

**Bastrop, TX City Council Meeting Agenda**  
Bastrop City Hall City Council Chambers  
1311 Chestnut Street  
Bastrop, TX 78602  
(512) 332-8800



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**January 28, 2025**

**Regular City Council Meeting at 6:30 PM**

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*City of Bastrop City Council meetings are available to all persons regardless of disability. If you require special assistance, please contact the City Secretary at (512) 332-8800 or write 1311 Chestnut Street, 78602, or by calling through a T.D.D. (Telecommunication Device for the Deaf) to Relay Texas at 1-800-735-2989 at least 48 hours in advance of the meeting.*

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The City of Bastrop reserves the right to reconvene, recess, or realign the Regular Session or called Executive Session or order of business at any time prior to adjournment.

**PLEASE NOTE: ANYONE IN ATTENDANCE WISHING TO ADDRESS THE COUNCIL MUST COMPLETE A CITIZEN COMMENT FORM AND GIVE THE COMPLETED FORM TO THE CITY SECRETARY PRIOR TO THE START OF THE CITY COUNCIL MEETING. ALTERNATELY, IF YOU ARE UNABLE TO ATTEND THE COUNCIL MEETING, YOU MAY COMPLETE A CITIZEN COMMENT FORM WITH YOUR COMMENTS AT CITYOFBASTROP.ORG/CITIZENCOMMENT AT LEAST TWO HOURS BEFORE THE MEETING STARTS ON THE REQUESTED DATE. COMMENTS SUBMITTED BY THIS TIME WILL BE GIVEN TO THE CITY COUNCIL DURING THE MEETING AND INCLUDED IN THE PUBLIC RECORD, BUT NOT READ ALOUD. COMMENTS FROM EACH INDIVIDUAL IN ATTENDANCE WILL BE LIMITED TO THREE (3) MINUTES.**

**1. CALL TO ORDER**

- 2. PLEDGE OF ALLEGIANCE** - Jaliagh Ledunah and Olivia Alonge, Bastrop Middle School National Junior Honor Society (NJHS)

**TEXAS PLEDGE OF ALLEGIANCE** - *Honor the Texas Flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible.*

- 3. INVOCATION** - Robert Oliver, City of Bastrop Police Chaplain

**4. PRESENTATIONS**

4A. Mayor Pro Tem's Report

4B. Council Members' Report

4C. Announce the winners of the Christmas Parade.

Submitted by: Kathy Danielson, Community Engagement Director

4D. Year in Review Presentation.

Submitted by: Sylvia Carrillo-Trevino, ICMA-CM, CPM, City Manager

4E. Presentation regarding Mardi Gras

Submitted by: Kathy Danielson, Community Engagement Director

## 5. **CITIZEN COMMENTS**

*At this time, three (3) minute comments will be taken from the audience on any topic. Anyone in attendance wishing to address the Council must complete a citizen comment form and give the completed form to the City Secretary prior to the start of the City Council meeting. Alternately, if you are unable to attend the council meeting, you may complete a citizen comment form with your comments at [www.cityofbastrop.org/citizencommentform](http://www.cityofbastrop.org/citizencommentform) at least two hours before the meeting starts on the requested date. Comments submitted by this time will be given to the City Council during the meeting and included in the public record, but not read aloud. In accordance with the Texas Open Meetings Act, if a citizen discusses any item not on the agenda, City Council cannot discuss issues raised or make any decision at this time. Instead, City Council is limited to making a statement of specific factual information or a recitation of existing policy in response to the inquiry. Issues may be referred to City Manager for research and possible future action.*

*It is not the intention of the City of Bastrop to provide a public forum for the embarrassment or demeaning of any individual or group. Neither is it the intention of the Council to allow a member of the public to slur the performance, honesty and/or integrity of the Council, as a body, or any member or members of the Council individually or collectively, or members of the City's staff. Accordingly, profane, insulting or threatening language directed toward the Council and/or any person in the Council's presence will not be tolerated.*

## 6. **WORK SESSIONS/BRIEFINGS**

6A. Discussion regarding the process for engaging legal counsel from the Interim City Attorney, Denton Navarro Rodriguez Bernal Santee & Zech, P.C. (DNRBSZ).

Submitted by: Sylvia Carrillo-Trevino, ICMA-CM, CPM, City Manager

6B. Discussion and possible action regarding the process for City Council members to request training opportunities.

Submitted by: Sylvia Carrillo-Trevino, ICMA-CM, CPM, City Manager

## 7. **FINANCIAL TRANSPARENCY AND BUDGET PREPARATION**

**Financial reports will be provided each council meeting. Two departments per meeting. This serves to inform the public of the city's financial health and also prepare the council and public for the upcoming budget season.**

7A. Receive a presentation of the unaudited financial monthly reports for October 2024.



Submitted by: Edi McIlwain, Chief Financial Officer

- [7B.](#) Receive presentation of the Strategic Budget Planning Calendar for Fiscal Year 2025-2026.

Submitted by: Edi McIlwain, Chief Financial Officer

- 7C. Discuss and provide possible direction to staff regarding the Debt Service Fund.

Submitted by: Sylvia Carrillo-Trevino, ICMA-CM, CPM, City Manager

- 7D. Discuss and provide possible direction to staff regarding the General Fund - Parks and Recreation Department.

Submitted by: Sylvia Carrillo-Trevino, ICMA-CM, CPM

## 8. **CONSENT AGENDA**

**The following may be acted upon in one motion. A Council Member or a citizen may request items be removed from the Consent Agenda for individual consideration.**

- [8A.](#) Consider and act to approve the following Bastrop City Council meeting minutes:

1. Tuesday, December 3, 2024, Joint Council and Bastrop EDC Meeting;
2. Tuesday, January 14, 2025, Regular Meeting;
3. Wednesday, January 16, 2025, Joint Council and Planning and Zoning Commission Workshop; and
4. Friday, January 17, 2025, Special Meeting.

Submitted by: Victoria Psencik, Assistant City Secretary

- [8B.](#) Consider and act on Resolution No. R-2025-18, granting Historic Landmark status for 0.817 acres out of Farm Block 16 West of Main Street within the City Limits of the City of Bastrop, Texas, as attached in Exhibit A; providing for findings of fact; providing for a repealing clause; and establishing an effective date.

Submitted by: Kennedy Higgins, Senior Planner Development Services / Historic Preservation Officer

- [8C.](#) Consider and act on Resolution No. R-2025-19, accepting a donation from H.E.B. in the amount of \$2,000.00 (Two Thousand Dollars) and \$500.00 (Five Hundred Gift Card) for the upcoming Bastrop Mardi Gras Event being held in Downtown Bastrop, TX, on Saturday, February 1, 2025; providing for findings of fact; providing for a repealing clause; and establishing an effective date.

Submitted by: Kathy Danielson, Community Engagement Director

- [8D.](#) Consider and act on Resolution No. R-2025-20, accepting a donation from Bluebonnet Electric Cooperative in the amount of \$3,500.00 (Three Thousand Five Hundred Dollars) for the upcoming Bastrop Mardi Gras Event being held in Downtown Bastrop, TX, on

Saturday, February 1, 2025; providing for findings of fact; providing for a repealing clause; and establishing an effective date.

Submitted by: Kathy Danielson, Community Engagement Director

- 8E. Consider and act on the second reading of Ordinance No. 2025-04, of the City Council of the City of Bastrop, Texas, amending the Code of Ordinances, related to Chapter 14, The Bastrop Building Block (B3) Code, Article 6.5 Building Types, Section 6.5.003 BUILDING STANDARDS PER PLACE TYPE A – LOT OCCUPATION (table) and Section 6.3.008 LOT OCCUPATION (a) and (b) as attached in Exhibit A; and providing for findings of fact, repealer, severability, codification, effective date, proper notice, and meeting.

Submitted by: Kennedy Higgins, Senior Planner, Development Services

- 8F. Consider and act on the second reading of Ordinance No. 2025-03 of the City Council of the City of Bastrop, Texas amending the Code of Ordinances, related to Chapter 14, The Bastrop Building Block (B3) Code, Article 6.3 General Lot Standards, Section 6.3.007 CROSS ACCESS CONNECTIONS (a) as attached in Exhibit A; and providing for findings of fact, repealer, severability, codification, effective date, proper notice and meeting.

Submitted by: Kennedy Higgins, Senior Planner, Development Services

- 8G. Consider and act on the second reading of Ordinance No. 2025-02 of the City Council of the City of Bastrop, Texas amending the Code of Ordinances, related to Chapter 14, The Bastrop Building Block (B3) Code, Article 6.5 Building Types, Section 6.5.003 BUILDING STANDARDS PER PLACE TYPE A. Lot Occupation as attached in Exhibit A; and providing for findings of fact, repealer, severability, codification, effective date, proper notice, and meeting.

Submitted by: Kennedy Higgins, Senior Planner, Development Services

- 8H. Consider and act on the second reading of Ordinance No. 2024-44 of the City Council of the City of Bastrop, Texas, approving the zoning change for 10.56 +/- acres out of Nancy Blakey Survey Abstract 98, located west of FM 969, within the City of Bastrop from P2 Rural to P5 Core as shown in Attachment 2; providing for findings of fact; providing for repealer; providing for severability; providing for enforcement; providing for proper notice and meeting; and establishing an effective date.

Submitted by: Kennedy Higgins – Senior Planner, Development Services

- 8I. Consider and act on the second reading of Ordinance No. 2025-05, amending the budget for the Fiscal Year 2025 in accordance with existing statutory requirements; appropriating the various amounts herein as attached in Exhibit A; repealing all prior ordinances and actions in conflict herewith; and establishing an effective date.

Submitted by: Edi McIlwain, Chief Financial Officer

- 8J. Consider and act to approve Resolution No. R-2025-24, approving the Bastrop Cultural Arts Commission to accept a grant in the amount of Fifteen Thousand and 00/100 Dollars (\$15,000) from the Texas Commission on the Arts for a Cultural Arts District Project; authorizing the City Manager to execute all necessary documents; and providing a repealer; and establishing an effective date.

Submitted by: Michaela Joyce, Main Street Manager

8K. Consider action to approve Resolution No. R-2025-25 of the City Council of the City of Bastrop, Texas, approving the Bastrop Cultural Arts Commission to accept a grant in the amount of Eight Thousand and 00/100 Dollars (\$8,000) from the Texas Commission on the Arts for a Cultural Arts District Project; authorizing the City Manager to execute all necessary documents; and providing a repealer; and establishing an effective date.

Submitted by: Michaela Joyce, Main Street Manager

## 9. ITEMS FOR INDIVIDUAL CONSIDERATION

9A. Consider and act on Resolution No. R-2025-26, approving of the Bastrop Bird Junction Project proposed nine (9) locations, and proposed outdoor Bird Sculptures, and consider action to approve the next round of proposed locations and proposed outdoor Bird Sculptures for locations three (3), four (4), and six (6) as identified in Exhibit A, located within the City Limits of Bastrop, Texas; authorizing the execution of all necessary documents; and providing for findings of fact, repealer, severability, effective date, proper notice, and meeting.

Submitted by: Michaela Joyce, Main Street Manager

9B. Consider and act on Resolution No. R-2025-28, approving the execution of a term contract with Holbrook Asphalt Company in the amount not to exceed Eight Hundred Fifty-Five Thousand and 00/100 Dollars (\$855,000.00) for the purchase of high-density mineral bond seal ("HA5") treatment for asphalt pavement and traffic control through use of the City of Hurst Interlocal Purchasing Agreement previously approved by Resolution No. R-2024-16; authorizing the execution of all necessary documents; upon request and providing for findings of fact, repealer, severability, effective date, proper notice, and meeting.

Submitted by: Andres Rosales, Assistant City Manager

9C. Consider and act on Resolution No. R-2025-22, approving of the form and authorizing the distribution of a preliminary limited offering memorandum for "City of Bastrop, Texas Special Assessment Revenue Bonds", Series 2025; providing for findings of fact; repealer, severability, proper notice, meeting; and establishing an effective date.

Submitted by: Edi McIlwain, Chief Financial Officer

9D. Consider and act on Resolution No. R-2025-23, determining costs of the proposed Public Improvements in the Valverde Public Improvement District, approving a proposed assessment roll for improvement Area #1; as shown in Exhibit A; and making related findings and determinations, in accordance with Chapter 372 of the Texas Local Government Code; providing for findings of fact; repealer, severability, proper notice, meeting; and establishing an effective date.

Submitted by: Edi McIlwain, Chief Financial Officer

9E. Consider and act on Resolution No. R-2025-21, approving Change Order #2 with BAR Constructors, Inc. for a **deduction** of Thirty-One Thousand, Three Dollars and Fifty Cents (-\$31,003.50) to the contract price and an **addition** of Seventy-Eight (78) calendar days to the contract time; officially granting full approval of Cost Proposals 01R4, 02, 03R1, 10R2, 11R1, 12R1, 13R1, 17, 19, 21, 23R1, 24, 25, 26, 31, 36, 37, 41R1, 42, 43, and 45 as part of the Wastewater Treatment Plant #3 Project; as attached in Exhibit A; authorizing the execution of all necessary documents; upon request and providing for findings of fact, repealer, severability, effective date, proper notice, and meeting.

Submitted by: Andres Rosales, Assistant City Manager

- 9F.** Consider and act on Resolution No. R-2025-27, approving Change Order #3 with BAR Constructors, Inc. in the amount of One Hundred Thirty-Two Thousand, Three Hundred Forty-Three Dollars and Sixty Cents (\$132,343.60), officially granting partial approval of Cost Proposals 05C, 09r1, 15A, 22r2, 29r1 and 46r1 as part of the Wastewater Treatment Plant #3 Project; as attached in Exhibit A; authorizing the execution of all necessary documents; upon request and providing for findings of fact, repealer, severability, effective date, proper notice, and meeting.

Submitted by: Andres Rosales, Assistant City Manager

- 9G.** Discuss and consider adopting a resolution ordering and declaring certain November 2024 charter amendments adopted.

Submitted by: Charlie Zech, Interim City Attorney

## **10. ADJOURNMENT**

***All items on the agenda are eligible for discussion and action unless specifically stated otherwise.***

***The Bastrop City Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices), and 551.087 (Economic Development), and §551.086 (Competitive Matters regarding Electric Utility).***

***Notice is hereby given of the possibility of a quorum of any of the City of Bastrop Boards and Commissions at this City Council Meeting.***

***NO Board/Commission action will be taken; NO deliberations will be held; and NO Board/Commission business will be conducted.***

I, the undersigned authority, do hereby certify that this Notice of Meeting as posted in accordance with the regulations of the Texas Open Meetings Act on the bulletin board located at the entrance to the City of Bastrop City Hall, a place of convenient and readily accessible to the general public, as well as to the City's website, [www.cityofbastrop.org](http://www.cityofbastrop.org) and said Notice was posted on the following date and time: Friday, January 24, 2025 at 5:00 p.m. and remained posted for at least two hours after said meeting was convened.

/s/Victoria Psencik  
Victoria Psencik, Assistant City Secretary



# STAFF REPORT

**MEETING DATE:** January 28, 2025

**TITLE:**

Mayor Pro Tem's Report

**AGENDA ITEM SUBMITTED BY:**

Sylvia Carrillo-Trevino, ICMA-CM, CPM, City Manager

**POLICY EXPLANATION:**

Texas Local Government Code, Section 551.045 – Governing Body of Municipality or County: Reports about Items of Community Interest Regarding Which No Action Will Be Taken:

(a) Notwithstanding Sections 551.041 and 551.042, a quorum of the governing body of a municipality or county may receive from staff of the political subdivision and a member of the governing body may make a report about items of community interest during a meeting of the governing body without having given notice of the subject of the report as required by this subchapter if no action is taken and, except as provided by Section 551.042, possible action is not discussed regarding the information provided in the report.

(b) For purposes of Subsection (a), "items of community interest" includes:

- (1) expressions of thanks, congratulations, or condolence;
- (2) information regarding holiday schedules;
- (3) an honorary or salutary recognition of a public official, public employee, or other citizen, except that a discussion regarding a change in the status of a person's public office or public employment is not an honorary or salutary recognition for purposes of this subdivision;
- (4) a reminder about an upcoming event organized or sponsored by the governing body;
- (5) information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee of the political subdivision; and
- (6) announcements involving an imminent threat to the public health and safety of people in the political subdivision that has arisen after the posting of the agenda.





# STAFF REPORT

**MEETING DATE:** January 28, 2025

**TITLE:**

Council Members' Report

**AGENDA ITEM SUBMITTED BY:**

Sylvia Carrillo-Trevino, ICMA-CM, CPM, City Manager

**POLICY EXPLANATION:**

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- (6) announcements involving an imminent threat to the public health and safety of people in the political subdivision that has arisen after the posting of the agenda.



**Exhibit A**  
**PLOM Document**

*Item 4E.*

**PRELIMINARY LIMITED OFFERING MEMORANDUM DATED [PLOM DATE], 2025**

INITIAL PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED TO “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND “ACCREDITED INVESTORS” AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT. THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT IN RELIANCE UPON THE EXEMPTION PROVIDED BY SECTION 3(A)(2) THEREIN. NO ACTION HAS BEEN TAKEN TO QUALIFY THE BONDS FOR SALE UNDER THE SECURITIES LAWS OF ANY STATE. SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS.”

*In the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, interest on the Bonds will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions on the date thereof, subject to the matters described under “TAX MATTERS” herein, including the alternative minimum tax on certain corporations.*

**\$11,939,000\***

**CITY OF BASTROP, TEXAS**  
**(a municipal corporation of the State of Texas located in Bastrop County)**  
**SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025**  
**(VALVERDE PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1)**

**Dated Date: Date of Delivery (as defined below)**  
**Interest to Accrue from the Date of Delivery**

**Due: September 1, as shown on page i**

The City of Bastrop, Texas Special Assessment Revenue Bonds, Series 2025 (Valverde Public Improvement District Improvement Area #1) (the “Bonds”), are being issued by the City of Bastrop, Texas (the “City”). The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$100,000 of principal amount and any integral multiple of \$1,000 in excess thereof. The Bonds will bear interest at the rates set forth on page i hereof, and such interest will be calculated on the basis of a 360-day year of twelve 30-day months, and will be payable on each March 1 and September 1, commencing March 1, 2025, until maturity or earlier redemption. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. No physical delivery of the Bonds will be made to the beneficial owners thereof. For so long as the book-entry only system is maintained, the principal of and interest on the Bonds will be paid from the sources described herein by BOKF, NA, Dallas, Texas, as trustee (the “Trustee”), to Cede & Co. as the registered owner thereof. See “BOOK-ENTRY ONLY SYSTEM.”

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), an ordinance expected to be adopted by the City Council (the “City Council”) on [BPA DATE], 2025, and an Indenture of Trust, dated as of [INDENTURE DATE], 2025 (the “Indenture”), entered into by and between the City and the Trustee. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

Proceeds of the Bonds will be used for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #1 Improvements (as defined herein), (ii) paying capitalized interest on the Bonds during the period of construction and acquisition of Improvement Area #1 Improvements, (iii) funding a reserve account for payment of principal and interest on the Bonds, (iv) funding the initial deposit to the Administrative Fund for the payment of the initial Annual Collection Costs, and (v) paying the costs of issuance of the Bonds. See “THE IMPROVEMENT AREA #1 IMPROVEMENTS” and “APPENDIX A — Form of Indenture.”

The Bonds, when issued and delivered, will constitute valid and binding special, limited obligations of the City payable solely from and secured by the Pledged Revenues, consisting primarily of Assessments levied against assessable properties in the Valverde Public Improvement District (originally created as Viridian Public Improvement District, and formerly known as NEU Community Bastrop) (the “District”) in accordance with a Service and Assessment Plan and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein. The Bonds are not payable from funds raised or to be raised from taxation. The Assessments are expected to be levied in accordance with the Assessment Ordinance (as defined herein) of the City. See “SECURITY FOR THE BONDS.”

The Bonds are subject to redemption at the times, in the amounts, and at the redemption prices more fully described herein under the subcaption “DESCRIPTION OF THE BONDS — Redemption Provisions.”

The Bonds involve a significant degree of risk and are not suitable for all investors. Prospective purchasers should carefully evaluate the risks and merits of an investment in the Bonds, should consult with their legal and financial advisors before considering a purchase of the Bonds, and should be willing to bear the risks of loss of their investment in the Bonds. The Bonds are not credit enhanced or rated and no application has been made for a rating on the Bonds. See “BONDHOLDERS’ RISKS” and “SUITABILITY FOR INVESTMENT.”

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY’S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE TRUST ESTATE. SEE “SECURITY FOR THE BONDS.”

This cover page contains certain information for quick reference only. It is not a summary of the Bonds. Investors must read this entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

The Bonds are offered for delivery when, as, and if issued by the City and accepted by FMSbonds, Inc. (the “Underwriter”), subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of McCall, Parkhurst & Horton L.L.P., Austin, Texas, Bond Counsel, as to the validity of the Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See “APPENDIX C — Form of Opinion of Bond Counsel.” Certain legal matters will be passed upon for the City by its counsel, Denton Navarro Rodriguez Bernal Santee & Zech, PC, the Underwriter by its counsel, Troutman Pepper Locke LLP, Dallas, Texas (successor merged firm to Locke Lord LLP and Troutman Pepper Hamilton Sanders LLP; see “LEGAL MATTERS – Legal Proceedings”) and for the Developer by its counsel Metcalfe Wolff Stuart & Williams, LLP. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about [CLOSING DATE], 2025 (the “Date of Delivery”).

\* Preliminary; subject to change



**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS,  
AND CUSIP NUMBERS**

**NOTE: This page intentionally left blank.  
This will be filled out during pricing at  
market.**

CUSIP Prefix: \_\_\_\_\_ (a)

**\$11,939,000\***  
**CITY OF BASTROP, TEXAS**  
**(a municipal corporation of the State of Texas located in Bastrop County)**  
**SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025**  
**(VALVERDE PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1)**

**\$ \_\_\_\_\_ Term Bonds**

\$ \_\_\_\_\_ % Term Bonds, Due September 1, 20\_\_, Priced to Yield \_\_\_\_\_%; CUSIP \_\_\_\_\_ (a) (c)

\$ \_\_\_\_\_ % Term Bonds, Due September 1, 20\_\_, Priced to Yield \_\_\_\_\_%; CUSIP \_\_\_\_\_ (a) (c)

\$ \_\_\_\_\_ % Term Bonds, Due September 1, 20\_\_, Priced to Yield \_\_\_\_\_%; CUSIP \_\_\_\_\_ (a) (b) (c)

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- (a) CUSIP numbers are included solely for the convenience of owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers are provided for convenience of reference only. None of the City, the City’s Financial Advisor or the Underwriter takes any responsibility for the accuracy of such numbers.
  - (b) The Bonds are subject to redemption, in whole or in part, prior to stated maturity, at the option of the City, on any date on or after September 1, 20\_\_ at the redemption price of 100% of the principal amount plus accrued and unpaid interest to the date of redemption as described herein under “DESCRIPTION OF THE BONDS — Redemption Provisions.”
  - (c) The Bonds are also subject to mandatory sinking fund redemption and extraordinary optional redemption as described herein under “DESCRIPTION OF THE BONDS — Redemption Provisions.”

\* Preliminary; subject to change.

**CITY OF BASTROP, TEXAS  
CITY COUNCIL**

<u>City Council Members*</u>	<u>Term Expires</u>
John Kirkland, Mayor Pro Tem	May 2025
Cheryl Lee, Place 1	May 2025
Cynthia Meyer, Place 2	May 2027
Kevin Plunkett, Place 3	May 2026
Kerry Fossler, Place 4	May 2027

*\* The City's Mayor resigned as of January 14, 2025, and the Mayor Pro Tem will preside over the City's operations until such time as a new Mayor is elected. The City expects to hold an election for the Mayor position in May 2025.*

<b>CITY MANAGER</b>	<b>CHIEF FINANCIAL OFFICER</b>	<b>CITY SECRETARY</b>
Sylvia Carrillo-Trevino	Edi McIlwain	Irma G. Parker

**ADMINISTRATOR**  
P3Works, LLC

**FINANCIAL ADVISOR TO THE CITY**  
Specialized Public Finance, Inc.

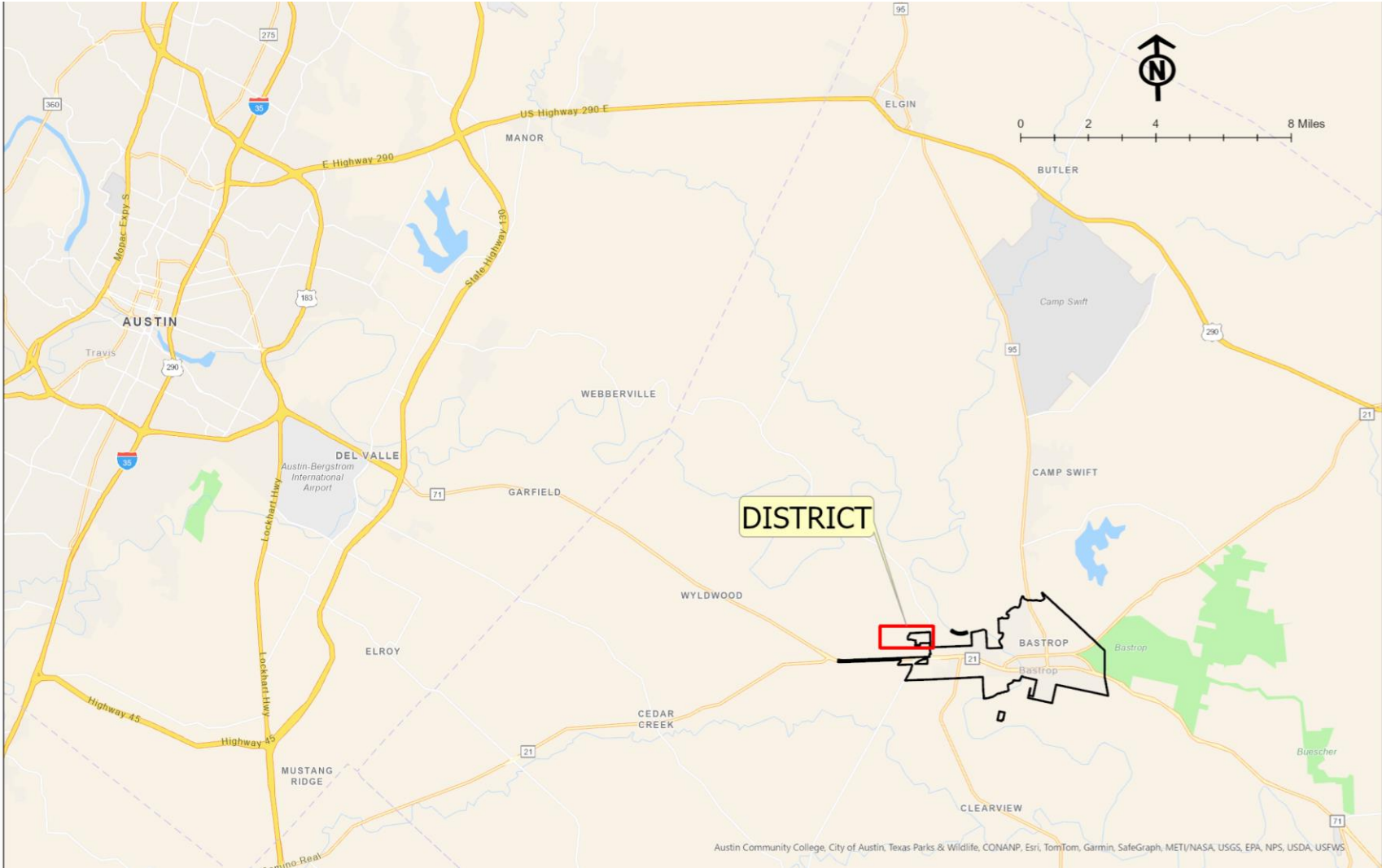
**BOND COUNSEL**  
McCall, Parkhurst & Horton L.L.P.

**UNDERWRITER'S COUNSEL**  
Troutman Pepper Locke LLP

For additional information regarding the City, please contact:

Sylvia Carillo-Trevino City Manager City of Bastrop, Texas 1311 Chestnut Street Bastrop, Texas 78602 (512) 332-8800 scarillo@cityofbastrop.org	Dan Wegmiller Managing Director Specialized Public Finance, Inc. 248 Addie Roy, Road, Suite B-103 Austin, Texas 78731 (512) 275-7300 dan@spfmuni.com
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**REGIONAL LOCATION MAP OF THE DISTRICT**



**AREA LOCATION MAP OF THE DISTRICT**





8000 International Blvd. Suite 8000  
 Houston, TX 77056  
 281.233.8874  
 1985 Westpark Drive, Suite 1122  
 Houston, TX 77056

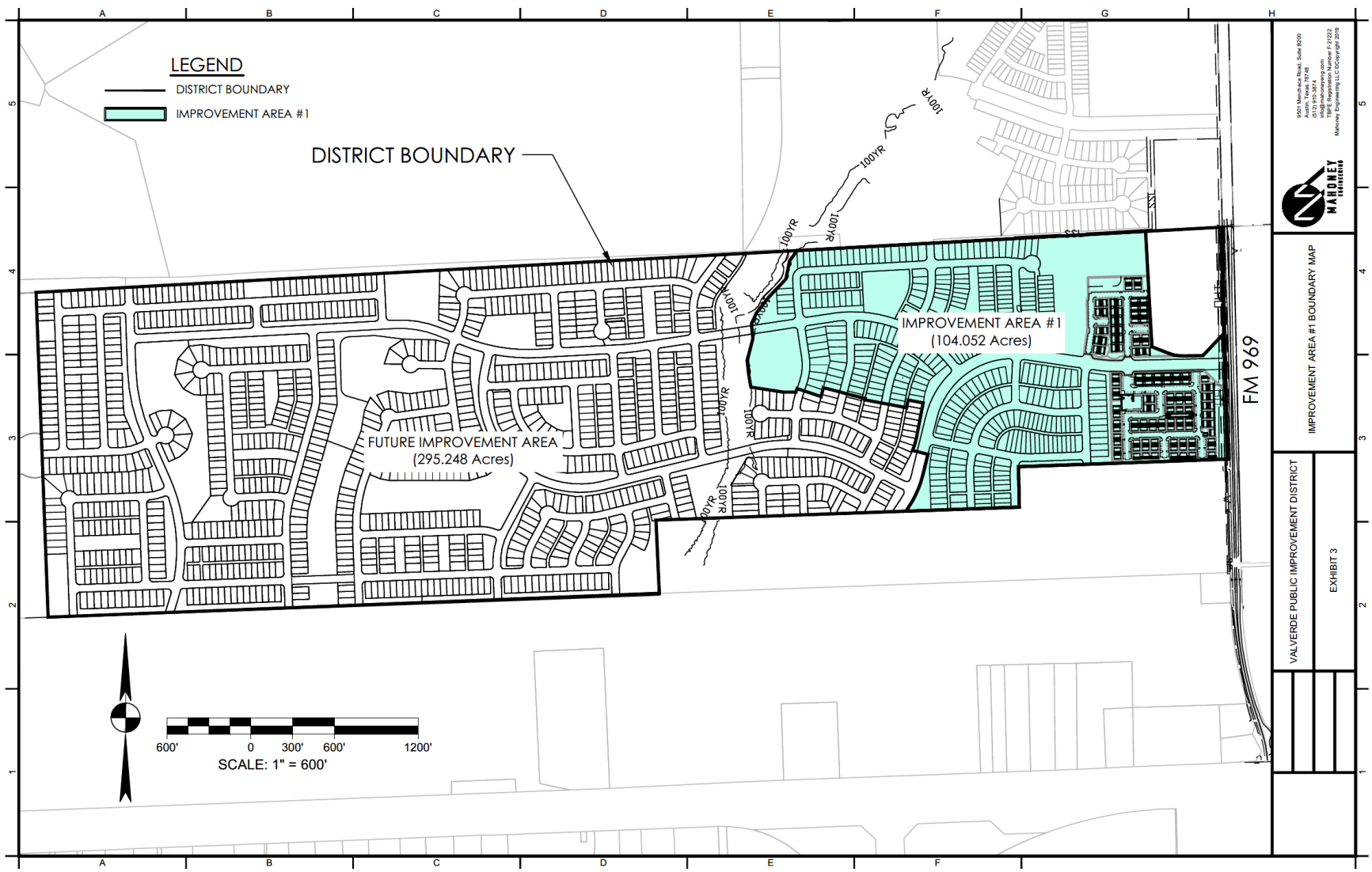
This document is released for 04/18/24  
 80000 under the authority of  
 DANIEL M. MARONEY, P.E. #11984  
 as a result of the 2023/2024 election  
 APPROVAL, RECORD, PERMIT, OR  
 OTHER PUBLIC RECORDS REQUEST.  
 The State Board of Professional Engineers  
 Form Registration No. P-2122  
 www.prc.state.tx.us

**AERIAL LOCATION MAP  
OF PROJECT**

VALVERDE  
BASTROP, TX

SHEET  
1  
OF 1

### MAP SHOWING BOUNDARIES OF THE DISTRICT AND IMPROVEMENT AREA #1





*FOR PURPOSES OF COMPLIANCE WITH RULE 15C2-12 OF THE SECURITIES AND EXCHANGE COMMISSION (“RULE 15C2-12”), AS AMENDED AND IN EFFECT ON THE DATE OF THIS LIMITED OFFERING MEMORANDUM, THIS DOCUMENT CONSTITUTES AN “OFFICIAL STATEMENT” OF THE CITY WITH RESPECT TO THE BONDS THAT HAS BEEN “DEEMED FINAL” BY THE CITY AS OF ITS DATE EXCEPT FOR THE OMISSION OF NO MORE THAN THE INFORMATION PERMITTED BY RULE 15C2-12.*

THE INITIAL PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING INITIALLY OFFERED AND SOLD ONLY TO “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) AND “ACCREDITED INVESTORS” AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED PURSUANT TO THE SECURITIES ACT. SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS” HEREIN. EACH INITIAL PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT IN THE BONDS, MUST BE ABLE TO BEAR THE ECONOMIC AND FINANCIAL RISK OF SUCH INVESTMENT IN THE BONDS, AND MUST BE ABLE TO AFFORD A COMPLETE LOSS OF SUCH INVESTMENT. CERTAIN RISKS ASSOCIATED WITH THE PURCHASE OF THE BONDS ARE SET FORTH UNDER “BONDHOLDERS’ RISKS” HEREIN. EACH INITIAL PURCHASER, BY ACCEPTING THE BONDS, AGREES THAT IT WILL BE DEEMED TO HAVE MADE THE ACKNOWLEDGEMENTS AND REPRESENTATIONS DESCRIBED UNDER THE HEADING “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS.”

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE CITY OR THE UNDERWRITER TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY EITHER OF THE FOREGOING. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY AND THERE SHALL BE NO OFFER, SOLICITATION OR SALE OF THE BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE UNITED STATES FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION. THE INFORMATION SET FORTH HEREIN HAS BEEN FURNISHED BY THE CITY AND OBTAINED FROM SOURCES, INCLUDING THE DEVELOPER, WHICH ARE BELIEVED BY THE CITY AND THE UNDERWRITER TO BE RELIABLE, BUT IT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF THE UNDERWRITER. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS LIMITED OFFERING MEMORANDUM, NOR ANY SALE MADE HEREUNDER, SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY OR THE DEVELOPER SINCE THE DATE HEREOF.

NONE OF THE CITY, THE FINANCIAL ADVISOR OR THE UNDERWRITER MAKE ANY REPRESENTATION AS TO THE ACCURACY, COMPLETENESS, OR ADEQUACY OF THE INFORMATION SUPPLIED BY THE DEPOSITORY TRUST COMPANY FOR USE IN THIS LIMITED OFFERING MEMORANDUM.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH LAWS. THE REGISTRATION OR QUALIFICATION OF THE BONDS UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THEY MAY HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NONE OF SUCH JURISDICTIONS, OR ANY OF THEIR AGENCIES, HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS LIMITED OFFERING MEMORANDUM.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE “FORWARD-LOOKING STATEMENTS” WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE UNITED STATES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE SECURITIES ACT. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED SUCH AS “PLAN,” “EXPECT,” “ESTIMATE,” “PROJECT,” “ANTICIPATE,” “BUDGET” OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. NEITHER THE CITY NOR THE UNDERWRITER PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN

ANY OF THE EXPECTATIONS, EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER “CONTINUING DISCLOSURE” HEREIN.

THE TRUSTEE HAS NOT PARTICIPATED IN THE PREPARATION OF THIS LIMITED OFFERING MEMORANDUM AND ASSUMES NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS LIMITED OFFERING MEMORANDUM OR THE RELATED TRANSACTIONS AND DOCUMENTS OR FOR ANY FAILURE BY ANY PARTY TO DISCLOSE EVENTS THAT MAY HAVE OCCURRED AND MAY AFFECT THE SIGNIFICANCE OR ACCURACY OF SUCH INFORMATION.

REFERENCES TO WEBSITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER’S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEBSITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS LIMITED OFFERING MEMORANDUM FOR PURPOSES OF, AND AS THAT TERM IS DEFINED IN, RULE 15C2-12.

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**PRELIMINARY LIMITED OFFERING MEMORANDUM**

**\$11,939,000\***

**CITY OF BASTROP, TEXAS**

**(a municipal corporation of the State of Texas located in Bastrop County)**

**SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025**

**(VALVERDE PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1)**

**INTRODUCTION**

The purpose of this Limited Offering Memorandum, including the cover page, inside cover and appendices hereto, is to provide certain information in connection with the issuance and sale by the City of Bastrop, Texas (the “City”), of its \$11,939,000\* aggregate principal amount of Special Assessment Revenue Bonds, Series 2025 (Valverde Public Improvement District Improvement Area #1) (the “Bonds”).

INITIAL PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED INITIALLY TO AND ARE BEING SOLD ONLY TO “ACCREDITED INVESTORS” AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT OF 1933”) AND “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933. PROSPECTIVE INVESTORS SHOULD BE AWARE OF CERTAIN RISK FACTORS, ANY OF WHICH, IF MATERIALIZED TO A SUFFICIENT DEGREE, COULD DELAY OR PREVENT PAYMENT OF PRINCIPAL OF AND/OR INTEREST ON THE BONDS. THE BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. SEE “SUITABILITY FOR INVESTMENT” AND “BONDHOLDERS’ RISKS.”

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), the ordinance authorizing the issuance of the Bonds expected to be adopted by the City Council of the City (the “City Council”) on [BPA DATE], 2025 (the “Bond Ordinance”), and an Indenture of Trust, dated as of [INDENTURE DATE], 2025 (the “Indenture”), entered into by and between the City and BOKF, NA, Dallas, Texas, as trustee (the “Trustee”). The Bonds will be secured by a pledge and lien upon the Trust Estate (as defined in the Indenture) consisting primarily of revenue from special assessments (the “Assessments”) to be levied against assessable property (the “Assessed Property”) located within Improvement Area #1 of the Valverde Public Improvement District (originally created as Viridian Public Improvement District, and formerly known as NEU Community Bastrop) (the “District”) pursuant to an ordinance (the “Assessment Ordinance”) expected to be adopted by the City Council on [BPA DATE], 2025. The City created the District as “Viridian Public Improvement District” pursuant to an ordinance adopted by the City Council on March 9, 2021 (the “Creation Resolution”) and subsequently changed the name of the District to “Valverde Public Improvement District.” Prior to its creation, the District was referred to as NEU Community Bastrop.

Reference is made to the Indenture for a full statement of the authority for, and the terms and provisions of, the Bonds. All capitalized terms used in this Limited Offering Memorandum that are not otherwise defined herein shall have the meanings set forth in the Indenture. See “APPENDIX A — Form of Indenture.”

Set forth herein are brief descriptions of the City, the District, Continental Homes of Texas, L.P. (the “Developer”), P3Works, LLC (the “Administrator”), the Creation Resolution, the Assessment Ordinance, the Bond Ordinance, the Service and Assessment Plan (as defined herein), the Development Agreement (as defined herein), the Viridian Public Improvement District Financing and Reimbursement Agreement dated as of September 14, 2021 between the Developer and the City (the “Financing and Reimbursement Agreement”), together with summaries of terms of the Bonds and the Indenture and certain provisions of the PID Act. All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID Act and all references to the Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. Copies of these documents may be obtained during the period of the offering of the Bonds from the

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\* Preliminary; subject to change.

Underwriter, FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Frisco, Texas, 75034, phone: (214) 302-2246. The form of the Indenture appears in APPENDIX A and the Form of Service and Assessment Plan appears as APPENDIX B. The information provided under this caption “INTRODUCTION” is intended to provide a brief overview of the information provided in the other captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed hereunder.

## **PLAN OF FINANCE**

### **The District**

The PID Act authorizes political subdivisions, such as the City, to create public improvement districts and to impose assessments within the public improvement district to pay for public improvements. The District was created for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Improvement Area #1 Improvements (as defined herein), authorized by the PID Act and approved by the City Council that confer a special benefit on the District. The District is not a separate political entity from the City but rather reflects an area within the City that City Council has designated and within which the City is authorized to levy assessments for public improvements.

### **Development Plan, Status of Development, and Plan of Finance**

The District is composed of approximately 410.59 acres of which approximately 399.878 acres are being developed as a master planned residential development by the Developer (the “Development”). The Development is expected to include approximately 1,399 single-family residential lots, consisting of a mixture of 32’, 43’, 45’ and 50’ lots, as well as 250 townhome rental units at build out. Approximately 10.59 acres within the boundaries of the District will be non-assessed land and will not be part of the Development. Such acreage is expected to be developed as adjacent commercial development.

The Developer will develop its land in the District in phases, beginning with the development of approximately 104.052 acres of the District, herein referred to as “Improvement Area #1,” as shown on the “MAP SHOWING BOUNDARIES OF THE DISTRICT AND IMPROVEMENT AREA #1” on page v. See “THE DEVELOPMENT — Development Plan and Status of Development in Improvement Area #1 of the District.” The areas shown as “Future Improvement Area” on the “MAP SHOWING BOUNDARIES OF THE DISTRICT AND IMPROVEMENT AREA #1” on page v, is referred to herein as the “Future Improvement Areas.”

The Developer purchased approximately 399.878 acres of land, which includes the land within Improvement Area #1 of the District, on December 17, 2020, from David K. Grassel at a purchase price of \$11,600,000, which was funded with cash available to the Developer. The Developer is the owner of all 399.878 acres being developed in the District, including Improvement Area #1. Approximately 10.59 acres within the boundaries of the District are owned by SIS Bastrop, LLC, and will not be assessed or part of the Development.

Development in the District began with Improvement Area #1, which is expected to contain a total of 352 single-family residential lots and 250 townhomes, and is being developed in three phases. The initial phase of single-family development in Improvement Area #1 contains 174 lots and is referred to by the Developer as “Phase 2.” The second phase of single-family development in Improvement Area #1 is expected to contain 178 lots and is referred to by the Developer as “Phase 3.” The third phase of development in Improvement Area #1 contains all 250 townhomes, and is referred to by the Developer as “Phase 13.”

The Developer has constructed and will construct improvements consisting of certain street, water, wastewater, and drainage improvements that will benefit Improvement Area #1 of the District (the “Improvement Area #1 Improvements”). Construction of the portion of the Improvement Area #1 Improvements benefitting Phase 2 began in September 2022. Internal lot improvements for Phase 2 have been completed, and final completion of Phase 2, which is pending completion of a lift station, is expected to be in January 2025. Construction of the portion of the Improvement Area #1 Improvements benefitting Phase 3 began in May 2024 and is expected to be completed in May 2025. Construction of the internal Improvement Area #1 Improvements benefitting Phase 13 is expected to begin in Q1 2025 and be completed in Q1 2026.

The total expected cost of the Improvement Area #1 Improvements is \$21,262,504\*. As of December 1, 2024, the Developer has expended approximately \$14,300,000 on the Improvement Area #1 Improvements, which was financed with cash available to the Developer. See “THE DEVELOPER – History and Financing of the District.”

The Developer does not plan on entering into any purchase contracts with any homebuilders within the District. The Developer is a wholly-owned subsidiary of D.R. Horton. D.R. Horton will construct the anticipated 352 single-family homes in Improvement Area #1 of the District. Home construction in Improvement Area #1 began in October 2024, and the first home closing is expected to be in February 2025.

DHI Communities (“DHI”), a wholly owned subsidiary of D.R. Horton, will construct the anticipated 250 townhomes in Improvement Area #1 of the District. DHI is expected to begin vertical construction of the townhomes in Q2 2026 and complete such construction in Q2 2027. The townhomes are expected to be rental units with an average rental rate of approximately \$1,775/unit.

The City has entered into a reimbursement agreement with the Developer (the “Reimbursement Agreement”) to reimburse a portion of the costs of the Improvement Area #1 Improvements. Under the Reimbursement Agreement, the City will reimburse the Developer a portion of the costs of the Improvement Area #1 Improvements from proceeds of the Bonds. The City has agreed to reimburse the Developer an amount not to exceed \$10,970,000 for the actual costs of the Improvement Area #1 Improvements, and expects to amend and restate the Reimbursement Agreement concurrent with the approval of the Bonds to allow for reimbursement in the total amounts shown in the Service and Assessment Plan (as defined herein). The City expects to reimburse the Developer \$[PROJECT FUND DEPOSIT]\* for the costs of the Improvement Area #1 Improvements from the proceeds of the Bonds. The remaining costs of the Improvement Area #1 Improvements will be funded by the Developer without reimbursement by the City.

The City will pay a portion of the project costs for the Improvement Area #1 Improvements from proceeds of the Bonds. The Developer will submit payment requests on a monthly basis for costs actually incurred in developing and constructing the Improvement Area #1 Improvements and be paid in accordance with the Indenture, the Financing and Reimbursement Agreement, and the Reimbursement Agreement. See “THE IMPROVEMENT AREA #1 IMPROVEMENTS – General,” “THE DEVELOPMENT – Development Plan and Status of Development in Improvement Area #1” and “APPENDIX F – Financing and Reimbursement Agreement.” The remaining costs of the Improvement Area #1 Improvements will be paid by the Developer and such costs will not be reimbursed by the City.

### **The Bonds**

Proceeds of the Bonds will be used for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #1 Improvements(ii) paying capitalized interest on the Bonds during the period of construction and acquisition of Improvement Area #1 Improvements, (iii) funding a reserve account for payment of principal and interest on the Bonds, (iv) funding the initial deposit to the Administrative Fund for the payment of the initial Annual Collection Costs, and (v) paying the costs of issuance of the Bonds. To the extent that a portion of the proceeds of the Bonds is allocated for the payment of the costs of issuance of the Bonds and less than all of such amount is used to pay such costs, the excess amount shall be transferred, first, to the Improvement Account of the Project Fund and, second, to the Principal and Interest Account of the Bond Fund to pay interest on the Bonds. See “SOURCES AND USES OF FUNDS,” “THE IMPROVEMENT AREA #1 IMPROVEMENTS,” and “APPENDIX A – Form of Indenture.”

Payment of the Bonds is secured by a pledge of and a lien upon the Trust Estate, consisting primarily of the Pledged Revenues, which consist primarily of Assessments levied against the Assessed Property in Improvement Area #1 within the District, all to the extent and upon the conditions described herein and in the Indenture. See “SECURITY FOR THE BONDS,” “ASSESSMENT PROCEDURES” and “APPENDIX A – Form of Indenture.”

**The Bonds and any Future Improvement Area Bonds shall never constitute an indebtedness or general obligation of the City, the State of Texas (the “State”), or any other political subdivision of the State, within the meaning of any constitutional provision or statutory limitation whatsoever, but the Bonds are limited and**

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\* Preliminary; subject to change.

**special obligations of the City payable solely from the Trust Estate as provided in the Indenture. Neither the full faith and credit nor the taxing power of the City, the State or any other political subdivision of the State is pledged to the payment of the Bonds. Any Future Improvement Area Bonds to be issued by the City are not offered pursuant to this Limited Offering Memorandum.**

### **Future Improvement Area Bonds**

The City expects to issue one or more series of bonds (collectively, the “Future Improvement Area Bonds”) to finance the costs of local improvements benefitting the distinct portions of the District within the Future Improvement Areas developed as individual improvement areas after Improvement Area #1 (the “Future Improvement Area Improvements”). The estimated costs of the local improvements benefitting each Future Improvement Area of the District will be determined as such Future Improvement Area is developed, and the Service and Assessment Plan will be updated to identify the improvements to be constructed within such Future Improvement Area and financed by each new series of Future Improvement Area Bonds. Such Future Improvement Area Bonds will be issued pursuant to separate indentures and secured by separate assessments levied pursuant to the PID Act on assessable property within the applicable Future Improvement Area. See “THE DEVELOPMENT – Future Improvement Area Bonds.”

**The Bonds and any Future Improvement Area Bonds issued by the City are separate and distinct issues of securities issued pursuant to separate indentures and secured by separate assessments. Neither any Refunding Bonds nor any Future Improvement Area Bonds to be issued by the City are offered pursuant to this Limited Offering Memorandum. Investors interested in purchasing any of these other City obligations should refer to the offering documents related thereto, when and if available.**

## **DESCRIPTION OF THE BONDS**

### **General Description**

The Bonds will mature on the dates and in the amounts set forth on page i of this Limited Offering Memorandum. Interest on the Bonds will accrue from their date of delivery (the “Closing Date”) to the Underwriter and will be computed on the basis of a 360-day year of twelve 30-day months and will be payable on each March 1 and September 1, commencing March 1, 2025 (each, an “Interest Payment Date”), until maturity or prior redemption. BOKF, NA, is the initial Trustee, Paying Agent and Registrar for the Bonds.

The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$100,000 of principal and any integral multiple of \$1,000 in excess thereof (“Authorized Denominations”), provided, however, that if the total principal amount of the Outstanding Bonds is less than \$100,000 then the Authorized Denomination shall be the amount of the Outstanding Bonds. Notwithstanding the foregoing, Authorized Denominations shall also include Bonds issued in \$1,000 in principal amount and integral multiples of \$1,000 in the following instances: (A) any Bonds or any portion thereof that have been redeemed in part pursuant to an extraordinary optional redemption or (B) any Bonds or any portion thereof that have been defeased in part pursuant to an extraordinary optional redemption. Upon initial issuance, the ownership of the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), and purchases of beneficial interests in the Bonds will be made in book-entry only form. See “BOOK-ENTRY ONLY SYSTEM” and “SUITABILITY FOR INVESTMENT.”

### **Redemption Provisions**

*Optional Redemption.* The Bonds may be redeemed prior to their scheduled maturities on any date on or after September 1, \_\_\_\_\_, 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 “Redemption Price”).

*Extraordinary Optional Redemption.* The City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, on any date, at 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

**NOTE: This page has lines intentionally left blank. This will be filled out during pricing at market.**

amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund as provided in the Indenture) or any other transfers to the Redemption Fund under the terms of the Indenture. See "ASSESSMENT PROCEDURES — Prepayment of Assessments" for the definition and description of Prepayments.

*Mandatory Sinking Fund Redemption.* The Bonds maturing on \_\_\_\_\_ 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 the Indenture, on the dates and in the respective sinking fund installments as set forth in the following schedule:

<b><u>Mandatory Sinking Fund</u></b>	
<b><u>Redemption Date</u></b>	<b><u>Principal Amount</u></b>
September 1, 20__	\$
September 1, 20__	
September 1, 20__†	

**\$ \_\_\_\_\_ Bonds Maturing September 1, 20\_\_**

<b><u>Mandatory Sinking Fund</u></b>	
<b><u>Redemption Date</u></b>	<b><u>Principal Amount</u></b>
September 1, 20__	\$
September 1, 20__	
September 1, 20__†	

**\$ \_\_\_\_\_ Bonds Maturing September 1, 20\_\_**

<b><u>Mandatory Sinking Fund</u></b>	
<b><u>Redemption Date</u></b>	<b><u>Principal Amount</u></b>
September 1, 20__	\$
September 1, 20__	
September 1, 20__†	

† Stated Maturity

At least thirty (30) days prior to each sinking fund redemption date, the Trustee shall select, in accordance with the Indenture, 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 the Indenture.

The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to the Indenture 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.

The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to the Indenture 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 of the Indenture or the extraordinary optional redemption provisions in the Indenture and not previously credited to a mandatory sinking fund redemption..

*Notice of Redemption.* Upon notification by the City to the Trustee of the exercise of any redemption, the Trustee shall give notice of any redemption of Bonds Similarly Secured 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 Similarly Secured or portion thereof to be redeemed, at the address shown in the Register.

The notice shall state the redemption date, the Redemption Price, the place at which the Bonds Similarly Secured are to be surrendered for payment, and, if less than all the Outstanding Bonds Similarly Secured are to be redeemed, and subject to the Indenture, an identification of the Bonds Similarly Secured 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 Similarly Secured shall become due and payable.

Any notice given as provided in the Indenture shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

The City has the right to rescind any optional redemption or extraordinary optional redemption described in the Indenture by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds Similarly Secured then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

*Partial Redemption.* If less than all of the Bonds Similarly Secured are to be redeemed pursuant to the Indenture, Bonds Similarly Secured shall be redeemed in increments of \$1,000 by lot, provided that no redemption shall cause the principal amount of any Bond Similarly Secured to be less than the minimum Authorized Denomination for such Bond except as provided in the following sentence. Notwithstanding the foregoing, if any Bonds Similarly Secured are to be partially redeemed and such redemption results in the redemption of a portion of a single Bond Similarly Secured in an amount less than the Authorized Denomination in effect at the time, a Bond Similarly Secured in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued. Each Bond Similarly Secured shall be treated as representing the number of Bonds Similarly Secured that is obtained by dividing the principal amount of such Bond Similarly Secured by the minimum Authorized Denomination for such Bond Similarly Secured.

If less than all of a series of Bonds Similarly Secured are called for optional redemption pursuant to the Indenture, the City shall, pursuant to a City Certificate, determine the Bond Similarly Secured or Bonds Similarly Secured or the amount thereof within a Stated Maturity to be redeemed and direct the Trustee to call by lot the Bonds, or portions thereof, within such Stated Maturity and in such principal amounts, for redemption.

If less than all Bonds Similarly Secured are called for extraordinary optional redemption, the Bonds Similarly Secured or portion of a Bond to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds Similarly Secured. If less than all Bonds Similarly Secured within a Stated Maturity are called for extraordinary optional redemption pursuant to the Indenture, the Trustee shall call by lot the Bonds Similarly Secured, or portions thereof, within such Stated Maturity and in such principal amounts, for redemption.

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

#### **BOOK-ENTRY ONLY SYSTEM**

*This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by DTC, while the Bonds are registered in its nominee*



*name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Limited Offering Memorandum. The City and the Underwriter believe the source of such information to be reliable, but neither the City nor the Underwriter takes responsibility for the accuracy or completeness thereof.*

*The City cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis or (3) DTC will serve and act in the manner described in this Limited Offering Memorandum. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.*

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). Direct Participants and Indirect Participants are collectively referred to herein as "Participants." DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all Bonds of the same maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant of such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and all other payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Paying Agent/Registrar, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, the Paying Agent/Registrar, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, the Paying Agent/Registrar or the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered. Thereafter, Bond certificates may be transferred and exchanged as described in the Indenture.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but none of the City, the City's Financial Advisor or the Underwriter take any responsibility for the accuracy thereof.

NONE OF THE CITY, THE TRUSTEE, THE PAYING AGENT, THE CITY'S FINANCIAL ADVISOR OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE BONDS. THE CITY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE DTC PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR PROVIDE ANY NOTICES TO THE BENEFICIAL OWNERS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS LIMITED OFFERING MEMORANDUM. THE CURRENT RULES APPLICABLE TO DTC ARE ON FILE WITH

THE SECURITIES AND EXCHANGE COMMISSION, AND THE CURRENT PROCEDURES OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

*Use of Certain Terms in Other Sections of this Limited Offering Memorandum.* In reading this Limited Offering Memorandum it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Limited Offering Memorandum to registered owners should be read to include the person for which the participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System and (ii) except as described above, notices that are to be given to registered owners under the Indenture will be given only to DTC.

### **LIMITATIONS APPLICABLE TO INITIAL PURCHASERS**

Each initial purchaser is advised that the Bonds being offered pursuant to this Limited Offering Memorandum are being offered and sold only to “accredited investors” as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933 and “qualified institutional buyers” as defined in Rule 144A promulgated under the Securities Act of 1933. Each initial purchaser of the Bonds (each, an “Investor”) will be deemed to have acknowledged, represented and warranted to the City as follows:

1. The Investor has authority and is duly authorized to purchase the Bonds and to execute any instruments and documents required to be executed by the Investor in connection with the purchase of the Bonds.

2. The Investor is an “accredited investor” under Rule 501 of Regulation D of the Securities Act of 1933 or a “qualified institutional buyer” under Rule 144A of the Securities Act of 1933, and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Bonds.

3. The Bonds are being acquired by the Investor for investment and not with a view to, or for resale in connection with, any distribution of the Bonds, and the Investor intends to hold the Bonds solely for its own account for investment purposes and for an indefinite period of time, and does not intend at this time to dispose of all or any part of the Bonds. However, the Investor may sell the Bonds at any time the Investor deems appropriate. The Investor understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible.

4. The Investor understands that the Bonds are not registered under the Securities Act of 1933 and that such registration is not legally required as of the date hereof; and further understands that the Bonds (a) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, and (c) will not carry a rating from any rating service.

5. The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the Improvement Area #1 Improvements, the Bonds, the security therefor, and such other information as the Investor has deemed necessary or desirable in connection with its decision to purchase the Bonds (collectively, the “Investor Information”). The Investor has received a copy of this Limited Offering Memorandum relating to the Bonds. The Investor acknowledges that it has assumed responsibility for its review of the Investor Information and it has not relied upon any advice, counsel, representation or information from the City in connection with the Investor’s purchase of the Bonds. The Investor agrees that none of the City, its councilmembers, officers, or employees shall have any liability to the Investor whatsoever for or in connection with the Investor’s decision to purchase the Bonds except for gross negligence, fraud or willful misconduct. For the avoidance of doubt, it is acknowledged that the Underwriter is not deemed an officer or employee of the City.

6. The Investor acknowledges that the obligations of the City under the Indenture are special, limited obligations payable solely from amounts paid by the City pursuant to the terms of the Indenture and the City shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of the City for amounts due under the Indenture. The Investor understands that the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the City, the State or any political subdivision or taxing district thereof; that the Bonds will never represent or constitute a general obligation or a pledge of the faith and credit of the City, the State or any political subdivision thereof; that no right will exist to have taxes levied by the State or any political

subdivision thereof for the payment of principal and interest on the Bonds; and that the liability of the City and the State with respect to the Bonds is subject to further limitations as set forth in the Bonds and the Indenture.

7. The Investor has made its own inquiry and analysis with respect to the Bonds and the security therefor. The Investor is aware that the development of the District involves certain economic and regulatory variables and risks that could adversely affect the security for the Bonds.

8. The Investor acknowledges that the sale of the Bonds to the Investor is made in reliance upon the certifications, representations and warranties described in items 1-7 above.

## **SECURITY FOR THE BONDS**

The following is a summary of certain provisions contained in the Indenture. Reference is made to the Indenture for a full statement of the terms and provisions of the Bonds. Investors must read the entire Indenture to obtain information essential to the making of an informed investment decision. See “APPENDIX A — Form of Indenture.”

### **General**

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY’S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE. SEE “APPENDIX A — FORM OF INDENTURE.”

The principal of, premium, if any, and interest on the Bonds are secured by a pledge of and a lien upon the Pledged Revenues, consisting primarily of Assessments to be levied against the Assessed Property and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. In accordance with the PID Act, the City has caused the preparation of a Service and Assessment Plan (the “Service and Assessment Plan”), which describes the special benefit received by the property within the District, provides the basis and justification for the determination of special benefit on such property, establishes the methodology for the levy of Assessments and provides for the allocation of Pledged Revenues for payment of principal of, premium, if any, and interest on the Bonds. The Service and Assessment Plan is reviewed and updated annually for the purpose of determining the annual budget for improvements and the Annual Installments (as defined below) of Assessments due in a given year. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future landowners within the District. See “APPENDIX B — Form of Service and Assessment Plan.”

The City is authorized by the PID Act, the Assessment Ordinance and other provisions of applicable law to finance the Improvement Area #1 Improvements by levying Assessments upon the Assessed Property. For a description of the assessment methodology and the amounts of Assessments to be levied in the District, see “ASSESSMENT PROCEDURES” and “APPENDIX B — Form of Service and Assessment Plan.”

### **Pledged Revenues**

The City is authorized by the PID Act, the Assessment Ordinance and other provisions of law to finance the Improvement Area #1 Improvements by levying Assessments upon properties in Improvement Area #1 of the District

benefitted thereby. For a description of the assessment methodology and the amounts of Assessments levied in Improvement Area #1 of the District, see “ASSESSMENT PROCEDURES” and “APPENDIX B — Form of Service and Assessment Plan.”

The Bonds are secured by a pledge of and a lien upon the Pledged Revenues, consisting primarily of Assessment Revenues, and other funds comprising the Trust Estate, all and to the extent and upon the conditions described in the Indenture.

Pursuant to the Indenture, the following terms are assigned the following meaning:

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

“Additional Interest Rate” means the additional 0.50% interest charged on the Improvement Area #1 Assessments as authorized by Section 372.018 of the PID Act.

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

“Bonds Similarly Secured” means, collectively, any Outstanding Bonds and Refunding Bonds.

“Improvement Area #1 Assessment Revenues” means the revenues received by the City from the collection of the Improvement Area #1 Assessments, including Prepayments, Annual Installments and Foreclosure Proceeds.

“Pledged Funds” means, collectively, the Pledged Revenue Fund, the Bond Fund, the Project Fund, the Reserve Fund, and the Redemption Fund.

“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.

“Refunding Bonds” means bonds issued to refund all or any portion of the Bonds Similarly Secured and secured by a parity lien with the Bonds Similarly Secured on the Trust Estate, as more specifically described in the indenture authorizing such Refunding Bonds.

In addition, the Indenture refers to the Assessments as “Improvement Area #1 Assessments” and such term is used under this “SECURITY FOR THE BONDS” heading.

### **Assessments Payable in Annual Installments**

The Assessments on each parcel, tract or lot, which are to be collected in each year during the term of the Bonds, are shown on the Assessment Roll. The Assessments, together with the interest thereon, will be deposited in the Pledged Revenue Fund for the payment of the principal of and interest on the Bonds, as and to the extent provided in the Service and Assessment Plan and the Indenture. See “SECURITY FOR THE BONDS — Pledged Revenue Fund.”

The Assessments assessed to pay debt service on the Bonds, together with interest thereon, are payable in Annual Installments established by the Assessment Ordinance and the Service and Assessment Plan to correspond, as nearly as practicable, to the debt service requirements for the Bonds. An Annual Installment of an Assessment has been made payable in the Assessment Ordinance in each fiscal year of the City preceding the date of final maturity of the Bonds which, if collected, will be sufficient to first pay debt service requirements attributable to the Assessments in the Service and Assessment Plan. Each Annual Installment is payable as provided in the Service and Assessment Plan and the Assessment Ordinance.

THE PORTIONS OF THE ANNUAL INSTALLMENTS OF ASSESSMENTS COLLECTED TO PAY ANNUAL COLLECTION COSTS AND DELINQUENT COLLECTION COSTS WILL BE DEPOSITED IN THE ADMINISTRATIVE FUND AND SHALL NOT CONSTITUTE PLEDGED REVENUES.

### **Unconditional Levy of Assessments**

The City expects to impose Assessments on the property within Improvement Area #1 of the District sufficient to pay the principal of and interest on the Bonds scheduled for payment from Pledged Revenues as described in the Indenture and in the Service and Assessment Plan and coming due during each fiscal year the Bonds are Outstanding. The Assessments shall be effective on the date of, and strictly in accordance with the terms of, the Assessment Ordinance. Each Assessment may be paid immediately in full or in periodic Annual Installments over a period of time equal to the term of the Bonds, which installments shall include interest on the Assessments. Interest on the Assessments will be calculated at the rate of interest on the Bonds plus the Additional Interest Rate calculated on the basis of a 360-day year of twelve 30-day months. Such rate may be adjusted as described in the Service and Assessment Plan. Each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be calculated annually and shall be due on or about November 1 of each year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year.

As authorized by Section 372.018(b) of the PID Act, the City will levy, assess and collect each year while the Bonds are Outstanding and unpaid, as part of the Annual Installment, an amount to pay the annual costs incurred by the City in the administration and operation of the District (the "Annual Collection Costs"). The portion of each Annual Installment of an Assessment used to pay such Annual Collection Costs shall remain in effect from year to year until all Bonds are finally paid or until the City adjusts the amount of the levy after an annual review in any year pursuant to Section 372.013 of the PID Act. The amount collected to pay Annual Collection Costs shall be due in the manner set forth in the Assessment Ordinance on or about November 1 of each year and shall be delinquent if not paid by February 1 of the following year. **Amounts collected for Annual Collection Costs do not secure repayment of the Bonds.**

There will be no discount for the early payment of Assessments.

The PID Act provides that the Assessments (including any reassessment, with interest, the expense of collection and reasonable attorney's fees, if incurred) are a first and prior lien (the "Assessment Lien") against the Assessed Property, superior to all other liens and claims, except liens and claims for the State, county, school district, or municipality for ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named. Pursuant to the PID Act, the Assessment Lien is effective from the date of the Assessment Ordinance until the Assessments are paid (or otherwise discharged) and is enforceable by the City Council in the same manner that an ad valorem property tax levied against real property may be enforced by the City Council. See "ASSESSMENT PROCEDURES" herein. The Assessment Lien is superior to any homestead rights of a property owner that are properly claimed after the adoption of the Assessment Ordinance. However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinance ("Pre-existing Homestead Rights") for as long as such rights are maintained on the property. See "BONDHOLDERS' RISKS — Assessment Limitations."

Failure to pay an Annual Installment when due shall not accelerate the payment of the remaining Annual Installments of the Assessments and such remaining Annual Installments (including interest) shall continue to be due and payable at the same time and in the same amount and manner as if such default had not occurred.

### **Collection of Assessments and Enforcement of Lien**

For so long as any Bonds Similarly Secured are Outstanding and amounts are due to the Developer under the Financing and Reimbursement Agreement to reimburse it for its funds it has contributed to pay Actual Costs of the Improvement Area #1 Projects, the City covenants, agrees and warrants that it will take and pursue all reasonable actions permissible under Applicable Laws to cause the Improvement Area #1 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 Improvement Area #1 Assessments.

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.

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 Improvement Area #1 Assessments or the corresponding property.

The City shall not be required under any circumstances to expend any funds for Delinquent Collection Costs or Annual Collection Costs in connection with its covenants and agreements under the Indenture or otherwise other than funds on deposit in the Administrative Fund.

### **Perfected Security Interest**

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 the Indenture, without physical delivery or transfer of control of the Trust Estate, the filing of the Indenture or any other act; all as provided in Chapter 1208 of the Texas Government Code, as amended, which applies to the issuance of the Bonds and the pledge of the Trust Estate granted by the City under the 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 the 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.

### **Pledged Revenue Fund**

The City will create a Pledged Revenue Fund to be held by the Trustee under the Indenture. Immediately upon receipt thereof, the City shall transfer to the Trustee for deposit to the Pledged Revenue Fund the Pledged Revenues. 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 of the Improvement Area #1 Projects, 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 under the second paragraph “—Reserve Account of the Reserve Fund” and, on each March 1, beginning March 1, 2026, 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.

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 and any expected transfers from the Capitalized Interest Account to the Principal and Interest Account, such that the amount on deposit in the Principal and Interest Account equals the principal (including any Sinking Fund Installments) and interest due on the Bonds Similarly Secured on the next Interest Payment Date.

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.

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.

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 Improvement Area #1 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.

**Bond Fund**

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, less any amount to be used to pay interest on the Bonds on such Interest Payment Date from the Capitalized Interest Account, as provided below.

If amounts in the Principal and Interest Account are insufficient for the purposes set forth in the preceding paragraph, 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.

If, after the foregoing transfers and any transfer from any account of the Reserve Fund (as described under the subcaptions “Reserve Account of the Reserve Fund” and “Delinquency and Prepayment Reserve Account of the Reserve Fund” below), there are insufficient funds to make the payments provided in the preceding paragraph, 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.

Moneys in the Capitalized Interest Account shall be used for the payment of interest on the Bonds on the following dates and in the following amounts:

Date	Amount (\$)
March 1, 2025	\$ _____
September 1, 2025	\$ _____

NOTE: This will be filled out during pricing at market.

Any amounts on deposit in the Capitalized Interest Account after the payment of interest on the dates and in the amounts listed above shall be transferred to the Improvement Area #1 Improvements Account of the Project Fund, or if the Improvement Area #1 Improvements Account of the Project Fund has been closed as provided in the Indenture, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

**Project Fund**

Pursuant to the Indenture, a Project Fund has been created to be used for the purposes described in “PLAN OF FINANCE – The Bonds.”

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. 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. Disbursements from the Improvement Account of the Project Fund to pay Actual Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certification for Payment. The disbursement of funds from the



Improvement Account shall be pursuant to and in accordance with the disbursement procedures described in the Financing and Reimbursement Agreement or as provided in such written direction. Such provisions and procedures related to such disbursement contained in the Financing Agreement and no other provisions of the Financing and Reimbursement Agreement, are incorporated by reference and deemed set forth in the Indenture in full.

Except as provided in the next two paragraphs below, 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.

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 Improvement Account of the Project Fund due to the abandonment, or constructive abandonment, of one or more of the Improvement Area #1 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 the Indenture. Upon such transfers, the Improvement Account of the Project Fund shall be closed.

In making any determination pursuant to the Indenture, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

Upon the filing of a City Certificate stating that all of the Improvement Area #1 Improvements have been completed and that all Actual Costs have been paid, or that any Actual Costs of the Improvement Area #1 Improvements 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.

Upon the Trustee's receipt of a written determination by the City Representative that all costs of issuance of the applicable series of Bonds Similarly Secured have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to (i) the Improvement Account of the Project Fund and used to pay Actual Costs of the Improvement Area #1 Improvements or (ii) if no Improvement Area #1 Projects remain to be funded, 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.

#### **Reserve Account of the Reserve Fund**

Pursuant to the Indenture, a Reserve Account will be created within the Reserve Fund for the benefit of the Bonds and held by the Trustee and will be funded with proceeds of the Bonds in the amount of the Reserve Account Requirement. Pursuant to the Indenture, the "Reserve Account Requirement" shall be an amount equal to the least of (i) Maximum Annual Debt Service on the Bonds Similarly Secured as of the date of issuance, (ii) 125% of average Annual Debt Service on the Bonds Similarly Secured as of the date of issuance of the applicable series of Bonds Similarly Secured, and (iii) 10% of the proceeds of the Bonds Similarly Secured; provided, however, that such amount shall be reduced as a result of (1) an optional redemption or (2) an extraordinary optional redemption and any such reduction in the Reserve Account Requirement shall be 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 \$[REDACTED], which is an amount equal to Maximum Annual Debt Service on the Bonds as of the date of issuance. "Annual Debt Service" means for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds Similarly Secured in such Bond Year 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). “Bond Year” means the one-year period beginning on October 1 in each year and ending on September 30 in the following year.

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. 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.

In the event of an extraordinary optional redemption of Bonds Similarly Secured pursuant to the Indenture, 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 Prepayment toward payment of accrued interest, there are insufficient funds to pay the principal amount 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 and/or any additional amounts necessary to permit the Bonds Similarly Secured to be redeemed in minimum principal amounts of \$1,000, from the Delinquency & Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds Similarly Secured.

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 the Indenture, 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 for Rebutable Arbitrage, (ii) to the Administrative Fund in an amount not more than the Annual Collection Costs for the Bonds Similarly Secured or (iii) to the Project Fund to pay Actual Costs of the Improvement Area #1 Improvements if such application and the expenditure of funds is expected to occur within three years of the date of the Indenture.

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.

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 shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds Similarly Secured on such date..

#### **Delinquency and Prepayment Reserve Account of the Reserve Fund**

Pursuant to the Indenture, a Delinquency and Prepayment Reserve Account has been created within the Reserve Fund and held by the Trustee for the benefit of the Bonds. Subject to the provisions set forth under “—Pledged Revenue Fund,” the Trustee will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Delinquency & Prepayment Reserve Account on March 1 of each year, commencing March 1, 2026, 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 the Indenture 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 as described in this paragraph, the Trustee may conclusively rely on a City Certificate specifying the amounts to transfer.. See “APPENDIX A — Form of Indenture” and “APPENDIX B — Form of Service and Assessment Plan.”

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 the second paragraph set forth under “—Reserve Account of the Reserve Fund.”

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.

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..

#### **Administrative Fund**

Immediately upon receipt thereof, the City shall deposit or cause to be deposited to the Administrative Fund the portion of the Improvement Area #1 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.

Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered under the Indenture 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 the Indenture. The Administrative Fund shall not be part of the Trust Estate and shall not be security for the Bonds Similarly Secured.

THE ADMINISTRATIVE FUND SHALL NOT BE PART OF THE TRUST ESTATE AND SHALL NOT BE SECURITY FOR THE BONDS.

#### **Defeasance**

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 the Indenture (a “Defeased Debt”), and particularly under this paragraph, 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 the Indenture 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.

“Defeasance Securities” means Investment Securities then authorized by applicable law for the investment of funds to defease public securities. “Investment Securities” means those authorized investments determined by the City and described in the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended (“PFIA”); and provided further investments and 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. Under current State law, which is subject to change, Investment Securities that are authorized for the investment of funds to defease public securities are (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America; (b) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality, and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Indenture does not contractually limit such investments, Owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Defeasance Securities or that for any other Defeasance Security will be maintained at any particular rating category.

### **Events of Default**

Each of the following occurrences or events constitutes an “Event of Default” under the Indenture:

- (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 Improvement Area #1 Assessments including the prosecution of foreclosure proceedings, in accordance with the Indenture;
- (iii) Default in the performance or observance of any covenant, agreement or obligation of the City under the 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.

### **Remedies in Event of Default**

Subject to the provisions of the Indenture, upon the happening and continuance of any of the Events of Default described in the Indenture, 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 under the Indenture and its receipt of indemnity satisfactory to it shall proceed, to protect and enforce the rights of the Owners under the 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 in the Indenture, 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.

**THE PRINCIPAL OF THE BONDS SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.**

Whenever moneys are to be applied pursuant to the Indenture, irrespective of and whether other remedies authorized under the 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 the Indenture. 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.

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 under the Indenture, (iii) any taxes and assessments and other charges prior to the lien of the 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.

#### **Restriction on Owner's Actions**

No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereof or any other remedy under the Indenture, 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 the Indenture, 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 granted in the Indenture or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in the Indenture, (iv) the Trustee has for 60 days after such notice failed or refused to exercise the powers granted in the Indenture, 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 in the Indenture 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 the Indenture and to any action or cause of action for the enforcement of the Indenture or for any other remedy under the Indenture.

Subject to the provisions of the Indenture, nothing in the 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 under the Indenture to the respective Owners thereof at the time and place, from the source and in the manner expressed in the Indenture and in the Bonds Similarly Secured.

In case the Trustee or any Owners of Bonds Similarly Secured shall have proceeded to enforce any right under the 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 under the Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

### **Application of Revenues and Other Moneys After Event of Default**

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 the Indenture 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 the Indenture, during the continuance of an Event of Default, notwithstanding the provisions set forth under “— Immediate Remedies for Default,” 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:

- (i) 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
- (ii) 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 the Indenture.

In the event funds are not adequate to cure any of the Events of Default described in the Indenture, 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 the Indenture.

The restoration of the City to its prior position after any and all defaults have been cured, as provided in the Indenture, shall not extend to or affect any subsequent default under the Indenture or impair any right consequent thereon.

### **Investment or Deposit of Funds**

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 the Indenture, to prevent any default under the 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 money market mutual funds that are rated in either of the two highest categories by a rating agency, including funds for which the Trustee and/or its affiliates provide investment advisory or other management services, until directed otherwise by the City Certificate.

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 the Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds and Accounts. Whenever in the 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.

#### **Against Encumbrances**

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 the Indenture, except the pledge created for the security of the Bonds Similarly Secured, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

So long as Bonds Similarly Secured are Outstanding under the Indenture, the City shall not issue any bonds, notes or other evidences of indebtedness, other than the Bonds Similarly Secured (including any Refunding Bonds), secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under the Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

#### **Other Obligations or Other Liens; Refunding Bonds**

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.

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 the Indenture or the priority of the Indenture 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 the Indenture as a lien or charge upon the Trust Estate; provided, however, that nothing in the Indenture 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.

Additionally, the City has reserved the right to issue bonds or other obligations secured by and payable from Pledged Revenues so long as such pledge is subordinate to the pledge of Pledged Revenues securing payment of the Bonds Similarly Secured.

The City reserves the right to issue Future Bonds for any purpose permitted by the PID Act, pursuant to a separate indenture, for any Future Improvement Areas subject to the conditions of the Financing and Reimbursement Agreement.

The City reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds or Outstanding Refunding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the State, and in accordance with the conditions set forth below:

(i) Notwithstanding anything to the contrary in the Indenture, no Refunding Bonds may be issued by the City unless: (1) the principal (including any principal amounts to be redeemed on a mandatory sinking fund redemption date) of such Refunding Bonds is scheduled to mature on September 1 of the years in which principal is scheduled to mature and (2) the interest on such Refunding Bonds must be scheduled to be paid on March 1 and September 1 of the years in which interest is scheduled to be paid. The date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of Refunding Bonds shall be set forth in a Supplemental Indenture; and

(ii) Upon their authorization by the City, the Refunding Bonds of a Series issued under the Indenture shall be issued and shall be delivered to the purchasers or owners thereof, but before, or concurrently with, the delivery of said Refunding Bonds to such purchasers or owners there shall have been filed with the Trustee (1) a copy, certified by the City Secretary, of the ordinance or ordinances of the City authorizing the issuance, sale, execution and delivery of the Refunding Bonds and the execution and delivery of a Supplemental Indenture establishing, among other things, the date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of such Refunding Bonds, and (2) an original executed counterpart of the Supplemental Indenture for such Refunding Bonds.

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**SOURCES AND USES OF FUNDS**

The table that follows summarizes the sources and uses of proceeds of the Bonds:

Sources of Funds:	
Principal Amount	\$
TOTAL SOURCES	\$
Use of Funds:	
Deposit to Improvement Area #1 Improvements Account of the Project Fund	\$
Deposit to Reserve Account of the Reserve Fund	
Deposit to Capitalized Interest Account	
Underwriter's Discount <sup>(1)</sup>	
Deposit to Costs of Issuance Account of the Project Fund	\$
TOTAL USES	\$

<sup>(1)</sup> Includes Underwriter's Counsel fee of \$\_\_\_\_\_.

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**DEBT SERVICE REQUIREMENTS**

The following table sets forth the debt service requirements for the Bonds:

<b><u>Year Ending</u></b> <b><u>(September 30)</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2025	\$	\$	\$
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054			
<b>Total</b>	<b>  </b>	<b>  </b>	<b>  </b>

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**OVERLAPPING TAXES AND DEBT**

**Overlapping Taxes and Debt**

The land within Improvement Area #1 of the District has been, and is expected to continue to be, subject to taxes and assessments imposed by taxing entities other than the City. Such taxes are payable in addition to the Assessments expected to be levied by the City.

In addition, the City, Bastrop County, Texas (the “County”), and the Bastrop Independent School District (“Bastrop ISD”) may each levy ad valorem taxes upon land in the District for payment of debt incurred by such governmental entities and/or for payment of maintenance and operations expenses. The City has no control over the level of ad valorem taxes or assessments levied by such other taxing authorities. The following table reflects the overlapping ad valorem taxes currently levied on property located in the District.

<u>Taxing Entity</u>	<u>Tax Year 2024 Ad Valorem Tax Rate<sup>(1)</sup></u>
The City	\$0.499400
Bastrop County, Texas	0.402750
Bastrop ISD	<u>1.067900</u>
Total Existing Tax Rate	<u>\$1.970050</u>
 Estimated Average Annual Installment as tax rate equivalent <sup>(2)</sup>	 <u>\$0.499718</u>
 <b>Estimated Total Tax Rate and Average Annual Installment as tax rate equivalent<sup>(2)</sup></b>	 <b><u>\$2.469768</u></b>

<sup>(1)</sup> As reported by the taxing entities. Per \$100 in taxable assessed value.

<sup>(2)</sup> *Preliminary; subject to change.* Derived from information presented in the Service and Assessment Plan. See “APPENDIX B — Form of Service and Assessment Plan.” The Financing and Reimbursement Agreement provides that overall tax stack combined with the maximum tax equivalent rate of the annual installments relating or allocable to the District, inclusive of principal, interest, Additional Interest and budgeted Annual Collection Costs as determined by the Administrator shall not exceed \$3.00 per \$100 taxable assessed valuation. See “APPENDIX F – Financing and Reimbursement Agreement.”

Sources: Bastrop Central Appraisal District, the Administrator, and the City.

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As noted above, the District includes territory located in other governmental entities that may issue or incur debt secured by the levy and collection of ad valorem taxes. Set forth below is an overlapping debt table showing the outstanding indebtedness payable from ad valorem taxes with respect to property within Improvement Area #1 of the District, as of December 1, 2024, and City debt to be secured by the Assessments.

<u>Taxing or Assessing Entity<sup>(2)</sup></u>	<u>Total Outstanding Debt</u>	<u>Estimated % Applicable<sup>(2)</sup></u>	<u>Direct and Estimated Overlapping Debt</u>
The City (Assessments – The Bonds) <sup>(1)</sup>	\$11,939,000	100.000%	\$11,939,000
The City (Ad Valorem Taxes)	137,260,000	2.121%	2,910,683
Bastrop County	73,859,000	0.259%	190,984
Bastrop ISD	<u>520,659,554</u>	0.434%	<u>2,258,161</u>
<b>TOTAL</b>	<b><u>\$731,778,554</u></b>		<b><u>\$17,298,828</u></b>

<sup>(1)</sup> Preliminary, subject to change.  
<sup>(2)</sup> Based on the Appraisal (as defined herein) and on the Tax Year 2024 Net Taxable Assessed Valuations for the taxing entities.

Source: Bastrop Central Appraisal District and the Municipal Advisory Council of Texas.

**Homeowners’ Association**

In addition to the Assessments described above, all lot owners in the District will pay an annual maintenance and operation fee and/or a property owner’s association fee to the homeowner’s association for the property within Improvement Area #1 of the District (the “HOA”), which has been formed by the Developer. The expected HOA fees in the District are \$65/month.

**ASSESSMENT PROCEDURES**

**General**

Capitalized terms used under this “ASSESSMENT PROCEDURES” caption and not otherwise defined in this Limited Offering Memorandum shall have the meanings given to such terms in the Service and Assessment Plan. As required by the PID Act, when the City determines to defray a portion of the costs of the Improvement Area #1 Improvements through Assessments, it must adopt a resolution generally describing the Improvement Area #1 Improvements and the land within Improvement Area #1 of the District to be subject to Assessments to pay the cost therefor. The City has caused the preparation of the Assessment Roll, which Assessment Roll identifies the land within Improvement Area #1 of the District that will be assessed, the amount of the benefit to and the Assessment against each lot or parcel of land and the number of Annual Installments in which the Assessment is divided. The Assessment Roll has been filed with the City Secretary and made available for public inspection. Statutory notice will be given to the owners of the property to be assessed and a public hearing will be conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Improvement Area #1 Improvements and funding a portion of the same with Assessments. The City expects to levy the Assessments pursuant to the Assessment Ordinance immediately prior to adoption of the Bond Ordinance. Upon such adoption, the Assessments will become legal, valid and binding liens upon the property against which the Assessments are made.

Under the PID Act, the costs of the Improvement Area #1 Improvements may be assessed by the City against the assessable property in the District so long as the special benefit conferred upon the Assessed Property by the Improvement Area #1 Improvements equals or exceeds the Assessments. The costs of the Improvement Area #1 Improvements may be assessed using any methodology that results in the imposition of equal shares of costs on Assessed Property similarly benefited. The allocation of benefits and Assessments to the benefitted land within Improvement Area #1 of the District is set forth in the Service and Assessment Plan, which should be read in its entirety. See “APPENDIX B — Form of Service and Assessment Plan.”

**Assessment Methodology**

The Service and Assessment Plan describes the special benefit to be received by each parcel of assessable property as a result of the Improvement Area #1 Improvements, provides the basis and justification for the

determination that such special benefit exceeds the Assessments levied, and establishes the methodology by which the City allocates the special benefit of the Improvement Area #1 Improvements to parcels in a manner that results in equal shares of costs being apportioned to parcels similarly benefited. As described in the Service and Assessment Plan, a portion of the costs of the Improvement Area #1 Improvements are being funded with proceeds of the Bonds, which are payable from and secured by Pledged Revenues, including the Assessment Revenues. As set forth in the Service and Assessment Plan, the City Council has determined that the Actual Costs (as defined in the Service and Assessment Plan) associated with the Improvement Area #1 Improvements will be allocated to the parcels against which the Assessments are levied (the “Assessed Property”) by spreading the entire Assessment across all Assessed Property within Improvement Area #1 of the District on the ratio of estimated buildout value of each Assessed Property to the estimated buildout value for all Assessed Property within Improvement Area #1 of the District.

The following table provides additional analysis with respect to special assessment methodology, including the value to assessment burden ratio per unit (lot), equivalent tax rate per unit, and leverage per unit. The information in the tables was obtained from and calculated using information provided in the Service and Assessment Plan and the Appraisal. See “APPENDIX B — Form of Service and Assessment Plan” and “APPENDIX E — Appraisal.”

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**LIEN TO VALUE ANALYSIS, ASSESSMENT ALLOCATION, EQUIVALENT TAX RATE AND ASSESSMENT RATIO PER UNIT IN IMPROVEMENT AREA #1 OF THE DISTRICT\***

Lot Type	Planned No. of Units	Estimated Finished Lot Value per unit <sup>(1)</sup>	Projected Average Home Value per unit <sup>(1)</sup>	Maximum Assessment per unit <sup>(2)</sup>	Average Annual Installment per unit	Tax Rate Equivalent of Average Annual Installment (per \$100 Lot Value)	Tax Rate Equivalent of Average Annual Installment (per \$100 Home Value) <sup>(3)</sup>	Ratio of Finished Lot Value per Lot Type to the Assessments	Ratio of Average Home Value to Assessment
Multi-Family	250	\$58,000	\$280,000	\$17,747.15	\$1,399.21	\$2.4124	\$0.4997	3.27	15.78
32'	153	\$66,332	\$307,495	\$19,489.86	\$1,536.61	\$2.3165	\$0.4997	3.40	15.78
43'	128	\$90,172	\$352,490	\$22,341.76	\$1,761.46	\$1.9534	\$0.4997	4.04	15.78
45'	53	\$93,676	\$368,990	\$23,387.58	\$1,843.91	\$1.9684	\$0.4997	4.01	15.78
50'	18	\$106,000	\$368,990	\$23,387.58	\$1,843.91	\$1.7395	\$0.4997	4.53	15.78
Total	602								

Source: The Administrator and information presented in the Service and Assessment Plan

<sup>(1)</sup> Per values provided in the Appraisal.

<sup>(2)</sup> The Service and Assessment Plan establishes a Maximum Assessment as defined and described under “ASSESSMENT PROCEDURES — Assessment Amounts – Maximum Assessment.”

<sup>(3)</sup> The Financing and Reimbursement Agreement provides that overall tax stack combined with the maximum tax equivalent rate of the annual installments relating or allocable to the District, inclusive of principal, interest, Additional Interest and budgeted Annual Collection Costs as determined by the Administrator shall not exceed \$3.00 per \$100 taxable assessed valuation. See “OVERLAPPING TAXES AND DEBT” and “APPENDIX F – Financing and Reimbursement Agreement.”

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\* Preliminary; subject to change.

For further explanation of the Assessment methodology, see “APPENDIX B — Form of Service and Assessment Plan.”

The City has determined that the foregoing method of allocation will result in the imposition of equal shares of the Assessments on parcels and lots similarly situated within Improvement Area #1 of the District. The Assessments and interest thereon are expected to be paid in Annual Installments as described above. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future owners and developers within Improvement Area #1 of the District. See “APPENDIX B — Form of Service and Assessment Plan.”

**Collection and Enforcement of Assessment Amounts**

Under the PID Act, the Annual Installments may be collected in the same manner and at the same time as ad valorem taxes of the City. The Assessments may be enforced by the City in the same manner that an ad valorem tax lien against real property is enforced. Delinquent installments of the Assessments incur interest, penalties and attorney’s fees in the same manner as delinquent ad valorem taxes. Under the PID Act, the Assessment Lien is a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for State, county, school district or municipality ad valorem taxes. See “BONDHOLDERS’ RISKS — Assessment Limitations” herein.

In the Indenture, the City will covenant, agree and warrant that, for so long as any Bonds are Outstanding, that it will take and pursue all 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 the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Assessments.

To the extent permitted by law, notice of the Annual Installments will 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.

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 Collection Costs 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 Assessment or the corresponding Assessed Property. Furthermore, nothing shall obligate the City, the City Attorney or any appropriate designee to undertake collection or foreclosure actions against delinquent accounts in violation of applicable state law, court order, or existing contractual provisions between the City and its appropriate collections enforcement designees.

The City shall not be required under any circumstances to expend any funds for Delinquent Collection Costs in connection with its covenants and agreements under the Indenture or otherwise other than funds on deposit in the Administrative Fund.

Annual Installments will be paid to the City or its agent. Annual Installments are due when billed each year and become delinquent on February 1 of the following year. In the event Assessments are not timely paid, there are penalties and interest as set forth below:

<u>Date Payment</u>	<u>Cumulative</u>	<u>Cumulative</u>	
<u>Received</u>	<u>Penalty</u>	<u>Interest</u>	<u>Total</u>
February	6%	1%	7%
March	7%	2%	9%
April	8%	3%	11%
May	9%	4%	13%
June	10%	5%	15%



Date Payment <u>Received</u> July	Cumulative <u>Penalty</u> 12%	Cumulative <u>Interest</u> 6%	<u>Total</u> 18%
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After July, the penalty remains at 12%, and interest accrues at the rate of 1% each month. In addition, if an account is delinquent in July, a 20% attorney’s collection fee may be added to the total penalty and interest charge. In general, property subject to lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts due. An automatic stay by creditors or other entities, including governmental units, could prevent governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In most cases, post-petition Assessments are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

**Assessment Amounts**

Assessment Amounts. The maximum amounts of the Assessments will be reflected by the methodology described in the Service and Assessment Plan as shown below under “— Maximum Assessment”. The Assessment Roll sets forth for each year the Annual Installment for each Assessed Property as calculated by the Administrator and approved by the City Council consisting of the annual payment allocable to (i) the principal and interest on the Bonds, (ii) Annual Collection Costs, and (iii) the Additional Interest as described in the Service and Assessment Plan. The Annual Installments may not exceed the amounts shown on the Assessment Roll. The Assessments will be levied against the Assessed Property as indicated on the Assessment Roll. See “APPENDIX B — Form of Service and Assessment Plan.”

The Annual Installments shown on the Assessment Roll will be reduced to equal the actual costs of repaying the Bonds, the Additional Interest and actual Annual Collection Costs, taking into consideration any other available funds for these costs, such as interest income on account balances.

Maximum Assessment. The Service and Assessment Plan establishes a “Maximum Assessment” for each Lot Type. In the District, the Maximum Assessment per Lot Type is as follows:

<u>Lot type</u>	<u>Maximum Assessment per Lot Type</u>
Multi-Family	\$17,747.15
32’	\$19,489.86
43’	\$22,341.76
45’	\$23,387.58
50’	\$23,387.58

Method of Apportionment of Assessments. The City Council has determined that the costs of the Improvement Area #1 Improvements shall be allocated to the Assessed Property pro rata based on the Estimated Buildout Value. The Improvement Area #1 Improvements are allocated entirely to the Assessed Property as described in the Service and Assessment Plan. The entire Assessment will be levied against the Assessed Property and will be allocated based on the Estimated Buildout Value of the Lot Types on any subdivided Parcel as described below.

Reallocation of Assessments. Assessments levied on an Assessed Property shall be reallocated upon subdivision or consolidation of an Assessed Property as follows.

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

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

Where the terms have the following meanings:

- A = the Assessment for the newly divided Assessed Property
- B = the Assessment for the Assessed Property prior to division
- C = the Estimated Buildout Value of the newly divided Assessed Property
- D = the sum of the Estimated Buildout Value for all the newly divided Assessed Properties

The sum of the Assessments for all newly divided Assessed Properties shall equal the Assessment for the Assessed Property prior to subdivision. The calculation shall be made separately for each newly divided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under State law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in the next Annual Service Plan Update and update to the Service and Assessment Plan and approved by the City Council.

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

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

Where the terms have the following meanings:

- A = the Assessment for the newly subdivided Lot
- B = the Assessment for the Parcel prior to subdivision
- C = the sum of the Estimated Buildout Value of all newly subdivided Lots with same Lot Type
- D = the sum of the Estimated Buildout Value for all the newly subdivided lots excluding Non-Benefited Property
- E = the number of Lots with same Lot Type

Prior to the recording of a subdivision plat, the Owner shall provide the City with an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat.

The sum of the Assessments for all newly subdivided Lots shall not exceed the Assessment for the portion of the Assessed Property subdivided prior to subdivision. The calculation shall be made separately for each newly subdivided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under State law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in the next Annual Service Plan Update and approved by the City Council.

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

Reduction of Assessments. If as a result of cost savings or Improvement Area #1 Improvements not being constructed, the Actual Costs of completed Improvement Area #1 Improvements are less than the Assessments, the Trustee shall apply amounts on deposit in the applicable account of the project fund, relating to the Bonds, that are not expected to be used for purposes of the project fund to redeem outstanding Bonds, in accordance with the Indenture. The Assessments shall not, however, be reduced to an amount less than the outstanding 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.

## Prepayment of Assessments

The Service and Assessment Plan provides for certain voluntary and mandatory prepayments of Assessments as described below. Such voluntary and mandatory prepayments are referred to herein as “Prepayments.”

Voluntary Prepayment of Assessments. The owner of any property assessed may voluntarily prepay all or part of any Assessment levied against any lot or parcel, together with accrued interest to the date of payment, at any time. Upon receipt of such Prepayment, such amounts will be applied towards the redemption or payment of the Bonds. 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 payment of regularly scheduled Assessments.

Mandatory Prepayment of Assessments. The Service and Assessment Plan requires mandatory prepayment of Assessments upon the occurrence of certain events as follows.

Transfer to exempt person or entity. If Assessed Property is transferred to a person or entity that is exempt from payment of the Assessment, the owner transferring the Assessed Property shall pay to the Administrator the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the transfer. If the owner of the Assessed Property causes the Assessed Property to become Non-Benefited Property, the owner causing the change in status shall pay the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the change in status.

True-Up of Assessments if Maximum Assessment Exceeded at Plat. Prior to the City approving a final subdivision plat, the Administrator will certify that such plat will not result in the Assessment per Lot for any Lot Type to exceed the Maximum Assessment. If the Administrator determines that the resulting Assessment per Lot for any Lot Type will exceed the Maximum Assessment, then (i) the Assessment applicable to each Lot Type exceeding the Maximum Assessment shall be reduced to the Maximum Assessment, and (ii) the person or entity filing the plat shall pay to the City the amount the Assessment was reduced, plus Prepayment Costs and Delinquent Collection Costs, prior to the City approving the final plat. The City’s approval of a final subdivision plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay the amounts referenced in (ii) in the immediately preceding sentence.

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

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

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

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

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

Notwithstanding the previous paragraphs in this subsection, the Assessments shall not, however, be reduced to an amount less than the outstanding Bonds.

### **Priority of Lien**

The Assessments or any reassessment, the expense of collection, and reasonable attorney's fees, if incurred, constitute a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for the State, county, school district or municipality ad valorem taxes, and are a personal liability of and charge against the owners of the property regardless of whether the owners are named. The lien is effective from the date of the Assessment Ordinance until the Assessment is paid and may be enforced by the City in the same manner as an ad valorem tax levied against real property may be enforced by the City. The owner of any property assessed may pay the entire Assessment levied against any lot or parcel, together with accrued interest to the date of payment, at any time.

### **Foreclosure Proceedings**

In the event of delinquency in the payment of any Annual Installment, except for unpaid Assessments on homestead property (unless the lien associated with the Assessment attached prior to the date the property became a homestead), the City is empowered to order institution of an action in state district court to foreclose the lien of such delinquent Annual Installment. In such action the real property subject to the delinquent Annual Installments may be sold at judicial foreclosure sale for the amount of such delinquent Annual Installments, plus penalties and interest.

Any sale of property for nonpayment of an installment or installments of an Assessment will be subject to the lien established for remaining unpaid installments of the Assessment 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 installments of the Assessments against such property as they become due and payable. Judicial foreclosure proceedings are not mandatory. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and in such event there could be an additional delay in payment of the principal of and interest on Bonds or such payment may not be made in full. The City is not required under any circumstance to purchase the property or to pay the delinquent Assessment or Annual Installment on the corresponding Assessed Property.

In the Indenture the City will covenant to take and pursue all 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, provided

that the City is not required to expend any funds for collection and enforcement of Assessments other than funds on deposit in the Administrative Fund. Pursuant to the Indenture, Foreclosure Proceeds constitute Pledged Revenues to be deposited into the Pledged Revenue Fund upon receipt by the City and distributed in accordance with the Indenture. See “APPENDIX A – Form of Indenture.”

The City will not be obligated to fund foreclosure proceedings out of any funds other than in the Administrative Fund. If Pledged Revenues are insufficient to pay foreclosure costs, the owners of the Bonds may be required to pay amounts necessary to continue foreclosure proceedings. See “APPENDIX A – Form of Indenture” and “APPENDIX B – Form of Service and Assessment Plan.”

**THE CITY**

**Background**

The City is a political subdivision and municipal corporation of the State, duly organized and existing under the laws of the State. The City was incorporated in 1837. Some of the services that the City provides are public safety (police and fire protection), highways and streets, electric, water and sanitary sewer utilities, health and social services, culture-recreation, public transportation, public improvements, planning and zoning, and general administrative services. The City covers approximately 7.2 square miles. The City’s 2020 Census population was 9,688. The City’s 2024 estimated population is \_\_\_\_\_. The City is located in the Austin-San Marcos MSA, approximately 33 miles southeast of the City of Austin and 24 miles southeast of Austin-Bergstrom International Airport.

**City Government**

The City has a City Council comprised of the Mayor and five Councilmembers. The term of office is three years. The mayor and the council are elected at-large. Each year, two council places, which includes the mayoral and each councilmember position in its respective year, and shall be up for election. No member of the council may serve more than six consecutive years; however, any member of the council may leave office for a period not less than eleven months and then may run for office under the same conditions thereafter. The mayor is the chief presiding officer for the City.

**City Water and Wastewater System**

The City’s water and wastewater department manages a water distribution service of over 10 square miles. The City provides water services through a network of approximately 68 miles of transmission and distribution lines. The City utilizes ground water for its public water supply and has developed its own production facilities. There are currently 7 wells which include 6 ground water wells located near the Colorado River which withdraw water from an alluvium of the river and 1 well in the Simsboro Aquifer. The City has sufficient water capacity to serve the District, which the City expects to require approximately 1,600 LUE’s.

The City’s wastewater system includes a network of over 53 miles of wastewater connection lines and numerous lift stations that connect to three wastewater treatment plants. The City recently completed its third wastewater treatment plant, which came online in May 2024. Each current wastewater treatment plant can service up to 2 million gallons per day. An expansion of the third wastewater treatment plant is planned, which expansion will increase capacity of such plant by 6-8 million gallons per day.

**Major Employers**

The major employers in the City are set forth in the table below.

<u>Employer</u>	<u>Product or Service</u>	<u>Employees</u>
Bastrop ISD	Education	1,824
HEB Food Stores	Grocery	607
Hyatt Regency Lost Pines Resort	Resort	600
Bastrop County	Government	517
Agilent/Stratagene	Technology	306
Walmart	Retail	261
Bastrop FCI	Corrections	247
Buc-ee's	Retail	169
Bluebonnet Electric Co-Op	Utility	168
City of Bastrop	Government	152

*Source: City of Bastrop*

**Historical Employment in Bastrop County**

	<u>Average Annual<sup>(1)</sup></u>				
	<u>2024<sup>(2)</sup></u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Civilian Labor Force	51,789	49,984	48,219	45,500	42,647
Total Employed	49,926	48,279	46,585	43,453	40,074
Total Unemployed	1,863	1,705	1,634	2,047	2,573
Unemployment Rate	3.6%	3.4%	3.4%	4.5%	6.0%

<sup>(1)</sup> Source: Texas Workforce Commission.

<sup>(2)</sup> Data through October 2024.

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**Surrounding Economic Activity**

The major employers of municipalities surrounding the City are set forth in the table below.

City of Austin Approximately 30 miles from the City		City of Lockhart Approximately 31 miles from the City		City of Buda Approximately 36 miles from the City	
Employer	Employees	Employer	Employees	Employer	Employees
State Government	38,681	Lockhart ISD	731	Capital Excavation	315
University of Texas - Austin	31,106	Walmart	225	HEB	249
HEB	22,955	Serta/Formae Products	180	Wal-Mart	240
City of Austin	16,029	MTC (Lockhart Correctional)	175	ProBuild	222
Ascension Seton	14,842	H.E.B Food Store	170	Fat Quarter Shop	215
Federal Government	14,600	Pegasus School, Inc.	149	Cabela's	196
Dell Computer Corporation	13,000	City of Lockhart	145	Texas Lehigh	180
Tesla, Inc.	12,277	Iron Ox	100	US Food Service	159
St. David's Healthcare Partnership	11,484	Student Transportation Specialist	85	Hays Community YMCA	157
Amazon	11,000	Rehabilitation Center	80	Capital Spectrum	150

City of Kyle Approximately 38 miles from the City	
Employer	Employees
Hays CISD	3,258
Seton Medical Center Hays	750
Amazon	700
City of Kyle	349
Lowe's	100
Home Depot	100
Austin Community College Hays	80
Plastikon	65
SIMWON	38
ENF	25

City of Elgin Approximately 19 miles from the City	
Employer	Employees
Elgin ISD	664
Wal-Mart	225
HEB	200
Acme Brick Company	162
Hanson Brick Company	80
City of Elgin	67
Southside Market & BBQ	65
Elgin-Butler Brick	60
Elgin Veterinary Hospital	40
Meyer Sausage/Smokehouse	25

Source: Municipal Advisory Council of Texas

**THE DISTRICT**

**General**

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries or extraterritorial jurisdiction, and to impose assessments within the public improvement district to pay for certain improvements. The District was created by the Creation Resolution for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Improvement Area #1 Improvements, authorized by the PID Act and approved by the City Council that confer a special benefit on the District property being developed. The District is not a separate political subdivision of the State and is governed by the City Council. A map of the property within the District, including Improvement Area #1 of the District, is included on page v hereof.

**Powers and Authority**

Pursuant to the PID Act, the City may establish and create the District and undertake, or reimburse a developer for the costs of, improvement projects that confer a special benefit on property located within Improvement



Area #1. The PID Act provides that the City may levy and collect Assessments on property in the District, or portions thereof, payable in full or periodic installments based on the benefit conferred by an improvement project to pay all or part of its cost.

Pursuant to the PID Act and the Creation Resolution, the City has the power to undertake, or reimburse a developer for the costs of, the financing, acquisition, construction or improvement of the Improvement Area #1 Improvements. See “THE IMPROVEMENT AREA #1 IMPROVEMENTS.” Pursuant to the authority granted by the PID Act and the Creation Resolution, the City has determined to undertake the construction, acquisition or purchase of the Improvement Area #1 Improvements and to finance a portion of the costs thereof through the issuance of the Bonds. The City has further determined to provide for the payment of debt service on the Bonds through Pledged Revenues. See “ASSESSMENT PROCEDURES” herein and “APPENDIX B — Form of Service and Assessment Plan.”

## **THE IMPROVEMENT AREA #1 IMPROVEMENTS**

### **General**

Proceeds of the Bonds will be used to pay for a portion of the costs of the Improvement Area #1 Improvements, Bond Issuance Costs (as defined in the Service and Assessment Plan) and First Year Annual Collection Costs (as defined in the Service and Assessment Plan). The Developer is responsible for the completion of the construction, acquisition or purchase of the Improvement Area #1 Improvements. The Developer will submit reimbursement requests for costs actually incurred in developing and constructing the Improvement Area #1 Improvements shall be reimbursed in accordance with the Indenture, the Financing and Reimbursement Agreement and the Reimbursement Agreement. See “PLAN OF FINANCE – Development Plan, Status of Development and Plan of Finance” and “APPENDIX B – Form of Service and Assessment Plan” herein.

Set forth below are descriptions of the Improvement Area #1 Improvements.

***Improvement Area #1 Improvements:*** The Improvement Area #1 Improvements, a portion of which are being financed with proceeds of the Bonds, include street, water, wastewater, storm drainage, and soft costs benefitting only Improvement Area #1 of the District.

***Street:*** Street improvements include subgrade stabilization (including excavation and drainage), concrete and reinforcing steel for roadways, handicapped ramps, and street lights. Intersections, signage, lighting, and re-vegetation of all disturbed areas within the right of way are included. These roadway improvements include streets that will provide street access to each Lot. These projects will provide access to community roadways and state highways. The street improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

***Water:*** Improvements include trench excavation and embedment, trench safety, PVC piping, service connections and testing. These lines will include the necessary appurtenances to be fully operational transmission lines extending water service to the limits of the improvements. The water improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

***Wastewater:*** Wastewater improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections and testing. These lines will include the necessary appurtenances to be fully operational transmission lines existing wastewater services to the limits of the improvements. The wastewater improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

***Drainage:*** Drainage improvements include trench excavation and embedment, trench safety, reinforced concrete piping, manholes, inlets, channels/swales and ponds. These will include the necessary appurtenances to be fully operation to convey stormwater to the limits of the improvement area. The drainage improvements

will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

**Soft Costs:** Softs costs includes costs related to designing, constructing, and installing the Improvement Area #1 Improvements including land planning and design, City permits and fees, engineering, soil testing, survey, construction management, legal, special assessment consulting, district formation expenses and contingency.

The following table reflects the total expected costs of the Improvement Area #1 Improvements, Bond Issuance Costs and First Year Annual Collection Costs.

<u>Type of Improvement</u>	<u>Costs*</u>
Streets	\$6,637,576
Water	2,817,287
Wastewater	2,079,838
Drainage	5,475,303
Soft Costs	<u>4,252,501</u>
Subtotal Improvement Area #1 Improvements	<u>\$21,262,504</u>
Bond Issuance Costs and First Year Annual Collection Costs	<u>\$2,330,419</u>
Total	<b><u>\$23,592,923</u></b>

The expected total cost of the Improvement Area #1 Improvements, Bond Issuance Costs and First Year Annual Collection Costs is approximately \$23,592,923\*. A portion of the costs of the Improvement Area #1 Improvements, in the amount of \$[PROJECT FUND DEPOSIT]\*, is expected to be paid or reimbursed from the proceeds of the Bonds. The balance of the costs is expected to be paid by the Developer with cash available to the Developer, and will not be reimbursed by the City.

**Ownership and Maintenance of the Improvement Area #1 Improvements**

The Improvement Area #1 Improvements will be dedicated to the City in accordance with City standards and specifications. The City will provide for the ongoing operation, maintenance and repair of the Improvement Area #1 Improvements constructed and conveyed, as outlined in the Service and Assessment Plan.

**THE DEVELOPMENT**

The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the City, the City’s Financial Advisor and the Underwriter, and none of the City, the City’s Financial Advisor, Bond Counsel nor the Underwriter have any way of guaranteeing the accuracy of such information. See “SOURCES OF INFORMATION – Source of Certain Information.”

**Overview**

The Development is an approximately 399.878 acre master planned residential project to be known as “Valverde.” The Development is located at the intersection of State Highway 71 and Farm to Market Road 969, with access to the Development directly from Farm to Market Road 969. Improvement Area #1 of the Development is located in the corporate limits of the City and the remaining property of the Development is located in the extraterritorial jurisdiction of the City. The Developer expects the remaining portion of the Development to be annexed into the City as the Development is developed. The Development is approximately 30 miles southeast of the City of Austin, Texas, approximately 19 miles south of the City of Elgin, Texas, and approximately 31 miles northwest of the City of Lockhart, Texas. The Development is approximately 22 miles southeast of Austin-Bergstrom International Airport, 22 miles east from Circuit of the Americas, and 22 miles southeast from the Austin Tesla factory. The City,

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\* Preliminary; subject to change.

located in the southeastern region of the Austin-Round Rock-San Marcos, Texas Metropolitan Statistical Area (the “Austin MSA”), is poised for growth as the overall Austin MSA continues its growth trajectory.

The Development is expected to include a variety of open spaces, parkland, pedestrian trails and bike trails, and an amenity center for residents to enjoy. This combination will provide its residents a community environment in which to live. The Development is located within Bastrop ISD.

**Development Plan and Status of Development in Improvement Area #1 of the District**

The Development is expected to include approximately 1,399 single-family residential lots consisting of a mixture of 32’, 43’, 45’ and 50’ lots, as well as 250 townhome rental units at build out. Development in the District began with Improvement Area #1, which is expected to contain a total of 352 single-family residential lots and 250 townhomes, and is being developed in three phases, Phase 2, which contains 174 lots, Phase 3, which is expected to contain 178 lots, and Phase 13, which is expected to contain all 250 townhomes.

The Developer has constructed and will continue to construct the Improvement Area #1 Improvements. Construction of the portion of the Improvement Area #1 Improvements benefitting Phase 2 began in September 2022. Internal lot improvements for Phase 2 have been completed, and final completion of Phase 2, which is pending completion of a lift station, is expected to occur in January 2025. Construction of the portion of the Improvement Area #1 Improvements benefitting Phase 3 began in May 2024 and is expected to be completed in May 2025. Construction of the internal Improvement Area #1 Improvements benefitting Phase 13 is expected to begin in Q1 2025 and be completed in Q1 2026.

The total expected cost of the Improvement Area #1 Improvements is \$21,262,504\*. As of December 1, 2024, the Developer has expended approximately \$14,300,000 on the Improvement Area #1 Improvements, which was financed with cash available to the Developer. See “THE DEVELOPER – History and Financing of the District.”

**Photographs of Development in Improvement Area #1 of the District**

A photograph of development within Improvement Area #1 of the District are included herein in Appendix G.

**Builders within Improvement Area #1 of the District**

The Developer does not plan on entering into any purchase contracts with any homebuilders within the District. The Developer is a wholly-owned subsidiary of D.R. Horton. D.R. Horton will construct the anticipated 352 single-family homes in Improvement Area #1 of the District. Home construction in Improvement Area #1 began in October 2024, and the first home sale is expected to be in February 2025.

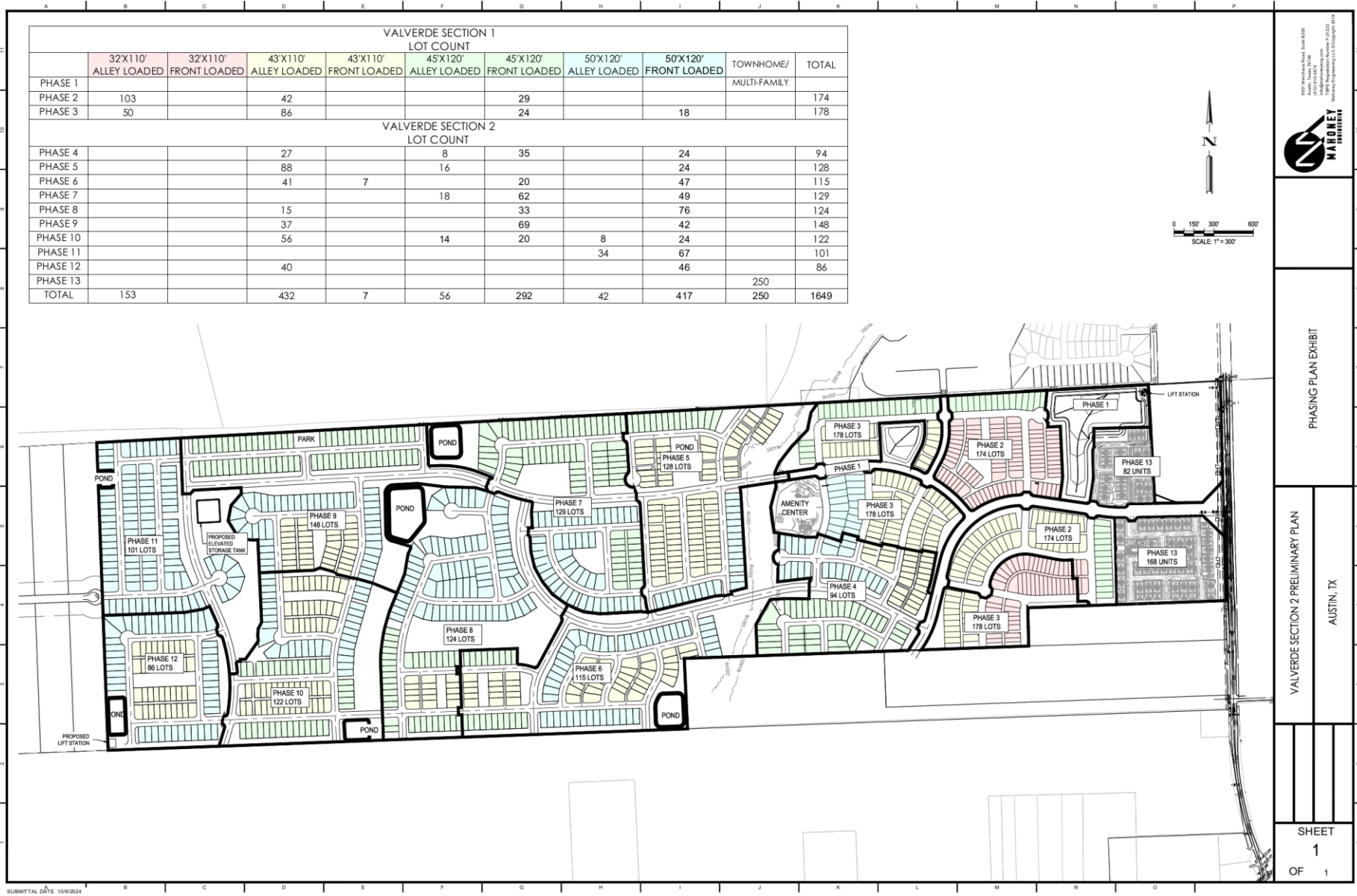
DHI will construct the anticipated 250 townhomes in Improvement Area #1 of the District. DHI is expected to begin vertical construction of the townhomes in Q2 2026 and complete such construction in Q2 2027. The townhomes are expected to be rental units with an average rental rate of approximately \$1,775/unit.

**Concept Plan**

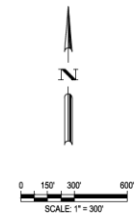
Below is the current concept plan of the Development as approved by the City. The concept plan is conceptual and subject to change consistent with the City’s zoning and subdivision regulations.

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\* Preliminary; subject to change.



9500 Manchaca Road, Suite 500B  
Austin, TX 78735  
Tel: 512-333-3333  
Fax: 512-333-3334  
TSP# Engineering Number: F-21222  
Mansour Engineering, LLC (College 2014)



PHASING PLAN EXHIBIT

VALVERDE SECTION 2 PRELIMINARY PLAN

AUSTIN, TX

SHEET  
1  
OF 1

P:\118810001\CASESECTION\_1\_PRELIMINARY PLAN VALVERDE\DWG\PHASING EXHIBIT\_V1.DWG (10/20/24)

SUBMITTAL DATE: 10/01/2024

**Expected Build-Out of the Development**

The Developer’s current expectations regarding estimated home prices in Improvement Area #1 of the District are as follows:

**ESTIMATED HOME PRICES**

<u>Lot Size (Width in Ft.)</u>	<u>Quantity</u>	<u>Average Base Home Price**</u>
32’	153	\$307,495
43’	128	\$352,490
45’	53	\$368,990
50’	18	\$368,990

\*\* Developer estimates. Average across all lot types. 45’ and 50’ lot types are considered substantially similar by the Developer and are expected to be sold at similar price points.

The following tables provide the build-out schedule of the District and absorption schedule of lots in the District.

**EXPECTED BUILD-OUT OF THE DISTRICT**

<u>Phase</u>	<u>Single-Family Lots/Townhome Lots</u>	<u>Actual/Expected Infrastructure Start Date</u>	<u>Actual/Expected Infrastructure Completion Date</u>
1*	N/A	September 2022	December 2024
2	174	September 2022	January 2025**
3	178	May 2024	May 2025
4	94	June 2025	June 2026
5	128	June 2026	June 2027
6	115	June 2027	June 2028
7	129	June 2027	June 2028
8	124	June 2028	June 2029
9	148	June 2028	June 2029
10	122	June 2029	June 2030
11	101	June 2029	June 2030
12	86	June 2030	June 2031
13	<u>250</u>	February 2025	March 2026
<b>Total</b>	<b>1,649</b>		

\* Phase 1 contains only roads and no single-family lots or townhomes.

\*\* Phase 2 internal lot improvements have been completed. Final completion date reflects completion date of the lift station necessary to serve such lots.

**EXPECTED ABSORPTION OF HOMES IN IMPROVEMENT AREA #1 OF THE DISTRICT**

<u>Expected Final Sale Date</u>	<u>Total Homes</u>
Q1 2025	36
Q2 2025	36
Q3 2025	36
Q4 2025	36
Q1 2026	36
Q2 2026	36
Q3 2026	36
Q4 2026	36
Q1 2027	36
Q2 2027	<u>28</u>

<u>Expected Final</u>	
<u>Sale Date</u>	<u>Total Homes</u>
Total	352

**Future Improvement Area Bonds**

Future Improvement Area Bonds to finance the cost of Future Improvement Area Improvements are anticipated to be issued in the future. The estimated costs of the Future Improvement Area Improvements will be determined at the same time the Future Improvement Areas are developed, and the Service and Assessment Plan will be updated to identify the Future Improvement Area Improvements to be constructed within the applicable Future Improvement Area and financed by each new series of Future Improvement Area Bonds. Such Future Improvement Area Bonds will be secured by separate assessments levied pursuant to the PID Act on assessable property within the applicable Future Improvement Area. The Developer anticipates that Future Improvement Area Bonds will be issued over a six year period, as described in the Service and Assessment Plan.

The Bonds and any Future Improvement Area Bonds issued by the City are separate and distinct issues of securities. The City reserves the right to issue Future Improvement Area Bonds for any purpose permitted by the PID Act, including those described above.

**The Development Agreement**

The Developer and the City entered into the Viridian Development Agreement (as amended, the “Development Agreement”) pursuant to which the Developer agreed to construct certain public improvements in the Development. Under the Development Agreement, the Developer has agreed to construct certain onsite wastewater facilities which include the lift station that is part of the Improvement Area #1 Improvements and a force main connecting to the City’s existing offsite gravity wastewater facilities (the “Onsite Wastewater Facilities”). In addition, the Developer has agreed to design and contribute funding to construct certain offsite wastewater facilities (the “Offsite Wastewater Facilities” and together with the Onsite Wastewater Facilities, the “Wastewater Facilities”) which will be constructed by the City. The expected cost to construct the Offsite Wastewater Facilities is approximately \$3,200,000, which the Developer has agreed to contribute \$211,570 towards the cost to construct the Offsite Wastewater Facilities. In the event that (i) the City has not completed the Offsite Wastewater Facilities prior to November 1, 2024, and (ii) the Developer requires wastewater service for any portion of the property after completion of the Onsite Wastewater Facilities, but prior to the City’s completion of the Offsite Wastewater Facilities, then the City shall provide pump and haul wastewater service to the property at the City’s expense until such time as the Wastewater Facilities are complete and operational; provided, however, that the City’s expenses to provide such pump and haul wastewater service shall not exceed \$200,000.00 in total, and that the Developer shall be solely responsible for any further expenses for pump and haul in excess of such amount. As of January 17, 2025, the Offsite Wastewater Facilities were not complete.

Under the Development Agreement, the Developer reserves the right to construct a wastewater reclamation treatment facility (the “Reclamation Treatment Facility”) in the District. The Development Agreement provides that all treated effluent from the Reclamation Treatment Facility, if constructed, will be the property of the Developer and the Developer shall be responsible for providing storage and pressurization facilities at its own expense.

The Development Agreement also requires the construction of a system of publicly accessible trails within the District that will include a 5-foot bike lane and a 6-foot wide sidewalk throughout the District, and a minimum of 87 acres of parkland/open space to be reserved within the District. Under the Development Agreement, the Developer will maintain the parks, open spaces, trails and bike lanes until the Bonds are paid in full.

Pursuant to the Development Agreement, the land within the District must have a minimum value-to-lien ratio of 3:1. In addition, pursuant to the Development Agreement (i) the total amount of bonds to be issued in conjunction with developing the District shall not exceed \$95,000,000, (ii) the total equivalent tax rate including annual installments in the District shall not exceed \$3.00/\$100, and (iii) capitalized interest may not exceed 2 years unless the law dictates otherwise, for which the maximum years of capitalized interest will be adjusted to the lawful requirement.

The Developer has agreed to an alternate process of review of development procedures as set forth in the Development Agreement. In addition, the Development Agreement provides that the property within the District shall be annexed into the corporate limits of the City in phases, but that no property shall be annexed until a final plat for the property to be annexed has been recorded and it is financially feasible for the City to annex such property.

### **Zoning**

The land within Improvement Area #1 (other than the areas applicable to the townhomes) has been zoned as P3 Neighborhood by the City. The townhome land has been zoned as P5 Core by the City. The land within the Future Improvement Areas has not been annexed into the City and thus has not been zoned. Development of such land is governed by the provisions of the Development Agreement. Contemporaneously with the annexation of each Future Improvement Area into the City's corporate limits, the City will zone such Future Improvement Area in a manner consistent with the concept plan, the Development Agreement, and city regulations.

### **Private Improvements**

The Developer has constructed or will construct certain private improvements to serve the entire District consisting of landscape/hardscape improvements consisting of an entry monument, subdivision walls and landscape/irrigation, and other miscellaneous soft costs. The cost of such improvements is expected to be approximately \$1.38 million. The costs of the private Improvements were paid or will be paid with cash available to the Developer.

### **Amenities**

The Developer has constructed and will construct certain amenities within the District, including an amenity center, playgrounds, public parks, open space, and hike and bike trails (the "Amenities"). The amenity center will consist of a building, pool, parking lot, volleyball court, pickleball court, a playscape and trails. The Developer expects to begin constructing the amenity center in January 2025 and expects to complete the amenity center in November 2025. Parks and hike and bike trails will be completed on a phased basis throughout the Development, with construction of the first phase of such parks and trails beginning in January 2025 with construction of the Amenity Center.

The amenity center is expected to cost approximately \$2,800,000. The expected total cost of the Amenities, including the amenity center, is \$4,900,000. The costs of the Amenities are being financed with cash available to the Developer. The Amenities will be owned and maintained by the HOA.

### **Education**

The District is located within Bastrop ISD. Bastrop ISD operates eight elementary schools, four middle/intermediate schools, two high schools and three alternative schools. Colony Oaks Elementary School, which is approximately 1.6 miles from the District, Bastrop Middle School, which is approximately 2.1 miles from the District and Bastrop High School, which is approximately 4.7 miles from the District, are expected to serve the District.

According to the Texas Education Agency annual school report cards, Bastrop Middle School, Bastrop High School and Bastrop ISD were rated "C" for the 2021-2022 school year, the latest year for which ratings are available. The categories for public school districts and public schools are A, B, C, D or Not Rated. Bastrop Middle School is rated 3/10 and Bastrop High School is rated 5/10 by GreatSchools.org. Colony Oaks Elementary School has not been assigned a rating by the Texas Education Agency or GreatSchools.org.

### **Environmental**

Phase One ESA. A Phase One Environmental Site Assessment (a "Phase One ESA") of land within the District, including Improvement Area #1, was completed by Wood Environment and Infrastructure, Inc. ("Wood"). The Developer provided an executive summary of such Phase One ESA for review. The executive summary provides that there was no evidence that the property in the District was under environmental regulatory review or enforcement

action. The site reconnaissance, regulatory database review and historical source review revealed no evidence of recognized environmental conditions involving the site.

However, Wood did identify the following developmental conditions: (i) a house, two mobile homes, and two pole barns were located on the property which Wood indicated may warrant asbestos and lead-based paint surveys prior to demolition; (ii) three water wells are located on the property which Wood recommended should be properly plugged and abandoned prior to development; and (iii) a septic system was located on the property which Wood recommended be removed and disposed of prior to development. The Developer has complied with Wood's recommendations.

Wood also identified two riverine wetlands are located on the property. The land identified by Wood as wetlands will be designated as open space.

*Endangered Species.* According to the website for the United States Fish and Wildlife Service, the Houston Toad is endangered species in Bastrop County. The Developer is not aware of any endangered species located on District property.

### **Flood Designation**

According to Federal Emergency Management Agency ("FEMA") Flood Insurance Rate Map Panel No. 48021C0355F effective May 9, 2023, approximately 6.06 acres of the District lie within Zone AE, which is part of the 100-year floodplain. However, no property within Improvement Area #1 of the District lies in an area of special flood hazard designation. The Developer does not expect to develop the land in the flood plain, and all such land will remain open space.

### **Existing Mineral Rights, Easements and Other Third Party Property Rights**

Third parties hold title to certain rights applicable to real property within and around the District (the "Mineral Owners"), including reservations of mineral rights and royalty interests and easements (collectively, the "Third Party Property Rights") pursuant to various instruments in the chain of title for various tracts of land within and immediately adjacent to the District. Some of these reservations of mineral rights include a waiver by the Mineral Owners of their right to enter onto the surface of the property to explore, develop, drill, produce or extract minerals within the District. If the waiver is applicable, such Mineral Owners may only develop such mineral interests by means of wells drilled on land outside of the property of the District.

The Developer is not aware of any ongoing mineral rights development or exploration on or adjacent to the property within the District. The Developer is not aware of any interest in real property (including mineral rights) owned by the Mineral Owners adjacent to the District. Certain rules and regulations of the Railroad Commission of Texas may also restrict the ability of the Mineral Owners to explore or develop the property due to well density, acreage, or location issues.

Although the Developer does not expect the above-described Third Party Property Rights, or the exercise of such rights or any other third party real property rights in or around the District, to have a material adverse effect on the Development, the property within Improvement Area #1 of the District, or the ability of landowners within the District to pay Assessments, the Developer makes no guarantee as to such expectation. See "BONDHOLDERS' RISKS — Exercise of Third Party Property Rights."

### **Utilities**

*Water and Wastewater.* The City will provide water and wastewater service to the District. The City has sufficient capacity to provide water and wastewater service to the District. See "THE CITY – City Water and Wastewater System."

In addition to the water and wastewater portion of the Improvement Area #1 Improvements, pursuant to the Development Agreement, the Developer is constructing a lift station to serve the Development, which is expected to be completed in January 2025. The approximate cost of the lift station is \$1,500,000, which is expected to be funded



with cash available to the Developer without reimbursement from the City. The City has agreed in the Development Agreement to construct the Offsite Wastewater Facilities necessary to connect the property in the District to the City's existing system. See "THE DEVELOPMENT – Development Agreement."

*Other Utilities.* Additional utilities in the District are expected to be provided by: (1) Phone – Centric Fiber; (2) Electric – Bluebonnet Electric Cooperative; (3) Cable/Data – Centric Fiber; and (4) Gas – Centric Gas.

## **THE DEVELOPER**

The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the City, the City's Financial Advisor, Bond Counsel nor the Underwriter, and none of the City, the City's Financial Advisor, or the Underwriter have any way of guaranteeing the accuracy of such information. See "SOURCES OF INFORMATION – Source of Certain Information."

### **General**

In general, the activities of a developer in a development such as the District include purchasing the land, designing the subdivision, including the utilities and streets to be installed and any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, sewer, and drainage facilities, as well as telephone and electric service) and selling improved lots to homebuilders, developers, or other third parties. The relative success or failure of a developer to perform such activities within a development may have a material effect on the security of bonds, such as the Bonds, issued by a municipality for a public improvement district. A developer is generally under no obligation to develop the property that it owns in a development. Furthermore, there is no restriction on the developer's right to sell any or all of the land that the developer owns within a development. In addition, a developer is ordinarily the major tax and assessment payer within a district during its development.

### **Description of Developer**

The Developer is a wholly-owned subsidiary of D.R. Horton. D.R. Horton is a public company (NYSE: DHI) subject to the information requirements of the Securities and Exchange Act of 1934, as amended, and in accordance therewith files reports and other information with the Securities Exchange Commission ("SEC"). Reports, proxy statements and other information filed by D.R. Horton can be inspected at the office of the SEC at Judiciary Plaza, Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Regional Office of the SEC located at Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511. Copies of such material can be obtained from the Public Reference Section of the SEC at 450 Fifth Street, N.W. Washington, D.C. 20549, at prescribed rates. Copies of the above reports, proxy statements and other information may also be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005. The SEC maintains a website at <http://www.sec.gov> that contains reports, proxy information statements and other information regarding registrants that file electronically with the SEC.

In addition, D.R. Horton makes available on its web site [www.drhorton.com](http://www.drhorton.com) its annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports from Form 8-K (and any amendments to those reports) filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as soon as practicable after they have electronically filed with the SEC as well as other financial institutions. Unless otherwise specified, information contained on D.R. Horton's website, available by hyperlink from D.R. Horton's website or on the SEC's website, is not incorporated into this Limited Offering Memorandum

**THE BONDS AND THE ASSESSMENTS DO NOT CONSTITUTE INDEBTEDNESS OF, AND ARE NOT GUARANTEED BY, THE DEVELOPER OR D.R. HORTON.**

## Executive Biographies of Developer Principals

Ryan Gray, Land Development Manager. Ryan Gray joined D.R. Horton in 2017. Based in Austin, Texas, Ryan joined D.R. Horton after working for Forestar Group, Inc. for 9 years, where he gained a wealth of experience in real estate and development. Ryan has experience in land acquisition and management as well as project management.

Joel Wixson, Region Land Acquisition Manager. Joel Wixson joined D.R. Horton as Region Land Acquisition Manager in 2021. His engineering background, entitlement knowledge and acquisition experience have played a major role in providing D.R. Horton lots across Arizona, New Mexico, and Texas. In September 2024, Wixson took over as Land Manager for the Austin Division.

## History and Financing of the District

The Developer purchased approximately 399.878 acres, which includes the land within Improvement Area #1 of the District, on December 17, 2020 from David K. Grassel at a purchase price of \$11,600,000, which was funded with cash available to the Developer. The Developer is the owner of all 399.878 acres being developed in the District, including Improvement Area #1.

Approximately 10.59 acres within the boundaries of the District are owned by SIS Bastrop, LLC, and such land will not be assessed or be part of the Development.

The Developer expects to fund development in the District with cash available to the Developer.

## THE ADMINISTRATOR

The following information has been provided by the Administrator. Certain of the following information is beyond the direct knowledge of the City, the City's Financial Advisor and the Underwriter, and none of the City, the City's Financial Advisor, Bond Counsel nor the Underwriter have any way of guaranteeing the accuracy of such information. The Administrator has reviewed this Limited Offering Memorandum and warrant and represent that the information herein under the caption "THE ADMINISTRATOR" does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they are made, not misleading.

The City has selected P3Works, LLC as the initial Administrator for the District. The Administrator is a consulting firm with a specialized consulting practice providing services related to the formation and administration of special tax and special assessment districts. The City has entered into an agreement with the Administrator to provide specialized services related to the administration of the District needed to support the issuance of the Bonds. The Administrator will primarily be responsible for preparing the annual update to the Service and Assessment Plan. The Administrator is a consulting firm focused on providing district services relating to the formation and administration of public improvement districts, and is based in North Richland Hills, Texas and Austin, Texas.

The Administrator's duties will include:

- Preparation of the annual update to the Service and Assessment Plan
- Preparation of assessment rolls for City billing and collection
- Establishing and maintaining a database of all City parcel IDs within the District
- Trust account analysis and reconciliation
- Property owner inquiries
- Determination of Prepayment amounts
- Preparation and review of disclosure notices with Dissemination Agent
- Review of developer draw requests for reimbursement of authorized improvement costs.

## APPRAISAL

### The Appraisal

General. Barletta & Associates, Inc. (the “Appraiser”), prepared an appraisal report dated as of November 25, 2024 (the “Appraisal”). The Appraisal was prepared at the request of the Underwriter.

The description herein of the Appraisal is intended to be a brief summary only of the Appraisal as it relates to the District. The Appraisal is attached hereto as APPENDIX E and should be read in its entirety. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions and qualifications, which are set forth therein. See “APPENDIX E — Appraisal.”

Value Estimates. The Appraiser estimated (i) the “As Is” bulk market value of the fee simple interest in the 174 lots in Phase 2 (referred to in the Appraisal as “Phase 1 & 2, Sec. 1”) effective as of October 1, 2024, (ii) the “Upon Completion” bulk market value of the 178 expected lots in Phase 3 effective as of May 1, 2025, and (iii) the “Upon Completion” bulk market value of the fee simple interest in the 250 townhome lots in Phase 13 (referred to in the Appraisal as “Valverde North & Valverde South”) effective as of December 1, 2025, each under certain extraordinary assumptions as outlined in the Appraisal including the assumption that the Improvement Area #1 Improvements have been completed. The Appraisal reflects the values as if the lots were sold to a single purchaser in a single transaction. See “APPENDIX E — Appraisal.”

The Appraiser estimated the following values in Improvement Area #1, each using the methodologies described in the Appraisal (i) Phase 2 “As Is” bulk market value of \$11,890,000 effective as of October 1, 2024, (ii) Phase 3 “Upon Completion” bulk market value of \$14,120,000 effective as of May 1, 2025, and (iii) Phase 13 “Upon Completion” bulk market value of \$12,800,000 effective as of December 1, 2025. The combined value estimate for the assessable property within Improvement Area #1 of the District using the methodologies described in the Appraisal and subject to the hypothetical conditions set forth in the Appraisal, as of the effective dates set forth in the Appraisal, is \$38,810,000. For further information about the value of the land within Improvement Area #1 of the District and the lien relating to the Assessments, see “ASSESSMENT PROCEDURES – Assessment Methodology.”

**None of the City, the Developer or the Underwriter make any representation as to the accuracy, completeness, assumptions or information contained in the Appraisal. The assumptions or qualifications with respect to the Appraisal are contained therein. There can be no assurance that any such assumptions will be realized, and the City, the Developer and the Underwriter make no representation as to the reasonableness of such assumptions. Prospective investors should read the complete Appraisal in order to make an informed decision regarding any contemplated purchase of the Bonds. The complete Appraisal is attached hereto as APPENDIX E.**

## BONDHOLDERS’ RISKS

*Before purchasing any of the Bonds, prospective investors and their professional advisors should carefully consider all of the risk factors described below which may create possibilities wherein interest may not be paid when due or that the Bonds may not be paid at maturity or otherwise as scheduled, or, if paid, without premium, if applicable. The following risk factors (which are not intended to be an exhaustive listing of all possible risks associated with an investment in the Bonds) should be carefully considered prior to purchasing any of the Bonds. Moreover, the order of presentation of the risks summarized below does not necessarily reflect the significance of such investment risks.*

### General

**THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE**

**RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, AND OTHER FUNDS COMPRISING THE TRUST ESTATE.**

The ability of the City to pay debt service on the Bonds as due is subject to various factors that are beyond the City's control. These factors include, among others, (a) the ability or willingness of property owners within Improvement Area #1 of the District to pay Assessments levied by the City, (b) cash flow delays associated with the institution of foreclosure and enforcement proceedings against property within Improvement Area #1 of the District, (c) general and local economic conditions which may impact real property values, the ability to liquidate real property holdings and the overall value of real property development projects, and (d) general economic conditions which may impact the general ability to market and sell the lots within Improvement Area #1 of the District, it being understood that poor economic conditions within the City, State and region may slow the assumed pace of sales of such lots.

The rate of development of the property in Improvement Area #1 of the District is directly related to the vitality of the residential housing industry. In the event that the sale of the lands within Improvement Area #1 of the District should proceed more slowly than expected and the Developer is unable to pay the Assessments, only the value of the lands, with improvements, will be available for payment of the debt service on the Bonds, and such value can only be realized through the foreclosure or expeditious liquidation of the lands within Improvement Area #1 of the District. There is no assurance that the value of such lands will be sufficient for that purpose and the expeditious liquidation of real property through foreclosure or similar means is generally considered to yield sales proceeds in a lesser sum than might otherwise be received through the orderly marketing of such real property.

The Underwriter is not obligated to make a market in or repurchase any of the Bonds, and no representation is made by the Underwriter, the City or the City's Financial Advisor that a market for the Bonds will develop and be maintained in the future. If a market does develop, no assurance can be given regarding future price maintenance of the Bonds.

The City has not applied for or received a rating on the Bonds. The absence of a rating could affect the future marketability of the Bonds. There is no assurance that a secondary market for the Bonds will develop or that holders who desire to sell their Bonds prior to the stated maturity will be able to do so.

#### **Deemed Representations and Acknowledgment by Investors**

Each Investor will be deemed to have acknowledged and represented to the City the matters set forth under the heading "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS" which include, among others, a representation and acknowledgment that the purchase of the Bonds involves investment risks, certain of which are set forth under this heading "BONDHOLDERS' RISKS" and elsewhere herein, and such Investor, either alone or with its purchaser representative(s) (as defined in Rule 501(h) of Regulation D under the Securities Act of 1933), has sophisticated knowledge and experience in financial and business matters and the capacity to evaluate such risks in making an informed investment decision to purchase the Bonds, and the Investor can afford a complete loss of its investment in the Bonds.

#### **Assessment Limitations**

Annual Installments of Assessments are billed to property owners in the District. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as for ad valorem taxes as described under "ASSESSMENT PROCEDURES" herein. Additionally, Annual Installments established by the Service and Assessment Plan correspond in number and proportionate amount to the number of installments and principal amounts of Bonds maturing in each year, interest and the Annual Collection Costs for such year. See "ASSESSMENT PROCEDURES" herein. The unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Annual Installments of Assessment payments in the future.

In order to pay debt service on the Bonds, it is necessary that Annual Installments are paid in a timely manner. Due to the lack of predictability in the collection of Annual Installments in the District, the City has established a Reserve Account in the Reserve Fund, to be funded from the proceeds of the Bonds, to cover delinquencies. The Annual Installments are secured by the Assessment Lien. However, there can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid depletion of the Reserve Account and delay in payments of debt service on the Bonds. See “BONDHOLDERS’ RISKS — Bondholders’ Remedies and Bankruptcy” herein.

Upon an ad valorem tax lien foreclosure event of a property within Improvement Area #1 of the District, any lien securing an Assessment that is delinquent will be foreclosed upon in the same manner as the ad valorem tax lien (assuming all necessary conditions and procedures for foreclosure are duly satisfied). To the extent that a foreclosure sale results in insufficient funds to pay in full both the delinquent ad valorem taxes and the delinquent Assessments, the liens securing such delinquent ad valorem taxes and delinquent Assessments would likely be extinguished. Any remaining unpaid balance of the delinquent Assessments would then be an unsecured personal liability of the original property owner.

Based upon the language of Texas Local Government Code, §372.017(b), case law relating to other types of assessment liens and opinions of the Texas Attorney General, the Assessment Lien as it relates to installment payments that are not yet due should remain in effect following an ad valorem tax lien foreclosure, with future installment payments not being accelerated. Texas Local Government Code §372.018(d) supports this position, stating that an Assessment Lien runs with the land and the portion of an assessment payment that has not yet come due is not eliminated by foreclosure of an ad valorem tax lien.

The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Ordinance. However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinance (“Pre-existing Homestead Rights”) for as long as such rights are maintained on the property. It is unclear under State law whether or not Pre-existing Homestead Rights would prevent the Assessment Lien from attaching to such homestead property or instead cause the Assessment Lien to attach, but remain subject to, the Pre-existing Homestead Rights.

Under State law, in order to establish homestead rights, the claimant must show a combination of both overt acts of homestead usage and intention on the part of the owner to claim the land as a homestead. Mere ownership of the property alone is insufficient and the intent to use the property as a homestead must be a present one, not an intention to make the property a homestead at some indefinite time in the future. As of the date of adoption of the Assessment Ordinance, no such homestead rights will have been claimed. Furthermore, the Developer is not eligible to claim homestead rights and the Developer has represented that it will own all property within Improvement Area #1 of the District as of the date of the Assessment Ordinance. Consequently, there are and can be no homestead rights on the Assessed Property superior to the Assessment Lien and, therefore, the Assessment Lien may be foreclosed upon by the City.

Failure by owners of the parcels to pay Annual Installments when due, depletion of the Reserve Fund, delay in foreclosure proceedings, or inability of the City to sell parcels which have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent installments of Assessments levied against such parcels may result in the inability of the City to make full or punctual payments of debt service on the Bonds.

**THE ASSESSMENTS WILL CONSTITUTE A FIRST AND PRIOR LIEN AGAINST THE PROPERTY ASSESSED, SUPERIOR TO ALL OTHER LIENS AND CLAIMS EXCEPT LIENS AND CLAIMS FOR STATE, COUNTY, SCHOOL DISTRICT OR MUNICIPALITY AD VALOREM TAXES AND WILL BE PERSONAL OBLIGATIONS OF AND CHARGES AGAINST THE OWNERS OF PROPERTY LOCATED WITHIN IMPROVEMENT AREA #1 OF THE DISTRICT.**

#### **Exceedance of Maximum Assessment Could Trigger Assessment Prepayment and Optional Redemption**

The Service and Assessment Plan establishes a “Maximum Assessment” for each lot type in Improvement Area #1 of the District, which Maximum Assessment is currently calculated as shown below. See “APPENDIX B — Form of Service and Assessment Plan.”

<u>Lot type</u>	<u>Maximum Assessment per Lot Type</u>
Multi-Family	\$17,747.15
32'	\$19,489.86
43'	\$22,341.76
45'	\$23,387.58
50'	\$23,387.58

Prior to the City approving a final subdivision plat, the Administrator will certify that such plat will not result in the Assessment per lot for any lot type exceeding the Maximum Assessment. If the Administrator determines that the resulting Assessment per lot for any lot type will exceed the Maximum Assessment, the Service and Assessment Plan provides that the person or entity filing the plat shall make a mandatory prepayment of the Assessments. See “ASSESSMENT PROCEDURES – Assessment Amounts – Maximum Assessment.”

No plat has been filed the townhome tract in Phase 13 of in Improvement Area #1 of the District. In the event that the number of townhomes to be built in Phase 13 of Improvement Area #1 falls prior to the filing of a plat for Improvement Area #1, a mandatory prepayment of the Assessments could be triggered at the time of filing of the plat. Any mandatory prepayment of the Assessments related to the exceedance of the Maximum Assessment may trigger an optional redemption of the Bonds by the City. See “DESCRIPTION OF THE BONDS – Redemption Provisions.”

**Competition**

The housing industry in the Austin area is very competitive, and none of the Developer, the City, the City’s Financial Advisor or the Underwriter can give any assurance that the building programs which are planned will be completed in accordance with the Developer’s expectations. The competitive position of the Developer in the sale of developed lots or of any other homebuilder in the construction and sale of single-family residential units is affected by most of the factors discussed in this section, and such competitive position is directly related to maintenance of market values in the District. There can be no assurances that other similar projects will not be developed in the future or that existing projects will not be upgraded or otherwise be able to compete with the Development. A sample of competitive projects near the Development is below.

<u>Project Name</u>	<u># of Units</u>	<u>Proximity to District (Miles)</u>	<u>Developer/Builders</u>	<u>Expected Home Sale Prices</u>
Double Eagle Ranch	52	7.72 Miles	Meritage Homes	\$368,490
The Colony	99	.64 Miles	Perry Homes	\$416,150
The Colony	103	0.48 Miles	Scott Felder Homes	\$461,290
The Colony	92	2.75 Miles	Sitterle Homes	\$584,909
Adelton	47	1.3 Miles	Empire	\$408,445

**Recent Changes in State Law Regarding Public Improvement Districts; Failure of Developer to Deliver Required Notice Pursuant to Texas Property Code May Affect Absorption Schedule and Provide for Prepayments Causing Partial Redemptions of Bonds**

The 87th Legislature passed HB 1543, which became effective September 1, 2021, and requires a person who proposes to sell or otherwise convey real property within a public improvement district to provide to the purchaser of the property, before the execution of a binding contract of purchase and sale, written notice of the obligation to pay public improvement district assessments, in accordance with Section 5.014, Texas Property Code, as amended. In the event a contract of purchase and sale is entered into without the seller providing the notice, the intended purchaser is entitled to terminate the contract or purchase and sale. If the Developer or the homebuilders within Improvement Area #1 of the District do not provide the required notice and prospective purchasers of property within Improvement Area #1 of the District terminate a purchase and sale contract, the anticipated absorption schedule may be affected.

In addition to the right to terminate the purchase contract, a property owner who did not receive the required notice is entitled, after sale, to sue for damages for (i) all costs relative to the purchase, plus interest and reasonable attorney's fees, or (ii) an amount not to exceed \$5,000, plus reasonable attorney's fees. In a suit filed pursuant to clause (i), any damages awarded must go first to pay any outstanding liens on the property. In such an event, the outstanding Assessments on such property may be prepaid. In the event of such prepayment, a partial redemption of the Bonds could occur. See "DESCRIPTION OF THE BONDS – Redemption Provisions." On payment of all damages respectively to the lienholders and purchaser pursuant to clause (i), the purchaser is required to reconvey the property to the seller. Further however, if the Developer or homebuilders within Improvement Area #1 of the District do not provide the required notice and become liable for monetary damages, the anticipated buildout and absorption schedule may be affected. No assurances can be given that the projected buildout and absorption schedules presented in this Limited Offering Memorandum will be realized. The form of notice to be provided to homebuyers is attached to the Service and Assessment Plan. See "APPENDIX B – Form of Service and Assessment Plan."

### **Failure or Inability to Complete Proposed Development**

Proposed development within Improvement Area #1 of the District may be affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, changes in the income tax treatment of real property ownership, unexpected increases in development costs and other similar factors as well as availability of utilities and the development or existence of environmental concerns with such land. See "– Hazardous Substances" below. There can be no assurances that other similar projects will not be developed in the future or that existing projects will not be upgraded or otherwise able to compete with the Development. A slowdown of the development process and the related absorption rate within the Development because of any or all of the foregoing could affect adversely land values. THE TIMELY PAYMENT OF THE BONDS DEPENDS UPON THE WILLINGNESS AND ABILITY OF THE DEVELOPER AND ANY SUBSEQUENT OWNERS TO PAY THE ASSESSMENTS WHEN DUE. ANY OR ALL OF THE FOREGOING COULD REDUCE THE WILLINGNESS AND THE ABILITY OF SUCH OWNERS TO PAY THE ASSESSMENTS AND COULD GREATLY REDUCE THE VALUE OF PROPERTY WITHIN IMPROVEMENT AREA #1 OF THE DISTRICT IN THE EVENT SUCH PROPERTY HAS TO BE FORECLOSED. In that event, there could be a default in the payment of the Bonds.

### **Completion of Homes**

The cost and time for completion of homes by the homebuilders is uncertain and may be affected by changes in national, regional and local and economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; changes in local, regional and national market and economic conditions; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes yet to be built in the Development, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; force majeure (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; subcontractor defaults; and other unknown contingencies and factors beyond the control of the Developer.

### **Absorption Rate**

There can be no assurance that the Developer will be able to achieve its anticipated absorption rates. Failure to achieve the absorption rate estimates will adversely affect the estimated value of the Development, could impair the economic viability of the Development and could reduce the ability or desire of property owners in the District to pay the Assessments.

### **Risks Related to the Current Residential Real Estate Market**

The real estate market is currently experiencing a slowing of new home sales and new home closings due in part to rising inflation and mortgage interest rates. Downturns in the real estate market and other factors beyond the control of the Developer, including general economic conditions, may impact the timing of parcel, lot, and home sales within the District. No assurances can be given that projected home prices, home sales and buildout values presented in this Limited Offering Memorandum will be realized.

### **Risks Related to Increase in Costs of Building Materials**

There have been substantial increases in the cost of materials, causing many homebuilders and general contractors to experience budget overruns. If the construction costs associated with completing homes in the District are substantially higher than the estimated costs or if the homebuilders within Improvement Area #1 of the District are unable to access building materials in a timely manner, it may affect the ability of such homebuilders in the District to complete the construction of homes or pay the Assessments when due. There is no way to predict whether such cost increases or low supply of building materials will continue or if such continuance will affect the development of the District.

### **Bankruptcy**

The payment of Assessments and the ability of the City to foreclose on the lien of a delinquent unpaid Assessment may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. Although bankruptcy proceedings would not cause the Assessments to become extinguished, bankruptcy of a property owner in all likelihood would result in a delay in prosecuting foreclosure proceedings. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds, and the possibility that delinquent Assessments might not be paid in full.

### **Direct and Overlapping Indebtedness, Assessments and Taxes**

The ability of an owner of property within Improvement Area #1 of the District to pay the Assessments could be affected by the existence of other taxes and assessments imposed upon the property. Public entities whose boundaries overlap those of the District currently impose ad valorem taxes on the property within Improvement Area #1 of the District and will likely do so in the future. Such entities could also impose assessment liens on the property within Improvement Area #1 of the District. The imposition of additional liens, or liens for private financing, may reduce the ability or willingness of the landowners to pay the Assessments. See "OVERLAPPING TAXES AND DEBT."

### **Depletion of Reserve Account of the Reserve Fund; No Prefunding of Delinquency & Prepayment Reserve Account**

Failure of the owners of property within the District to pay the Assessments when due could result in the rapid, total depletion of the Reserve Fund prior to replenishment from the resale of property upon a foreclosure or otherwise or delinquency redemptions after a foreclosure sale, if any. There could be a default in payments of the principal of and interest on the Bonds if sufficient amounts are not available in the Reserve Fund. The Delinquency & Prepayment Reserve Account of the Reserve Fund is not funded from proceeds of the Bonds. Instead, funding of the Delinquency & Prepayment Reserve Account is accumulated over time, by the mechanism described in "SECURITY FOR THE BONDS – Delinquency & Prepayment Reserve Account of the Reserve Fund." The Indenture provides that if after a withdrawal from the Reserve Account the amounts therein are less than the Reserve Account Requirement, the Trustee shall transfer an amount from the Pledged Revenue Fund to the Reserve Account sufficient to cure such deficiency. The Indenture also provides that if the amount on deposit in the Delinquency & Prepayment Reserve Account shall at any time be less than the Delinquency & Prepayment Reserve Requirement, the Trustee shall notify the City, in writing, of the amount of such shortfall and the City shall resume collecting the Additional Interest and shall file a City Certificate with the Trustee instructing the Trustee to resume depositing the Additional Interest from the Bond Pledged Revenue Account of the Pledged Revenue Fund into the Delinquency & Prepayment Reserve Account until the Delinquency & Prepayment Reserve Requirement has been accumulated in the Delinquency & Prepayment Reserve Account; provided, however, that the City shall not be required to replenish the Delinquency & Prepayment Reserve Account in the event funds are transferred from the Delinquency & Prepayment Reserve Account to the Redemption Fund as a result of an extraordinary optional redemption of Bonds from the proceeds of a Prepayment, as described under "SECURITY FOR THE BONDS – Reserve Account of the Reserve Fund."

### **Hazardous Substances**

While governmental taxes, assessments and charges are a common claim against the value of a parcel, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may



be realized to the assessment is a claim with regard to a hazardous substance. In general, the owners and operators of a parcel may be required by law to remedy conditions relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or “Superfund Act,” is the most well-known and widely applicable of these laws. It is likely that, should any of the parcels of land located in the District be affected by a hazardous substance, the marketability and value of such parcels would be reduced by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The value of the land within Improvement Area #1 of the District does not take into account the possible liability of the Developer for the remediation of a hazardous substance condition on the property in the District. The City has not independently verified, and is not aware, that the Developer has such a current liability with respect to the property in Improvement Area #1 of the District; however, it is possible that such liabilities do currently exist and that the City is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the land within the District resulting from the existence, currently, of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. The actual occurrence of any of these possibilities could significantly negatively affect the value of a parcel that is realizable upon a foreclosure.

See “THE DEVELOPMENT — Environmental” for discussion of the Phase One ESA performed on property within Improvement Area #1 of the District.

### **Exercise of Third Party Property Rights**

As described herein under “THE DEVELOPMENT – Existing Mineral Rights, Easements and Other Third Party Property Rights,” there are certain Third Party Property Rights reservations located within Improvement Area #1 of the District and not owned by the Developer or any of its affiliates. There may also be additional mineral rights and related real property rights reflected in the chain of title for the real property within Improvement Area #1 of the District recorded in the real property records of Bastrop County.

The Developer does not expect the existence or exercise of any Third Party Property Rights, mineral rights or related real property rights in or around the District to have a material adverse effect on the Development, the property within Improvement Area #1 of the District, or the ability of landowners within Improvement Area #1 of the District to pay Assessments. However, none of the City, the Financial Advisor, or the Underwriter, provide any assurances as to such Developer expectations.

### **Regulation**

Development within the District may be subject to future federal, state and local regulations. Approval may be required from various agencies from time to time in connection with the layout and design of development in the District, the nature and extent of public improvements, land use, zoning and other matters. Failure to meet any such regulations or obtain any such approvals in a timely manner could delay or adversely affect development in the District and property values.

### **Bondholders’ Remedies and Bankruptcy**

In the event of default in the payment of principal of or interest on the Bonds or the occurrence of any other Event of Default under the Indenture, the Trustee may, and upon the written request of at least of the Owners of at least a Quarter in Interest on the Bonds then Outstanding, the Trustee shall proceed to protect and enforce its rights and the rights of the owners of the Bonds under the Indenture by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for mandamus or the specific performance of any covenant or agreement contained therein or in aid or execution of any power granted or

for the enforcement of any proper legal or equitable remedy, as the Trustee shall deem most effectual to protect and enforce such rights.

The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the City's obligations under the Bonds or the Indenture and such obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The owners of the Bonds cannot themselves foreclose on property within Improvement Area #1 of the District or sell property within Improvement Area #1 of the District in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the owners of the Bonds further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. In this regard, should the City file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the City to seek judicial foreclosure of its Assessment Lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "BONDHOLDERS' RISKS — Bankruptcy Limitation to Bondholders' Rights" herein.

Any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a property owner within Improvement Area #1 of the District pursuant to the Federal Bankruptcy Code could, subject to its discretion, delay or limit any attempt by the City to collect delinquent Assessments, or delinquent ad valorem taxes, against such property owner.

In addition, in 2006, the Texas Supreme Court ruled in *Tooke v. City of Mexia*, 197 S.W.3d 325 (Tex. 2006) ("Tooke") that a waiver of sovereign immunity must be provided for by statute in "clear and unambiguous" language. In so ruling, the Court declared that statutory language such as "sue and be sued", in and of itself, did not constitute a clear and unambiguous waiver of sovereign immunity. In *Tooke*, the Court noted the enactment in 2005 of sections 271.151-.160, Texas Local Government Code (the "Local Government Immunity Waiver Act"), which, according to the Court, waives "immunity from suit for contract claims against most local governmental entities in certain circumstances." The Local Government Immunity Waiver Act covers cities and relates to contracts entered into by cities for providing goods or services to cities.

In *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W.3d 427 (Tex. 2016) ("Wasson"), the Texas Supreme Court (the "Court") addressed whether the distinction between governmental and proprietary acts (as found in tort-based causes of action) applies to breach of contract claims against municipalities. The Court analyzed the rationale behind the Proprietary-Governmental Dichotomy to determine that "a city's proprietary functions are not done pursuant to the 'will of the people'" and protecting such municipalities "via the [S]tate's immunity is not an efficient way to ensure efficient allocation of [S]tate resources." While the Court recognized that the distinction between governmental and proprietary functions is not clear, the *Wasson* opinion held that the Proprietary-Governmental Dichotomy applies in a contract-claims context. The Court reviewed *Wasson* for a second time and issued an opinion on October 5, 2018 clarifying that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function when it entered into the contract, not at the time of the alleged breach. Therefore, in regard to municipal contract cases (as in tort claims), it is incumbent on the courts to determine whether a function was proprietary or governmental based upon the statutory and common law guidance at the time of inception of the contractual relationship. Texas jurisprudence has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under authority or for the benefit of the State; these are usually activities that can be, and often are, provided by private persons, and therefore are not done as a branch of the State, and do not implicate the state's immunity since they are not performed under the authority, or for the benefit, of the State as sovereign. Notwithstanding the foregoing new case law issued by the Court, such sovereign immunity issues have not been adjudicated in relation to bond matters (specifically, in regard to the issuance of municipal debt). Each situation will be prospectively evaluated based on the facts and circumstances surrounding the contract in question to determine if a suit, and subsequently, a judgement, is justiciable against a municipality.

The City is not aware of any State court construing the Local Government Immunity Waiver Act in the context of whether contractual undertakings of local governments that relate to their borrowing powers are contracts covered by such act. Because it is unclear whether the Texas legislature has effectively waived the City's sovereign

immunity from a suit for money damages in the absence of City action, the Trustee or the owners of the Bonds may not be able to bring such a suit against the City for breach of the Bonds or the Indenture covenants. As noted above, the Indenture provides that owners of the Bonds may exercise the remedy of mandamus to enforce the obligations of the City under the Indenture. Neither the remedy of mandamus nor any other type of injunctive relief was at issue in Tooke, and it is unclear whether Tooke will be construed to have any effect with respect to the exercise of mandamus, as such remedy has been interpreted by State courts. In general, State courts have held that a writ of mandamus may be issued to require public officials to perform ministerial acts that clearly pertain to their duties. State courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, mandamus may be used to require a public officer to perform legally-imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party (including the payment of moneys due under a contract).

### **No Acceleration**

The Indenture expressly denies the right of acceleration in the event of a payment default or other default under the terms of the Bonds or the Indenture.

### **Bankruptcy Limitation to Bondholders' Rights**

The enforceability of the rights and remedies of the owners of the Bonds may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. The City is authorized under State law to voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. 901-946. The City may proceed under Chapter 9 if it (1) is generally not paying its debts, or unable to meet its debts, as they become due, (2) desires to effect a plan to adjust such debts, and (3) has either obtained the agreement of or negotiated in good faith with its creditors, is unable to negotiate with its creditors because negotiation is impracticable, or reasonably believes that a creditor may attempt to obtain a preferential transfer.

If the City decides in the future to proceed voluntarily under the Federal Bankruptcy Code, the City would develop and file a plan for the adjustment of its debts, and the Bankruptcy Court would confirm the plan if (1) the plan complies with the applicable provisions of the Federal Bankruptcy Code, (2) all payments to be made in connection with the plan are fully disclosed and reasonable, (3) the City is not prohibited by law from taking any action necessary to carry out the plan, (4) administrative expenses are paid in full, (5) all regulatory or electoral approvals required under State law are obtained and (6) the plan is in the best interests of creditors and is feasible. The rights and remedies of the owners of the Bonds would be adjusted in accordance with the confirmed plan of adjustment of the City's debt. The City cannot predict a Bankruptcy Court's treatment of the Bondholders' creditor claim and whether a Bondholder would be repaid in full.

### **Loss of Tax Exemption**

The Indenture contains covenants by the City intended to preserve the exclusion from gross income of interest on the Bonds for federal income tax purposes. As discussed under the caption "TAX MATTERS" herein, interest on the Bonds could become includable in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the City in violation of its covenants in the Indenture.

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

### **Tax-Exempt Status of the Bonds**

As further described in “TAX MATTERS” below, failure of the City to comply with the requirements of the Internal Revenue Code of 1986 (the “Code”) and the related legal authorities, or changes in the federal tax law or its application, could cause interest on the Bonds to be included in the gross income of owners of the Bonds for federal income tax purposes, possibly from the date of original issuance of the Bonds. Further, the opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel’s judgment as to the proper treatment of interest on the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service (“IRS”) or the courts. The IRS has an ongoing program of auditing obligations that are issued and sold as bearing tax-exempt interest to determine whether, in the view of the IRS, interest on such obligations is included in the gross income of the owners thereof for federal income tax purposes. The IRS has announced that its audit efforts will focus in part on “developer-driven bond transactions,” including certain tax increment financings and certain assessment bond transactions. In recent audits, the IRS has asserted that interest on such “developer-driven” obligations can be taxable, in certain circumstances, even when those transactions otherwise meet all applicable tax law requirements. It cannot be predicted if this IRS focus could lead to an audit of the Bonds or what the result would be of any such audit. If an audit of the Bonds is commenced, under current procedures parties other than the City would have little, if any, right to participate in the audit process. Moreover, because achieving judicial review in connection with an audit of tax-exempt obligations is difficult, obtaining an independent review of IRS positions with which the City legitimately disagrees, may not be practicable. Any action of the IRS, regardless of the outcome, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of obligations presenting similar tax issues, may affect the market price for, or the marketability of, the Bonds. Finally, if the IRS ultimately determines that the interest on the Bonds is not excluded from the gross income of Bondholders for federal income tax purposes, the City may not have the resources to settle with the IRS, the Bonds are not required to be redeemed, and the interest rate on the Bonds will not increase.

### **Management and Ownership**

The management and ownership of the Developer and related or affiliated property owners could change in the future. Purchasers of the Bonds should not rely on the management experience of such entities. There are no assurances that such entities will not sell the subject property or that officers will not resign or be replaced. In such circumstances, a new developer or new officers in management positions may not have comparable experience in development projects comparable to that of the Development.

### **General Risks of Real Estate Investment and Development**

Investments in undeveloped or developing real estate are generally considered to be speculative in nature and to involve a high degree of risk. The Development will be subject to the risks generally incident to real estate investments and development. Many factors that may affect the Development, as well as the operating revenues of the Developer, including those derived from the Development, are not within the control of the Developer. Such factors include changes in national, regional and local economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; changes in local, regional and national market and economic conditions; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes to be built in the Development, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; acts of God (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; contractor or subcontractor defaults; and other unknown contingencies and factors beyond the control of the Developer.

Neither the Developer nor any other subsequent landowner is a guarantor of the Assessments and the recourse for the failure of the Developer or any other landowner to pay the Assessments is limited to the collection proceedings against the land as described herein. Failure to meet any lot purchase contract’s conditions may allow the applicable lot purchaser to terminate its obligation to purchase lots from the Developer and obtain its earnest money deposit back. See “THE DEVELOPMENT – Expected Build Out of the Development” herein.

The Developer has the right to modify or change their plan for development of the District from time to time, including, without limitation, land use changes, changes in the overall land and phasing plans, and changes to the type, mix, size, and number of units to be developed. No defined “true-up” agreement has been entered into between the City and Developer, nor is there a requirement that future developers enter into such an agreement. There can be no assurance, in the event the Developer or subsequent developers modify or change plans for development that the necessary revisions to the Service and Assessment Plan will be made. Nor can there be an assurance that the eventual assessment burden on the property will be marketable.

The ability of the Developer to develop lots and/or its affiliate homebuilders and sell single-family residential homes within the District may be affected by unforeseen changes in the general economic conditions, fluctuations in the real estate market and other factors beyond the control of the owner of the single-family residential lots. In the event that a large number of single-family projects are constructed outside of the District, and compete with the Development, the demand for residential housing within the District could be reduced, thereby adversely affecting the continued development of the Development, or its attraction to businesses and residents

The Development cannot be initiated or completed without the Developer obtaining a variety of governmental approvals and permits, some of which have already been obtained. Certain permits are necessary to initiate construction of the Development and to allow the occupancy of residences and to satisfy conditions included in the approvals and permits. There can be no assurance that all of these permits and approvals can be obtained or that the conditions to the approvals and permits can be fulfilled. The failure to obtain any of the required approvals or fulfill any one of the conditions could cause materially adverse financial results for the Developer.

A slowdown of the development process and the related absorption rate within the Development because of any or all of the foregoing could affect adversely land values. The timely payment of the Bonds depends on the willingness and ability of the Developer, its homebuilding affiliates and any subsequent owners to pay the Assessments when due. Any or all of the foregoing could reduce the willingness and ability of such owners to pay the Assessments and could greatly reduce the value of the property within Improvement Area #1 of the District in the event such property has to be foreclosed. If Annual Installments of Assessments are not timely paid and there are insufficient funds in the accounts of the Reserve Fund, a nonpayment could result in a payment default under the Indenture.

### **Availability of Utilities**

The progress of development within the District is also dependent upon the City providing an adequate supply of water and wastewater. If the City fails to supply water and wastewater services to the property in the District, the Development of the land in the District could be adversely affected. See “THE DEVELOPMENT — Utilities.”

Portions of the State, including the City and its surrounding area, are experiencing significant growth, which has produced and is expected to continue to produce a growing demand for water and wastewater service. The ability of the City to provide an adequate supply of water and sufficient capacity for treatment of wastewater, as applicable, is dependent on many factors, including, but not limited to, supply and demand of materials to complete necessary water and wastewater improvements, compliance with the Texas Commission on Environmental Quality regulations, the effects of extreme weather events on such entities’ water and wastewater systems, and the construction of developments competing with the District. See “THE DEVELOPMENT — Utilities,” “BONDHOLDERS’ RISKS — General Risks of Real Estate Investment and Development,” “— Risks Related to Current Increase in Costs of Building Materials,” “— Competition,” “— Regulation” and “— Risk from Weather Events.”

None of the City, the Financial Advisor, the Underwriter, or the Developer can predict the impact that such growing demand may have on the City, the District, the projected buildout schedule, availability of water and wastewater service to Improvement Area #1 of the District or an investment in the Bonds.

### **Dependence Upon Developer**

The Developer, as the owner of the Assessed Property in the District, currently has the obligation for payment of the Assessments. The ability of the Developer to make full and timely payment of the Assessments will directly affect the ability of the City to meet its debt service obligations with respect to the Bonds. There can be no assurances

given as to the financial ability or willingness of the Developer to advance any funds to the City to supplement revenues from the Assessments if necessary, or as to whether the Developer will advance such funds.

Moreover, the City will pay the Developer, or the Developer's designee, from proceeds of the Bonds for project costs actually incurred in developing and constructing the Improvement Area #1 Improvements within Improvement Area #1 of the District. See "THE IMPROVEMENT AREA #1 IMPROVEMENTS – General" and "THE DEVELOPMENT – Development Plan and Status of Development in Improvement Area #1 of the District." There can be no assurances given as to the financial ability of the Developer to complete such improvements.

The Developer will not guarantee or otherwise be obligated to pay debt service on the Bonds.

### **Potential Future Changes in State Law Regarding Public Improvement Districts**

During Texas legislative sessions and interim business of the Texas legislature, various proposals and reports have been presented by committees of Texas Senate and Texas House of Representative which suggest or recommend changes to the PID Act relating to oversight of bonds secured by special assessments including adopting requirements relating to levels of build out or adding State level oversight in connection with the issuance of bonds secured by special assessments under the PID Act. The 88th Legislative Session of the State (the "88th Regular Session") concluded on May 29, 2023. When the regular Legislature is not in session, the Governor of Texas may call one or more special sessions, at the Governor's direction, each lasting no more than 30 days, and for which the Governor sets the agenda. Upon conclusion of the 88th Regular Session, the Governor has called four special sessions all of which have ended without any legislation being passed by either chamber of the Texas legislature recommending oversight of bonds secured by assessments. It is impossible to predict what new proposals may be presented regarding the PID Act and the issuance of special assessment bonds during any upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Texas Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. It is impossible to predict with certainty the impact that any such future legislation will or may have on the security for the Bonds.

### **Use of Appraisal**

Caution should be exercised in the evaluation and use of valuations included in the Appraisal. The Appraisal is an estimate of market value as of a specified date based upon assumptions and limiting conditions and any extraordinary assumptions specific to the relevant valuation and specified therein. The estimated market value specified in the Appraisal is not a precise measure of value but is based on a subjective comparison of related activity taking place in the real estate market. The valuation set forth in the Appraisal is based on various assumptions of future expectations and while the Appraiser's forecasts for properties in the District is considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future. The Bonds will not necessarily trade at values determined solely by reference to the underlying value of the properties in the District.

In performing its analysis, the Appraiser makes numerous assumptions with respect to general business, economic and regulatory conditions and other matters, many of which are beyond the Appraiser's, Underwriter's and City's control, as well as certain factual matters. Furthermore, the Appraiser's analysis, opinions and conclusions are necessarily based upon market, economic, financial and other circumstances and conditions existing prior to the valuation and date of the Appraisal.

The intended use and user of the Appraisal are specifically identified in the Appraisal as agreed upon in the contract for services and/or reliance language found in the Appraisal. The Appraiser has consented to the use of the Appraisal in this Limited Offering Memorandum in connection with the issuance of the Bonds. No other use or user of the Appraisal is permitted by any other party for any other purpose.

### **Risk from Weather Events**

All of the State, including the City and the District, is subject to extreme weather events that can cause loss of life and damage to property through strong winds, flooding, heavy rains, extreme heat and freezes, including events similar to the severe winter storm that the continental United States experienced in February 2021, which resulted in

disruptions in the Electric Reliability Council of Texas power grid and prolonged blackouts throughout the State. It is impossible to predict whether similar events will occur in the future and the impact they may have on the City or the District, including land within the District.

### **100-Year Flood Plain**

According to FEMA Flood Insurance Rate Map Panel No. 48021C0355F effective May 9, 2023, approximately 6.06 acres of the District lies within Zone AE, which is part of the 100-year floodplain. However, no property within Improvement Area #1 of the District lies in an area of special flood hazard designation. The Developer does not expect to develop the land in the flood plain and all such land will remain open space.

FEMA will from time to time revise its Flood Insurance Rate Maps. None of the City, the Underwriter, or the Developer make any representation as to whether FEMA may revise its Flood Insurance Rate Maps, whether such revisions may result in homes that are currently outside of the 100-year flood plain from being included in the 100-year flood plain in the future, or whether extreme flooding events may occur more often than assumed in creating the 100-year flood plain.

### **Judicial Foreclosures**

Judicial foreclosure proceedings are not mandatory; however, the City has covenanted (subject to provisions set forth in the Indenture) to order and cause such actions to be commenced. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and, in such event, there could be an additional delay in payment of the principal of and interest on the Bonds or such payment may not be made in full. Moreover, in filing a suit to foreclose, the City must join other taxing units that have claims for delinquent taxes against all or part of the same property; the proceeds of any sale of property within the District available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property. See “OVERLAPPING TAXES AND DEBT.” Collection of delinquent taxes, assessments and the Assessments may be adversely affected by the effects of market conditions on the foreclosure sale price, and by other factors, including taxpayers’ right to redeem property within two years of foreclosure for residential and agricultural use property and six months for other property, and by a time-consuming and expensive collection procedure.

### **No Credit Rating**

The City has not applied for or received a rating on the Bonds. Even if a credit rating had been sought for the Bonds, it is not anticipated that such a rating would have been investment grade. The absence of a rating could affect the future marketability of the Bonds. There is no assurance that a secondary market for the Bonds will develop or that holders who desire to sell their Bonds prior to the stated maturity will be able to do so. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary market trading in connection with a particular issue is suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then generally prevailing circumstances. Such prices could be substantially different from the original purchase price.

### **Limited Secondary Market for the Bonds**

The Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Bonds in the event an Owner thereof determines to solicit purchasers for the Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Bonds may be sold. Such price may be lower than that paid by the current Owners of the Bonds, depending on the progress of development of the District subject to the Assessments, existing real estate and financial market conditions and other factors.

### **Cybersecurity Risks**

The City, like other municipalities in the State, utilizes technology in conducting its operations. As a user of technology, the City potentially faces cybersecurity threats (e.g., hacking, phishing, viruses, malware and ransomware) on its technology systems. Accordingly, the City may be the target of a cyber-attack on its technology systems that could result in adverse consequences to the City. The City employs a multi-layered approach to combating

cybersecurity threats. While the City deploys layered technologies and requires employees to receive cybersecurity training, as required by State law, among other efforts, cybersecurity breaches could cause material disruptions to the City's finances or operations. The costs of remedying such breaches or protecting against future cyber-attacks could be substantial. Further, cybersecurity breaches could expose the City to litigation and other legal risks, which could cause the City to incur other costs related to such legal claims or proceedings.

## **TAX MATTERS**

### **Opinion**

On the date of initial delivery of the Bonds, McCall, Parkhurst & Horton L.L.P., Bond Counsel to the City, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("Existing Law"), (1) interest on the Bonds for federal income tax purposes will be excludable from the "gross income" of the holders thereof and (2) the Bonds will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). Except as stated above, Bond Counsel to the City will express no opinion as to any other federal, state, or local tax consequences of the purchase, ownership or disposition of the Bonds. See "APPENDIX C – Form of Opinion of Bond Counsel."

In rendering its opinion, Bond Counsel to the City will rely upon (a) the City's federal tax certificate and (b) covenants of the City with respect to arbitrage, the application of the proceeds to be received from the issuance and sale of the Bonds and certain other matters. Failure of the City to comply with these representations or covenants could cause the interest on the Bonds to become includable in gross income retroactively to the date of issuance of the Bonds.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel to the City is conditioned on compliance by the City with the covenants and the requirements described in the preceding paragraph, and Bond Counsel to the City has not been retained to monitor compliance with these requirements subsequent to the issuance of the Bonds.

Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Bond Counsel's opinion is not a guarantee of a result. The Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that such Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Bonds.

A ruling was not sought from the Internal Revenue Service by the City with respect to the Bonds or the facilities financed or refinanced with the proceeds of the Bonds. Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the representations of the City that it deems relevant to render such opinion and is not a guarantee of a result. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the City as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

### **Federal Income Tax Accounting Treatment of Original Issue Discount**

The initial public offering price to be paid for one or more maturities of the Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the Bonds may not be equal to the accrual period or be in excess of one year (the "Original Issue Discount Bonds"). In such event, the difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The "stated redemption



price at maturity” means the sum of all payments to be made on the Bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, any owner who has purchased such Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

Under Existing Law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner’s basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

### **Collateral Federal Income Tax Consequences**

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Bonds. This discussion is based on Existing Law, which is subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with Subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

**THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE BONDS.**

Interest on the Bonds may be includable in certain corporation’s “adjusted financial statement income” determined under section 56A of the Code to calculate the alternative minimum tax imposed by section 55 of the Code.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Bonds, if such obligation was acquired at a “market discount” and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to “market discount Bonds” to the extent such gain does not exceed the accrued market discount of such Bonds; although for this purpose, a de minimis amount of market discount is ignored. A “market discount bond” is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the “revised issue price” (i.e., the issue price plus accrued original issue discount). The “accrued market discount” is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

### **State, Local and Foreign Taxes**

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

### **Information Reporting and Backup Withholding**

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Bonds will be sent to each registered holder and to the Internal Revenue Service. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner’s social security number or other taxpayer identification number (“TIN”), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient’s federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

### **Future and Proposed Legislation**

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

## **LEGAL MATTERS**

### **Legal Proceedings**

Delivery of the Bonds will be accompanied by (i) the unqualified approving legal opinion of the Attorney General to the effect that the Bonds are valid and legally binding obligations of the City under the Constitution and laws of the State, payable from the Trust Estate and, (ii) based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds, the legal opinion of Bond Counsel, to a like effect.

McCall, Parkhurst & Horton L.L.P., Austin, Texas, serves as Bond Counsel to the City. Troutman Pepper Locke LLP (the successor merged firm to Locke Lord LLP and Troutman Pepper Hamilton Sanders LLP), Dallas, Texas, serves as Underwriter’s Counsel. The legal fees paid to Bond Counsel and Underwriter’s Counsel are contingent upon the sale and delivery of the Bonds.

## Legal Opinions

The City will furnish the Underwriter a transcript of certain certified proceedings incident to the authorization and issuance of the Bonds. Such transcript will include a certified copy of the approving opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State, to the effect that the Bonds are valid and binding special obligations of the City. The City will also furnish the legal opinion of Bond Counsel, to the effect that, based upon an examination of such transcript, the Bonds are valid and binding special, limited obligations of the City under the Constitution and laws of the State. The legal opinion of Bond Counsel will further state that the Bonds, including principal thereof and interest thereon, are payable from and secured by a pledge of and lien on the Trust Estate. Bond Counsel will also provide a legal opinion to the effect that interest on the Bonds will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described above under the caption "TAX MATTERS." A copy of the opinion of Bond Counsel is attached hereto as "APPENDIX C — Form of Opinion of Bond Counsel."

Except as noted below, Bond Counsel did not take part in the preparation of this Limited Offering Memorandum, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Bonds in this Limited Offering Memorandum under the captions or subcaptions "PLAN OF FINANCE — The Bonds" (except for the final paragraph thereof), "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS" (except for the final paragraph under the subcaption "General"), "ASSESSMENT PROCEDURES" (except for the subcaptions "Assessment Methodology" and "Assessment Amounts"), "THE DISTRICT," "TAX MATTERS," "LEGAL MATTERS — Legal Proceedings" (except for the final paragraph thereof), "LEGAL MATTERS — Legal Opinions" (except for the final paragraph thereof), "CONTINUING DISCLOSURE – The City," "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE," "LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS" and "APPENDIX A," and "APPENDIX C" excluding any material that may be treated as included under such captions or subcaptions by cross references or reference to other documents or sources, and such firm is of the opinion that the statements relating to the Bonds and legal matters contained under such captions and subcaptions accurately describes the laws and legal matters addressed therein and, with respect to the Bonds, insofar as such statements expressly summarize certain provisions of or refer to the Bonds, the Bond Ordinance and the Indenture, or set out content of such firm's Bond Opinion, are accurate in all material respects.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

### Litigation — The City

At the time of delivery and payment for the Bonds, the City will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or, to its knowledge, overtly threatened against the City affecting the existence of the District, or seeking to restrain or to enjoin the sale or delivery of the Bonds, the application of the proceeds thereof, in accordance with the Indenture, or the collection or application of Assessments securing the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Assessment Ordinance, the Indenture, any action of the City contemplated by any of the said documents, or the collection or application of the Pledged Revenues, or in any way contesting the completeness or accuracy of this Limited Offering Memorandum or any amendment or supplement thereto, or contesting the powers of the City or its authority with respect to the Bonds or any action of the City contemplated by any documents relating to the Bonds.

### Litigation — The Developer

At the time of delivery and payment for the Bonds, the Developer will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the best knowledge of the Developer, threatened against or affecting the

Developer wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Developer or its officers or would adversely affect (1) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Bond Ordinance, the Service and Assessment Plan, the Financing and Reimbursement Agreement, or the Bond Purchase Agreement, or otherwise described in this Limited Offering Memorandum, or (2) the tax-exempt status of interest on the Bonds.

### **SUITABILITY FOR INVESTMENT**

Investment in the Bonds poses certain economic risks. See “BONDHOLDERS’ RISKS.” The Bonds are not rated by any nationally recognized municipal securities rating service. No dealer, broker, salesman or other person has been authorized by the City or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. Additional information will be made available to each prospective investor, including the benefit of a site visit to the City and the opportunity to ask questions of the Developer as such prospective investor deems necessary in order to make an informed decision with respect to the purchase of the Bonds.

### **ENFORCEABILITY OF REMEDIES**

The remedies available to the owners of the Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay. See “BONDHOLDERS’ RISKS — Bondholders’ Remedies and Bankruptcy.” Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Indenture and the Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by governmental immunity, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors and enacted before or after such delivery, and by general principles of equity that permit the exercise of judicial discretion.

### **NO RATING**

No application for a rating on the Bonds has been made to any rating agency, nor is there any reason to believe that the City would have been successful in obtaining an investment grade rating for the Bonds had application been made.

### **CONTINUING DISCLOSURE**

#### **The City**

Pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), the City, the Administrator, and BOKF, NA (in such capacity, the “Dissemination Agent”) will enter into a Continuing Disclosure Agreement (the “Issuer Disclosure Agreement”) for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Issuer Disclosure Agreement, certain financial information and operating data relating to the City (collectively, the “City Reports”). The specific nature of the information to be contained in the City Reports is set forth in “APPENDIX D-1 — Form of Issuer Disclosure Agreement.” Under certain circumstances, the failure of the City to comply with its obligations under the Issuer Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Issuer Disclosure Agreement would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

The City has agreed to update information and to provide notices of certain specified events only as provided in the Issuer Disclosure Agreement. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Limited Offering Memorandum, except as provided in the Issuer Disclosure Agreement. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. The City disclaims any contractual or tort liability for

damages resulting in whole or in part from any breach of the Issuer Disclosure Agreement or from any statement made pursuant to the Issuer Disclosure Agreement.

### **The City’s Compliance with Prior Undertakings**

During the last five years, the City has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

### **The Developer**

The Developer will enter into a Continuing Disclosure Agreement (the “Developer Disclosure Agreement”) with the Administrator and the Dissemination Agent for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Developer Disclosure Agreement, certain information regarding the applicable portion of the District and the applicable portions of the Improvement Area #1 Improvements (collectively, the “Developer Reports”). The specific nature of the information to be contained in the Developer Reports is set forth in “APPENDIX D-2 — Form of Developer Disclosure Agreement.”

Under certain circumstances, the failure of Developer or the Administrator to comply with their respective obligations under the Developer Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Developer Disclosure Agreement would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance. The Developer Disclosure Agreement is a voluntary agreement made for the benefit of the holders of the Bonds and are not entered into pursuant to the Rule.

The Developer has agreed to provide (i) certain updated information to the Administrator, which consultant will prepare and provide such updated information in report form and (ii) notices of certain specified events, only as provided in the Developer Disclosure Agreement. The Developer has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Limited Offering Memorandum, except as provided in the Developer Disclosure Agreement. The Developer makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. The Developer disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Developer Disclosure Agreement or from any statement made pursuant to the Developer Disclosure Agreement.

### **The Developer’s Compliance with Prior Undertakings**

The Developer has previously entered into a continuing disclosure undertaking under which its reporting obligations began on November 19, 2024. The Developer’s first quarterly reporting obligation under such undertaking (except for any material events) is due May 15, 2025.

## **UNDERWRITING**

FMSbonds, Inc. (the “Underwriter”) has agreed to purchase the Bonds from the City at a purchase price of \$\_\_\_\_\_ (the par amount of the Bonds, less an underwriting discount of \$\_\_\_\_\_, which includes Underwriter’s Counsel’s fee of \$\_\_\_\_\_) and no accrued interest. The Underwriter’s obligations are subject to certain conditions precedent and if obligated to purchase any of the Bonds the Underwriter will be obligated to purchase all of the Bonds. The Bonds may be offered and sold by the Underwriter at prices lower than the initial offering prices stated on the inside cover page hereof, and such initial offering prices may be changed from time to time by the Underwriter.

## **REGISTRATION AND QUALIFICATION OF BONDS FOR SALE**

The sale of the Bonds has not been registered under the Securities Act of 1933 in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any other jurisdiction. The City assumes no responsibility for qualification of the Bonds under the securities laws of

any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

### **LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS**

The PID Act and Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code, as amended) provide that the Bonds are negotiable instruments and investment securities governed by Chapter 8, Texas Business and Commerce Code, as amended, and are legal and authorized investments for insurance companies, fiduciaries, trustees, or for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State, the PFIA requires that the Bonds be assigned a rating of at least “A” or its equivalent as to investment quality by a national rating agency. See “NO RATING” above. In addition, the PID Act and various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Bonds are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. No review by the City has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states. No representation is made that the Bonds will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes.

The City made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Bonds for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Bonds for such purposes.

### **INVESTMENTS**

The City invests its funds in investments authorized by State law in accordance with investment policies approved by the City Council. Both State law and the City’s investment policies are subject to change.

Under State law, the City is authorized to invest in (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor; (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this State that the City selects from a list the governing body or designated investment committee of the entity adopts as required by Section 2256.025, Texas Government Code; or (ii) a depository institution with a main office or branch office in the State that the City selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the investing entity's account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the City appoints as its custodian of the banking deposits issued for its account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the SEC and operating under Securities and Exchange Commission Rule 15c3-3; (9) (i) certificates of deposit and share certificates issued by or through an institution that either has its main office or a branch office in the State, and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Insurance Fund, or are secured as to principal by obligations described in the clauses (1) through (8) or in any other manner and amount provided by law for City

deposits, or (ii) certificates of deposits where (a) the funds are invested by the City through (I) a broker that has its main office or a branch office in the State and is selected from a list adopted by the City as required by law or (II) a depository institution that has its main office or a branch office in the State that is selected by the City; (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City; (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1) above or clause (12) below, which are pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (13) through (15) below, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City's name and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less; (12) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency; (13) commercial paper with a stated maturity of 365 days or less that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank; (14) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that provide the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and comply with federal Securities and Exchange Commission Rule 2a-7; and (15) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, and have a duration of one year or more and are invested exclusively in obligations described in this paragraph or have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than "AAA" or "AAA-m" or an equivalent by at least one nationally recognized rating service. The City may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the City retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the City must do so by order, ordinance, or resolution. The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Under State law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for City funds, the

maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All City funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under State law, City investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." At least quarterly the investment officers of the City shall submit an investment report detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest for the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset and fund type invested at the beginning and end of the reporting period by the type of asset and fund type invested, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) state law. No person may invest City funds without express written authority from the City Council.

Under State law the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers' with personal business relationships or relatives with firms seeking to sell securities to the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the registered principal of firms seeking to sell securities to the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio, requires an interpretation of subjective investment standards or relates to investment transactions of the entity that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority), and (c) deliver a written statement attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the officers of the City; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse repurchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the entity's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

#### **INFORMATION RELATING TO THE TRUSTEE**

The City has appointed BOKF, NA association organized under the laws of the United States, to serve as Trustee. The Trustee is to carry out those duties assignable to it under the Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Limited Offering Memorandum and assumes no responsibility for the contents, accuracy, fairness or completeness of the information set forth in this Limited Offering Memorandum or for the recitals contained in the Indenture or the Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the City of any of the Bonds authenticated or delivered pursuant to the Indenture or for the use or application of the proceeds of such Bonds by the City. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any



assets or revenues pledged or assigned as security for the Bonds, the technical or financial feasibility of the project, or the investment quality of the Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

Additional information about the Trustee may be found at its website at [www.bokf.com](http://www.bokf.com). Neither the information on the Trustee's website, nor any links from that website, is a part of this Limited Offering Memorandum, nor should any such information be relied upon to make investment decisions regarding the Bonds.

## **SOURCES OF INFORMATION**

### **General**

The information contained in this Limited Offering Memorandum has been obtained primarily from the City's records, the Developer and its representatives and other sources believed to be reliable. In accordance with its responsibilities under the federal securities law, the Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of the transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum or any sale hereunder will create any implication that there has been no change in the financial condition or operations of the City and the Developer, described herein since the date hereof. This Limited Offering Memorandum contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized. The summaries of the statutes, resolutions, ordinances, indentures and engineering and other related reports set forth herein are included subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

### **Source of Certain Information**

The information contained in this Limited Offering Memorandum relating to the description of the Improvement Area #1 Improvements, the Development, the Developer, generally and, in particular, the information included in the sections captioned "PLAN OF FINANCE — Development Plan, Status of Development and Plan of Finance," "OVERLAPPING TAXES AND DEBT — Homeowners' Association," "THE IMPROVEMENT AREA #1 IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "BONDHOLDERS' RISKS," (only as it pertains to the Developer, the Improvement Area #1 Improvements and the Development), "LEGAL MATTERS — Litigation — The Developer," "LEGAL MATTERS — Litigation — The Developer," "CONTINUING DISCLOSURE — The Developer" and "— The Developer's Compliance with Prior Undertakings," and APPENDIX G has been provided by the Developer, and the Developer warrants and represents, solely with respect to information pertaining to the Developer, the Development and the Improvement Area #1 Improvements that the information contained herein is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they were made, not misleading. At the time of delivery of the Bonds to the Underwriter, the Developer will deliver a certificate to this effect to the City and the Underwriter.

### **Experts**

The information regarding the Service and Assessment Plan in this Limited Offering Memorandum has been provided by P3Works, LLC and has been included in reliance upon the authority of such firm as experts in the field of formation and administration of public improvement districts.

The information regarding the Appraisal in this Limited Offering Memorandum has been provided by the Appraiser and has been included in reliance upon the authority of such firm as experts in the field of the appraisal of real property.

### **Updating of Limited Offering Memorandum**

If, subsequent to the date of the Limited Offering Memorandum, the City learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Underwriter, of any adverse event which causes the Limited Offering Memorandum to be materially misleading, and unless the Underwriter elects to terminate its obligation to purchase the Bonds, the City will promptly prepare and supply to the Underwriter an appropriate amendment or supplement to the Limited Offering Memorandum satisfactory to the Underwriter; provided, however, that the obligation of the City to so amend or supplement the Limited Offering Memorandum will terminate when the City delivers the Bonds to the Underwriter, unless the Underwriter notifies the City on or before such date that less than all of the Bonds have been sold to ultimate customers; in which case the City's obligations hereunder will extend for an additional period of time (but not more than 90 days after the date the City delivers the Bonds) until all of the Bonds have been sold to ultimate customers.

### **FORWARD-LOOKING STATEMENTS**

Certain statements included or incorporated by reference in this Limited Offering Memorandum constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "anticipate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED HEREIN TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE" HEREIN.

### **AUTHORIZATION AND APPROVAL**

The City Council has approved the form and content of this Preliminary Limited Offering Memorandum and has authorized this Preliminary Limited Offering Memorandum to be used by the Underwriter in connection with the marketing and sale of the Bonds.

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**APPENDIX A**  
**FORM OF INDENTURE**

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**APPENDIX B**  
**FORM OF SERVICE AND ASSESSMENT PLAN**

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**APPENDIX C**  
**FORM OF OPINION OF BOND COUNSEL**



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**APPENDIX D-1**  
**FORM OF ISSUER DISCLOSURE AGREEMENT**

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**APPENDIX D-2**  
**FORM OF DEVELOPER DISCLOSURE AGREEMENT**

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**APPENDIX E**  
**APPRAISAL**

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**APPENDIX F**  
**FORM OF FINANCING AND REIMBURSEMENT AGREEMENT**



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**APPENDIX G**  
**PHOTOGRAPHS OF DEVELOPMENT IN THE DISTRICT**

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# STAFF REPORT

**MEETING DATE:** October 22, 2024

**TITLE:**

Receive presentation on the unaudited Monthly Financial Report for the period ending August 30, 2024.

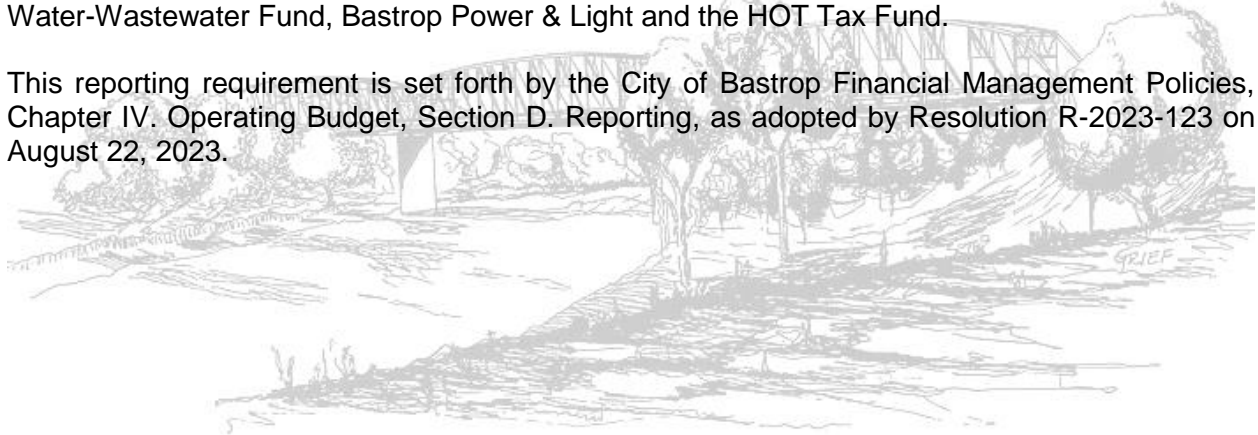
**AGENDA ITEM SUBMITTED BY:**

Edi McIlwain, Chief Financial Officer

**BACKGROUND/HISTORY:**

The Chief Financial Officer, or appointed staff, provides the City Council a monthly financial report overview for all funds to include detailed analysis for General Fund, Development Services Fund, Water-Wastewater Fund, Bastrop Power & Light and the HOT Tax Fund.

This reporting requirement is set forth by the City of Bastrop Financial Management Policies, Chapter IV. Operating Budget, Section D. Reporting, as adopted by Resolution R-2023-123 on August 22, 2023.



# CITY OF BASTROP

Comprehensive Monthly Financial Report  
October 2024



# Performance at a Glance as of October 31, 2024



	YEAR TO DATE	REFERENCE
<b>ALL FUNDS SUMMARY</b>		
ALL FUNDS SUMMARY	POSITIVE	Page 3-4
SALES TAXES	POSITIVE	Page 5
PROPERTY TAXES	POSITIVE	Page 6
GENERAL FUND EXPENSE BY DEPARTMENT	POSITIVE	Page 7
WATER/WASTEWATER REVENUES	POSITIVE	Page 8
WATER/WASTEWATER EXPENDITURES BY DIVISION	POSITIVE	Page 9
ELECTRIC REVENUES	POSITIVE	Page 10
HOTEL OCCUPANCY TAX REVENUES	POSITIVE	Page 11
HOTEL OCCUPANCY TAX EXPENDITURES BY DIVISION	POSITIVE	Page 12
LEGAL FEES BY ATTORNEY/CATEGORY	POSITIVE	Page 13
<b>PERFORMANCE INDICATORS</b>		
<b>POSITIVE</b>	= Positive variance or negative variance < 1% compared to seasonal trends	
<b>WARNING</b>	= Negative variance of 1-5% compared to seasonal trends	
<b>NEGATIVE</b>	= Negative variance of >5% compared to seasonal trends	

## BUDGET SUMMARY OF ALL FUNDS

<u>Revenues:</u>	<u>FY2025</u> <u>Approved Budget</u>	<u>FY2025</u> <u>Forecast YTD</u>	<u>FY2025</u> <u>Actual YTD</u>	<u>Variance</u>
General	\$ 17,773,380	\$ 890,424	\$ 874,324	-1.8%
Designated	92,210	5,593	5,728	2.4%
General Fund One-time	8,000	667	1,050	57.4%
Development Services	1,930,000	153,833	165,629	7.7%
Street Maintenance	3,039,000	223,750	218,293	-2.4%
Debt Service	4,529,812	527,973	531,278	0.6%
General Gov's Projects	4,792,000	175,417	-	-100.0%
Land Acquisition	-	-	1,984	0.0%
Water/Wastewater	9,628,000	770,740	817,463	6.1%
Water/Wastewater Debt	6,617,960	461,972	531,277	15.0%
Water/Wastewater Capital Proj	140,000	11,667	14,198	21.7%
Impact Fees	3,415,997	284,667	56,859	-80.0%
Vehicle & Equipment Replacement	2,195,311	789,776	797,960	1.0%
Electric	9,484,000	615,889	699,941	13.6%
HOT Tax Fund	3,958,000	325,465	327,510	0.6%
Library Board	21,000	1,750	4,285	144.9%
Cemetery	852,800	18,866	33,768	79.0%
Capital Bond Projects	328,500	38,909	153,754	295.2%
Grant Fund	6,667,945	-	-	0.0%
Park/Trail Land Dedicaiton	1,865	155	170	9.2%
Hunter's Crossing PID	581,279	1,000	607	-39.3%
Bastrop EDC	1,402,572	105,198	159,182	51.3%
<b>TOTAL REVENUES</b>	<b>\$ 77,459,631</b>	<b>\$ 5,403,711</b>	<b>\$ 5,395,258</b>	<b>-0.2%</b>

**POSITIVE**  
**WARNING**  
**NEGATIVE**

= Positive variance or negative variance < 1% compared to forecast  
 = Negative variance of 1-5% compared to forecast  
 = Negative variance of >5% compared to forecast

COMPREHENSIVE MONTHLY FINANCIAL REPORT – October 2024

	<u>FY2025</u> <u>Approved Budget</u>	<u>FY2025</u> <u>Forecast YTD</u>	<u>FY2025</u> <u>Actual YTD</u>	<u>Variance</u>
<b><u>Expense:</u></b>				
General	\$ 17,736,464	\$ 2,141,279	\$ 1,923,479	-10.2%
Designated	234,800	19,567	3,693	-81.1%
General Fund One-time	131,000	20,000	45	-99.8%
Development Services	1,848,655	154,055	122,968	-20.2%
Street Maintenance	2,916,800	243,067	133,246	-45.2%
Debt Service	4,529,812	1,000	806	-19.4%
General Gov't Projects	839,557	83,000	82,706	-0.4%
Water/Wastewater	9,617,899	813,093	796,508	-2.0%
Water/Wastewater Debt	6,617,959	1,000	-	-100.0%
Water/Wastewater Capital Proj.	140,000	5,000	-	-100.0%
Revenue Bond, Series 2020	-	-	3,107	0.0%
CO, Series 2021	1,264,772	500,000	53,848	-89.2%
CO, Series 2024	12,213,293	4,100,000	4,230,805	3.2%
Impact Fees	3,707,000	308,917	225,583	-27.0%
Vehicle & Equipment Replacement	2,905,368	242,114	191,433	-20.9%
Electric	9,348,350	808,076	770,679	-4.6%
HOT Tax Fund	4,040,117	1,106,905	992,314	-10.4%
Library Board	18,800	2,500	2,465	-1.4%
Cemetery	815,567	74,297	12,621	-83.0%
Hunter's Crossing PID	559,019	10,593	9,897	-6.6%
CO, Series 2018	494,000	-	-	0.0%
Limited Tax Note, Series 2020	32,500	-	-	0.0%
America Rescue Plan	2,433,071	-	-	0.0%
CO, Series 2022	2,241,950	373,658	-	-100.0%
CO, Series 2023	13,500,000	-	-	0.0%
Grant Fund	6,667,944	40,000	35,642	-10.9%
Bastrop EDC	2,236,916	194,743	56,318	-71.1%
<b>TOTAL EXPENSES</b>	<b>\$ 107,091,612</b>	<b>\$ 11,242,864</b>	<b>\$ 9,648,163</b>	<b>-14.2%</b>

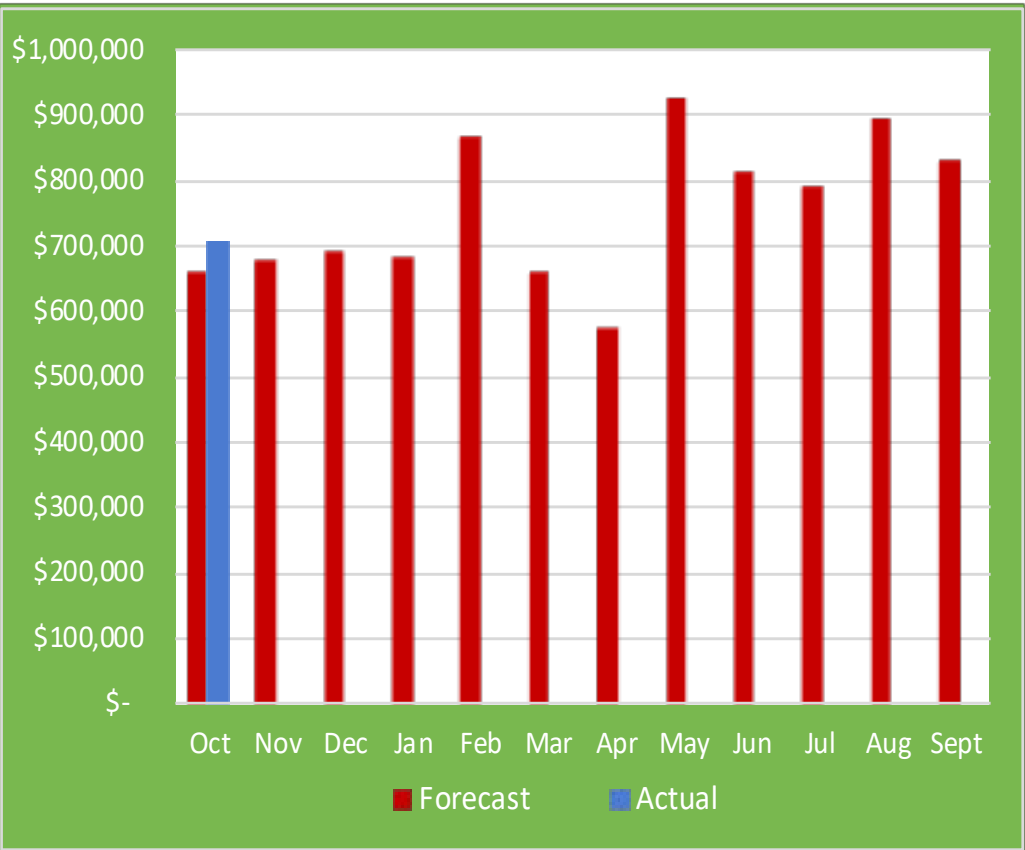
POSITIVE = Positive variance or negative variance < 1% compared to forecast  
WARNING = Negative variance of 1-5% compared to forecast  
NEGATIVE = Negative variance of >5% compared to forecast



REVENUE ANALYSIS

SALES TAX REVENUE

Month	FY2025 Forecast	FY2025 Actual	Monthly Variance
Oct	\$ 659,300	\$ 702,559	\$ 43,259
Nov	677,739		\$ (677,739)
Dec	688,037		\$ (688,037)
Jan	679,299		\$ (679,299)
Feb	865,878		\$ (865,878)
Mar	659,280		\$ (659,280)
Apr	574,035		\$ (574,035)
May	923,172		\$ (923,172)
Jun	811,084		\$ (811,084)
Jul	789,025		\$ (789,025)
Aug	892,936		\$ (892,936)
Sept	830,215		\$ (830,215)
<b>Total</b>	<b>\$ 9,050,000</b>	<b>\$ 702,559</b>	<b>\$ (8,347,441)</b>
Cumulative Forecast	\$ 659,300		
Actual to Forecast	\$ 43,259	6.6%	

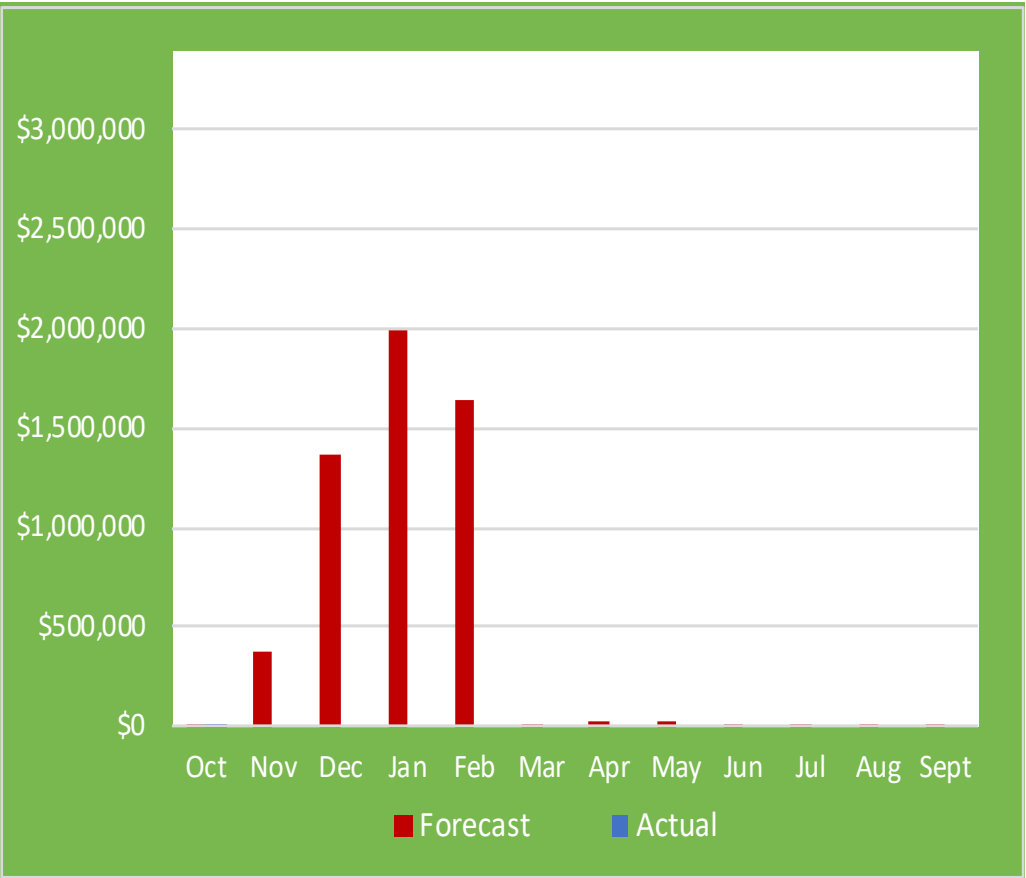


POSITIVE

Sales Tax is 50% of the total budgeted revenue for General Fund. The actual amounts for Oct. and Nov. are estimated due to the State Comptroller's two month lag in payment of these earned taxes. The actual is 6.6% greater than forecasted.

# PROPERTY TAX REVENUE

<u>Month</u>	<u>FY2025 Forecast</u>	<u>FY2025 Actual</u>	<u>Monthly Variance</u>
Oct	\$ 3,000	\$ 128	\$ (2,872)
Nov	382,682		\$ (382,682)
Dec	1,366,720		\$ (1,366,720)
Jan	1,997,776		\$ (1,997,776)
Feb	1,640,064		\$ (1,640,064)
Mar	10,934		\$ (10,934)
Apr	21,868		\$ (21,868)
May	21,868		\$ (21,868)
Jun	5,467		\$ (5,467)
Jul	5,467		\$ (5,467)
Aug	5,467		\$ (5,467)
Sept	5,467		\$ (5,467)
<b>Total</b>	<b>\$ 5,466,780</b>	<b>\$ 128</b>	<b>\$ (5,466,652)</b>
Cumulative Forecast	\$ 3,000		
Actual to Forecast	\$ (2,872)	-95.72%	

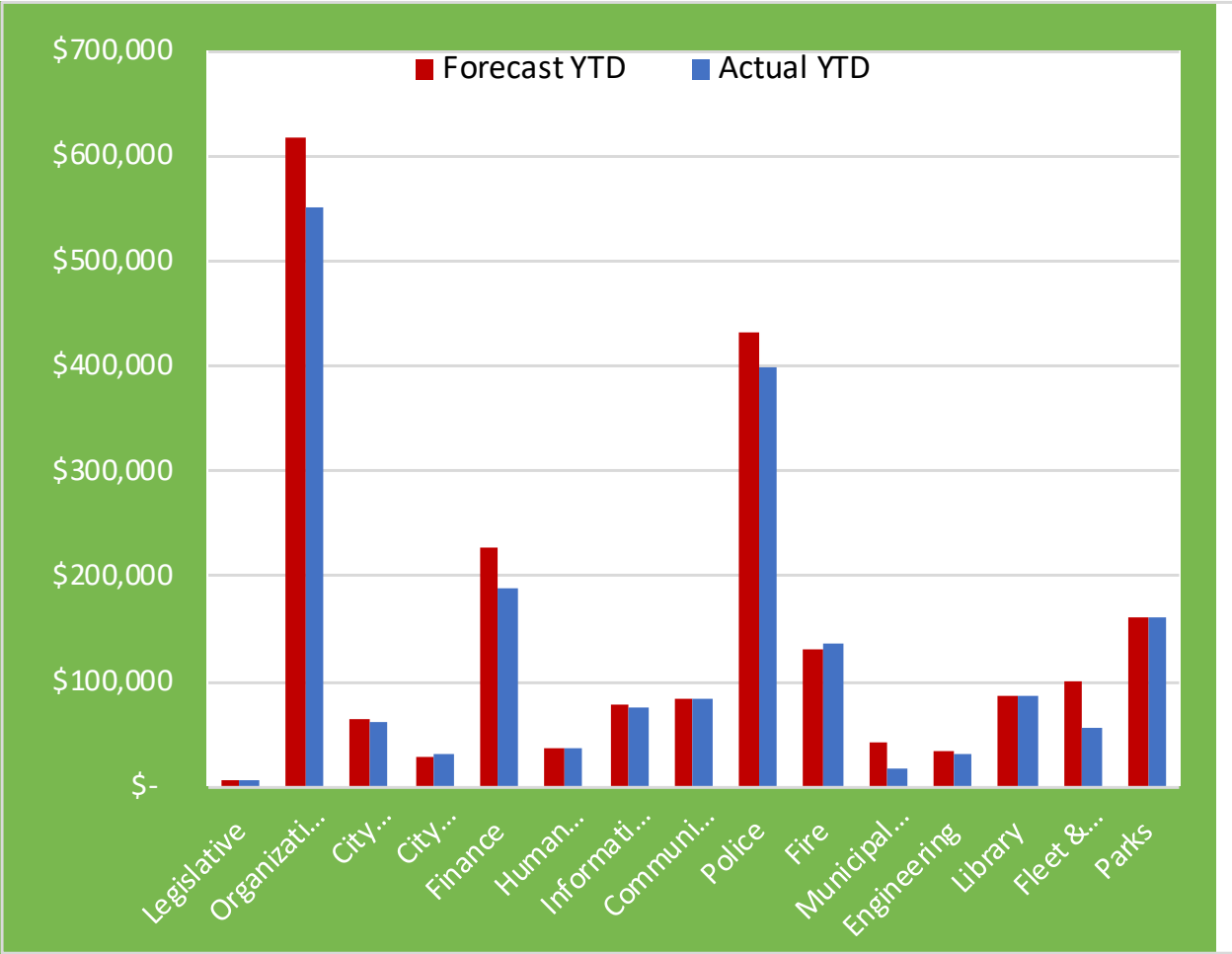


POSITIVE

Property tax represents 30.7% of the total General Fund revenue budget. As you can see from the forecast, they are generally collected from December to February. October was below projections by 95%, but a large amount of delinquent taxes was collected.

# GENERAL FUND EXPENDITURES BY DEPT.

<u>Division</u>	FY2025 <u>Forecast YTD</u>	FY2025 <u>Actual YTD</u>	<u>Variance</u>
Legislative	\$ 5,282	\$ 7,341	\$ 2,059
Organizational	617,303	550,538	\$ (66,765)
City Manager	63,774	61,322	\$ (2,452)
City Secretary	29,076	30,485	\$ 1,409
Finance	228,365	189,848	\$ (38,517)
Human Resources	36,822	38,003	\$ 1,181
Information Technology	77,455	75,883	\$ (1,573)
Community Engagement	84,071	85,210	\$ 1,139
Police	431,618	397,963	\$ (33,655)
Fire	132,110	135,427	\$ 3,316
Municipal Court	41,345	17,285	\$ (24,060)
Engineering	34,401	30,261	\$ (4,140)
Library	85,677	86,116	\$ 439
Fleet & Facilities	101,151	56,434	\$ (44,717)
Parks	161,888	161,366	\$ (522)
<b>Total</b>	<b>\$ 2,130,338</b>	<b>\$ 1,923,479</b>	<b>\$ (206,860)</b>



Actual to Forecast

90.3%

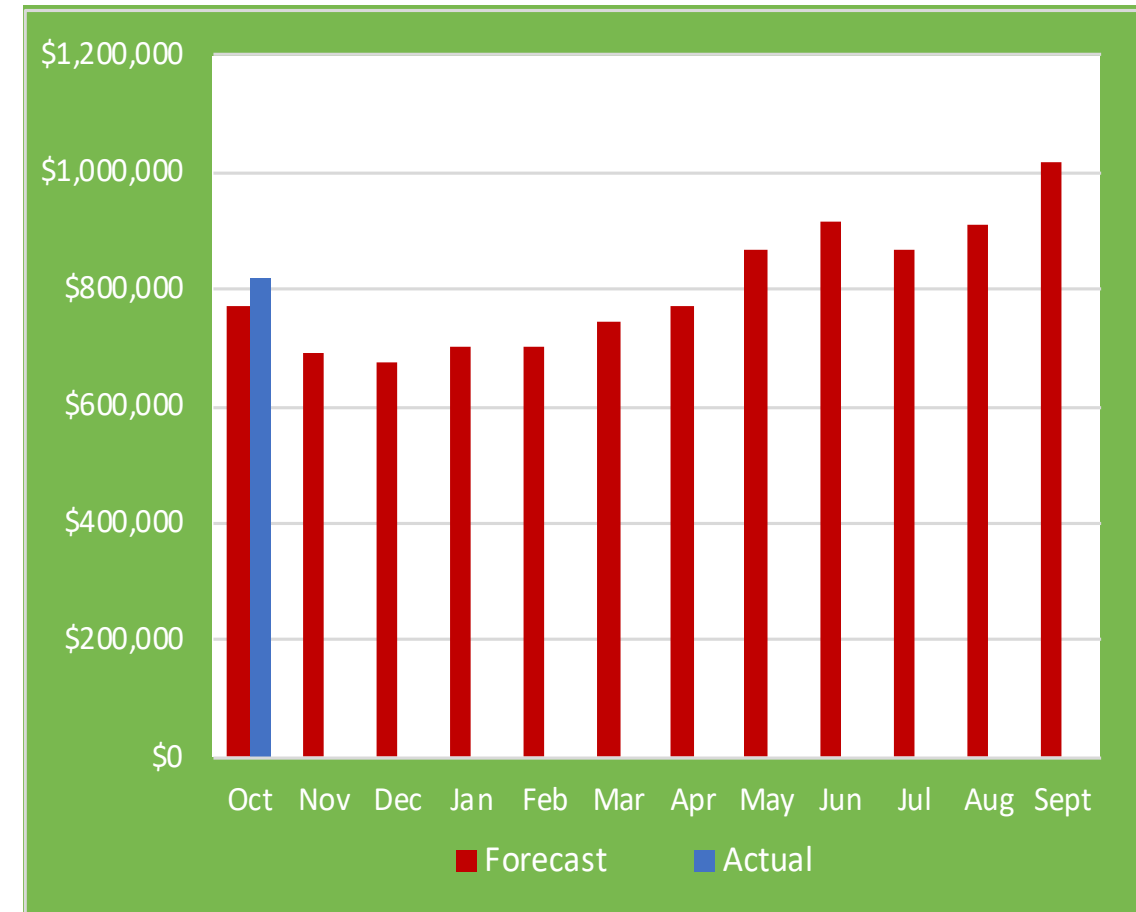
POSITIVE

This page compares forecast to actual by department within the General Fund. YTD compared to actual is 90% of forecast.

REVENUE ANALYSIS

# WATER/WASTEWATER REVENUE

Month	FY2025 Forecast	FY2025 Actual	Monthly Variance
Oct	\$ 770,740	\$ 817,463	\$ 46,723
Nov	689,775		\$ (689,775)
Dec	676,200		\$ (676,200)
Jan	700,015		\$ (700,015)
Feb	699,775		\$ (699,775)
Mar	746,925		\$ (746,925)
Apr	770,740		\$ (770,740)
May	865,520		\$ (865,520)
Jun	912,910		\$ (912,910)
Jul	865,280		\$ (865,280)
Aug	912,670		\$ (912,670)
Sept	1,017,450		\$ (1,017,450)
<b>Total</b>	<b>\$ 9,628,000</b>	<b>\$ 817,463</b>	<b>\$ (8,810,537)</b>
Cumulative Forecast	\$ 770,740		
Actual to Forecast	\$ 46,723	6.06%	



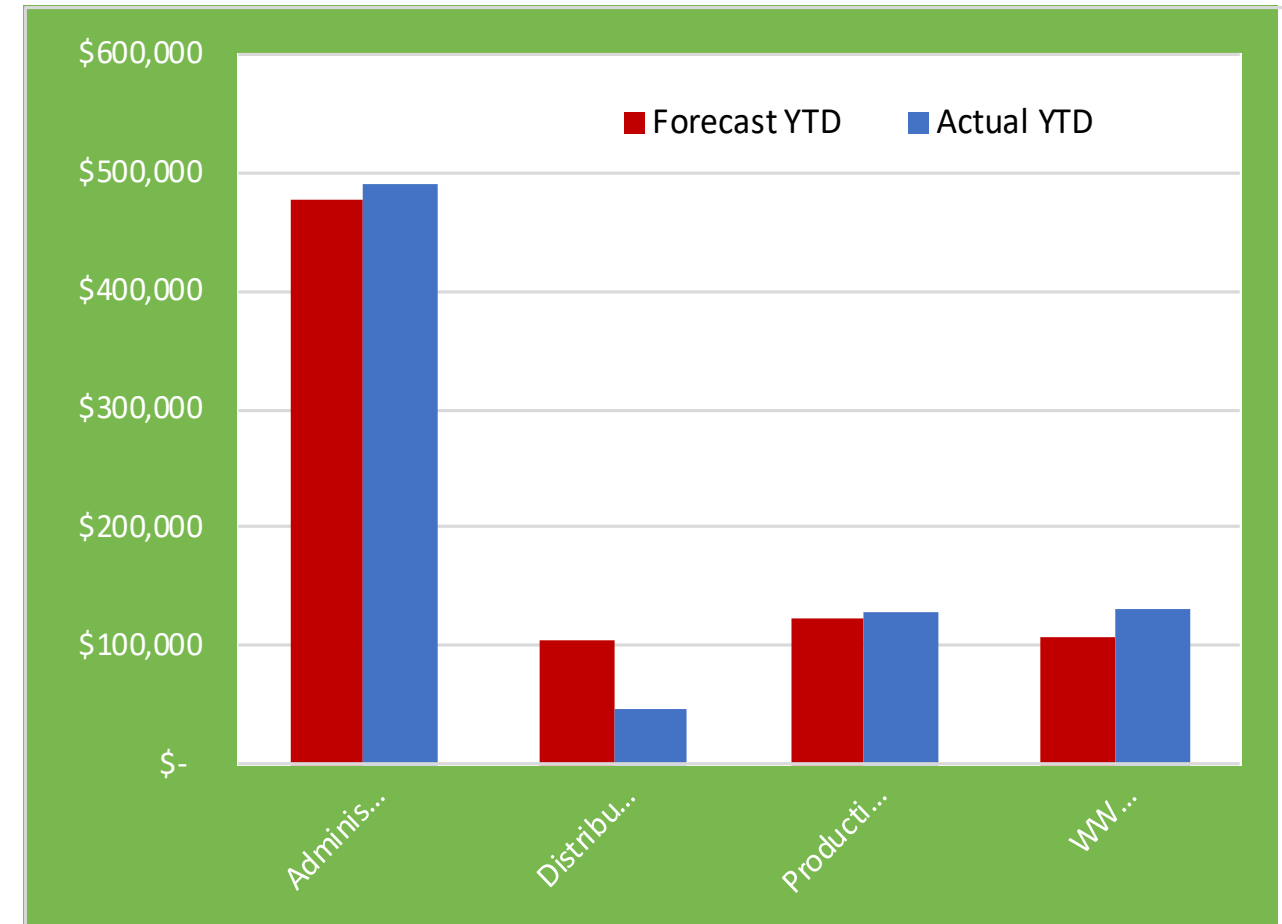
**POSITIVE**

The water and wastewater actual revenue is higher than forecast by less than 6%. There were 7 new residential meters set this month.

EXPENSE ANALYSIS

# WATER/WASTEWATER EXPENDITURES BY DIVISION

<u>Division</u>	FY2025 <u>Forecast YTD</u>	FY2025 <u>Actual YTD</u>	<u>Variance</u>
Administration	\$ 477,917	\$ 489,380	\$ 11,463
Distribution/Collection	104,706	45,938	\$ (58,768)
Production/Treatment	122,887	129,301	\$ 6,414
WW Treatment Plant	<u>107,584</u>	<u>131,889</u>	<u>\$ 24,305</u>
Total	<b><u>\$ 813,094</u></b>	<b><u>\$ 796,508</u></b>	<b><u>\$ (16,586)</u></b>
Actual to Forecast		98.0%	



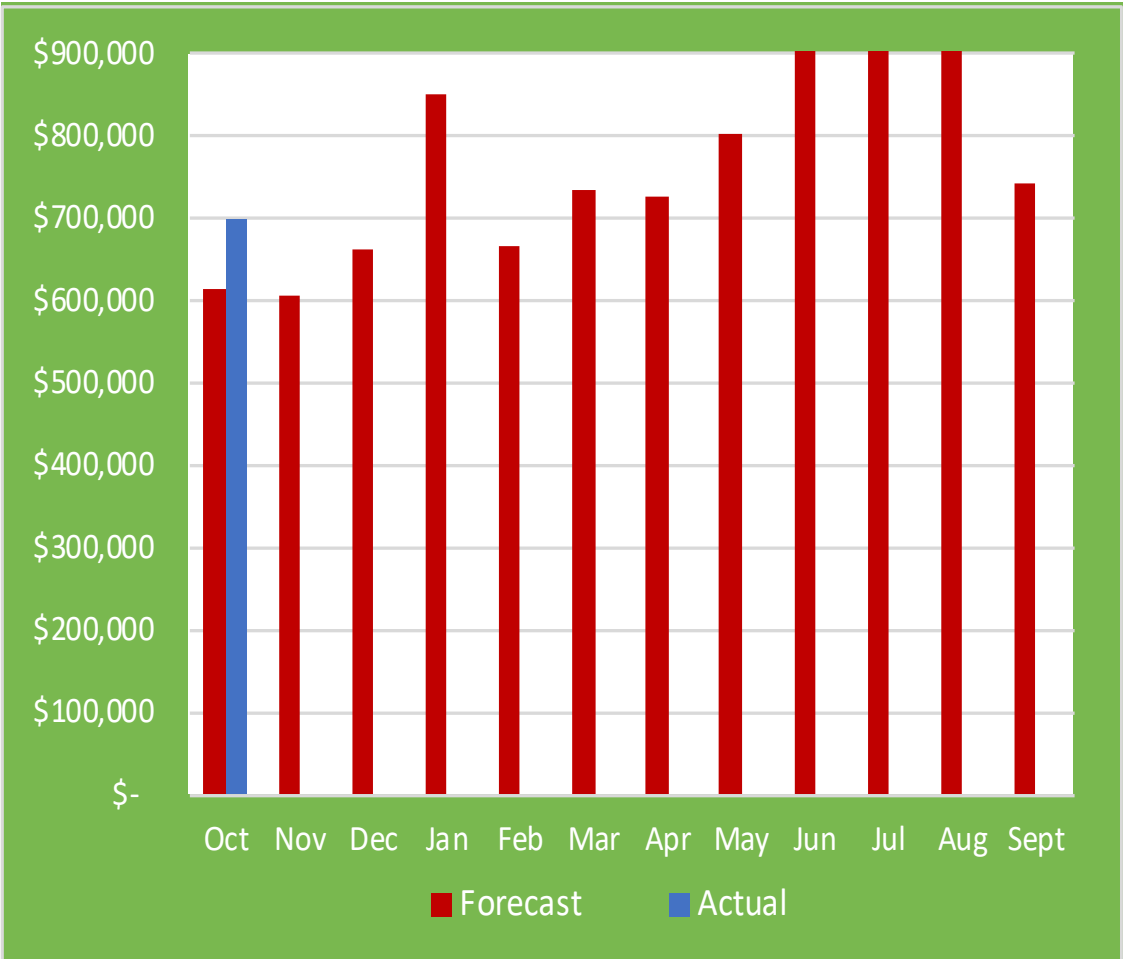
POSITIVE

This page compares actual to forecast by the divisions within the Water/Wastewater department. The actual expenditures are 98% forecast.

REVENUE ANALYSIS

**ELECTRIC FUND REVENUE**

<u>Month</u>	<u>FY2025 Forecast</u>	<u>FY2025 Actual</u>	<u>Monthly Variance</u>
Oct	\$ 615,889	\$ 699,941	\$ 84,052
Nov	606,866		\$ (606,866)
Dec	662,014		\$ (662,014)
Jan	852,447		\$ (852,447)
Feb	667,972		\$ (667,972)
Mar	733,308		\$ (733,308)
Apr	727,031		\$ (727,031)
May	802,373		\$ (802,373)
Jun	1,083,612		\$ (1,083,612)
Jul	995,138		\$ (995,138)
Aug	994,686		\$ (994,686)
Sept	743,126		\$ (743,126)
<b>Total</b>	<b>\$ 9,484,462</b>	<b>\$ 699,941</b>	<b>\$ (8,784,521)</b>
Cumulative Forecast	\$ 615,889		
Actual to Forecast	\$ 84,052	13.65%	



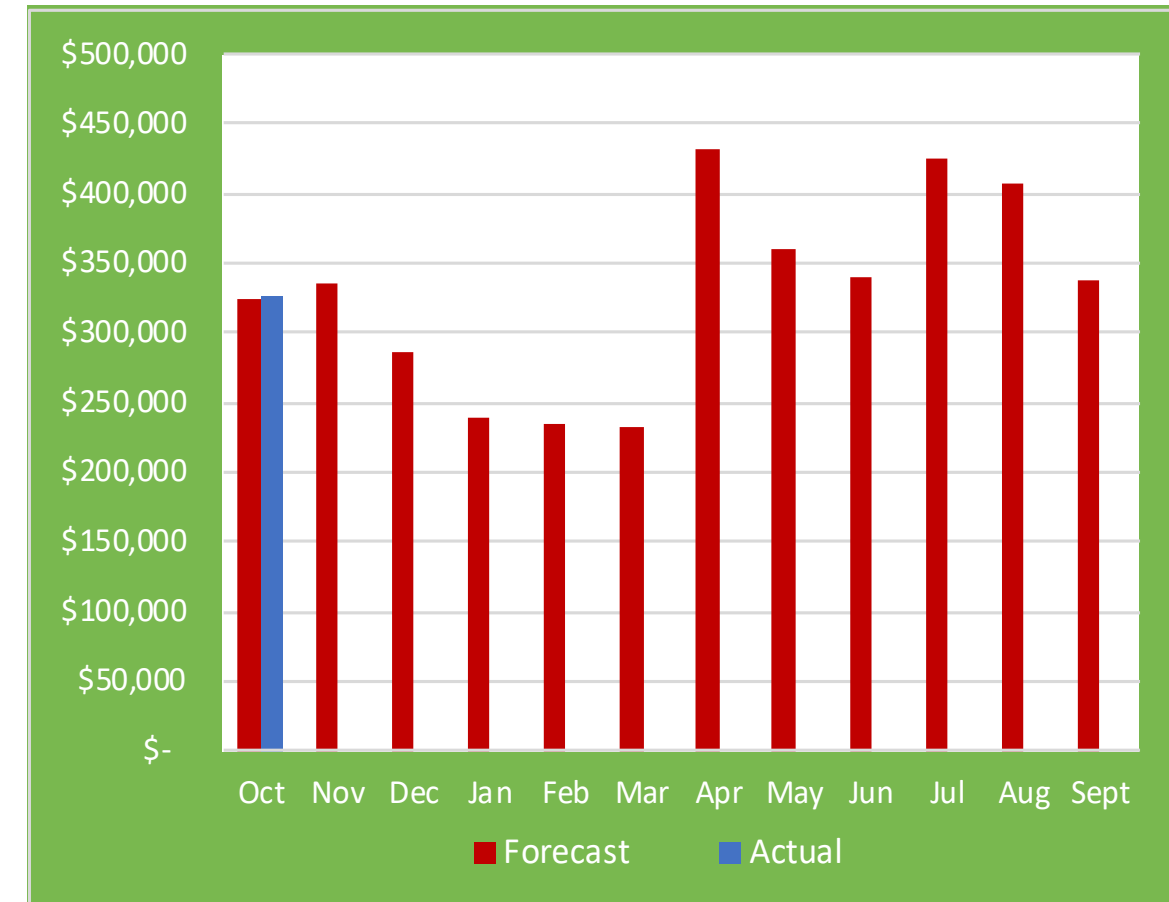
**POSITIVE**

The Electric utility revenue is 13.65% above forecasted revenue.

REVENUE ANALYSIS

# HOTEL OCCUPANCY TAX REVENUE

<u>Month</u>	FY2025 <u>Forecast</u>	FY2025 <u>Actual</u>	Monthly <u>Variance</u>
Oct	\$ 325,465	\$ 327,510	\$ 2,045
Nov	336,056		\$ (336,056)
Dec	286,979		\$ (286,979)
Jan	239,357		\$ (239,357)
Feb	235,065		\$ (235,065)
Mar	232,984		\$ (232,984)
Apr	430,924		\$ (430,924)
May	360,902		\$ (360,902)
Jun	339,160		\$ (339,160)
Jul	425,381		\$ (425,381)
Aug	408,388		\$ (408,388)
Sept	337,339		\$ (337,339)
<b>Total</b>	<b>\$ 3,958,000</b>	<b>\$ 327,510</b>	<b>\$ (3,630,490)</b>
Cumulative Forecast	\$ 325,465		
Actual to Forecast %	\$ 2,045	0.6%	



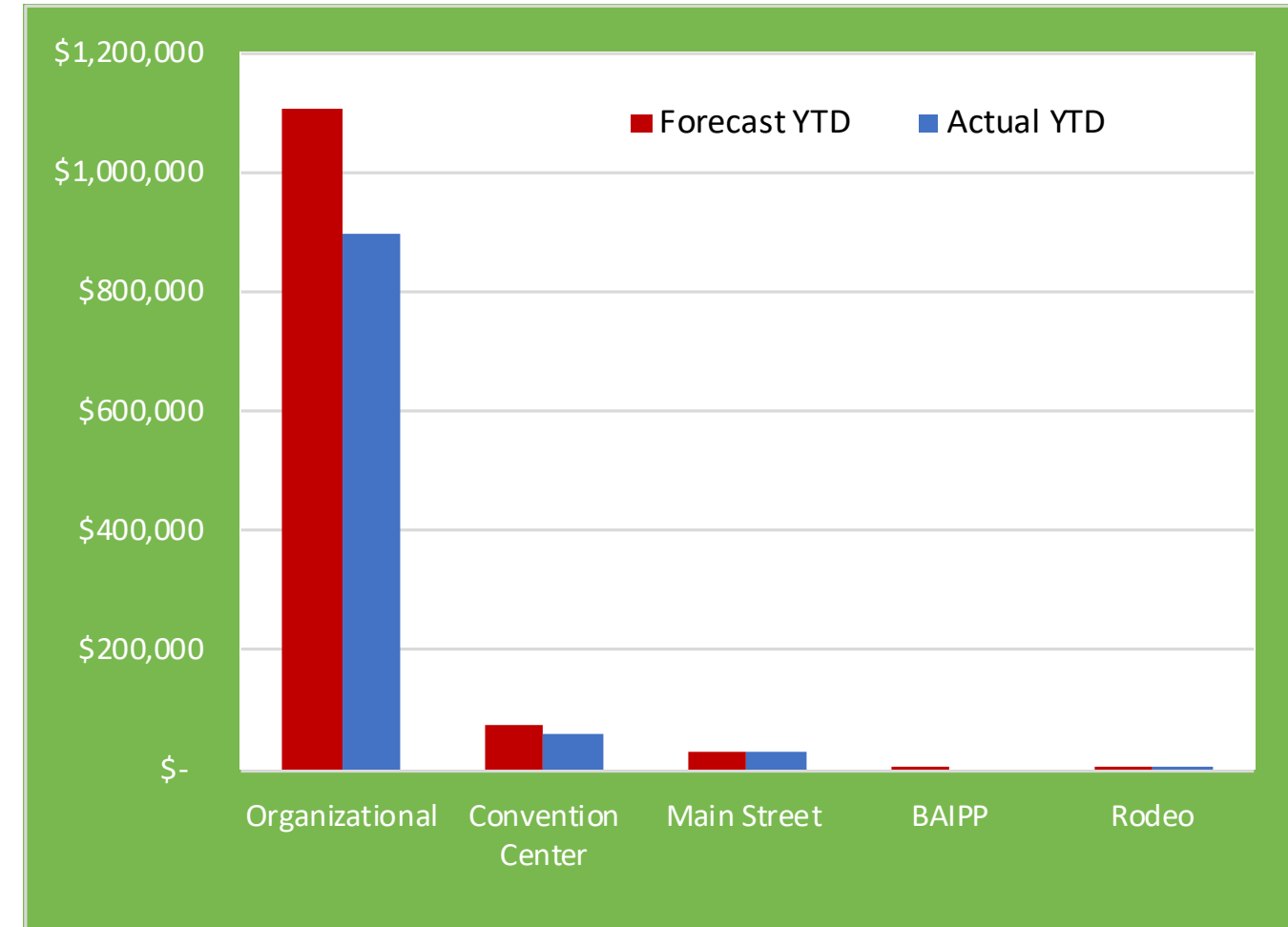
POSITIVE

This report is based on a cash method. The revenue is received by the City the month after collection.  
Actual is within 1% of forecast.

EXPENSE ANALYSIS

# HOTEL OCCUPANCY TAX EXPENDITURES BY DIVISION

<u>Division</u>	<u>FY2025 Forecast YTD</u>	<u>FY2025 Actual YTD</u>	<u>Variance</u>
Organizational	\$ 1,106,905	\$ 898,738	\$ (208,167)
Convention Center	74,693	62,723	\$ (11,970)
Main Street	28,422	30,493	\$ 2,071
BAIPP	4,625	-	\$ (4,625)
Rodeo	<u>275</u>	<u>360</u>	\$ 85
<b>Total</b>	<b><u>\$ 1,214,920</u></b>	<b><u>\$ 992,314</u></b>	<b><u>\$ (222,606)</u></b>
Actual to Forecast		81.7%	



**POSITIVE**

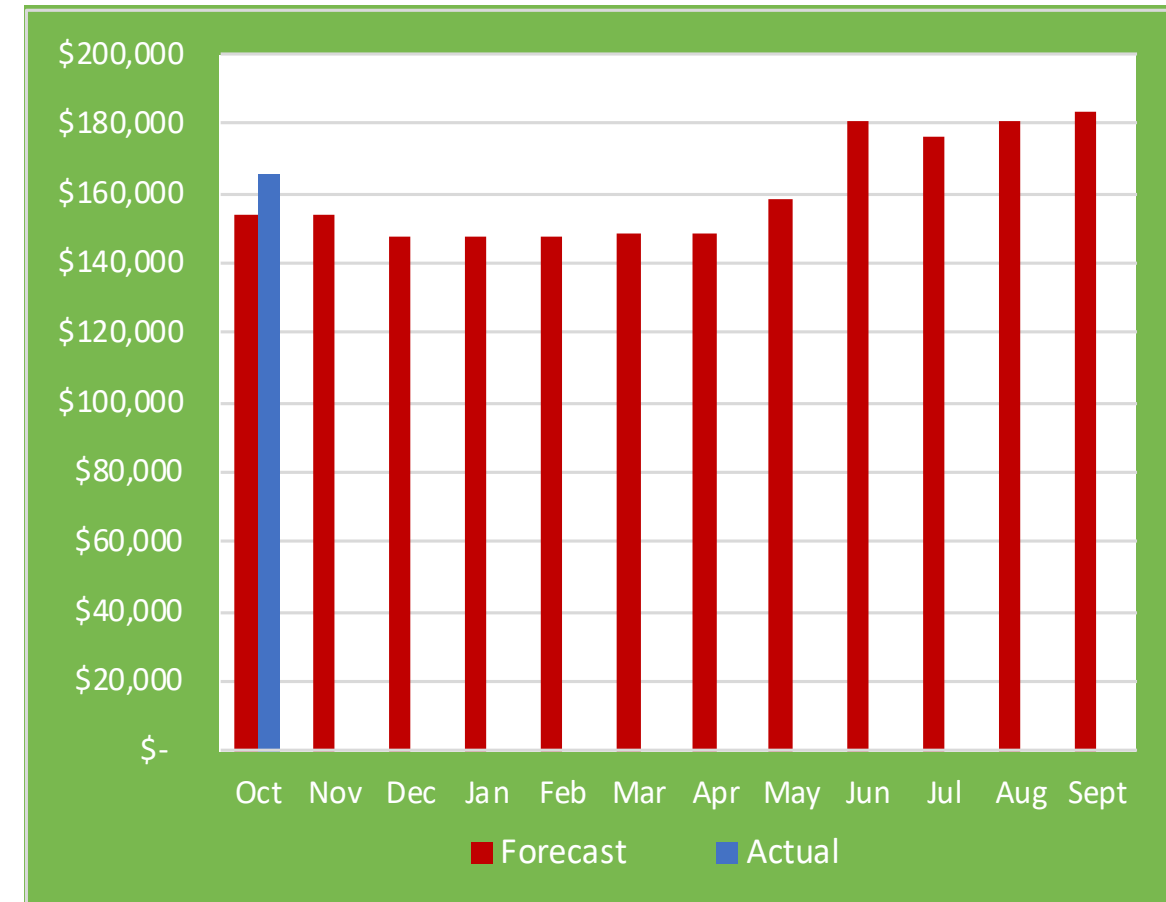
This compares actual to forecast for each division located in the Hotel Occupany Tax Fund. YTD is reporting actual at 81.7% of forecast.



REVENUE ANALYSIS

# DEVELOPMENT SERVICES REVENUE

<u>Month</u>	FY2025 <u>Forecast</u>	FY2025 <u>Actual</u>	Monthly <u>Variance</u>
Oct	\$ 153,833	\$ 165,629	\$ 11,796
Nov	153,833		\$ (153,833)
Dec	147,833		\$ (147,833)
Jan	147,833		\$ (147,833)
Feb	147,833		\$ (147,833)
Mar	148,833		\$ (148,833)
Apr	148,833		\$ (148,833)
May	158,833		\$ (158,833)
Jun	180,833		\$ (180,833)
Jul	176,667		\$ (176,667)
Aug	180,833		\$ (180,833)
Sept	184,000		\$ (184,000)
<b>Total</b>	<b>\$ 1,929,997</b>	<b>\$ 165,629</b>	<b>\$ (1,764,368)</b>
Cumulative Forecast	\$ 153,833		
Actual to Forecast %	\$ 11,796	7.7%	



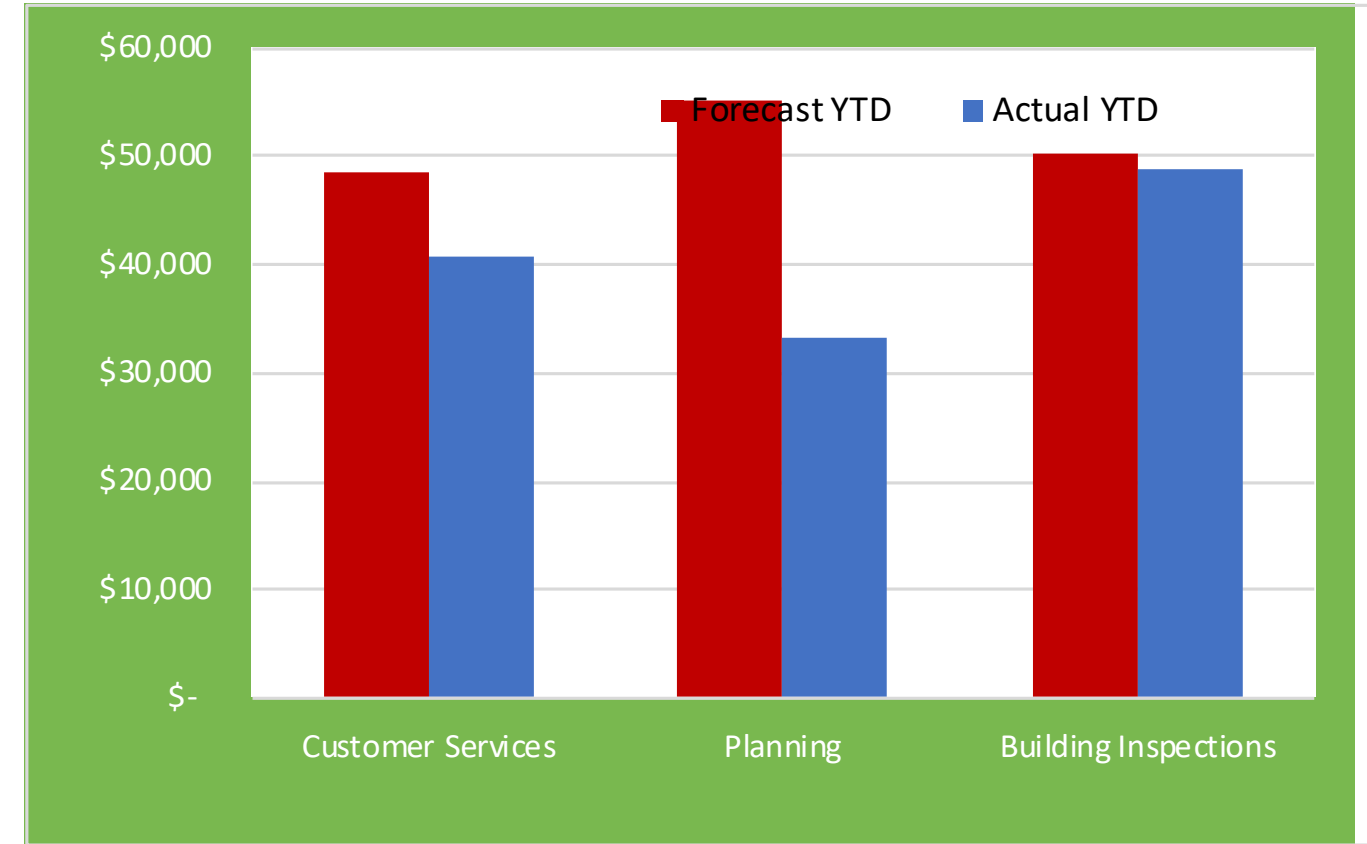
POSITIVE

Actual revenue is 7.7% over forecast in the Development Services Fund.

EXPENSE ANALYSIS

DEVELOPMENT SERVICES EXPENDITURES BY DIVISION

<u>Division</u>	<u>FY2025 Forecast YTD</u>	<u>FY2025 Actual YTD</u>	<u>Variance</u>
Customer Services	\$ 48,569	\$ 40,729	\$ (7,840)
Planning	55,211	33,363	\$ (21,848)
Building Inspections	50,275	48,876	\$ (1,399)
<b>Total</b>	<b>\$ 154,055</b>	<b>\$ 122,968</b>	<b>\$ (31,087)</b>
Actual to Forecast	79.8%		



**POSITIVE**

Actual expenditures are at 79.8% of forecast.



# STAFF REPORT

**MEETING DATE:** January 28, 2025

**TITLE:**

Receive presentation of the Strategic Budget Planning Calendar for Fiscal Year 2025-2026.

**AGENDA ITEM SUBMITTED BY:**

Submitted by: Edi McIlwain, Chief Financial Officer

**BACKGROUND/HISTORY:**

Annually, staff provides Council with a calendar outlining the important dates for the upcoming fiscal year's budget planning process. The calendar takes into consideration planning sessions, funding requests, and the laws that govern timing of specific activities as it pertains to approving a tax rate and budget.

Texas Tax Code

- Chapter 26 Sec. 26.01 (a) By July 25, the chief appraiser shall prepare and certify to the assessor for each taxing unit participating in the district that part of the tax roll for the district that lists the property taxable by the unit.
- Sec. 26.05 (d) the governing body of a taxing unit may not adopt a tax rate that exceeds the lower of the voter-approval tax rate or the no-new-revenue tax rate calculated as provided by this chapter until the governing body has held *one* public hearing on the proposed tax rate.
- Sec. 26.06 (a) The public hearing required by Sec. 26.05 may not be held before the *fifth* day after the date the notice of the public hearing is given. (d) The governing body may vote on the proposed tax rate at the public hearing (*this is new with SB2*).
- Sec. 26.063 municipalities with a population of less than 30,000 are allowed to adopt a de minimus tax rate (sum of the no-new-revenue tax rate plus a rate that will raise \$500,000 plus the current debt rate) that exceeds voter-approval tax rate but must follow the requirements of Sec. 26.07 regarding holding an election. By adopting the de minimus rate, qualified voters can petition to require an election, that is why it follows the election requirement timeline.
- Sec. 26.07 The order calling the election may not be issued later than the 71<sup>st</sup> day before the date of the election.

Texas Local Government Code Chapter 102 Municipal Budget

- 102.0065 (c) Notice under this section shall be published not earlier than the 30<sup>th</sup> or later than the 10<sup>th</sup> day before the date of the budget hearing.

Texas Local Government Code Chapter 140.010 Proposed Tax Rate notice for Counties and Municipalities

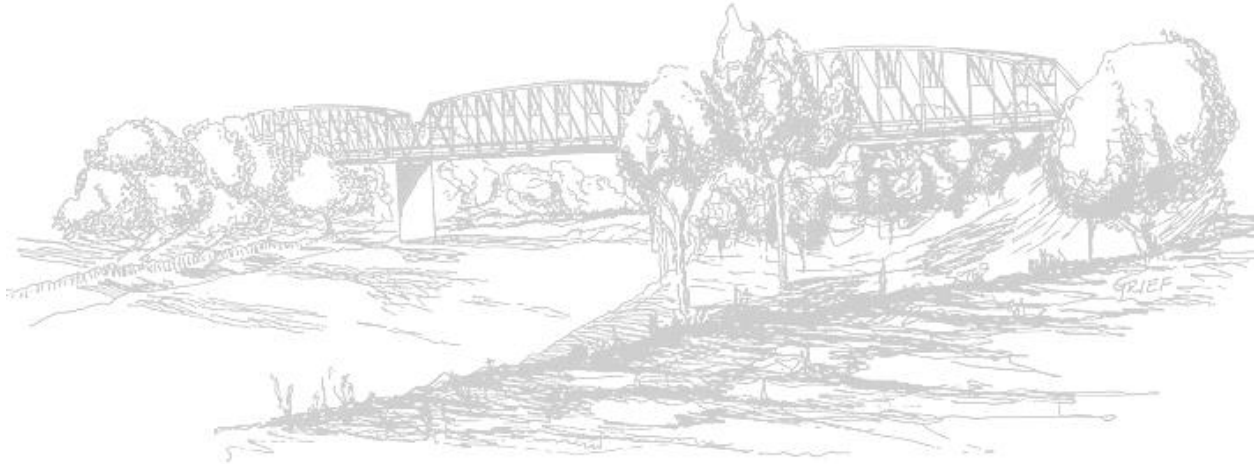
- 140.010 (f) (1) provide the notice required by Subsection (d) or (e), as applicable, not later than the later of Sept. 1 or the 30<sup>th</sup> day after the date that the taxing unit has received each applicable certified appraisal roll.

City Charter

- Sec. 6.02 The City Manager, at least thirty (30) days prior to the commencement of the fiscal year, shall prepare and submit a budget to the Council.
- Sec. 6.04 At the Council meeting at which time the budget is submitted, the Council shall, in conformance with the requirement of state law, name the date, time and place of a public hearing and shall cause to be published the date, time and place thereof.

**ATTACHMENTS:**

- FY2025-2026 Strategic Budget Planning Calendar



**City of Bastrop**  
**FY 2025-2026 Strategic Planning Calendar**  
*(assumes no voter approval election required)*

Preparation	January 15	City Council Candidate filing period begins
	February 11*	Last council meeting before deadline to call general election (deadline Feb 14)
	February 14	City Council Candidate Filing period ends
	February 25*	City Council Candidate Orientation
	March 3	Staff planning session - FY2024-2025 Budget Kick-off
	May 1	Receive preliminary notices of appraised value from Chief Appraiser
	May 3	Election Day
	May 13*	Canvass Results of May 4th Election
	May 14*	Special City Council Pre-budget Planning Session (All day) - Review Focus Areas, Management Projects/Enhancements, Affirming Tax Revenue target, Service and Service Levels, and receive direction from City Council.
	May 15	Special City Council Planning Session - Transportation Plan, Additional Policy Objectives and Funding Alternatives. Water Master Plan update.
	May 15	Special City Council Planning Session - Comprehensive Plan, Capital Plan Review, and Fiscal Forecast Assumptions.
	May 16	Community Support and Non-Special Event HOT Tourism related organization applications available at City Hall and on City's website
	June 9-13	CM, CFO and Director meetings to discuss budget submittals
	June 19	Hunter's Crossing Local Government Corporation Meeting to review budget and propose Special Assessments
	June 20	Deadline - Community Support & Non-Special Event HOT Organization applications for FY2023 Funding (5:00pm)
	July 8*	Community Support Organizations present their funding request to Council (limit 3 minutes)
	July 23	Publish Notice of proposed Special Assessments (must be posted 15 days prior to Public Hearing)
Ad	July 25	Deadline for Chief Appraiser to certify rolls to taxing units
	June 19*	City Council Joint meeting with the Visit Bastrop Board to review Visit Bastrop's Business Plan and Proposed Budget for FY2025
	July 28*	City Manager presents the FY 2024-25 Budget (considered filed with the City Secretary)
	July 28*	Meeting of the Governing Body to discuss the proposed tax rate; if proposed tax rate will exceed the No-New-Revenue Tax Rate or the Voter-Approval Tax Rate (whichever is lower), take record vote and schedule public hearing.
	August 12*	Public Hearing Special Assessments for Hunter's Crossing PID; First Reading of the Amended and Restated Service and Assessment Plan.
	August 14*	Budget Workshop - Review Proposed Budget
	August 15*	Budget Workshop#2 - Review Proposed Budget (if needed)
	August 26*	Council Meeting - Adopt Financial and Purchasing Policies;
	August 26*	Council Meeting - Second Reading of the Amended and Restated Service and Assessment Plan.
	August 27	Published Notice of Budget Hearing (must be posted 10 days prior to Public Hearing); Publish Notice of Tax Rate Hearing (must be posted 5 days prior to Public Hearing)
	September 9*	Council Meeting - Public Hearing and First Reading on Tax Rate Ordinance; Budget Public Hearing; First Reading on Budget Ordinance.
	September 16*	Council Meeting to adopt tax rate and budget. Must adopt budget before tax rate. City Council must take a separate ratification vote to adopt any budget that will raise total property tax revenue.
Implementation	October 1	Fiscal Year begins
	October 15*	Distribute Final FY2026 Adopted Budget Book
	November	Begin FY2024-2025 audit
	December	Presentation of preliminary unaudited financial report for FY2025-2026

\* Council Meeting



# STAFF REPORT

**MEETING DATE:** January 28, 2025

**TITLE:**

Consider and act to approve the following Bastrop City Council meeting minutes:

1. Tuesday, December 3, 2024, Joint Council and Bastrop EDC Meeting;
2. Tuesday, January 14, 2025, Regular Meeting;
3. Wednesday, January 16, 2025, Joint Council and Planning and Zoning Commission Workshop; and
4. Friday, January 17, 2025, Special Meeting.

**AGENDA ITEM SUBMITTED BY:**

Victoria Psencik, Assistant City Secretary

**BACKGROUND/HISTORY:**

N/A

**FISCAL IMPACT:**

N/A

**RECOMMENDATION:**

Approve the Bastrop City Council meeting minutes for the Tuesday, December 3, 2024, Joint Council and Bastrop EDC Meeting; Tuesday, January 14, 2025, Regular Meeting; Wednesday, January 16, 2025, Joint Council and Planning and Zoning Commission Workshop; and Friday, January 17, 2025, Special Meeting.

**ATTACHMENTS:**

- DRAFT Tuesday, December 3, 2024, Joint Council and Bastrop EDC Meeting
- DRAFT Tuesday, January 14, 2025, Regular Meeting
- DRAFT Wednesday, January 16, 2025, Joint Council and Planning and Zoning Commission Workshop
- DRAFT Friday, January 17, 2025, Special Meeting

**CITY OF BASTROP**  
**JOINT MEETING OF THE**  
**BASTROP CITY COUNCIL AND**  
**BASTROP ECONOMIC DEVELOPMENT BOARD**

**MEETING MINUTES**

**DECEMBER 3, 2024**

A Joint Meeting of the Bastrop City Council and Bastrop Economic Development Corporation (BEDC) Board of Directors was conducted on Tuesday, December 3, 2024, at 5:00 p.m. at the Bastrop City Hall Council Chambers, 1311 Chestnut Street, Bastrop, Texas, with the following action taken to wit:

**Council Members Present**

Mayor Lyle Nelson  
 Mayor Pro Tempore John Kirkland  
 Council Member Cynthia Meyer  
 Council Member Kerry Fossler  
 Council Member Kevin Plunkett

**Staff Present**

City Manager Sylvia Carrillo-Trevino  
 Assistant City Manager Andres Rosales  
 Assistant City Secretary Victoria Psencik  
 Development Services Director James Cowey  
 Assistant to City Manager Vivianna Andres

**Council Members Absent**

Council Member Cheryl Lee

**BEDC Board of Directors Present**

Board Chairman Ron Spencer  
 Director Gary Blake  
 Director T.J. Finn  
 Director Chris McCool  
 Director Frank Urbanek

**Staff Present – City/BEDC**

Operations Manager Angela Ryan  
 B.A.R.E. Manager Dori Kelley  
 Interim BEDC Director Sylvia Carrillo-Trevino

**BEDC Board of Directors Absent**

Council Member Cheryl Lee

**1. CALL TO ORDER**

**1A. Call to Order – Bastrop City Council**

With a quorum being present, Mayor Nelson called the City Council meeting to order at 5:00 p.m.

**1B. Call to Order – Bastrop Economic Development Corporation Board of Directors**



With a quorum being present, Board Chairman Spencer called the Bastrop Economic Development Corporation Board meeting to order at 5:00 p.m.

## 2. PLEDGE OF ALLEGIANCE – United States of America and Texas Flags

Mayor Nelson led the Pledge of Allegiance.

## 3. PRESENTATIONS

### 3A. Presentation by Hunden Partners regarding the feasibility study for a Regional Sports Complex study to be located in the Bastrop EDC Industrial Park.

Submitted by: Sylvia Carrillo-Trevino, ICMA-CM, CPM, Interim BEDC Director and City Manager

Presentation by Hunden Partners Representatives Ryan Sheridan, Mike Thiessen, and Emily Connor.

## 4. WORK SESSIONS / BRIEFINGS

### 4A. Discussion and Possible Action by the Bastrop City Council regarding the information presented by Hunden Partners regarding a feasibility study for a Regional Sports Complex to be located at the Bastrop Industrial Park.

Bastrop City Council took **no** action on Item 4A.

### 4B. Discussion and Possible Action by the Bastrop Economic Development Corporation regarding the information presented by Hunden Partners regarding a feasibility study for a Regional Sports Complex to be located at the Bastrop Industrial Park.

Bastrop Economic Development Corporation Board took **no** action on Item 4B.

## 5. CITIZEN COMMENT(S)

No Citizens Comment requests were made to discuss any item not on the agenda.

## 6. ADJOURNMENT

### 6A. Adjourn – Bastrop City Council

Upon a motion duly made and seconded, Mayor Nelson adjourned the City Council meeting at 7:03 p.m. without objection.

### 6B. Adjourn – Bastrop Economic Development Corporation Board

Upon a motion duly made and seconded, Chairman Spencer adjourned the Bastrop Economic Development Corporation Board meeting at 7:03 p.m. without objection.



**CITY OF BASTROP, TEXAS**

**ECONOMIC DEVELOPMENT CORPORATION**

\_\_\_\_\_  
John Kirkland, Mayor Pro Tempore

\_\_\_\_\_  
Ron Spencer, Board Chairman

(seal)

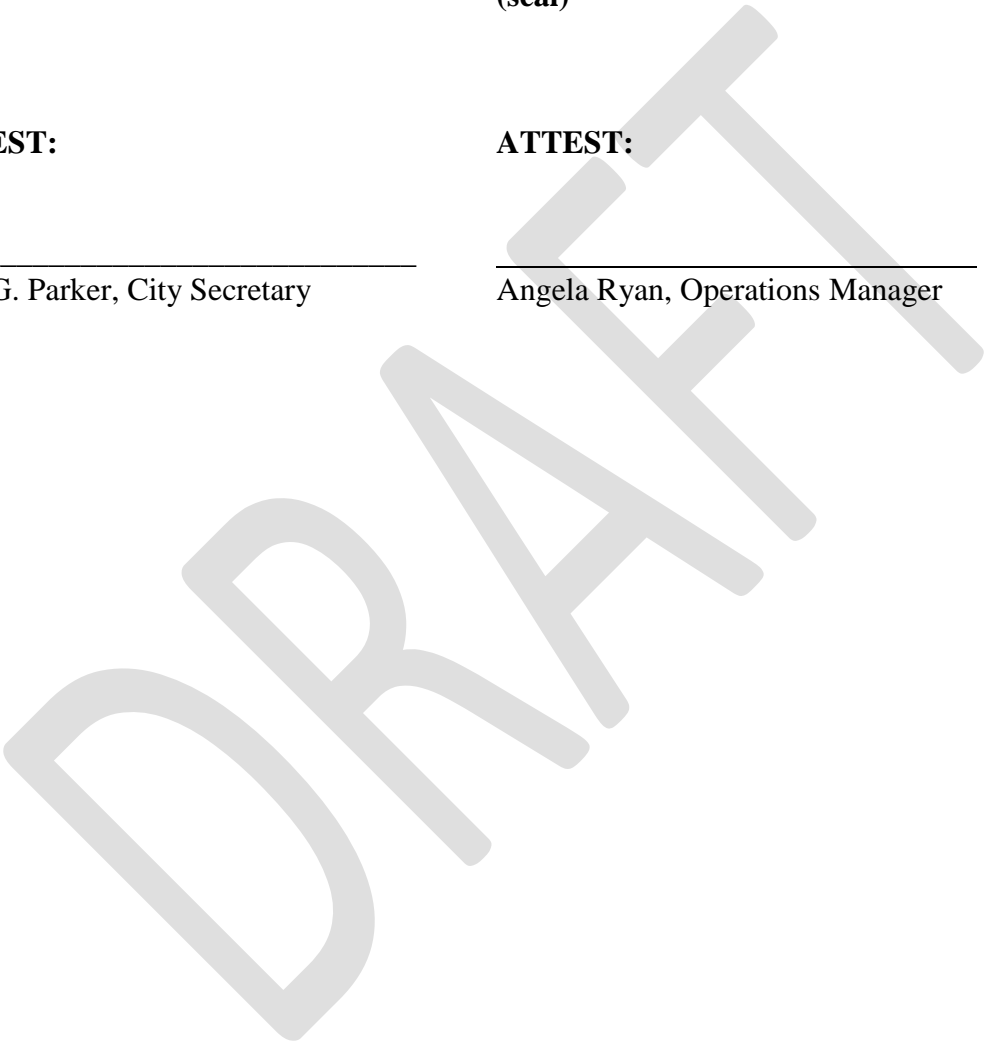
(seal)

**ATTEST:**

**ATTEST:**

\_\_\_\_\_  
Irma G. Parker, City Secretary

\_\_\_\_\_  
Angela Ryan, Operations Manager



**CITY OF BASTROP**  
**BASTROP CITY COUNCIL**  
**REGULAR CITY COUNCIL MEETING MINUTES**

**Tuesday, January 14, 2025**

The Bastrop City Council met in a Regular Meeting on Tuesday, January 14, 2025, at 5:30 p.m. at the Bastrop City Hall Council Chambers, 1311 Chestnut Street, Bastrop, Texas, with the following action taken to wit:

**Council Members Present**

Mayor Pro-Tempore John Kirkland  
 Council Member Cynthia Meyer  
 Council Member Cheryl Lee  
 Council Member Kerry Fossler  
 Council Member Kevin Plunkett

**Staff Present**

City Manager Sylvia Carrillo-Trevino  
 Assistant City Manager Andres Rosales  
 Interim City Attorney Stanley Springerley  
 Assistant City Secretary Victoria Psencik  
 Assistant to City Manager Vivianna Andres  
 Chief Financial Officer Edi McIlwain  
 Development Services Director James Cowey  
 Police Chief Vicky Steffanic  
 Community Engagement Director Kathy Danielson  
 Main Street Manager Michaela Joyce  
 Public Works Director John Eddleton  
 Parks & Recreation Director Terry Moore  
 Senior Planner Kennedy Higgins  
 B.A.R.E. Manager Dori Kelley  
 Public Information Officer Colin Guerra

**Council Members Absent**

Mayor Lyle Nelson \* *resigned 1/14/2025*

**1. CALL TO ORDER**

With a quorum being present Mayor Pro-Tempore Kirkland called the Regular City Council meeting to order at 5:31 p.m.

**2. PLEDGE OF ALLEGIANCE – United States of America and Texas Flags**

Council Member Meyer led the Pledge of Allegiance.

**3. INVOCATION**

City of Bastrop Police Chaplain Lauren Hansell delivered the invocation.

**4. EXECUTIVE SESSION**

Mayor Pro-Tempore Kirkland closed the Open Meeting to convene the City Council into Executive (Closed) Session at 5:36 p.m. pursuant to Texas Government Code, Chapter 551. as follows:

- 4A. Section 551.071 and Section 551.072 to seek the advice of legal counsel regarding real estate matters for Mayfest Park and adjacent property along Loop 150 East.
- 4B. Section 551.071 and Section 551.087 to seek the advice of legal counsel regarding a 380 Agreement with Chestnut Commercial located at 1712 Chestnut Street, Bastrop, Texas.
- 4C. Section 551.071 and Section 551.072 to seek the advice of legal counsel and to deliberate regarding the proposed real estate acquisition of an easement located in the future Agnes Street location.
- 4D. Section 551.071 to seek consultation with legal counsel regarding the City of Bastrop Charter Amendments.

Mayor Pro-Tempore Kirkland added Item 11M from **ITEMS FOR INDIVIDUAL CONSIDERATION** to the Executive Session under Section 551.071 to seek the advice of legal counsel.

- 11M. Consider and act on Resolution No. R-2025-13, Ordering a Special Election to be held on Saturday, May 3, 2025 for the Recall of Mayor Lyle Nelson according to the Bastrop Home Rule Charter; Designating Polling Places within the City; Establishing other Procedures for the Conduct of the Special Election, Including Providing that the Election is to be held as a Joint Election in Conjunction with Bastrop County; Providing a Severability Clause; and Providing an Effective Date.
5. **TAKE ANY NECESSARY OR APPROPRIATE ACTION ON MATTERS POSTED FOR CONSIDERATION IN CLOSED/EXECUTIVE SESSION.**
- 4A. Section 551.071 and Section 551.072 to seek the advice of legal counsel regarding real estate matters for Mayfest Park and adjacent property along Loop 150 East.
  - 4B. Section 551.071 and Section 551.087 to seek the advice of legal counsel regarding a 380 Agreement with Chestnut Commercial located at 1712 Chestnut Street, Bastrop, Texas.
  - 4C. Section 551.071 and Section 551.072 to seek the advice of legal counsel and to deliberate regarding the proposed real estate acquisition of an easement located in the future Agnes Street location.
  - 4D. Section 551.071 to seek consultation with legal counsel regarding the City of Bastrop Charter Amendments.
  - 11M. Consider and act on Resolution No. R-2025-13, Ordering a Special Election to be held on Saturday, May 3, 2025 for the Recall of Mayor Lyle Nelson

**according to the Bastrop Home Rule Charter; Designating Polling Places within the City; Establishing other Procedures for the Conduct of the Special Election, Including Providing that the Election is to be held as a Joint Election in Conjunction with Bastrop County; Providing a Severability Clause; and Providing an Effective Date.**

Mayor Pro-Tempore Kirkland reconvened the City Council into Open Session at 6:48 p.m. Mayor Pro-Tempore Kirkland called for any action as a result of Executive Session.

No action was taken on the Executive Session Items – 4A, 4B, 4C, 4D, and 11M.

**6. PRESENTATIONS**

6A. **Mayor's Report**

6B. **Council Members' Report**

6C. **Proclamation – Recognizing January 20, 2025 as Dr. Martin Luther King, Jr. Day.**

Submitted by: Victoria Psencik, Assistant City Secretary

The proclamation was read and signed by City Manager Sylvia Carrillo-Trevino.

**11. ITEMS FOR INDIVIDUAL CONSIDERATION**

11D. Consider and act on Resolution No. R-2025-06, regarding a Visit Bastrop Destination Marketing Services Agreement between the City of Bastrop and Visit Bastrop, as attached in Exhibit A; authorizing the City Manager to execute all necessary documents; and providing for findings of fact; repealer; severability; effective date; proper notice and meeting.

Submitted by: Sylvia Carrillo-Trevino, ICMA-CM, CPM, City Manager

Presented by: Mike Pistana, Interim President and CEO of Visit Bastrop

**MOTION:** Council Member Plunkett moved to approve Resolution No. R-2025-06 and the Visit Bastrop Destination Marketing Services Agreement between the City of Bastrop and Visit Bastrop with the following stipulation added to the agreement, “public funds may not be used for gifts.” Council Member Fossler seconded the motion. Motion carried unanimously.

**7. WORK SESSIONS/BRIEFINGS**

7A. **Discussion regarding the process for engaging legal counsel from the Interim City Attorney, Denton Navarro Rodriguez Bernal Santee & Zech, P.C. (DNRBSZ).**

Submitted by: Sylvia Carrillo-Trevino, ICMA-CM, CPM, City Manager

Mayor Pro-Tempore Kirkland postponed Item 7A Work Session to the next Regular City Council meeting on January 28, 2025 for the interest of time.

## 9. CITIZEN COMMENT(S)

Citizen(s) addressing the City Council on an item, not on the agenda: Susan Long, Christian Palacios, Sehila Casper, Pablo Serna, William Holford, and Sam Calliham.

Did not wish to speak: Cheryl Long, Elaine Weiss, Bill Hanson, Katherine and Larry Albers, Stephanie Jenkins, and Tim McShane

## 8. STAFF AND BOARD REPORTS

### 8A. City Manager's Report

### 8B. Updates on the Bastrop County Master Gardener's Community Garden Memorandum of Understanding and proposed plans.

Submitted and Presented by: Terry Moore, Parks & Recreation Director

### 8C. Receive a presentation on the unaudited Financial Statement as of September 30, 2024.

Submitted by: Edi McIlwain, Chief Financial Officer

*[Editor's Note: In the middle of the presentation of Item 8C, Mayor Pro-Tempore Kirkland called an immediate recess at 7:49 pm due to the smell of smoke in the Council Chambers. After a false alarm, Mayor Pro-Tempore Kirkland reconvened the Open Session at 8:01 pm.]*

## 10. CONSENT AGENDA

### 10A. Consider and act to approve the following Bastrop City Council meeting minutes:

#### 1. Tuesday, December 10, 2024, Regular Meeting; and

#### 2. Tuesday, December 17, 2024, Special Meeting.

Submitted by: Victoria Psencik, Assistant City Secretary

### 10B. Consider and act on the second reading of Ordinance No. 2024-45, Amending Chapter 13, Article 13.02, Section 13.02.012 – Providing for Line Extension Agreements for the extension of certain water and/or wastewater lines; and providing for findings of fact, repealer; severability, codification, effective date, proper notice and meeting.

Submitted by: Vivianna Nicole Andres, Assistant to the City Manager

- 10E. **Consider and act on the second reading of Ordinance No. 2024-48, Amending the Code of Ordinances, related to Chapter 14, The Bastrop Building Block (B3) Technical Manual, Article 2.1 General Standards And Requirements, section 2.1.006 Parking Areas (a)(1) as attached in Exhibit A; and providing for findings of fact, repealer, severability, codification, effective date, proper notice, and meeting.**

Submitted by: Kennedy Higgins, Senior Planner

- 10J. **Consider and act on Resolution No. R-2025-04, regarding an Interlocal Agreement with Bastrop County for the Bastrop County Household Hazardous Waste Facility operation and maintenance obligations between the City of Bastrop and Bastrop County, as attached in Exhibit A; authorizing the City Manager to execute all necessary documents; and providing for findings of fact; repealer; severability; effective date; proper notice and meeting.**

Submitted by: Vivianna Nicole Andres, Assistant to the City Manager

- 10K. **Consider and act on Resolution No. R-2025-01, regarding the amended and restated Triparty Agreement for Future Connections in the Colony Project to Off-Site Roadways, as attached in Exhibit A; authorizing the City Manager to execute all necessary documents; and providing for findings of fact; repealer; severability; effective date; proper notice and meeting.**

Submitted by: Vivianna Nicole Andres, Assistant to the City Manager

- 10L. **Consider and act on Resolution No. R-2025-03, approving a request to refund a Replat Application Fee in the amount of One Thousand, Nine Hundred Eighty-Six Dollars and Twenty-Nine Cents (\$1,986.29), and to refund the Board / Commission Appeal Application Fee in the amount of Three Thousand, Six Hundred Eighty-One and 00/100 Dollars (\$3,681.00) for the property located at 112 Post Oak Rim, Bastrop, Texas, within the city limits of Bastrop, as attached in Exhibit A; authorizing the City Manager to execute all necessary documents; and providing for findings of fact; repealer; severability; effective date; proper notice and meeting.**

Submitted by: Vivianna Nicole Andres, Assistant to the City Manager

- 10M. **Consider and act on Resolution No. R-2025-02, approving an Interlocal Agreement for road improvements with Bastrop County Water Control and Improvement District No. 2 (BCWCID 2); as attached in Exhibit A; authorizing the execution of all necessary documents; providing for repeal; and providing for an effective date.**

Submitted by: Andres Rosales, Assistant City Manager

- 10N. **Consider and act on Resolution No. R-2025-09, Ordering a General Election to be Held on Saturday, May 3, 2025 for Council Member Place 1 and Place 5**

**according to the Bastrop Home Rule Charter; Designating Polling Places Within the City; Establishing Other Procedures for the Conduct of the General Election and Runoff Election, If Necessary, Including Providing that the Election is to be Held as a Joint Election in Conjunction with Bastrop County; Providing a Severability Clause; And Providing an Effective Date.**

Submitted by: Irma G. Parker, City Secretary, TRMC, CMC

- 10O. **Consider and act on Resolution No. R-2025-11, Approving the Contract with the Bastrop County Election Administrator to Participate in a Joint Election for the May General Election Called And Ordered For Saturday, May 3, 2025; Authorize the City Manager to sign said Contract Agreement; Providing For A Repealing Clause, Severability, and Effective Date.**

Submitted by: Irma G. Parker, City Secretary, TRMC, CMC

- 10P. **Consider and act to approve Resolution No. R-2025-12, A Resolution Updating Resolution No. R-2024-180, Accepting Donations for the Texas Municipal League (TML) Region 10 Quarterly Meeting, Hosted by the City of Bastrop; Ratifying a New Grand Total in the Amount of Two Thousand Four Hundred Forty And 00/100 Dollars (\$2,440.00); Authorizing Staff To Provide All Donors With An Official Donation Receipt Acceptable to the International Revenue Service to Claim a Charitable Donation; Providing for a Repealing Clause; And Establishing an Effective Date.**

Submitted by: Andres Rosales, Assistant City Manager

Mayor Pro-Tempore Kirkland called for requests to remove any item from the Consent Agenda for separate discussion. Mayor Pro-Tempore requested Items 10D and 10F from the Consent Agenda for separate discussion. Council Member Lee requested Items 10C, 10G, 10H, and 10I from the Consent Agenda for separate discussion.

**MOTION:** Council Member Lee moved to approve the Consent Agenda 10A, 10B, 10E, and 10J through 10P as presented. Council Member Plunkett seconded the motion. Motion carried unanimously.

\* \* \* \* \*

- 10C. **Consider and act on the second reading of Ordinance No. 2024-46, of the City of Bastrop, Texas amending the Code of Ordinances, related to Chapter 14, The Bastrop Building Block (B3) Code, Article 6.3 General Lot Standards, Section 6.3.005 ALLEYS & DRIVEWAY LOCATIONS (a), (b) and (c) as attached in Exhibit A; and providing for findings of fact, repealer, severability, codification, effective date, proper notice, and meeting.**

Submitted by: Kennedy Higgins, Senior Planner



Citizen Comment(s): Pablo Serna

**MOTION:** Council Member Meyer moved to approve the second reading of Ordinance No. 2024-46 Amending Chapter 14 – “The Bastrop Building Block (B3) Code”, Article 6.3 – “General Lot Standards”, Section 6.3.005 – “Alleys & Driveway Locations” (a), (b), and (c) as presented. Council Member Plunkett seconded the motion. Motion carried unanimously.

\* \* \* \* \*

10D. **Consider and act on the second reading of Ordinance No. 2024-47, Amending the Code of Ordinances, related to Chapter 14, The Bastrop Building Block (B3) Code, Article 6.3 General Lot Standards, Section 6.3.006 PARKING (b)(4)(5)(7) and (9) as attached in Exhibit A; and providing for findings of fact, repealer, severability, codification, effective date, proper notice, and meeting.**

Submitted by: Kennedy Higgins, Senior Planner

Citizen Comment(s): Pablo Serna

**MOTION:** Council Member Meyer moved to approve the second reading of Ordinance No. 2024-47 Amending Chapter 14 – “The Bastrop Building Block (B3) Code”, Article 6.3 – “General Lot Standards”, Section 6.3.006 – “Parking” (b), (4), (5), (7), and (9) as presented. Council Member Plunkett seconded the motion. Motion carried unanimously.

\* \* \* \* \*

10G. **Consider and act on the second reading of Ordinance No. 2024-50, Amending the Code of Ordinances, related to Chapter 14, The Bastrop Building Block (B3) Code, Article 6.3 General Lot Standards, Section 6.3.006 PARKING (a) and (b)(1)(2) as attached in Exhibit A; and providing for findings of fact, repealer, severability, codification, effective date, proper notice, and meeting.**

Submitted by: Kennedy Higgins, Senior Planner

Citizen Comment(s): Pablo Serna

**MOTION:** Council Member Meyer moved to approve the second reading of Ordinance No. 2024-50 Amending Chapter 14 – “The Bastrop Building Block (B3) Code”, Article 6.3 – “General Lot Standards”, Section 6.3.006 – “Parking” (a) and (b)(1)(2) as presented. Council Member Plunkett seconded the motion. Motion carried unanimously.

\* \* \* \* \*



- 10F. **Consider and act on the second reading of Ordinance No. 2024-49, Amending the Code of Ordinances, related to Chapter 14, The Bastrop Building Block (B3) Code, Article 6.3 General Lot Standards, Section 6.3.003 Building Placement (a)(3)(A) as attached in Exhibit A; and providing for findings of fact, repealer, severability, codification, effective date, proper notice, and meeting.**

Submitted by: Kennedy Higgins, Senior Planner

**MOTION:** Council Member Lee moved to approve the second reading of Ordinance No. 2024-49 Amending Chapter 14 – “The Bastrop Building Block (B3) Code”, Article 6.3 – “General Lot Standards”, Section 6.3.003 – “Building Placement” (a), (3), and (A). Council Member Fossler seconded the motion. Motion carried unanimously.

\* \* \* \* \*

- 10H. **Consider and act on the second reading of Ordinance No. 2024-52, Amending the Code of Ordinances Chapter 1 “General Provisions”, Article 1.03 “Mayor & City Council”, Division 2 “Mayor”, Section. 1.03.032 – “Compensation” and Section. 1.03.033 “Expense Account”; Division 3 “City Council”, Section 1.03.061 “Composition; Meetings”, Section 1.03.062 “Compensation of Councilmembers” to Comply with the City of Bastrop Home Rule Charter; Providing for Findings of Fact, Adoption, Enforcement, Repealer, and Severability; Establishes an Effective Date; And Ensures Proper Notice and Meeting.**

Submitted by: Irma G. Parker, City Secretary, TRMC, CMC

**MOTION:** Council Member Lee moved to approve the second reading of Ordinance No. 2024-52 Amending Chapter 1 “General Provisions”, Article 1.03 “Mayor & City Council”, Division 2 “Mayor”, Section. 1.03.032 – “Compensation” and Section. 1.03.033 “Expense Account”; Division 3 “City Council”, Section 1.03.061 “Composition; Meetings”, Section 1.03.062 “Compensation of Councilmembers” to Comply with the City of Bastrop Home Rule Charter and adding the word “additional” in Section 1.03.033 “Expense Account as noted below. Council Member Fossler seconded the motion. Motion carried unanimously.

*Section. 1.03.033 - Expense account.*  
*As outlined in the Home Rule Charter, ~~W~~ while on official business trips for the city, the mayor shall be reimbursed for actual expenses, **additional** advanced expenses and/or provided a daily per diem rate as established by the City Council **adopted Rules and Procedures.***

\* \* \* \* \*

- 10I. **Consider and act on Resolution No. R-2025-07, Canvassing Returns and Declaring the Results of the Adoption or Rejection of Proposed Amendments to the Existing Home Rule Charter at the Special Election Held on Tuesday,**

**November 5, 2024; Providing a Severability Clause; And Providing an Effective Date.**

Submitted by: Irma G. Parker, City Secretary, TRMC, CMC

**MOTION:** Council Member Plunkett moved to amend the fourth (4<sup>th</sup>) “**WHEREAS**” in Resolution No. R-2025-07 by adding “the rejection of Propositions G and L”. Council Member Meyer seconded the motion. Motion carried unanimously.

*“**WHEREAS**, upon the consideration of the returns of the Election, it is hereby found and determined that the election was held by the authorizing proceedings and was in all respects legally held after due notice had been given, and the returns duly and legally made, along with other instruments with the adoption of Propositions A, B, C, D, E, F, H, I, J, K, , and M; and the rejection of Propositions G and L.*

**MOTION:** Council Member Lee moved to approve the amended Resolution No. R-2025-07 approved in the previous motion to canvass the returns and declare the results of the adoption or rejection of proposed amendments to the existing Home Rule Charter at the Special Election held on Tuesday, November 5, 2024. Council Member Fossler seconded the motion. Motion carried unanimously.

**11. ITEMS FOR INDIVIDUAL CONSIDERATION, continued**

11A. **Conduct a public hearing, consider, and act on the first reading of Ordinance No. 2025-04 of the City Council of the City of Bastrop, Texas amending the Code of Ordinances, related to Chapter 14, The Bastrop Building Block (B3) Code, Article 6.5 Building Types, Section 6.5.003 BUILDING STANDARDS PER PLACE TYPE A – LOT OCCUPATION (table) and Section 6.3.008 LOT OCCUPATION (a) and (b) as attached in Exhibit A; and providing for findings of fact, repealer, severability, codification, effective date, proper notice, and meeting and move to include on the January 28, 2025 Consent Agenda for the second reading.**

Submitted by: Kennedy Higgins, Senior Planner

Mayor Pro-Tempore Kirkland opened the Public Hearing at 9:08 p.m. for the Bastrop Building Block (B3) Code Amendment listed in Item 11A.

Public Hearing: Pablo Serna.

Mayor Pro-Tempore Kirkland closed the Public Hearing at 9:11 p.m. for the Bastrop Building Block (B3) Code Amendment listed in Item 11A.

**MOTION:** Council Member Plunkett moved to approve the first reading of Ordinance No. 2025-04 with the following amendments in red:

*SEC. 6.3.008 LOT OCCUPATION In P2-P4, three two buildings may be built on each Lot, one Principal Building and two one Accessory Units or and one Accessory Dwelling Units as generally illustrated on Article 6.4 Lot Structure Description & Diagram. up to 2*

*Additional Dwelling Units (ADUs) are allowed subject to meeting the established impervious cover standards as well as the onsite parking requirements set forth in 6.003.006(b)(2) as amended. (a) Additional non-dwelling structures (sheds etc.) may be approved if the impervious cover requirements and other infrastructure demands can be met.*

and move to include on the January 28, 2025 Consent Agenda for the second reading. Council Member Meyer seconded the motion. Motion carried unanimously.

- 11B. **Conduct a public hearing, consider, and act on the first reading of Ordinance No. 2025-03 of the City Council of the City of Bastrop, Texas amending the Code of Ordinances, related to Chapter 14, The Bastrop Building Block (B3) Code, Article 6.3 General Lot Standards, Section 6.3.007 CROSS ACCESS CONNECTIONS (a) as attached in Exhibit A; and providing for findings of fact, repealer, severability, codification, effective date, proper notice, and meeting and move to include on the January 28, 2025 Consent Agenda for the second reading.**

Submitted by: Kennedy Higgins, Senior Planner, Development Services

Mayor Pro-Tempore Kirkland opened the Public Hearing at 9:27 p.m. for the Bastrop Building Block (B3) Code Amendment listed in Item 11B.

Public Hearing: No citizen comments submitted.

Mayor Pro-Tempore Kirkland closed the Public Hearing at 9:27 p.m. for the Bastrop Building Block (B3) Code Amendment listed in Item 11B.

**MOTION:** Council Member Plunkett moved to approve the first reading of Ordinance No. 2025-03 amending the Code of Ordinances, Chapter 14, The Bastrop Building Block (B3) Code, Article 6.3 General Lot Standards, Section 6.3.007 CROSS ACCESS CONNECTIONS (a) as presented and move to include on the January 28, 2025 Consent Agenda for the second reading. Council Member Meyer seconded the motion. Motion carried unanimously.

- 11C. **Conduct a public hearing, consider, and act on the first reading of Ordinance No. 2025-02 of the City Council of the City of Bastrop, Texas amending the Code of Ordinances, related to Chapter 14, The Bastrop Building Block (B3) Code, Article 6.5 Building Types, Section 6.5.003 BUILDING STANDARDS PER PLACE TYPE A. Lot Occupation as attached in Exhibit A; and providing for findings of fact, repealer, severability, codification, effective date, proper notice, and meeting and move to include on the January 28, 2025 Consent Agenda for the second reading.**

Submitted by: Kennedy Higgins, Senior Planner, Development Services

Mayor Pro-Tempore Kirkland opened the Public Hearing at 9:31 p.m. for the Bastrop Building Block (B3) Code Amendment listed in Item 11C.

Public Hearing: Pablo Serna.

Mayor Pro-Tempore Kirkland closed the Public Hearing at 9:34 p.m. for the Bastrop Building Block (B3) Code Amendment listed in Item 11C.

**MOTION:** Council Member Plunkett moved to approve the first reading of Ordinance No. 2025-02 Texas amending the Code of Ordinances, related to Chapter 14, The Bastrop Building Block (B3) Code, Article 6.5 Building Types, Section 6.5.003 BUILDING STANDARDS PER PLACE TYPE A. Lot Occupation as presented and move to include on the January 28, 2025 Consent Agenda for the second reading. Council Member Meyer seconded the motion. Motion carried unanimously.

11E. **Discussion and possible action on applications received for the Bastrop County Advisory Board of Health.**

Submitted by: Sylvia Carrillo-Trevino, ICMA-CM, CPM, City Manager

**MOTION:** Council Member Plunkett moved to postponed Item 11E to a future called Special City Council Meeting due to time constraint. Council Member Lee seconded the motion. Motion carried unanimously.

**MOTION:** Council Member Plunkett moved to suspend the rules of procedure for the remainder of this meeting by using a voice vote instead of a roll call vote for the interest of time. Council Member Meyer seconded the motion. Motion carried unanimously.

11F. **Consider and act to approve the first reading of Ordinance No. 2025-01 of the City Council of the City of Bastrop, Texas amending the Code of Ordinances, related to Chapter 12 Titled "Traffic and Vehicles," Article 12.05 Titled "Speed Limits," amending section 12.05.006 titled "SH 21 Frontage Road speed limits." zoning for traffic and rate of speed therein, on SH 21 Frontage Road in the city limits of the City of Bastrop; defining speeding and fixing a penalty therefore; declaring what may be a sufficient complaint in prosecutions hereunder; repealing all prior ordinances that are in conflict herewith; and providing for findings of fact, enactment, codification, effective date, repealer severability, proper notice and meeting as shown in Exhibit A, and move to include on the January 28th Consent Agenda for second reading.**

Submitted by: Kennedy Higgins, Senior Planner, Development Services

**PASSED:** The updated information was not available for presentation.

11G. **POSTPONED 12/10/2024: Conduct a public hearing, consider and act on the first reading of Ordinance No. 2024-44, of the City of Bastrop, Texas, approving the zoning change for 10.56 +/- acres out of Nancy Blakey Survey Abstract 98, located west of FM 969, within the City of Bastrop from P2 Rural to P5 Core as shown in Attachment 2; providing for findings of fact; providing**

**for repealer; providing for severability; providing for enforcement; providing for proper notice and meeting; and establishing an effective date; and move to include on January 28, 2024, Consent Agenda for second reading.**

Submitted by: Kennedy Higgins, Senior Planner

Mayor Pro-Tempore Kirkland opened the Public Hearing at 9:50 p.m. for the Zoning Change listed in Item 11G.

Public Hearing: No citizen comments submitted.

Mayor Pro-Tempore Kirkland closed the Public Hearing at 9:50 p.m. for the Zoning Change listed in Item 11G.

**MOTION:** Council Member Plunkett moved to approve the first reading of Ordinance No. 2024-44 approving the zoning change for 10.56 +/- acres out of Nancy Blakey Survey Abstract 98, located west of FM 969, within the City of Bastrop from P2 Rural to P5 Core as presented and move to include on the January 28, 2025 Consent Agenda for the second reading. Council Member Meyer seconded the motion. Motion carried unanimously.

- 11H. **Consider and act to approve the first reading of Ordinance No. 2025-05, amending the budget for the Fiscal Year 2025 in accordance with existing statutory requirements; appropriating the various amounts herein as attached in Exhibit A; repealing all prior ordinances and actions in conflict herewith; and move to include on the consent agenda of the January 28, 2025, City Council agenda for a second reading.**

Submitted by: Edi McIlwain, Chief Financial Officer

**MOTION:** Council Member Plunkett moved to approve the first reading of Ordinance No. 2025-05 amending the budget for Fiscal Year 2025 as presented and move to include on the January 28, 2025 Consent Agenda for the second reading. Council Member Meyer seconded the motion. Motion carried unanimously.

- 11I. **Consider and act on the following speaking requests for Mayor Lyle Nelson:**
- 1. January 20, 2025 - Bastrop County Martin Luther King Jr., Walk and Program**
  - 2. January 21, 2025 - Bastrop ISD School Board meeting to read a proclamation recognizing the school board members**

**PASSED:** Mayor Lyle Nelson resigned on January 14, 2025 therefore, this Item is not relevant and does not need to be considered.

- 11J. **Consider and act on Resolution No. R-2025-08, Appointing Karen Kincaid Brady, Executive Director of the Bastrop Museum and Visitor's Center to Place 7 of the Cultural Arts Commission for a Three-Year Term beginning**

**January 2025 and Ending in September 2028; Receiving Confirmation by the City Council of the Appointment; And Providing for an Effective Date.**

Submitted by: Mayor Lyle Nelson

**MOTION:** Council Member Meyer moved to approve Resolution No. R-2025-08 appointing Karen Kincaid Brady, Executive Director of the Bastrop Museum and Visitor's Center to Place 7 of the Cultural Arts Commission. Council Member Lee seconded the motion. Motion carried unanimously.

11K **Consider and act on Resolution No. R-2025-05, approving a Public Improvement Plan Agreement with PRC 01 Bastrop LLC for Sendero, as attached in Exhibit A; authorizing the City Manager to execute all necessary documents; and providing for findings of fact; repealer; severability; effective date; proper notice and meeting.**

Submitted by: Kennedy Higgins, Senior Planner, Development Services Department

**MOTION:** Council Member Plunkett moved to approve Resolution No. R-2025-05 and a Public Improvement Plan Agreement with PRC 01 Bastrop LLC for Sendero. Council Member Meyer seconded the motion. Motion carried unanimously.

11L. **Consider and act on Resolution No. R-2025-10 in Support of Employee Kennedy Higgins Omitted from Resolution R-2024-179 Adopted on December 10, 2024 and Named in the Lee Dossier as Submitted by Council Member Cheryl Lee; Directing this Document with a Certified Copy is Delivered to Employee; Directing that this document be provided to the Human Resources Director for inclusion in this Employee's Personnel File; Providing for a Repealing Clause; And Establishing an Effective Date.**

Submitted by: Irma G. Parker, City Secretary, TRMC, CMC

**MOTION:** Council Member Lee moved to approve Resolution No. R-2025-10 and a Letter of Support of Employee Kennedy Higgins omitted from Resolution No. R-2024-179 and named in Lee Dossier submitted by Council Member Cheryl Lee. Council Member Plunkett seconded the motion. Motion carried unanimously.

11M. **Consider and act on Resolution No. R-2025-13, Ordering a Special Election to be held on Saturday, May 3, 2025 for the Recall of Mayor Lyle Nelson according to the Bastrop Home Rule Charter; Designating Polling Places within the City; Establishing other Procedures for the Conduct of the Special Election, Including Providing that the Election is to be held as a Joint Election in Conjunction with Bastrop County; Providing a Severability Clause; and Providing an Effective Date.**

Submitted by: Irma G. Parker, City Secretary, TRMC, CMC



*[Editor's Note: Mayor Pro-Tempore Kirkland moved Item 11M to Executive Session to seek advice from legal. No action was taken.]*

**12. ADJOURNMENT**

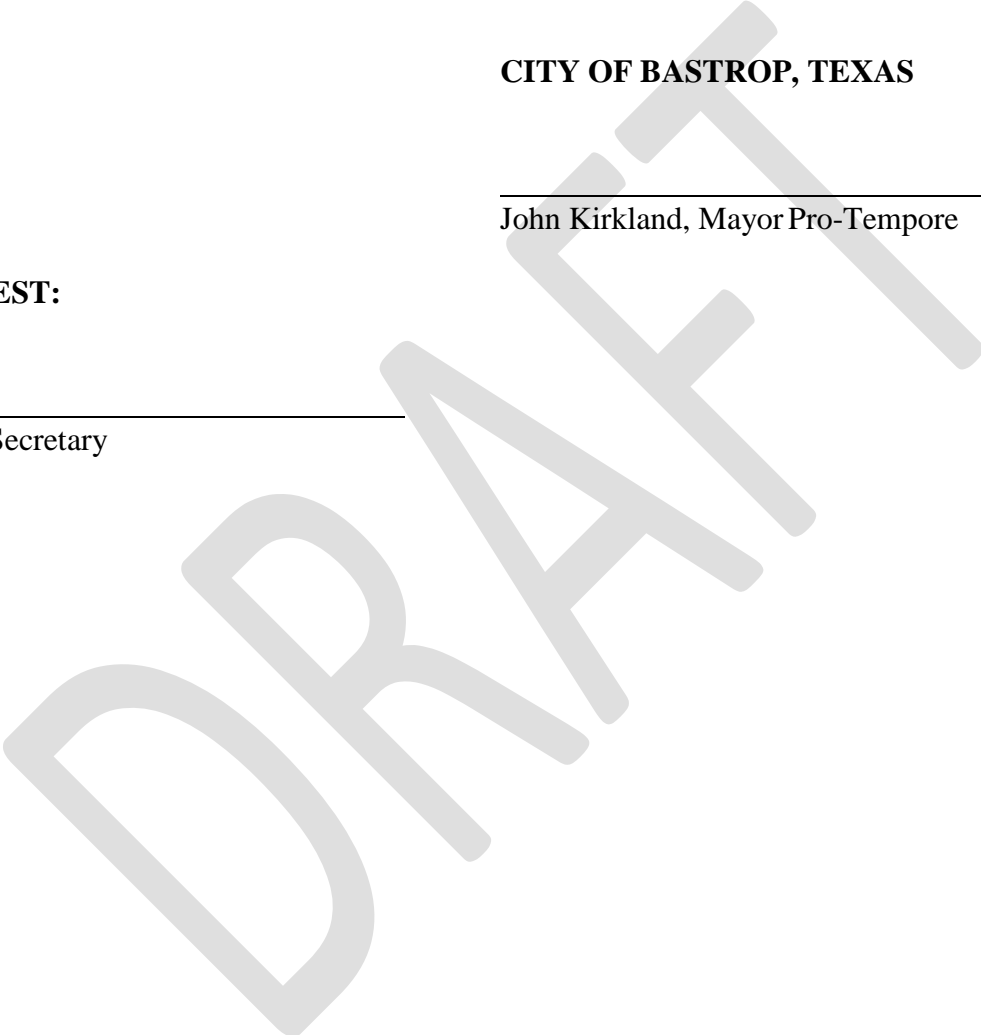
Upon receiving a motion duly made and seconded to adjourn, the December 10<sup>th</sup> Regular Meeting was adjourned at 9:59 p.m.

**CITY OF BASTROP, TEXAS**

\_\_\_\_\_  
John Kirkland, Mayor Pro-Tempore

**ATTEST:**

\_\_\_\_\_  
City Secretary



**CITY OF BASTROP**  
**JOINT MEETING OF THE**  
**BASTROP CITY COUNCIL AND**  
**PLANNING AND ZONING COMMISSION**

**MEETING MINUTES**

**JANUARY 16, 2025**

A Joint Meeting of the Bastrop City Council and Planning and Zoning Commission was conducted on Wednesday, January 16, 2025, at 6:00 p.m. at the Bastrop City Hall Council Chambers, 1311 Chestnut Street, Bastrop, Texas, with the following action taken to wit:

**Council Members Present**

Mayor Pro Tempore John Kirkland  
 Council Member Cynthia Meyer  
 Council Member Kerry Fossler  
 Council Member Kevin Plunkett  
 Council Member Cheryl Lee\* *left at 8:50 pm*

**Council Members Absent**

Mayor Lyle Nelson\* *resigned 1/14/2025*

**Planning and Zoning Commission Present**

Commission Chairman Ishmael Harris  
 Commissioner Christopher Toth  
 Commissioner Keith Ahlborn  
 Commissioner Gary Moss  
 Commissioner Jeffrey Estes  
 Commissioner Patrice Parson\* *arrived at 6:02 pm*  
 Commissioner Joshua Bingaman  
 Commissioner David Barrow

**Planning and Zoning Commission Absent**

Commissioner Jordan Scott

**Staff Present**

City Manager Sylvia Carrillo-Trevino  
 Assistant City Manager Andres Rosales  
 Interim City Attorney Charlie Zech  
 Assistant City Secretary Victoria Psencik  
 Assistant to City Manager Vivianna Andres  
 Development Services Director James Cowey  
 Senior Planner Kennedy Higgins  
 Planner, Alondra Macias  
 Project Coordinator Nicole Peterson

**1. CALL TO ORDER**

**1A. Call to Order – Bastrop City Council**

With a quorum being present, Mayor Pro Tempore Kirkland called the City Council meeting to order at 6:00 p.m.

**1B. Call to Order – Planning and Zoning Commission**



With a quorum being present, Chairman Harris called the Planning and Zoning Commission meeting to order at 6:00 p.m.

## 2. CITIZEN COMMENT(S)

No Citizens Comment requests were made to discuss any item not on the agenda.

## 3. WORK SESSIONS / BRIEFINGS

### 3A. Presentation update for Chapter 2 and 5 of the 2016 Comprehensive Plan developed by Halff & Associates.

Submitted by: Kennedy Higgins, Senior Planner, Development Services Department

Presentation by Halff & Associates Representatives Ylda Capriccioso and Whitney Linder.

*[Editor's Note: After Halff & Associates representatives presented Item 3A, Mayor Pro-Tempore Kirkland called for Citizen Comments regarding the presentation.]*

Citizen(s) addressing the City Council and Planning and Zoning Commission on Item 3A:  
Dax Havrilak, Dock Jackson, and Pablo Serna

*[Editor's Note: Council Member Lee left the meeting at 8:50 pm.]*

## 4. ITEMS FOR INDIVIDUAL CONSIDERATION

### 4A. Planning and Zoning Commission

Conduct a public hearing, consider, and act on a recommendation to the City Council for consenting to the addition of 60.72 acres, as shown in Exhibit B and described in Exhibit C, Exhibit D, and Exhibit E; into existing Wildwood Municipal Utility District.

Submitted by: Andres Rosales, Assistant City Manager

Chairman Harris opened the Public Hearing at 9:07 p.m. for the Wildwood Municipal Utility District listed in Item 4A.

Public Hearing: No citizen comments submitted.

Chairman Harris closed the Public Hearing at 9:07 p.m. for the Wildwood Municipal Utility District listed in Item 4A.

**MOTION:** Commissioner Estes moved to recommend to the City Council to accept the addition of 60.72 acres into the existing Wildwood Municipal Utility District. Commissioner Moss seconded the motion. Motion carried unanimously.

4B. **City Council**

**Conduct a public hearing, consider and act on Resolution No. R-2025-14, consenting to the addition of 60.72 acres, as shown in Exhibit B and described in Exhibit C, Exhibit D, and Exhibit E; into the existing Wildwood Municipal Utility District; providing for an open meetings clause; and providing for an effective date.**

Submitted by: Andres Rosales, Assistant City Manager

Mayor Pro-Tempore Kirkland opened the Public Hearing at 9:12 p.m. for the Wildwood Municipal Utility District listed in Item 4B.

Public Hearing: No citizen comments submitted.

Mayor Pro-Tempore Kirkland closed the Public Hearing at 9:12 p.m. for the Wildwood Municipal Utility District listed in Item 4B.

**MOTION:** Council Member Plunkett moved to approved Resolution No. 2025-14 consenting the addition of 60.72 acres into the existing Wildwood Municipal Utility District. Council Member Meyer seconded the motion. Motion carried unanimously. Council Member Lee was not in attendance for the vote.

5. **ADJOURNMENT**

5A. **Adjourn – Bastrop City Council**

Upon a motion duly made and seconded, Mayor Pro-Tempore Kirkland adjourned the City Council meeting at 9:12 p.m. without objection.

5B. **Adjourn – Planning and Zoning Commission**

Upon a motion duly made and seconded, Chairman Harris adjourned the Planning and Zoning Commission meeting at 9:12 p.m. without objection.

**CITY OF BASTROP, TEXAS**

**PLANNING AND ZONING  
COMMISSION**

\_\_\_\_\_  
John Kirkland, Mayor Pro-Tempore

\_\_\_\_\_  
Ishmael Harris, Chair

**ATTEST:**

**ATTEST:**

\_\_\_\_\_  
Victoria Psencik, Assistant City Secretary

\_\_\_\_\_  
David Barrow, Vice-Chair

DRAFT

**CITY OF BASTROP**  
**BASTROP CITY COUNCIL**  
**SPECIAL CITY COUNCIL MEETING MINUTES**

**Friday, January 17, 2025**

A Special Meeting of the Bastrop City Council was conducted on Friday, January 17, 2025, at 4:30 p.m. at the Bastrop City Hall Council Chambers, 1311 Chestnut Street, Bastrop, Texas, with the following action taken to wit:

**Council Members Present**

Mayor Pro Tempore John Kirkland  
 Council Member Cynthia Meyer  
 Council Member Kerry Fossler  
 Council Member Kevin Plunkett

**Staff Present**

City Manager Sylvia Carrillo-Trevino  
 Assistant City Manager Andres Rosales  
 Assistant City Secretary Victoria Psencik  
 Assistant to City Manager Vivianna Andres  
 Police Chief Vicky Steffanic  
 Digital Media Specialist Rick Gullikson

**Council Members Absent**

Council Member Cheryl Lee  
 Mayor Lyle Nelson\* *resigned 1/14/2025*

**1. CALL TO ORDER**

With a quorum being present, Mayor Pro Tempore Kirkland called the Special City Council meeting to order at 4:30 p.m.

**2. CITIZEN COMMENT(S)**

No Citizens Comment requests were made to discuss any item not on the agenda.

**3. ITEMS FOR INDIVIDUAL CONSIDERATION**

- 3A. **Consider and act on Resolution No. 2025-15, A Resolution Accepting the Letter of Resignation Submitted by Lyle Nelson, Dated January 14, 2025, and Attached Hereto as Exhibit 1; Setting A Severability Clause And Establishing An Effective Date.**

Submitted by: Sylvia Carrillo-Trevino, ICMA-CM, CPM, City Manager

**MOTION:** Council Member Plunkett moved to approve Resolution No R-2025-15 to accept the Letter of Resignation submitted by Lyle Nelson. Council Member Meyer seconded the motion. Motion carried unanimously. Council Member Lee was not in attendance for the vote.

- 3B. **Consider and act on Resolution No R-2025-16, A Resolution Ordering a Special Election to be held on Saturday, May 3, 2025 for Mayor According to the Bastrop Home Rule Charter; Designating Polling Places within the City; Establishing Other Procedures for the Conduct of the General Election and Runoff Election, If Necessary, Including Providing that the Election is to be held as a Joint Election in Conjunction with Bastrop County; Providing a Severability Clause; And Providing an Effective Date.**

**MOTION:** Council Member Meyer moved to approve Resolution No R-2025-16 to order a Special Election on Saturday, May 3, 2025 for Mayor. Council Member Fossler seconded the motion. Motion carried unanimously. Council Member Lee was not in attendance for the vote.

4. **ADJOURNMENT**

Upon a motion duly made and seconded, Mayor Pro-Tempore Kirkland adjourned the City Council meeting at 4:33 p.m. without objection.

**CITY OF BASTROP, TEXAS**

\_\_\_\_\_  
John Kirkland, Mayor Pro-Tempore

**ATTEST:**

\_\_\_\_\_  
Victoria Psencik, Assistant City Secretary



# STAFF REPORT

**MEETING DATE:** January 28, 2025

**TITLE:**

Consider and act on Resolution No. R-2025-18, granting Historic Landmark status for 0.817 acres out of Farm Block 16 West of Main Street within the City Limits of the City of Bastrop, Texas, as attached in Exhibit A; providing for findings of fact; providing for a repealing clause; and establishing an effective date.

**STAFF REPRESENTATIVE:**

Kennedy Higgins, Senior Planner / Historic Preservation Officer

**ITEM DETAILS:**

Site Address: 406 Cedar Street (Attachment 1)  
 Property ID: 31055  
 Property Owner: Mark and Michelle Fittz  
 Current Use: Residential  
 Existing Zoning: P-3 Neighborhood

**REQUEST:**

The property owners at 406 Cedar Street have requested a local Historic Landmark designation.

**BACKGROUND/HISTORY:**

The structure was built circa 1905. The house was recently renovated, during which many examples of early American pioneer construction methods were found. Such as balloon framing, round cedar log floor joists, and batt ceilings to name a few. During the renovation of the home, care was taken to ensure the historic integrity of the home was preserved.

In addition to the architectural significance, the property has been associated with people of Bastrop's past, for example, one of the previous owners was Fred Hoskins, who held the position as Bastrop County Sheriff. Other connections can be seen in attachment 2 such as connections to the lives of Miss Nell and Grace, Grace having been the first Woman professor at Texas A&M.

**POLICY EXPLANATION:**

CHAPTER 9: HISTORIC LANDMARK PRESERVATION & IREDELL DISTRICT  
 SEC. 9.2.002 CRITERIA FOR HISTORIC LANDMARK STATUS

(a) A Structure or Site is considered a local Historic Landmark if it is designated as a Recorded Texas Historic Landmark or State Archeological Landmark or is included on the National Register of Historic Places.

(b) A Structure or Site also may be designated by the City as a Historic Landmark if it meets 2 or more of the criteria set out below.

(1) Possesses significance in history, architecture, archeology, or culture;

**(2) Is associated with events that have made a significant contribution to the broad patterns of local, regional, state, or national history;**

(3) Is associated with the lives of persons significant in our past;

**(4) Embodies the distinctive characteristics of a type, period, or method of Construction;**

(5) Represents the work of a master designer, builder, or craftsman; or

(6) Represents an established and familiar visual feature of the City.

### SEC. 9.2.003 PROCESS FOR DESIGNATION OF HISTORIC LANDMARKS

(a) Owners of property being considered for designation as a Historic Landmark shall be notified prior to the Historic Landmark Commission hearing on the recommended designation. The Historic Landmark Commission shall provide notice to property owners within 200 feet of the property and conduct a public hearing.

(b) After consideration by the Historic Landmark Commission, a recommendation regarding designations shall be submitted the City Council to consider the designations of a Historic Landmark. The adoption of the landmark shall be through a resolution.

(c) Upon designation of a Historic Landmark, the City Council shall cause the designation to be noted as follows:

(1) Recorded in the official real property records of Bastrop County.

(2) Designated on the historic resource map of the City.

(3) Provide the property owner with a plaque and require the installation indicating the designation of the landmark as a City Historic Landmark.

### 86<sup>th</sup> Legislature House Bill 2496

Effective May 25, 2019, the Texas State Legislature adopted additional regulations municipalities must follow for designating historic landmarks. Most of the regulations are already present in the Bastrop Historic Landmark Preservation Ordinance. One additional requirement with which the city must comply is to send the property owner a statement that describes the impact of the designation to the property. The property owner is aware and received this letter.

### **NOTIFICATION:**

Eleven 11 property owners within 200 feet of 406 Cedar Street were notified of the public hearing on December 31, 2024. 1 response has been received in favor at the time of this report.

### **HISTORIC LANDMARK COMMISSION RECOMMENDATION:**

At the Historic Landmark Commission meeting on January 15, 2025, a public hearing was held and recommended approval unanimously, for 406 Cedar Street to be designated a local Historic Landmark, provide the owner a marker and add to the inventory for rebates.

**RECOMMENDATION:**

Consider action to approve Resolution No. R-2025-18 of the City Council of the City of Bastrop, Texas, granting Historic Landmark status for 0.817 acres out of Farm Block 16 West of Main Street within the City Limits of the City of Bastrop, Texas, as attached in Exhibit A; providing for findings of fact; providing for a repealing clause; and establishing an effective date.

**ATTACHMENTS:**

- Resolution
  - Exhibit A – Agreement
- Attachment 1 – Location Map
- Attachment 2 – Property Information





**RESOLUTION NO. R-2025-18**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS, GRANTING HISTORIC LANDMARK STATUS FOR 0.817 ACRES OUT OF FARM BLOCK 16 WEST OF MAIN STREET, TO BE KNOWN AS THE HOUSE AT 406 CEDAR STREET, WITHIN THE CITY LIMITS OF BASTROP, TEXAS, AS ATTACHED IN EXHIBIT A (LANDMARK AGREEMENT); PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR A REPEALING CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, Mark and Michelle Fittz (“the Owner”) has submitted a request for a Historic Landmark status for the structure at 406 Cedar Street; and

**WHEREAS**, Chapter 9: Historic Landmark Preservation & Iredell District of the B<sup>3</sup> Code adopted with Ordinance No. 2019-51 provides a designation process for historic sites and structures; and

**WHEREAS**, notice of the historic designation was sent in accordance to the B<sup>3</sup> Code to notify property owners within 200 feet of the property and Texas Local Government Code section 211.0165 to notify the property owner of the impact of the designation; and

**WHEREAS**, the Historic Landmark Commission held a public hearing and considered the request on January 15, 2025 and voted unanimously to recommend approval.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS:**

**Section 1:** The Historic Landmark status for 0.817 acres out of Farm Block 16 west of Main street, to be known as the House at 406 Cedar street, within the city limits of Bastrop, Texas, is hereby approved and Exhibit A, a copy of agreement to be signed by the Property Owner, and incorporated herein for all purposes.

**Section 2:** The following findings of fact were established for the house located at 406 Cedar Street:

The structure meets the following criteria:

(2) Is associated with events that have made a significant contribution to the broad patterns of local, regional, state, or national history;

*This house is associated with the lives of a few different people who were significant in Bastrop. For example, Fred Hoskins, who held the position of Bastrop County Sheriff.*

(4) Embodies the distinctive characteristics of a type, period, or method of Construction;

*Exemplifies craftsmanship of the American pioneer construction methods. Such as balloon framing, round cedar log floor joists, and batt ceilings to name a few.*

**Section 3:** All orders, ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

**Section 4:** This ordinance shall take effect upon passage and in accordance with the laws of the State of Texas.

**DULY RESOLVED AND ADOPTED** by the City Council of the City of Bastrop this 28<sup>th</sup> day of January, 2025.

APPROVED:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney



**Historic Landmark Designation Agreement**

As owner(s) of the property located on 0.817 acres out of Farm Block 16 West of Main Street commonly known as 406 Cedar Street;

We, Mark and Michelle Fittz, wish to have said property designated as a Historic Landmark;

By the signature(s) below, we, the property owner(s) hereby acknowledge that we have received a copy of the current Chapter 9: Historic Landmark Preservation and Iredell District from the B<sup>3</sup> Code (Ordinance #2019-51), and any amendments thereto; that we understand and agree to abide by the terms and obligations related to a Historic Landmark designation; and, in obtaining Historic Landmark status for this property, we agree to maintain said property in accordance with provisions governing Historic Landmarks in the Ordinance and the design guidelines governing same, as adopted by the Bastrop City Council, as such ordinance and guidelines now exist or may exist in the future.

Furthermore, we understand that by entering into this agreement with the City of Bastrop, we will be entitled to all incentives specified within Ordinance 2019-51 "Historic Landmark Preservation and Iredell District" and amendments thereto.

\_\_\_\_\_  
Signature of Property Owner(s) Date

Subscribed and sworn to before me on this the \_\_\_\_ day of \_\_\_\_\_, 2025 to certify which witness my hand and official seal.

\_\_\_\_\_  
Notary Public in and for the State of Texas

My Commission Expires: \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
Signature of Property Owner(s) Date

Subscribed and sworn to before me on this the \_\_\_\_ day of \_\_\_\_\_, 2025 to certify which witness my hand and official seal.

\_\_\_\_\_  
Notary Public in and for the State of Texas

My Commission Expires: \_\_\_\_\_, 20\_\_

EXHIBIT A

Item 8B.

\_\_\_\_\_  
Signature for Historic Landmark Commission Date

Subscribed and sworn to before me on this the \_\_\_\_ day of \_\_\_\_\_, 2025 to certify which witness my hand and official seal.

\_\_\_\_\_  
Notary Public in and for the State of Texas

My Commission Expires: \_\_\_\_\_, 20\_\_

Approved by the Bastrop City Council on the 28<sup>th</sup> day of January, 2025.

APPROVED:

ATTEST:

\_\_\_\_\_  
Mayor

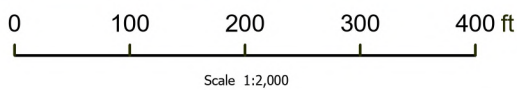
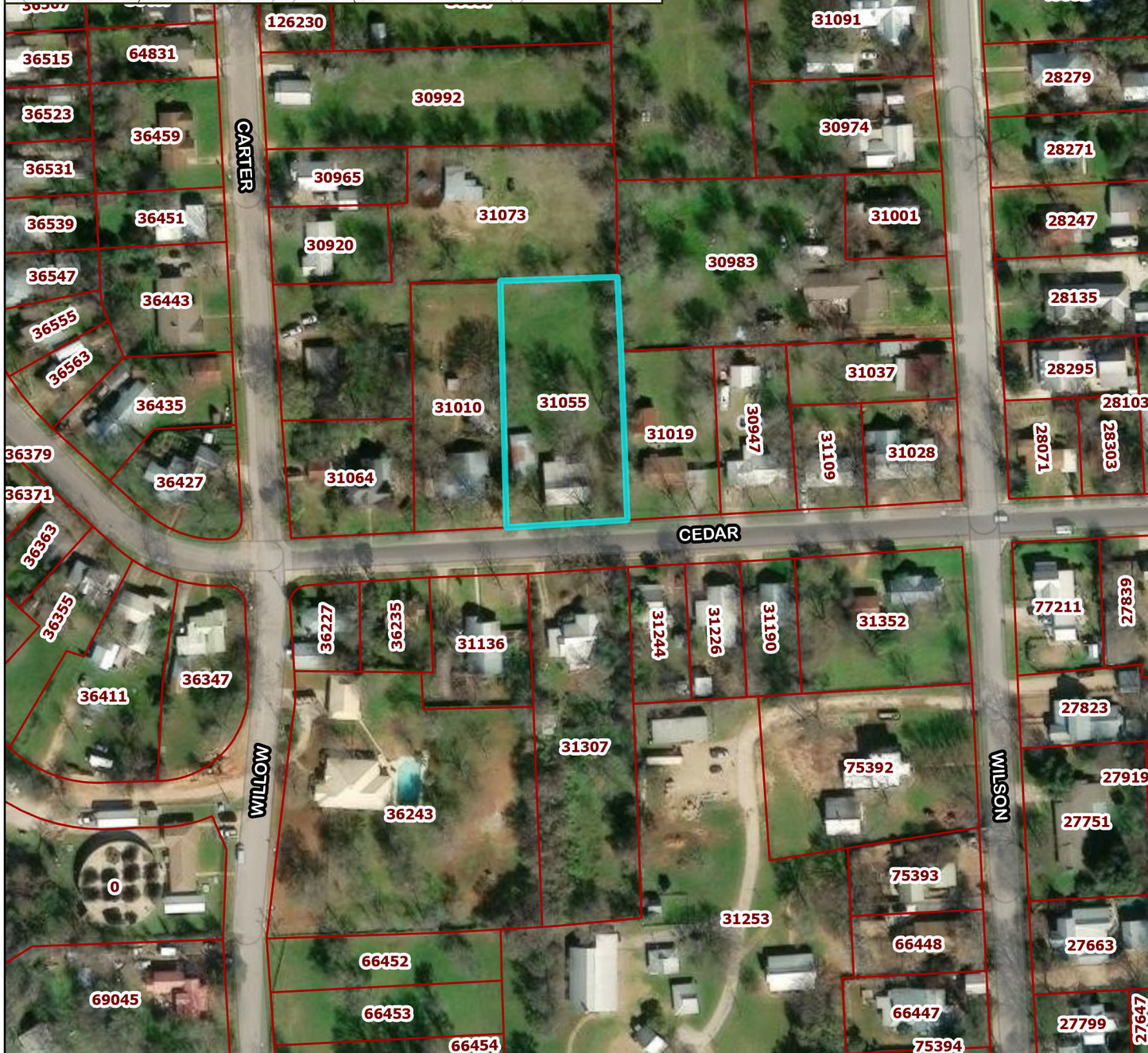
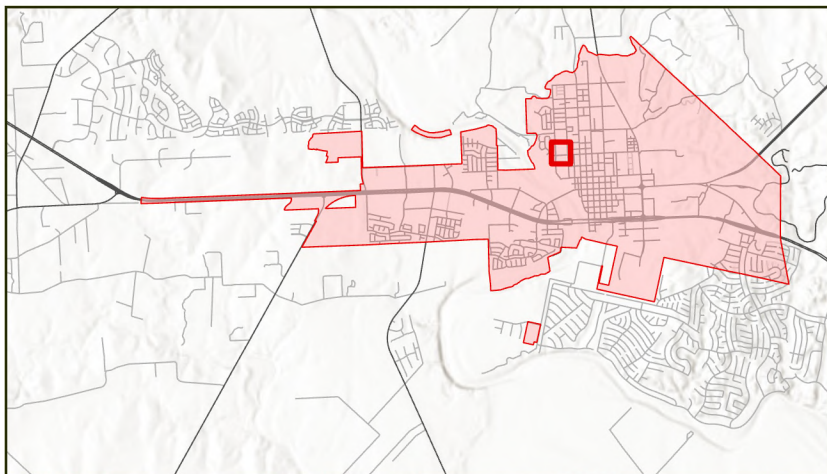
\_\_\_\_\_  
City Secretary





Attachment  
Location Map

# 406 Cedar St.



The City of Bastrop, Texas makes no warranties regarding the accuracy or completeness of the information used to compose this map or the data from which it was produced. The map does not purport to depict the boundaries between private and public lands. This map is general in nature and is not for navigational purposes.



406 Cedar Street  
Bastrop, Texas 78602

December 16, 2024

Historic Landmark Commission  
Bastrop, Texas

Dear Bastrop City Council,

We are applying for Historic Landmark status designation for a recently purchased property located at 406 Cedar Street in Bastrop, Texas. The original deed of record of the property dates to the year 1905 and some of the previous owners played a vital part in the history of Bastrop.

Miss Nell “Alice” Fitzwilliam (October 17, 1893 to 1987) was one of 4 unmarried siblings of J.D. Fitzwilliam (2 sons and 2 daughters) and the house was to be used by her for rental income. Her sister Grace was the first woman professor at Texas A&M. The Rodriguez family worked the farm and housekeeping. In 1968, the land was divided and sold to Bluebonnet Acres. Another owner, Fred Hoskins, held the position of Bastrop County Sheriff, and his father, I.R. “Nig” Hoskins, held the same position in the 1970s. Reid Sharp lived on the property, and he was the president/CEO of First National Bank of Bastrop. Ronald D. Fields, born August 5, 1937, aka Ronald O. Fields lived at Cedar Street from 2018-2023.

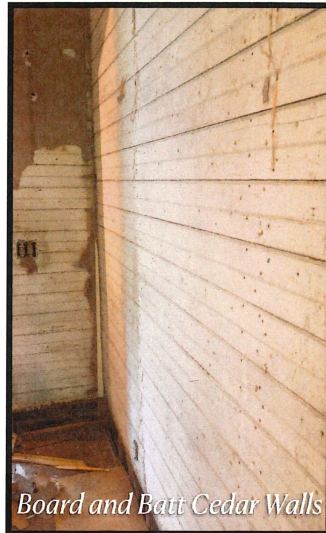


During the process of renovations of the existing structure on the property, many examples of early American pioneer construction methods from the mid-1800s and early 1900s were discovered in the walls, floors, and roof. Ballon framing, round cedar log floor joists, and board & batt ceilings and walls are just a few of the historic construction methods we found as we exposed the inner structure.





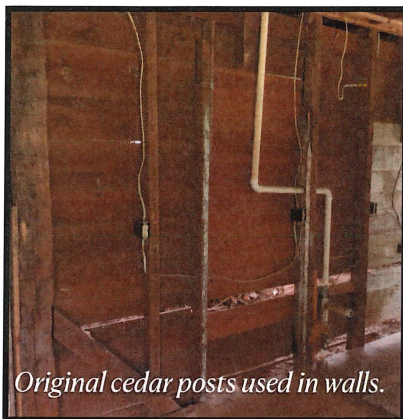
*Cedar log Floor Joists*



*Board and Batt Cedar Walls*



*Mortise and Tenon connections at walls, floors, and roof*

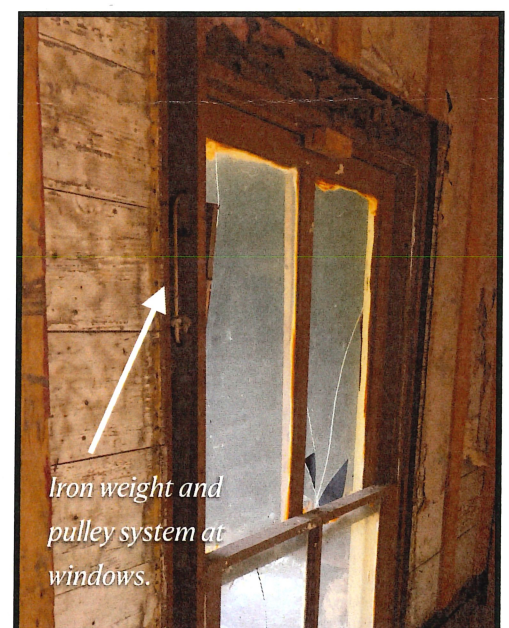


*Original cedar posts used in walls.*

From the 1860s until about 1920, carpenters framed houses with balloon framing. Balloon framing consisted of stud walls that extended from the foundation to the roof rafters. It's an older style of framing in which the studs in the bearing walls run uninterrupted from the sole plate up to the roof plate. The floor joists are nailed to the studs. These open stud cavities created a fire hazard that stopped this framing method in the mid-1900s. All wood used in the framing of the structure's floor, walls, and roof is cedar which helped preserve it over its over one hundred and twenty-five-year history!

The original front windows of the home were uncovered during the construction process. The original iron weights and pulleys were found intact. It was only in the late 17th century that sash windows were made with the system of weights and pulleys that we recognize today. Many earlier casement windows were replaced and sliding sash windows were used almost exclusively in new buildings, from royal palaces to simple cottages. The sash ruled supreme and remained popular until the end of World War II.

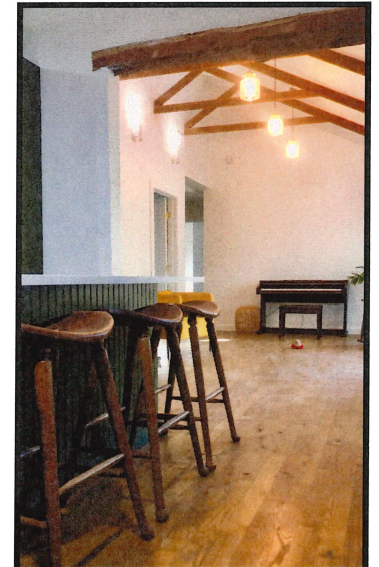
During the renovation, we tried to maintain as much historical integrity of the original structure as possible and made repairs using cedar members, which is the same variety of wood used throughout the original structure. New electrical, plumbing, HVAC, and window systems were installed per the City of Bastrop code. New finishes were applied on some of the interior and exterior surfaces while keeping the original structural cedar pieces intact. Original cedar structural members that were damaged were



*Iron weight and pulley system at windows.*



repurposed as headers for various cased openings throughout the home. The original cedar plank ceilings were repaired and are displayed in the entry hall and living room. The original 1905 home's shape and style were maintained in its true architectural form, and we returned the full front porch, which is a common style for pioneer-style homes. New red oak plank floors were installed throughout the whole house to maintain the farmhouse character of the original home.



Our family is excited to be in the Bastrop community, learning and experiencing its history, and have enjoyed the various public events the city carries out each year. It brings us great joy to take part in the preservation of this history and carrying it into the future! We want to thank you for your consideration of selecting this structure as a distinguished historical landmark for this wonderful city of Bastrop! We look forward to hearing back from you all.

Sincerely,

Owner and Resident





# STAFF REPORT

**MEETING DATE:** January 28, 2025

**TITLE:**

Consider and act on Resolution No. R-2025-19, accepting a donation from H.E.B. in the amount of \$2,000.00 (Two Thousand Dollars) and \$500.00 (Five Hundred Gift Card) for the upcoming Bastrop Mardi Gras Event being held in Downtown Bastrop, TX, on Saturday, February 1, 2025.

**AGENDA ITEM SUBMITTED BY:**

Submitted by: Kathy Danielson, Community Engagement Director

**BACKGROUND/HISTORY:**

**Bastrop, TX Mardi Gras 2025** is the second annual “Cultural Exchange” event celebrating Cajun culture, highlighting the distinctive [“Courir de Mardi Gras” customs](#). Welcoming our neighbors from Louisiana, local delegates, and residents, we all come together to honor these cherished traditions with music, dancing, and delicious [Cajun cuisine](#). Festivities include a [Mardi Gras Ball](#), a [live radio broadcast from KVPI](#), a sizzling [Gumbo Cook-Off](#), a lively [Mardi Gras Parade](#), and a vibrant blend of authentic [Cajun and Zydeco music](#). Families enjoy [kid-friendly cultural activities](#) and an unforgettable weekend of revelry, culture, and community spirit, all unfolding in the heart of Downtown Bastrop, Texas!

**POLICY EXPLANATION:**

The City of Bastrop’s Finance Policy requires all donations to be formally accepted by the City Council.

**RECOMMENDATION:**

Kathy Danielson, Community Engagement Director, recommends approving Resolution No. R-2025-19, accepting a donation from H.E.B in the amount of \$2,000.00 (Two Thousand Dollars) and \$500.00 (Five Hundred Gift Card) for the upcoming Bastrop, TX Mardi Gras 2025 event being held in Downtown Bastrop, TX, on Saturday, February 1, 2025.

**ATTACHMENTS:**

1. Resolution No. R-2025-19
2. City of Bastrop Donation Receipt

**RESOLUTION NO. R-2025-19**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS ACCEPTING A DONATION FROM H.E.B IN SUPPORT OF AND AS SPONSORSHIP OF THE BASTROP, TX MARDI GRAS 2025 EVENT IN THE AMOUNT OF TWO THOUSAND DOLLARS (\$2,000) AND FIVE HUNDRED DOLLAR GIFT CARD (\$500) AUTHORIZING THE CITY MANAGER TO EXECUTE ALL NECESSARY DOCUMENTS FOR THE AGREEMENT; PROVIDING FOR A REPEALING CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, The City Council has appointed the City Manager as the Chief Administrative Officer of the City; and

**WHEREAS**, The City Manager is responsible for the proper administration of all affairs of the City; and

**WHEREAS**, The City of Bastrop has an interest in preserving the rich heritage of this community; and

**WHEREAS**, H.E.B. supports community events.

**WHEREAS**, accepting a donation from H.E.B. in the amount of \$2,500 for the Bastrop, TX Mardi Gras 2025 event in Downtown Bastrop will go towards Event Sponsorship.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS:**

**SECTION 1.** That the City Manager is hereby authorized to execute all necessary documents, authorizing accepting the donation from H.E.B. in the amount of \$2,500 for the Bastrop, TX Mardi Gras 2025 event.

**SECTION 2.** All orders, ordinances, and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

**SECTION 3.** That this Resolution shall take effect immediately upon its passage, and it is so resolved.

**DULY RESOLVED AND APPROVED** by the City Council of the City of Bastrop this 28<sup>th</sup> day of January 2025.

**THE CITY OF BASTROP, TEXAS**

\_\_\_\_\_  
John Kirkland, Mayor Pro Tem

**ATTEST:**

\_\_\_\_\_  
Victoria Psencik, Assistant City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City Attorney

# CITY OF BASTROP DONATION RECEIPT

Date: 12/31/2024

## Donor Information

Donor's Name: H.E.B. Central Texas Region  
Donor's Address: 8100 Cameron Road, Building A Ste. 200, Austin, TX 78754

## Donation Information

Thank you for your donation with a value of Dollars \$2,500, made to the City of Bastrop.  
Donation Description: Donation towards Bastrop Mardi Gras 2025 – Event Sponsorship

Representative's Signature: *Tamra K. Jones*  
Tamra K. Jones (Dec 31, 2024 14:43 CST)  
Representative's Name: Tamra K. Jones  
Title: Public Affairs Manager  
Date: 12/31/24






# CITY OF BASTROP DONATION RECEIPT

Final Audit Report

2024-12-31

Created:	2024-12-31
By:	Elisa Puentes (epuentes@cityofbastrop.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAZ3334dNm9gqzAjiyt8pTijVwTk3UdLsUn

## "CITY OF BASTROP DONATION RECEIPT" History

-  Document created by Elisa Puentes (epuentes@cityofbastrop.org)  
2024-12-31 - 3:05:43 PM GMT
-  Document emailed to Tamra K. Jones (jones.tamra@heb.com) for signature  
2024-12-31 - 3:05:46 PM GMT
-  Email viewed by Tamra K. Jones (jones.tamra@heb.com)  
2024-12-31 - 8:41:42 PM GMT
-  Document e-signed by Tamra K. Jones (jones.tamra@heb.com)  
Signature Date: 2024-12-31 - 8:43:33 PM GMT - Time Source: server
-  Agreement completed.  
2024-12-31 - 8:43:33 PM GMT



# STAFF REPORT

**MEETING DATE:** January 28, 2025

**TITLE:**

Consider and act on Resolution No. R-2025-20, accepting a donation from Bluebonnet Electric Cooperative in the amount of \$3,500.00 (Three Thousand, Five Hundred Dollars) for the upcoming Bastrop Mardi Gras Event being held in Downtown Bastrop, TX, on Saturday February 1, 2025.

**AGENDA ITEM SUBMITTED BY:**

Submitted by: Kathy Danielson, Community Engagement Director

**BACKGROUND/HISTORY:**

**Bastrop, TX Mardi Gras 2025** is the second annual “Cultural Exchange” event celebrating Cajun culture, highlighting the distinctive [“Courir de Mardi Gras” customs](#). Welcoming our neighbors from Louisiana, local delegates, and residents, we all come together to honor these cherished traditions with music, dancing, and delicious [Cajun cuisine](#). Festivities include a [Mardi Gras Ball](#), a [live radio broadcast from KVPI](#), a sizzling [Gumbo Cook-Off](#), a lively [Mardi Gras Parade](#), and a vibrant blend of authentic [Cajun and Zydeco music](#). Families enjoy [kid-friendly cultural activities](#) and an unforgettable weekend of revelry, culture, and community spirit, all unfolding in the heart of Downtown Bastrop, Texas!

**POLICY EXPLANATION:**

The City of Bastrop’s Finance Policy requires all donations to be formally accepted by the City Council.

**RECOMMENDATION:**

Kathy Danielson, Community Engagement Director, recommends approving Resolution No. R-2025-20, accepting a donation from Bluebonnet Electric Cooperative in the amount of \$3,500.00 (Three Thousand, Five Hundred Dollars) for the upcoming Bastrop, TX Mardi Gras 2025 event being held in Downtown Bastrop, TX, on Saturday February 1, 2025.

**ATTACHMENTS:**

1. Resolution No. R-2025-20
2. City of Bastrop Donation Receipt

**RESOLUTION NO. R-2025-20**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS ACCEPTING A DONATION FROM BLUEBONNET ELECTRIC COOPERATIVE IN SUPPORT OF AND AS SPONSORSHIP OF THE BASTROP, TX MARDI GRAS 2025 EVENT IN THE AMOUNT OF THREE THOUSAND FIVE HUNDRED DOLLARS (\$3,500). AUTHORIZING THE CITY MANAGER TO EXECUTE ALL NECESSARY DOCUMENTS FOR THE AGREEMENT; PROVIDING FOR A REPEALING CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, The City Council has appointed the City Manager as the Chief Administrative Officer of the City; and

**WHEREAS**, The City Manager is responsible for the proper administration of all affairs of the City; and

**WHEREAS**, The City of Bastrop has an interest in preserving the rich heritage of this community; and

**WHEREAS**, Bluebonnet Electric Cooperative supports community events.

**WHEREAS**, accepting a donation from Bluebonnet Electric Cooperative in the amount of \$3,500 for the Bastrop, TX Mardi Gras 2025 event in Downtown Bastrop will go towards Event Sponsorship.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS:**

**SECTION 1.** That the City Manager is hereby authorized to execute all necessary documents, authorizing accepting the donation from Bluebonnet Electric Cooperative in the amount of \$3,500 for the Bastrop, TX Mardi Gras 2025 event.

**SECTION 2.** All orders, ordinances, and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

**SECTION 3.** That this Resolution shall take effect immediately upon its passage, and it is so resolved.

**DULY RESOLVED AND APPROVED** by the City Council of the City of Bastrop this 28<sup>th</sup> day of January 2025.

**THE CITY OF BASTROP, TEXAS**

\_\_\_\_\_  
John Kirkland, Mayor Pro Tem

**ATTEST:**

\_\_\_\_\_  
Victoria Psencik, Assistant City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City Attorney



# CITY OF BASTROP DONATION RECEIPT

Date: 01/28/2025

## Donor Information

Donor's Name: Bluebonnet Electric Cooperative

Donor's Address: 690 Texas 71 W., Building 1, Bastrop, TX 78602

## Donation Information

Thank you for your donation with a value of Dollars \$3,500, made to the City of Bastrop.

Donation Description: Donation towards Bastrop Mardi Gras 2025 – Event Sponsorship

Representative's Signature: Josh Coy  
Josh Coy (Jan 9, 2025 10:31 CST)

Representative's Name: Josh Coy

Title: Community and Economic Development Representative

Date: 01/09/2025


# CITY OF BASTROP DONATION RECEIPT BB

Final Audit Report

2025-01-09

Created:	2025-01-09
By:	Elisa Puentes (epuentes@cityofbastrop.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAXr-s7iOmb3DiU4GGCXsXevOomVQrkQ4V

## "CITY OF BASTROP DONATION RECEIPT BB" History

-  Document created by Elisa Puentes (epuentes@cityofbastrop.org)  
2025-01-09 - 4:19:42 PM GMT
-  Document emailed to Josh Coy (josh.coy@bluebonnet.coop) for signature  
2025-01-09 - 4:19:45 PM GMT
-  Email viewed by Josh Coy (josh.coy@bluebonnet.coop)  
2025-01-09 - 4:31:26 PM GMT
-  Document e-signed by Josh Coy (josh.coy@bluebonnet.coop)  
Signature Date: 2025-01-09 - 4:31:51 PM GMT - Time Source: server
-  Agreement completed.  
2025-01-09 - 4:31:51 PM GMT



# STAFF REPORT

**MEETING DATE:** January 28, 2025

**TITLE:**

Consider and act on the second reading of Ordinance No. 2025-04 of the City Council of the City of Bastrop, Texas amending the Code of Ordinances, related to Chapter 14, The Bastrop Building Block (B3) Code, Article 6.5 Building Types, Section 6.5.003 BUILDING STANDARDS PER PLACE TYPE A – LOT OCCUPATION (table) and Section 6.3.008 LOT OCCUPATION (a) and (b) as attached in Exhibit A; and providing for findings of fact, repealer, severability, codification, effective date, proper notice, and meeting.

**AGENDA ITEM SUBMITTED BY:**

Submitted by: Kennedy Higgins, Senior Planner, Development Services

**BACKGROUND/HISTORY:**

These amendments are to allow by right, one (1) additional ADU per lot; two (2) ADUs can be administratively allowed if all of the infrastructure components such as parking, drainage, water, and wastewater can be met.

On October 30<sup>th</sup>, 2024, the Planning and Zoning Commission held a workshop that introduced some code amendments. On December 19<sup>st</sup>, 2024, the Planning and Zoning Commission held a public hearing on the same amendments from the previous meeting. The public hearing was held, members of the community spoke their questions and concerns, and the Planning and Zoning Commission recommended approval with a vote of 8-0.

At the 01/14/2025 City Council meeting the motion was made to approve with changes, those changes to read “In P2-P4, *up to 2 Additional Dwelling Units (ADUs) are allowed* subject to meeting the established impervious cover standards as well as the onsite parking requirements set forth in 6.003.006(b)(2) as amended. (a) *Additional non-dwelling structures (sheds etc.)* may be approved if the impervious cover requirements and other infrastructure demands can be met.”

**POLICY EXPLANATION:**

**Bastrop Building Block (B3) Code Technical Manual**

Per the technical manual table 1.4.001A Development Application Approval Process, a public hearing and recommendation from Planning and Zoning, and then another public hearing and decision from City Council is required for any text amendments.

**RECOMMENDATION:**

Consider and act on the second reading of Ordinance No. 2025-04 of the City Council of the City of Bastrop, Texas amending the Code of Ordinances, related to Chapter 14, The Bastrop Building Block (B3) Code, Article 6.5 Building Types, Section 6.5.003 BUILDING STANDARDS PER PLACE TYPE A – LOT OCCUPATION (table) and Section 6.3.008 LOT OCCUPATION (a) and (b) as attached in Exhibit A; and providing for findings of fact, repealer, severability, codification, effective date, proper notice, and meeting.

**ATTACHMENTS:**

- Attachment 1: Ordinance No. 2025-04
  - Exhibit A- Redlined Changes



**ORDINANCE NO. 2025-04**

**AN ORDINANCE OF THE CITY OF BASTROP, TEXAS, AMENDING THE BASTROP CODE OF ORDINANCES CHAPTER 14, THE BASTROP BUILDING BLOCK (B3) CODE, ARTICLE 6.5 BUILDING TYPES, SECTION 6.5.003 BUILDING STANDARDS PER PLACE TYPE A – LOT OCCUPATION (TABLE) AND SECTION 6.3.008 LOT OCCUPATION (A) AND (B) AS ATTACHED IN EXHIBIT A; AND PROVIDING FOR FINDINGS OF FACT, REPEALER, SEVERABILITY, CODIFICATION, EFFECTIVE DATE, PROPER NOTICE, AND MEETING.**

**WHEREAS**, pursuant to Texas Local Government Code Section 51.001, the City Council of the City of Bastrop has general authority to amend an ordinance that is for the good government, peace, or order of the City and is necessary or proper for carrying out a power granted by law to the City; and

**WHEREAS**, pursuant to Texas Local Government Code Chapters 211, 212, 214, and 217 the City Council of the City of Bastrop has general authority to regulate planning, zoning, subdivisions, and the construction of buildings; and

**WHEREAS**, these amendments are to allow up to two (2) ADUs subject to meeting the established impervious cover standards as well as the onsite parking requirements; two (2) ADUs can be administratively allowed if all of the infrastructure components such as parking, drainage, water, and wastewater can be met, and to allow additional non-dwelling structures subject to the same requirements; and

**WHEREAS**, the City Council find that certain amendments to the aforementioned ordinances are necessary and reasonable to meet changing conditions and are in the best interest of the City.

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

**Section 1. Finding of Fact:** The facts and recitations set forth in the preamble of this Ordinance are hereby found to be true and correct.

**Section 2. Amendment To Bastrop Building Block Code (B3),** Section 6.5.003 and Section 6.3.008 of the Bastrop Building Code is hereby amended and shall read in accordance with Exhibit “A”, which is attached hereto and incorporated into this Ordinance for all intents and purposes. Any struck-through text shall be deleted from the Code, as shown in each of the attachments.

**Section 3. Severability.** If any clause or provision of this Ordinance shall be deemed to be unenforceable for any reason, such unenforceable clause or provision shall be severed from the remaining portion of the Ordinance, which shall continue to have

full force and effect.

**Section 4.** Repeal. This Ordinance shall be and is hereby cumulative of all other ordinances of the City of Bastrop, Texas, and this Ordinance shall not operate to repeal or affect any of such other ordinances except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this Ordinance, in which event such conflicting provisions, if any, in such other Ordinances, are hereby repealed.

**Section 5.** Effective Date. This Ordinance shall take effect immediately after its final passage and any publication in accordance with the requirements of the City of Bastrop and the laws of the State of Texas.

**READ & ACKNOWLEDGED** on First Reading on this the **14<sup>th</sup>** day of **January** 2025.

**READ & ADOPTED** on Second Reading on this the **28<sup>th</sup>** day of **January** 2025.

**APPROVED:**

by: \_\_\_\_\_  
Mayor

**ATTEST:**

\_\_\_\_\_  
City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City Attorney

**Exhibit A**

**SEC. 6.3.008 LOT OCCUPATION**

In P2-P4, ~~three~~ two buildings may be built on each Lot, ~~one Principal Building and two one-Accessory Units or~~ and one Accessory Dwelling Units as generally illustrated on ~~Article 6.4 Lot Structure Description & Diagram.~~ up to 2 Additional Dwelling Units (ADUs) are allowed subject to meeting the established impervious cover standards as well as the onsite parking requirements set forth in 6.003.006(b)(2) as amended.

- (a) Additional non-dwelling structures (sheds etc.) may be approved if the impervious cover requirements and other infrastructure demands can be met.



**SEC. 6.5.003 BUILDING STANDARDS PER PLACE TYPE**

Place Types	P1	P2	P3	P4	P5
<b>A. LOT OCCUPATION</b>					
Lot Coverage		40% max	<del>60</del> 50% max	<del>70</del> 60% max	<del>80</del> 65% max
Facade Buildout at Build-to-Line		40% min	40% min	60% min	80% min
Build-to-Line		10 ft - no max	10 ft - 25 ft*	5 ft - 15 ft	2 ft - 15 ft
Additional Dwelling Unit		2	2	2	



# STAFF REPORT

**MEETING DATE:** January 28, 2025

**TITLE:**

Consider and act on the second reading of Ordinance No. 2025-03 of the City Council of the City of Bastrop, Texas amending the Code of Ordinances, related to Chapter 14, The Bastrop Building Block (B3) Code, Article 6.3 General Lot Standards, Section 6.3.007 CROSS ACCESS CONNECTIONS (a) as attached in Exhibit A; and providing for findings of fact, repealer, severability, codification, effective date, proper notice and meeting.

**AGENDA ITEM SUBMITTED BY:**

Submitted by: Kennedy Higgins, Senior Planner, Development Services

**BACKGROUND/HISTORY:**

Shared access and cross connections are valuable. This amendment seeks to provide staff some latitude in the code without requiring a variance. An example is a car dealership off of Hwy 71. This type of business normally has a do not compete clause with neighboring dealerships; to require cross connection in this circumstance is not viable. The alternative is to send all of these types of decisions to the Zoning Board of Adjustment or Planning Commission for these types of decisions.

On October 30<sup>th</sup>, 2024, the Planning and Zoning Commission held a workshop that introduced some code amendments. On December 19<sup>st</sup>, 2024, the Planning and Zoning Commission held a public hearing on the same amendments from the previous meeting. The public hearing was held, members of the community spoke their questions and concerns, and the Planning and Zoning Commission recommended approval with a vote of 8-0.

**POLICY EXPLANATION:**

**Bastrop Building Block (B3) Code Technical Manual**

Per the technical manual table 1.4.001A Development Application Approval Process, a public hearing and recommendation from Planning and Zoning, and then another public hearing and decision from City Council is required for any text amendments.

**RECOMMENDATION:**

Consider and act on the second reading of Ordinance No. 2025-03 of the City Council of the City of Bastrop, Texas amending the Code of Ordinances, related to Chapter 14, The Bastrop Building Block (B3) Code, Article 6.3 General Lot Standards, Section 6.3.007 CROSS ACCESS CONNECTIONS (a) as attached in Exhibit A; and providing for findings of fact, repealer, severability, codification, effective date, proper notice and meeting.

**ATTACHMENTS:**

- Attachment 1: Ordinance No. 2025-03
  - Exhibit A- Redlined Changes

**ORDINANCE NO. 2025-03**

**AN ORDINANCE OF THE CITY OF BASTROP, TEXAS, AMENDING THE BASTROP CODE OF ORDINANCES CHAPTER 14, THE BASTROP BUILDING BLOCK (B3) CODE, ARTICLE 6.3 GENERAL LOT STANDARDS, SECTION 6.3.007 CROSS ACCESS CONNECTIONS (A) AS ATTACHED IN EXHIBIT A; AND PROVIDING FOR FINDINGS OF FACT, REPEALER, SEVERABILITY, CODIFICATION, EFFECTIVE DATE, PROPER NOTICE, AND MEETING.**

**WHEREAS**, pursuant to Texas Local Government Code Section 51.001, the City Council of the City of Bastrop has general authority to amend an ordinance that is for the good government, peace, or order of the City and is necessary or proper for carrying out a power granted by law to the City; and

**WHEREAS**, pursuant to Texas Local Government Code Chapters 211, 212, 214, and 217 the City Council of the City of Bastrop has general authority to regulate planning, zoning, subdivisions, and the construction of buildings; and

**WHEREAS**, Shared access and cross connections are valuable. This amendment seeks to provide staff some latitude in the code without requiring a variance; and

**WHEREAS**, the City Council find that certain amendments to the aforementioned ordinances are necessary and reasonable to meet changing conditions and are in the best interest of the City.

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

**Section 1. Finding of Fact:** The facts and recitations set forth in the preamble of this Ordinance are hereby found to be true and correct.

**Section 2. Amendment To Bastrop Building Block Code (B3),** Section 6.3.007 of the Bastrop Building Code is hereby amended and shall read in accordance with Exhibit "A", which is attached hereto and incorporated into this Ordinance for all intents and purposes. Any struck-through text shall be deleted from the Code, as shown in each of the attachments.

**Section 3. Severability.** If any clause or provision of this Ordinance shall be deemed to be unenforceable for any reason, such unenforceable clause or provision shall be severed from the remaining portion of the Ordinance, which shall continue to have full force and effect.

**Section 4. Repeal.** This Ordinance shall be and is hereby cumulative of all other

ordinances of the City of Bastrop, Texas, and this Ordinance shall not operate to repeal or affect any of such other ordinances except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this Ordinance, in which event such conflicting provisions, if any, in such other Ordinances, are hereby repealed.

**Section 5.** Effective Date. This Ordinance shall take effect immediately after its final passage and any publication in accordance with the requirements of the City of Bastrop and the laws of the State of Texas.

**READ & ACKNOWLEDGED** on First Reading on this the 14<sup>th</sup> day of January 2025.

**READ & ADOPTED** on Second Reading on this the 28<sup>th</sup> day of January 2025.

**APPROVED:**

by: \_\_\_\_\_  
Mayor

**ATTEST:**

\_\_\_\_\_  
City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City Attorney

**Exhibit A**

**SEC. 6.3.007 CROSS ACCESS CONNECTIONS**

- (a) Cross-access easements and connections to adjoining properties shall be required to connect driveways and parking lots where no Alley is present. In the event these conditions cannot be met without undue hardship or if such connections would create undesirable traffic flow, the DRC may waive the connection requirement



# STAFF REPORT

**MEETING DATE:** January 28, 2025

**TITLE:**

Consider and act on the second reading of Ordinance No. 2025-02 of the City Council of the City of Bastrop, Texas amending the Code of Ordinances, related to Chapter 14, The Bastrop Building Block (B3) Code, Article 6.5 Building Types, Section 6.5.003 BUILDING STANDARDS PER PLACE TYPE A. Lot Occupation as attached in Exhibit A; and providing for findings of fact, repealer, severability, codification, effective date, proper notice, and meeting.

**AGENDA ITEM SUBMITTED BY:**

Submitted by: Kennedy Higgins, Senior Planner, Development Services

**BACKGROUND/HISTORY:**

This amendment seeks to reduce the impervious cover ratio in the P3 to 50% max, P4 to 60% max, and P5 to 65% max, and places the needs of residents above the desire for denser development.

On October 30<sup>th</sup>, 2024, the Planning and Zoning Commission held a workshop that introduced some code amendments. On December 19<sup>st</sup>, 2024, the Planning and Zoning Commission held a public hearing on the same amendments from the previous meeting. The public hearing was held, members of the community spoke their questions and concerns, and the Planning and Zoning Commission recommended approval with a vote of 8-0.

**POLICY EXPLANATION:**

**Bastrop Building Block (B3) Code Technical Manual**

Per the technical manual table 1.4.001A Development Application Approval Process, a public hearing and recommendation from Planning and Zoning, and then another public hearing and decision from City Council is required for any text amendments.

**RECOMMENDATION:**

Consider and act on the second reading of Ordinance No. 2025-02 of the City Council of the City of Bastrop, Texas amending the Code of Ordinances, related to Chapter 14, The Bastrop Building Block (B3) Code, Article 6.5 Building Types, Section 6.5.003 BUILDING STANDARDS PER PLACE TYPE A. Lot Occupation as attached in Exhibit A; and providing for findings of fact, repealer, severability, codification, effective date, proper notice, and meeting.

**ATTACHMENTS:**

- Attachment 1: Ordinance No. 2025-02
  - Exhibit A- Redlined Changes

**ORDINANCE NO. 2025-02**

**AN ORDINANCE OF THE CITY OF BASTROP, TEXAS, AMENDING THE BASTROP CODE OF ORDINANCES CHAPTER 14, THE BASTROP BUILDING BLOCK (B3) CODE, ARTICLE 6.5 BUILDING TYPES, SECTION 6.5.003 BUILDING STANDARDS PER PLACE TYPE A. LOT OCCUPATION AS ATTACHED IN EXHIBIT A; AND PROVIDING FOR FINDINGS OF FACT, REPEALER, SEVERABILITY, CODIFICATION, EFFECTIVE DATE, PROPER NOTICE, AND MEETING.**

**WHEREAS**, pursuant to Texas Local Government Code Section 51.001, the City Council of the City of Bastrop has general authority to amend an ordinance that is for the good government, peace, or order of the City and is necessary or proper for carrying out a power granted by law to the City; and

**WHEREAS**, pursuant to Texas Local Government Code Chapters 211, 212, 214, and 217 the City Council of the City of Bastrop has general authority to regulate planning, zoning, subdivisions, and the construction of buildings; and

**WHEREAS**, This amendment seeks to reduce the impervious cover ratio in the P3 to 50% max, P4 to 60% max, and P5 to 65% max, and places the needs of residents above the desire for denser development; and

**WHEREAS**, the City Council find that certain amendments to the aforementioned ordinances are necessary and reasonable to meet changing conditions and are in the best interest of the City.

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

**Section 1. Finding of Fact:** The facts and recitations set forth in the preamble of this Ordinance are hereby found to be true and correct.

**Section 2. Amendment To Bastrop Building Block Code (B3),** Section 6.5.003 of the Bastrop Building Code is hereby amended and shall read in accordance with Exhibit "A", which is attached hereto and incorporated into this Ordinance for all intents and purposes. Any struck-through text shall be deleted from the Code, as shown in each of the attachments.



**Section 3.** Severability. If any clause or provision of this Ordinance shall be deemed to be unenforceable for any reason, such unenforceable clause or provision shall be severed from the remaining portion of the Ordinance, which shall continue to have full force and effect.

**Section 4.** Repeal. This Ordinance shall be and is hereby cumulative of all other ordinances of the City of Bastrop, Texas, and this Ordinance shall not operate to repeal or affect any of such other ordinances except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this Ordinance, in which event such conflicting provisions, if any, in such other Ordinances, are hereby repealed.

**Section 5.** Effective Date. This Ordinance shall take effect immediately after its final passage and any publication in accordance with the requirements of the City of Bastrop and the laws of the State of Texas.

**READ & ACKNOWLEDGED** on First Reading on this the 14<sup>th</sup> day of January 2025.

**READ & ADOPTED** on Second Reading on this the 28<sup>th</sup> day of January 2025.

**APPROVED:**

by: \_\_\_\_\_  
Mayor

**ATTEST:**

\_\_\_\_\_  
City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City Attorney

**Exhibit A**

**SEC. 6.5.003 BUILDING STANDARDS PER PLACE TYPE**

Place Types	P1	P2	P3	P4	P5
<b>A. LOT OCCUPATION</b>					
Lot Coverage		40% max	50 <del>60</del> % max	60 <del>70</del> % max	65 <del>80</del> % max



# STAFF REPORT

**MEETING DATE:** January 28, 2025

**TITLE:**

Consider and act on the second reading of Ordinance No. 2024-44 of the City Council of the City of Bastrop, Texas, approving the zoning change for 10.56 +/- acres out of Nancy Blakey Survey Abstract 98, located west of FM 969, within the City of Bastrop from P2 Rural to P5 Core as shown in Attachment 2; providing for findings of fact; providing for repealer; providing for severability; providing for enforcement; providing for proper notice and meeting; and establishing an effective date.

**STAFF REPRESENTATIVE:**

Submitted by: Kennedy Higgins – Senior Planner, Development Services

**BACKGROUND:**

The applicant has applied for a Zoning Concept Scheme for the newly annexed FM 969 Retail Center. When land is annexed, it is automatically zoned P2 Rural then is rezoned as needed. The proposal is to change the zoning from P2 Rural to P5 Core in order to develop the property as a gas station and retail center.

**PLANNING & ZONING COMMISSION RECOMMENDATION:**

The P&Z Commission reviewed the Zoning Concept Scheme at their November 21, 2024, regular meeting, and recommended approval of the rezoning request, for a zone P5 Core, with a vote of 8-0.

**STAFF RECOMMENDATION:**

Consider and act on the second reading of Ordinance No. 2024-44 of the City Council of the City of Bastrop, Texas, approving the zoning change for 10.56 +/- acres out of Nancy Blakey Survey Abstract 98, located west of FM 969, within the City of Bastrop from P2 Rural to P5 Core as shown in Attachment 2; providing for findings of fact; providing for repealer; providing for severability; providing for enforcement; providing for proper notice and meeting; and establishing an effective date.

**ATTACHMENTS:**

- Attachment 1: Ordinance No. 2024-44

**ORDINANCE 2024-44**

**ZONING CONCEPT SCHEME CHANGE  
FM 969 RETAIL CENTER, R30094**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS, APPROVING THE ZONING CHANGE FOR 10.56 +/- ACRES OUT OF THE NANCY BLAKEY SURVEY ABSTRACT 98, IN CITY OF BASTROP, TEXAS, FROM P2 RURAL TO P5 CORE; PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR REPEALER; PROVIDING FOR SEVERABILITY; PROVIDING FOR ENFORCEMENT; PROVIDING FOR PROPER NOTICE AND MEETING; AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Bastrop, Texas (City) is a Home-Rule City acting under its Charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Texas Local Government Code; and

**WHEREAS**, on or about September 26, 2024, Mirza Baig submitted a request for zoning modifications for a property located west of FM 969, within the City limits of Bastrop, 10.56 +/- Nancy Bakey Survey Abstract 98 (“Property”); and

**WHEREAS**, the City Staff has reviewed the request for zoning modifications, and finds it to be justifiable based upon the Future Current Use for this Property; and

**WHEREAS**, City Council has reviewed the request for zoning modifications, and finds the request to be reasonable and proper under the circumstances; and

**WHEREAS**, in accordance with Texas Local Government Code Chapter 211, public notice was given, and a public hearing was held before the City of Bastrop Planning and Zoning Commission (P&Z) on November 21, 2024, and a recommendation was made to approve the zoning change; and

**WHEREAS**, in accordance with Texas Local Government Code Chapter 211, public notice was given, and a public hearing was held before the City Council regarding the requested zoning modification; and

**WHEREAS**, Texas Local Government Code Section 51.001 provides the City general authority to adopt an Ordinance or police regulations that are for good government, peace, or order of the City and are necessary or proper for carrying out a power granted by law to the City; and

**WHEREAS**, after consideration of public input received at the hearing, the information provided by the Applicants, and all other information presented, City Council finds that it is necessary and proper to enact this Ordinance.

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

- Section 1:** The foregoing recitals are incorporated into this Ordinance by reference as findings of fact as if expressly set forth herein.
- Section 2:** The Property, 10.56 +/- Nancy Bakey Survey Abstract 98, more particularly shown and described in Attachment 1 which is attached and incorporated herein, is hereby rezoned from P2 Rural to P5 Core. The City Manager is hereby authorized to promptly note the zoning change on the official Zoning Map of the City of Bastrop, Texas.
- Section 3:** All ordinances, resolutions, or parts thereof, that are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters regulated, herein.
- Section 4:** If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, that invalidity or the unenforceability will not affect any other provisions or applications of this Ordinance that can be given effect without the invalid provision.
- Section 5:** It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public, and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Texas Government Code, Chapter 551.
- Section 6:** This Ordinance shall be effective immediately upon passage and publication.

*[Signatures on following page]*

**READ & ACKNOWLEDGED** on First Reading on this the 14<sup>th</sup> day of January 2025.

**READ & ADOPTED** on Second Reading on this the 28<sup>th</sup> day of January 2025.

**APPROVED:**

\_\_\_\_\_  
Mayor

**ATTEST:**

\_\_\_\_\_  
City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City Attorney

**ATTACHMENT 1**

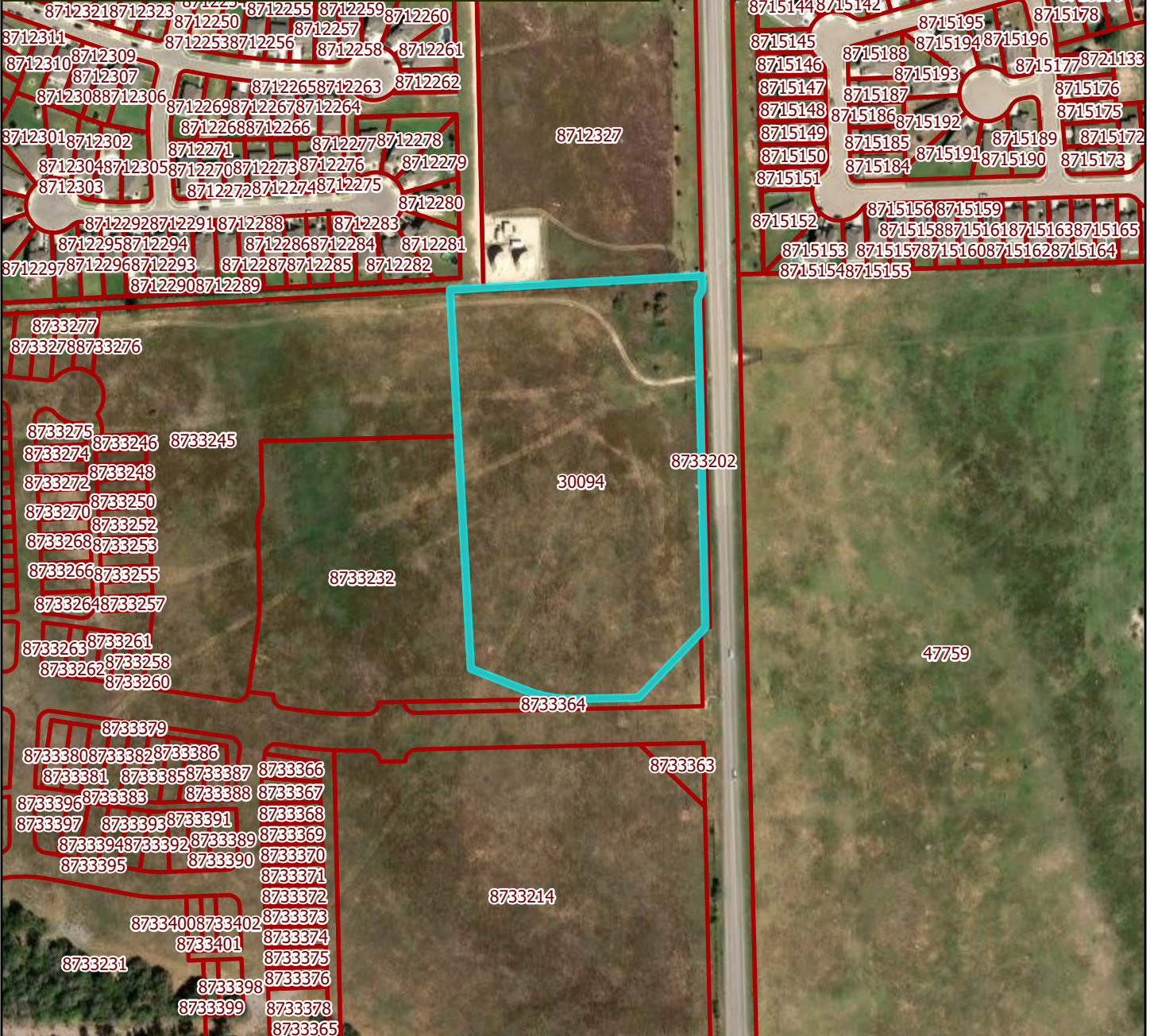
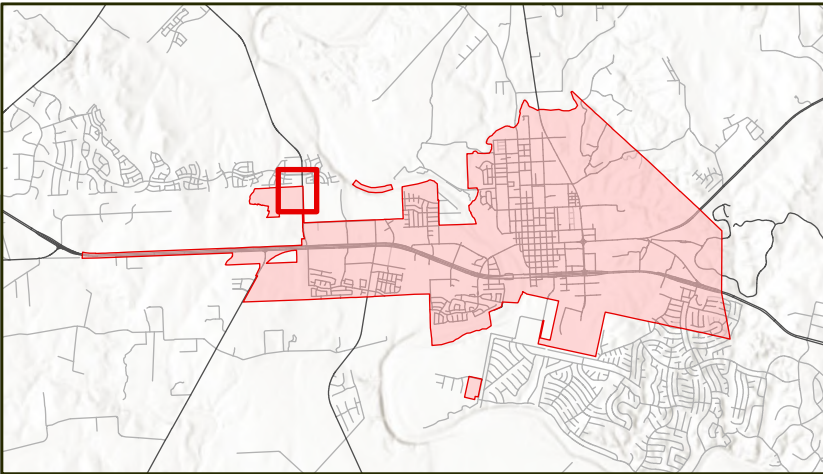
**Property Description**





# Attachment 1 Location Map

## Rezone PID 30094



10/23/2024

0 125 250 375 500 ft



Scale 1:4,000

The City of Bastrop, Texas makes no warranties regarding the accuracy or completeness of the information used to compose this map or the data from which it was produced. The map does not purport to depict the boundaries between private and public lands. This map is general in nature and is not suitable for navigational purposes.



# STAFF REPORT

**MEETING DATE:** January 28, 2025

**TITLE:**

Consider and act on the second reading of Ordinance No. 2025-05 of the City Council of the City of Bastrop, Texas, amending the budget for the Fiscal Year 2025 in accordance with existing statutory requirements; appropriating the various amounts herein as attached in Exhibit A; repealing all prior ordinances and actions in conflict herewith; and establishing an effective date.

**AGENDA ITEM SUBMITTED BY:**

Edi McIlwain, Chief Financial Officer

**BACKGROUND/HISTORY:**

The FY2025 budget was approved by City Council on September 17, 2024. Since that approval, the City has identified minor corrections found after adoption and needs to implement various changes recommended by the City Manager.

Exhibit A to the ordinance explains in detail the nature of each of the budget amendments being requested.

The Financial Management Policy states that the level of budgetary control is at the department level in all Funds over \$25,000. If transfers are required over \$25,000 between departments, this must be approved by City Council.

The City Charter requires that when the budget is amended, that the amendment be made by Ordinance.

**FISCAL IMPACT:**

Various – See Ordinance Exhibit A

**RECOMMENDATION:**

Edi McIlwain, Chief Financial Officer, recommends approval of the second reading of Ordinance No. 2025-05 of the City Council of the City of Bastrop, Texas, amending the budget for the Fiscal Year 2025 in accordance with existing statutory requirements; appropriating the various amounts herein as attached in Exhibit A; repealing all prior ordinances and actions in conflict herewith; and establishing an effective date.

**ATTACHMENTS:**

- Ordinance 2025-05
- Exhibit A



**ORDINANCE NO. 2025-05**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS, AMENDING THE BUDGET FOR THE FISCAL YEAR 2025 IN ACCORDANCE WITH EXISTING STATUTORY REQUIREMENTS; APPROPRIATING THE VARIOUS AMOUNTS HEREIN, AS ATTACHED IN EXHIBIT A; REPEALING ALL PRIOR ORDINANCES AND ACTIONS IN CONFLICT HEREWITH; AND ESTABLISHING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the City Manager of the City of Bastrop, Texas has submitted to the Mayor and City Council proposed amendment(s) to the budget of the revenues and/or expenditures/expenses of conducting the affairs of said city and providing a complete financial plan for Fiscal Year 2025; and

**WHEREAS**, the Mayor and City Council have now provided for and conducted a public hearing on the budget as provided by law.

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

**Section 1:** That the proposed budget amendment(s) for the Fiscal Year 2025, as submitted to the City Council by the City Manager and which budget amendment(s) are attached hereto as Exhibit A, are hereby adopted, and approved as the amended budget of said City for Fiscal Year 2025.

**Section 2:** If any provision of this ordinance or application thereof to any person or circumstance shall be held invalid, such invalidity shall not affect the other provisions, or application thereof, of this ordinance, which can be given effect without the invalid provision or application, and to this end, the provisions of this ordinance are hereby declared to be severable.

**Section 3:** This ordinance shall take effect upon the date of final passage noted below, or when all applicable publication requirements, if any, are satisfied in accordance with the City's Charter, Code of Ordinances, and the laws of the State of Texas.

**READ and APPROVED** on First Reading on the 14th day of January 2025.

**READ and ADOPTED** on Second Reading on the 28<sup>th</sup> day of January 2025.

**APPROVED:**

\_\_\_\_\_  
John Kirkland, Mayor Pro Tem

**ATTEST:**

\_\_\_\_\_  
City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City Attorney

**City of Bastrop  
Budget Amendment  
Fiscal Year 2025**

	<b>Original Budget</b>	<b>Increase Decrease</b>	<b>Amended Budget</b>
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**GENERAL FUND**

**To fund repairs to buildings and vehicles caused by hail damage. These expenditures will be funded using insurance proceeds received in the prior year and in the current year.**

DR:	101-22-00-5345	Building Maintenance	233,517.00	123,640.25	357,157.25
CR:	101-00-00-4537	Insurance Proceeds	(91,585.57)	(67,961.52)	(159,547.09)
CR:		Prior Year Committed Funds	-	(55,678.73)	
DR:	101-22-00-5340	Vehicle Maintenance	79,750.00	181,674.05	261,424.05
CR:		Prior Year Committed Funds		(181,674.05)	

**STREET MAINTENANCE FUND**

**To fund expenditures for the remodel and the Comprehensive Land Use Plan  
USING UNUSED BUDGETED REVENUE FROM CURRENT YEAR**

DR:	108-15-06-5345	MAINT OF BUILDING	-	22,000.00	22,000.00
DR:	108-15-06-5505	PROFESSIONAL SERVICES	18,000.00	40,000.00	58,000.00

**VEHICLE AND EQUIPMENT REPLACEMENT FUND**

**To fund the purchase of an animal control vehicle using Prior Year Funds designated to  
Development Services**

DR:	380-00-00-6030	VEHICLE	1,348,500.00	100,000.00	1,448,500.00
CR:		PRIOR YEAR FUNDS		(100,000.00)	

Original Budget	Increase Decrease	Amended Budget
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**WATER WASTEWATER FUND**

To fund Land Acquisition for WWTP #3 using prior year funds - land purchase previously approved by council

**NOTE: This will make the Water Wastewater fund out of compliance with the fund balance policy. This amendment will cause estimated fund balance to be \$1,885,679 which is 20% of estimated operating expenditures. In order to be in compliance with the fund balance policy the city must maintain a fund balance of \$2,364,474.75. The City will make it a priority to replenish fund balance to be in compliance.**

DR:	202-35-41-6060	REAL PROPERTY	-	1,869,721.74	1,869,721.74
CR:		PRIOR YEAR FUNDS		(1,869,721.74)	

**LAND ACQUISITION FUND**

To fund Land Acquisition for WWTP#3 using prior year funds - land purchase previously approved by council

DR:	151-00-00-6060	REAL PROPERTY	-	287,483.00	287,483.00
CR:		PRIOR YEAR FUNDS		(287,483.00)	

**CO SERIES 2024 FUND**

To fund expenditures related to XS Water Plant, Pearl River Wastewater Line, FM 969 Offsite Wastewater Line using bond proceeds allocated to these projects from CO Series 2024

DR:	265-00-00-6177	FM 969 OFFSITE WASTEWATER LINE	-	2,575,848.00	2,575,848.00
DR:	265-35-00-6179	PEARL RIVER WASTEWATER LINE	-	1,423,000.00	1,423,000.00
DR:	235-35-00-6325	XS WATER PLANT	-	32,846,152.00	32,846,152.00



# STAFF REPORT

**MEETING DATE:** January 28, 2025

**TITLE:**

Consider action to approve Resolution No. R-2025-24 of the City Council of the City of Bastrop, Texas, approving the Bastrop Cultural Arts Commission to accept a grant in the amount of Fifteen Thousand and 00/100 Dollars (\$15,000) from the Texas Commission on the Arts for a Cultural Arts District Project.

**AGENDA ITEM SUBMITTED BY:**

Submitted by: Michaela Joyce, Main Street Manager

**BACKGROUND/HISTORY:**

The Bastrop Cultural Arts Commission has applied for and been awarded a \$15,000 Cultural Arts District Project grant to help fund a public art piece in Bastrop. This funding will support the installation of a public piece to celebrate Bastrop's Bird City designation. This piece will be part of a series of pieces to celebrate Bastrop as a Bird City. Pieces will be installed along Chestnut Street beginning at the Cultural District's gateway located at Chestnut Street and State Highway 95 with the goal of drawing visitors to the cultural district and cultivating awareness of art in Bastrop.

**PLOICY EXPLANATION:**

The City of Bastrop's Finance Policy requires all grants to be formally accepted by the City Council.

**RECOMMENDATION:**

Michaela Joyce, Main Street Manager, recommends approving Resolution No. R-2025-24 of the City Council of the City Bastrop, Texas, accepting a Texas Commission on the Arts Grant in the amount of \$15,000.

**RESOLUTION R-2025-24**

**A RESOLUTION OF THE CITY OF BASTROP, TEXAS, TO APPROVE RESOLUTION NO. R-2025-24 OF THE CITY COUNCIL OF BASTROP, TEXAS APPROVING THE BASTROP CULTURAL ARTS COMMISSION TO ACCEPT A GRANT IN THE AMOUNT OF FIFTEEN THOUSAND AND 00/100 DOLLARS (\$15,000.00) FROM THE TEXAS COMMISSION ON THE ARTS FOR A CULTURAL ARTS DISTRICT PROJECT, AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Bastrop finds it is in the best interest of the citizens of Bastrop, that the Bastrop Cultural Arts Commission utilize a grant that has been rewarded to it from the Texas Commission on the Arts to assist with funding a public art piece to celebrate Bastrop’s Bird City designation. The grant requires a match of \$15,000.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS:**

**Section 1:** That the City Manager is hereby authorized to execute all necessary documents, authorizing accepting the Grant from Texas Commission of the Arts for the continued Iconic Art Bird Sculptor project happening within the Cultural Arts District.

**Section 2:** All orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

**Section 3:** That this Resolution shall take effect immediately from and after its passage, and it is duly resolved.

**DULY RESOLVED AND ADOPTED** by the City Council of the City of Bastrop this 28th day of January 2025.

**APPROVED:**

\_\_\_\_\_  
John Kirkland, Mayor Pro Tem

**ATTEST:**

\_\_\_\_\_  
City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City Attorney



January 17, 2025

Bastrop Cultural Arts District  
1311 Chestnut Street  
Bastrop, TX 78602

Dear Bastrop Cultural Arts District,

Please find the contract package for your **Cultural District Project**- Grant ID: **77761118** below.

The contract must be signed by your organization's authorizing official, Colin Guerra. If there has been a change of authorizing official and someone else needs to sign this contract, please reach out to me via email with a letter explaining the change.

For more detailed information about TCA grants, including tips on how to make your reporting easier, please visit the section "Managing Your Grant" in your online Fluxx account.

TCA requires all grant recipients to contact their state legislators to share news about their grant award and thank them for making these funds available. This is an opportunity to educate your elected officials about the work that you do in your community. You are welcome to combine grants in a single letter, but you will need to send a new set of letters for any additional grants awarded later in the fiscal year. If appropriate, additional thank-you letters sent to your legislators from the children, audiences, and participants served by your TCA-funded grant are appreciated. These thank you letters should be uploaded directly into the Fluxx system for each awarded grant.

Please remember your grant payment is contingent upon the completion of any past grant reports, the receipt of your legislative thank you letters, the receipt of the signed contract, and the availability of state and/or federal funds.

If changes to the budget arise during the course of the project, amendments must be requested in writing in accordance with the Amendments and Changes section of the contract prior to the contract ending date. TCA has no flexibility around the fiscal year window (September 1 - August 31) but will always try to help your organization through project changes and transitions.

If you have questions or need additional information, please contact me via email [kenneth@arts.texas.gov](mailto:kenneth@arts.texas.gov)

Sincerely,



Kenneth Williams  
Associate Director of Programs  
Texas Commission on the Arts

GRANT ID: **77761118**

GRANT CONTRACT  
BETWEEN  
TEXAS COMMISSION ON THE ARTS  
AND  
**BASTROP CULTURAL ARTS DISTRICT**

STATE OF TEXAS     ()

COUNTY OF TRAVIS ()

**SECTION 1. PARTIES TO CONTRACT**

This Contract ("Contract") is made and entered into by and between the Texas Commission on the Arts (the "Commission"), an agency of the State of Texas and Bastrop Cultural Arts District ("Grantee"), hereinafter referred to collectively as "Parties." The Commission enters into this Contract pursuant to Texas Government Code, Section 444.024, which gives the Commission authority to award grant money for advancing the state economically and culturally by investing in the arts.

**SECTION 2. CONTRACT PERIOD**

The period for performance of this Contract shall commence 09/01/24 and shall terminate 08/31/25.

**SECTION 3. SERVICES**

The Grantee shall, during the period of this Contract, provide the services, activities, and performances in accordance with Attachment A, which is attached hereto and made a part of this Contract for all purposes as if set forth in full herein.

**SECTION 4. GRANT AWARD**

In consideration of the Grantee's full and satisfactory performance of the obligations specified in this Contract and subject to the conditions stated under "Obligations of the Commission" and the "Matching Share" requirements detailed in the Terms and Conditions, which is attached hereto as Attachment B and made a part of this Contract, the Commission shall pay to the Grantee an amount not to exceed \$ 15,000. All funds provided by the Commission must be expended within the Contract period specified in Section 2.

**SECTION 5. GRANT REPORT FORM**

The Grantee shall submit to the Commission not later than 09/30/25, a properly completed Grant Report as specified in Attachment B.

**SECTION 6. AMENDMENTS AND CHANGES**

This Contract is the entire agreement of the Parties. Any changes, deletions, extensions, or amendments to this Contract shall be in writing and signed by both Parties prior to the ending date of this Contract as specified in Section 2. Any other attempted changes including oral modifications, written notices not signed by both Parties, or other modifications of any type shall be invalid.

GRANT ID: **77761118**

TEXAS COMMISSION ON THE ARTS  
CONTRACT FOR SERVICES

SECTION 7. MUTUAL OBLIGATIONS

The Parties hereto have severally and collectively agreed and, by the execution of this Contract, are bound to the mutual obligations and to the performances and accomplishment of the tasks described herein, including the Terms and Conditions.

The terms of this Contract are accepted by the Parties. Persons signing are expressly authorized to obligate the Parties to the terms of this Contract.

GRANTEE

TEXAS COMMISSION ON THE ARTS

\_\_\_\_\_  
Signature of Authorized Official

\_\_\_\_\_  
Signature of Authorized Official

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

Bastrop Cultural Arts District  
1311 Chestnut Street  
Bastrop, TX 78602

ATTACHMENT A

---

**GRANT ID: 77761118**  
**Cultural District Project - Enhancements to the District**  
**Bastrop Cultural Arts District**

**TCA Award Amount:** **\$15,000.00**

**Required Matching Funds:** **\$15,000.00**

**Total Grant Budget:** **\$30,000.00**

Grant Budget Expense Items	Matching Expenses	TCA Funded Expenses
Administrative salaries, contracts, benefits		
Artistic salaries, contracts, benefits	\$14,000.00	\$14,000.00
Facility Costs		
Marketing & Promotion	\$1,000.00	\$1,000.00
Program/Exhibit production costs		
Subgranting / Pass thru funds		
Other expenses:		
<b>EXPENSE TOTALS</b>	<b>\$15,000.00</b>	<b>\$15,000.00</b>

ATTACHMENT B  
TERMS AND CONDITIONS

A. OBLIGATIONS OF GRANTEE

A.1. Assurances

The Grantee shall perform its obligations under this Contract in compliance with all of the terms and conditions of this Contract; applicable requirements of the Commission and the National Endowment for the Arts (NEA); and all applicable federal and state laws, rules and regulations, directives, and guidelines including, but not limited to, the follow:

- a. Texas Online Arts Plan: A Guide to Programs and Services, Revised December 2022.
- b. 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- c. 29 CFR Part 505 Labor Standards on Projects or Productions Assisted by Grants from the National Endowment for the Arts and Humanities; Final Rule.

The provisions of such requirements are hereby incorporated by reference into this Contract.

Under Section 231.006 Family Code, the Grantee certifies that the individual or business entity named in the Contract, bid, or application is not ineligible to receive the specified grant, loan, or payment and acknowledges that this Contract may be terminated and payment may be withheld if this certification is inaccurate. An application for a Contract, grant, or loan paid from state funds must include the name and social security number of the individual or sole proprietor and each partner, shareholder, or owner with an ownership interest of at least 25 percent of the business entity submitting the bid or application.

Grantee represents and warrants that all statements and information prepared and submitted in this document are current, complete, true, and accurate. Submitting information that contains a false statement or material misrepresentations made during the performance of a Contract is a material breach of Contract and may void the Contract.

Grantee represents and warrants that the individual submitting this document and the documents made part of this Contract is authorized to sign such documents on behalf of the Grantee and to bind the Grantee under this Contract.

Grantee shall maintain and retain all records relating to the performance of the Contract, including supporting fiscal documents adequate to ensure that claims for Contract funds are in accordance with applicable State of Texas requirements. These records will be maintained and retained by Grantee for a period of four (4) years after the Contract expiration date or until all audit, claim, and litigation matters are resolved, whichever is later.

Grantee represents and warrants that it will maintain oversight to ensure that Contractors perform in accordance with the terms, conditions, and specifications of their Contracts or purchase orders.

Grantee assures and certifies that it and its principals are not suspended or debarred from doing business with the state or federal government as listed on the State of Texas Debarred Vendor List maintained by the Texas Comptroller of Public Accounts and the System for Award Management (SAM) maintained by the General Services Administration.

By execution of this Contract the Grantee assures and certifies that it will comply with the regulations of Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Title IX of the Education Amendments of 1972 where applicable, the Drug-Free Workplace Act of 1988, as well as all regulations of the NEA issued pursuant to these statutes, and that it immediately will take any measures necessary to comply.

### A.1. Assurances (continued)

By execution of this Contract the Grantee assures and certifies that it will comply with the Commission's enabling legislation, Texas Government Code, chapter 444.

Texas Government Code, Section 444.021(b) prohibits the Commission and its grantees from knowingly fostering, encouraging, promoting or funding any project, production, workshop and/or program which includes obscene material as defined in Section 43.21, Penal Code of Texas.

The Commission is committed to the principles of equal opportunity and affirmative action. The Commission will not knowingly discriminate among employees or applicants on the basis of race, color, religion, sex, national origin, age or physical handicap. These criteria will not be used by either the Commission or the Grantee when making decisions.

Grantee agrees to comply with applicable laws, executive orders, regulations and policies as well as Texas Government Code, [Chapter 783](#) (Uniform Grant and Contract Management Act), and the [Texas Comptroller's Texas Grant Management Standards](#) (TxGMS), including the Uniform Assurances and the Standard Financial Management Conditions included in TxGMS.

### A.2. Matching Share

In the performance of services and activities under this Contract, the Grantee shall provide at least fifty percent (50%) of the total cost of such performance. This matching share shall be provided in compliance with OMB Circular A-102, OMB Circular A-110, and in accordance with the matching share indicated in the budget in Attachment A. Federal funds from the NEA may not be used as match if receiving federal funds from the Commission.

The Grantee's failure to provide the entire amount of its matching share to pay for Contract services during the Contract period will reduce the award from the Commission in a proportionate amount requiring reimbursement of the difference to the Commission.

### A.3. Acknowledgment

- a. Crediting the Commission. A credit line and/or the Commission logo must appear in all published materials and announcements regarding this grant. The Commission logo can be found on our website at: <https://www.arts.texas.gov/logo>.
- b. Crediting NEA. If NEA funds are awarded as part of the Commission grant, a credit line must appear acknowledging support from the NEA. The National Endowment logo can be found on the website: <https://www.arts.gov/grants/manage-your-award/nea-logo>.

#### A.4. Reporting Requirements

##### a. Grant Report Form

The Grantee shall establish and maintain records, which shall reflect all receipts, obligations, and disbursements of funds for the project which is the subject of this Contract. Financial records, including substantiating documentation (e.g., payroll vouchers, invoices, bills) must be maintained. Following the termination of this Contract, the Grantee shall submit to the Commission a properly completed Grant Report Form by the date stipulated in Section 5.

##### b. Audit or Financial Review

Following the termination of this Contract, the Grantee shall provide the Commission with either:

1. a review of the Grantee's financial records covering the funds awarded under this Contract, prepared in compliance with guidelines established by the Commission; or,
2. an audit report covering the funds awarded under this Contract, prepared in compliance with Single Audit Act Amendments of 1996, OMB Circular A-133, and the Texas Grant Management Standards issued by the Texas Comptroller of Public Accounts. Grantees expending Federal funds equal to or in excess of \$750,000 within a fiscal year of the Grantee organization must comply with Federal audit requirements.

#### A.5. Monitoring

The Grantee shall give the Commission the right to examine the Grantee's records, files, books, or other written materials relating to this Contract and the right at reasonable times to inspect or otherwise evaluate the Grantee's work under this Contract. The Grantee shall cooperate with the Commission in arranging for and scheduling a site visit by a Commission employee or representative.

#### A.6. Use of Funds for Lobbying

The Grantee shall not use any of the funds paid by the Commission to the Grantee to influence the passage or defeat of any legislative measure or election of any candidate for public office.

### B. OBLIGATIONS OF THE COMMISSION

The Commission shall not be liable to the Grantee for costs incurred or performances rendered by the Grantee before the commencement of this Contract or after the termination of this Contract.

The Grantee is an independent contractor. Therefore, the Commission is not responsible for any liability incurred by the Grantee.

### C. PAYMENT BY THE COMMISSION

The Commission shall pay to the Grantee the amount specified in this Contract. This payment shall be made following the date requested for payment by the Grantee in its application for assistance. This payment is contingent upon the availability of State and/or Federal funds.

It is agreed and understood by all Parties that payments under the Contract are contingent upon Grantee's full and satisfactory performance of his/her/its obligation under this Contract, as well as, any and all outstanding contracts between the Grantee and the Commission. Full and satisfactory performance is to be determined by the Commission.

In that regard, in the event the Commission determines the Grantee has not provided full and satisfactory performance, the Commission has the right to withhold any and all payments due and owing the Grantee. Furthermore, in the event the Commission determines that the Grantee has not provided full and satisfactory performance, all monies paid out under this Contract will be immediately due and repayable to the Commission.

#### C. PAYMENT BY THE COMMISSION (continued)

Notwithstanding any other provision of this Contract, payment by the Commission under this Contract is expressly contingent upon Grantee's submission to the Commission of Grant Report Form(s) which are due under other Contracts between the Grantee and the Commission, and the proper completion of any outstanding Contractual obligations with the Commission.

In accordance with Section 2262.154 of the Texas Government Code, Grantee understands that acceptance of funds under this Contract acts as acceptance of the authority of (1) the State Auditor to conduct an audit or investigation on any entity receiving funds from the state directly under this Contract or indirectly through a subcontract under this Contract; and (2) acceptance of funds directly under this Contract or indirectly under through a subcontract under the Contract acts as acceptance of the authority of the State Auditor's Office (SAO), under the direction of the Legislative Audit Committee, to conduct an audit or investigation in connection with these funds. Any entity that is the subject of an audit or investigation by the SAO must provide the SAO with access to any information the SAO considers relevant to the investigation or audit.

#### D. VENUE PROVISION

For any dispute arising out of this Contract and resulting in litigation, venue shall be mandatory only in Travis County, Texas. This Contract shall be governed by and construed in accordance with the laws of the State of Texas.

D.1. The dispute resolution process provided in chapter 2260 of the Texas Government Code must be used by the Commission and Grantee to attempt to resolve all disputes arising under this Contract.

a. A Grantee's claims for breach of this Contract that cannot be informally resolved with the Commission shall be submitted to the negotiation process provided in Chapter 2260, subchapter B, of the Government Code. To initiate the process, the Grantee shall submit written notice, as required by subchapter B, to the Commission. Said notice shall specifically state that the provisions of Ch. 2260, subchapter B are being invoked. A copy of the notice shall also be given to all other representatives of the Commission and the Grantee otherwise entitled to notice under the Parties' Contract. Compliance by the Grantee with subchapter B is a condition precedent to the filing of a contested case proceeding under Chapter 2260, subchapter C, of the Government Code.

b. The contested case process provided in Chapter 2260, subchapter C, of the Government Code is the Grantee's sole and exclusive process for seeking a remedy for any and all alleged breaches of Contract by the Commission if the Parties are unable to resolve their disputes under subparagraph (a) of this paragraph.

c. Compliance with the contested case process provided in Subchapter C is a condition precedent to seeking consent to sue from the Legislature under Chapter 107 of the Civil Practices and Remedies Code. Neither the execution of this Contract by the Commission nor any other conduct of any representative of the Commission in relation to the Contract shall be considered a waiver of sovereign immunity to suit.

#### E. MISCELLANEOUS PROVISIONS

a. Texas Public Information Act - Notwithstanding any provisions of this Contract to the contrary, Grantee understands that the Commission will comply with the Texas Public Information Act, Texas Government Code, Chapter 552 as interpreted by judicial opinions and opinions of the Attorney General of the State of Texas.



## E. MISCELLANEOUS PROVISIONS (continued)

b. Force Majeure – The Commission shall not be responsible for performance under this Contract should it be prevented from performance by an act of war, order of legal authority, act of God, or other unavoidable cause not attributable to the fault or negligence of the Commission.

Grantee shall not be liable for non-performance or delay in performance of a requirement under this Contract if such non-performance or delay is due to one of the following occurrences, which occurrence must not be preventable through the exercise of reasonable diligence, be beyond the control of the Grantee, cannot be circumvented through the use of alternate sources, work-around plans, or other means and occur without its fault or negligence: pandemic; fire; flood; lightning strike; weather damage; earthquake; tornado; hurricane; snow or ice storms; equipment break down; acts of war, terrorism, riots, or civil disorder; strikes and disruption or outage of communications, power, or other utility.

Notwithstanding anything to the contrary in this provision, the requirements that funds be paid out within the current State fiscal year, unmatched grant money be returned by Grantee, and grant funds be expended, matched and services performed within the State Fiscal Year shall not be affected.

## c. Indemnification

Acts or Omissions

GRANTEE SHALL INDEMNIFY AND HOLD HARMLESS THE STATE OF TEXAS AND THE COMMISSION, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEY FEES, AND EXPENSES ARISING OUT OF, OR RESULTING FROM ANY ACTS OR OMISSIONS OF THE GRANTEE OR ITS AGENTS, EMPLOYEES, SUBCONTRACTORS IN THE EXECUTION OR PERFORMANCE OF THE CONTRACT. THE DEFENSE SHALL BE COORDINATED BY GRANTEE WITH THE TEXAS OFFICE OF THE ATTORNEY GENERAL (OAG) WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND GRANTEE MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM OAG. GRANTEE AND THE OAG AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.

Infringements

GRANTEE SHALL INDEMNIFY AND HOLD HARMLESS THE STATE OF TEXAS AND OAG FROM ANY AND ALL THIRD-PARTY CLAIMS INVOLVING INFRINGEMENT OF UNITED STATES PATENTS, COPYRIGHTS, TRADE AND SERVICE MARKS, AND ANY OTHER INTELLECTUAL OR INTANGIBLE PROPERTY RIGHTS IN CONNECTION WITH THE PERFORMANCES OR ACTIONS OF GRANTEE PURSUANT TO THIS CONTRACT. GRANTEE AND THE COMMISSION AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM. GRANTEE SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE INCLUDING ATTORNEYS' FEES. THE DEFENSE SHALL BE COORDINATED BY GRANTEE WITH THE OAG WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND GRANTEE MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM OAG.

d. Termination

Termination for Convenience. The Commission may, at its sole discretion, terminate this Contract without recourse, liability or penalty, immediately upon written notice to the Grantee. Grantee may, at its sole discretion, terminate this Contract upon written notice to the Commission; however, such termination shall not be effective until grant funds have been returned to the Commission in full.

Termination for Cause. In the event that Grantee fails to perform or comply with an obligation of the terms, conditions and provisions of this Contract, the Commission may, upon written notice of the breach to Grantee, immediately terminate this Contract.



# STAFF REPORT

**MEETING DATE:** January 28, 2025

**TITLE:**

Consider action to approve Resolution No. R-2025-25 of the City Council of the City of Bastrop, Texas, approving the Bastrop Cultural Arts Commission to accept a grant in the amount of Eight Thousand and 00/100 Dollars (\$8,000) from the Texas Commission on the Arts for a Cultural Arts District Project.

**AGENDA ITEM SUBMITTED BY:**

Submitted by: Michaela Joyce, Main Street Manager

**BACKGROUND/HISTORY:**

The Bastrop Cultural Arts Commission has applied for and been awarded a \$8,000 Arts Create grant to help with administrative costs for the Cultural Arts Commission. This funding will support the regular cleaning of the City's bronzes in town, art education materials, and artist fees. This assistance will give the Commission the ability to focus on improving the Bastrop's thriving Cultural District through printed art education materials and new cultural projects.

**PLOICY EXPLANATION:**

The City of Bastrop's Finance Policy requires all grants to be formally accepted by the City Council.

**RECOMMENDATION:**

Michaela Joyce, Main Street Manager, recommends approving Resolution No. R-2025-25 of the City Council of the City Bastrop, Texas, accepting a Texas Commission on the Arts Grant in the amount of \$8,000.

**RESOLUTION R-2025-25**

**A RESOLUTION OF THE CITY OF BASTROP, TEXAS, TO APPROVE RESOLUTION NO. R-2025-25 OF THE CITY COUNCIL OF BASTROP, TEXAS APPROVING THE BASTROP CULTURAL ARTS COMMISSION TO ACCEPT A GRANT IN THE AMOUNT OF EIGHT THOUSAND AND 00/100 DOLLARS (\$8,000.00) FROM THE TEXAS COMMISSION ON THE ARTS FOR A CULTURAL ARTS DISTRICT PROJECT, AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Bastrop finds it is in the best interest of the citizens of Bastrop, that the Bastrop Cultural Arts Commission utilize a grant that has been rewarded to it from the Texas Commission on the Arts to assist with administrative costs associated with public art maintenance and art education in Bastrop. The grant requires a match of \$8,000.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS:**

**Section 1:** That the City Manager is hereby authorized to execute all necessary documents, authorizing accepting the Grant from Texas Commission of the Arts for the continued Iconic Art Bird Sculptor project happening within the Cultural Arts District.

**Section 2:** All orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

**Section 3:** That this Resolution shall take effect immediately from and after its passage, and it is duly resolved.

**DULY RESOLVED AND ADOPTED** by the City Council of the City of Bastrop this 28th day of January 2025.

**APPROVED:**

\_\_\_\_\_  
John Kirkland, Mayor Pro Tem

**ATTEST:**

\_\_\_\_\_  
City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City Attorney

January 17, 2025

Bastrop Cultural Arts Commission  
1311 Chestnut Street  
Bastrop, TX 78602

Dear Bastrop Cultural Arts Commission,

Please find the contract package for your **Arts Create-** Grant ID: **77759263** below.

The contract must be signed by your organization's authorizing official, Sylvia Carrillo. If there has been a change of authorizing official and someone else needs to sign this contract, please reach out to me via email with a letter explaining the change.

For more detailed information about TCA grants, including tips on how to make your reporting easier, please visit the section "Managing Your Grant" in your online Fluxx account.

TCA requires all grant recipients to contact their state legislators to share news about their grant award and thank them for making these funds available. This is an opportunity to educate your elected officials about the work that you do in your community. You are welcome to combine grants in a single letter, but you will need to send a new set of letters for any additional grants awarded later in the fiscal year. If appropriate, additional thank-you letters sent to your legislators from the children, audiences, and participants served by your TCA-funded grant are appreciated. These thank you letters should be uploaded directly into the Fluxx system for each awarded grant.

Please remember your grant payment is contingent upon the completion of any past grant reports, the receipt of your legislative thank you letters, the receipt of the signed contract, and the availability of state and/or federal funds.

If changes to the budget arise during the course of the project, amendments must be requested in writing in accordance with the Amendments and Changes section of the contract prior to the contract ending date. TCA has no flexibility around the fiscal year window (September 1 - August 31) but will always try to help your organization through project changes and transitions.

If you have questions or need additional information, please contact me via email [kenneth@arts.texas.gov](mailto:kenneth@arts.texas.gov)

Sincerely,



Kenneth Williams  
Associate Director of Programs  
Texas Commission on the Arts

GRANT ID: **77759263**

GRANT CONTRACT  
BETWEEN  
TEXAS COMMISSION ON THE ARTS  
AND  
**BASTROP CULTURAL ARTS COMMISSION**

STATE OF TEXAS     ()

COUNTY OF TRAVIS ()

**SECTION 1. PARTIES TO CONTRACT**

This Contract ("Contract") is made and entered into by and between the Texas Commission on the Arts (the "Commission"), an agency of the State of Texas and Bastrop Cultural Arts Commission ("Grantee"), hereinafter referred to collectively as "Parties." The Commission enters into this Contract pursuant to Texas Government Code, Section 444.024, which gives the Commission authority to award grant money for advancing the state economically and culturally by investing in the arts.

**SECTION 2. CONTRACT PERIOD**

The period for performance of this Contract shall commence 09/01/24 and shall terminate 08/31/25.

**SECTION 3. SERVICES**

The Grantee shall, during the period of this Contract, provide the services, activities, and performances in accordance with Attachment A, which is attached hereto and made a part of this Contract for all purposes as if set forth in full herein.

**SECTION 4. GRANT AWARD**

In consideration of the Grantee's full and satisfactory performance of the obligations specified in this Contract and subject to the conditions stated under "Obligations of the Commission" and the "Matching Share" requirements detailed in the Terms and Conditions, which is attached hereto as Attachment B and made a part of this Contract, the Commission shall pay to the Grantee an amount not to exceed \$ 8,000. All funds provided by the Commission must be expended within the Contract period specified in Section 2.

**SECTION 5. GRANT REPORT FORM**

The Grantee shall submit to the Commission not later than 09/30/25, a properly completed Grant Report as specified in Attachment B.

**SECTION 6. AMENDMENTS AND CHANGES**

This Contract is the entire agreement of the Parties. Any changes, deletions, extensions, or amendments to this Contract shall be in writing and signed by both Parties prior to the ending date of this Contract as specified in Section 2. Any other attempted changes including oral modifications, written notices not signed by both Parties, or other modifications of any type shall be invalid.

GRANT ID: **77759263**

TEXAS COMMISSION ON THE ARTS  
CONTRACT FOR SERVICES

SECTION 7. MUTUAL OBLIGATIONS

The Parties hereto have severally and collectively agreed and, by the execution of this Contract, are bound to the mutual obligations and to the performances and accomplishment of the tasks described herein, including the Terms and Conditions.

The terms of this Contract are accepted by the Parties. Persons signing are expressly authorized to obligate the Parties to the terms of this Contract.

GRANTEE

TEXAS COMMISSION ON THE ARTS

\_\_\_\_\_  
Signature of Authorized Official

\_\_\_\_\_  
Signature of Authorized Official

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

Sylvia Carrillo  
Bastrop Cultural Arts Commission  
1311 Chestnut Street  
Bastrop, TX 78602

## ATTACHMENT A

GRANT ID: **77759263****Arts Create - Operational Support  
Bastrop Cultural Arts Commission**

<b>TCA Award Amount:</b>	<b>\$8,000.00</b>
<b>Required Matching Funds:</b>	<b>\$8,000.00</b>
<b>Total Grant Budget:</b>	<b>\$16,000.00</b>

<b>Grant Budget Expense Items</b>	<b>Matching Expenses</b>	<b>TCA Funded Expenses</b>
Administrative salaries, contracts, benefits		
Artistic salaries, contracts, benefits	\$4,000.00	\$2,000.00
Facility Costs		
Marketing & Promotion	\$4,000.00	\$1,000.00
Program/Exhibit production costs		
Subgranting / Pass thru funds		
Other expenses:  regular cleaning/maintenance of City owned bronze statues in town		\$5,000.00
<b>EXPENSE TOTALS</b>	<b>\$8,000.00</b>	<b>\$8,000.00</b>



ATTACHMENT B  
TERMS AND CONDITIONS

A. OBLIGATIONS OF GRANTEE

A.1. Assurances

The Grantee shall perform its obligations under this Contract in compliance with all of the terms and conditions of this Contract; applicable requirements of the Commission and the National Endowment for the Arts (NEA); and all applicable federal and state laws, rules and regulations, directives, and guidelines including, but not limited to, the follow:

- a. Texas Online Arts Plan: A Guide to Programs and Services, Revised December 2022.
- b. 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- c. 29 CFR Part 505 Labor Standards on Projects or Productions Assisted by Grants from the National Endowment for the Arts and Humanities; Final Rule.

The provisions of such requirements are hereby incorporated by reference into this Contract.

Under Section 231.006 Family Code, the Grantee certifies that the individual or business entity named in the Contract, bid, or application is not ineligible to receive the specified grant, loan, or payment and acknowledges that this Contract may be terminated and payment may be withheld if this certification is inaccurate. An application for a Contract, grant, or loan paid from state funds must include the name and social security number of the individual or sole proprietor and each partner, shareholder, or owner with an ownership interest of at least 25 percent of the business entity submitting the bid or application.

Grantee represents and warrants that all statements and information prepared and submitted in this document are current, complete, true, and accurate. Submitting information that contains a false statement or material misrepresentations made during the performance of a Contract is a material breach of Contract and may void the Contract.

Grantee represents and warrants that the individual submitting this document and the documents made part of this Contract is authorized to sign such documents on behalf of the Grantee and to bind the Grantee under this Contract.

Grantee shall maintain and retain all records relating to the performance of the Contract, including supporting fiscal documents adequate to ensure that claims for Contract funds are in accordance with applicable State of Texas requirements. These records will be maintained and retained by Grantee for a period of four (4) years after the Contract expiration date or until all audit, claim, and litigation matters are resolved, whichever is later.

Grantee represents and warrants that it will maintain oversight to ensure that Contractors perform in accordance with the terms, conditions, and specifications of their Contracts or purchase orders.

Grantee assures and certifies that it and its principals are not suspended or debarred from doing business with the state or federal government as listed on the State of Texas Debarred Vendor List maintained by the Texas Comptroller of Public Accounts and the System for Award Management (SAM) maintained by the General Services Administration.

By execution of this Contract the Grantee assures and certifies that it will comply with the regulations of Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Title IX of the Education Amendments of 1972 where applicable, the Drug-Free Workplace Act of 1988, as well as all regulations of the NEA issued pursuant to these statutes, and that it immediately will take any measures necessary to comply.

### A.1. Assurances (continued)

By execution of this Contract the Grantee assures and certifies that it will comply with the Commission's enabling legislation, Texas Government Code, chapter 444.

Texas Government Code, Section 444.021(b) prohibits the Commission and its grantees from knowingly fostering, encouraging, promoting or funding any project, production, workshop and/or program which includes obscene material as defined in Section 43.21, Penal Code of Texas.

The Commission is committed to the principles of equal opportunity and affirmative action. The Commission will not knowingly discriminate among employees or applicants on the basis of race, color, religion, sex, national origin, age or physical handicap. These criteria will not be used by either the Commission or the Grantee when making decisions.

Grantee agrees to comply with applicable laws, executive orders, regulations and policies as well as Texas Government Code, [Chapter 783](#) (Uniform Grant and Contract Management Act), and the [Texas Comptroller's Texas Grant Management Standards](#) (TxGMS), including the Uniform Assurances and the Standard Financial Management Conditions included in TxGMS.

### A.2. Matching Share

In the performance of services and activities under this Contract, the Grantee shall provide at least fifty percent (50%) of the total cost of such performance. This matching share shall be provided in compliance with OMB Circular A-102, OMB Circular A-110, and in accordance with the matching share indicated in the budget in Attachment A. Federal funds from the NEA may not be used as match if receiving federal funds from the Commission.

The Grantee's failure to provide the entire amount of its matching share to pay for Contract services during the Contract period will reduce the award from the Commission in a proportionate amount requiring reimbursement of the difference to the Commission.

### A.3. Acknowledgment

- a. Crediting the Commission. A credit line and/or the Commission logo must appear in all published materials and announcements regarding this grant. The Commission logo can be found on our website at: <https://www.arts.texas.gov/logo>.
- b. Crediting NEA. If NEA funds are awarded as part of the Commission grant, a credit line must appear acknowledging support from the NEA. The National Endowment logo can be found on the website: <https://www.arts.gov/grants/manage-your-award/nea-logo>.

#### A.4. Reporting Requirements

##### a. Grant Report Form

The Grantee shall establish and maintain records, which shall reflect all receipts, obligations, and disbursements of funds for the project which is the subject of this Contract. Financial records, including substantiating documentation (e.g., payroll vouchers, invoices, bills) must be maintained. Following the termination of this Contract, the Grantee shall submit to the Commission a properly completed Grant Report Form by the date stipulated in Section 5.

##### b. Audit or Financial Review

Following the termination of this Contract, the Grantee shall provide the Commission with either:

1. a review of the Grantee's financial records covering the funds awarded under this Contract, prepared in compliance with guidelines established by the Commission; or,
2. an audit report covering the funds awarded under this Contract, prepared in compliance with Single Audit Act Amendments of 1996, OMB Circular A-133, and the Texas Grant Management Standards issued by the Texas Comptroller of Public Accounts. Grantees expending Federal funds equal to or in excess of \$750,000 within a fiscal year of the Grantee organization must comply with Federal audit requirements.

#### A.5. Monitoring

The Grantee shall give the Commission the right to examine the Grantee's records, files, books, or other written materials relating to this Contract and the right at reasonable times to inspect or otherwise evaluate the Grantee's work under this Contract. The Grantee shall cooperate with the Commission in arranging for and scheduling a site visit by a Commission employee or representative.

#### A.6. Use of Funds for Lobbying

The Grantee shall not use any of the funds paid by the Commission to the Grantee to influence the passage or defeat of any legislative measure or election of any candidate for public office.

### B. OBLIGATIONS OF THE COMMISSION

The Commission shall not be liable to the Grantee for costs incurred or performances rendered by the Grantee before the commencement of this Contract or after the termination of this Contract.

The Grantee is an independent contractor. Therefore, the Commission is not responsible for any liability incurred by the Grantee.

### C. PAYMENT BY THE COMMISSION

The Commission shall pay to the Grantee the amount specified in this Contract. This payment shall be made following the date requested for payment by the Grantee in its application for assistance. This payment is contingent upon the availability of State and/or Federal funds.

It is agreed and understood by all Parties that payments under the Contract are contingent upon Grantee's full and satisfactory performance of his/her/its obligation under this Contract, as well as, any and all outstanding contracts between the Grantee and the Commission. Full and satisfactory performance is to be determined by the Commission.

In that regard, in the event the Commission determines the Grantee has not provided full and satisfactory performance, the Commission has the right to withhold any and all payments due and owing the Grantee. Furthermore, in the event the Commission determines that the Grantee has not provided full and satisfactory performance, all monies paid out under this Contract will be immediately due and repayable to the Commission.

#### C. PAYMENT BY THE COMMISSION (continued)

Notwithstanding any other provision of this Contract, payment by the Commission under this Contract is expressly contingent upon Grantee's submission to the Commission of Grant Report Form(s) which are due under other Contracts between the Grantee and the Commission, and the proper completion of any outstanding Contractual obligations with the Commission.

In accordance with Section 2262.154 of the Texas Government Code, Grantee understands that acceptance of funds under this Contract acts as acceptance of the authority of (1) the State Auditor to conduct an audit or investigation on any entity receiving funds from the state directly under this Contract or indirectly through a subcontract under this Contract; and (2) acceptance of funds directly under this Contract or indirectly under through a subcontract under the Contract acts as acceptance of the authority of the State Auditor's Office (SAO), under the direction of the Legislative Audit Committee, to conduct an audit or investigation in connection with these funds. Any entity that is the subject of an audit or investigation by the SAO must provide the SAO with access to any information the SAO considers relevant to the investigation or audit.

#### D. VENUE PROVISION

For any dispute arising out of this Contract and resulting in litigation, venue shall be mandatory only in Travis County, Texas. This Contract shall be governed by and construed in accordance with the laws of the State of Texas.

D.1. The dispute resolution process provided in chapter 2260 of the Texas Government Code must be used by the Commission and Grantee to attempt to resolve all disputes arising under this Contract.

a. A Grantee's claims for breach of this Contract that cannot be informally resolved with the Commission shall be submitted to the negotiation process provided in Chapter 2260, subchapter B, of the Government Code. To initiate the process, the Grantee shall submit written notice, as required by subchapter B, to the Commission. Said notice shall specifically state that the provisions of Ch. 2260, subchapter B are being invoked. A copy of the notice shall also be given to all other representatives of the Commission and the Grantee otherwise entitled to notice under the Parties' Contract. Compliance by the Grantee with subchapter B is a condition precedent to the filing of a contested case proceeding under Chapter 2260, subchapter C, of the Government Code.

b. The contested case process provided in Chapter 2260, subchapter C, of the Government Code is the Grantee's sole and exclusive process for seeking a remedy for any and all alleged breaches of Contract by the Commission if the Parties are unable to resolve their disputes under subparagraph (a) of this paragraph.

c. Compliance with the contested case process provided in Subchapter C is a condition precedent to seeking consent to sue from the Legislature under Chapter 107 of the Civil Practices and Remedies Code. Neither the execution of this Contract by the Commission nor any other conduct of any representative of the Commission in relation to the Contract shall be considered a waiver of sovereign immunity to suit.

#### E. MISCELLANEOUS PROVISIONS

a. Texas Public Information Act - Notwithstanding any provisions of this Contract to the contrary, Grantee understands that the Commission will comply with the Texas Public Information Act, Texas Government Code, Chapter 552 as interpreted by judicial opinions and opinions of the Attorney General of the State of Texas.

## E. MISCELLANEOUS PROVISIONS (continued)

b. Force Majeure – The Commission shall not be responsible for performance under this Contract should it be prevented from performance by an act of war, order of legal authority, act of God, or other unavoidable cause not attributable to the fault or negligence of the Commission.

Grantee shall not be liable for non-performance or delay in performance of a requirement under this Contract if such non-performance or delay is due to one of the following occurrences, which occurrence must not be preventable through the exercise of reasonable diligence, be beyond the control of the Grantee, cannot be circumvented through the use of alternate sources, work-around plans, or other means and occur without its fault or negligence: pandemic; fire; flood; lightning strike; weather damage; earthquake; tornado; hurricane; snow or ice storms; equipment break down; acts of war, terrorism, riots, or civil disorder; strikes and disruption or outage of communications, power, or other utility.

Notwithstanding anything to the contrary in this provision, the requirements that funds be paid out within the current State fiscal year, unmatched grant money be returned by Grantee, and grant funds be expended, matched and services performed within the State Fiscal Year shall not be affected.

## c. Indemnification

Acts or Omissions

GRANTEE SHALL INDEMNIFY AND HOLD HARMLESS THE STATE OF TEXAS AND THE COMMISSION, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEY FEES, AND EXPENSES ARISING OUT OF, OR RESULTING FROM ANY ACTS OR OMISSIONS OF THE GRANTEE OR ITS AGENTS, EMPLOYEES, SUBCONTRACTORS IN THE EXECUTION OR PERFORMANCE OF THE CONTRACT. THE DEFENSE SHALL BE COORDINATED BY GRANTEE WITH THE TEXAS OFFICE OF THE ATTORNEY GENERAL (OAG) WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND GRANTEE MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM OAG. GRANTEE AND THE OAG AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.

Infringements

GRANTEE SHALL INDEMNIFY AND HOLD HARMLESS THE STATE OF TEXAS AND OAG FROM ANY AND ALL THIRD-PARTY CLAIMS INVOLVING INFRINGEMENT OF UNITED STATES PATENTS, COPYRIGHTS, TRADE AND SERVICE MARKS, AND ANY OTHER INTELLECTUAL OR INTANGIBLE PROPERTY RIGHTS IN CONNECTION WITH THE PERFORMANCES OR ACTIONS OF GRANTEE PURSUANT TO THIS CONTRACT. GRANTEE AND THE COMMISSION AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM. GRANTEE SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE INCLUDING ATTORNEYS' FEES. THE DEFENSE SHALL BE COORDINATED BY GRANTEE WITH THE OAG WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND GRANTEE MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM OAG.

d. Termination

Termination for Convenience. The Commission may, at its sole discretion, terminate this Contract without recourse, liability or penalty, immediately upon written notice to the Grantee. Grantee may, at its sole discretion, terminate this Contract upon written notice to the Commission; however, such termination shall not be effective until grant funds have been returned to the Commission in full.

Termination for Cause. In the event that Grantee fails to perform or comply with an obligation of the terms, conditions and provisions of this Contract, the Commission may, upon written notice of the breach to Grantee, immediately terminate this Contract.



# STAFF REPORT

**MEETING DATE:** January 28, 2025

**TITLE:**

Consider and act on Resolution No. R-2025-26, approving of the Bastrop Bird Junction Project proposed nine (9) locations, and proposed outdoor Bird Sculptures, and consider action to approve the next round of proposed locations and proposed outdoor Bird Sculptures for locations three (3), four (4), and six (6) as identified in Exhibit A, located within the City Limits of Bastrop, Texas; authorizing the execution of all necessary documents; upon request and providing for findings of fact, repealer, severability, effective date, proper notice, and meeting.

**AGENDA ITEM SUBMITTED BY:**

Submitted by: Michaela Joyce, Main Street Manager

**BACKGROUND/HISTORY:**

City Staff has been working over the past several months with the Bastrop Cultural Arts Commission on their “Bastrop Bird Junction Project.”

This project currently consists of nine (9) previously proposed locations throughout town. All large outdoor sculptures will be of Bastrop’s (Native and Migratory) birds.

The previously proposed locations are listed below:

1. 1600 Chestnut Street – Film Alley (NW Corner)
2. 900 State Highway 95 – Hay Elotes (SW Corner)
3. 1408 B Chestnut Street – Bridge between Schulmann and Visit Bastrop (East side at bridge)
4. 1408 Chestnut Street – Visit Bastrop
5. 1408 Chestnut Street – Convention Center
6. 1408 Chestnut Street – Convention Center
7. 906 Main Street – Tuck Law Firm
8. 1028 Main Street – Calvery Episcopal Church (SW Corner of Main)
9. 1100 Church Street – Bastrop Public Library

The two locations at SH 95 will be in TxDOT right-of-way. A written approval/Agreement has been completed for any locations along the 95 Hwy and Chestnut corridor.

Maria Montoya, Chair with Bastrop Cultural Arts Commission has provided the history and scope of the project along with the overview of sculptures and timing for each location below:

Intro: The Cultural Arts Commission has begun the process of enhancing the Chestnut corridor with large outdoor sculptures featuring native and migratory birds in the area through a public art project, “The Bastrop Bird Junction.”

Birds have a special meaning for Bastrop. In 2020, Bastrop was one of only four cities across Texas to be designated as “Bird City” by the Texas Parks and Wildlife. In celebration of our Bird City status, a series of bird sculptures will be installed in Bastrop in three different phases.

Located just 30 miles east of Austin on the banks of the Colorado River, Bastrop is one of the oldest towns in Texas. With its rich history and abundant resources, Bastrop has flourished as a culturally rich and diverse community for over a century. Coincidentally, Bastrop is home to many native birds and the city is uniquely situated in a corridor for migratory birds. The Bastrop Bird Junction project is being rolled out in Phase 1 and Phase 2.

#### Phase 1

This phase is underway with full completion of location number 5, the Pileated Woodpecker and locations 1 & 2 close to installation.

#### Phase 2

There will be three sculptures, (*tentatively* two on Main Street and one by the library) in Phase 2. Two of the sculptures are each \$25,000. One signature sculpture is \$50,000. Completion of sculptures 7,8, and 9 is slated by the end of May 2025.

#### **RECOMMENDATION:**

Consider action to approve the next (3) three out of (9) total proposed locations (location #3, #4, and #6) Bird Sculptures located within the City Limits of Bastrop, Texas.

#### **ATTACHMENTS:**

- Resolution No. R-2025-26
- Exhibit A - Bird Junction Statue Location Map
- Bird Junction Phased 1 Information
- Executed TXDOT Multiple Use Agreement



## RESOLUTION R-2025-26

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS, APPROVING LOCATIONS #3, #4, AND #6 FOR THE INSTALLATION OF BIRD SCULPTURES; PROVIDING SEVERABILITY; PROVIDING FOR REPEAL; AND PROVIDING AN EFFECTIVE DATE.

**WHEREAS**, The City of Bastrop, Texas (the "City") has been working in conjunction with the Bastrop Cultural Arts Commission ("BCAC") on the "Bastrop Bird Junction Project."

**WHEREAS**, the City desires to install outdoor bird sculptures featuring native and migratory birds in nine (9) proposed locations throughout the City, as described in Exhibit "A", in celebration of the City's "Bird City Texas Certified Community" designation received from the Texas Parks and Wildlife Department in 2020; and

**WHEREAS**, the City has determined that, once installed, the sculptures located in the City's neighborhood business districts will contribute to the vitality and attractiveness of the urban streetscape, promote art and culture, and improve the touristic appeal of the City; and .

**WHEREAS**, the costs of the sculptures are to be funded by donors and/or grants; and

**WHEREAS**, location 1, 2, and 5 were previously approved by R-2024-44 on April 23<sup>rd</sup>, 2024; and

**WHEREAS**, the City has obtained written permission from the Texas Department of Transportation (TxDOT) to install sculptures in Locations 1, 2, 3, 4, 5 and 6 which are within TxDOT's right-of-way.

### **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS:**

**Section 1:** All of the above premises are hereby found to be true and correct legislative and factual findings of the City Council of the City of Bastrop, Texas, and are hereby approved and incorporated into the body of this Resolution as if copied in their entirety.

**Section 2:** The City Council approves Locations 3, 4, and 6 as described in Exhibit "A" as part of the nine (9) locations where sculptures will be installed.

**Section 3:** Should any portion or part of this Resolution be held for any reason invalid or unenforceable by a court of competent jurisdiction, the same shall not be construed to affect any other valid portion hereof, but all valid portions hereof shall remain in full force and effect.

**Section 4.** This Resolution shall be in full force and effect from and after its passage.

**Section 5.** The City Council hereby finds and declares that written notice of the date, hour, place, and subject of the meeting at which this Resolution was adopted was posted and that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof were discussed, considered and formally acted upon, all as required by the Texas Open Meetings Act, Chapter 551, Texas Government Code, as amended.

**DULY RESOLVED AND ADOPTED** by the City Council of the City of Bastrop this 28th day of January 2025.

**APPROVED:**

\_\_\_\_\_  
John Kirkland, Mayor Pro Tem

**ATTEST:**

\_\_\_\_\_  
City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City Attorney



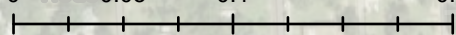
# Bird Statue Locations

The City of Bastrop, Texas makes no warranties regarding the accuracy or completeness of the information used to compose this map or the data from which it was produced. The map does not purport to depict the boundaries between private and public lands. This map is general in nature and is not suitable for navigational purposes.

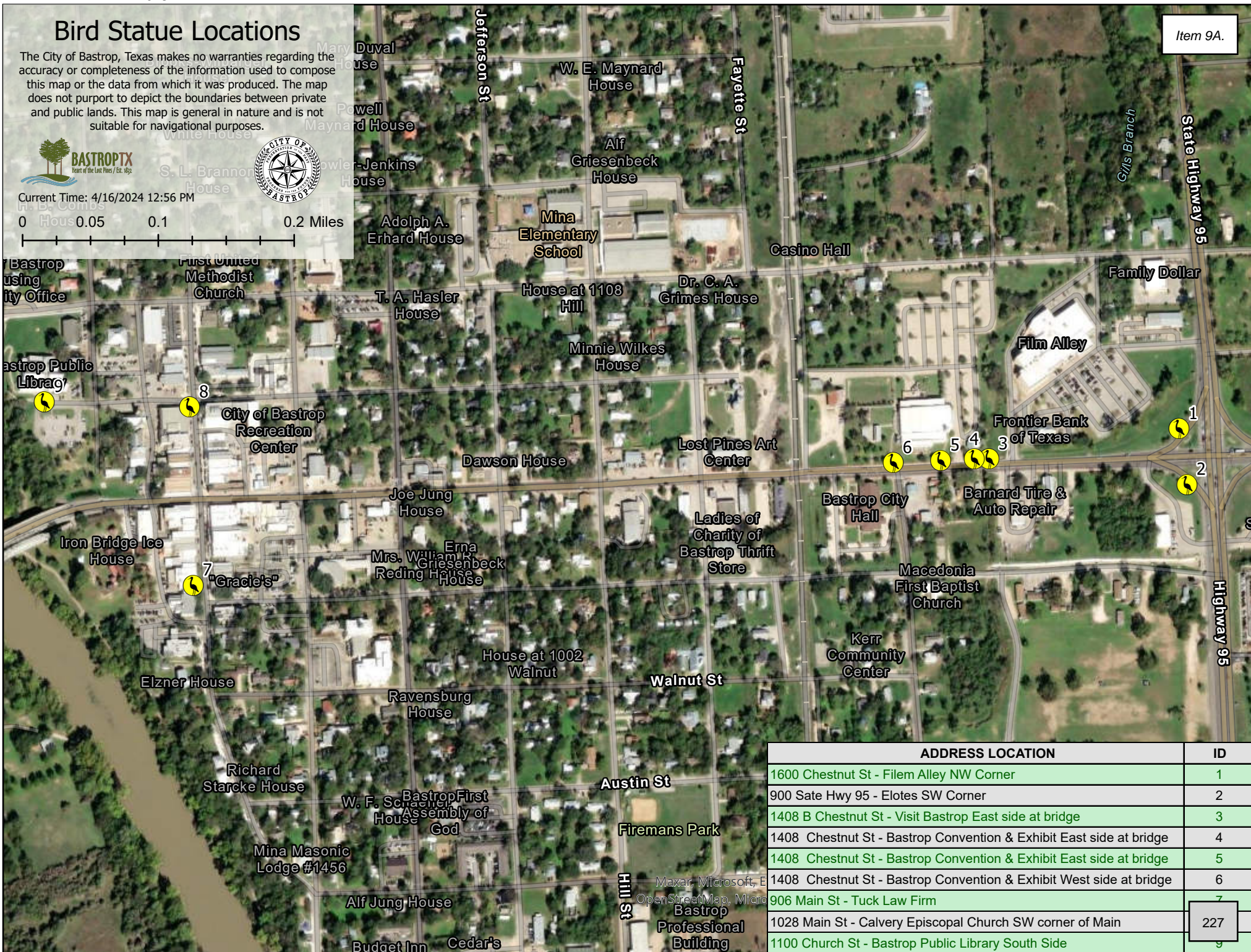


Current Time: 4/16/2024 12:56 PM

0 0.05 0.1 0.2 Miles



Item 9A.



ADDRESS LOCATION	ID
1600 Chestnut St - Filem Alley NW Corner	1
900 Sate Hwy 95 - Elotes SW Corner	2
1408 B Chestnut St - Visit Bastrop East side at bridge	3
1408 Chestnut St - Bastrop Convention & Exhibit East side at bridge	4
1408 Chestnut St - Bastrop Convention & Exhibit East side at bridge	5
1408 Chestnut St - Bastrop Convention & Exhibit West side at bridge	6
906 Main St - Tuck Law Firm	7
1028 Main St - Calvery Episcopal Church SW corner of Main	227
1100 Church St - Bastrop Public Library South Side	9



Location 1	Hwy 95 & Chestnut	Barred Owl	Installation Pending
Location 2	Hwy 95 & Chestnut	Ruby Throated Hummingbird	Installation Pending
Location 3	Visit Bastrop	TBD	Not Started
Location 4	Pedestrian Bridge	TBD	Not Started
Location 5	Convention Center	Pileated Woodpecker	Complete
Location 6	Convention Center	Red Tailed Hawk	Not Started

#1



#4-TBD



#2



#5



#3



#6





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**MULTIPLE USE AGREEMENT**

**STATE OF TEXAS §**

**COUNTY OF TRAVIS §**

**THIS AGREEMENT** made by the State of Texas by and between the Texas Department of Transportation, hereinafter referred to as "State", party of the first part, and City of Bastrop, hereinafter called City of Bastrop, party of the second part, is to become effective when fully executed by both parties.

**WITNESSETH**

**WHEREAS**, on the 26 day of June, 2024, the governing body for the City of Bastrop entered into Resolution/Ordinance No. Ordinance hereinafter identified by reference, authorizing the City of Bastrop's participation in this agreement with the State; and

**WHEREAS**, the City of Bastrop has requested the State to permit the construction, maintenance and operation of a public Public art sculptures to be installed on the highway right of way, (ROADWAY See attachments CONTROL SECTION NO. n/a ). (General description of area including either the control number or GPS coordinates.)

shown graphically by the preliminary conceptual site plan in Exhibit "A" and being more specifically described by metes and bounds of Exhibit "B", which are attached and made a part hereof; and

**WHEREAS**, the State has indicated its willingness to approve the establishment of such facilities and other uses conditioned that the City of Bastrop will enter into agreements with the State for the purpose of determining the respective responsibilities of the City of Bastrop and the State with reference thereto, and conditioned that such uses are in the public interest and will not damage the highway facilities, impair safety, impede maintenance or in any way restrict the operation of the highway facility, all as determined from engineering and traffic investigations conducted by the State.

**AGREEMENT**

**NOW, THEREFORE,** in consideration of the premises and of the mutual covenants and agreements of the parties hereto to be by them respectively kept and performed as hereinafter set forth, it is agreed as follows:

**1. DESIGN AND CONSTRUCTION**

City of Bastrop will prepare or provide for the construction plans for the facility, and will provide for the construction work as required by said plans at no cost to the State. Said plans shall include the design of the access control, necessary horizontal and vertical clearances for highway structures, adequate landscape treatment, adequate detail to ensure compliance with applicable structural design standards, sufficient traffic control provisions, and general layout. They shall also delineate and define the construction responsibilities of both parties hereto. Completed plans will be submitted to State for review and approval and when approved shall be attached to the agreement and made a part thereof in all respects. Construction shall not commence until plans have been approved by the State. Any future revisions or additions shall be made after prior written approval of the State. Any sidewalks, curb ramps and other pedestrian elements to be constructed, either on site or off site, by the

City of Bastrop shall be in accordance with the requirements of Title II of the Americans With Disabilities Act (ADA) and with the Texas Accessibility Standards (TAS). Elements constructed by the City of Bastrop and found not to comply with ADA or TAS shall be corrected at the entire expense of the City of Bastrop

**2. INSPECTION**

Ingress and egress shall be allowed at all times to such facility for Federal Highway Administration personnel and State Forces and equipment when highway maintenance operations are necessary, and for inspection purposes; and upon request, all parking or other activities for periods required for such operations will be prohibited.

**3. PARKING REGULATIONS**

Parking regulations shall be established limiting parking to single unit motor vehicles of size and capacity no greater than prescribed for 1½ ton trucks, such vehicles to conform in size and use to governing laws. Parking shall be permitted only in marked spaces.

Parking shall be prohibited when a security threat, as determined by TxDOT, exists.



**4. PROHIBITION/SIGNS**

Regulations shall be established prohibiting the parking of vehicles transporting flammable or explosive loads and prohibiting use of the area in any manner for peddling, advertising or other purposes not in keeping with the objective of a public facility. The erection of signs other than those required for proper use of the area will be prohibited. All signs shall be approved by the State prior to the actual erection.

**5. RESPONSIBILITIES**

Timely maintenance, repair and operation of the facility shall be entirely the responsibility of the City of Bastrop. Such responsibility shall not be transferred, assigned or conveyed to a third party without the advanced written approval of the State. These responsibilities expressly include the timely maintenance and repair of any portion of the facility necessary to comply with the Americans with Disabilities Act. Further, such responsibility shall include picking up trash, mowing and otherwise keeping the facility in a clean and sanitary condition, and surveillance by police patrol to eliminate the possible creation of a nuisance or hazard to the public. Hazardous or unreasonably objectionable smoke, fumes, vapor or odors shall not be permitted to rise above the grade line of the highway, nor shall the facility subject the highway to hazardous or unreasonably objectionable dripping, droppings or discharge of any kind, including rain or snow.

If the State determines that City of Bastrop has failed to comply with these responsibilities, it will perform the necessary work and charge City of Bastrop the actual cost of the work.

**6. FEES**

Any fees levied for use of the facilities in the area shall be nominal and no more than are sufficient to defray the cost of construction, maintenance and operations thereof, and shall be subject to State approval.

A. Retention Period. The City of Bastrop shall maintain all books, documents, papers, accounting records and other evidence pertaining to fees collected and costs (hereinafter called the Records). The City of Bastrop shall make the records available during the term of the Agreement and for four years from the date the Agreement is terminated, until completion of all audits, or until pending litigation has been completely and fully resolved, whichever occurs last.

B. Audit Report. If fees are collected by the City of Bastrop for the use of the facility under this agreement, the City of Bastrop will provide the State an annual audit report detailing the fees collected for the use of the facility and the costs associated with constructing, maintaining, and operating the facility within the same period. If the report shows more fees collected than expenses for the construction, operation, or maintenance of the facility the City of Bastrop must provide a multiple year plan detailing how the additional revenue will be used for construction, operation, or maintenance of the facility.

C. Availability. The State or any of its duly authorized representatives, the Federal Highway Administration, the United States Department of Transportation, Office of Inspector General, and the Comptroller General shall have access to the City of Bastrop's records that are directly pertinent to this Agreement for the purpose of making audits and examinations.

#### 7. TERMINATION UPON NOTICE

This provision is expressly made subject to the rights herein granted to both parties to terminate this agreement upon notice, and upon the exercise of any such right by either party, all obligations herein to make improvements to said facility shall immediately cease and terminate and City of Bastrop shall be responsible for the facility's timely removal at no cost to the State. If the State determines that City of Bastrop has failed to timely remove the facility, it will perform the necessary work and charge City of Bastrop the actual cost of the work.

#### 8. MODIFICATION/TERMINATION OF AGREEMENT

If in the sole judgment of the State it is found at any future time that traffic conditions have so changed that the existence or use of the facility is impeding maintenance, damaging the highway facility, impairing safety or that the facility is not being properly operated, that it constitutes a nuisance, is abandoned, or if for any other reason it is the State's judgment that such facility is not in the public interest, this agreement under which the facility was constructed may be: (1) modified if corrective measures acceptable to both parties can be applied to eliminate the objectionable features of the facility; or (2) terminated and the use of the area as proposed herein discontinued.

#### 9. PROHIBITION OF STORAGE OF FLAMMABLE MATERIALS

All structures located or constructed within the area covered by the agreement shall be fire resistant. The storage of flammable, explosive or hazardous materials is prohibited. Operations deemed to be a potential fire hazard shall be subject to regulation by the State.

#### 10. RESTORATION OF AREA

The City of Bastrop shall provide written notification to the State that such facility will be discontinued for the purpose defined herein. The City of Bastrop shall, within thirty (30) days from the date of said notification, clear the area of all facilities that were its construction responsibility under this agreement and restore the area to a condition satisfactory to the State.

#### 11. PREVIOUS AGREEMENTS

It is understood that this agreement in no way modifies or supersedes the terms and provisions of any existing agreements between the parties hereto.



**12. INDEMNIFICATION**

THE City of Bastrop WILL INDEMNIFY THE STATE AGAINST ANY AND ALL DAMAGES AND CLAIMS FOR DAMAGES, INCLUDING THOSE RESULTING FROM INJURY OR DEATH OF PERSONS OR FOR LOSS OF OR DAMAGE TO PROPERTY, ARISING OUT OF, INCIDENT TO OR IN ANY MANNER CONNECTED WITH THE CONSTRUCTION, OPERATION OR MAINTENANCE OF THE FACILITY, WHICH INDEMNIFICATION SHALL EXTEND TO AND INCLUDE ANY AND ALL COURT COSTS, ATTORNEY'S FEES AND EXPENSES RELATED TO OR CONNECTED WITH ANY CLAIMS OR SUITS FOR DAMAGES AND SHALL, IF REQUESTED IN WRITING BY THE STATE TO DO SO, ASSIST THE STATE OR RELIEVE THE STATE FROM DEFENDING ANY SUCH SUITS BROUGHT AGAINST IT. THE INDEMNIFICATION OF THE STATE SHALL EXTEND FOR A PERIOD OF TWO (2) YEARS BEYOND THE DATE OF TERMINATION OF THIS AGREEMENT.

DURING EACH YEAR WHILE THERE IS ANY LIABILITY BY REASON OF THE AGREEMENT CONTAINED IN THIS SUBSECTION OF THIS RESOLUTION, INCLUDING THE CALENDAR YEAR 2024, THE City of Bastrop (CITY) SHALL COMPUTE AND ASCERTAIN THE RATE AND AMOUNT OF AD VALOREM TAX, BASED ON THE LATEST APPROVED TAX ROLLS OF SAID ENTITY, WITH FULL ALLOWANCES BEING MADE FOR TAX DELINQUENCIES AND COSTS OF TAX COLLECTION, WHICH WILL BE SUFFICIENT TO RAISE AND PRODUCE THE MONEY REQUIRED TO PAY ANY SUMS WHICH MAY BE OR BECOME DUE DURING ANY SUCH YEAR, IN NO INSTANCE TO BE LESS THAN TWO (2%) PER CENT OF SUCH OBLIGATION, TOGETHER WITH INTEREST THEREON, BECAUSE OF THE OBLIGATION HEREIN ASSUMED.

SAID RATE AND AMOUNT OF AD VALOREM TAX IS HEREBY ORDERED TO BE LEVIED AND IS HEREBY LEVIED AGAINST ALL TAXABLE PROPERTY IN SAID ENTITY FOR EACH YEAR WHILE ANY LIABILITY EXISTS BY REASON OF THE OBLIGATION UNDERTAKEN BY THIS SUBSECTION OF THIS RESOLUTION, AND SAID AD VALOREM TAX SHALL BE ASSESSED AND COLLECTED EACH SUCH YEAR UNTIL ALL OF THE OBLIGATIONS HEREIN INCURRED SHALL HAVE BEEN DISCHARGED AND ALL LIABILITY HEREUNDER DISCHARGED.

No party to this agreement intends to waive, relinquish, limit or condition its general governmental immunity from liability in any way.

Each party agrees and acknowledges that it is not an agent, servant, or employee of the other party and that under this provision each party is responsible only for its own acts and for those of its agents, servants, independent contractors or employees. Such responsibility includes, but is not

limited to any claims or amounts arising or recovered under the "Workers Compensation Law," the Texas Tort Claims Act, Chapter 101, Texas Civil Practice and Remedies Code; or any other applicable laws or regulations, all as time to time may be amended.

Nothing in this agreement shall be construed as creating any liability in favor of any third party against the State and the City of Bastrop. Additionally, this agreement shall not ever be construed as relieving any third party from any liability against the State. Furthermore, the City of Bastrop shall become fully subrogated to the State's rights of recovery and shall be entitled to maintain any action over and against any third party who may be liable for damages. The State agrees to execute and deliver instruments and papers and to otherwise do that which is necessary to secure such rights.

### 13. INSURANCE

The City of Bastrop, shall provide necessary safeguards to protect the public on State maintained highways including adequate insurance for payment of any damages which might result during the construction, maintenance, repair and operation of the facility. City of Bastrop shall include TxDOT as an additional insured by endorsement in City of Bastrop's commercial general liability insurance policy. Prior to beginning work on the State's right of way, the City of Bastrop's construction contractor shall submit to the State a completed insurance form (TxDOT Form No. 1560) or appropriate certificate of self-insurance and shall maintain the required coverage during the construction of the facility.

### 14. USE OF RIGHT OF WAY

It is understood that the State by execution of this agreement does not impair or relinquish the State's right to use such land for highway purposes when it is required for the construction or re-construction of the traffic facility for which it was acquired, nor shall use of the land under such agreement ever be construed as abandonment by the State of such land acquired for highway purposes, and the State does not purport to grant any interest in the land described herein but merely consents to such use to the extent its authority and title permits.

### 15. ADDITIONAL CONSENT REQUIRED

The State asserts only that it has sufficient title for highway purposes. The City of Bastrop shall be responsible for obtaining such additional consent, permits or agreement as may be necessary due to this agreement. This includes, but is not limited to, appropriate permits and clearances for environmental, ADA and public utilities.

### 16. FHWA ADDITIONAL REQUIREMENTS

If the Facility is located on the Federal-Aid Highway System, "ATTACHMENT A", which states additional requirements as set forth in the Federal Highway Administration's Title 23, Code of Federal Regulations, § 710, shall be attached to and become a part of this agreement.



**17. CIVIL RIGHTS ASSURANCES**

The City of Bastrop, for itself, its personal representatives, successors and interests and assigns, as part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no persons, on the grounds of race, color, sex, age, national origin, religion or disabling condition, shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in the use of said facility; (2) that in the construction of any improvements on, over or under such land and the furnishing of services thereon, no person on the ground of race, color, sex, age, national origin, religion or disabling condition, shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; (3) that the City of Bastrop shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-Assisted programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

That if in the event of any breach of the above non-discrimination covenants, the State shall have the right to terminate the agreement and reenter and repossess said land and the facilities thereon, and hold the same as if said agreement had never been made or issued.

**18. AMENDMENTS**

Any changes in the time frame, character or responsibilities of the parties hereto shall be enacted by a written amendment executed by both parties hereto.

**19. LEGAL CONSTRUCTION**

In case one or more of the provisions contained in this agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any provision hereof and this agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in this agreement.

**20. AUDIT**

The State may conduct an audit or investigation of any aspect of this agreement. The City of Bastrop must provide the State with access to any information the State considers relevant to the investigation or audit. The audit can include, but is not limited to, any contract for construction or maintenance of any facility or structure authorized by this agreement or any contract to provide a service to the City of Bastrop if that service is authorized by this agreement.

**21. AUTHORITY OF STATE AUDITOR**

The state auditor may conduct an audit or investigation of any entity receiving funds from the state directly under the contract or indirectly through a subcontract under the contract. Acceptance of funds directly under the contract or indirectly through a subcontract under this contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. An entity that is the subject of an audit or investigation must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.

**22. NOTICES**

All notices required under this agreement shall be mailed or hand delivered to the following respective addresses:

<b>STATE</b> (Mailing Address)	<b>(Name of other party)</b> (Mailing Address)
Texas Department of Transportation	City of Bastrop
Maintenance Division	Development Services
125 East 11th Street	1311 Chestnut Street
Austin, Texas 78701-2483	Bastrop, TX 78602-3404

**23. TIMELY PAYMENT**

When required by any provision of this agreement requires a payment to be made to the State, the other party hereto shall within thirty (30) days from receipt of the State's written notification pay the State for the full cost of repairing any damages to the highway facility which may result from the other party's construction, maintenance, repair or operation of the facility.

**24. WARRANTS**

The signatories to this agreement warrant that each has the authority to enter into this agreement on behalf of the party represented.

List of Attached Exhibits:

- Exhibit A - General Layout
- Exhibit B - Metes and Bounds Description
- Exhibit C - Approved Construction Plans
- Exhibit D - Certificate of Insurance (TxDOT Form 1560)
- Exhibit E - Attachment A (FHWA Additional Requirements)

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Page 9 of 10

IN WITNESS WHEREOF, the parties have hereunto affixed their signature, the

\_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_, and the  
State on the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

City of Bastrop  
(Name of other party)

By: [Signature]  
Signature

Sylvia Carrillo  
Printed Name

City Manager  
Title

\_\_\_\_\_  
Agency

512-332-8800  
Contact Office and Telephone No.

STATE OF TEXAS

Executed and approved for the Texas Transportation Commission for the purpose and effect of activating and/or carrying out the orders, and established policies or work programs heretofore approved and authorized by the Texas Transportation Commission.

DocuSigned by:  
By: Mark Johnson  
FOR Director, Maintenance Division

Mark Johnson  
Printed Name

10/23/2024  
Date

APPROVAL RECOMMENDED:

DocuSigned by:  
Tucker Ferguson  
District Engineer

Tucker Ferguson  
Printed Name

10/22/2024  
Date

## ATTACHMENT A

Inasmuch as this project is on the Federal-Aid highway system, the following additional requirements as applicable with the Federal Highway Administration's Title 23, Code of Federal Regulations, § 710.105.

1. Any significant revision in the design or construction of the facility shall receive prior approval by the Texas Department of Transportation subject to concurrency by the FHWA.
2. Any change in the authorized use of real property interest shall receive prior approval by the Texas Department of Transportation subject to concurrence by the FHWA.
3. Real property interest shall not be transferred, assigned or conveyed to another party without prior Texas Department of Transportation approval subject to concurrence by the FHWA.
4. This agreement will be revocable in the event that the real property interest facility ceases to be used or is abandoned.

## EXHIBIT E



**RESOLUTION NO. R-2024-44**

**APPROVING LOCATIONS FOR BIRD SCULPTURES**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS, APPROVING LOCATIONS FOR THE INSTALLATION OF BIRD SCULPTURES; PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEAL; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS,** The City of Bastrop, Texas (the "City") has been working in conjunction with the Bastrop Cultural Arts Commission ("BCAC") on the "Bastrop Bird Junction Project."

**WHEREAS,** the City desires to install outdoor bird sculptures featuring native and migratory birds in nine (9) proposed locations throughout the City, as described in Exhibit "A", in celebration of the City's "Bird City Texas Certified Community" designation received from the Texas Parks and Wildlife Department in 2020; and

**WHEREAS,** the City has determined that, once installed, the sculptures located in the City's neighborhood business districts will contribute to the vitality and attractiveness of the urban streetscape, promote art and culture, and improve the touristic appeal of the City; and .

**WHEREAS,** the costs of the sculptures are to be funded by donors and/or grants, and City staff and BCAC have obtained funding for an initial four (4) sculptures, for proposed Locations 1, 2, 5 and 6; and .

**WHEREAS,** the City has obtained verbal permission from the Texas Department of Transportation (TxDOT) to install sculptures in Locations 1 and 2, which are within TxDOT's right-of-way.

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

**Section 1.** All of the above premises are hereby found to be true and correct legislative and factual findings of the City Council of the City of Bastrop, Texas, and are hereby approved and incorporated into the body of this Resolution as if copied in their entirety.

**Section 2.** The City Council approves Locations 1, 2, and 5 as described in Exhibit "A" as the first of nine (9) locations where sculptures will be installed.

**Section 3.** The City Council authorizes staff to complete all necessary steps to obtain written permission from TxDOT to install sculptures in Locations 1 and 2.

**Section 4.** Should any portion or part of this Resolution be held for any reason invalid or unenforceable by a court of competent jurisdiction, the same shall not be construed to affect any other valid portion hereof, but all valid portions hereof shall remain in full force and effect.

**Section 5.** This Resolution shall be in full force and effect from and after its passage.

**Section 6.** The City Council hereby finds and declares that written notice of the date, hour, place, and subject of the meeting at which this Resolution was adopted was posted and that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof were discussed, considered and formally acted upon, all as required by the Texas Open Meetings Act, Chapter 551, Texas Government Code, as amended.

**DULY RESOLVED & ADOPTED** by the City Council of the City of Bastrop, Texas, on this, the 23<sup>rd</sup> day of April, 2024.

**THE CITY OF BASTROP, TEXAS:**



\_\_\_\_\_  
Lyle Nelson, Mayor

**ATTEST:**



\_\_\_\_\_  
Ann Franklin, City Secretary

**APPROVED AS TO FORM:**



\_\_\_\_\_  
Alan Bojorquez, City Attorney

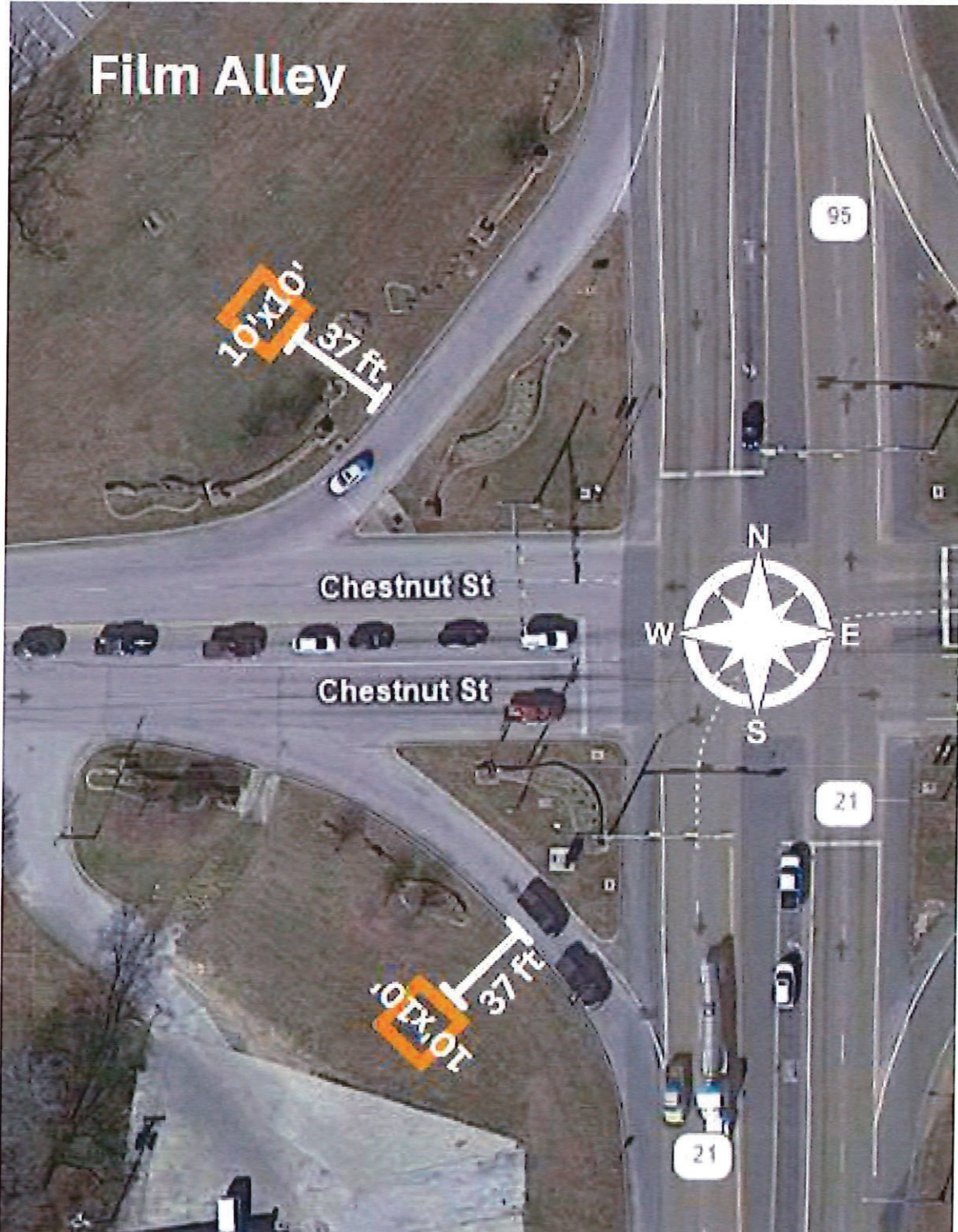


## Exhibit "A"

### Proposed Locations for Bird Sculptures

1. 1600 Chestnut Street – Film Alley (NW Corner)
2. 900 State Highway 95 – Hay Elotes (SW Corner)
3. 1408 B Chestnut Street – Bridge between Schulmann and Visit Bastrop (East side at bridge)
4. 1408 Chestnut Street – Visit Bastrop
5. 1408 Chestnut Street – Convention Center
6. 1408 Chestnut Street – Convention Center
7. 906 Main Street – Tuck Law Firm
8. 1028 Main Street – Calvary Episcopal Church (SW Corner of Main)
9. 1100 Church Street – Bastrop Public Library

30.111247, -97.308095





ID#1 NW Corner of LP150 and SH95 (Barred Owl)



30.111211, -97.308046

ID#2 SW Corner of LP150 and SH95 (Ruby Throated Hummingbird)



30.110344, -97.307938



ID#3 1408B Chestnut St (Variety of 5 birds on arched poles)



30.110486, -97.312300

ID#4 1408 Chestnut St (TBD)



30.110785, -97.310648



ID#5 1408 Chestnut St (Pileated Woodpecker) \*approx. foundation for all



30.110815, -97.311798

ID#6 1408 Chestnut St (Red Tailed Hawk)



30.110598, -97.320799

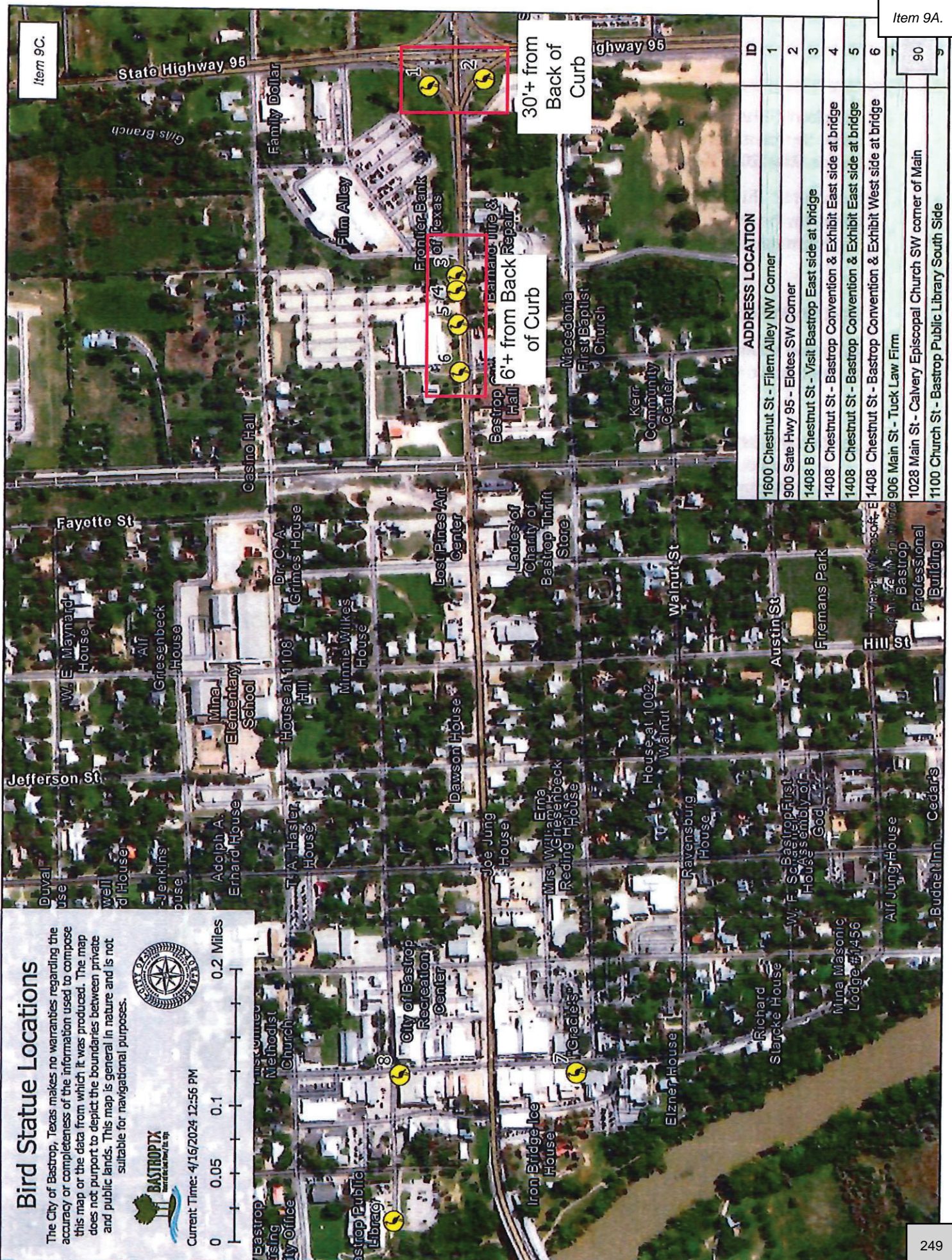


# Bird Statue Locations

The City of Bastrop, Texas makes no warranties regarding the accuracy or completeness of the information used to compose this map or the data from which it was produced. The map does not purport to depict the boundaries between private and public lands. This map is general in nature and is not suitable for navigational purposes.



Current Time: 4/16/2024 12:56 PM



30'+ from Back of Curb

6'+ from Back of Curb

ID	ADDRESS LOCATION
1	1600 Chestnut St - Fitem Alley NW Corner
2	900 Sate Hwy 95 - Elotes SW Corner
3	1408 B Chestnut St - Visit Bastrop East side at bridge
4	1408 Chestnut St - Bastrop Convention & Exhibit East side at bridge
5	1408 Chestnut St - Bastrop Convention & Exhibit East side at bridge
6	1408 Chestnut St - Bastrop Convention & Exhibit West side at bridge
7	906 Main St - Tuck Law Firm
8	1028 Main St - Calvery Episcopal Church SW corner of Main
9	1100 Church St - Bastrop Public Library South Side

Item 9A.



Item 9A.  
Item 9C.

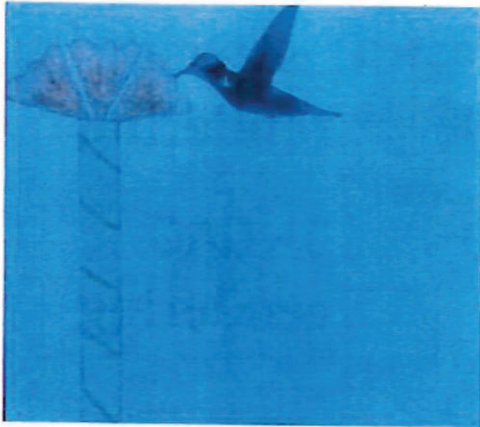
#1



#4-TBD



#2



#5



#3



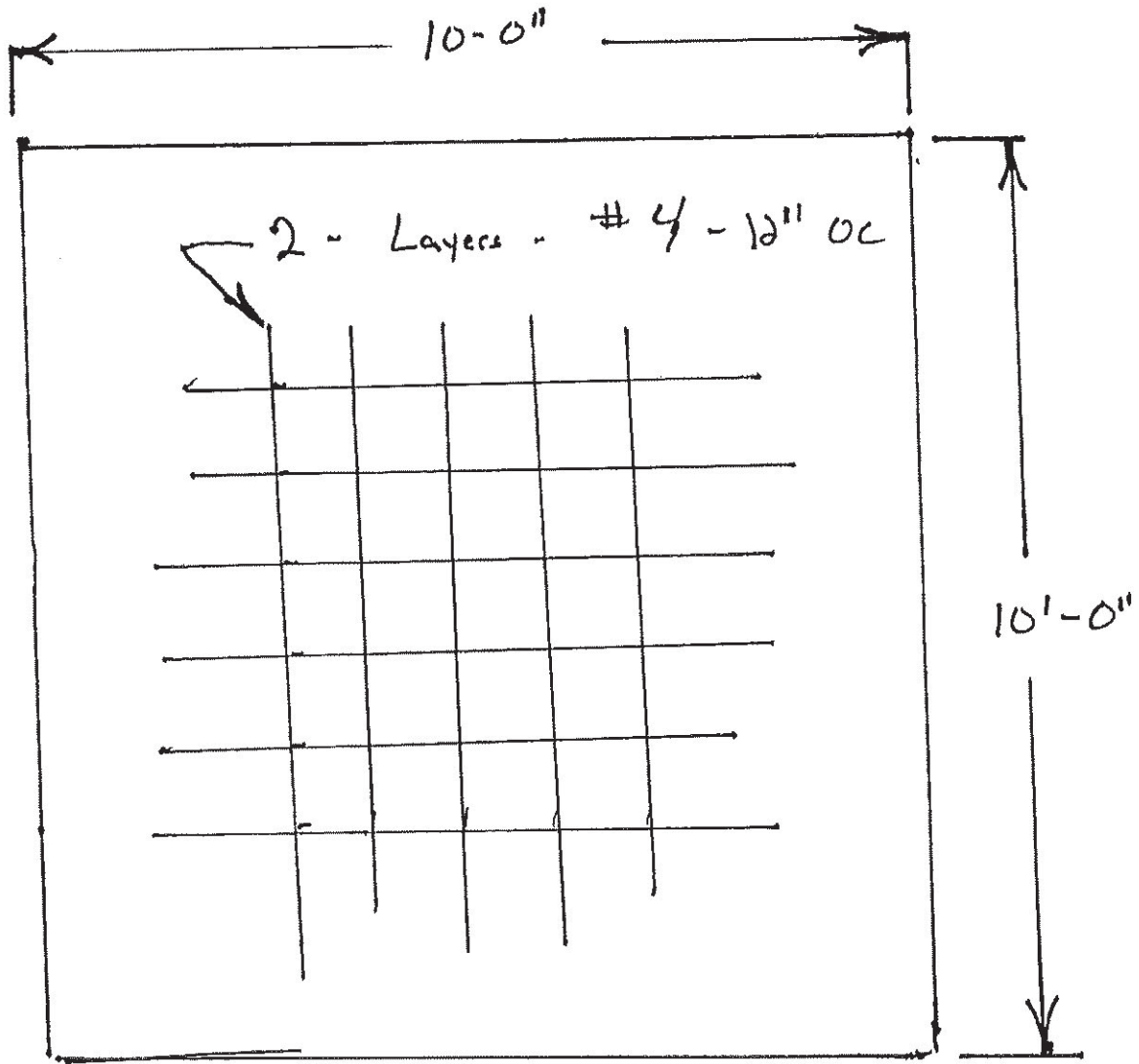
#6



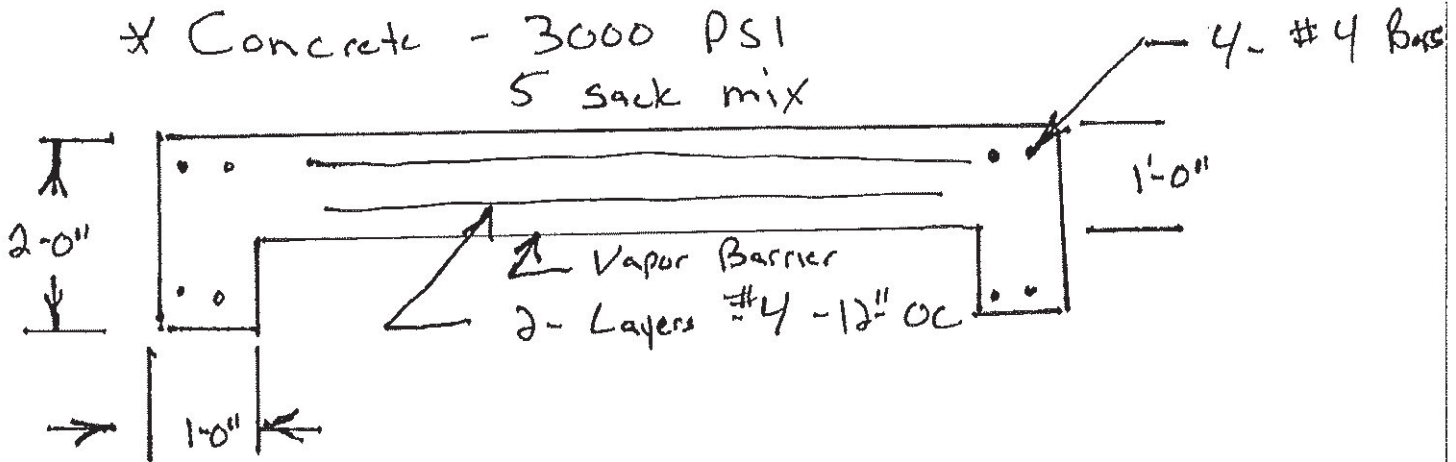
# Bastrop Bird Junction project Phase 1 Sculptures

Location 1	Barred Owl	Artist rendering	Approx. 10ft height
Location 2	Ruby Throated Hummingbird	Artist rendering	Approx. 7-8ft height
Location 3	TBD	CAC rendering	
Location 4	<small>Artist rendering</small> TBD		
Location 5	Pileated Woodpecker	Artist rendering	
Location 6	Red Tailed Hawk	Photo of bird selected by donor	

Bird Sculpture Foundations x 2  
NW Corner of 95 + Chestnut  
SW Corner of 95 + Chestnut



\* Concrete - 3000 PSI  
5 sack mix



Foundation - 10' x 10' - 12" slab -  
1-0 wide x 2' tall perimeter Beam  
with 4 - #4 bars

**Certificate Of Completion**

Envelope Id: 435294D87BC54349BB19A585846886F7	Status: Completed
Subject: Complete with DocuSign: MUA - City of Bastrop - Bird Sculptures_MNT approved - Tucker signed.pdf	
Source Envelope:	
Document Pages: 24	Signatures: 1
Certificate Pages: 1	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Harsh Doshi
Time Zone: (UTC-06:00) Central Time (US & Canada)	125 E. 11th Street
	Austin, TX 78701
	Harsh.Doshi@txdot.gov
	IP Address: 204.64.21.251

**Record Tracking**

Status: Original	Holder: Harsh Doshi	Location: DocuSign
10/23/2024 7:44:07 AM	Harsh.Doshi@txdot.gov	
Security Appliance Status: Connected	Pool: StateLocal	
Storage Appliance Status: Connected	Pool: Texas Department of Transportation	Location: DocuSign

**Signer Events**

Mark Johnson  
 Mark.J.Johnson@txdot.gov  
 Transportation Engin  
 Texas Department of Transportation  
 Security Level: Email, Account Authentication (Optional)

**Signature**

DocuSigned by:  
  
 C6E3A921602648F...  
 Signature Adoption: Pre-selected Style  
 Using IP Address: 204.64.21.232

**Timestamp**

Sent: 10/23/2024 7:45:19 AM  
 Viewed: 10/23/2024 7:50:19 AM  
 Signed: 10/23/2024 8:10:29 AM

**Electronic Record and Signature Disclosure:**  
 Not Offered via DocuSign

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	10/23/2024 7:45:19 AM
Certified Delivered	Security Checked	10/23/2024 7:50:19 AM
Signing Complete	Security Checked	10/23/2024 8:10:29 AM
Completed	Security Checked	10/23/2024 8:10:29 AM
Payment Events	Status	Timestamps



# STAFF REPORT

**MEETING DATE:** January 28, 2025

**TITLE:**

Consider and act on Resolution No. R-2025-28, approving the execution of a term contract with Holbrook Asphalt Company in the amount not to exceed Eight Hundred Fifty-Five Thousand and 00/100 Dollars (\$855,000.00) for the purchase of high-density mineral bond seal ("HA5") treatment for asphalt pavement and traffic control through use of the City of Hurst Interlocal Purchasing Agreement previously approved by Resolution No. R-2024-16; authorizing the execution of all necessary documents; upon request and providing for findings of fact, repealer, severability, effective date, proper notice, and meeting.

**AGENDA ITEM SUBMITTED BY:**

Submitted by: Andres Rosales, Assistant City Manager

**BACKGROUND/HISTORY:**

The City of Bastrop is looking to expand our pavement management program to help improve the life cycle cost of maintaining streets. A robust pavement management program includes multiple maintenance approaches depending on the condition of the street. This will be the third round of applications to streets throughout the city. HA5 is a high density mineral bond that is applied to streets typically between years 2-8 after asphalt has been laid. HA5 retains the critical oils and resins that keep asphalt pavement flexible and greatly increases the lifespan of the road. Extending the lifespan delays the need to implement the next stage in a pavement preservation program which is mill and overlay. The City has varying ages and conditions of roads that require the best fit approach for pavement preservation techniques. Roads that have failures and significant cracking will need to use mill/overlay. Roads that have complete failures will need to be reconstructed.

The City of Hurst formally solicited and awarded contract #19-007 with Holbrook Asphalt Company for the purchase of high-density mineral bond seal ("HA5") treatment for asphalt pavement. With the Council's approval of the City of Hurst Interlocal Purchasing Agreement, the City of Bastrop is eligible to piggyback off this contract. Staff will subsequently prepare a task order term services agreement to enter with Holbrook Asphalt Company.

The company coordinates with homeowners via all methods of communication to ensure everyone is on the same page. Streets are completely shut down from approximately 9:00am until 5:00pm. This allows for homeowners to leave for work and school in the morning and return back to their homes in the evening. Coordination with trash service, school bus service, and emergency services is done in advance to minimize the impact on those services. If an emergency happens on a street closed for application, the crew will allow access and reapply the treatment.

The City of Hurst has a currently awarded contract #19-007 with Holbrook Asphalt Company. The current contract price is \$4.10 per square yard complete and in place. The term of the proposed

City of Bastrop task order contract is for one year after execution by the City with the option to renew for up to four additional one-year terms for the same price and specifications. The proposed areas to address are shown in the map exhibits. This is based on these roadways falling with the prime age for this type of treatment.

Holbrook Asphalt Company is prepared to start as soon as all contracts and agreements are executed.

**FISCAL IMPACT:**

The maximum spending over this proposed contract's life is not to exceed \$855,000.00. The contract will be funded by the Street Maintenance Fund.

**RECOMMENDATION:**

Approval of the Resolution approving the contract with Holbrook Asphalt Company.

**ATTACHMENTS:**

1. Resolution No. R-2025-28
2. Exhibit A - Holbrook Asphalt Company Proposal Packet with Maps

**RESOLUTION NO. R-2025-28**

**APPROVING A CONTRACT WITH HOLBROOK ASPHALT COMPANY “HA5”**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS, APPROVING AND AUTHORIZING THE EXECUTION OF A CONTRACT WITH HOLBROOK ASPHALT COMPANY FOR EIGHT HUNDRED FIFTY-FIVE THOUSAND AND 00/100 DOLLARS (\$855,000.00) FOR THE PURCHASE OF HIGH-DENSITY MATERIAL BOND SEAL (“HA5”) TREATMENT FOR ASPHALT PAVEMENT AND TRAFFIC CONTROL THROUGH THE USE OF THE CITY OF HURST INTERLOCAL PURCHASING AGREEMENT PREVIOUSLY APPROVED BY RESOLUTION NO. R-2024-16; AUTHORIZING EXECUTION OF ALL NECESSARY DOCUMENTS; PROVIDING FOR FINDINGS OF FACT, SEVERABILITY, REPEAL, PROPER NOTICE AND MEETING, AND AN EFFECTIVE DATE.**

**WHEREAS,** the City of Bastrop (“City”) has the authority to enter into interlocal contracts with other local governments pursuant to Texas Government Code Chapter 791; and

**WHEREAS,** pursuant to Resolution No. R-2024-16, the City entered into an Interlocal Purchasing Agreement with the City of Hurst, through which the City entered a contract with Holbrook Asphalt Company for the purchase of high-density material bond seal (“HA5”) treatment for asphalt pavement and traffic control;

**WHEREAS,** the City of Bastrop has identified a need for street maintenance scope of work under a new contract with Holbrook Asphalt Company for work valued at Eight Hundred Fifty-Five Thousand and 00/100 Dollars (\$855,000.00);

**WHEREAS,** the City desires to approve and enter into a contract, as attached in **Exhibit A** to this Resolution (“Proposal”), provided that the total payments under the contract as amended shall not exceed \$855,000.00.

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

**Section 1. Findings of Fact:** All of the above premises are hereby found to be true and correct legislative and factual findings of the City Council of



the City of Bastrop, Texas, and are hereby approved and incorporated into the body of this Resolution as if copied in their entirety.

- Section 2. Approval & Execution:** The City Council hereby approves the Proposal (attached hereto and incorporated herein as **Exhibit A** and authorizes the City Manager to execute all necessary documents to enter into a contract that shall not exceed \$855,000.00.
- Section 3. Repealer:** To the extent reasonably possible, resolutions are to be read together in harmony. However, all resolutions, or parts thereof, that are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters regulated.
- Section 4. Severability:** Should any of the clauses, sentences, paragraphs, sections, or parts of this Resolution be deemed invalid, unconstitutional, or unenforceable by a court of law or administrative agency with jurisdiction over the matter, such action shall not be construed to affect any other valid portion of this Resolution.
- Section 5. Effective Date:** This Resolution shall take effect upon the date of final passage noted below, or when all applicable publication requirements, if any, are satisfied in accordance with the City's Charter, its Code of Ordinances, and the laws of the State of Texas.
- Section 6. Proper Notice & Meeting:** It is hereby officially found and determined that the meeting at which this Resolution was passed was open to the public, and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Texas Government Code, Chapter 551. Notice was also provided as required by Chapter 52 of the Texas Local Government Code.

**DULY RESOLVED & ADOPTED** by the City Council of the City of Bastrop, Texas, on this, the 28<sup>th</sup> day of January, 2025.

**THE CITY OF BASTROP, TEXAS:**

\_\_\_\_\_  
John Kirkland, Mayor Pro-Tem

**ATTEST:**

\_\_\_\_\_  
City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City Attorney



**City of Bastrop  
Strategy for Pavement Preservation  
Total Project Size: 185,609 SY  
Proposal for HDMB Project**

**Summary:**

The highest return on investment (ROI) is achieved by installing HA5 - High Density Mineral Bond.

Performance is calculated to be two to three times longer compared to using seal coats and premium seal coats.

Beyond the preservation benefits that HA5 provides, residents experience less community intrusion as road closures are needed much less frequently.

**Performance History of Surface Treatments**

The biggest items to focus on for preservation treatments are:

- » What will provide the maximum extension of pavement life per every dollar spent?
- » Validating a product's performance goes beyond pictures of black roads. Initially, all tools for pavement preservation turn a road black, but HA5 has proven to slow the age hardening of asphalt pavement that leads to cracking and deterioration.

A breakthrough that is changing the aging characteristics of asphalt, and confirmed by university testing, is igniting enthusiasm for a profound reduction in pavement life-cycle costs.

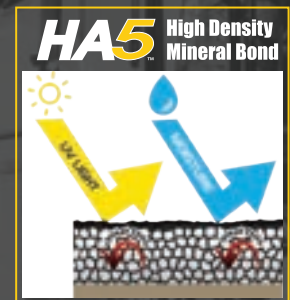
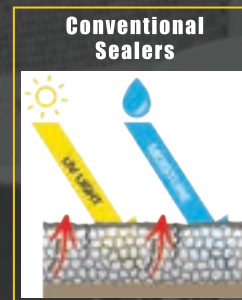
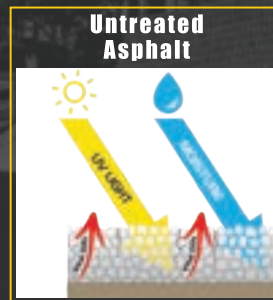
## RESEARCH PROVES HA5 DELAYS AGE HARDENING

# 67%

DELAY IN ASPHALT AGING



### HOW HA5 IMPACTS ASPHALT AGING



"Using conventional as well as leading-edge testing methods to identify the age hardening of the asphalt binders, researchers have identified a 67% delay in the age hardening of the asphalt binder with HA5 installed as a pavement preservation strategy. This ability to reduce flexibility loss supports an in-field case study where after just a four-year period a side-by-side comparison identified cracking to be reduced by nearly 9 times with HA5 installed."

"Transportation Research 2020" Dr. Shakir Shatnawi, P.h.D., P.E. Former State Pavement Engineer and Division Chief at Caltrans with 30 years of experience in pavement design, management, and preservation.



## HA5 Treatment Report

Below are core samples taken from roadways comparing municipality specified, time-tested pavement preservation treatments. Look closely at each core. The HA5 core aesthetically looks to be the most desirable with the darkest surface. However, what the engineering community has identified is the darker color beneath the surface. This uncovers HA5's ability to retain the critical oils and resins that keep asphalt pavements flexible. **More flexibility results in pavements lasting longer with less cracking and other manifestations of deterioration**

### Core Sample Comparison



#### Slurry

Date Pavement Installed:  
**1999**

Preservation:  
**Type II Slurry**

#### Chip Seal

Date Pavement Installed:  
**1999**

Preservation:  
**Chip Seal**

#### HA5

Date Pavement Installed:  
**1995**

Preservation:  
**HA5 (High Density Mineral Bond)**

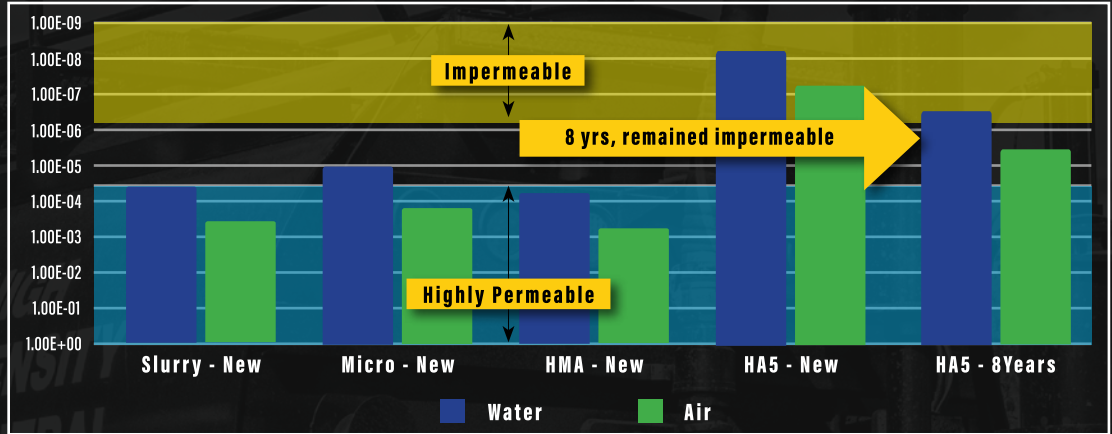
A report from the engineering firm Rosenberg & Associates, assessing a side-by-side of HA5 to a premium seal coat installation, found **9x less cracking** in the HA5 treated section compared to the premium seal coat treated section after a **4-year period**.

**KEYS TO PAVEMENT PRESERVATION:**  
*The Right Treatment, on the Right Road, at the Right Time.*

For more information visit:

[www.holbrookasphalt.com/HA5](http://www.holbrookasphalt.com/HA5)

# AIR & WATER PERMEABILITY COMPARISON



Research on binder elasticity and pavement permeability proves that asphalt treated with HA5 significantly increases the useful life of asphalt pavement and therefore dramatically lowers the cost of transportation infrastructure.

## ROI

Primary Treatment Strategy	Avg PCI	(Subdivision Public Acceptance Rating) PAR	\$/Centerline Mile*	Cost of Ownership Savings
1. Do Nothing	70	4	\$5,642,846.54	0%
2. Partial Recon/ Surface removal	73	4	\$3,612,576.63	36%
3. Mill & Overlay	76	6	\$3,099,706.96	45%
4. Thin Overlay	75	6	\$2,961,391.49	48%
5. Seal Coat/Mastic Sealer	79	7	\$2,639,047.53	53%
6. FOG/Rejuvenator	81	7	\$2,590,647.40	54%
7. Type II Slurry	86	4	\$1,281,249.01	77%
8. Micro Surface	80	5	\$1,247,331.18	78%
9. Chip Seal	80	2	\$1,115,431.75	80%
10. High Density Mineral Bond (HA5)	88	9	\$954,838.49	83%

- Highest Return on Investment (ROI)
- Highest Pavement Condition Index (PCI)
- Highest Public Acceptance Rating (PAR)

Every agency's design specifications and goals are different but HA5 has proven its effectiveness at extending design life no matter what your goals look like.



Data analysis provided by Scot Gordon, PE, IAM, President, Roadway Asset Services, LLC. Scot has a Bachelor's and Master's degree in civil engineering from Texas A&M University with 30 years experience involving design of major highway infrastructure, evaluation and research of pavements, soil stabilization, and pavement management plan development.



Proactive DOTs, Municipalities, and HOAs across the country have uncovered a strategy that saves them money while effectively preserving their pavement assets using HA5 High Density Mineral Bond

- » Lower & more predictable costs
- » Extends pavement life
- » Unmatched Durability
- » No loose or grainy residue
- » Fewer premature failures
- » High Homeowner acceptance

Garland, TX



Sachse, TX



Claremore, OK



Alabama DOT



St. George, UT



Queen Creek, AZ



Matthews, NC



Rocklin, CA



Nashville, TN







Project Location	Proposal #	Date Issued	PO/LD #
City of Bastrop TX Various Streets Bastrop TX 78602	HAU950738	1/22/2025	

**Terms**

Due Upon Completion

**Adviser Information**

Kent Nobis  
P: 435-619-0575 | E: kent@preserveasphalt.com

**Description**

HA5 High Density Mineral Bond

**Bill To**

City of Bastrop TX  
Attn: John Eddleton  
1311 Chestnut St  
Bastrop TX 78602

Item	Quantity	UM	Rate	Amount
<b>Mobilization</b> Mobilization and setup		LS		20,000.00
<b>Payment and Performance Bond</b>		LS		20,000.00
<b>HA5</b> Clean & prepare surface using high pressure air & wire bristle brooms. Install "HA5" High Density Mineral Bond advanced performance pavement preservation treatment. No guarantee surface treatments will adhere to areas saturated with motor oil. HA5 meets demands of High Density Mineral Bond Specification established by agency engineers.	185,609	SqYd	4.10	760,996.90
<b>Contingency</b> Noticing, no park signs, sweeping, and extra cleaning.		LS		50,000.00
<b>The City will provide support and execute on all necessary Traffic control plans, TxDOT meetings/permits, TC devices, digital message boards, etc.</b>				
<b>All Asphalt repairs, crack sealing, and striping to be provided by the City in preparation of HA5 application.</b>				
<b>City to assist with staging area, wash out pit, water, etc. at Public Works facility.</b>				
			<b>Total</b>	<b>\$850,996.90</b>

Please sign for proposal acceptance: **Do not sign this page, see final page for signing**



Date	Number
1/22/2025	HAUB17308

## Terms and Conditions

**TERMS AND CONDITIONS:** Any proposals returned to Holbrook Asphalt Company ("Contractor") more than 14 days after the proposal is submitted to the Client is subject to revision, updated pricing, or may be voided by Contractor. Engineering, tests, permits, inspection fees and bonding fees are not included in price unless stated otherwise. Pricing based on no more than area and depth dimensions listed. Upon construction, if it is determined that concrete or asphalt area or depth is greater than the estimation, client agrees to pricing adjustment as a result of project overrun. Client specifically represents and warrants that either the Client is the owner of the premises where the work is to be performed, or, in the alternative, Client has authority from the owner of the premises authorizing the Work to be performed on the said premises.

**GENERAL EXCLUSIONS:** Contractor is not liable for any ADA compliance, if needed, Client should consult with an ADA compliance professional prior to specific project approval. Contractor not responsible for claims related to pavement markings or lack thereof during or following project work. Contractor will not be responsible for its product failure if said failure is directly or indirectly caused by "Existing Surface Conditions," as defined below, and any written or implied warranty will become void. Existing Surface Conditions are defined as: water drainage issues or delamination or failure of existing paint, asphalt, surface sealer, wearing course or any other material that is in a failing or in an unstable state. If any portion of the project area has Existing Surface Conditions not caused or created by Contractor that impact Contractor's HA5 product or any other product Contractor applies to project area, the warranty is void. Client is responsible for having entry gates open on day of work. Any damage to gates, sensors or loop sensors above or below asphalt are responsibility of Client. Any hot-applied sealants will not be exactly level with pavement surface as material settles to fill voids. There may also be excess material on pavement surface. Regarding asphalt, concrete and excavation work: Contractor is not responsible for subgrade scarification, re-compaction or concrete damage due to removal of asphalt. Contractor is not responsible for existing condition of subgrade, drainage in areas of less than 1% grade, adjustments of utilities, manholes and valve covers. Contractor is not responsible for any damage to underground utilities and cost to repair the same.

**PAYMENT TERMS:** Payment is due upon completion of work (Completion by line item 'Progress Billing' and/or completion of project core). Payment is due upon Client receipt of invoice. Client understands and agrees that it will be billed for towing as incurred and will be due on receipt. If the Client has a discrepancy with the Contractor regarding the contracted work, a retention of 5% of invoice up to a maximum of \$750.00 may be retained by Client up to 45 days. Client agrees that it may be billed as each line item is completed and each item may become their own respective invoice and due upon receipt of the same. Contractor reserves the right to charge up to 50% of Proposal Total if client cancels project within 25 days of scheduled project commencement. Upon request, post-project walk-throughs may be scheduled to review concerns.

Client agrees that interest accrues on all past-due amounts at 24% per annum from invoice date, until paid in full; and may be billed collection fees of up to 40% and all fees incurred by collection efforts. Total Proposal price includes one mobilization unless stated otherwise. Additional mobilizations may be billed up to \$3,500 per additional mobilization. This agreement provides Client written Notice of Right to Lien. Pricing does not include bonding or prevailing wage/Davis Bacon Certification, unless stated otherwise. By signing this proposal (contract), Client agrees that Contractor may not be held liable for delays, conditions, or Acts of God beyond their control, which situations may delay or cause cancellation partially or entirely on any project. Delays include project demand and material supply.

**INSURANCE:** These insurance limits are listed by Contractor to inform Client of such. Any premiums above the following to be paid by Client. This disclosure overrules any other contract language wherein Contractor agrees to differing limits. Certificates available upon request. **GENERAL LIABILITY:** \$1m (inc.), \$2m (agg.) **AUTO:** \$1m **UMBRELLA:** \$2m (inc.), \$2m (agg.) **PERSONAL INJ:** \$1m **WORKERS COMP:** \$1m

**ADDITIONAL HA5 WARRANTY LIMITATIONS AND EXCLUSIONS:** No claim will be honored unless Holbrook Asphalt has been notified in writing and is given the opportunity to inspect the claimed failure. Surface treatments applied previous to HA5 being installed are not covered under this warranty. (For example, if a previously applied preservation treatment is peeling or delaminating from the pavement surface—even if the surface was cleaned and prepped prior to HA5 being installed on top of it—this warranty does not cover HA5 in these circumstances.) Any attempt to repair the surface prior to Holbrook Asphalt's inspection will render this warranty invalid. Areas where HA5 was installed over pavements with motor oil, brake fluid, hydraulic fluid, or other substances that disturb the adhesion of HA5 and that lead to delamination are not covered under warranty. This warranty does not cover structural defects in the asphalt (e.g. base failure or damage caused by faulty construction and or design), cracks, exposure to fuel, oil, or other chemicals determined to be harmful to the HA5 treatment, areas exposed to frequent sprinkler water run-off, or standing and/or ponding water, damage caused by heavy truck or equipment traffic, damage caused by equipment inflicting excessive stress or scraping to the pavement surface, damage caused by landscaping installation, or damage caused by earthquakes or other acts of God. Mechanical disturbances by snowplow chatter, studded tires, etc. are excluded from warranty. This warranty is not valid for areas located in elevations above 6500 feet. A valid Warranty Certificate must be signed with a copy returned to Holbrook Asphalt within 60 days of the HA5 installation for the warranty to be valid and executable.

Pre-mature wear of HA5 during the five-year period is defined as anything less than 70% residual inter-aggregate coverage of HA5 to the asphalt binder of the treated surface. If premature failure of HA5 is deemed by Holbrook Asphalt or an approved third-party expert within the five year period, reinstallation will take place at no charge or at the reduced rate identified on the Warranty Certificate for the project. Contractor reserves the right appoint the third-party expert should there be a dispute regarding the premature failure between the Client and Contractor. Client and Contractor agree to be bound by and abide by the decision of the third party expert regarding whether a premature failure has occurred.

I have read and agree with these terms and conditions. I elect to proceed with the signed option below.

### HAU950738 - HA5 High Density Mineral Bond (Sign to accept this proposal)

Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_ Contractor \_\_\_\_\_

## 2025 City of Bastrop Revised Streets List

Street	Square Yards
Allbright	782
Hill St	5,201
Beech	1,924
Jefferson	4,417
Spring St	861
Pecan St	12,433
Buttonwood St	2,737
Bear Hunter	8,443
Olaa	2,373
Homonu	1,795
Pahala	1,648
Aloha	3,652
Koui	483
Reva	504
Kohala	1,282
Duff	6,721
Eskew	1,426
Maynard	2,997
Hasler	2,394
Austin	2,459
Haysel St	1,749
Jackson	3,502
Driftwood Ln	4,144
Shallowford Pl	2,635
Aster Pl	1,925
Childers Dr	16,957
Hamilton Pool Ln	2,412
Trailstone Dr	11,161
Cold Springs Loop	3,475
Watercourse Way	3,986
Hidden Springs Dr	5,201
Calm Water Loop	1,651
Deep Eddy Cove	2,453
Clear Water Pass	4,065
Headwaters Dr	4,487
Swift Water Loop	4,370
Perkins St	2,733
Baron Creek Trail/Bluffview Dr/ Strand Ln/Roarding Fork	8,724
Tributary Way	2,318

Rainmaker Ln/Rainmaker Cove	6,996
Oxbow Terrace	1,770
Marines Landing	1,790
Mercer St	1,463
Breakwater Dr/Rimrock Ct	6,762
Edgewater Trail	2,329
Crooked Trail	2,391
Carter	4,933
Cedar	4,695
<b>Total</b>	<b>185609</b>

0







Item 9B.



Comfort Suites

The UPS Store

Frontage Rd

Agnes

Agnes

21

Walmart Supercenter

S Eskew

HT Fitness

Basin RV Resor

Hasler St

Hampton Inn & Suites Bastrop

Arbors of Bastrop Apartments

Maynard St

El Nuevo Mexico Restaurant

Tinka Salinas Hair

Muse Parlour

Hidden Springs Dr

Clear Water Pass

Shallowford Pl

Trailstone Dr

Headwaters Dr

Aster Pl

Hamilton Pool Ln

Pecan Park by Pacesetter Homes

Watercourse Wy

Childers Dr

Edgewater Tr

Perkins St

Roaring Fork Ln

Childers Dr

Rimrock Ct

293 Rimrock Court, Bastrop, TX

Bluffview Dr

Rainmaker Ln

Mercer St

Flour Girls

**HOLBROOK**  
**ASPHALT CO.**  
Asset Preservation

**HA5** HIGH  
D M B  
269

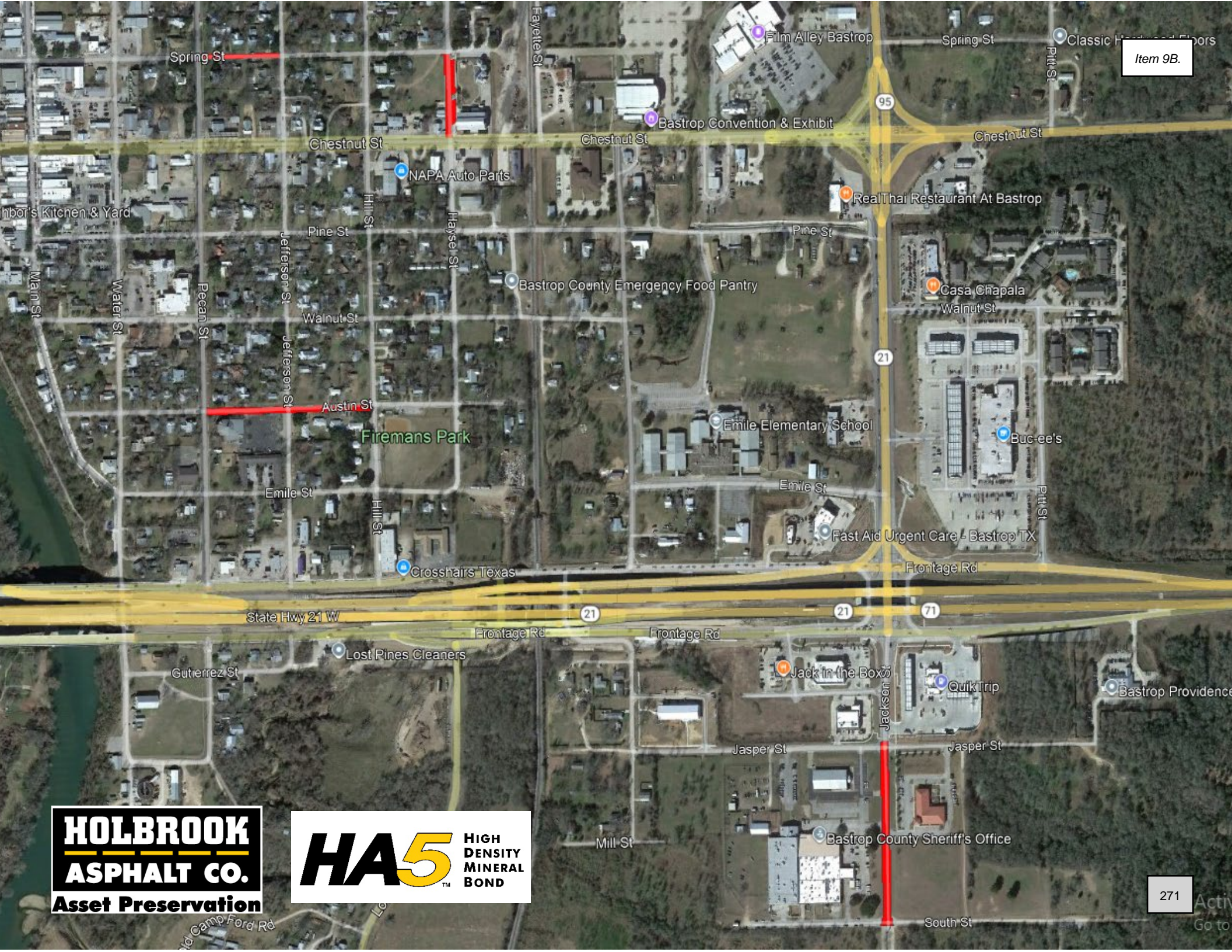




Item 9B.







Item 9B.

**HOLBROOK**  
**ASPHALT CO.**  
Asset Preservation

**HA5** HIGH DENSITY MINERAL BOND

271

Active Go to



**HOLBROOK**  
**ASPHALT CO.**  
Asset Preservation

**HA5** HIGH DENSITY MINERAL BOND

95 Item 9B.

Bastrop Little League



Magnolia St

Water St

Pecan St

Hill St

Linden St

Oak St

Laurel St

Main St

Laurel St

Brenda Abbott Floral Design

Carter St

Wilson St

Osborn Plumbing

Hill St

Hawthorne St

Riverwood Dr

Roosevelt St

Garfield St

Elm St

Elm St

Tracy's Drive-In Grocery

Cedar St

Cedar St

Willow St

Main St

Pecan St

Jefferson St

Beech St

Farm St

Farm St

272

Fisherman's Park



## INTERLOCAL AGREEMENT

This Interlocal Agreement ("Agreement") is made and entered into, by and between the CITY OF HURST, Texas (hereinafter called "CITY OF HURST"), and the CITY OF BASTROP, Texas (hereinafter called "CITY OF BASTROP"), each acting by and through its duly authorized officials:

WHEREAS, CITY OF HURST and CITY OF BASTROP are both governmental entities engaged in the purchase of goods and services, which is a recognized governmental function;

WHEREAS, CITY OF HURST and CITY OF BASTROP wish to enter into this Agreement pursuant to Chapter 791 of the Texas Government Code (hereinafter "Interlocal Cooperation Act") to set forth the terms and conditions upon which CITY OF HURST and CITY OF BASTROP may purchase various goods and services commonly utilized by each party;

WHEREAS, participation in an interlocal agreement will be highly beneficial to the taxpayers of CITY OF HURST and CITY OF BASTROP through the anticipated savings to be realized and is of mutual concern to the contracting parties;

WHEREAS, CITY OF HURST and CITY OF BASTROP have current funds available to satisfy any fees owed pursuant to this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises, covenants and obligations as set forth herein; CITY OF HURST and CITY OF BASTROP agree as follows:

1. The purpose of this Agreement is to provide CITY OF HURST and CITY OF BASTROP with additional purchasing options by satisfying the provisions of Section 271.102 of the Local Government Code. CITY OF HURST and CITY OF BASTROP may cooperate in the purchase of various goods and services commonly utilized by the participants, where available and applicable, and may purchase goods and services from vendors under present and future contracts.

CITY OF HURST and CITY OF BASTROP agree that each of the parties shall respectively designate a person to act under the direction of, and on behalf of, the designating party (the "Designated Representative"). At the request of the other party, a party that enters into a contract with a vendor for goods or services (the "First Purchasing Party") shall attempt to obtain the vendor's agreement to offer those goods and services to the other party (the "Second Purchasing Party") for the same price and on the same terms and conditions as have been offered to the First Purchasing Party. If the vendor so agrees, and if the Second Purchasing Party is agreeable to such terms and conditions, the Second Purchasing Party may enter into its own separate contract with the vendor for the purchase of such goods or services.

Unless otherwise agreed between the Designated Representatives, payments for a purchase made by the Second Purchasing Party shall be paid directly to the vendor and not to the First Purchasing Party. The Second Purchasing Party shall have the responsibility of determining whether the vendor has complied with any provisions in its contract with the vendor, including but not limited to those relating to the quality of items and terms of delivery, and shall be responsible for enforcement of its contract against the vendor, including all cost of enforcement. This Agreement will be subject to all applicable federal, state and local laws, ordinances, rules and regulations.

2. CITY OF HURST and CITY OF BASTROP shall each be individually responsible for payments directly to the vendor and for the vendor's compliance with all conditions of delivery and quality of purchased items under such contracts. CITY OF HURST and CITY OF BASTROP shall each make their respective payments from current revenues available to the paying party.

3. Notwithstanding anything herein to the contrary, participation in this Agreement may be terminated by any party upon thirty (30) days written notice to the other participating party(ies).

4. The undersigned officer and/or agents of the party(ies) hereto are duly authorized officials and possess the requisite authority to execute this Agreement on behalf of the parties hereto.

5. This Agreement may be executed separately by the participating entities, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

6. This Agreement shall become effective on the day and year first written above (the "Effective Date"). The primary term of this Agreement shall be for one (1) year, commencing on the Effective Date, and shall thereafter automatically renew for successive one-year terms, unless terminated according to the terms set forth in Paragraph 3.

7. To the extent allowed by law, each party agrees to release, defend, indemnify, and hold harmless the other (and its officers, agents, and employees) from and against all claims or causes of action for injuries (including death), property damages (including loss of use), and any other losses, demands, suits, judgments and costs, including reasonable attorneys' fees and expenses, in any way arising out of, related to, or resulting from its performance under this agreement, or caused by its negligent acts or omissions (or those of its respective officers, agents, employees, or any other third parties for whom it is legally responsible) in connection with performing this agreement.



8 The laws of the State of Texas shall govern the interpretation, validity, performance and enforcement of this Agreement.

9. The provisions of this Agreement are severable. If any paragraph, section, subdivision, sentence, clause, or phrase of this Agreement is for any reason held by a court of competent jurisdiction to be contrary to law or contrary to any rule or regulation having the force and effect of the law, the remaining portions of the Agreement shall be enforced as if the invalid provision had never been included.

10. This Agreement embodies the entire agreement between the parties and may only be modified in writing executed by both parties.

11. This Agreement shall be binding upon the parties hereto, their successors, heirs, personal representatives and assigns. Neither party will assign or transfer an interest in this Agreement without the written consent of the other party.

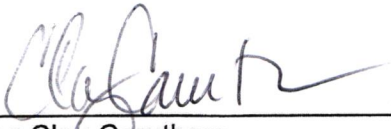
12. It is expressly understood and agreed that, in the execution of this Agreement, neither party waives, nor shall be deemed hereby to have waived any immunity or defense that would otherwise be available to it against claims arising in the exercise of governmental powers and functions. By entering into this Agreement, the parties do not create any obligations, express or implied other than those set forth herein, and this Agreement shall not create any rights in parties not signatories hereto.

13. The declarations, determinations and findings declared, made and found in the preamble to this Agreement are hereby adopted, restated and made part of the operative provisions hereof.

EXECUTED hereto on the day and year first above written.

CITY OF HURST

CITY OF BASTROP

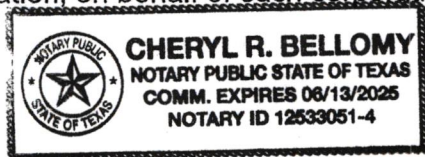
  
By: Clay Caruthers,  
City Manager

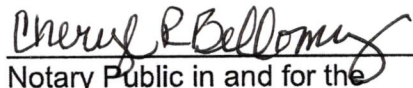
  
By: SYLVIA CARRILLO,  
City Manager

STATE OF TEXAS §

COUNTY OF TARRANT §

This instrument was acknowledged before me on the 31<sup>st</sup> day of January, 2024, by Clay Caruthers, City Manager of the **CITY OF HURST, TEXAS**, a home-rule municipal corporation, on behalf of such corporation.

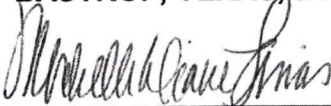


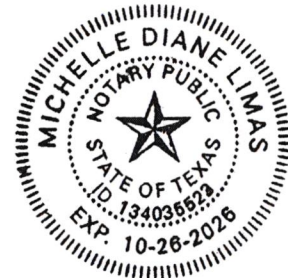
  
Notary Public in and for the  
State of Texas

STATE OF TEXAS §

COUNTY OF BASTROP §

This instrument was acknowledged before me on the 24 day of January, 2024, by SYLVIA CARRILLO, City Manager of the **CITY OF BASTROP, TEXAS**, a home-rule municipal corporation, on behalf of such corporation.

  
Notary Public in and for the  
State of Texas



**RESOLUTION NO. R-2024-16**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS, APPROVING AN INTERLOCAL AGREEMENT WITH THE CITY OF HURST FOR THE PURCHASE OF VARIOUS GOODS AND SERVICES; AUTHORIZING THE NEGOTIATION AND EXECUTION OF ALL NECESSARY DOCUMENTS; PROVIDING FOR REPEAL; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS,** City of Bastrop is a governmental entity engaged in the purchase of goods and services, which is a recognized governmental function; and

**WHEREAS,** it is necessary to enter into an Interlocal Agreement pursuant to Chapter 791 of the Texas Government Code to set forth the terms and conditions upon which City Of Bastrop and City Of Hurst may purchase various goods and services commonly utilized by each party; and

**WHEREAS,** participation in an interlocal agreement will be highly beneficial to the taxpayers of City Of Bastrop and City Of Hurst through the anticipated savings to be realized; and

**WHEREAS,** City Of Bastrop and City Of Hurst, both, have current funds available to satisfy any fees owed pursuant to this Agreement; and

**WHEREAS,** both cities wish to enter into an interlocal agreement to purchase various goods and services commonly utilized by each party.

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

**Section 1.** All of the above premises are hereby found to be true and correct legislative and factual findings of the City Council of the City of Bastrop, Texas, and are hereby approved and incorporated into the body of this Resolution as if copied in their entirety.

**Section 2.** The City Council authorizes the execution of the Interlocal Agreement (attached and incorporated herein as Exhibit A).

**Section 3.** Should any portion or part of this Resolution be held for any reason invalid or unenforceable by a court of competent jurisdiction, the same shall not be construed to affect any other valid portion hereof, but all valid portions hereof shall remain in full force and effect.

**Section 4.** This Resolution shall be in full force and effect from and after its passage.



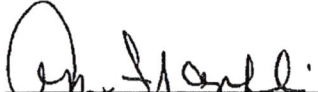
**Section 5.** The City Council hereby finds and declares that written notice of the date, hour, place, and subject of the meeting at which this Resolution was adopted was posted and that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof were discussed, considered, and formally acted upon, all as required by the Texas Open Meetings Act, Chapter 551, Texas Government Code, as amended.

**RESOLVED** this, the 23rd day of January 2024.

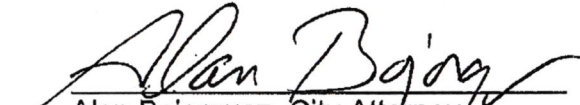
**THE CITY OF BASTROP, TEXAS:**

  
\_\_\_\_\_  
Lyle Nelson, Mayor

**ATTEST:**

  
\_\_\_\_\_  
Ann Franklin, City Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Alan Bojorquez, City Attorney



# STAFF REPORT

**MEETING DATE:** January 28, 2025

**TITLE:**

Consider and act on Resolution No. R-2025-22, approving of the form and authorizing the distribution of a Preliminary Limited Offering Memorandum for "City of Bastrop, Texas Special Assessment Revenue Bonds", Series 2025; as shown in Exhibit A; providing for findings of fact; repealer, severability, proper notice, meeting; and establishing an effective date.

**AGENDA ITEM SUBMITTED BY:**

Edi McIlwain, Chief Financial Officer

**BACKGROUND/HISTORY:**

The City Council (the "Council") of the City of Bastrop, Texas (the "City") has adopted a resolution authorizing the creation of the Valverde Public Improvement District (originally created as Viridian Public Improvement District and formerly known as NEU Community Bastrop) (the "District"). The Council also adopted a development agreement on July 13, 2021, between the City and Continental Home of Texas, L.P. to establish the development and improvement standards for the District.

The Council intends to issue "City of Bastrop, Texas Special Assessment Revenue Bonds, Series 2025 (Valverde Public Improvement District), in the amount of \$11,939,000 to fund public improvements within the District. There has been presented to Council a Preliminary Limited Offering Memorandum relating to the Bonds, and Council finds and determines that it is necessary and in the best interests of the City to approve the form and content of the Preliminary Limited Offering Memorandum in the offering and sale of the Bonds by the FMSbonds, Inc. (the "Underwriter") of the bonds. The Council must find that the passage of this Resolution is in the best interest of the City.

The expected issuance is \$11,939,000, and the basic assumed assessment per property in Area 1 is between \$17,747.15 and 22,341.76, depending on the lot type. The expected payment of the bonds per property is expected over 30 years. The assessment does not include maintenance and operations, only infrastructure.

**FISCAL IMPACT:**

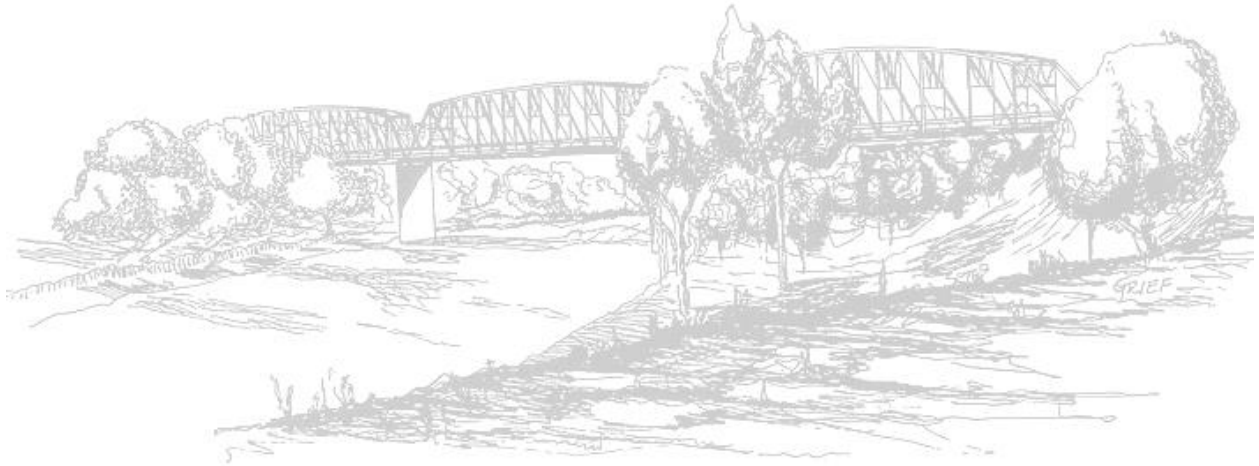
According to the SAP, the estimated buildout value of Improvement Area #1 is \$191,051,745. We are expected to receive approximately \$515,000 annually in ad valorem property taxes for Improvement Area #1 over the next 30 years.

**RECOMMENDATION:**

Edi McIlwain, the CFO, recommends approving resolution R-2025-22 of the City Council of the City of Bastrop, Texas, approving the form and authorizing the distribution of a preliminary limited offering memorandum for "City of Bastrop, Texas Special Assessment Revenue Bonds, Series 2025 (Valverde Public Improvement District)".

**ATTACHMENTS:**

1. Resolution No. R-2025-22
2. Exhibit A – Valverde Public Improvement District Preliminary Limited Offering Memorandum



**CITY OF BASTROP TEXAS**

**RESOLUTION NO. R-2025-22**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS, APPROVING THE FORM AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY LIMITED OFFERING MEMORANDUM FOR "CITY OF BASTROP, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025 (VALVERDE PUBLIC IMPROVEMENT DISTRICT)"**

**WHEREAS**, this City Council (the "Council") of the City of Bastrop, Texas (the "City") has adopted a resolution authorizing the creation of the Valverde Public Improvement District (originally created as Viridian Public Improvement District, and formerly known as NEU Community Bastrop) (the "District"); and

**WHEREAS**, on July 13, 2021, the City Council adopted Resolution No. R-2021-65 approving a development agreement by and between the City and Continental Homes of Texas, L.P. to establish the development and improvement standards for the District; and

**WHEREAS**, this Council intends to issue "City of Bastrop, Texas Special Assessment Revenue Bonds, Series 2025 (Valverde Public Improvement District) (the "Bonds"), to fund public improvements within the District; and

**WHEREAS**, there has been presented to this Council a Preliminary Limited Offering Memorandum relating to the Bonds (the "Preliminary Limited Offering Memorandum"); and

**WHEREAS**, this Council finds and determines that it is necessary and in the best interests of the City to approve the form and content of the Preliminary Limited Offering Memorandum and authorize the use of the Preliminary Limited Offering Memorandum in the offering and sale of the Bonds by the FMSbonds, Inc. (the "Underwriter") of the Bonds; and

**WHEREAS**, the Council finds that the passage of this Resolution is in the best interest of the citizens of the City;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS:**

**SECTION 1:** That all matters stated in the Recitals hereinabove are found to be true and correct and are incorporated herein by reference as if copied in their entirety.

**SECTION 2:** That this Council hereby approves the form and content of the Preliminary Limited Offering Memorandum and deems the Preliminary Limited Offering Memorandum final, 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 under the Securities Exchange Act of 1934, with such changes, addenda, supplements or amendments as may be approved by the City Manager. The City hereby authorizes the Preliminary Limited Offering Memorandum to be used by the Underwriter in connection with the marketing and sale of the Bonds.

**SECTION 3:** If any portion of this Resolution shall, for any reason, be declared invalid by any court of competent jurisdiction, such invalidity shall not affect the remaining provisions hereof and the Council hereby determines that it would have adopted this Resolution without the invalid provision.

**SECTION 4:** That this Resolution shall become effective from and after its date of passage.

**PASSED AND APPROVED ON THIS 28TH DAY OF JANUARY, 2025.**

ATTEST:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Secretary

\_\_\_\_\_  
City Manager



**Exhibit A**  
**PLOM Document**

*Item 9C.*

**PRELIMINARY LIMITED OFFERING MEMORANDUM DATED [PLOM DATE], 2025**

INITIAL PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED TO “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND “ACCREDITED INVESTORS” AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT. THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT IN RELIANCE UPON THE EXEMPTION PROVIDED BY SECTION 3(A)(2) THEREIN. NO ACTION HAS BEEN TAKEN TO QUALIFY THE BONDS FOR SALE UNDER THE SECURITIES LAWS OF ANY STATE. SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS.”

*In the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, interest on the Bonds will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions on the date thereof, subject to the matters described under “TAX MATTERS” herein, including the alternative minimum tax on certain corporations.*

**\$11,939,000\***

**CITY OF BASTROP, TEXAS**  
**(a municipal corporation of the State of Texas located in Bastrop County)**  
**SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025**  
**(VALVERDE PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1)**

**Dated Date: Date of Delivery (as defined below)**  
**Interest to Accrue from the Date of Delivery**

**Due: September 1, as shown on page i**

The City of Bastrop, Texas Special Assessment Revenue Bonds, Series 2025 (Valverde Public Improvement District Improvement Area #1) (the “Bonds”), are being issued by the City of Bastrop, Texas (the “City”). The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$100,000 of principal amount and any integral multiple of \$1,000 in excess thereof. The Bonds will bear interest at the rates set forth on page i hereof, and such interest will be calculated on the basis of a 360-day year of twelve 30-day months, and will be payable on each March 1 and September 1, commencing March 1, 2025, until maturity or earlier redemption. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. No physical delivery of the Bonds will be made to the beneficial owners thereof. For so long as the book-entry only system is maintained, the principal of and interest on the Bonds will be paid from the sources described herein by BOKF, NA, Dallas, Texas, as trustee (the “Trustee”), to Cede & Co. as the registered owner thereof. See “BOOK-ENTRY ONLY SYSTEM.”

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), an ordinance expected to be adopted by the City Council (the “City Council”) on [BPA DATE], 2025, and an Indenture of Trust, dated as of [INDENTURE DATE], 2025 (the “Indenture”), entered into by and between the City and the Trustee. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

Proceeds of the Bonds will be used for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #1 Improvements (as defined herein), (ii) paying capitalized interest on the Bonds during the period of construction and acquisition of Improvement Area #1 Improvements, (iii) funding a reserve account for payment of principal and interest on the Bonds, (iv) funding the initial deposit to the Administrative Fund for the payment of the initial Annual Collection Costs, and (v) paying the costs of issuance of the Bonds. See “THE IMPROVEMENT AREA #1 IMPROVEMENTS” and “APPENDIX A — Form of Indenture.”

The Bonds, when issued and delivered, will constitute valid and binding special, limited obligations of the City payable solely from and secured by the Pledged Revenues, consisting primarily of Assessments levied against assessable properties in the Valverde Public Improvement District (originally created as Viridian Public Improvement District, and formerly known as NEU Community Bastrop) (the “District”) in accordance with a Service and Assessment Plan and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein. The Bonds are not payable from funds raised or to be raised from taxation. The Assessments are expected to be levied in accordance with the Assessment Ordinance (as defined herein) of the City. See “SECURITY FOR THE BONDS.”

The Bonds are subject to redemption at the times, in the amounts, and at the redemption prices more fully described herein under the subcaption “DESCRIPTION OF THE BONDS — Redemption Provisions.”

The Bonds involve a significant degree of risk and are not suitable for all investors. Prospective purchasers should carefully evaluate the risks and merits of an investment in the Bonds, should consult with their legal and financial advisors before considering a purchase of the Bonds, and should be willing to bear the risks of loss of their investment in the Bonds. The Bonds are not credit enhanced or rated and no application has been made for a rating on the Bonds. See “BONDHOLDERS’ RISKS” and “SUITABILITY FOR INVESTMENT.”

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY’S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE TRUST ESTATE. SEE “SECURITY FOR THE BONDS.”

This cover page contains certain information for quick reference only. It is not a summary of the Bonds. Investors must read this entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

The Bonds are offered for delivery when, as, and if issued by the City and accepted by FMSbonds, Inc. (the “Underwriter”), subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of McCall, Parkhurst & Horton L.L.P., Austin, Texas, Bond Counsel, as to the validity of the Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See “APPENDIX C — Form of Opinion of Bond Counsel.” Certain legal matters will be passed upon for the City by its counsel, Denton Navarro Rodriguez Bernal Santee & Zech, PC, the Underwriter by its counsel, Troutman Pepper Locke LLP, Dallas, Texas (successor merged firm to Locke Lord LLP and Troutman Pepper Hamilton Sanders LLP; see “LEGAL MATTERS – Legal Proceedings”) and for the Developer by its counsel Metcalfe Wolff Stuart & Williams, LLP. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about [CLOSING DATE], 2025 (the “Date of Delivery”).

\* Preliminary; subject to change



**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS,  
AND CUSIP NUMBERS**

**NOTE: This page intentionally left blank.  
This will be filled out during pricing at  
market.**

CUSIP Prefix: \_\_\_\_\_ (a)

**\$11,939,000\***  
**CITY OF BASTROP, TEXAS**  
**(a municipal corporation of the State of Texas located in Bastrop County)**  
**SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025**  
**(VALVERDE PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1)**

**\$ \_\_\_\_\_ Term Bonds**

\$ \_\_\_\_\_ % Term Bonds, Due September 1, 20\_\_, Priced to Yield \_\_\_\_\_%; CUSIP \_\_\_\_\_ (a) (c)

\$ \_\_\_\_\_ % Term Bonds, Due September 1, 20\_\_, Priced to Yield \_\_\_\_\_%; CUSIP \_\_\_\_\_ (a) (c)

\$ \_\_\_\_\_ % Term Bonds, Due September 1, 20\_\_, Priced to Yield \_\_\_\_\_%; CUSIP \_\_\_\_\_ (a) (b) (c)

- 
- (a) CUSIP numbers are included solely for the convenience of owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers are provided for convenience of reference only. None of the City, the City’s Financial Advisor or the Underwriter takes any responsibility for the accuracy of such numbers.
  - (b) The Bonds are subject to redemption, in whole or in part, prior to stated maturity, at the option of the City, on any date on or after September 1, 20\_\_ at the redemption price of 100% of the principal amount plus accrued and unpaid interest to the date of redemption as described herein under “DESCRIPTION OF THE BONDS — Redemption Provisions.”
  - (c) The Bonds are also subject to mandatory sinking fund redemption and extraordinary optional redemption as described herein under “DESCRIPTION OF THE BONDS — Redemption Provisions.”

\* Preliminary; subject to change.

**CITY OF BASTROP, TEXAS  
CITY COUNCIL**

<u>City Council Members*</u>	<u>Term Expires</u>
John Kirkland, Mayor Pro Tem	May 2025
Cheryl Lee, Place 1	May 2025
Cynthia Meyer, Place 2	May 2027
Kevin Plunkett, Place 3	May 2026
Kerry Fossler, Place 4	May 2027

*\* The City's Mayor resigned as of January 14, 2025, and the Mayor Pro Tem will preside over the City's operations until such time as a new Mayor is elected. The City expects to hold an election for the Mayor position in May 2025.*

<b>CITY MANAGER</b>	<b>CHIEF FINANCIAL OFFICER</b>	<b>CITY SECRETARY</b>
Sylvia Carrillo-Trevino	Edi McIlwain	Irma G. Parker

**ADMINISTRATOR**  
P3Works, LLC

**FINANCIAL ADVISOR TO THE CITY**  
Specialized Public Finance, Inc.

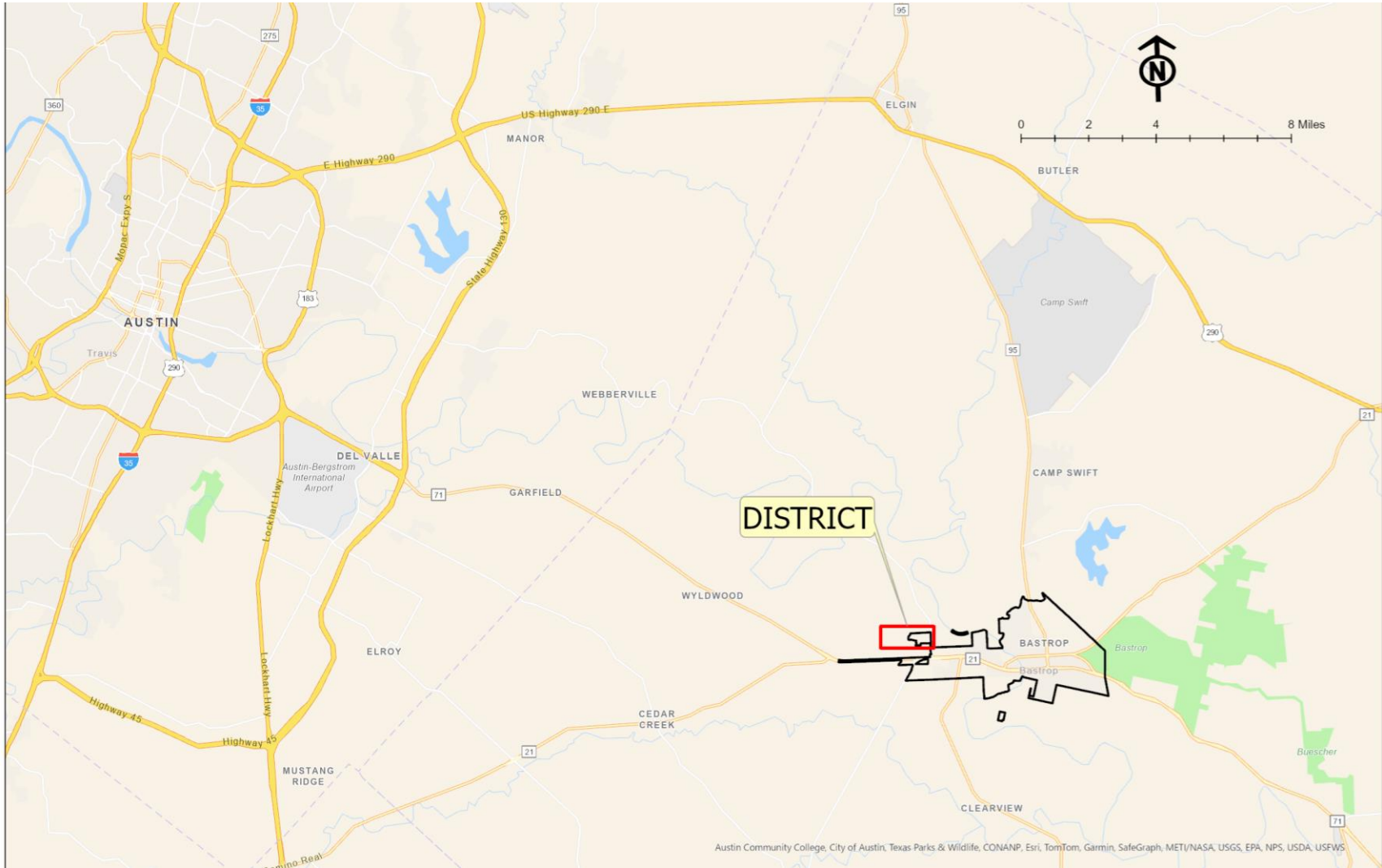
**BOND COUNSEL**  
McCall, Parkhurst & Horton L.L.P.

**UNDERWRITER'S COUNSEL**  
Troutman Pepper Locke LLP

For additional information regarding the City, please contact:

Sylvia Carillo-Trevino City Manager City of Bastrop, Texas 1311 Chestnut Street Bastrop, Texas 78602 (512) 332-8800 scarillo@cityofbastrop.org	Dan Wegmiller Managing Director Specialized Public Finance, Inc. 248 Addie Roy, Road, Suite B-103 Austin, Texas 78731 (512) 275-7300 dan@spfmuni.com
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**REGIONAL LOCATION MAP OF THE DISTRICT**



**AREA LOCATION MAP OF THE DISTRICT**





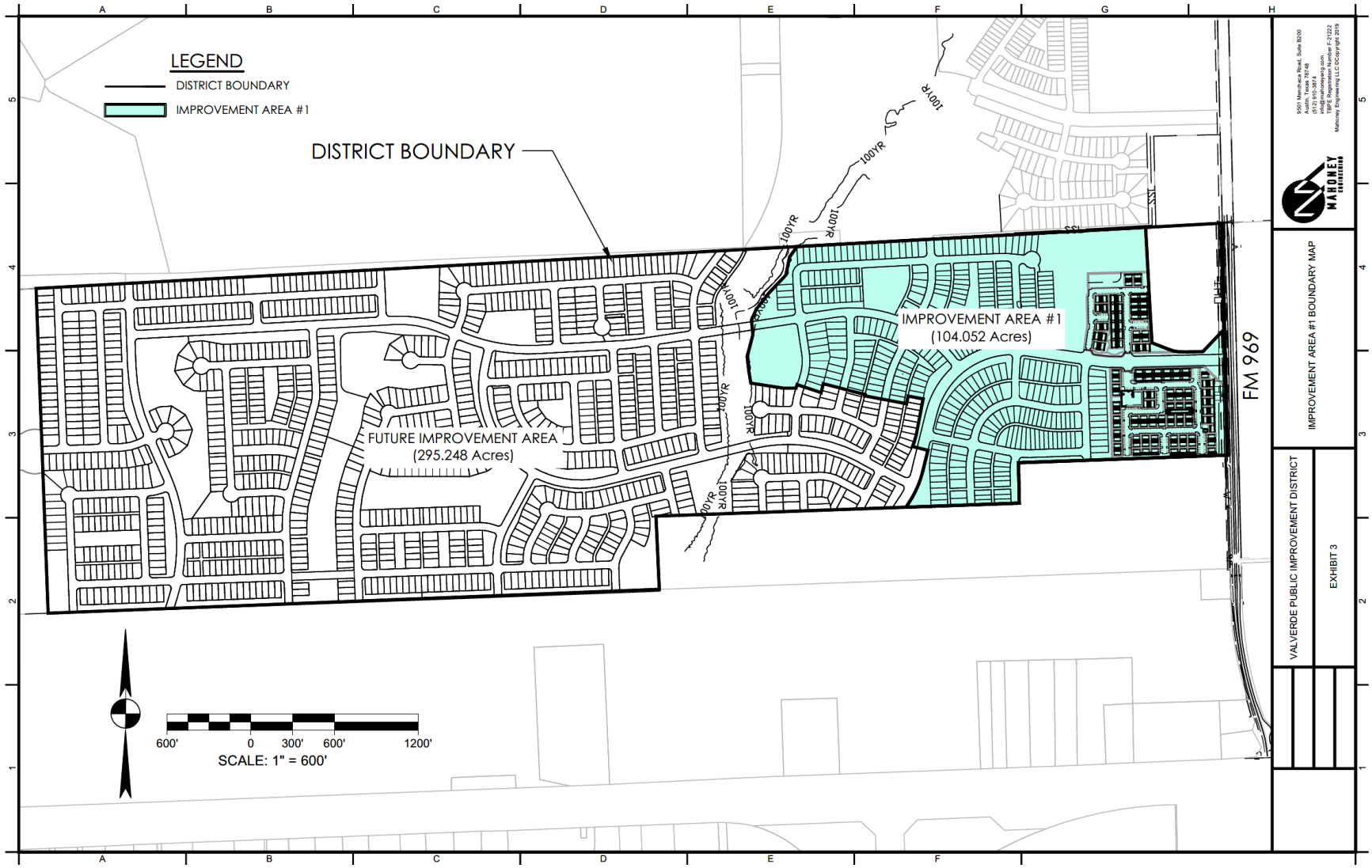
This document is released for 04/18/2014  
 80210 under the authority of  
 DANIEL M. MARONEY, P.E. #113861  
 as a result of the 2013/2014 election  
 APPROVAL, RECORD, PERMIT, OR  
 OTHER PUBLIC RECORD PURPOSES.  
 The Public Information Act (Texas  
 Public Information Act, P.I.A.)  
 www.piaact.org

**AERIAL LOCATION MAP  
 OF PROJECT**

**VALVERDE  
 BASTROP, TX**

SHEET  
**1**  
 OF 1

### MAP SHOWING BOUNDARIES OF THE DISTRICT AND IMPROVEMENT AREA #1





*FOR PURPOSES OF COMPLIANCE WITH RULE 15C2-12 OF THE SECURITIES AND EXCHANGE COMMISSION (“RULE 15C2-12”), AS AMENDED AND IN EFFECT ON THE DATE OF THIS LIMITED OFFERING MEMORANDUM, THIS DOCUMENT CONSTITUTES AN “OFFICIAL STATEMENT” OF THE CITY WITH RESPECT TO THE BONDS THAT HAS BEEN “DEEMED FINAL” BY THE CITY AS OF ITS DATE EXCEPT FOR THE OMISSION OF NO MORE THAN THE INFORMATION PERMITTED BY RULE 15C2-12.*

THE INITIAL PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING INITIALLY OFFERED AND SOLD ONLY TO “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) AND “ACCREDITED INVESTORS” AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED PURSUANT TO THE SECURITIES ACT. SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS” HEREIN. EACH INITIAL PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT IN THE BONDS, MUST BE ABLE TO BEAR THE ECONOMIC AND FINANCIAL RISK OF SUCH INVESTMENT IN THE BONDS, AND MUST BE ABLE TO AFFORD A COMPLETE LOSS OF SUCH INVESTMENT. CERTAIN RISKS ASSOCIATED WITH THE PURCHASE OF THE BONDS ARE SET FORTH UNDER “BONDHOLDERS’ RISKS” HEREIN. EACH INITIAL PURCHASER, BY ACCEPTING THE BONDS, AGREES THAT IT WILL BE DEEMED TO HAVE MADE THE ACKNOWLEDGEMENTS AND REPRESENTATIONS DESCRIBED UNDER THE HEADING “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS.”

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE CITY OR THE UNDERWRITER TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY EITHER OF THE FOREGOING. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY AND THERE SHALL BE NO OFFER, SOLICITATION OR SALE OF THE BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE UNITED STATES FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION. THE INFORMATION SET FORTH HEREIN HAS BEEN FURNISHED BY THE CITY AND OBTAINED FROM SOURCES, INCLUDING THE DEVELOPER, WHICH ARE BELIEVED BY THE CITY AND THE UNDERWRITER TO BE RELIABLE, BUT IT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF THE UNDERWRITER. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS LIMITED OFFERING MEMORANDUM, NOR ANY SALE MADE HEREUNDER, SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY OR THE DEVELOPER SINCE THE DATE HEREOF.

NONE OF THE CITY, THE FINANCIAL ADVISOR OR THE UNDERWRITER MAKE ANY REPRESENTATION AS TO THE ACCURACY, COMPLETENESS, OR ADEQUACY OF THE INFORMATION SUPPLIED BY THE DEPOSITORY TRUST COMPANY FOR USE IN THIS LIMITED OFFERING MEMORANDUM.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH LAWS. THE REGISTRATION OR QUALIFICATION OF THE BONDS UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THEY MAY HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NONE OF SUCH JURISDICTIONS, OR ANY OF THEIR AGENCIES, HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS LIMITED OFFERING MEMORANDUM.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE “FORWARD-LOOKING STATEMENTS” WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE UNITED STATES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE SECURITIES ACT. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED SUCH AS “PLAN,” “EXPECT,” “ESTIMATE,” “PROJECT,” “ANTICIPATE,” “BUDGET” OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. NEITHER THE CITY NOR THE UNDERWRITER PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN

ANY OF THE EXPECTATIONS, EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER “CONTINUING DISCLOSURE” HEREIN.

THE TRUSTEE HAS NOT PARTICIPATED IN THE PREPARATION OF THIS LIMITED OFFERING MEMORANDUM AND ASSUMES NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS LIMITED OFFERING MEMORANDUM OR THE RELATED TRANSACTIONS AND DOCUMENTS OR FOR ANY FAILURE BY ANY PARTY TO DISCLOSE EVENTS THAT MAY HAVE OCCURRED AND MAY AFFECT THE SIGNIFICANCE OR ACCURACY OF SUCH INFORMATION.

REFERENCES TO WEBSITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER’S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEBSITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS LIMITED OFFERING MEMORANDUM FOR PURPOSES OF, AND AS THAT TERM IS DEFINED IN, RULE 15C2-12.

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**PRELIMINARY LIMITED OFFERING MEMORANDUM**

**\$11,939,000\***

**CITY OF BASTROP, TEXAS**

**(a municipal corporation of the State of Texas located in Bastrop County)**

**SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025**

**(VALVERDE PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1)**

**INTRODUCTION**

The purpose of this Limited Offering Memorandum, including the cover page, inside cover and appendices hereto, is to provide certain information in connection with the issuance and sale by the City of Bastrop, Texas (the “City”), of its \$11,939,000\* aggregate principal amount of Special Assessment Revenue Bonds, Series 2025 (Valverde Public Improvement District Improvement Area #1) (the “Bonds”).

INITIAL PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED INITIALLY TO AND ARE BEING SOLD ONLY TO “ACCREDITED INVESTORS” AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT OF 1933”) AND “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933. PROSPECTIVE INVESTORS SHOULD BE AWARE OF CERTAIN RISK FACTORS, ANY OF WHICH, IF MATERIALIZED TO A SUFFICIENT DEGREE, COULD DELAY OR PREVENT PAYMENT OF PRINCIPAL OF AND/OR INTEREST ON THE BONDS. THE BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. SEE “SUITABILITY FOR INVESTMENT” AND “BONDHOLDERS’ RISKS.”

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), the ordinance authorizing the issuance of the Bonds expected to be adopted by the City Council of the City (the “City Council”) on [BPA DATE], 2025 (the “Bond Ordinance”), and an Indenture of Trust, dated as of [INDENTURE DATE], 2025 (the “Indenture”), entered into by and between the City and BOKF, NA, Dallas, Texas, as trustee (the “Trustee”). The Bonds will be secured by a pledge and lien upon the Trust Estate (as defined in the Indenture) consisting primarily of revenue from special assessments (the “Assessments”) to be levied against assessable property (the “Assessed Property”) located within Improvement Area #1 of the Valverde Public Improvement District (originally created as Viridian Public Improvement District, and formerly known as NEU Community Bastrop) (the “District”) pursuant to an ordinance (the “Assessment Ordinance”) expected to be adopted by the City Council on [BPA DATE], 2025. The City created the District as “Viridian Public Improvement District” pursuant to an ordinance adopted by the City Council on March 9, 2021 (the “Creation Resolution”) and subsequently changed the name of the District to “Valverde Public Improvement District.” Prior to its creation, the District was referred to as NEU Community Bastrop.

Reference is made to the Indenture for a full statement of the authority for, and the terms and provisions of, the Bonds. All capitalized terms used in this Limited Offering Memorandum that are not otherwise defined herein shall have the meanings set forth in the Indenture. See “APPENDIX A — Form of Indenture.”

Set forth herein are brief descriptions of the City, the District, Continental Homes of Texas, L.P. (the “Developer”), P3Works, LLC (the “Administrator”), the Creation Resolution, the Assessment Ordinance, the Bond Ordinance, the Service and Assessment Plan (as defined herein), the Development Agreement (as defined herein), the Viridian Public Improvement District Financing and Reimbursement Agreement dated as of September 14, 2021 between the Developer and the City (the “Financing and Reimbursement Agreement”), together with summaries of terms of the Bonds and the Indenture and certain provisions of the PID Act. All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID Act and all references to the Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. Copies of these documents may be obtained during the period of the offering of the Bonds from the

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\* Preliminary; subject to change.

Underwriter, FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Frisco, Texas, 75034, phone: (214) 302-2246. The form of the Indenture appears in APPENDIX A and the Form of Service and Assessment Plan appears as APPENDIX B. The information provided under this caption “INTRODUCTION” is intended to provide a brief overview of the information provided in the other captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed hereunder.

## **PLAN OF FINANCE**

### **The District**

The PID Act authorizes political subdivisions, such as the City, to create public improvement districts and to impose assessments within the public improvement district to pay for public improvements. The District was created for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Improvement Area #1 Improvements (as defined herein), authorized by the PID Act and approved by the City Council that confer a special benefit on the District. The District is not a separate political entity from the City but rather reflects an area within the City that City Council has designated and within which the City is authorized to levy assessments for public improvements.

### **Development Plan, Status of Development, and Plan of Finance**

The District is composed of approximately 410.59 acres of which approximately 399.878 acres are being developed as a master planned residential development by the Developer (the “Development”). The Development is expected to include approximately 1,399 single-family residential lots, consisting of a mixture of 32’, 43’, 45’ and 50’ lots, as well as 250 townhome rental units at build out. Approximately 10.59 acres within the boundaries of the District will be non-assessed land and will not be part of the Development. Such acreage is expected to be developed as adjacent commercial development.

The Developer will develop its land in the District in phases, beginning with the development of approximately 104.052 acres of the District, herein referred to as “Improvement Area #1,” as shown on the “MAP SHOWING BOUNDARIES OF THE DISTRICT AND IMPROVEMENT AREA #1” on page v. See “THE DEVELOPMENT — Development Plan and Status of Development in Improvement Area #1 of the District.” The areas shown as “Future Improvement Area” on the “MAP SHOWING BOUNDARIES OF THE DISTRICT AND IMPROVEMENT AREA #1” on page v, is referred to herein as the “Future Improvement Areas.”

The Developer purchased approximately 399.878 acres of land, which includes the land within Improvement Area #1 of the District, on December 17, 2020, from David K. Grassel at a purchase price of \$11,600,000, which was funded with cash available to the Developer. The Developer is the owner of all 399.878 acres being developed in the District, including Improvement Area #1. Approximately 10.59 acres within the boundaries of the District are owned by SIS Bastrop, LLC, and will not be assessed or part of the Development.

Development in the District began with Improvement Area #1, which is expected to contain a total of 352 single-family residential lots and 250 townhomes, and is being developed in three phases. The initial phase of single-family development in Improvement Area #1 contains 174 lots and is referred to by the Developer as “Phase 2.” The second phase of single-family development in Improvement Area #1 is expected to contain 178 lots and is referred to by the Developer as “Phase 3.” The third phase of development in Improvement Area #1 contains all 250 townhomes, and is referred to by the Developer as “Phase 13.”

The Developer has constructed and will construct improvements consisting of certain street, water, wastewater, and drainage improvements that will benefit Improvement Area #1 of the District (the “Improvement Area #1 Improvements”). Construction of the portion of the Improvement Area #1 Improvements benefitting Phase 2 began in September 2022. Internal lot improvements for Phase 2 have been completed, and final completion of Phase 2, which is pending completion of a lift station, is expected to be in January 2025. Construction of the portion of the Improvement Area #1 Improvements benefitting Phase 3 began in May 2024 and is expected to be completed in May 2025. Construction of the internal Improvement Area #1 Improvements benefitting Phase 13 is expected to begin in Q1 2025 and be completed in Q1 2026.

The total expected cost of the Improvement Area #1 Improvements is \$21,262,504\*. As of December 1, 2024, the Developer has expended approximately \$14,300,000 on the Improvement Area #1 Improvements, which was financed with cash available to the Developer. See “THE DEVELOPER – History and Financing of the District.”

The Developer does not plan on entering into any purchase contracts with any homebuilders within the District. The Developer is a wholly-owned subsidiary of D.R. Horton. D.R. Horton will construct the anticipated 352 single-family homes in Improvement Area #1 of the District. Home construction in Improvement Area #1 began in October 2024, and the first home closing is expected to be in February 2025.

DHI Communities (“DHI”), a wholly owned subsidiary of D.R. Horton, will construct the anticipated 250 townhomes in Improvement Area #1 of the District. DHI is expected to begin vertical construction of the townhomes in Q2 2026 and complete such construction in Q2 2027. The townhomes are expected to be rental units with an average rental rate of approximately \$1,775/unit.

The City has entered into a reimbursement agreement with the Developer (the “Reimbursement Agreement”) to reimburse a portion of the costs of the Improvement Area #1 Improvements. Under the Reimbursement Agreement, the City will reimburse the Developer a portion of the costs of the Improvement Area #1 Improvements from proceeds of the Bonds. The City has agreed to reimburse the Developer an amount not to exceed \$10,970,000 for the actual costs of the Improvement Area #1 Improvements, and expects to amend and restate the Reimbursement Agreement concurrent with the approval of the Bonds to allow for reimbursement in the total amounts shown in the Service and Assessment Plan (as defined herein). The City expects to reimburse the Developer \$[PROJECT FUND DEPOSIT]\* for the costs of the Improvement Area #1 Improvements from the proceeds of the Bonds. The remaining costs of the Improvement Area #1 Improvements will be funded by the Developer without reimbursement by the City.

The City will pay a portion of the project costs for the Improvement Area #1 Improvements from proceeds of the Bonds. The Developer will submit payment requests on a monthly basis for costs actually incurred in developing and constructing the Improvement Area #1 Improvements and be paid in accordance with the Indenture, the Financing and Reimbursement Agreement, and the Reimbursement Agreement. See “THE IMPROVEMENT AREA #1 IMPROVEMENTS – General,” “THE DEVELOPMENT – Development Plan and Status of Development in Improvement Area #1” and “APPENDIX F – Financing and Reimbursement Agreement.” The remaining costs of the Improvement Area #1 Improvements will be paid by the Developer and such costs will not be reimbursed by the City.

## **The Bonds**

Proceeds of the Bonds will be used for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #1 Improvements(ii) paying capitalized interest on the Bonds during the period of construction and acquisition of Improvement Area #1 Improvements, (iii) funding a reserve account for payment of principal and interest on the Bonds, (iv) funding the initial deposit to the Administrative Fund for the payment of the initial Annual Collection Costs, and (v) paying the costs of issuance of the Bonds. To the extent that a portion of the proceeds of the Bonds is allocated for the payment of the costs of issuance of the Bonds and less than all of such amount is used to pay such costs, the excess amount shall be transferred, first, to the Improvement Account of the Project Fund and, second, to the Principal and Interest Account of the Bond Fund to pay interest on the Bonds. See “SOURCES AND USES OF FUNDS,” “THE IMPROVEMENT AREA #1 IMPROVEMENTS,” and “APPENDIX A – Form of Indenture.”

Payment of the Bonds is secured by a pledge of and a lien upon the Trust Estate, consisting primarily of the Pledged Revenues, which consist primarily of Assessments levied against the Assessed Property in Improvement Area #1 within the District, all to the extent and upon the conditions described herein and in the Indenture. See “SECURITY FOR THE BONDS,” “ASSESSMENT PROCEDURES” and “APPENDIX A – Form of Indenture.”

**The Bonds and any Future Improvement Area Bonds shall never constitute an indebtedness or general obligation of the City, the State of Texas (the “State”), or any other political subdivision of the State, within the meaning of any constitutional provision or statutory limitation whatsoever, but the Bonds are limited and**

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\* Preliminary; subject to change.

**special obligations of the City payable solely from the Trust Estate as provided in the Indenture. Neither the full faith and credit nor the taxing power of the City, the State or any other political subdivision of the State is pledged to the payment of the Bonds. Any Future Improvement Area Bonds to be issued by the City are not offered pursuant to this Limited Offering Memorandum.**

### **Future Improvement Area Bonds**

The City expects to issue one or more series of bonds (collectively, the “Future Improvement Area Bonds”) to finance the costs of local improvements benefitting the distinct portions of the District within the Future Improvement Areas developed as individual improvement areas after Improvement Area #1 (the “Future Improvement Area Improvements”). The estimated costs of the local improvements benefitting each Future Improvement Area of the District will be determined as such Future Improvement Area is developed, and the Service and Assessment Plan will be updated to identify the improvements to be constructed within such Future Improvement Area and financed by each new series of Future Improvement Area Bonds. Such Future Improvement Area Bonds will be issued pursuant to separate indentures and secured by separate assessments levied pursuant to the PID Act on assessable property within the applicable Future Improvement Area. See “THE DEVELOPMENT – Future Improvement Area Bonds.”

**The Bonds and any Future Improvement Area Bonds issued by the City are separate and distinct issues of securities issued pursuant to separate indentures and secured by separate assessments. Neither any Refunding Bonds nor any Future Improvement Area Bonds to be issued by the City are offered pursuant to this Limited Offering Memorandum. Investors interested in purchasing any of these other City obligations should refer to the offering documents related thereto, when and if available.**

## **DESCRIPTION OF THE BONDS**

### **General Description**

The Bonds will mature on the dates and in the amounts set forth on page i of this Limited Offering Memorandum. Interest on the Bonds will accrue from their date of delivery (the “Closing Date”) to the Underwriter and will be computed on the basis of a 360-day year of twelve 30-day months and will be payable on each March 1 and September 1, commencing March 1, 2025 (each, an “Interest Payment Date”), until maturity or prior redemption. BOKF, NA, is the initial Trustee, Paying Agent and Registrar for the Bonds.

The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$100,000 of principal and any integral multiple of \$1,000 in excess thereof (“Authorized Denominations”), provided, however, that if the total principal amount of the Outstanding Bonds is less than \$100,000 then the Authorized Denomination shall be the amount of the Outstanding Bonds. Notwithstanding the foregoing, Authorized Denominations shall also include Bonds issued in \$1,000 in principal amount and integral multiples of \$1,000 in the following instances: (A) any Bonds or any portion thereof that have been redeemed in part pursuant to an extraordinary optional redemption or (B) any Bonds or any portion thereof that have been defeased in part pursuant to an extraordinary optional redemption. Upon initial issuance, the ownership of the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), and purchases of beneficial interests in the Bonds will be made in book-entry only form. See “BOOK-ENTRY ONLY SYSTEM” and “SUITABILITY FOR INVESTMENT.”

### **Redemption Provisions**

*Optional Redemption.* The Bonds may be redeemed prior to their scheduled maturities on any date on or after September 1, \_\_\_\_\_, 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 “Redemption Price”).

*Extraordinary Optional Redemption.* The City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, on any date, at 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

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amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund as provided in the Indenture) or any other transfers to the Redemption Fund under the terms of the Indenture. See “ASSESSMENT PROCEDURES — Prepayment of Assessments” for the definition and description of Prepayments.

*Mandatory Sinking Fund Redemption.* The Bonds maturing on \_\_\_\_\_ 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 the Indenture, on the dates and in the respective sinking fund installments as set forth in the following schedule:

<b><u>Mandatory Sinking Fund</u></b>	
<b><u>Redemption Date</u></b>	<b><u>Principal Amount</u></b>
September 1, 20__	\$
September 1, 20__	
September 1, 20__†	

**\$ \_\_\_\_\_ Bonds Maturing September 1, 20\_\_**

<b><u>Mandatory Sinking Fund</u></b>	
<b><u>Redemption Date</u></b>	<b><u>Principal Amount</u></b>
September 1, 20__	\$
September 1, 20__	
September 1, 20__†	

**\$ \_\_\_\_\_ Bonds Maturing September 1, 20\_\_**

<b><u>Mandatory Sinking Fund</u></b>	
<b><u>Redemption Date</u></b>	<b><u>Principal Amount</u></b>
September 1, 20__	\$
September 1, 20__	
September 1, 20__†	

† Stated Maturity

At least thirty (30) days prior to each sinking fund redemption date, the Trustee shall select, in accordance with the Indenture, 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 the Indenture.

The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to the Indenture 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.

The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to the Indenture 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 of the Indenture or the extraordinary optional redemption provisions in the Indenture and not previously credited to a mandatory sinking fund redemption..

*Notice of Redemption.* Upon notification by the City to the Trustee of the exercise of any redemption, the Trustee shall give notice of any redemption of Bonds Similarly Secured 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 Similarly Secured or portion thereof to be redeemed, at the address shown in the Register.

The notice shall state the redemption date, the Redemption Price, the place at which the Bonds Similarly Secured are to be surrendered for payment, and, if less than all the Outstanding Bonds Similarly Secured are to be redeemed, and subject to the Indenture, an identification of the Bonds Similarly Secured 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 Similarly Secured shall become due and payable.

Any notice given as provided in the Indenture shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

The City has the right to rescind any optional redemption or extraordinary optional redemption described in the Indenture by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds Similarly Secured then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

*Partial Redemption.* If less than all of the Bonds Similarly Secured are to be redeemed pursuant to the Indenture, Bonds Similarly Secured shall be redeemed in increments of \$1,000 by lot, provided that no redemption shall cause the principal amount of any Bond Similarly Secured to be less than the minimum Authorized Denomination for such Bond except as provided in the following sentence. Notwithstanding the foregoing, if any Bonds Similarly Secured are to be partially redeemed and such redemption results in the redemption of a portion of a single Bond Similarly Secured in an amount less than the Authorized Denomination in effect at the time, a Bond Similarly Secured in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued. Each Bond Similarly Secured shall be treated as representing the number of Bonds Similarly Secured that is obtained by dividing the principal amount of such Bond Similarly Secured by the minimum Authorized Denomination for such Bond Similarly Secured.

If less than all of a series of Bonds Similarly Secured are called for optional redemption pursuant to the Indenture, the City shall, pursuant to a City Certificate, determine the Bond Similarly Secured or Bonds Similarly Secured or the amount thereof within a Stated Maturity to be redeemed and direct the Trustee to call by lot the Bonds, or portions thereof, within such Stated Maturity and in such principal amounts, for redemption.

If less than all Bonds Similarly Secured are called for extraordinary optional redemption, the Bonds Similarly Secured or portion of a Bond to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds Similarly Secured. If less than all Bonds Similarly Secured within a Stated Maturity are called for extraordinary optional redemption pursuant to the Indenture, the Trustee shall call by lot the Bonds Similarly Secured, or portions thereof, within such Stated Maturity and in such principal amounts, for redemption.

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

#### **BOOK-ENTRY ONLY SYSTEM**

*This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by DTC, while the Bonds are registered in its nominee*



*name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Limited Offering Memorandum. The City and the Underwriter believe the source of such information to be reliable, but neither the City nor the Underwriter takes responsibility for the accuracy or completeness thereof.*

*The City cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis or (3) DTC will serve and act in the manner described in this Limited Offering Memorandum. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.*

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). Direct Participants and Indirect Participants are collectively referred to herein as "Participants." DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all Bonds of the same maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant of such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and all other payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Paying Agent/Registrar, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, the Paying Agent/Registrar, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, the Paying Agent/Registrar or the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered. Thereafter, Bond certificates may be transferred and exchanged as described in the Indenture.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but none of the City, the City's Financial Advisor or the Underwriter take any responsibility for the accuracy thereof.

**NONE OF THE CITY, THE TRUSTEE, THE PAYING AGENT, THE CITY'S FINANCIAL ADVISOR OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE BONDS. THE CITY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE DTC PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR PROVIDE ANY NOTICES TO THE BENEFICIAL OWNERS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS LIMITED OFFERING MEMORANDUM. THE CURRENT RULES APPLICABLE TO DTC ARE ON FILE WITH**

THE SECURITIES AND EXCHANGE COMMISSION, AND THE CURRENT PROCEDURES OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

*Use of Certain Terms in Other Sections of this Limited Offering Memorandum.* In reading this Limited Offering Memorandum it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Limited Offering Memorandum to registered owners should be read to include the person for which the participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System and (ii) except as described above, notices that are to be given to registered owners under the Indenture will be given only to DTC.

### **LIMITATIONS APPLICABLE TO INITIAL PURCHASERS**

Each initial purchaser is advised that the Bonds being offered pursuant to this Limited Offering Memorandum are being offered and sold only to “accredited investors” as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933 and “qualified institutional buyers” as defined in Rule 144A promulgated under the Securities Act of 1933. Each initial purchaser of the Bonds (each, an “Investor”) will be deemed to have acknowledged, represented and warranted to the City as follows:

1. The Investor has authority and is duly authorized to purchase the Bonds and to execute any instruments and documents required to be executed by the Investor in connection with the purchase of the Bonds.

2. The Investor is an “accredited investor” under Rule 501 of Regulation D of the Securities Act of 1933 or a “qualified institutional buyer” under Rule 144A of the Securities Act of 1933, and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Bonds.

3. The Bonds are being acquired by the Investor for investment and not with a view to, or for resale in connection with, any distribution of the Bonds, and the Investor intends to hold the Bonds solely for its own account for investment purposes and for an indefinite period of time, and does not intend at this time to dispose of all or any part of the Bonds. However, the Investor may sell the Bonds at any time the Investor deems appropriate. The Investor understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible.

4. The Investor understands that the Bonds are not registered under the Securities Act of 1933 and that such registration is not legally required as of the date hereof; and further understands that the Bonds (a) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, and (c) will not carry a rating from any rating service.

5. The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the Improvement Area #1 Improvements, the Bonds, the security therefor, and such other information as the Investor has deemed necessary or desirable in connection with its decision to purchase the Bonds (collectively, the “Investor Information”). The Investor has received a copy of this Limited Offering Memorandum relating to the Bonds. The Investor acknowledges that it has assumed responsibility for its review of the Investor Information and it has not relied upon any advice, counsel, representation or information from the City in connection with the Investor’s purchase of the Bonds. The Investor agrees that none of the City, its councilmembers, officers, or employees shall have any liability to the Investor whatsoever for or in connection with the Investor’s decision to purchase the Bonds except for gross negligence, fraud or willful misconduct. For the avoidance of doubt, it is acknowledged that the Underwriter is not deemed an officer or employee of the City.

6. The Investor acknowledges that the obligations of the City under the Indenture are special, limited obligations payable solely from amounts paid by the City pursuant to the terms of the Indenture and the City shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of the City for amounts due under the Indenture. The Investor understands that the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the City, the State or any political subdivision or taxing district thereof; that the Bonds will never represent or constitute a general obligation or a pledge of the faith and credit of the City, the State or any political subdivision thereof; that no right will exist to have taxes levied by the State or any political

subdivision thereof for the payment of principal and interest on the Bonds; and that the liability of the City and the State with respect to the Bonds is subject to further limitations as set forth in the Bonds and the Indenture.

7. The Investor has made its own inquiry and analysis with respect to the Bonds and the security therefor. The Investor is aware that the development of the District involves certain economic and regulatory variables and risks that could adversely affect the security for the Bonds.

8. The Investor acknowledges that the sale of the Bonds to the Investor is made in reliance upon the certifications, representations and warranties described in items 1-7 above.

## **SECURITY FOR THE BONDS**

The following is a summary of certain provisions contained in the Indenture. Reference is made to the Indenture for a full statement of the terms and provisions of the Bonds. Investors must read the entire Indenture to obtain information essential to the making of an informed investment decision. See “APPENDIX A — Form of Indenture.”

### **General**

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY’S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE. SEE “APPENDIX A — FORM OF INDENTURE.”

The principal of, premium, if any, and interest on the Bonds are secured by a pledge of and a lien upon the Pledged Revenues, consisting primarily of Assessments to be levied against the Assessed Property and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. In accordance with the PID Act, the City has caused the preparation of a Service and Assessment Plan (the “Service and Assessment Plan”), which describes the special benefit received by the property within the District, provides the basis and justification for the determination of special benefit on such property, establishes the methodology for the levy of Assessments and provides for the allocation of Pledged Revenues for payment of principal of, premium, if any, and interest on the Bonds. The Service and Assessment Plan is reviewed and updated annually for the purpose of determining the annual budget for improvements and the Annual Installments (as defined below) of Assessments due in a given year. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future landowners within the District. See “APPENDIX B — Form of Service and Assessment Plan.”

The City is authorized by the PID Act, the Assessment Ordinance and other provisions of applicable law to finance the Improvement Area #1 Improvements by levying Assessments upon the Assessed Property. For a description of the assessment methodology and the amounts of Assessments to be levied in the District, see “ASSESSMENT PROCEDURES” and “APPENDIX B — Form of Service and Assessment Plan.”

### **Pledged Revenues**

The City is authorized by the PID Act, the Assessment Ordinance and other provisions of law to finance the Improvement Area #1 Improvements by levying Assessments upon properties in Improvement Area #1 of the District

benefitted thereby. For a description of the assessment methodology and the amounts of Assessments levied in Improvement Area #1 of the District, see “ASSESSMENT PROCEDURES” and “APPENDIX B — Form of Service and Assessment Plan.”

The Bonds are secured by a pledge of and a lien upon the Pledged Revenues, consisting primarily of Assessment Revenues, and other funds comprising the Trust Estate, all and to the extent and upon the conditions described in the Indenture.

Pursuant to the Indenture, the following terms are assigned the following meaning:

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

“Additional Interest Rate” means the additional 0.50% interest charged on the Improvement Area #1 Assessments as authorized by Section 372.018 of the PID Act.

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

“Bonds Similarly Secured” means, collectively, any Outstanding Bonds and Refunding Bonds.

“Improvement Area #1 Assessment Revenues” means the revenues received by the City from the collection of the Improvement Area #1 Assessments, including Prepayments, Annual Installments and Foreclosure Proceeds.

“Pledged Funds” means, collectively, the Pledged Revenue Fund, the Bond Fund, the Project Fund, the Reserve Fund, and the Redemption Fund.

“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.

“Refunding Bonds” means bonds issued to refund all or any portion of the Bonds Similarly Secured and secured by a parity lien with the Bonds Similarly Secured on the Trust Estate, as more specifically described in the indenture authorizing such Refunding Bonds.

In addition, the Indenture refers to the Assessments as “Improvement Area #1 Assessments” and such term is used under this “SECURITY FOR THE BONDS” heading.

### **Assessments Payable in Annual Installments**

The Assessments on each parcel, tract or lot, which are to be collected in each year during the term of the Bonds, are shown on the Assessment Roll. The Assessments, together with the interest thereon, will be deposited in the Pledged Revenue Fund for the payment of the principal of and interest on the Bonds, as and to the extent provided in the Service and Assessment Plan and the Indenture. See “SECURITY FOR THE BONDS — Pledged Revenue Fund.”

The Assessments assessed to pay debt service on the Bonds, together with interest thereon, are payable in Annual Installments established by the Assessment Ordinance and the Service and Assessment Plan to correspond, as nearly as practicable, to the debt service requirements for the Bonds. An Annual Installment of an Assessment has been made payable in the Assessment Ordinance in each fiscal year of the City preceding the date of final maturity of the Bonds which, if collected, will be sufficient to first pay debt service requirements attributable to the Assessments in the Service and Assessment Plan. Each Annual Installment is payable as provided in the Service and Assessment Plan and the Assessment Ordinance.

THE PORTIONS OF THE ANNUAL INSTALLMENTS OF ASSESSMENTS COLLECTED TO PAY ANNUAL COLLECTION COSTS AND DELINQUENT COLLECTION COSTS WILL BE DEPOSITED IN THE ADMINISTRATIVE FUND AND SHALL NOT CONSTITUTE PLEDGED REVENUES.

### **Unconditional Levy of Assessments**

The City expects to impose Assessments on the property within Improvement Area #1 of the District sufficient to pay the principal of and interest on the Bonds scheduled for payment from Pledged Revenues as described in the Indenture and in the Service and Assessment Plan and coming due during each fiscal year the Bonds are Outstanding. The Assessments shall be effective on the date of, and strictly in accordance with the terms of, the Assessment Ordinance. Each Assessment may be paid immediately in full or in periodic Annual Installments over a period of time equal to the term of the Bonds, which installments shall include interest on the Assessments. Interest on the Assessments will be calculated at the rate of interest on the Bonds plus the Additional Interest Rate calculated on the basis of a 360-day year of twelve 30-day months. Such rate may be adjusted as described in the Service and Assessment Plan. Each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be calculated annually and shall be due on or about November 1 of each year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year.

As authorized by Section 372.018(b) of the PID Act, the City will levy, assess and collect each year while the Bonds are Outstanding and unpaid, as part of the Annual Installment, an amount to pay the annual costs incurred by the City in the administration and operation of the District (the "Annual Collection Costs"). The portion of each Annual Installment of an Assessment used to pay such Annual Collection Costs shall remain in effect from year to year until all Bonds are finally paid or until the City adjusts the amount of the levy after an annual review in any year pursuant to Section 372.013 of the PID Act. The amount collected to pay Annual Collection Costs shall be due in the manner set forth in the Assessment Ordinance on or about November 1 of each year and shall be delinquent if not paid by February 1 of the following year. **Amounts collected for Annual Collection Costs do not secure repayment of the Bonds.**

There will be no discount for the early payment of Assessments.

The PID Act provides that the Assessments (including any reassessment, with interest, the expense of collection and reasonable attorney's fees, if incurred) are a first and prior lien (the "Assessment Lien") against the Assessed Property, superior to all other liens and claims, except liens and claims for the State, county, school district, or municipality for ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named. Pursuant to the PID Act, the Assessment Lien is effective from the date of the Assessment Ordinance until the Assessments are paid (or otherwise discharged) and is enforceable by the City Council in the same manner that an ad valorem property tax levied against real property may be enforced by the City Council. See "ASSESSMENT PROCEDURES" herein. The Assessment Lien is superior to any homestead rights of a property owner that are properly claimed after the adoption of the Assessment Ordinance. However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinance ("Pre-existing Homestead Rights") for as long as such rights are maintained on the property. See "BONDHOLDERS' RISKS — Assessment Limitations."

Failure to pay an Annual Installment when due shall not accelerate the payment of the remaining Annual Installments of the Assessments and such remaining Annual Installments (including interest) shall continue to be due and payable at the same time and in the same amount and manner as if such default had not occurred.

### **Collection of Assessments and Enforcement of Lien**

For so long as any Bonds Similarly Secured are Outstanding and amounts are due to the Developer under the Financing and Reimbursement Agreement to reimburse it for its funds it has contributed to pay Actual Costs of the Improvement Area #1 Projects, the City covenants, agrees and warrants that it will take and pursue all reasonable actions permissible under Applicable Laws to cause the Improvement Area #1 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 Improvement Area #1 Assessments.



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.

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 Improvement Area #1 Assessments or the corresponding property.

The City shall not be required under any circumstances to expend any funds for Delinquent Collection Costs or Annual Collection Costs in connection with its covenants and agreements under the Indenture or otherwise other than funds on deposit in the Administrative Fund.

### **Perfected Security Interest**

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 the Indenture, without physical delivery or transfer of control of the Trust Estate, the filing of the Indenture or any other act; all as provided in Chapter 1208 of the Texas Government Code, as amended, which applies to the issuance of the Bonds and the pledge of the Trust Estate granted by the City under the 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 the 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.

### **Pledged Revenue Fund**

The City will create a Pledged Revenue Fund to be held by the Trustee under the Indenture. Immediately upon receipt thereof, the City shall transfer to the Trustee for deposit to the Pledged Revenue Fund the Pledged Revenues. 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 of the Improvement Area #1 Projects, 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 under the second paragraph “—Reserve Account of the Reserve Fund” and, on each March 1, beginning March 1, 2026, 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.

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 and any expected transfers from the Capitalized Interest Account to the Principal and Interest Account, such that the amount on deposit in the Principal and Interest Account equals the principal (including any Sinking Fund Installments) and interest due on the Bonds Similarly Secured on the next Interest Payment Date.

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.

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.

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 Improvement Area #1 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.

**Bond Fund**

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, less any amount to be used to pay interest on the Bonds on such Interest Payment Date from the Capitalized Interest Account, as provided below.

If amounts in the Principal and Interest Account are insufficient for the purposes set forth in the preceding paragraph, 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.

If, after the foregoing transfers and any transfer from any account of the Reserve Fund (as described under the subcaptions “Reserve Account of the Reserve Fund” and “Delinquency and Prepayment Reserve Account of the Reserve Fund” below), there are insufficient funds to make the payments provided in the preceding paragraph, 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.

Moneys in the Capitalized Interest Account shall be used for the payment of interest on the Bonds on the following dates and in the following amounts:

Date	Amount (\$)
March 1, 2025	\$ _____
September 1, 2025	\$ _____

NOTE: This will be filled out during pricing at market.

Any amounts on deposit in the Capitalized Interest Account after the payment of interest on the dates and in the amounts listed above shall be transferred to the Improvement Area #1 Improvements Account of the Project Fund, or if the Improvement Area #1 Improvements Account of the Project Fund has been closed as provided in the Indenture, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

**Project Fund**

Pursuant to the Indenture, a Project Fund has been created to be used for the purposes described in “PLAN OF FINANCE – The Bonds.”

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. 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. Disbursements from the Improvement Account of the Project Fund to pay Actual Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certification for Payment. The disbursement of funds from the

Improvement Account shall be pursuant to and in accordance with the disbursement procedures described in the Financing and Reimbursement Agreement or as provided in such written direction. Such provisions and procedures related to such disbursement contained in the Financing Agreement and no other provisions of the Financing and Reimbursement Agreement, are incorporated by reference and deemed set forth in the Indenture in full.

Except as provided in the next two paragraphs below, 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.

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 Improvement Account of the Project Fund due to the abandonment, or constructive abandonment, of one or more of the Improvement Area #1 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 the Indenture. Upon such transfers, the Improvement Account of the Project Fund shall be closed.

In making any determination pursuant to the Indenture, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

Upon the filing of a City Certificate stating that all of the Improvement Area #1 Improvements have been completed and that all Actual Costs have been paid, or that any Actual Costs of the Improvement Area #1 Improvements 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.

Upon the Trustee's receipt of a written determination by the City Representative that all costs of issuance of the applicable series of Bonds Similarly Secured have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to (i) the Improvement Account of the Project Fund and used to pay Actual Costs of the Improvement Area #1 Improvements or (ii) if no Improvement Area #1 Projects remain to be funded, 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.

### **Reserve Account of the Reserve Fund**

Pursuant to the Indenture, a Reserve Account will be created within the Reserve Fund for the benefit of the Bonds and held by the Trustee and will be funded with proceeds of the Bonds in the amount of the Reserve Account Requirement. Pursuant to the Indenture, the "Reserve Account Requirement" shall be an amount equal to the least of (i) Maximum Annual Debt Service on the Bonds Similarly Secured as of the date of issuance, (ii) 125% of average Annual Debt Service on the Bonds Similarly Secured as of the date of issuance of the applicable series of Bonds Similarly Secured, and (iii) 10% of the proceeds of the Bonds Similarly Secured; provided, however, that such amount shall be reduced as a result of (1) an optional redemption or (2) an extraordinary optional redemption and any such reduction in the Reserve Account Requirement shall be 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 \$[REDACTED], which is an amount equal to Maximum Annual Debt Service on the Bonds as of the date of issuance. "Annual Debt Service" means for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds Similarly Secured in such Bond Year 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). “Bond Year” means the one-year period beginning on October 1 in each year and ending on September 30 in the following year.

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. 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.

In the event of an extraordinary optional redemption of Bonds Similarly Secured pursuant to the Indenture, 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 Prepayment toward payment of accrued interest, there are insufficient funds to pay the principal amount 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 and/or any additional amounts necessary to permit the Bonds Similarly Secured to be redeemed in minimum principal amounts of \$1,000, from the Delinquency & Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds Similarly Secured.

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 the Indenture, 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 for Rebutable Arbitrage, (ii) to the Administrative Fund in an amount not more than the Annual Collection Costs for the Bonds Similarly Secured or (iii) to the Project Fund to pay Actual Costs of the Improvement Area #1 Improvements if such application and the expenditure of funds is expected to occur within three years of the date of the Indenture.

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.

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 shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds Similarly Secured on such date..

#### **Delinquency and Prepayment Reserve Account of the Reserve Fund**

Pursuant to the Indenture, a Delinquency and Prepayment Reserve Account has been created within the Reserve Fund and held by the Trustee for the benefit of the Bonds. Subject to the provisions set forth under “—Pledged Revenue Fund,” the Trustee will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Delinquency & Prepayment Reserve Account on March 1 of each year, commencing March 1, 2026, 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 the Indenture 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 as described in this paragraph, the Trustee may conclusively rely on a City Certificate specifying the amounts to transfer.. See “APPENDIX A — Form of Indenture” and “APPENDIX B — Form of Service and Assessment Plan.”

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 the second paragraph set forth under “—Reserve Account of the Reserve Fund.”

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.

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..

#### **Administrative Fund**

Immediately upon receipt thereof, the City shall deposit or cause to be deposited to the Administrative Fund the portion of the Improvement Area #1 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.

Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered under the Indenture 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 the Indenture. The Administrative Fund shall not be part of the Trust Estate and shall not be security for the Bonds Similarly Secured.

THE ADMINISTRATIVE FUND SHALL NOT BE PART OF THE TRUST ESTATE AND SHALL NOT BE SECURITY FOR THE BONDS.

#### **Defeasance**

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 the Indenture (a “Defeased Debt”), and particularly under this paragraph, 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 the Indenture 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.

“Defeasance Securities” means Investment Securities then authorized by applicable law for the investment of funds to defease public securities. “Investment Securities” means those authorized investments determined by the City and described in the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended (“PFIA”); and provided further investments and 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. Under current State law, which is subject to change, Investment Securities that are authorized for the investment of funds to defease public securities are (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America; (b) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality, and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Indenture does not contractually limit such investments, Owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Defeasance Securities or that for any other Defeasance Security will be maintained at any particular rating category.

### **Events of Default**

Each of the following occurrences or events constitutes an “Event of Default” under the Indenture:

- (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 Improvement Area #1 Assessments including the prosecution of foreclosure proceedings, in accordance with the Indenture;
- (iii) Default in the performance or observance of any covenant, agreement or obligation of the City under the 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.

### **Remedies in Event of Default**

Subject to the provisions of the Indenture, upon the happening and continuance of any of the Events of Default described in the Indenture, 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 under the Indenture and its receipt of indemnity satisfactory to it shall proceed, to protect and enforce the rights of the Owners under the 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 in the Indenture, 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.

**THE PRINCIPAL OF THE BONDS SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.**

Whenever moneys are to be applied pursuant to the Indenture, irrespective of and whether other remedies authorized under the 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 the Indenture. 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.

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 under the Indenture, (iii) any taxes and assessments and other charges prior to the lien of the 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.

### **Restriction on Owner's Actions**

No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereof or any other remedy under the Indenture, 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 the Indenture, 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 granted in the Indenture or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in the Indenture, (iv) the Trustee has for 60 days after such notice failed or refused to exercise the powers granted in the Indenture, 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 in the Indenture 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 the Indenture and to any action or cause of action for the enforcement of the Indenture or for any other remedy under the Indenture.

Subject to the provisions of the Indenture, nothing in the 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 under the Indenture to the respective Owners thereof at the time and place, from the source and in the manner expressed in the Indenture and in the Bonds Similarly Secured.

In case the Trustee or any Owners of Bonds Similarly Secured shall have proceeded to enforce any right under the 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 under the Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

### **Application of Revenues and Other Moneys After Event of Default**

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 the Indenture 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 the Indenture, during the continuance of an Event of Default, notwithstanding the provisions set forth under “— Immediate Remedies for Default,” 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:

- (i) **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
- (ii) **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 the Indenture.

In the event funds are not adequate to cure any of the Events of Default described in the Indenture, 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 the Indenture.

The restoration of the City to its prior position after any and all defaults have been cured, as provided in the Indenture, shall not extend to or affect any subsequent default under the Indenture or impair any right consequent thereon.

### **Investment or Deposit of Funds**

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 the Indenture, to prevent any default under the 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 money market mutual funds that are rated in either of the two highest categories by a rating agency, including funds for which the Trustee and/or its affiliates provide investment advisory or other management services, until directed otherwise by the City Certificate.

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 the Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds and Accounts. Whenever in the 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.

#### **Against Encumbrances**

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 the Indenture, except the pledge created for the security of the Bonds Similarly Secured, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

So long as Bonds Similarly Secured are Outstanding under the Indenture, the City shall not issue any bonds, notes or other evidences of indebtedness, other than the Bonds Similarly Secured (including any Refunding Bonds), secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under the Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

#### **Other Obligations or Other Liens; Refunding Bonds**

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.

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 the Indenture or the priority of the Indenture 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 the Indenture as a lien or charge upon the Trust Estate; provided, however, that nothing in the Indenture 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.

Additionally, the City has reserved the right to issue bonds or other obligations secured by and payable from Pledged Revenues so long as such pledge is subordinate to the pledge of Pledged Revenues securing payment of the Bonds Similarly Secured.

The City reserves the right to issue Future Bonds for any purpose permitted by the PID Act, pursuant to a separate indenture, for any Future Improvement Areas subject to the conditions of the Financing and Reimbursement Agreement.

The City reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds or Outstanding Refunding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the State, and in accordance with the conditions set forth below:

(i) Notwithstanding anything to the contrary in the Indenture, no Refunding Bonds may be issued by the City unless: (1) the principal (including any principal amounts to be redeemed on a mandatory sinking fund redemption date) of such Refunding Bonds is scheduled to mature on September 1 of the years in which principal is scheduled to mature and (2) the interest on such Refunding Bonds must be scheduled to be paid on March 1 and September 1 of the years in which interest is scheduled to be paid. The date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of Refunding Bonds shall be set forth in a Supplemental Indenture; and

(ii) Upon their authorization by the City, the Refunding Bonds of a Series issued under the Indenture shall be issued and shall be delivered to the purchasers or owners thereof, but before, or concurrently with, the delivery of said Refunding Bonds to such purchasers or owners there shall have been filed with the Trustee (1) a copy, certified by the City Secretary, of the ordinance or ordinances of the City authorizing the issuance, sale, execution and delivery of the Refunding Bonds and the execution and delivery of a Supplemental Indenture establishing, among other things, the date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of such Refunding Bonds, and (2) an original executed counterpart of the Supplemental Indenture for such Refunding Bonds.

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**SOURCES AND USES OF FUNDS**

The table that follows summarizes the sources and uses of proceeds of the Bonds:

Sources of Funds:	
Principal Amount	\$
TOTAL SOURCES	\$
Use of Funds:	
Deposit to Improvement Area #1 Improvements Account of the Project Fund	\$
Deposit to Reserve Account of the Reserve Fund	
Deposit to Capitalized Interest Account	
Underwriter's Discount <sup>(1)</sup>	
Deposit to Costs of Issuance Account of the Project Fund	\$
TOTAL USES	\$

<sup>(1)</sup> Includes Underwriter's Counsel fee of \$\_\_\_\_\_.

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**DEBT SERVICE REQUIREMENTS**

The following table sets forth the debt service requirements for the Bonds:

<b><u>Year Ending</u></b> <b><u>(September 30)</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2025	\$	\$	\$
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054			
<b>Total</b>	<b>  </b>	<b>  </b>	<b>  </b>

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**OVERLAPPING TAXES AND DEBT**

**Overlapping Taxes and Debt**

The land within Improvement Area #1 of the District has been, and is expected to continue to be, subject to taxes and assessments imposed by taxing entities other than the City. Such taxes are payable in addition to the Assessments expected to be levied by the City.

In addition, the City, Bastrop County, Texas (the “County”), and the Bastrop Independent School District (“Bastrop ISD”) may each levy ad valorem taxes upon land in the District for payment of debt incurred by such governmental entities and/or for payment of maintenance and operations expenses. The City has no control over the level of ad valorem taxes or assessments levied by such other taxing authorities. The following table reflects the overlapping ad valorem taxes currently levied on property located in the District.

<u>Taxing Entity</u>	<u>Tax Year 2024 Ad Valorem Tax Rate<sup>(1)</sup></u>
The City	\$0.499400
Bastrop County, Texas	0.402750
Bastrop ISD	<u>1.067900</u>
Total Existing Tax Rate	<u>\$1.970050</u>
 Estimated Average Annual Installment as tax rate equivalent <sup>(2)</sup>	 <u>\$0.499718</u>
 <b>Estimated Total Tax Rate and Average Annual Installment as tax rate equivalent<sup>(2)</sup></b>	 <b><u>\$2.469768</u></b>

<sup>(1)</sup> As reported by the taxing entities. Per \$100 in taxable assessed value.

<sup>(2)</sup> *Preliminary; subject to change.* Derived from information presented in the Service and Assessment Plan. See “APPENDIX B — Form of Service and Assessment Plan.” The Financing and Reimbursement Agreement provides that overall tax stack combined with the maximum tax equivalent rate of the annual installments relating or allocable to the District, inclusive of principal, interest, Additional Interest and budgeted Annual Collection Costs as determined by the Administrator shall not exceed \$3.00 per \$100 taxable assessed valuation. See “APPENDIX F – Financing and Reimbursement Agreement.”

Sources: Bastrop Central Appraisal District, the Administrator, and the City.

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As noted above, the District includes territory located in other governmental entities that may issue or incur debt secured by the levy and collection of ad valorem taxes. Set forth below is an overlapping debt table showing the outstanding indebtedness payable from ad valorem taxes with respect to property within Improvement Area #1 of the District, as of December 1, 2024, and City debt to be secured by the Assessments.

<u>Taxing or Assessing Entity</u> <sup>(2)</sup>	<u>Total</u> <u>Outstanding Debt</u>	<u>Estimated %</u> <u>Applicable</u> <sup>(2)</sup>	<u>Direct and</u> <u>Estimated</u> <u>Overlapping Debt</u>
The City (Assessments – The Bonds) <sup>(1)</sup>	\$11,939,000	100.000%	\$11,939,000
The City (Ad Valorem Taxes)	137,260,000	2.121%	2,910,683
Bastrop County	73,859,000	0.259%	190,984
Bastrop ISD	<u>520,659,554</u>	0.434%	<u>2,258,161</u>
<b>TOTAL</b>	<b><u>\$731,778,554</u></b>		<b><u>\$17,298,828</u></b>

<sup>(1)</sup> Preliminary, subject to change.

<sup>(2)</sup> Based on the Appraisal (as defined herein) and on the Tax Year 2024 Net Taxable Assessed Valuations for the taxing entities.

Source: Bastrop Central Appraisal District and the Municipal Advisory Council of Texas.

**Homeowners’ Association**

In addition to the Assessments described above, all lot owners in the District will pay an annual maintenance and operation fee and/or a property owner’s association fee to the homeowner’s association for the property within Improvement Area #1 of the District (the “HOA”), which has been formed by the Developer. The expected HOA fees in the District are \$65/month.

**ASSESSMENT PROCEDURES**

**General**

Capitalized terms used under this “ASSESSMENT PROCEDURES” caption and not otherwise defined in this Limited Offering Memorandum shall have the meanings given to such terms in the Service and Assessment Plan. As required by the PID Act, when the City determines to defray a portion of the costs of the Improvement Area #1 Improvements through Assessments, it must adopt a resolution generally describing the Improvement Area #1 Improvements and the land within Improvement Area #1 of the District to be subject to Assessments to pay the cost therefor. The City has caused the preparation of the Assessment Roll, which Assessment Roll identifies the land within Improvement Area #1 of the District that will be assessed, the amount of the benefit to and the Assessment against each lot or parcel of land and the number of Annual Installments in which the Assessment is divided. The Assessment Roll has been filed with the City Secretary and made available for public inspection. Statutory notice will be given to the owners of the property to be assessed and a public hearing will be conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Improvement Area #1 Improvements and funding a portion of the same with Assessments. The City expects to levy the Assessments pursuant to the Assessment Ordinance immediately prior to adoption of the Bond Ordinance. Upon such adoption, the Assessments will become legal, valid and binding liens upon the property against which the Assessments are made.

Under the PID Act, the costs of the Improvement Area #1 Improvements may be assessed by the City against the assessable property in the District so long as the special benefit conferred upon the Assessed Property by the Improvement Area #1 Improvements equals or exceeds the Assessments. The costs of the Improvement Area #1 Improvements may be assessed using any methodology that results in the imposition of equal shares of costs on Assessed Property similarly benefited. The allocation of benefits and Assessments to the benefitted land within Improvement Area #1 of the District is set forth in the Service and Assessment Plan, which should be read in its entirety. See “APPENDIX B — Form of Service and Assessment Plan.”

**Assessment Methodology**

The Service and Assessment Plan describes the special benefit to be received by each parcel of assessable property as a result of the Improvement Area #1 Improvements, provides the basis and justification for the

determination that such special benefit exceeds the Assessments levied, and establishes the methodology by which the City allocates the special benefit of the Improvement Area #1 Improvements to parcels in a manner that results in equal shares of costs being apportioned to parcels similarly benefited. As described in the Service and Assessment Plan, a portion of the costs of the Improvement Area #1 Improvements are being funded with proceeds of the Bonds, which are payable from and secured by Pledged Revenues, including the Assessment Revenues. As set forth in the Service and Assessment Plan, the City Council has determined that the Actual Costs (as defined in the Service and Assessment Plan) associated with the Improvement Area #1 Improvements will be allocated to the parcels against which the Assessments are levied (the “Assessed Property”) by spreading the entire Assessment across all Assessed Property within Improvement Area #1 of the District on the ratio of estimated buildout value of each Assessed Property to the estimated buildout value for all Assessed Property within Improvement Area #1 of the District.

The following table provides additional analysis with respect to special assessment methodology, including the value to assessment burden ratio per unit (lot), equivalent tax rate per unit, and leverage per unit. The information in the tables was obtained from and calculated using information provided in the Service and Assessment Plan and the Appraisal. See “APPENDIX B — Form of Service and Assessment Plan” and “APPENDIX E — Appraisal.”

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**LIEN TO VALUE ANALYSIS, ASSESSMENT ALLOCATION, EQUIVALENT TAX RATE AND ASSESSMENT RATIO PER UNIT IN IMPROVEMENT AREA #1 OF THE DISTRICT\***

Lot Type	Planned No. of Units	Estimated Finished Lot Value per unit <sup>(1)</sup>	Projected Average Home Value per unit <sup>(1)</sup>	Maximum Assessment per unit <sup>(2)</sup>	Average Annual Installment per unit	Tax Rate Equivalent of Average Annual Installment (per \$100 Lot Value)	Tax Rate Equivalent of Average Annual Installment (per \$100 Home Value) <sup>(3)</sup>	Ratio of Finished Lot Value per Lot Type to the Assessments	Ratio of Average Home Value to Assessment
Multi-Family	250	\$58,000	\$280,000	\$17,747.15	\$1,399.21	\$2.4124	\$0.4997	3.27	15.78
32'	153	\$66,332	\$307,495	\$19,489.86	\$1,536.61	\$2.3165	\$0.4997	3.40	15.78
43'	128	\$90,172	\$352,490	\$22,341.76	\$1,761.46	\$1.9534	\$0.4997	4.04	15.78
45'	53	\$93,676	\$368,990	\$23,387.58	\$1,843.91	\$1.9684	\$0.4997	4.01	15.78
50'	18	\$106,000	\$368,990	\$23,387.58	\$1,843.91	\$1.7395	\$0.4997	4.53	15.78
Total	602								

Source: The Administrator and information presented in the Service and Assessment Plan

<sup>(1)</sup> Per values provided in the Appraisal.

<sup>(2)</sup> The Service and Assessment Plan establishes a Maximum Assessment as defined and described under “ASSESSMENT PROCEDURES — Assessment Amounts – Maximum Assessment.”

<sup>(3)</sup> The Financing and Reimbursement Agreement provides that overall tax stack combined with the maximum tax equivalent rate of the annual installments relating or allocable to the District, inclusive of principal, interest, Additional Interest and budgeted Annual Collection Costs as determined by the Administrator shall not exceed \$3.00 per \$100 taxable assessed valuation. See “OVERLAPPING TAXES AND DEBT” and “APPENDIX F – Financing and Reimbursement Agreement.”

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\* Preliminary; subject to change.

For further explanation of the Assessment methodology, see “APPENDIX B — Form of Service and Assessment Plan.”

The City has determined that the foregoing method of allocation will result in the imposition of equal shares of the Assessments on parcels and lots similarly situated within Improvement Area #1 of the District. The Assessments and interest thereon are expected to be paid in Annual Installments as described above. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future owners and developers within Improvement Area #1 of the District. See “APPENDIX B — Form of Service and Assessment Plan.”

**Collection and Enforcement of Assessment Amounts**

Under the PID Act, the Annual Installments may be collected in the same manner and at the same time as ad valorem taxes of the City. The Assessments may be enforced by the City in the same manner that an ad valorem tax lien against real property is enforced. Delinquent installments of the Assessments incur interest, penalties and attorney’s fees in the same manner as delinquent ad valorem taxes. Under the PID Act, the Assessment Lien is a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for State, county, school district or municipality ad valorem taxes. See “BONDHOLDERS’ RISKS — Assessment Limitations” herein.

In the Indenture, the City will covenant, agree and warrant that, for so long as any Bonds are Outstanding, that it will take and pursue all 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 the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Assessments.

To the extent permitted by law, notice of the Annual Installments will 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.

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 Collection Costs 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 Assessment or the corresponding Assessed Property. Furthermore, nothing shall obligate the City, the City Attorney or any appropriate designee to undertake collection or foreclosure actions against delinquent accounts in violation of applicable state law, court order, or existing contractual provisions between the City and its appropriate collections enforcement designees.

The City shall not be required under any circumstances to expend any funds for Delinquent Collection Costs in connection with its covenants and agreements under the Indenture or otherwise other than funds on deposit in the Administrative Fund.

Annual Installments will be paid to the City or its agent. Annual Installments are due when billed each year and become delinquent on February 1 of the following year. In the event Assessments are not timely paid, there are penalties and interest as set forth below:

<u>Date Payment</u>	<u>Cumulative</u>	<u>Cumulative</u>	
<u>Received</u>	<u>Penalty</u>	<u>Interest</u>	<u>Total</u>
February	6%	1%	7%
March	7%	2%	9%
April	8%	3%	11%
May	9%	4%	13%
June	10%	5%	15%

Date Payment <u>Received</u> July	Cumulative <u>Penalty</u> 12%	Cumulative <u>Interest</u> 6%	<u>Total</u> 18%
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After July, the penalty remains at 12%, and interest accrues at the rate of 1% each month. In addition, if an account is delinquent in July, a 20% attorney’s collection fee may be added to the total penalty and interest charge. In general, property subject to lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts due. An automatic stay by creditors or other entities, including governmental units, could prevent governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In most cases, post-petition Assessments are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

**Assessment Amounts**

Assessment Amounts. The maximum amounts of the Assessments will be reflected by the methodology described in the Service and Assessment Plan as shown below under “— Maximum Assessment”. The Assessment Roll sets forth for each year the Annual Installment for each Assessed Property as calculated by the Administrator and approved by the City Council consisting of the annual payment allocable to (i) the principal and interest on the Bonds, (ii) Annual Collection Costs, and (iii) the Additional Interest as described in the Service and Assessment Plan. The Annual Installments may not exceed the amounts shown on the Assessment Roll. The Assessments will be levied against the Assessed Property as indicated on the Assessment Roll. See “APPENDIX B — Form of Service and Assessment Plan.”

The Annual Installments shown on the Assessment Roll will be reduced to equal the actual costs of repaying the Bonds, the Additional Interest and actual Annual Collection Costs, taking into consideration any other available funds for these costs, such as interest income on account balances.

Maximum Assessment. The Service and Assessment Plan establishes a “Maximum Assessment” for each Lot Type. In the District, the Maximum Assessment per Lot Type is as follows:

<u>Lot type</u>	<u>Maximum Assessment per Lot Type</u>
Multi-Family	\$17,747.15
32’	\$19,489.86
43’	\$22,341.76
45’	\$23,387.58
50’	\$23,387.58

Method of Apportionment of Assessments. The City Council has determined that the costs of the Improvement Area #1 Improvements shall be allocated to the Assessed Property pro rata based on the Estimated Buildout Value. The Improvement Area #1 Improvements are allocated entirely to the Assessed Property as described in the Service and Assessment Plan. The entire Assessment will be levied against the Assessed Property and will be allocated based on the Estimated Buildout Value of the Lot Types on any subdivided Parcel as described below.

Reallocation of Assessments. Assessments levied on an Assessed Property shall be reallocated upon subdivision or consolidation of an Assessed Property as follows.

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

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

Where the terms have the following meanings:



- A = the Assessment for the newly divided Assessed Property
- B = the Assessment for the Assessed Property prior to division
- C = the Estimated Buildout Value of the newly divided Assessed Property
- D = the sum of the Estimated Buildout Value for all the newly divided Assessed Properties

The sum of the Assessments for all newly divided Assessed Properties shall equal the Assessment for the Assessed Property prior to subdivision. The calculation shall be made separately for each newly divided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under State law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in the next Annual Service Plan Update and update to the Service and Assessment Plan and approved by the City Council.

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

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

Where the terms have the following meanings:

- A = the Assessment for the newly subdivided Lot
- B = the Assessment for the Parcel prior to subdivision
- C = the sum of the Estimated Buildout Value of all newly subdivided Lots with same Lot Type
- D = the sum of the Estimated Buildout Value for all the newly subdivided lots excluding Non-Benefited Property
- E = the number of Lots with same Lot Type

Prior to the recording of a subdivision plat, the Owner shall provide the City with an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat.

The sum of the Assessments for all newly subdivided Lots shall not exceed the Assessment for the portion of the Assessed Property subdivided prior to subdivision. The calculation shall be made separately for each newly subdivided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under State law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in the next Annual Service Plan Update and approved by the City Council.

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

Reduction of Assessments. If as a result of cost savings or Improvement Area #1 Improvements not being constructed, the Actual Costs of completed Improvement Area #1 Improvements are less than the Assessments, the Trustee shall apply amounts on deposit in the applicable account of the project fund, relating to the Bonds, that are not expected to be used for purposes of the project fund to redeem outstanding Bonds, in accordance with the Indenture. The Assessments shall not, however, be reduced to an amount less than the outstanding 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.

## Prepayment of Assessments

The Service and Assessment Plan provides for certain voluntary and mandatory prepayments of Assessments as described below. Such voluntary and mandatory prepayments are referred to herein as “Prepayments.”

Voluntary Prepayment of Assessments. The owner of any property assessed may voluntarily prepay all or part of any Assessment levied against any lot or parcel, together with accrued interest to the date of payment, at any time. Upon receipt of such Prepayment, such amounts will be applied towards the redemption or payment of the Bonds. 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 payment of regularly scheduled Assessments.

Mandatory Prepayment of Assessments. The Service and Assessment Plan requires mandatory prepayment of Assessments upon the occurrence of certain events as follows.

Transfer to exempt person or entity. If Assessed Property is transferred to a person or entity that is exempt from payment of the Assessment, the owner transferring the Assessed Property shall pay to the Administrator the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the transfer. If the owner of the Assessed Property causes the Assessed Property to become Non-Benefited Property, the owner causing the change in status shall pay the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the change in status.

True-Up of Assessments if Maximum Assessment Exceeded at Plat. Prior to the City approving a final subdivision plat, the Administrator will certify that such plat will not result in the Assessment per Lot for any Lot Type to exceed the Maximum Assessment. If the Administrator determines that the resulting Assessment per Lot for any Lot Type will exceed the Maximum Assessment, then (i) the Assessment applicable to each Lot Type exceeding the Maximum Assessment shall be reduced to the Maximum Assessment, and (ii) the person or entity filing the plat shall pay to the City the amount the Assessment was reduced, plus Prepayment Costs and Delinquent Collection Costs, prior to the City approving the final plat. The City’s approval of a final subdivision plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay the amounts referenced in (ii) in the immediately preceding sentence.

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

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

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

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

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

Notwithstanding the previous paragraphs in this subsection, the Assessments shall not, however, be reduced to an amount less than the outstanding Bonds.

### **Priority of Lien**

The Assessments or any reassessment, the expense of collection, and reasonable attorney's fees, if incurred, constitute a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for the State, county, school district or municipality ad valorem taxes, and are a personal liability of and charge against the owners of the property regardless of whether the owners are named. The lien is effective from the date of the Assessment Ordinance until the Assessment is paid and may be enforced by the City in the same manner as an ad valorem tax levied against real property may be enforced by the City. The owner of any property assessed may pay the entire Assessment levied against any lot or parcel, together with accrued interest to the date of payment, at any time.

### **Foreclosure Proceedings**

In the event of delinquency in the payment of any Annual Installment, except for unpaid Assessments on homestead property (unless the lien associated with the Assessment attached prior to the date the property became a homestead), the City is empowered to order institution of an action in state district court to foreclose the lien of such delinquent Annual Installment. In such action the real property subject to the delinquent Annual Installments may be sold at judicial foreclosure sale for the amount of such delinquent Annual Installments, plus penalties and interest.

Any sale of property for nonpayment of an installment or installments of an Assessment will be subject to the lien established for remaining unpaid installments of the Assessment 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 installments of the Assessments against such property as they become due and payable. Judicial foreclosure proceedings are not mandatory. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and in such event there could be an additional delay in payment of the principal of and interest on Bonds or such payment may not be made in full. The City is not required under any circumstance to purchase the property or to pay the delinquent Assessment or Annual Installment on the corresponding Assessed Property.

In the Indenture the City will covenant to take and pursue all 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, provided

that the City is not required to expend any funds for collection and enforcement of Assessments other than funds on deposit in the Administrative Fund. Pursuant to the Indenture, Foreclosure Proceeds constitute Pledged Revenues to be deposited into the Pledged Revenue Fund upon receipt by the City and distributed in accordance with the Indenture. See “APPENDIX A – Form of Indenture.”

The City will not be obligated to fund foreclosure proceedings out of any funds other than in the Administrative Fund. If Pledged Revenues are insufficient to pay foreclosure costs, the owners of the Bonds may be required to pay amounts necessary to continue foreclosure proceedings. See “APPENDIX A – Form of Indenture” and “APPENDIX B – Form of Service and Assessment Plan.”

## **THE CITY**

### **Background**

The City is a political subdivision and municipal corporation of the State, duly organized and existing under the laws of the State. The City was incorporated in 1837. Some of the services that the City provides are public safety (police and fire protection), highways and streets, electric, water and sanitary sewer utilities, health and social services, culture-recreation, public transportation, public improvements, planning and zoning, and general administrative services. The City covers approximately 7.2 square miles. The City’s 2020 Census population was 9,688. The City’s 2024 estimated population is \_\_\_\_\_. The City is located in the Austin-San Marcos MSA, approximately 33 miles southeast of the City of Austin and 24 miles southeast of Austin-Bergstrom International Airport.

### **City Government**

The City has a City Council comprised of the Mayor and five Councilmembers. The term of office is three years. The mayor and the council are elected at-large. Each year, two council places, which includes the mayoral and each councilmember position in its respective year, and shall be up for election. No member of the council may serve more than six consecutive years; however, any member of the council may leave office for a period not less than eleven months and then may run for office under the same conditions thereafter. The mayor is the chief presiding officer for the City.

### **City Water and Wastewater System**

The City’s water and wastewater department manages a water distribution service of over 10 square miles. The City provides water services through a network of approximately 68 miles of transmission and distribution lines. The City utilizes ground water for its public water supply and has developed its own production facilities. There are currently 7 wells which include 6 ground water wells located near the Colorado River which withdraw water from an alluvium of the river and 1 well in the Simsboro Aquifer. The City has sufficient water capacity to serve the District, which the City expects to require approximately 1,600 LUE’s.

The City’s wastewater system includes a network of over 53 miles of wastewater connection lines and numerous lift stations that connect to three wastewater treatment plants. The City recently completed its third wastewater treatment plant, which came online in May 2024. Each current wastewater treatment plant can service up to 2 million gallons per day. An expansion of the third wastewater treatment plant is planned, which expansion will increase capacity of such plant by 6-8 million gallons per day.

### **Major Employers**

The major employers in the City are set forth in the table below.

<u>Employer</u>	<u>Product or Service</u>	<u>Employees</u>
Bastrop ISD	Education	1,824
HEB Food Stores	Grocery	607
Hyatt Regency Lost Pines Resort	Resort	600
Bastrop County	Government	517
Agilent/Stratagene	Technology	306
Walmart	Retail	261
Bastrop FCI	Corrections	247
Buc-ee's	Retail	169
Bluebonnet Electric Co-Op	Utility	168
City of Bastrop	Government	152

Source: City of Bastrop

**Historical Employment in Bastrop County**

	<u>Average Annual<sup>(1)</sup></u>				
	<u>2024<sup>(2)</sup></u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Civilian Labor Force	51,789	49,984	48,219	45,500	42,647
Total Employed	49,926	48,279	46,585	43,453	40,074
Total Unemployed	1,863	1,705	1,634	2,047	2,573
Unemployment Rate	3.6%	3.4%	3.4%	4.5%	6.0%

<sup>(1)</sup> Source: Texas Workforce Commission.

<sup>(2)</sup> Data through October 2024.

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**Surrounding Economic Activity**

The major employers of municipalities surrounding the City are set forth in the table below.

City of Austin Approximately 30 miles from the City		City of Lockhart Approximately 31 miles from the City		City of Buda Approximately 36 miles from the City	
Employer	Employees	Employer	Employees	Employer	Employees
State Government	38,681	Lockhart ISD	731	Capital Excavation	315
University of Texas - Austin	31,106	Walmart	225	HEB	249
HEB	22,955	Serta/Formae Products	180	Wal-Mart	240
City of Austin	16,029	MTC (Lockhart Correctional)	175	ProBuild	222
Ascension Seton	14,842	H.E.B Food Store	170	Fat Quarter Shop	215
Federal Government	14,600	Pegasus School, Inc.	149	Cabela's	196
Dell Computer Corporation	13,000	City of Lockhart	145	Texas Lehigh	180
Tesla, Inc.	12,277	Iron Ox	100	US Food Service	159
St. David's Healthcare Partnership	11,484	Student Transportation Specialist	85	Hays Community YMCA	157
Amazon	11,000	Rehabilitation Center	80	Capital Spectrum	150

City of Kyle Approximately 38 miles from the City	
Employer	Employees
Hays CISD	3,258
Seton Medical Center Hays	750
Amazon	700
City of Kyle	349
Lowes	100
Home Depot	100
Austin Community College Hays	80
Plastikon	65
SIMWON	38
ENF	25

City of Elgin Approximately 19 miles from the City	
Employer	Employees
Elgin ISD	664
Wal-Mart	225
HEB	200
Acme Brick Company	162
Hanson Brick Company	80
City of Elgin	67
Southside Market & BBQ	65
Elgin-Butler Brick	60
Elgin Veterinary Hospital	40
Meyer Sausage/Smokehouse	25

Source: Municipal Advisory Council of Texas

**THE DISTRICT**

**General**

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries or extraterritorial jurisdiction, and to impose assessments within the public improvement district to pay for certain improvements. The District was created by the Creation Resolution for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Improvement Area #1 Improvements, authorized by the PID Act and approved by the City Council that confer a special benefit on the District property being developed. The District is not a separate political subdivision of the State and is governed by the City Council. A map of the property within the District, including Improvement Area #1 of the District, is included on page v hereof.

**Powers and Authority**

Pursuant to the PID Act, the City may establish and create the District and undertake, or reimburse a developer for the costs of, improvement projects that confer a special benefit on property located within Improvement



Area #1. The PID Act provides that the City may levy and collect Assessments on property in the District, or portions thereof, payable in full or periodic installments based on the benefit conferred by an improvement project to pay all or part of its cost.

Pursuant to the PID Act and the Creation Resolution, the City has the power to undertake, or reimburse a developer for the costs of, the financing, acquisition, construction or improvement of the Improvement Area #1 Improvements. See “THE IMPROVEMENT AREA #1 IMPROVEMENTS.” Pursuant to the authority granted by the PID Act and the Creation Resolution, the City has determined to undertake the construction, acquisition or purchase of the Improvement Area #1 Improvements and to finance a portion of the costs thereof through the issuance of the Bonds. The City has further determined to provide for the payment of debt service on the Bonds through Pledged Revenues. See “ASSESSMENT PROCEDURES” herein and “APPENDIX B — Form of Service and Assessment Plan.”

## **THE IMPROVEMENT AREA #1 IMPROVEMENTS**

### **General**

Proceeds of the Bonds will be used to pay for a portion of the costs of the Improvement Area #1 Improvements, Bond Issuance Costs (as defined in the Service and Assessment Plan) and First Year Annual Collection Costs (as defined in the Service and Assessment Plan). The Developer is responsible for the completion of the construction, acquisition or purchase of the Improvement Area #1 Improvements. The Developer will submit reimbursement requests for costs actually incurred in developing and constructing the Improvement Area #1 Improvements shall be reimbursed in accordance with the Indenture, the Financing and Reimbursement Agreement and the Reimbursement Agreement. See “PLAN OF FINANCE – Development Plan, Status of Development and Plan of Finance” and “APPENDIX B – Form of Service and Assessment Plan” herein.

Set forth below are descriptions of the Improvement Area #1 Improvements.

**Improvement Area #1 Improvements:** The Improvement Area #1 Improvements, a portion of which are being financed with proceeds of the Bonds, include street, water, wastewater, storm drainage, and soft costs benefitting only Improvement Area #1 of the District.

**Street:** Street improvements include subgrade stabilization (including excavation and drainage), concrete and reinforcing steel for roadways, handicapped ramps, and street lights. Intersections, signage, lighting, and re-vegetation of all disturbed areas within the right of way are included. These roadway improvements include streets that will provide street access to each Lot. These projects will provide access to community roadways and state highways. The street improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

**Water:** Improvements include trench excavation and embedment, trench safety, PVC piping, service connections and testing. These lines will include the necessary appurtenances to be fully operational transmission lines extending water service to the limits of the improvements. The water improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

**Wastewater:** Wastewater improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections and testing. These lines will include the necessary appurtenances to be fully operational transmission lines existing wastewater services to the limits of the improvements. The wastewater improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

**Drainage:** Drainage improvements include trench excavation and embedment, trench safety, reinforced concrete piping, manholes, inlets, channels/swales and ponds. These will include the necessary appurtenances to be fully operation to convey stormwater to the limits of the improvement area. The drainage improvements

will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

**Soft Costs:** Softs costs includes costs related to designing, constructing, and installing the Improvement Area #1 Improvements including land planning and design, City permits and fees, engineering, soil testing, survey, construction management, legal, special assessment consulting, district formation expenses and contingency.

The following table reflects the total expected costs of the Improvement Area #1 Improvements, Bond Issuance Costs and First Year Annual Collection Costs.

<u>Type of Improvement</u>	<u>Costs*</u>
Streets	\$6,637,576
Water	2,817,287
Wastewater	2,079,838
Drainage	5,475,303
Soft Costs	<u>4,252,501</u>
Subtotal Improvement Area #1 Improvements	<u>\$21,262,504</u>
 Bond Issuance Costs and First Year Annual Collection Costs	 <u>\$2,330,419</u>
Total	<b><u>\$23,592,923</u></b>

The expected total cost of the Improvement Area #1 Improvements, Bond Issuance Costs and First Year Annual Collection Costs is approximately \$23,592,923\*. A portion of the costs of the Improvement Area #1 Improvements, in the amount of \$[PROJECT FUND DEPOSIT]\*, is expected to be paid or reimbursed from the proceeds of the Bonds. The balance of the costs is expected to be paid by the Developer with cash available to the Developer, and will not be reimbursed by the City.

**Ownership and Maintenance of the Improvement Area #1 Improvements**

The Improvement Area #1 Improvements will be dedicated to the City in accordance with City standards and specifications. The City will provide for the ongoing operation, maintenance and repair of the Improvement Area #1 Improvements constructed and conveyed, as outlined in the Service and Assessment Plan.

**THE DEVELOPMENT**

The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the City, the City’s Financial Advisor and the Underwriter, and none of the City, the City’s Financial Advisor, Bond Counsel nor the Underwriter have any way of guaranteeing the accuracy of such information. See “SOURCES OF INFORMATION – Source of Certain Information.”

**Overview**

The Development is an approximately 399.878 acre master planned residential project to be known as “Valverde.” The Development is located at the intersection of State Highway 71 and Farm to Market Road 969, with access to the Development directly from Farm to Market Road 969. Improvement Area #1 of the Development is located in the corporate limits of the City and the remaining property of the Development is located in the extraterritorial jurisdiction of the City. The Developer expects the remaining portion of the Development to be annexed into the City as the Development is developed. The Development is approximately 30 miles southeast of the City of Austin, Texas, approximately 19 miles south of the City of Elgin, Texas, and approximately 31 miles northwest of the City of Lockhart, Texas. The Development is approximately 22 miles southeast of Austin-Bergstrom International Airport, 22 miles east from Circuit of the Americas, and 22 miles southeast from the Austin Tesla factory. The City,

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\* Preliminary; subject to change.

located in the southeastern region of the Austin-Round Rock-San Marcos, Texas Metropolitan Statistical Area (the “Austin MSA”), is poised for growth as the overall Austin MSA continues its growth trajectory.

The Development is expected to include a variety of open spaces, parkland, pedestrian trails and bike trails, and an amenity center for residents to enjoy. This combination will provide its residents a community environment in which to live. The Development is located within Bastrop ISD.

### **Development Plan and Status of Development in Improvement Area #1 of the District**

The Development is expected to include approximately 1,399 single-family residential lots consisting of a mixture of 32’, 43’, 45’ and 50’ lots, as well as 250 townhome rental units at build out. Development in the District began with Improvement Area #1, which is expected to contain a total of 352 single-family residential lots and 250 townhomes, and is being developed in three phases, Phase 2, which contains 174 lots, Phase 3, which is expected to contain 178 lots, and Phase 13, which is expected to contain all 250 townhomes.

The Developer has constructed and will continue to construct the Improvement Area #1 Improvements. Construction of the portion of the Improvement Area #1 Improvements benefitting Phase 2 began in September 2022. Internal lot improvements for Phase 2 have been completed, and final completion of Phase 2, which is pending completion of a lift station, is expected to occur in January 2025. Construction of the portion of the Improvement Area #1 Improvements benefitting Phase 3 began in May 2024 and is expected to be completed in May 2025. Construction of the internal Improvement Area #1 Improvements benefitting Phase 13 is expected to begin in Q1 2025 and be completed in Q1 2026.

The total expected cost of the Improvement Area #1 Improvements is \$21,262,504\*. As of December 1, 2024, the Developer has expended approximately \$14,300,000 on the Improvement Area #1 Improvements, which was financed with cash available to the Developer. See “THE DEVELOPER – History and Financing of the District.”

### **Photographs of Development in Improvement Area #1 of the District**

A photograph of development within Improvement Area #1 of the District are included herein in Appendix G.

### **Builders within Improvement Area #1 of the District**

The Developer does not plan on entering into any purchase contracts with any homebuilders within the District. The Developer is a wholly-owned subsidiary of D.R. Horton. D.R. Horton will construct the anticipated 352 single-family homes in Improvement Area #1 of the District. Home construction in Improvement Area #1 began in October 2024, and the first home sale is expected to be in February 2025.

DHI will construct the anticipated 250 townhomes in Improvement Area #1 of the District. DHI is expected to begin vertical construction of the townhomes in Q2 2026 and complete such construction in Q2 2027. The townhomes are expected to be rental units with an average rental rate of approximately \$1,775/unit.

### **Concept Plan**

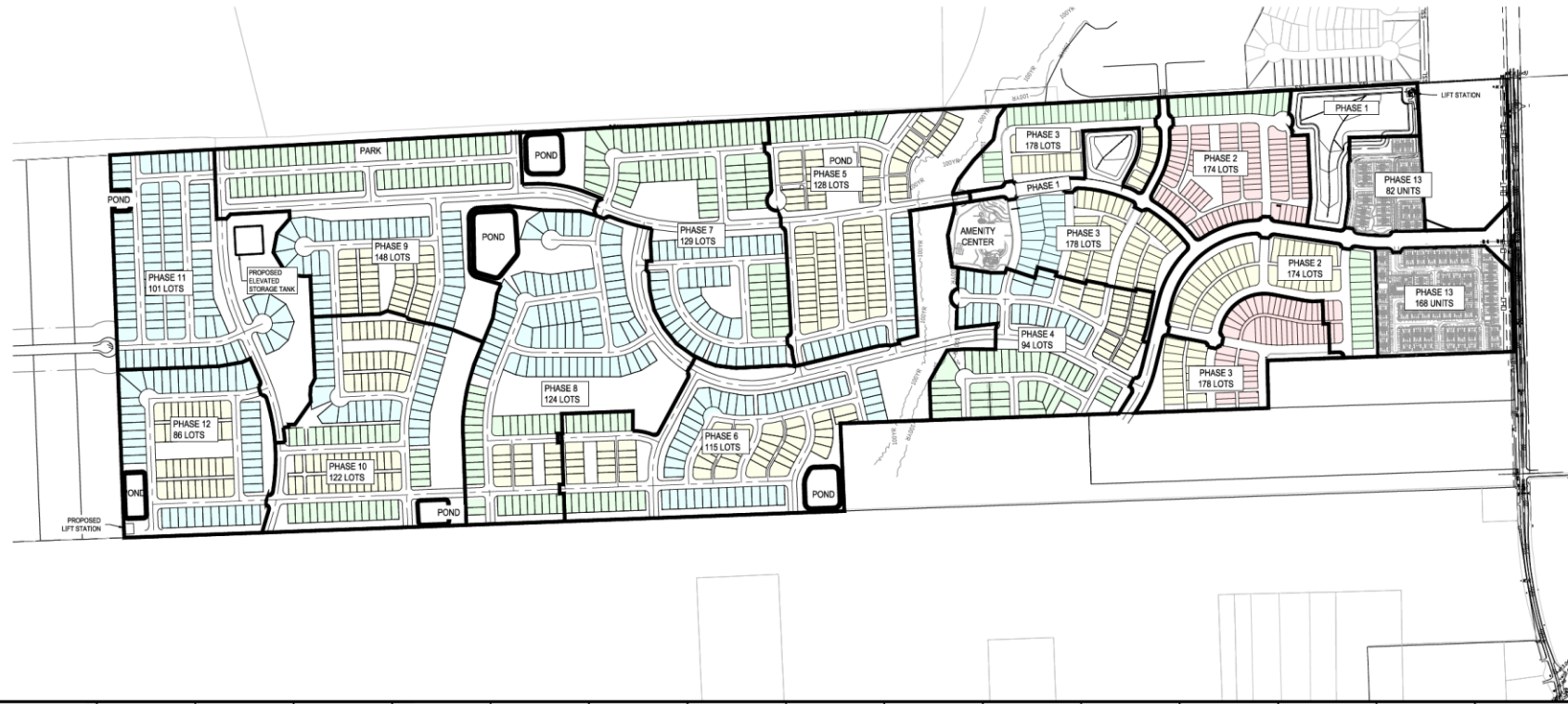
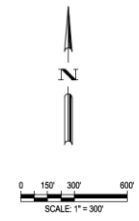
Below is the current concept plan of the Development as approved by the City. The concept plan is conceptual and subject to change consistent with the City’s zoning and subdivision regulations.

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\* Preliminary; subject to change.

VALVERDE SECTION 1 LOT COUNT										
	32'X110' ALLEY LOADED	32'X110' FRONT LOADED	43'X110' ALLEY LOADED	43'X110' FRONT LOADED	45'X120' ALLEY LOADED	45'X120' FRONT LOADED	50'X120' ALLEY LOADED	50'X120' FRONT LOADED	TOWNHOME/ MULTI-FAMILY	TOTAL
PHASE 1										
PHASE 2	103		42			29				174
PHASE 3	50		86			24		18		178
VALVERDE SECTION 2 LOT COUNT										
PHASE 4			27		8	35		24		94
PHASE 5			88		16			24		128
PHASE 6			41	7		20		47		115
PHASE 7					18	62		49		129
PHASE 8			15			33		76		124
PHASE 9			37			69		42		148
PHASE 10			56		14	20	8	24		122
PHASE 11							34	67		101
PHASE 12			40					46		86
PHASE 13									250	
TOTAL	153		432	7	56	292	42	417	250	1649



9500 Manchaca Road, Suite 500B  
 Austin, TX 78735  
 (512) 336-3924  
 www.mahoneyhamilton.com  
 Mahoney Hamilton  
 Professional Engineers, L.L.C. (Certificate No. 10122)

**MAHONEY  
HAMILTON**

PHASING PLAN EXHIBIT

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VALVERDE SECTION 2 PRELIMINARY PLAN

AUSTIN, TX

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SHEET  
1  
OF 1

P:\118810001\CASESECTION 1\_PRELIMINARY PLAN VALVERDE\DWG\PHASING EXHIBIT\_N(DWG) 10/20/24  
 SUBMITTAL DATE: 10/09/2024

**Expected Build-Out of the Development**

The Developer’s current expectations regarding estimated home prices in Improvement Area #1 of the District are as follows:

**ESTIMATED HOME PRICES**

<u>Lot Size (Width in Ft.)</u>	<u>Quantity</u>	<u>Average Base Home Price**</u>
32’	153	\$307,495
43’	128	\$352,490
45’	53	\$368,990
50’	18	\$368,990

\*\* Developer estimates. Average across all lot types. 45’ and 50’ lot types are considered substantially similar by the Developer and are expected to be sold at similar price points.

The following tables provide the build-out schedule of the District and absorption schedule of lots in the District.

**EXPECTED BUILD-OUT OF THE DISTRICT**

<u>Phase</u>	<u>Single-Family Lots/Townhome Lots</u>	<u>Actual/Expected Infrastructure Start Date</u>	<u>Actual/Expected Infrastructure Completion Date</u>
1*	N/A	September 2022	December 2024
2	174	September 2022	January 2025**
3	178	May 2024	May 2025
4	94	June 2025	June 2026
5	128	June 2026	June 2027
6	115	June 2027	June 2028
7	129	June 2027	June 2028
8	124	June 2028	June 2029
9	148	June 2028	June 2029
10	122	June 2029	June 2030
11	101	June 2029	June 2030
12	86	June 2030	June 2031
13	<u>250</u>	February 2025	March 2026
<b>Total</b>	<b>1,649</b>		

\* Phase 1 contains only roads and no single-family lots or townhomes.

\*\* Phase 2 internal lot improvements have been completed. Final completion date reflects completion date of the lift station necessary to serve such lots.

**EXPECTED ABSORPTION OF HOMES IN IMPROVEMENT AREA #1 OF THE DISTRICT**

<u>Expected Final Sale Date</u>	<u>Total Homes</u>
Q1 2025	36
Q2 2025	36
Q3 2025	36
Q4 2025	36
Q1 2026	36
Q2 2026	36
Q3 2026	36
Q4 2026	36
Q1 2027	36
Q2 2027	<u>28</u>

<u>Expected Final</u>	
<u>Sale Date</u>	<u>Total Homes</u>
Total	352

**Future Improvement Area Bonds**

Future Improvement Area Bonds to finance the cost of Future Improvement Area Improvements are anticipated to be issued in the future. The estimated costs of the Future Improvement Area Improvements will be determined at the same time the Future Improvement Areas are developed, and the Service and Assessment Plan will be updated to identify the Future Improvement Area Improvements to be constructed within the applicable Future Improvement Area and financed by each new series of Future Improvement Area Bonds. Such Future Improvement Area Bonds will be secured by separate assessments levied pursuant to the PID Act on assessable property within the applicable Future Improvement Area. The Developer anticipates that Future Improvement Area Bonds will be issued over a six year period, as described in the Service and Assessment Plan.

The Bonds and any Future Improvement Area Bonds issued by the City are separate and distinct issues of securities. The City reserves the right to issue Future Improvement Area Bonds for any purpose permitted by the PID Act, including those described above.

**The Development Agreement**

The Developer and the City entered into the Viridian Development Agreement (as amended, the “Development Agreement”) pursuant to which the Developer agreed to construct certain public improvements in the Development. Under the Development Agreement, the Developer has agreed to construct certain onsite wastewater facilities which include the lift station that is part of the Improvement Area #1 Improvements and a force main connecting to the City’s existing offsite gravity wastewater facilities (the “Onsite Wastewater Facilities”). In addition, the Developer has agreed to design and contribute funding to construct certain offsite wastewater facilities (the “Offsite Wastewater Facilities” and together with the Onsite Wastewater Facilities, the “Wastewater Facilities”) which will be constructed by the City. The expected cost to construct the Offsite Wastewater Facilities is approximately \$3,200,000, which the Developer has agreed to contribute \$211,570 towards the cost to construct the Offsite Wastewater Facilities. In the event that (i) the City has not completed the Offsite Wastewater Facilities prior to November 1, 2024, and (ii) the Developer requires wastewater service for any portion of the property after completion of the Onsite Wastewater Facilities, but prior to the City’s completion of the Offsite Wastewater Facilities, then the City shall provide pump and haul wastewater service to the property at the City’s expense until such time as the Wastewater Facilities are complete and operational; provided, however, that the City’s expenses to provide such pump and haul wastewater service shall not exceed \$200,000.00 in total, and that the Developer shall be solely responsible for any further expenses for pump and haul in excess of such amount. As of January 17, 2025, the Offsite Wastewater Facilities were not complete.

Under the Development Agreement, the Developer reserves the right to construct a wastewater reclamation treatment facility (the “Reclamation Treatment Facility”) in the District. The Development Agreement provides that all treated effluent from the Reclamation Treatment Facility, if constructed, will be the property of the Developer and the Developer shall be responsible for providing storage and pressurization facilities at its own expense.

The Development Agreement also requires the construction of a system of publicly accessible trails within the District that will include a 5-foot bike lane and a 6-foot wide sidewalk throughout the District, and a minimum of 87 acres of parkland/open space to be reserved within the District. Under the Development Agreement, the Developer will maintain the parks, open spaces, trails and bike lanes until the Bonds are paid in full.

Pursuant to the Development Agreement, the land within the District must have a minimum value-to-lien ratio of 3:1. In addition, pursuant to the Development Agreement (i) the total amount of bonds to be issued in conjunction with developing the District shall not exceed \$95,000,000, (ii) the total equivalent tax rate including annual installments in the District shall not exceed \$3.00/\$100, and (iii) capitalized interest may not exceed 2 years unless the law dictates otherwise, for which the maximum years of capitalized interest will be adjusted to the lawful requirement.

The Developer has agreed to an alternate process of review of development procedures as set forth in the Development Agreement. In addition, the Development Agreement provides that the property within the District shall be annexed into the corporate limits of the City in phases, but that no property shall be annexed until a final plat for the property to be annexed has been recorded and it is financially feasible for the City to annex such property.

### **Zoning**

The land within Improvement Area #1 (other than the areas applicable to the townhomes) has been zoned as P3 Neighborhood by the City. The townhome land has been zoned as P5 Core by the City. The land within the Future Improvement Areas has not been annexed into the City and thus has not been zoned. Development of such land is governed by the provisions of the Development Agreement. Contemporaneously with the annexation of each Future Improvement Area into the City's corporate limits, the City will zone such Future Improvement Area in a manner consistent with the concept plan, the Development Agreement, and city regulations.

### **Private Improvements**

The Developer has constructed or will construct certain private improvements to serve the entire District consisting of landscape/hardscape improvements consisting of an entry monument, subdivision walls and landscape/irrigation, and other miscellaneous soft costs. The cost of such improvements is expected to be approximately \$1.38 million. The costs of the private Improvements were paid or will be paid with cash available to the Developer.

### **Amenities**

The Developer has constructed and will construct certain amenities within the District, including an amenity center, playgrounds, public parks, open space, and hike and bike trails (the "Amenities"). The amenity center will consist of a building, pool, parking lot, volleyball court, pickleball court, a playscape and trails. The Developer expects to begin constructing the amenity center in January 2025 and expects to complete the amenity center in November 2025. Parks and hike and bike trails will be completed on a phased basis throughout the Development, with construction of the first phase of such parks and trails beginning in January 2025 with construction of the Amenity Center.

The amenity center is expected to cost approximately \$2,800,000. The expected total cost of the Amenities, including the amenity center, is \$4,900,000. The costs of the Amenities are being financed with cash available to the Developer. The Amenities will be owned and maintained by the HOA.

### **Education**

The District is located within Bastrop ISD. Bastrop ISD operates eight elementary schools, four middle/intermediate schools, two high schools and three alternative schools. Colony Oaks Elementary School, which is approximately 1.6 miles from the District, Bastrop Middle School, which is approximately 2.1 miles from the District and Bastrop High School, which is approximately 4.7 miles from the District, are expected to serve the District.

According to the Texas Education Agency annual school report cards, Bastrop Middle School, Bastrop High School and Bastrop ISD were rated "C" for the 2021-2022 school year, the latest year for which ratings are available. The categories for public school districts and public schools are A, B, C, D or Not Rated. Bastrop Middle School is rated 3/10 and Bastrop High School is rated 5/10 by GreatSchools.org. Colony Oaks Elementary School has not been assigned a rating by the Texas Education Agency or GreatSchools.org.

### **Environmental**

Phase One ESA. A Phase One Environmental Site Assessment (a "Phase One ESA") of land within the District, including Improvement Area #1, was completed by Wood Environment and Infrastructure, Inc. ("Wood"). The Developer provided an executive summary of such Phase One ESA for review. The executive summary provides that there was no evidence that the property in the District was under environmental regulatory review or enforcement



action. The site reconnaissance, regulatory database review and historical source review revealed no evidence of recognized environmental conditions involving the site.

However, Wood did identify the following developmental conditions: (i) a house, two mobile homes, and two pole barns were located on the property which Wood indicated may warrant asbestos and lead-based paint surveys prior to demolition; (ii) three water wells are located on the property which Wood recommended should be properly plugged and abandoned prior to development; and (iii) a septic system was located on the property which Wood recommended be removed and disposed of prior to development. The Developer has complied with Wood's recommendations.

Wood also identified two riverine wetlands are located on the property. The land identified by Wood as wetlands will be designated as open space.

*Endangered Species.* According to the website for the United States Fish and Wildlife Service, the Houston Toad is endangered species in Bastrop County. The Developer is not aware of any endangered species located on District property.

### **Flood Designation**

According to Federal Emergency Management Agency ("FEMA") Flood Insurance Rate Map Panel No. 48021C0355F effective May 9, 2023, approximately 6.06 acres of the District lie within Zone AE, which is part of the 100-year floodplain. However, no property within Improvement Area #1 of the District lies in an area of special flood hazard designation. The Developer does not expect to develop the land in the flood plain, and all such land will remain open space.

### **Existing Mineral Rights, Easements and Other Third Party Property Rights**

Third parties hold title to certain rights applicable to real property within and around the District (the "Mineral Owners"), including reservations of mineral rights and royalty interests and easements (collectively, the "Third Party Property Rights") pursuant to various instruments in the chain of title for various tracts of land within and immediately adjacent to the District. Some of these reservations of mineral rights include a waiver by the Mineral Owners of their right to enter onto the surface of the property to explore, develop, drill, produce or extract minerals within the District. If the waiver is applicable, such Mineral Owners may only develop such mineral interests by means of wells drilled on land outside of the property of the District.

The Developer is not aware of any ongoing mineral rights development or exploration on or adjacent to the property within the District. The Developer is not aware of any interest in real property (including mineral rights) owned by the Mineral Owners adjacent to the District. Certain rules and regulations of the Railroad Commission of Texas may also restrict the ability of the Mineral Owners to explore or develop the property due to well density, acreage, or location issues.

Although the Developer does not expect the above-described Third Party Property Rights, or the exercise of such rights or any other third party real property rights in or around the District, to have a material adverse effect on the Development, the property within Improvement Area #1 of the District, or the ability of landowners within the District to pay Assessments, the Developer makes no guarantee as to such expectation. See "BONDHOLDERS' RISKS — Exercise of Third Party Property Rights."

### **Utilities**

*Water and Wastewater.* The City will provide water and wastewater service to the District. The City has sufficient capacity to provide water and wastewater service to the District. See "THE CITY – City Water and Wastewater System."

In addition to the water and wastewater portion of the Improvement Area #1 Improvements, pursuant to the Development Agreement, the Developer is constructing a lift station to serve the Development, which is expected to be completed in January 2025. The approximate cost of the lift station is \$1,500,000, which is expected to be funded

with cash available to the Developer without reimbursement from the City. The City has agreed in the Development Agreement to construct the Offsite Wastewater Facilities necessary to connect the property in the District to the City's existing system. See "THE DEVELOPMENT – Development Agreement."

*Other Utilities.* Additional utilities in the District are expected to be provided by: (1) Phone – Centric Fiber; (2) Electric – Bluebonnet Electric Cooperative; (3) Cable/Data – Centric Fiber; and (4) Gas – Centric Gas.

## **THE DEVELOPER**

The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the City, the City's Financial Advisor, Bond Counsel nor the Underwriter, and none of the City, the City's Financial Advisor, or the Underwriter have any way of guaranteeing the accuracy of such information. See "SOURCES OF INFORMATION – Source of Certain Information."

### **General**

In general, the activities of a developer in a development such as the District include purchasing the land, designing the subdivision, including the utilities and streets to be installed and any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, sewer, and drainage facilities, as well as telephone and electric service) and selling improved lots to homebuilders, developers, or other third parties. The relative success or failure of a developer to perform such activities within a development may have a material effect on the security of bonds, such as the Bonds, issued by a municipality for a public improvement district. A developer is generally under no obligation to develop the property that it owns in a development. Furthermore, there is no restriction on the developer's right to sell any or all of the land that the developer owns within a development. In addition, a developer is ordinarily the major tax and assessment payer within a district during its development.

### **Description of Developer**

The Developer is a wholly-owned subsidiary of D.R. Horton. D.R. Horton is a public company (NYSE: DHI) subject to the information requirements of the Securities and Exchange Act of 1934, as amended, and in accordance therewith files reports and other information with the Securities Exchange Commission ("SEC"). Reports, proxy statements and other information filed by D.R. Horton can be inspected at the office of the SEC at Judiciary Plaza, Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Regional Office of the SEC located at Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511. Copies of such material can be obtained from the Public Reference Section of the SEC at 450 Fifth Street, N.W. Washington, D.C. 20549, at prescribed rates. Copies of the above reports, proxy statements and other information may also be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005. The SEC maintains a website at <http://www.sec.gov> that contains reports, proxy information statements and other information regarding registrants that file electronically with the SEC.

In addition, D.R. Horton makes available on its web site [www.drhorton.com](http://www.drhorton.com) its annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports from Form 8-K (and any amendments to those reports) filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as soon as practicable after they have electronically filed with the SEC as well as other financial institutions. Unless otherwise specified, information contained on D.R. Horton's website, available by hyperlink from D.R. Horton's website or on the SEC's website, is not incorporated into this Limited Offering Memorandum

**THE BONDS AND THE ASSESSMENTS DO NOT CONSTITUTE INDEBTEDNESS OF, AND ARE NOT GUARANTEED BY, THE DEVELOPER OR D.R. HORTON.**

## Executive Biographies of Developer Principals

Ryan Gray, Land Development Manager. Ryan Gray joined D.R. Horton in 2017. Based in Austin, Texas, Ryan joined D.R. Horton after working for Forestar Group, Inc. for 9 years, where he gained a wealth of experience in real estate and development. Ryan has experience in land acquisition and management as well as project management.

Joel Wixson, Region Land Acquisition Manager. Joel Wixson joined D.R. Horton as Region Land Acquisition Manager in 2021. His engineering background, entitlement knowledge and acquisition experience have played a major role in providing D.R. Horton lots across Arizona, New Mexico, and Texas. In September 2024, Wixson took over as Land Manager for the Austin Division.

## History and Financing of the District

The Developer purchased approximately 399.878 acres, which includes the land within Improvement Area #1 of the District, on December 17, 2020 from David K. Grassel at a purchase price of \$11,600,000, which was funded with cash available to the Developer. The Developer is the owner of all 399.878 acres being developed in the District, including Improvement Area #1.

Approximately 10.59 acres within the boundaries of the District are owned by SIS Bastrop, LLC, and such land will not be assessed or be part of the Development.

The Developer expects to fund development in the District with cash available to the Developer.

## THE ADMINISTRATOR

The following information has been provided by the Administrator. Certain of the following information is beyond the direct knowledge of the City, the City's Financial Advisor and the Underwriter, and none of the City, the City's Financial Advisor, Bond Counsel nor the Underwriter have any way of guaranteeing the accuracy of such information. The Administrator has reviewed this Limited Offering Memorandum and warrant and represent that the information herein under the caption "THE ADMINISTRATOR" does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they are made, not misleading.

The City has selected P3Works, LLC as the initial Administrator for the District. The Administrator is a consulting firm with a specialized consulting practice providing services related to the formation and administration of special tax and special assessment districts. The City has entered into an agreement with the Administrator to provide specialized services related to the administration of the District needed to support the issuance of the Bonds. The Administrator will primarily be responsible for preparing the annual update to the Service and Assessment Plan. The Administrator is a consulting firm focused on providing district services relating to the formation and administration of public improvement districts, and is based in North Richland Hills, Texas and Austin, Texas.

The Administrator's duties will include:

- Preparation of the annual update to the Service and Assessment Plan
- Preparation of assessment rolls for City billing and collection
- Establishing and maintaining a database of all City parcel IDs within the District
- Trust account analysis and reconciliation
- Property owner inquiries
- Determination of Prepayment amounts
- Preparation and review of disclosure notices with Dissemination Agent
- Review of developer draw requests for reimbursement of authorized improvement costs.

## APPRAISAL

### The Appraisal

General. Barletta & Associates, Inc. (the “Appraiser”), prepared an appraisal report dated as of November 25, 2024 (the “Appraisal”). The Appraisal was prepared at the request of the Underwriter.

The description herein of the Appraisal is intended to be a brief summary only of the Appraisal as it relates to the District. The Appraisal is attached hereto as APPENDIX E and should be read in its entirety. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions and qualifications, which are set forth therein. See “APPENDIX E — Appraisal.”

Value Estimates. The Appraiser estimated (i) the “As Is” bulk market value of the fee simple interest in the 174 lots in Phase 2 (referred to in the Appraisal as “Phase 1 & 2, Sec. 1”) effective as of October 1, 2024, (ii) the “Upon Completion” bulk market value of the 178 expected lots in Phase 3 effective as of May 1, 2025, and (iii) the “Upon Completion” bulk market value of the fee simple interest in the 250 townhome lots in Phase 13 (referred to in the Appraisal as “Valverde North & Valverde South”) effective as of December 1, 2025, each under certain extraordinary assumptions as outlined in the Appraisal including the assumption that the Improvement Area #1 Improvements have been completed. The Appraisal reflects the values as if the lots were sold to a single purchaser in a single transaction. See “APPENDIX E — Appraisal.”

The Appraiser estimated the following values in Improvement Area #1, each using the methodologies described in the Appraisal (i) Phase 2 “As Is” bulk market value of \$11,890,000 effective as of October 1, 2024, (ii) Phase 3 “Upon Completion” bulk market value of \$14,120,000 effective as of May 1, 2025, and (iii) Phase 13 “Upon Completion” bulk market value of \$12,800,000 effective as of December 1, 2025. The combined value estimate for the assessable property within Improvement Area #1 of the District using the methodologies described in the Appraisal and subject to the hypothetical conditions set forth in the Appraisal, as of the effective dates set forth in the Appraisal, is \$38,810,000. For further information about the value of the land within Improvement Area #1 of the District and the lien relating to the Assessments, see “ASSESSMENT PROCEDURES – Assessment Methodology.”

**None of the City, the Developer or the Underwriter make any representation as to the accuracy, completeness, assumptions or information contained in the Appraisal. The assumptions or qualifications with respect to the Appraisal are contained therein. There can be no assurance that any such assumptions will be realized, and the City, the Developer and the Underwriter make no representation as to the reasonableness of such assumptions. Prospective investors should read the complete Appraisal in order to make an informed decision regarding any contemplated purchase of the Bonds. The complete Appraisal is attached hereto as APPENDIX E.**

## BONDHOLDERS’ RISKS

*Before purchasing any of the Bonds, prospective investors and their professional advisors should carefully consider all of the risk factors described below which may create possibilities wherein interest may not be paid when due or that the Bonds may not be paid at maturity or otherwise as scheduled, or, if paid, without premium, if applicable. The following risk factors (which are not intended to be an exhaustive listing of all possible risks associated with an investment in the Bonds) should be carefully considered prior to purchasing any of the Bonds. Moreover, the order of presentation of the risks summarized below does not necessarily reflect the significance of such investment risks.*

### General

**THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE**

**RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, AND OTHER FUNDS COMPRISING THE TRUST ESTATE.**

The ability of the City to pay debt service on the Bonds as due is subject to various factors that are beyond the City's control. These factors include, among others, (a) the ability or willingness of property owners within Improvement Area #1 of the District to pay Assessments levied by the City, (b) cash flow delays associated with the institution of foreclosure and enforcement proceedings against property within Improvement Area #1 of the District, (c) general and local economic conditions which may impact real property values, the ability to liquidate real property holdings and the overall value of real property development projects, and (d) general economic conditions which may impact the general ability to market and sell the lots within Improvement Area #1 of the District, it being understood that poor economic conditions within the City, State and region may slow the assumed pace of sales of such lots.

The rate of development of the property in Improvement Area #1 of the District is directly related to the vitality of the residential housing industry. In the event that the sale of the lands within Improvement Area #1 of the District should proceed more slowly than expected and the Developer is unable to pay the Assessments, only the value of the lands, with improvements, will be available for payment of the debt service on the Bonds, and such value can only be realized through the foreclosure or expeditious liquidation of the lands within Improvement Area #1 of the District. There is no assurance that the value of such lands will be sufficient for that purpose and the expeditious liquidation of real property through foreclosure or similar means is generally considered to yield sales proceeds in a lesser sum than might otherwise be received through the orderly marketing of such real property.

The Underwriter is not obligated to make a market in or repurchase any of the Bonds, and no representation is made by the Underwriter, the City or the City's Financial Advisor that a market for the Bonds will develop and be maintained in the future. If a market does develop, no assurance can be given regarding future price maintenance of the Bonds.

The City has not applied for or received a rating on the Bonds. The absence of a rating could affect the future marketability of the Bonds. There is no assurance that a secondary market for the Bonds will develop or that holders who desire to sell their Bonds prior to the stated maturity will be able to do so.

### **Deemed Representations and Acknowledgment by Investors**

Each Investor will be deemed to have acknowledged and represented to the City the matters set forth under the heading "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS" which include, among others, a representation and acknowledgment that the purchase of the Bonds involves investment risks, certain of which are set forth under this heading "BONDHOLDERS' RISKS" and elsewhere herein, and such Investor, either alone or with its purchaser representative(s) (as defined in Rule 501(h) of Regulation D under the Securities Act of 1933), has sophisticated knowledge and experience in financial and business matters and the capacity to evaluate such risks in making an informed investment decision to purchase the Bonds, and the Investor can afford a complete loss of its investment in the Bonds.

### **Assessment Limitations**

Annual Installments of Assessments are billed to property owners in the District. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as for ad valorem taxes as described under "ASSESSMENT PROCEDURES" herein. Additionally, Annual Installments established by the Service and Assessment Plan correspond in number and proportionate amount to the number of installments and principal amounts of Bonds maturing in each year, interest and the Annual Collection Costs for such year. See "ASSESSMENT PROCEDURES" herein. The unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Annual Installments of Assessment payments in the future.

In order to pay debt service on the Bonds, it is necessary that Annual Installments are paid in a timely manner. Due to the lack of predictability in the collection of Annual Installments in the District, the City has established a Reserve Account in the Reserve Fund, to be funded from the proceeds of the Bonds, to cover delinquencies. The Annual Installments are secured by the Assessment Lien. However, there can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid depletion of the Reserve Account and delay in payments of debt service on the Bonds. See “BONDHOLDERS’ RISKS — Bondholders’ Remedies and Bankruptcy” herein.

Upon an ad valorem tax lien foreclosure event of a property within Improvement Area #1 of the District, any lien securing an Assessment that is delinquent will be foreclosed upon in the same manner as the ad valorem tax lien (assuming all necessary conditions and procedures for foreclosure are duly satisfied). To the extent that a foreclosure sale results in insufficient funds to pay in full both the delinquent ad valorem taxes and the delinquent Assessments, the liens securing such delinquent ad valorem taxes and delinquent Assessments would likely be extinguished. Any remaining unpaid balance of the delinquent Assessments would then be an unsecured personal liability of the original property owner.

Based upon the language of Texas Local Government Code, §372.017(b), case law relating to other types of assessment liens and opinions of the Texas Attorney General, the Assessment Lien as it relates to installment payments that are not yet due should remain in effect following an ad valorem tax lien foreclosure, with future installment payments not being accelerated. Texas Local Government Code §372.018(d) supports this position, stating that an Assessment Lien runs with the land and the portion of an assessment payment that has not yet come due is not eliminated by foreclosure of an ad valorem tax lien.

The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Ordinance. However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinance (“Pre-existing Homestead Rights”) for as long as such rights are maintained on the property. It is unclear under State law whether or not Pre-existing Homestead Rights would prevent the Assessment Lien from attaching to such homestead property or instead cause the Assessment Lien to attach, but remain subject to, the Pre-existing Homestead Rights.

Under State law, in order to establish homestead rights, the claimant must show a combination of both overt acts of homestead usage and intention on the part of the owner to claim the land as a homestead. Mere ownership of the property alone is insufficient and the intent to use the property as a homestead must be a present one, not an intention to make the property a homestead at some indefinite time in the future. As of the date of adoption of the Assessment Ordinance, no such homestead rights will have been claimed. Furthermore, the Developer is not eligible to claim homestead rights and the Developer has represented that it will own all property within Improvement Area #1 of the District as of the date of the Assessment Ordinance. Consequently, there are and can be no homestead rights on the Assessed Property superior to the Assessment Lien and, therefore, the Assessment Lien may be foreclosed upon by the City.

Failure by owners of the parcels to pay Annual Installments when due, depletion of the Reserve Fund, delay in foreclosure proceedings, or inability of the City to sell parcels which have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent installments of Assessments levied against such parcels may result in the inability of the City to make full or punctual payments of debt service on the Bonds.

**THE ASSESSMENTS WILL CONSTITUTE A FIRST AND PRIOR LIEN AGAINST THE PROPERTY ASSESSED, SUPERIOR TO ALL OTHER LIENS AND CLAIMS EXCEPT LIENS AND CLAIMS FOR STATE, COUNTY, SCHOOL DISTRICT OR MUNICIPALITY AD VALOREM TAXES AND WILL BE PERSONAL OBLIGATIONS OF AND CHARGES AGAINST THE OWNERS OF PROPERTY LOCATED WITHIN IMPROVEMENT AREA #1 OF THE DISTRICT.**

#### **Exceedance of Maximum Assessment Could Trigger Assessment Prepayment and Optional Redemption**

The Service and Assessment Plan establishes a “Maximum Assessment” for each lot type in Improvement Area #1 of the District, which Maximum Assessment is currently calculated as shown below. See “APPENDIX B — Form of Service and Assessment Plan.”

<u>Lot type</u>	<u>Maximum Assessment per Lot Type</u>
Multi-Family	\$17,747.15
32'	\$19,489.86
43'	\$22,341.76
45'	\$23,387.58
50'	\$23,387.58

Prior to the City approving a final subdivision plat, the Administrator will certify that such plat will not result in the Assessment per lot for any lot type exceeding the Maximum Assessment. If the Administrator determines that the resulting Assessment per lot for any lot type will exceed the Maximum Assessment, the Service and Assessment Plan provides that the person or entity filing the plat shall make a mandatory prepayment of the Assessments. See “ASSESSMENT PROCEDURES – Assessment Amounts – Maximum Assessment.”

No plat has been filed the townhome tract in Phase 13 of in Improvement Area #1 of the District. In the event that the number of townhomes to be built in Phase 13 of Improvement Area #1 falls prior to the filing of a plat for Improvement Area #1, a mandatory prepayment of the Assessments could be triggered at the time of filing of the plat. Any mandatory prepayment of the Assessments related to the exceedance of the Maximum Assessment may trigger an optional redemption of the Bonds by the City. See “DESCRIPTION OF THE BONDS – Redemption Provisions.”

**Competition**

The housing industry in the Austin area is very competitive, and none of the Developer, the City, the City’s Financial Advisor or the Underwriter can give any assurance that the building programs which are planned will be completed in accordance with the Developer’s expectations. The competitive position of the Developer in the sale of developed lots or of any other homebuilder in the construction and sale of single-family residential units is affected by most of the factors discussed in this section, and such competitive position is directly related to maintenance of market values in the District. There can be no assurances that other similar projects will not be developed in the future or that existing projects will not be upgraded or otherwise be able to compete with the Development. A sample of competitive projects near the Development is below.

<u>Project Name</u>	<u># of Units</u>	<u>Proximity to District (Miles)</u>	<u>Developer/Builders</u>	<u>Expected Home Sale Prices</u>
Double Eagle Ranch	52	7.72 Miles	Meritage Homes	\$368,490
The Colony	99	.64 Miles	Perry Homes	\$416,150
The Colony	103	0.48 Miles	Scott Felder Homes	\$461,290
The Colony	92	2.75 Miles	Sitterle Homes	\$584,909
Adelton	47	1.3 Miles	Empire	\$408,445

**Recent Changes in State Law Regarding Public Improvement Districts; Failure of Developer to Deliver Required Notice Pursuant to Texas Property Code May Affect Absorption Schedule and Provide for Prepayments Causing Partial Redemptions of Bonds**

The 87th Legislature passed HB 1543, which became effective September 1, 2021, and requires a person who proposes to sell or otherwise convey real property within a public improvement district to provide to the purchaser of the property, before the execution of a binding contract of purchase and sale, written notice of the obligation to pay public improvement district assessments, in accordance with Section 5.014, Texas Property Code, as amended. In the event a contract of purchase and sale is entered into without the seller providing the notice, the intended purchaser is entitled to terminate the contract or purchase and sale. If the Developer or the homebuilders within Improvement Area #1 of the District do not provide the required notice and prospective purchasers of property within Improvement Area #1 of the District terminate a purchase and sale contract, the anticipated absorption schedule may be affected.



In addition to the right to terminate the purchase contract, a property owner who did not receive the required notice is entitled, after sale, to sue for damages for (i) all costs relative to the purchase, plus interest and reasonable attorney's fees, or (ii) an amount not to exceed \$5,000, plus reasonable attorney's fees. In a suit filed pursuant to clause (i), any damages awarded must go first to pay any outstanding liens on the property. In such an event, the outstanding Assessments on such property may be prepaid. In the event of such prepayment, a partial redemption of the Bonds could occur. See "DESCRIPTION OF THE BONDS – Redemption Provisions." On payment of all damages respectively to the lienholders and purchaser pursuant to clause (i), the purchaser is required to reconvey the property to the seller. Further however, if the Developer or homebuilders within Improvement Area #1 of the District do not provide the required notice and become liable for monetary damages, the anticipated buildout and absorption schedule may be affected. No assurances can be given that the projected buildout and absorption schedules presented in this Limited Offering Memorandum will be realized. The form of notice to be provided to homebuyers is attached to the Service and Assessment Plan. See "APPENDIX B – Form of Service and Assessment Plan."

### **Failure or Inability to Complete Proposed Development**

Proposed development within Improvement Area #1 of the District may be affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, changes in the income tax treatment of real property ownership, unexpected increases in development costs and other similar factors as well as availability of utilities and the development or existence of environmental concerns with such land. See "– Hazardous Substances" below. There can be no assurances that other similar projects will not be developed in the future or that existing projects will not be upgraded or otherwise able to compete with the Development. A slowdown of the development process and the related absorption rate within the Development because of any or all of the foregoing could affect adversely land values. THE TIMELY PAYMENT OF THE BONDS DEPENDS UPON THE WILLINGNESS AND ABILITY OF THE DEVELOPER AND ANY SUBSEQUENT OWNERS TO PAY THE ASSESSMENTS WHEN DUE. ANY OR ALL OF THE FOREGOING COULD REDUCE THE WILLINGNESS AND THE ABILITY OF SUCH OWNERS TO PAY THE ASSESSMENTS AND COULD GREATLY REDUCE THE VALUE OF PROPERTY WITHIN IMPROVEMENT AREA #1 OF THE DISTRICT IN THE EVENT SUCH PROPERTY HAS TO BE FORECLOSED. In that event, there could be a default in the payment of the Bonds.

### **Completion of Homes**

The cost and time for completion of homes by the homebuilders is uncertain and may be affected by changes in national, regional and local and economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; changes in local, regional and national market and economic conditions; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes yet to be built in the Development, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; force majeure (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; subcontractor defaults; and other unknown contingencies and factors beyond the control of the Developer.

### **Absorption Rate**

There can be no assurance that the Developer will be able to achieve its anticipated absorption rates. Failure to achieve the absorption rate estimates will adversely affect the estimated value of the Development, could impair the economic viability of the Development and could reduce the ability or desire of property owners in the District to pay the Assessments.

### **Risks Related to the Current Residential Real Estate Market**

The real estate market is currently experiencing a slowing of new home sales and new home closings due in part to rising inflation and mortgage interest rates. Downturns in the real estate market and other factors beyond the control of the Developer, including general economic conditions, may impact the timing of parcel, lot, and home sales within the District. No assurances can be given that projected home prices, home sales and buildout values presented in this Limited Offering Memorandum will be realized.

### **Risks Related to Increase in Costs of Building Materials**

There have been substantial increases in the cost of materials, causing many homebuilders and general contractors to experience budget overruns. If the construction costs associated with completing homes in the District are substantially higher than the estimated costs or if the homebuilders within Improvement Area #1 of the District are unable to access building materials in a timely manner, it may affect the ability of such homebuilders in the District to complete the construction of homes or pay the Assessments when due. There is no way to predict whether such cost increases or low supply of building materials will continue or if such continuance will affect the development of the District.

### **Bankruptcy**

The payment of Assessments and the ability of the City to foreclose on the lien of a delinquent unpaid Assessment may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. Although bankruptcy proceedings would not cause the Assessments to become extinguished, bankruptcy of a property owner in all likelihood would result in a delay in prosecuting foreclosure proceedings. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds, and the possibility that delinquent Assessments might not be paid in full.

### **Direct and Overlapping Indebtedness, Assessments and Taxes**

The ability of an owner of property within Improvement Area #1 of the District to pay the Assessments could be affected by the existence of other taxes and assessments imposed upon the property. Public entities whose boundaries overlap those of the District currently impose ad valorem taxes on the property within Improvement Area #1 of the District and will likely do so in the future. Such entities could also impose assessment liens on the property within Improvement Area #1 of the District. The imposition of additional liens, or liens for private financing, may reduce the ability or willingness of the landowners to pay the Assessments. See "OVERLAPPING TAXES AND DEBT."

### **Depletion of Reserve Account of the Reserve Fund; No Prefunding of Delinquency & Prepayment Reserve Account**

Failure of the owners of property within the District to pay the Assessments when due could result in the rapid, total depletion of the Reserve Fund prior to replenishment from the resale of property upon a foreclosure or otherwise or delinquency redemptions after a foreclosure sale, if any. There could be a default in payments of the principal of and interest on the Bonds if sufficient amounts are not available in the Reserve Fund. The Delinquency & Prepayment Reserve Account of the Reserve Fund is not funded from proceeds of the Bonds. Instead, funding of the Delinquency & Prepayment Reserve Account is accumulated over time, by the mechanism described in "SECURITY FOR THE BONDS – Delinquency & Prepayment Reserve Account of the Reserve Fund." The Indenture provides that if after a withdrawal from the Reserve Account the amounts therein are less than the Reserve Account Requirement, the Trustee shall transfer an amount from the Pledged Revenue Fund to the Reserve Account sufficient to cure such deficiency. The Indenture also provides that if the amount on deposit in the Delinquency & Prepayment Reserve Account shall at any time be less than the Delinquency & Prepayment Reserve Requirement, the Trustee shall notify the City, in writing, of the amount of such shortfall and the City shall resume collecting the Additional Interest and shall file a City Certificate with the Trustee instructing the Trustee to resume depositing the Additional Interest from the Bond Pledged Revenue Account of the Pledged Revenue Fund into the Delinquency & Prepayment Reserve Account until the Delinquency & Prepayment Reserve Requirement has been accumulated in the Delinquency & Prepayment Reserve Account; provided, however, that the City shall not be required to replenish the Delinquency & Prepayment Reserve Account in the event funds are transferred from the Delinquency & Prepayment Reserve Account to the Redemption Fund as a result of an extraordinary optional redemption of Bonds from the proceeds of a Prepayment, as described under "SECURITY FOR THE BONDS – Reserve Account of the Reserve Fund."

### **Hazardous Substances**

While governmental taxes, assessments and charges are a common claim against the value of a parcel, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may

be realized to the assessment is a claim with regard to a hazardous substance. In general, the owners and operators of a parcel may be required by law to remedy conditions relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or “Superfund Act,” is the most well-known and widely applicable of these laws. It is likely that, should any of the parcels of land located in the District be affected by a hazardous substance, the marketability and value of such parcels would be reduced by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The value of the land within Improvement Area #1 of the District does not take into account the possible liability of the Developer for the remediation of a hazardous substance condition on the property in the District. The City has not independently verified, and is not aware, that the Developer has such a current liability with respect to the property in Improvement Area #1 of the District; however, it is possible that such liabilities do currently exist and that the City is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the land within the District resulting from the existence, currently, of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. The actual occurrence of any of these possibilities could significantly negatively affect the value of a parcel that is realizable upon a foreclosure.

See “THE DEVELOPMENT — Environmental” for discussion of the Phase One ESA performed on property within Improvement Area #1 of the District.

### **Exercise of Third Party Property Rights**

As described herein under “THE DEVELOPMENT – Existing Mineral Rights, Easements and Other Third Party Property Rights,” there are certain Third Party Property Rights reservations located within Improvement Area #1 of the District and not owned by the Developer or any of its affiliates. There may also be additional mineral rights and related real property rights reflected in the chain of title for the real property within Improvement Area #1 of the District recorded in the real property records of Bastrop County.

The Developer does not expect the existence or exercise of any Third Party Property Rights, mineral rights or related real property rights in or around the District to have a material adverse effect on the Development, the property within Improvement Area #1 of the District, or the ability of landowners within Improvement Area #1 of the District to pay Assessments. However, none of the City, the Financial Advisor, or the Underwriter, provide any assurances as to such Developer expectations.

### **Regulation**

Development within the District may be subject to future federal, state and local regulations. Approval may be required from various agencies from time to time in connection with the layout and design of development in the District, the nature and extent of public improvements, land use, zoning and other matters. Failure to meet any such regulations or obtain any such approvals in a timely manner could delay or adversely affect development in the District and property values.

### **Bondholders’ Remedies and Bankruptcy**

In the event of default in the payment of principal of or interest on the Bonds or the occurrence of any other Event of Default under the Indenture, the Trustee may, and upon the written request of at least of the Owners of at least a Quarter in Interest on the Bonds then Outstanding, the Trustee shall proceed to protect and enforce its rights and the rights of the owners of the Bonds under the Indenture by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for mandamus or the specific performance of any covenant or agreement contained therein or in aid or execution of any power granted or

for the enforcement of any proper legal or equitable remedy, as the Trustee shall deem most effectual to protect and enforce such rights.

The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the City's obligations under the Bonds or the Indenture and such obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The owners of the Bonds cannot themselves foreclose on property within Improvement Area #1 of the District or sell property within Improvement Area #1 of the District in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the owners of the Bonds further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. In this regard, should the City file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the City to seek judicial foreclosure of its Assessment Lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "BONDHOLDERS' RISKS — Bankruptcy Limitation to Bondholders' Rights" herein.

Any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a property owner within Improvement Area #1 of the District pursuant to the Federal Bankruptcy Code could, subject to its discretion, delay or limit any attempt by the City to collect delinquent Assessments, or delinquent ad valorem taxes, against such property owner.

In addition, in 2006, the Texas Supreme Court ruled in *Tooke v. City of Mexia*, 197 S.W.3d 325 (Tex. 2006) ("Tooke") that a waiver of sovereign immunity must be provided for by statute in "clear and unambiguous" language. In so ruling, the Court declared that statutory language such as "sue and be sued", in and of itself, did not constitute a clear and unambiguous waiver of sovereign immunity. In *Tooke*, the Court noted the enactment in 2005 of sections 271.151-.160, Texas Local Government Code (the "Local Government Immunity Waiver Act"), which, according to the Court, waives "immunity from suit for contract claims against most local governmental entities in certain circumstances." The Local Government Immunity Waiver Act covers cities and relates to contracts entered into by cities for providing goods or services to cities.

In *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W.3d 427 (Tex. 2016) ("Wasson"), the Texas Supreme Court (the "Court") addressed whether the distinction between governmental and proprietary acts (as found in tort-based causes of action) applies to breach of contract claims against municipalities. The Court analyzed the rationale behind the Proprietary-Governmental Dichotomy to determine that "a city's proprietary functions are not done pursuant to the 'will of the people'" and protecting such municipalities "via the [S]tate's immunity is not an efficient way to ensure efficient allocation of [S]tate resources." While the Court recognized that the distinction between governmental and proprietary functions is not clear, the *Wasson* opinion held that the Proprietary-Governmental Dichotomy applies in a contract-claims context. The Court reviewed *Wasson* for a second time and issued an opinion on October 5, 2018 clarifying that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function when it entered into the contract, not at the time of the alleged breach. Therefore, in regard to municipal contract cases (as in tort claims), it is incumbent on the courts to determine whether a function was proprietary or governmental based upon the statutory and common law guidance at the time of inception of the contractual relationship. Texas jurisprudence has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under authority or for the benefit of the State; these are usually activities that can be, and often are, provided by private persons, and therefore are not done as a branch of the State, and do not implicate the state's immunity since they are not performed under the authority, or for the benefit, of the State as sovereign. Notwithstanding the foregoing new case law issued by the Court, such sovereign immunity issues have not been adjudicated in relation to bond matters (specifically, in regard to the issuance of municipal debt). Each situation will be prospectively evaluated based on the facts and circumstances surrounding the contract in question to determine if a suit, and subsequently, a judgement, is justiciable against a municipality.

The City is not aware of any State court construing the Local Government Immunity Waiver Act in the context of whether contractual undertakings of local governments that relate to their borrowing powers are contracts covered by such act. Because it is unclear whether the Texas legislature has effectively waived the City's sovereign

immunity from a suit for money damages in the absence of City action, the Trustee or the owners of the Bonds may not be able to bring such a suit against the City for breach of the Bonds or the Indenture covenants. As noted above, the Indenture provides that owners of the Bonds may exercise the remedy of mandamus to enforce the obligations of the City under the Indenture. Neither the remedy of mandamus nor any other type of injunctive relief was at issue in Tooke, and it is unclear whether Tooke will be construed to have any effect with respect to the exercise of mandamus, as such remedy has been interpreted by State courts. In general, State courts have held that a writ of mandamus may be issued to require public officials to perform ministerial acts that clearly pertain to their duties. State courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, mandamus may be used to require a public officer to perform legally-imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party (including the payment of moneys due under a contract).

### **No Acceleration**

The Indenture expressly denies the right of acceleration in the event of a payment default or other default under the terms of the Bonds or the Indenture.

### **Bankruptcy Limitation to Bondholders' Rights**

The enforceability of the rights and remedies of the owners of the Bonds may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. The City is authorized under State law to voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. 901-946. The City may proceed under Chapter 9 if it (1) is generally not paying its debts, or unable to meet its debts, as they become due, (2) desires to effect a plan to adjust such debts, and (3) has either obtained the agreement of or negotiated in good faith with its creditors, is unable to negotiate with its creditors because negotiation is impracticable, or reasonably believes that a creditor may attempt to obtain a preferential transfer.

If the City decides in the future to proceed voluntarily under the Federal Bankruptcy Code, the City would develop and file a plan for the adjustment of its debts, and the Bankruptcy Court would confirm the plan if (1) the plan complies with the applicable provisions of the Federal Bankruptcy Code, (2) all payments to be made in connection with the plan are fully disclosed and reasonable, (3) the City is not prohibited by law from taking any action necessary to carry out the plan, (4) administrative expenses are paid in full, (5) all regulatory or electoral approvals required under State law are obtained and (6) the plan is in the best interests of creditors and is feasible. The rights and remedies of the owners of the Bonds would be adjusted in accordance with the confirmed plan of adjustment of the City's debt. The City cannot predict a Bankruptcy Court's treatment of the Bondholders' creditor claim and whether a Bondholder would be repaid in full.

### **Loss of Tax Exemption**

The Indenture contains covenants by the City intended to preserve the exclusion from gross income of interest on the Bonds for federal income tax purposes. As discussed under the caption "TAX MATTERS" herein, interest on the Bonds could become includable in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the City in violation of its covenants in the Indenture.

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

### **Tax-Exempt Status of the Bonds**

As further described in “TAX MATTERS” below, failure of the City to comply with the requirements of the Internal Revenue Code of 1986 (the “Code”) and the related legal authorities, or changes in the federal tax law or its application, could cause interest on the Bonds to be included in the gross income of owners of the Bonds for federal income tax purposes, possibly from the date of original issuance of the Bonds. Further, the opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel’s judgment as to the proper treatment of interest on the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service (“IRS”) or the courts. The IRS has an ongoing program of auditing obligations that are issued and sold as bearing tax-exempt interest to determine whether, in the view of the IRS, interest on such obligations is included in the gross income of the owners thereof for federal income tax purposes. The IRS has announced that its audit efforts will focus in part on “developer-driven bond transactions,” including certain tax increment financings and certain assessment bond transactions. In recent audits, the IRS has asserted that interest on such “developer-driven” obligations can be taxable, in certain circumstances, even when those transactions otherwise meet all applicable tax law requirements. It cannot be predicted if this IRS focus could lead to an audit of the Bonds or what the result would be of any such audit. If an audit of the Bonds is commenced, under current procedures parties other than the City would have little, if any, right to participate in the audit process. Moreover, because achieving judicial review in connection with an audit of tax-exempt obligations is difficult, obtaining an independent review of IRS positions with which the City legitimately disagrees, may not be practicable. Any action of the IRS, regardless of the outcome, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of obligations presenting similar tax issues, may affect the market price for, or the marketability of, the Bonds. Finally, if the IRS ultimately determines that the interest on the Bonds is not excluded from the gross income of Bondholders for federal income tax purposes, the City may not have the resources to settle with the IRS, the Bonds are not required to be redeemed, and the interest rate on the Bonds will not increase.

### **Management and Ownership**

The management and ownership of the Developer and related or affiliated property owners could change in the future. Purchasers of the Bonds should not rely on the management experience of such entities. There are no assurances that such entities will not sell the subject property or that officers will not resign or be replaced. In such circumstances, a new developer or new officers in management positions may not have comparable experience in development projects comparable to that of the Development.

### **General Risks of Real Estate Investment and Development**

Investments in undeveloped or developing real estate are generally considered to be speculative in nature and to involve a high degree of risk. The Development will be subject to the risks generally incident to real estate investments and development. Many factors that may affect the Development, as well as the operating revenues of the Developer, including those derived from the Development, are not within the control of the Developer. Such factors include changes in national, regional and local economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; changes in local, regional and national market and economic conditions; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes to be built in the Development, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; acts of God (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; contractor or subcontractor defaults; and other unknown contingencies and factors beyond the control of the Developer.

Neither the Developer nor any other subsequent landowner is a guarantor of the Assessments and the recourse for the failure of the Developer or any other landowner to pay the Assessments is limited to the collection proceedings against the land as described herein. Failure to meet any lot purchase contract’s conditions may allow the applicable lot purchaser to terminate its obligation to purchase lots from the Developer and obtain its earnest money deposit back. See “THE DEVELOPMENT – Expected Build Out of the Development” herein.

The Developer has the right to modify or change their plan for development of the District from time to time, including, without limitation, land use changes, changes in the overall land and phasing plans, and changes to the type, mix, size, and number of units to be developed. No defined “true-up” agreement has been entered into between the City and Developer, nor is there a requirement that future developers enter into such an agreement. There can be no assurance, in the event the Developer or subsequent developers modify or change plans for development that the necessary revisions to the Service and Assessment Plan will be made. Nor can there be an assurance that the eventual assessment burden on the property will be marketable.

The ability of the Developer to develop lots and/or its affiliate homebuilders and sell single-family residential homes within the District may be affected by unforeseen changes in the general economic conditions, fluctuations in the real estate market and other factors beyond the control of the owner of the single-family residential lots. In the event that a large number of single-family projects are constructed outside of the District, and compete with the Development, the demand for residential housing within the District could be reduced, thereby adversely affecting the continued development of the Development, or its attraction to businesses and residents

The Development cannot be initiated or completed without the Developer obtaining a variety of governmental approvals and permits, some of which have already been obtained. Certain permits are necessary to initiate construction of the Development and to allow the occupancy of residences and to satisfy conditions included in the approvals and permits. There can be no assurance that all of these permits and approvals can be obtained or that the conditions to the approvals and permits can be fulfilled. The failure to obtain any of the required approvals or fulfill any one of the conditions could cause materially adverse financial results for the Developer.

A slowdown of the development process and the related absorption rate within the Development because of any or all of the foregoing could affect adversely land values. The timely payment of the Bonds depends on the willingness and ability of the Developer, its homebuilding affiliates and any subsequent owners to pay the Assessments when due. Any or all of the foregoing could reduce the willingness and ability of such owners to pay the Assessments and could greatly reduce the value of the property within Improvement Area #1 of the District in the event such property has to be foreclosed. If Annual Installments of Assessments are not timely paid and there are insufficient funds in the accounts of the Reserve Fund, a nonpayment could result in a payment default under the Indenture.

### **Availability of Utilities**

The progress of development within the District is also dependent upon the City providing an adequate supply of water and wastewater. If the City fails to supply water and wastewater services to the property in the District, the Development of the land in the District could be adversely affected. See “THE DEVELOPMENT — Utilities.”

Portions of the State, including the City and its surrounding area, are experiencing significant growth, which has produced and is expected to continue to produce a growing demand for water and wastewater service. The ability of the City to provide an adequate supply of water and sufficient capacity for treatment of wastewater, as applicable, is dependent on many factors, including, but not limited to, supply and demand of materials to complete necessary water and wastewater improvements, compliance with the Texas Commission on Environmental Quality regulations, the effects of extreme weather events on such entities’ water and wastewater systems, and the construction of developments competing with the District. See “THE DEVELOPMENT — Utilities,” “BONDHOLDERS’ RISKS — General Risks of Real Estate Investment and Development,” “— Risks Related to Current Increase in Costs of Building Materials,” “— Competition,” “— Regulation” and “— Risk from Weather Events.”

None of the City, the Financial Advisor, the Underwriter, or the Developer can predict the impact that such growing demand may have on the City, the District, the projected buildout schedule, availability of water and wastewater service to Improvement Area #1 of the District or an investment in the Bonds.

### **Dependence Upon Developer**

The Developer, as the owner of the Assessed Property in the District, currently has the obligation for payment of the Assessments. The ability of the Developer to make full and timely payment of the Assessments will directly affect the ability of the City to meet its debt service obligations with respect to the Bonds. There can be no assurances



given as to the financial ability or willingness of the Developer to advance any funds to the City to supplement revenues from the Assessments if necessary, or as to whether the Developer will advance such funds.

Moreover, the City will pay the Developer, or the Developer's designee, from proceeds of the Bonds for project costs actually incurred in developing and constructing the Improvement Area #1 Improvements within Improvement Area #1 of the District. See "THE IMPROVEMENT AREA #1 IMPROVEMENTS – General" and "THE DEVELOPMENT – Development Plan and Status of Development in Improvement Area #1 of the District." There can be no assurances given as to the financial ability of the Developer to complete such improvements.

The Developer will not guarantee or otherwise be obligated to pay debt service on the Bonds.

### **Potential Future Changes in State Law Regarding Public Improvement Districts**

During Texas legislative sessions and interim business of the Texas legislature, various proposals and reports have been presented by committees of Texas Senate and Texas House of Representative which suggest or recommend changes to the PID Act relating to oversight of bonds secured by special assessments including adopting requirements relating to levels of build out or adding State level oversight in connection with the issuance of bonds secured by special assessments under the PID Act. The 88th Legislative Session of the State (the "88th Regular Session") concluded on May 29, 2023. When the regular Legislature is not in session, the Governor of Texas may call one or more special sessions, at the Governor's direction, each lasting no more than 30 days, and for which the Governor sets the agenda. Upon conclusion of the 88th Regular Session, the Governor has called four special sessions all of which have ended without any legislation being passed by either chamber of the Texas legislature recommending oversight of bonds secured by assessments. It is impossible to predict what new proposals may be presented regarding the PID Act and the issuance of special assessment bonds during any upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Texas Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. It is impossible to predict with certainty the impact that any such future legislation will or may have on the security for the Bonds.

### **Use of Appraisal**

Caution should be exercised in the evaluation and use of valuations included in the Appraisal. The Appraisal is an estimate of market value as of a specified date based upon assumptions and limiting conditions and any extraordinary assumptions specific to the relevant valuation and specified therein. The estimated market value specified in the Appraisal is not a precise measure of value but is based on a subjective comparison of related activity taking place in the real estate market. The valuation set forth in the Appraisal is based on various assumptions of future expectations and while the Appraiser's forecasts for properties in the District is considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future. The Bonds will not necessarily trade at values determined solely by reference to the underlying value of the properties in the District.

In performing its analysis, the Appraiser makes numerous assumptions with respect to general business, economic and regulatory conditions and other matters, many of which are beyond the Appraiser's, Underwriter's and City's control, as well as certain factual matters. Furthermore, the Appraiser's analysis, opinions and conclusions are necessarily based upon market, economic, financial and other circumstances and conditions existing prior to the valuation and date of the Appraisal.

The intended use and user of the Appraisal are specifically identified in the Appraisal as agreed upon in the contract for services and/or reliance language found in the Appraisal. The Appraiser has consented to the use of the Appraisal in this Limited Offering Memorandum in connection with the issuance of the Bonds. No other use or user of the Appraisal is permitted by any other party for any other purpose.

### **Risk from Weather Events**

All of the State, including the City and the District, is subject to extreme weather events that can cause loss of life and damage to property through strong winds, flooding, heavy rains, extreme heat and freezes, including events similar to the severe winter storm that the continental United States experienced in February 2021, which resulted in

disruptions in the Electric Reliability Council of Texas power grid and prolonged blackouts throughout the State. It is impossible to predict whether similar events will occur in the future and the impact they may have on the City or the District, including land within the District.

### **100-Year Flood Plain**

According to FEMA Flood Insurance Rate Map Panel No. 48021C0355F effective May 9, 2023, approximately 6.06 acres of the District lies within Zone AE, which is part of the 100-year floodplain. However, no property within Improvement Area #1 of the District lies in an area of special flood hazard designation. The Developer does not expect to develop the land in the flood plain and all such land will remain open space.

FEMA will from time to time revise its Flood Insurance Rate Maps. None of the City, the Underwriter, or the Developer make any representation as to whether FEMA may revise its Flood Insurance Rate Maps, whether such revisions may result in homes that are currently outside of the 100-year flood plain from being included in the 100-year flood plain in the future, or whether extreme flooding events may occur more often than assumed in creating the 100-year flood plain.

### **Judicial Foreclosures**

Judicial foreclosure proceedings are not mandatory; however, the City has covenanted (subject to provisions set forth in the Indenture) to order and cause such actions to be commenced. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and, in such event, there could be an additional delay in payment of the principal of and interest on the Bonds or such payment may not be made in full. Moreover, in filing a suit to foreclose, the City must join other taxing units that have claims for delinquent taxes against all or part of the same property; the proceeds of any sale of property within the District available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property. See “OVERLAPPING TAXES AND DEBT.” Collection of delinquent taxes, assessments and the Assessments may be adversely affected by the effects of market conditions on the foreclosure sale price, and by other factors, including taxpayers’ right to redeem property within two years of foreclosure for residential and agricultural use property and six months for other property, and by a time-consuming and expensive collection procedure.

### **No Credit Rating**

The City has not applied for or received a rating on the Bonds. Even if a credit rating had been sought for the Bonds, it is not anticipated that such a rating would have been investment grade. The absence of a rating could affect the future marketability of the Bonds. There is no assurance that a secondary market for the Bonds will develop or that holders who desire to sell their Bonds prior to the stated maturity will be able to do so. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary market trading in connection with a particular issue is suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then generally prevailing circumstances. Such prices could be substantially different from the original purchase price.

### **Limited Secondary Market for the Bonds**

The Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Bonds in the event an Owner thereof determines to solicit purchasers for the Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Bonds may be sold. Such price may be lower than that paid by the current Owners of the Bonds, depending on the progress of development of the District subject to the Assessments, existing real estate and financial market conditions and other factors.

### **Cybersecurity Risks**

The City, like other municipalities in the State, utilizes technology in conducting its operations. As a user of technology, the City potentially faces cybersecurity threats (e.g., hacking, phishing, viruses, malware and ransomware) on its technology systems. Accordingly, the City may be the target of a cyber-attack on its technology systems that could result in adverse consequences to the City. The City employs a multi-layered approach to combating

cybersecurity threats. While the City deploys layered technologies and requires employees to receive cybersecurity training, as required by State law, among other efforts, cybersecurity breaches could cause material disruptions to the City's finances or operations. The costs of remedying such breaches or protecting against future cyber-attacks could be substantial. Further, cybersecurity breaches could expose the City to litigation and other legal risks, which could cause the City to incur other costs related to such legal claims or proceedings.

## TAX MATTERS

### Opinion

On the date of initial delivery of the Bonds, McCall, Parkhurst & Horton L.L.P., Bond Counsel to the City, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("Existing Law"), (1) interest on the Bonds for federal income tax purposes will be excludable from the "gross income" of the holders thereof and (2) the Bonds will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). Except as stated above, Bond Counsel to the City will express no opinion as to any other federal, state, or local tax consequences of the purchase, ownership or disposition of the Bonds. See "APPENDIX C – Form of Opinion of Bond Counsel."

In rendering its opinion, Bond Counsel to the City will rely upon (a) the City's federal tax certificate and (b) covenants of the City with respect to arbitrage, the application of the proceeds to be received from the issuance and sale of the Bonds and certain other matters. Failure of the City to comply with these representations or covenants could cause the interest on the Bonds to become includable in gross income retroactively to the date of issuance of the Bonds.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel to the City is conditioned on compliance by the City with the covenants and the requirements described in the preceding paragraph, and Bond Counsel to the City has not been retained to monitor compliance with these requirements subsequent to the issuance of the Bonds.

Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Bond Counsel's opinion is not a guarantee of a result. The Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that such Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Bonds.

A ruling was not sought from the Internal Revenue Service by the City with respect to the Bonds or the facilities financed or refinanced with the proceeds of the Bonds. Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the representations of the City that it deems relevant to render such opinion and is not a guarantee of a result. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the City as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

### **Federal Income Tax Accounting Treatment of Original Issue Discount**

The initial public offering price to be paid for one or more maturities of the Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the Bonds may not be equal to the accrual period or be in excess of one year (the "Original Issue Discount Bonds"). In such event, the difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The "stated redemption

price at maturity” means the sum of all payments to be made on the Bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, any owner who has purchased such Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

Under Existing Law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner’s basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

### **Collateral Federal Income Tax Consequences**

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Bonds. This discussion is based on Existing Law, which is subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with Subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

**THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE BONDS.**

Interest on the Bonds may be includable in certain corporation’s “adjusted financial statement income” determined under section 56A of the Code to calculate the alternative minimum tax imposed by section 55 of the Code.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Bonds, if such obligation was acquired at a “market discount” and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to “market discount Bonds” to the extent such gain does not exceed the accrued market discount of such Bonds; although for this purpose, a de minimis amount of market discount is ignored. A “market discount bond” is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the “revised issue price” (i.e., the issue price plus accrued original issue discount). The “accrued market discount” is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

### **State, Local and Foreign Taxes**

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

### **Information Reporting and Backup Withholding**

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Bonds will be sent to each registered holder and to the Internal Revenue Service. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner’s social security number or other taxpayer identification number (“TIN”), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient’s federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

### **Future and Proposed Legislation**

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

## **LEGAL MATTERS**

### **Legal Proceedings**

Delivery of the Bonds will be accompanied by (i) the unqualified approving legal opinion of the Attorney General to the effect that the Bonds are valid and legally binding obligations of the City under the Constitution and laws of the State, payable from the Trust Estate and, (ii) based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds, the legal opinion of Bond Counsel, to a like effect.

McCall, Parkhurst & Horton L.L.P., Austin, Texas, serves as Bond Counsel to the City. Troutman Pepper Locke LLP (the successor merged firm to Locke Lord LLP and Troutman Pepper Hamilton Sanders LLP), Dallas, Texas, serves as Underwriter’s Counsel. The legal fees paid to Bond Counsel and Underwriter’s Counsel are contingent upon the sale and delivery of the Bonds.

## Legal Opinions

The City will furnish the Underwriter a transcript of certain certified proceedings incident to the authorization and issuance of the Bonds. Such transcript will include a certified copy of the approving opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State, to the effect that the Bonds are valid and binding special obligations of the City. The City will also furnish the legal opinion of Bond Counsel, to the effect that, based upon an examination of such transcript, the Bonds are valid and binding special, limited obligations of the City under the Constitution and laws of the State. The legal opinion of Bond Counsel will further state that the Bonds, including principal thereof and interest thereon, are payable from and secured by a pledge of and lien on the Trust Estate. Bond Counsel will also provide a legal opinion to the effect that interest on the Bonds will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described above under the caption "TAX MATTERS." A copy of the opinion of Bond Counsel is attached hereto as "APPENDIX C — Form of Opinion of Bond Counsel."

Except as noted below, Bond Counsel did not take part in the preparation of this Limited Offering Memorandum, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Bonds in this Limited Offering Memorandum under the captions or subcaptions "PLAN OF FINANCE — The Bonds" (except for the final paragraph thereof), "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS" (except for the final paragraph under the subcaption "General"), "ASSESSMENT PROCEDURES" (except for the subcaptions "Assessment Methodology" and "Assessment Amounts"), "THE DISTRICT," "TAX MATTERS," "LEGAL MATTERS — Legal Proceedings" (except for the final paragraph thereof), "LEGAL MATTERS — Legal Opinions" (except for the final paragraph thereof), "CONTINUING DISCLOSURE – The City," "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE," "LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS" and "APPENDIX A," and "APPENDIX C" excluding any material that may be treated as included under such captions or subcaptions by cross references or reference to other documents or sources, and such firm is of the opinion that the statements relating to the Bonds and legal matters contained under such captions and subcaptions accurately describes the laws and legal matters addressed therein and, with respect to the Bonds, insofar as such statements expressly summarize certain provisions of or refer to the Bonds, the Bond Ordinance and the Indenture, or set out content of such firm's Bond Opinion, are accurate in all material respects.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

## Litigation — The City

At the time of delivery and payment for the Bonds, the City will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or, to its knowledge, overtly threatened against the City affecting the existence of the District, or seeking to restrain or to enjoin the sale or delivery of the Bonds, the application of the proceeds thereof, in accordance with the Indenture, or the collection or application of Assessments securing the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Assessment Ordinance, the Indenture, any action of the City contemplated by any of the said documents, or the collection or application of the Pledged Revenues, or in any way contesting the completeness or accuracy of this Limited Offering Memorandum or any amendment or supplement thereto, or contesting the powers of the City or its authority with respect to the Bonds or any action of the City contemplated by any documents relating to the Bonds.

## Litigation — The Developer

At the time of delivery and payment for the Bonds, the Developer will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the best knowledge of the Developer, threatened against or affecting the

Developer wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Developer or its officers or would adversely affect (1) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Bond Ordinance, the Service and Assessment Plan, the Financing and Reimbursement Agreement, or the Bond Purchase Agreement, or otherwise described in this Limited Offering Memorandum, or (2) the tax-exempt status of interest on the Bonds.

### **SUITABILITY FOR INVESTMENT**

Investment in the Bonds poses certain economic risks. See “BONDHOLDERS’ RISKS.” The Bonds are not rated by any nationally recognized municipal securities rating service. No dealer, broker, salesman or other person has been authorized by the City or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. Additional information will be made available to each prospective investor, including the benefit of a site visit to the City and the opportunity to ask questions of the Developer as such prospective investor deems necessary in order to make an informed decision with respect to the purchase of the Bonds.

### **ENFORCEABILITY OF REMEDIES**

The remedies available to the owners of the Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay. See “BONDHOLDERS’ RISKS — Bondholders’ Remedies and Bankruptcy.” Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Indenture and the Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by governmental immunity, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors and enacted before or after such delivery, and by general principles of equity that permit the exercise of judicial discretion.

### **NO RATING**

No application for a rating on the Bonds has been made to any rating agency, nor is there any reason to believe that the City would have been successful in obtaining an investment grade rating for the Bonds had application been made.

### **CONTINUING DISCLOSURE**

#### **The City**

Pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), the City, the Administrator, and BOKF, NA (in such capacity, the “Dissemination Agent”) will enter into a Continuing Disclosure Agreement (the “Issuer Disclosure Agreement”) for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Issuer Disclosure Agreement, certain financial information and operating data relating to the City (collectively, the “City Reports”). The specific nature of the information to be contained in the City Reports is set forth in “APPENDIX D-1 — Form of Issuer Disclosure Agreement.” Under certain circumstances, the failure of the City to comply with its obligations under the Issuer Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Issuer Disclosure Agreement would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

The City has agreed to update information and to provide notices of certain specified events only as provided in the Issuer Disclosure Agreement. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Limited Offering Memorandum, except as provided in the Issuer Disclosure Agreement. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. The City disclaims any contractual or tort liability for



damages resulting in whole or in part from any breach of the Issuer Disclosure Agreement or from any statement made pursuant to the Issuer Disclosure Agreement.

### **The City’s Compliance with Prior Undertakings**

During the last five years, the City has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

### **The Developer**

The Developer will enter into a Continuing Disclosure Agreement (the “Developer Disclosure Agreement”) with the Administrator and the Dissemination Agent for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Developer Disclosure Agreement, certain information regarding the applicable portion of the District and the applicable portions of the Improvement Area #1 Improvements (collectively, the “Developer Reports”). The specific nature of the information to be contained in the Developer Reports is set forth in “APPENDIX D-2 — Form of Developer Disclosure Agreement.”

Under certain circumstances, the failure of Developer or the Administrator to comply with their respective obligations under the Developer Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Developer Disclosure Agreement would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance. The Developer Disclosure Agreement is a voluntary agreement made for the benefit of the holders of the Bonds and are not entered into pursuant to the Rule.

The Developer has agreed to provide (i) certain updated information to the Administrator, which consultant will prepare and provide such updated information in report form and (ii) notices of certain specified events, only as provided in the Developer Disclosure Agreement. The Developer has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Limited Offering Memorandum, except as provided in the Developer Disclosure Agreement. The Developer makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. The Developer disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Developer Disclosure Agreement or from any statement made pursuant to the Developer Disclosure Agreement.

### **The Developer’s Compliance with Prior Undertakings**

The Developer has previously entered into a continuing disclosure undertaking under which its reporting obligations began on November 19, 2024. The Developer’s first quarterly reporting obligation under such undertaking (except for any material events) is due May 15, 2025.

## **UNDERWRITING**

FMSbonds, Inc. (the “Underwriter”) has agreed to purchase the Bonds from the City at a purchase price of \$\_\_\_\_\_ (the par amount of the Bonds, less an underwriting discount of \$\_\_\_\_\_, which includes Underwriter’s Counsel’s fee of \$\_\_\_\_\_) and no accrued interest. The Underwriter’s obligations are subject to certain conditions precedent and if obligated to purchase any of the Bonds the Underwriter will be obligated to purchase all of the Bonds. The Bonds may be offered and sold by the Underwriter at prices lower than the initial offering prices stated on the inside cover page hereof, and such initial offering prices may be changed from time to time by the Underwriter.

## **REGISTRATION AND QUALIFICATION OF BONDS FOR SALE**

The sale of the Bonds has not been registered under the Securities Act of 1933 in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any other jurisdiction. The City assumes no responsibility for qualification of the Bonds under the securities laws of

any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

### **LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS**

The PID Act and Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code, as amended) provide that the Bonds are negotiable instruments and investment securities governed by Chapter 8, Texas Business and Commerce Code, as amended, and are legal and authorized investments for insurance companies, fiduciaries, trustees, or for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State, the PFIA requires that the Bonds be assigned a rating of at least “A” or its equivalent as to investment quality by a national rating agency. See “NO RATING” above. In addition, the PID Act and various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Bonds are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. No review by the City has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states. No representation is made that the Bonds will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes.

The City made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Bonds for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Bonds for such purposes.

### **INVESTMENTS**

The City invests its funds in investments authorized by State law in accordance with investment policies approved by the City Council. Both State law and the City’s investment policies are subject to change.

Under State law, the City is authorized to invest in (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor; (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this State that the City selects from a list the governing body or designated investment committee of the entity adopts as required by Section 2256.025, Texas Government Code; or (ii) a depository institution with a main office or branch office in the State that the City selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the investing entity's account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the City appoints as its custodian of the banking deposits issued for its account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the SEC and operating under Securities and Exchange Commission Rule 15c3-3; (9) (i) certificates of deposit and share certificates issued by or through an institution that either has its main office or a branch office in the State, and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Insurance Fund, or are secured as to principal by obligations described in the clauses (1) through (8) or in any other manner and amount provided by law for City

deposits, or (ii) certificates of deposits where (a) the funds are invested by the City through (I) a broker that has its main office or a branch office in the State and is selected from a list adopted by the City as required by law or (II) a depository institution that has its main office or a branch office in the State that is selected by the City; (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City; (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1) above or clause (12) below, which are pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (13) through (15) below, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City's name and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less; (12) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency; (13) commercial paper with a stated maturity of 365 days or less that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank; (14) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that provide the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and comply with federal Securities and Exchange Commission Rule 2a-7; and (15) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, and have a duration of one year or more and are invested exclusively in obligations described in this paragraph or have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than "AAA" or "AAA-m" or an equivalent by at least one nationally recognized rating service. The City may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the City retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the City must do so by order, ordinance, or resolution. The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Under State law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for City funds, the

maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All City funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under State law, City investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." At least quarterly the investment officers of the City shall submit an investment report detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest for the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset and fund type invested at the beginning and end of the reporting period by the type of asset and fund type invested, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) state law. No person may invest City funds without express written authority from the City Council.

Under State law the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers' with personal business relationships or relatives with firms seeking to sell securities to the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the registered principal of firms seeking to sell securities to the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio, requires an interpretation of subjective investment standards or relates to investment transactions of the entity that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority), and (c) deliver a written statement attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the officers of the City; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse repurchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the entity's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

#### **INFORMATION RELATING TO THE TRUSTEE**

The City has appointed BOKF, NA association organized under the laws of the United States, to serve as Trustee. The Trustee is to carry out those duties assignable to it under the Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Limited Offering Memorandum and assumes no responsibility for the contents, accuracy, fairness or completeness of the information set forth in this Limited Offering Memorandum or for the recitals contained in the Indenture or the Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the City of any of the Bonds authenticated or delivered pursuant to the Indenture or for the use or application of the proceeds of such Bonds by the City. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any

assets or revenues pledged or assigned as security for the Bonds, the technical or financial feasibility of the project, or the investment quality of the Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

Additional information about the Trustee may be found at its website at [www.bokf.com](http://www.bokf.com). Neither the information on the Trustee's website, nor any links from that website, is a part of this Limited Offering Memorandum, nor should any such information be relied upon to make investment decisions regarding the Bonds.

## **SOURCES OF INFORMATION**

### **General**

The information contained in this Limited Offering Memorandum has been obtained primarily from the City's records, the Developer and its representatives and other sources believed to be reliable. In accordance with its responsibilities under the federal securities law, the Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of the transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum or any sale hereunder will create any implication that there has been no change in the financial condition or operations of the City and the Developer, described herein since the date hereof. This Limited Offering Memorandum contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized. The summaries of the statutes, resolutions, ordinances, indentures and engineering and other related reports set forth herein are included subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

### **Source of Certain Information**

The information contained in this Limited Offering Memorandum relating to the description of the Improvement Area #1 Improvements, the Development, the Developer, generally and, in particular, the information included in the sections captioned "PLAN OF FINANCE — Development Plan, Status of Development and Plan of Finance," "OVERLAPPING TAXES AND DEBT — Homeowners' Association," "THE IMPROVEMENT AREA #1 IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "BONDHOLDERS' RISKS," (only as it pertains to the Developer, the Improvement Area #1 Improvements and the Development), "LEGAL MATTERS — Litigation — The Developer," "LEGAL MATTERS — Litigation — The Developer," "CONTINUING DISCLOSURE — The Developer" and "— The Developer's Compliance with Prior Undertakings," and APPENDIX G has been provided by the Developer, and the Developer warrants and represents, solely with respect to information pertaining to the Developer, the Development and the Improvement Area #1 Improvements that the information contained herein is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they were made, not misleading. At the time of delivery of the Bonds to the Underwriter, the Developer will deliver a certificate to this effect to the City and the Underwriter.

### **Experts**

The information regarding the Service and Assessment Plan in this Limited Offering Memorandum has been provided by P3Works, LLC and has been included in reliance upon the authority of such firm as experts in the field of formation and administration of public improvement districts.

The information regarding the Appraisal in this Limited Offering Memorandum has been provided by the Appraiser and has been included in reliance upon the authority of such firm as experts in the field of the appraisal of real property.

### **Updating of Limited Offering Memorandum**

If, subsequent to the date of the Limited Offering Memorandum, the City learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Underwriter, of any adverse event which causes the Limited Offering Memorandum to be materially misleading, and unless the Underwriter elects to terminate its obligation to purchase the Bonds, the City will promptly prepare and supply to the Underwriter an appropriate amendment or supplement to the Limited Offering Memorandum satisfactory to the Underwriter; provided, however, that the obligation of the City to so amend or supplement the Limited Offering Memorandum will terminate when the City delivers the Bonds to the Underwriter, unless the Underwriter notifies the City on or before such date that less than all of the Bonds have been sold to ultimate customers; in which case the City's obligations hereunder will extend for an additional period of time (but not more than 90 days after the date the City delivers the Bonds) until all of the Bonds have been sold to ultimate customers.

### **FORWARD-LOOKING STATEMENTS**

Certain statements included or incorporated by reference in this Limited Offering Memorandum constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "anticipate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED HEREIN TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE" HEREIN.

### **AUTHORIZATION AND APPROVAL**

The City Council has approved the form and content of this Preliminary Limited Offering Memorandum and has authorized this Preliminary Limited Offering Memorandum to be used by the Underwriter in connection with the marketing and sale of the Bonds.

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**APPENDIX A**  
**FORM OF INDENTURE**

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**APPENDIX B**  
**FORM OF SERVICE AND ASSESSMENT PLAN**

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**APPENDIX C**  
**FORM OF OPINION OF BOND COUNSEL**

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**APPENDIX D-1**  
**FORM OF ISSUER DISCLOSURE AGREEMENT**



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**APPENDIX D-2**  
**FORM OF DEVELOPER DISCLOSURE AGREEMENT**

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**APPENDIX E**  
**APPRAISAL**

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**APPENDIX F**  
**FORM OF FINANCING AND REIMBURSEMENT AGREEMENT**

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**APPENDIX G**  
**PHOTOGRAPHS OF DEVELOPMENT IN THE DISTRICT**

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# STAFF REPORT

**MEETING DATE:** January 28, 2025

**TITLE:**

Consider and act on Resolution No. R-2025-23, determining costs of the proposed Public Improvements in the Valverde Public Improvement District, approving a proposed assessment roll for improvement Area #1; as shown in Exhibit A; and making related findings and determinations, in accordance with Chapter 372 of the Texas Local Government Code; providing for findings of fact; repealer, severability, proper notice, meeting; and establishing an effective date.

**AGENDA ITEM SUBMITTED BY:**

Edi McIlwain, Chief Financial Officer

**BACKGROUND/HISTORY:**

The City Council of the City of Bastrop, Texas is authorized under Chapter 372 of the Texas Local Government Code, as amended, to create a public improvement district. David K. Grassel, the predecessor-in-title to Continental Homes of Texas, L.P., a Texas limited liability company, previously submitted and filed with the City Secretary of the City of Bastrop, Texas, a petition requesting the establishment of a public improvement district on March 9, 2021.

After providing all notices required under Chapter 372 and 551 of the Texas Local Government Code, the City Council, on December 8, 2020, conducted a public hearing to consider comments for and against the creation of the District and the advisability of the proposed public improvements and, after closing the public hearing, passed and approved Resolution No. R-2021-28 authorizing the formation of the Valverde Public Improvement District (originally created as Viridian Public Improvement District, and formerly known as NEU Community Bastrop).

In accordance with Section 372.010 of the Texas Local Government Code, notice the resolution creating the District was published in the *Bastrop Advertiser* on April 22, 2021, and Resolution No. R-2021-28 was published in the *Bastrop Advertiser* on January 30, 2025.

The City has reviewed the Preliminary Service and Assessment Plan (the "SAP") attached to this Resolution as "**Exhibit A**" and the Proposed Assessment Roll for Improvement Area #1 (as defined by the SAP).

In accordance with Section 372.016 of the Texas Local Government Code, the City Council desires to make certain determinations and findings with regard to the total cost of the "Authorized Improvements" set forth in the Preliminary Service and Assessment Plan (Exhibit A) and the City Council desires to approve the Proposed Assessment Roll for Improvement Area #1, which is included in the Preliminary Service and Assessment Plan attached to this resolution as Exhibit A, cause the Proposed Assessment roll for Improvement Area #1 to be filed with the City Secretary, and to direct the City Secretary to make such Proposed Assessment Roll available for public inspection and publish notice of the City Council's intention to consider the proposed assessments for Improvement Area #1 at a public hearing, all in accordance with the requirements of the Texas Local Government Code.

**FISCAL IMPACT:**

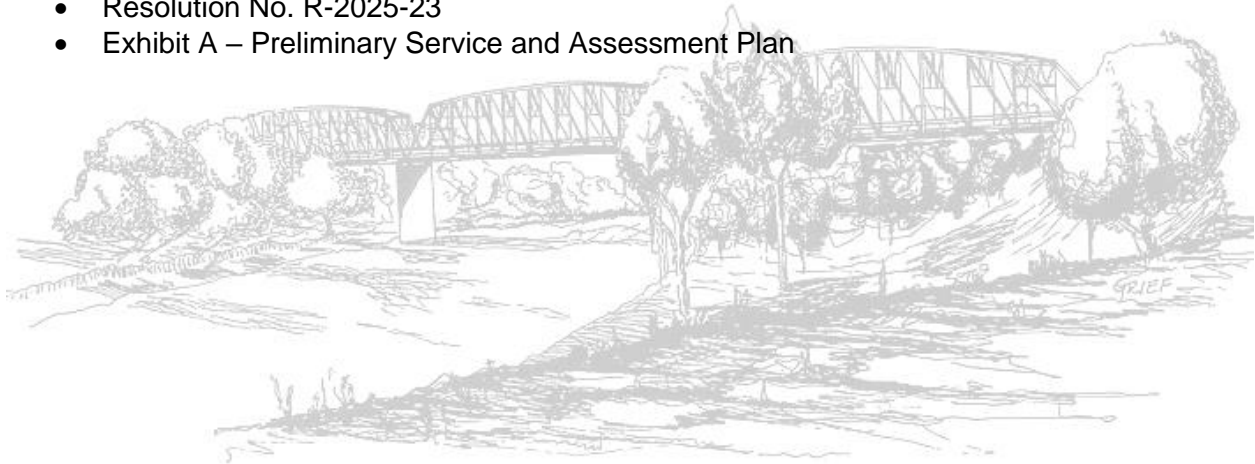
According to the SAP, the total assessment per lot is approximately \$17,000 - \$22,000, depending on the lot type. This amount will be paid over 30 years. The amount assessed to each landowner will be provided in the SAP annually and included on their property tax bill. The assessment will be collected by the City annually and used to pay the bonds and all costs associated with the PID. There will be no maintenance and operating costs paid for by the PID or the City.

**RECOMMENDATION:**

Edi McIlwain, CFO, recommends approving Resolution No. R-2025-23 of the City Council of the City of Bastrop, Texas, determining costs of the proposed Public Improvements in the Valverde Public Improvement District, approving a proposed assessment roll for improvement area #1, and making related findings and determinations, in accordance with Chapter 372 of the Texas Local Government Code.

**ATTACHMENTS:**

- Resolution No. R-2025-23
- Exhibit A – Preliminary Service and Assessment Plan



**RESOLUTION NO. R-2025-23**

**A RESOLUTION OF THE CITY OF BASTROP, TEXAS, DETERMINING COSTS OF THE PROPOSED PUBLIC IMPROVEMENTS IN THE VALVERDE PUBLIC IMPROVEMENT DISTRICT, APPROVING A PROPOSED ASSESSMENT ROLL FOR IMPROVEMENT AREA #1, AND MAKING RELATED FINDINGS AND DETERMINATIONS, IN ACCORDANCE WITH CHAPTER 372 OF THE TEXAS LOCAL GOVERNMENT CODE**

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

**WHEREAS**, David K. Grassel, the predecessor-in-title to Continental Homes of Texas, L.P., a Texas limited liability company, previously submitted and filed with the City Secretary of the City a petition (the “Petition”) requesting the establishment of a public improvement district;

**WHEREAS**, after providing all notices required by the Act and the Texas Government Code Chapter 551, the City Council on December 8, 2020 conducted a public hearing to consider comments for and against the creation of the District and the advisability of the proposed public improvements and, after closing the public hearing, passed and approved Resolution No. R-2021-28 (the “PID Creation Resolution”) authorizing the formation of the Valverde Public Improvement District (originally created as Viridian Public Improvement District, and formerly known as NEU Community Bastrop) (“District”);

**WHEREAS**, in accordance with Section 372.010 of the Act, notice of the resolution creating the District was published in the *Bastrop Advertiser* on April 22, 2021, and Resolution No. R-2021-28 was published in the *Bastrop Advertiser* on January 30, 2025;

**WHEREAS**, the City has reviewed the Preliminary Service and Assessment Plan (the “SAP”) attached to this Resolution as “**Exhibit A**” and the Proposed Assessment Roll for Improvement Area #1 (as defined in the SAP) attached thereto;

**WHEREAS**, in accordance with Section 372.016 of the Act, the City Council desires to make certain determinations and findings with regard to the total cost of the “Authorized Improvements” set forth in the Preliminary Service and Assessment Plan attached to this Resolution as “**Exhibit A**”;

**WHEREAS**, in accordance with Section 372.016 of the Act, the City Council also desires to approve the Proposed Assessment Roll for Improvement Area #1, which is included in the Preliminary Service and Assessment Plan attached to this Resolution as “**Exhibit A**,” cause the Proposed Assessment Roll for Improvement Area #1 to be filed with the City Secretary, and to direct the City Secretary to make such Proposed Assessment Roll available for public inspection and publish notice of the City Council’s intention to consider the proposed assessments for Improvement Area #1 at a public hearing, all in accordance with the requirements of the Act.

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

**Section 1.** The findings set forth in the recitals of this Resolution are found to be true and correct and are incorporated into this Resolution for all purposes by this reference.

**Section 2.** The City Council hereby finds, declares, and directs:

(a) Determination of Cost. The cost determinations for the proposed Authorized Improvements in Improvement Area #1 set forth in the Preliminary Service and Assessment Plan attached to this Resolution as “**Exhibit A**” are hereby approved.

(b) Proposed Assessment Roll. The Proposed Assessment Roll for Improvement Area #1 included in the Preliminary Service and Assessment Plan attached to this Resolution as “**Exhibit A,**” stating the assessment against each parcel of assessable land in Improvement Area #1 of the District as determined by the method of assessment set forth in said Preliminary Service and Assessment Plan is hereby approved, and the City Council declares that such Proposed Assessment Roll is hereby filed with the City Secretary. The City Council hereby directs the City Secretary to make such Proposed Assessment Roll available for public inspection and publish notice of the City Council’s intention to consider the proposed assessments in Improvement Area #1 at a public hearing, all in accordance with the requirements of the Act.

**Section 3.** City Council hereby authorizes and directs City Secretary to take the actions described in Section 2 of this Resolution and authorizes and directs staff to prepare the required resolutions, ordinances, agreements, service and assessment plan, assessment roll and other documents necessary for the City Council to effectuate the PID Creation Resolution and this Resolution.

**Section 4.** The City Council hereby declares that written notice of the date, hour and place of the meeting at which this Resolution was adopted, was posted and that such meeting was open to the public as required by law at all times when this Resolution and the subject matter hereof were discussed, considered, and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

**Section 4.** This Resolution shall take effect immediately from and after its passage.

**EXHIBIT LIST:**

Exhibit A – Preliminary Service and Assessment Plan (including the Proposed Assessment Roll)

**PASSED AND APPROVED** on this 28<sup>th</sup> day of January 2025.

**THE CITY OF BASTROP, TEXAS**

**By:** \_\_\_\_\_  
Mayor

ATTEST:

By: \_\_\_\_\_  
City Secretary



**EXHIBIT A**

(Preliminary Service and Assessment Plan – including the Proposed Assessment Roll for Improvement Area #1)

**Exhibit B**  
**NOTICE OF PUBLIC HEARING**  
**TO CONSIDER PROPOSED ASSESSMENTS**  
**TO BE LEVIED AGAINST PROPERTY LOCATED IN IMPROVEMENT AREA #1**  
**IN THE VALVERDE PUBLIC IMPROVEMENT DISTRICT**

Notice is hereby given that the City Council of the City of Bastrop, Texas, will hold a public hearing in the Council Chambers at Bastrop City Hall, 1311 Chestnut Street, Bastrop, Texas 78602, on February 11, 2025, at 6:30 p.m. to consider proposed assessments to be levied against the assessable property located in Improvement Area #1 in the Valverde Public Improvement District (originally created as Viridian Public Improvement District, and formerly known as NEU Community Bastrop) (the “District”) pursuant to the provisions of Chapter 372, Texas Local Government Code. Written and oral objections will be considered at the hearing.

**General Nature and Cost of Proposed Improvements:** The purposes of the District include the design, acquisition, construction, and improvement of public improvement projects authorized by the Act that are necessary for the development of the Property, which public improvements will generally include: (i) paying a portion of the Actual Costs of the Improvement Area #1 Improvements (as defined herein), (ii) paying capitalized interest on the Bonds during the period of construction and acquisition of Improvement Area #1 Improvements, (iii) funding a reserve account for payment of principal and interest on the Bonds, (iv) funding the initial deposit to the Administrative Fund for the payment of the initial Annual Collection Costs (as defined herein), and (v) paying the costs of issuance of the Bonds.

**Estimated Total Cost of Public Improvements:** The total cost of the public improvements to be funded by the District is approximately \$95,000,000, including issuance and required reserves related to the proposed issuance of bonds to fund the construction of the public improvements. The total cost of the Improvement Area #1 Improvements to be funded by the District is estimated to be **approximately \$11,939,000** The exact amount will be provided in the approved service and assessment plan.

**District Boundaries:** The District includes approximately 410 acres adjacent to the city limits to the West of FM 969 and South West of the Colorado River as generally depicted on Exhibit A attached hereto. Improvement Area #1, comprised of 104.052 acres, is located within the Property and is generally depicted within the District on Exhibit A attached hereto. (fix this map, GIS Can give you a better map than this)

**Materials:** The field notes, a copy of the proposed service and assessment plan, and assessment roll are available for inspection at Bastrop City Hall, 1311 Chestnut Street, Bastrop, Texas 78602.

**Exhibit A**

[See attached]

# Valverde Public Improvement District (previously Viridian)

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PRELIMINARY SERVICE AND ASSESSMENT PLAN

JANUARY 28, 2025



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## INTRODUCTION

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

On March 9, 2021, the City passed and approved Resolution No. R-2021-28 authorizing the creation of the Viridian Public Improvement District, which was renamed Valverde Public Improvement District, in accordance with the PID Act, which authorization was effective upon publication as required by the PID Act.

On \_\_\_\_, \_\_\_\_, the City adopted Ordinance No. \_\_\_\_\_ approving this Service and Assessment Plan and the Improvement Area #1 Assessment Roll. The Ordinance also levied Improvement Area #1 Assessments against Improvement Area #1 Assessed Property and established a lien on such properties.

The purpose of the District is to finance the Actual Costs of Authorized Improvements that confer a special benefit on approximately 399.878 acres partially located within the limits of the City and the extraterritorial jurisdiction of the City, as described by metes and bounds on **Exhibit J-1** and depicted on **Exhibit A-1**.

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

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

The PID Act requires an Assessment Roll that states the Assessment against each Parcel determined by the method chosen by the City. The Assessment against each Assessed Property must be sufficient to pay the share of the Actual Costs apportioned to the Assessed Property and cannot exceed the special benefit conferred on the Assessed Property by the Authorized Improvements. The Improvement Area #1 Assessment Roll is contained in **Exhibit E**.



## SECTION I: DEFINITIONS

**“Actual Costs”** mean, with respect to Authorized Improvements, the actual costs paid or incurred by or on behalf of the Owner of the District:

- (1) to plan, design, acquire, construct, install, and dedicate such improvements to the City;
- (2) to prepare plans, specifications (including bid packages), contracts, and as-built drawings;
- (3) to obtain zoning, licenses, plan approvals, permits, inspections, and other governmental approvals;
- (4) for third-party professional consulting services including but not limited to, engineering, surveying, geotechnical, land planning, architectural, landscaping, legal, accounting, and appraisals;
- (5) of labor, materials, equipment, fixtures, payment and performance bonds and other construction security, and insurance premiums; and
- (6) to implement, administer, and manage the above-described activities, including a 4.00% construction management fee.

Actual Costs shall not include general contractor’s fees in an amount that exceeds a percentage equal to the percentage of work completed or construction management fees in an amount that exceeds an amount equal to the construction management fee amortized in approximately equal monthly installments over the term of the applicable construction management contract. Amounts expended for costs described in (3), (4), and (6) above shall be excluded from the amount upon which the general contractor and construction management fees are calculated.

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

**“Additional Interest Rate”** means the additional interest rate, not to exceed 0.50%, charged on Assessments securing PID Bonds, as authorized by Section 372.018 of the PID Act.

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

**“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 and City staff;
- (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City;
- (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments;
- (4) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates;
- (5) issuing, paying, and redeeming PID Bonds;
- (6) investing or depositing Assessments and Annual Installments;
- (7) complying with this Service and Assessment Plan and the PID Act with respect to the administration of the District, including continuing disclosure requirements; and
- (8) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel.

Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

**“Annual Installment”** means the Annual Installment payment of an Assessment as calculated by the Administrator and approved by the City Council, that may include: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest, if applicable.

**“Annual Service Plan Update”** means an update to this Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the City Council, in accordance with the PID Act.

**“Appraisal District”** means the Bastrop Central Appraisal District.

**“Assessed Property”** means any Parcel within the District that benefits from the Authorized Improvements and on which an Assessment is levied as shown on an Assessment Roll and which includes any and all Parcels within the District other than Non-Benefited Property and Non-Assessed Property.

**“Assessment”** means an Assessment levied against a Parcel and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on an Assessment Roll, subject to

reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

**"Assessment Ordinance"** means an Ordinance adopted by the City Council in accordance with the PID Act that approves the Service and Assessment Plan and levies an Assessment on Assessed Property within the District, as shown on any Assessment Roll.

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

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

**"Authorized Improvements"** means improvements authorized by Section 372.003 of the PID Act, as described in **Section III**.

**"Bond Issuance Costs"** mean 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 discount, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

**"City"** means the City of Bastrop, Texas.

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

**"District"** means the approximately 399.878 acres partially within the corporate limits of the City and in the extraterritorial jurisdiction of the City, as described legally by metes and bounds on **Exhibit J-1** and as depicted by the map on **Exhibit A-1**.

**"Estimated Buildout Value"** means the Estimated Buildout Value of an Assessed Property at the time Assessments are levied, and shall be determined by the Administrator and confirmed by the City Council by considering such factors as density, Lot size, proximity to amenities, view

premiums, location, market conditions, historical sales, builder contracts, discussions with homebuilders, reports from third party consultants, or any other information that may impact value.

**“First Year Annual Collections Costs”** means the estimated Annual Collection Costs for the first year following the levy of Assessments.

**“Future Improvement Area”** means approximately 295.248 acres located within the District and the extraterritorial jurisdiction of the City, as shown on **Exhibit A-3** and more specifically described in **Exhibit J-3**.

**“Improvement Area”** means specifically defined and designated areas within the District that are developed in phases, including Improvement Area #1, that may be specifically defined and designated as a phase of development.

**“Improvement Area #1”** means approximately 104.052 acres located within the District and within the limits of the City, as shown on **Exhibit A-2** and more specifically described in **Exhibit J-2**.

**“Improvement Area #1 Annual Installment”** means the Annual Installment payment on the Improvement Area #1 Assessment as calculated by the Administrator and approved by the City Council that includes: (1) principal, (2) interest, (3) Annual Collection Costs, and (4) Additional Interest.

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

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

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

**“Improvement Area #1 Bonds”** mean those certain “City of Bastrop, Texas, Special Assessment Revenue Bonds, Series 2025 (Valverde Public Improvement District Improvement Area #1 Project)”, that are secured by Improvement Area #1 Assessments levied on Improvement Area #1 Assessed Property.

**“Improvement Area #1 Improvements”** means those Authorized Improvements that provide benefit to Improvement Area #1 Assessed Property, as more specifically described in **Section III** and as shown in **Exhibit H**.

**“Improvement Area #1 Projects”** means, collectively (1) the Improvement Area #1 Improvements, (2) applicable Bond Issuance Costs, and (3) applicable First Year Annual Collection Costs.

**“Improvement Area #1 Unplatted Parcel”** means the Improvement Area #1 Assessed Property which has not been sub-divided by final plat. For billing purposes only, until a final plat has been recorded within the Improvement Area #1 Unplatted Parcel, the Annual Installment allocable to the Improvement Area #1 Unplatted Parcel will be billed to each property ID within the Improvement Area #1 Unplatted Parcel based on the Appraisal District acreage.

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

**“Landowner(s)”** means individuals or entities that own a Parcel(s) located within the District at the time of the levy of Assessments and have consented to the levy of Assessment against their Parcel(s) through a Landowner Agreement.

**“Landowner Agreement”** means any Landowner Agreement between the City and a Landowner in which a Landowner agrees to the levy of an Assessment against any Assessed Property located within the District that will be specially benefited by the Authorized Improvements.

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

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

**“Lot Type 1”** means a Lot designated as a multi-family unit within Improvement Area #1 by the Owner, as shown on the map attached as **Exhibit I**.

**“Lot Type 2”** means a Lot designated as a 32’ Alley residential lot within Improvement Area #1 by the Owner, as shown on the map attached as **Exhibit I**.

**“Lot Type 3”** means a Lot designated as a 43’ Alley residential lot within Improvement Area #1 by the Owner, as shown on the map attached as **Exhibit I**.

**“Lot Type 4”** means a Lot designated as a 45’ residential lot within Improvement Area #1 by the Owner, as shown on the map attached as **Exhibit I**.

**“Lot Type 5”** means a Lot designated as a 50’ residential lot within Improvement Area #1 by the Owner, as shown on the map attached as **Exhibit I**.

**“Maximum Assessment”** means the amount shown for each Lot Type on **Exhibit G-1**. The Maximum Assessment shall be reduced annually by the principal portion of the Annual Installment.

**“Non-Assessed Property”** means Parcels which benefit from Authorized Improvements, but which do not have an Assessment. The allocable costs of Authorized Improvements which benefit Non-Assessed Property, as shown on **Exhibit G-2**, will be borne by the Owner.

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

**“Owner”** means Continental Homes of Texas, LP, a Texas limited partnership, and any successor owner of property within the District, or any portion thereof.

**“Parcel(s)”** means a property within the boundaries of the District, identified by either a tax map identification number assigned by the Appraisal District for real property tax purposes, by metes and bounds description, by lot and block number in a final subdivision plat recorded in the official public records of the City, or by any other means as determined by the City Council.

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

**“PID Bonds”** means any bonds issued in accordance with the PID Act, that are secured by Assessments, including the Improvement Area #1 Bonds.

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

**“Prepayment Costs”** means interest, including Additional Interest (if applicable), and Annual Collection Costs incurred up to the date of Prepayment.

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

**“Service and Assessment Plan”** means this Service and Assessment Plan, as it may be modified, amended, supplemented and updated from time to time.

**“Taken Property”** shall have the meaning assigned to such term in **Section VI.F**.

**“Taking”** shall have the meaning assigned to such term in **Section VI.F**.

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



## SECTION II: THE DISTRICT

The District includes approximately 399.878 acres partially within the limits of the City and the extraterritorial jurisdiction of the City, as described legally by metes and bounds on **Exhibit J-1** and as depicted by the map on **Exhibit A-1**. Development of the District is anticipated to include 1,399 single-family homes and 250 multi-family units, as well as associated rights-of-way, landscaping, and infrastructure necessary to provide roadways, drainage and utilities to property within the District.

Improvement Area #1 includes approximately 104.052 acres within the limits of the City, as described legally by metes and bounds on **Exhibit J-2** and as depicted by the map on **Exhibit A-2**. Development of Improvement Area #1 is anticipated to include 352 single-family homes and 250 multi-family units, as well as associated rights-of-way, landscaping, and infrastructure necessary to provide roadways, drainage and utilities to property within Improvement Area #1.

The Future Improvement Area includes approximately 295.248 acres within the extraterritorial jurisdiction of the City, as described legally by metes and bounds on **Exhibit J-3** and as depicted by the map on **Exhibit A-3**.

As additional improvement areas are developed this Service and Assessment Plan will be updated to include such improvement areas.

## SECTION III: AUTHORIZED IMPROVEMENTS

The City, based on information provided by the Owner and its engineer and review by the City staff and by third-party consultants retained by the City, determined that the Authorized Improvements confer a special benefit on the Assessed Property. Authorized Improvements will be designed and constructed in accordance with City standards and will be owned and operated by the City once accepted unless specifically stated below. The budget for the Authorized Improvements, as well as the allocation of the Actual Costs of the Authorized Improvements, is shown on **Exhibit B**.

### A. Improvement Area #1 Improvements

#### ▪ *Streets*

Improvements include subgrade stabilization (including excavation and drainage), concrete and reinforcing steel for roadways, handicapped ramps, and street lights. Intersections, signage, lighting, and re-vegetation of all disturbed areas within the right of way are included. These roadway improvements include streets that will provide street

access to each Lot. These projects will provide access to community roadways and state highways. The street improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

- *Water*

Improvements include trench excavation and embedment, trench safety, PVC piping, service connections and testing. These lines will include the necessary appurtenances to be fully operational transmission lines extending water service to the limits of the improvements. The water improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

- *Wastewater*

Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections and testing. These lines will include the necessary appurtenances to be fully operational transmission lines existing wastewater services to the limits of the improvements. The wastewater improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

- *Drainage*

Improvements include trench excavation and embedment, trench safety, reinforced concrete piping, manholes, inlets, channels/swales and ponds. These will include the necessary appurtenances to be fully operation to convey stormwater to the limits of the improvement area. The drainage improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

- *Soft Costs*

Includes costs related to designing, constructing, and installing the Improvement Area #1 Improvements including land planning and design, City permits and fees, engineering, soil testing, survey, construction management, legal, special assessment consulting, district formation expenses and contingency.

## **B. Bond Issuance Costs**

- *Debt Service Reserve Requirement*

Equals the amount required to fund a reserve under the applicable Indenture in connection with the issuance of the applicable series of PID Bonds.

- *Underwriter's Discount*

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

- *Capitalized Interest*  
Equals the capitalized interest payments on PID Bonds as reflected in an applicable Indenture.
- *Cost of Issuance*  
Costs associated with issuing a series PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of the applicable series of PID Bonds.

### C. First Year Annual Collection Costs

Estimated cost of the First Year Annual Collections Costs will be funded from the proceeds of the applicable series of PID Bonds.

## SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the projected costs and annual indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan shall be updated in each Annual Service Plan Update. **Exhibit C** summarizes the Service Plan for the District.

**Exhibit D** summarizes the sources and uses of funds required to construct certain Authorized Improvements, as well as the amounts required to fund the required reserves and pay the Bond Issuance Costs. The sources and uses of funds shown on **Exhibit D** shall be updated in each Annual Service Plan Update.

## SECTION V: ASSESSMENT PLAN

The PID Act requires the City to apportion the Actual Costs of the Authorized Improvements to the Assessed Property based on the special benefit received from the Authorized Improvements. The PID Act provides that such costs may be apportioned: (1) equally per front foot or square foot; (2) according to the value of property as determined by the City, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the City that results in imposing equal shares of such costs on property similarly benefited. The PID Act further provides that the governing body may establish by order 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.

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

The determination by the City 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 developers of the Assessed Property.

### **A. Assessment Methodology**

The City Council, acting in its legislative capacity based on information provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, determined that the costs of the Authorized Improvements shall be allocated based on Estimated Buildout Value as further described in **Section VI**. The Improvement Area #1 Projects are allocated 100% to Improvement Area #1 Assessed Property.

### **B. Assessments**

Improvement Area #1 Assessments are allocated among the Improvement Area #1 Assessed Property based on the Estimated Buildout Value, as described in **Section V.A**. The Improvement Area #1 Assessments levied against the Improvement Area #1 Assessed Property are shown on the Improvement Area #1 Assessment Roll attached hereto as **Exhibit E**. The projected Annual Installments for Improvement Area #1 are shown on **Exhibit F-1**, subject to revisions made during any Annual Service Plan Update.

The Maximum Assessment for each Lot Type is shown on **Exhibit G-1**. In no case will the Assessment for any Lot Type exceed the Maximum Assessment.

### **C. Findings of Special Benefit**

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

- *Improvement Area #1*
  - a. The cost of the Improvement Area #1 Projects equals \$23,293,771 as shown on **Exhibit B**; and
  - b. The Improvement Area #1 Assessed Property receives special benefit equal to or greater than the Improvement Area #1 Projects; and

- c. The Improvement Area #1 Assessed Property is allocated 100% of the Improvement Area #1 Assessments levied for the Improvement Area #1 Bonds, which equals \$11,939,000 as shown on **Exhibit D**; and
- d. The special benefit ( $\geq$  \$23,293,771 ) received by the Improvement Area #1 Assessed Property from the Improvement Area #1 Projects is greater than the amount of Improvement Area #1 Assessments ( \$11,939,000 ) levied on the Improvement Area #1 Assessed Property for the Improvement Area #1 Projects; and
- e. At the time the City Council approved the Assessment Ordinance levying the Improvement Area #1 Assessments, the Owner owned 100% of the Improvement Area #1 Assessed Property. In a Landowner Agreement with the City, the Owner acknowledged that the Improvement Area #1 Projects confer a special benefit on the Improvement Area #1 Assessed Property and consented to the imposition of the Improvement Area #1 Assessments to pay for the Actual Costs associated therewith. The Owner ratified, confirmed, accepted, agreed to, and approved (1) the determinations and findings by the City Council as to the special benefits described herein and in the Assessment Ordinance, (2) the Service and Assessment Plan and the Assessment Ordinance, and (3) the levying of the Improvement Area #1 Assessments on the Improvement Area #1 Assessed Property.

#### **D. Annual Collection Costs**

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

#### **E. Additional Interest**

The interest rate on Assessments levied on the Assessed Property may exceed the interest rate on the PID Bonds by the Additional Interest Rate. Additional Interest shall be collected as part of each Annual Installment and shall be deposited pursuant to the applicable Indenture.

## **SECTION VI: TERMS OF THE ASSESSMENTS**

#### **A. Reallocation of Assessments**

1. *Upon Division Prior to Recording of Subdivision Plat*

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

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

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

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

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

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

## 2. *Upon Subdivision by a Recorded Subdivision Plat*

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

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

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision

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

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

E = the number of Lots with the same Lot Type

Prior to the recording of a subdivision plat, the Owner shall provide the City with an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat.

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

### *3. Upon Consolidation*

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

The Assessment for any resulting Lot will not exceed the Maximum Assessment, shown on **Exhibit G-1** for the applicable Lot Type, and compliance may require a mandatory Prepayment of Assessments pursuant to **Section VI.B**.

#### **B. True-up of Assessments if Maximum Assessment Exceeded**

Prior to the City approving a final subdivision plat, the Administrator will certify that such plat will not result in the Assessment per Lot for any Lot Type to exceed the Maximum Assessment. If the Administrator determines that the resulting Assessment per Lot for any Lot Type will exceed the Maximum Assessment, then (i) the Assessment applicable to each Lot Type exceeding the Maximum Assessment shall be reduced to the Maximum Assessment, and (ii) the person or entity filing the plat shall pay to the City the amount the Assessment was reduced, plus Prepayment Costs and Delinquent Collection Costs, prior to the City approving the final plat. The City's approval of a final subdivision plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay the amounts referenced in (ii) in the immediately preceding sentence.

#### **C. Mandatory Prepayment of Assessments**

If Assessed Property is transferred to a person or entity that is exempt from payment of the Assessments, the owner transferring the Assessed Property shall pay to the City or the Administrator on behalf of the City the full amount of the outstanding Assessment, plus Prepayment Costs and Delinquent Collection Costs, if any, for such Assessed Property, prior to the transfer. If the owner of the Assessed Property causes the Assessed Property to become Non-Benefited Property, the owner causing the change in status shall pay the full amount of the outstanding Assessment, plus Prepayment Costs and Delinquent Collection Costs, if any, prior to the change in status.



#### **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, the Trustee shall apply amounts on deposit in the applicable account of the project fund, relating to the PID Bonds, that are not expected to be used for purposes of the project fund to redeem outstanding PID Bonds, in accordance with the applicable Indenture. The Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds.

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

#### **E. Prepayment of Assessments**

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

If an Assessment is pre-paid in full, with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced to zero and the Assessment Roll to be revised accordingly; (2) the Administrator shall cause the revised Assessment Roll to be approved by the City Council as part of the next Annual Service Plan Update; (3) the obligation to pay the Assessment and corresponding Annual Installments shall terminate; and (4) the City shall provide the owner with a recordable "Notice of PID Assessment Lien Termination," a form of which is attached as **Exhibit K**.

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

#### **F. Prepayment as a result of Eminent Domain Proceeding or Taking**

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

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

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

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

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

the Taken Property and the Remaining Property until such time that such Assessment has been prepaid in full.

Notwithstanding the previous paragraphs in this subsection **(F)**, the Assessments shall not, however, be reduced to an amount less than the amount required to pay all outstanding debt service requirement on all outstanding PID Bonds.

### **G. Payment of Assessment in Annual Installments**

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

The Administrator shall prepare and submit to the City Council for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and updated calculations of Annual Installments. Annual Collection Costs shall be allocated pro rata among Assessed Properties for which the Assessments remain unpaid in proportion to the amount of the Annual Installments for the Assessed Property. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act and in the same manner as ad valorem taxes for the City. The City Council may provide for other means of collecting Annual Installments. Assessments shall have the lien priority specified in the PID Act. For billing purposes only, until a final plat has been recorded within the Improvement Area #1 Unplatted Parcel, the Annual Installment allocable to the Improvement Area #1 Unplatted Parcel will be billed to each property ID within the Improvement Area #1 Unplatted Parcel based on the Appraisal District acreage.

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

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

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. Failure of an owner of Assessed Property to receive an invoice for an Annual Installment on the property tax bill or

otherwise shall not relieve the owner of Assessed Property of the obligation to pay the Assessment. Assessments, or Annual Installments thereof, that are delinquent shall incur Delinquent Collection Costs.

## **SECTION VII: ASSESSMENT ROLL**

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

## **SECTION VIII: ADDITIONAL PROVISIONS**

### **A. Calculation Errors**

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

### **B. Amendments**

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

### **C. Administration and Interpretation**

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

### **D. Severability**

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

### **E. Termination of Special Assessments**

Each Special Assessment shall terminate on the date the Special Assessment is paid in full, including unpaid Annual Installments and Delinquent Collection Costs, if any. After termination of a Special Assessment, the City shall provide the owner of the affected Parcel a recordable “Notice of PID Assessment Lien Termination” a form of which is attached as **Exhibit K**.

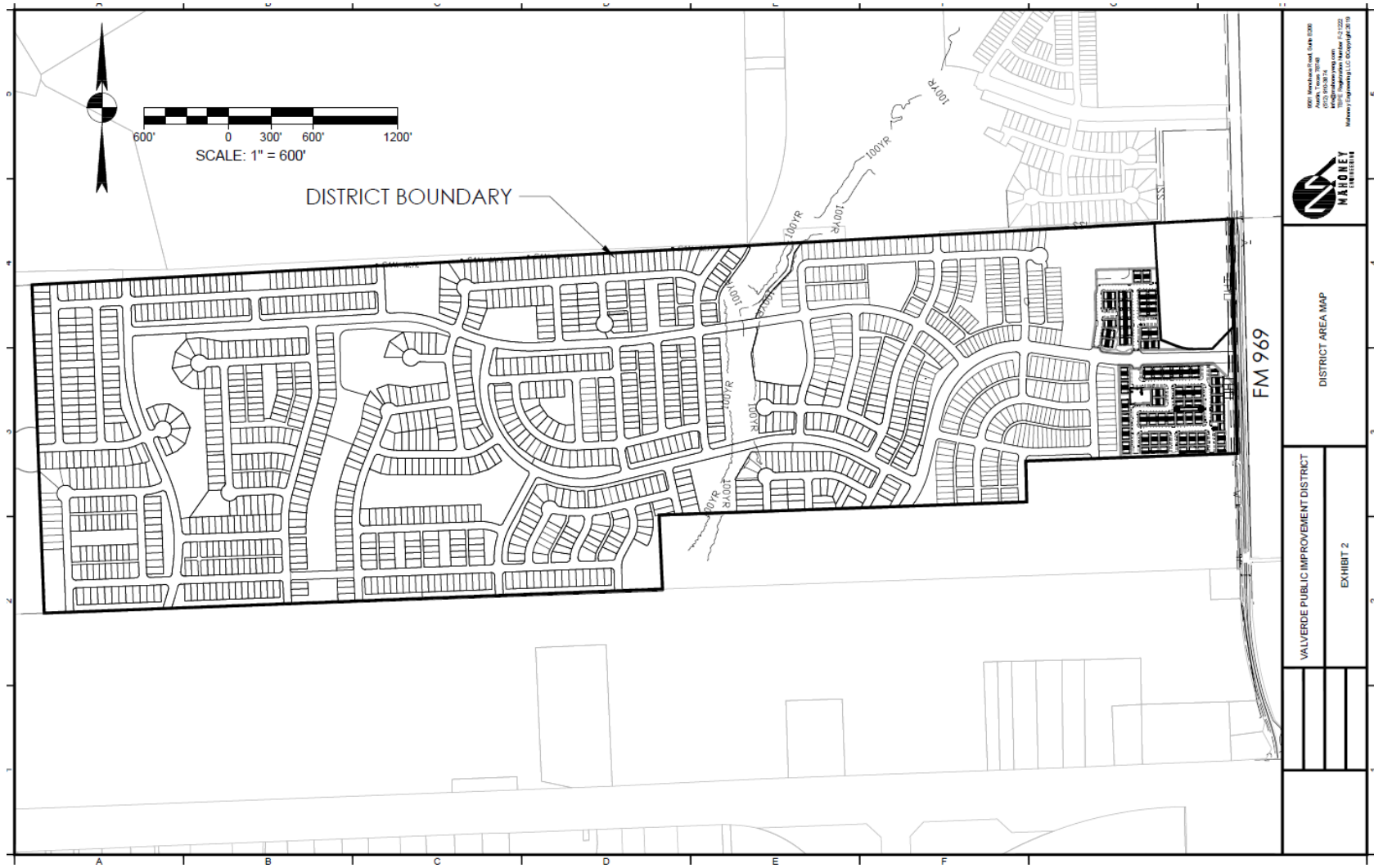
### **H. Form of Buyer Disclosure**

Per Section 5.014 of the Texas Property Code, as amended, this Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosures for the District. The form of buyer disclosures are attached hereto in **Exhibit L**. Within seven days of approval by the City Council, the City shall file and record in the real property records of the City the executed order approving this Service and Assessment Plan, or any future Annual Service Plan Updates. The executed Ordinance, including any attachments, approving this Service and Assessment Plan or any future Annual Service Plan Updates shall be filed and recorded in its entirety.

**LIST OF EXHIBITS**

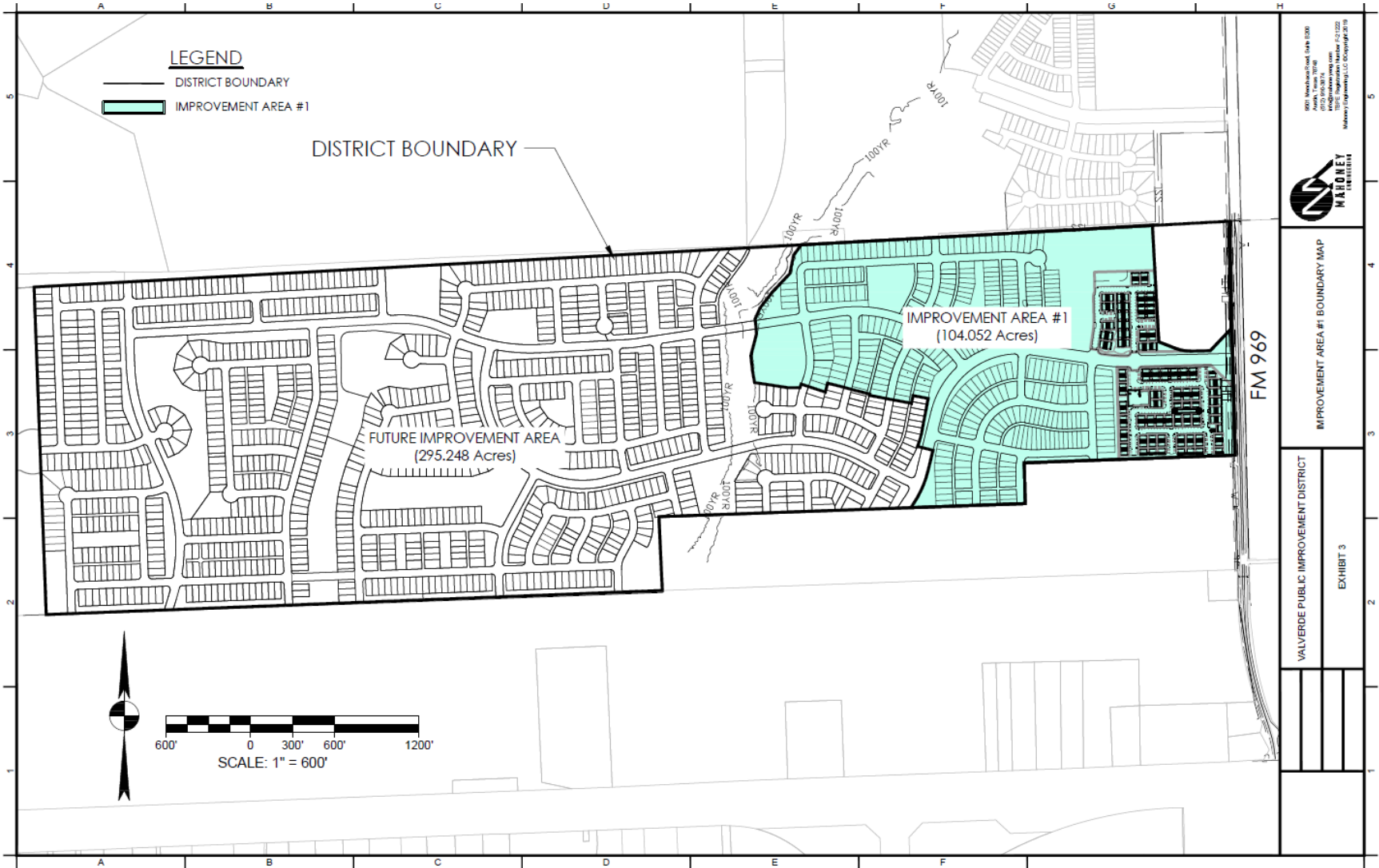
<b>Exhibit A-1</b>	District Boundary Map
<b>Exhibit A-2</b>	Improvement Area #1 Boundary Map
<b>Exhibit A-3</b>	Future Improvement Area Boundary Map
<b>Exhibit B</b>	Authorized Improvements
<b>Exhibit C</b>	Service Plan – Five Year Plan
<b>Exhibit D</b>	Sources and Uses
<b>Exhibit E</b>	Improvement Area #1 Assessment Roll
<b>Exhibit F-1</b>	Improvement Area #1 Annual Installments
<b>Exhibit F-2</b>	Improvement Area #1 Debt Service Schedule
<b>Exhibit G-1</b>	Maximum Assessment per Lot Type
<b>Exhibit G-2</b>	Improvement Area #1 Estimated Buildout Value
<b>Exhibit H</b>	Maps of Authorized Improvements
<b>Exhibit I</b>	Lot Type Classification Map
<b>Exhibit J-1</b>	District Legal Description
<b>Exhibit J-2</b>	Improvement Area #1 Legal Description
<b>Exhibit J-3</b>	Future Improvement Area Legal Description
<b>Exhibit K</b>	Notice of PID Assessment Lien Termination
<b>Exhibit L</b>	Form of Buyer Disclosure
<b>Exhibit M</b>	Engineering Report

# EXHIBIT A-1 – DISTRICT BOUNDARY MAP

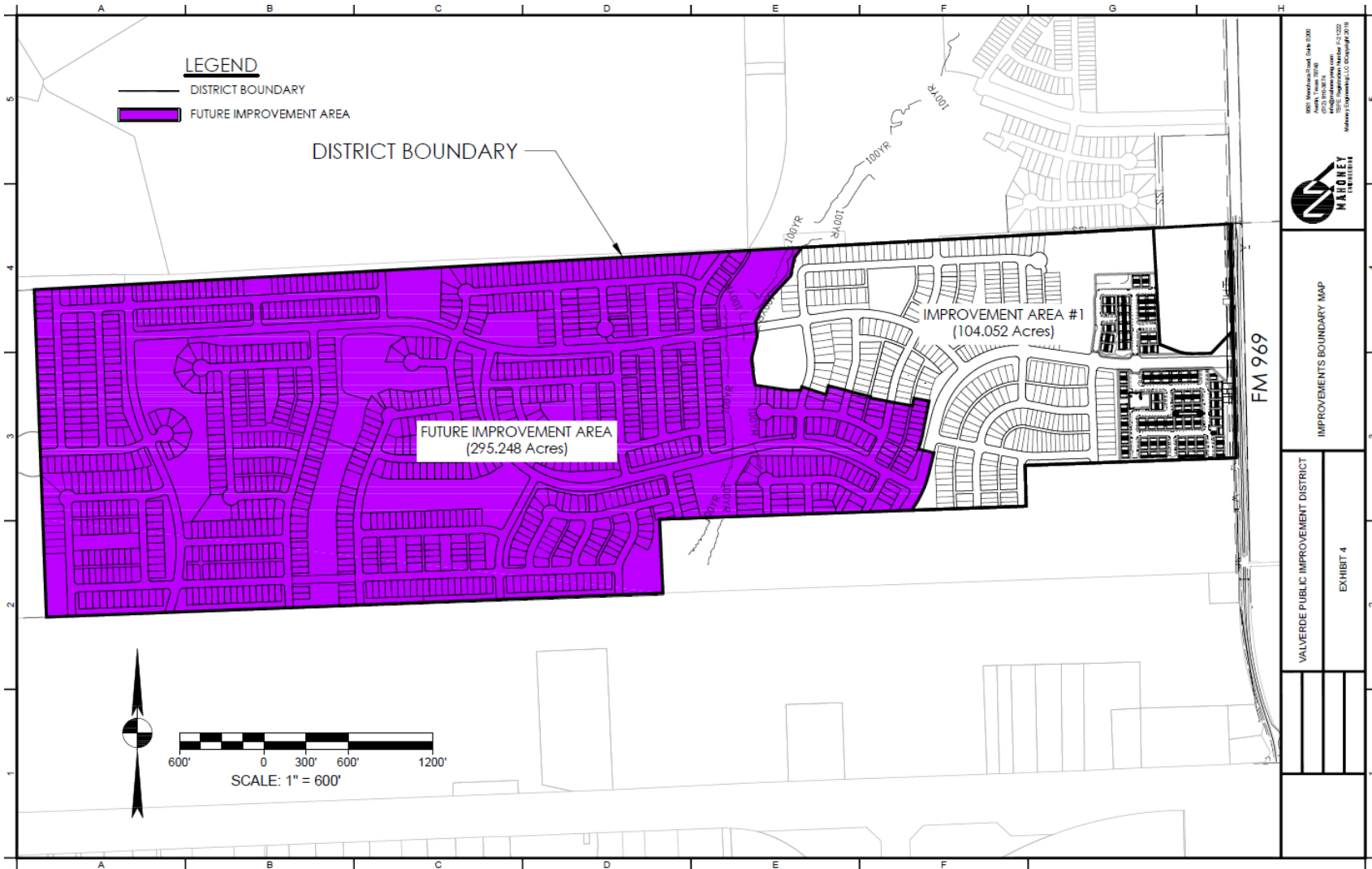




# EXHIBIT A-2 – IMPROVEMENT AREA #1 BOUNDARY MAP



# EXHIBIT A-3 – FUTURE IMPROVEMENT AREA BOUNDARY MAP



## EXHIBIT B – AUTHORIZED IMPROVEMENTS

	Total		Improvement Area #1 [a]		Non-Assessed Property [a]
<i>Improvement Area #1 Improvements</i>					
Streets	\$ 6,637,576	98.59%	\$ 6,544,189	1.41%	\$ 93,387
Water	2,817,287	98.59%	2,777,649	1.41%	39,638
Wastewater	2,079,838	98.59%	2,050,576	1.41%	29,262
Drainage	5,475,303	98.59%	5,398,268	1.41%	77,035
Soft Costs	4,252,501	98.59%	4,192,670	1.41%	59,831
	\$ 21,262,504		\$ 20,963,352		\$ 299,152
<i>Bond Issuance Costs</i>					
Debt Service Reserve Fund	\$ 865,035		\$ 865,035		\$ -
Capitalized Interest	350,874		350,874		-
Underwriter's Discount	358,170		358,170		-
Cost of Issuance	716,340		716,340		-
	\$ 2,290,419		\$ 2,290,419		\$ -
First Year Annual Collection Costs	\$ 40,000		\$ 40,000		\$ -
	\$ 40,000		\$ 40,000		\$ -
<b>Authorized Improvements Totals</b>	<b>\$ 23,592,923</b>		<b>\$ 23,293,771</b>		<b>\$ 299,152</b>

**Notes:**

[a] Improvement Area #1 Improvements are allocated between Improvement Area #1 Assessed Property and Non-Assessed Property based on the Estimated Buildout Value as show on **Exhibit G-2**.

## EXHIBIT C – SERVICE PLAN – FIVE YEAR PLAN

		Improvement Area #1				
Annual Installments		1/31/2025	1/31/2026	1/31/2027	1/31/2028	1/31/2029
<i>Improvement Area #1 Bonds</i>						
Principal		\$ -	\$ 154,000	\$ 163,000	\$ 172,000	\$ 182,000
Interest		\$ 350,874	\$ 686,493	\$ 677,638	\$ 668,265	\$ 658,375
Capitalized Interest		\$ (350,874)	\$ -	\$ -	\$ -	\$ -
	(1)	\$ -	\$ 840,493	\$ 840,638	\$ 840,265	\$ 840,375
Additional Interest	(2)	\$ -	\$ 59,695	\$ 58,925	\$ 58,110	\$ 57,250
Annual Collection Costs	(3)	\$ -	\$ 40,800	\$ 41,616	\$ 42,448	\$ 43,297
<b>Total Annual Installment</b>	<b>(4) = (1) + (2) + (3)</b>	\$ -	\$ <b>940,988</b>	\$ <b>941,179</b>	\$ <b>940,823</b>	\$ <b>940,922</b>

## EXHIBIT D – SOURCES AND USES

Sources of Funds		
Improvement Area #1 Bond Par	\$	11,939,000
Owner Contribution <sup>1</sup>	\$	11,653,923
<b>Total Sources</b>	<b>\$</b>	<b>23,592,923</b>
Uses of Funds		
Improvement Area #1 Improvements	\$	21,262,504
	\$	21,262,504
<i>Bond Issuance Costs</i>		
Debt Service Reserve Fund	\$	865,035
Capitalized Interest		350,874
Underwriter's Discount		358,170
Cost of Issuance		716,340
	\$	2,290,419
First Year Annual Collection Costs	\$	40,000
	\$	40,000
<b>Total Uses</b>	<b>\$</b>	<b>23,592,923</b>

**Footnotes:**

1) Represents Actual Costs expended or to be expended by the Owner on the Improvement Area #1 Improvements in excess of the Improvement Area #1 Assessment, including costs allocable to the Non-Assessed Property. Not subject to reimbursement to Owner.

## EXHIBIT E – IMPROVEMENT AREA #1 ASSESSMENT ROLL

Property ID	Lot Type	Outstanding Assessment	Annual Installment due 1/31/25
8733245	Non-Benefited	\$ -	\$ -
8733246	1	\$ 17,747.15	\$ -
8733247	1	\$ 17,747.15	\$ -
8733248	1	\$ 17,747.15	\$ -
8733249	1	\$ 17,747.15	\$ -
8733250	1	\$ 17,747.15	\$ -
8733251	1	\$ 17,747.15	\$ -
8733252	1	\$ 17,747.15	\$ -
8733253	1	\$ 17,747.15	\$ -
8733254	1	\$ 17,747.15	\$ -
8733255	1	\$ 17,747.15	\$ -
8733256	1	\$ 17,747.15	\$ -
8733257	1	\$ 17,747.15	\$ -
8733258	1	\$ 17,747.15	\$ -
8733259	1	\$ 17,747.15	\$ -
8733260	1	\$ 17,747.15	\$ -
8733261	1	\$ 17,747.15	\$ -
8733262	1	\$ 17,747.15	\$ -
8733263	1	\$ 17,747.15	\$ -
8733264	1	\$ 17,747.15	\$ -
8733265	1	\$ 17,747.15	\$ -
8733266	1	\$ 17,747.15	\$ -
8733267	1	\$ 17,747.15	\$ -
8733268	1	\$ 17,747.15	\$ -
8733269	1	\$ 17,747.15	\$ -
8733270	1	\$ 17,747.15	\$ -
8733271	1	\$ 17,747.15	\$ -
8733272	1	\$ 17,747.15	\$ -
8733273	1	\$ 17,747.15	\$ -
8733274	1	\$ 17,747.15	\$ -
8733275	1	\$ 17,747.15	\$ -
8733276	3	\$ 22,341.76	\$ -
8733277	3	\$ 22,341.76	\$ -
8733278	3	\$ 22,341.76	\$ -
8733279	3	\$ 22,341.76	\$ -
8733280	3	\$ 22,341.76	\$ -
8733281	3	\$ 22,341.76	\$ -
8733282	3	\$ 22,341.76	\$ -
8733283	3	\$ 22,341.76	\$ -
8733284	3	\$ 22,341.76	\$ -

Property ID	Lot Type	Outstanding Assessment	Annual Installment due 1/31/25
8733285	3	\$ 22,341.76	\$ -
8733286	3	\$ 22,341.76	\$ -
8733287	3	\$ 22,341.76	\$ -
8733288	3	\$ 22,341.76	\$ -
8733289	3	\$ 22,341.76	\$ -
8733290	3	\$ 22,341.76	\$ -
8733291	3	\$ 22,341.76	\$ -
8733292	1	\$ 17,747.15	\$ -
8733293	1	\$ 17,747.15	\$ -
8733294	1	\$ 17,747.15	\$ -
8733295	1	\$ 17,747.15	\$ -
8733296	1	\$ 17,747.15	\$ -
8733297	1	\$ 17,747.15	\$ -
8733298	1	\$ 17,747.15	\$ -
8733299	1	\$ 17,747.15	\$ -
8733300	1	\$ 17,747.15	\$ -
8733301	1	\$ 17,747.15	\$ -
8733302	1	\$ 17,747.15	\$ -
8733303	1	\$ 17,747.15	\$ -
8733304	1	\$ 17,747.15	\$ -
8733305	1	\$ 17,747.15	\$ -
8733306	1	\$ 17,747.15	\$ -
8733307	1	\$ 17,747.15	\$ -
8733308	1	\$ 17,747.15	\$ -
8733309	1	\$ 17,747.15	\$ -
8733310	1	\$ 17,747.15	\$ -
8733311	1	\$ 17,747.15	\$ -
8733312	1	\$ 17,747.15	\$ -
8733313	1	\$ 17,747.15	\$ -
8733314	1	\$ 17,747.15	\$ -
8733315	1	\$ 17,747.15	\$ -
8733316	1	\$ 17,747.15	\$ -
8733317	Non-Benefited	\$ -	\$ -
8733318	1	\$ 17,747.15	\$ -
8733319	1	\$ 17,747.15	\$ -
8733320	1	\$ 17,747.15	\$ -
8733321	1	\$ 17,747.15	\$ -
8733322	1	\$ 17,747.15	\$ -
8733323	1	\$ 17,747.15	\$ -
8733324	1	\$ 17,747.15	\$ -



Property ID	Lot Type	Outstanding Assessment	Annual Installment due 1/31/25
8733325	Non-Benefited	\$ -	\$ -
8733326	1	\$ 17,747.15	\$ -
8733327	1	\$ 17,747.15	\$ -
8733328	1	\$ 17,747.15	\$ -
8733329	1	\$ 17,747.15	\$ -
8733330	1	\$ 17,747.15	\$ -
8733331	1	\$ 17,747.15	\$ -
8733332	1	\$ 17,747.15	\$ -
8733333	1	\$ 17,747.15	\$ -
8733334	1	\$ 17,747.15	\$ -
8733335	1	\$ 17,747.15	\$ -
8733336	1	\$ 17,747.15	\$ -
8733337	1	\$ 17,747.15	\$ -
8733338	1	\$ 17,747.15	\$ -
8733339	1	\$ 17,747.15	\$ -
8733340	1	\$ 17,747.15	\$ -
8733341	1	\$ 17,747.15	\$ -
8733342	1	\$ 17,747.15	\$ -
8733343	1	\$ 17,747.15	\$ -
8733344	1	\$ 17,747.15	\$ -
8733345	1	\$ 17,747.15	\$ -
8733346	1	\$ 17,747.15	\$ -
8733347	1	\$ 17,747.15	\$ -
8733348	1	\$ 17,747.15	\$ -
8733349	1	\$ 17,747.15	\$ -
8733350	1	\$ 17,747.15	\$ -
8733351	1	\$ 17,747.15	\$ -
8733352	1	\$ 17,747.15	\$ -
8733353	1	\$ 17,747.15	\$ -
8733354	1	\$ 17,747.15	\$ -
8733355	1	\$ 17,747.15	\$ -
8733356	1	\$ 17,747.15	\$ -
8733357	1	\$ 17,747.15	\$ -
8733358	1	\$ 17,747.15	\$ -
8733359	1	\$ 17,747.15	\$ -
8733360	1	\$ 17,747.15	\$ -
8733361	1	\$ 17,747.15	\$ -
8733362	Non-Benefited	\$ -	\$ -
8733363	Non-Benefited	\$ -	\$ -
8733364	Non-Benefited	\$ -	\$ -

Property ID	Lot Type	Outstanding Assessment	Annual Installment due 1/31/25
8733365	Non-Benefited	\$ -	\$ -
8733366	3	\$ 22,341.76	\$ -
8733367	3	\$ 22,341.76	\$ -
8733368	3	\$ 22,341.76	\$ -
8733369	3	\$ 22,341.76	\$ -
8733370	3	\$ 22,341.76	\$ -
8733371	3	\$ 22,341.76	\$ -
8733372	3	\$ 22,341.76	\$ -
8733373	3	\$ 22,341.76	\$ -
8733374	3	\$ 22,341.76	\$ -
8733375	3	\$ 22,341.76	\$ -
8733376	3	\$ 22,341.76	\$ -
8733377	3	\$ 22,341.76	\$ -
8733378	3	\$ 22,341.76	\$ -
8733379	Non-Benefited	\$ -	\$ -
8733380	2	\$ 19,489.86	\$ -
8733381	2	\$ 19,489.86	\$ -
8733382	2	\$ 19,489.86	\$ -
8733383	2	\$ 19,489.86	\$ -
8733384	2	\$ 19,489.86	\$ -
8733385	2	\$ 19,489.86	\$ -
8733386	2	\$ 19,489.86	\$ -
8733387	2	\$ 19,489.86	\$ -
8733388	2	\$ 19,489.86	\$ -
8733389	2	\$ 19,489.86	\$ -
8733390	2	\$ 19,489.86	\$ -
8733391	2	\$ 19,489.86	\$ -
8733392	2	\$ 19,489.86	\$ -
8733393	2	\$ 19,489.86	\$ -
8733394	2	\$ 19,489.86	\$ -
8733395	2	\$ 19,489.86	\$ -
8733396	2	\$ 19,489.86	\$ -
8733397	2	\$ 19,489.86	\$ -
8733398	1	\$ 17,747.15	\$ -
8733399	1	\$ 17,747.15	\$ -
8733400	1	\$ 17,747.15	\$ -
8733401	1	\$ 17,747.15	\$ -
8733402	1	\$ 17,747.15	\$ -
8733403	Non-Benefited	\$ -	\$ -
8733404	2	\$ 19,489.86	\$ -

Property ID	Lot Type	Outstanding Assessment	Annual Installment due 1/31/25
8733405	2	\$ 19,489.86	\$ -
8733406	2	\$ 19,489.86	\$ -
8733407	2	\$ 19,489.86	\$ -
8733408	2	\$ 19,489.86	\$ -
8733409	2	\$ 19,489.86	\$ -
8733410	2	\$ 19,489.86	\$ -
8733411	2	\$ 19,489.86	\$ -
8733412	2	\$ 19,489.86	\$ -
8733413	2	\$ 19,489.86	\$ -
8733414	2	\$ 19,489.86	\$ -
8733415	2	\$ 19,489.86	\$ -
8733416	2	\$ 19,489.86	\$ -
8733417	2	\$ 19,489.86	\$ -
8733418	2	\$ 19,489.86	\$ -
8733441	2	\$ 19,489.86	\$ -
8733442	2	\$ 19,489.86	\$ -
8733443	2	\$ 19,489.86	\$ -
8733444	2	\$ 19,489.86	\$ -
8733445	2	\$ 19,489.86	\$ -
8733446	2	\$ 19,489.86	\$ -
8733447	2	\$ 19,489.86	\$ -
8733448	2	\$ 19,489.86	\$ -
8733449	2	\$ 19,489.86	\$ -
8733450	2	\$ 19,489.86	\$ -
30094	IA#1 Unplatted Parcel [a]	\$ 251,259.23	\$ -
8733214	IA#1 Unplatted Parcel [a]	\$ 280,932.52	\$ -
8733231	IA#1 Unplatted Parcel [a]	\$ 271,652.18	\$ -
8733232	IA#1 Unplatted Parcel [a]	\$ 165,903.91	\$ -
8720280	IA#1 Unplatted Parcel [a]	\$ 7,655,320.70	\$ -
<b>Total</b>		<b>\$ 11,939,000.01</b>	<b>\$ -</b>

**Notes:**

[a] Until a final plat is recorded within the unplatted Parcels of Improvement Area #1, the outstanding Assessment and Annual Installments will be allocated based on acreage.

*Totals may not sum to values shown in Annual Installment tables due to rounding.*

## EXHIBIT F-1 - IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

Improvement Area #1 Bonds Annual Installments						
Annual Installments Due 1/31	Principal	Interest <sup>1</sup>	Capitalized Interest	Additional Interest <sup>2</sup>	Annual Collection	Total Annual Installment <sup>3</sup>
2025	\$ -	\$ 350,874	\$ (350,874)	\$ -	\$ -	\$ -
2026	154,000	686,493	-	59,695	40,800	940,988
2027	163,000	677,638	-	58,925	41,616	941,179
2028	172,000	668,265	-	58,110	42,448	940,823
2029	182,000	658,375	-	57,250	43,297	940,922
2030	193,000	647,910	-	56,340	44,163	941,413
2031	204,000	636,813	-	55,375	45,046	941,234
2032	216,000	625,083	-	54,355	45,947	941,385
2033	229,000	612,663	-	53,275	46,866	941,804
2034	242,000	599,495	-	52,130	47,804	941,429
2035	256,000	585,580	-	50,920	48,760	941,260
2036	271,000	570,860	-	49,640	49,735	941,235
2037	287,000	555,278	-	48,285	50,730	941,292
2038	304,000	538,775	-	46,850	51,744	941,369
2039	322,000	521,295	-	45,330	52,779	941,404
2040	341,000	502,780	-	43,720	53,835	941,335
2041	361,000	483,173	-	42,015	54,911	941,099
2042	383,000	462,415	-	40,210	56,010	941,635
2043	405,000	440,393	-	38,295	57,130	940,817
2044	430,000	417,105	-	36,270	58,272	941,647
2045	455,000	392,380	-	34,120	59,438	940,938
2046	483,000	366,218	-	31,845	60,627	941,689
2047	512,000	338,445	-	29,430	61,839	941,714
2048	542,000	309,005	-	26,870	63,076	940,951
2049	575,000	277,840	-	24,160	64,337	941,337
2050	610,000	244,778	-	21,285	65,624	941,687
2051	646,000	209,703	-	18,235	66,937	940,874
2052	685,000	172,558	-	15,005	68,275	940,838
2053	727,000	133,170	-	11,580	69,641	941,391
2054	771,000	91,368	-	7,945	71,034	941,346
2055	818,000	47,035	-	4,090	72,454	941,579
Total	\$ 11,939,000	\$ 13,823,756	\$ (350,874)	\$ 1,171,555	\$ 1,655,178	\$ 28,238,615

**Footnotes:**

- 1) The interest rate is shown at a 5.75% rate for illustrative purposes.
- 2) Additional Interest is calculated at the Additional Interest Rate.
- 3) The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, interest earnings, or other available offsets could increase or decrease the amounts shown.

**EXHIBIT F-2 – IMPROVEMENT AREA #1 DEBT SERVICE SCHEDULE**

**EXHIBIT G-1 – MAXIMUM ASSESSMENT PER LOT TYPE**

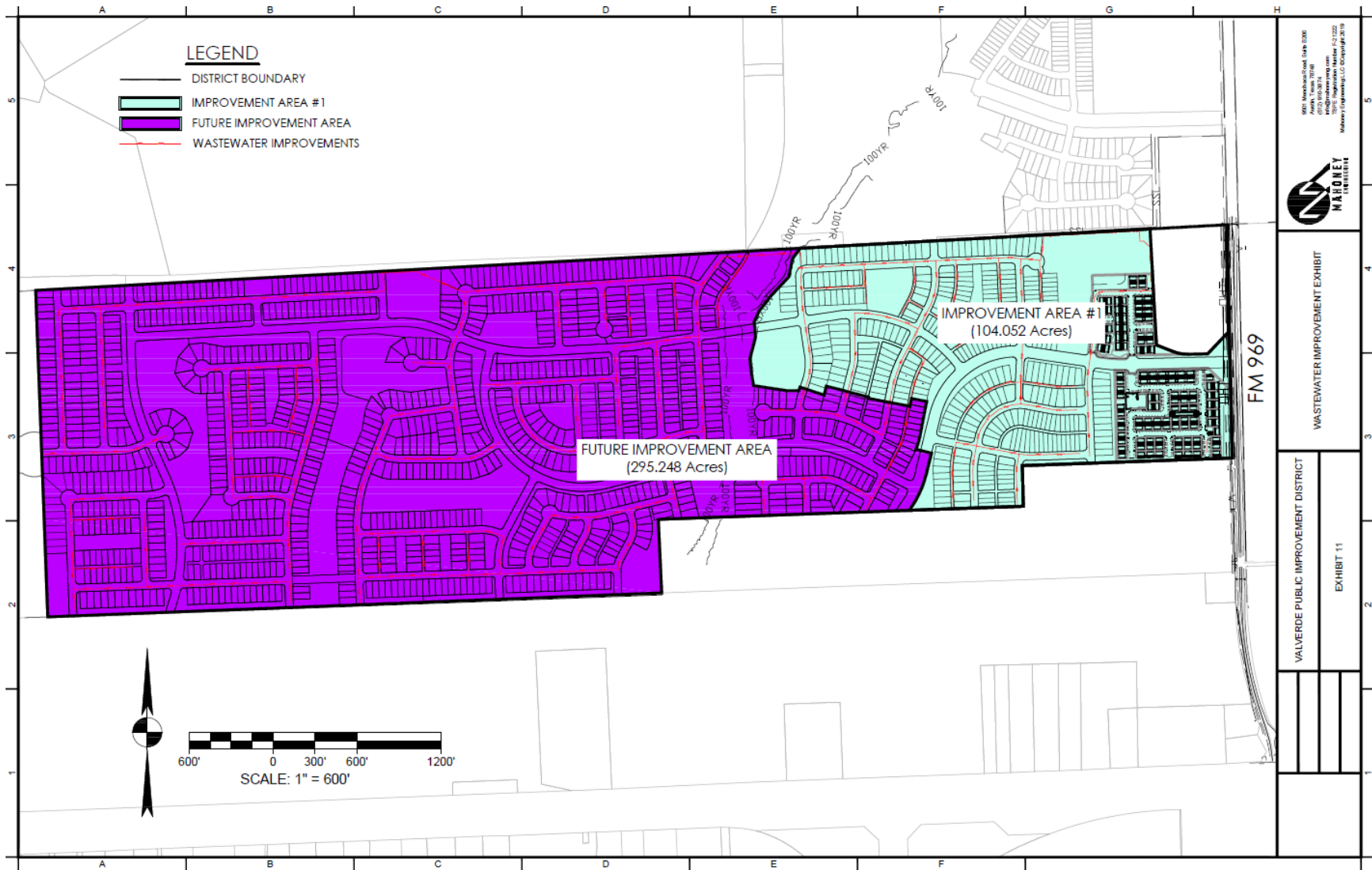
Lot Type	Units	Finished Lot		Estimated		IA#1 Total Assessment	Maximum Assessment per Unit <sup>1</sup>	Average Annual Installment	Average Annual Installment per Unit	PID Equivalent Tax Rate
		Value Per Unit	Total Finished Lot Value	Buildout Value Per Unit	Total Estimated Buildout Value					
1 Multi-Family	250	\$ 58,000	\$ 14,500,000	\$ 280,000	\$ 70,000,000	\$ 4,436,788	\$ 17,747.15	\$ 349,802	\$ 1,399.21	\$ 0.4997
2 32' Alley	153	\$ 66,332	\$ 10,148,796	\$ 307,495	\$ 47,046,735	\$ 2,981,948	\$ 19,489.86	\$ 235,101	\$ 1,536.61	\$ 0.4997
3 43' Alley	128	\$ 90,172	\$ 11,542,016	\$ 352,490	\$ 45,118,720	\$ 2,859,746	\$ 22,341.76	\$ 225,466	\$ 1,761.46	\$ 0.4997
4 45' Standard	53	\$ 93,676	\$ 4,964,828	\$ 368,990	\$ 19,556,470	\$ 1,239,542	\$ 23,387.58	\$ 97,727	\$ 1,843.91	\$ 0.4997
5 50' Standard	18	\$ 106,000	\$ 1,908,000	\$ 368,990	\$ 6,641,820	\$ 420,976	\$ 23,387.58	\$ 33,190	\$ 1,843.91	\$ 0.4997
<b>Total/Weighted Average</b>	<b>602</b>	<b>\$ 71,534</b>	<b>\$ 43,063,640</b>	<b>\$ 312,897</b>	<b>\$ 188,363,745</b>	<b>\$ 11,939,000</b>	<b>\$ 19,832.23</b>	<b>\$ 941,287</b>	<b>\$ 1,563.60</b>	<b>\$ 0.4997</b>

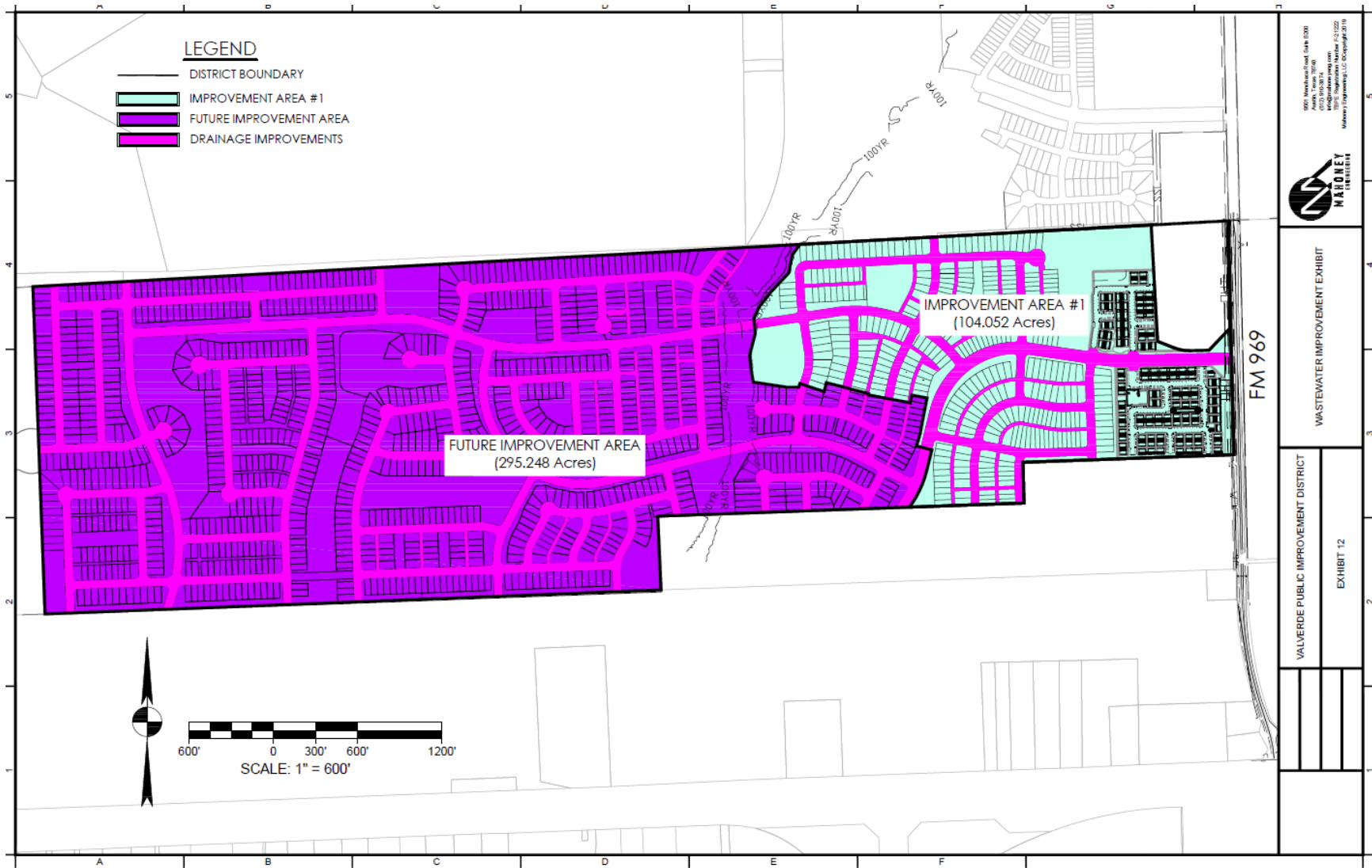
**EXHIBIT G-2 – IMPROVEMENT AREA #1 ESTIMATED BUILDOUT VALUE**

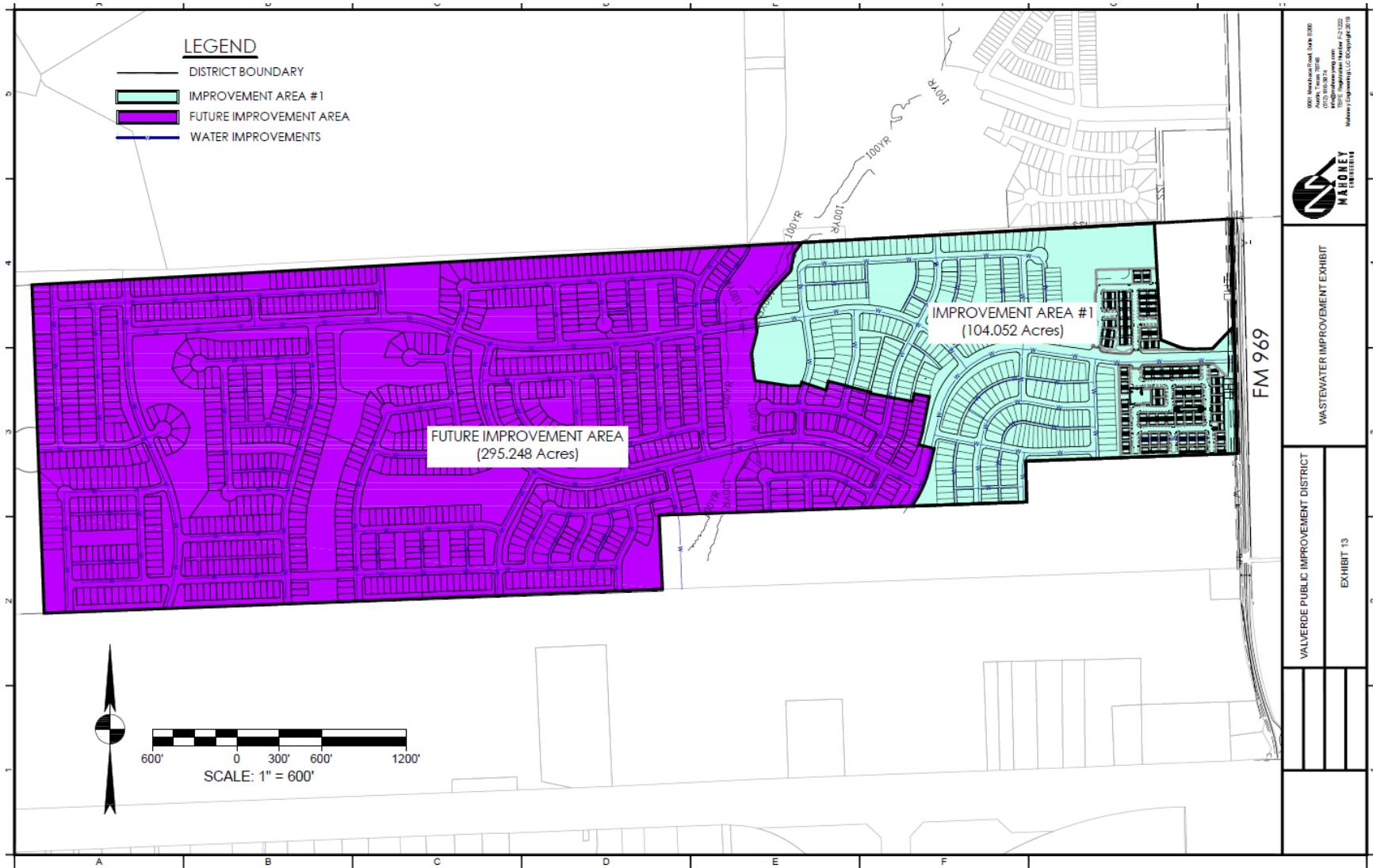
<b>Improvement Area #1</b>	<b>Estimated Buildout Value</b>	<b>Improvement Area #1 Improvements Allocation</b>
Assessed Parcels	\$ 188,363,745	98.59%
Non-Assessed Property	\$ 2,688,000	1.41%
	\$ 191,051,745	100.00%

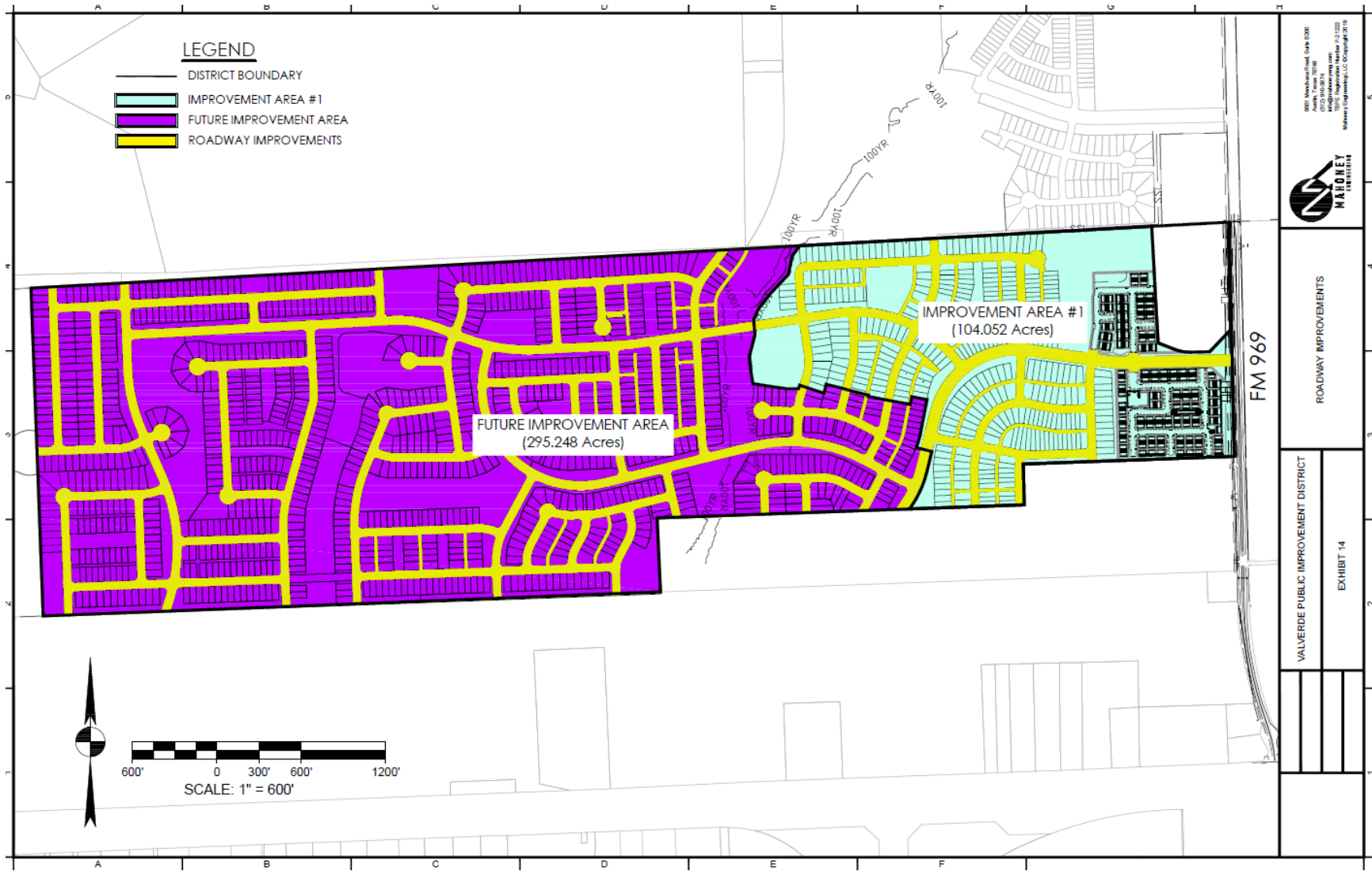


# EXHIBIT H – MAPS OF AUTHORIZED IMPROVEMENTS

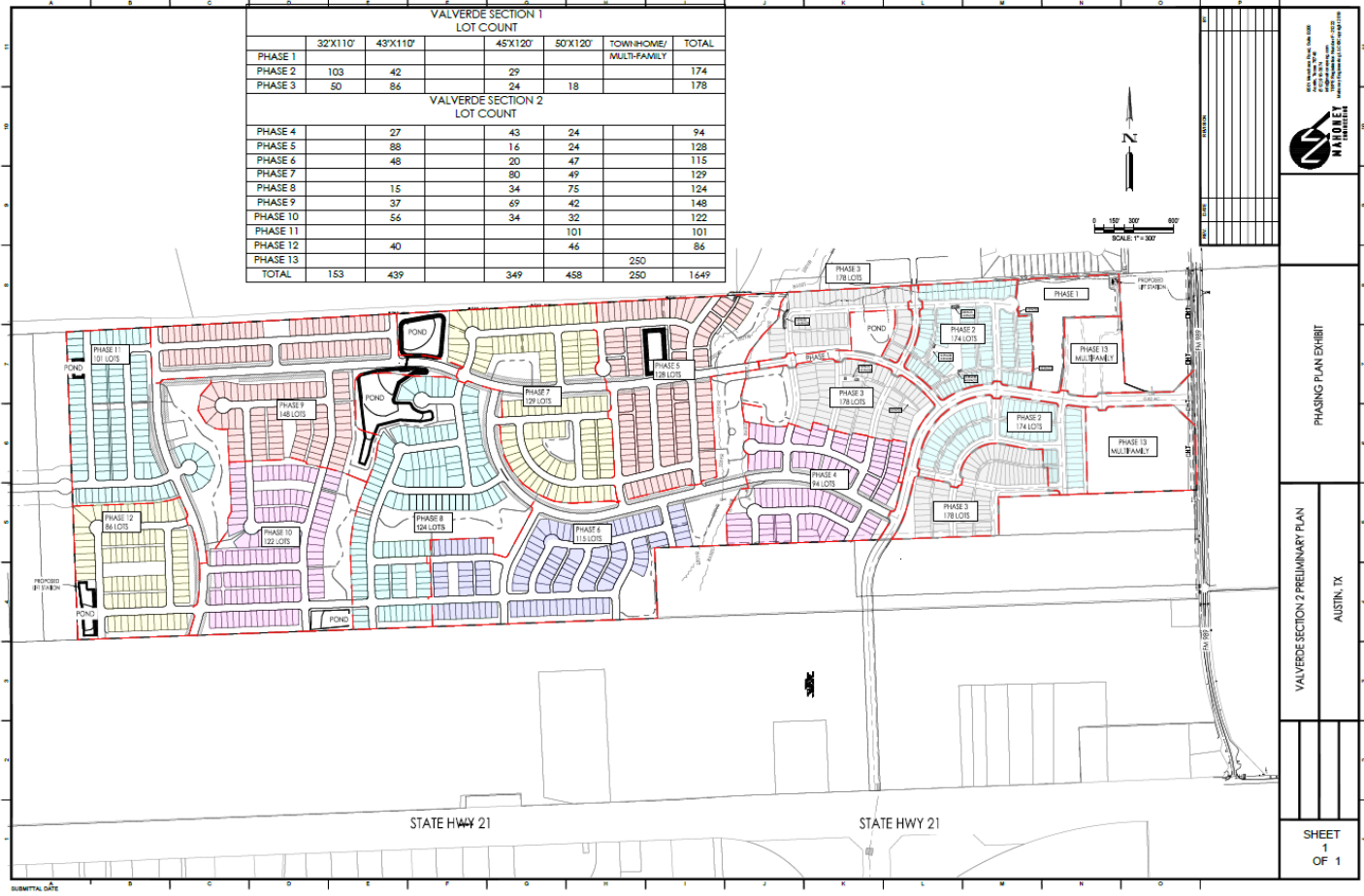








# EXHIBIT I – LOT TYPE CLASSIFICATION MAP





## EXHIBIT J-1 – DISTRICT LEGAL DESCRIPTION

EXHIBIT \_\_\_\_\_

DR Horton  
399.878 Acres  
Job No. 8732-00

### METES AND BOUNDS DESCRIPTION

FIELD NOTES FOR A 399.878 ACRE TRACT OF LAND IN THE NANCY BLAKEY SURVEY, ABSTRACT NO. 98, SITUATED IN BASTROP COUNTY, TEXAS; BEING ALL OF A CALLED 399.878 ACRE TRACT OF LAND AS CONVEYED UNTO CONTINENTAL HOMES OF TEXAS, L.P. IN DOCUMENT NUMBER 202022279 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS; SAID 399.878 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT A POINT OF REFERENCE, a 1/2-inch iron rod found on the westerly right-of-way line of Farm to Market (F.M.) 969 (R.O.W. ~ 80') as shown on the plat of The Colony MUD 1A, Section 1, Phase A, as recorded in Cabinet 6, Page 129A of the Plat Records of Bastrop County, Texas, at the southeast corner of a remaining portion of a called 1,258.002 acre tract of land as conveyed unto Hunt Communities Bastrop, LLC in Document Number 201617588 of the Official Public Records of Bastrop County, Texas, being the northeast corner of a called 10.599 acre tract of land as conveyed unto SIS Bastrop, LLC in Document Number 202107639 of the Official Public Records of Bastrop County, Texas; THENCE, S 01° 19' 50" E, coincident with the common line of the 10.599 acre tract and the west right-of-way line of said F.M. 969, a distance of 30.02 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for a northeast corner and **POINT OF BEGINNING** of the herein described tract;

THENCE, S 01° 19' 50" E, coincident with the common line of the 399.878 acre tract and the west right-of-way line of said F.M. 969, a distance of 1,635.71 feet to a 1/2-inch iron rod found at the common corner of the 399.878 acre tract and a called 10.01 acre tract of land as conveyed unto Esmeralda Vences-Maldonado and Fermin Vences-Maldonado in Document Number 201916372 of the Official Public Records of Bastrop County, Texas, for the southeast corner of the herein described tract;

THENCE, departing said common line and coincident with the common lines of the 399.878 acre tract and said 10.01 acre tract, the following two (2) courses:

- 1) S 87° 56' 21" W, a distance of 1,503.00 feet to a 1/2-inch iron rod with a cap stamped "RPLS 5548" found at the northwest corner of the 10.01 acre tract, for a re-entrant corner of the 399.878 acre tract and the herein described tract;
- 2) S 01° 19' 22" E, a distance of 290.00 feet to a 1/2-inch iron rod found at the southwest corner of the 10.01 acre tract, on the north line of a called 25.070 acre tract of land as conveyed unto TOCC Land, LLC in Document Number 201900758 of the Official Public Records of Bastrop County, Texas, for a corner of the 399.878 acre tract and the herein described tract;

THENCE, S 87° 55' 54" W, coincident with the common line of the 399.878 acre tract, said 25.070 acre tract, and a called 25.071 acre tract of land conveyed unto Bellamont, LLC in Document Number 201810109 of the Official Public Records of Bastrop County, Texas, a distance of

2,610.20 feet to a calculated point at the northwest corner of said 25.071 acre tract, for a re-entrant corner of the 399.878 acre tract and the herein described tract, from which a 1/2-inch iron rod found bears N 51° 05' 33" W, a distance of 1.18 feet;

THENCE, S 02° 31' 46" E, coincident with the common line of the 399.878 acre tract and said 25.071 acre tract a distance of 533.70 feet to a 5/8-inch iron rod found at the southwest corner of the 25.071 acre tract, on the north line of a remaining portion of a called 469.652 acre tract of land as conveyed unto Erhard Legacy Partners, LTD in Document Number 201502920 of the Official Public Records of Bastrop County, Texas, for the south corner of 399.878 acre tract and the herein described tract;

THENCE, S 87° 52' 50" W, coincident with the common line of the 399.878 acre tract and said remaining portion of a 469.652 acre tract a distance of 4,392.23 feet to a 1/2-inch iron rod found at the common corner of Lot 32, Block "B, as shown on the plat of The Woodlands, as recorded in Cabinet 2, Page 350A of the Plat Records of Bastrop County, Texas, for the southwest corner of the 399.878 acre tract and the herein described tract;

THENCE, N 02° 07' 09" W, coincident with the common line of the 399.878 acre tract, said Lot 32, the east terminal end of the right-of-way line of Woodlands Drive (R.O.W. ~ 60') as shown on said plat of The Woodlands, and Lot 41, Block "A", as shown on said plat of The Woodlands, passing at a distance of 2,331.72 a 1/2-inch iron rod found, and continuing for a total distance of 2,332.15 feet to a calculated point at the common corner of the 399.878 acre tract, said Lot 41 and on the south line of the aforementioned remaining portion of the 1,258.002 acre tract, for the northwest corner of the 399.878 acre tract and the herein described tract, from which a 1/2-inch iron rod found on the north line of said Block "A", at a corner of said remaining portion of the aforementioned 1,258.002 acre tract bears S 86° 51' 05"W, a distance of 2,609.69 feet;

THENCE, N 86° 51' 05" E, coincident with the common line of the 399.878 acre tract, said remaining portion of a 1,258.002, a called 1.00 acre tract of land conveyed unto Hunt Communities Bastrop, LLC in Document Number 201911016 of the Official Public Records of Bastrop County, Texas, the south line of The Colony MUD 1A, Section 1, Phase B, as recorded in Cabinet 6, Page 189A of the Plat Records of Bastrop County, Texas, and the south line of the aforementioned The Colony MUD 1A, Section 1, Phase A, a distance of 7,978.80 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the common corner of the 399.878 acre tract and the aforementioned 10.599 acre tract, for a north corner of the herein described tract;

THENCE, departing said common line, coincident with the common line of the 399.878 acre tract the 10.599 acre tract the following seven (7) courses:

1. S 3°08'55" E, a distance of 829.14 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for a re-entrant corner of the herein described tract;
2. S 68°24'20" E, a distance of 127.74 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the beginning of a non-tangent curve of the herein described tract;



3. Curving to the left, with a radius of 271.69 feet, an arc length of 109.81 feet, a central angle of 23°09'30", a chord bearing of S 79°50'37" E, and a chord distance of 109.07 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the end of this curve;
4. N 88°43'07" E, a distance of 140.03 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for an angle point of the herein described tract;
5. N 43°41'39" E, a distance of 212.04 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for an angle point of the herein described tract;
6. N 1°19'50" W, a distance of 717.59 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for an angle point of the herein described tract;
7. N 24°51'52" E, a distance of 22.65 feet to the **POINT OF BEGINNING** and containing 399.878 acres of land more or less.

I hereby certify that these notes were prepared from a survey made on the ground by employees of BGE Inc., in November 2020 and are true and correct to the best of my knowledge. Bearing orientation is based on the Texas State Plane Coordinate System, NAD 83, Texas Central Zone 4203. A sketch accompanies this description.

*Dion P. Albertson*

Dion P. Albertson RPLS Number 4963  
 BGE, Inc.  
 7330 San Pedro Ave, Suite 202  
 San Antonio TX 78216  
 Telephone: 210-581-3600  
 TBPLS Licensed Surveying Firm Number 10194490



11/17/2021  
 Date

Client:  
 Date: November 17, 2021  
 Job No: 8732-00

## EXHIBIT J-2 – IMPROVEMENT AREA #1 LEGAL DESCRIPTION

EXHIBIT \_\_\_\_

DR Horton  
104.052 Acres  
Job No. 8732-00

### METES AND BOUNDS DESCRIPTION

FIELD NOTES FOR A 104.052 ACRE TRACT OF LAND IN THE NANCY BLAKEY SURVEY, ABSTRACT NO. 98, BASTROP COUNTY, TEXAS; BEING A PORTION OF THE REMAINDER OF A CALLED 399.878 ACRE TRACT OF LAND AS CONVEYED UNTO CONTINENTAL HOMES OF TEXAS, L.P. IN DOCUMENT NUMBER 202022279 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS, A PORTION OF THE AMENDED PLAT OF VALVERDE SECTION 1 PHASE 1 & 2 AS RECORDED IN CABINET 8, PAGES 66-B THROUGH 69-B OF THE PLAT RECORDS OF BASTROP COUNTY, TEXAS, AND ALL OF VALVERDE SOUTH SUBDIVISION AS RECORDED IN CABINET 8 PAGES 54-A AND 54-B OF THE PLAT RECORDS OF BASTROP COUNTY, TEXAS; SAID 104.052 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**BEGINNING** at a 1/2-inch iron rod with a cap stamped "BGE INC" set on the south line of The Colony MUD 1A, Section 1, Phase A, as recorded in Cabinet 6, Page 129A of the Plat Records of Bastrop County, Texas, at the common corner of said Amended plat of Valverde Section 1 Phase 1 & 2 and a called 10.599 acre tract of land as conveyed unto SIS Bastrop, LLC in Document Number 202107639 of the Official Public Records of Bastrop County, Texas, northeast corner and **POINT OF BEGINNING** of the herein described tract;

THENCE, coincident with the common line of said Amended Plat and said 10.599 acre tract the following six (6) courses:

- 1) S 3°08'55" E, a distance of 829.14 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for a re-entrant corner of the herein described tract;
- 2) S 68°24'20" E, a distance of 127.74 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the beginning of a non-tangent curve of the herein described tract;
- 3) Curving to the left, with a radius of 271.69 feet, an arc length of 109.81 feet, a central angle of 23°09'30", a chord bearing of S 79°50'37" E, and a chord distance of 109.07 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the end of this curve;
- 4) N 88°43'07" E, a distance of 140.03 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for an angle point of the herein described tract;
- 5) N 43°41'39" E, a distance of 197.90 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set on the west right-of-way line of F.M. 969 (R.O.W. ~ 100') as dedicated in Cabinet 8, Pages 54-A & 54 B and Cabinet 8 Pages 66-B thru 69-B, both recorded in the Plat Records of Bastrop County, Texas, for the easterly northeast of said Amended Plat and the herein described tract;

Page 1 of 7

O:\00008225-01\SV\04\_FINALS\IMB\REVISED IMPROVEMENT AREAS\8225-1\_IMPROVEMENT AREA 1A-104.052AC-FN.DOCX

THENCE, S 01°19'50" E, coincident with the common line of said Amended Plat, the aforementioned Valverde South Subdivision and said right-of-way line, a distance of 888.06 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set on the north line of a called 10.01 acre tract of land as conveyed unto Esmeralda Vences-Maldonado and Fermin Vences-Maldonado in Document Number 201916372 of the Official Public Records of Bastrop County Texas, at the southeast corner of said Valverde South Subdivision, for the southeast corner of the herein described tract;

THENCE, S 87°56'21" W, departing said right-of-way line, coincident with the common line of Valverde South Subdivision, said Amended Plat, the aforementioned remainder of the remainder of the 399.878 acre tract and said 10.01 acre tract, a distance of 1,483.00 feet to a 1/2-inch iron rod with a cap stamped "RPLS 5548" found at the northwest corner of the 10.01 acre tract, for a re-entrant corner of said remainder of the remainder of the 399.878 acre tract and the herein described tract;

THENCE, S 01°19'22" E, a distance of 290.00 feet to a 1/2-inch iron rod found at the southwest corner of the 10.01 acre tract, on the north line of a called 25.070 acre tract of land as conveyed unto TOCC Land, LLC in Document Number 201900758 of the Official Public Records of Bastrop County, Texas, for a corner of the remainder of the remainder of the 399.878 acre tract and the herein described tract;

THENCE, S 87°55'54" W, coincident with the common line of the remainder of the 399.878 acre tract and said 25.070 acre tract, a distance of 814.60 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the southeast corner of the right-of-way of Puerto Plata Avenue (R.O.W. ~ 80') as shown on said Amended Plat, for a southerly corner of the herein described tract;

THENCE, departing said common line, coincident with the common line of the remainder of the 399.878 acre tract and said right-of-way line, the following three (3) courses:

- 1) N 33°20'50" E, a distance of 38.04 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for a point of curvature of the herein described tract;
- 2) Curving to the left, with a radius of 740.00 feet, an arc length of 250.92 feet, a central angle of 19°25'41", a chord bearing of N 23°37'59" E, and a chord distance of 249.72 to a 1/2-inch iron rod with a cap stamped "BGE INC" set for a point of tangency of the herein described tract;
- 3) N 13°55'08" E, a distance of 152.24 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for a re-entrant corner of the herein described tract;

THENCE, N 76°04'52" W, departing said common line, over and across said right-of-way, a distance of 80.00 feet to a calculated point on the common line of the remainder of the 399.878 acre tract and the west right-of-way line of Puerto Plata Avenue, for an angle point of the herein described tract;

THENCE, continuing over and across the remainder of the 399.878 acre tract the following twenty-eight (28) courses:

- 1) N 76°44'36" W, a distance of 34.40 feet to a calculated point for a corner of the herein described tract;
- 2) N 20°55'17" E, a distance of 36.54 feet to a calculated point for an angle point of the herein described tract;
- 3) N 15°39'08" E, a distance of 52.19 feet to a calculated point for an angle point of the herein described tract;
- 4) N 10°53'55" E, a distance of 218.86 feet to a calculated point for a re-entrant corner of the herein described tract;
- 5) N 79°05'37" W, a distance of 109.72 feet to a calculated point for a re-entrant corner of the herein described tract;
- 6) S 11°42'54" W, a distance of 13.50 feet to a calculated point for a corner of the herein described tract;
- 7) N 79°11'39" W, a distance of 130.00 feet to a calculated point for an angle point of the herein described tract;
- 8) N 79°21'54" W, a distance of 55.50 feet to a calculated point for a corner of the herein described tract;
- 9) N 06°21'30" E, a distance of 5.81 feet to a calculated point for a re-entrant corner of the herein described tract;
- 10) N 79°11'39" W, a distance of 119.45 feet to a calculated point for a re-entrant corner of the herein described tract;
- 11) S 18°01'49" W, a distance of 17.35 feet to a calculated point for a corner of the herein described tract;
- 12) N 75°40'25" W, a distance of 188.50 feet to a calculated point for a corner of the herein described tract;
- 13) N 14°19'35" E, a distance of 22.28 feet to a calculated point for a re-entrant corner of the herein described tract;
- 14) N 75°40'25" W, a distance of 120.00 feet to a calculated point for a re-entrant corner of the herein described tract;



- 15) S 14°19'35" W, a distance of 65.69 feet to a calculated point for a corner of the herein described tract;
- 16) N 71°43'22" W, a distance of 181.60 feet to a calculated point for a re-entrant corner of the herein described tract;
- 17) S 18°16'38" W, a distance of 27.25 feet to a calculated point for a corner of the herein described tract;
- 18) N 90°00'00" W, a distance of 88.16 feet to a calculated point for an angle point of the herein described tract;
- 19) N 81°06'35" W, a distance of 238.54 feet to a calculated point for a corner of the herein described tract;
- 20) N 09°33'10" W, a distance of 89.33 feet to a calculated point for an angle point of the herein described tract;
- 21) N 06°16'41" W, a distance of 103.52 feet to a calculated point for an angle point of the herein described tract;
- 22) N 14°35'31" E, a distance of 160.75 feet to a calculated point for an angle point of the herein described tract;
- 23) N 04°59'40" W, a distance of 107.39 feet to a calculated point for an angle point of the herein described tract;
- 24) N 24°20'55" E, a distance of 85.38 feet to a calculated point for an angle point of the herein described tract;
- 25) N 37°48'33" E, a distance of 149.36 feet to a calculated point for an angle point of the herein described tract;
- 26) N 43°42'09" E, a distance of 173.56 feet to a calculated point for an angle point of the herein described tract;
- 27) N 11°34'46" E, a distance of 134.65 feet to a calculated point for an angle point of the herein described tract;
- 28) N 35°04'52" E, a distance of 89.31 feet to a calculated point on the north line of the remainder of the 399.878 acre tract and the south line of a called 1.00 acre tract of land conveyed unto Hunt Communities Bastrop, LLC in Document Number 201911016 of the Official Public Records of Bastrop County, Texas, for the northwest corner of the herein described tract;

THENCE, N 86°51'05" E, coincident with the common line of the remainder of the 399.878 acre tract, said 1.00 acre tract, the south line of The Colony MUD 1A, Section 1, Phase B, as recorded in Cabinet 6, Page 189A of the Plat Records of Bastrop County, Texas, the south line of the aforementioned The Colony MUD 1A, Section 1, Phase A, and the north line of the aforementioned Amended Plat of Valverde Section 1 Phase 1 & 2, a distance of 2,508.39 feet to the POINT OF BEGINNING and containing 104.052 acres of land more or less.

I hereby certify that these notes were prepared from a survey made on the ground by employees of BGE Inc., in May 2024 and are true and correct to the best of my knowledge. Bearing orientation is based on the Texas State Plane Coordinate System, NAD 83, Texas Central Zone 4203. An exhibit plat with like job number and date was prepared in conjunction with this metes and bounds description.

*Dion P. Albertson*

Dion P. Albertson RPLS Number 4963  
BGE, Inc.  
7330 San Pedro Ave, Suite 202  
San Antonio TX 78216  
Telephone: 210-581-3600  
TBPLS Licensed Surveying Firm Number 10194490



8/27/2024  
Date

Date: August 27, 2024  
Job No: 8732-00

## EXHIBIT J-3 – FUTURE IMPROVEMENT AREA LEGAL DESCRIPTION

EXHIBIT \_\_\_\_

DR Horton  
Future Improvements Area  
295.248 Acres  
Job No. 8732-00

### METES AND BOUNDS DESCRIPTION

FIELD NOTES FOR A 295.248 ACRE TRACT OF LAND IN THE NANCY BLAKEY SURVEY, ABSTRACT NO. 98, SITUATED IN BASTROP COUNTY, TEXAS; BEING PARTIALLY OUT OF THE REMAINDER OF CALLED 399.878 ACRE TRACT OF LAND AS CONVEYED UNTO CONTINENTAL HOMES OF TEXAS, L.P. IN DOCUMENT NUMBER 202022279 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS, AND PARTIALLY OUT OF THE RIGHT-OF-WAY OF PUERTO PLATA AVENUE (R.O.W. ~ 80') AS SHOWN ON THE AMENDED PLAT OF VALVERDE SECTION 1 PHASE 1 & 2 AS RECORDED IN CABINET 8, PAGES 66-B THROUGH 69-B OF THE PLAT RECORDS OF BASTROP COUNTY, TEXAS, SAID 295.248 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**COMMENCING** at a 1/2-inch iron rod with a cap stamped "BGE INC" set on the common line of the remainder of said 399.878 acre tract and the The Colony MUD 1A, Section 1, Phase B, as recorded in Cabinet 6, Page 189A of the Plat Records of Bastrop County, Texas, at the northwest corner of the right-of-way of George Neggan Lane (R.O.W. ~ 55.5') as shown on said Amended Plat; **THENCE**, S 86°51'05" W, coincident with the common line of the remainder of the 399.878 acre tract and said The colony MUD 1A, Section 1, Phase B, a distance of 930.00 feet to a calculated point for the northeast corner and **POINT OF BEGINNING** of the herein described tract;

**THENCE**, departing said common line, over and across the remainder of the 399.878 acre tract the following twenty-eight (28) courses:

- 1) S 35°04'52" W, a distance of 89.31 feet to a calculated point for an angle point of the herein described tract;
- 2) S 11°34'46" W, a distance of 134.65 feet to a calculated point for an angle point of the herein described tract;
- 3) S 43°42'09" W, a distance of 173.56 feet to a calculated point for an angle point of the herein described tract;
- 4) S 37°48'33" W, a distance of 149.36 feet to a calculated point for an angle point of the herein described tract;
- 5) S 24°20'55" W, a distance of 85.38 feet to a calculated point for an angle point of the herein described tract;
- 6) S 04°59'40" E, a distance of 107.39 feet to a calculated point for an angle point of the herein described tract;
- 7) S 14°35'31" W, a distance of 160.75 feet to a calculated point for an angle point of the herein described tract;



- 8) S 06°16'41" E, a distance of 103.52 feet to a calculated point for an angle point of the herein described tract;
- 9) S 09°33'10" E, a distance of 89.33 feet to a calculated point for an angle point of the herein described tract;
- 10) S 81°06'35" E, a distance of 238.54 feet to a calculated point for an angle point of the herein described tract;
- 11) N 90°00'00" E, a distance of 88.16 feet to a calculated point for a re-entrant corner of the herein described tract;
- 12) N 18°16'38" E, a distance of 27.25 feet to a calculated point for a corner of the herein described tract;
- 13) S 71°43'22" E, a distance of 181.60 feet to a calculated point for a re-entrant corner of the herein described tract;
- 14) N 14°19'35" E, a distance of 65.69 feet to a calculated point for a corner of the herein described tract;
- 15) S 75°40'25" E, a distance of 120.00 feet to a calculated point for a corner of the herein described tract;
- 16) S 14°19'35" W, a distance of 22.28 feet to a calculated point for a re-entrant corner of the herein described tract;
- 17) S 75°40'25" E, a distance of 188.50 feet to a calculated point for a re-entrant corner of the herein described tract;
- 18) N 18°01'49" E, a distance of 17.35 feet to a calculated point for a corner of the herein described tract;
- 19) S 79°11'39" E, a distance of 119.45 feet to a calculated point for a corner of the herein described tract;
- 20) S 06°21'30" W, a distance of 5.81 feet to a calculated point for a re-entrant corner of the herein described tract;
- 21) S 79°21'54" E, a distance of 55.50 feet to a calculated point for an angle point of the herein described tract;
- 22) S 79°11'39" E, a distance of 130.00 feet to a calculated point for a re-entrant corner of the herein described tract;
- 23) N 11°42'54" E, a distance of 13.50 feet to a calculated point for a re-entrant corner of the herein described tract;

- 24) S 79°05'37" E, a distance of 109.72 feet to a calculated point for a corner of the herein described tract;
- 25) S 10°53'55" W, a distance of 218.86 feet to a calculated point for an angle point of the herein described tract;
- 26) S 15°39'08" W, a distance of 52.19 feet to a calculated point for an angle point of the herein described tract;
- 27) S 20°55'17" W, a distance of 36.54 feet to a calculated point for a re-entrant corner of the herein described tract;
- 28) S 76°44'36" E, a distance of 34.40 feet to a calculated point on the common line of the remainder of the 399.878 acre tract and the west right-of-way line of the aforementioned Puerto Plata Avenue, for an angle point of the herein described tract;

THENCE, S 76°04'52" E, over and across said right-of-way, a distance of 80.00 feet to a calculated point on the common line of the remainder of the 399.878 acre tract and the east line of said right-of-way for a re-entrant corner of the herein described tract;

THENCE, coincident with said common line the following three (3) courses:

- 1) S 13°55'08" W, a distance of 152.24 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for a point of curvature of the herein described tract;
- 2) Curving to the right, with a radius of 740.00 feet, an arc length of 250.92 feet, a central angle of 19°25'41", a chord bearing of S 23°37'59" W, and a chord distance of 249.72 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for a point of tangency of the herein described tract;
- 3) S 33°20'50" W, a distance of 38.04 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set on the common line of the remainder of the 399.878 acre tract and a called 25.070 acre tract of land as conveyed unto TOCC Land, LLC in Document Number 201900758 of the Official Public Records of Bastrop County, Texas, for the southeast corner of the herein described tract;

THENCE, S 87°55'54" W, coincident with the common line of the remainder of the 399.878 acre tract, said right-of-way, said 25.070 acre tract, and a called 25.071 acre tract of land as conveyed unto Bellamont, LLC in Document Number 201810109 of the Official Public Records of Bastrop County, Texas, a distance of 1,795.60 feet to a calculated point at the northwest corner of said 25.071 acre tract, for a re-entrant corner of the remainder of the 399.878 acre tract and the herein described tract, from which a 1/2-inch iron rod found bears N 51° 05' 33" W, a distance of 1.18 feet;

THENCE, S 02°31'46" E, coincident with the common line of the remainder of the 399.878 acre tract and the 25.071 acre tract a distance of 533.70 feet to a 5/8-inch iron rod found at the southwest corner of the 25.071 acre tract, on the north line of a remaining portion of a called 469.652 acre tract of land as conveyed unto Erhard Legacy Partners, LTD in Document Number 201502920 of the Official Public Records of Bastrop County, Texas, for a south corner of 399.878 acre tract and the herein described tract;

THENCE, S 87°52'50" W, coincident with the common line of the remainder of the 399.878 acre tract and said remaining portion of a 469.652 acre tract a distance of 4,392.23 feet to a 1/2-inch iron rod found at the common corner of Lot 32, Block "B, as shown on the plat of The Woodlands, as recorded in Cabinet 2, Page 350A of the Plat Records of Bastrop County, Texas, for the southwest corner of the remainder of the 399.878 acre tract and the herein described tract;

THENCE, N 02°07'09" W, coincident with the common line of the remainder of the 399.878 acre tract, said Lot 32, the east terminal end of the right-of-way line of Woodlands Drive (R.O.W. ~ 60") as shown on said plat of The Woodlands, and Lot 41, Block "A", as shown on said plat of The Woodlands, passing at a distance of 2,331.72 feet a 1/2-inch iron rod found, and continuing for a total distance of 2,332.15 feet to a calculated point at the common corner of the remainder of the 399.878 acre tract, said Lot 41 and on the south line of the aforementioned remaining portion of the 1,258.002 acre tract, for the northwest corner of the remainder of the 399.878 acre tract and the herein described tract, from which a 1/2-inch iron rod found on the north line of said Block "A", at a corner of said remaining portion of the aforementioned 1,258.002 acre tract bears S 86° 51' 05"W, a distance of 2,609.69 feet;

THENCE, N 86°51'05" E, coincident with the common line of the remainder of the 399.878 acre tract, the remaining portion of the 1,258.002, and a called 1.00 acre tract of land conveyed unto Hunt Communities Bastrop, LLC in Document Number 201911016 of the Official Public Records of Bastrop County, Texas, a distance of 5,470.42 feet to the POINT OF BEGINNING and containing 295.248 acres of land, more or less.

I hereby certify that these notes were prepared from a survey made on the ground by employees of BGE Inc., in May 2024 and are true and correct to the best of my knowledge. Bearing orientation is based on the Texas State Plane Coordinate System, NAD 83, Texas Central Zone 4203. An exhibit plat with like job number and date was prepared in conjunction with this metes and bounds description.

*Dion P. Albertson*

Dion P. Albertson RPLS Number 4963  
BGE, Inc.  
7330 San Pedro Ave, Suite 202  
San Antonio TX 78216  
Telephone: 210-581-3600  
TBPLS Licensed Surveying Firm Number 10194490



8/27/2024  
Date

Date: August 27, 2024  
Job No: 8225-01

**EXHIBIT K – NOTICE OF PID ASSESSMENT LIEN TERMINATION**



P3Works, LLC  
9824 Huntington Square, Suite 100  
North Richland Hills, TX 76182

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[Date]  
City of Bastrop Secretary's Office  
Honorable [City Secretary Name]  
804 Pecan Street  
Bastrop, TX 78602

**Re: City of Bastrop Lien Release documents for filing**

Dear Ms./Mr. [City Secretary Name],

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

City of Bastrop  
Attn: [City Secretary]  
804 Pecan Street  
Bastrop, TX 78602

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

Sincerely,  
[Signature]

Jon Snyder  
P: (817) 393-0353  
admin@p3-works.com

**AFTER RECORDING RETURN TO:**

**[City Secretary Name]  
804 Pecan Street  
Bastrop, TX 78602**

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

**FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN**

**STATE OF TEXAS**

**§**

**§**

**CITY OF BASTROP**

**§**

**KNOW ALL MEN BY THESE PRESENTS:**

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

**RECITALS**

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

**WHEREAS**, on or about March 9, 2021, the City Council for the City, approved Resolution No. R-2021-28, creating the Valverde Public Improvement District, which was renamed to Valverde Public Improvement District; and

**WHEREAS**, the Valverde Public Improvement District consists of approximately 399.878 contiguous acres partially located within the City and partially within the extraterritorial jurisdiction of the City; and

**WHEREAS**, on or about \_\_\_\_, \_\_\_\_, the City Council, approved Ordinance No. \_\_\_\_\_, (hereinafter referred to as the "Assessment Ordinance") approving a service and assessment plan and assessment roll for the Property within the Valverde Public Improvement District; and





## EXHIBIT L – FORM OF BUYER DISCLOSURE

The following Buyer Disclosures are contained in this Exhibit:

- Lot Type 1
- Lot Type 2
- Lot Type 3
- Lot Type 4
- Lot Type 5
- Improvement Area #1 Unplatted Parcel



**VALVERDE PUBLIC IMPROVEMENT DISTRICT – IMPROVEMENT AREA #1 – LOT  
TYPE 1 BUYER DISCLOSURE**

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

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

This notice requirement does not apply to a transfer:

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

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

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

AFTER RECORDING<sup>1</sup> RETURN TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

\_\_\_\_\_  
PROPERTY ADDRESS

**LOT TYPE 1 PRINCIPAL ASSESSMENT: \$ 17,747.15**

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

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

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

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.

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

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

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF PURCHASER

\_\_\_\_\_  
SIGNATURE OF PURCHASER

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

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF SELLER

\_\_\_\_\_  
SIGNATURE OF SELLER]<sup>2</sup>

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

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

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF PURCHASER

\_\_\_\_\_  
SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

CITY OF BASTROP

§

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]<sup>3</sup>

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

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

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF SELLER

\_\_\_\_\_  
SIGNATURE OF SELLER

STATE OF TEXAS

§

§

CITY OF BASTROP

§

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]<sup>4</sup>

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

## ANNUAL INSTALLMENTS - LOT TYPE 1

Annual Installments Due 1/31	Improvement Area #1 Bonds					Total Annual Installment <sup>3</sup>
	Principal	Interest <sup>1</sup>	Capitalized Interest	Additional Interest <sup>2</sup>	Annual Collection Costs	
2025	\$ -	\$ 521.57	\$ (521.57)	\$ -	\$ -	\$ -
2026	228.92	1,020.46	-	88.74	60.65	1,398.76
2027	242.30	1,007.30	-	87.59	61.86	1,399.05
2028	255.68	993.37	-	86.38	63.10	1,398.52
2029	270.54	978.66	-	85.10	64.36	1,398.67
2030	286.89	963.11	-	83.75	65.65	1,399.40
2031	303.24	946.61	-	82.31	66.96	1,399.13
2032	321.08	929.18	-	80.80	68.30	1,399.36
2033	340.41	910.71	-	79.19	69.67	1,399.98
2034	359.73	891.14	-	77.49	71.06	1,399.42
2035	380.54	870.46	-	75.69	72.48	1,399.17
2036	402.84	848.58	-	73.79	73.93	1,399.13
2037	426.62	825.41	-	71.77	75.41	1,399.22
2038	451.89	800.88	-	69.64	76.92	1,399.33
2039	478.65	774.90	-	67.38	78.46	1,399.38
2040	506.89	747.38	-	64.99	80.02	1,399.28
2041	536.62	718.23	-	62.45	81.63	1,398.93
2042	569.32	687.37	-	59.77	83.26	1,399.73
2043	602.03	654.64	-	56.92	84.92	1,398.51
2044	639.19	620.02	-	53.91	86.62	1,399.75
2045	676.35	583.27	-	50.72	88.35	1,398.69
2046	717.97	544.38	-	47.34	90.12	1,399.81
2047	761.08	503.09	-	43.75	91.92	1,399.84
2048	805.68	459.33	-	39.94	93.76	1,398.71
2049	854.73	413.01	-	35.91	95.64	1,399.28
2050	906.76	363.86	-	31.64	97.55	1,399.80
2051	960.27	311.72	-	27.11	99.50	1,398.60
2052	1,018.24	256.50	-	22.30	101.49	1,398.54
2053	1,080.68	197.96	-	17.21	103.52	1,399.36
2054	1,146.08	135.82	-	11.81	105.59	1,399.30
2055	1,215.95	69.92	-	6.08	107.70	1,399.64
<b>Total</b>	<b>\$ 17,747.15</b>	<b>\$ 20,548.82</b>	<b>\$ (521.57)</b>	<b>\$ 1,741.50</b>	<b>\$ 2,460.40</b>	<b>\$ 41,976.30</b>

**Footnotes:**

- 1) The interest rate is shown at a 5.75% rate for illustrative purposes.
- 2) Additional Interest is calculated at the Additional Interest Rate.
- 3) The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, interest earnings, or other available offsets could increase or decrease the amounts shown.

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

**VALVERDE PUBLIC IMPROVEMENT DISTRICT – IMPROVEMENT AREA #1 - LOT  
TYPE 2 BUYER DISCLOSURE**

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

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

This notice requirement does not apply to a transfer:

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

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

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



AFTER RECORDING<sup>1</sup> RETURN TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

\_\_\_\_\_  
PROPERTY ADDRESS

**LOT TYPE 2 PRINCIPAL ASSESSMENT: \$ 19,489.86**

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

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

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

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.

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

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

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF PURCHASER

\_\_\_\_\_  
SIGNATURE OF PURCHASER

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

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF SELLER

\_\_\_\_\_  
SIGNATURE OF SELLER]<sup>2</sup>

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

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

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF PURCHASER

\_\_\_\_\_  
SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

CITY OF BASTROP

§

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]<sup>3</sup>

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

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

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF SELLER

\_\_\_\_\_  
SIGNATURE OF SELLER

STATE OF TEXAS §

§

CITY OF BASTROP §

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]<sup>4</sup>

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

## ANNUAL INSTALLMENTS - LOT TYPE 2

Annual Installments Due 1/31	Improvement Area #1 Bonds					Total Annual Installment <sup>3</sup>
	Principal	Interest <sup>1</sup>	Capitalized Interest	Additional Interest <sup>2</sup>	Annual Collection Costs	
2025	\$ -	\$ 572.79	\$ (572.79)	\$ -	\$ -	\$ -
2026	251.40	1,120.67	-	97.45	66.60	1,536.12
2027	266.09	1,106.21	-	96.19	67.94	1,536.43
2028	280.78	1,090.91	-	94.86	69.29	1,535.85
2029	297.11	1,074.77	-	93.46	70.68	1,536.01
2030	315.06	1,057.68	-	91.97	72.09	1,536.81
2031	333.02	1,039.57	-	90.40	73.54	1,536.52
2032	352.61	1,020.42	-	88.73	75.01	1,536.77
2033	373.83	1,000.14	-	86.97	76.51	1,537.45
2034	395.05	978.65	-	85.10	78.04	1,536.84
2035	417.91	955.93	-	83.12	79.60	1,536.56
2036	442.39	931.90	-	81.03	81.19	1,536.52
2037	468.51	906.46	-	78.82	82.81	1,536.62
2038	496.27	879.52	-	76.48	84.47	1,536.74
2039	525.65	850.99	-	74.00	86.16	1,536.80
2040	556.67	820.76	-	71.37	87.88	1,536.68
2041	589.32	788.76	-	68.59	89.64	1,536.30
2042	625.23	754.87	-	65.64	91.43	1,537.17
2043	661.14	718.92	-	62.51	93.26	1,535.84
2044	701.95	680.90	-	59.21	95.13	1,537.20
2045	742.77	640.54	-	55.70	97.03	1,536.04
2046	788.47	597.83	-	51.99	98.97	1,537.26
2047	835.82	552.50	-	48.04	100.95	1,537.30
2048	884.79	504.44	-	43.86	102.97	1,536.06
2049	938.66	453.56	-	39.44	105.03	1,536.69
2050	995.80	399.59	-	34.75	107.13	1,537.26
2051	1,054.56	342.33	-	29.77	109.27	1,535.93
2052	1,118.23	281.69	-	24.49	111.46	1,535.87
2053	1,186.79	217.39	-	18.90	113.69	1,536.78
2054	1,258.62	149.15	-	12.97	115.96	1,536.70
2055	1,335.35	76.78	-	6.68	118.28	1,537.08
<b>Total</b>	<b>\$ 19,489.86</b>	<b>\$ 22,566.64</b>	<b>\$ (572.79)</b>	<b>\$ 1,912.51</b>	<b>\$ 2,702.00</b>	<b>\$ 46,098.22</b>

**Footnotes:**

- 1) The interest rate is shown at a 5.75% rate for illustrative purposes.
- 2) Additional Interest is calculated at the Additional Interest Rate.
- 3) The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, interest earnings, or other available offsets could increase or decrease the amounts shown.

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

**VALVERDE PUBLIC IMPROVEMENT DISTRICT – IMPROVEMENT AREA #1 - LOT  
TYPE 3 BUYER DISCLOSURE**

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

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

This notice requirement does not apply to a transfer:

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

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

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

AFTER RECORDING<sup>1</sup> RETURN TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

\_\_\_\_\_  
PROPERTY ADDRESS

**LOT TYPE 3 PRINCIPAL ASSESSMENT: \$ 22,341.76**

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

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

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

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.

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



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

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF PURCHASER

\_\_\_\_\_  
SIGNATURE OF PURCHASER

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

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF SELLER

\_\_\_\_\_  
SIGNATURE OF SELLER]<sup>2</sup>

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

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

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF PURCHASER

\_\_\_\_\_  
SIGNATURE OF PURCHASER

STATE OF TEXAS

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§

CITY OF BASTROP

§

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]<sup>3</sup>

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

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

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF SELLER

\_\_\_\_\_  
SIGNATURE OF SELLER

STATE OF TEXAS §

§

CITY OF BASTROP §

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]<sup>4</sup>

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

## ANNUAL INSTALLMENTS - LOT TYPE 3

Annual Installments Due 1/31	Improvement Area #1 Bonds					Total Annual Installment <sup>3</sup>
	Principal	Interest <sup>1</sup>	Capitalized Interest	Additional Interest <sup>2</sup>	Annual Collection Costs	
2025	\$ -	\$ 656.60	\$ (656.60)	\$ -	\$ -	\$ -
2026	288.18	1,284.65	-	111.71	76.35	1,760.89
2027	305.03	1,268.08	-	110.27	77.88	1,761.25
2028	321.87	1,250.54	-	108.74	79.43	1,760.59
2029	340.58	1,232.03	-	107.13	81.02	1,760.77
2030	361.17	1,212.45	-	105.43	82.64	1,761.69
2031	381.75	1,191.68	-	103.62	84.30	1,761.36
2032	404.21	1,169.73	-	101.72	85.98	1,761.64
2033	428.53	1,146.49	-	99.69	87.70	1,762.42
2034	452.86	1,121.85	-	97.55	89.46	1,761.72
2035	479.06	1,095.81	-	95.29	91.25	1,761.40
2036	507.13	1,068.27	-	92.89	93.07	1,761.36
2037	537.07	1,039.11	-	90.36	94.93	1,761.46
2038	568.88	1,008.22	-	87.67	96.83	1,761.61
2039	602.57	975.51	-	84.83	98.77	1,761.67
2040	638.12	940.87	-	81.81	100.74	1,761.54
2041	675.55	904.17	-	78.62	102.76	1,761.10
2042	716.72	865.33	-	75.25	104.81	1,762.11
2043	757.89	824.12	-	71.66	106.91	1,760.58
2044	804.67	780.54	-	67.87	109.05	1,762.13
2045	851.45	734.27	-	63.85	111.23	1,760.80
2046	903.85	685.31	-	59.59	113.45	1,762.21
2047	958.12	633.34	-	55.07	115.72	1,762.25
2048	1,014.26	578.25	-	50.28	118.04	1,760.83
2049	1,076.01	519.93	-	45.21	120.40	1,761.55
2050	1,141.51	458.06	-	39.83	122.80	1,762.20
2051	1,208.88	392.42	-	34.12	125.26	1,760.68
2052	1,281.86	322.91	-	28.08	127.77	1,760.61
2053	1,360.45	249.20	-	21.67	130.32	1,761.65
2054	1,442.79	170.98	-	14.87	132.93	1,761.57
2055	1,530.74	88.02	-	7.65	135.59	1,762.00
<b>Total</b>	<b>\$ 22,341.76</b>	<b>\$ 25,868.76</b>	<b>\$ (656.60)</b>	<b>\$ 2,192.36</b>	<b>\$ 3,097.38</b>	<b>\$ 52,843.66</b>

**Footnotes:**

- 1) The interest rate is shown at a 5.75% rate for illustrative purposes.
- 2) Additional Interest is calculated at the Additional Interest Rate.
- 3) The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, interest earnings, or other available offsets could increase or decrease the amounts shown.

**VALVERDE PUBLIC IMPROVEMENT DISTRICT – IMPROVEMENT AREA #1 - LOT  
TYPE 4 BUYER DISCLOSURE**

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

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

This notice requirement does not apply to a transfer:

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

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

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

AFTER RECORDING<sup>1</sup> RETURN TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

\_\_\_\_\_  
PROPERTY ADDRESS

**LOT TYPE 4 PRINCIPAL ASSESSMENT: \$ 23,387.58**

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

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

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

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.

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

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

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF PURCHASER

\_\_\_\_\_  
SIGNATURE OF PURCHASER

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

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF SELLER

\_\_\_\_\_  
SIGNATURE OF SELLER]<sup>2</sup>

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



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

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF PURCHASER

\_\_\_\_\_  
SIGNATURE OF PURCHASER

STATE OF TEXAS §

§

CITY OF BASTROP §

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]<sup>3</sup>

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

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

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF SELLER

\_\_\_\_\_  
SIGNATURE OF SELLER

STATE OF TEXAS §

§

CITY OF BASTROP §

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]<sup>4</sup>

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

## ANNUAL INSTALLMENTS - LOT TYPE 4

Annual Installments Due 1/31	Improvement Area #1 Bonds					Total Annual Installment <sup>3</sup>
	Principal	Interest <sup>1</sup>	Capitalized Interest	Additional Interest <sup>2</sup>	Annual Collection Costs	
2025	\$ -	\$ 687.33	\$ (687.33)	\$ -	\$ -	\$ -
2026	301.67	1,344.79	-	116.94	79.92	1,843.32
2027	319.30	1,327.44	-	115.43	81.52	1,843.70
2028	336.93	1,309.08	-	113.83	83.15	1,843.00
2029	356.52	1,289.71	-	112.15	84.82	1,843.19
2030	378.07	1,269.21	-	110.37	86.51	1,844.16
2031	399.62	1,247.47	-	108.48	88.24	1,843.80
2032	423.13	1,224.49	-	106.48	90.01	1,844.10
2033	448.59	1,200.16	-	104.36	91.81	1,844.92
2034	474.06	1,174.36	-	102.12	93.64	1,844.19
2035	501.48	1,147.11	-	99.75	95.52	1,843.86
2036	530.87	1,118.27	-	97.24	97.43	1,843.81
2037	562.21	1,087.75	-	94.59	99.38	1,843.92
2038	595.51	1,055.42	-	91.78	101.36	1,844.07
2039	630.77	1,021.18	-	88.80	103.39	1,844.14
2040	667.99	984.91	-	85.64	105.46	1,844.00
2041	707.17	946.50	-	82.30	107.57	1,843.54
2042	750.27	905.84	-	78.77	109.72	1,844.59
2043	793.36	862.69	-	75.02	111.91	1,842.99
2044	842.34	817.08	-	71.05	114.15	1,844.61
2045	891.31	768.64	-	66.84	116.43	1,843.22
2046	946.16	717.39	-	62.38	118.76	1,844.70
2047	1,002.97	662.99	-	57.65	121.14	1,844.75
2048	1,061.74	605.32	-	52.64	123.56	1,843.25
2049	1,126.38	544.27	-	47.33	126.03	1,844.01
2050	1,194.94	479.50	-	41.70	128.55	1,844.69
2051	1,265.46	410.79	-	35.72	131.12	1,843.10
2052	1,341.86	338.03	-	29.39	133.75	1,843.03
2053	1,424.14	260.87	-	22.68	136.42	1,844.11
2054	1,510.33	178.98	-	15.56	139.15	1,844.02
2055	1,602.40	92.14	-	8.01	141.93	1,844.48
<b>Total</b>	<b>\$ 23,387.58</b>	<b>\$ 27,079.67</b>	<b>\$ (687.33)</b>	<b>\$ 2,294.99</b>	<b>\$ 3,242.36</b>	<b>\$ 55,317.26</b>

**Footnotes:**

- 1) The interest rate is shown at a 5.75% rate for illustrative purposes.
- 2) Additional Interest is calculated at the Additional Interest Rate.
- 3) The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, interest earnings, or other available offsets could increase or decrease the amounts shown.

**VALVERDE PUBLIC IMPROVEMENT DISTRICT – IMPROVEMENT AREA #1 - LOT  
TYPE 5 BUYER DISCLOSURE**

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

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

This notice requirement does not apply to a transfer:

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

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

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

AFTER RECORDING<sup>1</sup> RETURN TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

\_\_\_\_\_  
PROPERTY ADDRESS

**LOT TYPE 5 PRINCIPAL ASSESSMENT: \$ 23,387.58**

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

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

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

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.

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

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

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF PURCHASER

\_\_\_\_\_  
SIGNATURE OF PURCHASER

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

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF SELLER

\_\_\_\_\_  
SIGNATURE OF SELLER]<sup>2</sup>

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

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

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF PURCHASER

\_\_\_\_\_  
SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

CITY OF BASTROP

§

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]<sup>3</sup>

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



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

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF SELLER

\_\_\_\_\_  
SIGNATURE OF SELLER

STATE OF TEXAS §

§

CITY OF BASTROP §

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]<sup>4</sup>

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

## ANNUAL INSTALLMENTS - LOT TYPE 5

Annual Installments Due 1/31	Improvement Area #1 Bonds					Total Annual Installment <sup>3</sup>
	Principal	Interest <sup>1</sup>	Capitalized Interest	Additional Interest <sup>2</sup>	Annual Collection Costs	
2025	\$ -	\$ 687.33	\$ (687.33)	\$ -	\$ -	\$ -
2026	301.67	1,344.79	-	116.94	79.92	1,843.32
2027	319.30	1,327.44	-	115.43	81.52	1,843.70
2028	336.93	1,309.08	-	113.83	83.15	1,843.00
2029	356.52	1,289.71	-	112.15	84.82	1,843.19
2030	378.07	1,269.21	-	110.37	86.51	1,844.16
2031	399.62	1,247.47	-	108.48	88.24	1,843.80
2032	423.13	1,224.49	-	106.48	90.01	1,844.10
2033	448.59	1,200.16	-	104.36	91.81	1,844.92
2034	474.06	1,174.36	-	102.12	93.64	1,844.19
2035	501.48	1,147.11	-	99.75	95.52	1,843.86
2036	530.87	1,118.27	-	97.24	97.43	1,843.81
2037	562.21	1,087.75	-	94.59	99.38	1,843.92
2038	595.51	1,055.42	-	91.78	101.36	1,844.07
2039	630.77	1,021.18	-	88.80	103.39	1,844.14
2040	667.99	984.91	-	85.64	105.46	1,844.00
2041	707.17	946.50	-	82.30	107.57	1,843.54
2042	750.27	905.84	-	78.77	109.72	1,844.59
2043	793.36	862.69	-	75.02	111.91	1,842.99
2044	842.34	817.08	-	71.05	114.15	1,844.61
2045	891.31	768.64	-	66.84	116.43	1,843.22
2046	946.16	717.39	-	62.38	118.76	1,844.70
2047	1,002.97	662.99	-	57.65	121.14	1,844.75
2048	1,061.74	605.32	-	52.64	123.56	1,843.25
2049	1,126.38	544.27	-	47.33	126.03	1,844.01
2050	1,194.94	479.50	-	41.70	128.55	1,844.69
2051	1,265.46	410.79	-	35.72	131.12	1,843.10
2052	1,341.86	338.03	-	29.39	133.75	1,843.03
2053	1,424.14	260.87	-	22.68	136.42	1,844.11
2054	1,510.33	178.98	-	15.56	139.15	1,844.02
2055	1,602.40	92.14	-	8.01	141.93	1,844.48
<b>Total</b>	<b>\$ 23,387.58</b>	<b>\$ 27,079.67</b>	<b>\$ (687.33)</b>	<b>\$ 2,294.99</b>	<b>\$ 3,242.36</b>	<b>\$ 55,317.26</b>

**Footnotes:**

- 1) The interest rate is shown at a 5.75% rate for illustrative purposes.
- 2) Additional Interest is calculated at the Additional Interest Rate.
- 3) The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, interest earnings, or other available offsets could increase or decrease the amounts shown.

**VALVERDE PUBLIC IMPROVEMENT DISTRICT – IMPROVEMENT AREA #1  
UNPLATTED PARCEL BUYER DISCLOSURE**

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

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

This notice requirement does not apply to a transfer:

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

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

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

AFTER RECORDING<sup>1</sup> RETURN TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

\_\_\_\_\_  
PROPERTY ADDRESS

**IMPROVEMENT AREA #1 UNPLATTED PARCEL PRINCIPAL ASSESSMENT:**  
**\$ 8,625,068.53**

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

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

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

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.

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

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

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF PURCHASER

\_\_\_\_\_  
SIGNATURE OF PURCHASER

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

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF SELLER

\_\_\_\_\_  
SIGNATURE OF SELLER]<sup>2</sup>

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

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

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF PURCHASER

\_\_\_\_\_  
SIGNATURE OF PURCHASER

STATE OF TEXAS

§

§

CITY OF BASTROP

§

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]<sup>3</sup>

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

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

DATE:

DATE:

\_\_\_\_\_  
SIGNATURE OF SELLER

\_\_\_\_\_  
SIGNATURE OF SELLER

STATE OF TEXAS §

§

CITY OF BASTROP §

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]<sup>4</sup>

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



## ANNUAL INSTALLMENTS - IMPROVEMENT AREA #1 UNPLATTED PARCEL

Annual Installments Due 1/31	Improvement Area #1 Bonds					Total Annual Installment <sup>3</sup>
	Principal	Interest <sup>1</sup>	Capitalized Interest	Additional Interest <sup>2</sup>	Annual Collection Costs	
2025	\$ -	\$ 253,481.18	\$ (253,481.18)	\$ -	\$ -	\$ -
2026	111,253.92	495,941.44	-	43,125.34	29,475.06	679,795.77
2027	117,755.77	489,544.34	-	42,569.07	30,064.57	679,933.75
2028	124,257.63	482,773.38	-	41,980.29	30,665.86	679,677.16
2029	131,481.91	475,628.57	-	41,359.01	31,279.17	679,748.66
2030	139,428.61	468,068.36	-	40,701.60	31,904.76	680,103.33
2031	147,375.32	460,051.21	-	40,004.45	32,542.85	679,973.84
2032	156,044.46	451,577.13	-	39,267.58	33,193.71	680,082.88
2033	165,436.02	442,604.58	-	38,487.35	33,857.58	680,385.54
2034	174,827.59	433,092.01	-	37,660.17	34,534.74	680,114.51
2035	184,941.58	423,039.42	-	36,786.04	35,225.43	679,992.47
2036	195,778.00	412,405.28	-	35,861.33	35,929.94	679,974.55
2037	207,336.85	401,148.04	-	34,882.44	36,648.54	680,015.87
2038	219,618.13	389,226.17	-	33,845.75	37,381.51	680,071.57
2039	232,621.83	376,598.13	-	32,747.66	38,129.14	680,096.77
2040	246,347.97	363,222.38	-	31,584.55	38,891.72	680,046.62
2041	260,796.53	349,057.37	-	30,352.81	39,669.56	679,876.27
2042	276,689.94	334,061.57	-	29,048.83	40,462.95	680,263.29
2043	292,583.36	318,151.90	-	27,665.38	41,272.21	679,672.85
2044	310,644.06	301,328.35	-	26,202.47	42,097.65	680,272.53
2045	328,704.76	283,466.32	-	24,649.25	42,939.60	679,759.93
2046	348,932.75	264,565.80	-	23,005.72	43,798.40	680,302.66
2047	369,883.16	244,502.16	-	21,261.06	44,674.36	680,320.75
2048	391,556.00	223,233.88	-	19,411.64	45,567.85	679,769.38
2049	415,396.13	200,719.41	-	17,453.86	46,479.21	680,048.61
2050	440,681.11	176,834.13	-	15,376.88	47,408.79	680,300.92
2051	466,688.52	151,494.97	-	13,173.48	48,356.97	679,713.93
2052	494,863.22	124,660.38	-	10,840.03	49,324.11	679,687.74
2053	525,205.19	96,205.74	-	8,365.72	50,310.59	680,087.24
2054	556,992.03	66,006.45	-	5,739.69	51,316.80	680,054.97
2055	590,946.15	33,979.40	-	2,954.73	52,343.14	680,223.42
<b>Total</b>	<b>\$ 8,625,068.53</b>	<b>\$ 9,986,669.46</b>	<b>\$ (253,481.18)</b>	<b>\$ 846,364.20</b>	<b>\$ 1,195,746.75</b>	<b>\$ 20,400,367.76</b>

**Footnotes:**

- 1) The interest rate is shown at a 5.75% rate for illustrative purposes.
- 2) Additional Interest is calculated at the Additional Interest Rate.
- 3) The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, interest earnings, or other available offsets could increase or decrease the amounts shown.

**EXHIBIT M – ENGINEERING REPORT**



# Engineering Report

For

## Valverde Public Improvement District Bastrop, Bastrop County, Texas

Prepared by:

### **Mahoney Engineering, LLC**

9501 Menchaca Road, Suite B200  
Austin, Texas 78748

October 31, 2024

TBPELS # F-21222



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## 1.0 INTRODUCTION

The Valverde Development is a proposed Single-Family Residential community located in the City of Bastrop, Texas located approximately 0.50-miles north of the intersection at Farm to Market Road 969 and State Highway 71. The Development is within the Viridian Public Improvement District, and it encompasses approximately a 400-acre tract of land that allows for construction of up to approximately 1,399 Single-Family Residential units and 250 attached Multi-Family units for a total of 1,649 residential units. A site location map has been included in **Exhibit 1**.

This report includes supporting documentation for the formation of the Viridian Public Improvement District and the issuance of bonds by the City. The bonds are anticipated to be used to finance public infrastructure projects vital for the Valverde development within the Viridian PID.

## 2.0 DEVELOPMENT COST

An Engineer's Opinion of Probable Cost (Engineer's OPC) has been prepared for all off-site and on-site infrastructure. The Engineer's OPC has been provided as **Exhibit 2**.

## 3.0 DEVELOPMENT IMPROVEMENTS

The development improvements consist of 265-acres of Single-Family Residential, 88 acres of Parks and Open Space, 18.20-acres of CORE and 35-acres of Major ROW. A section of the proposed development including 104.052-acres has been annexed into the City Limits, this included Phase 1 which includes Major ROW and associated improvements, Phase 2 which includes 174 Single-Family Lots, Major ROW and associated improvements, Phase 3 which includes 178 Single-Family Lots and associated improvements and 18.20-acres of CORE, per the latest Development Agreement Amendment for the Viridian Development.

The development improvements have been and will continue to be designed and constructed in accordance with City of Bastrop standards and specifications and will be owned and operated by the City unless otherwise indicated. The development improvements include:

### 3.1 STREETS

Improvements include subgrade stabilization (including excavation and drainage), concrete and reinforcing steel for roadways, handicapped ramps, and streetlights. Intersections, signage, lighting, and re-vegetation of all disturbed areas within the right-of-way are included. These roadway improvements include streets that will provide street access to each lot. These projects will provide access to community roadways and state highways. The street improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.



### 3.2 DRAINAGE

Improvements include trench excavation and embedment, trench safety, reinforced concrete piping, manholes, inlets, channels / swales and ponds. These will include the necessary appurtenances to be fully operational to convey stormwater to the limits of the improvement area. The drainage improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

### 3.3 WATER

Improvements include trench excavation and embedment, trench safety, PVC piping, service connections, and testing. These lines will include the necessary appurtenances to be fully operational transmission lines extending water service to the limits of the improvements. The water improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

### 3.4 WASTEWATER

Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections, and testing. These lines will include the necessary appurtenances to be fully operational extending wastewater service to the limits of the improvement area. The wastewater improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

The development areas and improvements are depicted within **Exhibit 3** through **Exhibit 7**.

## 4.0 DEVELOPMENT SCHEDULE

### 4.1 DESIGN STAGE

#### Improvement Area #1

The following plans within Improvement Area 1 have been **designed and approved** by City of Bastrop Planning and Development Department:

1. Valverde Phase 1 Public Improvement Plans and Final Drainage Plans:  
*Right of Way and Infrastructure Improvements Only*
2. Valverde Phase 2 Public Improvement Plans and Final Drainage Plans:  
*174 Single-Family Lots*



- 3. Valverde Phase 3 Public Improvement Plans and Final Drainage Plans:  
*178-Single Family Lots*
- 4. Valverde Multifamily South:  
*168 Multifamily Units*

For a total of 352 Single-Family Residential Lots and 168 Multifamily Units.

The following plans have been designed and are currently under review by City of Bastrop Planning and Development Department:

- 1. Valverde Multifamily North:  
*82 Multifamily Units*

**Future Improvement Area**

Design and permitting for this area has begun, with the following application being filed with the City of Bastrop Planning and Development Department.

- 1. Valverde Phase 4 Public Improvement Plans and Final Drainage Plans:  
*94 Lots* | This Phase is currently under review by the City, and it's expected approval is September of 2024.

## 4.2 CONSTRUCTION STAGE

**Improvement Area Phase #1**

The following phases within Improvement Area #1 are currently under construction:

- 1. Valverde Phase 1 Public Improvement Plans and Final Drainage Plans.  
*Right of Way and Infrastructure Improvements Only* | With an expected Final Completion Date of September 2024.
- 2. Valverde Phase 2 Public Improvement Plans and Final Drainage Plans.  
*174 Single-Family Lots* | With an expected Final Completion Date of September 2024.
- 3. Valverde Phase 3 Public Improvement Plans and Final Drainage Plans.  
*178 Single-Family Lots* | With an expected Final Completion Date of February 2025.

For a total of 352 Single-Family Residential Lots.



The following plans have been approved and are expected to begin construction soon:

1. Valverde Multifamily South  
*168 Multifamily Units* | Expected construction start date of September 2024.
2. Valverde Multifamily North  
*82 Multifamily Units* | Expected construction start date of September 2024.

**Future Improvement Area**

The first phase of construction within the Future Improvement Area is Valverde Phase 4, with an expected construction start date of September 2024. This whole area of development is expected to be completed between 2028 and 2036.





# APPENDIX

**EXHIBIT 1. SITE LOCATION MAP ..... ii**

**EXHIBIT 2. DISTRICT BOUNDARY MAP ..... iii**

**EXHIBIT 3. IMPROVEMENT AREA #1 BOUNDARY MAP AND IMPROVEMENTS ..... iv**

**EXHIBIT 4. FUTURE IMPROVEMENT AREA BOUNDARY MAP AND IMPROVEMENTS ..... v**

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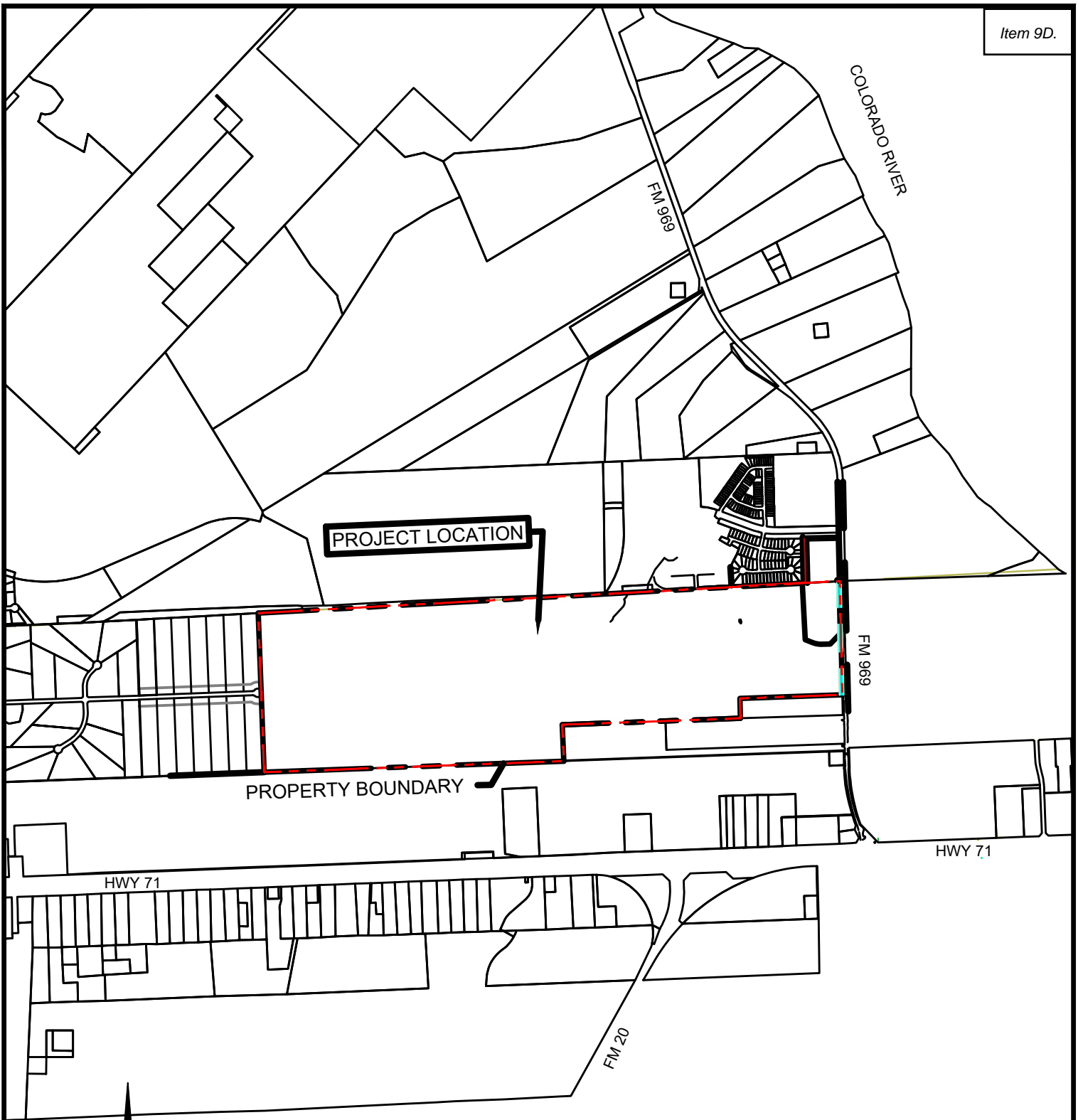
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**EXHIBIT 14. OVERALL IMPROVEMENTS MAP: STREETS ..... xv**



## **EXHIBIT 1. SITE LOCATION MAP**



SCALE: 1" = 2000'

VALVERDE  
LOCATION MAP



9501 Manchaca Road, Suite B200  
Austin, Texas 78748  
(512) 910-3874  
info@mahoneyeng.com  
TBPE Registration Number  
Mahoney Engineering LLC ©Copyright



## **EXHIBIT 2. DISTRICT BOUNDARY MAP**

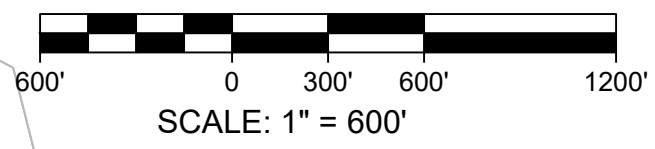
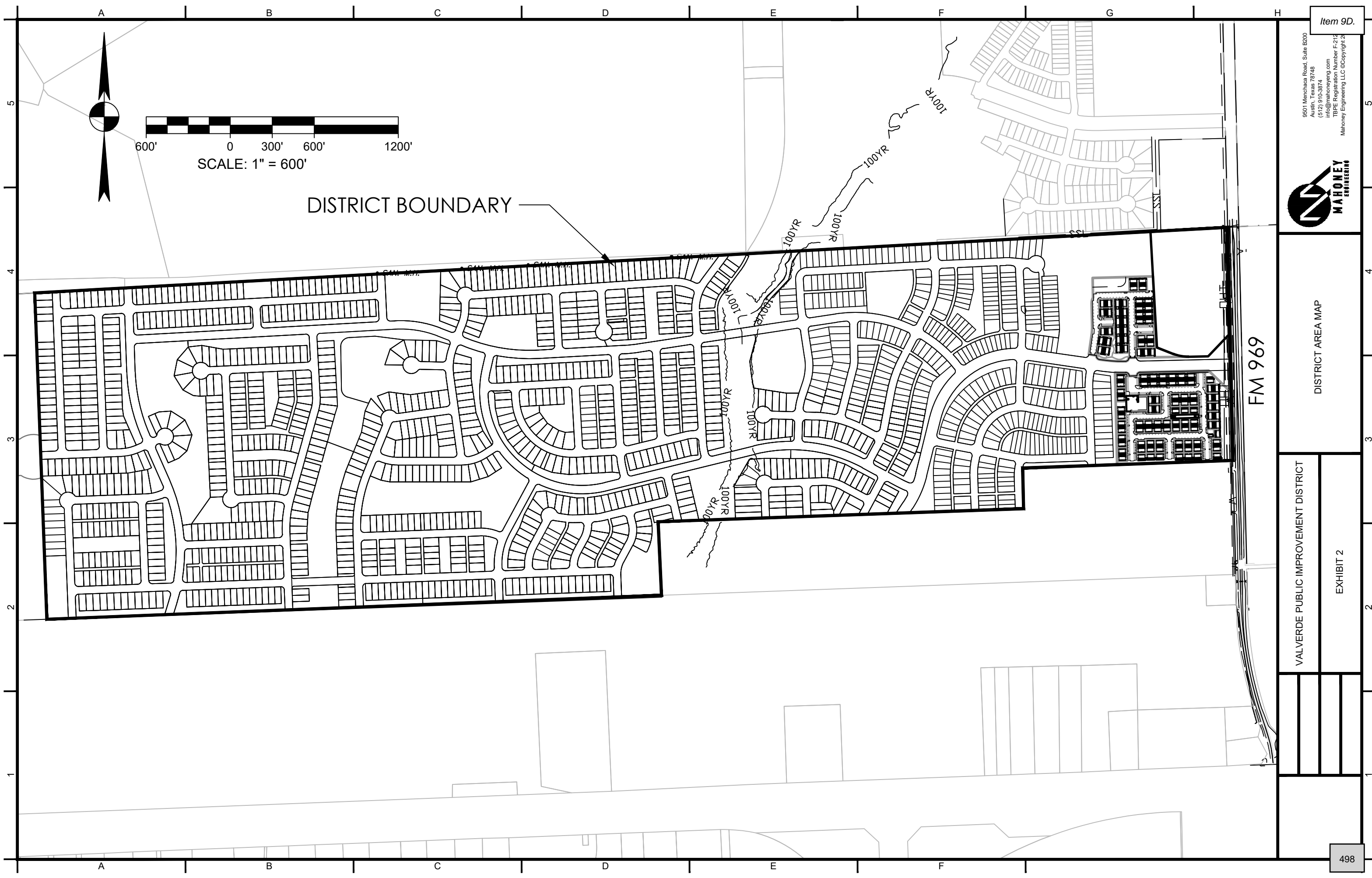
9501 Manchaca Road, Suite B200  
Austin, Texas 78748  
(512) 910-3874  
info@mahoneyeng.com  
TBPPE Registration Number F-212  
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DISTRICT AREA MAP

VALVERDE PUBLIC IMPROVEMENT DISTRICT

EXHIBIT 2



DISTRICT BOUNDARY

FM 969

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## **EXHIBIT 3. IMPROVEMENT AREA #1 BOUNDARY MAP AND IMPROVEMENTS**

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Austin, Texas 78748  
(512) 910-3874  
info@mahoneyeng.com  
TBP# Registration Number F-212  
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IMPROVEMENT AREA #1 BOUNDARY MAP

VALVERDE PUBLIC IMPROVEMENT DISTRICT

EXHIBIT 3

**LEGEND**

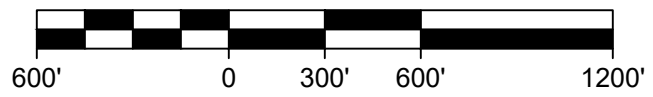
-  DISTRICT BOUNDARY
-  IMPROVEMENT AREA #1

DISTRICT BOUNDARY

FUTURE IMPROVEMENT AREA  
(295.248 Acres)

IMPROVEMENT AREA #1  
(104.052 Acres)

FM 969



SCALE: 1" = 600'

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## **EXHIBIT 4. FUTURE IMPROVEMENT AREA BOUNDARY MAP AND IMPROVEMENTS**



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Austin, Texas 78748  
(512) 910-3874  
info@mahoneyeng.com  
TBP# Registration Number F-212  
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IMPROVEMENTS BOUNDARY MAP

VALVERDE PUBLIC IMPROVEMENT DISTRICT

EXHIBIT 4

### LEGEND

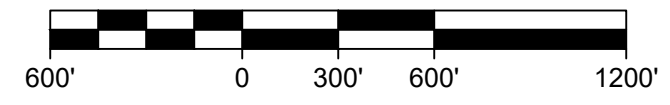
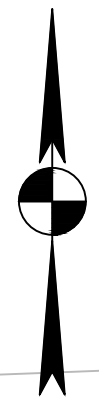
-  DISTRICT BOUNDARY
-  FUTURE IMPROVEMENT AREA

DISTRICT BOUNDARY

FUTURE IMPROVEMENT AREA  
(295.248 Acres)

IMPROVEMENT AREA #1  
(104.052 Acres)

FM 969



SCALE: 1" = 600'

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## **EXHIBIT 5. DISTRICT LEGAL DESCRIPTION**

METES AND BOUNDS DESCRIPTION

FIELD NOTES FOR A 399.878 ACRE TRACT OF LAND IN THE NANCY BLAKEY SURVEY, ABSTRACT NO. 98, SITUATED IN BASTROP COUNTY, TEXAS; BEING ALL OF A CALLED 399.878 ACRE TRACT OF LAND AS CONVEYED UNTO CONTINENTAL HOMES OF TEXAS, L.P. IN DOCUMENT NUMBER 202022279 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS; SAID 399.878 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**COMMENCING AT A POINT OF REFERENCE**, a 1/2-inch iron rod found on the westerly right-of-way line of Farm to Market (F.M.) 969 (R.O.W. ~ 80') as shown on the plat of The Colony MUD 1A, Section 1, Phase A, as recorded in Cabinet 6, Page 129A of the Plat Records of Bastrop County, Texas, at the southeast corner of a remaining portion of a called 1,258.002 acre tract of land as conveyed unto Hunt Communities Bastrop, LLC in Document Number 201617588 of the Official Public Records of Bastrop County, Texas, being the northeast corner of a called 10.599 acre tract of land as conveyed unto SIS Bastrop, LLC in Document Number 202107639 of the Official Public Records of Bastrop County, Texas; THENCE, S 01° 19' 50" E, coincident with the common line of the 10.599 acre tract and the west right-of-way line of said F.M. 969, a distance of 30.02 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for a northeast corner and **POINT OF BEGINNING** of the herein described tract;

THENCE, S 01° 19' 50" E, coincident with the common line of the 399.878 acre tract and the west right-of-way line of said F.M. 969, a distance of 1,635.71 feet to a 1/2-inch iron rod found at the common corner of the 399.878 acre tract and a called 10.01 acre tract of land as conveyed unto Esmeralda Vences-Maldonado and Fermin Vences-Maldonado in Document Number 201916372 of the Official Public Records of Bastrop County, Texas, for the southeast corner of the herein described tract;

THENCE, departing said common line and coincident with the common lines of the 399.878 acre tract and said 10.01 acre tract, the following two (2) courses:

- 1) S 87° 56' 21" W, a distance of 1,503.00 feet to a 1/2-inch iron rod with a cap stamped "RPLS 5548" found at the northwest corner of the 10.01 acre tract, for a re-entrant corner of the 399.878 acre tract and the herein described tract;
- 2) S 01° 19' 22" E, a distance of 290.00 feet to a 1/2-inch iron rod found at the southwest corner of the 10.01 acre tract, on the north line of a called 25.070 acre tract of land as conveyed unto TOCC Land, LLC in Document Number 201900758 of the Official Public Records of Bastrop County, Texas, for a corner of the 399.878 acre tract and the herein described tract;

THENCE, S 87° 55' 54" W, coincident with the common line of the 399.878 acre tract, said 25.070 acre tract, and a called 25.071 acre tract of land conveyed unto Bellamont, LLC in Document Number 201810109 of the Official Public Records of Bastrop County, Texas, a distance of

2,610.20 feet to a calculated point at the northwest corner of said 25.071 acre tract, for a re-entrant corner of the 399.878 acre tract and the herein described tract, from which a 1/2-inch iron rod found bears N 51° 05' 33" W, a distance of 1.18 feet;

THENCE, S 02° 31' 46" E, coincident with the common line of the 399.878 acre tract and said 25.071 acre tract a distance of 533.70 feet to a 5/8-inch iron rod found at the southwest corner of the 25.071 acre tract, on the north line of a remaining portion of a called 469.652 acre tract of land as conveyed unto Erhard Legacy Partners, LTD in Document Number 201502920 of the Official Public Records of Bastrop County, Texas, for the south corner of 399.878 acre tract and the herein described tract;

THENCE, S 87° 52' 50" W, coincident with the common line of the 399.878 acre tract and said remaining portion of a 469.652 acre tract a distance of 4,392.23 feet to a 1/2-inch iron rod found at the common corner of Lot 32, Block "B, as shown on the plat of The Woodlands, as recorded in Cabinet 2, Page 350A of the Plat Records of Bastrop County, Texas, for the southwest corner of the 399.878 acre tract and the herein described tract;

THENCE, N 02° 07' 09" W, coincident with the common line of the 399.878 acre tract, said Lot 32, the east terminal end of the right-of-way line of Woodlands Drive (R.O.W. ~ 60') as shown on said plat of The Woodlands, and Lot 41, Block "A", as shown on said plat of The Woodlands, passing at a distance of 2,331.72 a 1/2-inch iron rod found, and continuing for a total distance of 2,332.15 feet to a calculated point at the common corner of the 399.878 acre tract, said Lot 41 and on the south line of the aforementioned remaining portion of the 1,258.002 acre tract, for the northwest corner of the 399.878 acre tract and the herein described tract, from which a 1/2-inch iron rod found on the north line of said Block "A", at a corner of said remaining portion of the aforementioned 1,258.002 acre tract bears S 86° 51' 05"W, a distance of 2,609.69 feet;

THENCE, N 86° 51' 05" E, coincident with the common line of the 399.878 acre tract, said remaining portion of a 1,258.002, a called 1.00 acre tract of land conveyed unto Hunt Communities Bastrop, LLC in Document Number 201911016 of the Official Public Records of Bastrop County, Texas, the south line of The Colony MUD 1A, Section 1, Phase B, as recorded in Cabinet 6, Page 189A of the Plat Records of Bastrop County, Texas, and the south line of the aforementioned The Colony MUD 1A, Section 1, Phase A, a distance of 7,978.80 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the common corner of the 399.878 acre tract and the aforementioned 10.599 acre tract, for a north corner of the herein described tract;

THENCE, departing said common line, coincident with the common line of the 399.878 acre tract the 10.599 acre tract the following seven (7) courses:

1. S 3°08'55" E, a distance of 829.14 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for a re-entrant corner of the herein described tract;
2. S 68°24'20" E, a distance of 127.74 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the beginning of a non-tangent curve of the herein described tract;

3. Curving to the left, with a radius of 271.69 feet, an arc length of 109.81 feet, a central angle of 23°09'30", a chord bearing of S 79°50'37" E, and a chord distance of 109.07 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the end of this curve;
4. N 88°43'07" E, a distance of 140.03 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for an angle point of the herein described tract;
5. N 43°41'39" E, a distance of 212.04 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for an angle point of the herein described tract;
6. N 1°19'50" W, a distance of 717.59 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for an angle point of the herein described tract;
7. N 24°51'52" E, a distance of 22.65 feet to the **POINT OF BEGINNING** and containing 399.878 acres of land more or less.

I hereby certify that these notes were prepared from a survey made on the ground by employees of BGE Inc., in November 2020 and are true and correct to the best of my knowledge. Bearing orientation is based on the Texas State Plane Coordinate System, NAD 83, Texas Central Zone 4203. A sketch accompanies this description.



Dion P. Albertson RPLS Number 4963  
 BGE, Inc.  
 7330 San Pedro Ave, Suite 202  
 San Antonio TX 78216  
 Telephone: 210-581-3600  
 TBPLS Licensed Surveying Firm Number 10194490



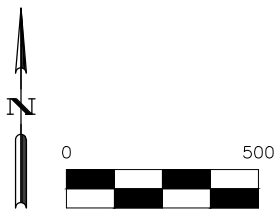
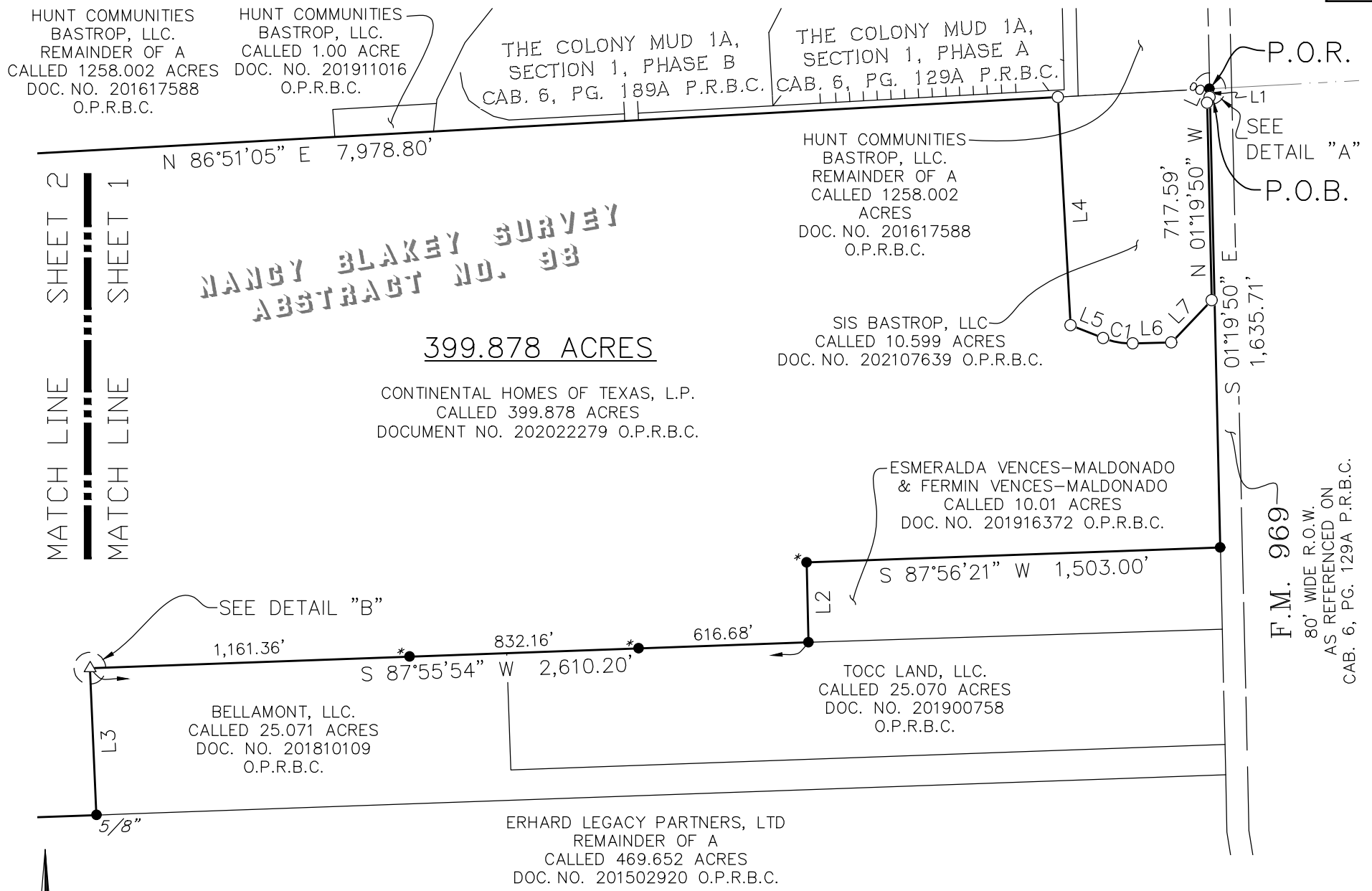
11/17/2021  
 Date

Client:  
 Date: November 17, 2021  
 Job No: 8732-00

G:\TxC\Projects\NEU\_Communities\8225-00-Bastrop\04-Finals\Drawings\8732-00 Viridian Improvement Areas\8732-00 District Area.dwg, 11/17/2021 7:54

Item 9D.

# SKETCH TO ACCOMPANY LEGAL DESCRIPTION



**BGE, Inc.**  
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 TBPELS Licensed Surveying Firm No. 10194490

SCALE: 1"=500'

SHEET 4

OF 6

507

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G:\TXC\Projects\NEU\_Communities\8225-00-Bastrop\_Prelim\SV\04-Finals\Drawings\8732-00 Viridian Improvement Areas\8732-00 District Area.dwg, 11/17/2021 7:55 AM

# SKETCH TO ACCOMPANY LEGAL DESCRIPTION

Item 9D.

HUNT COMMUNITIES BASTROP, LLC.  
REMAINDER OF A  
CALLED 1258.002 ACRES  
DOC. NO. 201617588  
O.P.R.B.C.

N 86°51'05" E 7,978.80'

SEE DETAIL "C"

**NANCY BLAKEY SURVEY  
ABSTRACT NO. 93**

399.878 ACRES

CONTINENTAL HOMES OF TEXAS, L.P.  
CALLED 399.878 ACRES  
DOCUMENT NO. 202022279 O.P.R.B.C.

MATCH LINE SHEET 2  
MATCH LINE SHEET 1

THE WOODLANDS

CAB. 2, PG. 350A P.R.B.C.

N 02°07'09" W 2,332.15'

SEE DETAIL "B"

L3

5/8"

S 87°52'50" W 4,392.23'

ERHARD LEGACY PARTNERS, LTD  
REMAINDER OF A  
CALLED 469.652 ACRES  
DOC. NO. 201502920  
O.P.R.B.C.



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SCALE: 1"=500'

SHEET 5

OF 6

508

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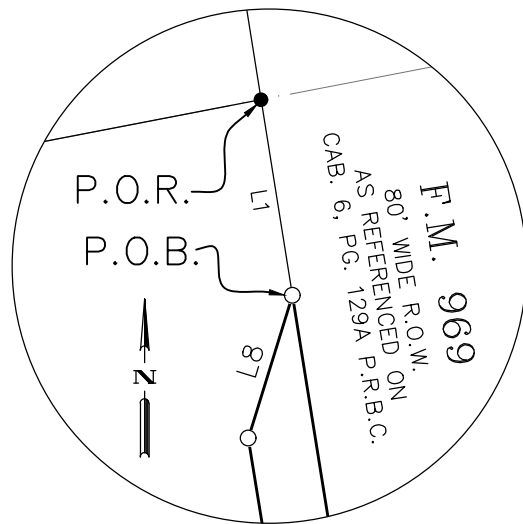
# SKETCH TO ACCOMPANY LEGAL DESCRIPTION

LINE TABLE		
NUMBER	BEARING	DISTANCE
L1	S 01°19'50" E	30.02'
L2	S 01°19'22" E	290.00'
L3	S 02°31'46" E	533.70'
L4	S 03°08'55" E	829.14'
L5	S 68°24'20" E	127.74'
L6	N 88°43'07" E	140.03'
L7	N 43°41'39" E	212.04'
L8	N 24°51'52" E	22.65'

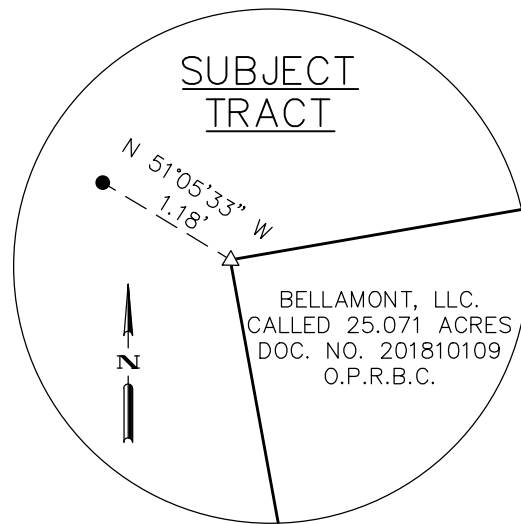
CURVE TABLE					
NUMBER	ARC LENGTH	RADIUS	DELTA	CHORD BEARING	CHORD DISTANCE
C1	109.81'	271.69'	23°09'30"	S 79°50'37" E	109.07'

### LEGEND

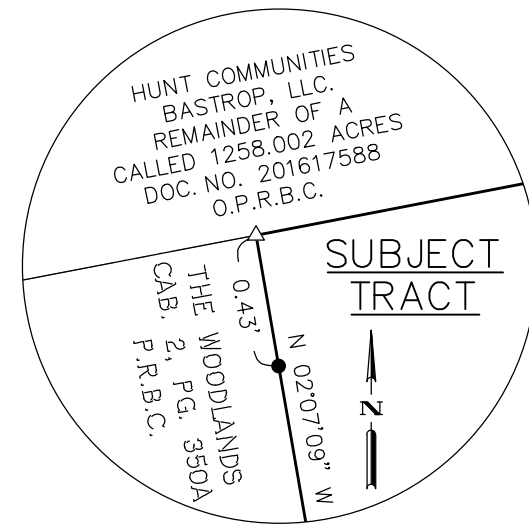
- CAB. CABINET
- O.P.R.B.C. OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY
- O.R.B.C. OFFICIAL RECORDS OF BASTROP COUNTY
- P.O.B. POINT OF BEGINNING
- P.O.R. POINT OF REFERENCE
- R.O.W. RIGHT-OF-WAY
- VOL. VOLUME
- FOUND 1/2" IRON ROD (UNLESS NOTED OTHERWISE)
- \* ● FOUND 1/2" IRON ROD W/CAP "RPLS 5548"
- "CBD" ● FOUND 1/2" IRON ROD W/CAP "CBD"
- SET 1/2" IRON ROD W/CAP "BGE INC"
- △ CALCULATED POINT



DETAIL "A"  
NOT TO SCALE



DETAIL "B"  
NOT TO SCALE



DETAIL "C"  
NOT TO SCALE

BEARING ORIENTATION IS BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE 4203, NAD 83. DISTANCES SHOWN ARE IN SURFACE VALUES. COMBINED SCALE FACTOR IS 0.99998269.



**BGE, Inc.**  
7330 San Pedro Ave., Suite 202, San Antonio, TX 78216  
Tel: 210-581-3600 • www.bgeinc.com  
TBPELS Licensed Surveying Firm No. 10194490

SCALE:	~
SHEET	6
OF	6

C:\TXC\Projects\NEU\_Communities\8225-00--Bastrop\_Prelim\_SV\04\_Finals\Drawings\8732-00\_Viridian\_Improvement\_Areas\8732-00\_District\_Area.dwg, 11/17/2021 7:55 AM





## **EXHIBIT 6. IMPROVEMENT AREA #1 LEGAL DESCRIPTION**

METES AND BOUNDS DESCRIPTION

FIELD NOTES FOR A 104.052 ACRE TRACT OF LAND IN THE NANCY BLAKEY SURVEY, ABSTRACT NO. 98, BASTROP COUNTY, TEXAS; BEING A PORTION OF THE REMAINDER OF A CALLED 399.878 ACRE TRACT OF LAND AS CONVEYED UNTO CONTINENTAL HOMES OF TEXAS, L.P. IN DOCUMENT NUMBER 202022279 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS, A PORTION OF THE AMENDED PLAT OF VALVERDE SECTION 1 PHASE 1 & 2 AS RECORDED IN CABINET 8, PAGES 66-B THROUGH 69-B OF THE PLAT RECORDS OF BASTROP COUNTY, TEXAS, AND ALL OF VALVERDE SOUTH SUBDIVISION AS RECORDED IN CABINET 8 PAGES 54-A AND 54-B OF THE PLAT RECORDS OF BASTROP COUNTY, TEXAS; SAID 104.052 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**BEGINNING** at a 1/2-inch iron rod with a cap stamped "BGE INC" set on the south line of The Colony MUD 1A, Section 1, Phase A, as recorded in Cabinet 6, Page 129A of the Plat Records of Bastrop County, Texas, at the common corner of said Amended plat of Valverde Section 1 Phase 1 & 2 and a called 10.599 acre tract of land as conveyed unto SIS Bastrop, LLC in Document Number 202107639 of the Official Public Records of Bastrop County, Texas, northeast corner and **POINT OF BEGINNING** of the herein described tract;

THENCE, coincident with the common line of said Amended Plat and said 10.599 acre tract the following six (6) courses:

- 1) S 3°08'55" E, a distance of 829.14 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for a re-entrant corner of the herein described tract;
- 2) S 68°24'20" E, a distance of 127.74 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the beginning of a non-tangent curve of the herein described tract;
- 3) Curving to the left, with a radius of 271.69 feet, an arc length of 109.81 feet, a central angle of 23°09'30", a chord bearing of S 79°50'37" E, and a chord distance of 109.07 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the end of this curve;
- 4) N 88°43'07" E, a distance of 140.03 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for an angle point of the herein described tract;
- 5) N 43°41'39" E, a distance of 197.90 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set on the west right-of-way line of F.M. 969 (R.O.W. ~ 100') as dedicated in Cabinet 8, Pages 54-A & 54 B and Cabinet 8 Pages 66-B thru 69-B, both recorded in the Plat Records of Bastrop County, Texas, for the easterly northeast of said Amended Plat and the herein described tract;

THENCE, S 01°19'50" E, coincident with the common line of said Amended Plat, the aforementioned Valverde South Subdivision and said right-of-way line, a distance of 888.06 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set on the north line of a called 10.01 acre tract of land as conveyed unto Esmeralda Vences-Maldonado and Fermin Vences-Maldonado in Document Number 201916372 of the Official Public Records of Bastrop County Texas, at the southeast corner of said Valverde South Subdivision, for the southeast corner of the herein described tract;

THENCE, S 87°56'21" W, departing said right-of-way line, coincident with the common line of Valverde South Subdivision, said Amended Plat, the aforementioned remainder of the remainder of the 399.878 acre tract and said 10.01 acre tract, a distance of 1,483.00 feet to a 1/2-inch iron rod with a cap stamped "RPLS 5548" found at the northwest corner of the 10.01 acre tract, for a re-entrant corner of said remainder of the remainder of the 399.878 acre tract and the herein described tract;

THENCE, S 01°19'22" E, a distance of 290.00 feet to a 1/2-inch iron rod found at the southwest corner of the 10.01 acre tract, on the north line of a called 25.070 acre tract of land as conveyed unto TOCC Land, LLC in Document Number 201900758 of the Official Public Records of Bastrop County, Texas, for a corner of the remainder of the remainder of the 399.878 acre tract and the herein described tract;

THENCE, S 87°55'54" W, coincident with the common line of the remainder of the 399.878 acre tract and said 25.070 acre tract, a distance of 814.60 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the southeast corner of the right-of-way of Puerto Plata Avenue (R.O.W. ~ 80') as shown on said Amended Plat, for a southerly corner of the herein described tract;

THENCE, departing said common line, coincident with the common line of the remainder of the 399.878 acre tract and said right-of-way line, the following three (3) courses:

- 1) N 33°20'50" E, a distance of 38.04 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for a point of curvature of the herein described tract;
- 2) Curving to the left, with a radius of 740.00 feet, an arc length of 250.92 feet, a central angle of 19°25'41", a chord bearing of N 23°37'59" E, and a chord distance of 249.72 to a 1/2-inch iron rod with a cap stamped "BGE INC" set for a point of tangency of the herein described tract;
- 3) N 13°55'08" E, a distance of 152.24 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for a re-entrant corner of the herein described tract;

THENCE, N 76°04'52" W, departing said common line, over and across said right-of-way, a distance of 80.00 feet to a calculated point on the common line of the remainder of the 399.878 acre tract and the west right-of-way line of Puerto Plata Avenue, for an angle point of the herein described tract;

THENCE, continuing over and across the remainder of the 399.878 acre tract the following twenty-eight (28) courses:

- 1) N 76°44'36" W, a distance of 34.40 feet to a calculated point for a corner of the herein described tract;
- 2) N 20°55'17" E, a distance of 36.54 feet to a calculated point for an angle point of the herein described tract;
- 3) N 15°39'08" E, a distance of 52.19 feet to a calculated point for an angle point of the herein described tract;
- 4) N 10°53'55" E, a distance of 218.86 feet to a calculated point for a re-entrant corner of the herein described tract;
- 5) N 79°05'37" W, a distance of 109.72 feet to a calculated point for a re-entrant corner of the herein described tract;
- 6) S 11°42'54" W, a distance of 13.50 feet to a calculated point for a corner of the herein described tract;
- 7) N 79°11'39" W, a distance of 130.00 feet to a calculated point for an angle point of the herein described tract;
- 8) N 79°21'54" W, a distance of 55.50 feet to a calculated point for a corner of the herein described tract;
- 9) N 06°21'30" E, a distance of 5.81 feet to a calculated point for a re-entrant corner of the herein described tract;
- 10) N 79°11'39" W, a distance of 119.45 feet to a calculated point for a re-entrant corner of the herein described tract;
- 11) S 18°01'49" W, a distance of 17.35 feet to a calculated point for a corner of the herein described tract;
- 12) N 75°40'25" W, a distance of 188.50 feet to a calculated point for a corner of the herein described tract;
- 13) N 14°19'35" E, a distance of 22.28 feet to a calculated point for a re-entrant corner of the herein described tract;
- 14) N 75°40'25" W, a distance of 120.00 feet to a calculated point for a re-entrant corner of the herein described tract;

- 15) S 14°19'35" W, a distance of 65.69 feet to a calculated point for a corner of the herein described tract;
- 16) N 71°43'22" W, a distance of 181.60 feet to a calculated point for a re-entrant corner of the herein described tract;
- 17) S 18°16'38" W, a distance of 27.25 feet to a calculated point for a corner of the herein described tract;
- 18) N 90°00'00" W, a distance of 88.16 feet to a calculated point for an angle point of the herein described tract;
- 19) N 81°06'35" W, a distance of 238.54 feet to a calculated point for a corner of the herein described tract;
- 20) N 09°33'10" W, a distance of 89.33 feet to a calculated point for an angle point of the herein described tract;
- 21) N 06°16'41" W, a distance of 103.52 feet to a calculated point for an angle point of the herein described tract;
- 22) N 14°35'31" E, a distance of 160.75 feet to a calculated point for an angle point of the herein described tract;
- 23) N 04°59'40" W, a distance of 107.39 feet to a calculated point for an angle point of the herein described tract;
- 24) N 24°20'55" E, a distance of 85.38 feet to a calculated point for an angle point of the herein described tract;
- 25) N 37°48'33" E, a distance of 149.36 feet to a calculated point for an angle point of the herein described tract;
- 26) N 43°42'09" E, a distance of 173.56 feet to a calculated point for an angle point of the herein described tract;
- 27) N 11°34'46" E, a distance of 134.65 feet to a calculated point for an angle point of the herein described tract;
- 28) N 35°04'52" E, a distance of 89.31 feet to a calculated point on the north line of the remainder of the 399.878 acre tract and the south line of a called 1.00 acre tract of land conveyed unto Hunt Communities Bastrop, LLC in Document Number 201911016 of the Official Public Records of Bastrop County, Texas, for the northwest corner of the herein described tract;

THENCE, N 86°51'05" E, coincident with the common line of the remainder of the 399.878 acre tract, said 1.00 acre tract, the south line of The Colony MUD 1A, Section 1, Phase B, as recorded in Cabinet 6, Page 189A of the Plat Records of Bastrop County, Texas, the south line of the aforementioned The Colony MUD 1A, Section 1, Phase A, and the north line of the aforementioned Amended Plat of Valverde Section 1 Phase 1 & 2, a distance of 2,508.39 feet to the **POINT OF BEGINNING** and containing 104.052 acres of land more or less.

I hereby certify that these notes were prepared from a survey made on the ground by employees of BGE Inc., in May 2024 and are true and correct to the best of my knowledge. Bearing orientation is based on the Texas State Plane Coordinate System, NAD 83, Texas Central Zone 4203. An exhibit plat with like job number and date was prepared in conjunction with this metes and bounds description.

Dion P. Albertson RPLS Number 4963  
BGE, Inc.  
7330 San Pedro Ave, Suite 202  
San Antonio TX 78216  
Telephone: 210-581-3600  
TBPLS Licensed Surveying Firm Number 10194490



8/27/2024  
Date

Date: August 27, 2024  
Job No: 8732-00

# EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION

HUNT COMMUNITIES BASTROP, LLC.  
REMAINDER OF A  
CALLED 1258.002 ACRES  
DOC. NO. 201617588  
O.P.R.B.C.

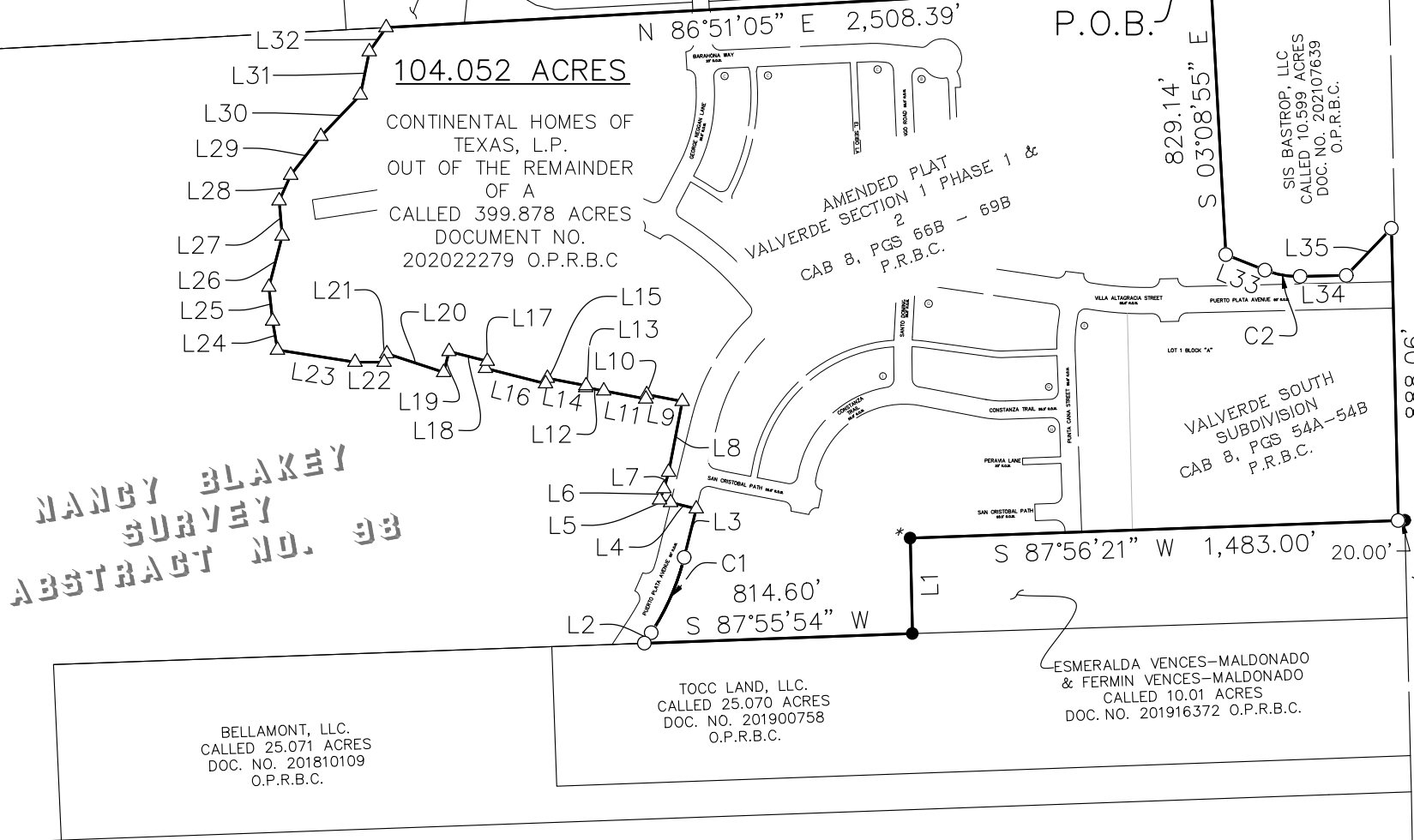
HUNT COMMUNITIES BASTROP, LLC.  
CALLED 1.00 ACRE  
DOC. NO. 201911016  
O.P.R.B.C.

THE COLONY MUD 1A, SECTION 1, PHASE B  
CAB. 6, PG. 189A P.R.B.C.

THE COLONY MUD 1A, SECTION 1, PHASE A  
CAB. 6, PG. 129A P.R.B.C.

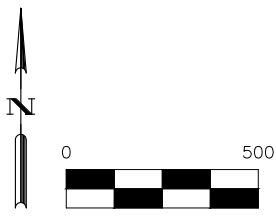
HUNT COMMUNITIES BASTROP, LLC.  
REMAINDER OF A  
CALLED 1258.002 ACRES  
DOC. NO. 201617588  
O.P.R.B.C.

SIS BASTROP, LLC  
CALLED 10.599 ACRES  
DOC. NO. 202107639  
O.P.R.B.C.



**NANCY BLAKEY SURVEY ABSTRACT NO. 98**

**F.M. 969**  
100' WIDE R.O.W.  
AS DEDICATED IN  
CAB. 8, PGS. 54A & 54B  
P.R.B.C.  
CAB. 8, PGS. 66B THRU 69B  
P.R.B.C.



**BGE, Inc.**  
7330 San Pedro Ave., Suite 202, San Antonio, TX 78216  
Tel: 210-581-3600 • www.bgeinc.com  
TBPELS Licensed Surveying Firm No. 10194490

SCALE: 1"=500'

SHEET **6**

OF **7** **516**

C:\00008225-01\SV\04\_Finals\Drawings\8732-00 Improvement Area 1A\_104.630\_AC.dwg, 8/27/2024 10:06 AM, Tyler Sperry

## EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION

LINE TABLE		
NUMBER	BEARING	DISTANCE
L1	S 01°19'22" E	290.00'
L2	N 33°20'50" E	38.04'
L3	N 13°55'08" E	152.24'
L4	N 76°04'52" W	80.00'
L5	N 76°44'36" W	34.40'
L6	N 20°55'17" E	36.54'
L7	N 15°39'08" E	52.19'
L8	N 10°53'55" E	218.86'
L9	N 79°05'37" W	109.72'
L10	S 11°42'54" W	13.50'
L11	N 79°11'39" W	130.00'
L12	N 79°21'54" W	55.50'
L13	N 06°21'30" E	5.81'
L14	N 79°11'39" W	119.45'
L15	S 18°01'49" W	17.35'

LINE TABLE		
NUMBER	BEARING	DISTANCE
L16	N 75°40'25" W	188.50'
L17	N 14°19'35" E	22.28'
L18	N 75°40'25" W	120.00'
L19	S 14°19'35" W	65.69'
L20	N 71°43'22" W	181.60'
L21	S 18°16'38" W	27.25'
L22	N 90°00'00" W	88.16'
L23	N 81°06'35" W	238.54'
L24	N 09°33'10" W	89.33'
L25	N 06°16'41" W	103.52'
L26	N 14°35'31" E	160.75'
L27	N 04°59'40" W	107.39'
L28	N 24°20'55" E	85.38'
L29	N 37°48'33" E	149.36'
L30	N 43°42'09" E	173.56'

LINE TABLE		
NUMBER	BEARING	DISTANCE
L31	N 11°34'46" E	134.65'
L32	N 35°04'52" E	89.31'
L33	S 68°24'20" E	127.74'
L34	N 88°43'07" E	140.03'
L35	N 43°41'39" E	197.90'

### LEGEND

- |            |  |
|------------|--|
| CAB.       | CABINET                                      |
| O.P.R.B.C. | OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY    |
| O.R.B.C.   | OFFICIAL RECORDS OF BASTROP COUNTY           |
| P.O.B.     | POINT OF BEGINNING                           |
| R.O.W.     | RIGHT-OF-WAY                                 |
| VOL.       | VOLUME                                       |
| ●          | FOUND 1/2" IRON ROD (UNLESS NOTED OTHERWISE) |
| * ●        | FOUND 1/2" IRON ROD W/CAP "RPLS 5548"        |
| "CBD" ●    | FOUND 1/2" IRON ROD W/CAP "CBD"              |
| ○          | SET 1/2" IRON ROD W/CAP "BGE INC"            |
| △          | CALCULATED POINT                             |

CURVE TABLE					
NUMBER	ARC LENGTH	RADIUS	DELTA	CHORD BEARING	CHORD DISTANCE
C1	250.92'	740.00'	19°25'41"	N 23°37'59" E	249.72'
C2	109.81'	271.69'	23°09'30"	S 79°50'37" E	109.07'

BEARING ORIENTATION IS BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE 4203, NAD 83. DISTANCES SHOWN ARE IN SURFACE VALUES. COMBINED SCALE FACTOR IS 0.99998269.



**BGE, Inc.**  
 7330 San Pedro Ave., Suite 202, San Antonio, TX 78216  
 Tel: 210-581-3600 • www.bgeinc.com  
 TBPELS Licensed Surveying Firm No. 10194490

SCALE:	~
SHEET	7
OF	7

c:\00008225-01\SA\04\_Finals\Drawings\8732-00 Improvement Area 1A\_104.630-AC.dwg, 8/27/2024 10:06 AM, Tyler Sperry





## **EXHIBIT 7. FUTURE IMPROVEMENT AREA LEGAL DESCRIPTION**

METES AND BOUNDS DESCRIPTION

FIELD NOTES FOR A 295.248 ACRE TRACT OF LAND IN THE NANCY BLAKEY SURVEY, ABSTRACT NO. 98, SITUATED IN BASTROP COUNTY, TEXAS; BEING PARTIALLY OUT OF THE REMAINDER OF CALLED 399.878 ACRE TRACT OF LAND AS CONVEYED UNTO CONTINENTAL HOMES OF TEXAS, L.P. IN DOCUMENT NUMBER 202022279 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS, AND PARTIALLY OUT OF THE RIGHT-OF-WAY OF PUERTO PLATA AVENUE (R.O.W. ~ 80') AS SHOWN ON THE AMENDED PLAT OF VALVERDE SECTION 1 PHASE 1 & 2 AS RECORDED IN CABINET 8, PAGES 66-B THROUGH 69-B OF THE PLAT RECORDS OF BASTROP COUNTY, TEXAS, SAID 295.248 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**COMMENCING** at a 1/2-inch iron rod with a cap stamped "BGE INC" set on the common line of the remainder of said 399.878 acre tract and the The Colony MUD 1A, Section 1, Phase B, as recorded in Cabinet 6, Page 189A of the Plat Records of Bastrop County, Texas, at the northwest corner of the right-of-way of George Neggan Lane (R.O.W. ~ 55.5') as shown on said Amended Plat; THENCE, S 86°51'05" W, coincident with the common line of the remainder of the 399.878 acre tract and said The colony MUD 1A, Section 1, Phase B, a distance of 930.00 feet to a calculated point for the northeast corner and **POINT OF BEGINNING** of the herein described tract;

THENCE, departing said common line, over and across the remainder of the 399.878 acre tract the following twenty-eight (28) courses:

- 1) S 35°04'52" W, a distance of 89.31 feet to a calculated point for an angle point of the herein described tract;
- 2) S 11°34'46" W, a distance of 134.65 feet to a calculated point for an angle point of the herein described tract;
- 3) S 43°42'09" W, a distance of 173.56 feet to a calculated point for an angle point of the herein described tract;
- 4) S 37°48'33" W, a distance of 149.36 feet to a calculated point for an angle point of the herein described tract;
- 5) S 24°20'55" W, a distance of 85.38 feet to a calculated point for an angle point of the herein described tract;
- 6) S 04°59'40" E, a distance of 107.39 feet to a calculated point for an angle point of the herein described tract;
- 7) S 14°35'31" W, a distance of 160.75 feet to a calculated point for an angle point of the herein described tract;

- 8) S 06°16'41" E, a distance of 103.52 feet to a calculated point for an angle point of the herein described tract;
- 9) S 09°33'10" E, a distance of 89.33 feet to a calculated point for an angle point of the herein described tract;
- 10) S 81°06'35" E, a distance of 238.54 feet to a calculated point for an angle point of the herein described tract;
- 11) N 90°00'00" E, a distance of 88.16 feet to a calculated point for a re-entrant corner of the herein described tract;
- 12) N 18°16'38" E, a distance of 27.25 feet to a calculated point for a corner of the herein described tract;
- 13) S 71°43'22" E, a distance of 181.60 feet to a calculated point for a re-entrant corner of the herein described tract;
- 14) N 14°19'35" E, a distance of 65.69 feet to a calculated point for a corner of the herein described tract;
- 15) S 75°40'25" E, a distance of 120.00 feet to a calculated point for a corner of the herein described tract;
- 16) S 14°19'35" W, a distance of 22.28 feet to a calculated point for a re-entrant corner of the herein described tract;
- 17) S 75°40'25" E, a distance of 188.50 feet to a calculated point for a re-entrant corner of the herein described tract;
- 18) N 18°01'49" E, a distance of 17.35 feet to a calculated point for a corner of the herein described tract;
- 19) S 79°11'39" E, a distance of 119.45 feet to a calculated point for a corner of the herein described tract;
- 20) S 06°21'30" W, a distance of 5.81 feet to a calculated point for a re-entrant corner of the herein described tract;
- 21) S 79°21'54" E, a distance of 55.50 feet to a calculated point for an angle point of the herein described tract;
- 22) S 79°11'39" E, a distance of 130.00 feet to a calculated point for a re-entrant corner of the herein described tract;
- 23) N 11°42'54" E, a distance of 13.50 feet to a calculated point for a re-entrant corner of the herein described tract;

- 24) S 79°05'37" E, a distance of 109.72 feet to a calculated point for a corner of the herein described tract;
- 25) S 10°53'55" W, a distance of 218.86 feet to a calculated point for an angle point of the herein described tract;
- 26) S 15°39'08" W, a distance of 52.19 feet to a calculated point for an angle point of the herein described tract;
- 27) S 20°55'17" W, a distance of 36.54 feet to a calculated point for a re-entrant corner of the herein described tract;
- 28) S 76°44'36" E, a distance of 34.40 feet to a calculated point on the common line of the remainder of the 399.878 acre tract and the west right-of-way line of the aforementioned Puerto Plata Avenue, for an angle point of the herein described tract;

THENCE, S 76°04'52" E, over and across said right-of-way, a distance of 80.00 feet to a calculated point on the common line of the remainder of the 399.878 acre tract and the east line of said right-of-way for a re-entrant corner of the herein described tract;

THENCE, coincident with said common line the following three (3) courses:

- 1) S 13°55'08" W, a distance of 152.24 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for a point of curvature of the herein described tract;
- 2) Curving to the right, with a radius of 740.00 feet, an arc length of 250.92 feet, a central angle of 19°25'41", a chord bearing of S 23°37'59" W, and a chord distance of 249.72 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for a point of tangency of the herein described tract;
- 3) S 33°20'50" W, a distance of 38.04 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set on the common line of the remainder of the 399.878 acre tract and a called 25.070 acre tract of land as conveyed unto TOCC Land, LLC in Document Number 201900758 of the Official Public Records of Bastrop County, Texas, for the southeast corner of the herein described tract;

THENCE, S 87°55'54" W, coincident with the common line of the remainder of the 399.878 acre tract, said right-of-way, said 25.070 acre tract, and a called 25.071 acre tract of land as conveyed unto Bellamont, LLC in Document Number 201810109 of the Official Public Records of Bastrop County, Texas, a distance of 1,795.60 feet to a calculated point at the northwest corner of said 25.071 acre tract, for a re-entrant corner of the remainder of the 399.878 acre tract and the herein described tract, from which a 1/2-inch iron rod found bears N 51° 05' 33" W, a distance of 1.18 feet;

THENCE, S 02°31'46" E, coincident with the common line of the remainder of the 399.878 acre tract and the 25.071 acre tract a distance of 533.70 feet to a 5/8-inch iron rod found at the southwest corner of the 25.071 acre tract, on the north line of a remaining portion of a called 469.652 acre tract of land as conveyed unto Erhard Legacy Partners, LTD in Document Number 201502920 of the Official Public Records of Bastrop County, Texas, for a south corner of 399.878 acre tract and the herein described tract;

THENCE, S 87°52'50" W, coincident with the common line of the remainder of the 399.878 acre tract and said remaining portion of a 469.652 acre tract a distance of 4,392.23 feet to a 1/2-inch iron rod found at the common corner of Lot 32, Block "B, as shown on the plat of The Woodlands, as recorded in Cabinet 2, Page 350A of the Plat Records of Bastrop County, Texas, for the southwest corner of the remainder of the 399.878 acre tract and the herein described tract;

THENCE, N 02°07'09" W, coincident with the common line of the remainder of the 399.878 acre tract, said Lot 32, the east terminal end of the right-of-way line of Woodlands Drive (R.O.W. ~ 60') as shown on said plat of The Woodlands, and Lot 41, Block "A", as shown on said plat of The Woodlands, passing at a distance of 2,331.72 feet a 1/2-inch iron rod found, and continuing for a total distance of 2,332.15 feet to a calculated point at the common corner of the remainder of the 399.878 acre tract, said Lot 41 and on the south line of the aforementioned remaining portion of the 1,258.002 acre tract, for the northwest corner of the remainder of the 399.878 acre tract and the herein described tract, from which a 1/2-inch iron rod found on the north line of said Block "A", at a corner of said remaining portion of the aforementioned 1,258.002 acre tract bears S 86° 51' 05"W, a distance of 2,609.69 feet;

THENCE, N 86°51'05" E, coincident with the common line of the remainder of the 399.878 acre tract, the remaining portion of the 1,258.002, and a called 1.00 acre tract of land conveyed unto Hunt Communities Bastrop, LLC in Document Number 201911016 of the Official Public Records of Bastrop County, Texas, a distance of 5,470.42 feet to the **POINT OF BEGINNING** and containing 295.248 acres of land, more or less.

I hereby certify that these notes were prepared from a survey made on the ground by employees of BGE Inc., in May 2024 and are true and correct to the best of my knowledge. Bearing orientation is based on the Texas State Plane Coordinate System, NAD 83, Texas Central Zone 4203. An exhibit plat with like job number and date was prepared in conjunction with this metes and bounds description.

*Dion P. Albertson*

Dion P. Albertson RPLS Number 4963  
BGE, Inc.  
7330 San Pedro Ave, Suite 202  
San Antonio TX 78216  
Telephone: 210-581-3600  
TBPLS Licensed Surveying Firm Number 10194490



8/27/2024  
Date

Date: August 27, 2024  
Job No: 8225-01

# EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION

HUNT COMMUNITIES BASTROP, LLC.  
 BASTROP, LLC.  
 REMAINDER OF A  
 CALLED 1258.002 ACRES  
 DOC. NO. 201617588  
 O.P.R.B.C.

HUNT COMMUNITIES BASTROP, LLC.  
 BASTROP, LLC.  
 CALLED 1.00 ACRE  
 DOC. NO. 201911016  
 O.P.R.B.C.

THE COLONY MUD 1A,  
 SECTION 1, PHASE B  
 CAB. 6, PG. 189A P.R.B.C.

THE COLONY MUD 1A,  
 SECTION 1, PHASE A  
 CAB. 6, PG. 129A P.R.B.C.

SIS BASTROP, LLC  
 CALLED 10.599 ACRES  
 DOC. NO. 202107639  
 O.P.R.B.C.

CONTINENTAL HOMES OF TEXAS, L.P.  
 OUT OF THE REMAINDER OF A  
 CALLED 399.878 ACRES  
 DOCUMENT NO. 202022279 O.P.R.B.C.

295.248 ACRES

BELLAMONT, LLC.  
 CALLED 25.071 ACRES  
 DOC. NO. 201810109  
 O.P.R.B.C.

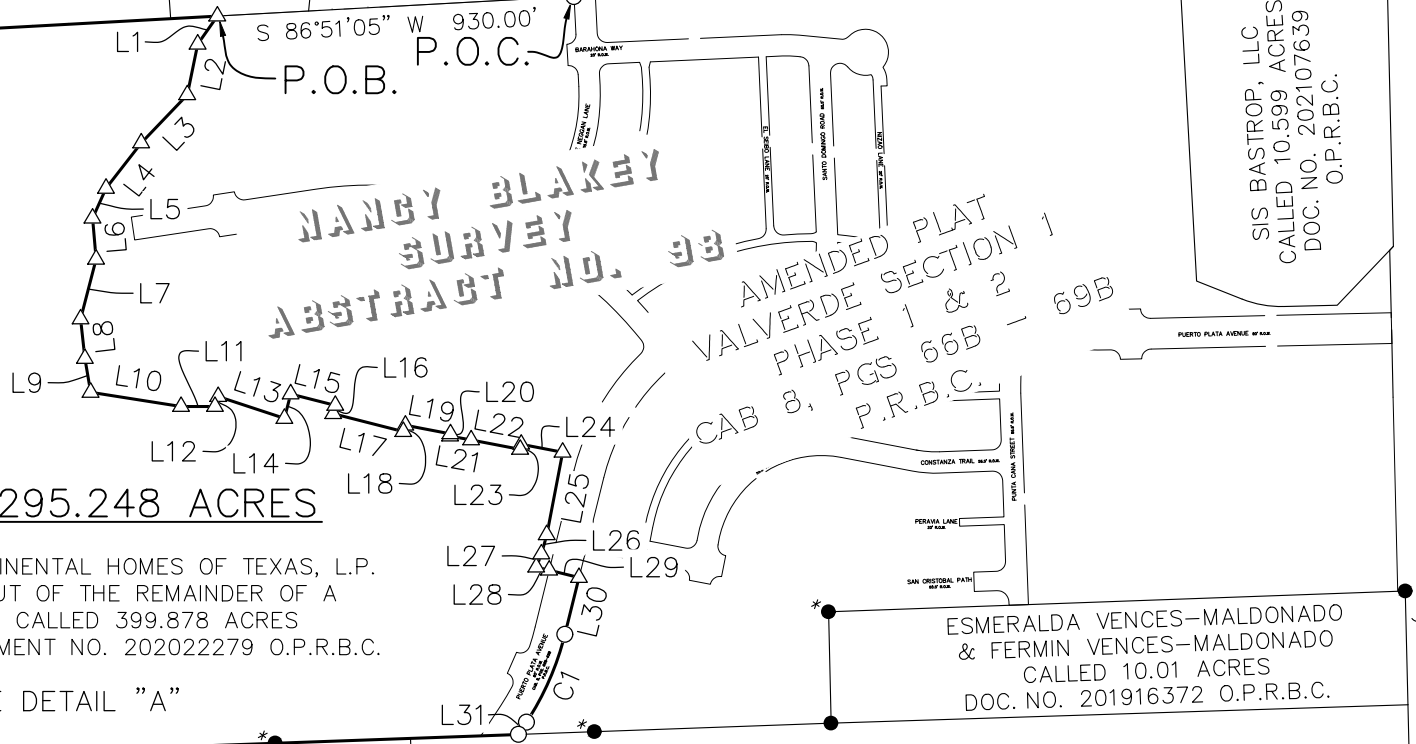
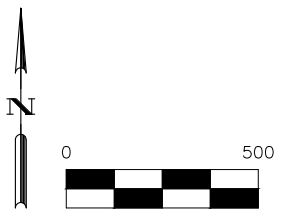
TOCC LAND, LLC.  
 CALLED 25.070 ACRES  
 DOC. NO. 201900758  
 O.P.R.B.C.

ERHARD LEGACY PARTNERS, LTD  
 REMAINDER OF A  
 CALLED 469.652 ACRES  
 DOC. NO. 201502920 O.P.R.B.C.

ESMERALDA VENCES-MALDONADO  
 & FERMIN VENCES-MALDONADO  
 CALLED 10.01 ACRES  
 DOC. NO. 201916372 O.P.R.B.C.

**NANCY BLAKEY SURVEY**  
**ABSTRACT NO. 93**  
**AMENDED PLAT VALVERDE SECTION 1 & 2**  
**PHASE 1 & 2**  
**CAB 8, PGS 66B - 69B**  
**P.R.B.C.**

MATCH LINE SHEET 2  
 MATCH LINE SHEET 1



F.M. 969  
 80' WIDE R.O.W.  
 AS REFERENCED ON  
 CAB. 6, PG. 129A P.R.B.C.

SCALE: 1"=500'

SHEET 5  
 OF 8



**BGE, Inc.**  
 7330 San Pedro Ave., Suite 202, San Antonio, TX 78216  
 Tel: 210-581-3600 • www.bgeinc.com  
 TBPELS Licensed Surveying Firm No. 10194490

C:\00008225-01\SV\04\_Finals\Drawings\8732-00 Master Improvements Area\_295.248\_AC.dwg, 8/26/2024 3:39 PM, Tyler Sperry

# EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION

Item 9D.

HUNT COMMUNITIES BASTROP, LLC.  
REMAINDER OF A  
CALLED 1258.002 ACRES  
DOC. NO. 201617588  
O.P.R.B.C.

N 86°51'05" E 5,470.42'

SEE DETAIL "B"

**NANCY BLAKEY SURVEY  
ABSTRACT NO. 93**

295.248 ACRES

CONTINENTAL HOMES OF TEXAS, L.P.  
OUT OF THE REMAINDER OF A  
CALLED 399.878 ACRES  
DOCUMENT NO. 202022279 O.P.R.B.C.

MATCH LINE SHEET 2  
MATCH LINE SHEET 1

SEE DETAIL "A"

THE WOODLANDS  
CAB. 2, PG. 350A P.R.B.C.

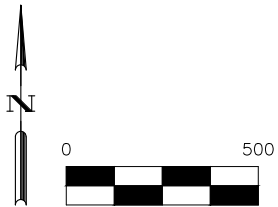
N 02°07'09" W 2,332.15'

S 87°52'50" W 4,392.23'

L32

5/8"

ERHARD LEGACY PARTNERS, LTD  
REMAINDER OF A  
CALLED 469.652 ACRES  
DOC. NO. 201502920  
O.P.R.B.C.



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SCALE: 1"=500'

SHEET 6

OF 8

524

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# EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION

Item 9D.

LINE TABLE		
NUMBER	BEARING	DISTANCE
L1	S 35°04'52" W	89.31'
L2	S 11°34'46" W	134.65'
L3	S 43°42'09" W	173.56'
L4	S 37°48'33" W	149.36'
L5	S 24°20'55" W	85.38'
L6	S 04°59'40" E	107.39'
L7	S 14°35'31" W	160.75'
L8	S 06°16'41" E	103.52'
L9	S 09°33'10" E	89.33'
L10	S 81°06'35" E	238.54'
L11	N 90°00'00" E	88.16'
L12	N 18°16'38" E	27.25'
L13	S 71°43'22" E	181.60'

LINE TABLE		
NUMBER	BEARING	DISTANCE
L14	N 14°19'35" E	65.69'
L15	S 75°40'25" E	120.00'
L16	S 14°19'35" W	22.28'
L17	S 75°40'25" E	188.50'
L18	N 18°01'49" E	17.35'
L19	S 79°11'39" E	119.45'
L20	S 06°21'30" W	5.81'
L21	S 79°21'54" E	55.50'
L22	S 79°11'39" E	130.00'
L23	N 11°42'54" E	13.50'
L24	S 79°05'37" E	109.72'
L25	S 10°53'55" W	218.86'
L26	S 15°39'08" W	52.19'

LINE TABLE		
NUMBER	BEARING	DISTANCE
L27	S 20°55'17" W	36.54'
L28	S 76°44'36" E	34.40'
L29	S 76°04'52" E	80.00'
L30	S 13°55'08" W	152.24'
L31	S 33°20'50" W	38.04'
L32	S 02°31'46" E	533.70'

CURVE TABLE					
NUMBER	ARC LENGTH	RADIUS	DELTA	CHORD BEARING	CHORD DISTANCE
C1	250.92'	740.00'	19°25'41"	S 23°37'59" W	249.72'

BEARING ORIENTATION IS BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE 4203, NAD 83. DISTANCES SHOWN ARE IN SURFACE VALUES. COMBINED SCALE FACTOR IS 0.99998269.



**BGE, Inc.**  
 7330 San Pedro Ave., Suite 202, San Antonio, TX 78216  
 Tel: 210-581-3600 • www.bgeinc.com  
 TBPELS Licensed Surveying Firm No. 10194490

SCALE:	~
SHEET	7
OF	8
	525

C:\00008225-01\SV\04\_Finals\Drawings\8732-00 Master Improvements Area\_295.248\_AC.dwg, 8/26/2024 3:39 PM, Tyler Sperry

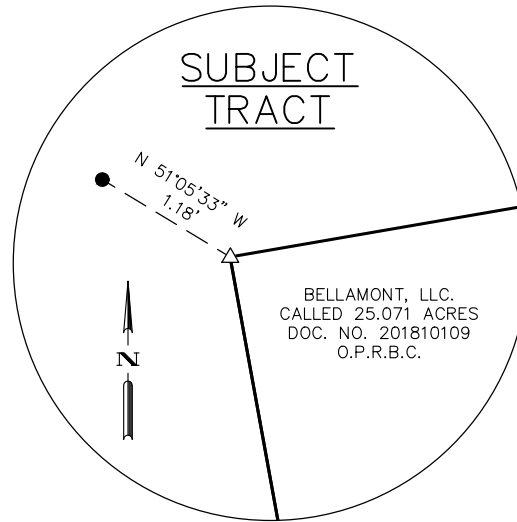


# EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION

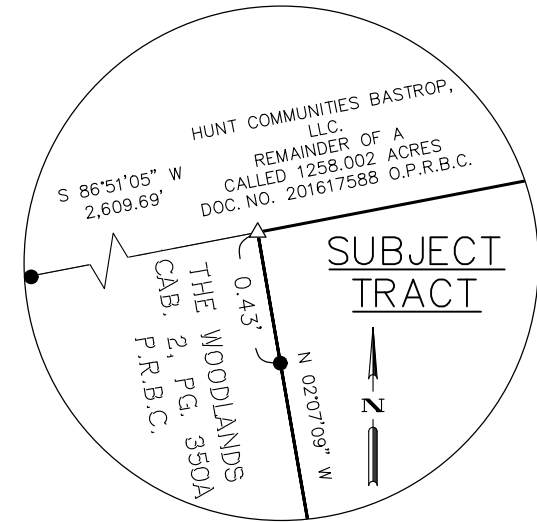
Item 9D.

## LEGEND

CAB.	CABINET
O.P.R.B.C.	OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY
O.R.B.C.	OFFICIAL RECORDS OF BASTROP COUNTY
P.O.B.	POINT OF BEGINNING
P.O.C.	POINT OF COMMENCING
R.O.W.	RIGHT-OF-WAY
VOL.	VOLUME
●	FOUND 1/2" IRON ROD (UNLESS NOTED OTHERWISE)
* ●	FOUND 1/2" IRON ROD W/CAP "RPLS 5548"
"CBD" ●	FOUND 1/2" IRON ROD W/CAP "CBD"
○	SET 1/2" IRON ROD W/CAP "BGE INC"
△	CALCULATED POINT



DETAIL "A"  
NOT TO SCALE



DETAIL "B"  
NOT TO SCALE

BEARING ORIENTATION IS BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE 4203, NAD 83. DISTANCES SHOWN ARE IN SURFACE VALUES. COMBINED SCALE FACTOR IS 0.99998269.



**BGE, Inc.**  
7330 San Pedro Ave., Suite 202, San Antonio, TX 78216  
Tel: 210-581-3600 • www.bgeinc.com  
TBPELS Licensed Surveying Firm No. 10194490

SCALE:	~
SHEET	8
OF	8
	526



## **EXHIBIT 8. IMPROVEMENT AREA #1 IMPROVEMENT AREA LOT TYPES**

9501 Manchaca Road, Suite B200  
Austin, Texas 78748  
(512) 910-3874  
info@mahoneyeng.com  
TBP# Registration Number F-212  
Mahoney Engineering LLC ©Copyright 2024

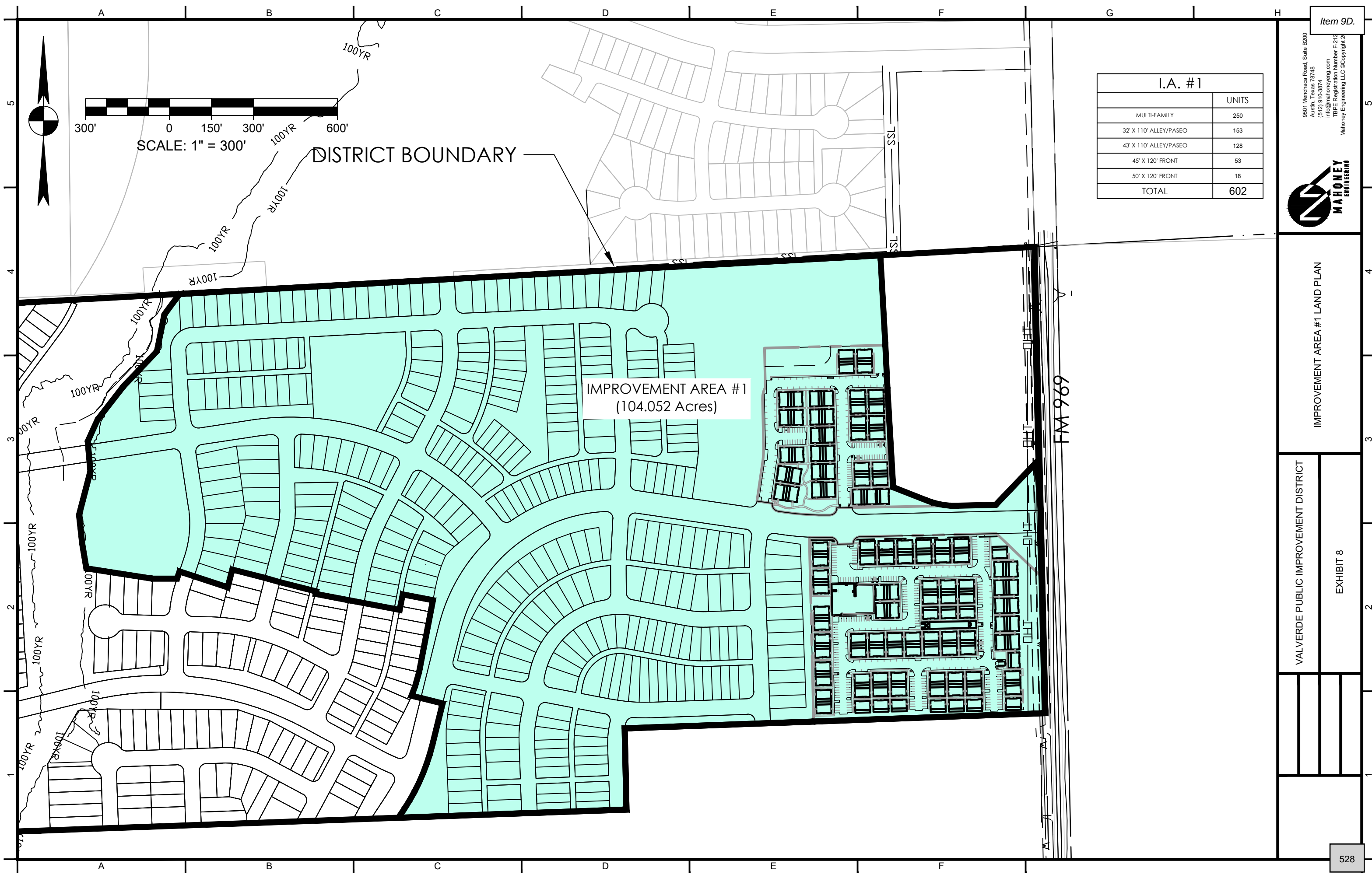


I.A. #1	
	UNITS
MULTI-FAMILY	250
32' X 110' ALLEY/PASEO	153
43' X 110' ALLEY/PASEO	128
45' X 120' FRONT	53
50' X 120' FRONT	18
<b>TOTAL</b>	<b>602</b>

IMPROVEMENT AREA #1 LAND PLAN

VALVERDE PUBLIC IMPROVEMENT DISTRICT

EXHIBIT 8



IMPROVEMENT AREA #1  
(104.052 Acres)

DISTRICT BOUNDARY

SCALE: 1" = 300'

FM 969



## **EXHIBIT 9. ENGINEERS' OPINION OF PROBABLE COST**

## ENGINEERS PRELIMINARY OPINION OF PROBABLE CONSTRUCTION COSTS FOR PID FINANCING

**PROJECT:** Valverde Development

**BASED ON:** Concept Plan

Phase	IMPROVEMENT AREA 1				FUTURE				TOTAL	# LOTS
	Streets	Water	Wastewater	Drainage	Streets	Water	Wastewater	Drainage		
PHASE 1	\$ 2,894,670.75	\$ 1,062,192.00	\$ 561,530.75	\$ 3,511,153.50					\$ 8,029,547.00	-
PHASE 2	\$ 1,723,434.25	\$ 902,580.00	\$ 689,072.25	\$ 807,862.00					\$ 4,122,948.50	174
PHASE 3	\$ 2,019,471.25	\$ 852,515.00	\$ 829,234.75	\$ 1,156,287.00					\$ 4,857,508.00	178
PHASE 4					\$ 1,989,237.86	\$ 696,989.57	\$ 638,053.02	\$ 1,228,289.55	\$ 4,552,570.00	94
PHASE 5					\$ 4,165,827.23	\$ 934,069.38	\$ 852,747.56	\$ 1,460,955.83	\$ 7,413,600.00	128
PHASE 6					\$ 3,997,833.21	\$ 858,928.56	\$ 787,233.33	\$ 1,453,684.90	\$ 7,097,680.00	115
PHASE 7					\$ 1,825,111.76	\$ 972,521.73	\$ 892,762.19	\$ 1,844,884.32	\$ 5,535,280.00	129
PHASE 8					\$ 1,680,690.45	\$ 946,449.31	\$ 870,554.90	\$ 1,730,755.34	\$ 5,228,450.00	124
PHASE 9					\$ 3,381,607.76	\$ 1,100,729.38	\$ 1,008,167.53	\$ 1,958,745.33	\$ 7,449,250.00	148
PHASE 10					\$ 1,119,978.28	\$ 808,965.31	\$ 697,947.34	\$ 1,740,451.27	\$ 4,367,342.20	122
PHASE 11					\$ 468,000.00	\$ 794,395.93	\$ 734,183.76	\$ 1,484,221.70	\$ 3,480,801.38	101
PHASE 12					\$ 468,000.00	\$ 647,203.04	\$ 593,914.01	\$ 1,077,484.98	\$ 2,786,602.03	86
PHASE 13										250
<b>TOTAL</b>	<b>\$ 6,637,576.25</b>	<b>\$ 2,817,287.00</b>	<b>\$ 2,079,837.75</b>	<b>\$ 5,475,302.50</b>	<b>\$ 19,096,286.54</b>	<b>\$ 7,760,252.21</b>	<b>\$ 7,075,563.63</b>	<b>\$ 13,979,473.23</b>	<b>\$ 64,921,579.12</b>	<b>1,649</b>

**Notes:**

Landscape and Street Lighting costs not included

Above cost estimate is preliminary and shall not be used for construction purposes

\*\*\*Does not include dry utilities



## **EXHIBIT 10.OVERALL IMPROVEMENTS AREA MAP**

9501 Manchaca Road, Suite B200  
Austin, Texas 78748  
(512) 910-3874  
info@mahoneyeng.com  
TBP# Registration Number F-212  
Mahoney Engineering LLC ©Copyright 2024






IMPROVEMENT AREA MAP

VALVERDE PUBLIC IMPROVEMENT DISTRICT

EXHIBIT 10

### LEGEND

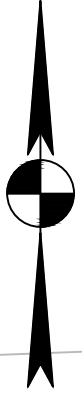
-  DISTRICT BOUNDARY
-  IMPROVEMENT AREA #1
-  FUTURE IMPROVEMENT AREA

DISTRICT BOUNDARY

FUTURE IMPROVEMENT AREA  
(295.248 Acres)

IMPROVEMENT AREA #1  
(104.052 Acres)

FM 969



SCALE: 1" = 600'

P:\1188\10001\CAD\Phase 1\_Valverde\EXHIBIT\PID 20240812\CAD\CAD\Overall\_Landplan.dwg, 10/31/2024 4:21:01 PM



## **EXHIBIT 11.OVERALL IMPROVEMENTS MAP: WASTEWATER**



9501 Manchaca Road, Suite B200  
Austin, Texas 78748  
(512) 910-3874  
info@mahoneyeng.com  
TBP# Registration Number F-212  
Mahoney Engineering LLC © Copyright 2024







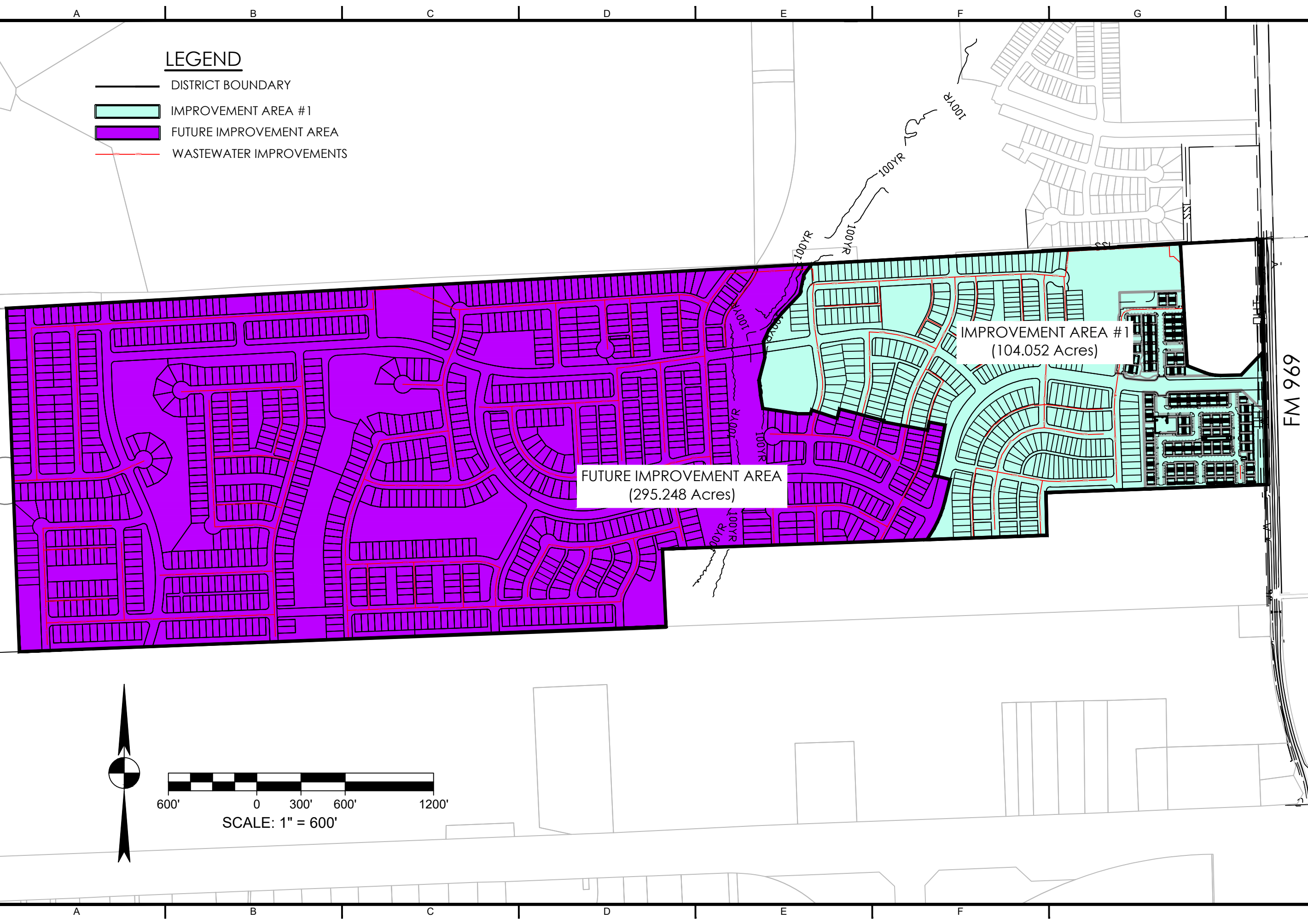
WASTEWATER IMPROVEMENT EXHIBIT

VALVERDE PUBLIC IMPROVEMENT DISTRICT

EXHIBIT 11

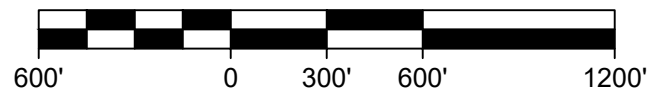
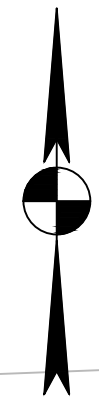
### LEGEND

-  DISTRICT BOUNDARY
-  IMPROVEMENT AREA #1
-  FUTURE IMPROVEMENT AREA
-  WASTEWATER IMPROVEMENTS



FUTURE IMPROVEMENT AREA  
(295.248 Acres)

IMPROVEMENT AREA #1  
(104.052 Acres)



SCALE: 1" = 600'



## EXHIBIT 12.OVERALL IMPROVEMENT MAPS: DRAINAGE

9501 Manchaca Road, Suite B200  
Austin, Texas 78748  
(512) 910-3874  
info@mahoneyeng.com  
TBP# Registration Number F-212  
Mahoney Engineering LLC © Copyright 2024







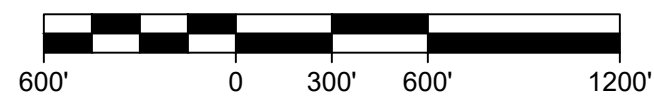
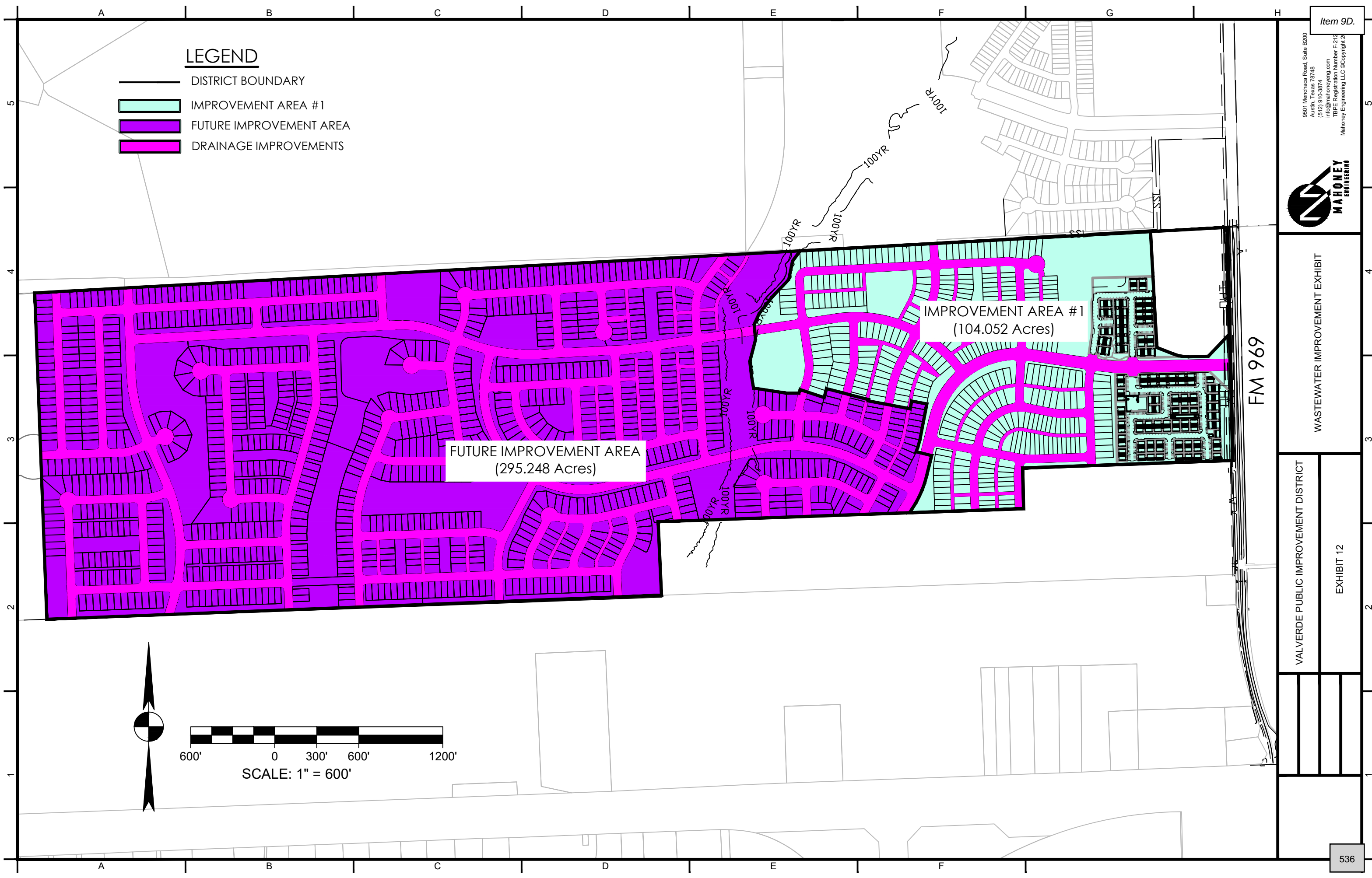
WASTEWATER IMPROVEMENT EXHIBIT

VALVERDE PUBLIC IMPROVEMENT DISTRICT

EXHIBIT 12

### LEGEND

-  DISTRICT BOUNDARY
-  IMPROVEMENT AREA #1
-  FUTURE IMPROVEMENT AREA
-  DRAINAGE IMPROVEMENTS



SCALE: 1" = 600'

FUTURE IMPROVEMENT AREA  
(295.248 Acres)

IMPROVEMENT AREA #1  
(104.052 Acres)

FM 969



## **EXHIBIT 13.OVERALL IMPROVEMENTS MAP: POTABLE WATER**



9501 Manchaca Road, Suite B200  
Austin, Texas 78748  
(512) 910-3874  
info@mahoneyeng.com  
TBP# Registration Number F-212  
Mahoney Engineering LLC ©Copyright 2024







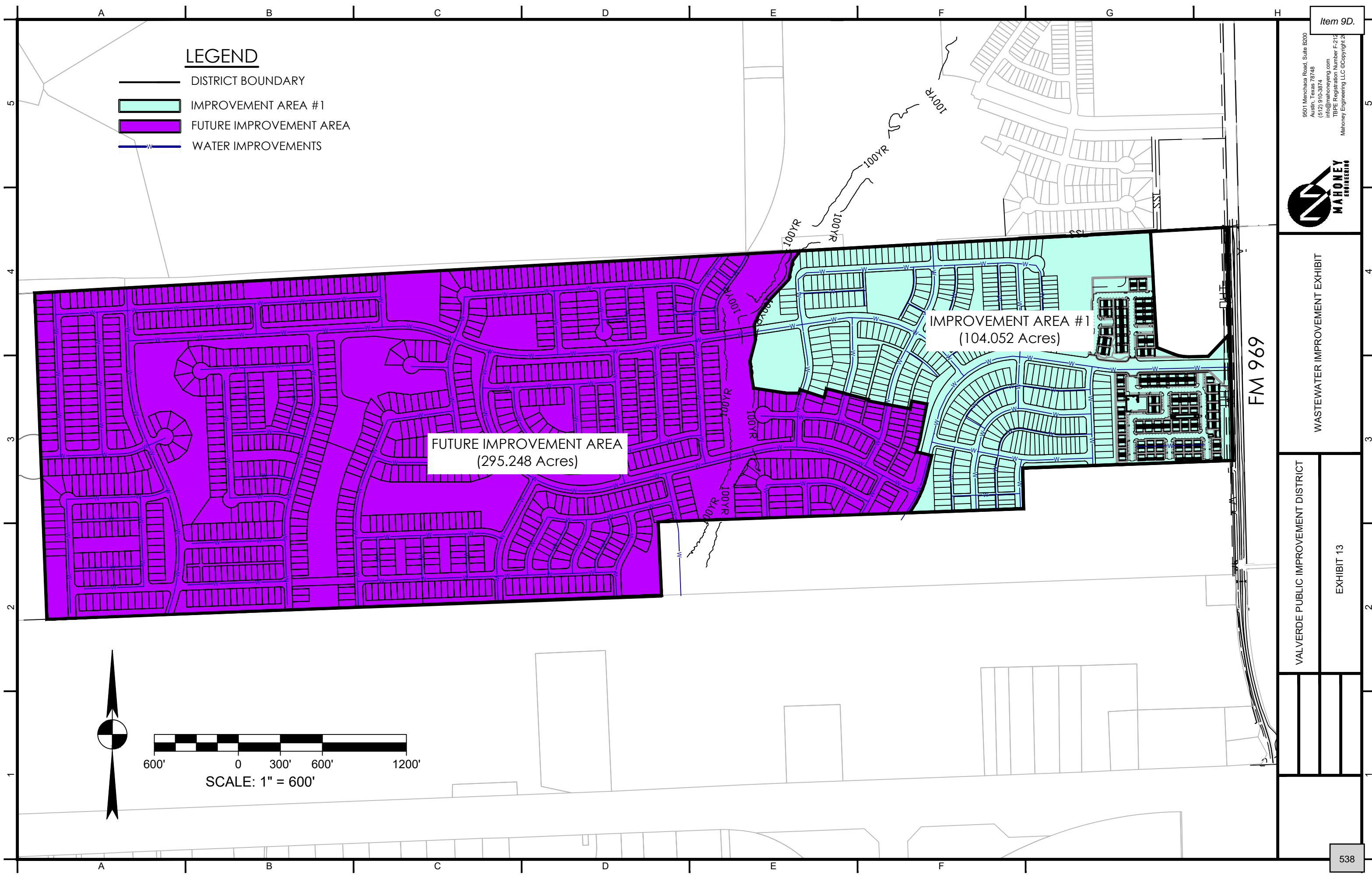
WASTEWATER IMPROVEMENT EXHIBIT

VALVERDE PUBLIC IMPROVEMENT DISTRICT

EXHIBIT 13

### LEGEND

-  DISTRICT BOUNDARY
-  IMPROVEMENT AREA #1
-  FUTURE IMPROVEMENT AREA
-  WATER IMPROVEMENTS



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## **EXHIBIT 14.OVERALL IMPROVEMENTS MAP: STREETS**

9501 Manchaca Road, Suite B200  
Austin, Texas 78748  
(512) 910-3874  
info@mahoneyeng.com  
TBP# Registration Number F-212  
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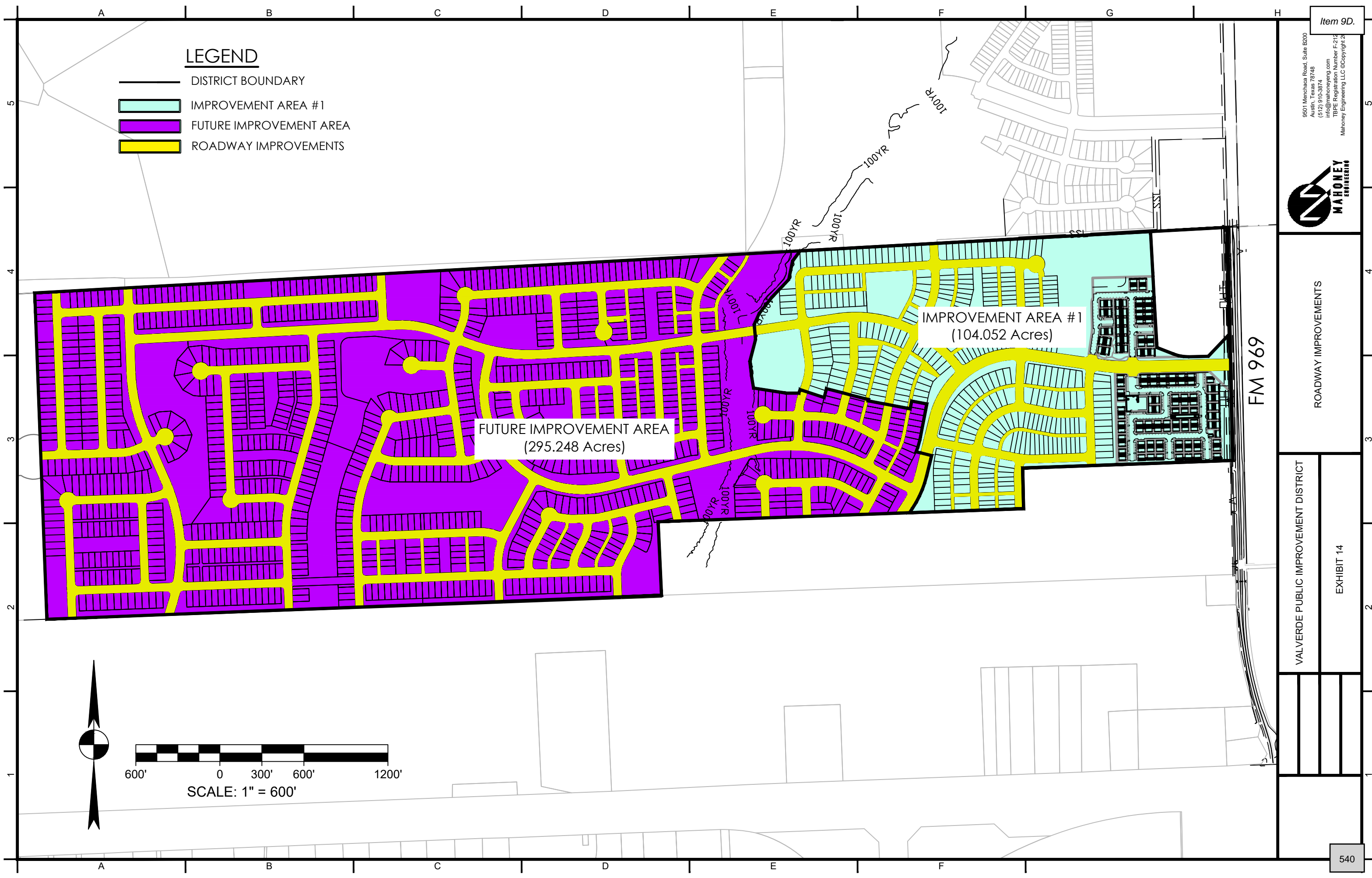
ROADWAY IMPROVEMENTS

VALVERDE PUBLIC IMPROVEMENT DISTRICT

EXHIBIT 14

### LEGEND

-  DISTRICT BOUNDARY
-  IMPROVEMENT AREA #1
-  FUTURE IMPROVEMENT AREA
-  ROADWAY IMPROVEMENTS



P:\1188\10001\CAD\Phase 1\_Valverde\EXHIBIT\PID 20240812\CAD\CAD\Overall\_Landplan.dwg, 10/31/2024 4:24:06 PM



# STAFF REPORT

**MEETING DATE:** January 28, 2025

**TITLE:** Consider and act on Resolution No. R-2025-21, approving Change Order #2 with BAR Constructors, Inc. for a **deduction** of Thirty-One Thousand, Three Dollars and Fifty Cents (-\$31,003.50) to the contract price and an **addition** of Seventy-Eight (78) calendar days to the contract time; officially granting full approval of Cost Proposals 01R4, 02, 03R1, 10R2, 11R1, 12R1, 13R1, 17, 19, 21, 23R1, 24, 25, 26, 31, 36, 37, 41R1, 42, 43, and 45 as part of the Wastewater Treatment Plant #3 Project; as attached in Exhibit A; authorizing the execution of all necessary documents; upon request and providing for findings of fact, repealer, severability, effective date, proper notice, and meeting.

**AGENDA ITEM SUBMITTED BY:**  
Andres Rosales, Assistant City Manager

**BACKGROUND/HISTORY:**

On January 12, 2021, the City of Bastrop City Council authorized the approval of a construction contract with BAR Constructors, Inc. for the construction of the Wastewater Treatment Plant #3 (WWTP #3). Per the Notice to Proceed issued to BAR, the Contract Time commenced to run on March 1, 2021, with a scheduled final completion date of August 23, 2022.

Since the commencement of the Contract Time, multiple issues with the design and construction have led to delays on the project. BAR has submitted cost proposals for the following items needing to be addressed in addition to the original approved contract (more detail in Exhibit A):

- Cost Proposal 01R1: “18-inch Force Main Deduct”
- Cost Proposal 02: “HWY 304 Bore Deduct”
- Cost Proposal 03R1: “Five Strand Barbed Wire Fence”
- Cost Proposal 10R2: “Network Server Rack Relocation per RFI-63”
- Cost Proposal 11R1: “Coating at Underside of IPS Deck per RFI-66”
- Cost Proposal 12R1: “Power to Plumbing Fixtures and Water Fountains”
- Cost Proposal 13R1: “Wire Size Increase”
- Cost Proposal 17: “RCP Paved Surfaces at Storm Drain”
- Cost Proposal 19: “Influent Screen Water Connection”
- Cost Proposal 21: “Chlorine Building Driveway Access Changes”
- Cost Proposal 23R1: “Dewatering Belt Press Ramp Modifications to Stairs”
- Cost Proposal 24: “Sampling Point and Valve Boxes”
- Cost Proposal 25: “Power to Fiber Optic Switches”
- Cost Proposal 26: “Additional Sidewalk at Blower Chemical Building”



- Cost Proposal 31: “Replacement Faucets for Bathrooms 118 and 119”
- Cost Proposal 36: “Additional Handrail at Chlorine Truck Bay”
- Cost Proposal 37: “Additional Handrail at Oxidation Ditch”
- Cost Proposal 41R1: “Sodium Bisulfite Piping Insulation and Heat Trace”
- Cost Proposal 42: “Air Compressor and Security Gate Pedestals”
- Cost Proposal 43: “Lightning Strike”
- Cost Proposal 45: “Fire Alarm IP Dialer”

Prior to KSA’s removal from the project, KSA recommended approval of the dollar amounts and contract time extensions of the above-mentioned cost proposals, which are included in Change Order #2. The approval of Change Order #2 constitutes full, complete and final payment for all costs described in the above-mentioned cost proposals.

**FISCAL IMPACT:**

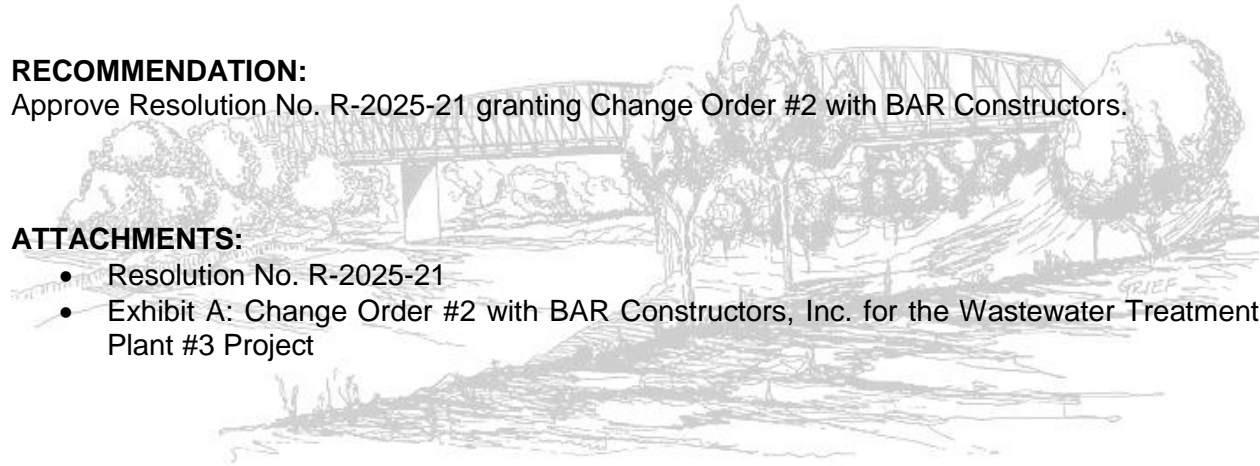
- None; Change Order #2 is a contract price deduction

**RECOMMENDATION:**

Approve Resolution No. R-2025-21 granting Change Order #2 with BAR Constructors.

**ATTACHMENTS:**

- Resolution No. R-2025-21
- Exhibit A: Change Order #2 with BAR Constructors, Inc. for the Wastewater Treatment Plant #3 Project



**RESOLUTION NO. R-2025-21**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS APPROVING CHANGE ORDER #2 WITH BAR CONSTRUCTORS, INC. FOR A DEDUCTION OF THIRTY-ONE THOUSAND, THREE DOLLARS AND FIFTY CENTS (-\$31,003.50) TO THE CONTRACT PRICE AND AN ADDITION OF SEVENTY-EIGHT (78) CALENDAR DAYS TO THE CONTRACT TIME; OFFICIALLY GRANTING FULL APPROVAL OF COST PROPOSALS 01R4, 02, 03R1, 10R2, 11R1, 12R1, 13R1, 17, 19, 21, 23R1, 24, 25, 26, 31, 36, 37, 41R1, 42, 43, and 45 AS PART OF THE WASTEWATER TREATMENT PLANT #3 PROJECT; AS ATTACHED IN EXHIBIT A; AUTHORIZING THE CITY MANAGER TO EXECUTE ALL NECESSARY DOCUMENTS; PROVIDING FOR A REPEALING CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Bastrop City Council understands the importance of public safety provided by performing infrastructure improvements; and

**WHEREAS**, the City of Bastrop City Council understands the importance of focusing on infrastructure improvements in the area of wastewater treatment and conveyance; and

**WHEREAS**, the City of Bastrop has utilized KSA Engineers, Inc. for the provision of engineering services for the design, bidding, and construction of the Wastewater Treatment Plant #3 project; and

**WHEREAS**, the City of Bastrop awarded a contract to BAR Constructors, Inc. for the construction of the Wastewater Treatment Plant #3; and

**WHEREAS**, BAR Constructors, Inc. has submitted cost proposals for multiple items needing to be addressed in addition to the original approved contract; and

**WHEREAS**, Change Order #2 with BAR Constructors, Inc. grants approval of the dollars AND contract time extensions for Cost Proposals 01R4, 02, 03R1, 10R2, 11R1, 12R1, 13R1, 17, 19, 21, 23R1, 24, 25, 26, 31, 36, 37, 41R1, 42, 43, and 45; and

**WHEREAS**, The approval of Change Order #2 with BAR Constructors, Inc. constitutes full, complete and final payment for all costs described in the associated cost proposals; and

**WHEREAS**, The City's engineering consultant has reviewed the cost proposals submitted by BAR Constructors, Inc. for the construction of the redesigned storm water outfall structure and has prepared Change Order #2 to the original Wastewater Treatment Plant #3 construction contract.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS:**

**Section 1.** The City Manager is hereby authorized to execute Change Order #2 with BAR Constructors, Inc. for a **deduction** of Thirty-One Thousand, Three Dollars and Fifty Cents (-\$31,003.50) to the contract price and an **addition** of Seventy-Eight (78) calendar days to the contract time as part of the Wastewater Treatment Plant #3 Project, as attached in Exhibit A.

**Section 2.** This resolution shall take effect immediately from and after its passage, and it is duly resolved.

**DULY RESOLVED AND ADOPTED** by the City Council of the City of Bastrop this 28<sup>th</sup> day of January 2025.

**APPROVED:**

\_\_\_\_\_  
John Kirkland, Mayor Pro-Tem

**ATTEST:**

\_\_\_\_\_  
City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City Attorney



**CHANGE ORDER NO. 2**

<b>Issue Date:</b>	1/14/2025	<b>Effective Date:</b>	1/28/2025
<b>Owner:</b>	City of Bastrop	<b>Owner's Contract No.:</b>	NA
<b>Contractor:</b>	BAR Constructors	<b>Contractor's Project No.:</b>	285
<b>Engineer:</b>	KSA Engineers	<b>Engineer's Project No.:</b>	BAS006A
<b>Project Manager:</b>	Andres Rosales (City of Bastrop)		
<b>Project:</b>	Bastrop WWTP No. 3		
<b>Contract Name:</b>	Bastrop WWTP No. 3		

Change Order Execution
<p>The Contract is modified as follows upon execution of this <b>Change Order No. 2</b>:</p> <p>Description: Cost and time impacts for <b>Change Order No. 2</b> were previously reviewed, evaluated and approved by the Engineer (KSA Engineers).</p> <p><b>CP-01R4 18-inch Force Main Deduct:</b> (-\$163,609.93 and zero calendar days).</p> <p><b>CP-02 HWY 304 Bore Deduct:</b> (-\$36,676.42 and zero calendar days).</p> <p><b>CP-03R1 Five Strand Barbed Wire Fence:</b> (\$21,620.00 and 10 calendar days).</p> <p><b>CP-10R2 Network Server Rack Relocation per RFI-63:</b> (\$6,840.23 and 2 calendar days).</p> <p><b>CP-11R1 Coating at Underside of IPS Deck per RFI-66:</b> (\$16,215.00 and 4 calendar days).</p> <p><b>CP-12R1 Power to Plumbing Fixtures and Water Fountains:</b> (\$10,754.99 and 5 calendar days).</p> <p><b>CP-13R1 Wire Size Increase:</b> (\$7,180.30 and 1 Calendar day).</p> <p><b>CP-17 RCP Paved Surfaces at Storm Drain:</b> (\$10,574.49 and 2 calendar days).</p> <p><b>CP-19 Influent Screen Water Connection:</b> (\$3,465.47 and 3 calendar days).</p> <p><b>CP-21 Chlorine Building Driveway Access Changes:</b> (\$22,821.38 and 5 calendar days).</p> <p><b>CP-23R1 Dewatering Belt Press Ramp Modifications to Stairs:</b> (\$601.60 and 1 calendar day).</p> <p><b>CP-24 Sampling Point and Valve Boxes:</b> (\$6,824.68 and 4 calendar days).</p> <p><b>CP-25 Power to Fiber Optic Switches:</b> (\$11,613.70 and 5 calendar days).</p> <p><b>CP-26 Additional Sidewalk at Blower Chemical Building:</b> (\$2,599.10 and 3 calendar days).</p> <p><b>CP-31 Replacement Faucets for Bathrooms 118 and 119:</b> (\$4,935.00 and 5 calendar days).</p> <p><b>CP-36 Additional Handrail at Chlorine Truck Bay:</b> (\$587.63 and 1 calendar day).</p> <p><b>CP-37 Additional Handrail at Oxidation Ditch:</b> (\$587.63 and 1 calendar day).</p> <p><b>CP-41R1 Sodium Bisulfite Piping Insulation and Heat Trace:</b> (\$10,046.25 and 5 calendar days).</p> <p><b>CP-42 Air Compressor and Security Gate Pedestals:</b> (\$15,168.33 and 10 calendar days).</p> <p><b>CP-43 Lightning Strike:</b> (14,628.67 and 10 calendar days).</p> <p><b>CP-45 Fire Alarm IP Dialer:</b> (\$2,218.40 and 1 calendar day).</p> <p style="text-align: right;"><b>Summary: (\$31,003.50) and 78 calendar days.</b></p>

Change Order Execution	
<p>Attachments: <b>Contractor Proposals CP-01R4 to CP-03R2, CP-10R2, CP-11R1, CP-12R1, CP-13R1, CP-17, CP-19, CP-21, CP-23R1 to CP-26, CP-31, CP-36 to CP-35, CP-41R1 to CP-43, and CP-45.</b></p> <p>See attachments for all backup documents for each of the Contractor Proposals listed herein.</p>	
<p style="text-align: center;"><b>CHANGE IN CONTRACT PRICE</b></p> <p>Original Contract Price:</p> <p>\$ <u>26,369,000.00</u></p>	<p style="text-align: center;"><b>CHANGE IN CONTRACT TIMES</b> <i>[note changes in Milestones if applicable]</i></p> <p>Original Contract Times: <u>NTP 03/01/2021</u></p> <p>Substantial Completion: <u>480</u></p> <p>Ready for Final Payment: <u>540</u> (Final Completion) <u>Calendar Days</u></p>
<p><input checked="" type="checkbox"/> <b>Increase</b> <input type="checkbox"/> <b>Decrease</b> from previously approved Change Orders: No. 1 to No. 1</p> <p>\$ <u>272,219.49</u></p>	<p><input checked="" type="checkbox"/> <b>Increase</b> <input type="checkbox"/> <b>Decrease</b> from previously approved Change Orders: No. 1 to No. 1: <b>57 Calendar Days</b></p> <p>Substantial Completion: <u>57</u></p> <p>Ready for Final Payment: <u>57</u> (Final Completion) <u>Calendar Days</u></p>
<p>Contract Price prior to this Change Order:</p> <p>\$ <u>26,641,219.49</u></p>	<p>Contract Times prior to this Change Order:</p> <p>Substantial Completion: <u>537</u></p> <p>Ready for Final Payment: <u>597</u> (Final Completion) <u>Calendar Days</u></p>
<p><input type="checkbox"/> <b>Increase</b> <input checked="" type="checkbox"/> <b>Decrease</b> of this Change Order:</p> <p>\$ <u>(31,003.50)</u></p>	<p><input checked="" type="checkbox"/> <b>Increase</b> <input type="checkbox"/> <b>Decrease</b> of this Change Order: <b>78 Calendar Days</b></p> <p>Substantial Completion: <u>78</u></p> <p>Ready for Final Payment: <u>78</u> (Final Completion) <u>Calendar Days</u></p>
<p>Contract Price Incorporating this Change Order:</p> <p>\$ <u>26,610,215.99</u></p>	<p>Contract Times with all approved Change Orders:</p> <p>Substantial Completion: <u>615</u></p> <p>Ready for Final Payment: <u>675</u> (Final Completion) <u>Calendar Days</u></p>
<p>In signing a Change Order, the Owner and Contractor acknowledge and agree that:</p> <ol style="list-style-type: none"> <li>1. The Change Order constitutes full mutual accord and satisfaction for the change to the Work. The stipulated compensation (Contract Price and Contract Times) set forth in this Change Order constitutes a full, complete, and final payment for all costs the Contractor has or will incur for the work described in this Change Order, includes not only all direct costs of Contractor such as labor, material, job overhead, and profit markup, but also includes any costs for modifications or changes in sequence of work to be performed, delays rescheduling, disruptions, extended direct overhead or general overhead, acceleration, material, or other escalation which includes wages and other impact costs.</li> </ol>	



Item 9E.

Change Order Execution		
2. This Change Order will become a supplement to the Contract and all Contract provisions will apply hereto. 3. It is understood that this Change Order shall be effective on the date the Owner authorizes the Change Order by their signature. 4. No subsequent claim or amendment of the Contract Documents will arise out of or as a result of the Change Order.		
<b>RECOMMENDED:</b> By: _____ <div style="text-align: center; font-size: small;">City Project Manger (Authorized Signature)</div> Title: _____ Date: _____	<b>AUTHORIZED:</b> By: _____ <div style="text-align: center; font-size: small;">Owner (Authorized Signature)</div> Title: _____ Date: _____	<b>ACCEPTED:</b> By: <u>MA Arkambide</u> <div style="text-align: center; font-size: small;">Contractor (Authorized Signature)</div> Title: <u>Secretary-Treas</u> Date: <u>1-21-2025</u>

END OF DOCUMENT

Copy to: City of Bastrop- Owner  
BAR Constructors- Contractor



# STAFF REPORT

**MEETING DATE:** January 28, 2025

**TITLE:** Consider and act on Resolution No. R-2025-27, approving Change Order #3 with BAR Constructors, Inc. in the amount of One Hundred Thirty-Two Thousand, Three Hundred Forty-Three Dollars and Sixty Cents (\$132,343.60), officially granting partial approval of Cost Proposals 05C, 09r1, 15A, 22r2, 29r1 and 46r1 as part of the Wastewater Treatment Plant #3 Project; as attached in Exhibit A; authorizing the execution of all necessary documents; upon request and providing for findings of fact, repealer, severability, effective date, proper notice, and meeting.

**AGENDA ITEM SUBMITTED BY:**  
Andres Rosales, Assistant City Manager

**BACKGROUND/HISTORY:**

On January 12, 2021, the City of Bastrop City Council authorized the approval of a construction contract with BAR Constructors, Inc. for the construction of the Wastewater Treatment Plant #3 (WWTP #3). Per the Notice to Proceed issued to BAR, the Contract Time commenced to run on March 1, 2021, with a scheduled final completion date of August 23, 2022.

Since the commencement of the Contract Time, multiple issues with the design and construction have led to delays on the project. BAR has submitted cost proposals for the following items needing to be addressed in addition to the original approved contract:

- Cost Proposal 05C: “Added Security per City”
- Cost Proposal 09r1: “Chlorine Building TCEQ Requirements per RFI”
- Cost Proposal 15A: “E-Stop at Electrical Building”
- Cost Proposal 22r2: “Sample Pump Enclosure Add-Ons”
- Cost Proposal 29r1: “Functional Testing”
- Cost Proposal 46r1: “Allowance Overages”

Prior to KSA’s removal from the project, KSA recommended approval of the dollar amounts of the above-mentioned cost proposals, which are included in Change Order #3. The requested **contract time extensions** in the above-mentioned cost proposals remain under review and if approved, will be included in a separate change order.

**FISCAL IMPACT:**

- CO Series 2021 (remaining funds from previously issued bonds)

**RECOMMENDATION:**

Approve Resolution No. R-2025-27 granting Change Order #3 with BAR Constructors.

**ATTACHMENTS:**

- Resolution No. R-2025-27
- Exhibit A: Change Order #3 with BAR Constructors, Inc. for the Wastewater Treatment Plant #3 Project





**RESOLUTION NO. R-2025-27**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS APPROVING CHANGE ORDER #3 TO THE CONSTRUCTION CONTRACT WITH BAR CONSTRUCTORS, INC. FOR PARTIAL APPROVAL OF COST PROPOSALS 05C, 09R1, 15A, 22R2, 29R1 AND 46R1 AS PART OF THE WASTEWATER TREATMENT PLANT #3 PROJECT FOR A NOT TO EXCEED AMOUNT OF ONE HUNDRED THIRTY-TWO THOUSAND, THREE HUNDRED FORTY-THREE DOLLARS AND SIXTY CENTS (\$132,343.60); AS ATTACHED IN EXHIBIT A; AUTHORIZING THE CITY MANAGER TO EXECUTE ALL NECESSARY DOCUMENTS; PROVIDING FOR A REPEALING CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Bastrop City Council understands the importance of public safety provided by performing infrastructure improvements; and

**WHEREAS**, the City of Bastrop City Council understands the importance of focusing on infrastructure improvements in the area of wastewater treatment and conveyance; and

**WHEREAS**, the City of Bastrop has utilized KSA Engineers, Inc. for the provision of engineering services for the design, bidding, and construction of the Wastewater Treatment Plant #3 project; and

**WHEREAS**, the City of Bastrop awarded a contract to BAR Constructors, Inc. for the construction of the Wastewater Treatment Plant #3; and

**WHEREAS**, BAR Constructors, Inc. has submitted cost proposals for multiple items needing to be addressed in addition to the original approved contract; and

**WHEREAS**, Change Order #3 with BAR Constructors, Inc. grants approval of the dollars, but *not* contract time extensions, for Cost Proposals 05C, 09r1, 15A, 22r2, 29r1 and 46r1; and

**WHEREAS**, The City's engineering consultant has reviewed the cost proposals submitted by BAR Constructors, Inc. for the construction of the redesigned storm water outfall structure and has prepared Change Order #3 to the original Wastewater Treatment Plant #3 construction contract.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS:**

**Section 1.** The City Manager is hereby authorized to execute Change Order #3 with BAR Constructors, Inc. in the amount of One Hundred Thirty-Two Thousand, Three Hundred Forty-Three Dollars and Sixty Cents (\$132,343.60) as part of the Wastewater Treatment Plant #3 Project, as attached in Exhibit A.

**Section 2.** This resolution shall take effect immediately from and after its passage, and it is duly resolved.

**DULY RESOLVED AND ADOPTED** by the City Council of the City of Bastrop this 28<sup>th</sup> day of January 2025.

**APPROVED:**

\_\_\_\_\_  
John Kirkland, Mayor Pro-Tem

**ATTEST:**

\_\_\_\_\_  
City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City Attorney



**CHANGE ORDER NO. 3**

<b>Issue Date:</b>	1/16/2025	<b>Effective Date:</b>	1/28/2025
<b>Owner:</b>	City of Bastrop	<b>Owner's Contract No.:</b>	NA
<b>Contractor:</b>	BAR Constructors	<b>Contractor's Project No.:</b>	285
<b>Engineer:</b>	KSA Engineers	<b>Engineer's Project No.:</b>	BAS006A
<b>Project Manager:</b>	Andres Rosales (City of Bastrop)		
<b>Project:</b>	Bastrop WWTP No. 3		
<b>Contract Name:</b>	Bastrop WWTP No. 3		

Change Order Execution	
<p>The Contract is modified as follows upon execution of this <b>Change Order No. 3</b>:</p> <p>Description: Cost and time impacts for <b>Change Order No. 3</b> were previously reviewed and evaluated by the Engineer (KSA Engineers). KSA approved costs, but time impacts remain under review. This change order approves the COSTs of the following Cost Proposals ONLY. This change order does not approve or deny any requested time impacts. BAR Constructors and the City of Bastrop will review the requested time impacts and issue Change Order 4 to address time impact requests.</p> <p><b>CP-05C Adding Security per City: \$46,248.84.</b></p> <p><b>CP-09R1: Chlorine Building TCEQ Review per RFI \$13,743.86.</b></p> <p><b>CP-15A: E-Stop at Electrical Building \$4,781.08.</b></p> <p><b>CP-22R2: Sample Pump Enclosure Add On: \$11,905.50.</b></p> <p><b>CP-29R1: Functional Testing: \$23,668.44.</b></p> <p><b>CP-46R1: Allowance Overages: \$31,995.88.</b></p> <p style="text-align: right;"><b>Summary: \$132,343.60</b></p>	
<p>Attachments: <b>Contractor Proposals CP-05C, CP09R1, CP-15A, CP-22R2, CP-29R1 and CP-46R1</b></p> <p>See attachments for all backup documents for each of the Contractor Proposals listed herein.</p>	
<p><b>CHANGE IN CONTRACT PRICE</b></p> <p>Original Contract Price:</p> <p>\$ <u>26,369,000.00</u></p>	<p><b>CHANGE IN CONTRACT TIMES</b> <i>[note changes in Milestones if applicable]</i></p> <p>Original Contract Times: <u>NTP 03/01/2021</u></p> <p>Substantial Completion: <u>480</u></p> <p>Ready for Final Payment: <u>540</u> (Final Completion) <u>Calendar Days</u></p>
<p><input checked="" type="checkbox"/> <b>Increase</b> <input type="checkbox"/> <b>Decrease</b> from previously approved Change Orders: No. 1 to No. 2</p> <p>\$ <u>241,215.99</u></p>	<p><input checked="" type="checkbox"/> <b>Increase</b> <input type="checkbox"/> <b>Decrease</b> from previously approved Change Orders: No. 1 to No. 2: <b>135 Calendar Days</b></p> <p>Substantial Completion: <u>135</u></p> <p>Ready for Final Payment: <u>135</u> (Final Completion) <u>Calendar Days</u></p>



Change Order Execution		
Contract Price prior to this Change Order:  \$ <u>26,610,215.99</u>	Contract Times prior to this Change Order: Substantial Completion: <u>615</u> Ready for Final Payment: <u>675</u> (Final Completion) <u>Calendar Days</u>	
<input checked="" type="checkbox"/> <b>Increase</b> <input type="checkbox"/> <b>Decrease</b> of this Change Order:  \$ <u>132,343.60</u>	<input type="checkbox"/> <b>Increase</b> <input type="checkbox"/> <b>Decrease</b> of this Change Order: <b>0 Calendar Days</b> Substantial Completion: <u>0</u> Ready for Final Payment: <u>0</u> (Final Completion) <u>Calendar Days</u>	
Contract Price Incorporating this Change Order:  \$ <u>26,742,559.59</u>	Contract Times with all approved Change Orders: Substantial Completion: <u>615</u> Ready for Final Payment: <u>675</u> (Final Completion) <u>Calendar Days</u>	
<p>In signing a Change Order, the Owner and Contractor acknowledge and agree that:</p> <ol style="list-style-type: none"> <li>1. The Change Order constitutes full mutual accord and satisfaction for the change to the Work. The stipulated compensation (Contract Price and Contract Times) set forth in this Change Order constitutes a full, complete, and final payment for all costs the Contractor has or will incur for the work described in this Change Order, includes not only all direct costs of Contractor such as labor, material, job overhead, and profit markup, but also includes any costs for modifications or changes in sequence of work to be performed, delays rescheduling, disruptions, extended direct overhead or general overhead, acceleration, material, or other escalation which includes wages and other impact costs as amended by Description of paragraph on page 1.</li> <li>2. This Change Order will become a supplement to the Contract and all Contract provisions will apply hereto.</li> <li>3. It is understood that this Change Order shall be effective on the date the Owner authorizes the Change Order by their signature.</li> <li>4. No subsequent claim or amendment of the Contract Documents will arise out of or as a result of the Change Order.</li> </ol>		
RECOMMENDED: By: _____ City Project Manger (Authorized Signature)	AUTHORIZED: By: _____ Owner (Authorized Signature)	ACCEPTED: By: <u>MA Arrambide</u> Contractor (Authorized Signature)
Title: _____	Title: _____	Title: <u>Secy - Treas</u>
Date: _____	Date: _____	Date: <u>1-23-2025</u>

END OF DOCUMENT

Copy to: City of Bastrop- Owner  
 BAR Constructors- Contractor