Agreement, the items which OEPRATOR has failed or refused to remove: (i) shall be considered abandoned by OPERATOR, (ii) shall become the property of CITY, and (iii) may be disposed of by CITY in any manner desired by CITY in CITY's unfettered discretion.

ARTICLE 12

Liens

Section 12.1 : OPERATOR agrees that no liens of any kind will be filed against the Leased Premises. OPERATOR agrees to defend, indemnify and hold CITY harmless of and from all liability arising out of the filing of any liens against the Leased Premises by reason of any act or omission of OPERATOR or anyone claiming under OPERATOR, and CITY, at CITY's option, may satisfy such liens and collect the amount expended from OPERATOR together with interest at a rate of 10 per annum as additional rent; provided, however, that CITY shall not so satisfy such liens until thirty (30) days after written notification to OPERATOR of CITY's intention to do so and OPERATOR's failure during such thirty (30) day period to bond such liens or escrow funds with appropriate parties to protect CITY's interest in the Leased Premises. To the extent applicable, the City has a lien as provided by Chapter 22.023 of the Texas Transportation Code.

ARTICLE 13

Property Taxes and Assessments

Section 13.1 : OPERATOR agrees to pay any and all property taxes, if any, assessed against OPERATOR's personal property located on the Leased Premises or in Hangars during the term of this Agreement. The operator will not be liable for property taxes on real property or buildings owned by the CITY.

ARTICLE 14 Hold Over

Section 14.1: Should OPERATOR, or any of OPERATOR's successors in interest fail to surrender the Leased Premises, or any part thereof, on the expiration of the term of this Agreement, such holding over shall constitute a tenancy from month to month only terminable at any time by either CITY or OPERATOR after thirty (30) days prior written notice to the other, at a monthly rental equal to two hundred percent (200) of the rent paid for the last year of the term of this Agreement, divided by twelve (12).

ARTICLE 15 Waiver of Default

Section 15.1: No waiver by the parties hereto of any default or breach of any term, condition or covenant of this Agreement shall be deemed to be a waiver of any subsequent default or breach of the same or any other term, condition or covenant contained herein.

ARTICLE 16 Assignment of Lease

Section 16.1: The Agreement and lease herein granted shall not be assigned by OPERATOR to any person, firm or corporation without prior written approval by CITY and CITY may not unreasonably withhold such approval including any assignment described below in Section 16.2.

Section 16.2: For purposes of collateral in financing construction of improvements as authorized herein upon the part of OPERATOR, OPERATOR may assign said Agreement and lease to a bank or lending institution and, provided further, that OPERATOR'S financing assignee shall not further assign said Agreement and lease without prior notification to CITY of such subsequent assignment.

ARTICLE 17 Control of Airfield and Airspace

Section 17.1: The CITY reserves the right to develop or improve the landing area and all publicly owned air navigation facilities of the Airport as it sees fit, regardless of the desires or views of the OPERATOR without interference or hindrance.

Section 17.2: The CITY reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent the OPERATOR from erecting, or permitting to be erected, any building or other structure on the Airport which, in the opinion of the CITY, would limit the usefulness of the Airport or constitute a hazard to aircraft.

ARTICLE 18
NOTIFICATIONS

Section 18.1: Any notifications required by this Agreement shall be given in writing as follows:

TO THE CITY: Director of Development Services
 City of Huntsville
 448 State Highway 75 North
 Huntsville, Texas 77320
 936-294-5700

COPY TO: City Manager
 City of Huntsville
 1212 Ave. M
 Huntsville, Texas 77340
 936-291-5400

TO THE OPERATOR: Huntsville Aviation Inc.
 ATTN: Wade Gillaspie, Jr, President
 1100 Airport Drive
 Huntsville, Texas 77340
 936-295-8136

DRAFT

ARTICLE 19

Non-Exclusive Lease

Section 19.1: Notwithstanding anything herein contained that may be or appeared to the contrary, it is expressly understood and agreed that the rights granted under this Agreement are non-exclusive and the CITY herein reserves the right to grant similar privileges to another operator or operators on other parts of the Airport.

ARTICLE 20

Miscellaneous

Section 20.1: Independent Contractor: It is understood and agreed that in leasing and operating the Leased Premises, OPERATOR is acting as an independent contractor and is not acting as agent, partner, joint venturer or employee of CITY.

Section 20.2: Force Majeure: In the event performance by CITY or OPERATOR of any term, condition or covenant in this Agreement is delayed or prevented by an Act of God, strike, lockout, shortage of material or labor, restriction by any governmental authority, civil riot, flood, or any other cause not within the control of CITY or OPERATOR, the period for performance of such term, condition or covenant shall be extended for a period equal to the period CITY or OPERATOR is so delayed or hindered.

Section 20.3: Exhibits: All exhibits, attachments, annexed instruments and addenda referred to herein shall be considered a part hereof for all purposes with the same force and effect as if copied verbatim herein.

Section 20.4: Captions: The captions or headings or paragraphs in this Agreement are inserted for convenience only and shall not be considered in construing the provisions hereof if any question of intent should arise.

Section 20.5: Successors: The terms, conditions and covenants contained in this Agreement shall apply to, inure to the benefit of, and be binding upon the parties hereto and their respective successors in interest and legal representatives except as otherwise herein expressly provided. All rights, powers, privileges, immunities and duties of CITY under this Agreement, including, but not limited to, any notices required or permitted to be delivered by CITY to OPERATOR hereunder, may, at CITY's option, be exercised or performed by CITY's agent or attorney.

Section 20.6: Severability: If any provision in this Agreement should be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby.

Section 20.7: Counterparts: This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Section 20.8: Governing Law and Venue: This Agreement and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas, and, with respect to any conflict of law provisions, the parties agree that such conflict of law provisions shall not affect the application of the law of Texas (without

reference to its conflict of law provisions) to the governing, interpretation, validity and enforcement of this Agreement; and CITY and OPERATOR both irrevocably agree that venue for any dispute concerning this Agreement or any of the transactions contemplated herein shall be in any court of competent jurisdiction in Walker County, Texas.

Section 20.9: Time of Essence: Time is of the essence in the payment and performance of the duties and obligations imposed upon CITY and OPERATOR by the terms and conditions of this Agreement.

Section 20.10: Survival: All duties and obligations imposed upon CITY and OPERATOR by the terms and conditions of this Agreement shall survive the termination or expiration of this Agreement until paid or performed.

Section 20.11: Corporate Execution: If OPERATOR is a corporation or if this Agreement shall be assigned by OPERATOR to a corporation or if OPERATOR sublets all or a portion of the Leased Premises to a corporation, such corporation hereby agrees to execute and deliver to CITY from time to time during the term of this Agreement such instruments as CITY may reasonably request to evidence: (i) the authority of such corporation to transact business in the State of Texas; and (ii) the authority of the officers of such corporation to execute this Agreement or other documents executed in connection with this Agreement.

Section 20.12: Attorney's Fees: If, on account of any breach or default by CITY or OPERATOR of their respective obligations under this Agreement, it shall become necessary for the other to employ an attorney to enforce or defend any of such party's rights or remedies hereunder, and should such party prevail, such party shall be entitled to collect reasonable attorneys' fees incurred in such connection from the other party.

Section 20.13: Entire Agreement and Amendments: This Agreement embodies the entire agreement between CITY and OPERATOR and supersedes all prior agreements and understandings, whether written or oral, and all contemporaneous oral agreements and understandings relating to the subject matter hereof. . Except as otherwise specifically provided herein, no agreement hereafter made shall be effective to change, modify, discharge or effect an abandonment of this Agreement, in whole or in part, unless such agreement is in writing and signed by or in behalf of the party against whom enforcement of the change, modification, discharge or abandonment is sought.

City of Huntsville, TX

By:

Signature

Name:

Printed Name

Title:

Date:

Attest:

Huntsville Aviation, Inc.

By:

Signature

Name:

Printed Name

Title:

Date:

Attest:

Section 20.14: To the extent applicable this Agreement is subject to Texas Transportation Code, Chapter 22, Section 22.055.

Section 20.15: Texas Government Code Mandatory Provision. The City of Huntsville may not enter into a contract with a company for goods and services unless the contract contains a written verification from the company that it; (i) does not boycott Israel; and (ii) does not boycott Israel during the term of the contract. (Texas Government Code. Chapter 2270.002) by accepting this rider, the Operator hereby verifies that it does not boycott Israel as that term is defined in the Texas Government Code, Section 808.001. as amended. Further, the Operator hereby certifies that it is not a company identified under Texas Government Code, Section 2252 152 as a company engaged in business with Iran, Sudan. or Foreign Terrorist Organizations.

Section 20.16: Firearms Discrimination Verification. As required by Section 2274.002, Texas Government Code (as added by Senate Bill 19, 87th Texas Legislature, Regular Session, "SB 19"), as amended, Operator hereby verifies that Operator, including any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, (i) does not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association, and (ii) will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, "discriminate against a firearm entity or trade association" shall have the meaning assigned to such term in Section 2274.001(3), Texas Government Code (as added by SB 19), as amended.

Section 20.17. This Agreement controls over and completely replaces any previous agreements between the Operator and the City, including but not limited to Lease Agreement for Fixed Based Operating Service whose term began on January 1, 2011 and the same entered into on or about August 31, 1999.



CITY COUNCIL AGENDA

10/15/2024

Agenda Item Number: 6.a.

Agenda Item: City Council will convene in closed session as authorized by Texas Government Code, Chapter 551, Section 551.071 to receive legal advice on the request to authorize the release of +/- 2,071 acres, made up of 18 different parcels, as requested by Voyager Group, LTD and Kelvin & Deann Steely revocable trust, from the City of Huntsville Extra Territorial Jurisdiction (ETJ).

Initiating Department/Presenter: Development Services

Presenter:

Kevin Byal, Director of Development Services

Recommended Motion: N/A

Strategic Initiative: Strategic Priority #2, Economic Development - Create an economic climate for the City of Huntsville that drives development of diverse industries and sectors, providing sustainable economic growth and improved living standards.

Discussion: During the 88th Texas Legislative session, Senate Bill 2038 (S.B. 2038) became law on September 1, 2023. This bill allows for the release of an area from a municipality's extraterritorial jurisdiction. It enables a resident within that jurisdiction or the majority owner(s) of an area in it to petition the municipality for the release of that specific area.

Furthermore, residents in the extraterritorial jurisdiction can request an election to decide on releasing the area. The bill outlines the procedures for both the petition and election processes. If the petition gathers the required number of signatures or if the election approves the release, the area will be released from the extraterritorial jurisdiction.

On September 17, 2024, staff received a complete application from Voyager Group, LTD asking the City of Huntsville to release +/-2,071 acres. If a municipality doesn't act on the release within the latter of 45 days after receiving the petition or at the following meeting after 30 days from the petition receipt, the area will be automatically released.

These parcels lie within the southeastern portion of the City's ETJ. There are no City services near any of the parcels as they are in the Phelps Special Utility District CCN and there are no annexation agreements in place.

Importantly, once an area is released from a municipality's extraterritorial jurisdiction, it cannot be included in that jurisdiction or the municipality's boundaries again unless the owner(s) subsequently request its inclusion.

Previous Council Action: None

Financial Implications: None

Approvals:

Leonard Schneider
Sam Masiel
Kristy Doll

Associated Information:

1. Voyager Group Petition for Release From ETJ

**PETITION FOR RELEASE FROM
THE CITY OF HUNTSVILLE'S EXTRATERRITORIAL JURISDICTION**

THE STATE OF TEXAS §

COUNTY OF WALKER §

TO THE HONORABLE MAYOR AND CITY COUNCIL, §
CITY OF HUNTSVILLE, TEXAS:

COMES NOW the undersigned (the "Petitioners"), acting pursuant to Chapter 42 of the Texas Local Government Code, as amended (the "Act"), respectfully petitions the City of Huntsville, Texas ("City") to release certain property located within the City's extraterritorial jurisdiction ("ETJ"), as more particularly described in the attached Exhibits "A-1, A-2, A-3, A-4, A-5, A-6, A-7, A-8, A-9, A-10, A-11, A-12, A-13, A-14, A-15, and A-16" and more accurately depicted on Exhibit "B" (the "Property"). In support of same, Petitioners would respectfully show the following:

I.

The Property is located within the ETJ of the City in Walker County, Texas, and is not located within the corporate limits or ETJ of any other municipality. Petitioners request release from the ETJ of the City.

II.

The Property does not lie in an area:

(i) within five (5) miles of the boundary of a military base, at which an active training program is conducted, as defined by Section 43.0117 of the Texas Local Government Code, as amended;

(ii) that was voluntarily annexed into an ETJ that is located in a county in which the population grew by more than fifty percent (50%) from the previous federal census in the federal census conducted in the year 2020 and has a population of greater than 240,000;

(iii) within the portion of the ETJ of a municipality with a population of more than 1.4 million and that is within fifteen (15) miles of the boundary of a military base, at which an active training program is conducted, and in a county with a population of more than two (2) million;

(iv) designated as an industrial district under Section 42.044 of the Texas Local Government Code, as amended; or

(v) subject to a strategic partnership agreement entered into under Section 43.0751 of the Texas Local Government Code, as amended.

III.

The persons or entities (through authorized representatives) signing this Petition constitute a majority in value of the holders of title to the Property, as shown by the tax rolls and conveyances of record since the date of preparation of said county tax rolls.

IV.

The Petitioners, having met the petition requirements in § 42.104 of the Act, requests the City immediately release the Property from the City's ETJ pursuant to § 42.105(c) of the Act. Further, Petitioners request the City adopt a Resolution releasing the Property from the City's ETJ under Section 42.023 of the Act. Alternatively, the City, pursuant to § 42.156 of the Act, may voluntarily release the Property for which the election is to be held from the City's ETJ before the date on which the election would have been held under § 42.153(a) of the Act.

V.

This Petition will be filed with the City Secretary for the City of Huntsville, Texas.

VI.

WHEREFORE, the Petitioners respectfully pray that this petition be granted in all respects and that the City Council of the City adopts an ordinance or resolution releasing the Property from the City's ETJ.

[SIGNATURE PAGE TO FOLLOW]

RESPECTFULLY SUBMITTED, on this the 16th day of Sept., 2024.

PETITIONER:

VOYAGER GROUP, LTD.,

a Texas limited partnership.

By: 

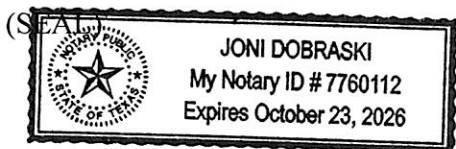
Name: Christopher deMilliano

Its: Manager

THE STATE OF TEXAS §
 §
COUNTY OF Walker §

This instrument was acknowledged before me on the 16th day of Sept., 2024, by Christopher deMilliano of Voyager Group, Ltd., a Texas limited partnership, on behalf of said entity.


Notary Public in and for the State of Texas

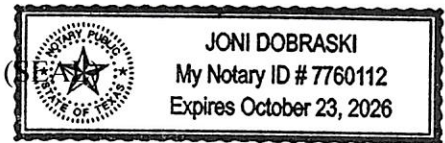


PETITIONER:

By: 
Name: Christopher deMilliano

THE STATE OF TEXAS §
 §
COUNTY OF Walker §

This instrument was acknowledged before me on the 16th day of Sept., 2024, by Christopher deMilliano.




Notary Public in and for the State of Texas

PETITIONER:

KELVIN & DEANN STEELY REVOCABLE TRUST

By: [Signature]

Name: Kelvin Steely

Its: Co-Trustee

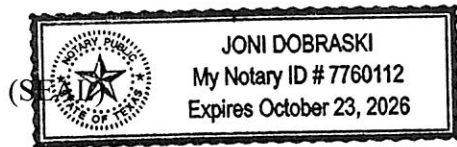
By: [Signature]

Name: Deann Steely

Its: Co-Trustee

THE STATE OF TEXAS §
 §
COUNTY OF Walker §

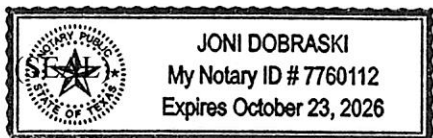
This instrument was acknowledged before me on the 16th day of Sept, 2024, by Kelvin Steely, Co-Trustee of the Kelvin & Deann Steely Revocable Trust.



[Signature]
Notary Public in and for the State of Texas

THE STATE OF TEXAS §
 §
COUNTY OF Walker §

This instrument was acknowledged before me on the 16th day of Sept., 2024, by Deann Steely, Co-Trustee of the Kelvin & Deann Steely Revocable Trust.



[Signature]
Notary Public in and for the State of Texas

EXHIBIT "A-1"

FULLER and ASSOCIATES

Huntsville, Texas 77342

THE STATE OF TEXAS §
COUNTY OF WALKER §

I, the undersigned, JOEA A. FULLER, Registered Professional Land Surveyor, do hereby certify that the following field notes represent a survey made on the ground of the following described tract or parcel of land situated in Walker County, Texas:

Being 22.037 acres of land, more or less, situated in the JAMES TINSLEY SURVEY, Abstract No. 548, Walker County, Texas and being out of and a part of a called 4.00 acre tract as described in a Deed from Mu Mu Sigma Nu Home of Huntsville, Inc. to Ponderosa Holdings, LLC, recorded in Volume 828, Page 130, Official Records and being all of a called 20.00 acre tract as described in a Deed from Voyager Group, Ltd. to Ponderosa Holdings, LLC, recorded in Volume 846, Page 295, Official Records, said 22.037 acre tract being the same tract designated as "Unrestricted Reserve A", PONDEROSA HOLDINGS, LLC 24.00 Acre Subdivision in plat recorded in Volume 4, Page 192, Plat Records, said 22.037 acre tract being more definitely described as follows:

BEGINNING at the northwest corner of said Reserve A, same being the east line of a called 4.00 acre tract as described in a Deed from Ernest R. Dickey to Lewis W. Nichols, recorded in Volume 287, Page 261, Deed Records, found a 5/8" iron rod in the south right-of-way of Southwood Drive, as per said subdivision for the northwest corner of the herein described tract;

THENCE, with the north lines of said Reserve A and the south lines of said road, as per said subdivision, the following calls:

- 1). S69°43'42"E- 251.36 feet (plat call) to a found 5/8" iron rod;
- 2). S76°07'57"E- 250.40 feet to a found 5/8" iron rod;
- and 3). N87°03'41"E- 36.49 feet to a northeasterly corner of said Reserve A, same being the northwest corner of Lot 1 of said subdivision, found a 5/8" iron rod;

THENCE, with the common lines of said Reserve A and Lot 1, the following calls:

- 1). S45°21'27"W- 29.87 feet to a found 5/8" iron rod;
- 2). S03°39'13"W- 151.70 feet to a found 5/8" iron rod;
- 3). S76°29'31"E- 339.07 feet to an angle point in a northerly line of said Reserve A, same being the southeast corner of said Lot 1 and also being the southwest corner of a called 13.66 acre tract as described in a Deed from Larry G. Turner to Claude S. Brown, recorded in Volume 501, Page 32, Official Records, found 3/8" iron rod at a fence corner;

THENCE S63°28'31"E, with a northerly line of said Reserve A and the south line of said Brown tract, for a distance of 28.48 feet to the most easterly northeast corner of said Reserve A, same being a northwesterly corner of the residue of a called 91.0 acre tract as described in a Deed from Darrell D. Dickey, et al to Darrell D. Dickey, recorded in Volume 130, Page 761, Official Records, found a 5/8" iron rod set for the most easterly northeast corner of the herein described tract;

THENCE, with the east line of said Reserve A and the west line of the residue of said Dickey Tract, the following calls:

- (1). S14°50'47"W- 830.94 feet to a found 5/8" iron rod;
- and (2). S00°47'13"W, at 462.2 feet pass a 5/8" iron rod, found for reference only on the north bank of May's Branch, continuing for a total distance of 476.34 feet to a point for the southeast corner of said Reserve A, same being the southwest corner of the residue of said Dickey tract for the southeast corner of the herein described tract;

THENCE, with the south lines of said Reserve, same being the approximate centerline meanders of said branch, the following calls:

- (1). N74°53'21"W- 110.11 feet;
- (2). N59°25'35"W- 77.99 feet;
- (3). N15°14'58"W- 165.23 feet;
- (4). N80°22'09"W- 185.66 feet;
- (5). N60°01'36"W- 83.76 feet;
- (6). S88°37'58"W- 92.48 feet;
- and (7). N68°11'38"W- 153.92 feet to a point for the southwest corner of said Reserve A, same being the called southeast corner of a called 10 acre tract

22.037 acres (Reserve A)
PONDEROSA HOLDINGS, LLC
Walker County, Texas

* * * Page 2 of 2 * * *

as described in "Tract Two" in a Deed from Ernestine Dickey Sloan to Wilton Ray Sloan, recorded in Volume 389, Page 597, Official Records, said point being the southwest corner of the herein described tract;

THENCE N03°39'13"E, with the west line of said Reserve A and the east line of said Sloan tract, at 183.8 feet pass a 5/8" iron rod, found for reference only, continuing for a total distance of 540.63 feet to an angle point in the west line of said Reserve A, same being the most easterly northeast corner of said Sloan tract and also being the southeast corner of a called 2.00 acre tract as described in "Tract 1" in a Deed from E. R. Dickey to Lewis W. Nichols, recorded in Volume 311, Page 680, Deed Records, found a 5/8" iron rod at a fence corner post;

THENCE N03°40'10"E, with the east line of said Nichols tract and continuing with the west line of said Reserve A, for a distance of 376.97 feet to the northeast corner of said Nichols tract, same being the southeast corner of said Lewis W. Nichols 4.00 acre tract, found a 1/2" iron rod;

THENCE N03°19'54"E, with the east line of said Nichols 4.00 acre tract and continuing with the west line of said Reserve A, for a distance of 10.69 feet to a northwesterly corner of said Reserve A, same being the southwest corner of a called 1.00 acre tract as described in a Deed from Betty A. Hawes to Sharon L. Nunn, recorded in Volume 89, Page 472, Official Records, found a 1/2" iron rod;

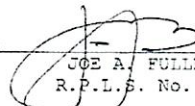
THENCE, with the common lines of said Reserve A and Nunn tracts, the following calls:

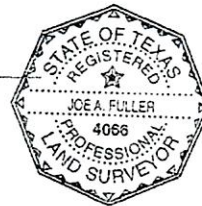
(1). S76°18'35"E- 209.58 feet to a found 1/2" iron rod;
(2). N04°37'26"E- 209.88 feet to a found 1/2" iron rod;
and (3). N76°33'12"W- 211.31 feet to a southwesterly corner of said Reserve A, same being the northwest corner of said Nunn tract and also being the east line of said Nichols 4.00 acre tract, found a 3/8" iron rod;

THENCE N03°53'55"E, with the west line of said Reserve A and the east line of said Nichols 4.00 acre tract, for a distance of 207.71 feet to the PLACE OF BEGINNING.

Surveyed in December, 2007.

Signed


JOE A. FULLER
R.P.L.S. No. 4066



\\2007\\PONDEROSA Holdings-22.037ac-Res A.ins

EXHIBIT "A-2"

Bk Vol Ps
00002620 OR 978 334

BEING 1.00 acre of land, more or less, out of and a part of the J. H. SHEPPARD LEAGUE, Abstract No. 502, Walker County, Texas, and being also out of a called 22.4 acre tract but by resurvey found to contain 13.94 acres being described in an Amendment of Deed, Deed of Trust and Note from Guy F. Dorrell and wife, Selma Dorrell, to Gerald A. Heartfield, Jr., dated July 16, 1975, and recorded in Volume 279, Page 726, Deed Records of Walker County, Texas, said 1.00 acre of land being more definitely described by metes and bounds as follows:

BEGINNING in the northwest line of said 13.94 acre tract at an iron rod for the most northern or northeast corner of said 1.00 acre tract herein described, said corner being N 47°45'00" E 826.61 feet from an iron pipe for the most western or northwest corner of said 13.94 acre tract;

THENCE S 42°15'00" E 270.04 feet across said 13.94 acre tract to an iron rod for the most eastern or southeast corner of said 1.00 acre tract herein described in the west or northwest right-of-way line of Farm Road 2296 (120 feet wide);

THENCE S 29°49'38" W 156.28 feet with the cord of a curve to the left having a radius of 1,969.86 feet, a central angle of 04°32'48", and an arc length of 156.32 feet to an iron rod for the most southern or southwest corner of said 1.00 acre tract herein described in said right-of-way line of FM 2296;

THENCE N 42°15'00" W 318.13 feet across said 13.94 acre tract to an iron rod for the most western or northwest corner of said 1.00 acre tract herein described in the northwest line of said 13.94 acre tract;

THENCE N 47°45'00" E 148.70 feet with said northwest line of said 13.94 acre tract to the PLACE OF BEGINNING.

Filed for Record in:
Walker County

On: Apr 27, 2011 at 03:54p

As a
Recording

Document Number: 00002620

Amount: 19.00

Receipt Number - 51527
By:
Jeana Doan

EXHIBIT "A"
PAGE 1 OF 1

STATE OF TEXAS COUNTY OF WALKER
I hereby certify that this instrument was
filed on the date and time stamped hereon by me
and was duly recorded in the volume and page
of the named records of:
Walker County
as stamped hereon by me.

Apr 27, 2011

Roni A. French, County Clerk
Walker County

EXHIBIT "A-3"

McADAMS SURVEYING
P.O. BOX 5047
HUNTSVILLE, TEXAS 77342
PHONE: 936/295-5347

THE STATE OF TEXAS §
COUNTY OF WALKER §

I, the undersigned, H.E. McAdams, Registered Professional Surveyor No. 2005 do hereby state that the following field-notes represents a survey made on the grounds of the following described tract of land located in Walker County, Texas.

TRACT - 2

BEING 3.11 acres of land within the J.H. SHEPPARD LEAGUE, Abstract No. 502, Walker County, Texas and being out of and a part of a called 4.34 acre tract described in a deed from Paul Edward Miller to Gerald G. Smith dated May 11, 1984 and recorded in Volume 429, page 482, Deed Records of Walker County. Said 3.11 acre tract being more definitely described as follows:

BEGINNING at the west corner of said 4.34 acres and the south corner of a called 166.98 acre tract described in a deed from La Ray Sanchez, et al, conservators of the estate of Laura Geraldine Hill to 3 Caballeros, L.L.C. dated August 5, 1999 and recorded in Volume 397, page 276, Official Records of Walker County, Texas, found a 2 3/4" iron pipe for corner in the most northerly northeast line of a called 411 acre tract described as tract "J12g" in a deed from W.S. Gibbs, et al to the United States of America dated December 28, 1935 and recorded in Volume 82, page 131, Deed Records;

THENCE N 47°45'00"E, with the northwest line of said 4.34 acres and the southeast line of said 166.98 acres for a distance of 239.79 feet to the north corner of said 4.34 acres and the west corner of a called 2.40 acre tract described in a deed from Wiley E. Miller to Gregory M. Miller dated February 10, 1999 and recorded in Volume 378, page 541, Official Records, found a 5/8" iron rod for corner;

THENCE S 58°10'26"E, with the northeast line of said 4.34 acres and the southwest line of said 2.40 acres for a distance of 477.83 feet to the east corner of said 4.34 acres and the south corner of said 2.40 acres, found a 5/8" iron rod for corner in the west right-of-way line of Farm-to-Market Road No. 2296 and in a curve to the left;

THENCE in a southerly direction, with the east line of said 4.34 acres, the west right-of-way line of Farm-to-Market Road No. 2296 and along said curve to the left (Radius = 1969.86 feet, Delta = 05°43'50" and a Chord = S 15°00'30"W - 196.94 feet) for an arc distance of 197.02 feet to south corner of the 3.11 acre tract herein described, set a 1/2" iron rod for corner;

THENCE N 70°51'00"W for a distance of 310.96 feet to a 1/2" iron rod set for corner within said Smith 4.34 acres;

THENCE S 47°45'00"W for a distance of 58.89 feet to a 1/2" iron rod set for corner in the southwest line of said 4.34 acres and the most northerly northeast line of said U.S.A. 411 acres;

THENCE N 41°45'37"W, with the common line of said 4.34 acres and 411 acres for a distance of 293.00 feet to the PLACE OF BEGINNING.

Surveyed in July, 2000.

NOTE: All bearings recited herein are based on deed call bearing (N 47°45'00"E) along the southeast line of said 3 Caballeros, L.L.C. 166.98 acre tract recorded in Volume 397, page 276, Official Records of Walker County, Texas.



Signed

H.E. McAdams

H.E. McAdams
Registered Professional
Land Surveyor No. 2005
July 19, 2000

EXHIBIT "A"

VOL. 430 PAGE 012

1 8

follows:

dated June 23, 1956, and of record in Volume 153, Page 497;

THENCE with boundary line meanders of Mayes Branch said Hall and Steely as follows:

- corner of said Steely tract;

THENCE S 5° 30' E 75.3 feet to an iron rod for corner;

TRENCE S 70° 20' W at 40
west line of said Hall tr a ct;

THENCE N 24° 41' W with the west line of said Hall tract, 30.0 feet to the PLACE OF BEGINNING.

00003603 OR 982 516

EXHIBIT "A-5"

Bk Vol Ps
00006194 OR 1036 110

DESCRIPTION OF 28.277 ACRES – BARBARA ANN SLOAN B. B. GOODRICH SURVEY, A-23 WALKER COUNTY, TEXAS

Fieldnotes to all that certain tract of land, being 28.277 acres, more or less, located in the B. B. Goodrich Survey, A-23 in Walker County, Texas, being a portion of the called 50.00 acre tract described in a Gift Deed from Ernestine Dickey Sloan to Barbara Ann Sloan, dated July 31, 2002 and recorded in Volume 520, Page 768 of the Official Public Records of Walker County, Texas (OPRWCT) and being more particularly described by metes and bounds as follows:

BEGINNING at a USFS monument found in the southwesterly line of a called 166.98 acre tract described in a Correction Warranty Deed from Voyager Group, LTD to Kelvin G. Steely recorded in Volume 461, Page 137 OPRWCT for the easterly corner of the said 50.00 acre tract and the northerly corner of a called 78.8 acre tract described in a Deed from W. R. Powell and wife, Lottie Power to the United States of America recorded in Volume 89, Page 587 of the Deed Records of Walker County, Texas (DRWCT);

THENCE South 46° 14' 47" West 1555.85 feet along the common line of the said 50.00 acre tract and the said 78.8 acre tract to a point in the north side of a 24" Pine for the southerly corner of the said 50.00 acre tract and the easterly corner of a 50.4 acre tract referenced in a Gift Deed from Ernestine Dickey Sloan to Wilton Ray Sloan recorded in Volume 520, Page 771 OPRWCT (said 50.4 acre tract described in Volume 36, Page 81 DRWCT), from which a 5/8-inch iron rod found for reference bears North 43° 14' 31" West 1.68 feet;

THENCE North 43° 14' 31" West 791.36 feet along the common line of the said 50.00 acre tract and the said 50.4 acre tract to a 1/2-inch iron rod set for the westerly corner of the herein described 28.277 acre tract, from which a 5/8-inch iron rod found bears North 43° 37' 59" West 32.71 feet;

THENCE North 46° 20' 36" East 1562.43 feet along the northwesterly line of the herein described 28.277 acre tract to a 5/8-inch iron rod found for the westerly corner of the said 166.98 acre tract and the southerly corner of a called 13.38 acre tract described in a Deed from S. W. Dorrell, Jr. to William V. Hyman and wife, Carol D. Hyman recorded in Volume 286, Page 01 OPRWCT;

THENCE South 42° 45' 44" East 788.80 feet along the common line of the said 50 acre tract and the said 166.98 acre tract to the PLACE OF BEGINNING, and containing 28.277 acres, more or less, as shown on the accompanying plat of even date herewith.

Basis of bearings is the southeasterly line of the said 130.04 acre tract described in Volume 130, Page 761 OPRWCT monumented by a 5/8-inch iron rod found and a 5/8-inch iron rod found, North 54° 14' 50" East 2414.68 feet (record call North 54° 14' 50" East 2414.55 feet).

This survey was made on the ground under my supervision during July 2012.

GOODWIN-LASITER, INC.
1609 S. Chestnut, Suite 202
Lufkin, Texas 75901
936-637-4900


Gary G. Brown,
Lufkin, Texas

R.P.L.S. No. 4654
July 16, 2012



EXHIBIT "A"
PAGE 1 OF 2

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Page 1 of 1

EXHIBIT "A-6"

FULLER and ASSOCIATES

1225 11th Street
Huntsville, Texas 77342

BK Vol Ps
00006192 OR 1036 98

THE STATE OF TEXAS §
COUNTY OF WALKER §

I, the undersigned, JOE A. FULLER, Registered Professional Land Surveyor, do hereby certify that the following field notes represent a survey made on the ground of the following described tract or parcel of land situated in Walker County, Texas:

Being 50.70 acres of land, more or less, situated in the B. B. GOODRICH SURVEY, Abstract No. 23, Walker County, Texas and being the same tract described as 50.4 acre tract in a Deed from Ernestine Dickey Sloan to Wilton Ray Sloan, dated July 31, 2002 and recorded in Volume 520, Page 771, Official Records, said 50.70 acre tract being more definitely described as follows:

BEGINNING at the south corner of said 50.4 acre tract, same being the east corner of a called 128.792 acre tract as described in a Deed from Campbell A. Griffin, et al to Michael R. Alsup, et al, recorded in Volume 93, Page 300, Official Records and also being the called northwest line of a U.S.A. called 411 acre tract (U.S. Forest Service Tract J12g), found a pine knot (March, 1994), re-set with a 5/8" iron rod;

THENCE N43°23'10"W, with the southwest line of said Sloan tract and the northeast line of said Alsup tract, for a distance of 1416.42 feet to a cross-tie fence corner post called as the north corner of said Alsup tract, same being the west corner of said Sloan tract and also being the southeast line of a U.S.A. called 384 acre tract (U.S. Forest Service Tract J12f);

THENCE N46°09'06"E, with the northwest line of said Sloan tract and the southeast line of said U.S. Forest Service Tract J12f, at 50.6 feet pass a 3/4" galvanized iron pipe, with a 3" aluminum cap, marked "Corner #5, U.S.F.S. Tract J12f", found for the east corner of said 384 acre tract, same being the most westerly south corner of a tract or parcel of land as described in a Deed from Darrell Dean Dickey, et al to Ernestine D. Sloan, recorded in Volume 130, Page 761, Official Records, continuing with the common line of said Wilton Sloan and Ernestine Sloan tracts, at 348.6 feet, 624.8 feet, 999.2 feet, 1151.9 feet and 1439.6 feet pass a 5/8" iron rod, set for reference only, continuing for a total distance of 1559.80 feet to the north corner of said 50.4 acre tract, same being an interior corner of said Ernestine Sloan tract, set a 5/8" iron rod;

THENCE S43°20'15"E, continuing with the common line of said Wilton Sloan and Ernestine Sloan tracts, at 181.0 feet, 593.4 feet, at 770.6 feet and 1003.3 feet pass a 5/8" iron rod, set for reference only, continuing for a total distance of 1416.46 feet to a point in a Pine (set 5/8" iron rod on north side) for the east corner of said 50.4 acre tract, same being the most easterly south corner of said Ernestine Sloan tract and also being the called northwest line of said 411 acre tract;

THENCE S46°09'11"W, with the southeast line of said 50.4 acre tract and the called northwest line of said 411 acre tract, and generally following a red painted, hacked and blazed line, at 892.8 feet pass a 5/8" iron rod, set for reference only, continuing for a total distance of 1558.60 feet to the PLACE OF BEGINNING.

Surveyed in December, 2008.

EXHIBIT "A"
PAGE 1 OF 2

Signed

JOE A. FULLER
R.P.L.S. No. 4086



\\2008\\SLOAN Ray-50.4ac-StkPropLine.fns

EXHIBIT "A-7"

said note being otherwise of the usual form and tenor.

HAVE BARGAINED, GRANTED, SOLD, AND CONVEYED, and do by these presents BARGAIN, GRANT, SELL and CONVEY unto the said A. A. Steely and wife, Ruby May Steely, all of that certain tract or parcel of land located and situated in Walker County, Texas, and more particularly described as follows, to-wit:

BEING the Western part of a certain 300 acres of land in the James Tinsley Survey, Abstract No. 548, Walker County, Texas, taken under a partition deed by E. L. Angier, dated June 29th, 1944, and recorded in Vol. 105, Page 483, Deed Records, Walker County, Texas, containing 134.87 acres, with metes and bounds as follows:

BEGINNING at the N. W. corner of the James Tinsley Survey, set an iron stake for corner;

THENCE N. 65 E. at 225 vrs. pass the Southwest corner of the David Thompson Sur., at 947 vrs. a stake for corner from which a S. G. 4" brs. N. 80 W. 2 ft.;

THENCE S. 2-35' E. with said divisional line at 1169 vrs. a stake in the center of Mayes Branch for corner, from which a 6" cedar brs. N. 10 W. 11 ft.;

THENCE up Mayes Branch with its meanderings as follows:

- (1) S. 55 W. 39.5 vrs.
- (2) N. 84 W. 114.5 vrs.
- (3) S. 15 W. 38 vrs.
- (4) N. 66 W. 38.5 vrs.
- (5) N. 1 E. 35.2 vrs.
- (6) S. 71-1/2 W. 49.7 vrs.
- (7) S. 20 W. 33 vrs.
- (8) S. 64 W. 64 vrs.
- (9) S. 73-1/2 W. 50 vrs.
- (10) S. 34-1/2 W. 51 vrs.
- (11) S. 50 W. 90 vrs.

to the E. boundary line of the State 1,000 acre tract known as the Goree Farm, which is also the S. W. line of the James Tinsley Survey;

THENCE N. 25 W. with said line, at 913 vrs. pass the N. E. corner of said 1,000 acre tract, at 1,060 vrs. the place of beginning, and containing 134.87 acres of land, more or less. Mag. Dec'1: 9-00' E. Surveyed by W. O. Kirkland, April 17th, 1952.

And being the same land as that described in that certain deed from Nannie Lee Angier to the Veterans' Land Board of the State of Texas, of date May 8, 1952, of record in Vol. 140, Page 517, of the Deed Records of Walker County, Texas, to which said deed and the

BEING 61.147 acres of land, more or less, and being all of the residue of that 134.87 acres of land situated in the JAMES TINSLEY SURVEY, A-548, Walker County, Texas, described in a deed dated June 23, 1956, from Wilburn M. Williamson and wife, Geraldine Williamson, to A. A. Steely and wife, Ruby May Steely, recorded in Volume 153, Page 497, Deed Records of Walker County, Texas, LESS AND EXCEPT the following conveyances:

- (1) 0.344 of an acre described in a deed dated March 13, 1969 to C. J. Scarborough, et ux, recorded in Volume 219, Page 695, Deed Records of Walker County, Texas;
- (2) 2.413 acres described in a deed dated September 16, 1970 to Curtis J. Scarborough, Jr., et ux, recorded in Volume 230, Page 468, Deed Records of Walker County, Texas;
- (3) 1.28 acres described in a deed dated February 23, 1971, to James B. Hall, et ux, recorded in Volume 234, Page 98, Deed Records of Walker County, Texas;
- (4) 15.63 acres described in a deed dated December 28, 1976 to Kelvin Gene Steely, recorded in Volume 298, Page 412, Deed Records of Walker County, Texas;
- (5) 3.07 acres described in a deed dated December 28, 1976 to Shirley Steely Townes, recorded in Volume 298, Page 416, Deed Records of Walker County, Texas;

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- (6) 0.50 of an acre described in a deed dated October 7, 1985 to Rose Marie Michaelson, recorded in Volume 451, Page 822, Deed Records of Walker County, Texas;
- (7) 21.872 acres described in a deed dated July 22, 1985 to Kelvin G. Steely, recorded in Volume 448, Page 420, Deed Records of Walker County, Texas;
- (8) 9.274 acres described in a deed dated June 29, 1989 to Kelvin G. Steely, recorded in Volume 99, Page 238, Official Public Records of Walker County, Texas;
- (9) 19.34 acres described in a deed dated June 29, 1989 to Kelvin G. Steely, recorded in Volume 99, Page 238, Official Public Records of Walker County, Texas;

EXHIBIT "A-8"

PTD 24225

EXHIBIT A, pg. 1

H.E. MCADAMS SURVEYING
P.O. BOX 9047
HUNTSVILLE, TEXAS 77342
PHONE: 409/993-8744

August 2, 1999

THE STATE OF TEXAS §
COUNTY OF WALKER §

I, the undersigned, H.E. McAdams, Registered Professional Land Surveyor No. 2005 do hereby state that the following field-notes represent a survey made on the grounds of the following described tract of land located in Walker County, Texas.

BEING 166.98 acres of land within the J.H. SHEPPARD LEAGUE, Abstract No. 502, Walker County, Texas and being all of the residue of a called 170.8 acre tract described as the SECOND portion allotted to Priscilla Floriene Hill Palmer, et al in a Partition Deed between S.W. Dorrell, Jr., et al dated March 15, 1984 and recorded in Volume 434, page 204, Deed Records of Walker County, Texas. Said 166.98 acre tract being more definitely described as follows:

BEGINNING at the south corner of said 170.8 acres and the west corner of a called 4.34 acre tract described in a deed from Paul Edward Miller to Gerald G. Smith dated May 11, 1984 and recorded in Volume 429, page 482, Deed Records, found a 2-3/4" iron pipe for corner in the most northerly-northeast line of a called 411 acres described as tract "J12g" in a deed from W.S. Gibbs, et al to the United States of America dated December 28, 1935 and recorded in Volume 82, page 131, Deed Records;

THENCE N 43°48'40"W, with the southwest line of said 170.8 acres and the most northerly northeast line of said 411 acres for a distance of 636.79 feet to the most northerly north corner of said 411 acres and the east corner of a called 78.8 acre tract described in a deed from W.R. Powell to the United States of America dated August 9, 1938 and recorded in Volume 89, page 587, Deed Records, found a 1-3/4" iron pipe with a 3" aluminum cap from which a 24" Pine bears S 15°33'W - 5.85 feet, an 8" Post Oak bears S 45°23'W - 5.3 feet, a 25" Pine bears N 68°13'W - 28.5 feet and a 25" Pine bears N 77°42'E - 14.9 feet;

THENCE N 43°25'01"W, continuing with the southwest line of said 170.8 acres and with the northeast line of said 78.8 acres for a distance of 1080.68 feet to a 1-3/4" iron pipe with a 3" aluminum cap found;

THENCE N 39°01'30"W, continuing with the southwest line of said 170.8 acres and the northeast line of said 78.8 acres for a distance of 292.08 feet to the north corner of said 78.8 acres and the east corner of a tract described as the 7th tract allotted to Ernestine D. Sloan in a Partition Deed dated March 23, 1987 and recorded in Volume 41, page 384, Official Records of Walker County, found a 1-3/4" iron pipe with a 3" aluminum cap from which a 20" Post Oak bears S 52°31'E - 22.85 feet, a 13" Red Oak bears S 08°02'W - 58.4 feet, a 18" Red Oak bears S 31°14'W - 43.9 feet, a 21" Pine bears N 49°45'E - 24.1 feet and a 16" Red Oak bears S 52°27'W - 17.1 feet;

THENCE N 41°48'08"W, continuing with the southwest line of said 170.8 acres and the northeast line of said Sloan tract for a distance of 788.88 feet to the west corner of said 170.8 acres and the south corner of a called 13.38 acre tract described in a deed from S.W. Dorrell, Jr. to William V. Hyman dated May 30, 1996 and recorded in Volume 286, page 1, Official Records, found a 5/8" iron rod for corner;

THENCE N 48°20'26"E, with the northwest line of said 170.8 acres and the southeast line of said 13.38 acres for a distance of 2154.16 feet to the east corner of said 13.38 acres, found a 5/8" iron rod for corner in the southwest right-of-way line of Farm-to-Market Road No. 2929;

VOL. 446 PAGE 291

EXHIBIT A pg. 2

H.E. MCADAMS SURVEYING
P.O. BOX 5047
HUNTSVILLE, TEXAS 77342
PHONE: 409/293-8744

August 2, 1999

THENCE S 67°23'30"E, with the southwest right-of-way line of Farm-to-Market Road No. 2929 for a distance of 1007.38 feet to a concrete right-of-way monument found for the point of curvature of a curve to the right;

THENCE continuing with the southwest right-of-way line of Farm-to-Market Road No. 2929, in a southeasterly direction along said curve to the right (Radius = 1859.86 feet, Central angle = 24°24'00" and a Chord of S 55°11'30"E - 786.08 feet) for an arc distance of 792.05 feet to a concrete right-of-way monument found for the point of tangent;

THENCE S 42°59'30"E, continuing with the southwest right-of-way line of Farm-to-Market Road No. 2929 for a distance of 936.06 feet to its intersection with the west right-of-way line of Farm-to-Market Road No. 2296, found a concrete right-of-way monument for corner;

THENCE with the west right-of-way line of Farm-to-Market Road No. 2296, in a southerly direction along a curve to the right (Radius = 1849.86 feet, Central angle = 11°43'32" and a Chord of S 22°29'33"W - 377.91 feet) for an arc distance of 378.57 feet to the most northerly corner of a called 0.95 acre tract described in a deed from Thomas R. Rash to Samuel A. Rash dated March 9, 1988 and recorded in Volume 85, page 624, Official Records, set a 1/2" iron rod with a plastic cap for corner in the southeast line of said 170.8 acres from which a 3/4" iron bolt found bears N 47°45'00"E - 1.15 feet;

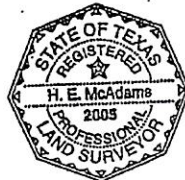
THENCE S 47°45'00"W, with the southeast line of said 170.8 acres for a distance of 2411.65 feet to the PLACE OF BEGINNING.

Surveyed in July 1999.

Signed:

H.E. McAdams

H.E. McAdams
Registered Professional
Land Surveyor No. 2005



VOL. 446 PAGE 292

EXHIBIT "A-9"

EXHIBIT A

Being 50.89 acres of land, more or less, situated in the FOSTER BOBO SURVEY, Abstract No. 73, Walker County, Texas, and being all of a called 50 acre tract described in a deed from Peter Sherwood to W. D. Adair dated February 8, 1896, recorded in Volume 11, Page 66, Deed Records of Walker County, Texas, said 50.89 acres being more definitely described as follows:

BEGINNING at the North or Northeast corner of said Adair called 50 acre tract, same being the West or Northwest corner of a called 26 acre tract in the WILLIS EDSON SURVEY, A-189, described as "Tract J12d" in a deed from Gibbs Brothers & Co. to the United States of America dated December 28, 1935, recorded in Volume 82, Page 131, Deed Records, said corner being also the most Easterly corner of a called 18 acre tract in the B.B.B. & C. RR. CO. SURVEY, A-99, described in a deed from Johnie and Esther Harper to Julia Marie Twardeski dated June 30, 1980, recorded in Volume 360, Page 244, Deed Records, found a 1-1/2" iron pipe with aluminum cap stamped "Cor.1, J12d" for corner from which a 12" Post Oak bears S 87° 22' W - 13.0 feet, a 21" Red Oak bears S 53° 06' E - 31.1 feet and a 19" Post Oak bears S 24° 18' E - 12.9 feet;

THENCE S 25° 16' 16" E, with the Northeast line of said Adair 50 acres and the Southwest line of said U.S.A. 26 acre tract, a distance of 1017.78 feet to the South corner of said U.S.A. tract and a West or Northwest corner of a called 723.63 acre tract described in a deed from James B. Hall to Louisiana-Pacific Corp. dated August 21, 1979, recorded in Volume 344, Page 695, Deed Records, found a 1-1/2" iron pipe with aluminum cap stamped "Cor.3, J12d" for corner from which a 17" Pine snag bears N 55° 00' W - 7.8 feet and a 17" Pine snag bears N 34° 05' E - 39.9 feet;

THENCE S 24° 50' 24" E, continuing with the Northeast line of said Adair 50 acres and a Southwest line of said Louisiana-Pacific Tract, a distance of 458.62 feet to a 5/8" iron rod set for the East or Southeast corner of said Adair tract and the North or Northeast corner of a called 26.5 acre tract described as "Tract 4" in a deed to Mildred W. Sherwood recorded in Volume 213, Page 624, Deed Records;

THENCE S 64° 26' 31" W, with the Southeast line of said Adair tract, with the Northwest line of said Sherwood 26.5 acres and with the Northwest line of a called 40 acre tract described as "Tract 3" in said deed to Sherwood, a distance of 1480.55 feet to a 5/8" iron rod found for the South corner of said Adair tract and the East or Southeast corner of a called 38.15 acre tract described in a Contract of Sale from the Veterans' Land Board of Texas to Jacob E. Armstrong, Jr. dated March 26, 1972, recorded in Volume 243, Page 529, Deed Records;

THENCE N 26° 02' 36" W, with the Southwest line of said Adair tract and the Northeast line of said Armstrong 38.15 acres, a distance of 1492.42 feet to a 5/8" iron rod found for the West corner of said Adair tract and the North corner of said Armstrong tract in the Southeast line of a called 28.6 acre tract in said B.B.B. & C. RR. CO. SURVEY described as "Lot No. 6" in a Partition Deed from Parley L. Beck, et al to Lucy Beck Grissom dated November 20, 1950, recorded in Volume 141, Page 86, Deed Records;

THENCE N 65° 03' 07" E, with the Northwest line of said Adair 50 acres, the Southeast line of said Grissom tract and the Southeast line of said Twardeski 18 acre tract, a distance of 1504.12 feet to the PLACE OF BEGINNING.

BOOK 619 PAGE 430

EXHIBIT "A-10"

BEING a 77.937 acre tract of land, situated in the Foster Bobo Survey, Abstract Number 73, Walker County, Texas, being comprised of all that same called 40 acre tract described as "Tract 3", all that same called 26-1/2 acre tract described as "Tract 4" and the remainder of that certain called 118 acre tract described as "Tract 1" all in instrument to Deborah D. Roberts and Anthony Fallis Roberts, recorded in Volume 445, Page 183 of the Official Records of Walker County, Texas (O.R.W.C.T.), said 77.937 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch iron rod with cap stamped "TPS 100834-00" found in the northeasterly margin of Farm to Market Road 2929 (FM 2929), for the southwesterly corner of that certain called 29.000 acre tract described in instrument to David Boeckman and Kathy Boeckman, recorded under Instrument Number 65428, O.R.W.C.T., being a northwesterly corner of the herein described 77.937 acre tract, from which a 1/2 inch iron rod with cap stamped "TPS 100834-00" found for the common westerly corner of said 29.000 acre tract and that certain called 32.780 acre tract described in instrument to Paul Storry and Kathy Merlet, recorded under Instrument Number 44386, O.R.W.C.T., bears North 20°02'02" West, 472.10 feet, said POINT OF BEGINNING having a Texas State Plane Coordinate value of N: 10,247,883.744, E: 3,820,819.78, Texas Central Zone, (4203). Grid measurements;

THENCE North 62°50'31" East, 2681.79 feet, with the southeasterly line of said 29.000 acre tract, to a 1/2 inch iron rod with cap stamped "TPS 100834-00" found for the southeasterly corner of said 29.000 acre tract, being an interior corner of the herein described 77.937 acre tract;

THENCE North 26°33'45" West, with the northeasterly line of said 29.000 acre tract and said 32.780 acre tract, at a distance of 483.33 feet, pass a 1/2 inch iron rod with cap stamped "TPS 100834-00" found for the common easterly corner of said 29.000 acre tract and said 32.780 acre tract, in all, a total distance of 948.56 feet, to a fence corner post found for the recognized common westerly corner of said remainder of 118 acre tract and that certain called 38.15 acre tract described in instrument to Jacob E. Armstrong, recorded in Volume 1080, Page 860, O.R.W.C.T., being a northwesterly corner of the herein described 77.937 acre tract;

THENCE North 61°07'00" East, 1113.32 feet, with the easterly north line of said remainder of 118 acre tract, the northerly line of said 40 acre tract, common to the southerly line of said 38.15 acre tract, to a 5/8 inch iron rod in a 1 inch iron pipe found for the common corner of said 40 acre tract, said 38.15 acre tract and that certain called 80.89 acre tract described in instrument to Voyager Group, LTD., recorded in Volume 619, Page 427, O.R.W.C.T., being an angle point in the easterly north line of the herein described 77.937 acre tract;

THENCE 62°12'51" East, 1473.97 feet, continuing with the northerly line of said 40 acre tract, with the northerly line of said 26-1/2 acre tract, common to the southerly line of said 80.89 acre tract, to a fence corner post found in the apparent common line between said Bobo Survey and the Jose M. Acosta Survey, Abstract Number 656, the southwesterly line of that certain called 490.6 (NET) acre tract described as "Parcel 2" in instrument to Red Town Timber Products, LP., recorded in Volume 554, Page 656, O.R.W.C.T., for the recognized common easterly corner of

said 26-1/2 acre tract and said 80.89 acre tract, being the northeasterly corner of the herein described 77.937 acre tract;

THENCE South 27°38'37" East, 1159.19 feet, with the apparent southwesterly line of said Acosta Survey and the Sam Houston Survey, Abstract Number 278, common to the apparent northeasterly line of said Bobo Survey, the common line between said 26-1/2 acre tract and said 490.6 (NET) acre tract, to a 5/8 inch iron rod found for the common easterly corner of said 26-1/2 acre tract and that certain called 11.03 acre tract described in instrument to Roger Dale Montgomery, recorded in Volume 308, Page 725, O.R.W.C.T., being the southeasterly corner of the herein described 77.937 acre tract;

THENCE South 62°50'33" West, 5306.13 feet, with the northerly line of said 11.03 acre tract, that certain called 11.03 acre tract described in instrument to Bobby J. Love, recorded in Volume 305, Page 685 of the Deed Records of Walker County, Texas (D.R.W.C.T.), that certain called 4.10 acre tract described in instrument to Albert and Julia Springer, recorded in Volume 1129, Page 718, O.R.W.C.T., that certain called 11.03 acre tract described in instrument to Albert W. Springer and Julia C. Springer, recorded in Volume 1129, Page 714, O.R.W.C.T., that certain called 8.00 acre tract described in instrument to Dean Living Trust, recorded in Volume 1112, Page 466, O.R.W.C.T., that certain called 22.29 acre tract described in instrument to George H. Russell and Suzanne B. Russell, recorded in Volume 615, Page 642, O.R.W.C.T., and that certain called 5.00 acre tract described in instrument to George H. Russell and Suzanne H. Russell, recorded in Volume 770, Page 279, O.R.W.C.T., common to the southerly line of said 26-1/2 acre tract, said 40 acre tract and said remainder of 118 acre tract, to a 60d nail found in an arc of a curve to the right in the northeasterly margin of said FM 2929, for the common westerly corner of said remainder of 118 acre tract and said 5.00 acre tract, being the southwesterly corner of the herein described 77.937 acre tract;

THENCE with the northeasterly margin of said FM 2929, the southwesterly line of said remainder of 118 acre tract, the following two (2) courses and distances:

1. Northwesterly, 91.36 feet, with the arc of said curve to the right having a radius of 1859.86 feet, a central angle of 02°48'52", and a chord that bears North 21°22'24" West, 91.35 feet, to a concrete monument found for the end of said curve;
2. North 20°02'02" West, 70.59 feet, to the POINT OF BEGINNING and containing a computed area of 77.937 acres of land within this Field Note Description.

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 "A-11"

PARCEL 2:

BEING 490.6 acres of land, more or less, out of and being a part of a 723.63 acre tract of land conveyed in a corrective deed from James B. Hall and wife, Valda Holland Hall, to Louisiana-Pacific Corporation with an effective date of August 21, 1979, recorded in Volume 124, Page 212 of the Deed Records of Walker County, Texas, correcting a deed dated August 21, 1979, recorded in Volume 344, Page 695 of the Deed Records of Walker County, Texas, being more particularly described as follows, to-wit:

Being 723.63 acres of land, more or less, approximately 87.27 acres being out of the JOSE MARIA ACCOSTA SURVEY, Abstract No. 656, approximately 246.80 acres in the SAM HOUSTON SURVEY, Abstract No. 278, approximately 131.41 acres in the THOMAS P. CAMP SURVEY, Abstract No. 128, and approximately 258.15 acres in the B. B. GOODRICH SURVEY, Abstract No. 23, all in Walker County, Texas and being also all of a called 244.6 acre tract in said ACCOSTA and SAM HOUSTON SURVEYS, and described in a deed from Gibbs A. Wynne, et al to James B. Hall, dated October 6, 1942 and recorded in Volume 100, Page 421, all of the unsold balance of called 334.3 acres lying north of Farm to Market Highway No. 2296 and described in a Deed from L. F. Crooke and wife, Marquerite C. Crooke, to James B. Hall, dated May 16, 1945 and recorded in Volume 110, Page 23, all of a called 132 acre tract in said CAMP SURVEY and described in a deed from J. P. Gibbs, et al to James B. Hall dated May 28, 1945 and recorded in Volume 110, Page 86 and all of a called 25.0 acre tract in said GOODRICH SURVEY and being described in a deed from Lawrence Kelly and wife, Daisy Kelly, to James B. Hall, dated August 17, 1945 and recorded in Volume 110, Page 398, all in the Deed Records of Walker County, Texas, said 723.63 acres of land being more definitely described as one tract by metes and bounds as follows:

BEGINNING at the most northern northwest corner of said 723.63 acre tract herein described, same being the northwest corner of said ACCOSTA SURVEY, same being the southwest corner of the W. EDSON SURVEY, Abstract No. 189, and in the east line of the FOSTER BOBO SURVEY, Abstract No. 73, all in Walker County, Texas, a 1-1/2" iron pipe with aluminum cap for corner from which a 9" Pine bears N 02°30' E 1.6 feet, a 17" Pine (dead) bears N 55° 00' W 7.8 feet and a 16" Pine bears N 34° 05' E 40.0 feet, said beginning corner being also Corner No.3 of United States Forest Service Tract J-12d in said EDSON SURVEY and being also in the east line of a called 50 acre tract in said BOBO SURVEY described in a Deed to W. D. Adair, recorded in Volume 11, Page 66, Deed Records;

THENCE N 65° 07' E 2211.6 feet with the division line of said ACCOSTA and EDSON SURVEYS, to the most northern northeast corner of said ACCOSTA SURVEY, same being the southeast corner of said EDSON SURVEY and in the south line of the J. J. CROWSON SURVEY, Abstract No. 122, a 1-1/2" iron pipe with aluminum cap from which a 20" Pine bears S 01° 30' E 3.0 feet, a 16" pine bears S 67° 50' W 29.2 feet and a 19" Pine bears S 73° 55' W 35.5 feet, said corner being also Corner No. 2 of said United States Forest Service Tract J-12d;

THENCE N 89° 42' E 1206.9 feet with the division line of said ACCOSTA and CROWSON SURVEYS to the most eastern north corner of said ACCOSTA SURVEY, same being an upper southwest corner of the WILLIS EDSON SURVEY, Abstract No. 188, an iron rod from which a

VOL. 559 PAGE 304

19" Sweet Gum bears S 87° 30' W 18.8 feet, a Sweet Gum stump bears S 64° W 14.1 feet (to center) and a Sweet Gum stump bears N 60° E 13.5 feet (to center);

THENCE S 26° 12' E 728.2 feet with the division line of said ACCOSTA and EDSON SURVEYS to the southeast corner of said ACCOSTA SURVEY, same being the lower southwest corner of said EDSON SURVEY and in the north line of said HOUSTON SURVEY, a 3/4" iron pipe at a fence corner from which, a 22" Red Oak bears S 43° 40' E 16.7 feet, a 12" Post Oak bears N 40° 55' E 13.8 feet and an 8" Post Oak bears N 34° 25' E 9.6 feet, said corner being also the northwest corner of a called 76.571 acre tract described in a Deed to Grover Cook, recorded in Volume 237, Page 715, Deed Records;

THENCE S 09° 16' E 915.9 feet with the west line of said Cook called 76.571 acre tract to a 2" iron axle for its southwest corner same being the northwest corner of a called 10.00 acre tract described as the "Second Tract" in a Deed to Edward E. Boyd, recorded in Volume 211, Page 18, Deed Records;

THENCE S 08° 44' E 980.4 feet with the west line of said Boyd called 10.00 acre tract to an iron bar for corner at its southwest fence corner and from which a 23" Sweet Gum bears N 16° 50' E 15.3 feet and a 23" Red Oak bears N 51° 00' W 14.1 feet, said corner being also the most northern northeast corner of a called 176.994 acre tract described in a Deed to George T. Bunting, recorded in Volume 226, Page 234, Deed Records;

THENCE S 45° 56' W 2229.2 feet with the south line of said Hall called 244.6 acre tract to an iron rod for the northeast corner of said Hall called 334.3 acres and from which marked a 30" Red Oak N 40° 13' E 62.1 feet, a 12" Red Oak S 67° 33' E 78.0 feet and a 14" Red Oak S 59° 35' E 47.8 feet, said corner being also the northeast corner of a called 89.0 acre tract in said called 334.3 acres;

THENCE S 32° 33' E 2327.2 feet with the upper east line of line of said Hall called 334.3 acres and the east line of said 89.0 acre tract to an iron rod for its southeast corner in the division line of said HOUSTON and GOODRICH SURVEYS and from which marked a 13" Elm N 45° 00' W 15.2 feet, a 13" Hackberry N 62° 05' W 16.5 feet and an 18" Pine N 40° 55' E 7.2 feet;

THENCE N 47° 00' E 2317.8 feet with the division line of said HOUSTON and GOODRICH SURVEYS, same being the north line of a called 123.0 acre tract, which is part of said Hall 334.3 acres to an iron axle for the northeast corner of said 123.0 acre tract, same being the northeast corner of said GOODRICH SURVEY and the northeast corner of the T. C. PALMER SURVEY, Abstract No. 437, from which a 17" Red Oak bears S 80° 40' W 16.2 feet and a 10" Red Oak bears S 41° 30' E 14.7 feet, said corner being also the northwest corner of a called 13.60 acre tract in said PALMER SURVEY and described in a Deed to Mamie Eagan, recorded in Volume 217, Page 617, Deed Records;

THENCE S 43° 00' E 2391.9 feet with the division of said GOODRICH and PALMER SURVEYS, same being the east line of said 123.0 and 334.3 acres to an iron rod in the west right-of-way line of Farm to Market Road No. 2296 (120 feet wide) and from which a 16" Sweet Gum bears S 20° E 4.4 feet and a 9" Pine bears N 05° W 6.3 feet, said corner being also the southwest corner of a called 9.03 acre tract in said PALMER SURVEY, described in a Deed to Marshall H. Sloan, recorded in Volume 217, Page 613, Deed Records;

VOL. 559 PAGE 305

THENCE with the west right-of-way line of said Farm to Market Highway No. 2296, along the arc of a curve to the right, having a radius of 1849.86 feet and a central angle of 10° 17', a chord bearing of S 10° 55' 45" W, for a distance of 332.1 feet;

THENCE S 16° 05' W 1139.1 feet with the west right-of-way line of said Farm to Market Highway No. 2296 to an iron rod for the most southern southwest corner of said 723.63 acre tract herein described in the west line of said called 123.0 acre tract which is part of said Hall 334.3 acres;

THENCE N 43° 50' W 76.6 feet with the west line of said called 123.0 acre tract to the southeast corner of a called 111.0 acre tract which is part of said Hall called 334.3 acres, a 1-1/2" iron pipe with aluminum cap from which a 14" Sweet Gum bears S 28° 15' E 67.7 feet, a 25" Sweet Gum bears S 09° 00' W 33.7 feet and an 18" pine bears S 50° 00' W 50.6 feet, said corner being also Corner No. 10 of the United States Forest Service Tract No. J-12e in said GOODRICH SURVEY;

THENCE S 46° 39' W 841.1 feet with the south line of said called 111.0 acre tract to its southwest corner, a 1-1/2" iron pipe with aluminum cap from which a 24" Pine bears N 43° 10' E 21.9 feet, a 14" Pine bears S 15° 30' W 42.5 feet and a 15" Pine bears S 27° 30' E 48.0 feet, said corner being also the upper southeast corner of a called 11.3 acre tract which is also out of Hall called 334.3 acre tract and being Corner No. 9 of said United States Forest Service Tract J-12e;

THENCE S 22° 21' E 21.4 feet, with the lower east line of said called 11.3 acre tract to its southeast corner, a 1-1/2" iron pipe with aluminum cap from which a 12" Pine bears S 44° 00' E 15.5 feet, a 15" Pine bears S 31° 30' E 26.7 feet and a 14" Pine bears S 42° 30' W 28.6 feet, said corner being also Corner No. 8 of the United States Forest Service Tract J-12e;

THENCE S 68° 59' W 1524.7 feet with the south line of said called 11.3 acre tract and said called 334.3 acres to a 1-1/2" iron pipe with aluminum cap for the southwest corner of said 11.3 acre tract and from which a 18" Pine bears S 37° 15' W 8.0 feet, a 6" Pine bears N 52° 00' W 11.1 feet and a 16" Post Oak bears N 34° 15' W 42.6 feet, said corner being also Corner No. 7 of said United States Forest Service Tract J-12e;

THENCE N 43° 27' W 2550.3 feet, with the west lines of said called 11.3 and 111.0 acre tracts to a 1-1/2" iron pipe with aluminum cap for the northwest corner of said called 111.0 acre tract in the division line of said GOODRICH and HOUSTON SURVEYS and from which a 13" Post Oak bears S 29° 00' W 29.8 feet, a 15" Post Oak bears S 31° 30' E 22.7 feet, a 10" Pine bears S 84° 30' E 21.7 feet and a 16" Post Oak (down) bears N 79° 30' E 19.3 feet, (to center), said corner being also Corner No. 6 of said United States Forest Service Tract J-12e;

THENCE S 47° 56' W 2057.8 feet, with the division line of said GOODRICH, HOUSTON and CAMP SURVEYS to a 1-1/2" iron pipe with aluminum cap for the northeast corner of said Hall 25.0 acre tract in said GOODRICH SURVEY and from which a 16" Pine bears S 30° 15' E 27.0 feet, a 18" Pine bears S 70° 45' E 10.0 feet, and a 16" Pine bears S 87° 15' E 18.7 feet, said corner being also Corner No. 5 of said United States Forest Service Tract J-12e;

THENCE S 23° 00' E 2003.2 feet with the east line of said called 25.0 acre tract to a 1-1/2" iron pipe with aluminum cap for its southeast corner and from which a 30" White Oak bears N 42° 54' W 46.5 feet, an 8" Hickory bears N 04° 36' W 35.5 feet, a 16" Pine (snag) bears N 06° 32' E

VOL. 559 PAGE 306

13.6 feet, a 10" Pine (dead) bears S 53° 44' E 13.0 feet, and a 17" Red Oak bears S 44° 34' W 34.5 feet, said corner being also Corner No. 4 of said United States Forest Service Tract J-12e;

THENCE S 66° 59' W 576.6 feet with a south line of said called 25.0 acre tract to a 1-1/2" iron pipe with aluminum cap for the southwest corner and from which a 22" Water Oak bears S 77° 30' E 16.8 feet, a 32" Sweet Gum bears N 56° 30' W 25.7 feet and a 24" Sweet Gum bears N 60° 30' W 41.3 feet, said corner being also Corner No. 3 of said United States Forest Service Tract J-12e;

THENCE N 22° 59' W 1794.8 feet with the west line of said called 25.0 acre tract to a 1-1/2" iron pipe with aluminum cap for its northwest corner in the division line of said GOODRICH and CAMP SURVEYS and from which a 16" Elm bears S 59° 57' E 58.8 feet, a 27" Sweet Gum bears S 04° 45' E 23.5 feet and a 14" Black Gum bears S 54° 27' W 11.7 feet, said corner being also Corner No. 2 of said United States Forest Service Tract J-12e;

THENCE S 47° 06' W 42.4 feet with the division line of said GOODRICH and CAMP SURVEYS to a point in the centerline of Shepherd Creek for the southwest corner of said Hall called 132.0 acre tract, same being the Southeast corner of a called 25.0 acre tract described in a Deed to Althen Niederhofer, recorded in Volume 266, Page 197, Deed Records;

THENCE up said Shepherd Creek with its centerline meanders in said CAMP SURVEY, as follows:

- | | |
|-----------------------------|---|
| (1) N 08° 54' W 76.0 feet; | (2) N 42° 04' E 67.1 feet; |
| (3) N 20° 30' E 108.7 feet; | (4) N 05° 18' E 123.0 feet; |
| (5) N 58° 45' E 29.4 feet; | (6) S 56° 38' E 78.4 feet; |
| (7) N 43° 13' E 79.4 feet; | (8) S 38° 11' E 45.6 feet; |
| (9) N 57° 11' E 35.0 feet; | (10) N 00° 27' W 92.1 feet; |
| (11) N 16° 28' W 51.2 feet; | (12) N 45° 02' W 48.4 feet; |
| (13) N 49° 25' E 50.6 feet; | (14) N 49° 38' W 49.2 feet; |
| (15) N 12° 40' W 50.6 feet; | (16) N 71° 34' W 34.8 feet; |
| (17) N 29° 35' W 39.0 feet; | (18) S 80° 52' W 45.1 feet; |
| (19) N 56° 17' W 64.9 feet; | (20) N 27° 55' W 123.0 feet; |
| (21) N 65° 51' E 36.4 feet; | (22) N 15° 10' W 94.5 feet; |
| (23) N 89° 31' W 64.5 feet; | (24) N 60° 48' W 53.1 feet to an iron rod |

on the northwest edge of said creek for the northeast corner of said Niederhofer 25.0 acre tract, same being a re-entrant corner of said Hall called 132.0 acre tract and from which a 5/8" iron rod for reference bears S 64° 53' W 16.2 feet;

THENCE S 64° 53' W 1283.3 feet with the north line of said Niederhofer 25.0 acre tract to an iron rod for its northwest corner and from which a 21" Red Oak bears S 13° 30' E 23.15 feet and a 19" Pine bears N 57° 45' W 34.9 feet, said corner being also the upper southwest corner of said Hall called 132.0 acre tract and in the east line of a called 63.0 acre tract described in a Deed to Althen Niederhofer, recorded in Volume 104, Page 211, Deed Records;

THENCE N 25° 02' W 857.1 feet with the east line of said Niederhofer 63.0 acre tract and a lower west line of said Hall called 132.0 acre tract to an iron rod for the northeast corner of said 63.0 acre tract at its northeast fence corner and from which a 25" Black Gum bears N 59° 30' W 33.0 feet, a 9" Hickory bears N 26° 30' E 10.6 feet and a 22" Pine bears S 61° 00' W 15.7 feet;

VOL. 559 PAGE 307

THENCE S 65° 11' W 1601.1 feet with the north line of said Niederhofer called 63.0 acre tract to a point in Farm to Market Highway No. 2929 for its northwest corner and from which a concrete right-of-way monument bears N 65° 11' E 34.3 feet, said corner being also a southwest corner of said Hall called 132.0 acre tract;

THENCE N 25° 04' W 40.0 feet with the lower west line of said called 132.0 acre tract to a point for corner in said Farm to Market Highway No. 2929 and from which an iron rod for reference bears N 65° 07' E 34.1 feet, said corner being also the southwest corner of a called 20.00 acre tract described in a Deed to Sam Johnson, recorded in Volume 35, Page 140, Deed Records;

THENCE N 65° 07' E 1380.1 feet with the south line of said Johnson called 20.0 acre tract to an iron rod for its southeast corner, said corner being also the southwest corner of a called 15.0 acre tract described in a Deed to Robert L. Oliphant, et al, recorded in Volume 236, Page 42, Deed Records;

THENCE N 65° 10' E 1124.9 feet with the south line of said Oliphant called 15.100 acre tract to an iron rod for its southeast corner same being a re-entrant corner of said called 132.0 acre tract and from which a 23" Pine bears N 17° 30' E 12.4 feet, an 18" Sweet Gum bears S 04° 50' W 73.7 feet and a 16" double Sweet Gum (east fork) bears N 30° 15' W 63.0 feet;

THENCE N 24° 52' W 641.5 feet with the east line of said Oliphant called 15.00 acre tract to an iron rod for its northeast corner and from which a 26" Black Gum bears S 26° E 83.6 feet and an Oak (stump hole) bears S 77° W 50.8 feet (to center), said corner being also the southeast corner of a called 14.34 acre tract described in a Deed to Gibbs Brothers and Company, recorded in Volume 198, Page 833, Deed Records;

THENCE N 26° 32' W 457.0 feet with the east line of said Gibbs Brothers and Company 14.34 acre tract to an iron rod for its northeast corner in the division line of said CAMP and BOBO SURVEYS and from which a 28" Pine bears S 43° E 18.7 feet, said corner being also the most northern northwest corner of said Hall called 132.0 acre tract and in the south line of a called 75.987 acre tract described in a Deed to Thomas Anders recorded in Volume 165, Page 364, Deed Records;

THENCE N 64° 13' E 537.2 feet to a concrete monument with brass cap for the southeast corner of said Anders called 75.987 acre tract and from which a 19" Sweet Gum bears S 40° 39' E 35.8 feet, a 13" Red Oak bears N 56° 16' W 10.3 feet and a 13" Sweet Gum bears, N 43° 36' W 19.7 feet, said corner being also the southwest corner of a called 11.04 acre tract described in a Deed to Joseph Duane Morgan, recorded in Volume 290, Page 41, Deed Records;

THENCE N 65° 04' E 431.4 feet with the south line of said Morgan called 11.04 acre tract to an iron pipe for its southeast corner and from which a 10" Post Oak bears N 25° W 8.2 feet, said corner being also the southwest corner of a called 5.4 acre tract described in a Deed to Nelson Cottrell, recorded in Volume 200, Page 754, Deed Records;

THENCE N 64° 14' E 486.6 feet to an iron rod for the southeast corner of said Cottrell 5.4 acre tract and from which a 20" Red Oak bears N 84° W 24.4 feet;

THENCE N 64° 41' E 539.9 feet to the northeast corner of said CAMP SURVEY, same being a southwest corner of said HOUSTON SURVEY and the northeast corner of the Hall called 132.0 acre tract and called 89.0 acre tract, an iron axle from which a 19" Red Oak bears S 71° W 17.0 feet, a 9" Red Oak bears N 01° W 23.5 feet and a Red Oak (stump) bears N 82° E 31.9 feet;

VOL. 559 PAGE 308

THENCE N 65° 08' E 209.8 feet with the south line of a called 11.0 acre tract described in a Deed to John Levi Hanst, recorded in Volume 289, Page 148, Deed Records, to an iron rod for an angle corner from which a 14" Post Oak bears N 24° W 14.9 feet;

THENCE N 65° 23' E 617.0 feet to an iron bolt at a fence corner for the southeast corner of a called 11.01 acre tract described in a Deed to David Lynn Headstream, recorded in Volume 289, Page 156, Deed Records;

THENCE N 31° 05' W 327.3 feet with the lower east line of said Headstream called 11.01 acre tract to an iron rod for the most northern northwest corner of said Hall called 89.0 acre tract which is part of said called 334.3 acres and from which a 16" Red Oak bears N 66° 09' E 19.9 feet and a 30" Red Oak bears S 31° 20' E 26.2 feet, said corner being also the southwest corner of said called 244.6 acre tract in said HOUSTON SURVEY;

THENCE N 24° 18' W 1827.3 feet with the west line of said called 244.6 acre tract to an iron bolt at a fence corner for an angle corner, same being the northeast corner of a called 11.0 acre tract in said BOBO SURVEY, described in a Deed to Thomas L. Capers recorded in, Volume 287, Page 370, Deed Records, same being the southeast corner of a called 11.03 acre tract also in said BOBO SURVEY, described in a Deed to David E. Damall, recorded in Volume 305, Page 711, Deed Records;

THENCE N 26° 09' W 581.0 feet with the east line of said Damall called 11.03 acre tract to an iron rod for its northeast corner and from which an 18" Sweet Gum bears S 78° 15' W 14.0 feet, a 19" Black Gum bears N 88° 00' W 26.0 feet, a 10" Black Gum bears S 06° 00' E 23.7 feet and a 14" Black Gum bears S 62° 45' E 13.3 feet, said corner being also the southeast corner of a called 26.5 acre tract in said BOBO SURVEY described in a Deed to Mildred Wood Sherwood, recorded in Volume 213, Page 624, Deed Records;

THENCE N 24° 50' W 1624.9 feet with the west line of said Hall called 244.6 acre tract and the east line of said Sherwood 26.5 acre tract and said Adair called 50 acre tract to the PLACE OF BEGINNING.

THERE IS LESS AND EXCEPTED from the above described tract of 723.63 acres, more or less, 233.03 acres being out of the B. B. Goodrich Survey, Abstract No. 23, Walker County, Texas being more particularly described as follows:

BEGINNING at an iron rod in the division line of Sam Houston Survey, Abstract No. 278, and B. B. Goodrich Survey, Abstract No. 23, and from which marked a 13" Elm N 45° 00' W 15.2 feet, a 13" Hackberry N 62° 05' W 16.5 feet, an 18" Pine N 40° 55' E 7.2 feet;

THENCE N 47° 00' E 2317.8 feet with the division line of said Houston and Goodrich Surveys, same being the north line of a called 123.0 acre tract, which is part of said Hall 334.3 acres to an iron axle for the northeast corner of said 123.0 acre tract, same being the northeast corner of said Goodrich Survey and the northeast corner of the T. C. Palmer Survey, Abstract No. 437, from which a 17" Red Oak bears S 00° 40' W 16.2 feet and a 10" Red Oak bears S 41° 30' E 14.7 feet, said corner being also the northwest corner of a called 13.60 acre tract in said Palmer Survey and described in a Deed to Mamie Eagan, recorded in Volume 217, Page 617, Deed Records;

VOL. 559 PAGE 309

THENCE S 43° 00' E 2391.9 feet with the division of said Goodrich and Palmer Surveys, same being the east line of said 123.0 and 334.3 acres to an iron rod in the west right-of-way line of Farm to Market Road No. 2296 (120 feet wide) and from which a 16" Sweet Gum bears S 20° E 4.4 feet and a 9" Pine bears N 08° W 6.3 feet, said corner being also the southwest corner of a called 9.03 acre tract in said Palmer Survey, described in a Deed to Marshall H. Sloan, recorded in Volume 217, Page 613, Deed Records;

THENCE with the west right-of-way line of said Farm to Market Highway No. 2296, along the arc of a curve to the right, having a radius of 1849.86 feet, a central angle of 10° 17', a chord bearing of S 10° 55' 45" W, for a distance of 332.1 feet;

THENCE S 16° 05' W 1139.1 feet with the west right-of-way line of said Farm to Market Highway No. 2296 to an iron rod for the most southern southwest corner of said 723.63 acre tract herein described in the west line of said called 123.0 acre tract which is part of said Hall 334.1 acres;

THENCE N 43° 50' W 76.6 feet within the west line of said called 123.0 acre tract to the southeast corner of a called 111.0 acre tract which is part of said Hall called 334.3 acres, 1-1/2" iron pipe with aluminum cap from which a 14" Sweet Gum bears S 28° 15' E 67.7 feet, a 25" Sweet Gum bears S 09° 00' W 33.7 feet and an 18" Pine bears S 50° 00' W 50.6 feet, said corner being also Corner No. 10 of the United States Forest Service Tract No. J-12e in said Goodrich Survey;

THENCE S 46° 39' W 841.1 feet with the south line of said called 111.0 acre tract to its southwest corner, a 1-1/2" iron pipe with aluminum cap from which a 24" Pine bears N 43° 10' E 21.9 feet, a 14" Pine bears S 15° 30' W 42.5 feet and a 15" Pine bears S 27° 30' E 40.0 feet, said corner being also the upper southeast corner of a called 11.3 acre tract which is also out of Hall called 334.3 acre tract and being Corner No. 9 of said United States Forest Service Tract J-12e;

THENCE S 22° 21' E 21.4 feet, with the lower east of said called 11.3 acre tract to its southeast corner, a 1-1/2" iron pipe with aluminum cap from which a 12" Pine S 44° 00' E 15.5 feet, a 15" Pine bears S 31° 30' E 26.7 feet and a 14" Pine bears S 42° 30' W 28.6 feet, said corner being also Corner No. 8 of the United States Forest Service Tract J-12e;

THENCE S 68° 59' W 1524.7 feet with the south line of said called 11.3 acre tract and said called 334.3 acres to a 1-1/2" iron pipe with aluminum cap for the southwest corner of said 11.3 acre tract and from which a 18" Pine bears S 37° 15' W 8.0 feet, a 6" Pine bears N 52° 00' W 11.1 feet and a 16" Post Oak bears N 34° 15' W 42.6 feet, said corner being also Corner No. 7 of said United States Forest Service Tract J-12e;

THENCE N 43° 27' W 2550.3 feet, with the west lines of said called 11.3 and 111.0 acre tracts to a 1-1/2" iron pipe with aluminum cap for the northwest corner of said called 111.0 acre tract in the division line of said Goodrich and Houston Surveys and from which a 13" Post Oak bears S 29° 00' W 29.8 feet, a 15" Post Oak bears S 31° 30' E 22.7 feet, a 10" Pine bears S 84° 30' E 21.7 feet and a 16" Post Oak (down) bears N 79° 30' E 19.3 feet (to center), said corner being also Corner No. 6 of said United States Forest Service Tract J-12e;

THENCE N 47° 00' E 1211 feet to the POINT OF BEGINNING.

VOL. 559 PAGE 310

PARCEL 3:

BEING 26 acres of land, more or less, situated in the Willis Edson Survey, A-189, Walker County, Texas, and being the same land described in an Exchange Deed as Tract J-12d from the United States of America to Louisiana-Pacific Corporation dated May 22, 1995, recorded in Volume 254, Page 22, in the Deed Records of Walker County, Texas. Said 26 acres being more particularly described by metes and bounds as follows, to-wit:

All that certain tract or parcel of land lying and being in Walker County, Texas, between the waters of Shepherd Creek and Harmon Creek, embracing in whole the Heirs of Willis Edson patented Survey, Abstract No. 189, dated March 5, 1874.

All bearings in this description are turned from the true meridian and all distances are expressed in chains.

BEGINNING at corner 1; common to the lands of W. D. Adair, J. W. Beck and Gibbs Bros. & Co., identical with the beginning corner of the Heirs of Willis Edson Survey, the third corner of the Foster Bobo Survey dated August 12, 1845, and the beginning corner of the B.B.B. & C.R.R. Co. Survey dated July 23, 1874, on the South line of the John J. Crowson Survey dated October 13, 1846, a stake witnessed by old marked bearing trees: 12" Post Oak bears S 25° E, .20 chain distant and a 5" Post Oak bears S 85° W, .19 chain distant.

THENCE N 89° 15' E, with the lands of Gibbs Bros. & Co., common to the John J. Crowson Survey, 37.00 chains to corner 2, the third corner of the Heirs of Willis Edson Survey and the fourth corner of the Jose Mariano Acosta Survey dated June 18, 1929, an iron pin witnessed by old marked bearing trees.

THENCE S 64° 30' W, with the lands of C. G. Barrett, common to the Jose Mariano Acosta Survey, 33.50 chains to corner 3, the second corner of the Heirs of Willis Edson Survey and the fifth corner of the Jose Mariano Acosta Survey, a stake witnessed by old marked bearing trees.

THENCE N 25° 45' W, with the lands of W. D. Adair, common to the Foster Bobo Survey, 15.40 chains to the PLACE OF BEGINNING, containing 26 acres, be the same, more or less.

VOL. 559 PAGE 311

EXHIBIT "A-12"

BEING 233.03 acres of land out of the B. B. Goodrich Survey, Abstract No. 23, Walker County, Texas being more particularly described as follows:

BEGINNING at an iron rod in the division line of San Houston Survey, Abstract No. 278, and B. B. Goodrich Survey, Abstract No. 23, and from which marked a 13" Elm N 45° 00' W 15.2 feet, a 13" Hackberry N 62° 05' W 16.5 feet, an 18" Pine N 40° 55' E 7.2 feet;

THENCE N 47° 00' E 2317.8 feet with the division line of said Houston and Goodrich Surveys, same being the north line of a called 123.0 acre tract, which is part of said Hall 334.3 acres to an iron axle for the northeast corner of said 123.0 acre tract, same being the northeast corner of said Goodrich Survey and the northeast corner of the T. C. Palmer Survey, Abstract No. 437, from which a 17" Red Oak bears S 00° 40' W 16.2 feet and a 10" Red Oak bears S 41° 30' E 14.7 feet, said corner being also the northwest corner of a called 13.60 acre tract in said Palmer Survey and described in a Deed to Mamie Eagan, recorded in Volume 217, Page 617, Deed Records;

THENCE S 43° 00' E 2391.9 feet with the division of said Goodrich and Palmer Surveys, same being the east line of said 123.0 and 334.3 acres to an iron rod in the west right-of-way line of Farm to Market Road No. 2296 (120 feet wide) and from which a 16" Sweet Gum bears S 20° E 4.4 feet and a 9" Pine bears N 08° W 6.3 feet, said corner being also the southwest corner of a called 9.03 acre tract in said Palmer Survey, described in a Deed to Marshall H. Sloan, recorded in Volume 217, Page 613, Deed Records;

THENCE with the west right-of-way line of said Farm to Market Highway No. 2296, along the arc of a curve to the right, having a radius of 1849.36 feet, a central angle of 10° 17', a chord bearing of S 10° 55' 45" W, for a distance of 332.1 feet;

THENCE S 16° 05' W 1139.1 feet with the west right-of-way line of said Farm to Market Highway No. 2296 to an iron rod for the most southern southwest corner of said 723.63 acre tract herein described in the west line of said called 123.0 acre tract which is part of said Hall 334.1 acres;

THENCE N 43° 50' W 76.6 feet within the west line of said called 123.0 acre tract to the southeast corner of a called 111.0 acre tract which is part of said Hall called 334.3 acres, 1-1/2" iron pipe with aluminum cap from which a 14" Sweet Gum bears S 28° 15' E 67.7 feet, a 25" Sweet Gum bears S 09° 00' W 33.7 feet and an 18" Pine bears S 50° 00' W 50.6 feet, said corner being also Corner No. 10 of the United States Forest Service Tract No. J-12e in said Goodrich Survey;

THENCE S 46° 39' W 841.1 feet with the south line of said called 111.0 acre tract to its southwest corner, a 1-1/2" iron pipe with aluminum cap from which a 24" Pine bears N 43° 10' E 21.9 feet, a 14" Pine bears S 15° 30' W 42.5 feet and a 15" Pine bears S 27° 30' E 40.0 feet, said corner being also the upper southeast corner of a called 11.3 acre tract which is also out of Hall called 334.3 acre tract and being Corner No. 9 of said United States Forest Service Tract J-12e;

THENCE S 22° 21' E 21.4 feet, with the lower east of said called 11.3 acre tract to its southeast corner, a 1-1/2" iron pipe with aluminum cap from which a 12" Pine S 44° 00' E 15.5 feet, a 15" Pine bears S 31° 30' E 26.7 feet and a 14" Pine bears S 42° 30' W 28.6 feet, said corner being also Corner No. 6 of the United States Forest Service Tract J-12e;

THENCE S 68° 59' W 1524.7 feet with the south line of said called 11.3 acre tract and said called 334.3 acres to a 1-1/2" iron pipe with aluminum cap for the southwest corner of said 11.3 acre tract and from which a 18" Pine bears S 37° 15' W 8.0 feet, a 6" Pine bears N 52° 00' W 11.1 feet and a 16" Post Oak bears N 34° 15' W 42.6 feet, said corner being also Corner No. 7 of said United States Forest Service Tract J-12e;

THENCE N 43° 27' W 2550.3 feet, with the west lines of said called 11.3 and 111.0 acre tracts to a 1-1/2" iron pipe with aluminum cap for the northwest corner of said called 111.0 acre tract in the division line of said Goodrich and Houston Surveys and from which a 13" Post Oak bears S 29° 00' W 29.8 feet, a 15" Post Oak bears S 31° 30' E 22.7 feet, a 10" Pine bears S 84° 30' E 21.7 feet and a 16" Post Oak (down) bears N 79° 30' E 19.3 feet (to center), said corner being also Corner No. 6 of said United States Forest Service Tract J-12e;

THENCE N 47° 00' E 1211 feet to the POINT OF BEGINNING.

EXHIBIT "A"
PAGE 1 OF 1

VOL 586 PAGE 735

EXHIBIT "A-13"

LEGAL DESCRIPTION:

BEING A SURVEYED 2.395 ACRE TRACT (104,339 SQUARE FEET) SITUATED IN THE J.H. SHEPHERD LEAGUE, ABSTRACT NUMBER 502, WALKER COUNTY, TEXAS AND BEING THAT SAME CALLED 2.40 ACRE TRACT, AS DESCRIBED IN VOLUME 378, PAGE 541, OF THE OFFICIAL PUBLIC RECORDS OF WALKER COUNTY, TEXAS (O.P.R.W.C.T.); BEARINGS, DISTANCES, AND AREA DESCRIBED HEREIN ARE REFERENCED TO THE TEXAS COORDINATE SYSTEM OF 1983 (2011 ADJUSTMENT), CENTRAL ZONE (4203), U.S. SURVEY FEET; SAID 2.395 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2 inch iron rod found in the southeast line of a called 166.98 acre tract, as described in Volume 461, Page 137, O.P.R.W.C.T., same being the west corner of a called 1.00 acre tract, as recorded in Volume 778, Page 304, O.P.R.W.C.T., and the north corner of the herein described tract, from which a 5/8 inch iron rod found at the north corner of a called 1.00 acre tract, as described in Volume 978, Page 332, O.P.R.W.C.T., bears North 44°13'32" East, 276.11 feet;

THENCE South 45°46'28" East, 369.53 feet, with the southwest line of the first said called 1.00 acre tract, to a 5/8 inch iron rod with blue cap inscribed "TABLEROCK SURVEY, LLC" set at the south corner of said called 1.00 acre tract, same being in the west right-of-way line of Farm-to-Market 2296 (FM 2996), and being the east corner of the herein described tract, being a point along a curve to the right and left, from which a 5/8 inch iron rod found at the east corner of said called 1.00 acre tract, bears along said curve to the right, with a radius of 1,969.86 feet, an arc length of 137.07 feet, a central angle of 03°59'13", and a long chord which bears, North 22°18'53" East, 137.05 feet;

THENCE with said west right-of-way line of said FM 2296 and with said curve to the left, having a radius of 1969.86 feet, an arc length of 200.81 feet, a delta angle of 05°50'27", and a long chord which bears South 17°24'03" West, 200.72 feet to a 5/8 inch iron rod with blue cap inscribed "TABLEROCK SURVEY, LLC" set at the east corner of a called 3.11 acre tract, as described in Volume 430, Page 10, O.P.R.W.C.T., and being the south corner of the herein described tract, from which a 1/2 inch iron rod with illegible cap found at the south corner of said called 3.11 acre tract, bears with a curve to the left, having a radius of 1969.86 feet, an arc length of 197.72 feet, a central angle of 05°45'04", and a long chord which bears, South 11°36'18" West, 197.64 feet;

THENCE North 61°47'15" West, 478.68 feet, with the northeast line of said called 3.11 acre tract, to a 5/8 inch iron rod with blue cap inscribed "TABLEROCK SURVEY, LLC" set at the north corner of said called 3.11 acre tract, same being in the southeast line of said called 166.98 acre tract, and being the west corner of the herein described tract, from which a 5/8 inch iron rod found for reference, bears South 45°08'48" East, 4.91 feet, and also from which a 3 inch iron pipe found at the west corner of said called 3.11 acre tract, bears South 44°13'32" West, 240.07 feet;

THENCE North 44°13'32" East, 311.17 feet, with said southeast line of said called 166.98 acre tract, to the PLACE OF BEGINNING and containing 2.395 acres of land (104,339 square feet).

EXHIBIT "A-14"

DESCRIPTION

STATE OF TEXAS
COUNTY OF WALKER

BEING all of that tract of land in Walker County, Texas, out of the James Tinsley Survey, A-548, and being all of that called 84.4 acres of land described in a deed to Gerald Heartfield III as recorded in Volume 985, Page 532 of the Official Records of Walker County, Texas, and being further described as follows:

BEGINNING at a 5/8 inch steel rod found at the North corner of said 84.4 acres and at the West corner of that called 51.82 acres of land described in a deed to George H. Russell as recorded in Volume 300, Page 459 of the Deed Records of Walker County, Texas, and in the South line of that Seventh Tract of called 250 acres described in a deed to Jack B. Eastham as recorded in Volume 169, Page 133 of the Deed Records of Walker County, Texas;

THENCE South 25 degrees 30 minutes 45 seconds East (Bearing Basis), 1536.66 feet to a 2 inch pipe found at the East corner of said 84.4 acres and at the South corner of said 51.82 acres, and in the Northwest line of that called 25.75 acres of land described in a deed to Roger Collins as recorded in Volume 440, Page 238 of the Official Records of Walker County, Texas;

THENCE South 63 degrees 33 minutes 17 seconds West, 1067.60 feet to a 1/2 inch steel rod set at a interior corner of said 84.4 acres and at the West corner of that called 25.75 acres of land described in a deed to Carey Jordy as recorded in Volume 440, Page 238 of the Official Records of Walker County, Texas;

THENCE South 25 degrees 13 minutes 38 seconds East, 249.54 feet to a 5/8 inch steel rod found in the Southwest line of said Carey Jordy 25.75 acres and at the North corner of that called 6.03 acres of land described in a deed to John Cook as recorded in Volume 151, Page 105 of the Official Records of Walker County, Texas;

THENCE South 66 degrees 11 minutes 32 seconds West, at 440.77 feet pass a 3/8 inch steel rod found at the end of Pinewood Drive and at the West corner of said 6.03 acres, a total distance of 1171.59 feet to a 1/2 inch steel rod found at the South corner of said 84.4 acres, and at the East corner of that called 6.73 acres of land described in a deed to Gerald Kirkland as recorded in Volume 325, Page 521 of the Deed Records of Walker County, Texas;

THENCE North 24 degrees 10 minutes 53 seconds West, 391.18 feet to a 1 1/4 inch pipe found at the North corner of said 6.73 acres, and at the East corner of that Third Tract of called 20.0420 acres described in a deed to Kelvin Steely as recorded in Volume 264, Page 461 of the Official Records of Walker County, Texas;

THENCE North 23 degrees 51 minutes 59 seconds West, 1353.29 feet to a Axle found at the West corner of said 84.4 acres, and in the Southeast line of that called 61.90 acres described in a deed to Kelvin Steely as recorded in Volume 477, Page 707 of the Official Records of Walker County, Texas;

THENCE North 63 degrees 44 minutes 15 seconds East, 90.80 feet to a 5/8 inch steel rod found at the East corner of said 61.90 acres, and at the South corner of said 250 acres;

THENCE North 63 degrees 50 minutes 26 seconds East, 2101.16 feet to the Point of Beginning, containing 84.359 acres of land.

The description shown hereon was prepared from an on-the-ground survey performed under my supervision during the month of September 2011.

September 26, 2011




Landon Smith
R.P.L.S. No. 5969

EXHIBIT "A"
PAGE 1 OF 1

Plat Attached: Job Number 1109-014

SAVE AND EXCEPT

10 ACRES

00000496 BK Vol Pa
OR 1.008 839

DESCRIPTION

STATE OF TEXAS
COUNTY OF WALKER

BEING all of that tract of land in Walker County, Texas, out of the James Tinsley Survey, A-548, and being part of that called 84.359 acres described in a deed to Kelvin Stealy as recorded in Volume 997, Page 500 of the Official Records of Walker County, Texas, and being further described as follows:

BEGINNING at a 1/4 inch steel rod found at the Southwest corner of said 84.359 acres, and at the Northwest corner of that called 1.84 acres described in a deed to Bradley Volker as recorded in Volume 662, Page 12 of the Official Records of Walker County, Texas, and at a East corner of that called 6.73 acres described in a deed to Gerald Kirkland as recorded in Volume 326, Page 521 of the Deed Records of Walker County, Texas;

THENCE North 24 degrees 10 minutes 53 seconds West, 391.18 feet to a 1 1/4 inch pipe found at the North corner of said 6.73 acres, and in the West line of said 84.359 acres, and at the Southeast corner of that Third Tract of called 20.0420 acres described in a deed to Kelvin Stealy as recorded in Volume 264, Page 461 of the Official Records of Walker County, Texas;

THENCE North 23 degrees 51 minutes 59 seconds West, 233.99 feet to a 1/4 inch steel rod set in the West line of said 84.359 acres;

THENCE North 66 degrees 06 minutes 01 seconds East, 697.36 feet to a 1/4 inch steel rod set;

THENCE South 23 degrees 48 minutes 28 seconds East, 625.87 feet to a 1/4 inch steel rod set in the South line of said 84.359 acres, a 1/4 inch steel rod found bears North 36 degrees 04 minutes 33 seconds East, 1.82 feet for reference;

THENCE South 66 degrees 11 minutes 32 seconds West, 694.59 feet to the Point of Beginning, containing 10.000 acres of land.

The description shown hereon was prepared from an on-the-ground survey performed under my supervision during the month of December 2011.

December 14, 2011


Landon Smith
R.P.L.S. No. 5969

EXHIBIT "A"
PAGE 1 OF 1



Plat Attached: Job Number 1111-014

EXHIBIT "A-15"

MOORER & WOODS, INC.
Registered Professional Land Surveyors
P.O. Box 981, Huntsville, Texas 77342-0981
TBPLS Firm No. 10041900

THE STATE OF TEXAS §

COUNTY OF WALKER §

I, Harold E. McAdams, Registered Professional Land Surveyor No. 2005, do hereby state that the following field notes represent a survey made on the ground of the following described tract or parcel of land located in Walker County, Texas. Coordinates, bearings, distances and surveyed area herein are Grid N.A.D. 1983 (1993), Texas Central Zone referenced to the City of Huntsville Mapping Control Network and are based on the position of Control Point 6979 having published coordinates of N= 10,253,477.172 feet, E= 3,823,209.707 feet and G.P.S. observations. Distances herein may be converted to Geodetic Horizontal (surface) by dividing by a Combined Scale Factor of 0.99988.

Being 6.07 acres of land, situated in the J.J. CROWSON SURVEY, Abstract No. 122, Walker County, Texas, and being all of three tracts of land as follows:

1. a called 2.87 acre tract described in a Deed from Victoria Evans to Billy Sykes dated August 28, 2012 and recorded in Volume 1038, page 34, Official Public Records of Walker County, Texas;
2. a called 1 acre tract described in a Deed from Willie Kidd to Spence Calip dated April 14, 1951 and recorded in Volume 142, page 415, Deed Records of Walker County, Texas; and
3. a called 2.07 acre tract described in a Deed from Bessie Mae Calip to Maxine Houston dated November 15, 1974 and recorded in Volume 273, page 615, Deed Records of Walker County;

said 6.07 acres being more definitely described as follows:

BEGINNING at the southeast corner of said Sykes 2.87 acres and the southwest corner of a called 10 acre tract described in a Deed from Gibbs Brothers & Company to Joe Gillaspie dated October 26, 1935 and recorded in Volume 95, page 230, Deed Records in the north line of a called 26 acre tract in the WILLIS EDSON Survey, A-189, described as "Parcel 3" in a Deed from Red Town Timber Products, L.P. to Voyager Group, LTD. dated April 11, 2003 and recorded in Volume 559, page 301, Official Public Records, found a 1/2" iron rod having coordinates of N= 10,252,585.22 feet and E= 3,826,182.64 feet for corner;

THENCE S 87°17'25"W, with the common boundary of said Sykes 2.87 acre and Voyager Group 26 acre tracts along the common boundary of said CROWSON and EDSON Surveys, a distance of 964.23 feet to the southwest corner of said Sykes tract and the southeast corner of a called 0.97 acre tract described in a Deed from Gibbs Brothers & Company to Connie Cornelius Jackson dated October 26, 1942 and recorded in Volume 102, page 145, Deed Records, found a 1/2" iron rod for corner;

THENCE N 05°36'42"W, with the most southerly west line of said Sykes 2.87 acres and the east line of said Jackson 0.97 acre tract, a distance of 83.79 feet to the most southerly northwest corner of said Sykes tract and the southwest corner of a called 0.64 acre tract described in Deed from Jimmie Hubbard to D.L. Jones dated July 28, 1966 and recorded in Volume 201, page 563, Deed Records, set a 5/8" iron rod with plastic cap for corner;

THENCE N 87°26'44"E, with the common boundary of said Sykes 2.87 acre and Jones 0.64 acre tracts and the south line of a called 2.36 acre tract described in a Deed from Alma Hubbard Batte, et al to Lola Hubbard Wafford dated July 27, 1990 and recorded in Volume 130, page 326, Official Public Records, a distance of 605.60 feet to the southeast corner of said Wafford 2.36 acres and the southwest corner of a called 2 acre tract described in a Deed from Jammie Hubbard to Jesse Hubbard dated July 28, 1942 and recorded in Volume 100, page 287, Deed Records of Walker County, found a 1/2" iron rod for corner;

THENCE N 88°09'24"E, continuing with the most westerly north line of said Sykes 2.87 acres, the south line of said Hubbard 2 acres and the south line of a called 0.8 acre tract described in a Deed from Marvin Gene Baker to Tobe Henry Oliphant dated August 7, 1973 and recorded in Volume 258, page 610, Deed Records, a distance of 134.67 feet to a 1/2" iron rod found for the southeast corner of said Oliphant tract and the southwest corner of said Maxine Houston 2.07 acres;

EXHIBIT "A"
PAGE 2 OF 3

THENCE N 00°47'13"W, with the common boundary of said Houston 2.07 acre and Oliphant 0.8 acre tracts, a distance of 902.73 feet to the their common corner on the south side of an asphalt paved road called "Old Phelps Road", set a 5/8" iron rod with plastic cap for corner;

THENCE N 84°08'16"E, with the north line of said Houston 2.07 acres and the north line of said Spence Calip 1 acre tract along the south side of said Old Phelps Road, a distance of 184.29 feet to the northeast corner of said Calip tract and the northwest corner of said Joe Gillaspie 10 acres, set a 5/8" iron rod with plastic cap for corner;

THENCE S 03°20'39"E, with the east lines of said Calip 1 acre and Sykes 2.87 acre tracts and the west line of said Gillaspie 10 acres, a distance of 992.52 feet to the POINT OF BEGINNING.

NOTE:

Plastic caps referenced herein are 1-3/4" diameter, yellow in color and stamped "H.E. McAdams R.P.L.S. No. 2005".

Surveyed in September, 2017.

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Signed

Harold E. McAdams

Reg. Prof. Land Surveyor No. 2005
September 18, 2017

EXHIBIT "A"
PAGE 3 OF 3

EXHIBIT "A-16"

Being 37.904 acres of land, more or less, situated in the FOSTER BOBO SURVEY, A-73, and the T.P. CAMP SURVEY, A-128, Walker County, Texas and being out of and a part of that same 14.34 acre tract conveyed to Frankie Harmon Anders by deed as recorded in Volume 792, Page 346 and a part of that same 75.987 acre tract conveyed to Thomas Anders by deed recorded in Volume 111, Page 79 of the Deed Records Of Walker County, Texas, said 37.904 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at a concrete monument found for the southeast corner of said Anders 75.987 Acre and the most easterly southeast corner of this tract, and same being the southwest corner of the Glenn William Wranishar 16.42 acre tract as recorded in Volume 303, Page 17 of the Deed Records of Walker County, Texas and same being located on the south line of the Foster Bobo Survey and north line of the T. P. Camp Survey and the north line of the Voyager Group, Ltd. 490.6 Acre Tract recorded in Volume 559, Page 301 of the Deed Records of Walker County, Texas;

THENCE S 62°15'33"W 528.75 ft., with the common line between the Bobo Survey and the Camp Survey and the south line of the Anders 75.987 Acres and the westerly north line of the Voyager Group, 490.6 Acre Tract, to a 1" iron rod found for the northwest corner of same and the northeast corner of said Anders 14.34 Acre Tract;

THENCE S 27°56'52"E 462.11 ft., with the west line of the Voyager Group 490.6 Acres and the east line of the Anders 14.34 Acre Tract, to a 1/2" iron rod found for the southeast corner of same and the most southerly southeast corner of this tract and the northeast corner of the Charles E. Oliphant 8.28 Acre Tract described in Volume 344, Page 671 of the Deed Records of Walker County, Texas;

THENCE S 62°41'06"W 905.43 ft., with the south line of the Anders 14.34 Acre Tract, to a 1/2" iron rod set for the southwest corner of this tract;

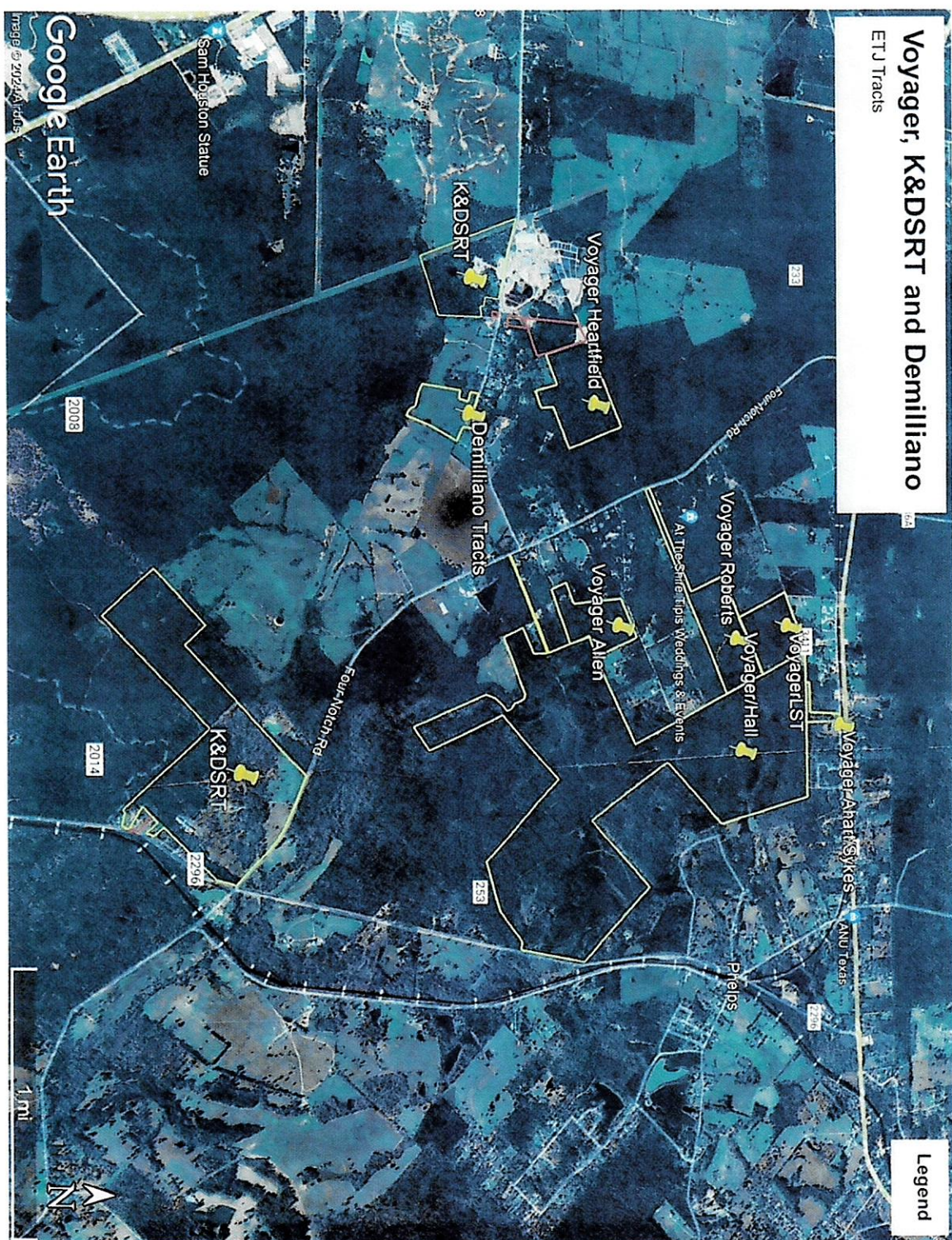
THENCE N 11°56'07"W, at 473.27 ft. pass a the north line of the Anders 14.34 Acres and the south line of the Anders 75.987 Acre Tract and the common line between the Bobo And Camp Surveys, in all a total distance of

1606.87; ft. to a 1/2" iron rod set for the northwest corner of this tract located on the north line of the Anders 75.987 Acres and the south line of a 0.56 acre tract conveyed to David T. Willenberg by deed recorded in Volume 304, Page 627 of the Deed Records of Walker County, Texas;

THENCE N 61°16'50"E 1001.43 ft., with the north line of the Anders 75.987 Acre Tract, to a concrete monument found for the northeast corner of same and of this tract and the southeast corner of the Gabino Monjaras 1.81 Acre Tract as recorded in Volume 318, Page 304 of the Deed Records of Walker County, Texas and the northwest corner of the previously mentioned Wranishar 16.42 Acre Tract;

Thence S 27°24'25"E 1107.85 ft., with the east line of the Anders 75.987 Acre Tract, to the PLACE OF BEGINNING and containing within these bounds 37.904 acres of land.

The bearings recited herein are rotated to the Texas State Plane Coordinate System, Central Zone 4293, North American Datum 1983.





CITY COUNCIL AGENDA

10/15/2024

Agenda Item Number: 6.b.

Agenda Item: City Council will convene in closed session as authorized by Texas Government Code, Chapter 551, Section 551.074 – Personnel Matters: regarding the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee: City Attorney.

Initiating Department/Presenter: City Attorney

Presenter:

Leonard Schneider, City Attorney

Recommended Motion: Not applicable

Strategic Initiative:

Discussion:

Previous Council Action:

Financial Implications:

Approvals:

Leonard Schneider

Kristy Doll

Associated Information:



CITY COUNCIL AGENDA

10/15/2024

Agenda Item Number: 6.c.

Agenda Item: City Council will convene in closed session as authorized by Texas Government Code, Chapter 551, Section 551.074 – Personnel Matters: regarding the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee: Interim City Manager.

Initiating Department/Presenter: City Council

Presenter:

Russell Humphrey, Mayor

Recommended Motion: Not applicable

Strategic Initiative:

Discussion:

Previous Council Action:

Financial Implications:

Approvals:

Leonard Schneider

Kristy Doll

Associated Information: