



City Council Regular Called Meeting Agenda

COUNCIL CHAMBERS - 1209 FIORELLA STREET

Tuesday, April 28, 2026

5:00 PM

The City Council of the City of Castroville will meet in the Regular Called Meeting beginning at 5:00 p.m. in the Council Chambers at City Hall on the following items listed on the agenda.

I. Call to Order

II. Executive Session

The City Council will convene in closed session pursuant to the Texas Open Meetings Act, Chapter 551 of the Texas Government Code for one or more of the following authorized reasons:

1. Texas Government Code Section 551.071 A governmental body may not conduct a private consultation with its attorney except:

1) when the governmental body seeks the advice of its attorney about:

(a) pending or contemplated litigation; or

(b) a settlement offer; or

(2) consultation with attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter, pertaining to P3, NP Homes, Flat Creek, and any other matters which may arise.

III. Reconvene in open session

IV. Roll Call

V. Pledge of Allegiance

VI. Invocation

VII. Citizen Comments

The City Council will hear comments from any citizen or visitor. Speakers must address their comments to the presiding officer rather than individual council members or staff; stand at the podium, speak clearly into the microphone and state your name residential address before speaking. Speakers will be allowed a maximum of 3 minutes for testimony. In accordance with the

State Open Meetings Act, the City Council is restricted from discussing or taking action on items not listed on the agenda. Action can only be taken at a future meeting.

VIII. Consent Agenda:

- [a.](#) Minutes for April 14, 2026 Regular Called Meeting
- [b.](#) Adoption of an Ordinance amending Chapter 2, Section 1 Council Policy, Rules and Procedures C. Council Meetings (Times and Postings) and G. Agenda Item Submission (Deadlines), Ordinance 2009-006 of the Code of Ordinances.

IX. Mayor's Report:

- a. Alsatian Visitors to Castroville
- b. National Rural Water Policy Forum
- c. 2026-2027 Budget Discussions
- d. City Council Elections

X. City Administrator Report

[The](#) following report topics may be discussed and acted upon:

- a. Drainage Projects: Geneva Channel, Garza Creek, Athens Area Drainage, Country Channel
- b. BMA Trail Access
- c. Streets, Maintenance, and Paving Plan
- d. WWTP Ponds
- e. Multimodal Planning Effort
- f. Community Center Construction
- g. Lion's Park Splash Pad

- h. Hwy 90 TxDOT Construction Project
- i. County Streets Plan
- j. Staff Reports: Police, Public Works, Airport, Library, Community Development, Parks, Finance, Municipal Court, City Secretary

XI. City Council Liaison Reports:

- Airport - April 7th - Martinez
- Planning and Zoning - March 25th & April 8th - Marchman
- Historic Landmark Commission - April 21st - King
- Parks and Recreation - April 1st - Merz
- Library - April 9th - Lee

XII. Consider possible action(s) resulting from items posted and legally discussed in Executive Session.

XIII. Discussion and Action Items

- a.** Discussion and appropriate action to adopt a resolution approving the Second Amendment to the Development Agreement between the City of Castroville, Texas and KF Flat Creek, LP, and authorizing the Mayor to execute same.
- b.** Discussion and appropriate action on updated drainage plan.
- c.** Discussion and appropriate action to authorize HA5 street conditioning project.
- d.** Discussion and appropriate action on results of condition survey of Steinbach Haus, Wagon Accessory Building, and City Hall.
- e.** Discussion and appropriate on directing a Forensic Audit of Airport Finances.
- f.** Consider and take appropriate action on adopting an Ordinance canceling the election for Council position for District 3 and declaring unopposed candidate Nicol Schrinier as District 3 Councilmember.

XIV. Discussion on Future Agenda Items

XV. Adjourn

Accessibility Statement

The City Hall is wheelchair accessible. The exit and parking ramps are located at the rear of the building.

Non-Discrimination Statement

The City of Castroville does not discriminate on the basis of race, color, national origin, sex, religion, or disability in the employment or the provision of services.

The City Council of the City of Castroville reserves the right to adjourn into closed session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by the Texas Open Meetings Act.

I hereby certify that the above notice of meeting was posted on the bulletin board of City Hall, Castroville, Texas on April 22, 2026 before 5:30 p.m.

/s/ Debra Howe
City Secretary

**CITY OF CASTROVILLE CITY COUNCIL
REGULAR CALLED COUNCIL MEETING
1209 Fiorella
City Council Chambers
April 14, 2026
Tuesday
5:00 P.M.
MINUTES**

I. CALL TO ORDER

Mayor Alexander called the meeting to order at 5:00 p.m.

Mayor Alexander announced there was a quorum present and that Executive Session Item A. related to the City Administrator would be moved to a Special Called Meeting, Monday, April 20, 2026 at 5p.m. due to large agenda.

Mayor Alexander recessed the meeting into Executive Session at 5:01 p.m.

II. EXECUTIVE SESSION

The City Council will convene in closed session pursuant to the Texas Open Meetings Act, Chapter 551 of the Texas Government Code for one or more of the following authorized reasons:

1. The City Council will meet in closed session pursuant to the Texas Open Meetings Act, Chapter 551.074, Personnel Matters, to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of the following public officers or employees:

a. City Administrator R. Scott Dixon

Moved to April 20, 2026 meeting.

2. Texas Government Code Section 551.071 A governmental body may not conduct a private consultation with its attorney except: when the governmental body seeks the advice of its attorney about: pending or contemplated litigation; or a settlement offer; or consultation with attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter, pertaining to P3, NP Homes, nursing home bill, and any other matters which may arise.

NP Homes

Open: 5:04 p.m.

Closed: 5:49 p.m.

Nursing Home billing

Open: 5:50 p.m.

Closed: 5:57 p.m.

III. RECONVENE IN OPEN SESSION

Mayor Alexander reconvened in open session at 6:07 p.m.

IV. ROLL CALL

Present:

Mayor Bruce Alexander	Scott Dixon, City Administrator
Mayor Pro Tem Sheena Martinez	Debra Howe, City Secretary
Councilmember Houston Marchman	James Kohler, Police Chief
Councilmember Phil King	John Gomez, Public Works Director
Councilmember David Merz	Jonah Chang, Parks and Recreation Director
Councilmember Robert Lee	

Others in Attendance:

Daniel Jones, Denton, Navarro, Rodrigues, Santee, Benal & Zach

V. PLEDGE OF ALLEIGENCE

VI. INVOCATION

Mayor Alexander gave the invocation.

VII CITZENS COMMENTS

The City Council will hear comments from any citizen or visitor. Speakers must address their comments to the presiding officer rather than individual council members or staff; stand at the podium, speak clearly into the microphone, and state your name and residential address before speaking. Speakers will be allowed a maximum of 3 minutes for testimony. Speakers making personal, impertinent, profane, or slanderous remarks will be given one warning before losing the privilege to speak or may be removed from the room. In accordance with the State Open Meetings Act, the City Council is restricted from discussing or taking action on items not listed on the agenda. Action can only be taken at a future meeting.

* For clarification most of comments related to the City and the Medina Valley Youth Baseball Association (MVYBA) were not addressing the agenda item regarding the City receiving the appraisal of the land set aside for the baseball fields as per FAA requirements and possible payment options to the Airport. Comments made on social media were indicating the City Council was looking to remove the baseball fields, which was not the intentions of the City Council.

Scott Stein, 206 Breiden, Medina Valley Youth Baseball Association (MVYBA), spoke to the history of the ball fields and the City. Mr. Stein spoke on the community involvement for the last 55 years and hoped the City and MVYBA would continue to work together for the good of the kids.

Marvin Dzuik, 8785 FM 471 South, LaCoste, spoke in support of the MVYBA and the financial impact to the City the ballfields patrons brought to the City. Mr. Dzuik said the City Council needed to do what was best for the community.

Allison (Ali) Welch, 704 Lisbon, spoke as one of the members associated with Kinetic Kids, Inc. and a member of the Regional Park Board. Ms. Welch said her group that worked with special needs children had been using

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the fields for their events for several years now and hoped as a Parks Board member that the City Council would continue to support.

Ly Nguyen, 15157 Main Street, San Antonio, spoke to the City Council on his media company, BadVibeMulti-Media Company. Mr. Nguyen was a graduate of Medina Valley High School and provided a handout of his company and what his company could do to promote the City for tourism and bring more people to Castroville. Anna Wharton, 1762 CR 4713, Castroville and business owner at 808 London, spoke in support of the baseball association and said the City needed to listen to the citizens and find a better use of the Airport property, perhaps use the 400 acres for a Sports Complex.

Karen Brunair, 112 River Forrest, said if the City took away the baseball fields the kids would have nothing to do in the City and with the new developments there were more coming.

Jeffrey Fankel, 375, PR 4751, Castroville, MVYBA board member spoke on the association having the largest number of kids, 754, signed up this year and did not want the City to take away the baseball fields that benefited the youth in the area.

Matt Stein, 140 PR 4664, Castroville, spoke as a third generation of the MVYBA Board member and said the association was more than sports; it provided a positive environment for the kids and families. Mr. Stein said the interaction with others fostered good relations and promoted community involvement; had a positive financial impact on the City through hotel stays and patronizing restaurants when attending the games; and each child needed to have a safe place to grow. Mr. Stein wanted the City Council to continue their support and look at a future complex.

Samantha Ribisl, CR 6710, Natalia, said she was a mom of T-ball Players and had been involved for the last 10 years. Ms. Ribisl said there had been over 7,000 kids come through the association and it took approximately 300 volunteer hours to keep up the fields and help with tournament play.

Mayor Alexander asked if there were anymore members in the audience to speak during citizen comments. Having none there were two emails sent and requested to be read by Council.

Councilmember Marchman said he had received an email from Josh Hart, 200 Houston Street, to be read. Mr. Hart said he hoped the City Council was in support of the MVYBA. and he having been in Castroville since 2003 was writing on behalf of his daughter being part of the association. Mr. Hart felt the baseball association was a great benefit to the City tourism due to participants came from around Texas.

Mayor Alexander read an email from Weston Heiligman, Head MV Baseball Coach, was unable to attend the meeting due to a baseball game but wanted to lend his support for the association. Mr. Heiligman was opposed to any removal of the ball fields and said generations of children had grown up playing on those fields. Mr. Heiligman said **thousands** of parent donated hours had gone into the fields over the years and did not want to see future progress in the area to limit the youth programs. Mr. Heiligman hoped the City/Airport would look for an alternatives and work with the baseball association.

Mayor Alexander and City Council members all stated they were in support of the association and keeping the baseball fields.

VIII. CONSENT AGENDA

- a. Minutes for March 24, 2026 Regular Called Meeting
- b. Minutes for March 16, 2026 Special Called Meeting

- c. Adopt an Ordinance amending Ordinance No. 2025-020, the City of Castroville Comprehensive Fee Schedule, to revise banner fees and utility reconnection fees

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- d. Adopting a Resolution authorizing the Mayor to sign a contract for Tourism and Economic Development activities with the Castroville Area Chamber of Commerce

Councilmember Merz requested item d. related to a contract with Chamber of Commerce be removed for more discussion.

A motion was made was made by Councilmember Martinez and duly seconded by Councilmember King to a approve Consent items a-c. A vote was taken (5:0 all ayes) the motion carried by all present.

Mayor Alexander asked that the contract be tabled for a future meeting as he did not see the President of the Chamber present for questions. Councilmember King said he only had one small change. Councilmember Merz said the more they had discussed the less he was in favor of this partnership. Mr. Merz felt the Chamber of Commerce would not represent all of the businesses in town. Councilmember Lee said he felt they needed more discussion. Councilmember King clarified the contract would be a yearly review by City Council at a meeting, not an automatic renewal and if passed at this meeting the start date would be May 1st. Councilmember Lee there should be a council review process with a performance review. Mr. Lee recommended a twice a year review with metrics showing results of how the money was being spent. Mr. Lee said he thought there was still the issue of whether the Chamber would become the visitor center or if Steinbach Haus would stay the same. It was understood at the last meeting the Steinbach Haus would remain the visitor center. Mr. Lee read where in the contract the Chamber could not use for contracted services and felt this clause would not allow them to contract with a marketing firm. City Administrator Dixon said that was shown under financial records and an example would be they could not use for auditing or on attorney fees. City Attorney Jones was in agreement it only pertained to the financial records section and contracting with a marketing firm was allowed.

A motion was made by Councilmember Merz and duly seconded by Councilmember Marchman to approve the contract with modifications of a yearly review by the City Council on May 1st of each year; provide a metrics shown of expenditures every six months beginning with the first meeting in November. A vote was taken (4 ayes: 1 nay(Merz)) the motion carried by a majority vote.

IX. Consider possible action(s) resulting from items posted and legally discussed in Executive Session

No action was taken was taken.

X. DISCUSSION AND ACTION ITEMS

Mayor Alexander moved item G. up in the list to accommodate the members attending for the discussion related to the Airport Appraisal results on the baseball field property.

- g. Discussion and appropriate action regarding an appraisal of airport property including the area currently leased by the Medina Valley Youth Baseball Association and other matters related thereto

Mayor Alexander stated he had always supported the MVYBA and when he was working for the City he helped set the lights and put in the poles. Mayor Alexander said this item was not to take away the little league fields, the City Council supported the use and association. Mayor Alexander recognized Wayne Rodgers, 1410 CR 4516 Castroville to speak. Mr. Rodgers spoke on his support of the association and hoped the City Council continued with their support.

Councilmember Lee provided a brief presentation and history of the financials between the City and the MVYBA. He stated the reason the City had conducted an appraisal for the property used by the baseball association and said if the City did not stay in compliance with the FAA the City would have to pay back millions of grant funds provided by the government and face possible loss of future grants. Mr. Lee said the ball fields had been at that location for years and in the previous Airport Layout Plan council had designated 60 acres in the southwestern corner for a possible future sports complex, which the FAA approved. Mr. Lee said the City had to have an appraisal completed to update the value of the land and provide the FAA a current value to correct a violation from the FAA inspection. Mr. Lee briefly spoke on the lease agreement with the baseball association. Mr. Lee said the association received up to 12-acre feet of water for use at the complex and until recently had not had to pay for the water. Mr. Lee said the water had a value as did the land and the City had started budgeting several years previously \$8,156 per year to pay the Airport for the leased land, instead of charging the baseball association. That loss of revenue and direct payments to the Airport over the recent 12-year period amounted to over \$600,000. He said that clearly demonstrated the City was supporting the MVYBA. Mr. Lee said the new value was shown at \$0.04 per sq. foot, which equaled \$31,363.20 and the City would need to look at how it would pay the new amount to the Airport. Mr. Lee gave a brief summary of the City Council requesting an appraisal by an appraiser with experience in airport properties back in August 2025. Mr. Lee said the current ball fields lease was reviewed by the FAA as part of the inspection and they did not feel the fields were open to the public, that the language in the lease indicated MVYBA had sole control of the use and charged a fee for membership. Mayor Alexander said he wanted the City Council to address and the previous City Council had leased the baseball fields with the Parks Department having oversight with the baseball association. City Administrator Dixon said this was a council policy decision on who would have oversight.

Justin Munoz, 136 CR 572 Castroville, asked how or where the City could move or fund a new site for the baseball fields. Councilmember Lee said the City could submit a request for the baseball fields property be classified for use as non-aeronautical use. Mr. Lee felt the FAA might approve this request since the baseball fields had been there since 1973. Mr. Lee said the City was not trying to remove the baseball fields. Councilmember Martinez said no one from the City Council or the Airport Advisory Board was trying to take away the baseball fields. Ms. Martinez explained the inspection was a requirement to receive grant funds and the City had received two violations. The first was related to the farmer storing equipment in an unauthorized area and the land appraisal. Ms. Martinez suggested the non-aeronautical use and to have the lease agreement between the Airport and the association. Ms. Martinez suggested having a Plan B, if the FAA did not approve and felt there should be a committee appointed to come up with other options.

A motion was made by Councilmember Merz and duly seconded by Councilmember Martinez to suspend normal process and reopen Citizens Comments. A vote was taken (5:0 all ayes) the motion carried by all present.

Justin Munoz, 136 CR 572 Castroville, spoke again on the assumption that the ball field gates were locked and others could not use the fields. Mr. Munoz said one gate was closed and locked to keep vehicles off the fields but others were welcome to use. Mr. Munoz said there was a flag football group that used the fields

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along with the adult softball group from the Lions Park and the Kinetic Kids. Mr. Munoz pointed out the City parks, Lions and Regional, charged fees to the sports groups. Mr. Munoz asked why a letter was written to the FAA; why did the City Council have the appraisal done and in his opinion he felt the City Council did not want the fields

Brad Haby, 409 Lafayette, spoke on the community use and the locked gate did not stop anyone from using the fields.

Wayne Rodgers, 1410 CR 4516 Castroville, felt sure the City Administrator and the Mayor could clean the issues up with the FAA and submit the request for non-aeronautical use without cost.

Hillary Griggs 142 Village Court, said she felt the compliance letter wording may have been incorrect and with the proper wording this may not be an issue.

Samantha Ribisl, CR 6710, Natalia, asked for the Airport revenues and why it was underutilized. Mayor Alexander said the current FY25/26 Budget was on-line and the City had to work through the process with the FAA. Councilmember Lee said the FAA had only read the most current lease agreement and it did not state others could use the fields, just says the Medina Valley Youth Baseball Association was the sole users. Councilmember King said this agenda item was to determine what the City would pay the Airport for the land after it was appraised. Councilmember Merz said the appraisal amount was \$31,363.20 and currently the league did not pay anything for the lease. Mr. Merz was in favor of the baseball association paying the appraisal amount for the lease of the land as the other sports groups paid to use the areas at the City parks. Mr. Merz said it would average out to about \$40.00 per child who signed up or as it was currently all of the citizens were paying since the City paid the Airport out of the General Fund each year. Mr. Merz was in favor of applying for non-aeronautical use and to have the league pay fees to the Airport. Mayor Alexander said this item was to discuss the appraisal received for the property and how the City would need to budget the funds due to the Airport. Mayor Alexander suggested for clarity the association might want to include on their website when the fields were not in use they were open to the public. Mr. Munoz requested a 20-year lease agreement to make improvements to the fields. City Administrator Dixon said the FAA only allowed a three-year lease and if the land was released to the City to sub-lease may have longer terms.

A motion was made by Councilmember Martinez and duly seconded by Councilmember Marchman to direct staff to submit to TxDOT Planner a request for non-aeronautical use and seek City Attorney to develop a lease agreement between the Airport and the City to allow for sub-leasing. A vote was taken (5:0 all ayes) the motion carried by all present.

A motion was made by Councilmember Martinez to approve the City to pay the Airport for the 2025 appraisal amount of \$31,363.00 with a budget amendment. This motion died from a lack of a second.

A motion was made by Councilmember Martinez to work with legal counsel and the MVYBA to declare public use and have City Administrator to explore other venues to reduce rent and report back to City Council. A vote was taken (3 ayes: 2 nays (Merz, Lee) the motion carried by a majority vote.

More discussion followed the vote.

Councilmember Lee wanted to wait due to a lot more information would be coming back from the first motion voted on. Councilmember Merz asked who would be paying the current appraisal value. City Administrator Dixon was to bring back the payment options.

Matt Stein, 104 PR 4667, Castroville, commented on the options Councilmember Martinez talked about and felt they needed a longer lease agreement. Mayor Alexander said the terms were dictated by the FAA.

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Airport Manager Mike Haley spoke to the letter he had submitted to the FAA and he clarified he was aware of the 1999 rule allowing property for the good of the community but now needed to clarify the structure of the baseball fields met the FAA requirements and then he would send off letter to address the appraisal and ballfields.

Clay Hamlet, 334 PR 4664, asked who paid for the appraisal and was it based on the improvements. Mayor Alexander said the City paid for the appraisal and it was based on a ground lease cost.

Mayor Alexander called a brief recess at 8:30 p.m.

Mayor Alexander reconvened in open session at 8:40 p.m.

- a. Discussion and appropriate action to adopt a resolution approving the First Amendment to the Development Agreement between the City of Castroville, Texas and NP Homes, LLC, and authorizing the Mayor to execute the same

Councilmember Merz spoke on the original development agreement saying there had been three block breaks and four entrance ways. Mr. Merz said the amendment had only one block break causing someone to walk well over the 1200 ft. allowed in the subdivision ordinance and only one entrance way. Mr. Merz was not in favor of the amendment and wanted three block breaks and three entrance ways on Provident. Mayor Alexander clarified the City Council had previously approved three entrance ways.

A motion was made by Councilmember Merz and duly seconded by Councilmember Marchman to reestablish three block breaks and three entrance ways from Providence Street. A vote was taken (5:0 all ayes) the motion carried by all present.

NP Homes legal counsel Rob Killen clarified the City Council had only had those two concerns. The City Council acknowledged there were only two. Mr. Killen thanked them for working with the development.

- b. Discussion and appropriate action regarding a billing dispute for the utility account associated with 913 US Hwy 90, Medina Valley Health & Rehabilitation Center

City Administrator Dixon spoke on the City having a process that staff followed and that the staff had been accused of acting punitively and that was not the case. Mr. Dixon said they were fair to all and as per the policy could only go back six months after identifying incorrect billing issues. No one was present from the Medina Valley Health & Rehabilitation Center to speak.

A motion was made by Councilmember King and duly seconded by Councilmember Martinez to direct city staff to follow the current policy regarding the dispute for the utility account associated with 913 US Hwy 90, Medina Valley Health & Rehabilitation Center. A vote was taken (5:0 all ayes) the motion carried by all present.

- c. Discussion and appropriate action to adopt a Resolution of the City Council of the City of Castroville, Texas, authorizing the submission of a grant application to the Motor Vehicle Crime Prevention Authority (MVCPA) – SB 22 Catalytic Converter Grant Program

A motion was made by Councilmember Martinez and duly seconded by Councilmember Marchman to adopt a Resolution of the City Council of the City of Castroville, Texas, authorizing the submission of a grant application to the Motor Vehicle Crime Prevention Authority (MVCPA) – SB 22 Catalytic Converter Grant Program for a grant amount of \$66,000 for the purchase of one Skydio Drone for \$30,000 and the maintenance of the existing FLOCK cameras at \$36,000 with a City match of \$13,200.00.

Discussion followed.

Councilmember Lee was in favor of the maintenance on the FLOCK cameras but was not in favor of purchasing a drone. Mr. Lee said he had owned several and they were prone to crashing and would be costly to the City. Councilmember Merz was not in favor of the FLOCK Plate Reader cameras due to possible breach of security with information captured. Police Chief Kohler said he understood about the concerns about the drone crashing and he had taken a course on the cameras and there were security measures in the system. Chief Kohler said someone can't randomly go into the system, they had to have credentials, and there could be criminal liabilities. Councilmember King and Marchman were in favor of both.

A vote was taken (3 ayes: 2 nays (Merz, Lee)) the motion carried by a majority vote.

d. Authorize an interlocal agreement with the City of Boerne for the purchase of materials and services

Mayor Alexander was in favor but wondered why the Public Works wished to partner with the City of Boerne. City Administrator Dixon said the City of Boerne used the same contractor as the City for streets and this would save the City money.

A motion was made by Councilmember Lee and duly seconded by Councilmember Martinez to authorize an interlocal agreement with the City of Boerne for the purchase of materials and services.

A vote was taken (5:0 all ayes) the motion carried by all present.

e. Discussion and appropriate action on recommendations from the Library Board and Friends of the Library for the public library expansion project

Mayor Alexander gave a summary on the City Council having already received a layout and two options for the Library expansion project and had approved a budget of \$600,000. Mayor Alexander said the Library Advisory Board and Friends of the Library were to review and make recommendations to the project before moving ahead. Mayor Alexander recognized Library Director Beth Farly to speak on the Board and Friends recommendations. Ms. Farly said the Library members was in favor of the design and would to see a dedicated staff restroom; Friends of the Library wanted appropriate/proper doors for ADA compliance in the new spaces; proper exit lighting for safety/code compliance and soundproofing Children's/Program space. Councilmembers King, Marchman, and Martinez felt the City staff would know what was best for the spaces. Councilmember Lee, Board Liaison, said this had been presented to the board due to those serving had not seen the design options. This was done at the recent meeting to allow their input on the remodel for this Council meeting. Ms. Farley said the members were all in favor but was unsure of the layout as the one they review was a draft and wished to be included in updates. City Administrator Dixon said this was just the first draft and would be meeting with the design-build team of Ford Powell & Carson group and will bring back information.

A motion was made by Councilmember Lee and duly seconded by Councilmember Merz to direct staff and the design-build team regarding interior layout and utilization of the proposed library expansion,

including the north and west additions as follows: incorporating feasible items recommended by the Library Advisory Board and Friends of the Library. A vote was taken (3 ayes:2 nays (Marchman, King)) the motion carried by a majority vote.

f. Discussion and appropriate action authorizing a professional service agreement with Pape-Dawson for airport engineering services

Mayor Alexander briefed the City Council on the hiring of Pape-Dawson for engineering services at a previous meeting with a contract to come back at a future meeting. Mayor Alexander reiterated that the firm was not paid a retainer fee and would be used on an as needed basis. City Administrator Dixon said Councilmember Lee had asked who had done the work previously. Mr. Dixon said KSA Aviation Engineers had been the engineers which was now part of Pape-Dawson. Mayor Alexander said there were controls in place and projects would be by task order or City Council approved depending on scope of work.

A motion was made by Councilmember Martinez and duly seconded by Councilmember Marchman to authorize a professional service agreement with Pape-Dawson for airport engineering services.

Discussion followed.

Councilmember Lee said he would vote against, as the City had always used a TxDOT Planner in the past and saw no reason to change. Mr. Lee said he did not want staff to stop doing things in-house or using local services and just going to the engineers for projects. Mr. Lee said he would be placing an item on the agenda to determine when to use, have a cost threshold, and put into place some safeguards for using the engineering services. Councilmember Merz said he would be voting against due to the Pape-Dawson Firm as they were working with area developers and may not have the City's best interest when planning. Councilmember King defended the firm saying any reputable professional firm would not work that way and was in favor of the contract and to address Councilmember Lee's spending threshold the City Administrator had a limit in place. Councilmember Marchman said he had read the document and it stated for professional services and was in favor.

A vote was taken (3 ayes: 2 nays (Merz, Lee)) the motion carried by a majority vote.

h. Discussion and appropriate action regarding proposed capital improvements to the Castroville Municipal Airport

City Administrator Dixon briefed the City Council on the request from Councilmember Lee to have a work session to identify projects for the Municipal Airport. Mr. Dixon said for the Airport Manager's input on projects/improvements they needed to set the date before Mike Haley's retirement date of May 15th.

A motion was made by Councilmember Marchman and duly seconded by Councilmember Lee to set the date of April 27th at 3:30 p.m. for a Special Called Meeting for proposed capital improvements to the Castroville Municipal Airport. A vote was taken (5:0 all ayes) the motion carried by all present.

i. Discussion and appropriate action to establish and authorize a multi-year street paving plan

This item was skipped and would be brought back at the next meeting.

j. Discussion and appropriate action regarding sales and property tax collections at the Castroville Municipal Airport

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City Administrator Dixon stated Finance Director Leroy Vidales was unable to attend this meeting due to a family issue. Mr. Dixon said tax collections were not in the City's scope of business but when this item was brought up by Councilmember Lee related to the Airport collecting ad valorem and Sales Taxes on aircraft or businesses staff had spoken with the Medina County Tax Assessor. Mr. Dixon said the City was not collecting much taxes at this time but would be reaching out to the County and State to see what could be collected in the future. Councilmember Lee said he had brought up due to last 15 years there had been corporate jets and new hangars at the airport and the City should be the one who receives the ad valorem taxes if registered in Medina County. Mr. Lee said the long-range airport plan to attract taxable business jet was why the runway was lengthened, jet fuel put in and the layout plan favored placement of large aircraft hangars. Mr. Lee said the City in the future should when entering into a lease note stipulate where the aircrafts are registered, and if registered in Castroville the City should receive the taxes they were due. **No Action was taken.**

- k. Discussion and appropriate action on authorizing Mayor Alexander to sign a letter of community support for Texas Water Development Board (TWDB) grant-funded drainage studies of the Flat Creek and Kemp Creek watersheds

City Administrator Dixon briefed the City Council on the City working with HDR Engineering in coordination with the Texas Water Development Board Region 12 Regional Flood Plan on two proposed Flood Management Evaluation studies. Mr. Dixon said the two studies were the Flat Creek Study and the Kempf Creek Watershed Study. Mr. Dixon said the State was doing this the same time the City was looking to update the 2022 Drainage Plan and since the State was doing their own the City's engineer interfaced with the State. The State was allocating funds to Medina County for the two studies and there would be no cost the City.

A motion was made by Councilmember Marchman and duly seconded by Councilmember Martinez to authorize the Mayor to execute the Community Interest Affirmation forms for the Texas Water Development Board Flood Management Evaluation studies for Flat Creek and Kempf Creek. A vote was taken (5:0 all ayes) the motion carried by all present.

- l. Discussion and possible action to direct the Parks and recreation Advisory Board to develop a plan to establish a new sports complex or regional park

Councilmember Merz, Parks Board Liaison, spoke of the board taking action to recommend to the City Council to appoint a committee to actively look for land and or new location for a Youth Sports Complex. Mr. Merz read a short letter from the Parks Board.

A motion was made Councilmember Lee and duly seconded by Councilmember King to create a committee of representatives from the County, City Council, MVYBA, Park Board, School district and other sports groups.

Discussion followed.

Councilmember Merz wanted to make sure the City provided space for the committee to meet. Mr. Merz said they needed to set the number from each of the groups. He suggested the Parks Director to chair/oversee the group. City Administrator Dixon said the City Council could not require anyone from these groups to participate. Mr. Dixon suggested having a conversation first and flush out the mission and goal.

Councilmember Lee withdrew his motion. Councilmember King withdrew his second. Motion was withdrawn. Mayor Alexander suggested having a meeting with the County and bringing back at a later date.

m. Discussion and possible action on the Development Agreement Policy

Mayor Alexander said this item had been approved by the Planning and at the joint meeting. Councilmember Merz felt the document needed to go further.

A motion was made by Councilmember Martinez and duly seconded by Councilmember Marchman to adopted the Development Agreement Policy. A vote was taken (5:0 all ayes) the motion carried by all present.

n. Discussion and appropriate action to direct staff to draft amendments to the Comprehensive Zoning Ordinance (CZO) to create an Institutional Zone and all other required actions to prepare these changes for review and adoption

Mayor Alexander said the Planning and Zoning Commission had been tasked to review the CZO and Sign ordinances and was working thorough those now. Councilmember Merz said at the last meeting this was discussed and the City did not have an Institutional Zone for religious, educational, governmental or community uses. Mr. Merz felt the City needed one and in this zone it should limit private housing and permanent commercial uses. Mr. Merz said he was not recommending doing changes to a particular zone at this time and when they did it would only require publishing a public notice. Mr. Merz was not in favor of doing this by a Special Use Permit. Mayor Alexander was not in favor of an Institutional Zone as it could be considered spot zoning. Councilmember Lee liked the Specific Use Permits as it controlled the use of the property for that particular use. Mr. Lee had questions on the use table, the yard setbacks shown, and parking provisions. Mr. Lee did not want new businesses to use residential areas to park and felt the Planning and Zoning Commission should review. Councilmember King agreed the Planning and Zoning Commission should review and he said this zone would restrict the uses. Councilmembers Martinez and Marchman agreed with issuing Specific Use Permits for now. Mr. Merz asked the other members to review the draft he had provided and make suggestions to send over to the Planning and Zoning Commission for discussion.

A motion was made by Councilmember Marchman and duly seconded by Councilmember Merz to direct staff to send to the Planning and Zoning Commission for review and recommendations. A vote was taken (5:0 all ayes) the motion carried by all present.

o. Discussion and appropriate action to direct staff to draft changes to the council's policies and ordinances regarding deadlines for submission of agenda items

Mayor Alexander said in 2022 there had been some revisions to the council's policies and since that time the State legislature had changed the posting requirements. Mayor Alexander said there was a draft ordinance ready to amend Chapter 2 on postings and time of meetings and any additional changes from this meeting could be incorporated. Councilmember Merz said the current procedures were not in line with the new posting requirements. The current process allowed for agenda item submissions by 5 pm on fourth business day before a council meeting and with the new posting changes it would be on the day of posting. Mr. Merz recommended changing the deadline to submit items to five business days before a meeting (equaled 7 days except in the case of a holiday). Mr. Merz spoke on councilmembers placing items on an agenda and the

Council Meeting
 Minutes April 14, 2026
 Page 12
 (Cont.)

Mayor's choice of moving to a future agenda. Mr. Merz wanted to change a majority of Councilmembers to have an item placed on the next agenda to two councilmembers due to possible legalities he felt. Mr. Merz felt there should be notice from the Mayor on what was lacking from submissions at least one day before the posting of the agenda to allow for a response. The City Council discussed further the number of days for posting and submission of materials to make the agenda process better for staff.

A motion was made by Councilmember King and duly seconded by Councilmember Martinez to approve the submission of agenda items with backup at least four business days before the posting of the agenda. A vote was taken (5:0 all ayes) the motion carried by all present.

XI. City Administrator Report

- a. The following report topics may be discussed and acted upon:
 - a. Drainage Projects: Geneva Channel, Garza Creek, Athens Area Drainage, Country Channel
 - b. BMA Trail Access
 - c. Streets, Maintenance, and Paving Plan
 - d. WWTP Ponds
 - e. Multimodal Planning Effort
 - f. Community Center Construction
 - g. Lion's Park Splash Pad
 - h. CIP Workshop Implementation
 - i. Hwy 90 TxDOT Construction Project
 - j. County Streets Plan
 - k. Coordinated Infrastructure Plan and Process
 - l. Gas Expansion Cost Evaluation
 - m. Steinbach Hus Repairs

City Administrator Dixon gave a briefing on his report included in the report were a Streets Plan discussion, Gas expansion costs and Steinbach Hus repairs for consideration. Mr. Dixon said hydro seeding was being completed on the Geneva drainage project; the BMA Trail Access would be coming back to April 28th meeting; Street maintenance on April 28th meeting; Mayor Alexander had met with City Engineer Michael Persyn, Councilmember King, and City staff on an option of turning the ponds at the WWTP into detention ponds and installing a pump and storage tank for irrigation. Mr. Dixon said they would be getting an estimate on costs. Mr. Dixon said they would need to lower the road and install culverts and Mr. Persyn would be coming back with cost estimates for that project. Mr. Dixon said there was a public engagement event on April 22nd at September Square on the multimodal Planning effort; the city would be moving utilities out of TxDOT right-of-way for their Hwy 90 construction project at an estimated cost of \$1.2 to \$1.5 million for an unfunded mandate. Mr. Dixon said the City would be acquiring easements as they went through the move. Mr. Dixon said staff were looking at infrastructure replacement with paving or chip sealing the streets after replacement. Jeff Tondre, RESPEC Engineers spoke on the staff identified downtown sewer lines for replacement with replacement through a slip line process; streets for maintenance, some being newer to help with preservation. Mayor Alexander said years ago the City would put in the lines and bury deep in the roads. Councilmember Merz asked about Haas Street needing improvements due to issues with high ground and only dirt with some gravel. Public Works Director Gomez said they could do those streets that did not need utility improvements first. Mr. Dixon said they would have a presentation on the April 28th meeting. Mayor Alexander said the City needed to be proactive and look at the cost of replacing the gas line out to the

school as it was 60 years old. Mr. Gomez said they had just received a cost to improve the gas system within the city limits at \$21,535.00 for current development and future development \$33,430.00 with a 6-8 week completion. Councilmember Lee asked if this would be a budget amendment. Staff said it would.

Mayor Alexander said they needed to find out what the City would get for the expenditure. Mr. Dixon said it gave the City a good idea on the cost and staff were doing what the City Council had asked for. Assistant Public Works Director Rick Carrasco said this help with master plan for future needs. Mr. Dixon spoke briefly on the Steinbach Haus quote for maintenance at \$13,000 and \$1,380 for roof repairs. Councilmember Lee said there was to be maintenance inspections on the City Hall windows for consideration.

A motion was made by Councilmember Martinez and duly seconded by Councilmember Marchman to approve up to \$15,000 from the HOT Funds for maintenance on the Steinbach Haus Visitor Center. A vote was taken (5:0 all ayes) the motion carried by all present.

XII. DISCUSSION ON FUTURE AGENDA ITEMS

City Council would provide their items for the next meeting to staff.

XIII. ADJOURN

Mayor Alexander adjourned the meeting at 11:05 p.m.

Mayor

ATTEST:

City Secretary

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CASTROVILLE, TEXAS AMENDING CHAPTER 2 SECTION I. COUNCIL POLICY AND RULES PROCEDURE, C. COUNCIL MEETINGS AND G. AGENDA ITEM SUBMISSION, ORDINANCE NO. 2009-006 OF THE CODE OF ORDINANCES; REPEALING ALL ORDINANCES TO THE EXTENT THEY ARE IN CONFLICT; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Castroville (“City”) adopted ordinance 2009-006, on January 7, 2009; and

WHEREAS, the City Council further believes there is a need to adopt new guidelines to ensure effective and efficient governance: and

WHEREAS, the City Council believes that it is in the best interest to change Chapter 2, Section I. Council Policy and Rules Procedure C. Council Meetings 1., the regular meeting start time from 7:00 pm to start at 5:00 pm with executive session or 6:00 pm without executive session; and

WHEREAS, the City Council believes that is in the best interest to change Chapter 2, Section I. Council Policy and Rules Procedure C. Council Meetings 3., from 72 hours to at least three (3) business days excluding holidays; and

WHEREAS, the City Council believes that is in the best interest to change Chapter 2, Section I. Council Policy and Rules Procedure C. Council Meetings 4., from 72 hours to at least three (3) business days excluding holidays; and

WHEREAS, the City Council believes that is in the best interest to change Chapter 2, Section I. Council Policy and Rules Procedure G. Agenda Item Submission, to no later than 5:00 pm four (4) business days prior to the posting of the next City Council meeting; and

WHEREAS, the City Council believes it is in the best interest of the City to adopt the recommended changes to Chapter 2, Section I., Council Policy and Rules Procedure C. Council Meetings and G. Agenda Item Submission of the Code of Ordinances.

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

SECTION 1. The foregoing recitals are hereby adopted as findings of fact and are incorporated herein for all purposes.

SECTION 2. The City of Castroville, Texas Chapter 2 Code of Ordinances, Section I., Council Policy and Rules Procedure C. Council Meetings and G. Agenda Item Submission is hereby amended as set forth in Exhibit A.

SECTION 3. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the Council.

SECTION 4. All ordinances and codes, or parts thereof, which 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 resolved herein.

SECTION 5. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 6. The terms and provisions of this Ordinance shall be deemed severable in that, if any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 7. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 8. This Ordinance shall take effect immediately upon its adoption and publication as required by law.

PASSED AND APPROVED ON THIS THE ____ DAY OF APRIL 2026.

CITY OF CASTROVILLE, TEXAS

BRUCE ALEXANDER
Mayor

ATTEST:

DEBRA HOWE
City Secretary

Exhibit A

C. Council Meetings:

1. Council shall meet regularly at such place and times as prescribed by Council but no less frequently than twice per month, unless otherwise resolved by Council, with the meetings beginning either at ~~7:00 p.m.~~ 5:00 p.m. for regular meetings with executive session on the agenda or 6:00 p.m. for regular meetings without executive session on the agenda unless otherwise resolved by Council, regular meetings may be held with a notice of three (3) full business days.

3. A special meeting may be held with ~~72 hours~~ a notice of at least three (3) full business days on any day of the week to consider-items that require action prior to the next regularly scheduled meeting and maybe called upon the request of the Mayor or a majority of the Council Members.

4. A Council workshop may be held with ~~72 hours~~ a notice of at least three (3) full business days on any day of the week...

G. Agenda Item Submission: . . . An item for placement on the agenda must be submitted in person or electronically to the City Secretary at City Hall no later than 5:00 p.m. ~~on the fourth business day~~ four (4) business days prior to the date of posting of the next Council meeting...

A City Council member request for an item to be placed on a meeting agenda shall be submitted in writing, in person or electronically, with all supporting information to the City Secretary at City Hall no later than 5:00 p.m. four (4) business days prior to the date of posting of the agenda of the next regular City Council meeting.

City Administrator's Report



To: Mayor Alexander & City Council
CC: Staff
From: R. Scott Dixon, City Administrator
Date: April 24, 2026
Re: City Administrator's Report

Mayor and Council,

The items outlined below are provided to keep you informed on ongoing projects, initiatives, and operational priorities. My intent with this report—and all communications to Council—is to ensure that you have timely, accurate, and decision-useful information as you carry out your policy-making and oversight responsibilities.

Drainage Projects

Geneva Channel

The area was hydro mulched just prior to this last batch of rain and grass has begun to be established. Fleximat will be delivered and installed in the next couple of weeks. Once the work on the channel is complete, staff will install safety measures along the top of the channel.

Garza Creek

Staff met with six contractors at a mandatory pre-bid meeting to review the proposed project and conduct a site visit. Staff stressed that the City is looking for a permanent workable solution that is **cost-effective**. The project should be awarded at the second regular council meeting in May.

Athens-Area Drainage / Country Village Channel

Staff will discuss planned drainage improvements in the Athens area (and elsewhere) during the April 28th council meeting. We will be prioritizing ditch maintenance in the coming weeks.

Other departments will be assisting by taking care of the streets responsibilities (ROW maintenance, pot hole repair and other miscellaneous duties so that our street crew can focus on the drainage work.

BMA Trail Access

No change. Staff has received four (4) quotes ranging from approximately \$6,744 to \$15,982 for installation of controlled-access gates and operators. **Staff is coordinating with BMA's legal counsel regarding the previously approved agreement** and will return with a recommended vendor and final agreement for consideration.

Streets, Maintenance, and Paving Plan

Following the guidance provided by council at the last regular meeting, staff is targeting three approaches to street maintenance: preservation of high PCI (paving condition index) streets, maintenance and repaving of roads **without utility conflicts** and continued efforts to coordinate with Medina County. Staff will present a \$200,000 preservation plan at the April 28th meeting and a \$400,000 to \$500,000 maintenance and repavement plan for the non-conflicted streets

WWTP Pond Closure

Staff recently met with Mayor Alexander and Lochner (Michael Persyn) to discuss an expedited approach to resolving the wastewater treatment plant pond and associated dam compliance concerns.

The conceptual approach discussed includes:

- Accelerating efforts to bring the pond to the **minimum compliant depth of approximately six (6) feet** as an initial step
- Pursuing **formal closure of the pond** following stabilization at the required depth
- Incorporating **detention areas on both sides of the treatment plant** to manage flows and support long-term drainage function

Implementation of this approach is expected to require:

- Construction of a drainage culvert
- Relocation of the existing force main
- Reconstruction of the plant entrance road

Lochner is currently preparing draft plans reflecting this approach. Staff will bring forward additional details, including cost estimates and implementation considerations, as this work progresses.

Multimodal Planning Effort

The City's multimodal (Alternative Transportation Plan) effort continues to advance in coordination with Toole Design and TxDOT.

The final **draft** has been published to the City website and shared with key stakeholders and officials. This effort represents a key step in developing a coordinated transportation strategy that aligns with State requirements and supports future grant eligibility. The final plan will be brought forward for formal Council review at the first council meeting in May with adoption of the plan scheduled for the 2nd May meeting.

Community Center at Regional Park (Construction)

No Change. Construction of the Community Center is currently approximately **84% complete**. Substantial completion is anticipated by mid-May; however, staff continues to monitor schedule performance closely given prior delays and remaining work.

Lion's Park Splash Pad

The control valve is scheduled for replacement the week of April 27th. The splash pad should be fully functional by the end of May.

Hwy 90 TxDOT Construction Project

As previously reported, based on preliminary coordination, the project presents **utility conflicts across all major systems**, including water, wastewater, gas, and electric. The City has engaged **Respec** (water and sewer) and **SEnergy** (gas and electric) to assist in identifying and evaluating these conflicts.

At this stage, the total cost of utility relocations remains uncertain; however, staff estimates a **potential cost range of approximately \$1.2 million to \$1.5 million**, subject to refinement as design progresses. Final cost responsibility will be determined through the Advanced Funding Agreement (AFA) with TxDOT once 90–100% design plans are available.

The current project schedule anticipates:

- Draft AFA development beginning August 2026
- Final plans and cost estimates by November 2026
- Council consideration of the AFA in late 2026
- Funding to be provided to TxDOT no later than **February 6, 2027**
- Project letting anticipated April 2027

Staff will continue to monitor design progress and will provide updates as additional information becomes available.

County Streets Plan

Staff is currently coordinating with Commissioner Sittre to develop an interlocal agreement for the County commission's consideration at a future meeting. Staff will coordinate with both the City and County attorneys to develop the agreement.

Steinbach Hus Repairs

As directed by council at the April 14th meeting, staff will coordinate repairs to the roof, beams, windows, doors, and other wood elements of the Steinbach Hus. These repairs will be completed over the next 6 to 8 weeks.

City Hall Repairs / Library Addition

The design build project related to the City Hall remodel and Library Addition will be reviewed with the architect, Fort Powell & Carson and Contractor, Pugh Construction in May. The team provided the schedule below as a reference point for that discussion:

Library:

1. **Contracting:** Initial contract will be for design & engineering services
2. **Design:** Approximately 12 weeks from receipt of Geotech, survey and hazardous material assessment.
3. **Estimating:** 4-6 weeks
4. **Council Approval:** TBD
5. **Permitting:** TBD. Does the City of Castroville use a 3rd party?
6. **Construction Start:** Late Q3 or Early Q4 depending

City Hall:

1. **Contracting:** Initial contract will be for design & engineering services
2. **Design:** This could vary based on selected scope. For preservation work or maintenance (like the exterior/interior elements), it would be much quicker.
3. **Estimating:** 4-6 weeks
4. **Council Approval:** TBD
5. **Permitting:** TBD. We may not need to permit if the scope is limited to preservation or maintenance
6. **Construction Start:** Target Q3

In the meantime, staff will engage a contractor to make needed roof repairs. These repairs had been placed on hold last July as a City Hall remodel appeared to be imminent however, with recent rains and continued leaks and the lack of progress on the City Hall project, the roof repairs need to be prioritized for immediate action. Staff will seek council direction whether to utilize contractors to do other maintenance items (window and door repairs/painting) or include these in the scope of the proposed city hall improvements with FPC & Pugh.

If I have omitted any items or if additional information is needed on any topic included in this report, please let me know and I will ensure it is addressed promptly.

It is my privilege to serve the residents and elected officials of Castroville.

Thank you,



R. Scott Dixon, MPA, CGFO, ICMA-CM

City Administrator, Castroville, TX



Monthly Report

From: Debra Howe, City Secretary

Activities/Projects:

Review of Steinbach Haus, Wagon Barn for Maintenance with committee.
Maintenance Project for Steinbach Haus. (Funds approve 04/14/2026 meeting)
Proposed Budget discussion (4/23/2026)

2026 General May 2, 2026

Check In sheets on City Website for April 20, 22, 23, 2026. Total number of voters at the time of this report – 48.
Ordinances to cancel the election for District 3 providing for Nicol Schrinier as District 3 representative. (April 28, 2026 meeting)

At the first meeting in May, District 3, District 4, and District 5 councilmembers will be sworn in as elected officials.

Open Records requests

For March/April– 28 completed includes: (14) Court/PD, (5) Community Development, (1) Public Works/Utility
(4) pending AG, (4) pending per requestor.

Miscellaneous

Posted (15) agendas for all boards and City Council Meetings in March/April plus packets for Council and Candidates.

Posted: (6) Agendas for City Council (2), HLC (2), Library (2), Parks and P&Z (3)

Steinbach Haus visitors count for month of March – Weekdays – 189, Weekend – 160 = 349

Daily counts: Sunday – 53, Monday – 19 (Tour), Wednesday – 63, Thursday – 35, Friday – 72, Saturday – 107.

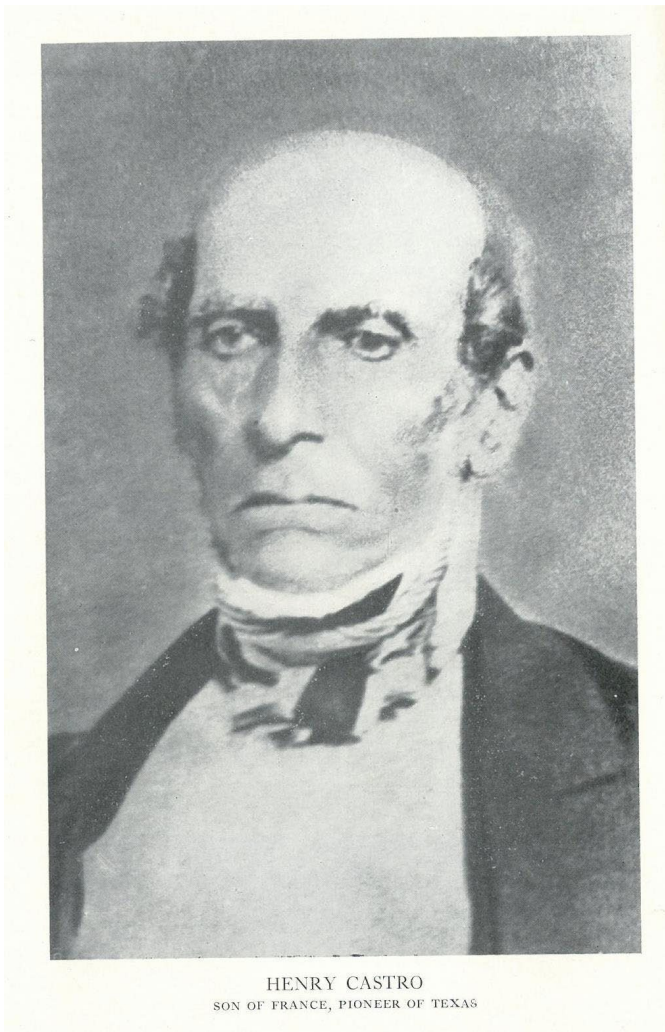
Visitors home base:

Texas – 300

Other States – 34

Alsace – 3

Other Countries - 12



Henry Castro)



Just a reminder that we have online permitting. You can apply, pay fees, and check status! Here is the link. [Citizen Portal \(iworq.net\)](http://CitizenPortal(iworq.net))

Monthly Community Development Report



March 2026



Breana Soto

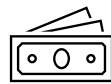
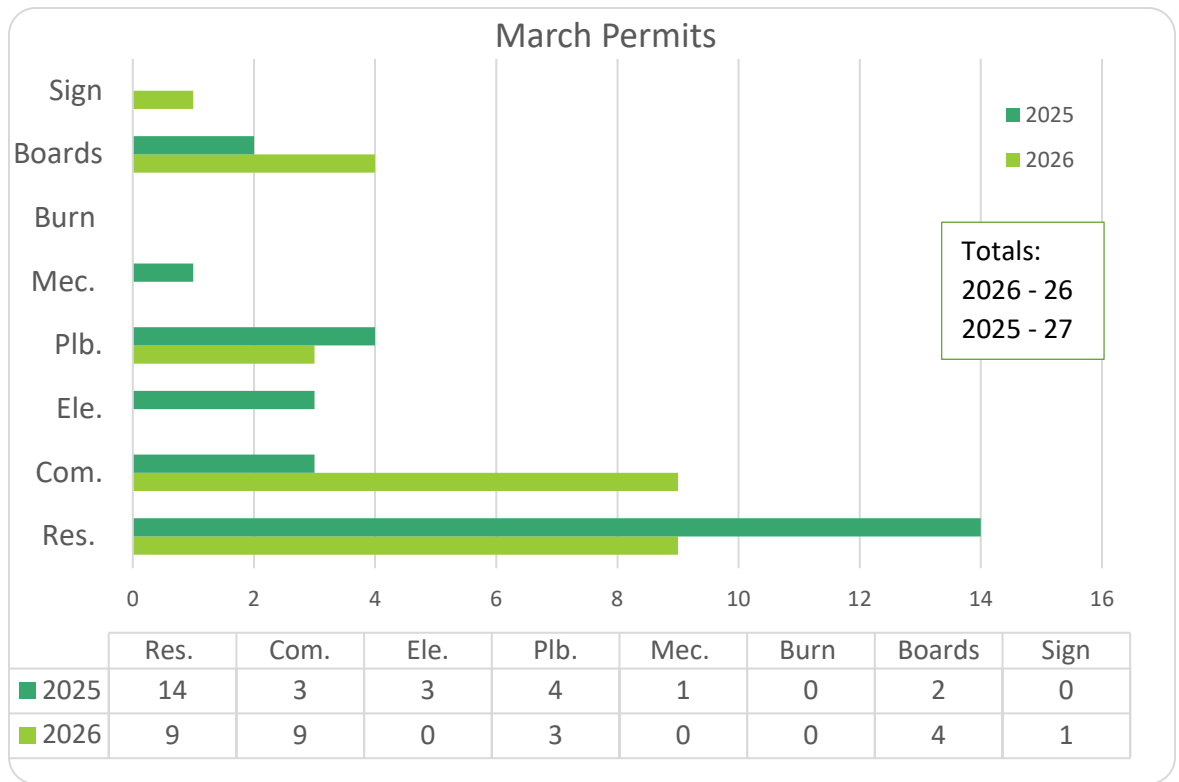


NEW
BUILDS

Pending
Plan
Review: 4

Approved
and
Issued: 11

Completed
and
Closed: 6



Permit Fees

<u>2026</u>	<u>2025</u>
\$17,015	\$19,010

Boards and Commissions

	HLC	P&Z	ZBOA
Next Meeting Date	April 21, 2026	April 8, 2026	TBD
Meeting Date and Items	March 17, 2026 <ul style="list-style-type: none"> 514 Petersburg St – Approved 509 Berlin - Approved 709 Berlin - Approved HPO Administrative Approvals New Properties for sale UTSA Historic Resource Survey 	March 25, 2026 <ul style="list-style-type: none"> Temporary Storage Ordinance Development Agreement Policy Signs and Signage, Chapters 1-3. 	None

If you live in one of our 96 Historic Structures and need a plaque or would like to replace your existing one, please contact

Breana.soto@castroville.tx.gov



ACTIVE TRANSPORTATION PLAN

HELP SHAPE A HEALTHIER, MORE CONNECTED CASTROVILLE.



SAFER STREETS. MORE CONNECTIONS. A STRONGER COMMUNITY.



We want your feedback!



SCAN TO VIEW THE DRAFT PLAN



READ & REVIEW THE DRAFT PLAN!

Your input will help guide the future of walking, biking, and rolling in Castroville.



Share your input on our draft active transportation plan!



Magnolia Filling Station
1101 Fiorella St
Wednesday, April 22nd
7am-10am

- MORE WALKABLE NEIGHBORHOODS
- SAFER BIKE ROUTES & CONNECTIONS
- BETTER ACCESS TO PARKS & DESTINATIONS
- A STRONGER, MORE CONNECTED CASTROVILLE.

Draft Plan



Feedback Survey





Projects

Castroville's Active Transportation Grant

- TXDOT approves contract.
- Bring to Council for input on how to move forward – **August 12th meeting.**
- Bring to Council for stakeholder committee– **Tentatively scheduled for September 23th meeting.**
- Public engagement meetings – **National Night Out, Boo Bash. Public Engagement on 2-2-2026**
- Receive feedback, create draft plan
- Open public comment period
- Bring findings to City Council
- Receive feedback, create final draft
- Bring to P&Z for adoption – May
- Bring to City Council for adoption

Garcia Creek Report

- Presentations to City Council – **Either of the June 24th or July 8th Meeting**
- City Council will decide how to move forward with project – **Design/ Build**
- Go through RFP Process – **Advertise on January 20th**
- Deadline for Questions – February 9th
- City Responses Issues – February 17th
- Proposals Due – May 18th
- City Council Award – May 26th
- Notice to Process – June 1st

Throughfare Plan

- Meet with County about alignment with County plans.
- Meet with TXDOT about alignment/ discrepancies with TxDOT plans.
- Meet with County engineer about suggestions from TxDOT. **TxDOT had a lot of great suggestions.**
- Directed to move forward with adoption of thoroughfare plan. Waiting on engineer to send revised plan for Council to review.**
- Bring to City Council for review.
- Make changes to plan per Council recommendation.
- Send out required public notifications.
- Bring to City Council for approval.



April 2026 Library Advisory Board – Director’s Notes

- 1) Summer Camps – under way...closed the 13th of March. Presenter in the morning, all hands-on Camp workshop all afternoon.

- 2) 2027 Budget – I had some time to sit with Leroy from City Hall to talk about our 2027 budget. I’ve added another computer for patrons, a copier for the staff and myself in the office and I’ve added a full-time employee to help with grant writing, computer classes and helping with adult programming. This person hopefully will be able to transition into my position when I retire...The city may approve or may not. TBD

- 3) Volunteers: I’ve had 2 volunteers fill out the forms and pay their background check to help us with this summer.

- 4) Workforce Solutions: I have partnered with Workforce Solutions with their SEAL (Summer Earn and Learn) program that would pay for their wages to come here and learn some new skills. They will be working with us for 5 weeks in the summer. They will be coming for the MVIDS – In return, I will be helping them with mock interviews and how to dress for success. We will have a supervisor here to help if any of the volunteers have any issues.

- 5) Programs: As always, we are having to turn people down for the adult programs because we are exceeding the number of people we can put into the Program Room. But, this will rectify itself with the expansion.

- 6) Awarded \$5,000.00 from Medina Co Co-op for a fall garden/backyard renovation. Once the construction is completed, we will be partnering with Vernon’s Nursery to possibly do some hands-on grading tips and allow this garden to be open to the community. Raised Garden Beds, mulch, adding park benches, putting a few little slides out for the little kids, possibly having a covered shelter – we shall see.

- 7) Statistics – attached

8) Program list – attached

9) Expansion – rough draft – Please send me any questions you have and I will ask the Designers (Ford Powell Carson)

10) Grants – sheet attached. I just found one from Costco. I have not looked at it yet.
HEB- I submitted two grants.

Castroville Public Library Feb/March 2026 statistics

February

Member Statistics: Active Accounts

In City – 638

MVISD – 837

Out of Area -46

City Staff -19

TexShare – 35

Total- **1575**

New Members- 37

Renewed accounts- 35

Circulation Statistics- year to date 2846

Materials in the Library Collections- 10654

Monthly Library Revenue- \$1223.95

Computer Login Averages

Unique Logins –144 (guest passes)

Logins- 214

Total – 358

ILL Courier Statistics-

Shipped – 111

Received – 109

Total – 220

Library Visits- 2339

Program-556(Love Your Library)

March Stats

In City 664

MVISD 818

Out of Area 47

City Staff 20

TexShare 33

Total 1562

New Members: 33

Renewed Accounts: 39

Circ stats year to date: 4346

Materials in library: 10656

Monthly Revenue: \$1433.95

Computer Login Averages

unique logins 154

Patron logins 250

Total: 404

ILL Courier Stats

shipped 103

received 98

total: 404

Library Visits: 2505

Programs: 402

City of Castroville Parks & Recreation Department

Monthly Report: March 2026

Submitted by: Jonah Chang, Director of Parks & Recreation

1. Department Overview & Updates

- Community Center Construction:
 - Construction is still underway. Overall, the project is 76% complete.
 - Installation of insulation, sheetrock & wire pulling for access points, cameras, monitoring systems, etc. has been completed.
- BMA Agreement:
 - We are still waiting for quotes for the gate installation. We've received one quote and are waiting for at least two more.
- Splash Pad:
 - Repairs are still underway; parts have come in and we are planning to schedule repairs for the week of March 30.
 - These repairs are projected to be done before summer 2026!
- TPWD Grant Update:
 - There was site-visit held at Lions Park with Dan Reece, Grant Manager with TPWD. He assured us that TPWD supports this project and is extremely excited to see these amenities installed!
 - There may be a slight delay with funding since it is going to be federally funded. It is projected that the City may not receive a local agreement till October 1, however this may be expediated since there is no significant compliance issue.
- September Square Update
 - The September Square Memorial Walkway project was approved by council with 2 minor changes.
 - Change #1: Updating the memorial at the entrance to remove artwork & colors.
 - Change #2: Move the department seals to be on the side of the leg's vs on the seat.
- Fiscal Year 2026-2027 Budget Planning
 - Still working through the budget for Parks & Recreation, RV Park, and Pool.

2. Programs & Events

FCRP Annual Meeting & Potluck

March 28, 2026, Work Session

3. Staffing

Type:

Full-time Staff:

Part-time Staff:

Pool Staff:

Status:

Five positions filled

One position filled(Facilities)

Six positions filled

4. Upcoming Priorities & Projects

- Tree Replacement (Garden of Roots & Lions Park) Fall 2026 Planting
- Upcoming Event Prep: Easter Weekend & Tour De Castroville
- Pool hiring for all staff

5. Reservation Report March 2026

Facility	Bookings
Regional Park- Volleyball Courts	1
Regional Park- Soccer Fields	0
Regional Park- Amphitheater	0
Regional Park- Area Rentals	30
Regional Park- Pavilion Rentals	39
Regional Park Table Rentals	129
City Pool- Parties	0
RV Park Bookings	48
Regional Park- Tent Camping	13

6. Work Orders & Repairs March 2026

Department	Problem Code	# of Work Orders
Parks: 114	007: City Parks Maintenance	0
	500: City Parks Maintenance	3
	501: City bldg. Maintenance	4
	505: Equipment Repairs & Maintenance	1
	510: Regional Park Maintenance	41
	515: RV Park Maintenance	0
	520: Swimming Pool Maintenance	0
	530: Lions Park Maintenance	40
	535: Splash Pad Maintenance	0
	599: Misc. Facilities & Parks	20
	801: Weeds/Overgrown Brush	0
	802: Mowing & Weed Eating	0
	806: Tree Issue (Trim & Clear)	4
	819: Misc Streets	0
	978: Vehicle & Equipment Maintenance	1
Facilities: 10 Total	500: City Parks Maintenance	0
	501: City Bldg. Maintenance	4
	506: Flags	0
	515: RV Park Maintenance	0
	520: Swimming Pool Maintenance	6
	599: Misc. Facilities & Parks	0
TOTAL: 81 Work Orders		

Community Center Progress Photos:



Pool Maintenance & Construction:



Removal of the three-meter diving board & platform.

Next Steps: Move the one-meter board to the center of the diving well.

Other projects happening at the pool: deck leveling, guard stand removal & upgrade, pool light replacement & installation, picnic table seat replacement.

MARCH 2026, ANIMAL SERVICES MONTHLY REPORT

Case Count	Status		
	Closed	Open	Grand Total
Animal At Large	8	1	9
Animal Bite Exposure	1		1
Animal Pick Up	12	1	13
Assist Another Agency	2		2
City Registration		2	2
Complaint	2		2
Dead Animal	8		8
Department Maintenance	2		2
Donations Received	3		3
Event	3		3
Injured/sick Animal	6	1	7
TNR request	23		23
Transfer in	1		1
Trap Request (Citizen Owned)	2		2
Trap Request (City Owned)	2		2
Grand Total	75	5	80

YTD 183 19 202



STAFF REPORT

DATE: April 17, 2026
TO: Scott Dixon, City Administrator
FROM: Jim Kohler, Chief of Police
SUBJECT: March 2026 Monthly

Grants

Generator grant at request of FEMA. **Still Pending- we called and no other update. Will continue to call them. No Change. Frustrating.**

Border Patrol notified they have 70K earmarked for equipment for Castroville will meet soon to discuss with them. Update: **Request letter sent to Border Patrol for new Tahoe, 84K. Update: The vehicle has been ordered and sent to the upfitters to make it patrol ready. Everything is at upfitters awaiting completion. No change**

We are working on the flock final details of the LPR in which we were approved for 9 LPRs and 3 fixed cameras. Update: **UPDATE** 3 pan tilt and zoom cameras should be installed mid-February. **Moved to late March for installation. 1 camera left to install.**

Stonegarden Grant: It has been approved; however, reimbursement is not happening; therefore, we are not allowing officers to work it until the government gives the green light. They have advised us we can always ask for reimbursement but unknown when the city would get their monies is the reason we are not working the grant yet.

AACOG Vehicle Grant: Our presentation was given to the AACOG board and Castroville ranked 6 out of 32 presentations so more than likely it will get funded \$82k (funding Sept/Oct 2026). **FYI: this is the 3rd vehicle we have received in the last 3 years totaling over 210K.**

Emergency Management

Statewide emergency management testing completed.

Internal Happenings

We are working with the DEA after Officer Sapper found an estimated 100K cash in a vehicle he stopped because he had warrants. The suspect was charged with Felon in Possession of Firearm, Resisting Arrest and served with the warrants-Suspect had lengthy criminal history including prior charges of drugs & guns along with assaultive offenses. Update: Could take up to a year or longer in the court system. It actually was \$121k. **Still pending**

We have submitted all questions on the questionnaire for the police facility needs to the firm. **Update:** We held our first meeting and conducted an on-site with the firm and verified building condition, needs and reviewed future positions. We then followed up with additional questions via online questions from the firm. **Another Zoom meeting after giving them the WlaMart/ Alsatian Oaks. Appears the square footage is estimated around 12k square feet. Awaiting next meeting. Update:** I spoke with the firm at the Texas Police Chiefs conference and it appears council presentation late May.

We are blessed to be fully staffed which has remained the case for sometime now. **No Change.**

Preparing Coffee with a cop in April. **Update: Was a success and was well attended.**

Continue to have supervisors meetings. **No change.**

Chief attended the Texas Police Chiefs conference in Corpus Christi and was the largest to date with around 1k attendance. Sat through numerous business meetings and met with many vendors.

Chief was requested to be on the Criminal Justice Advisory board for AACOG academy.

We have submitted our request to begin the process of becoming accredited through the Texas Police Chiefs (TPCA) Best Practices that currently has 173 standards/ policies that must be met. Our current policies in place have been patterned after the 173 standards drawn from TPCA. This is a big undertaking which may take up to a year.

Equipment:

Still waiting on the FEDS to release funds for the vehicle which was part of the Stonegarden Grant where we receive a fully outfitted police vehicle with no city funds being spent other than a 100% reimbursement. **Update: The vehicle has been ordered and sent to the upfitters to make it patrol ready. Awaiting build out. Update: Reimbursement has been submitted.**

2022 Tahoe with 28k miles is at the Chevrolet dealership for an engine replacement. Covered under warranty.

One radar trailer has equipment issues awaiting parts. **Update: It is fixed.**



Monthly Crime Report

Chief Kohler



March



2026



Major Crimes

ALL OTHER OFFENSES	4
BRIBERY	1
COUNTERFEITING/FORGERY	1
DRUG / NARCOTIC VIOLATION	2
IDENTITY THEFT	1
MOTOR VEHICLE THEFT	1
SHOPLIFTING	3
SIMPLE ASSAULT	1

Calls for Service

781

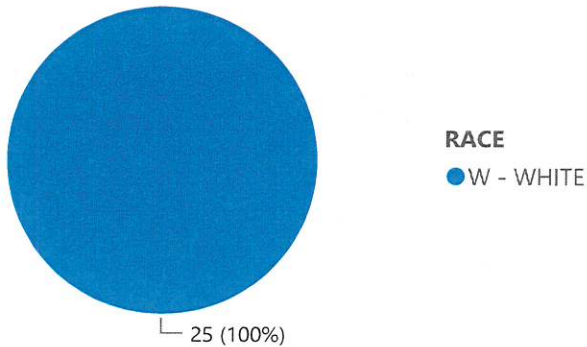
Reports Written

46

Citations

92

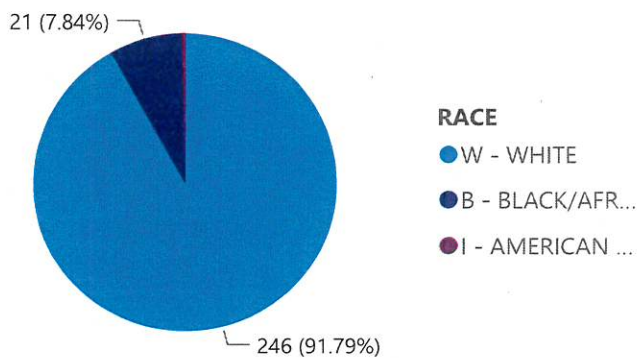
Arrests by Race



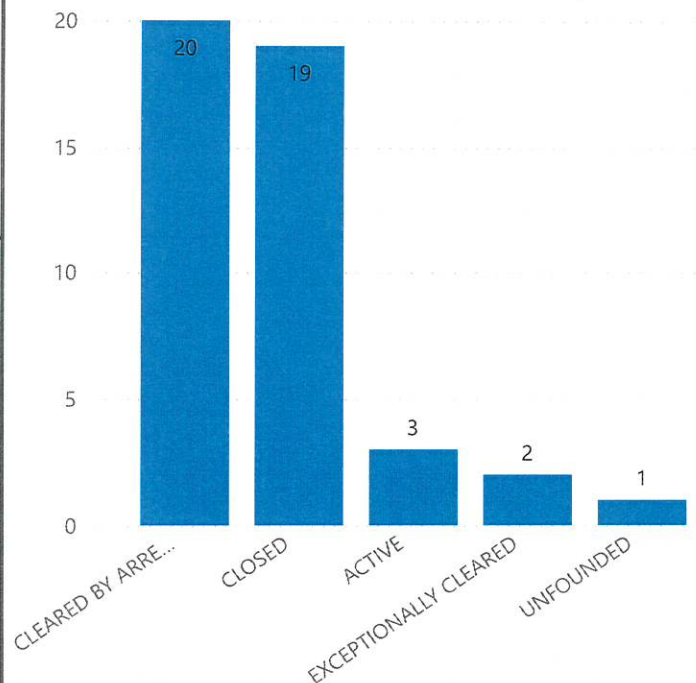
Warnings

176

Citation by Race



Case Status for this month's reports





Castroville Police Department

Chief of Police James Kohler



March ▼ 2026 ▼

Calls for Service

781

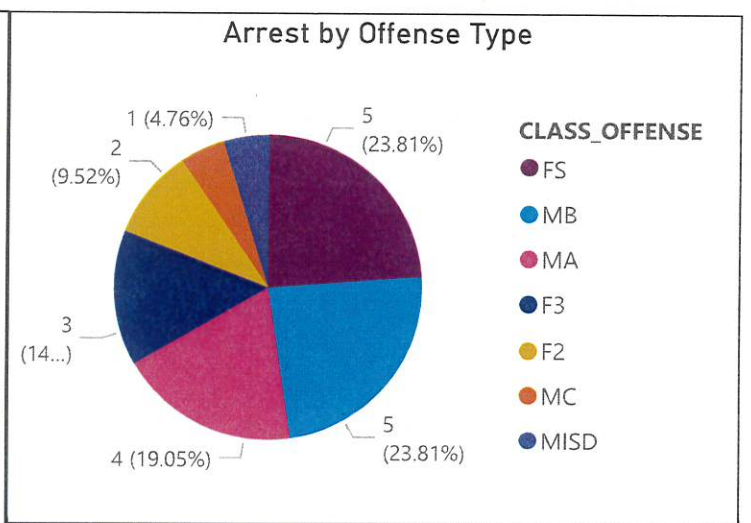
Incidents Reported

46

Reports Taken

97

IBR_DESCRIPTION	Count of CASE_NUMBER
ALL OTHER OFFENSES	45
BRIBERY	4
COUNTERFEITING/FORGERY	1
DESTRUCTION/DAMAGE/VANDALISM	1
DRIVING UNDER INFLUENCE	1
DRUG / NARCOTIC VIOLATION	2
FALSE PRETENSE	2
IDENTITY THEFT	1
MOTOR VEHICLE THEFT	1
SHOPLIFTING	3
SIMPLE ASSAULT	1
THEFT FROM MOTOR VEHICLE	1
TRAFFIC	9
Total	46



Total Arrests

17

Total Traffic Stops

271



Monthly Crime Report

Chief Kohler



March



2026



Major Crimes

ALL OTHER OFFENSES	4
BRIBERY	1
COUNTERFEITING/FORGERY	1
DESTRUCTION/DAMAGE/VANDALISM	1
DRUG / NARCOTIC VIOLATION	2
IDENTITY THEFT	1
MOTOR VEHICLE THEFT	1
SHOPLIFTING	3
SIMPLE ASSAULT	1
THEFT FROM MOTOR VEHICLE	1

Calls for Service

781

Reports Written

46

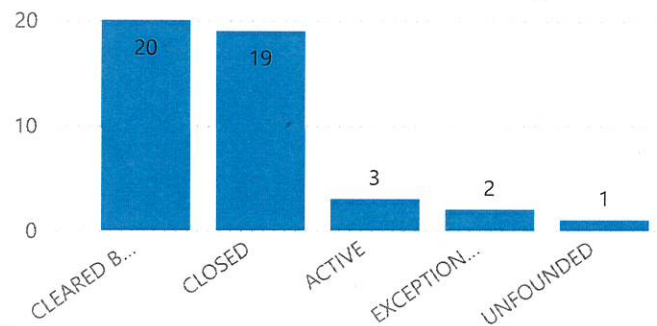
Citations

92

Warnings

176

Case Status for this month's reports



Arrests

17

Supervisor Reviewed Videos

35

Accidents

12

Cases Submitted to DA

12 YTD 48



Monthly CAD Report Chief Kohler

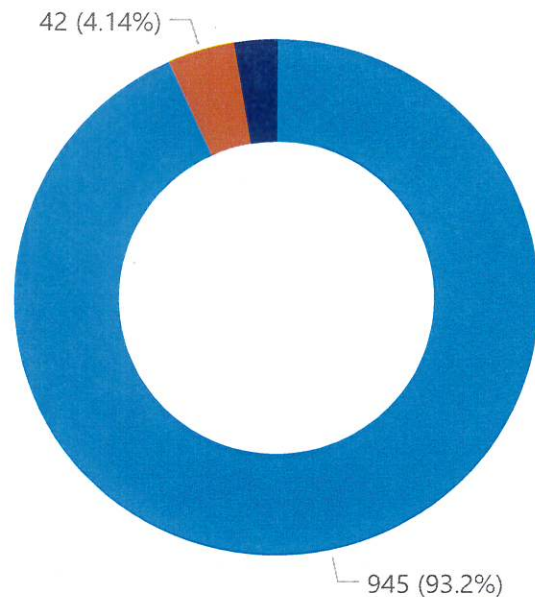


March 2026

Calls for Service by Agency	Calls for Service
CAST EMS 24	781
CAST FIRE 19	Traffic Stops
CASTROVILLE POLICE DEPARTMENT 781	278
Total 781	Alarm Calls
Security Watch	15
100	Funeral Escorts
Disturbances	(Blank)
9	

Calls by Agency

- OFFICER_AGENCY**
- CASTROVILLE POLICE DE...
 - CAST EMS
 - CAST FIRE





Agenda Report

Agenda of: April 28, 2025

Department: Administration

Subject: Discussion and appropriate action to adopt a resolution approving the Second Amendment to the Development Agreement between the City of Castroville, Texas and KF Flat Creek, LP, and authorizing the Mayor to execute same.

Recommended Motion:

I move to approve a Resolution authorizing the Mayor to execute the Second Amendment to the Development Agreement between the City of Castroville, Texas and KF Flat Creek, LP.

Background:

The City Council is being asked to consider approval of a resolution authorizing the Second Amendment to the Development Agreement with KF Flat Creek, LP. The original Development Agreement was approved on August 24, 2023, establishing the framework for development of the Flat Creek project.

This Second Amendment refines certain financial, infrastructure, and administrative provisions to better align with current project conditions and implementation needs.

Timeline

- **August 24, 2023:** City Council approved the original Development Agreement with KF Flat Creek, LP.
- **Subsequent Period:** Project planning and financing structures have advanced, prompting the need to update certain provisions.
- **April 28, 2026:** Proposed effective date of the Second Amendment, subject to Council approval.

Summary of Key Changes in Second Amendment

The Second Amendment includes the following primary modifications:

- **PID Bond Cap:** Establishes a maximum aggregate principal amount of \$25,000,000 for PID bonds.
- **Value-to-Lien Ratio:** Clarifies and maintains a minimum ratio of 2:1, with updated methodology for determining valuation.
- **Maximum Tax Equivalent Rate:** Sets a cap not to exceed \$0.60 per \$100 of assessed valuation for PID-related obligations.

- **Removal of Obsolete Provisions:** Eliminates references to the Multi-Party Agreement and Allocated Water Capacity Cost.
- **Utility Service Agreement Update:** Replaces the prior form with an updated Utility Service Agreement to reflect current city policies and operational practices.

These changes are primarily technical and clarifying in nature and do not materially alter the overall development framework.

The amendment has been prepared and reviewed by the City Attorney and is in acceptable legal form.

STAFF RECOMMENDATION

Staff recommends approval of the amended development agreement by adoption of the proposed resolution.

Fiscal Impact: There is **no direct fiscal impact** to the City’s current budget associated with this amendment.

Budgeted **Requires Budget Amendment**

Source of Funding: N/A

Urgency (0-5 = Low Urgency to High Urgency): 4

Impact (0-5 = Low Impact to High Impact): 3

Submitted by: R. Scott Dixon

Attachments: Resolution Approving Amendment, Second Amendment to the Flat Creek Development Agreement and associated exhibits

RESOLUTION NO. _____
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CASTROVILLE, TEXAS, APPROVING THE EXECUTION OF THE SECOND AMENDMENT TO THE DEVELOPMENT AGREEMENT BETWEEN THE CITY OF CASTROVILLE, TEXAS AND KF FLAT CREEK, LP, AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Castroville, Texas (the “City”) and KF Flat Creek, LP (the “Developer”) entered into that certain Development Agreement dated August 24, 2023 (the “Development Agreement”), the recitals and terms of which are incorporated herein by reference; and

WHEREAS, the City and the Developer desire to amend the Development Agreement as set forth in the Second Amendment to the Development Agreement (the “Second Amendment”) attached hereto as **EXHIBIT A**; and

WHEREAS, the City Council has determined that it is in the best interest of the City and its citizens to approve and authorize the execution of the Second Amendment;

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

SECTION 1. The Second Amendment attached hereto as **EXHIBIT A** is hereby approved, and the Mayor is authorized to execute and deliver the Second Amendment on behalf of the City.

SECTION 2. The City Manager, City Secretary, City Attorney, and all other appropriate City officials are hereby authorized to take all actions necessary to carry out the purposes of this Resolution.

SECTION 3. This Resolution is effective immediately upon adoption.

Adopted this 28th day of April, 2026.

CITY OF CASTROVILLE, TEXAS

By: _____

Bruce Alexander, Mayor

ATTEST:

By: _____

City Secretary

(CITY SEAL)

EXHIBIT A

**SECOND AMENDMENT TO THE DEVELOPMENT AGREEMENT BETWEEN CITY OF
CASTROVILLE, TEXAS AND KF FLAT CREEK, LP**

[Attached hereto.]

SECOND AMENDMENT TO DEVELOPMENT AGREEMENT

This SECOND AMENDMENT TO DEVELOPMENT AGREEMENT (this “**Amendment**”) is entered into effective as of the 28th day of April, 2026 (the “**Amendment Effective Date**”), by and between the City of Castroville, Texas, a political subdivision of the State of Texas (“**City**”) and KF Flat Creek, LP, a Texas limited partnership (“**Developer.**”)

WITNESSETH:

WHEREAS, City and Developer entered into that certain Development Agreement dated effective August 24, 2023 (the “**Agreement**”) relating to the development of the Property; and

WHEREAS, City and Developer desire to amend the Agreement to (i) amend the aggregate principal amount of all PID Bonds that may be issued for the development of the District as set forth in Section 5.01(g)(i) of the Agreement, (ii) amend the value-to-lien ratio requirement as set forth in Section 5.01(g)(vii) of the Agreement, (iii) revise the maximum tax-equivalent rate calculation as set forth in Section 5.02 of the Agreement, (iv) eliminate references to the Multi-Party Agreement, the Allocated Water Capacity Cost, and all associated definitions and provisions, and (v) replace the Form of Utility Service Agreement (Exhibit J to the Agreement); and

WHEREAS, City and Developer desire to amend the Agreement in accordance with the terms and conditions of this Amendment.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree to amend the Agreement as follows:

1. Defined Terms. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Agreement.

2. Amendment to Issuance of PID Bonds. Section 5.01(g)(i) of the Agreement is hereby deleted in its entirety and replaced with the following:

(i) the aggregate principal amount of all PID Bonds shall not exceed \$25,000,000;

3. Amendment to Value-to-Lien Ratio. Section 5.01(g)(vii) of the Agreement is hereby deleted in its entirety and replaced with the following:

(vii) the Developer shall have delivered to the City (i) a certificate or report from an independent certified appraiser, appraisal firm or financial consultant, assuming completion of the Authorized Improvements, demonstrating that the ratio of the aggregate appraised value of all assessed parcels of Property to the aggregate principal amount of all PID Bonds then secured or proposed to be secured by the resultant Assessment Revenues (the “Value to Lien Ratio”) is at least 2:1 (which in determining, the independent certified appraiser, appraisal firm or financial consultant may rely on builder contracts, a certificate from the Administrator identifying lots on which Structure construction has commenced or the Medina County Tax Assessor/Collector’s estimated assessed valuation for completed Structures (Structure and lot assessed valuation) and estimated lot valuation for

lots on which Structures are under construction). For the avoidance of doubt, in the event of any conflict between this provision and Section 5.02, this provision shall control;

4. Maximum Tax Equivalent Rate. Section 5.02 of the Agreement is hereby deleted in its entirety and replaced with the following:

The maximum tax-equivalent rate applicable to the Property, inclusive only of the tax-rate equivalent to pay the Annual Installments and exclusive of the ad valorem tax rate of any and all jurisdictions having taxing authority over the Property, shall not exceed \$0.60 per \$100 of assessed valuation of Assessed Property in the PID.

5. Multi-Party Agreement and Allocated Water Capacity Cost. All references to the Multi-Party Agreement and Allocated Water Capacity Cost are hereby deleted. For the avoidance of doubt:

a. The definitions of “Allocated Water Capacity cost” and “Multi-Party Agreement” in Section 1.02 are hereby deleted.

b. Section 3.04(b) is hereby deleted and replaced in its entirety with the following:

The terms by which the Developer may access water service capacity, which includes the Developer’s payment (or its causing to be paid) the water system capacity allocation charge, shall be specified in the USA.

c. Section 3.04(e) is hereby deleted and replaced in its entirety with the following:

[Reserved]

d. Section 3.04(f) is deleted in its entirety.

e. Section 5.01(f) is hereby deleted and replaced in its entirety with the following;

[Reserved]

6. Replacement of Form of Utility Service Agreement. Exhibit J to the Agreement (Form of Utility Service Agreement) is hereby deleted and replaced in its entirety with the form of Utility Service Agreement attached to this Amendment as Exhibit A.

7. Conforming Amendments. Any references in the Agreement to terms or provisions amended or replaced pursuant to this Amendment are hereby deemed amended as necessary to give effect to the provisions of this Amendment.

8. Full Force and Effect. In the event any of the terms of the Agreement conflict with the terms of this Amendment, the terms of this Amendment shall control. Except as amended hereby, all terms and conditions of the Agreement shall remain in full force and effect, and City and Developer hereby ratify and confirm the Agreement as amended hereby. The Agreement, as amended herein, constitutes the entire agreement between the parties hereto and no further modification of the Agreement shall be binding unless evidenced by an agreement in writing signed by City and Developer.

9. Counterparts. This Amendment may be executed in a number of identical counterparts. If so executed, each of such counterparts is to be deemed an original for all purposes, and all such counterparts shall, collectively, constitute one Amendment.

10. Governing Law. This Amendment shall be construed and governed in accordance with the laws of the State of Texas.

[SIGNATURE PAGE(S) FOLLOW]

EXECUTED AND EFFECTIVE as of the Amendment Effective Date.

CITY:

CITY OF CASTROVILLE, TEXAS,
a political subdivision of the State of Texas

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2026 by _____, _____ of City of Castroville, Texas, a political subdivision of the State of Texas, on behalf of said political subdivision, known to me to be the person whose name is subscribed to the within instrument, and acknowledged that she or he executed the same for the purposes and consideration set forth therein.

Notary Public, the State of Texas

DEVELOPER:

KF FLAT CREEK, LP
a Texas limited partnership

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2026 by _____, _____ of KL Flat Creek, LP, a Texas limited partnership, on behalf of said entity, known to me to be the person whose name is subscribed to the within instrument, and acknowledged that she or he executed the same for the purposes and consideration set forth therein.

Notary Public, the State of Texas

EXHIBIT A
FORM OF UTILITY SERVICE AGREEMENT
[New Form to be Attached]

FORM
OF
UTILITY SERVICE AGREEMENT FOR NEW DEVELOPMENT

STATE OF TEXAS §
 §
COUNTY OF MEDINA §

This Utility Service Agreement for New Development ("Agreement") is entered into by and between the City of Castroville ("City") and _____[Name], a _____[entity type], ("Developer") together the Parties ("Parties").

Recitals

WHEREAS, the City and the Developer have entered into that certain Development Agreement (as the same is amended from time to time, the Development Agreement), pursuant to which the City and the Developer are obligated to undertake specified actions relative to the development that is the subject of the Development Agreement; and

WHEREAS, Developer has requested that the City provide municipal water, wastewater collection, transportation, treatment, and disposal services (the "Services") to an approximate _____ [number] acre tract of land (the "Tract") which is located inside the City's certificate of convenience and necessity ("CCN"), and the Developer's request does not necessitates the City's financial participation in the development of infrastructure through oversizing or unbudgeted expenditures, therefore, City Council action is not required; and

WHEREAS, the City desires to provide the Services to the Developer pursuant to this Agreement,

NOW THEREFORE, the Parties agree as follows:

Agreement

1.00 Definitions. The terms defined in the above Recitals and set forth below are incorporated herein for all purposes.

1.01 Capacity Reservation – Capacity reserved in the City System for the Tract in accordance with the terms of this Agreement, expressed as Equivalent Dwelling Unit (EDUs) for planning and tracking purposes and in the amount specified in this Agreement.

1.02 Capital Improvements Plan (CIP) – the City's multi-year plan for implementing projects that support water production and distribution and domestic wastewater collection and treatment. The CIP is a financial planning and management tool which identifies facility and equipment requirements and schedules them for funding and implementation.

1.03 Connection Fee - a charge or fee that is imposed by City for construction, installation, or inspection of a tap or connection to the City’s water or wastewater facilities, including all necessary service lines and meters, or for wholesale facilities that serve such water or wastewater facilities if the charge or fee does not exceed three times the actual cost to the City for such tap or connection; or if made to a nontaxable entity for retail or wholesale service, does not exceed the actual costs to the City for such work and for all facilities that are necessary to provide Services to such entity and that are financed or are to be financed in whole or in part by rates or revenue bonds of the City; or is made by the City for retail or wholesale service on land that at the time of platting was not being provided with wastewater service by the City.

1.04 Developer - any person who, with respect to land located within the City’s Service Areas: (i) has divided or proposes to divide the land into two or more parts for the purpose of laying out a Subdivision or other Development; (ii) is planning a Development on a single large Plat; or (iii) is developing over ten residential lots whether previously platted or not.

1.05 Engineering Report – Signed and sealed report prepared for a Developer by a registered professional engineer identifying the Tract, providing details of the proposed development and phasing on the Tract, identifying the number of EDUs to be served for each phase, the proposed assignment of Capacity Reservation to each phase, if applicable; the sequence and a timetable for build-out; and specifying the On-Site and Off-Site Facilities to be constructed for each phase that would allow the development on the Tract to receive Services from the City System.

1.06 Equivalent Dwelling Unit (EDU) – A standardized measure of the consumption, use, generation, or discharge of water or wastewater attributable to a single-family residence, calculated in accordance with generally accepted engineering and planning standards for capital improvements and facilities expansion to serve new development, as defined as 240 gallons per day for wastewater.

1.07 Impact Fee – A charge or assessment imposed by the City against new development in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to such new development and does not include any fee or charge that is a Connection Fee.

1.08 Joint Venture – A commercial enterprise undertaken jointly by two or more parties that otherwise retain their distinct identities.

1.09 Off-Site Facilities - The structures, facilities, and equipment to be constructed and located on property other than the Tract necessary for connection of water and wastewater services of the City System to the Tract.

1.10 On-Site Facilities – The structures, facilities, and equipment to be constructed by the Developer and located on the Tract necessary for connection of water and wastewater services from the Tract to the City System.

1.11 Plat – A complete and exact map representing the Tract, showing the boundaries

and location of individual lots, easements, and streets which will be approved by the City.

1.12 Project ROW – Right of way needed for the Off-Site and On-Site Facilities to be provided by the Developer in a form and manner acceptable to City as provided in Section 8.00 herein.

1.13 City – the City of Castroville, Texas, a Texas General Law Type A Municipality located in Medina County.

1.14 City Council means the City Council of the City, as its governing body.

1.15 City System or System – The central water and wastewater collection, treatment, and disposal system owned and operated by the City.

1.16 City Technical Specifications for Utility Construction – Technical specifications established by the City management for the On-Site Facilities and Off-Site Facilities, including, but not limited to, specifications of material type, sizing, and installation requirements.

1.17 City Utility Service Policies - Rules and policies adopted by the City Council of the City of Castroville governing the extension and provision of Service from the City System.

1.18 Services – Water and wastewater collection, transportation, treatment and disposal.

1.19 Site Plan – plan prepared by Developer’s engineer depicting the Tract, phases of development, the number of EDUs planned for each development phase, and the planned Off-Site Facilities and On-Site Facilities needed to serve the Tract and proposed development.

1.20 TCEQ - Texas Commission on Environmental Quality or its successor entity.

1.21 Tract – a lot or plot of land to be developed by the Developer. Boundaries are defined per the Plat submitted by the Developer and identified in the Site Plan and Engineering Report.

1.22 Utilities Manager - The Manager of the City of Castroville Utilities Department or their designated representative.

2.00 Utility Service Policies and Technical Specifications for Utility Construction. The Parties acknowledge that the Services to the Tract shall be provided in accordance with: the City’s Utility Service Policies , City’s Technical Specifications for Utility Construction, as may be amended from time to time. In the event the specific terms of this Agreement are in conflict with the above listed, the

specific terms of this Agreement shall apply. The above notwithstanding, for the specific conflicting terms to prevail, the conflict must be expressly noted in this Agreement. The Parties further acknowledge that this Agreement may be subject to future acts of the City Councilor its assignee with respect to the adoption or amendment of City ordinances/resolutions governing Connection Fees and Impact Fees, in accordance with applicable law.

3.00 Capacity Reservation. The Parties agree that the purposes of this Agreement are 1) the reservation and dedication of ____ [number] water service EDUS and ____ [number] wastewater EDUS from available System capacity; 2) the connection to the System, and 3) provision of Services to the Tract provided 4) the Developer meets the terms and conditions of this Agreement. Unused Capacity Reservation for individual EDUs shall expire ten years from the Effective Date of this Agreement. Developer may request an extension in the same manner as extension of the Developer’s obligations under the Development Agreement (which provisions are incorporated by reference as though herein reproduced), unless extended by mutual agreement, evidenced in writing, by the City and the Developer. Any rights that the Developer claims arise under Chapter 245, as amended, Texas Local Government Code or Chapter 43, as amended, Texas Local Government Code that are related to this Agreement shall be governed by the applicable provisions of the Development Agreement, particularly Section 3.01(b) thereof.

4.00 Obligation Conditioned. The obligation of the City to provide the Services is conditioned upon present rules, regulations and statutes of the United States of America and the State of Texas and any court order that directly affects the System and/or the utility infrastructure directly servicing the Tract. The Developer acknowledges that if the rules, regulations and statutes of the United States of America and/or the State of Texas that are in effect upon the execution date of this Agreement are repealed, revised or amended to such an extent that the City becomes incapable of, or prevented from, providing the Services, then no liability of any nature is to be imposed upon the City as a result of the City’s compliance with such legal or regulatory mandates. The City agrees that it will use its best efforts to prevent the enactment or to mitigate the impact of such legal or regulatory mandates.

5.00 Site Plan and Engineering Report. The Developer will submit the Engineering Report as part of the plan review. **Attachment A** provides the current Site Plan for the Tract. The Parties agree that the Site Plan is a part of this Agreement for the purposes of identifying the Tract, Off-Site Facilities, On-Site Facilities and development phases until the Engineering Report is provided. The Developer shall modify and update the Site Plan and the Engineering Report as may be reasonably required by the Utilities Manager.

6.00 Infrastructure Requirements. The Developer will design and install all On-Site Facilities to serve the Tract in accordance with the City’s Technical Specifications for Utility Construction solely at the Developer's cost, unless otherwise stated herein. Such On-Site include the following:

[insert information here]

7.00 Reserved.

7.01. Connection Fee or Impact Fee Credit Eligibility.

8.00 Project ROW. The Developer shall use best efforts to provide all services necessary to acquire title to the right of way needed for the Off-Site Facilities and On-Site Facilities (“Project ROW”) in a form and substance acceptable to the City in its sole discretion in the name of the City. The City requires utility easements to be twenty (20) twenty feet wide. The Developer shall acquire all Project ROW in accordance with State and Federal Law and the practices, guidelines, procedures, and methods as required by the City. Except as otherwise set forth in this Agreement, the Developer’s Project ROW staff and/or Subcontractors will function as independent contractors while acquiring Project ROW, and not as an agent, representative, or employee of the City. If the Developer is unable to acquire the necessary Project ROW and thereby fails to obtain the needed conveyance in a form acceptable to the City, the City staff may initiate acquisition efforts. The use of eminent domain by the City requires approval by the City Council , and such decision is in the City Council’s sole discretion. The acquisition of all Project ROW shall be completed prior to starting construction.

If the City staff is engaged for acquisition efforts, an amendment to this agreement shall be executed to outline the terms of this effort. The Developer will reimburse the City for all costs incurred by the City in the acquisition of the Project ROW, including but not limited to land acquisition costs, survey costs, appraisal costs, staff time and legal costs. The City shall not expend more than \$xx (or determined through amendment if not able to determine at this time) in the aggregate toward the cost of acquisition of the Project ROW without the prior written approval of the Developer and the Developer agrees to deposit these funds in an escrow account agreeable to the City from which the City may draw as funds are needed to pay for any costs incurred by the City as the City deems necessary.

Developer shall also be responsible for the full and timely payment of any fees and charges imposed by a city for returning the Project ROW to the condition as it existed prior to the construction, installation, repair, replacement, upgrade, or removal of any Off-Site or On-Site Facilities needed to serve the new Development.

9.00 Reserved.

10.00 Connection Fee and Impact Fee Assessment and Payment. Connection Fees and Impact Fees will be assessed at the rates, and be payable at the times, as specified in the Code and ordinance or resolutions from time to time adopted by the City implementing or modifying the same. Impact Fees shall be payable upon, and as a condition to, the issuance of building permits.

11.00 Impact Fee Estimates Based Upon Current Charges. The following is an estimate of Connection Fees and Impact Fees for the provision of Services contemplated under this Agreement.

Type of Fee	EDUs	\$/EDU	Estimated Total
-------------	------	--------	-----------------

Connection Fee	XXX	Amount	\$XXX
Impact Fee – Water	XXX	Amount	\$XXX
Impact Fee- Wastewater	XXX	Amount	\$XXX
Total			\$XXX

12.00 Pro-Rata Cost Contribution Requirement (if applicable). Developer shall be required to pay a pro-rata cost contribution prior to connecting to the City System, if Developer is tapping into or connecting to a component of the City System that is subject to a pro-rata cost contribution requirement. A component of the City System that is subject to a pro-rata cost contribution requirement is a component built or to be built at the City’s cost, or a component that the City has or will pay to oversize, the costs of which are not covered by an Impact Fee or Connection Fee. {include the following if applicable} Developer shall be connecting to (ID of main that is being connected to) a City System component that is the subject of a pro-rata cost contribution in the amount of for the Reserved Capacity. This pro-rata cost contribution shall be collected from Developer prior to commencement of construction of any On-Site Facilities or Off-Site Facilities.

13.00 Dedication to City. The Developer agrees to dedicate, grant, and convey to the City all rights, title and interest of the Developer in both the Off-Site Facilities and On-Site Facilities that the Developer constructs pursuant to this Agreement and to dedicate, grant, and convey to the City easements for such utility infrastructure in the form and manner acceptable to the City. Upon written acceptance of Off-Site and On-Site Facilities by the City, the infrastructure shall be owned, operated and maintained by the City, at which point all conveyed infrastructure will have a one-year warranty.

14.00 Design and Construction Requirements. The design and construction of all Off-Site and On-Site Utilities shall, at a minimum, comply with the requirements established by the City and if applicable, Medina County, State of Texas, and any agency thereof with jurisdiction, including but not limited to the TCEQ and the Texas Department of Health. Off-Site and On-Site Facilities shall be constructed under the inspection of City. Provision of the Services to the Tract shall not commence until the Utilities Manager has accepted and approved Off-Site and On-Site Facilities in writing.

15.00 Joint Venture Agreements. In the event the Developer enters into a Joint Venture agreement covering the costs for supplying the Services to the Tract, the Developer shall send a copy of such agreement to the attention of the Utilities Manager.

16.00 Assignment. This Agreement may not be assigned by the Developer in whole or in part without the prior written consent of the City. The Developer may assign, convey or transfer Capacity Reservation (by EDU) to buyers of portions of the Tract in accordance with Section 25 below and with the approval of the City.

17.00 Event of Foreclosure. In the event the Developer's interests in the Tract are extinguished by an act of foreclosure, and the foreclosing party has supplied sufficient evidence to the City that they are the successor in interest to the Tract as a result of such foreclosure, and that there are no

lawsuits pending concerning the Tract, the City shall consider the foreclosing party a successor in interest if the foreclosing party executes a utility service agreement with the City after the Utilities Manager determines that the execution of such an agreement will not be adverse to the City's interest.

18.00 Payment for Provision of Retail Utility Service. Customers within the Tract receiving Services shall be charged the applicable rates for Service from time to time specified by ordinance or resolution adopted by the City Council. Billing and collection for charges for Service shall be the responsibility of the City.

19.00 Reserved.

20.00 City's Obligation to Provide Service. To the extent that the Developer pays all applicable fees and complies with all Off-Site Facility and On-Site Facility requirements, Developer shall be entitled to the permanent use and benefit of the Services and is entitled to receive immediate service from any existing facilities with actual capacity to serve the development for which fees were paid, subject to compliance with other valid regulations and the terms of this Agreement.

21.00 Reserved.

22.00 Plats and Engineering Report. On-Site Facilities to be installed in phases shall conform to the Engineering Report. The Developer shall also provide the City with a digital version of the proposed recorded Plat, as submitted for Plat recordation in a format acceptable to the City, for each phase or unit of the development project. If a phase changes in any way from the Engineering Report, except for timing or schedule (i.e. number of EDUs, geographic boundaries), an amendment to this Agreement will be required.

23.00 Conformance to Engineering Report. All On-Site Facilities and Off-Site Facilities to serve the Tract shall be designed and constructed in conformance with the approved Engineering Report. Changes in the wastewater system design shall be resubmitted to the City for written approval.

24.00 Commencement of Construction and Early Termination. The Developer shall have one (1) year from the Effective Date of this Agreement to start construction of the On-Site Facilities and Off-Site Facilities. The Developer agrees that this Agreement shall automatically expire upon written notice of the City if the Developer has not started construction of required On-Site Facilities and Off-Site Facilities within one (1) year of the Effective Date of this Agreement. Upon such expiration, a new request for the Services must be submitted to the City. In the event Developer commences construction within the one (1) year period provided, the Agreement shall remain in effect for the term identified in this Agreement.

25.00 Capacity Reservation Assignments and Expiration. Capacity Reservations are for the Tract only and may not be transferred to other Off-Site projects. Capacity Reservation assignments to subdivided tracts within the Tract of this Agreement may be made only with prior approval of the City. The Developer shall maintain an accounting of the Capacity Reservations assigned by the Developer after the Effective Date of this Agreement to portions of the Tract. If the Developer sells a portion of the Tract and assigns part of the Capacity Reservation, such assignment must be included in the deed, bill of sale or instrument conveying the land and the Developer must require the buyer of the land who receives the assignment to record the instrument effectuating the

assignment. The City will recognize the Capacity Reservation assignments within the Engineering Report so long as the City has received notice of and previously approved the assignment, the allocations are within the parameters of this Agreement, and the City is given the opportunity to amend this Agreement and/or enter into a new Utility Service Agreement with the buyer of the land who receives the assignment from Developer.

Capacity Reservation for individual EDUs shall expire upon the earlier of (1) the time a retail customer connection is set and in service at which point the EDUs associated with that connection convert to active service and the EDUs are deducted from the overall Capacity Reservation for the Tract; or ten years from the Effective Date.

In no event will the System be responsible to third-parties for providing water or wastewater services capacity beyond the total Capacity Reservation identified in this Agreement for the Tract. **THE DEVELOPER EXPRESSLY DISCLAIMS, RELEASES AND HOLDS HARMLESS THE CITY, ITS OFFICERS, EMPLOYEES, CONSULTANTS AND REPRESENTATIVES, FROM ANY LIABILITY, DAMAGES, COSTS OR FEES, AND AGREES TO INDEMNIFY CITY, ITS OFFICERS, EMPLOYEES, CONSULTANTS AND REPRESENTATIVES FOR ANY LIABILITY, INCLUDING COSTS AND ATTORNEY'S FEES, ASSOCIATED WITH ANY DISPUTE RELATED TO THE AVAILABILITY OF SERVICES TO THE TRACT.**

26.00 Term. The term of this Agreement shall be ten years from the Effective Date, if the Developer complies with the requirements this Agreement. This Agreement shall automatically expire if the Developer fails to comply with the requirements of this Agreement within the time period provided herein.

26.01 To the extent that City's obligations do not survive the expiration of this Agreement, Developer understands and agrees that a new Agreement must be entered into with City to receive the Services for the development project that is the subject of this Agreement.

26.02 To the extent that Developer timely pays all applicable fees and complies with all On-Site and Off-Site Facilities requirements prior to the expiration of this Agreement, the following City obligations will survive expiration of this Agreement:

- a) The City's recognition of the EDUs referenced as the subject of this agreement as Capacity Reservation for the Tract.
- b) The City continued recognition of fee credits previously earned by the Developer.
- c) The City's continued provision of the Services to retail customers located in the Tract, so long as such customers pay for the services and comply with the City's regulations applicable to individual customers.

27.00 Entire Agreement. The following documents attached hereto and incorporated herein are as fully a part of this Agreement as if herein repeated in full, together with this Agreement, comprise the Agreement in its entirety:

Attachment A: Site Plan

Any of the above attachments that are created and submitted by the Developer as an attachment to this Agreement shall be limited to providing relevant engineering, planning or managing information for the purposes of setting aside or reserving wastewater service capacity as specified in the body of this Agreement. The Developer understands that this Agreement is subject to the Texas Public Information Act; and, therefore, agrees that it will not claim that any of the information contained herein is subject to any third-party exception under that Act.

28.00 Amendment. No amendment of this Agreement will be effective unless and until it is duly approved by each party and reduced to a writing signed by the authorized representatives of the City and the Developer.

29.00 Recordation. The Developer acknowledges and agrees that the Capacity Reservation provided by this Agreement runs with the land and shall be an appurtenance to the Tract. The City shall record notice of this Agreement in the Real Property Records of Medina County.

30.00 Indemnity. **TO THE EXTENT ALLOWED BY LAW AND TEXAS CONSTITUTION, THE DEVELOPER AGREES TO DEFEND, FULLY INDEMNIFY AND HOLD HARMLESS THE CITY, ITS OFFICERS, EMPLOYEES, CONSULTANTS AND REPRESENTATIVES, SUCCESSOR AND ASSIGNS AGAINST ANY AND ALL CLAIMS, LIENS, SUITS, OR ACTIONS ASSERTED BY ANY PERSON, FIRM, OR CORPORATION ON ACCOUNT OF LABOR, MATERIALS, OR SERVICES FURNISHED TO DEVELOPER IN THE PERFORMANCE OF THIS AGREEMENT AND FROM ANY CLAIMS, SUITS, OR ACTIONS OF THIRD PARTIES ARISING OUT OF THE SUBJECT MATTER OF THIS AGREEMENT.**

31.00 Notices. Any notice, request, demand, report, certificate or other instrument which may be required or permitted to be furnished to or served upon the parties shall be deemed sufficiently given or furnished or served, if in writing, and deposited in the United States mail, registered or certified, return receipt requested, addressed to such party at the address set forth below:

IF TO CITY:

CITY OF CASTROVILLE
1209 Fiorella Street
Castroville, Texas 78009
ATTN: City Administrator

With a copy to:
Jonathan W. Cranz
Kelly Hart
201 Main Street, Suite 2500
Fort Worth, Texas 76102
Jonathan.cranz@kellyhart.com

and

Dan Jones
Denton Navarro Rodriguez Bernal Santee & Zech, PC
2517 N Main Ave
San Antonio, Texas 78212
djones@rampagelaw.com

IF TO DEVELOPER:

[Developer Name]
[Address]
[Address]

With a copy to:

[Developer’s Attorneys name]
[Address]
[Address]

32.00 Severability. If for any reason any one or more paragraphs of this Agreement are held legally invalid, such judgment shall not prejudice, affect impair or invalidate the remaining paragraphs of the Agreement as a whole, but shall be confined to the specific sections, clauses, or paragraphs of this contract held legally invalid.

33.00 Effective Date. The Effective Date of this Agreement shall be the date signed by the authorized representative of the City.

34.00 Ownership. By signing this Agreement, the Developer represents and warrants that it is the owner of the Tract or has the authority of the Tract owner to develop the area.

35.00 Developer’s Obligations Regarding Construction. Developer shall ensure that contractors and builders working on the Tract shall use best practices to protect the City System and the environment during their construction projects and shall be aware of and follow City’s construction requirements. Developer shall be responsible for the direct and indirect costs of any damage to the City System, costs incurred by the City due to the failure of the Developer or its contractors to use best practices, or any damage to the environment caused by construction projects on the Tract.

ACCEPTED AND AGREED TO IN ALL THINGS:

City of Castroville

Signature: _____

Print Name: _____

Title: _____

Date: _____

ACKNOWLEDGEMENT

STATE OF TEXAS, COUNTY OF MEDINA §

BEFORE ME, the undersigned Notary Public, on this day personally appeared _____ known to me to be the person whose name is subscribed to the foregoing instrument and that he/she has executed the same as _____ for the purposes and consideration therein expressed and in the capacity therein stated.

Given Under My Hand and Seal of Office this _____ day of _____, 2026.

(Seal)

Notary Public

ACCEPTED AND AGREED TO IN ALL THINGS:

[DEVELOPER NAME]

Signature: _____

Print Name: _____

Title: _____

Date: _____

ACKNOWLEDGEMENT

STATE OF TEXAS, COUNTY OF _____ §

BEFORE ME, the undersigned Notary Public, on this day personally appeared _____ known to me to be the person whose name is subscribed to the foregoing instrument and that he/she has executed the same as _____ for the purposes and consideration therein expressed and in the capacity therein stated.

Given Under My Hand and Seal of Office this _____ day of _____, 2026.

(Seal)

Notary Public

**ATTACHMENT A
SITE PLAN**

STATE OF TEXAS §
 §
COUNTY OF MEDINA §
 §
CITY OF CASTROVILLE §

DEVELOPMENT AGREEMENT

BY AND AMONG

CITY OF CASTROVILLE, TEXAS

AND

MKT 179 INVESTMENTS, LLC (FORMERLY DICKERSON TAUSCH PROPERTIES, LLC)

AND

CROWN MONEY, LLC

AND

MKT179, LLC

AND

KF FLAT CREEK, LP

This Development Agreement (this “Agreement”) is entered into by and among the City of Castroville, Texas (as further defined herein, the “City”), MKT 179 Investments, LLC (formerly Dickerson Tausch Properties, LLC), Crown Money, LLC, MKT179, LLC (the “Landowners”) and KF Flat Creek, LP (the “Developer”) and is effective as of the Effective Date for the duration of the Term.

RECITALS

WHEREAS, the Landowners own approximately 255 acres of real property (the “Property”) located in Medina County, Texas, approximately 194.17 acres being within the City’s extraterritorial jurisdiction (as further defined and described herein, the “City ETJ”; such parcel, “Parcel A”) and the remaining 60.83 acres being wholly outside the ETJ (“Parcel B”), as more particularly described by metes and bounds and location map attached hereto as Exhibit A, which Property the Landowners have under contract to sell to the Developer; and

WHEREAS, the Property is not located in any other municipality’s corporate limits or extraterritorial jurisdiction; and

WHEREAS, Developer intends to develop the Property as a master-planned residential development, to include associated public infrastructure and other public and private improvements (as further described herein, the “Project”); and

WHEREAS, upon its acquisition of the Property from the Landowners, the Developer has agreed to voluntary, full purpose annexation of the Property, thereafter to be included within the City’s corporate limits and to comply with certain terms and conditions regarding the Project’s

development, including with respect to subdivision and platting of the Property, design and construction standards, and the design, construction, installation, and inspection of water, sewer, natural gas, electric power, broadband internet service, drainage, roadway, streets, sidewalks, and other public infrastructure and public improvements to serve the Property, all as further described herein; and

WHEREAS, upon full purpose annexation, necessary police, public safety, and other municipal utility services will be provided to the Property as herein described; and

WHEREAS, the Parties intend that the Property be developed (i) as a high-quality residential development and (ii) pursuant to binding, contractual development regulations herein memorialized, that are recorded in the County’s Official Public Land Records (so as to bind the Developer, the Developer, and all future owners of the Property or any portion thereof), and that will provide regulatory certainty, among other matters, during the Term of this Agreement; and

WHEREAS, the Developer has communicated to the City that its development of the Project in the manner herein described, and the City has communicated to the Developer that its participation in certain City public works projects necessary for the City’s provision of retail water service to the Property, require the City’s creation of a public improvement district under Chapter 372 over the entirety of the Property (the “PID”); and

WHEREAS, the City has determined that the Property’s annexation and development in accordance with the terms herein provided will benefit the City by, among other things, expanding the City’s corporate limits, property tax base, sales and use tax base, and utility system customer base, and by creating additional residential, commercial, and employment opportunities for City residents; and

WHEREAS, the Developer has communicated to the City that it will not close on its purchase of the Property from the Landowner prior to the execution of this Agreement by all Parties; and

WHEREAS, this Agreement is a development agreement of the type described by Subchapter G of Chapter 212; and

WHEREAS, the Parties agree that the provisions of this Agreement substantially advance a legitimate interest of the City by expanding the City’s ad valorem tax, and utility system customer bases, and increasing local residential and employment opportunities; and

WHEREAS, the City Council has found that development of the Property in compliance with this Agreement will serve a public purpose and benefit the economy of the City and is in the best interests of the residents of the City; and

NOW, THEREFORE, for and in consideration of the above stated recitals, which are made a part of this Agreement for all purposes, the benefits described below, and the mutual promises expressed herein, the sufficiency of which is hereby acknowledged by the Parties, the Parties hereby contract, covenant, and agree as follows:

**ARTICLE 1
DEFINED TERMS**

1.01 Construction of Terms. All terms and phrases defined herein shall have the meanings and definitions ascribed thereto. Terms that have well known technical, municipal, or construction or development industry meanings are used in accordance with such recognized meanings, unless otherwise defined herein or unless the context clearly indicates a different meaning. If appropriate in the context of this Agreement, words of the singular shall be considered to include the plural, words of the plural shall be considered to include the singular, and words of the masculine, feminine, or neuter gender shall be considered to include the other genders.

1.02 Definition of Certain Terms. In addition to capitalized terms defined throughout this Agreement, the following terms used in this Agreement have the meaning ascribed thereto:

“Administrative Expenses” means the administrative, organization, maintenance and operation costs associated with, or incident to, the administration, organization, maintenance and operation of the PID, including, but not limited to, the costs of: (i) creating and organizing the PID, including conducting hearings, preparing notices and petitions, and all costs incident thereto, including engineering fees, legal fees and consultant fees, (ii) the annual administrative, organization, maintenance, and operation costs and expenses associated with, or incident and allocable to, the administration, organization, maintenance, and operation of the PID and the Authorized Improvements, (iii) computing, levying, billing and collecting Assessments or the Annual Installments thereof, (iv) maintaining the record of installments of the Assessments and the system of registration and transfer of the PID Bonds, (v) issuing, paying and redeeming the PID Bonds, (vi) investing or depositing of monies, (vii) complying with Chapter 372 and other laws applicable to the PID Bonds, (viii) the PID Bond trustee’s reasonable fees and expenses relating to the PID Bonds, (ix) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, and (x) administering the construction of the Authorized Improvements. Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on the PID Bonds or any costs of issuance associated with the PID Bonds.

“Administrator” means an employee or contracted designee of the City who shall have the responsibilities provided in the Service and Assessment Plan or any other agreement or document approved by the City related to the duties and responsibilities for the administration of the PID, being (initially) MuniCap, Inc.

“Airport Proximity Consent” means the consent in the form attached hereto as Exhibit N.

“Allocated Water Capacity Cost” means the cost of those improvements to the City’s water system that are the subject of the Multi-Party Agreement allocated to the Developer on a pro rata basis (in accordance with the methodology specified in the Multi-Party Agreement).

“Annual Installment” means, with respect to the Assessed Property, the annual installment payments of an Assessment calculated by the Administrator and approved by the City Council.

“Annual Service Plan Update” means the annual review and update of the Service and Assessment Plan required by Chapter 372 and the Service and Assessment Plan.

“Approved Plat” means a final plat for portions of the Property that are approved, from time to time, by the City Council or City staff, as applicable, in accordance with the Governing

Regulations.

“Assessable Property” means all Property other than Non-Benefited Property.

“Assessed Property” means for any year, any Parcel within an Improvement Area, other than Non-Benefited Property, against which an Assessment is levied.

“Assessment Revenues” means money collected by or on behalf of the City from any one or more of the following: (i) an Assessment levied against an Assessed Property, or Annual Installment payment thereof (including any interest on such Assessment or Annual Installment thereof during any period of delinquency), (ii) a Prepayment, (iii) Delinquent Collection Costs, and (iv) Foreclosure Proceeds.

“Assessment Roll(s)” means the Assessment Roll for the Assessed Property included in the Service and Assessment Plan or any other Assessment Roll in an amendment or supplement to the Service and Assessment Plan or in an Annual Service Plan Update showing the total amount of the Assessments, as updated, modified or amended from time to time in accordance with the procedures set forth in the Service and Assessment Plan and in Chapter 372 (including updates prepared in connection with any Annual Service Plan Update).

“Assessment Ordinance” means each ordinance approved by the City Council that levies Assessments, on a Phase-by-Phase basis, on certain Assessed Property in accordance with Chapter 372 to pay for Authorized Improvements Costs, as well as the costs associated with the issuance of the PID Bonds and the Administrative Expenses.

“Assessments” means (i) singularly, the assessment levied against an Assessed Property (as shown on the Assessment Roll), subject to reallocation upon the subdivision of an Assessed Property or reduction according to the provisions of the Service and Assessment Plan and Chapter 372 and (ii) plurally, the aggregate assessments shown on the Assessment Roll.

“Authorized Improvements” means water (including the improvements to the City’s water system that are the subject of the Multi-Party Agreement), sewer, drainage, landscaping, hardscaping, and roadway infrastructure, facilities, any other permitted public improvements authorized under Chapter 372, and other soft costs needed to serve and fully develop the Property as set forth in the Consultant’s Plan and in the Land Plan (and ultimately to be included in the Service and Assessment Plan) and to be constructed by the Developer or by or on behalf of the City.

“Authorized Improvements Costs” means, with respect to an Authorized Improvement, the demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvement. Authorized Improvement Costs may include (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of such Authorized Improvement, including general contractor and construction management fees, if any, (b) the costs of preparing the construction plans for such Authorized Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (d) the costs for external professional costs associated with such Authorized Improvement, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, and taxes (property and franchise), (e) the costs of all labor,

bonds and materials, including equipment and fixtures, incurred by contractors, builders and material men in connection with the acquisition, construction or implementation of the Authorized Improvements, (f) all related permitting, zoning and public approval expenses, architectural, engineering, legal, and consulting fees, financing charges, taxes, governmental fees and charges (including inspection fees, permit fees, development fees), insurance premiums and miscellaneous expenses. Authorized Improvements Costs may include general contractor's fees in an amount up to a percentage equal to the percentage of work completed and accepted by the City or construction management fees in an amount up to five (5%) percent of the eligible Authorized Improvements Costs described in a certification for payment. The amounts expended on legal costs, taxes, governmental fees, insurance premiums, permits, financing costs, and appraisals shall be excluded from the base upon which the general contractor and construction management fees are calculated.

“Authorizing Ordinance” means Ordinance No. _____ adopted by the City Council on August 24, 2023, which ordinance authorizes the City's entering into this Agreement and other matters necessary or incidental to the foregoing, all in accordance with Subchapter G of Chapter 212.

“Bankruptcy Event” means (a) commencement of an involuntary proceeding or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of either Developer or of a substantial part of the assets of either Developer under any insolvency or debtor relief law or (ii) the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for either Developer or a substantial part of either Developer's assets and, in any case referred to in the foregoing clauses (i) and (ii), such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered; or (b) either Developer shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for either Developer or for a substantial part of either Developer's assets, or (ii) generally not be paying its debts as they become due unless such debts are the subject of a bona fide dispute, or (iii) make a general assignment for the benefit of creditors, or (iv) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition with respect to it described in clause (b)(i) of this definition, or (v) commence a voluntary proceeding under any insolvency or debtor relief law, or file a voluntary petition seeking liquidation, reorganization, an arrangement with creditors or an order for relief under any insolvency debtor relief law, or (vi) file an answer admitting the material allegations of a petition filed against it in any proceeding referred to in the foregoing clauses (i) through (v), inclusive, of this part (b), and, in any case referred to in the foregoing clauses (i) through (v), such action has not been cured within twenty (20) days thereafter.

“Chapter 42” means Chapter 42, as amended, Texas Local Government Code.

“Chapter 43” means Chapter 43, as amended, Texas Local Government Code.

“Chapter 202” means Chapter 202, as amended, Texas Property Code.

“Chapter 212” means Chapter 212, as amended, Texas Local Government Code.

“Chapter 245” means Chapter 245, as amended, Texas Local Government Code.

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

“Chapter 395” means Chapter 395, as amended, Texas Local Government Code.

“Chapter 2258” means Chapter 2258, as amended, Texas Government Code.

“City” means the City of Castroville, Texas, a Texas General Law Type A Municipality, located in the County.

“City Council” means the City Council of the City, as its governing body.

“City ETJ” means the City’s Extraterritorial Jurisdiction, as determined under Chapter 42, the unincorporated area that is contiguous to the corporate boundaries of the City and that is located within one-half mile of those boundaries (plus those contiguous areas that are included in the City ETJ by request of the owners thereof), all as further evidenced in the map attached hereto as Exhibit B.

“City Representative” means the City Administrator of the City or another official or representative of the City, as the City representative designated by the City Council to undertake certain duties and obligations hereunder on the City’s behalf.

“City Subdivision Ordinance” means Chapter 100 of the Code and any successor ordinance or regulation thereto under which is incorporated the general subject matter of Chapter 100 of the Code that exists as of the Effective Date.

“CFA” means the Construction, Funding, and Acquisition Agreement to be entered into between the City and the Developer.

“Code” means the City Code of Ordinances, as from time to time amended by the City Council.

“Completion Agreement” means that certain “Completion Agreement”, in the form attached hereto as Exhibit C, to be entered into prior to or in conjunction with the City’s approval of the initial series of PID Bonds by and among the City, the trustee for such series of PID Bond, and the Developer, as the same may be amended, modified or extended, or supplemented from time to time.

“Comprehensive Zoning Ordinance” means Ordinance No. 107, originally adopted by the City Council on June 17, 1975 and as amended from time to time, which ordinance provides for zoning regulations within the City for the purpose of promoting health, safety, morals, and the general welfare of the City, and for the protection and preservation of places and areas of historical and cultural importance and significance therein, and any successor ordinance or regulation thereto under which is incorporated the general subject matter of Ordinance No. 107 that exists as of the Effective Date.

“Continuing Disclosure Agreement” means any continuing disclosure agreement of the Developer executed contemporaneously with the issuance and sale of PID Bonds for purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission.

“County” means Medina County, Texas.

“Delinquent Collection Costs” means interest, penalties, and expenses incurred or imposed

with respect to any delinquent installment of an Assessment in accordance with Chapter 372 and the costs related to pursuing collection of an Assessment and foreclosing the lien against the Assessed Property, including attorney's fees.

“Development Documents” means this Agreement, the CFA, the PUD, the Landowner Agreement, the Completion Agreement, and the Reimbursement Agreement.

“End Buyer” means any developer, homebuilder, builder, tenant, user, or occupant/owner of a Fully Developed and Improved Lot, including without limitation a builder who acquires a Fully Developed and Improved Lot with the intent to construct a single-family residence on the lot.

“Effective Date” means August 24, 2023, being the date of this Agreement's effectiveness.

“Fee Ordinance” means the City's ordinance establishing the comprehensive fee schedule for City services, adopted annually and being uniformly applicable to all residents and development within the corporate limits of the City.

“Force Majeure” means the occurrence of war, act of terrorism, acts of God, civil commotion, fire, severe flood, hurricane, tornado, explosion, court order, pandemic, epidemic, or change in legal requirements applicable to the Project other than those in existence as of the Effective Date, but only to the extent that such events or circumstances delay development of the Project by the Developer (as and if applicable) or otherwise make the Developer's development of the Project (as and if applicable) impracticable or impossible, in such responsible Party's commercially reasonable judgement, after taking reasonable steps to mitigate the effects thereof.

“Foreclosure Proceeds” means the proceeds, including interest and penalty interest (but excluding and net of all Delinquent Collection Costs), received by the City from the enforcement of the Assessments against any Assessed Property or Assessed Properties, whether by foreclosure of lien or otherwise.

“Fully Developed and Improved Lot” means any lot, regardless of proposed use, which is served by the Authorized Improvements and for which an Approved Plat has been recorded in the real property records of the County.

“Improvement Area” means a defined area within the Property that is subject to an Assessment Ordinance.

“Land Plan” means the general rendering of the Project (including its critical elements), a copy of which is attached hereto as Exhibit D.

“Landowner Agreement” means an agreement of the owners of the Property from time to time, in the form attached hereto as Exhibit E attached hereto, agreeing to various provisions relative to establishment of the PID, the Property's development, and financing Authorized Improvements Costs.

“Maintenance Agreement” means a “Maintenance Agreement”, in the form attached hereto as Exhibit F, to be entered into between the City and each MOA pursuant to which the MOA agrees to undertake the applicable MOA Maintenance Obligations.

“MOA” means a mandatory owner’s association, being an association created and existing under Chapter 202 for the purpose of enforcing covenants, conditions, or restrictions contained in a dedicatory instrument, whether mandatory, prohibitive, permissive, or administrative, applicable to property, and assuming the responsibility for maintenance of certain specified Public Infrastructure, Public Improvements, and private amenities within its territory.

“MOA Maintenance Obligations” means the annual costs of operating and maintaining the Project’s amenity features (including the Project’s central amenity center indicated on the Land Plan), monuments, esplanades, open spaces, common areas (including, but not limited to, all landscaped Project entrances), right-of-way landscaping (including irrigation systems), raised medians and other right-of-way landscaping, Public Improvements that are parks, recreational facilities, playgrounds, walking trails, lakes, and bridges, and Public Infrastructure that are detention areas and ponds, drainage areas and screening walls.

“Multi-Party Agreement” means that certain Multi-Party Agreement to Pay Design Costs Associated with Planned City Utility System Expansion, dated as of August 9, 2022, by and among the City and various private parties, including the Landowners, pursuant to which the parties thereto have agreed to design improvements to the City’s water system to expand its capacity to allow for provision of City water service to various developments (including the Project).

“Non-Benefited Property” means Parcels within the boundaries of the PID that accrue no special benefit from the Authorized Improvements.

“Outdoor Lighting” means any temporary or permanent lighting that is installed, located or used in such a manner to cause light rays to shine outdoors, including lighting fixtures that are installed indoors that cause light to shine outside and beyond the perimeter of the Property and/or directly to the sky without shielding (e.g., through a skylight).

“Outdoor Lighting Criteria” means the following criteria applicable to Outdoor Lighting: (i) shielded so that luminous elements of the fixture are not visible from any other property; (ii) uplighting prohibited, with exceptions (as approved by the City, in its sole discretion); (iii) total light output of any nonresidential property shall not exceed 100,000 lumens per net acre; (iv) total light output of any residential property shall not exceed 25,000 lumens per net acre; and (v) lighting for outdoor signs and panels constructed with an opaque background and translucent letters and symbols or with a colored background and lighter letters and symbols.

“Owner Disclosure Program” means the disclosure program, administered by the Assessment Company, as set forth in a document in the form of Exhibit G attached hereto, that establishes a mechanism to disclose to each End Buyer the terms and conditions under which their lot is burdened by the PID.

“Parcel” means a property identified by either a tax map identification number assigned by the Medina County Appraisal District for real property tax purposes, by metes and bounds description, by lot and block number in a final subdivision plat recorded with the Clerk in Medina County’s official public records, or by any other means determined by the City.

“Party” or “Parties” means the City, the Landowner, and the Developer, collectively or (as applicable and in context) singularly.

“Phase” means a segment of Project development relating to a portion of the Project, as identified in the PUD.

“PID Bonds” means the assessment revenue bonds issued by the City secured solely by certain of the Assessments levied on specific Assessed Property within the PID to finance the Authorized Improvements that are constructed for the benefit of such Assessed Property.

“Prepayment” means, before the due date thereof, payment of all or a portion of an Assessment, plus accrued but unpaid interest to the date of prepayment, less any amounts (received at the time of such prepayment) that represent a payment of principal, interest or penalties on a delinquent installment of an Assessment (which other amounts are to be treated as the payment of the regularly scheduled Assessment).

“Project” means the single-family residential development and associated private and public improvements to be constructed on the Property in accordance with the terms of this Agreement.

“Public Improvements” means sidewalks, open space and other improvements accessible and enjoyed by the general public, if any, the design, construction, acquisition, development, and payment of which are the responsibility of the Developer (but whose costs may be reimbursed to the Developer or paid directly from funds derived by the City through the PID).

“Public Infrastructure” means the on-site and off-site water, wastewater, natural gas, electric power, drainage, streets and roadway improvements and other public infrastructure necessary or incidental to serve the Property, as the same are identified on each plat to be filed with the City from time to time relating to the Property, the design, construction, acquisition, development, and payment of which are the responsibility of the Developer (but whose costs may be reimbursed to the Developer or paid directly from funds derived by the City through the PID).

“PUD” means a Planned Unit Development plan, to be prepared by the Developer and implemented in accordance with the City Subdivision Ordinance and the Comprehensive Zoning Ordinance and that incorporates and includes the applicable provisions of the Consultant’s Plan.

“Reimbursement Agreement” means that certain “Reimbursement Agreement”, in the form attached hereto as Exhibit H, to be entered into prior or in conjunction with the City’s approval of the initial series of PID Bonds by and among the City and the Developer, as the same may be amended, modified or extended, or supplemented from time to time.

“Residential Construction Standards” means those construction standards applicable to the Project, as specified in Exhibit I.

“Retail Municipal Utility Service” means potable water, sewer, gas, and garbage services provided by the City to the Property.

“Retail Municipal Utility Service Rate Ordinance” means any City ordinance from time to time adopted that establishes the then-current rate schedule for the retail provision of any Retail Municipal Utility Service.

“Service and Assessment Plan” means the PID service and assessment plan to be adopted

by City Council prior to or in conjunction with the approval of the initial series of PID Bonds, as may be amended or updated annually pursuant to an Annual Service Plan Update, to assess allocated costs of the Authorized Improvements against Assessed Property located within the boundaries of the PID, and which has terms, provisions and findings approved and agreed to by the Developer and the City in accordance with Chapter 372.

“Sound Abatement Criteria” means the standards of construction to abate sounds applicable to residential structures as specified by the Code or the Federal Aviation Association.

“State” shall mean the State of Texas.

“Term” means the period of time beginning on the Effective Date and ending on the Termination Date.

“Termination Date” means the date that is the twentieth (20th) anniversary of the Effective Date.

“USA” means a Utility Services Agreement to be negotiated and entered into between the City and the Developer pursuant to which water and wastewater service will be provided by the City to the Property, in substantially the form attached hereto as Exhibit J.

**ARTICLE 2
AUTHORITY, TERM, AND LIABILITY**

2.01 Authority.

(a) The City enters into this Agreement pursuant to the authority granted thereto under the Constitution and general laws of the State of Texas, including (particularly) Article III, Section 52-a of the Texas Constitution, Subchapter G of Chapter 212, and the Authorizing Ordinance. The Landowner and the Developer enter into this Agreement pursuant to their respective general corporate powers exercised by duly adopted resolution of their respective governing body.

(b) Regarding prescribed uses of portions of the Property herein described, this Agreement is determined to be a plan under which general uses and development of the Property are authorized pursuant to and in accordance with Section 212.172(b)(2), as amended, Texas Local Government Code.

(c) The Developer acknowledges and agrees that the City may zone the Property in a manner consistent with the uses hereunder contemplated, but this Agreement does not constitute a contract for specific zoning.

2.02 Term. This Agreement shall become effective and enforceable on the Effective Date and shall continue through the Termination Date; provided, however, that, notwithstanding any other provision of this Agreement to the contrary, the Developer’s failure to deliver to the City by 5:00 p.m., Central time, on September 24, 2023 evidence of its purchase of the Property from the Landowners shall result in the immediate and automatic termination of this Agreement without further or additional action of any Party hereto.

2.03 Landowner as a Party. The Parties acknowledge that the Landowners’ inclusion in this Agreement as a Party reflects the fact that the Landowners are the sole party authorized as

of the date hereof to obligate the Property to the provisions hereunder concerning its development. Except with respect to Section 3.04(f), which is expressly excluded from the effect of this Section 2.03, none of the Parties contemplate the Landowners' performance of the operative provisions hereof regarding the development of the Property, which obligations belong solely to the City and the Developer as herein specified. Accordingly, the Landowners shall be automatically released from this Agreement and no longer a Party hereto immediately upon completion of the Landowners' sale of the Property to the Developer (written notice of which shall be provided to the City by the time specified in Section 2.02) without requirement of amendment or supplement to this Agreement. After delivery of such notice to the City, the Landowners shall not be a Party hereunder for any purpose other than with respect to the representations made to the City and the Developer in Section 10.01.

ARTICLE 3 PROJECT DEVELOPMENT, TIMING AND STANDARDS

3.01 Project Development.

(a) Generally; Jurisdiction. Development of the Project shall include the subdivision of the Property, the construction of Public Infrastructure adequate for the development of the Project, the construction of necessary or required Public Improvements, and dedication of Public Infrastructure and Public Improvements to the City. As a result of full-purpose annexation of the Property in accordance with Article 6, the Parties intend that the City shall have and exercise exclusive jurisdiction over the review and approval of preliminary and final plats relative to the Property, the inspection of Public Infrastructure and Public Improvements (designed, constructed and installed pursuant to the Governing Regulations, and conveyed to the City pursuant to the terms hereof and thereof), and the issuance of a Certificate of Occupancy (defined herein) for each Structure (defined herein). As such, prior to full and final annexation of the Property into the City's corporate limits, the Developer may choose to proceed with development of the Project, including submittal of applications for plat(s), building permit(s) and other permits/approvals required for development as if the Property were in the City's corporate limits (including payment of requisite fees, except as provided otherwise herein or in the USA) and the City agrees to process – including review and approval of – the same as if the Property were in the City's corporate limits (but subject to any modifications included in this Agreement).

(b) Governing Regulations. Except as specifically provided in this Agreement, all Property development shall be governed solely by the following regulations (together, the "Governing Regulations"):

- (i) this Agreement;
- (ii) the PUD;
- (iii) the Code;
- (iv) the Comprehensive Zoning Ordinance;
- (v) the Approved Plats; and
- (vi) the 2006 International Building Codes, heretofore adopted by the City.

The Governing Regulations are exclusive, and no other ordinances, rules, regulations, standards, policies, orders, guidelines, or other City-adopted or City-enforced requirements of any kind (including but not limited to any development moratorium adopted by the City after the Effective Date) apply to the development of the Property.

The City Council may, upon Developer request, authorize exceptions to strict compliance with the Governing Regulations, within the limitations described therein and pursuant to applicable State law, when the Developer demonstrates, to the reasonable satisfaction of the City Council, that the requested exception: (1) is not contrary to the public interest; (2) does not cause injury to adjacent property; and (3) does not materially adversely affect the quality of the Project's development. The City has the right to amend the Code and the Comprehensive Zoning Ordinance, from time to time, to include changes, including local amendments to either or both that have been approved by the International Code Council (or any successor organization) or have been adopted by the City Council (for uniform application throughout the corporate limits of the City, including (upon annexation) the Property). Development of the Property shall also be subject to ordinances that the City is required to adopt, from time to time, by State or federal law.

Notwithstanding the foregoing, and to the extent not inconsistent with the provisions of this Agreement, the Developer may exercise rights under Chapter 245. The Parties hereby agree that the Effective Date shall be the date for establishment of the Developer's rights under Chapter 245, pursuant to Section 245.002(a-1) of such Chapter. The Developer may not take advantage of any changes to laws, rules, regulations, or ordinances of the City or other regulatory agency occurring after the Effective Date that are inconsistent with the terms of this Agreement without prior receipt of the City's consent (such consent not to be unreasonably withheld), which shall be reflected in the form of an amendment to this Agreement made in accordance with Section 13.05 hereof. For the avoidance of doubt, the foregoing restriction shall not prohibit the Developer from taking advantage of prospective changes in laws, rules, regulations, or City ordinances that do not otherwise conflict with the provisions of this Agreement.

Except as otherwise provided by the foregoing, if there is a conflict between this Agreement and the application of any other ordinance, rule, regulation, standard, policy, order, guideline or other City-adopted or City-enforced requirement, whether existing on the Effective Date or hereafter adopted (including the Code or the Comprehensive Zoning Ordinance), then this Agreement shall control. If there is a conflict between any Approved Plat and any of the other Governing Regulations, the Approved Plat shall control. The Governing Regulations shall be read in concert, with all reasonable effort made by the Parties to reconcile their respective terms and provisions. In the event of direct conflict, the provisions of this Agreement, the Consultant's Plan, and the PUD shall supersede and control over competing or contradictory provisions of the Code and the Comprehensive Zoning Ordinance.

(c) Planned Unit Development. The Developer agrees to prepare a PUD that incorporates the Project elements as herein provided (as generally depicted in the Land Plan), in accordance with the Governing Regulations and as confirmed by and acceptable to the City. Upon its completion and acceptance by the City, the Project shall be developed in accordance with the PUD, being the Property's initial master general development plan that identifies proposed land uses, Phases, Public Infrastructure (including major streets, and major drainage ways), and Public Improvements. The PUD regulates Property development by applying thereto the City's applicable

zoning classifications under the Comprehensive Zoning Ordinance, as they exist on the Effective Date. The PUD will act to satisfy all City requirements for the various plans required for subdivision development under the Code or the Comprehensive Zoning Ordinance, as applicable.

The PUD may be revised from time to time with the approval of the City, by action of the City Council, the Developer, and (if other than the Developer) the owners of the portions of the Property within the area of the PUD being revised. Notwithstanding the foregoing, the originally adopted PUD may be revised by Developer, without the approval of the City or any other owners, regarding lot layout, right-of-way locations, and the location of Public Infrastructure and Public Improvements within the boundaries of the Property, so long as: (i) the housing density of the Project does not increase; (ii) the amount of natural areas, public parks, or open space does not decrease; (iii) the change does not result in a (1) violation of any other Governing Regulation that would otherwise require a City variance from compliance or (2) departure from the provisions of the Consultant's Plan; (iv) the change does not impact the requisite size or capacity, location, or cost of off-Property public infrastructure (including the System Improvements); and (v) arterial and collector roadway alignments substantially conform to the roadway alignments shown on the then-current PUD. If the PUD is revised as provided by this Section, the revision shall be considered an amendment to this Agreement, and the City shall cause the revised PUD to be attached to the official version of this Agreement on file with the City Secretary's Office.

(d) Project Commencement; Phasing. Subject to its representations, warranties, and covenants made in Section 10.03 hereof, the timing and sequencing of Project development will be based on market demand and conditions and will be completed as and when the Developer determines it to be economically feasible, subject to and in accordance with the following provisions and conditions. Project development shall be undertaken in Phases, but not necessarily in any sequential order. Once development of a particular Phase has commenced (as evidenced by recordation of an Approved Plat), the Developer shall be required to complete Public Infrastructure and Public Improvements identified on such Approved Plat.

(e) Plat Application. Subdivision of the Property shall require the City's approval of plats in accordance with the City Subdivision Ordinance, except as otherwise specifically modified by the Governing Regulations. No plat shall be approved within a Phase except in substantial conformity with the approved Phase Infrastructure Plan (defined below). Easements for the location, installation, construction, operation, and maintenance of major infrastructure shown on approved Phase Infrastructure Plans will be dedicated to the City by separate instrument or plat at the discretion of the Developer. As described above, plat application(s) may be submitted to, and shall be processed by, the City prior to full and final annexation of the Property into the City's corporate limits.

(f) Phase Infrastructure Plan. A plat application made in conformance with Subsection 3.01(d) shall be preceded or accompanied by the submittal to the City of an infrastructure development plan for the Phase (the "Phase Infrastructure Plan"). The Phase Infrastructure Plan shall identify Public Infrastructure that will be required to develop the portion of the Property covered by the plat application. Each Phase Infrastructure Plan shall be subject to review and approval by the City Representative (or the designee thereof) solely to determine compliance with the Governing Regulations. Plat applications shall not be considered complete until the related Phase Infrastructure Plan is submitted. The Phase Infrastructure Plan shall be approved prior to approval of any plat with respect to which such Phase Infrastructure Plan relates. The City and the Developer agree that existing City sewer utility infrastructure are adequate to service the Project, as fully

developed in accordance with the provisions of this Agreement.

(g) Project Development Reporting. Upon commencement of Project development (and with respect to each Project Phase thereafter), the Developer shall submit to the City a written report detailing Project development progress, with the first such report to be delivered not later than the one hundred eightieth (180th) day after the City’s issuance of the applicable building permit and continuing each one hundred eightieth (180th) day thereafter until completion of the applicable Phase of the Project.

For purposes of this Section 3.01(g), “commencement” shall mean the date of the City’s issuance of the first building permit regarding improvements within a particular Phase of the Project.

3.02 Construction Standards.

(a) General. In addition to the other applicable Governing Regulations, the Developer shall cause single-family residences within the Project to be constructed in accordance with the Residential Construction Standards as outlined in Exhibit I.

(b) Specific Standards. The Developer shall incorporate or cause to be incorporated into the Project’s development the following attributes:

- (i) Buried utilities (electric, telephone, and broadband internet) from existing poles to the Structures (defined herein);
- (ii) Compliance with the Outdoor Lighting Criteria;
- (iii) Streetlights similar to cobra-head LED lights that are dark-sky compliant throughout the Project to promote safety and walkability;
- (iv) Compliance with the Sound Abatement Criteria with respect to residential Structures construed within the Project; and
- (v) Safety and way-finding signage incorporating the following elements
Examples found in Exhibit I.:
 - (1) Blades:
 - a. Double sided, printed on 0.080 Aluminum, high intensity, 100% coverage in prismatic color, reflective, UV rated;
 - b. 9” tall x 36” length, using arm detail to eliminate tilt;
 - c. 9” x 9” non-reflective 3M logo sign will be permitted, with matching frame detail; and
 - d. Blades will have decorative arm.

(2) Traffic Signs:

- a. Hi-intensity, 0.080 aluminum with black backing; and
 - b. Traffic signs will have a black frame.
- (3) Poles:
- a. 3” fluted aluminum black pole; and
 - b. topped with a ball for 3” pole, black. .
- (4) Bases:
- a. Slipcover base for 3” pole, black.
- (5) Sign foundation to be built so that if a sign needs to be replaced, the foundation can be reused.

3.03 Public Improvement and Public Infrastructure.

(a) Design Standards; Inspection. Public Infrastructure and Public Improvements shall be designed to comply with the Governing Regulations, and no construction or installation of Public Infrastructure or Public Improvements shall begin until plans and specifications therefor have been approved by the City. All Public Infrastructure and Public Improvements shall be constructed and installed in compliance with the Governing Regulations and shall be inspected by inspectors (certified and State-licensed, to the extent required by law) that have been approved by the City and that have agreed, in writing, to be bound by this Agreement and to follow State bond submittal inspection requirements, as and to the extent applicable (each, a “Certified Inspector”). The cost for such inspections shall be paid by the Developer. All Public Infrastructure and Public Improvements constructed by the Developer or by any person or entity on behalf of or in the name of the Developer shall have a maintenance bond with an expiration period of two years after completion and City acceptance of such Public Infrastructure or Public Improvement. Maintenance bonds shall name the City as a co-beneficiary and shall be assignable to the City.

Each Certified Inspector shall maintain a permanent record of all Public Infrastructure and Public Improvements inspected. All such records shall be available for copying by the City and the Developer. All such records shall be kept in a form reasonably approved by the City. Each Certified Inspector shall provide to the City and the Developer a copy of each Public Infrastructure and Public Improvement inspection report within ten (10) days after the inspection is performed (including reports that identify deficiencies and subsequent corrective action). Unless the City shall have objected in writing with reasonable specificity to the Developer within thirty (30) days of the City’s receipt of copies of such certificates, records or reports, then such certificates, records, or reports shall be deemed accepted and approved by the City for all purposes.

The City and the Developer each shall have the right to terminate any Certified Inspector for failure to properly perform any duty or for failure to provide inspection reports, all as required by this Agreement (after written notice to the Certified Inspector and the other Party and the failure of the Certified Inspector to cure the failure within ten (10) days); provided, however, that the Developer shall have no right to terminate the employment of any City employee then serving in

the capacity of a Certified Inspector, but may only terminate such City employee’s engagement as Certified Inspector of the Public Infrastructure and Public Improvements. Upon any such termination, the City, at its option, may allow the use of another Certified Inspector or may elect to perform some or all of the duties of the Certified Inspectors (unless such terminated Certified Inspector was a City employee, in which case the replacement Certified Inspector shall be a qualified third-party engaged to serve in such capacity). If the City elects to perform any of those duties, such duties shall be performed (and reports provided to the Developer) in the same manner as would be applicable to the Certified Inspectors, and the actual, reasonable costs and expenses paid or incurred by the City in performing the duties shall be paid by the Developer (or the contractor or builder or by the owner of the property on which the work is being performed). Notwithstanding the foregoing, the Developer shall have no right to terminate a Certified Inspector provided at the sole cost and expense of the City.

The City shall have the right, at its sole cost and expense, to conduct additional inspections, from time to time, of the construction of any Public Infrastructure or Public Improvement. If the City determines that any Public Infrastructure or Public Improvement is not being constructed in compliance with the Governing Regulations and the contractor or builder fails to correct the non-compliance within a reasonable period of time after notice thereof, the City shall have the right to enforce compliance and to stop new work on the Public Infrastructure or Public Improvement by the issuance of a “stop-work order” until the non-compliance is corrected to the reasonable satisfaction of the City.

(b) Dedication of Public Infrastructure and Public Improvements to City. Upon completion, Public Infrastructure and Public Improvements shall be dedicated and conveyed to, and accepted by, the City. As a condition to the City’s final acceptance of any Public Infrastructure or Public Improvement, the following shall be delivered to the City:

- (i) a report of a Certified Inspector concerning the subject Public Infrastructure or Public Improvement, in form satisfactory to the City in its reasonable judgment;
- (ii) executed Affidavit of Payment, bills of sale, assignments, or other instruments of transfer (and evidence of recordation thereof in the deed records of the County) reasonably requested by the City;
- (iii) utility, drainage, and other easements or rights-of-way (and evidence of recordation thereof in the deed records of the County) that are related to or necessary for use of the subject Public Infrastructure or Public Improvement;
- (iv) all bonds, warranties, guarantees, and other assurances of performance, “record” drawings in both hard copy and digital (PDF and CAD) and sealed by the Developer’s Engineer pursuant to Chapter 1001, as amended, Texas Occupations Code, easements, project manuals and all other documentation related to subject Public Infrastructure or Public Improvement; and
- (v) an executed Maintenance Agreement between the City and the applicable MOA evidencing the MOA’s acceptance of the MOA Maintenance Obligations relative to any of the then-dedicated Public Infrastructure and

Public Improvements, as and if applicable.

After delivery of the foregoing, and upon the City issuing to the Developer a letter indicating satisfaction of the conditions precedent to such acceptance pursuant to and in accordance with this Agreement, the Developer shall, by proper instrument (as agreed to by the City and the Developer), dedicate the subject Public Infrastructure or Public Improvement to the City and cause such dedication to be recorded in the deed records of the County. The City shall then accept each such completed Public Infrastructure or Public Improvement for ownership, operation, and maintenance within twenty (20) business days of such dedication.

(c) City to Own, Operate and Maintain Dedicated Public Improvements and Public Infrastructure; Exception. From and after the time of the City’s final acceptance of Public Infrastructure or a Public Improvement, the City will own, operate, and maintain each such Public Infrastructure or Public Improvement and shall be responsible for all costs associated therewith; provided, however, that notwithstanding the foregoing, operations and maintenance responsibilities of Public Infrastructure and Public Improvements that constitute MOA Maintenance Obligations shall be responsibility of the appropriate MOA pursuant to the terms of this Agreement and a Maintenance Agreement.

(d) Developer Access to Dedicated Public Infrastructure and Public Improvements. Upon the City’s acceptance of Public Infrastructure or a Public Improvement identified within a particular Approved Plat, the Developer shall be allowed to connect, access or otherwise utilize the dedicated Public Infrastructure or Public Improvement in such a manner to serve lots within the particular Phase, subject to (i) payment to the City of applicable Impact Fees (defined herein) (unless waived pursuant to the terms of the USA), rates, charges and other connection fees, as and to the extent applicable, and (ii) satisfaction of any such connection, access, or use requirements of any Governing Regulation.

3.04 Water and Wastewater Service.

(a) To provide for delivery of retail water and wastewater service to the Property, the City and the Developer shall enter into a USA.

(b) Subject to Section 3.04(f), for water service capacity (in the form of living unit equivalents (“LUEs”)) to be allocated to the Property, the Developer has entered into the Multi-Party Agreement to facilitate City water system expansion to enable provision of service to the Project. The terms by which the Developer may access this capacity, which includes the Developer’s payment (or its causing to be paid) the water system capacity allocation charge, shall be specified in the USA.

(c) For the wastewater service capacity (in the form of LUEs) to be allocated to the Property, which capacity the City is in the process of obtaining, the Developer shall pay to the City the applicable Impact Fees, in accordance with, at the times and in the amounts specified in the Code, as further specified in the USA.

(d) The Developer acknowledges that the City does not currently have capacity to provide water service to the fully-developed Project, and though the City is exercising commercially reasonable efforts to expand its water system to provide such necessary capacity, the City makes no representations regarding the timely delivery of, and assumes no liability for its

failure to timely deliver, such expanded water system capacity.

(e) Other than with respect to the water system improvements that are the subject of the Multi-Party Agreement and the City's wastewater system expansion project ongoing as the date hereof (and the subject of Task Order No. 15 approved by the City Council on June 14, 2022), the Developer shall, at its expense, design, construct, acquire and install all offsite (relative to the Property) improvements necessary to connect to the City's water and wastewater utility system to permit retail water and wastewater service to the Property. The design of these offsite improvements shall be coordinated with and approved by the City engineer. Subject to the City's reimbursement to the Developer of the incremental cost associated therewith, as further specified in the USA, the offsite improvements that are the subject of this Subsection (e) shall include capacity oversizing requirements as and to the extent required by the City, if at all.

(f) The Landowners are parties to the Multi-Party Agreement, a copy of which is attached hereto as Exhibit M. Pursuant to the Multi-Party Agreement, the Landowners have received an allocation of 800 LUEs as a reservation from the Capacity resultant from the Improvements (identified therein as the "Jagge Ranch" allocation). Upon completion of the sale of the Property by the Landowners to the Developer, the Landowners hereby convey and assign to the Developer 700 LUEs from this allocation of reserved Capacity to which the Landowners are entitled under the Multi-Party Agreement (the "Transferred Capacity"). Upon such conveyance and assignment (and not before), all rights, duties, and obligations under the Multi-Party Agreement shall be transferred by the Landowners to the Developer. The Developer hereby accepts such assignment and conveyance and hereby agrees, from and after such date of assignment and conveyance, to be a Private Party under the Multi-Party Agreement in possession of 700 LUEs of Capacity, subject to all duties and obligations owing to the City and the other Private Parties thereunder as a result of designation. At such time, the reserved Capacity of the Landowners under the Multi-Party Agreement, and all rights, duties, and obligations of the Landowners thereunder to the City and the other Private Parties, shall reflect (and be based off of) 100 LUEs of reserved Capacity. The City hereby agrees to the foregoing and, upon effectiveness of the same at the time of completion of the Developer's purchase of the Property from the Landowners, the Multi-Party Agreement shall be deemed amended in accordance with Section 10 thereof to reflect the provisions of this Section 2.04(f).

Capitalized terms used in this paragraph but not otherwise defined in this Agreement shall have the meanings ascribed thereto in the Multi-Party Agreement.

3.05 Building Permits; Certificates of Occupancy. No permanent structure designed or intended for human occupancy or commercial use (a "Structure") shall be constructed unless a building permit has been issued by the City and a final plat has been recorded for the lot on which the Structure is being built (which shall be included in an Approved Plat). No Structure shall be occupied until a certificate of occupancy has been issued by the City (a "Certificate of Occupancy") in accordance with the Code. As stated herein, the City agrees to diligently process any building permits and related items submitted by the Developer prior to full and final annexation of the Property into the City's corporate limits.

3.06 Fees and Charges.

(a) General Applicability of City Fee Ordinance; Other Fees. Activities within the Property, including development activities, shall be subject to payment to the City the fees and

charges from time to time specified in the Fee Ordinance, as well as other fees described in this Section 3.07. In the event a requested service is not covered by the provisions of this Agreement or another Governing Regulation, the Parties shall negotiate a reasonable fee for such service, on a cost basis and not with an intention of profit generation.

(b) Inspection Fees. In addition to any plan review fees identified in the Fee Ordinance, any inspections of Public Infrastructure or Public Improvements pursuant to the City's inspection rights under Section 3.04(a) hereof (if the City determines that any Public Infrastructure or Public Improvement is not being constructed in accordance with the Governing Regulations or if the City terminates any Certified Inspector), shall be subject to the payment to the City of all reasonable costs and expenses paid or incurred by the City in performing such inspections.

(c) Impact Fees. Development of the Property will be subject to the payment to the City of the capital recovery fees and charges set forth in this Section 3.07 for Public Infrastructure and Public Improvements necessitated by and attributable to the development of the Property, but only to the extent such fees and charges are adopted and applied to the Property in compliance with Chapter 395 and otherwise subject to the provisions set forth in this Agreement (the "Impact Fees"). All Impact Fees shall be payable upon, and as a condition to, the issuance of building permits. Impact Fees include, and are limited to, the following:

- (i) Impact Fees for any requirements for compliance with applicable State or federal law; and
- (ii) Fees applicable to development within the City, as identified in the Fee Ordinance and as the same are in effect on the date of submittal of a plat application.

Notwithstanding the foregoing or any other provision in this Agreement or the USA to the contrary, the USA may provide for the waiver of Impact Fees in lieu of payment of a substitute capital recovery charge and, if so, the provisions of the USA shall control. The parties agree that the USA will provide for a retail water capacity charge in lieu of Impact Fees therefor.

3.07 Mandatory Owner's Association; Agreement to Maintain Certain Improvements. Prior to the sale of the first platted lot within the Property, the Developer will create one or more MOAs that, in total, provide owners association services to the entirety of the Property (excluding the Dedicated Parcel). Upon creation, each MOA shall enter into a Maintenance Agreement with the City, pursuant to which the MOA shall agree to the MOA Maintenance Obligations (whose responsibility shall solely be the MOA's, notwithstanding any ownership by the City of the improvements or real property upon which such maintenance is required to be performed). The Developer shall provide in each MOA's organization documents that the MOA shall annually levy and collect fees from owner members that are, at a minimum and based on annual budget adopted by the MOA prior to the beginning of its fiscal year, sufficient to satisfy the annual MOA Maintenance Obligations. Each Maintenance Agreement shall provide that the MOA shall perform the MOA Maintenance Obligations in accordance with the applicable provisions of the Governing Regulations, subject to oversight and inspection by the City, and provide to the MOA permission to perform the MOA Maintenance Obligations, as and to the extent reasonably necessary, on City-owned property. Upon reasonable request, the City shall have the right to inspect the financial reports, audits, and budget of each MOA.

3.08 Buyer Disclosures. All End Buyers shall be required to sign (i) an Airport Proximity Consent and (ii) an acknowledgement that the property that is the subject of such sale is located within a PID, as required by and in accordance with applicable Texas law and herein referred to as the Owner Disclosure Program.

3.09 Prohibited Uses. If commercial use is ever added as Project component, then the following uses shall not be permitted within the Project: (i) sexually oriented businesses; (ii) shops dedicated primarily to the sale of drug or tobacco paraphernalia, including vape shops; (iii) unlicensed massage parlors; (iv) flea markets; (v) bingo halls; (vi) pawn shops; (vi) payday lenders; and (vii) check cashing centers.

3.10 Delivery of Requisite Water Rights to the City. Nothing in this Agreement shall be determined or deemed to modify or impact the Developer’s obligation to comply with Section 100-25(c) of the City Subdivision Ordinance.

3.11 Competitive Bidding. Development of Authorized Improvements within the PID will be exempt from any public bidding or other purchasing and procurement policies in accordance with, and subject to the limitation of, Section 252.022(a)(9), as amended, Texas Local Government Code.

3.12 Additional Public Improvements; Developer Capital Contribution.

(a) Developer shall, by the time specified below, deliver to the City \$400,000 in unencumbered, immediately available funds (the “Developer Capital Contribution”). The City shall use the Developer Capital Contribution to pay the costs of improving, enlarging, and expanding youth sports facilities located on City-owned property (“Park Improvements”), which improvements shall be permanent in nature and shall enhance and expand the opportunity for sports participation by area youth.

(b) The Developer Capital Contribution shall be delivered to the City on or before the fifth (5th) business day after the recordation of a plat that would bring the cumulative total number of lots within the Project to at least five hundred (500). The City agrees that the Developer Capital Contribution is in lieu of, and shall satisfy, any and all obligations for the Project related to parkland dedication or open space.

(c) The expenditure of the Developer Capital Contribution by the City for Park Improvements shall be at the City’s discretion; provided, however, the City shall erect permanent signage that identifies “Flat Creek” as the sponsor of the Park Improvements (which signage shall be agreed upon by Developer as a condition of its delivery of the Developer Capital Contribution, such agreement not to be unreasonable withheld).

(d) If the Developer Capital Contribution has not been used to pay the costs of Park Improvements within five (5) years from the date the Developer delivers the Capital Contribution, the Capital Contribution shall be refunded to Developer.

**ARTICLE 4
MUNICIPAL SERVICES**

4.01 Retail Municipal Utility Services. The City shall provide Retail Municipal Utility Services to lots within the Property and will connect each Structure to the City’s water, sewer, and gas system upon payment of applicable fees described in Article 3 hereof and issuance of a Certificate of Occupancy for the Structure. Retail Municipal Utility Services will be delivered pursuant to and in accordance with State law and the Governing Regulations, and rates and charges for such services imposed pursuant to and in accordance with the Retail Municipal Utility Services Rate Ordinance.

4.02 Police Services. The City shall, upon annexation (and not before), provide police service to the Property.

4.03 Electric Service. Retail electric service shall be provided to the Property by City Public Service Board of San Antonio, Texas, also known as CPS Energy, subject to a franchise fee paid by CPS Energy to the City.

4.04 Internet Service Provider. The Developer shall ensure installation of state-of-the-art internet infrastructure (broadband) to each lot within the Project to allow access to high-speed internet service (minimum of one hundred (100) megabytes per second) from providers serving the City (determined as of the time of installation of such infrastructure).

4.05 Fire and Emergency Response Services. Fire and emergency response services to the Property will be provided by a Texas political subdivision having jurisdiction over such area and charged with the responsibility of providing such services, initially being the Medina County Emergency Services District No. 1.

**ARTICLE 5
SOURCES OF PROJECT FINANCING**

5.01 Public Improvement District.

(a) PID Creation. To provide for payment of the Allocated Water Capacity Cost, Authorized Improvements Costs, and Administrative Expenses, the Parties contemplate creation of the PID. In furtherance of such expectation, the Developer will submit to the City an application to create the PID in accordance with Chapter 372. In addition, after delivery of sufficient notice to interested parties, the City will consider conduct of a public hearing concerning creation of the PID, all as specified and in accordance with Chapter 372.

(b) Service and Assessment Plan. The Developer and the City agree that the City, the Developer, and the Administrator shall prepare an initial Service and Assessment Plan providing for the levy of the Assessments on all or portions of the Assessable Property within the PID. Promptly following preparation and approval of the initial Service and Assessment Plan acceptable to the Developer and the City and subject to the City Council making findings that the Authorized Improvements specified in the Service and Assessment Plan confer a special benefit on the Assessable Property, the City Council shall consider an Assessment Ordinance.

(c) Assessment Ordinance. Adoption of an Assessment Ordinance is conditioned on the successful negotiation, inclusive of terms mutually acceptable to the City and the Developer, of all Development Documents other than this Agreement (which shall at such time already be in effect). Accordingly, consideration of an Assessment Ordinance shall be conditioned on presentation to the City Council (i) for approval of the City’s entering into and executing the same

concurrently with or prior to the City Council’s consideration of the initial Assessment Ordinance or (ii) in the event any of such Development Documents for whatever reason may not be entered into at such time, final forms thereof.

(d) Acceptance of Assessments. Prior to or concurrently with the City’s adoption of the initial Assessment Ordinance, the Developer shall (i) approve and accept in writing the levy of the Assessment(s) on all Assessable Property owned or controlled by the Developer; (ii) approve and accept in writing the Owner Disclosure Program; and (iii) cause to be recorded against the Assessed Property covenants running with the land that will bind any and all current and successor developers and owners of any of the Assessed Property to pay the then-subject Assessment and any subsequent Assessments, with applicable interest and penalties thereon, as and when due and payable and to take their title to their interest in the Assessed Property subject to and expressly accepting and assuming the terms and provisions of such Assessments and the liens created thereby.

(e) Administrative Expenses. The Parties hereby agree that all of the Administrative Expenses associated with the PID will be funded by Assessment Revenues and the City shall not be responsible for payment of such costs from any other City funds.

(f) Assessment Revenues. The Parties agree that, once deposited to the hereinafter-defined Project Fund, Assessment Revenues will be bifurcated, *pari passu*, between the Allocated Water Capacity Costs and the scheduled debt service requirements on PID Bonds from time to time issued and outstanding. On a *pari passu* basis, the pro rata portion of the Assessment Revenues attributable to the Allocated Water Capacity Costs will be directed to and delivered from the Project Fund to the City. At no time will such portion of the Assessment Revenues be subject to a lien thereon or pledge thereof securing the repayment of any PID Bonds or City obligation to reimburse the Developer for its incurring Authorized Improvements Costs.

(g) Issuance of PID Bonds. Subject to satisfaction of the conditions set forth in this Section 5.01(g) and the Service and Assessment Plan, the City may issue PID Bonds for the purposes of acquiring or constructing or reimbursing Authorized Improvement Costs or any other purposes authorized by the Chapter 372. The Developer may request the City’s issuance of a series PID Bonds by filing with the City a list of the Authorized Improvements to be funded with the PID Bonds and the estimated budgeted costs therefor, as described by the Service and Assessment Plan. The Developer acknowledges that the City may at the time of its request to issue PID Bonds require the Parties enter into a professional services agreement that obligates the Developer to fund the costs of the City’s professionals relating to the preparation for and issuance of PID Bonds, funded in an amount of \$50,000 or such greater amount as shall be agreed to by the Parties (which amount is considered Administrative Expenses payable from the proceeds of such series of PID Bonds).

The issuance of any series of PID Bonds is subject to the following conditions:

- (i) the aggregate principal amount of all PID Bonds shall not exceed \$20,000,000, plus the amount allocated to the Project pursuant to the application of the terms of the Multi-Party Agreement in accordance with Section 3.04(f) hereof;
- (ii) no series of PID Bonds shall pay from the proceeds therefrom capitalized interest beyond the second anniversary of its initial issuance;

- (iii) prior to the City’s authorization of the initial series of PID Bonds:
 - (1) the Developer will create the Owner Disclosure Program and provide a copy of the program to the City Administrator;
 - (2) the Developer shall have delivered to the City Administrator a fully executed Landowner Agreements from each owner of the Property; and
 - (3) the City shall have received fully-executed or final versions of each of the Development Documents, in form satisfactory thereto;
- (iv) issuance of any series of PID Bonds shall be preceded by the City’s adoption or amendment of a Service and Assessment Plan, Assessment Roll, and an Assessment Ordinance levying Assessments on all or any portion of the Property benefited by the Authorized Improvements to be funded by such Assessments;
- (v) each series of PID Bonds shall be in an amount estimated to be sufficient to fund the Authorized Improvements Costs for which such PID Bonds are being issued, plus required reserves and capitalized interest (in accordance with the limitations described above), and issuance costs;
- (vi) if applicable, delivery by the Developer to the City of a certification or other evidence from an independent appraiser or another qualified professional acceptable to the City confirming that the special benefits conferred on the parcels of the Property subject to Assessments for payment of Authorized Improvements Costs increase the value of such parcels of Property by an amount at least equal to the amount assessed against such parcels;
- (vii) the Developer shall have delivered to the City (i) a certificate or report from an independent certified appraiser, appraisal firm or financial consultant, assuming completion of the Authorized Improvements, demonstrating that the ratio of the aggregate appraised value of all assessed parcels of Property to the aggregate principal amount of all PID Bonds then secured or proposed to be secured by the resultant Assessment Revenues that remain after subtraction therefrom the amount of Assessment Revenues owed to the City for the Allocated Water Capacity Cost (the “Value to Lien Ratio”) is at least 3:1 (which in determining, the independent certified appraiser, appraisal firm or financial consultant may rely on builder contracts, a certificate from the Administrator identifying lots on which Structure construction has commenced or the Medina County Tax Assessor/Collector’s estimated assessed valuation for completed Structures (Structure and lot assessed valuation) and estimated lot valuation for lots on which Structures are under construction);
- (viii) approval by the Texas Attorney General of the PID Bonds and registration of the PID Bonds by the Comptroller of Public Accounts of the State of Texas;
- (ix) evidence delivered to the City (the sufficiency of which the City has

determined, in its sole discretion), that:

- (1) the Developer is current on all the payment of all taxes, Assessments, fees and obligations owed to each taxing district whose jurisdiction the Property is subject;
 - (2) the Developer is not in default under any Development Document; and
 - (3) no outstanding PID Bonds are then-in default and no reserve funds established therefor have been drawn upon that have not been replenished;
- (x) the Administrator has certified that the costs of the Authorized Improvements to be paid from the proceeds of the PID Bonds are eligible to be paid with the proceeds of such PID Bonds;
 - (xi) the City has determined that the amount of proposed Assessments and the structure, terms, conditions and timing of the issuance of the series of PID Bonds are reasonable for payment of the Authorized Improvements Costs to be financed and scope and state of Project development within the PID, and that there is sufficient security for the PID Bonds to be creditworthy;
 - (xii) the City has confirmed that no information regarding the City, including (without limitation) financial information, has been included in any offering document relating to PID Bonds without receipt of the City’s prior consent;
 - (xiii) the City has confirmed that the maximum maturity for a series of PID Bonds does not exceed 30 years from its date of initial delivery; and
 - (xiv) the Developer has agreed to provide periodic information and notices of material events regarding the Developer as it relates to the development of the Property within the PID in accordance with Securities and Exchange Commission Rule 15c2-12 and any Continuing Disclosure Agreements executed by the Developer in connection with the issuance of such series of PID Bonds.
- (h) Agreement to Establish Project Fund.
- (i) On the date of issuance of any PID Bonds, to accept PID Bond proceeds to fund Authorized Improvements Costs, the City shall establish in the applicable provisions of the associated indenture pursuant to which the applicable series of PID Bonds is issued a “Project Fund” and provide for the creation therein of any necessary accounts (including, if necessary (and as a non-indenture account) an account to accept the pro rata portion of Assessment Revenues dedicated to the City to pay the Allocated Water Capacity Cost). Any such Project Fund shall be maintained as provided in such indenture, separate and apart from all other City funds. Any such Project Fund shall be administered and controlled (including signatory authority) by the City and deposits thereto and disbursements therefrom shall be made in accordance with the terms of the applicable indenture. In

the event of any conflict between the terms of this Agreement and the terms of the indenture relative to Project Fund deposits and/or disbursement of Project Fund money (other than with respect to any deposits to an account therein created and held made in satisfaction of payment to the City from Assessment Revenues the Allocated Water Capacity Cost), the terms of the indenture shall control.

- (ii) The Parties intend that the Developer will undertake construction of the Authorized Improvements (other than the City water system improvements that are the subject of the Multi-Party Agreement) in accordance with this Agreement, the other Development Documents, and the Service and Assessment Plan in conjunction with the construction of the applicable Phases of the Development, prior to seeking direct payment therefor from funds on a deposit in a Project Fund or reimbursement for such expenditures made pursuant to a Completion Agreement under the terms of the Reimbursement Agreement. Although the terms by which Developer is entitled to reimbursement shall be detailed in the Reimbursement Agreement as described in Section 372.023 of Chapter 372, the Parties agree that the Developer will generally be entitled to the maximum available funds derived from Assessment Revenues that remain after payment to the City of the pro rata portion thereof dedicated to the City to pay the Allocated Water Capacity Cost, up to the Authorized Improvement Costs thereby expended.
- (iii) If, other than funds on deposit in a non-indentured account reserved to pay the pro rata portion of Assessment Revenues dedicated to the City to pay the Allocated Water Capacity Cost, funds remain in a Project Fund after the completion of all Authorized Improvements and the payment of all Authorized Improvement Costs, then such funds shall be used to pay for additional Authorized Improvement Costs as may thereafter be included in an updated Service and Assessment Plan or used to redeem the Bonds, as further provided for in the applicable indenture.

(i) Selection of Professionals. The Administrator, the appraiser, the underwriter of any PID Bonds, the bond trustee, and any other professional deemed necessary or desirable in connection with the issuance of a series of PID Bonds shall be selected by the City, at its sole discretion, but in consultation with the Developer.

5.02 Maximum All-In Tax Equivalent Rate. The maximum tax-equivalent rate applicable to the Property, inclusive of the ad valorem tax rate of all jurisdictions having taxing authority over the Property and the tax-rate equivalent to pay the Annual Installments, excluding any Annual Installments associated with the Allocated Water Capacity Cost, shall not exceed \$3.00 per \$100 of assessed valuation of Assessed Property in the PID.

5.03 Completion Agreement. Prior to the City's authorization of the initial series of PID Bonds, the Developer, the City, and the trustee for such series of PID Bonds shall have entered into a Completion Agreement obligating the Developer to satisfy the Authorized Improvement Costs not anticipated to be directly funded with proceeds of PID Bonds or paid for separately by the City.

5.04 Reimbursement of Authorized Improvement Costs. The City and Developer shall, prior to or substantially contemporaneous with the initial levy of Assessments on a Phase(s) of the Property, enter into a Reimbursement Agreement to provide for the Developer’s reimbursement from available Assessment Revenues all Authorized Improvement Costs paid for by Developer under the Completion Agreement. Notwithstanding its execution of the Reimbursement Agreement, the Developer hereby acknowledges that the City makes no representations or guarantees regarding the sufficiency of available Assessment Revenues to fully reimburse the Developer for amounts paid by the Developer under the Completion Agreement or reimbursements to which it is entitled under the Reimbursement Agreement.

**ARTICLE 6
ANNEXATION & ZONING**

6.01 Petition for Annexation into ETJ. Developer hereby agrees to voluntary annexation of Parcel B into the City ETJ and hereby submits, Exhibit K hereto, a petition requesting the inclusion of Parcel B (the “Parcel B Petition”) into the City ETJ. The Parcel B Petition is deemed filed by the Developer as of the Effective Date and the City agrees to pursue and process the annexation of Parcel B into the City ETJ as quickly as reasonably possible.

6.02 Petition for Annexation into City. Developer hereby agrees to the voluntary, full-purpose annexation of any portion of the Property outside the corporate limits of the City (being Parcel A and Parcel B) into the City and hereby submits, as Exhibit L hereto, a petition requesting the annexation of the Property (the “Annexation Petition”). The Annexation Petition is deemed filed by the Developer as of the Effective Date and the City agrees to pursue and process full annexation as quickly as reasonably possible.

6.03 City Council Action. City action initiating Property annexation shall occur as soon as practicable after the Effective Date and after the City’s receipt of the completed Parcel B Petition and Annexation Petition, which shall include the steps required under Chapter 43 for the full-purpose annexation of all Property. Notwithstanding its full-purpose annexation of the Property, provision of City services, including extension of Public Infrastructure, to the Property shall be made subject to this Agreement and no other agreement, regulation, or law.

6.04 Permanent Zoning. City agrees that the Property shall be permanently zoned within thirty (30) days after annexation of the Property. The City cannot contractually agree to the zoning designation the Property shall receive; however, the City recognizes the Developer’s rights under Chapter 245.

**ARTICLE 7
ASSIGNMENT OF COMMITMENTS AND OBLIGATIONS; SUCCESSORS**

7.01 Assignment of Developer Rights. Subject to this Section 7.01, the Developer may assign in whole or part its rights and obligations under this Agreement to persons purchasing all of the Property or a part of the Property. In the event the Developer assigns all of its respective rights under this Agreement in conjunction with the conveyance of any unplatted portion of the Property, a written assignment of said rights must be filed of record in the Official Public Records of Medina County, Texas in order to be effective.

Because the City’s entering into this Agreement with the Developer is conditioned, in part,

on the Developer’s demonstrated skill, expertise, and financial resources with respect to the development of projects similar to the Project, demonstrating its ability to satisfy its obligations arising under this Agreement, any assignment by the Developer of its rights hereunder shall be subject to the City’s approval, not to be unreasonably withheld; provided, however, an assignment by the Developer to any Developer-affiliated entity does not require approval by the City. In connection with any request for approval of assignment, the Developer shall provide to the City evidence of the assignee’s similar experience, resources, and financial resources that are demonstrative of such assignee’s ability to complete Project development in a manner at least equal to those of the Developer.

7.02 Lot Conveyance Not an Assignment. The mere conveyance of a lot or any portion of the Property without a written assignment of the rights of the Developer under this Agreement shall not be sufficient to constitute an assignment of the rights or obligations of the Developer hereunder, unless specifically provided herein.

7.03 Agreement Binding on Assigns. In the event of an assignment of this Agreement, the Developer shall be released from any obligations of this Agreement, provided the successors or assigns agree in writing to all terms and conditions of this Agreement. Any reference to the Developer, the City, or the Parties shall be deemed to and will include the successors or assigns thereof, and all the covenants and agreements in this Agreement shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

**ARTICLE 8
DEFAULT AND NOTICE**

8.01 Notice and Opportunity to Cure. If either Party defaults in its obligations under this Agreement, the other Party must, prior to exercising a remedy available to that Party due to the default, give written notice to the defaulting Party, specifying the nature of the alleged default and the manner in which it can be satisfactorily cured, and extend to the defaulting Party at least thirty (30) calendar days from receipt of the notice to cure the default. If the nature of the default is such that it cannot reasonably be cured within the thirty (30) calendar day period, the commencement of the cure within the thirty (30) calendar day period and the diligent prosecution of the cure to completion will be deemed a cure within the cure period. Notwithstanding the foregoing, the occurrence of a Bankruptcy Event shall result in immediate default hereunder without opportunity to cure.

8.02 Enforcement. The Parties may enforce this Agreement by any proceeding at law or equity. Failure of either Party to enforce this Agreement shall not be deemed a waiver to enforce the provisions of this Agreement thereafter. The Parties agree that monetary damages are not a sufficient remedy for a default of this Agreement. As a remedy for default, the non-defaulting party shall be entitled to equitable relief, including specific performance of this Agreement, but not monetary damages. In addition to the foregoing, a remedy to each Party for the other’s default hereunder, after compliance with Section 8.01 hereof, shall be termination of this Agreement.

8.03 Litigation. In the event of any third-party lawsuit or other claim relating to the validity of this Agreement or any actions taken by the Parties hereunder, the Developer and the City intend to cooperate in the defense of such suit or claim, and to use their respective best efforts to resolve the suit or claim without diminution of their respective rights and obligations under this Agreement. The City’s participation in the defense of such a lawsuit is expressly conditioned on

budgetary appropriations for such action by the City Council and shall be covered by Article 11 hereof, as applicable. The filing of any third-party lawsuit relating to this Agreement or the development of the Project will not delay, stop or otherwise affect the development of the Project or the City’s processing or issuance of any approvals for the Project or Project development, unless otherwise required by a court of competent jurisdiction.

8.04 Cessation of Compliance. As a matter of law, a city by contract cannot bind its current or future city councils in the exercise of the council's legislative discretion or the performance of its legislative functions, which include the zoning of property, the establishment of public improvement districts, and the levying of assessments, issuance of bonds or approval of contracts. Nonetheless, the Developer has spent a substantial sum to negotiate, implement, and comply with this Agreement and the Developer expects and relies on the City to take appropriate actions to zone the Property, create the PID, and levy the Assessments that are described in this Agreement. If the current or a future City Council does not zone the Property as described in the Land Plan, does not establish or operate the PID as described in this Agreement, or does not levy the Assessments, then Developer shall have no further obligation to comply with any of the terms of this Agreement until such time as the City Council takes appropriate actions to have the City resume compliance with its obligations under this Agreement. If the City resumes its compliance with its obligations under this Agreement, the Developer shall have up to ninety (90) days to resume its compliance with this Agreement.

8.05 Notices. Any notice required or permitted to be delivered hereunder shall be in writing and shall be deemed received on the earlier of (i) actual receipt by mail, Federal Express or other delivery service, fax, email or hand delivery; or (ii) three (3) business days after being sent by United States mail, postage prepaid, certified mail, return receipt requested, addressed to City or the Developer, as the case may be, at the address stated below.

Any notice mailed to the City shall be addressed:

City of Castroville
Attn.: City Administrator
1209 Fiorella St.
Castroville, Texas 78009
scott.dixon@castrovilletx.gov

With a copy to:

Clay Binford
McCall, Parkhurst & Horton L.L.P.
112 East Pecan Street, Suite 1310
San Antonio, Texas 78205
cbinford@mphlegal.com

Any notice mailed to the Developer shall be addressed:

KF Flat Creek, LP
2722 West Bitters Road, Suite 106
San Antonio, Texas 78248
jeff@kingfishtx.com
shad@kingfishtx.com

With a copy to:

Rob Killen
Killen, Griffin & Farrimond
10101 Reunion Place, Suite 250
San Antonio, Texas 78216
rob@kgftx.com

Any Party may change the address for notice to it by giving notice of such change in accordance with the provisions of this paragraph.

**ARTICLE 9
CERTIFICATE OF COMPLIANCE**

Within thirty (30) calendar days of written request by either Party given to the other Party requesting a statement of compliance with this Agreement, the other Party will execute and deliver to the requesting Party a statement certifying that:

- (a) this Agreement is unmodified and in full force and effect, or if there have been modifications, that this Agreement is in full force and effect as modified and stating the date and nature of each modification; and
- (b) there are no current uncured defaults under this Agreement or specifying the date and nature of each default.

**ARTICLE 10
REPRESENTATIONS, WARRANTIES, AND COVENANTS**

10.01 Mutual Representations, Warranties and Covenants of the Parties. The Parties acknowledge that each Party is acting in reliance upon the other Party’s performance of its obligations under this Agreement in making the decision to commit substantial resources and money to the Project’s development. In recognition of such mutual reliance, each Party represents and warrants to the other that it shall employ commercially reasonable efforts to perform its duties and obligations hereunder and shall adhere to the requirements of this Agreement.

10.02 City Representations, Warranties and Covenants.

(a) The City covenants, represents and warrants to the Developer that the City has and shall exercise sole and exclusive jurisdiction over the review and approval of preliminary and final plats, the inspection of Public Infrastructure and Public Improvements (except to the extent that such inspection responsibilities are undertaken by a Certified Inspector pursuant to Section 3.04(a) hereof) and the issuance of Certificates of Occupancy for Structures.

(b) The City recognizes this Agreement as a development agreement under Subchapter G of Chapter 212. Subject to the Developer’s compliance with Section 3.01(c), the City recognizes and acknowledges that the Project is a “planned unit development” under Section IV of the Subdivision Ordinance.

(c) To the extent required to implement Project development in accordance with the Governing Regulations, the City shall provide necessary waivers and variances to the Code as herein provided.

(d) The City has, pursuant to the Authorizing Ordinance, taken all requisite and necessary actions to enter into this Agreement, and this Agreement represents a valid and binding agreement of the City, subject to governmental immunity and principles of bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights in general and by general principles of equity.

(e) To the extent (but only to the extent) its obligations are not uncertain or in dispute, the City is not entitled to claim immunity on the grounds of sovereignty from relief by writ of mandamus to perform its obligations hereunder.

10.03 Developer Representations, Warranties and Covenants.

(a) The Developer hereby represents to the City that, upon acquisition from the respective owners thereof, it will own the Property, free and clear of any and all liens or mortgages.

(b) The Developer hereby warrants and covenants to the City that any prospective lien, mortgage, or encumbrance on any portion of the Property shall be made subject to the dedication of Public Infrastructure and Public Improvements, as indicated on the Approved Plat that is applicable to the portion of the Property to be subject to any such lien, mortgage, or encumbrance.

(c) The Developer agrees to dutifully, diligently, and continually work to develop the Property in accordance with the Governing Regulations and shall complete, or cause to be completed, the Public Infrastructure and Public Improvements that are included in the Governing Regulations and pay their costs.

(d) The Developer shall provide, or cause to be provided, all materials, labor, and services for completing the Public Infrastructure and Public Improvements, which materials, labor, and services shall be of adequate quality when graded against industry standards.

(e) The Developer agrees to obtain or cause to be obtained all necessary permits and approvals required by any Governing Regulation from the City and/or all other governmental entities having jurisdiction or regulatory authority over the construction, installation, operation, or maintenance of improvements within the Property and, with respect thereto, pay or cause to be paid all applicable permit or similar license fees.

(f) The Developer acknowledges and agrees that, pursuant to State law, the Developer is required to make information regarding its contractual relationships regarding construction or acquisition of Public Infrastructure and Public Improvements generally available as public records and, with respect thereto, the Developer acknowledges and agrees that any information provided by the Developer to the City with respect to the Public Infrastructure and Public Improvements, this Agreement, and any work performed by the Developer, a contractor, or a subcontractor for any Public Infrastructure and Public Improvements (including pricing and payment information) may be subject to public disclosure by the City pursuant to applicable law.

(g) The Developer shall prepare, or cause to be prepared, for each Phase of the Project,

plats that are compliant with applicable provisions of the Code and the Comprehensive Zoning Ordinance and shall submit such plats to, and have such plats approved by, the City prior to starting any construction in said Phase.

(h) The Developer shall supervise the construction of the Project and cause the construction to be performed in accordance with the Governing Regulations.

(i) Development services that are performed by the Developer hereunder shall be enforced in compliance with the Governing Regulations.

(j) Except with respect to a Certified Inspector then employed by the City pursuant to Section 3.04(a), all personnel supplied or used by the Developer in the performance of its obligations arising under this Agreement shall be deemed employees, contractors or subcontractors of the Developer and shall not be considered employees, agents or subcontractors of the City for any purpose whatsoever. The Developer shall be solely responsible for the compensation of all such personnel.

(k) The Developer acknowledges and agrees that it is subject as an employer to all applicable unemployment compensation statutes and agrees to indemnify and hold harmless the City from any and all responsibilities thereunder toward employees of the Developer.

(l) As and to the extent applicable, the Developer shall comply with all regulations concerning employment of labor required by law (including, but not limited to, Chapter 2258 requiring the Developer to pay prevailing wages to workers, which shall be determined using the wage scales from time to time published online by Wage Determinations online at www.wdol.gov/wdol/scafiles/davisbacon/tx.html). The reference to this source of prevailing wages is not a warranty, guaranty or other representation by the City that adequate numbers of skilled or unskilled workers are actually available in the local market to perform the required services or that workers may be hired for the wages identified in such prevailing wage schedule.

(m) The Developer hereby represents, warrants, and covenants for the benefit of the City:

- (i) the Developer is a limited partnership, duly organized and validly existing under the laws of the State of Texas, is in compliance with the laws of the State of Texas, and has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated;
- (ii) the Developer has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered on behalf of the Developer;
- (iii) this Agreement is a valid and enforceable obligation of the Developer and is enforceable against the Developer in accordance with its terms, subject to bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights in general and by general principles of equity;

- (iv) the Developer understands the duties, limitations, and responsibilities imposed upon the City under the applicable State law having application to matters that are the subject of this Agreement, including Project development; and
- (v) the Developer has sufficient knowledge, experience, and financial resources to perform its obligations under this Agreement in accordance with all duties, obligations, regulations, Governing Regulation requirements, and other applicable law affecting or required to perform the development work with respect to the Project and, in this regard, the Developer shall bid, procure, supervise, manage, perform, and from time to time provide information relating to such development work regarding Project development in compliance with all duties, obligations, regulations, code and legal requirements arising under any Governing Regulation with jurisdiction over the subject development work and the Project.

(n) The Developer has delivered, unless exempted under State law, the Certificate of Interested Parties Form 1295 (“Form 1295”) and certification of filing generated by the Texas Ethics Commission’s electronic portal, signed by an authorized agent, prior to the execution of this Agreement by the City and the Developer. The Developer and the City understand that none of the City or any City representative, consultant, or advisor have the ability to verify the information included in Form 1295, and none of the City or any City employee, official consultant, or advisor have an obligation, nor have undertaken any responsibility, for advising the Developer with respect to the proper completion of Form 1295 other than providing the identification numbers required for the completion of Form 1295.

(o) The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2270.002, Texas Government Code, as amended, and to the extent such section does not contravene applicable Texas or federal law. As used in the foregoing verification, “boycott Israel” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Developer understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit. The Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, as amended, and posted on the following page of such officer’s Internet website:

<https://comptroller.texas.gov/purchasing/publication/divestment.php>

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, as amended, and to the extent such Section does not contravene applicable Texas or federal law and excludes the Developer and each of its parent company, wholly- or

majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Developer understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

(p) To the extent this Agreement constitutes a contract for goods or services within the meaning of Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislative Session), Texas Government Code, as amended, the Developer hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of the applicable agreement. The foregoing verification is made solely to enable the City to comply with such Section, to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, “boycott energy companies,” a term defined in Section 2274.001(1), Texas Government Code (as enacted by such Senate Bill) by reference to Section 809.001, Texas Government Code (also as enacted by such Senate Bill), shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above.

(q) To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Developer verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of the applicable agreement. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law.

As used in the foregoing verification and the following definitions, ‘discriminate against a firearm entity or firearm trade association,’ a term defined in Section 2274.001(3), Texas Government Code (as enacted by such Senate Bill), (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company’s refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity’s or association’s status as a firearm entity or firearm trade association,

- (i) ‘firearm entity,’ a term defined in Section 2274.001(6), Texas Government Code (as enacted by such Senate Bill), means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4), Texas Government Code, as enacted by such Senate Bill, as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined in Section 2274.001(5), Texas Government Code, as enacted by such Senate Bill, as devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (defined in Section 2274.001(1), Texas Government Code, as enacted by such Senate Bill, as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (defined in Section 250.001, Texas Local Government Code, as a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting), and

- (ii) ‘firearm trade association,’ a term defined in Section 2274.001(7), Texas Government Code (as enacted by such Senate Bill), means any person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

**ARTICLE 11
INDEMNIFICATION**

THE DEVELOPER COVENANTS AND AGREES TO FULLY INDEMNIFY AND HOLD HARMLESS THE CITY, THE CITY COUNCIL, AND ANY OTHER OFFICIAL, EMPLOYEE, AGENT, ATTORNEY, OR REPRESENTATIVE OF ANY OF THE FOREGOING (TOGETHER, THE “INDEMNIFIED PARTIES”) FROM AND AGAINST ANY AND ALL COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, PROCEEDINGS, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND SUITS OF ANY KIND AND NATURE BROUGHT BY A THIRD PARTY, INCLUDING BUT NOT LIMITED TO, PERSONAL OR BODILY INJURY, DEATH AND PROPERTY DAMAGE, MADE UPON ANY INDEMNIFIED PARTY DIRECTLY OR INDIRECTLY ARISING OUT OF, RESULTING FROM OR RELATED TO THE DEVELOPER’S ACTIVITIES UNDER THIS AGREEMENT, INCLUDING ANY ACTS OR OMISSIONS OF THE DEVELOPER, ANY AGENT, OFFICER, DIRECTOR, REPRESENTATIVE, EMPLOYEE, CONSULTANT OR SUBCONTRACTOR OF THE DEVELOPER, AND THEIR RESPECTIVE OFFICERS, AGENTS, EMPLOYEES, DIRECTORS AND REPRESENTATIVES, WHILE IN THE EXERCISE OF PERFORMANCE OF THE RIGHTS OR DUTIES UNDER THIS AGREEMENT. THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL NOT

APPLY TO ANY LIABILITY RESULTING FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY INDEMNIFIED PARTY. IN THE EVENT THE DEVELOPER AND AN INDEMNIFIED PARTY ARE FOUND JOINTLY LIABLE, BECAUSE OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF AN INDEMNIFIED PARTY, BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO ANY SUCH INDEMNIFIED PARTY UNDER APPLICABLE TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES HERETO UNDER TEXAS LAW AS TO SAID CLAIMANTS. THE PROVISIONS OF THIS INDEMNIFICATION ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY. THE DEVELOPER SHALL IMMEDIATELY ADVISE THE CITY, IN WRITING, OF ANY CLAIM OR DEMAND AGAINST THE DEVELOPER OR AN INDEMNIFIED PARTY, TO THE EXTENT AND WHEN KNOWN TO THE DEVELOPER, RELATED TO OR ARISING OUT OF THE DEVELOPER'S ACTIVITIES UNDER THIS AGREEMENT.

In addition to the indemnification provided above, the Developer shall also require each of its general contractors working on the Project to indemnify each Indemnified Party from and against any and all claims, losses, damages, causes of actions, suits and liabilities arising out of their actions related to the performance of this Agreement, utilizing (in its entirety) the same indemnification language contained herein.

**ARTICLE 12
MISCELLANEOUS**

12.01 Multiple Originals. The Parties may execute this Agreement in one or more duplicate originals, each of equal dignity.

12.02 Entire Agreement; Parties in Interest. This Agreement, together with any exhibits attached hereto, constitutes the entire agreement between Parties with respect to its subject matter, and may not be amended except by a writing signed by all Parties with authority to sign and dated subsequent to the date hereof. There are no other agreements, oral or written, except as expressly set forth herein. No person, other than a Party, shall acquire or have any right hereunder or by virtue hereof.

12.03 Recordation. A copy of this Agreement will be recorded in the Official Public Records of the County by the City.

12.04 Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State. This Agreement is performable in the County. Any legal action or proceeding brought or maintained, directly or indirectly, as a result of this Agreement shall be heard and determined in a court of competent jurisdiction located in the County. Notwithstanding the foregoing, the parties hereto agree that any dispute that may arise under this Agreement shall first be submitted to non-binding mediation, or to alternative dispute resolution proceedings, before litigation is filed in court.

12.05 Termination or Amendment by Agreement. This Agreement may only be

terminated prior to the Termination Date, or its terms amended by mutual written consent of the Parties.

12.06 No Oral or Implied Waiver. The Parties may waive any of their respective rights or conditions contained herein or any of the obligations of the other Party hereunder, but unless this Agreement expressly provides that a condition, right, or obligation is deemed waived, any such waiver will be effective only if in writing and signed by the party waiving such condition, right, or obligation. The failure of either party to insist at any time upon the strict performance of any covenant or agreement in this Agreement or to exercise any right, power, or remedy contained in this Agreement will not be construed as a waiver or a relinquishment thereof for the future.

12.07 No Third-Party Beneficiary. This Agreement is not intended, nor will it be construed, to create any third-party beneficiary rights in any person or entity who is not a Party, unless expressly otherwise provided herein.

12.08 No Personal Liability. None of the members of the City Council, nor any officer, agent, or employee of the City, shall be charged personally by the Developer with any liability, or be held liable to the Developer under any term or provision of this Agreement, or because of execution or attempted execution, or because of any breach or attempted or alleged breach, of this Agreement.

12.09 Severability. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provision of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

12.10 Section Headings. Section headings have been inserted in this Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Agreement and will not be used in the interpretation of any provisions of this Agreement.

* * *

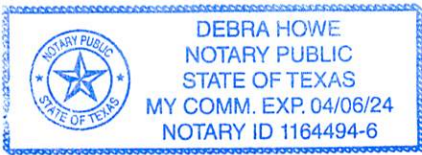
CITY OF CASTROVILLE, TEXAS

By: [Signature]
Name: DARRIN SCHROEDER
Title: MAYOR
Address: 1209 Fiorella Street
Castroville, Texas 78009

THE STATE OF TEXAS §
 §
COUNTY OF §

This instrument was acknowledged before me on September 21, 2023, by
Mayor Darrin Schroeder of Castroville.

[Signature]
Notary Public in and for the State of Texas



THE LANDOWNERS:

MKT 179 INVESTMENTS, LLC formerly
DICKERSON TAUSCH PROPERTIES,
LLC

By: Terry Dickerson
Name: TERRY Dickerson
Title: Manager
Address: c/o Richard Wesley Russell
Attorney for Dickerson Tausch Properties, LLC
413 Lafayette
Castroville, Texas 78009

CROWN MONEY, LLC

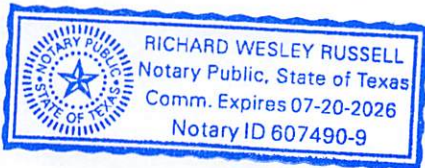
By: Terry Dickerson
Name: Terry Dickerson
Title: Manager
Address: c/o Richard Wesley Russell
Attorney for Dickerson Tausch Properties, LLC
413 Lafayette
Castroville, Texas 78009

MKT179, LLC

By: Terry Dickerson
Name: Terry Dickerson
Title: Manager
Address: c/o Richard Wesley Russell
Attorney for Dickerson Tausch Properties, LLC
413 Lafayette
Castroville, Texas 78009

THE STATE OF TEXAS §
 §
COUNTY OF §

This instrument was acknowledged before me on August 28, 2023, by Terry Dickerson, Manager of MKT 179 Investments, LLC formerly Dickerson Tausch Properties, LLC, Crown Money, LLC, and MKT179, LLC.



Richard Wesley Russell
Notary Public in and for the State of Texas

THE DEVELOPER:

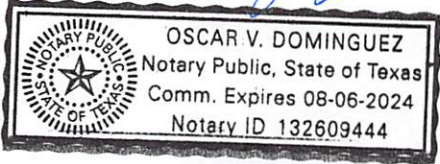
KF FLAT CREEK, LP

By: [Signature]
Name: Shad Schmid
Title: Manager
Address: 2722 West Bitters Road
Suite 106
San Antonio, Texas 78248

THE STATE OF TEXAS §
 §
COUNTY OF BEXAR §

This instrument was acknowledged before me on August 22nd., 2023, by
Shad Schmid, Manager of KF Flat Creek, LP

Notary Public in and for the State of Texas
[Signature]



INDEX TO EXHIBITS

Exhibit AProperty Description (Metes and Bounds and Location Map)
Exhibit B City Map – Corporate and ETJ Limits
Exhibit C Form of Completion Agreement
Exhibit D Land Plan
Exhibit E Form of Landowner Agreement
Exhibit FForm of Maintenance Agreement
Exhibit G Owner Disclosure Program
Exhibit H Form of Reimbursement Agreement
Exhibit I Residential Construction Standards
Exhibit J Form of Utility Service Agreement
Exhibit K Petition for ETJ Annexation
Exhibit L Petition for Annexation
Exhibit M Multi-Party Agreement
Exhibit N Airport Proximity Consent

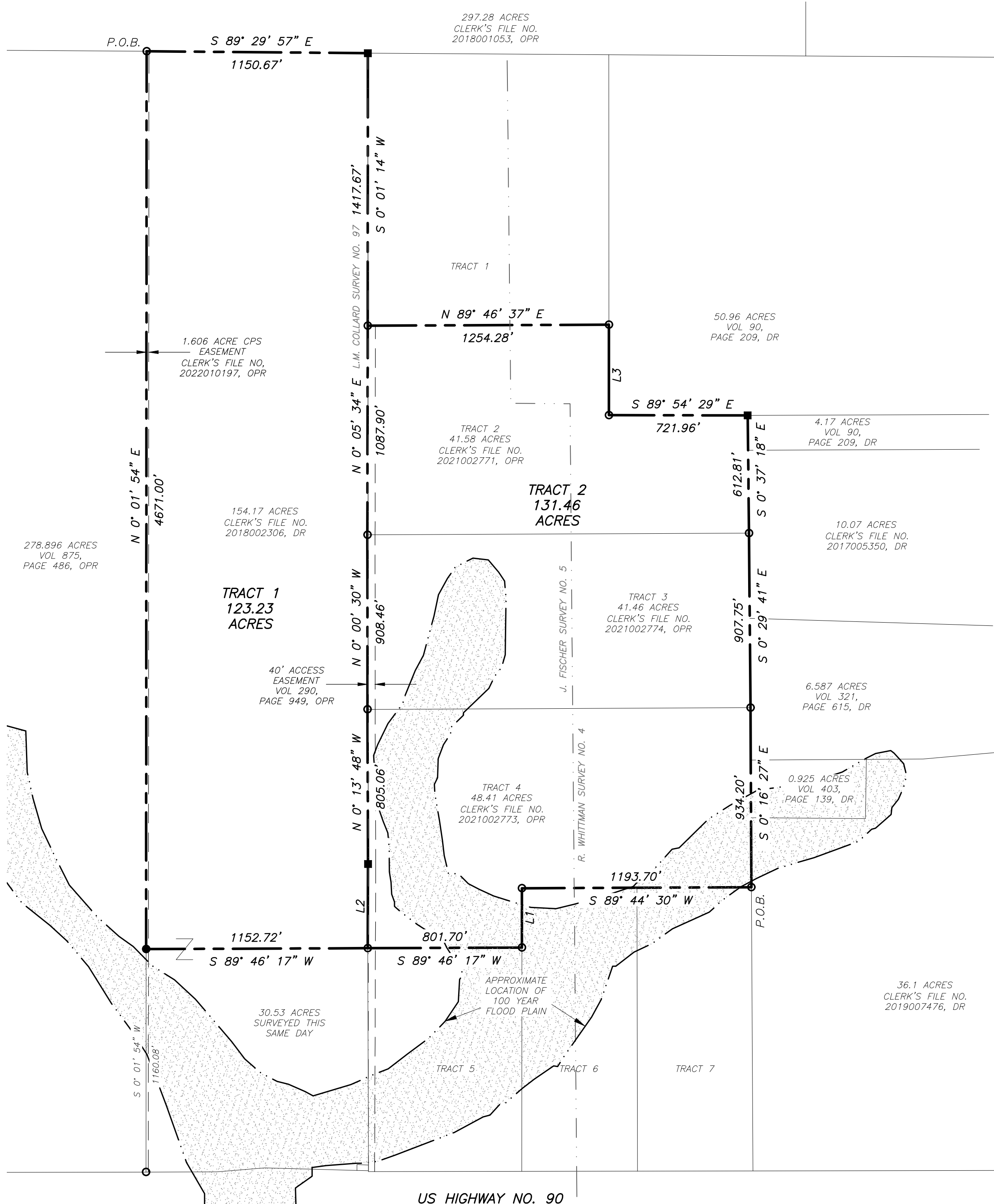
Exhibit A

**PROPERTY DESCRIPTION
[METES AND BOUNDS AND LOCATION MAP]**

PLAT OF SURVEY

OF

A 123.23 ACRE TRACT OF LAND, CALLED TRACT 1, BEING A PORTION OF A 153.76 ACRE TRACT OF LAND, CALLED 154.17, AND A 131.46 ACRE TRACT OF LAND, CALLED TRACT B, BEING ALL OF A 41.58 ACRE TRACT OF LAND, CALLED TRACT 2, ALL OF A 41.46 ACRE TRACT OF LAND, CALLED TRACT 3, AND ALL OF A 48.41 ACRE TRACT OF LAND, CALLED TRACT 4, OF THE JOHN FISCHER ESTATE LANDS DIVISION, LYING IN THE JOSEPH FISCHER SURVEY NO. 5, ABSTRACT NO. 1269, THE L.M. COLLARD SURVEY NO. 97, ABSTRACT NO. 1259, AND THE ROMANUS WHITMAN SURVEY NO. 4, ABSTRACT NO. 1348, MEDINA COUNTY, TEXAS



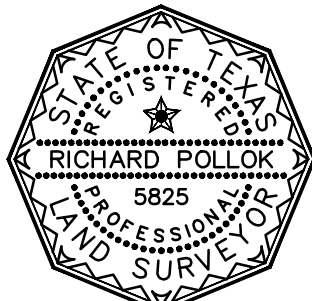
1" = 400'

THE BASIS OF BEARING ON THIS PLAT IS GRID NORTH, TEXAS STATE PLANE COORDINATE SYSTEM, NAD 83 (2011), SOUTH CENTRAL ZONE

Line Table		
Line #	Length	Direction
L1	308.57	S0° 00' 47"W
L2	437.26	N0° 12' 35"E
L3	470.56	S0° 01' 54"E

Prepared for:
First American Title Guaranty
 Dickerson Tausch Properties, LLC
 Crown Money, LLC
 KF Flat Creek, LP

REFERENCES:
 DEED:
 Clerk's File No. 2021002771, OPR
 Clerk's File No. 2018002306, OPR
 Clerk's File No. 2021002773, OPR
 Clerk's File No. 2021002774, OPR
 Flood plain panel #48325C8530D
 Issued date: 5-15-2020



I, Richard Pollok, being a Registered Professional Land Surveyor, registered in the State of Texas, do hereby certify that this plat was prepared from an actual survey done by me or under my direct supervision, and that to the best of my knowledge and belief it is a true and correct representation of said survey. This survey substantially complies with the current Texas Society of Professional Surveyors Manual of Practice requirements for a Category 1A, Condition 2.

TRACKS 2, 3, AND 4
ITEMS CORRESPONDING TO SCHEDULE B
 PER TITLE COMMITMENT OF NO. 2759757-1841, ISSUED JULY 26, 2022

- RIGHT OF WAY EASEMENT, RECORDED IN VOLUME 86, PAGE 152, DEED RECORDS, MEDINA COUNTY, TEXAS. THIS ITEM IS NONPLOTTABLE
- RIGHT OF WAY EASEMENT, RECORDED IN VOLUME 117, PAGE 530, DEED RECORDS, MEDINA COUNTY, TEXAS. THIS ITEM IS NONPLOTTABLE
- 40 FOOT INGRESS/EGRESS EASEMENT, RECORDED IN VOLUME 290, PAGE 949, DEED RECORDS, MEDINA COUNTY, TEXAS. THIS ITEM IS SHOWN

154.17 ACRES
ITEMS CORRESPONDING TO SCHEDULE B
 PER TITLE COMMITMENT OF NO. 2759766-1841, ISSUED AUGUST 10, 2023

- RIGHT OF WAY EASEMENT, RECORDED IN VOLUME 86, PAGE 152, DEED RECORDS, MEDINA COUNTY, TEXAS. THIS ITEM IS SHOWN
- RIGHT OF WAY EASEMENT, RECORDED IN VOLUME 117, PAGE 530, DEED RECORDS, MEDINA COUNTY, TEXAS. THIS ITEM IS SHOWN
- ELECTRIC RIGHT OF WAY EASEMENT, RECORDED IN CLERK'S FILE NO. 2022010197, OFFICIAL PUBLIC RECORDS, MEDINA COUNTY, TEXAS. THIS ITEM IS SHOWN
- EASEMENT AGREEMENT, RECORDED IN VOLUME 243, PAGE 33, OFFICIAL PUBLIC RECORDS, MEDINA COUNTY, TEXAS. THIS ITEM DOES NOT EFFECT THIS PROPERTY
- PUBLIC UTILITY EASEMENT, RECORDED IN CLERK'S FILE NO. 2021005209, OFFICIAL PUBLIC RECORDS, MEDINA COUNTY, TEXAS. THIS ITEM DOES NOT EFFECT THIS PROPERTY
- CONSTRUCTION EASEMENT, RECORDED IN CLERK'S FILE NO. 2021005210, OFFICIAL PUBLIC RECORDS, MEDINA COUNTY, TEXAS. THIS ITEM DOES NOT EFFECT THIS PROPERTY

- LEGEND**
- Set 5/8 inch steel rod monument with cap stamped Rakowitz Engineering & Surveying
 - Found 5/8 inch steel rod monument
 - ▲ TxDot brass disk monument
 - Fence corner post
 - A calculated point
 - Boundary line
 - Adjoiner
 - Barbed wire fence
 - OHE --- OHE --- Overhead electric



Date of survey: April 25, 2023
 Update of survey: August 14, 2023
 Job No. 22-2818B

State of Texas
County of Medina

Field notes for a tract of land containing 123.23 acres tract of land, called Tract 1, being a portion of a 154.17 acre tract of land, lying in the L. M. Collard Survey No. 97, Abstract No. 1259, Medina County, Texas, prepared for King Fish Development, LLC, dated July 27, 2023.

A tract of land containing 123.23 acres tract of land, called Tract 1, being a portion of a 154.17 acre tract of land, described in an instrument, recorded in Clerk's File No. 2018002306, Official Public Records, lying in the L. M. Collard Survey No. 97, Abstract No. 1259, Medina County, Texas, said tract of land being more particularly described by metes and bounds as follows:

Beginning at a point marked by a 1/2 inch steel rod monument, found for the Northwest corner of said 153.76 acre tract of land, being the Northeast corner of a 278.896 acre tract of land, described in volume 875, page 486, of the Deed Records, Medina County, Texas, and lying on the South line of a 297.28 acre tract of land, described in an instrument, recorded in Clerk's File No. 2018001053, of the Official Public Records, Medina County, Texas, said point of beginning being the Northwest corner of this tract of land;

Thence South 89° 29' 57" East, 1150.67 feet, along the North line of said 154.17 acre tract of land, being the South line of said 297.28 acre tract of land, to a point marked by a fence corner post, found for the Northeast corner of said 154.17 acre tract of land, being the Northwest corner of Tract 1, of the John Fischer Estate Lands Division, described in an instrument, recorded in Volume 290, Page 949 of the Official Public Records of Medina County, Texas, said point being the Northeast corner of this tract of land;

Thence along the East line of said 154.17 acre tract of land, the following bearings and distances;

South 00° 01' 14" West, 1417.67 feet, being the West line of said Tract 1, to a point marked by a 5/8 inch steel rod monument, found for Southwest corner of said Tract 1, being the Northwest corner of a 41.58 acre tract of land, called Tract 2, of said John Fischer Estate Lands Division, said point being an angle point of this tract of land;

South 00° 05' 34" West, 1087.90 feet, along the West line of said Tract 2, to a point, marked by a 5/8 inch steel rod monument, found for the Southwest corner of said Tract 2, being the Northwest corner of a 41.46 acre tract of land, called Tract 3, of said John Fischer Estate Lands Division, said point being an angle point of this tract of land;

South 00° 00' 30" East, 908.46 feet, along the West line of said Tract 3, to a point, marked by a 5/8 inch steel rod monument, found for the Southwest corner of said Tract 3, being the Northwest corner of a 48.41 acre tract of land, called Tract 4, of said John Fischer Estate Lands Division, said point being an angle point of this tract of land;

South 00° 13' 48" East, 805.06 feet, along the West line of said Tract 4, to a point, marked by a fence corner post, found for an angle point of said Tract 4, said point being an angle point of this tract of land;

South 00° 12' 35" West, 437.26 feet, along the West line of said Tract 4, to a point, marked by a 5/8 inch steel rod monument, found for the Southwest corner of said Tract 4, being the Northwest corner of Tract 5, of said John Fischer Estate Lands Division, the Southeast corner of a 123.23 acre tract of land, surveyed this same day, and the Northeast corner of a 30.53 acre tract of land, surveyed this same day, said point being the Southeast corner of this tract of land;

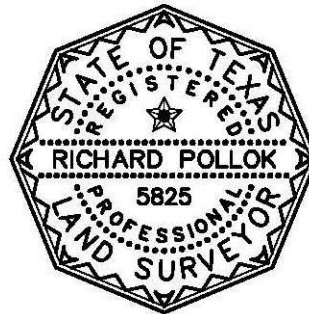
Thence South 89° 46' 17" West, 1152.72 feet, across said 154.17 acre tract of land, along the North line of said 30.53 acre tract of land, to a point marked by a 5/8 inch steel rod monument, with a cap stamped Rakowitz Engineering and Surveying, set on the West line of said 154.17 acre tract of land, for the Northwest corner of said 30.53 acre tract of land, and lying on the East line of said 278.896 acre tract of land, said point being the Southwest corner of this tract of land;

Thence North 00° 01' 54" East, 4671.00 feet, along the West line of said 154.17 acre tract of land, being the East line of said 278.896 acre tract of land, to the point of beginning;

The basis of bearing for this survey is Grid North, Texas State Plane Coordinate System, NAD 83 (2011), South Central Zone.

I, Richard Pollok, being a Registered Professional Land Surveyor, registered in the State of Texas, do hereby certify that the foregoing field notes for a tract of land containing 123.23 acres, as shown on the accompanying Plat of Survey prepared for King Fish Development, LLC, dated July 27, 2023, were prepared from an actual survey done under my supervision and that to the best of my knowledge and belief they are a true and correct representation of said survey.

Richard Pollok R.P.L.S. 5825
Rakowitz Engineering and Surveying
515 W. Oaklawn Ste. A
Pleasanton, Texas 78064
830-281-4060
Firm No. 10181200



State of Texas
County of Medina

Field notes for a tract of land containing 131.46 acres tract of land, all of a 41.58 acre tract of land, called Tract 2, described in an instrument, recorded in Clerk's File No. 2021002771, Official Public Records, Medina County, Texas, all of a 41.46 acre tract of land, called Tract 3, described in an instrument, recorded in Clerk's File No. 2021002774, Official Public Records, Medina County, Texas, and all of a 48.41 acre tract of land, called Tract 4, described in an instrument, recorded in Clerk's File No. 2021002773, Official Public Records, Medina County, Texas, of the John Fischer Estate Lands Division, lying in the Joseph Fischer Survey No. 5, Abstract No. 1269, and the Romanus Whittman Survey No. 4, Abstract No. 1348, Medina County, Texas, prepared for King Fish Development, LLC, dated July 27, 2023.

A tract of land containing 131.46 acres tract of land, all of a 41.58 acre tract of land, called Tract 2, described in an instrument, recorded in Clerk's File No. 2021002771, Official Public Records, Medina County, Texas, all of a 41.46 acre tract of land, called Tract 3, described in an instrument, recorded in Clerk's File No. 2021002774, Official Public Records, Medina County, Texas, and all of a 48.41 acre tract of land, called Tract 4, described in an instrument, recorded in Clerk's File No. 2021002773, Official Public Records, Medina County, Texas, of the John Fischer Estate Lands Division, lying in the Joseph Fischer Survey No. 5, Abstract No. 1269, and the Romanus Whittman Survey No. 4, Abstract No. 1348, Medina County, Texas, said tract of land being more particularly described by metes and bounds as follows:

Beginning at a point marked by a 5/8 inch steel rod monument, found for the Southeast corner of said Tract 4, being the Northeast corner of Tract 7, of said Joseph Fischer Survey No. 5, Abstract No. 1269, Medina County, Texas, and lying on the West line of a 36.1 acre tract of land, described in an instrument, recorded in Clerk's File No. 2019007476, Deed Records, Medina County, Texas, said point of beginning being the Southeast corner of this tract of land;

Thence South 89° 44' 30" West, 1193.70 feet, along the South line of said Tract 4, being the North line of said Tract 7 and continuing along the North line of Tract 6, of said John Fischer Estate Lands Division, to a point marked by a 5/8 inch steel rod monument, found for a reentrant corner of said Tract 4, being the Northwest corner of said Tract 6, said point being a reentrant corner of this tract of land;

Thence South 00° 00' 47" West, 308.57 feet, along an East line of said Tract 4, being the West line of said Tract 6, to a point marked by a 5/8 inch steel rod monument, found for a salient corner of said Tract 4, being the Northeast corner of Tract 5, of said Joseph Fischer Survey No. 5, Abstract No. 1269, Medina County, Texas, said point being a salient corner of this tract of land;

Thence South 89° 46' 17" West, 801.70 feet, along the South line of said Tract 4, being the North line of said Tract 5, to a point marked by a 5/8 inch steel rod monument, found for the Southwest corner of said Tract 4, being the Northwest corner of said Tract 5, The Southeast corner of a 123.23 acre tract of land, surveyed this same day, the Northeast corner of a 30.53 acre tract of land, surveyed this same day, and lying on the East line of a 154.17 acre tract of land, described in an instrument, recorded in Clerk's File No. 2018002306, Official Public Records, Medina County, Texas, said point being the Southwest corner of this tract of land;

Thence along the East line of said 154.17 acre tract of land, the following bearings and distances;

North 00° 12' 35" East, 437.26 feet, being the West line of said Tract 4, to a point, marked by a fence corner post, found for an angle point of said Tract 4, being an angle point for said 154.17 acre tract of land, an angle point of said 123.23 acre tract of land, said point being an angle point of this tract of land;

North 00° 13' 48" West, 805.06 feet, along the West line of said Tract 4, to a point, marked by a 5/8 inch steel rod monument, found for the Northwest corner of said Tract 4, being the Southwest corner of Tract 3, of said John Fischer Estate Lands Division, said point being an angle point of this tract of land;

North 00° 00' 30" West, 908.46 feet, along the West line of said Tract 3, to a point, marked by a 5/8 inch steel rod monument, found for the Northwest corner of said Tract 3, being the Southwest corner of Tract 2, of said John Fischer Estate Lands Division, said point being an angle point of this tract of land;

North 00° 05' 34" East, 1087.90 feet, along the West line of said Tract 2, to a point, marked by a 5/8 inch steel rod monument, found for the Northwest corner of said Tract 2, being the Southwest corner of Tract 1, of said John Fischer Estate Lands Division, said point being the Northwest corner of this tract of land;

Thence North 89° 46' 37" East, 1254.28 feet, along the North line of said Tract 2, being the South line of said Tract 1, to a point marked by a 5/8 inch steel rod monument, found for a salient corner of said Tract 2, being the Southeast corner of said Tract 1, and lying on the West line of a 50.96 acre tract of land, described in an instrument, recorded in Volume 90, Page 209, Deed Records, Medina County, Texas, said point being a salient corner of this tract of land;

Thence South 00° 01' 54" East, 470.56 feet, along an East line of said Tract 2, being the West line of said 50.96 acre tract of land, to a point marked by a 5/8 inch steel rod monument, found for a reentrant corner of said Tract 2, being the Southwest corner of said 50.96 acre tract of land, said point being a reentrant corner of this tract of land;

Thence South 89° 54' 29" East, 721.96 feet, along a North line of said Tract 2, being the South line of said 50.96 acre tract of land, to a point marked by a fence corner post, found for the Northeast corner of said Tract 2, being the Northwest corner of a 4.17 acre tract of land, described in an instrument, recorded in Volume 90, Page 209, Deed Records, Medina County, Texas, said point being the Northeast corner of this tract of land;

Thence South 00° 37' 18" East, 612.81 feet, along the East line of said Tract 2, being the West line of said 4.17 acre tract of land, and a 10.07 acre tract of land, described in an instrument, recorded in Clerk's File No. 2017005350, Deed Records, Medina County, Texas, to a point marked by a 5/8 inch steel rod monument, found for the Southeast corner of said Tract 2, being the Northeast corner of said Tract 3, said point being an angle point of this tract of land;

Thence South 00° 29' 41" East, 907.75 feet, along the East line of said Tract 3, being the West line of said 10.07 acre tract of land, and a 6.587 acre tract of land, described in an instrument, recorded in Volume 321, Page 615, Deed Records, Medina County, Texas, to a point marked by a 5/8 inch steel rod monument, found for the Southeast corner of Tract 2, being the Northeast corner of said Tract 4, said point being an angle point of this tract of land;

Thence South 00° 16' 27" East, 934.20 feet, along the East line of said Tract 4, being the West line of said 6.587 acre tract of land, and continuing along the West line of a 0.925 acre tract of land, described in an instrument, recorded in Volume 403, Page 139, Deed Records, Medina County, Texas, and continuing along the West line of said 36.1 acre tract of land, to the point of beginning;

The basis of bearing for this survey is Grid North, Texas State Plane Coordinate System, NAD 83 (2011), South Central Zone.

I, Richard Pollok, being a Registered Professional Land Surveyor, registered in the State of Texas, do hereby certify that the foregoing field notes for a tract of land containing 254.69 acres, as shown on the accompanying Plat of Survey prepared for King Fish Development, LLC, dated July 27, 2023, were prepared from an actual survey done under my supervision and that to the best of my knowledge and belief they are a true and correct representation of said survey.

Richard Pollok R.P.L.S. 5825
Rakowitz Engineering and Surveying
515 W. Oaklawn Ste. A
Pleasanton, Texas 78064
830-281-4060
Firm No. 10181200

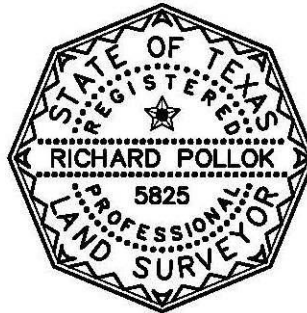
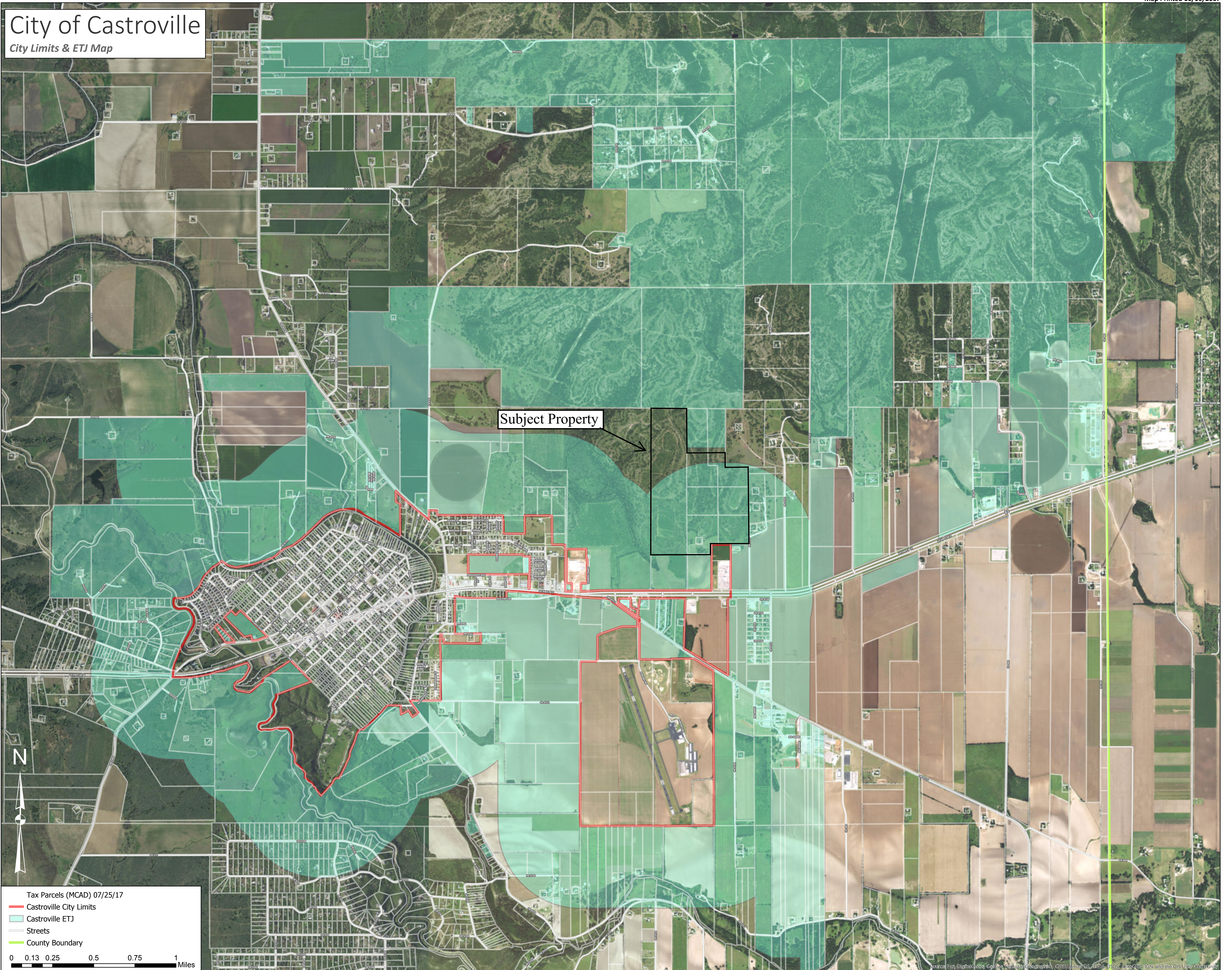


Exhibit B

CITY MAP – CORPORATE AND ETJ LIMITS

City of Castroville

City Limits & ETJ Map



Subject Property

Tax Parcels (MCAD) 07/25/17

- Castroville City Limits
- Castroville ETJ
- Streets
- County Boundary

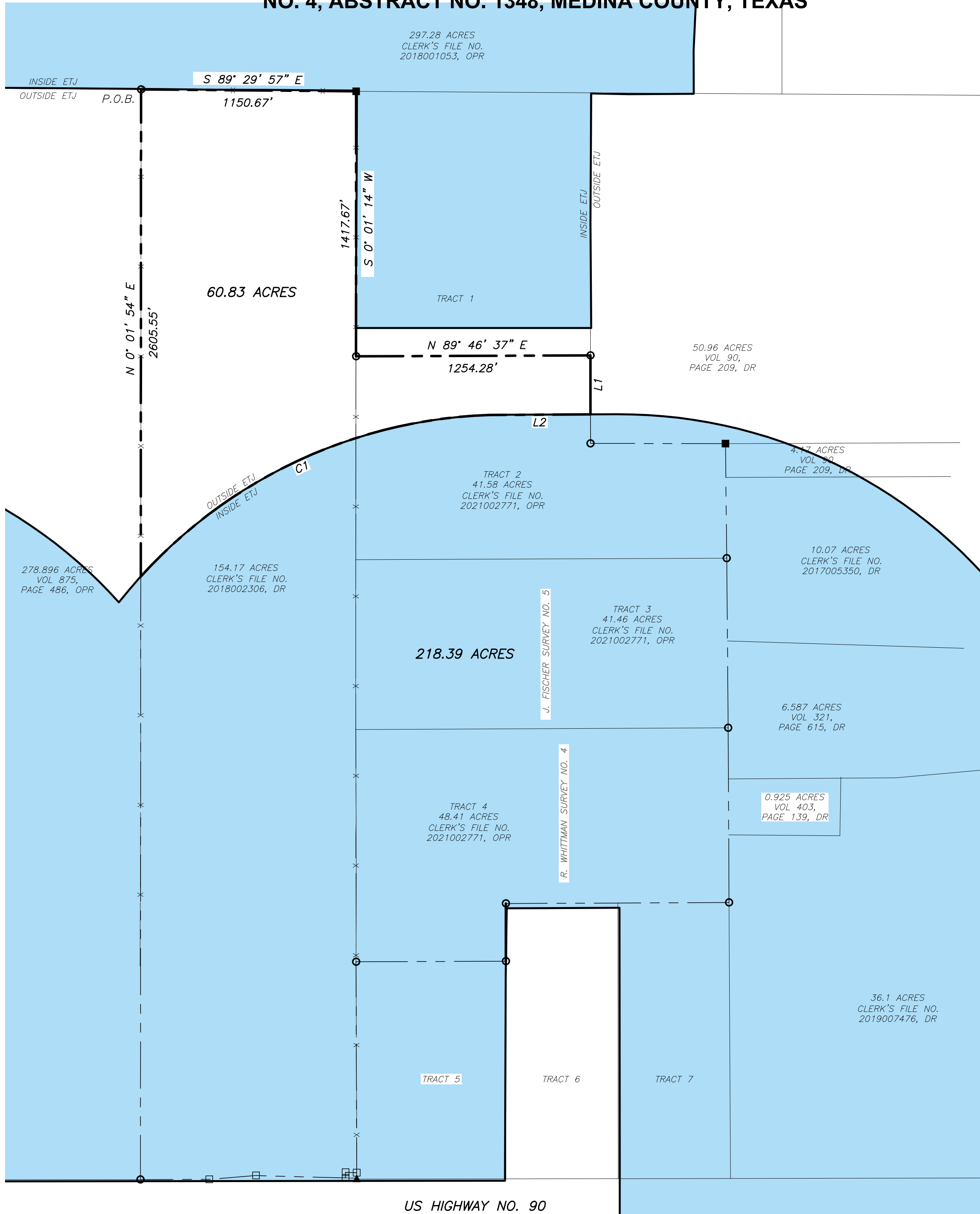
0 0.13 0.25 0.5 0.75 1 Miles

Disclaimer – The City of Castroville (City) does not guarantee the accuracy, adequacy, completeness, or usefulness of this information. The map is not a legal representation of the depicted data. Data is derived from public records that are constantly undergoing revision. Under no circumstances should this map be used for final design purposes. City provides this information on an "as is" basis without warranty of any kind, express or implied, and assumes no responsibility for anyone's use of the information. The appropriate City department should always be contacted for official and current information.

EXHIBIT

OF

A 285.22 ACRE TRACT OF LAND, BEING ALL OF A 153.76 ACRE TRACT OF LAND, CALLED 154.17, ALL OF A 41.58 ACRE TRACT OF LAND, CALLED TRACT 2, ALL OF A 41.46 ACRE TRACT OF LAND, CALLED TRACT 3, AND ALL OF A 48.41 ACRE TRACT OF LAND, CALLED 4, OF THE JOHN FISCHER ESTATE LANDS DIVISION, LYING IN THE JOSEPH FISCHER SURVEY NO. 5, ABSTRACT NO. 1269, THE L.M. COLLARD SURVEY NO. 97, ABSTRACT NO. 1259, AND THE ROMANUS WHITTMAN SURVEY NO. 4, ABSTRACT NO. 1348, MEDINA COUNTY, TEXAS



1" = 400'

THE BASIS OF BEARING ON THIS PLAT IS GRID NORTH, TEXAS STATE PLANE COORDINATE SYSTEM, NAD 83 (2011), SOUTH CENTRAL ZONE

LEGEND

- Found 5/8 inch steel rod monument
- ▲ TxDot brass disk monument
- Fence corner post
- A calculated point
- Boundary line
- Adjoiner
- X- Barbed wire fence
- OHE- Overhead electric

Line Table		
Line #	Length	Direction
L1	315.35	S0° 01' 54"E
L2	543.77	S89° 39' 05"W

Curve Table					
Curve #	Length	Radius	Delta	Chord Direction	Chord Length
C1	2108.70	2636.33	45°49'44"	S65° 06' 35"W	2052.94

Prepared for:
King Fish Development, LLC

REFERENCES:
DEED: Clerk's File No. 2021002771, OPR
Clerk's File No. 2018002306, OPR
Flood plain panel #48325C8530D
Issued date: 5-15-2020



Date of survey: April 25, 2023
Job No. 22-2818B

State of Texas
County of Medina

Field notes for a tract of land containing 60.83 acres tract of land, being a portion of a 153.76 acre tract of land, called 154.17 acres, and a portion of a 41.58 acre tract of land, called Tract 2, lying in the Joseph Fischer Survey No. 5, Abstract No. 1269, the Romanus Whitman Survey No. 4, Abstract No. 1348, and the L.M. Collard Survey No. 97, Abstract No. 129, Medina County, Texas, prepared for King Fish Development, LLC, dated April 25, 2023.

A tract of land containing 60.83 acres tract of land, being a portion of a 153.76 acre tract of land, called 154.17 acres, described in an instrument, recorded in Clerk's File No. 201800002306, Official Public Records, Medina County, Texas, and a portion of a 41.58 acre tract of land, called Tract 2, described in an instrument, recorded in Clerk's File No. 2021002771, Official Public Records, Medina County, Texas, and lying in the Joseph Fischer Survey No. 5, Abstract No. 1269, the Romanus Whitman Survey No. 4, Abstract No. 1348, and the L.M. Collard Survey No. 97, Abstract No. 129, Medina County, Texas, said tract of land being more particularly described by metes and bounds as follows:

Beginning at a point marked by a 5/8 inch steel rod monument, found for the Northwest corner of said 154.17 acre tract of land, being the Northeast corner of a 278.896 acre tract of land, described in an instrument, recorded in Volume 875, Page 486, Official Public Records, Medina County, Texas, and lying on the North line of a 297.28 acre tract of land, described in an instrument, recorded in Clerk's File No. 2018001053, Official Public Records, Medina County, Texas, said point of beginning being the Northwest corner of this tract of land;

Thence South 89° 29' 57" East, 1150.67 feet, along the North line of said 154.17 acre tract of land, being the South line of said 297.28 acre tract of land, to a point marked by a fence corner post, found for the Northeast corner of said 154.17 acre tract of land, being the Northwest corner of Tract 1, of the John Fischer Estate Lands Division, said point being the Northeast corner of this tract of land;

Thence South 00° 01' 14" West, 1417.67 feet, along the East line of said 154.17 acre tract of land, being the West line of said Tract 1, to a point marked by a 5/8 inch steel rod monument, found for the Northwest corner of said Tract 2, being the Southwest corner of said Tract 1, said point being an reentrant corner of this tract of land;

Thence North 89° 46' 37" East, 1254.28 feet, along the North line of said 154.17 acre tract of land, being the South line of said Tract 1, to a point marked by a 5/8 inch steel rod monument, found for the upper Northeast corner of said Tract 2, being the Southeast corner of said Tract 1, and lying on the West line of a 50.96 acre tract of land, described in an instrument, recorded in Volume 90, Page 209, Deed Records, Medina County, Texas, said point being a salient corner of this tract of land;

Thence South 00° 01' 54" East, 315.35 feet, along an East line of said Tract 2, being the West line of said 50.96 acre tract of land, to a calculated point, said point being the Southeast corner of this tract of land;

Thence South 89° 39' 05" West, 543.77 feet, across said Tract 2 to a calculated point, said point being an angle point of this tract of land;

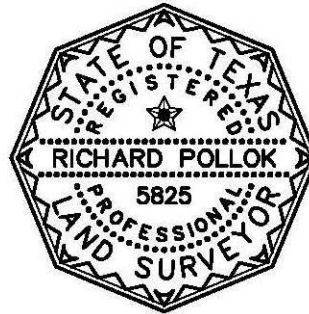
Thence along a non-tangent curve to the left, having a radius of 2636.33 feet, a delta angle of 45° 49' 44", an arc length of 2108.70 feet, and a chord bearing and distance of South 65° 06' 35" West, 2052.94 feet, to a calculated point, lying on the West line of said 154.17 acre tract of land, being the East line of said 278.896 acre tract of land, said point being the Southwest corner of this tract of land;

Thence North 00° 01' 54" East, 2605.55 feet, along the West line of said 154.17 acre tract of land, being the East line of said 278.896 acre tract of land, to the point of beginning;

The basis of bearing for this survey is Grid North, Texas State Plane Coordinate System, NAD 83 (2011), South Central Zone.

I, Richard Pollok, being a Registered Professional Land Surveyor, registered in the State of Texas, do hereby certify that the foregoing field notes for a tract of land containing 60.83 acres, as shown on the accompanying Plat of Survey prepared for King Fish Development, LLC, dated April 25, 2023, were prepared from an actual survey done under my supervision and that to the best of my knowledge and belief they are a true and correct representation of said survey.

Richard Pollok R.P.L.S. 5825
Rakowitz Engineering and Surveying
515 W. Oaklawn Ste. A
Pleasanton, Texas 78064
830-281-4060
Firm No. 10181200



State of Texas
County of Medina

Field notes for a tract of land containing 254.69 acres tract of land, being a portion of a 153.76 acre tract of land, called 154.17 acres, all of a 41.58 acre tract of land, called Tract 2, all of a 41.46 acre tract of land, called Tract 3, and all of a 48.41 acre tract of land, called Tract 4, of the John Fischer Estate Lands Division, lying in the Joseph Fischer Survey No. 5, Abstract No. 1269, and the Romanus Whittman Survey No. 4, Abstract No. 1348, Medina County, Texas, prepared for King Fish Development, LLC, dated April 25, 2023.

A tract of land containing 254.69 acres tract of land, being a portion of a 153.76 acre tract of land, called 154.17 acres, described in an instrument, recorded in Clerk's File No. 2018002306, Official Public Records, Medina County, Texas, all of a 41.58 acre tract of land, called Tract 2, described in an instrument, recorded in Clerk's File No. 2021002771, Official Public Records, Medina County, Texas, all of a 41.46 acre tract of land, called Tract 3, described in an instrument, recorded in Clerk's File No. 2021002774, Official Public Records, Medina County, Texas, and all of a 48.41 acre tract of land, called Tract 4, described in an instrument, recorded in Clerk's File No. 2021002773, Official Public Records, Medina County, Texas, of the John Fischer Estate Lands Division, lying in the Joseph Fischer Survey No. 5, Abstract No. 1269, and the Romanus Whittman Survey No. 4, Abstract No. 1348, Medina County, Texas said tract of land being more particularly described by metes and bounds as follows:

Beginning at a point marked by a 5/8 inch steel rod monument, found for the Southeast corner of said Tract 4, being the Northeast corner of Tract 7, of said Joseph Fischer Survey No. 5, Abstract No. 1269, Medina County, Texas, and lying on the West line of a 36.1 acre tract of land, described in an instrument, recorded in Clerk's File No. 2019007476, Deed Records, Medina County, Texas, said point of beginning being the Southeast corner of this tract of land;

Thence South 89° 44' 30" West, 1193.70 feet, along the South line of said Tract 4, being the North line of said Tract 7 and Tract 6 to a point marked by a 5/8 inch steel rod monument, found for a reentrant corner of said Tract 4, being the Northwest corner of said Tract 6, said point being a reentrant corner of this tract of land;

Thence South 00° 00' 47" West, 308.57 feet, along an East line of said Tract 4, being the West line of said Tract 6, to a point marked by a 5/8 inch steel rod monument, found for a salient corner of said Tract 4, being the Northeast corner of Tract 5, of said Joseph Fischer Survey No. 5, Abstract No. 1269, Medina County, Texas, said point being a salient corner of this tract of land;

Thence South 89° 46' 17" West, 1954.41 feet, along the South line of said Tract 4, and across said 154.17 acre tract of land, being the North line of said Tract 5, and a 30.53 acre tract of land, surveyed this same day, to a point marked by a 5/8 inch steel rod monument, with a cap stamped Rakowitz Engineering and Surveying, set, lying on the West line of said 154.17 acre tract of land, being the Northwest corner of said 30.53 acre tract of land, and lying on the East line of a 278.896 acre tract of land, described in an instrument, recorded in Volume 875, Page 486, Official Public Records, Medina County, Texas, said point being the Southwest corner of this tract of land;

Thence North 00° 01' 54" East, 4671.00 feet, along the West line of said 154.17 acre tract of land, being the East line of said 278.896 acre tract of land, to a point marked by a 5/8 inch steel rod monument, found for the Northwest corner of said 154.17 acre tract of land, being the Northeast corner of said 278.896 acre tract of land, and lying on the South line of a 297.28 acre tract of land, described in an instrument, recorded in Clerk's File No. 2018001053, Official Public Records, Medina County, Texas, said point being the Northwest corner of this tract of land;

Thence South 89° 29' 57" East, 1150.67 feet, along the North line of said 154.17 acre tract of land, being the South line of said 297.28 acre tract of land, to a point marked by a fence corner post, found for the Northeast corner of said 154.17 acre tract of land, being the Northwest corner of Tract 1, of said Joseph Fischer Survey No. 5, Abstract No. 1269, Medina County, Texas, said point being a salient corner of this tract of land;

Thence South 00° 01' 14" West, 1417.67 feet, along the East line of said 154.17 acre tract of land, being the West line of said Tract 1, to a point marked by a 5/8 inch steel rod monument, found for

Northwest corner of said Tract 2, being the Southwest corner of said Tract 1, said point being a reentrant corner of this tract of land;

Thence North $89^{\circ} 46' 37''$ East, 1254.28 feet, along the North line of said Tract 2, being the South line of said Tract 1, to a point marked by a 5/8 inch steel rod monument, found for a salient corner of said Tract 2, being the Southeast corner of said Tract 1, and lying on the West line of a 50.96 acre tract of land, described in an instrument, recorded in Volume 90, Page 209, Deed Records, Medina County, Texas, said point being a salient corner of this tract of land;

Thence South $00^{\circ} 01' 54''$ East, 470.56 feet, along an East line of said Tract 2, being the West line of said 50.96 acre tract of land, to a point marked by a 5/8 inch steel rod monument, found for a reentrant corner of said Tract 2, being the Southwest corner of said 50.96 acre tract of land, said point being a reentrant corner of this tract of land;

Thence South $89^{\circ} 54' 29''$ East, 721.96 feet, along a North line of said Tract 2, being the South line of said 50.96 acre tract of land, to a point marked by a fence corner post, found for the Northeast corner of said Tract 2, being the Northwest corner of a 4.17 acre tract of land, described in an instrument, recorded in Volume 90, Page 209, Deed Records, Medina County, Texas, said point being the Northeast corner of this tract of land;

Thence South $00^{\circ} 37' 18''$ East, 612.81 feet, along the East line of said Tract 2, being the West line of said 4.17 acre tract of land, and a 10.07 acre tract of land, described in an instrument, recorded in Clerk's File No. 2017005350, Deed Records, Medina County, Texas, to a point marked by a 5/8 inch steel rod monument, found for the Southeast corner of said Tract 2, being the Northeast corner of said Tract 3, said point being an angle point of this tract of land;

Thence South $00^{\circ} 29' 41''$ East, 907.75 feet, along the East line of said Tract 3, being the West line of said 10.07 acre tract of land, and a 6.587 acre tract of land, described in an instrument, recorded in Volume 321, Page 615, Deed Records, Medina County, Texas, to a point marked by a 5/8 inch steel rod monument, found for the Southeast corner of Tract 2, being the Northeast corner of said Tract 4, said point being an angle point of this tract of land;

Thence South $00^{\circ} 16' 27''$ East, 934.20 feet, along the East line of said Tract 4, being the West line of said 6.587 acre tract of land, a 0.925 acre tract of land, described in an instrument, recorded in Volume 403, Page 139, Deed Records, Medina County, Texas, and said 36.1 acre tract of land, to the point of beginning;

The basis of bearing for this survey is Grid North, Texas State Plane Coordinate System, NAD 83 (2011), South Central Zone.

I, Richard Pollok, being a Registered Professional Land Surveyor, registered in the State of Texas, do hereby certify that the foregoing field notes for a tract of land containing 254.69 acres, as shown on the accompanying Plat of Survey prepared for King Fish Development, LLC, dated April 25, 2023, were prepared from an actual survey done under my supervision and that to the best of my knowledge and belief they are a true and correct representation of said survey.

Richard Pollok R.P.L.S. 5825
Rakowitz Engineering and Surveying
515 W. Oaklawn Ste. A
Pleasanton, Texas 78064
830-281-4060
Firm No. 10181200

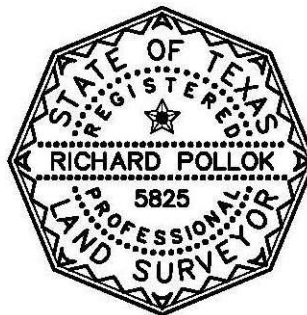


Exhibit C**FORM OF COMPLETION AGREEMENT**

Prepared by and return to:
 Clay Binford
 112 E. Pecan, Suite 1310
 San Antonio, Texas 78205

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY
COMPLETION AGREEMENT

THIS COMPLETION AGREEMENT (herein, this *Agreement*) is made effective as of _____, 202__, by and among [DEVELOPER], a Texas [limited liability company] (together with its affiliates, successors, and assigns, the *Developer*), the City of Castroville, Texas (the *City*), and _____, a national banking association (the *Trustee*), solely in its capacity as trustee for the City of Castroville, Texas, Special Assessment Revenue Bonds, Series 202__ ([NAME] Public Improvement District No. [__]) (the *Bonds*).

RECITALS

WHEREAS, by action on _____, 202__, the City Council of the City (the *Council*) created and established the boundaries of [NAME] Public Improvement District No. [__] (the *District*); and

WHEREAS, in connection with its creation of the District, the City determined that it is in the best interests of the present and future landowners of and is of special benefit to the lands within the District (such lands, as more particularly described in Exhibit A attached hereto and incorporated by referenced herein, the *Property*) to finance, construct and deliver certain public improvements, as more specifically described in [NAME] *Public Improvement District Service and Assessment Plan*, adopted by the Council on _____, 202__ (as such plan may be updated and amended from time to time, the *Service and Assessment Plan*); and

WHEREAS, the Developer is the sole owner and developer of the Property; and

WHEREAS, the City and the Developer have entered into the *Development Agreement*, dated as [_____, 202__] (the *Development Agreement*), and [NAME] *Public Improvement District Construction, Funding, and Acquisition Agreement* (the *Financing Agreement*), dated as of [_____, 202__], pursuant to which the Developer has made commitments, including financial commitments, regarding the Property's development as therein described and as described and contemplated in the Service and Assessment Plan; and

WHEREAS, the Service and Assessment Plan identifies the various financial sources the City anticipates it and the Developer accessing to finance the Actual Costs of the Authorized Improvements, which includes proceeds of Bonds and the hereinafter-defined Developer Financial Commitment; and

WHEREAS, the Developer acknowledges and agrees that completion of the Authorized Improvements is essential in assuring that Special Assessments levied by the City as described in the Service and Assessment Plan are properly allocated across the benefited Property; and

WHEREAS, to ensure completion of the Authorized Improvements as described in the Service and Assessment Plan by identifying the source and manner of the Developer’s satisfaction of the Developer Financial Commitment, as well as to assure a successful marketing and sale of the Bonds by providing directly to the Trustee (on behalf of the owners of the Bonds; such owners, the *Bondholders*), the Developer’s representations, warranties and covenants herein made, the parties hereto now desire to enter into this Agreement; and

NOW, THEREFORE, based upon the above recitals and other good and valuable consideration, the receipt of which and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **INCORPORATION OF RECITALS; DEFINED TERMS.** The recitals stated above are true and correct and are incorporated by reference as a material part of this Agreement. Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Service and Assessment Plan.

2. **PROJECT DEVELOPMENT; DEVELOPER FINANCIAL COMMITMENT.** In accordance with the Financing Agreement and the Development Agreement, and as described in the Service and Assessment Plan, the Developer will cause the Property’s development. With respect to the foregoing, the Developer hereby covenants and obligates itself to timely pay Authorized Improvements Costs that are not directly funded from, as provided in the Development Agreement and the Financing Agreement, proceeds of Bonds or excess Assessment Revenues (such Developer financial commitment, the *Developer Financial Commitment*).

3. **SOURCE OF FUNDING DEVELOPER FINANCIAL COMMITMENT; QUARTERLY REPORTING REQUIREMENTS.** To provide a source to fund the Developer Financial Commitment, the Developer has obtained a private loan from [NAME OF LENDER] (the *Lender*), in the amount of \$_____, all of which is available for draw to fund the Developer Financial Commitment (the *Loan*). The Developer has provided to the City written evidence of the Loan’s effectiveness as of the date of this Agreement, as well as authorization to expend Loan proceeds to pay Authorized Improvement Costs. The Developer hereby covenants and agrees that it shall maintain the Loan (i) until each of the Authorized Improvements for which the Developer is responsible for constructing have been completed and accepted by the applicable public entity (as identified in the Service and Assessment Plan) and (ii) in sufficient amount to pay the then-remaining costs of the Developer Financial Commitment.

The Developer shall include as a part of the quarterly reports required under the continuing disclosure agreements, entered into in connection with the issuance of the Bonds for purposes of compliance with Rule 15c2-12, evidence that sufficient Loan capacity remains to fund the then-remaining Developer Financial Commitment and a timeline for completion of any Authorized Improvements for which the Developer is responsible for constructing that at such time remain incomplete.

4. **FUNDING SOURCES SUBJECT TO FINANCING AGREEMENT.** The Developer's commitment to fund the Developer Financial Commitment hereunder specified, anticipated to be satisfied with Loan proceeds, shall constitute one of the Available Sources of Payment defined in and identified under Section 2.02(a) of the Financing Agreement. Accordingly, the parties hereto agree that accessing the Loan proceeds to pay Authorized Improvement Costs shall be subject to, in addition to any conditions to accessing Loan proceeds pursuant to the provisions of the Loan documents between the Lender and the Developer, the provisions of Section 4.03 of the Financing Agreement and shall be done only to the extent of the unavailability of other Available Sources of Payment.

5. **REIMBURSEMENT TO DEVELOPER.** The Developer hereby acknowledges and agrees that its obligations hereunder are obligations and liabilities of the Developer alone and neither the City nor the Trustee shall have any responsibility for payment or repayment of the same (including repayment of the Loan), except as hereafter specified. Notwithstanding the foregoing, the Developer Financial Commitment shall, pursuant to the terms of the Reimbursement Agreement and the Financing Agreement, be subject to reimbursement to the Developer from Assessment Revenues available for such purpose (as provided in the Development Agreement) on a cash-flow basis and in the order of priority specified in the Indenture authorizing the issuance of the Bonds or from proceeds of Additional Bonds.

6. **OTHER CONDITIONS AND ACKNOWLEDGEMENTS.** The Developer acknowledges that the location, size, configuration and composition of the Authorized Improvements may change from that described in the Service and Assessment Plan, depending upon final design, permitting or other regulatory requirements over time, or other factors. The Developer agrees not to (i) request an amendment to the Development Agreement or the Financing Agreement that would result in the substantial impairment of or (ii) make material changes to the Authorized Improvements that substantially impairs the marketability of the homes or lots within the District without first obtaining the written consent of the Trustee, which consent shall be given solely in accordance with the terms of the applicable Indenture; provided, however, such consent will not be necessary, and the Developer must meet its completion obligations, when the scope, configuration, size and/or composition of the Authorized Improvements for which the Developer is responsible for constructing is materially changed in response to a requirement imposed by law or by a regulatory agency (to be understood as including any governmental action or requirement, including (but not limited to) Council action). The consent of the Bondholders, as evidenced by the written consent of the Trustee delivered pursuant to the applicable terms of the applicable Indenture, is not and will not constitute a representation or warranty with regard to any Authorized Improvement or the adequacy, marketability or compliance of the same, but is and will be merely the consent of the Bondholders to any such change.

7. **DEVELOPER DEFAULT; PROTECTION AGAINST THIRD PARTY INTERFERENCE.**

(a) *Notice of Default under Certain Agreements.* The Developer shall provide to the Trustee, within fifteen days of such occurrence, written notice of default under either the Development Agreement or the Financing Agreement.

(b) *Developer Default.* In the event the Developer does not comply with the terms of this Agreement, the Trustee or its designee shall have the right to seek specific

performance from a court of competent jurisdiction in order to ensure the Authorized Improvements are completed as soon thereafter as possible; provided that the Trustee shall seek such relief solely at the written direction and at the sole cost and expense of the Bondholders, which direction shall be provided in accordance with the provisions of the applicable Indenture.

(c) *Protection Against Third Party Interference.* Subject to any lienholder’s rights to cure (including those of the Lender), the Trustee shall be solely responsible for enforcing its rights under this Agreement against any interfering third party. Nothing contained in this Agreement shall limit or impair the Trustee’s right to protect its rights from interference by a third party to this Agreement. Notwithstanding anything contained herein, any action of the Trustee to enforce its rights under this Agreement shall be taken solely for the benefit of the Bondholders and in accordance with the provisions of the applicable Indentures and at the Bondholders’ sole cost and expense.

8. **BONDHOLDERS’ BENEFIT.** The Developer acknowledges and agrees that, in addition to the benefit derived hereunder by the City, (i) it is entering into this Agreement for the benefit of the Bondholders and the Trustee acting on behalf of such Bondholders and (ii) such Bondholders have reasonably relied upon this Agreement in purchasing the Bonds.

9. **AMENDMENTS.** Amendments to and waivers of the provisions contained in this Agreement may be made only by an instrument in writing which is executed by each party hereto, provided that the Trustee shall execute such amendment or waiver solely upon the consent of a majority of the Bondholders (which consent shall be provided in accordance with the provisions of the applicable Indenture).

10. **AUTHORIZATION; CONSENT.** The execution of this Agreement has been duly authorized by the Trustee, the City, and the Developer, and each of the Trustee, the City, and the Developer have full power and authority to comply with the terms and provisions of this instrument. The Lender’s consent to the Developer’s entering into and executing this Agreement is attached hereto as Exhibit B hereto.

11. **NOTICES.** All notices, requests, consents and other communications required or permitted under this Agreement shall be in writing and shall be (as elected by the person giving such notice) hand-delivered by prepaid express overnight courier or messenger service, telecommunicated, mailed (airmail if international) by registered or certified (postage prepaid), return receipt requested, or emailed to the following addresses:

The City:

City of Castroville, Texas
1209 Fiorella Street
Castroville, Texas 78009
Attention: City Administrator
Email: scott.dixon@castrovilletx.gov

With a copy to:

McCall, Parkhurst & Horton L.L.P.
112 E. Pecan, Suite 1310
San Antonio, Texas 78205
Attention: Clay Binford
Email: cbinford@mphlegal.com

Trustee:

_____, Texas 78____
Attention: _____
Email: _____

Developer:

[CONTACT INFORMATION]

With a copy to:

[CONTACT INFORMATION]

Except as otherwise provided in this Agreement, any mailed notice sent in the manner provided above shall be deemed received three business days after delivery or mailing. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-business day shall be deemed received the next business day. If any time for giving notice contained in this Agreement would otherwise expire on a non-business day, the notice period shall be extended to the next succeeding business day. Saturdays, Sundays, and legal holidays recognized by the United States government shall not be regarded as business days. Any party or other person to whom notices are to be sent or copied may notify the other parties and addressees of any changes in name or address to which notices shall be sent by providing the same on five days written notice to the parties and addressees set forth herein.

12. **THIRD PARTY BENEFICIARIES.** This Agreement is solely for the benefit of the Trustee, in its capacity as the trustee for the Bonds, the City, and the Developer, and no right or cause of action shall accrue upon or by reason, to or for the benefit of any third party not a formal party to this Agreement (except as noted below with respect to the Bondholders). Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or corporation, other than the Trustee, the City, and the Developer, any right, remedy, or claim under or by reason of this Agreement or any of the provisions or conditions of this Agreement; and all of the provisions, representations, covenants, and conditions contained in this Agreement shall inure to the sole benefit of and shall be binding upon the Trustee, the City, and the Developer and their respective representatives, successors, and assigns. Notwithstanding the foregoing or anything in this Agreement to the contrary, the Bondholders shall be direct third-party beneficiaries of the terms and conditions of this Agreement and shall, individually or collectively, be entitled to enforce or cause the Trustee or the City to enforce the Developer’s obligations hereunder.

13. **SUCCESSORS.** The rights and obligations created by this Agreement shall be binding upon and inure to the benefit of Developer, the City, and the Trustee, and their respective receivers, trustees, successors and assigns.

14. **ASSIGNMENT.**

(a) Subject to paragraph (b) below, Developer may, in its sole and absolute discretion, assign this Completion Agreement to its Designated Successors and Assigns in connection with a corresponding assignment of the rights and obligations in and to the Financing Agreement to such Designated Successors and Assigns so long as the assigned rights and obligations are assumed by such Designated Successors and Assigns without modifications to this Completion Agreement or the Financing Agreement. Developer shall provide the City with 30 days prior written notice of any such assignment. Upon such assignment, Developer shall be fully released from any and all obligations under this Completion Agreement and shall have no further liability with respect to this Completion Agreement.

(b) Any sale of a portion of the Property or attempted assignment of any right hereunder shall not be deemed a sale or assignment to Designated Successors and Assigns unless the conveyance or transfer instrument effecting such sale or assignment expressly states that the sale or assignment is to Designated Successors and Assigns.

(c) Any transfer to Designated Successors and Assigns shall specify that the limitations on the ability to make a transfer as described in paragraph (a) shall also apply to subsequent transfers by Designated Successors and Assigns.

15. **CONSTRUCTION AND DEFINITION OF TERMS; CONFLICT WITH DEVELOPMENT AGREEMENT OR FINANCING AGREEMENT.** Whenever used the singular number shall include the plural, the plural the singular; the use of any gender shall include all genders, as the context requires; and the disjunctive shall be construed as the conjunctive, the conjunctive as the disjunctive, as the context requires. Capitalized terms used herein without definition shall have the respective meanings ascribed thereto in the Financing Agreement. To the extent there is a conflict between the terms of this Agreement and the Development Agreement or the Financing Agreement, the Development Agreement or the Financing Agreement, as applicable, shall control. The Trustee shall not be responsible for any consequences of a conflict between provisions of this Agreement and the Development Agreement or the Financing Agreement.

16. **CONTROLLING LAW.** This Agreement and the provisions herein contained shall be construed, interpreted, and controlled according to the laws of the State of Texas.

17. **SEVERABILITY.** The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part of this Agreement not held to be invalid or unenforceable.

18. **HEADINGS FOR CONVENIENCE ONLY.** The descriptive headings in this Agreement are for convenience only and shall not control nor affect the meaning or construction of any of the provisions of this Agreement.

19. **COUNTERPARTS.** This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original; however, all such counterparts together shall constitute, but one and the same instrument. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document.

20. **COVENANT AND RECORDATION.** The Developer, as the primary developer and the owner of the Property at the time of the execution of this Agreement, agrees that the obligations imposed upon it by this Agreement are valid and enforceable and shall be covenants running with the Property, creating an obligation and one which is binding upon successor owners and assigns. The Developer shall record this Agreement in the Public Records of Medina County, Texas, against the Property. Once the Developer has completed all the Authorized Improvements pursuant to the terms of this Agreement, the Development Agreement, and the Financing Agreement, the Developer shall notify the City and the Trustee and, upon the written consent of the City and the Trustee, it shall record, in the public records, a release and satisfaction of its obligations under this Agreement (the *Completion Agreement Release*). The City and the Trustee shall provide their respective consents as soon as reasonably practicable after verification by the City (deliverable via electronic communication) that the Authorized Improvements for which the Developer is responsible for constructing are complete in accordance with the provisions of the Development Agreement and the Financing Agreement. The form of the Completion Agreement Release is attached hereto as Exhibit C. This Agreement, when recorded, shall be binding upon the Developer, the City, and the Trustee and their successors and assigns as permitted by this Agreement and upon the Property; however, this Agreement shall not be binding upon, and shall not constitute any encumbrance to title as to, any end-user (including homeowner), builder, or homebuilder except for land use and development regulations that apply to such lots.

21. **ANTI-BOYCOTT VERIFICATION, NO BUSINESS WITH SANCTIONED COUNTRIES.** Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable State or federal law. As used in the foregoing verification, “boycott Israel” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. Developer understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with Developer and exists to make a profit.

Developer represents that neither it nor any of its respective parent companies, wholly- or majority-owned subsidiaries, and other affiliates, if any, is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer’s internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or

<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable State or federal law and excludes Developer and any of its respective parent companies, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. Developer understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with Developer and exists to make a profit.

22. **SENATE BILLS 13 AND 19 COMPLIANCE.** To the extent this Agreement constitutes a contract for goods or services within the meaning of Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislative Session), Texas Government Code, as amended, the Developer hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of the applicable agreement. The foregoing verification is made solely to enable the City to comply with such Section, to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, “boycott energy companies,” a term defined in Section 2274.001(1), Texas Government Code (as enacted by such Senate Bill) by reference to Section 809.001, Texas Government Code (also as enacted by such Senate Bill), shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above.

To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Developer verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of the applicable agreement. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law.

As used in the foregoing verification and the following definitions,

(a) ‘discriminate against a firearm entity or firearm trade association,’ a term defined in Section 2274.001(3), Texas Government Code (as enacted by such Senate Bill), (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association,

or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company’s refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity’s or association’s status as a firearm entity or firearm trade association,

(b) ‘firearm entity,’ a term defined in Section 2274.001(6), Texas Government Code (as enacted by such Senate Bill), means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4), Texas Government Code, as enacted by such Senate Bill, as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined in Section 2274.001(5), Texas Government Code, as enacted by such Senate Bill, as devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (defined in Section 2274.001(1), Texas Government Code, as enacted by such Senate Bill, as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (defined in Section 250.001, Texas Local Government Code, as a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting), and

(c) ‘firearm trade association,’ a term defined in Section 2274.001(7), Texas Government Code (as enacted by such Senate Bill), means any person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

* * *

IN WITNESS WHEREOF, the parties hereto execute this Agreement and further agree that it shall take effect as of the date first above written.

CITY OF CASTROVILLE, TEXAS

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
 §
COUNTY OF MEDINA §

The foregoing instrument was acknowledged before me this _____, 202__, by _____, as _____.

[SEAL]

Notary Public
Commission Expires: _____

_____, solely in its capacity as trustee for
the Bonds

By: _____
Name: _____
Title: _____

STATE OF TEXAS

COUNTY OF _____

§
§
§

The foregoing instrument was acknowledged before me this _____, 202__, by
_____, as _____ on behalf of the Trustee.

[SEAL]

Notary Public
Commission Expires: _____

[DEVELOPER]

a Texas [limited liability company]

By: _____

Name: _____

Title: _____

STATE OF TEXAS §

§

COUNTY OF _____ §

This instrument was acknowledged before me on _____, 202__ by _____, _____ of _____, a Texas limited liability company, on behalf of said company.

[SEAL]

Notary Public, State of Texas

EXHIBIT A

METES AND BOUNDS DESCRIPTION OF THE PROPERTY

EXHIBIT B

CONSENT OF LIENHOLDER

_____ (*Lienholder*), being a lienholder on the Property, hereby consents to this Completion Agreement (the *Completion Agreement*) and accepts and agrees to the terms and provisions of this Completion Agreement.

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 202__, by _____, the _____ of _____, on behalf of said Lienholder.

Notary Public, State of Texas

EXHIBIT C

COMPLETION AGREEMENT RELEASE

_____, a national banking association (the *Trustee*), solely in its capacity as trustee for the City of Castroville, Texas, Special Assessment Revenue Bonds, Series 202__ ([NAME]Public Improvement District No. [__]) (the *Bonds*), hereby acknowledges receipt of notification of the completion of the Authorized Improvements in accordance with Section 20 of the Completion Agreement (the *Completion Agreement*) by and among the Trustee, City of Castroville, Texas, and _____, a Texas [limited liability company] (the *Developer*).

The Completion Agreement was recorded in the Public Records of Medina County, Texas under Instrument No. _____ against the real property within [NAME] Public Improvement District more particularly described in Exhibit A attached hereto and incorporated by referenced herein (the *Property*).

Developer and its successors and assigns shall have no further obligations, duties or liabilities under the Completion Agreement, and the Trustee hereby releases, waives and forever discharges the Developer from all obligations, duties or liabilities of whatever nature arising under or in connection with the Completion Agreement.

[SIGNATURE PAGE FOLLOWS]

_____, solely in its capacity as trustee for
the Bonds

By: _____

Name: _____

Title: _____

STATE OF _____

§

COUNTY OF _____

§

§

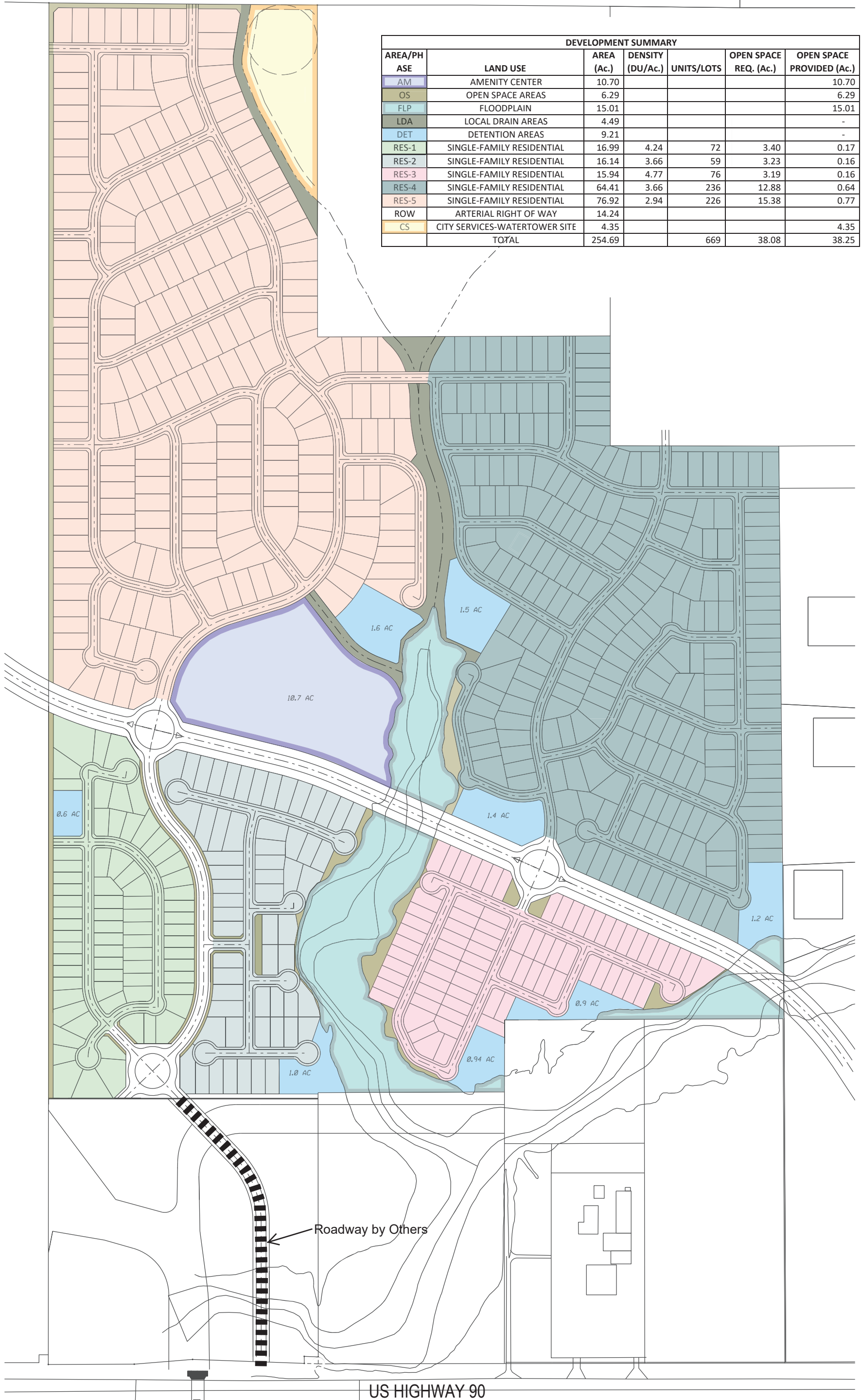
The foregoing instrument was acknowledged before me this _____, 202__, by
_____, as _____ on behalf of the Trustee.

[SEAL]

Notary Public
Commission Expires: _____

Exhibit D
LAND PLAN

DEVELOPMENT SUMMARY						
AREA/PH ASE	LAND USE	AREA (Ac.)	DENSITY (DU/Ac.)	UNITS/LOTS	OPEN SPACE REQ. (Ac.)	OPEN SPACE PROVIDED (Ac.)
AM	AMENITY CENTER	10.70				10.70
OS	OPEN SPACE AREAS	6.29				6.29
FLP	FLOODPLAIN	15.01				15.01
LDA	LOCAL DRAIN AREAS	4.49				-
DET	DETENTION AREAS	9.21				-
RES-1	SINGLE-FAMILY RESIDENTIAL	16.99	4.24	72	3.40	0.17
RES-2	SINGLE-FAMILY RESIDENTIAL	16.14	3.66	59	3.23	0.16
RES-3	SINGLE-FAMILY RESIDENTIAL	15.94	4.77	76	3.19	0.16
RES-4	SINGLE-FAMILY RESIDENTIAL	64.41	3.66	236	12.88	0.64
RES-5	SINGLE-FAMILY RESIDENTIAL	76.92	2.94	226	15.38	0.77
ROW	ARTERIAL RIGHT OF WAY	14.24				
CS	CITY SERVICES-WATERTOWER SITE	4.35				4.35
TOTAL		254.69		669	38.08	38.25



FLAT CREEK SUBDIVISION CONCEPTUAL LAND USE SITE PLAN

CITY OF CASTROVILLE - MEDINA COUNTY - TEXAS

August 15, 2023 - Ver M



Exhibit E

FORM OF LANDOWNER AGREEMENT

LANDOWNER AGREEMENT

This LANDOWNER AGREEMENT (this “Agreement”) is entered into as of _____ 202__, among the City of Castroville, Texas (the “City”), a Type A general law municipality of the State of Texas (the “State”), and _____ (the “Landowner”).

RECITALS

WHEREAS, Landowner owns the Assessed Parcels described by a metes and bounds description attached hereto as Exhibit A and which is incorporated herein for all purposes, comprising all of the non-exempt, privately-owned land described in Exhibit A (the “Landowner Parcel”) which is coterminous with the [NAME] Public Improvement District (the “District”) in the City; and

WHEREAS, the City Council has adopted an assessment ordinance for the Authorized Improvements (including all exhibits and attachments thereto, the “Assessment Ordinance”) and the Service and Assessment Plan and Assessment Roll included as an exhibit to the Assessment Ordinance (together, the “Service and Assessment Plan”) and which is incorporated herein for all purposes, and has levied an assessment on each Assessed Parcel in the District (as identified in the Service and Assessment Plan) [PART OF WHICH] that will be pledged as the security for the payment of bonds or other obligations (the “Bonds”) to be issued by the City for the purpose of paying the costs of constructing certain of the Authorized Improvements that will benefit the Assessed Property (as defined in the Service and Assessment Plan); and

WHEREAS, the Covenants, Conditions and Restrictions attached to this Agreement as Exhibit B and which are incorporated herein for all purposes, include the statutory notification required by Section 5.014, as amended, Texas Property Code, to be provided by the seller of real property that is located in a public improvement district established under Chapter 372, as amended, Texas Local Government Code (the “PID Act”), to the purchaser.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, obligations and benefits hereinafter set forth, the City and the Landowner hereby contract, covenant and agree as follows:

ARTICLE I. DEFINITIONS; APPROVAL OF AGREEMENTS

A. Definitions. Capitalized terms used but not defined herein (including each exhibit hereto) shall have the meanings ascribed to them in the Service and Assessment Plan.

B. Affirmation of Recitals. The findings set forth in the Recitals of this Agreement are hereby incorporated as the official findings of the City Council.

Article I. AGREEMENTS OF LANDOWNER

A. Affirmation and Acceptance of Agreements and Findings of Benefit. Landowner hereby ratifies, confirms, accepts, agrees to, and approves:

(i) the creation and boundaries of the District and the boundaries of the Landowner’s Parcel which are coterminous with the District, all as shown on Exhibit A, and the location and

development of the Authorized Improvements on the Landowner Parcel and on the property within the District;

- (ii) the determinations and findings as to the benefits to the Landowners Parcel by the City Council in the Service and Assessment Plan and the Assessment Ordinance;
- (iii) the Assessment Ordinance and the Service and Assessment Plan.

B. Acceptance and Approval of Assessments and Lien on Property. The Landowner consents to, agrees to, acknowledges and accepts the following:

- (i) each Assessment levied by the City on the Landowner’s Parcel within the District, as shown on the assessment roll attached as Appendix __ to the Service and Assessment Plan (the “Assessment Roll”);
- (ii) the Authorized Improvements specially benefit the District and the Landowner’s Parcel in an amount in excess of the Assessment levied on the Landowner’s Parcel within the District, as such Assessment is shown on the Assessment Roll;
- (iii) each Assessment is final, conclusive and binding upon Landowner and any subsequent owner of the Landowner’s Parcel, regardless of whether such Landowner may be required to prepay a portion of, or the entirety of, such Assessment upon the occurrence of any mandatory prepayment event as may be provided in the Service and Assessment Plan;
- (iv) the obligation to pay the Assessment levied on the Landowner’s Parcel owned by it when due and in the amount required by and stated in the Service and Assessment Plan and the Assessment Ordinance;
- (v) each Assessment or reassessment, with interest, the expense of collection, and reasonable attorney’s fees, if incurred, is a first and prior lien against the Landowner’s Parcel, superior to all other liens and monetary claims except liens or monetary claims for state, county, school district, or municipal ad valorem taxes, and is a personal liability of and charge against the owner of the Landowner’s Parcel regardless of whether such owner is named;
- (vi) the Assessment lien on the Landowner’s Parcel is a lien and covenant that runs with the land and is effective from the date of the Assessment Ordinance and continues until the Assessment is paid and may be enforced by the governing body of the City in the same manner that an ad valorem tax lien against real property may be enforced by the City;
- (vii) delinquent installments of the Assessment shall incur and accrue interest, penalties, and attorney’s fees as provided in the PID Act;
- (viii) the owner of a Landowner’s Parcel may pay at any time the entire Assessment, with interest that has accrued on the Assessment, on any parcel in the Landowner’s Parcel;
- (ix) the Annual Installments of the Assessments (as defined in the Service and Assessment Plan and Assessment Roll) may be adjusted, decreased, and extended; and, the assessed parties shall be obligated to pay their respective revised amounts of the Annual Installments, when due, and without the necessity of further action, assessments or reassessments by the City, the same as though they were expressly set forth herein; and

(x) Landowner has received, or hereby waives, all notices required to be provided to it under State law, including the PID Act, prior to the Effective Date (defined herein).

C. Mandatory Prepayment of Assessments. The Landowner agrees and acknowledges that Landowner or subsequent landowners may have an obligation to prepay an Assessment upon the occurrence of a mandatory prepayment event, at the sole discretion of the City and as provided in the Service and Assessment Plan, as amended or updated.

D. Notice of Assessments. Landowner further agrees as follows:

(i) the Covenants, Conditions and Restrictions attached hereto as Exhibit B shall be terms, conditions and provisions running with the Landowner's Parcel and shall be recorded (the contents of which shall be consistent with the Assessment Ordinance and the Service and Assessment Plan as reasonably determined by the City), in the records of the County Clerk of Medina County, as a lien and encumbrance against such Landowner's Parcel, and Landowner hereby authorizes the City to so record such documents against the Landowner's Parcel owned by Landowner;

(ii) reference to the Covenants, Conditions and Restrictions attached hereto as Exhibit B shall be included on all recordable subdivision plats and such plats shall be recorded in the real property records of Medina County, Texas;

(iii) in the event of any subdivision, sale, transfer or other conveyance by the Landowner of the right, title or interest of the Landowner in the Landowner's Parcel or any part thereof, the Landowner's Parcel, or any such part thereof, shall continue to be bound by all of the terms, conditions and provisions of such Covenants, Conditions and Restrictions and any purchaser, transferee or other subsequent owner shall take such Landowner's Parcel subject to all of the terms, conditions and provisions of such Covenants, Conditions and Restrictions; and

(iv) Landowner shall comply with and shall contractually obligate (and promptly provide written evidence of such contractual provisions to the City) any party who purchases any Landowner's Parcel owned by Landowner, or any portion thereof, for the purpose of constructing residential properties that are eligible for "homestead" designations under State law, to comply with, the Homebuyer Education Program described on Exhibit C to this Agreement. Such compliance obligation shall terminate as to each Lot (as defined in the Service and Assessment Plan) if, and when, (i) a final certificate of occupancy for a residential unit on such Lot is issued by the City, and (ii) there is a sale of a Lot to an individual homebuyer, it being the intent of the undersigned that the Homebuyer Education Program shall apply only to a commercial builder who is in the business of constructing and/or selling residences to individual home buyers (a "Builder") but not to subsequent sales of such residence and Lot by an individual home buyer after the initial sale by a Builder.

Notwithstanding the provisions of this Section, upon the Landowner's request and the City's consent, in the City's sole and absolute discretion, the Covenants, Conditions and Restrictions may be included with other written restrictions running with the land on property within the District, provided they contain all the material provisions and provide the same material notice to prospective property owners as does the document attached as Exhibit B.

Article II. OWNERSHIP AND CONSTRUCTION OF AUTHORIZED IMPROVEMENTS

A. Ownership and Transfer of Authorized Improvements. The Landowner acknowledges that all of the Authorized Improvements and the land (or easements, as applicable) needed therefor shall be owned by the City as constructed and/or conveyed to the City and The Landowner will execute such conveyances and/or dedications of public rights of way and easements as may be reasonably required to evidence such ownership, as generally described on the current plats of the property within the District.

B. Grant of Easement and License, Construction of Authorized Improvements.

(i) Any subsequent owner of the Landowner’s Parcel shall, upon the request of the City or the Developer, grant and convey to the City or the Developer and its contractors, materialmen and workmen a temporary license and/or easement, as appropriate, to construct the Authorized Improvements on the property within the District, to stage on the property within the District construction trailers, building materials and equipment to be used in connection with such construction of the Authorized Improvements and for passage and use over and across parts of the property within the District as shall be reasonably necessary during the construction of the Authorized Improvements. Any subsequent owner of the Landowner’s Parcel may require that each contractor constructing the Authorized Improvements cause such owner of the Landowner’s Parcel to be indemnified and/or named as an additional insured under liability insurance reasonably acceptable to such owner of the Landowner’s Parcel. The right to use and enjoy any easement and license provided above shall continue until the construction of the Authorized Improvements is complete; provided, however, any such license or easement shall automatically terminate upon the recording of the final plat for the Landowner’s Parcel in the real property records of Medina County, Texas.

(ii) Landowner hereby agrees that any right or condition imposed by the Development Agreement (as defined in the Service and Assessment Plan), or other agreement, with respect to the Assessment has been satisfied, and that Landowner shall not have any rights or remedies against the City under the Development Agreement, or under any law or principles of equity concerning the Assessments, with respect to the formation of the District, approval of the Service and Assessment Plan and the City’s levy and collection of the Assessments.

Article III. COVENANTS AND WARRANTIES; MISCELLANEOUS

A. Special Covenants and Warranties of Landowner. The Landowner represents and warrants to the City as follows:

(i) The Landowner is duly organized, validly existing and, as applicable, in good standing under the laws of the state of its organization and has the full right, power and authority to enter into this Agreement, and to perform all the obligations required to be performed by Landowner hereunder.

(ii) This Agreement has been duly and validly executed and delivered by, and on behalf of, the Landowner and, assuming the due authorization, execution and delivery thereof by and on behalf of the City and the Landowner, constitutes a valid, binding and enforceable obligation of such party enforceable in accordance with its terms. This representation and warranty is qualified to the extent the enforceability of this Agreement may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws of general application affecting the rights of creditors in general.

(iii) Neither the execution and delivery hereof, nor the taking of any actions contemplated hereby, will conflict with or result in a breach of any of the provisions of, or constitute a default, event of default or event creating a right of acceleration, termination or cancellation of any obligation under, any instrument, note, mortgage, contract, judgment, order, award, decree or other agreement or restriction to which the Landowner is a party, or by which the Landowner or the Landowner's Parcel is otherwise bound.

(iv) The Landowner is, subject to all matters of record in the Medina County, Texas Real Property Records, the sole owner of the Landowner's Parcel.

(v) The Landowner's Parcel owned by the Landowner is not subject to, or encumbered by, any covenant, lien, encumbrance or agreement which would prohibit (i) the creation of the District, (ii) the levy of the Assessments, or (iii) the construction of the Authorized Improvements on those portions of the property within the District which are to be owned by the City, as generally described on the current plats of the property within the District (or, if subject to any such prohibition, the approval or consent of all necessary parties thereto has been obtained).

(vi) The Landowner covenants and agrees to execute any and all documents necessary, appropriate or incidental to the purposes of this Agreement, as long as such documents are consistent with this Agreement and do not create additional liability of any type to, or reduce the rights of, the Landowner by virtue of execution thereof.

B. Waiver of Claims Concerning Authorized Improvements. The Landowner, with full knowledge of the provisions, and the rights thereof pursuant to such provisions, of applicable law, waives any claims against the City and its successors, assigns and agents, pertaining to the installation of the Authorized Improvements.

C. Notices. Any notice or other communication to be given to the City or Landowner under this Agreement shall be given by delivering the same in writing to:

To the City: Attn: City Administrator
City of Castroville, Texas
1209 Fiorella Street
Castroville, Texas 78387

With a copy to: Attn: Clay Binford
McCall, Parkhurst & Horton L.L.P.
112 E. Pecan, Suite 1310
San Antonio, Texas 78205

To the Developer: [CONTACT]

With a copy to: [CONTACT]

Any notice sent under this Agreement (except as otherwise expressly required) shall be written and mailed or sent by electronic or facsimile transmission confirmed by mailing written confirmation at substantially the same time as such electronic or facsimile transmission, or personally delivered to an officer of the recipient as the address set forth herein.

Each recipient may change its address by written notice in accordance with this Section. Any communication addressed and mailed in accordance with this provision shall be deemed to be given when

so mailed, any notice so sent by electronic or facsimile transmission shall be deemed to be given when receipt of such transmission is acknowledged, and any communication so delivered in person shall be deemed to be given when receipted for, or actually received by, the addressee.

D. Parties in Interest. This Agreement is made solely for the benefit of the City and the Landowner and is not assignable, except, in the case of Landowner, in connection with the sale or disposition of all or substantially all of the parcels which constitute the Landowner's Parcel, and any such Assignment does not void any of the findings made in this Agreement. However, the parties expressly agree and acknowledge that the City, the Landowner, each current owner of any parcel which constitutes the Landowner's Parcel, and the holders of bonds issued by the City to finance the costs of the Authorized Improvements and which are secured by a pledge of the Assessments or any part thereof, are express beneficiaries of this Agreement and shall be entitled to pursue any and all remedies at law or in equity to enforce the obligations of the parties hereto. This Agreement shall be recorded in the real property records of Medina County, Texas.

E. Amendments. This Agreement may be amended only by written instrument executed by the City and the Landowner. No termination or amendment shall be effective until a written instrument setting forth the terms thereof has been executed by the then-current owners of the property within the District and recorded in the Real Property Records of Medina County, Texas.

F. Effective Date. This Agreement shall become and be effective (the "Effective Date") upon the date of final execution by the later of the City and the Landowner and shall be valid and enforceable on said date and thereafter.

G. Estoppels. Within 10 days after written request from a party hereto, the other party shall provide a written certification, indicating whether this Agreement remains in effect as to the Landowner's Parcel, and whether any party is then in default hereunder.

H. Termination. This Agreement shall terminate and be of no further force and effect as to the Landowner's Parcel upon payment in full of the Assessment(s) against such Landowner's Parcel.

[Signature pages to follow]

EXECUTED by the City and Landowner on the respective dates stated below.

Date: _____

CITY OF CASTROVILLE, TEXAS

By: _____
Mayor

ATTEST:

By: _____
City Secretary

LANDOWNER

a Texas _____,

By: _____

its manager

STATE OF TEXAS)

)

COUNTY OF _____)

This instrument was acknowledged before me on the ___ day of _____, 20___, by _____ in his capacity as Manager of _____, known to be the person whose name is subscribed to the foregoing instrument, and that he executed the same on behalf of and as the act of Manager of _____.

Notary Public, State of Texas

My Commission Expires:

LANDOWNER AGREEMENT – EXHIBIT A
METES AND BOUNDS DESCRIPTION OF LANDOWNER’S PARCEL

LANDOWNER AGREEMENT – EXHIBIT B

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

This DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (as it may be amended from time to time, this “Declaration”) is made as of _____ by _____ a Texas _____ (the “Landowner”).

RECITALS:

A. The Landowner holds record title to that portion of the real property located in Medina County, Texas, which is described in the attached Exhibit A (the “Landowner’s Parcel”).

B. The City Council (the “City Council”) of the City of Castroville, Texas (the “City”) upon a petition requesting the establishment of a public improvement district covering the property within the District to be known as the [NAME] Public Improvement District (the “District”) by the then current owners of 100% of the appraised value of the taxable real property and 100% of the area of all taxable real property within the area requested to be included in the District created such District, in accordance with the Public Improvement District Assessment Act, codified at Chapter 372, as amended, Texas Local Government Code (the “PID Act”).

C. The City Council has adopted an assessment ordinance to levy assessments for certain public improvements (including all exhibits and attachments thereto, the “Assessment Ordinance”) and the Service and Assessment Plan and Assessment Roll included as an exhibit to the Assessment Ordinance (as amended from time to time, the “Service and Assessment Plan”), and has levied the assessments (as amended from time to time, the “Assessments”) on property in the District.

D. The statutory notification required by Texas Property Code, Section 5.014, as amended, to be provided by the seller of real property that is located in a public improvement district established under Chapter 372 of the Texas Local Government Code, as amended, to the purchaser, is incorporated into these Covenants, Conditions and Restrictions.

DECLARATIONS:

NOW, THEREFORE, the Landowner hereby declares that the Landowner’s Parcel is and shall be subject to, and hereby imposes on the Landowner’s Parcel, the following covenants, conditions and restrictions:

1. Acceptance and Approval of Assessments and Lien on Property:
 - (a) The Landowner accepts each Assessment levied on the Landowner’s Parcel owned by such Landowner.
 - (b) The Assessment (including any reassessment, the expense of collection, and reasonable attorney’s fees, if incurred) is (1) a first and prior lien (the “Assessment Lien”) against the property assessed, superior to all other liens or claims except for liens or claims for state, county, school district or municipality ad valorem property taxes whether now or hereafter payable, and (2) a personal liability of and charge against the owners of the property to the extent of their ownership regardless of whether the owners are named. The Assessment Lien is effective from the date of the Assessment Ordinance until the Assessments are paid and may be enforced by the City in the same manner as an ad valorem property tax levied against real property that may be enforced by the City.

The owner of any assessed property may pay, at any time, the entire Assessment levied against any such property. Foreclosure of an ad valorem property tax lien on property within the District will not extinguish the Assessment or any unpaid but not yet due annual installments of the Assessment and will not accelerate the due date for any unpaid and not yet due annual installments of the Assessment.

It is the clear intention of all parties to these Declarations of Covenants, Conditions and Restrictions, that the Assessments, including any annual installments of the Assessments (as such annual installments may be adjusted, decreased or extended), are covenants that run with the Landowner's Parcel and specifically binds the Landowner, its successors and assigns.

In the event of delinquency in the payment of any annual installment of the Assessment, the City is empowered to order institution of an action in district court to foreclose the related Assessment Lien, to enforce personal liability against the owner of the real property for the Assessment, or both. In such action the real property subject to the delinquent Assessment may be sold at judicial foreclosure sale for the amount of such delinquent property taxes and Assessment, plus penalties, interest and costs of collection.

- 2. The Landowner or any subsequent owner of the Landowner's Parcel waives:
 - (a) any and all defects, irregularities, illegalities or deficiencies in the proceedings establishing the District and levying and collecting the Assessments or the annual installments of the Assessments;
 - (b) any and all notices and time periods provided by the PID Act including, but not limited to, notice of the establishment of the District and notice of public hearings regarding the levy of Assessments by the City Council concerning the Assessments;
 - (c) any and all defects, irregularities, illegalities or deficiencies in, or in the adoption of, the Assessment Ordinance by the City Council;
 - (d) any and all actions and defenses against the adoption or amendment of the Service and Assessment Plan, the City's finding of a 'special benefit' pursuant to the PID Act and the Service and Assessment Plan, and the levy of the Assessments; and
 - (e) any right to object to the legality of any of the Assessments or the Service and Assessment Plan or to any of the previous proceedings connected therewith which occurred prior to, or upon, the City Council's levy of the Assessments.

3. Amendments: This Declaration may be terminated or amended only by a document duly executed and acknowledged by the then-current owner(s) of the Landowner's Parcel and the City. No such termination or amendment shall be effective until a written instrument setting forth the terms thereof has been executed by the parties by whom approval is required as set forth above and recorded in the real Property Records of Medina County, Texas.

4. Third Party Beneficiary: The City is a third-party beneficiary to this Declaration and may enforce the terms hereof.

5. Notice to Subsequent Purchasers: Upon the sale of a dwelling unit within the District, the purchaser of such property shall be provided a written notice that reads substantially similar to the following:

TEXAS PROPERTY CODE SECTION 5.014

NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENT DISTRICT ASSESSMENT TO THE CITY OF CASTROVILLE, MEDINA COUNTY, TEXAS CONCERNING THE PROPERTY AT

[Street Address]

As the purchaser of this parcel of real property, you are obligated to pay an assessment to the City of Castroville, 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 [NAME] Public Improvement District (the "District") created under Subchapter A of Chapter 372, as amended, Texas 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 against your property may be obtained from the City of Castroville, Texas. The exact amount of each annual installment will be approved each year by the City Council of the City of Castroville, Texas in the annual service plan update for the District. More information concerning the amount of the assessment and the due dates of that assessment may be obtained from the City of Castroville, 1209 Fiorella Street, Castroville, Texas 78009.

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

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

Signature of Purchaser(s) _____ Date: _____

The seller shall deliver this notice to the purchaser before the effective date of an executory contract binding the purchaser to purchase the property. The notice may be given separately, as part of the contract during negotiations, or as part of any other notice the seller delivers to the purchaser. If the notice is included as part of the executory contract or another notice, the title of the notice prescribed by this section, the references to the street address and date in the notice, and the purchaser's signature on the notice may be omitted.

EXECUTED by the undersigned on the date set forth below to be effective as of the date first above written.

LANDOWNER

a Texas _____,

By: _____

its manager

STATE OF TEXAS)
)
COUNTY OF _____)

This instrument was acknowledged before me on the ___ day of _____, 20___, by _____ in his capacity as Manager of _____, known to be the person whose name is subscribed to the foregoing instrument, and that he executed the same on behalf of and as the act of Manager of _____.

Notary Public, State of Texas

My Commission Expires:

LANDOWNER AGREEMENT - EXHIBIT C

HOMEBUYER EDUCATION PROGRAM

As used in this Exhibit C, the recorded Notice of the Authorization and Establishment of the [NAME] Public Improvement District and the Covenants, Conditions and Restrictions in Exhibit B of this Agreement are referred to as the "Recorded Notices."

1. Any Landowner who is a Builder shall attach the Recorded Notices and the final Assessment Roll for such Assessed Parcel (or if the Assessment Roll is not available for such Assessed Parcel, then a schedule showing the maximum 30-year payment for such Assessed Parcel) as an addendum to any residential homebuyer's contract.
2. Any Landowner who is a Builder shall provide evidence of compliance with 1 above, signed by such residential homebuyer, to the City.
3. Any Landowner who is a Builder shall prominently display signage in its model homes, if any, substantially in the form of the Recorded Notices.
4. If prepared and provided by the City, any Landowner who is a Builder shall distribute informational brochures about the existence and effect of the District in prospective homebuyer sales packets.
5. Any Landowner who is a Builder shall include Assessments in estimated property taxes, if such Builder estimates monthly ownership costs for prospective homebuyers.

Exhibit F

FORM OF MAINTENANCE AGREEMENT

PUBLIC IMPROVEMENT MAINTENANCE AGREEMENT

This Public Improvement Maintenance Agreement (this *Agreement*) is made and entered into on this the [___] day of [____], 202__, by and between City of Castroville, Texas (the *City*), a Type A general law municipality, and [NAME] (the *Association*), a Texas property owners association organized and existing under laws of the State of Texas and having the powers and limitations provided under Title 11 of the Texas Property Code, for the purpose for providing the terms for the Association’s maintenance of public parkland and storm drainage improvements within the hereinafter-defined District. The City and the Association are herein referred to individually as a *Party* and, together, as the *Parties*.

WITNESSETH

WHEREAS, the City has, pursuant to applicable law, created the [NAME] Public Improvement (the *District*) on approximately [___] acres of land located [within] the City (such land, as more particularly described on Exhibit “A” attached hereto and made a part hereof, the *Land*) to facilitate its development for use as mixed use residential and commercial master planned community (the such development, the *Project*); and

WHEREAS, through the District, the City will provide, by revenues resultant from assessments levied and imposed on certain property within the District, a mechanism for payment of a portion of the costs of certain public improvements within the District that are necessary and incidental to Project development; and

WHEREAS, as a condition to its creation of the District and provision of the aforementioned mechanism to finance a portion of the costs of public improvements within the District, the City requires that the ongoing maintenance obligations of the hereinafter-defined Public Improvements be assumed by a non-City entity associated with the Project or the related costs be paid by or from District-associated resources to prevent these costs resultant from Project development, which the City has facilitated, from becoming a burden on the general revenues of the City and its residents and property owners that do not reside within or directly enjoy the benefits resultant from the District; and

WHEREAS, the Developer has created the Association to provide services related to the developed Project as specified in its bylaws, including the ongoing maintenance of the Public Improvements in accordance with the provisions of this Agreement and payment of the associated costs from its fees collected from property owners within the District and subject to the Association’s jurisdiction; and

WHEREAS, entry into this Agreement satisfies the City’s condition to the District creation and utilization of its available powers to provide a mechanism for financing a portion of the costs of certain public improvements within the District, as described above; and

WHEREAS, the Parties, for the mutual consideration hereinafter stated, desire to enter into this Agreement, pursuant to which the Association assumes responsibility for maintaining the Public Improvements (which includes payment of the associated costs of such maintenance); and

NOW, THEREFORE, THE PARTIES AGREE TO THE FOLLOWING:

SECTION 1. Definition of Certain Terms. For purposes of this Agreement, the following terms shall have the ascribed meanings:

- a. *Consultant's Plan* has the meaning ascribed thereto in the Development Agreement, dated as [DATE], between the City and the Developer pertaining to the Project.
- b. *Developer* shall mean [NAME], a Texas [limited liability company].
- c. *Engineer* shall mean [NAME].
- d. *Parkland* shall mean common areas and other land within the District dedicated to the City by the Developer and established as property available to the general public for recreational use (to specifically include promenades, plazas, and bridges over permanent water features).
- e. *Public Improvements* shall mean, collectively, the Parkland and the Storm Drainage Improvements.
- f. *Storm Drainage Improvements* shall mean trench excavation and embedment, trench safety, concrete box culverts, reinforced concrete pipe, manholes, junction boxes, drainage inlets, headwall and wingwall structures, related earthwork, excavation, erosion control, detention ponds, and all other necessary appurtenances required to capture storm water runoff generated within the District.

SECTION 2. Association Agreement to Maintain Public Improvements.

- a. *General.* The Association hereby exclusively agrees, at its sole cost and expense, to maintain the Public Improvements.
- b. *Storm Drainage Improvements.* Maintaining Storm Drainage Improvements shall mean keeping in good structural condition all Storm Drainage Improvements and repairing and addressing any defects in or to the Storm Drainage Improvements that, if left unrepaired or unaddressed, might impair their hydraulic capacity or structural soundness, to include:
 - i. Maintaining access to the Storm Drainage Improvements for maintenance and inspection;
 - ii. Repairing defects in the storm drainage piping system, including leaking pipe joints, deflection of flexible pipe diameter in excess of 5%, pipe structural failure, or other defects;
 - iii. Removing obstructions from any inlet and outlet structures;
 - iv. Repairing concrete channel lining, pilot channels, rock rip-rap (including replacement, as needed, to maintain rock layer thickness, as designed), gabions or any other channel lining material and to repair any defects in the channel lining material including undermining, excessive cracking and settlement, structural failure, or other defects;
 - v. Repairing channels, ditches and detention or retention ponds and to repair erosion in same by backfilling the eroded area and re-establishing protective vegetation or by armoring the eroded area with gabions, rock rip-rap, concrete or other material approved by the Engineer;
 - vi. At least annually, removing willows, cottonwoods or other "woody" vegetation from channels, ditches, detention ponds and retention ponds;
 - vii. As frequently as required to prevent grassy vegetation from exceeding a height of more than one foot, mowing ditches, earthen channels and detention or retention ponds;
 - viii. Removing, as needed, accumulated debris, trash or sediment (with sediment accumulations in detention ponds not to exceed 18-inches before removal is required); and

ix. Maintaining minimum water levels in Storm Drainage Improvements intended upon construction to permanently hold water (as indicated in the Consultant’s Plan).

The Association shall periodically (as needed based on weather conditions, but no less frequently than every 90 days) inspect or cause the inspection of all Storm Drainage Improvements to determine the necessity of action to address needed maintenance or repair. Remedial action shall be taken within 30 days of the Association’s awareness of an issue (meaning that the Association shall commence necessary maintenance or repairs within 30 days of such awareness and diligently work toward their completion). At least annually, the Association shall commission the Engineer to complete a written inspection report concerning the condition and functionality of the Storm Drainage Improvements, deliver a copy of such report to the City, and take action, as described above, within 30 days of delivery of such report to address any identified deficiencies in, or recommendations concerning functionality or performance of, the Storm Drainage Improvements.

c. *Parkland.* Maintaining the Parkland shall mean at all times keeping and maintaining, or causing to be kept and maintained, the Parkland (including any improvements thereon and all other buildings and improvements erected therein) in a good state of appearance and repair (except for reasonable wear and tear), to include:

- i. Maintaining grass height according to species and variety of grass;
- ii. Regularly mowing, aerating, fertilizing, seeding or reseeded, resodding and controlling weeds in areas that are seeded or sodded;
- iii. Pruning all trees and shrubs, as needed;
- iv. Maintaining an adequate number of trash cans (based on frequency of use and in plentiful quantity to hold all trash usually generated between servicing without overflowing) and emptying the same on at least a daily basis;
- v. Sweeping the area on daily basis to remove and keep the area free of trash;
- vi. Removing graffiti on any surface within 24 hours of the incident;
- vii. Remediating, upon discovery, insect, rodent, and invasive species infestations;
- viii. Cleaning sidewalks and pavilions so that at no time is there an accumulation of sand, dirt, or leaves;
- ix. Maintaining playground equipment, play areas, fields, sports courts, lighting systems, and flagpoles to ensure the equipment and spaces are in safe, clean, operating condition and free and clear of hazards and hazardous conditions;
- x. Cleaning and sanitizing all restrooms and drinking fountains on a daily basis or more frequently, as and when required;
- xi. Stocking all restrooms at a minimum of once per day or more frequently as needs arise;
- xii. Providing and maintaining adequate security lighting and signage (to include wayfinding and mile markers on trail systems) free of loose rivets, missing text, graffiti, and other conditions that makes interpretation difficult or impossible;
- xiii. Maintaining in good repair any trail system, to include elimination of all trip hazards, remediating impacts of erosion, periodic resurfacing, elimination of buildup of soil or debris that prevents water flow, and maintenance of an 8’ vertical clearance; and
- xiv. Upon discovery, eliminating user created “trails”.

The Association shall, as frequently as necessary to maintain a safe and sanitary environment, inspect or cause the inspection of all Parkland to determine the necessity of action to

address needed maintenance or repair. Remedial action shall be taken as and when needed and shall be diligently continued through satisfactory conclusion to address matters requiring attention with respect to Parkland maintenance.

SECTION 3. Annual Budget. The Association shall annually budget for the anticipated costs of maintaining the Public Improvements, which shall include (i) the costs of any necessary repair plan herein described coming due in the reporting period covered by such annual budget and (ii) adequate annual reserves to provide sufficient available sources of periodic major maintenance and capital repair and replacement of Public Improvements. Until such time as the Association has obtained sufficient experience to formulate the anticipated Public Improvements maintenance costs unassisted (herein determined to mean preparation of at least three annual budgets after the warranties for dedicated Public Improvements have expired), the Association shall enlist the Engineer’s assistance in preparing the Public Improvements maintenance cost component of its annual budget.

SECTION 4. Payment of Public Improvements Maintenance Costs. To pay the costs of maintaining the Public Improvements, the Association shall either (i) charge an annual fee to its property owners or (ii) collect funds from the Developer in an amount at least equal to such budgeted annual maintenance costs. In determining the annual fee, the Association may take into account other funds then-available to the Association to pay such annual Public Improvements maintenance costs including funds collected from the Developer. In the event that unforeseen circumstances shall arise during the course of a financial reporting that necessitate additional funding to pay the costs of maintaining Public Improvements (including reimbursement of the City for costs of emergency repairs made pursuant to Section 5 below), the Association shall either (i) impose upon its property owners a special assessment (which is a charge on such property owners separate and distinct from any assessment thereon levied by the City pursuant to Chapter 372, as amended, Texas Local Government Code) or (ii) collect funds from the Developer in an aggregate amount sufficient to pay such unanticipated and unbudgeted Public Improvements maintenance costs.

SECTION 5. City Inspection of Public Improvements; Emergency Repairs. The City may, from time to time, but not more frequently than every 12 months, review the state of repair, condition, and cleanliness of the Public Improvements and provide a written report of its findings to the Association. If the City, in its review, finds the condition of the Public Improvements to not meet its standards for other similar public improvements owned and maintained by the City or in accordance with their original specifications applicable at the time of their respective construction , then the City shall detail and deliver in writing to the Association the specific instances of failure. The Association shall have 30 days from receipt of this written notice to address or object to the specific failures in Public Improvements maintenance identified by the City.

If the City is made aware of emergency safety conditions relative to a Public Improvement, the City will notify the Association and request that the necessary repairs to mitigate the identified safety condition(s) be completed. Upon notification, the Association shall have 3 days to mitigate the identified safety condition(s). If, however the Association is unable to or fails to begin addressing the identified safety condition(s) within a reasonable time after notification, then the City may make repairs to Public Improvements as needed and without further notification to the Association or the owners of property within the District to address the conditions of emergency or safety. Within 30 days of completion of emergency repairs to Public Improvements, the City shall notify the Association of the reasons for its making the repairs and the costs thereof.

SECTION 6. City Funding of Public Improvements Maintenance Costs. The Parties intend that Association revenues realized in accordance with Section 4 hereof shall be sufficient to cover the costs of

maintaining the Public Improvements. The Parties acknowledge, however, that the City may include as a component of its “maintenance assessment” levied and imposed on assessable property within the District pursuant to the District’s Service and Assessment Plan, prepared and updated from time to time by the City Council of the City in accordance with applicable Texas law, the costs of maintaining the Public Improvements in the event the Association is unable or unwilling to fulfill its duties and obligations pursuant to the terms of this Agreement.

SECTION 7. Power and Authority. Each Party represents to the other that it has full power and authority to execute, deliver and perform its obligations hereunder and that the respective governing body of each Party has taken all necessary action on its part required to authorize the execution and delivery hereof and its performance hereunder.

SECTION 8. Notices. Except as otherwise provided herein, it shall be sufficient service of any notice, request, demand, authorization, direction, consent, waiver or other paper required or permitted by this Agreement to be made, given or furnished to or filed with the following persons, if the same shall be delivered in person or duly mailed by first-class mail, postage prepaid or duly transmitted by electronic mail, at the following physical or email addresses:

- (a) To Association at:
 - NAME
 - ADDRESS
 - PHONE
 - EMAIL
 - With a copy to:
 - NAME
 - ADDRESS
 - PHONE
 - EMAIL
- (b) To City at:
 - City of Castroville, Texas
 - Attn: City Administrator
 - 1209 Fiorella Street
 - Castroville, Texas 78009
 - With a copy to:
 - Clay Binford
 - McCall, Parkhurst & Horton L.L.P.
 - 112 E. Pecan Street, Suite 1310
 - San Antonio, Texas 78205
 - Phone: 210-225-2819
 - Email: cbinford@mphlegal.com

If, because of the temporary or permanent suspension of mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such delivery of notice in lieu thereof as shall be made with the approval of the City shall constitute a sufficient notice.

SECTION 9. Severability. If any terms or provisions of this Agreement or the application of any terms or provisions of this Agreement to a particular situation, are held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of this Agreement or the application of such terms or provisions of this Agreement to other situations, will remain in full force and effect unless amended or modified by mutual consent of the Parties; provided that, if the invalidation, voiding or unenforceability would deprive either Party of material benefits derived from this Agreement, or make performance under

this Agreement unreasonably difficult, then the Parties will meet and confer and will make good faith efforts to amend or modify this Agreement in a manner that is mutually acceptable to the Parties.

SECTION 10. Amendment. No amendment, modification, or alteration of the terms of this Agreement will be binding unless it is in writing, dated subsequent to the date of this Agreement, and duly executed by the Parties.

SECTION 11. Binding Agreement; Successors and Assigns. This Agreement will be binding upon and inure to the benefit of each of the Parties and their respective successors and permitted assigns.

SECTION 12. Correction of Technical Errors. If, by reason of inadvertence, and contrary to the intention of the Parties, errors are herein made in the legal descriptions or the references thereto or within any exhibit with respect to the legal descriptions, in the boundaries of any parcel in any map or drawing which is an exhibit, or in the typing of this Agreement or any of its exhibits or any other similar matters, the Parties by mutual agreement may correct such error by memorandum executed by them without the necessity of amendment of this Agreement.

SECTION 13. Governing Law and Venue. The laws of the State and the rules and regulations issued pursuant thereto shall govern the validity, construction, enforcement, and interpretation of this Agreement, without regard to conflict of law provisions. All claims, disputes and other matters in question arising out of or relating to this Agreement, or the breach thereof, shall be decided by proceedings instituted and litigated in a State court of competent jurisdiction sitting in Medina County, Texas, and the Parties hereto expressly consent to the venue and jurisdiction of such court. Any provision included or incorporated herein by reference that conflicts with said laws, rules and regulations shall be null and void and shall not be valid or enforceable or available in any action at law, whether by way of complaint, defense, or otherwise.

SECTION 14. No Waiver of Sovereign Immunity. NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED TO WAIVE THE SOVEREIGN IMMUNITY OF THE CITY. THE CITY IS ENTERING INTO THIS AGREEMENT IN ITS GOVERNMENTAL FUNCTION AND CAPACITY AND THIS AGREEMENT DOES NOT CONSTITUTE AN EXERCISE OF THE CITY'S REGULATORY POWERS (E.G., REGULATORY APPROVALS OR IN ANY OTHER REGULATORY CAPACITY). THE ASSOCIATION ACKNOWLEDGES THAT THE CITY CANNOT CONTRACT IN ANY MANNER REGARDING THE EXERCISE, AND NOTHING CONTAINED HEREIN CONSTITUTES THE CITY'S EXERCISE, OF ITS REGULATORY POWERS OR A WAIVER OF ITS SOVEREIGN IMMUNITY PROTECTIONS.

SECTION 15. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed original and all of which, when taken together, shall constitute one and the same document.

SECTION 16. No Personal Liability. None of the members of the City Council, the Association's governing body, or any officer, agent, or employee of either Party shall be charged personally by the other Party with any liability, or be held liable to the other Party under any term or provision of this Agreement, or because of execution or attempted execution, or because of any breach or attempted or alleged breach, of this Agreement.

SECTION 17. Recordation. This Agreement, upon execution by both Parties, shall be recorded in the real property records maintained by the City Clerk of Medina County.

SECTION 18. Effective Term. This Agreement shall be effective as of its date, shall be perpetual and shall encumber and run with the Land.

* * *

EXECUTED by the Parties hereto to be effective as of [DATE], 202__.

ADDRESSES OF PARTIES:

CITY OF CASTROVILLE, TEXAS

1209 Fiorella Street
Castroville, Texas 78009

By: _____
Name: _____
Title: _____

[ASSOCIATION]

[ADDRESS]

By: _____
Name: _____
Title: _____

THE STATE OF TEXAS §
 §
CITY OF MEDINA §

This instrument was acknowledged before me on the ____ day of _____, 202__, by _____, _____ of Castroville, Texas, a Type A general law municipality and a political subdivision of the State of Texas, on behalf of Castroville, Texas.

Notary Public in and for
the State of Texas

(Printed Name of Notary)

My Commission Expires:_____

THE STATE OF TEXAS §
 §
CITY OF MEDINA §

This instrument was acknowledged before me on the ____ day of _____, 202__, by _____, _____ of [ASSOCIATION].

Notary Public in and for
the State of Texas

(Printed Name of Notary)

My Commission Expires:_____

EXHIBIT A

LAND DESCRIPTION

(Metes and Bounds)

Exhibit G

OWNER DISCLOSURE PROGRAM

The Administrator (as defined in the Service and Assessment Plan) for the [NAME] Public Improvement District (the PID) shall facilitate Notice to prospective property buyers in accordance with the following minimum requirements:

- (a) Record notice of the PID in the appropriate land records for the Property.
- (b) Require builders to attach the Recorded Notice of the Authorization and Establishment of the PID and the final Assessment Roll for such Assessed Parcel (or if the Assessment Roll is not available for such Assessed Parcel, then a schedule showing the maximum 30-year payment for such Assessed Parcel) in an addendum to each residential homebuyer's contract on brightly colored paper.
- (c) Collect a copy of the addendum signed by each buyer from builders and provide to the City.
- (d) Require signage indicating that the Property for sale is located in a special assessment district and require that such signage be located in conspicuous places in all model homes.
- (e) Prepare and provide to builders an overview of the existence and effect of the PID for those builders to include in each sales packet of information that it provides to prospective homebuyers.
- (f) Notify builders who estimate monthly ownership costs of the requirement that they must include special assessments in estimated Property taxes.
- (g) Notify Settlement Companies through the builders that they are required to include special taxes on HUD 1 forms and include in total estimated taxes for the purpose of setting up tax escrows.
- (h) Include notice of the PID in the homeowner association documents in conspicuous bold font.
- (i) The City will include announcements of the PID on the City's web site.

The Developer and the Administrator shall regularly monitor the implementation of this disclosure program and shall take appropriate action to require these Notices be provided when one of them discovers that any requirement is not being complied with.

EXHIBIT H

FORM OF REIMBURSEMENT AGREEMENT

**[NAME] PUBLIC IMPROVEMENT DISTRICT
REIMBURSEMENT AGREEMENT**

This [NAME] Public Improvement District Reimbursement Agreement (this *Reimbursement Agreement*) is executed between the City of Castroville, Texas (the *City*) and _____, a Texas [limited liability company] (the *Developer*; the City and the Developer individually referred to as a *Party* and collectively as the *Parties*), effective _____, 202__. Unless specified otherwise, capitalized terms not defined herein shall have the meaning ascribed to them in the hereinafter-defined Service and Assessment Plan or the Development Agreement.

RECITALS

WHEREAS, by resolution adopted on [DATE], 202__ (the *Creation Resolution*), the City Council of the City (the *Council*) created and established the boundaries of [NAME] Public Improvement District (the *District*), covering approximately [___] acres of land described in the Creation Resolution (the *District Property*) to be developed by the Developer in phases as a mixed use, master-planned residential and commercial development; and

WHEREAS, the purpose of the District is to finance certain Authorized Improvements authorized by Chapter 372, as amended, Texas Local Government Code (the *PID Act*) that promote the interests of the City and confer a special benefit on the Assessed Property within the District; and

WHEREAS, in connection with its creation of the District, the City determined that it is in the best interests of the present and future landowners of, and is of special benefit to, the District Property to finance, construct and deliver certain Authorized Improvements, as more specifically described in the [NAME] Public Improvement District Service and Assessment Plan, adopted by the Council on [DATE], 202__ (as such plan may be updated and amended from time to time, the *Service and Assessment Plan*); and

WHEREAS, the Service and Assessment Plan describes the development of the District Property and related construction and acquisition of Authorized Improvements; and

WHEREAS, the City and the Developer have heretofore entered into that certain “Development Agreement”, dated as of [DATE], 202__, and contemporaneously herewith, the Council approved the City’s entering into that certain “Construction, Funding, and Acquisition Agreement” with the Developer (as amended from time to time, the *Financing Agreement*), which agreements, together, provide certain terms and provisions concerning the Developer’s development of the Authorized Improvements and payment of the costs thereof; and

WHEREAS, in the Development Agreement and the Financing Agreement, the City and the Developer identify multiple sources of funds, including proceeds of PID Bonds to be issued pursuant to that certain Indenture of Trust, dated of even date herewith (the *Indenture*), by and between the City and _____ (the *Bond Trustee*), and the Developer’s separate resources available and thereby committed pursuant to the terms of the “Completion Agreement” entered into contemporaneously herewith by and among the Developer, the City, and Trustee; and

WHEREAS, the Completion Agreement provides that the Developer’s financial commitment thereunder to pay the Authorized Improvements Costs (plus interest thereon accruing at a rate of ___%

(calculated on the basis of a 360-day year, comprised of twelve 30-day months) from the date of initial delivery of the initial series of PID Bonds) shall be reimbursable thereto pursuant to the terms of this Reimbursement Agreement (such commitment to reimburse, the *Reimbursement Obligation*); and

WHEREAS, contemporaneously herewith, the Council adopted an assessment ordinance determining the estimated costs of the Authorized Improvements and levying Special Assessments against the assessable property within District to generate revenues (such Special Assessments, the *Assessments*; revenues therefrom, the *Assessment Revenues*) to pay Authorized Improvements Costs (or repay obligations incurred in satisfaction thereof, including the PID Bonds and the Reimbursement Obligation); and

WHEREAS, under the Indenture, the City has covenanted to deliver to the Trustee upon receipt, and has pledged as security for the repayment of the PID Bonds, certain of the Assessment Revenues (though it is the intent and expectation of the Parties that a portion of the pledged Assessment Revenues, on a subordinate basis and subject to availability after payment of debt service and other financial obligations relative to the PID Bonds and amounts owed to the City in satisfaction of the Allocated Water Capacity Cost (as defined in the Development Agreement), will be used to repay the Developer for the Reimbursement Obligation, as described in the following recital and elsewhere herein); and

WHEREAS, the Financing Agreement provides that the Reimbursement Obligation shall be repaid solely from (i) excess Assessment Revenues deposited to and from time to time held in the Reimbursement Fund (as defined in the Indenture) on a cash-flow basis and (ii) proceeds realized from the issuance of future series of PID Bonds; and

WHEREAS, the Parties now desire to enter into this Reimbursement Agreement for the purpose of establishing terms and conditions relating to the Reimbursement Obligation; and

NOW THEREFORE, FOR VALUABLE CONSIDERATION THE RECEIPT AND ADEQUACY OF WHICH ARE ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:

1. Recitals. The recitals to this Reimbursement Agreement are true and correct and are incorporated as part of this Reimbursement Agreement for all purposes.
2. City Deposit of Revenue. The City shall cause the Assessment Revenues to be deposited as provided in the Development Agreement and the Indenture.
3. Payment of Authorized Improvement Costs. The City shall cause payment of the Authorized Improvements Costs, pursuant to executed and approved Certifications for Payment in and from the Available Sources of Payment (as defined in Section 2.02(a) of the Financing Agreement), all in accordance with the Financing Agreement and, as applicable, the Development.
4. Reimbursement Obligation. Subject to and in accordance with the terms, conditions, and requirements contained herein, the City agrees to reimburse Developer, and Developer shall be entitled to receive from the City, the Reimbursement Obligation. The effectiveness of the City’s agreement to reimburse commences on the date of initial delivery of the initial series of PID Bonds and continues until the earlier of (i) the Reimbursement Obligation is fully satisfied and (ii) [DATE], 20__ (the *Maturity Date*).

The City’s payment of the Reimbursement Obligation from available Assessment Revenues is authorized by the PID Act, and was approved by the City pursuant to the Council’s adoption of an ordinance on [DATE], 202__. The Reimbursement Obligation shall be payable to Developer solely from (i) amounts from time to time on deposit in the Reimbursement Fund, on a cash-flow basis and pursuant to the payment terms specified in the Indenture and the Development Agreement and (ii) the proceeds of any future series

of PID Bonds. The Parties acknowledge and agree that the City is not responsible for any portion of the Reimbursement Obligation that remains unsatisfied beyond the latest possible Maturity Date.

The Reimbursement Obligation is payable to Developer solely as described herein. No other City funds, revenue, taxes, income, or property shall be used, even if the Reimbursement Obligation is not paid in full by the latest possible Maturity Date. The Reimbursement Obligation is not a City debt within the meaning of Article XI, Section 5, of the Constitution of the State of Texas. Notwithstanding the foregoing, the City acknowledges and agrees that until the Reimbursement Obligation is paid in full, the obligation of the City to cause the use of amounts on deposit in the Reimbursement Fund to pay the Reimbursement Obligation, or the use of proceeds of future series of PID Bonds issued (in whole or in part) to satisfy any portion of the Reimbursement Obligation is absolute and unconditional. The City does not have, and will not assert, any defenses to such obligation.

5. City Collection Efforts. The City will use all reasonable efforts to receive and collect, or cause to be received and collected by the Medina County Appraisal District, Assessments (including the foreclosure of liens resulting from the nonpayment of Assessments), and other charges due and owing under the Service and Assessment Plan, in the manner described and required in Section 2.03 of the Financing Agreement.

6. Process for Payment for the Reimbursement Obligation. The Developer may submit to the City a written request for payment (a *Payment Request*) of any funds at such time available in the Reimbursement Fund following February 1st of each year. Upon receipt of the Payment Request, and its determination of the accuracy, adequacy, and sufficiency thereof, the City shall cause funds within the Reimbursement Fund to be disbursed to Developer within 30 days of such determination (subject and pursuant, however, to the applicable Indenture and project plan and financing plan provisions concerning disbursement funds on deposit in the Reimbursement Fund). This process will continue until the Maturity Date. Under no circumstances will payments made under this Reimbursement Agreement, whether by periodic reimbursement from amounts from time to time held in the Reimbursement Fund, from the proceeds of any future series of PID Bonds, or a combination of each of the foregoing equal more than the Reimbursement Obligation.

7. Termination. At the Maturity Date, this Reimbursement Agreement shall terminate. If the Maturity Date occurs on [DATE], 20__ and at such time any portion of the Reimbursement Obligation remains unsatisfied (the *Unsatisfied Reimbursement Obligation*), such Unsatisfied Reimbursement Obligation shall be canceled and for all purposes of this Reimbursement Agreement shall be deemed to have been conclusively and irrevocably PAID IN FULL; provided, however, that if any Assessments for such tax year remain due and payable and are uncollected on such Maturity Date, the resultant Assessment Revenues, when, as, and if collected after such Maturity Date, (1) if any series of PID Bonds at such time remain outstanding or Allocated Water Capacity Cost remains unsatisfied, shall be deposited with the Trustee for disposition in the manner specified in the Indenture and (2) if no PID Bonds at such time remain outstanding, all or a portion thereof not in excess of the Unsatisfied Reimbursement Obligation shall be paid directly to Developer and applied against the Unsatisfied Reimbursement Obligation.

8. Mandatory Prepayments. Notwithstanding any provision of this Reimbursement Agreement to the contrary, the Parties hereby acknowledge and agree that to the extent a prepayment of an Assessment is required pursuant to the provisions of Section VI.F.1 of the Service and Assessment Plan in effect as of the date of this Reimbursement Agreement and remains unpaid for 90 days after such notice, the City, upon providing prior written notice to Developer, may reduce the amount of the Reimbursement Obligation by a corresponding amount; provided, however, that any such reduction shall never cause a reduction in the amount of the Reimbursement Obligation to less than zero.

9. No Waiver. Nothing in this Reimbursement Agreement is intended to constitute a waiver by the City of any remedy the City may otherwise have outside this Reimbursement Agreement against any person or entity involved in the design, construction, or installation of the Authorized Improvements.

10. Governing Law, Venue. This Reimbursement Agreement is being executed and delivered, and is intended to be performed in, the State of Texas. Except to the extent that the laws of the United States may apply to the terms hereof, the substantive laws of the State of Texas shall govern the validity, construction, enforcement, and interpretation of this Reimbursement Agreement. In the event of a dispute involving this Reimbursement Agreement, venue for such dispute shall lie in any court of competent jurisdiction in Medina County, Texas.

11. Notice. Any notice required or contemplated by this Reimbursement Agreement shall be deemed given at the addresses shown below: (i) one business day after deposit with a reputable overnight courier service for overnight delivery such as FedEx or UPS; or (ii) one business day after deposit with the United States Postal Service, Certified Mail, Return Receipt Requested. Any Party may change its address by delivering written notice of such change in accordance with this section.

To the City: Attn: City Administrator
 City of Castroville
 1209 Fiorella Street
 Castroville, Texas 78009

With a copy to: Attn: Clay Binford
 McCall, Parkhurst & Horton L.L.P.
 112 E. Pecan Street, Suite 1310
 San Antonio, Texas 78205

To the Developer: [ADD CONTACT]

With a copy to: [ADD CONTACT]

12. Invalid Provisions; Severability. If any provision of this Reimbursement Agreement is held invalid by any court, such holding shall not affect the validity of the remaining provisions, and the remainder of this Reimbursement Agreement shall remain in full force and effect. If any provision of this Reimbursement Agreement directly conflicts with the terms of the Indenture, the Indenture shall control regarding such conflicting provision.

13. Exclusive Rights of Developer. Developer’s right, title and interest in and to the payments of Reimbursement Obligation, as described herein, shall be the sole and exclusive property of Developer (or its Transferee (defined herein)) and no other third party shall have any claim or right to such funds unless Developer transfers its rights to the Reimbursement Obligation to a Transferee in writing and otherwise in accordance with the requirements set forth herein and any applicable provisions of the Financing Agreement. Subject to the provisions of Section 10.01 of the Development Agreement, Developer has the right to convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part, all or any portion of Developer’s right, title, or interest under this Reimbursement Agreement including (but not limited to) any right, title or interest of Developer in and to payment of the Reimbursement Obligation (a *Transfer*; the party or entity to whom the transfer is made, a *Transferee*). Notwithstanding the foregoing, no Transfer shall be effective until written notice of the Transfer, that includes the following, is provided to the City: (A) the name and address of the Transferee and (B) a representation by Developer that the Transfer does not and will not result in the issuance of municipal securities by any other state of the United States or political subdivision thereof. Developer agrees that the

City may rely conclusively on any written notice of a Transfer provided by Developer without any obligation to investigate or confirm the accuracy or sufficiency of the notice of the Transfer. Any sale of a portion of the Property or assignment of any right hereunder shall not be deemed a Transfer unless the conveyance or transfer instrument effecting such sale or assignment expressly states that the sale or assignment is deemed to be a Transfer.

14. Failure; Default; Remedies.

a. If either Party fails to perform an obligation imposed on such Party by this Reimbursement Agreement (a *Failure*) and such Failure is not cured after written notice and the expiration of the cure periods provided in this section, then such Failure shall constitute a *Default*. Upon the occurrence of a Failure by a non-performing Party, the other Party shall notify the non-performing Party in writing specifying in reasonable detail the nature of the Failure. The non-performing Party to whom notice of a Failure is given shall have at least 30 days from receipt of the notice within which to cure the Failure; however, if the Failure cannot reasonably be cured within 30 days and the non-performing Party has diligently pursued a cure within such 30-day period and has provided written notice to the other Party that additional time is needed, then the cure period shall be extended for an additional period (not to exceed 90 days) so long as the non-performing Party is diligently pursuing a cure.

b. If Developer is in Default, the City's sole and exclusive remedy shall be to seek specific performance of Developer's obligations under this Reimbursement Agreement. No Default by Developer, however, shall: (i) affect the obligations of the City to reimburse Developer from amounts from time to time on deposit in the Reimbursement Fund as provided in Section 6 of this Reimbursement Agreement; or (ii) entitle the City to terminate this Reimbursement Agreement. In addition to specific performance, the City shall be entitled to attorney's fees, court costs, and other costs incurred by the City in obtaining such remedy.

c. If the City is in Default, Developer's sole and exclusive remedies shall be to: (i) seek a writ of mandamus to compel the City's performance hereunder; or (ii) seek specific performance of the City's obligation hereunder.

15. No Personal Liability. None of the City, any of its elected or appointed officials, or any of its employees shall incur any liability hereunder to Developer or any other party in their individual capacities by reason of this Reimbursement Agreement or their acts or omission under this Reimbursement Agreement.

16. Estoppel Certificate. Within 30 days after the receipt of a written request by Developer or any Transferee, the City will certify in a written instrument duly executed and acknowledged to any person, firm or corporation specified in such request as to (i) the validity and force and effect of this Reimbursement Agreement in accordance with its terms, (ii) modifications or amendments to this Reimbursement Agreement and the substance of such modification or amendments; (iii) the existence, to the best of the City's knowledge, of any Default hereunder; and (iv) such other factual matters that may be reasonably requested (which may, at the City's discretion, be qualified with necessary and appropriate knowledge qualifications).

17. Anti-Boycott Verification, No business with Sanctioned Countries. Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Reimbursement Agreement is a contract for goods or services, will not boycott Israel during the term of this Reimbursement Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section

does not contravene applicable State or federal law. As used in the foregoing verification, “boycott Israel” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. Developer understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with Developer and exists to make a profit.

Developer represents that neither it nor any of its respective parent companies, wholly- or majority-owned subsidiaries, and other affiliates, if any, is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer’s internet website:

<https://comptroler.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable State or federal law and excludes Developer and any of its respective parent companies, wholly- or majority owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. Developer understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with Developer and exists to make a profit.

18. Form 1295. Submitted herewith is a completed Form 1295 in connection with Developer’s participation in the execution of this Reimbursement Agreement generated by the Texas Ethics Commission’s (the *TEC*) electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the *Form 1295*). Developer and the City understand and agree that, with the exception of information identifying the City and the contract identification number, none of the City or its officials, employees, or consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by Developer; and none of the City or its officials, employees, or consultants have verified such information.

19. Senate Bills 13 and 19 Compliance To the extent this Agreement constitutes a contract for goods or services within the meaning of Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislative Session), Texas Government Code, as amended, the Developer hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of the applicable agreement. The foregoing verification is made solely to enable the City to comply with such Section, to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, “boycott energy companies,” a term defined in Section 2274.001(1), Texas Government Code (as enacted by such Senate Bill) by reference to Section 809.001, Texas Government Code (also as enacted by such Senate Bill), shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above.

To the extent this Agreement constitutes a contract for goods or services for which a written

verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Developer verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of the applicable agreement. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law.

As used in the foregoing verification and the following definitions,

a. ‘discriminate against a firearm entity or firearm trade association,’ a term defined in Section 2274.001(3), Texas Government Code (as enacted by such Senate Bill), (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company’s refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity’s or association’s status as a firearm entity or firearm trade association,

b. ‘firearm entity,’ a term defined in Section 2274.001(6), Texas Government Code (as enacted by such Senate Bill), means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4), Texas Government Code, as enacted by such Senate Bill, as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined in Section 2274.001(5), Texas Government Code, as enacted by such Senate Bill, as devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (defined in Section 2274.001(1), Texas Government Code, as enacted by such Senate Bill, as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (defined in Section 250.001, Texas Local Government Code, as a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting), and

c. ‘firearm trade association,’ a term defined in Section 2274.001(7), Texas Government Code (as enacted by such Senate Bill), means any person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

20. Miscellaneous.

a. The failure by a Party to insist upon the strict performance of any provision of this Reimbursement Agreement by the other Party, or the failure by a Party to exercise its rights upon a Default by the other Party shall not constitute a waiver of such Party's right to insist and demand strict compliance by such other Party with the provisions of this Reimbursement Agreement.

b. The City does not waive or surrender any of its governmental powers, immunities, or rights except to the extent permitted by law and as necessary to allow Developer to enforce its remedies under this Reimbursement Agreement.

c. Nothing in this Reimbursement Agreement, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the City and Developer any rights, remedies, or claims under or by reason of this Reimbursement Agreement, and all covenants, conditions, promises, and agreements in this Reimbursement Agreement shall be for the sole and exclusive benefit of the City and Developer.

d. This Reimbursement Agreement may be amended only by written agreement of the Parties.

e. This Reimbursement Agreement may be executed in counterparts, each of which shall be deemed an original.

* * *

EXECUTED by the Parties hereto to be effective as of _____, 202__.

ADDRESSES OF PARTIES:

CITY OF CASTROVILLE, TEXAS

1209 Fiorella Street
Castroville, Texas 78009

By: _____
Name: _____
Title: _____

[DEVELOPER]

[ADDRESS]

By: _____
Name: _____
Title: _____

THE STATE OF TEXAS §
COUNTY OF MEDINA §

This instrument was acknowledged before me on the ____ day of _____, 202__, by _____, _____ of City of Castroville, Texas, a home rule city, body corporate and a political subdivision of the State of Texas, on behalf of the City of Castroville, Texas.

Notary Public in and for
the State of Texas

(Printed Name of Notary)

My Commission Expires:_____

THE STATE OF TEXAS §
COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of _____, 202__, by _____, _____ of [DEVELOPER].

Notary Public in and for
the State of Texas

(Printed Name of Notary)

My Commission Expires:_____

Exhibit I

RESIDENTIAL CONSTRUCTION STANDARDS

As and if applicable, the specifications hereinafter provided may be modified to the extent contrary specifications are included in the Consultant's Plan and identified as having direct application to the Residential Project. Except as specifically provided in the Development Agreement, all development of the Residential Project shall be governed by the Code (including the City Subdivision Ordinance). The Residential Plan shall minimally incorporate the elements hereafter described.

- Centralized location of the amenity center.
- Developer will meet or exceed the area requirement set for total pond and open space inclusive of amenity center site.
- No single-family residential lot within the Residential Project shall be smaller than 6,000 square feet.
- Maximum Density: Overall single-family density will not exceed 5 units per acre.
- Minimum Building Setbacks:
 - Front Setback Line: twenty feet (20') and fifteen feet (15') on irregular shaped lots;
 - Side Setback Line: five feet (5'); and
 - Rear Setback Line: twenty feet (20').
- Residential Street and Walkway Construction:
 - Cul-de-sacs shall have a minimum diameter of 80' of pavement and 100' of Right of Way.
 - Residential areas will be connected by walkable trails and sidewalks.
- Prohibited Elements applicable to single-family residences:
 - Flat roofs;
 - Stove pipe chimneys;
 - Random roof penetrations or skylights facing the street;
 - White skylights;
 - Mirrored glass or any reflective film or windows;
 - Wood siding; however, cedar wood siding accents may be permitted as defined below;
 - Stone which appears glued on (cultured stone accents may be permitted);
 - Vivid, strong, bright colors; and/or
 - More than three (3) materials on front elevation.
- Minimum House Size; Slab and Exterior Construction Standards
 - All single-family houses shall consist of a minimum of 1,400 square feet in gross floor area.
 - Site-built on engineered, concrete slabs.
- Design Elements:
 - Variation to roof or building lines are required.
 - Decorative window shutters are encouraged.
 - Functional dormers are encouraged.
 - A minimum of two (2) of the following are required:
 - Windows and/or entries recessed into the façade by a minimum of one inch (1");
 - Pillar posts;
 - Balconies, porches or patios;
 - Window hoods/screens; and/or
 - Use of varying building materials; however, the use of more than three (3) building materials is prohibited.

- Heights and Views:
 - No building or residential structure may exceed thirty-five feet (35') in height as measured from the elevation of the finished slab, exclusive of chimneys and ventilators.
- Masonry:
 - Defined as Stone, Stucco, Stucco Board, or Brick
 - Masonry accents are masonry materials to create diversity in the façade or emphasis of architectural features.
 - 75% Masonry on the front elevation.
 - All Lots that back up to a street or thoroughfare, or an open space shall be 100% Masonry to the first-floor plate on the rear elevation that faces such street, thoroughfare, or open space.
 - Side elevations shall be 100% Masonry to the first-floor plate.
 - Masonite sheet or other sheet siding is not allowed.
 - Siding: Any siding shall be vertical board and batten or horizontal lap.
 - Decorative Shakes or Decorative Siding such as shakes, scallops or other decorative siding facades shall be no more than 20% of the front elevation, 20% of each side, or 20% of the rear of the home.
 - Decorative Cedar shakes are allowed in the shapes of (Fish-scale, Diamond, Half Cove, Hexagon, Octagonal, Round, Arrow or Bell).
- Driveways:
 - Developer shall provide for two (2) parking spaces on the driveway (which are in addition to the two (2) garage spaces identified and described below).
- Roofing:
 - 30-year dimensional shingles, standing seam metal, tile or similar are allowable roofing materials.
 - Roof pitches shall be no less than 4:12 to 8:12 with City Administration approval, such approval to not be unreasonably withheld if the home elevation fulfills a majority of the Residential Construction Standards.
 - Accent or decorative roof pitches shall be no less than 2:12.
 - Accent or Decorative Roofs include porches, dormers, shed roofs over windows, box or bay windows, etc.
- Architectural Features:
 - Porches, patios, and/or courtyards may protrude into the front or rear setback by no more than five feet (5').
 - Eaves and roof extensions may protrude into setbacks by no more than two feet (2').
 - Windowsills, belt courses, cornices, and other architectural features may protrude into setbacks by no more than twelve inches (12").
- Front Doors:
 - Front doors shall be a solid core door not less than six foot eight inches (6'8") in height.
 - Clear leaded glass or eight (8) panel distinguished by mullions are encouraged.
 - The use of double doors, enhanced by side lights or transoms is encouraged.
- Floorplan Restriction:
 - Homes with identical elevations shall be restricted from being built on adjacent lots or on lots directly across from each other on the same street and shall have two full lots separation between them on the i) same or ii) opposite side of the street.
- Garage Doors:

- Two (2) single garage doors, divided by an 8"-12" column, are encouraged.
 - Garage doors shall be of a non-warping, non-peeling material, design and color complimentary of the adjacent elevation of the residence and consistent with the overall architectural style of the residence.
 - Windows along the top of the garage doors are permitted.
 - Must not extend beyond the front of the home or front porch, J-drive and side entry garages shall be exempt from this requirement. The garage may extend up to five (5') feet in front of the body of the home or front porch with City Administration approval, such approval to not be unreasonably withheld if the home elevation fulfills a majority of the Residential Construction Standards.
 - Detached, J-swing, side entry, carports, and recessed garages are encouraged.
- Accessory Buildings:
 - Accessory buildings, if permitted, including pool cabanas, detached garages and guesthouses, shall be constructed of the same materials and with the same quality of construction as the principal residence.
- Address Markers
 - Address markers shall be centrally located on the residence and well-lit, so as to be visible from the street.
- Enclosures:
 - Air conditioning compressors and pool equipment shall be enclosed by a structural screening element constructed of the same masonry materials as the principal residence, lot fencing, or non-deciduous landscaping.
 - In the event non-deciduous landscaping is used to screen any air conditioning compressor, at the time of installation, the non-deciduous landscaping shall screen one-half (1/2) of the vertical height of the air conditioning compressor.
- Landscaping Requirements for 50' Lots:
 - Minimum of 100 square foot mulched landscape bed in the front yard.
 - Front yard shall be fully sodded, except for landscape bed, and rear yard shall be fully sodded, except for any landscape bed(s).
 - Minimum of ten (10) one (1) gallon plants in the front yard.
 - Minimum of six (6) three (3) gallon plants in the front yard.
 - Minimum of one (1) two-inch (2") caliper hardwood tree shall be planted within the rear yard inside of any fencing.
 - Minimum of one (1) two-inch (2") caliper hardwood tree shall be planted within the front yard or side yard in front of any fencing.
 - Landscape irrigation system for entire front and rear yard shall be installed.
 - Any Lots which are corner lots or side open space lots shall include the following:
 - Minimum of 100 square foot mulched landscape bed in the front yard.
 - Minimum of 100 square foot mulched landscape bed in the side yard.
 - Front yard and rear yard shall be fully sodded, except for landscape bed(s).
 - Minimum of fifteen (15) one (1) gallon plants in the front yard.
 - Minimum of ten (10) five (5) gallon plants in the front yard.
 - Minimum of three (3) two-inch (2") caliper hardwood trees, planted not less than twelve feet (12') apart, two (2) of which shall be a side yard tree, and one (1) of which shall be front yard trees.
 - Minimum of six (6) one (1) gallon plants in the side yard.
 - Minimum of five (5) five (5) gallon plants in the side yard.
 - Landscape irrigation system for entire front yard, side yard and rear yard shall be

installed.

- Landscaping Requirements for 60' Lots:
 - Minimum of 125 square foot mulched landscape bed in the front yard.
 - Front yard shall be fully sodded, except for landscape bed, and rear yard shall be fully sodded, except for any landscape bed(s).
 - Minimum of twelve (12) one (1) gallon plants in the front yard.
 - Minimum of eight (8) three (3) gallon plants in the front yard.
 - Minimum of one (1) two-inch (2") caliper hardwood tree shall be planted within the rear yard inside of any fencing.
 - Minimum of two (2) two-inch (2") caliper hardwood trees shall be planted within the front yard or side yard in front of any fencing.
 - Landscape irrigation system for entire front and rear yard shall be installed.
 - Any Lots which are corner lots or side open space lots shall include the following:
 - Minimum of 125 square foot mulched landscape bed in the front yard.
 - Minimum of 125 square foot mulched landscape bed in the side yard.
 - Front yard and rear yard shall be fully sodded, except for landscape bed(s).
 - Minimum of eighteen (18) one (1) gallon plants in the front yard.
 - Minimum of twelve (12) five (5) gallon plants in the front yard.
 - Minimum of three (3) two-inch (2") caliper hardwood trees, planted not less than twelve feet (12') apart, two (2) of which shall be a side yard tree, and one (1) of which shall be front yard trees.
 - Minimum of eight (8) one (1) gallon plants in the side yard.
 - Minimum of seven (7) five (5) gallon plants in the side yard.
 - Landscape irrigation system for entire front yard, side yard and rear yard shall be installed.

- Landscaping Requirements for 70' Lots:
 - Minimum of 150 square foot mulched landscape bed in the front yard.
 - Front yard shall be fully sodded, except for landscape bed, and rear yard shall be fully sodded, except for any landscape bed(s).
 - Minimum of fifteen (15) one (1) gallon plants in the front yard.
 - Minimum of ten (10) three (3) gallon plants in the front yard.
 - Minimum of one (1) two-inch (2") caliper hardwood tree shall be planted within the rear yard inside of any fencing.
 - Minimum of two (2) two-inch (2") caliper hardwood trees shall be planted within the front yard or side yard in front of any fencing.
 - Landscape irrigation system for entire front and rear yard shall be installed.
 - Any Lots which are corner lots or side open space lots shall include the following:
 - Minimum of 150 square foot mulched landscape bed in the front yard.
 - Minimum of 150 square foot mulched landscape bed in the side yard.
 - Front yard and rear yard shall be fully sodded, except for landscape bed(s).
 - Minimum of twenty (20) one (1) gallon plants in the front yard.
 - Minimum of fourteen (14) five (5) gallon plants in the front yard.
 - Minimum of three (3) two-inch (2") caliper hardwood trees, planted not less than twelve feet (12') apart, two (2) of which shall be a side yard tree, and one (1) of which shall be front yard trees.
 - Minimum of eight (8) one (1) gallon plants in the side yard.
 - Minimum of seven (7) five (5) gallon plants in the side yard.
 - Landscape irrigation system for entire front yard, side yard and rear yard shall be installed.

- Fencing:
 - Fences are not required, but, if they are built facing adjacent to a street, all fencing shall be six-foot (6') cedar fencing, black decorative metal, or other with City Approval, including rustic Cedar posts and rails with or without wire fencing. Chain link fencing is prohibited.
 - Fencing shall have a total of three (3) 2x4 stringers for support.
 - Fencing on corner lots can be installed no closer than 7.5' to the Property Line on corner lots siding a street.
- Street Sign Examples

Ball on



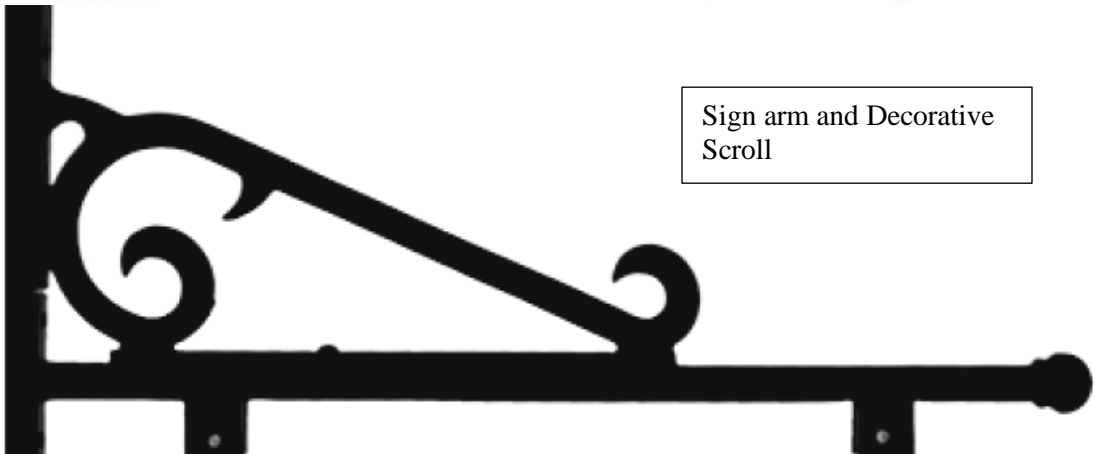
Fluted



Logo



Sign arm and Decorative Scroll



Base



Traffic Sign

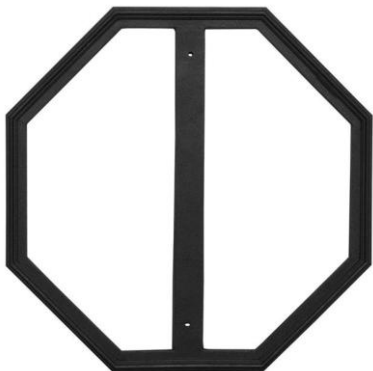


Exhibit J

FORM OF UTILITY SERVICE AGREEMENT

UTILITY SERVICE AGREEMENT

STATE OF TEXAS §
§
COUNTY OF MEDINA §
§
CITY OF CASTROVILLE §

This Utility Service Agreement (including the General Conditions, the Special Conditions, and the Attachments hereto, this *Agreement*) is entered into by and between the CITY OF CASTROVILLE, TEXAS (the *City*) and [DEVELOPER] (the *Developer*). The City and the Developer are herein referred to generally as a *Party* and, together, the *Parties*. Terms capitalized but not otherwise defined herein shall have the meanings ascribed to them in the hereinafter-defined Development Agreement, a copy of which is attached hereto as Attachment IV.

WITNESSETH

WHEREAS, the City and the Developer have entered into that certain Development Agreement (as the same is amended from time to time, the *Development Agreement*), pursuant to which the City and the Developer are obligated to undertake specified actions relative to the development that is the subject of the Development Agreement (such development, the *Development*; the property that is the subject of the Development Agreement and the location of the Development, the *Property*); and

WHEREAS, the Development Agreement contemplates the need for improvements to the City’s water and wastewater utility systems (respectively, the *Water System* and the *Wastewater System* and, together, the *Systems*) that are outside the boundaries of the Property to extend Systems infrastructure to the Property’s border for connection to necessary water and wastewater infrastructure improvements within the Property (such offsite improvements, as further defined and described herein (but specifically excluding the Water System improvements that are the subject of the Multi-Party Agreement, dated as August 9, 2022, among the City and various parties, including the Developer), the *Offsite Improvements*; such onsite improvements, as further defined and described herein, the *Onsite Improvements*; the Offsite Improvements and the Onsite Improvements, together, the *Improvements*); and

WHEREAS, the Development Agreement requires the Developer to design, construct, and finance all requisite Improvements, which includes all Improvements within and beyond the boundaries of the Property that are necessary for connection to the Systems to provide retail water and wastewater utility service (*Water Service* and *Wastewater Service*, respectively; together, *Service*) to the Development, and upon completion thereof, dedicate the same to the City; and

WHEREAS, the completion of the Offsite Improvements will allow for the Developer’s connection of the Onsite Improvements to the Systems; and

WHEREAS, the Parties now desire to enter into this Agreement to memorialize the terms and conditions by which (i) the Improvements will be designed, constructed, financed and dedicated to the City and made a part of the Systems and (ii) Systems capacity is reserved for the purpose of providing Service to the Development; and

NOW, THEREFORE, in consideration of the foregoing Recitals, the covenants contained herein, and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Developer and the City hereby agree as follows.

1. Interpretation of Agreement.

- a. The Parties acknowledge that the Service contemplated by this Agreement shall be provided in accordance with the applicable Governing Regulations identified in Section 3.01(b) of the Development Agreement. In the event the specific terms of this Agreement conflict with the Governing Regulations, the specific terms of this Agreement shall apply. The above notwithstanding, for the specific conflicting terms to prevail, the conflict must be expressly noted in this Agreement. The Parties further acknowledge that this Agreement is subject to future acts of the City Council with respect to the adoption or amendment of Impact Fees and City ordinances or resolutions specifying rates for Service.
- b. The Parties agree that a purpose of this Agreement is the City’s reservation and dedication of [NUMBER] of Water Service living unit equivalents (*LUEs*) and [NUMBER] of Wastewater Service *LUEs* (such dedicated capacity, *Water Capacity* and *Wastewater Capacity*, respectively, and *Guaranteed Capacity*, collectively) from available Systems capacity (whether currently existing or to result from ongoing Systems expansion) for provision of Service to the Development.
- c. Any rights that the Developer claims arise under Chapter 245, as amended, Texas Local Government (*Chapter 245*) or Chapter 43, as amended, Texas Local Government Code, that are related to this Agreement shall be governed by the applicable provisions of the Development Agreement, particularly being Section 3.01(b) thereof.

2. Obligation Conditioned. The City’s obligation to provide Service to the Property is conditioned upon present rules, regulations and statutes of the United States of America and the State of Texas and any court order that directly affects the City or its ownership and operation of the Systems. The Developer acknowledges that if the rules, regulations and statutes of the United States of America and/or the State of Texas that are in effect upon the Effective Date are repealed, revised or amended to such an extent that the City becomes incapable of, or is prevented from, providing the Service, then no liability of any nature is to be imposed upon the City as a result of the City’s compliance with such legal or regulatory mandates. The City agrees that it will use its best efforts to prevent the enactment or to mitigate the impact of such legal or regulatory mandates.

3. Term.

- a. The term of this Agreement shall be twenty (20) years from the Effective Date, subject to extension in the same manner as extension of the Developer’s obligations under the Development Agreement (which provisions are incorporated by reference as though herein reproduced), unless extended by mutual agreement, evidenced in writing, by the City and the Developer. Certain City obligations (described in Section 3.c below) may survive the expiration of the term of this Agreement if (i) all Impact Fees applicable to the Development have been paid and (ii) the Developer has complied with all requirements concerning the Improvements as are described, as applicable, in this Agreement and the Development Agreement.
- b. To the extent that the City’s obligations do not survive the expiration of this Agreement, the Developer understands and agrees that a new utility service agreement must be entered into with the City to receive Service to the Development.

- c. Provided compliance with clauses (i) and (ii) of Section 3.a above has occurred, the following obligations shall survive expiration of this Agreement:
 - i. The City’s recognition of the Guaranteed Capacity to be provided by the Systems to the Development in the form of Service, as specified in S.C. 1.00 hereof.
 - ii. The City’s continued provision of Service to retail customers located in the Property, so long as such customers pay for the Service and comply with the regulations applicable to individual customers (including payment of rates for Service, as from time to time specified by City ordinance or resolution).

4. Entire Agreement. The following documents attached hereto and incorporated herein are as fully a part of this Agreement as if herein repeated in full and, together, comprise this Agreement in its entirety:

- Attachment I: General Conditions
- Attachment II: Special Conditions
- Attachment III: Engineering Report Regarding Improvements
- Attachment IV: Development Agreement

Any of the above attachments that are created and submitted by the Developer as an attachment to this Agreement shall be limited to providing relevant engineering, planning, or managing information for the purposes of setting aside or reserving the Guaranteed Capacity as specified in the body of this Agreement, the General Conditions, and the Special Conditions. The Developer agrees that it will not attempt to rely, and the City does not authorize reliance, on any of the contents of any attachments created and submitted by the Developer as a basis for claiming rights under Chapter 245, except as specifically provided by Section 1.c hereof.

The Developer understands that this Agreement, including the Attachments, is subject to the Texas Public Information Act. The Developer, therefore, agrees that it will not claim that any of the information contained herein is subject to any third-party exception under that Act.

5. The Developer’s Obligations. The Developer acknowledges and agrees that the Guaranteed Capacity runs with the land and shall be an appurtenance to the Property. The Developer agrees to record this Agreement in the Real Property Records of Medina County, Texas as quickly as practicable (but not more than fifteen (15) days from the Effective Date); otherwise, this Agreement will automatically terminate. Delivery to the City of a recorded copy of this Agreement shall serve as a condition precedent to any transfer of any portion of the Property or any portion of the Guaranteed Capacity in accordance with G.C.14.00. To the extent not reflected in the Plats from time to time submitted by the Developer to and accepted by the City pursuant to the terms of the Development Agreement, the Developer shall maintain records of allocated and unallocated Water Capacity and Wastewater Capacity (by LUE) for use by the Development by developers thereof and therein and provide the City with copies of such records upon receipt of the City’s written request for the same.

6. **INDEMNITY. TO THE EXTENT ALLOWED BY APPLICABLE LAW, THE DEVELOPER FURTHER AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS THE CITY AND ITS SUCCESSOR AND ASSIGNS FROM THE CLAIMS OF THIRD PARTIES ARISING OUT OF THE CITY’S RECOGNITION RESERVATION AND TRANSFER OF THE GUARANTEED CAPACITY UNDER THIS AGREEMENT TO THE DEVELOPER’S SUBSEQUENT PURCHASERS, SUCCESSORS AND ASSIGNS.**

7. Notices. Any notice, request, demand, report, certificate, or other instrument which may

be required or permitted to be furnished to or served upon the parties shall be delivered in accordance with the provisions for notice specified in Section 8.05 of the Development Agreement.

8. Severability. If for any reason any one or more paragraphs of this Agreement are held legally invalid, such judgment shall not prejudice, affect impair or invalidate the remaining paragraphs of the Agreement as a whole, but shall be confined to the specific sections, clauses, or paragraphs of this Agreement held legally invalid.

9. Effective Date. The Effective Date of this Agreement shall be the date signed by the later of an authorized City representative and an authorized Developer representative.

10. Ownership. By signing this Agreement, the Developer represents and warrants that it is the owner of the Property or has the authority of the Property owner to develop the Property. Any misrepresentation of authority or ownership by the Developer shall make this Agreement voidable by the City. If the Developer does not own the Property, then the Developer must provide documentation from the owner of the Property to show that the Developer has the proper authority to develop the Property.

* * *

ACCEPTED AND AGREED TO IN ALL THINGS:

CITY OF CASTROVILLE, TEXAS

[DEVELOPER]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Address: 1209 Fiorella Street

Address: _____

Castroville, Texas 78009

Date: _____

Date: _____

ACKNOWLEDGEMENTS

STATE OF TEXAS, COUNTY OF MEDINA

§

BEFORE ME, the undersigned Notary Public, on this day personally appeared _____ known to me to be the person whose name is subscribed to the foregoing instrument and that he has executed the same as _____ for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____ day of _____, 2022.

(seal)

Notary Public

STATE OF TEXAS, COUNTY OF _____

§

BEFORE ME, the undersigned Notary Public, on this day personally appeared _____ known to me to be the person whose name is subscribed to the foregoing instrument and that he has executed the same as _____ for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____ day of _____, 2022.

(seal)

Notary Public

ATTACHEMENT I

GENERAL CONDITIONS OF THE UTILITY SERVICE AGREEMENT

G.C.1.00 Definition of Terms.

Unless defined in the Agreement, the terms used in this General Conditions of the Utility Service Agreement (the *General Conditions*) shall have the same definitions and meaning as those set out in the Development Agreement. In the event a term is specifically defined in the General Conditions, and the definition is in conflict with that found in the Development Agreement or the Code, and such conflict is acknowledged in the General Conditions, the definition set out in the General Conditions shall apply.

G.C.2.00 Required Submittals.

Plans and specifications for Improvements.

G.C.3.00 Developer Development and Dedication of Improvements.

Subject to the provisions of Section G.C.4.00 and G.C.5.00 below, the Improvements shall be designed and constructed by the Developer and, upon completion, dedicated to the City, who shall thereafter own, operate, and maintain the same as a part of the Systems. Offsite Improvements shall be constructed within easements and rights-of-way provided or identified by the City (who shall, to the extent necessary and legally able, assist the Developer in obtaining, at the Developer’s cost and expense, such necessary easements or rights-of-way). With respect to Onsite Improvements, the Developer shall acquire all necessary easements and rights-of-way to accommodate the development of Onsite Improvements. The Developer recognizes that the approval of easement or right-of-way adequacy, location, size, grade, and invert elevation for construction of Improvements is reserved to the City

Upon respective completion of the Offsite Improvements and Onsite Improvements, the Developer shall dedicate, grant, and convey to the City, and the City (subject to Section G.C.6.00) shall accept the dedication, grant, and conveyance of, such Improvements, accompanied by all construction warranties and associated easements and rights-of-way, without lien or other encumbrance. As and after the City’s acceptance of the same, the Improvements shall be made a part of the Systems and be owned, operated, and maintained by the City.

The responsibility for payment of the costs of the development and dedication of the Improvements as herein specified, unless specifically otherwise herein provided, shall be the sole and absolute responsibility of the Developer. Except as may otherwise be specified herein, the City shall have no payment obligation for the Improvements and the Developer shall have no right or claim for City financial contribution to the costs of the Improvements. The foregoing limitation does not impact the anticipated use of assessments levied on the property pursuant to Chapter 372, as amended, Texas Local Government Code to pay for certain public improvements (including Improvements), as contemplated under the Development Agreement.

G.C.4.00 Design and Construction Requirements.

The design and construction of all Improvements shall minimally comply with all applicable Governing Regulations, applicable rules and regulations of Medina County, Texas, the State of Texas, and any agency thereof with jurisdiction thereon (including, but not limited to, the Texas Commission on Environmental Quality, the Public Utility Commission of Texas, and the Texas Department of Health). In addition, and

except as specifically provided otherwise herein, design and construction of the Improvements shall comply with the provisions of Article VIII, Chapter 100 of the Code.

The Developer shall involve the City, as and to the extent requested or required by the City, with the Improvements' design. Prior to solicitating any bid or letting any contract for construction of any of the Improvements, the City shall have approved the final plans and specifications for such Improvements. Modifications to plans and specifications to accommodate change orders shall also be subject to City approval.

Notwithstanding any provision herein to the contrary, and unless during the design process the City approves a variance to the foregoing requirement, Improvements shall be designed to provide for the same diameter, pressure, and volume capacity as the component of the Systems to which the Improvements connect. In addition, Onsite Improvements shall be extended to one or more boundaries of the Property, as determined by the City during the design process, to allow for connection to the Systems by adjoining property owners.

G.C. 5.00 Oversizing.

The City, during the design process, may require the installation of oversized Improvements or components thereof. If such oversizing requirement results in incremental cost increases attributable to the oversized Improvements component when compared to the cost of the size or capacity of such Improvements component that is required to only provide Service to the Property (such increased cost, the *Incremental Cost*), then such City oversizing requirement shall be conditioned on the City's providing to the Developer (i) compensation equal to the Increased Cost or (ii) a method of Increased Cost recovery acceptable to the Developer. Any requisite oversizing component of Improvements shall be considered Improvements, with no distinction from any other component of the Improvements, for all other purposes of this Agreement.

G.C.6.00 City Inspection; Acceptance.

The City, or any consultant acting on its behalf, shall have the right to inspect Improvements during their construction for any reasonable and legitimate City purpose, including assurance of conformity to approved designs, the terms of the construction contracts, this Agreement, and any Governing Regulations and satisfaction of warranty requirements associated with such construction. The Developer shall be solely responsible for any necessary corrections or remedial actions required by the City that result from its findings during such inspections.

The City's acceptance of the Developer's dedication of completed Improvements shall be subject to the City's prior determination that the Improvements were constructed in accordance with approved plans and specifications, that associated construction warranties remain valid and in effect (and that the Developer has taken no action that would or could compromise such validity and effectiveness) without reduction in duration or scope, and that no liens or encumbrances associated with such Improvements shall transfer to the City as a result of the subject dedication.

G.C.7.00 Joint Venture Agreements.

In the event the Developer enters into a Joint Venture Agreement covering the costs of the Improvements, the Developer shall send a copy of such agreement to the City.

G.C.8.00 Assignment.

This Agreement may be assigned only in conjunction with an assignment of the Development Agreement; provided, however, the Developer may assign, convey, or transfer some or all of the Guaranteed Capacity to buyers of portions of the Property in accordance with the terms specified in G.C.14.00.

G.C.9.00 Event of Foreclosure.

In the event the Developer’s interest in the Property is extinguished by an act of foreclosure, and the foreclosing party has supplied sufficient evidence to the City that it is the successor in interest to the Property as a result of such foreclosure, and that there are no lawsuits pending concerning the Property, the City shall consider the foreclosing party a Developer successor in interest if the foreclosing party executes a utility service agreement with the City (after the City Council determines that the execution of such an agreement will not be adverse to the City’s interest).

G.C.10.00 Payment for Provision of Utility Service.

Customers within the Development receiving Service shall be charged the applicable rates for Service from time to time specified by ordinance or resolution adopted by the City Council. Billing and collection for charges for Service shall be the responsibility of the City.

G.C.11.00 Impact Fee Payment.

For the Wastewater Capacity, the Developer shall pay to the City the Impact Fees in the amounts from time to time and at the times specified in the Governing Regulations. In addition, and to the extent the Developer’s development of the Property results in the City’s providing to the Developer Systems capacity, in the form of Water Service LUEs, in excess of the Water Capacity, the Developer agrees to pay all applicable Impact Fees as provided and in accordance with the applicable provisions of the Code and implementing City ordinances or resolutions relating to such Systems capacity in excess of the Water Capacity. Any conveyance of any portion of the Property shall include a written statement to the transferee of such portion of the Property concerning the requirement to pay Impact Fees as previously described as a result of the development of such Property pursuant to and in accordance with the applicable provisions of the Code. Notwithstanding the foregoing, the City makes no representations or guarantees concerning the availability of Systems capacity in excess of the Guaranteed Capacity.

The Developer agrees that this Agreement does not constitute an assessment of Impact Fees on the Property or the Development regarding Water Capacity; however, because fees owed to the City hereunder by the Developer for Water Capacity are used by the City to pay costs of Systems expansion to make available the Water Capacity, such payment shall supersede and replace any Impact Fees that would otherwise be due and owing to the City for the Developer’s accessing the Water Capacity. This provision shall control in case of any conflict with any other provision of this Agreement or any other provision of the Development Agreement.

G.C.12.00 City’s Obligation to Provide Service.

Provision of Service to the Property shall not commence until (i) completion of (a) the Offsite Improvements, (b) the Onsite Improvements necessary to provide Service to the portion of the Property for which Service is requested, and (c) the Systems improvements being undertaken by the City to expand Systems capacity in order to enable its provision of the Guaranteed Capacity, and (ii) the City has approved and accepted the Offsite Improvements and Onsite Improvements identified in Clause (i)(b) of this Section G.C.12.00.

To the extent that all applicable Impact Fees and capacity charges (including, specifically, the capacity charges relating to the Water Capacity) have been paid and all Offsite Improvements and the Onsite Improvements necessary to provide Service to the Property pursuant to an approved Plat have been completed and made a part of the Systems in accordance with the terms of this Agreement and the Development Agreement, such portion of the Property that is the subject of such approved Plat shall be entitled to Service by permanent use and benefit of Water Capacity and Wastewater Capacity from and up to the Guaranteed Capacity.

G.C.13.00 Conformance of Plans.

All water and wastewater facilities serving the Property other than and in addition to the Improvements shall be designed and constructed in conformance with this Agreement, the Development Agreement, and the Governing Regulations. Once initially approved by the City, changes in the water and wastewater system design shall be resubmitted to the City for written approval.

G.C.14.00 LUE Transfers.

The transfer of Guaranteed Capacity for use outside the boundaries of the Property shall not be allowed.

The City considers this Agreement to run with the Property; however, LUE transfers from Water Capacity and Wastewater Capacity, respectively, to subdivided tracts within the Property are the responsibility of the Developer and approval of such transfers is not required by the City. The Developer shall maintain a separate accounting of the Water Service LUEs and Wastewater Service LUEs derived from the Guaranteed Capacity that are used by the Developer and/or transferred after the Effective Date to portions of the Property. If the Developer sells a portion of the Property and transfers part of the Guaranteed Capacity that is provided under this Agreement, then that Guaranteed Capacity transfer must be included in the deed, bill of sale or instrument conveying the land and the Developer must require the buyer of the land who receives the allocated Water Service LUEs and Wastewater Service LUEs from Guaranteed Capacity to record the instrument effectuating the transfer.

If and as applicable, the City will recognize the LUE allocations within the Property site plan delivered to the City so long as those allocations are compliant and consistent with the provisions of this Agreement and do not, in the aggregate, exceed the Guaranteed Capacity. For portions of the Property that have areas of unplanned use, the demand will be calculated at four (4) Water Service LUEs and Wastewater Service LUEs per acre unless the engineering report specifies otherwise or there is not enough Guaranteed Capacity remaining for the Property to allocate four (4) LUEs per acre.

In no event will the City be responsible to third parties for providing Service beyond the total Guaranteed Capacity identified in this Agreement for the Property. The Developer expressly disclaims, releases, and holds harmless the City from any liability, damages, costs, or fees, and agrees to indemnify the City for any liability, including, costs and attorney’s fees, associated with any dispute related to the transfer of all or a portion of Guaranteed Capacity approved for the Property in this Agreement.

* * *

ATTACHMENT II

SPECIAL CONDITIONS OF THE UTILITY SERVICE AGREEMENT

S.C.1.00 Tract Location; Ultimate Demand; and Cost.

The Property is described in the Development Agreement. The Property is not located over the Edwards Aquifer Recharge or Contributing Zone. The Property is located inside the City’s water certificate for convenience and necessity (CCN), inside the City’s wastewater CCN, and does not require the City’s financial participation in the development of infrastructure.

Water Capacity. The Water Capacity shall not exceed [NUMBER] (___) Water Service LUEs. The Parties agree that the Developer shall pay the City an amount equal to \$[_____] per Water Service LUE, for a total of \$[_____] , for the Water Capacity, which amount shall be payable to the City from Assessment Revenues in accordance with the Service and Assessment Plan (each of such terms as defined in the Development Agreement).

Wastewater Capacity. The Wastewater Capacity shall not exceed [NUMBER] (___) Wastewater Service LUEs. The Parties agree that the Wastewater Capacity shall be subject to Impact Fees and that the timing and amount of payment shall be in accordance with the Code or City ordinance or resolution (as the same exists as the date hereof and may be updated, supplemented, or amended from time to time).

S.C.2.00 Requirement for Utilization of Guaranteed Capacity.

The City’s dedication of the Guaranteed Capacity to the Developer represents an allocation by the City of a scarce City resource. By entering into this Agreement, the Developer represents to the City that the Developer has a present intent to utilize the Guaranteed Capacity for the purpose of making Service available to the Property. If all of the Guaranteed Capacity has not been utilized by the fifteenth (15th) anniversary of the Effective Date, the City shall have the ability, exercisable at its discretion upon prior delivery of written notice to the Developer, to reallocate to another user such unutilized portion the Guaranteed Capacity. Any such reallocation shall be conditioned on the City’s reimbursement to the Developer of any amounts paid by the Developer to the City for such reallocated portion of the Guaranteed Capacity pursuant to this S.C.2.00.

S.C.3.00 Time for Impact Fee Assessment and Payment.

Impact Fees owed pursuant to G.C.11.00, S.C.1.00, the Code, and applicable City ordinance or resolution, if any, will be assessed at the rates, and be payable at the times, as specified in the Code and ordinances or resolutions from time to time adopted by the City implementing or modifying the same.

* * *

ATTACHMENT III

ENGINEERING REPORT REGARDING IMPROVEMENTS

To be delivered to the City by the Developer with adequate time for the City's review, comment, and approval, pursuant to the terms of this Agreement. The Parties hereby agree that adequate time means sixty (60) days from the initial date of submission. Upon the City's approval, the Engineering Report (which includes Improvements plans and specifications) shall be appended to and become a part of this Agreement as Attachment III.

ATTACHMENT IV
DEVELOPMENT AGREEMENT

Exhibit K

**PETITION FOR ANNEXATION OF LAND INTO
THE CITY OF CASTROVILLE EXTRATERRITORIAL JURISDICTION**

TO THE HONORABLE CITY COUNCIL, CITY OF CASTROVILLE, TEXAS:

I or we, _____, owner(s) of the land described below by metes and bounds and, being contiguous and adjacent land and territory to the present corporate limits of the City of Castroville, Texas, hereby request annexation of the described land into the City of Castroville Extraterritorial Jurisdiction. I (we) understand that the request does not necessarily mean that the land will be annexed into the Extraterritorial Jurisdiction, but that the City will consider the request based upon requests received from other Developers and an evaluation of services to be provided.

Name: _____ Address: _____ City/State/Zip: _____
{INSERT LEGAL DESCRIPTION AND/OR ATTACH PLAT & METES AND BOUNDS
DESCRIPTION}

Wherefore, petitioners respectfully request that the hereinabove described land be forthwith incorporated into and become a part of the territory of the municipal corporation of the City of Castroville, Medina County, Texas.

Respectfully Submitted, [NAME OF LANDOWNER]

By: _____ [NAME, TITLE]

STATE OF TEXAS COUNTY OF MEDINA

BEFORE ME, the undersigned authority, on this day personally appeared _____ as _____ of petitioner _____, who having knowledge of the facts contained herein acknowledged to me that he executed the same for the purposes and consideration therein expressed, on this day of _____, 2023.

Notary Public

Exhibit L

PETITION FOR ANNEXATION OF LAND INTO THE CITY OF CASTROVILLE

TO THE HONORABLE CITY COUNCIL, CITY OF CASTROVILLE, TEXAS:

I or we, _____, owner(s) of the land described below by metes and bounds and, being contiguous and adjacent land and territory to the present corporate limits of the City of Castroville, Texas, hereby request annexation of the described land into the City of Castroville. I (we) understand that the request does not necessarily mean that the land will be annexed, but that the City will consider the request based upon requests received from other Developers and an evaluation of services to be provided.

Name: _____ Address: _____ City/State/Zip: _____
{INSERT LEGAL DESCRIPTION AND/OR ATTACH PLAT & METES AND BOUNDS DESCRIPTION}

Wherefore, petitioners respectfully request that the hereinabove described land be forthwith incorporated into and become a part of the territory of the municipal corporation of the City of Castroville, Medina County, Texas.

Respectfully Submitted, [NAME OF LANDOWNER]

By: _____ [NAME, TITLE]

STATE OF TEXAS COUNTY OF MEDINA

BEFORE ME, the undersigned authority, on this day personally appeared _____ as _____ of petitioner _____, who having knowledge of the facts contained herein acknowledged to me that he executed the same for the purposes and consideration therein expressed, on this _____ day of _____, 2023.

Notary Public

Exhibit M
MULTI-PARTY AGREEMENT

MULTI-PARTY AGREEMENT TO PAY DESIGN COSTS ASSOCIATED WITH PLANNED CITY UTILITY SYSTEM EXPANSION

STATE OF TEXAS §
COUNTY OF MEDINA §
CITY OF CASTROVILLE §

THIS MULTI-PARTY PARTY AGREEMENT (this *Agreement*) is made effective this 9th day of August, 2022 (the *Effective Date*), by and among the City of Castroville, Texas (the *City*) and the parties initially and from time to time identified in Schedule I hereto (collectively, the *Private Parties*; the City and the Private Parties, together, the *Parties*).

WITNESSETH

WHEREAS, the City has been approached by the Private Parties concerning development of currently vacant land in and around the northeastern and southeastern quadrants of the City and within its water certificate of convenience and necessity; and

WHEREAS, to accommodate and serve the complete development of these parcels as represented to the City, the City’s water system (the *System*) will require significant capacity upgrades and expansion; and

WHEREAS, the City desires that System expansion be undertaken in a comprehensive manner, taking into consideration efficient operation and provision of service to all planned developments in the general, geographic region (as opposed to accommodating individual tracts of land or development as and when requested); and

WHEREAS, the Parties have previously collaborated to determine the necessary size, scope, and location of System improvements to accommodate communicated and projected development growth in the manner heretofore described (together, and as further described in the hereinafter-defined Report attached hereto Exhibit A, the *Improvements*); and

WHEREAS, the City has communicated to the Private Parties a comprehensive plan to design, finance, construct, and make available for connection to the Improvements (together, the *Plan*), generally to include each of the Parties paying their pro-rated cost therefor (on the basis of allocated System capacity as a percentage of all System capacity resultant from the Improvements), either (with respect to the City) directly or (with respect to the Private Parties) through a financing mechanism resultant from the establishment of separate public improvement districts (*PIDs*), each unique to the respective Private Parties’ developments; and

WHEREAS, the City seeks from the Private Parties evidence of their commitment to participate in the Plan; and

WHEREAS, the Private Parties have expressed to the City their respective desire to accelerate the timeframe for commencement of construction of the Improvements, which will require the City’s

engagement of its engineers, RESPEC Company, LLC (the *Engineer*), prior to implementation, but during development, of the Plan; and

WHEREAS, the Parties have determined that entering into this Agreement to memorialize commitment to Plan participation and to facilitate initiation of Improvements design is in their respective best interest; and

NOW, THEREFORE, in consideration of the foregoing Recitals, the covenants contained herein, and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties agree as follows:

1. System Capacity Increase Resultant from Improvements; Allocation of Capacity. Based on the report of the Engineer attached hereto as Exhibit A (the *Report*), the findings and conclusions of which the Parties hereby agree and concur, the Improvements will result in increased System capacity equal to 5,000 living unit equivalents or *LUEs* (the *Capacity*). The City’s Comprehensive Development Ordinance (Chapter 100 of the City’s Code of Ordinances) defines an LUE to mean “the typical flow that would be produced by a single-family residence”, which definition is hereby incorporated into and made part of this Agreement.

Utilizing information heretofore provided to the City, acting by and through the Engineer, by the respective Private Party (or representative thereof), with respect to which information the City and the Engineer disclaim any and all responsibility for completeness or accuracy, the Parties agree to the allocation of the Capacity and the corresponding percentage as the applicable allocation of all Improvements costs to the Parties (the *Allocation Percentage*), as evidenced in the following table.

<u>Party</u>	<u>Allocated LUEs</u>	<u>Allocated Percentage (%)</u>
City of Castroville, Texas	1,936	38.72
Cobblestone (Gutierrez)	1,300	26.00
Alsatian Oaks Phase II	789	15.78
Jagge Ranch	800	16.00
Victory Lane	<u>175</u>	<u>3.50</u>
Total	5,000	100.00

2. Reallocation of Capacity. Subject to LUE availability and written approval by the City Administrator (upon approval of the City Council), a Private Party may request an increase or decrease in the amount of initially Allocated LUEs (as evidenced in the table appearing in Section 1 above). If approved, the City shall adjust the Allocated LUEs, Allocated Percentage and Allocated Cost and make corresponding financial arrangements to reconcile the economic impact of such adjustment.

3. Engineer’s Performance of Improvements Design; Scope and Ownership of Designs. The Engineer will design the Improvements, the scope and estimated cost of which are as evidenced in Exhibit B attached hereto (the *Scope of Work*). The Engineer shall be engaged by the City to design the Improvements in accordance with the findings of the Report. The responsibility for enforcement of the terms of the contract under which the Engineer is engaged shall belong to the City. The designs shall be subject to approval solely by the City. All Improvements designs prepared by the Engineer shall be owned solely and exclusively by the City.

4. Payment of Costs of Improvements Design. Each of the Parties shall be responsible for the costs of the Scope of Work in an amount equal to the total of such costs multiplied by each Parties' respective Allocation Percentage. The Engineer has provided an initial estimated cost of the Scope of Work of \$1,096,540 (the *Initial Cost*), to which amount all Parties agree. During the course of the Improvements' design, the City is authorized to agree to increase the Initial Cost by up to 33 1/3% without seeking the consent of the Private Parties, with such increase allocable to the Parties on the basis of their respective Allocation Percentage (such increased cost, plus the Initial Cost, the *Cost*). The City shall notify each of the other Private Parties within seven business days of its agreement to an increase in the Initial Cost of the Scope of Work, as well as within seven business days of any subsequent increase in Cost.

At execution of this Agreement, each of the Private Parties agree to pay to the City an amount equal to 40% of the Initial Cost allocated to such Private Party, as evidenced in the table below. This initial amount is anticipated, when added to the City's own contributed amounts, to satisfy periodic Scope of Work billings by the Engineer through Plan implementation, when the unpaid balance of the allocated Cost is due and owing from each of the Private Parties (through financial resources anticipated to result from implementation of the Plan, to include proceeds resultant from the issuance of individual series of PID bonds).

<u>Party</u>	<u>Allocated Percentage (%)</u>	<u>Allocation of Estimated Cost of Scope of Work (\$)</u>	<u>% of Allocated Cost Due at Execution</u>	<u>Allocated Cost Due at Execution (\$)</u>
City of Castroville, Texas	38.72	429,405.29	--	--
Cobblestone (Gutierrez)	26.00	285,100.40	40.00	114,040.16
Alsatian Oaks Phase II	15.78	173,034.01	40.00	69,213.61
Jagge Ranch	16.00	175,446.40	40.00	70,178.56
Victory Lane	<u>3.50</u>	<u>38,378.90</u>	40.00	<u>15,351.56</u>
Total	100.00	1,096,540.00		268,783.89

In the event that Scope of Work billings of the Engineer exceed the amounts deposited by the Private Parties with the City at the time of execution of this Agreement or at any time thereafter, and the Plan's implementation, in the City's sole discretion, is not anticipated to occur in a manner that will permit the timely payment of these billings, the City may demand in writing from the Private Parties payment of an additional 20% of the Costs (as allocated to each of the Private Parties in accordance with the Allocation Percentage) at such time unpaid. These additional amounts shall be deliverable to the City, in available funds, within 10 calendar days of the date of demand.

Payments made by the Private Parties to the City to pay Costs shall be nonrefundable to the Private Parties. The Parties agree and acknowledge that Costs paid by the Prior Parties prior to implementation of the Plan are eligible for reimbursement to each Private Party pursuant to the relevant Plan provisions applicable such Private Party.

5. No Property Substitution. This Agreement is specific to the parcels of properties identified in the Report. As a result, no substitution of property by any Private Party is permitted. Removal of a parcel of property from the Plan will result in the applicable Private Party's removal from this Agreement (in which case Capacity shall be reallocated as specified in Section 5 hereof).

6. Termination of Agreement; Release/Expulsion of Parties. This Agreement shall remain valid and in effect until completion of the Scope of Work or superseded by Plan implementation. At its discretion, the City may, in writing, release a Private Party herefrom upon the City's receipt of written request of such Private Party that specifies its reasons for requesting release. Release of a Private Party herefrom shall result in a termination of that Party's participation in the Plan and the Capacity allocated to such Private Party pursuant to Section 1 hereof to be reallocated to the City.

The City is engaging the Engineer and authorizing commencement of the Scope of the Work in advance of the Plan's effectiveness at the request of the Private Parties. Further, execution of the Plan requires coordinated, timely performance by all Parties and their consultants. Accordingly, the City expressly reserves the unilateral right to terminate a Private Party's continued participation under this Agreement for nonperformance, which termination shall be conditioned on at least five days' prior written or verbal notice of such nonperformance to the nonperforming Private Party. Termination of a Private Party herefrom shall result in a termination of that Party's participation in the Plan and the Capacity allocated to such Private Party pursuant to Section 1 hereof to be reallocated to the City.

7. Covenants. The Parties covenant that each will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Agreement. Each of the Parties covenants that it is duly authorized under the laws of the State of Texas to execute and deliver this Agreement and to perform its respective duties and obligations hereunder.

8. Covenants Evidencing Qualifications to Contract with a Texas Political Subdivision. Each of the Private Parties represent that neither it nor any of its parent company, any wholly- or majority-owned subsidiaries, or other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, as amended, and posted on any of the following pages of such officer's Internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, as amended, and to the extent such Section does not contravene applicable Texas or federal law and excludes one of the Private Parties and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. Each of the Parties understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with such Party and exists to make a profit.

To the extent this Agreement constitutes a contract for goods or services within the meaning of Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislative Session), Texas Government Code, as amended, each of the Private Parties hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of the applicable agreement. The foregoing verification is made solely to enable the City to comply with such Section, to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, "boycott energy companies," a term defined in Section 2274.001(1), Texas Government Code (as enacted by such Senate

Bill) by reference to Section 809.001, Texas Government Code (also as enacted by such Senate Bill), shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above.

To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, each Private Party verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of the applicable agreement. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law.

As used in the foregoing verification and the following definitions,

(i) 'discriminate against a firearm entity or firearm trade association,' a term defined in Section 2274.001(3), Texas Government Code (as enacted by such Senate Bill), (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association,

(ii) 'firearm entity,' a term defined in Section 2274.001(6), Texas Government Code (as enacted by such Senate Bill), means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4), Texas Government Code, as enacted by such Senate Bill, as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined in Section 2274.001(5), Texas Government Code, as enacted by such Senate Bill, as devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (defined in Section 2274.001(1), Texas Government Code, as enacted by such Senate Bill, as a loaded cartridge case, primer, bullet, or

propellant powder with or without a projectile) or a sport shooting range (defined in Section 250.001, Texas Local Government Code, as a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting), and

(iii) 'firearm trade association,' a term defined in Section 2274.001(7), Texas Government Code (as enacted by such Senate Bill), means any person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code

9. **Notice.** Any notice required or permitted to be delivered hereunder shall be in writing and shall be deemed received on the earlier of (i) actual receipt by mail, Federal Express or other delivery service, fax, email or hand delivery; or (ii) three (3) business days after being sent by United States mail, postage prepaid, certified mail, return receipt requested, addressed to a Party, as the case may be, at the address stated on the applicable signature page hereto.

10. **No Oral Modification; Amendments in Writing.** This Agreement may not be modified, amended or altered except by an agreement in writing signed by the City and the Private Parties that at such time are parties hereto; provided, however, that Schedule I hereto may be modified to accommodate the City's addition or removal from time to time of any Private Parties hereto (any of which additions or removals shall not be considered an amendment or modification hereto and may be undertaken by the City at its sole discretion and without necessary consent from any of the other Private Parties that are at such time a party hereto); provided further, however, that no modification to Schedule I by the City shall result in an increase to a then-participating Private Party's Allocated Capacity unless agreed to in writing by that Private Party.

11. **Governing Law.** This Agreement has been prepared, is being executed and delivered, and is intended to be performed in the State of Texas, County of Medina, City of Castroville, and the substantive laws of such state and county shall govern the validity, construction, enforcement and interpretation of this Agreement.

12. **Severability.** If any covenant, provision, or agreement of this Agreement shall be held illegal, invalid, or unenforceable under present or future laws effective during the term of this Agreement, then and in that event, it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and that this Agreement shall otherwise continue in full force and effect.

13. **Entirety** This Agreement embodies the entire agreement between the Parties, and supersedes all prior agreements and understandings, if any, relating to the subject matter hereof.

14. **Binding Effect and Assignment.** The terms of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives; provided, however, that none of the Private Parties may, without the prior written consent of the City and evidence that all Costs at such time and owing by the assigning Private Party have been paid, assign any rights, powers, duties, or obligations hereunder; provided further, however, that

this Agreement shall not inure to the benefit of any party other than the Parties. Notwithstanding the foregoing, assignment by a Private Party to a parent, subsidiary, affiliate entity or newly-created entity resulting from a merger, acquisition or other corporate restructure or reorganization of the Private Party, or to any entity owned or controlled, or under common control, directly or indirectly by Private Party, or to a designated assignee thereof (as identified on such Private Party's signature page hereto) shall not require the City's consent, so long as no Costs are owed by the assigning Private Party at the time of assignment. The assigning Private Party shall notify the City in writing as of the effectiveness of any such assignment.

15. Headings. Section headings are for convenience of reference only and shall in no way affect the interpretation of this Agreement.

16. Counterparts. This Agreement may be executed in any number of counterparts, all of which taken shall constitute one and the same agreement, and any of the parties hereto may execute this Agreement by signing any such counterpart.

17. Time of the Essence. Time is of the essence of this Agreement and undertaking and implementing the objectives hereof.

18. Construction. The parties hereto acknowledge that such parties and their respective counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any exhibits or amendments hereto.

* * *

EXECUTED this 9th day of August, 2022.

CITY OF CASTROVILLE, TEXAS

By: 

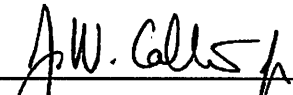
Name: DARRIN Schroeder

Title: MAYOR

Address: 1209 Fiorella Street
Castroville, Texas 78009

EXECUTED this 5th day of August, 2022.

HWY 90 CASTROVILLE PARTNERS, LTD

By: 

Name: Will Collins

Title: Managing Member

Address: 4040 Broadway, Suite 508
San Antonio, Texas 78209

EXECUTED this 5th day of August, 2022.

VICTORY LANE PARTNERS, LTD

By: 

Name: Greg Gibson

Title: Co-Manager

Address: 9311 San Pedro Ave., Suite 850
San Antonio, Texas 78216

EXECUTED this 3 day of August, 2022.

DICKERSON TAUSCH PROPERTIES, LLC

By: [Signature]

Name: Terry Dickerson

Title: Mgr.

Address: c/o Richard Wesley Russell
Attorney for Dickerson Tausch
Properties, LLC
413 Lafayette
Castroville, Texas 78009

CROWN MONEY, LLC

By: [Signature]

Name: Terry Dickerson

Title: [Signature] Mgr.

Address: c/o Richard Wesley Russell
Attorney for Dickerson Tausch
Properties, LLC
413 Lafayette
Castroville, Texas 78009

MKT 179, LLC

By: [Signature]

Name: Terry Dickerson

Title: [Signature] Mgr.

Address: c/o Richard Wesley Russell
Attorney for Dickerson Tausch
Properties, LLC
413 Lafayette
Castroville, Texas 78009

EXECUTED this 9th day of August, 2022.

CASTROVILLE HOLDINGS CO. LTD.

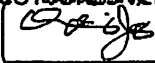
By:  _____

Name: Hugo A. Gutierrez, Jr.

Title: Managing Partner

Address: 19230 Stone Oak Parkway, Suite 30
San Antonio, Texas 78258

McCoy Jones Ventures, LLC

By:  _____
4CD47D77CB10489...

Name: Odis Jones

Title: Manager

Address: 77 Sugar Creek Center Blvd, Suite 405
Sugarland, Texas 77478

SCHEDULE I

Parties to Agreement

- HWY 90 Castroville Partners, LTD
- Victory Lane Partners, LTD
- Dickerson Tausch Properties, LLC
Crown Money, LLC
MKT 179, LLC
- Castroville Holdings Co. Ltd.
McCoy Jones Ventures, LLC

EXHIBIT A

**REPORT ON RECOMMENDED WATER IMPROVEMENTS FOR ALSATIAN OAKS DEVELOPMENT PHASE II
AND FOUR ADDITIONAL SUBDIVISIONS**

EXHIBIT B

SCOPE OF WORK AND ESTIMATE COST

MASTER SERVICES AGREEMENT – TASK ORDER 16

THIS CONTRACT effective this 28th day of June, 2022, by and between City of Castroville (hereinafter referred to as the "Client"), and RESPEC Company, LLC, a company authorized to do business under the laws of the State of Texas with an office at 407 Paris St, Suite 1, Castroville, TX 78009 (hereinafter referred to as the "Consultant").

WITNESSETH:

The Client is a State of Texas Municipality. This Master Services Agreement is agreed such that the Consultant can provide engineering and consulting services in support of the Client.

WHEREAS, the Client desires to retain the Consultant to perform certain services as hereinafter set forth, and the Consultant wishes to perform such services, upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, the parties hereby agree to amend the agreement as follows:

EXHIBIT A - Scope of Services

Add:

Base Services

This project is proposed to develop a new groundwater source, treatment, a new pressure zone, and water storage. The site is expected to be in the northeastern corner of the development known as Alsatian Oaks. The facilities are expected to include;

- new well and planning for future well location onsite;
- chlorination;
- disinfection contact facilities;
- connecting pipelines;
- site power requirements and backup power;
- security fencing and facility access;
- pumping;
- interface with existing pressure zone; and
- either an elevated tank or ground storage and elevated combination of roughly 1.5 MGD to serve approximately 5,000 living unit equivalents (LUEs).

Consultant will complete the following scope:

- Task 1 – Finalize Conceptual Design and Planning
 - Finalize exact site location and size of facilities.
 - Prepare draft easement for sanitary control – coordinate with property developer's engineer for legal description, and potential plat of proposed well site.
 - Determine final facilities configuration and sizes.
 - Develop a process flow diagram complete with sizes of all facilities.
 - Review permitting requirements and begin process.
 - Review FAA standards for height restrictions and/or lighting requirements for elevated structures

- Review specific design requirements for water demand and verify approach for balancing elevated capacity needs and/or ground storage capacity.
 - Establish proposed water system model based on new pressure zone and how that new zone interfaces with the existing City pressure zone.
 - Define facilities necessary to treat the water (assumes disinfection through chlorine and contact time);
 - Prepare treatment scheme.
 - Prepare facilities layout plan, preliminary site plans, opinion of probable construction costs, and process flow diagrams; and
 - Present facilities layout and sizing to City for feedback.
- Task 2 – Preliminary Engineering
 - Develop more detailed site plan and layout of facilities including yard piping;
 - Develop plan views of facilities, including location and nature of pressure zone interface with current pressure zone;
 - Develop plan views of connection piping and yard piping
 - Prepare ultimate water main sizing for distribution from the new water source to the overall water system;
 - Develop hydraulic profile of facilities making up new source of supply
 - Develop and layout plan for treatment, equipment, and contact time requirements
 - Prepare a preliminary control narrative outline
 - Prepare initial plan and profile of tank requirements
 - Prepare Opinion of Probable Construction Costs; and
 - Present preliminary plans to City for feedback.
 - Task 3 – Final Design and Permitting
 - Develop construction documents for new well, storage and associated improvements.
 - Develop full plans including all sections, profiles, and plan views, as well as necessary details.
 - Prepare technical specifications for all materials, equipment and construction. Note specifications will be in CSI format and consistent with any Castroville adopted
 - Submit plans and application for approval to Texas Commission on Environmental Quality. Provide follow-up with TCEQ for approvals of new source of supply system.
 - Establish new water system ID for the new production facility.
 - Obtain final approval for electrical upgrades to the facility and work with City to have CPS Energy scheduled.
 - Achieve final permit requirements for well construction from the Edwards Aquifer Authority.
 - Submit any portions of the work that require building permits for required permitting
 - Prepare Final Opinion of Probable Construction Costs based on final design plans; and
 - Finalize construction documents for bidding purposes.
 - Task 4 – Bidding
 - Issue Construction documents and specifications for solicitation.
 - Respond to Requests for Information (RFIs);
 - Issue addenda as necessary; and
 - Provide feedback on responsive contractors for construction of new well production facility.

- Task 5 – Construction Phase services
 - Attend construction progress meetings.
 - Review submittals.
 - Respond to RFI’s as necessary; and
 - Construction administration services and oversight.
- Task 6 – Close Out
 - Coordinate with Contractor and Subconsultants for record drawings

Assumptions:

- Purpose of this effort is to develop construction documents for the creation of a new source of supply and pressure zone which would include new water plant site to include a new well, storage capacity, water main extension to connect to the existing water system and associated improvements.
- Based on feedback from the Alsatian Oaks Feasibility, the site at the northeast corner of the Alsatian Oaks Master Plan area will be utilized for these improvements.
- City has adequate water rights to support the proposed water plant capacity.
- Cursory review request via the FAA system will be submitted for the elevated tank. It is assumed additional studies for FAA compliance are not required.
- Construction phase services assumes a 12-month construction schedule.

Exclusions:

- Fees
- Materials Testing
- Land Acquisition

EXHIBIT B – Compensation

Add:

The base contract is amended to include a not-to-exceed lump sum amount of \$1,096,540 and work will commence on June 28, 2022.

IN WITNESS WHEREOF, the parties hereto have signed their respective names on the date first above written.

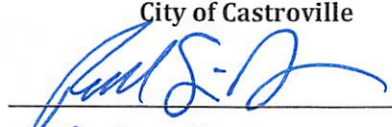
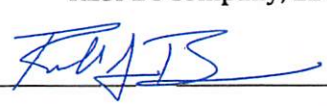
City of Castroville	RESPEC Company, LLC
By <u></u>	By <u></u>
Title <u>City Administrator</u>	Title <u>Sr. Vice President</u>
Date <u>JUN. 30, 2022</u>	Date <u>06/28/2022</u>

Exhibit N**AIRPORT PROXIMITY CONSENT****Instructions for the Airport Zone Disclosure Form**

- (1) Written notice that the residential property to be sold or leased is within an established Airport Zone shall be disclosed to the buyer/lessee as soon as possible after the start of the transaction. All advertising materials for the property should include the pertinent Airport Zone information, including all applicable zones, the name of the public airport, and references to where the buyer/lessee can find more information in relation to Airport Zones. Information about disclosure requirements in relation the Airport Zones, as well as other pertinent Airport Zone requirements, may be found in the Castroville Zoning & Development Code which is available on the City of Castroville web page at www.castrovilletx.gov.
- (2) The determination as to whether the property lies within an Airport Zone or any other applicable zone may be made by using the Castroville Interactive GIS Mapping System. The GIS portal can check if any of the Airport Zones apply to a particular parcel of land through by comparing the embedded Medina CAD parcel data with the airport zoning layer.

Alternatively, the Castroville Department of Planning, Zoning, and Development may make the determination upon the written request of the property owner or agent. The request must include the street address of the subject property as well as the parcel identification number (tax identification number) for the property. Requests may be submitted via e-mail (Permits@castrovilletx.gov).

- (3) For sales transactions, a copy of the fully executed Airport Zone Disclosure Form shall be attached to the contract for sale. For lease transactions, a copy of the fully executed Airport Zone Disclosure Form must be attached to the lease agreement. For both sale and lease transactions, the Seller or Lessor is responsible for providing a copy of the fully executed Airport Zone Disclosure Form after closing of the sale or commencement of the lease to the Castroville Department of Planning, Zoning, and Development at 1209 Fiorella St. Castroville, TX 78009. The completed form may also be e-mailed to Permits@castrovilletx.gov.
- (4) Failure to complete this form and follow the provisions of the Castroville Zoning & Development Code could subject a property owner and/or sales agent to penalties or fines as set forth in the laws and ordinances of the City of Castroville. For more information regarding the designated areas listed above, the possible impacts due to the proximity of public airports, and the zoning requirements, please contact the Castroville Department of Planning, Zoning, and Development at 830-931-4070 or visit the website at www.castrovilletx.gov/2215/Community-Development.

STATE OF TEXAS
COUNTY OF
MEDINA

Airport Zone Disclosure Form

ATTENTION: Pursuant to City of Castroville Ordinance XXXX, any owner of residential property who sells or leases that property is required to disclose to buyers or lessees (for leases that run for more than seven (7) months) if the property is located, in whole or in part, within a Public Airport Notification Zone, and any other designated areas, as defined by the Castroville Comprehensive Plan and Land Development Code, and that said property may be subject to varying degrees of accident potential, noise, and other impacts from operations conducted at or above public airports. **This disclosure must be attached to the contract of sale or the lease agreement. The Seller or Lessor must provide a completed copy of this disclosure after closing of the sale or commencement of the lease to the Castroville Department of Planning, Zoning, and Development at 1209 Fiorella St. Castroville, TX 78009. The completed form may also be e-mailed to Permits@castrovilletx.gov.**

**

To be completed by Seller/Lessor

Street Address of Property: _____

Parcel Identification Number of Property: _____

Public Airfield: _____

This property also lies, in whole or in part, within an area(s) designated as a(n):

Public Airport Zone	_____	Castroville Airport Zone 1	_____
Clear Zone/Runway Protection Zone	_____	Castroville Airport Zone 2	_____
Noise Zone 55 decibels or greater	_____	Public Airport Influence Area	_____
Castroville Airport Notification Zone	_____	Public Airport Influence Area	_____

**** CERTIFICATION**

As to Seller/Lessor:

Seller/Lessor: _____ Printed Name: _____ Date: _____

Seller/Lessor: _____ Printed Name: _____ Date: _____

_____ Sales Agent: _____

_____ License Number: _____

(Sales Agent/Realtor must sign if involved in the transaction)

As to Buyer/Lessee:

Buyer/Lessee: _____ Printed Name: _____ Date: _____

_____ Buyer/Lessee: _____ Printed Name: _____

_____ Date: _____ Sales Agent: _____

_____ License Number: _____

(Sales Agent/Realtor must sign if involved in the transaction)

This form must be affixed to the contract of sale or lease agreement.

Failure to complete this form and follow the provisions of Ordinance XXXX and the Castroville Land Development Code could subject a property owner and/or sales agent to penalties or fines as set forth in the laws and ordinances of Castroville County. For more information regarding the designated areas listed above, the possible impacts due to the proximity of public airports, and the requirements of Ordinance XXXX, contact the Castroville Department of Planning, Zoning, and Development at 830-931-4070 or visit the website at www.castrovilletx.gov/2215/Community-Development.

DRAFT

City of Castroville Aircraft and Airport Noise Disclosure Statement

The buyer hereby acknowledges that they are aware of the proximity of Castroville Municipal Airport. The buyer is also aware of flight paths that aircraft use to ingress and egress the airport and the proximity of the same to the lot and property that they have offered to purchase. The buyer also understands that existing and future noise levels at this location, associated with future airport operations, may have an adverse effect on the property. The buyer also understands that local airports have been at their present location for many years and that future demand and airport operations may increase significantly. For further information, please contact the Castroville City Administrator or the Airport Manager at 1209 Fiorella St. Castroville, Texas 78009.

The Buyer acknowledge receipt of this disclosure.

Buyer's Signature

Buyer's Signature



DITCH MAINTENANCE IMPLEMENTATION GUIDE

Overview

The 2023 Drainage Master Plan identified roadside ditch rehabilitation as a cost-effective strategy for improving stormwater conveyance within the Old City of Castroville. Many streets lack curb and gutter and rely on roadside bar ditches as the primary conveyance system. Over time, these ditches have filled with sediment, vegetation, and debris, significantly reducing their capacity. In addition, past pavement resurfacing activities may have incrementally increased roadway elevations relative to adjacent ditches in some areas, which can further reduce available conveyance capacity and make it more difficult to maintain positive drainage, particularly in flat terrain.

This guidance is intended to support Public Works staff in executing in-house ditch regrading activities. It defines the scope of work that can be performed by City crews, identifies conditions that require engineering coordination, and establishes procedures and documentation to support implementation and minimize unintended impacts. Maintenance activities should be revisited periodically, as sediment and vegetation will continue to accumulate over time.

For purposes of this guidance, the work is organized into three categories: work that Public Works can execute independently, work that requires engineering coordination prior to proceeding, and work that requires formal engineering support before construction.

Program Limitations and Expected Outcomes

This ditch regrading program is a maintenance-level effort intended to restore existing conveyance and improve drainage performance for frequent, lower-intensity storm events. It does not significantly increase overall system capacity and will not eliminate flooding associated with larger storm events.

These improvements focus on removing sediment, vegetation, and localized obstructions to improve flow continuity and reduce standing water. In flat terrain, achieving consistent positive drainage may be limited, and some locations may continue to experience ponding even after regrading.

Improving conveyance without corresponding downstream capacity can shift or concentrate flows and may introduce localized impacts if not carefully managed. The engineering coordination framework included in this guide is intended to identify and address these conditions before work proceeds.

Long-term flood risk reduction will require larger-scale capital improvements identified in the Drainage Master Plan, including system upgrades, regional conveyance improvements, and potential detention solutions. These maintenance activities should not be considered a substitute for those improvements.



Work Authorization Framework

Work Public Works Can Perform Independently

The following work can be performed by City crews without additional engineering review, provided crews follow the Standard Ditch Section and Step-by-Step Procedure described later in this guide. This scope of work represents the core of the in-house maintenance program and is intended to produce visible, measurable drainage improvements within existing operational capabilities.

- Mowing and clearing vegetation, sediment, trash, and debris from roadside ditches within existing fence lines (apparent right-of-way)
- Regrading ditches to a shallow maintenance section (typically on the order of ~6 inches depth with 2:1 max. side slopes), with adjustments as needed to maintain continuous positive drainage, along high-priority streets where a downstream outfall is confirmed to be free-draining (no standing water at the outlet during dry conditions and no visible blockage or tailwater influence)
- Replacing existing driveway culverts where the replacement matches existing pipe size and invert elevations in the field and does not require adjustment to upstream or downstream ditch grades. Where feasible, a minimum culvert diameter of 15 inches is recommended to reduce the potential for clogging and improve long-term maintenance performance. Culverts smaller than this size are more prone to obstruction. Any increase in pipe size should be reviewed through engineering coordination prior to installation.
- Cleaning and jetting existing culverts at driveways and intersections
- Seeding, mulching, and stabilizing exposed soil after grading
- Documenting conditions with before/after photos and field notes for each segment

Work Requiring Engineering Coordination Before Proceeding

The following situations require coordination with the City's engineer before work begins. In most cases, this can be resolved through a phone call, field photo review, or short site visit rather than a full design effort. The intent is to confirm that field conditions support the proposed work without risk of unintended impacts.

- Spot improvements requested by Council or residents where the downstream outfall has not been field-verified
- Flat terrain segments where positive grade is uncertain and grade control points are required to confirm drainage direction
- GPS grading in areas where vertical control cannot be confirmed with field verification (e.g., laser level or grade rod)
- Driveway culvert replacements involving changes in pipe size, invert elevation, or potential utility conflicts
- Ditch alignments that cannot be regraded within existing fence lines. Fence relocation or removal should not occur without a boundary or right-of-way survey confirming the work is within City-owned right-of-way
- Locations where the downstream outfall is not clearly defined as a constructed conveyance feature (ditch, culvert, or channel), rather than overland or uncertain flow paths



Work That Must Not Proceed Without Engineering Support

The following conditions represent situations where proceeding without engineering analysis could worsen flooding, create liability, or result in work that must be removed and redone. Public Works crews should document these conditions and contact City's engineer for evaluation before any work begins.

Geneva Street North of Florence Street. The master plan specifically identified that restoring bar ditches along Geneva Street between Florence Street and US 90 could increase southbound flow and create new adverse flooding impacts to residential properties that already experience flooding. Do not regrade ditches in this segment. General maintenance including mowing and keeping the street clear of sediment is appropriate. This restriction is based on hydraulic analysis and is not subject to field judgment.

- Any street intersection modification beyond minor surface shaping, including valley gutters, pavement tie-ins, or culvert crossings that require survey, grading design, or pavement layout
- Work in or adjacent to a known flooding problem area where increased conveyance could worsen conditions downstream
- Utility conflicts (water, sewer, gas) with proposed ditch grade that cannot be resolved by adjusting the ditch alignment in the field
- Adjacent property encroachments within the right-of-way that cannot be easily resolved
- Any location where the ditch alignment passes through or adjacent to an area with documented flooding complaints, where increasing conveyance efficiency could shift or intensify impacts to downstream properties
- Locations where a downstream restriction (undersized culvert, blockage, or flat segment) is observed that would prevent continued flow

Public Works crews should not proceed with grading in areas where a downstream outfall or continuous positive drainage path cannot be confirmed in the field. These locations should be documented and referred for engineering evaluation prior to construction.

If there is uncertainty about which category a specific situation falls into, it should be treated as requiring engineering coordination. The cost of a brief consultation is significantly less than the cost of correcting unintended consequences.

General Approach

Ditch regrading should generally follow a downstream-to-upstream approach to maintain positive drainage and avoid unintentionally creating new flooding conditions. This sequencing is important because each upstream segment relies on a functioning downstream outlet. If upstream areas are improved first without a clear downstream path, runoff can be conveyed more efficiently to a location that cannot yet receive it, which can worsen localized flooding or create standing water conditions.

The master plan categorized ditches into high, medium, and low priority based on their significance to the overall drainage system. Crews should focus on high-priority streets first, which generally run north to south and serve as primary stormwater conveyance paths toward the Medina River. These improvements are intended to function as maintenance-type conveyance improvements that can generally be completed within existing fence lines and apparent available right-of-way, rather than full reconstruction of the roadside drainage system.

Spot Improvements in Response to Council or Resident Concerns

The City may elect to address isolated problem areas in response to Council or resident concerns



outside of the primary downstream-to-upstream sequencing. Spot work can be effective where there is a clearly functioning downstream outfall and the limits are short and self-contained. However, spot improvements require verification, as they can create unintended grade conflicts or shift drainage impacts downstream if not tied into a verified flow path.

Deviations from the downstream-to-upstream sequencing carry increased risk. Council and staff should understand that directing spot fixes ahead of sequence may require additional engineering review and may produce less predictable outcomes than work performed in the recommended order.

Spot improvements may proceed under the independent work authorization described above only when all of the following can be confirmed in the field through observation and simple field grade verification:

- A defined downstream outfall exists and is functioning (no standing water, blockage, or tailwater conditions)
- A continuous positive grade can be maintained from the improvement limits to that outfall
- No intermediate controls (driveway culverts, roadway crossings, utility conflicts, or encroachments) will restrict or reverse flow
- The limits are short and self-contained, generally not extending beyond a single block or drainage reach
- The work does not increase flow toward a known downstream problem area without prior evaluation

If any of the above cannot be confirmed, the spot improvement requires engineering coordination before proceeding. Document any areas where spot work is requested but conditions are uncertain, and refer those locations for follow-up evaluation.

Priority Streets for Ditch Work

The following streets were identified as high-priority conveyance corridors:

- Algiers Street
- Lorenzo Street
- Naples Street
- Constantinople Street
- Athens Street
- Geneva Street (**south of Florence Street only – see restriction above**)

Houston Street ditches feeding into the Naples Street system should also be prioritized for sediment and debris removal.

Standard Ditch Section

Revised target dimensions based on available right-of-way, existing fence lines, typical encroachments, trees, and utilities:

- Depth: Target approximately 6 inches where feasible; however, depth should be adjusted as needed to maintain positive drainage and avoid conflicts with driveway culverts, roadway crossings, utilities, and existing ground constraints
- Side slopes: 2:1 maximum (horizontal to vertical)
- Top width: approximately 4 feet, adjusted as needed to fit field conditions
- Grade: Maintain continuous positive slope toward a defined downstream outfall; achieving



drainage continuity takes precedence over maintaining a uniform depth

A shallow ditch section is recommended because it is generally sufficient to restore drainage conveyance while remaining practical for maintenance by City crews. This approach also minimizes impacts to adjacent property and reduces conflicts with roadside obstructions and utilities.

Where feasible, crews should maintain a consistent positive slope, with a typical target on the order of approximately 0.2% to 0.5% for maintenance-level improvements. However, achieving continuous drainage is more important than meeting a specific slope value. In very flat areas, attempting to impose a uniform slope may result in excessive ditch depth at one end of the segment or conflicts with existing driveways, intersections, utilities, adjacent grades, or culvert tie-ins.

In these locations, crews should follow the existing street profile to maintain drainage continuity and document any areas where a consistent positive slope cannot be achieved. These segments should be referred for engineering evaluation.

Pilot Implementation and Grade Control

Given the use of GPS-enabled grading equipment, the City has an opportunity to improve consistency and establish better control of ditch elevations during maintenance activities. It is recommended that the City initiate a pilot ditch segment where additional engineering support is provided to:

- Establish grade control points (inlet and outlet elevations)
- Confirm positive drainage along the full segment
- Identify constraints such as utilities, driveways, and encroachments
- Provide target flowline elevations compatible with GPS grading

The pilot should be located on a high-priority street with a clearly functioning downstream outfall, relatively flat grades, and typical roadside constraints. A segment of 2 to 3 blocks is sufficient. Engineering support for the pilot may include limited survey and development of a simple grading profile or control points for field use.

GPS-based grading should be verified with independent field checks (laser level or equivalent) at control points to confirm vertical accuracy. Following completion of the pilot segment, the City and City's engineer should reassess constructability using GPS-guided grading, the level of engineering effort required for future segments, and whether additional segments warrant similar control or can proceed under the general guidance provided in this document. This phased approach allows the City to right-size engineering involvement while building confidence in field execution and demonstrating early results.

The pilot implementation should be treated as a field calibration and learning exercise. While grade control points and target flowline elevations will be established in advance, field adjustments will be required to respond to actual conditions encountered, including driveway culverts, roadway crossings, utilities, and localized grade constraints.

Minor deviations from target grades are expected where needed to maintain continuous drainage and constructability. These adjustments should be documented and used to refine grading approaches, tolerances, and level of engineering involvement for subsequent segments. Field adjustments should maintain downstream control elevations and not introduce new grade breaks without engineering coordination.

Step-by-Step Crew Procedure

1. **Start at the downstream end.** Begin ditch work at a confirmed downstream outlet and work upstream where feasible. This ensures that each improved segment has a functioning drainage path. If work begins upstream without a clear downstream outlet, improved conveyance can move water more efficiently into areas that cannot yet drain, potentially creating or worsening flooding conditions. If the outlet is submerged, backwatered, or not free-draining, stop work and refer for engineering evaluation.
2. **Review the work area in the field.** Before grading, walk the ditch alignment and identify obstructions including driveway culverts (note size and condition), mailboxes and utility poles within the ditch footprint, fences or walls at the work limits, and existing culvert crossings at intersections. Document conditions with photos. Confirm that all proposed work is within existing fence lines.
3. **Clear vegetation and debris.** Mow the ROW and remove brush, sediment, trash, and any obstructions impeding flow. Where driveway culverts are undersized or nonfunctional, replacement with a minimum 15-inch culvert may be performed only where existing invert elevations can be matched in the field and pipe size is not increased. Otherwise, coordinate with engineering prior to installation.
4. **Regrade the ditch.** Regrade the ditch to a shallow maintenance section consistent with the Standard Ditch Section. Maintain continuous positive drainage from downstream to upstream. Verify slope using a laser level, grade rod, or equivalent at regular intervals (approximately every 100–200 feet) and at all driveway and roadway crossings. Do not create new low points or sags, particularly at driveway culverts or intersections.
5. **Address roadway intersections selectively.** Because ditch regrading may lower the flowline relative to the roadway pavement, each crossing should be evaluated in the field. Where feasible, use valley gutters or minor surface shaping to maintain continuous drainage across the roadway. Work at roadway intersections should be limited to minor surface shaping necessary to maintain drainage continuity, without altering the roadway profile or cross slope. Regrading of the roadway or pavement structure is not recommended without engineering review due to potential impacts to drainage performance, safety, and constructability. Do not introduce a control point, meaning a condition that causes water to slow, back up, or pond upstream compared to existing conditions. Avoid creating low points or abrupt grade breaks at the crossing. Cross culverts should be used selectively. If a pipe is needed, if adequate cover cannot be achieved, or if continuous drainage cannot be maintained with minor shaping, stop work and refer for engineering review.
6. **Stabilize and revegetate.** Seed and mulch exposed soil immediately after grading. In areas with steeper slopes or higher velocities, consider erosion control blankets. Maintain vegetation at a mowable height going forward.
7. **Document and report.** Record the limits of work, before/after photos, culvert sizes installed, and any conditions requiring further engineering review. This documentation supports future CIP planning and Council reporting.



Recommended Equipment

Typical equipment for in-house ditch regrading includes:

- Mini excavator or skid steer with grading bucket
- Small dozer or motor grader for longer continuous runs, where space allows
- Dump truck for spoil removal
- Laser level, grade rod, and basic survey equipment for grade verification
- Brush cutter or chain saw for vegetation clearing, as needed
- Hydro-jetting equipment for culvert cleaning
- Plate compactor or roller if spoil is spread and compacted outside the ditch footprint
- Erosion control materials, including seed, mulch, and blankets

Ongoing Maintenance After Regrading

Once ditches are regraded, maintaining their capacity is critical. The master plan recommends the following routine activities:

- Mow ROW vegetation frequently to maintain ditch capacity and prevent sediment buildup from decaying organic material.
- Inspect driveway and intersection culverts quarterly for sediment accumulation or structural damage. Clean as needed.
- After major storm events, inspect all regraded ditches for erosion, scour, or sediment deposition. Clear debris from culvert inlets.
- Document recurring problem areas for future capital improvement evaluation.

Coordination with City's Engineer (Lochner)

Lochner is available to support the City with field observations, engineering review of specific ditch segments, and prioritization as this work progresses. We recommend a periodic check-in to review completed work, evaluate crew feedback, and adjust priorities as conditions in the field are better understood.

Recommended next steps:

- Schedule a field walk-through with Public Works and Lochner to identify the pilot ditch segment and confirm the first phase of priority streets
- Distribute a one-page laminated quick-reference card summarizing the crew procedure and work authorization categories for field use
- Establish a quarterly check-in cadence to review completed work, evaluate crew feedback, and adjust priorities

- Legend
- Ditches
 - Projects
 - City Limits

CITY OF CASTROVILLE
PRIORITY DRAINAGE
PROJECTS

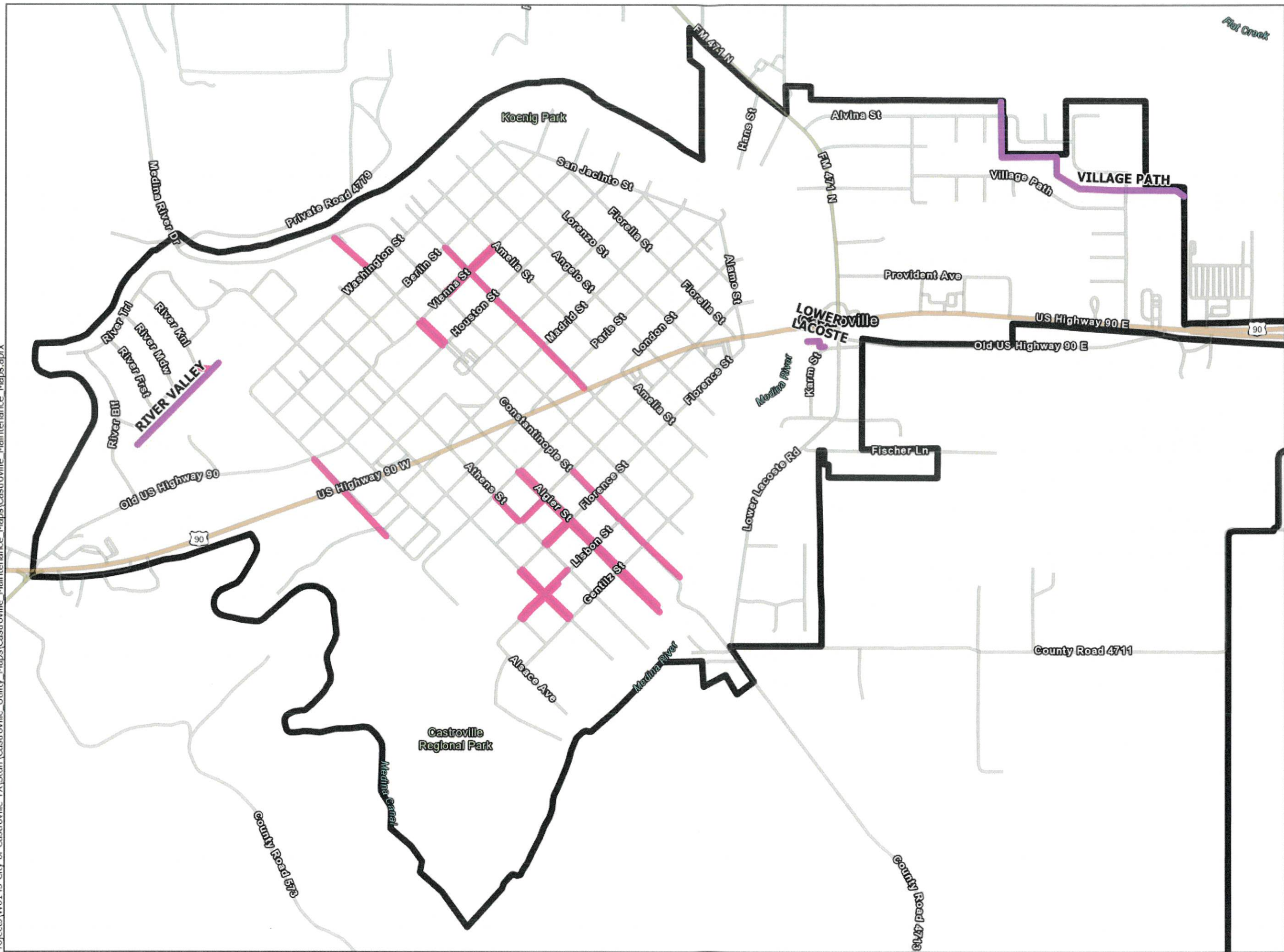


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0 1,000
 Feet
 1 inch = 1,000 ft

RESPEC • 1201 FIORELLA ST, SUITE A
 CASTROVILLE, TEXAS 78009
 TBPE FIRM NO. F-17502
 WWW.RESPEC.COM



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Agenda Report

Agenda of: April 28, 2026

Department: Public Works

Subject: Discussion and appropriate action to authorize HA5 street conditioning project.

Recommended Motion: Staff recommends initiating work in these areas in the near term and/or during late summer and fall of this year, while concurrently developing a coordinated plan of action for the downtown areas in collaboration with Council.

Background:

This approach prioritizes surface preservation by minimizing crack seal work, if any to maximize the available budget and project timing. All identified areas can be preserved at an estimated total cost of \$195,000. These projects will utilize the recently approved Interlocal Agreement (ILA) with Boerne to ensure competitively vetted pricing for the materials and services.

Budgeted **Requires Budget**

Amendment

Source of Funding:

Attachments:

Castroville Map Packet

Urgency (0-5 = Low Urgency to High Urgency): 4

Impact (0-5 = Low Impact to High Impact): 4

Submitted by: John Gomez and Ricky Carrasco

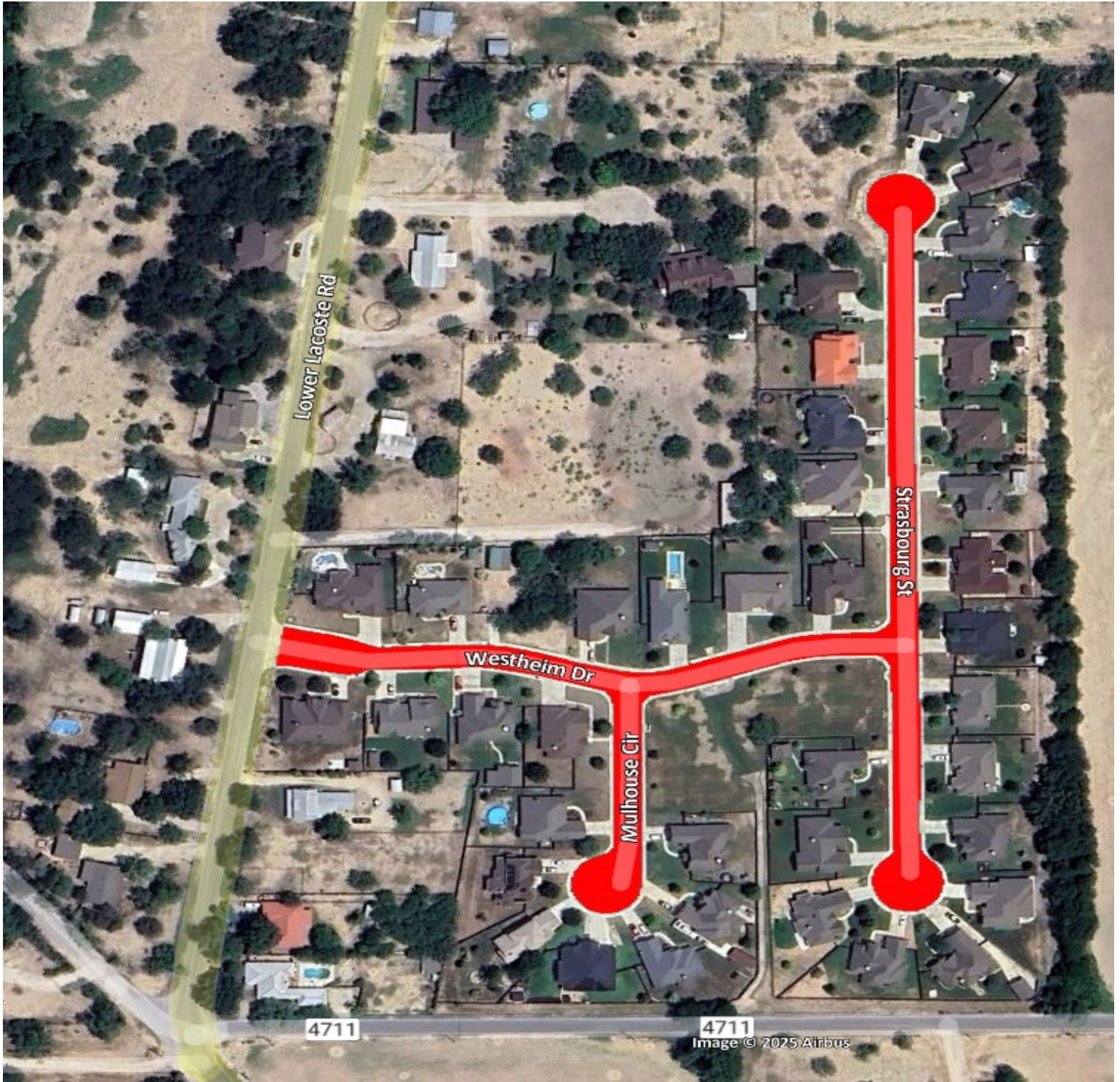


City of Castroville

MEASUREMENTS BY STREET - COUNTRY VILLAGE ESTATES AND ALSATIAN

Street/Subdivision	HA5 SY
Area 2 - Westheim Village	
Mulhouse Cir	1,364
Strasbourg St	3,911
Westheim Dr	2,549
Total Westheim Village	7,824
Area 3 - Country Village Estates	
Country Lane	7915
Allen Ave	772
Emil Lane	1330
Janice Ave	2,254
Total Country Village Estates	12,271
Area 4 - Alsatian	
Buckley Oak	984
Burr Oak	1,069
Cherry Bark Oak	1,141
Chinkapin Oak	698
Del Carmen Oak	1,178
Lacey Oak	5,575
Laurel Oak	1,727
Red Oak	1,270
Spanish Oak	4,512
White Oak	4,272
Total Alstatian	22,426
Project Total	42,521

WESTHEIM VILLAGE PROJECT MAP



LEGEND

HA5 AND CRACK SEAL

COUNTRY VILLAGE PROJECT MAP



CITY OF CASTROVILLE

ALSATIAN PROJECT MAP



DATE: February 17, 2026

AGENDA OF: February 24, 2026

DEPARTMENT: City Council

SUBJECT: Evaluation of exterior condition of City Hall, Steinbach House and Steinbach House accessory display building

RECOMMENDED MOTION:

Establish a committee to evaluate the exterior condition of City Hall, Steinbach House and Steinbach House accessory display structure and bring a report back to Council with findings and recommendations.

BACKGROUND

The exterior wooden windows and doors of City Hall were completely rebuilt within the last 15 years at a cost of over \$150,000. These wooden window and door assemblies are in immediate need of repair. There is wood rot, peeling and fading paint and other general deterioration due to moisture, sun exposure and hot Texas temperatures. This historic structure is the responsibility of the city to maintain and represents a focal point in Castroville's history. It is also the face customers see up close when coming to City Hall. We need to demonstrate we care about our historic City Hall.

The Steinbach House wooden structural beams are in very serious condition with extensive wood rot and crumbling wood beams. It has been repaired twice previously with portions of base beams being replaced because of deterioration of the wood beams due to moisture, sun exposure, high Texas heat and lack of regular treatment of the wood. The windows are also in very poor condition due to the same causes.

The recently added accessory structure that houses the Alsatian wagon and large wine barrel are beginning to display the same initial signs of deterioration. To some extent the wagon and barrel also need attention to handle the rusty metal and drying wood.

The Steinbach House was moved and reconstructed at great expense by our Alsatian friends and Castroville citizens. It is our showcase very old Alsatian home and houses our tourist office and many artifacts. It hosts many visitors each year including our Alsatian friends.

In accepting the Steinbach House, we took on a serious commitment to honor the efforts and large expense that went into its relocation to Castroville.

We need to insure we are good elected stewards of those historic items entrusted to us. Our reputation is on the line.

RECOMMENDATION

Recommend we have a committee made up of Council, HLC, the Historic Preservation Officer and any other needed individuals. This committee will evaluate these important historic structures and come back with a report and recommendations to Council to put them back in good condition and recommend how we can regularly attend to their needs before they get in this unacceptable condition again.

Robert Lee
District 5

Attachment: Photos

the agreement but would at the next meeting. Ms. Stone said she was uncertain about managing the website shown under 5.3 Visit Castroville Website clause. City Council determined this was not a City Website but one managed by the CAEDC and this language would be removed.

A motion was made by Councilmember Marchman and duly seconded by Councilmember Martinez to accept agreement as written with the removal of 5.3 Visit Castroville Website.

Discussion followed.

Councilmember King asked about a letter the City had received about six months previously stating the Chamber of Commerce could not take over the tourism responsibility and asked what had changed. Ms. Stone said they had written a letter to advocate for the position of Tourism Director Darrin Hamm but since he had left they could take on the responsibilities. Mr. King did not want an automatic renewal clause for the first few years. City Administrator Dixon said the City did now have a liaison to the board. Ms. Stone said that was correct and they were allowed at the beginning of the meetings for questions, not during financial meeting. Councilmember King said the City and Chamber had agreements in the past 10 years and had issues with meeting the requirements. Councilmember Lee said the Chamber currently carried brochures and other promotional information on the City. Mr. Lee said he would like to see a presentation on what they did now and what the future would look like working with the City. Mr. Lee wanted a detailed presentation on exactly what the Chamber would be providing with \$75,000 in Hot Funds the City planned to give the Chamber. Mr. Lee was also not in favor of an automatic renewal clause. The Steinbach Hus was brought up as it was the Visitor Center and if the Chamber would take over the responsibility. Ms. Stone said that had been a discussion of the Chamber and they did not want the responsibility and the City Council agreed. Ms. Stone requested language to that affect be added. Ms. Stone said the board would have to review and approve but she was in favor of a yearly review and renewal. A question of whether the City Council should have a member of council on the Chamber Board was asked. Vice President Ruby Cantu agreed with yearly renewal, not responsible for Steinbach Hus and agreed on not having a having a member of council on the Chamber Board. Ms. Cantu also wanted more information provided before their board would approve. Councilmember King was in favor of having a presentation from the Chamber of Commerce on what they could provide to the City for tourism.

A motion was made by Councilmember Marchman and duly seconded by Councilmember Martinez to rescind their first motion. Motion was rescinded.

A consensus of the City Council agreed on having annual review in the terms.

The Chamber of Commerce would provide a presentation to the City Council at the March 24th meeting.

b. Discussion and possible action to establish a committee to evaluate the City Hall, Steinbach Hus, and Display Structure at the Steinbach Hus

Mayor Alexander briefed the City Council on the Steinbach Hus having a donation line in the budget from the tours Priscilla Garrett provided and could be used for maintenance. Councilmember Lee said he had recently stopped in at the Steinbach Hus and Wagon display and was concerned with the wood timbers needing attention caused by the elements. Mr. Lee provided photos of the Steinbach Hus and Display structure showing the issues and the need to maintain the buildings. Mr. Lee also provided photos of the City Hall windows and doors which had some wood rot and needed to be scraped and repainted to protect the wood from moisture and the sun. Council decided to form a committee to go and look at the buildings. Councilmember Lee wanted the maintenance issues corrected quickly.

A motion was made by Councilmember King and duly seconded by Councilmember Merz to approve a committee consisting of two Councilmembers - King and Marchman, the City Historic Preservation Officer Selina Angel, and anyone else deemed necessary to evaluate the Steinbach Hus and Display structures condition and provide recommendations. A vote was taken (4ayes: 1nay (Lee)) the motion carried by a majority vote.

Mayor Alexander asked if there needed to be another committee formed for the City Hall evaluation. **A motion was made by Councilmember Merz and duly seconded by Councilmember Lee to have the same committee to evaluate the windows and doors of the City Hall and provide recommendations. A vote was taken (5:0 all ayes) the motion carried by all present.** Councilmember Martinez asked if the monies in the CIP could be used for the windows and door preservation. Councilmember Lee said he wanted something done now, not later.

- c. Discussion and possible action to authorize clean up and the installation of a safety fence along the back of the Steinbach Hus property

Mayor Alexander briefed the City Council saying he felt this was a safety and maintenance issue and did not require City Council action. Councilmember Lee spoke on this item saying it was a very steep descent to the river and was concerned with public access and safety. Mr. Lee said the property needed to be cleaned up including brush removal, fencing, and signage put in. Mr. Lee provided photos of the area. Councilmember King suggested the fencing being removed from the pool could be used for this project. Councilmember Merz was in favor of fencing and signage and asked if the City might ask permission from the State to fence closer to the river.

A motion was made by Councilmember Lee and duly seconded by Councilmember Merz to authorize clean up, safety fencing and signage along the back of the Steinbach Hus property. A vote was taken (5:0 all ayes) the motion carried by all present.

Mayor Alexander spoke on the upcoming subjects that he had put on the agenda. Mayor Alexander said some of the items had been discussed earlier and was looking for a plan of action.

- d. Discussion and appropriate action to identify and fund street and drainage maintenance projects

Mayor Alexander briefed the City Council on maintaining the drainage in the City. Mayor Alexander said this was an ongoing issue, with no maintenance plan in effect, and this could be addressed in-house with the city crew.

A motion was made by Councilmember Marchman and duly seconded by Councilmember Martinez to direct staff through the City Administrator to perform street and drainage maintenance to include cleaning of street edges and bar ditches on city streets to accommodate the efficient drainage of water during a rainfall event.

Discussion followed.

Councilmember Merz felt the City may not be able to accomplish this task without hiring more staff or pull the crew off the Geneva Street Drainage/ Wastewater Treatment Plant Ponds projects. City Administrator Dixon said staff would bring back a plan of action to move forward. Councilmember







RE: Committee Report on the Steinbach and City Hall, Follow-up Report

From District 3 <district3@castrovilletx.gov>

Date Tue 3/24/2026 10:29 AM

To Scott Dixon <Scott.Dixon@castrovilletx.gov>; Bruce Alexander <mayor@castrovilletx.gov>; District 1 <district1@castrovilletx.gov>; District 2 <district2@castrovilletx.gov>; District 4 <district4@castrovilletx.gov>; District 5 <district5@castrovilletx.gov>

Cc Debra Howe <debra.howe@castrovilletx.gov>; Priscilla Garrett (prismon@aol.com) <prismon@aol.com>

Please do not “Reply All” to this email in order to remain in compliance with the Open Meetings Act and public records requirements.

To all,

Sorry for this delayed report, however, hopefully you will have a chance to read it prior to tonight’s meeting. After the issuance of my email report on March 10th, Houston responded to me on March 12th and provided the following response.

*“Phil,
I think I miss understood you regarding city hall. We should not wait on maintenance of the building and proceed immediately.
Thank you
Houston “*

So therefore, there is disagreement between Houston and me on how to move forward on the needed repairs to the City Hall building. I still believe that we should wait for the design build team we have already engaged to respond to Council and let us know of their plans to perform the exterior repairs to the building. If we start repairs without their input, it will muddy the water on responsibility and planning of the repairs, and if we perform the repairs inhouse, it will dilute City staff in managing or performing these repairs.

Also, after the issuance of my email report, Bob responded that my report did not address the poll barn at the Steinbach Hus.

I apologize for this oversight. At the time of the inspection, the group did observe the condition of the poll barn. All were in agreement that there was no maintenance concerns related to this structure except that several lights may be burned out and Jonah was going to look into changing out the burnt out bulbs. All were in agreement that the barn is showing signs of minor weathering, which is common and expected for cedar built structures. However, no maintenance is required at this time.

Sincerely,
Phil King
Councilperson, District 3
City of Castroville

From: District 3

Sent: Tuesday, March 10, 2026 2:12 PM

To: Scott Dixon <Scott.Dixon@castrovilletx.gov>; Bruce Alexander <mayor@castrovilletx.gov>; District 1 <district1@castrovilletx.gov>; District 2 <district2@castrovilletx.gov>; District 4 <district4@castrovilletx.gov>; District 5 <district5@castrovilletx.gov>

Cc: Debra Howe <debra.howe@castrovilletx.gov>; Priscilla Garrett (prismon@aol.com) <prismon@aol.com>

Subject: Committee Report on the Steinbach and City Hall

Please do not “Reply All” to this email in order to remain in compliance with the Open Meetings Act and public records requirements.

Mayor and Council,

At the request of Mayor Alexander, this brief report provides an update on actions of the Council appointed subcommittee to review the maintenance concerns related to the Steinbach Hus and City Hall. These services were directed by City Council during their meeting on February 24, 2026.

1. The site visit to the Steinbach Hus occurred on Monday, March 2nd. Councilpersons Houston Marchman and Phil King, Scott Dixon, Debra Howe and Priscilla Garrett were in attendance during the site visit. It should be noted that Debra Howe is the staff member responsible for supervision of the Steinbach Hus. The consensus of the group was the Steinbach Hus was in need on ongoing maintenance since the last major work was performed five or six years ago. Weathering was observed to windows and some wood exterior surfaces. It should be noted the earlier work performed five or six years ago appears to be holding up, however addition work is now needed at this time. The following actions were agreed upon:
 - a) Debra will instruct Betty Opiela-Axtell, the City staff person who offices in the Steinbach Hus, to place notation stickers on interior walls or floors, with the placement date, of any rainwater related leaks she observes; and
 - b) Debra was tasked to reach out to experience contractor(s) in the San Antonio area to engage with them providing a proposed scope of needed maintenance work. Subsequent to the meeting, Phil provided Debra a name of a well-respected craftsman in the San Antonio area experienced with this type of work.
2. The group also discussed the needed repairs to the City Hall building. It was agreed by all that no recommendations should be provided on maintenance at this time, rather Council should wait for recommendations from the Design/Build team already selected by Council to review needed repairs to this building.

Sincerely,
Phil King
Councilperson, District 3
City of Castroville

DATE: April 17, 2026

AGENDA OF: April 28, 2026

DEPARTMENT: City Council

SUBJECT: Discuss and take action on directing a Forensic Audit of Airport Finances

MOTION: I move to direct a Forensic Audit of all airport finances/funds for the last five years and to be done by an auditing firm familiar with airport finances.

BACKGROUND

The Castroville airport has engaged in a wide variety of financial dealings that often spanned a number of years with private and city entities. These include joint purchase of a new air-conditioned tractor and batwing shredder to be shared by the airport and Public Works; a JETA fuel truck paid back over time; construction of a new ten unit set of T-hangars through funding by USDA; payments to and from the City General Fund for administrative support and funds to offset the lack of income from the lease of the MVYBA; topographical survey; grants for airport projects; payments to other funds to cover staff time spent on directing/overseeing airport operations; completion of a new Airport Master Plan and Airport Layout Plan; leasing of unrestricted water rights to the City; leasing of irrigated and dry farmland; construction of approximately five privately owned hangars covered by ground leases; installation of security fencing intertwined with a farmland lease; hangar loan repayments; installation of terminal area security fencing and video surveillance cameras; and an FAA Airport Compliance Inspection in April 2024. Several of these such as the fuel truck and new tractor, may have been fully paid by the City with yearly transfer payments made by the airport to cover it's share. These things need to be checked for accuracy.

The recent City Audit did look at some book aspects of the airport but a Forensic audit will drill much further down on airport finances. In that audit were over \$200,000 in transfers to other City accounts from the airport account. Last year I was told the airport had over \$400,000 in spendable funds from the water lease and other sources. I do not recall seeing those numbers in the audit. Council needs to fully understand what monies the airport has and where it comes from and how they are tied to obligations. Refer to recent City audit.

In August 2025, City Council directed an appraisal of the approximately 18 acres used by the Medina Valley Youth Baseball Association (MVYBA). This action was taken to correct a response to the FAA April 2024 inspection. In the response to the FAA, the city staff indicated it was covering the operations and maintenance costs for the airport well, when in fact the city supplied figures for municipal water system at the airport and provided an average annual estimate of \$34,534, if there were no significant repairs. It also said the MVYBA lease was with the Parks, who paid the annual fee to the airport from City funds. The City indicated to the FAA in the 2024 response that the municipal water system operations and maintenance costs could be considered an in-kind payment for use of the MVYBA leased land instead of actual cash the airport would have paid for water system operations and maintenance. The

FAA also asked for a copy of the airport water rights lease to the City, cost incurred for the city to maintain and operate the well, and annual revenue generated by the water well.

The City did not provide the cost to operate and maintain the well but instead sent estimated cost (mentioned above) for the municipal water system, and did not provide the annual revenue provided by the well.

It appears from the statements in the FAA Compliance Inspection under **3. Concern: Water Rights Lease**, that the FAA probably understood the unrestricted 236 acre feet of water the City leased for ten years, was produced by the well at the airport. In addition to the request for a copy of that lease, they asked for *“costs incurred for the city to maintain and operate the well”*, which they responded with figures for the potable water system as covered above and not the well. The FAA went on to say they wanted *“the annual revenue generated by the water well. If the lease is for longer than a 3-year period, include an escalation clause to ensure fair market value increases over time.”* To my knowledge the City did not respond to the request for annual revenue generated by the well (actually it is the sale of the 236 acre feet of water they appear to be requesting). Attached.

There was no response from the FAA as to acknowledgement or agreement with statements and figures sent to them as to whether the submissions made fulfilled their taskings. A telephone conversation with that FAA office several months ago indicated they were still waiting for additional information.

On 6 April, I requested City financial and other records relating to the airport reflecting financial figures sent to the FAA where it was suggested the airport received in-kind compensation for the ballfields. Since there was no mention made in the 2024-25 budget, or last year for our current budget, that the airport was receiving essentially in-kind compensation for the ball fields and Public Utilities was providing \$34,534 of service from its operational budget, I requested financial records reflecting those funds to both accounts. The response on 7 April, was there were none. Attached.

A Forensic audit is needed to correct/clarify/explain financial information from past years and layout to the FAA and City Council information regarding the airport account as to all facets of the water at the airport including ownership, leases, pumping and maintenance costs of the well, responsibility for the potable water system, payment of water bills by airport tenants, etc. Also to show that the airport gets no funds for pumping the water its supplies to the City utility system located at the airport, who sells it to airport customers. Additionally, this will answer the FAA request for income/profit the city makes off selling the 236 acre feet of unlimited water to the City. Attached.

A complete Forensic audit will also clear up with the citizens and Council every question concerning the airport water and all other financial questions of funds in and out. We need to quickly get this completed. This audit will also be of a great benefit to our ongoing dealings with the TXDoT Aviation and the FAA Compliance officials as we will demonstrate complete transparency with all airport funds and assets.

Recommendation. Council approve a complete Forensic financial audit of all airport financial funds/accounts and dealings. Once completed, send FAA requested information in

response to 2024 Compliance Inspection. It is important to find an auditing agency that is familiar with airport financial Forensic audits.

Robert Lee

District 5

Attachments:

2024 FAA Compliance Inspection

City Response to FAA 2024 (partial)

6 April Request for lease and financial information and 7 April City response



U.S. Department of Transportation
Federal Aviation Administration

Federal Aviation Administration
Airports Division, Southwest Region Safety and Standards Branch

10101 Hillwood Parkway
Fort Worth, Texas 76177

July 16, 2024

ELECTRONIC MAIL-RETURN RECEIPT REQUESTED

Breana Soto
Airport Manager
10500 Airport Blvd
Castroville, TX 78009

Subject: Airport Compliance Land Use Inspection

Dear Breana Soto:

Castroville Municipal Airport (CVB)
Land Use Compliance Inspection – April 16-18, 2024

A representative of the Federal Aviation Administration conducted a land use inspection of the Castroville Municipal Airport on April 16-18, 2024. The purpose of the inspection was to ensure that the airport is in compliance with the terms of its federal obligations dealing specifically with the use of airport property and grant assurance compliance.

The inspection included a site tour of the movement areas and paved aprons of the airport, an inspection of a few airport-owned hangars and the review of the Exhibit A/Property Map, a comprehensive review of Airport Minimum Standards, Rules and Regulations, financial information, property deeds and all aeronautical and non-aeronautical leases.

The inspection revealed a good hangar leasing policy with a consistent rate structure. The competitive agricultural lease enabled the airport to utilize buffer land for revenue from low-growing crop production. However, I found farm equipment stored in the runway object free area. The non-aeronautical ballfields complex is lacking fair market value compensation to the airport. Additionally, the airport's leasing of their well and corresponding water rights needs further investigation. During my visit, we were not able to review the lease terms for the water well and the ballfields lease to the city.

I appreciate your cooperation during the inspection. Please review the findings at the end of the report for the required actions to bring the airport into compliance with its federal obligations. If you have any questions or concerns please call Gary at (817) 222-5671 or Katie at (817) 222-4101.

Sincerely,

**SARA K
FIELDS-PACK**

Digitally signed by
SARA K FIELDS-PACK
Date: 2024.07.16
16:10:25 -05'00'

S. Katie Fields-Pack
Airports Compliance Specialist
FAA Southwest Region

cc: Scott Dixon
City Manager City of Castroville
1209 Fiorella Street
Castroville, TX 78009
Email: Scott.Dixon@castrovilletx.gov

ACO-100
ASW-650
TXDOT

Attachments:

- 1) Post Inspection Report

is for longer than a 3-year period, include an escalation clause to ensure fair market value increases over time.

Target Completion Date: Please provide the documentation and a plan of corrective actions to this office within 30 days of receipt of this report.

Grant Assurances can be found at: https://www.faa.gov/airports/aip/grant_assurances

Sincerely,

Katie Fields-Pack
Airports Compliance Program Specialist
FAA Southwest Region (ASW-620)
10101 Hillwood Parkway
Fort Worth, TX 76177
Office: (817) 222-4101

cc: ACO-100

KCUB
ow sup

Ben Breck
cell 512-348-9898

TXDOT

Sheri cat A Specialist
512-416-4988 / 512-971-5974

Ed maybe project manager
512-416-~~4110~~
4528

cell 512-657-4076

CASTROVILLE MUNICIPAL AIRPORT



II. Castroville Municipal Airport Land Background

The Castroville Municipal Airport is a surplus property airport transferred by a Deed Without Warranty from the United States of America through the General Services Administrator to the City of Castroville, Texas on July 26, 1949. The transfer deed was for approximately 458.88 acres to be used for public airport purposes.

The following is based on records and files kept by the Federal Aviation Administration (FAA) Southwest Region:

A. Federal Land Transferred to the City

July 26, 1949 Deed Without Warranty 458.88 acres

B. FAA Releases of Property

None

C. Land Releases by City Without FAA Release

<u>Release Date</u>	<u>Property ID</u>	<u>Amount</u>	<u>Revenue</u>	<u>Record Location</u>
Unknown	Ballfields	18 acres	N/A	N/A

D. Grant Acquired Land

None

E. Airport Improvement Program-Noise Compatibility Land

None

F. Sponsor Donated Land

None

G. Federal Commitment and Investment

- a. Total Airport Improvement Program (and legacy Acts) and Other Funding: \$9,260,214.
- b. Funding was used for aviation easements, runway reconstruction and extension, apron expansion, pavement maintenance, navigation aid acquisition, aviation easement acquisition, hangar construction, airport planning, airport design, terminal building construction, taxiway construction, airfield lighting, and runway and taxiway repair and rehabilitation.

c. Funding Snapshot

Castroville Municipal Airport
 Castroville, TX (NPIAS N/ P/ Y)
 FAA Site #: 23574.1* A
 Funding/Grant History

FYR	Agency	Local(\$)	State(\$)	Federal(\$)	Project Description
1975	TAC	0	7,000	0	Install lighting
1978	TAC	0	3,420	0	Non-directional beacon (NDB)
1996	FAA	2,289	2,289	41,205	Acquire avigation easements RPZ RW 33 (4.668 ac) & RW 15 (8.941 ac)
1996	TAC/FAA	102,023	83,172	1,497,114	Reconstruct RW 15-33 (4600 x 75), recon/realign parallel TW (5080 x 35), apron (10,200 sy), stub TW (420 x 35), hangar access TW (800 x 35); replace LIRLs w/MIRLs (4600 lf), segmented circle; replace rotating beacon; improve drainage & grading; install fencing (8300 lf)
2003	TXDOT	14,566	14,566	0	RAMP: Fog seal ramp, repair lighting, herbicide, drainage work, restroom repair, hangar lighting, renovate terminal building
2004	TXDOT	0	177,188	0	Design and construction services to construct a terminal building and aircraft ramp parking area
2004	TXDOT	3,983	35,848	0	prepare an airport layout plan
2004	TXDOT	0	278,748	0	Loan
2004	TXDOT	30,000	30,000	0	RAMP: Ramp paving, crack-seal and fog seal existing ramp pavement, taxiway and runway, herbicide, hangar taxiway drainage improvements, repair hangar roof, airport fencing, lighting and NDB maintenance, purchase GCO
2005	TXDOT	21,285	0	63,854	Install AWOS NPE 2005 \$63,854
2005	TXDOT	15,255	15,255	0	RAMP: City to contract for pavement renovation in hangar, pave ramp at commercial hangar, seal coat existing ramp and hangar paving, installation of electric service for PLASI, replacement of roll-up doors on hangars, fencing along airport road to terminal building, professional services to prepare 7460, purchase lighting supplies, herbicide
2006	TXDOT	4,994	4,994	0	RAMP: Sponsor to contract for reconstruction/repave airport road to hangars, existing drainage ditch maintenance, services to replace airport hangar roof and doors, maintenance and supplies for NDB, lighting and approach aids, installation of fencing, professional services for SPCC, construction of fuel containment area, tree trimming part 77 surfaces, AWOS NADIN fees, purchase herbicide
2006	TXDOT	9,001	0	81,007	design and construction services to pave aircraft ramp area around commercial hangar #3
2006	TXDOT	28,288	254,597	0	design to extend Runway 15 end; rehabilitate and mark Runway 15-33; rehabilitate and mark stub taxiways; rehabilitate and mark hangar access taxiways; rehabilitate and mark parallel taxiway Runway 15-33; reconstruct hangar access taxiways; rehabilitate apron; extend and mark parallel taxiway to Runway 15 end; extend medium intensity runway lights Runway 15 end; install precision approach path indicators- 2 Runway 15-33; relocate county road; install fence; prepare a traffic engineering study; and survey and appraisal services
2008	TXDOT	0	0	0	RAMP: TxDOT to contract for AWOS Maintenance, Sponsor to contract for NADIN, AWOS repairs, crack seal on airport pavements
2009	TXDOT	5,591	5,591	0	RAMP: TxDOT for AWOS maintenance; Spon. Avi-Met, AWOS repairs/parts replacement; water pump repairs; airfield lighting repairs/maintenance; and beacon repairs/maintenance

2009	TXDOT	38,310	689,587	38,310	Install PAPI-2 RW 33; Mark RW 15-33 (25,600 sf); Contingency, mobilization, RPR, etc.; Run-up Area pad at RW 15; Install PAPI-2 RW 15; Rehab & mark parallel TW RW 15-33 (4,785 x 35); Rehab & mark hangar access TWs (25,500 sy); Rehab & mark stub TWs (1,130x35); Rehab apron (10,990 sy); Construct hangar access taxilanes; Rehab RW 15-33 (4,600 x 75) SBGP-2009-57 38,310
2010	TXDOT	7,214	7,214	0	RAMP: MISCELLANEOUS-TxDOT to contract for AWOS maintenance, Sponsor to contract for AWOS AviMet Data Link, AWOS repairs/parts replacement
2011	TXDOT	15,278	15,278	0	RAMP: TxDOT Contract for AWOS Maintenance, Sponsor to perform airport general maintenance
2012	TXDOT	78,479	0	706,307	Engineering and design for Box Hangars and access pavement; Contingency, administration, RPR, etc. for Box Hangar project; Construct access pavement for Box Hangars (30x380); Construct 8 unit Box Hangars (NPE '10 & '11) SBGP-085-2013 \$599,435.51; SBGP-057-2009 \$49,366.56; SBGP-067-2010 \$9,582.52; SBGP-72-2011 \$8,509.92; PLANNING GRANT 2011-08 \$39,412.80
2012	TXDOT	23,641	23,641	0	RAMP: TxDOT to contract for AWOS Maintenance, Sponsor to contract for airport general maintenance projects
2013	TXDOT	45,988	45,988	0	RAMP: TxDOT Contract for AWOS Maintenance, Sponsor to perform airport general maintenance
2013	TXDOT	120,168	0	1,081,512	Survey, Appraisal and Environmental Studies; Acquire land for runway extension and county road relocation (31 ac) SBGP-80-2012 \$62,959; SBGP-75-2011 \$1,015,356; SBGP-87-2014 \$3,197
2014	TXDOT	260,738	2,346,641	0	Extend and mark RW 15 end (400 x75); Contingency for RW Extension; Construct Hangar Apron Pavement to new 8-unit T-hangar (32 x 320) ; Extend MIRL RW 15 end (400 lf); Reconstruct South Apron; Construction Administration, Testing, RPR, etc; Relocate PAPI RW 15 end; Install signage; Extend & mark parallel TW to RW 15 end (590x35); Relocate County Road 4711; Install fencing and gate – new boundary; Construct Permanent Run-up Area
2014	TXDOT	14,368	14,368	0	RAMP: TxDOT Contract for AWOS Maintenance, Sponsor to perform airport general maintenance
2015	TXDOT	15,352	15,352	0	RAMP: Sponsor to perform airport general maintenance
2016	TXDOT	28,919	28,919	0	RAMP: Sponsor to perform airport general maintenance
2017	TXDOT	90,190	0	270,569	Design and Install Jet A Fuel System - 2015 and 2016 NPE SBGP-096-2016 \$150,000; SBGP-097-2016 \$120,569.34
2017	TXDOT	23,696	23,696	0	RAMP: Sponsor to perform airport general maintenance
2018	TXDOT	32,139	32,139	0	RAMP: Sponsor to perform airport general maintenance
2019	TXDOT	46,595	46,595	0	RAMP: Sponsor to perform airport general maintenance
2020	TXDOT	50,000	50,000	0	RAMP: Sponsor to perform airport general maintenance
2021	TXDOT	49,950	49,950	0	RAMP: Sponsor to perform airport general maintenance

LOCAL and/or STATE \$ 5,480,336
 FEDERAL \$ 3,779,878

GRAND TOTAL ALL FUNDING SOURCES: \$ 9,260,214

III. Findings

1. Violation: **Grant Assurance 19 (Obstacles in ROFA)**

Farm equipment is being stored in the Runway Object Free Area (ROFA) near the end of Runway 16. The ROFA standards are outlined in AC 150/5300-13B. The width of the ROFA is listed on the Airport Layout Drawing in the Airport Layout Plan set.

Recommendation: Ask the agricultural lessee to relocate the farm equipment to a location at least 1 feet from the boundary of the ROFA (500 ft, 250 ft from the runway centerline.)

Target Completion Date: Complete relocation of equipment in 30 days of receipt of this report.

2. Violation: **Revenue Use Policy (Less than Fair Market Value for Nonaeronautical Use)**

A lease between the City and Medina Valley Youth Baseball (MVYB) league was provided for my review. The lease covers the exclusive use of the land for MVYB to operate a baseball league according to specific city rules. It covers 18 acres and 12 foot-acre of water from the airport well for \$8,156/year. This equates to a ground lease of \$0.01/SF/year – a rate that is a fraction of the aeronautical ground lease rate.

Additionally, I asked for but did not receive a real estate agreement between the city and the airport that transfers the right to sublease airport property and addresses the airport's federal obligations.

Recommendation: Implement a lease/agreement between the city and the airport for the fair market value of this non-aeronautical use. If the lease is for longer than a 3-year period, include an escalation clause to ensure fair market value increases over time.

Target Completion Date: Provide a corrective action plan within 30 days of receipt of this report.

3. Concern: **Water Rights Lease**

Mr. Dixon informed me that a water rights lease was signed between the airport and the city. This lease would enable the city to maintain the water well on the airport for the airport's use. After the airport's water needs and those of the agricultural lease for airport property have been met, there is a surplus of acre-feet that can be sold to outside entities. The leasing of the water rights enables the city to compensate the airport for the monetary value of the water rights that go with the land.

During the site visit I asked for a copy of this water rights lease to ensure that the airport was fairly compensated, but I have not received a copy.

Recommendation: Provide a copy of the water lease, the costs incurred for the city to maintain and operate the well, and the annual revenue generated by the water well. If the lease

Excel Airport Land Lease Dadta May 2025.xlsx

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Reveune Generated if Land was Developed as Hangars per the Master Plan - As

	A	B	C	D
1	Public Works Well Maintenance	Low End	High end	Average
	Our minimum daily operations of the Airport water system include chlorine residuals, meter readings, ensuring water levels, pressures are adequate, pumps/air compressor/chlorination equipment/valves are operational. This takes one employee roughly an hour to complete at a rate of \$44-75/ hr. depending on the employee.	\$16,060.00	\$27,375.00	
3	Once a month one employee will spend approximately two hours pulling a Bac-T sample and deliver to the lab. (Lab fee for analysis is \$30 per sample)	\$1,086.00	\$1,830.00	Reveune recently least six demand could pr
6	Once a month one employee will spend one hour flushing dead-end water mains.	\$528.00	\$900.00	say 10,0 could ea to the Ci
8	Once a year we have a contractor perform tank inspections at a cost of \$500.	\$500.00	\$500.00	which th executive
10	Chlorine cylinder changeouts at least once a year- minimum two employees for two hours.	\$176.00	\$300.00	site at \$S be made of the ac
12	Yearly meter verification at \$190 plus one employee for 1-2 hours.	\$278.00	\$340.00	pays the said that the land.
14	As far as amount for cost for other repairs, this can vary depending on the repair:			
16	Meter/radio leak/replacement- 1-2 employees at \$ 44-75/ hr for 1-2 hours	\$176.00	\$300.00	
18	Service leak repair 2-3 employees for 1-3 hours	\$88.00	\$675.00	
20	Water main repair 3-6 employees 3-4 hours for repair and additional 3-4 hours for backfill and cleanup	\$792.00	\$3,150.00	
22	Emptying tank of heavily chlorinated water and flushing system 2-3 employees for 3-4 hours	\$264.00	\$900.00	
24	Chlorination equipment maintenance/replacement 2-3 employees 2-3 hours	\$176.00	\$675.00	
26	Hourly rate for backhoe is \$100/hr and service vehicle is \$15/hr	\$4,000.00	\$8,000.00	

There are many variables and things that can go wrong including

Land lease rates MVBA at other lease rates In-kind

Excel Airport Land Lease Dadta May 2025.xlsx

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Reveune Generated if Land was Developed as Hangars per the Master Plan - As

1 nd

Average (without any significant repairs) - \$34,534

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Reveune Generated if Land was Developed as Hangars per the Master Plan - As depicted in the recently approved FAA Master Plan for the Castroville Airport, the Airport Layout Plan (ALP) has at least six future hangars in the 18 acres leased to the City Parks department. There is continuing demand to lease ground space for building 80'x60' box hangars at the airport. Each ground lease could produce: $80' \times 60' = 4800$ sf, plus corresponding ramp space of equal amount (4800 sf) say $10,000$ sf \times $\$0.24$ per sf = $\$2400$ per month, or $\$28,800$ per tenant annually. The 18 acres could easily accommodate at least 4-5 of these tenants with very little utility infrastructure cost to the City, but would have a large cost to move the existing road and to construct those hangars, which the Airport does not have the funds for. Another option is a ground lease, which all of our executive hangars are at this point, and they pay $\$980.00$ a year. For 12 potential hangars on that site at $\$980.00$ a year, the City would be seeing $\$11,760$ in revenue a year. Thus a strong case can be made that Parks should reimburse the Airjport at least $\$11,760$ per year for the continued use of the acreage for non-aviation purposes. BUT because the lease is between the Parks (City - who pays the annual fee) and the Airport and the City does the work on the Airport well, it could be said that it could an in kind fee with the well maintenance and the fair market value for leasing the land.

Land lease rates MVBA at other lease rates In-kind



Excel Airport Land Lease Dadt May 2025.xlsx

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Reveune Generated if Land was Developed as Hangars per the Master Plan - As

	A	B	C	D
10	Chlorine cylinder changeouts at least once a year- minimum two employees for two hours.	\$176.00	\$300.00	be made
11				of the ac
12	Yearly meter verification at \$190 plus one employee for 1-2 hours.	\$278.00	\$340.00	pays the
13				said that
14	As far as amount for cost for other repairs, this can vary depending on the repair:			the land.
15				
16	Meter/radio leak/replacement- 1-2 employees at \$ 44-75/ hr for 1-2 hours	\$176.00	\$300.00	
17				
18	Service leak repair 2-3 employees for 1-3 hours	\$88.00	\$675.00	
19				
20	Water main repair 3-6 employees 3-4 hours for repair and additional 3-4 hours for backfill and cleanup	\$792.00	\$3,150.00	
21				
22	Emptying tank of heavily chlorinated water and flushing system 2-3 employees for 3-4 hours	\$264.00	\$900.00	
23				
24	Chlorination equipment maintenance/replacement 2-3 employees 2-3 hours	\$176.00	\$675.00	
25				
26	Hourly rate for backhoe is \$100/hr and service vehicle is \$15/hr	\$4,000.00	\$8,000.00	
27				
28	There are many variables and things that can go wrong including electrical/controls issues that require hiring a contractor.	\$24,124.00	\$44,945.00	
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From: robert lee leer66@hotmail.com
Subject: **Re: Lease between Parks Department and airport for Ballfields and council action to approve same and also council action making airport responsible for water system maintenace**

Date: Apr 7, 2026 at 4:15:36 PM

To: **Scott Dixon** Scott.Dixon@castrovilletx.gov, Mayor mayor@castrovilletx.gov

Cc: **District5** district5@castrovilletx.gov, **Howe Debra** debra.howe@castrovilletx.gov

Bcc: **district1@castrovilletx.gov**

Thank for your prompt response. Assumptions were made that were incorrect and got us in the situation we are in today and are now trying to rectify.

The FAA gave the city a very direct answer to its January 2026 letter requesting review of community use when they said continued use of the 18 acres for a non-aeronautical use was a violation of our federal obligations and there was no authorization now for the current use. They also said no less than FMV is expected for non-aeronautical use.

I believe a rebuttal is a very bad idea to the factual response we received especially since they hold all the financial and regulatory cards.

This issue has cost the airport hundreds of thousands in lost revenue had it received required FMV and the city at least a few hundred thousand or more in lost water revenue had all the water been used each year.

This is an opportunity to seek a long term solution in a controlled way that removes this from ever being an issue again. Relocation of the

fields must happen but in a way that the community and the FAA endorses and leaves the city in a positive light.

The Park's Board is seeking council approval to form a multi-member group to explore a large sports complex. We need to approve that and assist in getting private and commercial entities involved. And yes, use of non-aeronautical portions of the airport need to be considered. A combination of MVYBA separate and public/community use could work.

Lee

Sent from my iPad

On Apr 7, 2026, at 2:20 PM, Scott Dixon
<Scott.Dixon@castrovilletx.gov> wrote:

Please do not "Reply All" to this email in order to remain in compliance with the Open Meetings Act and public records requirements.

Councilman Lee,

Thank you for your continued review of this matter. Following additional research by the City Secretary, I would like to clarify and correct the record regarding the lease structure.

1. Lease Structure (City MVYBA / Historical Practice)

Based on a review of available records, it appears the City has **consistently maintained a direct agreement with the ballfield operator (currently MVYBA, and historically similar organizations) dating back to at least 1979.**

- We have **not identified evidence of a separate lease between the City and the Airport** for the ballfield acreage.
- The arrangement has historically been a **direct agreement between the City and the ballfield user**, with the property being located on airport land.

This indicates that the current structure is not a recent change, but rather a **longstanding practice spanning multiple decades.**

There is also **no Council-approved sublease involving the Parks Department.** Parks' role remains administrative and operational only.

2. Potable Water System vs. Agricultural Well

Your distinction remains accurate:

- The **agricultural well** has historically been associated with farming operations;
- The **potable water distribution system** serves airport facilities and infrastructure.

The information provided to the FAA relates to the **potable water system**, not the agricultural well.

3. Council Action and Responsibility for the Water System

After review of Council minutes and records, there is:

- **No formal Council action** specifically assigning responsibility for operation and maintenance of the potable water system to the airport; and
- No ordinance, resolution, or formal policy establishing that designation.

The position communicated to the FAA is based on:

- The **Airport Property Analysis**, which identifies the well and associated infrastructure as airport assets; and
- **Historical operational practices**, where infrastructure serving airport functions has been treated as an airport responsibility, even when work is performed by City staff.

4. In-Kind Compensation and Financial Documentation

With respect to the FAA correspondence and the concept of in-kind compensation:

- There is **no formal Council action** establishing a policy that maintenance of the potable water system offsets lease value for the ballfields; the only evidence would be the current adopted budget.
- There is **no discrete financial documentation** within the airport fund reflecting a formalized in-kind exchange or accounting mechanism tied to the ballfield use.

The explanation provided to the FAA reflects an **administrative interpretation of cost allocation**, not a Council-adopted financial arrangement.

5. FAA Discussion Status and Council Role Moving Forward

Discussions with the FAA regarding both the **use of the ballfield area** and any **in-kind valuation of expenses** are ongoing. The FAA's correspondence does not represent a final determination and leaves the door open for continued dialogue.

Staff will be seeking Council direction on how to proceed. At this time, staff recommends that the City consider a **formal rebuttal to the FAA letter**, as there appears to be room for continued discussion and potential compromise.

Ultimately, **whether and how the City compensates the airport for use of the ballfield property is a policy decision for the City Council.**

By way of context:

- The **current budget removed the historical transfer from the General Fund to the Airport Fund**;
- Council retains the authority to **restore and/or adjust that transfer** if it determines that a different funding approach is warranted.

6. Broader Context for Council Consideration

The ballfields have been in continuous use for many decades under a consistent structure. While documentation and practices may not reflect the level of formalization expected today, the arrangement has supported long-standing community recreational use.

Accordingly, the key issue before Council is less about revisiting historical administrative practices and more about **establishing clear direction for how Council wishes this relationship to be structured moving forward**—including lease terms, cost responsibilities, and any financial transfers.

In summary, the available documentation reflects a **longstanding direct agreement between the City and the ballfield operator**, combined with **administrative practices** related to airport infrastructure that were not formalized through specific Council action. The FAA inquiry presents an opportunity for Council to provide clear policy direction on these matters going forward. I have attached a letter from the AAB regarding the ballfields from January of 2021 and the 2016 MVYBA agreement. Debra informed me that she already sent you an executed copy of the current agreement.

Respectfully,

R. Scott Dixon, MPA
City Administrator-Castroville, TX
C. (817)320-1712

From: District 5 <district5@castrovilletx.gov>
Sent: Monday, April 6, 2026 6:26 PM
To: Bruce Alexander <mayor@castrovilletx.gov>; Scott Dixon <Scott.Dixon@castrovilletx.gov>
Cc: District 5 <district5@castrovilletx.gov>; Debra Howe <debra.howe@castrovilletx.gov>
Subject: Lease between Parks Department and airport for Ballfields and council action to approve same and also council action making airport responsible for water system maintenace

I am putting together my agenda item on the MVYBA appraisal and in the response the City provided for my data request is a copy of what was sent to the FAA on estimated cost to operate and maintain the airport well. The data provided has nothing to do with the well, which is primarily the responsibility of the famer.

The data covers estimated cost to operate and maintain the potable water system on

the active aviation side of the airport. There is nothing in the response that relates to the well as requested by the FAA. The document goes on to say the 18 acres used by the MVYBA are leased to the City Parks Department who evidently has the agreement with the MVYBA. The agreement with the MVYBA has no mention of the Parks Department, only the City. If there is a council approved sublease, which seems to be what the FAA was alluding to, I have not seen it but request it now.

I will check again, but I have not found any council action after the FAA inspection that indicates council agreed that the potable water system at the airport was owned by the airport and that the City Administration had told the FAA that the monetary value of the ballfield lease was offset by the City doing all the maintenance on the "airport's potable water system" in exchange for the airport not having to pay that sum for maintenance and therefore was being compensated in-kind for the value of the ballfields. I would imagine that the amount of money levied toward the airport budget would need council approval and would reflect in the financial documents for the airport.

Request again the documents that allow the City Parks Department to lease to the MVYBA.

Request any council action related to that decision.

Request council approved documentation that the airport was responsible for cost related to operations and maintenance of the potable water system at the airport.

Request documentation as to how the City reached the conclusion that the potable water system at the airport was the responsibility of the airport.

Request any financial documentation that reflects the airport's responsibility for maintenance of the airport potable water system and that reflects the in-kind compensation received.

Need this information by Thursday. However, if not available by then the agenda item will still go forward.

Councilman Lee

<Memo for Record recreational area 1-16-21.pdf>
<2016 MVYBA Lease.pdf>



CITY COUNCIL AGENDA REPORT

DATE: April 24, 2026

AGENDA OF: April 28, 2026

DEPARTMENT: City Secretary

SUBJECT: Ordinance declaring unopposed candidate for open seat in District 3 elected to office and cancelling the May 2, 2026 General Election for that seat

RECOMMENDED MOTION: I make the motion to adopt an Ordinance declaring the unopposed candidate for District 3 elected to office and providing for canceling of the May 2, 2026 General Election for that open position.

BACKGROUND:

Council seats open this year were District 3, District 4, and District 5. Each position is for a two-year term ending in 2027. The deadline to submit an application for a place on the ballot was February 13, 2026. For write-in candidates the deadline was February 17, 2026 by 5 p.m. and withdrawal was February 20, 2026. District 3 had one applicant submitted by Nicol Shriner with no challengers and with no write in candidates or propositions on the ballot and this allows for the election for District 3 to be cancelled.

FISCAL IMPACT/SOURCE OF FUNDING:

None

Submitted by:

Debra Howe, City Secretary

ATTACHMENTS/ADDITIONAL INFORMATION:

Ordinance canceling the 2026 General Election for District 3 Seat and an Unopposed Certificate for the position of District 3.

ORDINANCE NO. 2026

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CASTROVILLE, TEXAS DECLARING UNOPPOSED CANDIDATES FOR THE OFFICES OF CITY COUNCILMEMBER DISTRICT 3 POSITION AS ELECTED; PROVIDING THAT THE MAY 2, 2026 GENERAL MUNICIPAL ELECTION SHALL NOT BE HELD FOR DISTRICT 3 POSITION; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT THEREWITH; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; FINDING AND DETERMINDING THAT THE MEETING AT WHICH THIS ORDINANCE WAS PASSED WAS OPEN TO THE PUBLIC AS REQUIRED BY LAW; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Castroville, Texas on January 13, 2026, adopted an Order of Election for the May General Election, attached hereto as Exhibit ‘A’, ordering a general election to be held on May 2, 2026, for the purpose of electing three officials of the City, to wit: City Councilmember District 3, City Councilmember District 4, and City Councilmember District 5; and

WHEREAS, pursuant to Sections 143.007 and 146.054, Texas Election Code, the deadline for filing applications for a place on the ballot and declaration of write-in candidacy for the City’s general election have expired; and

WHEREAS, the City Secretary, in accordance with Section 2.052, Texas Election code, has certified in writing, attached hereto as Exhibit ‘B’, to the City Council a Certificate of Un-opposed Candidates for City Councilmember District 3 Nicol Schriener is unopposed for election to the Office of Councilmember District 3.

WHEREAS, the City Council hereby finds and determines that the candidate for Councilmember District 3 was to appear on the ballot in said election is unopposed, there are no declared write-in candidates, and no propositions to appear on the ballot for said election; and

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

Section 1. The facts and matters set forth in the preamble of this Ordinance are hereby found to be true and correct.

Section 2. In accordance with Section 2.053(a), Texas Election Code, the following unopposed candidates are hereby declared duly elected to the respective offices for a term of two years, and shall be issued a certificate of election following the date on which the general election for Councilmembers was to have been held:

Nicol Schriner, District 3

Section 3. Pursuant to Section 2.053(b), Texas Election code, the regular municipal election for Councilmember District 3, ordered on January 13, 2026, for May 2, 2026, shall not be held and is hereby canceled.

Section 4. The City Secretary is hereby directed to post a copy of this Ordinance on Election Day, same being May 2, 2026, at all polling places that would have been used in such election.

Section 5. Term of office for the unopposed Councilmember District 3 shall commence no earlier than on May 8, 2026, after the Oath of Office has been administered and executed per Sec. 22.006, Local Government Code.

Section 6. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed to the extent of such conflict.

Section 7. Should any section, paragraph, sentence, clause, phrase or word of this ordinance be declared unconstitutional or invalid for any purpose by a court of competent jurisdiction, the remainder of this ordinance shall not be affected thereby, and to this end the provisions of this ordinance are declared to be severable.

Section 8. It is hereby found and determined that the meeting at which this ordinance was passed was open to the public as required by Section 551.001 et seq., Texas Government Code, and that advance public notice of the time, place and purpose of said meeting was given.

Section 9. This Ordinance shall take effect immediately upon its passage.

PRESENTED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF OLMOS PARK, TEXAS THIS 28th DAY OF APRIL, 2026.

Bruce Alexander
Mayor

ATTEST:

Debra Howe
City Secretary

EXHIBIT 'A'

Order of Election (attached)

EXHIBIT 'B'

Certificate of Un-opposed Candidates (attached)

**CERTIFICATION OF UNOPPOSED CANDIDATES
CERTIFICACIÓN DE CANDIDATOS ÚNICOS**

To: Presiding officer of the City of Castroville
Al: Presidente de el Ciudad de Castroville

As the authority responsible for having the official ballot prepared, I hereby certify that the following candidate (s) is unopposed for election to office for the election scheduled to be held on May 02, 2026.

Como autoridad a cargo de la preparación de la boleta de votación oficial, por la presente certifico que los siguientes candidato son candidato(s) únicos para elección para un cargo en la elección que se llevará a cabo el dos de Mayo, 2026.

List offices and names of candidate:
Lista de cargos y nombres de los candidato:

Office(s) Cargo(s)	Candidate(s) Candidato(s)
District 3	Nicol Schriner



Signature (Firma)

Debra Howe

Printed name (Nombre en letra de molde)

City Secretary/Elections Officer

Title (Puesto)

4/23/2026 (Seal) (sello)

Date of signing (Fecha de firma)