



City Council Regular Called Meeting Agenda

COUNCIL CHAMBERS - 1209 FIORELLA STREET

Tuesday, May 12, 2026

6:00 PM

The City Council of the City of Castroville will meet in the Regular Called Meeting beginning at 6:00 p.m. in the Council Chambers at City Hall on the following items listed on the agenda.

- I. Call to Order**
- II. Roll Call**
- III. Pledge of Allegiance**
- IV. Invocation**
- V. Canvas votes of the May 2, 2026 City Council Election**
- VI. Oath of Office for new City Council Members**

- a. District 3 Nicol Shriner
District 4 Tobin Shipp
District 5 Valarie Solis

VII. Recognition of outgoing City Council Members

- a. District 3 Phil King
District 4 David Merz Jr.
District 5 Robert Lee

VIII. 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.

IX. 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:
a. The City council will meet in closed session pursuant to the Texas Open Meetings Act, Chapter 551.

1. Section 551.071, Consultation with Attorney, 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 NP Homes, Flat Creek, and Alsatian Oaks development agreements, and any other matters which may arise.

X. Reconvene in open session

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

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 possible action to accept the commitment to construct and dedicate an elevated water storage tower at no cost to the City of Castroville to meet the required service demands of current and identified future developments.

c. Discussion and appropriate action regarding a request to amend the development agreement between the City of Castroville and Alsatian Oaks.

XII. Consent Agenda:

a. Minutes for April 20, 2026 Special Called Meeting

b. Minutes for April 28, 2026 Regular Called Meeting

c. Approve Second Quarter Financial Report ending March 31, 2026.

d. Approve Second Quarter Investment Report ending March 31, 2026.

e. Approve and authorize the Mayor to sign an amended contract for Tourism and Economic Development activities with the Castroville Area Chamber of Commerce.

f. Authorize roof repairs to City Hall in an amount not to exceed \$40,000.

XIII. City Administrator Report

a. The following report topics may be discussed and acted upon:

a. Drainage Projects: Geneva Channel, Garza Creek, Athens Area Drainage, Steinbach Hus

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. City Hall Maintenance and Repairs
- k. Library Expansion Project
- l. Parking Lot Construction at Regional Park
- m. Swimming Pool ADA Access

XIV. Discussion and Action Items

- a.** Discussion and appropriate action to establish and authorize a multi-year street paving plan.
- b.** Discussion and appropriate action to nominate and appoint a Mayor Pro Tem.
- c.** Discussion and appropriate action to appoint City Council Board Liaisons.
- d.** Discussion and appropriate action on the schedule for City Council budget workshops for the FY 2027/28 City budgets.

XV. Discussion on Future Agenda Items

XVI. 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 May 6, 2026, before 5:30 p.m.

/s/ Debra Howe

City Secretary



Agenda Report

Agenda of: May 12, 2026

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, financing structures, and utility service provisions continued to evolve, prompting updates to certain agreement provisions.
- **May 12, 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:** Establishes a cap not to exceed \$0.60 per \$100 of assessed valuation for PID-related obligations.

- **Removal of Obsolete Provisions:** Removes references to the Multi-Party Agreement and Allocated Water Capacity Cost.
- **Utility Service Agreement Update:** Replaces the prior form of Utility Service Agreement with an updated agreement reflecting current City utility policies and operational practices.
- **Developer Capital Contribution Schedule:** Revises the timing of the payment in lieu of park dedication contributions. Under the amended terms, the initial \$100,000 contribution will be paid shortly after issuance of the first PID bond series, which is currently anticipated within approximately the next three months. An additional \$100,000 payment is anticipated within approximately 12 to 18 months, depending on market conditions and plat activity, with the remaining contribution tied to future project milestones.

These changes are primarily technical, administrative, and timing-related 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
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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**

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.

* * *

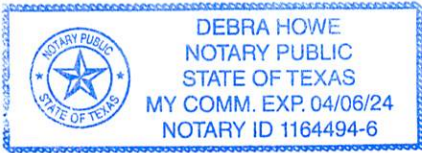
CITY OF CASTROVILLE, TEXAS

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

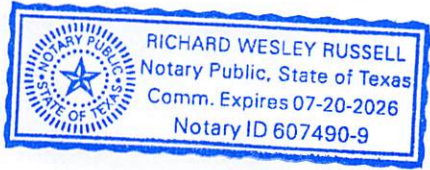
By: Terry Dickerson
Name: Terry Dickerson
Title: Manager
Address: c/o Richard Wesley Russell
Attorney for Dickerson Tausch Properties, LLC
413 Lafayette
Castroville, Texas 78009

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

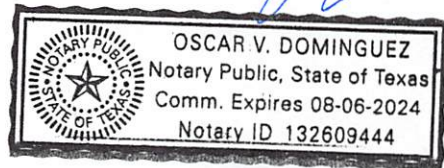
Address: 2722 West Bitters Road
Suite 106
San Antonio, Texas 78248

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

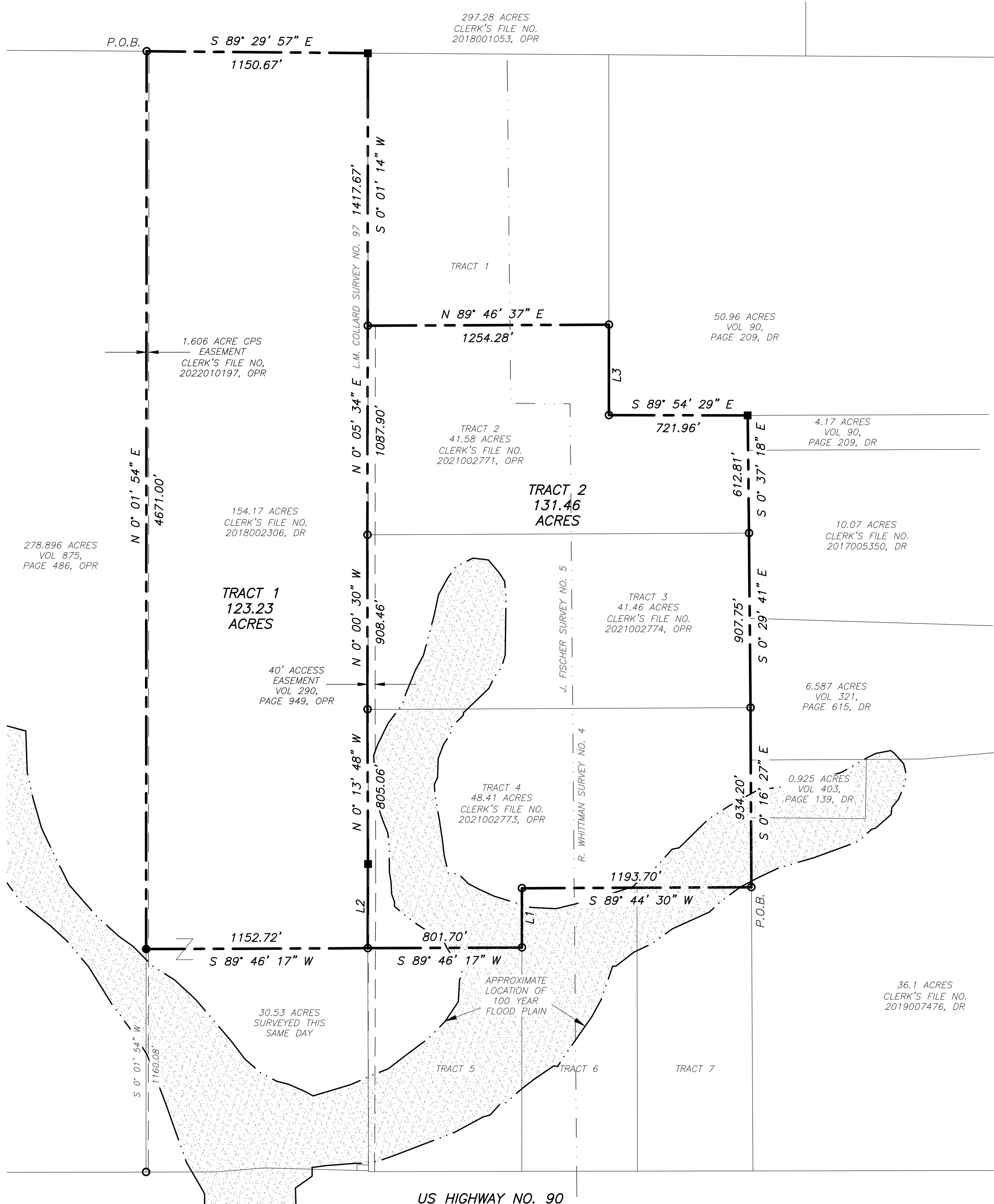
Exhibit A

**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;

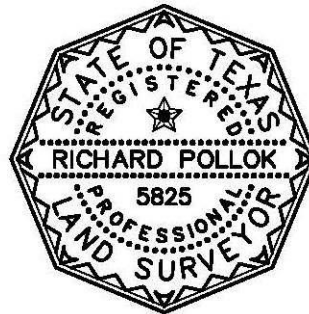
Thence South 89° 46' 17" West, 1152.72 feet, across said 154.17 acre tract of land, along the North line of said 30.53 acre tract of land, to a point marked by a 5/8 inch steel rod monument, with a cap stamped Rakowitz Engineering and Surveying, set on the West line of said 154.17 acre tract of land,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

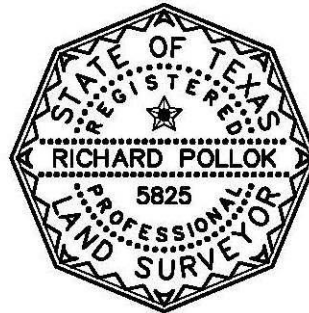
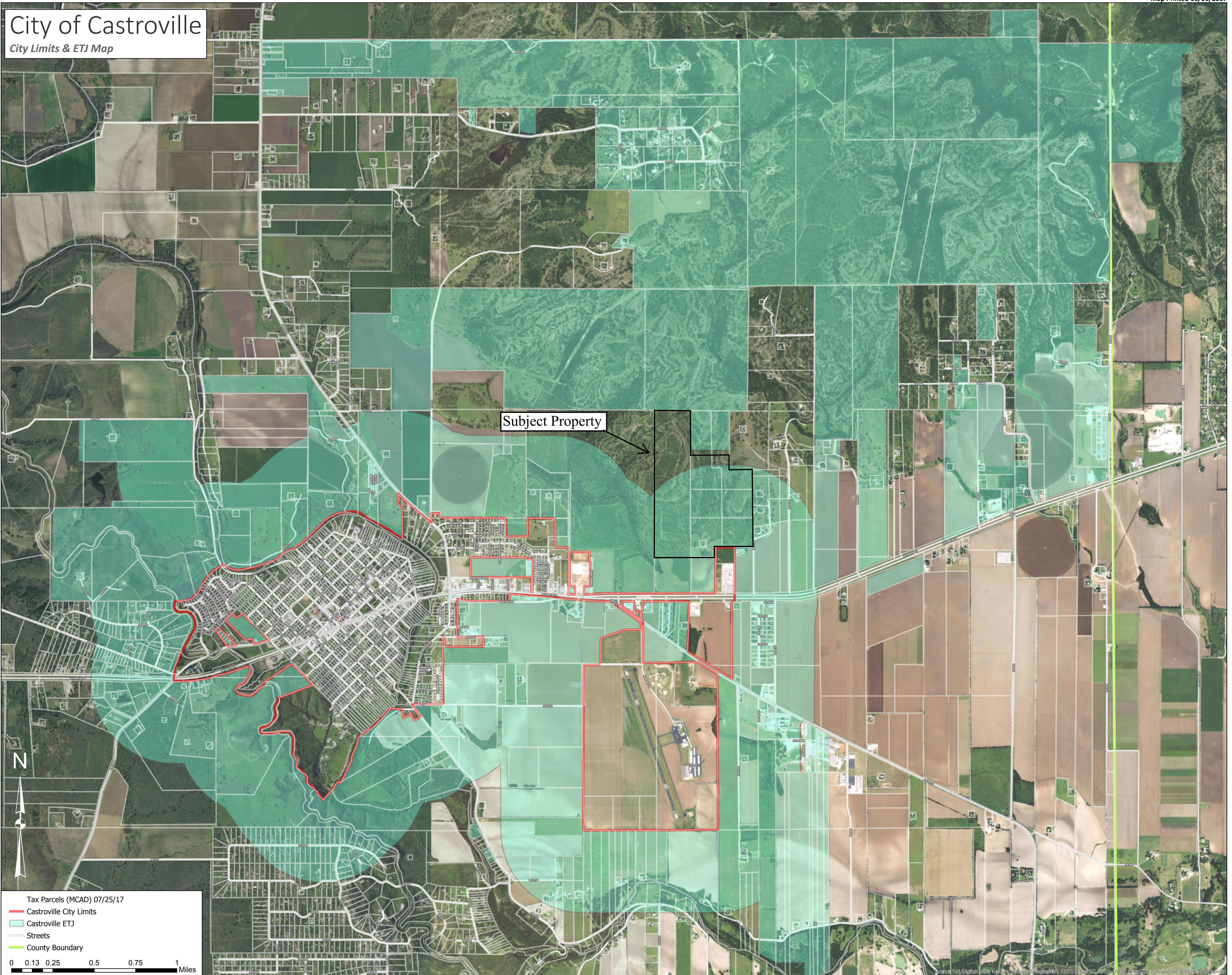


Exhibit B

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

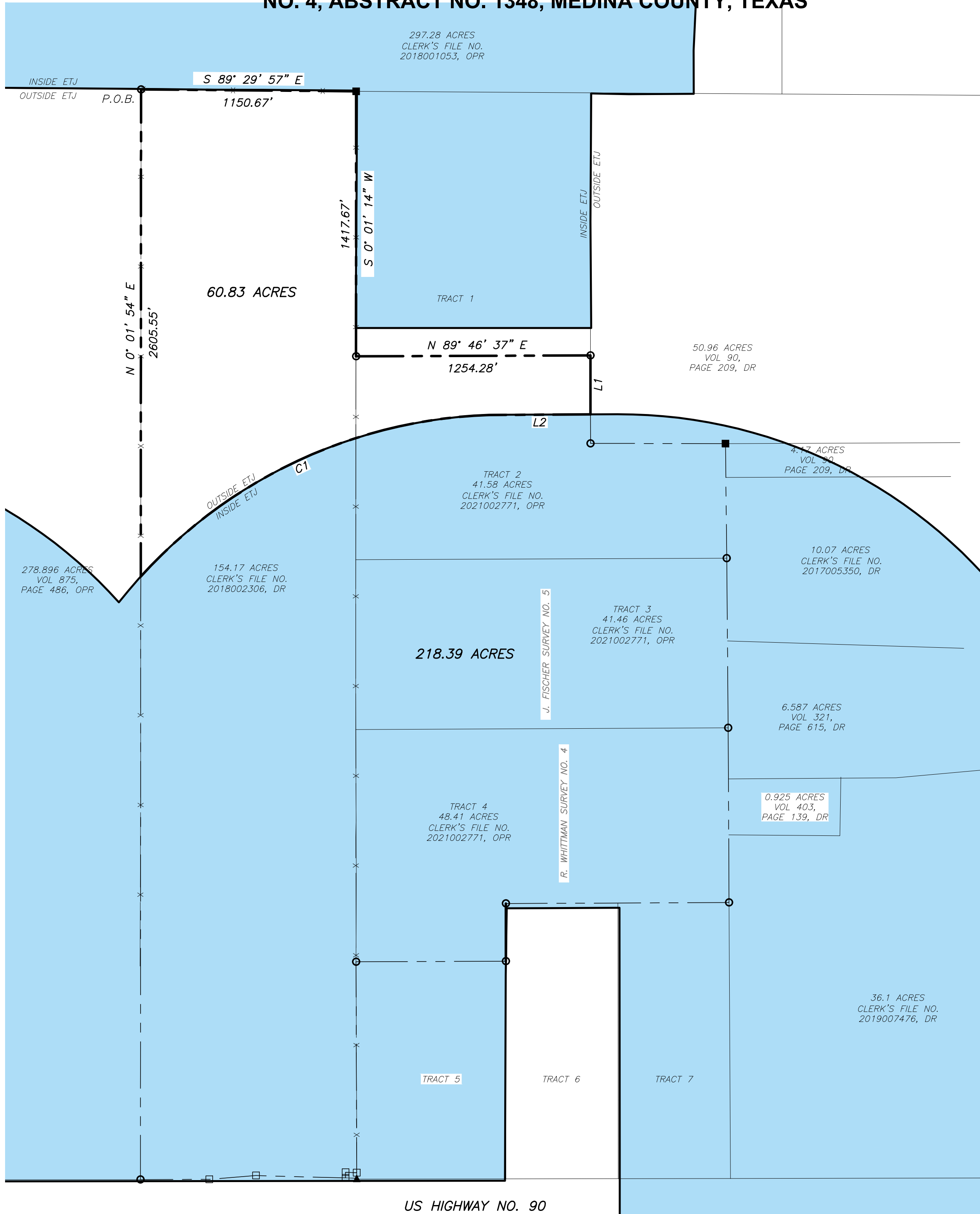
0 0.13 0.25 0.5 0.75 1 Miles

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;

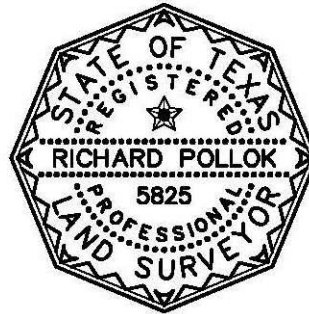
Thence along a non-tangent curve to the left, having a radius of 2636.33 feet, a delta angle of 45° 49' 44", an arc length of 2108.70 feet, and a chord bearing and distance of South 65° 06' 35" West, 2052.94 feet, to a calculated point, lying on the West line of said 154.17 acre tract of land, being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

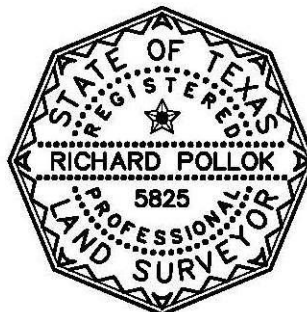


Exhibit C

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.

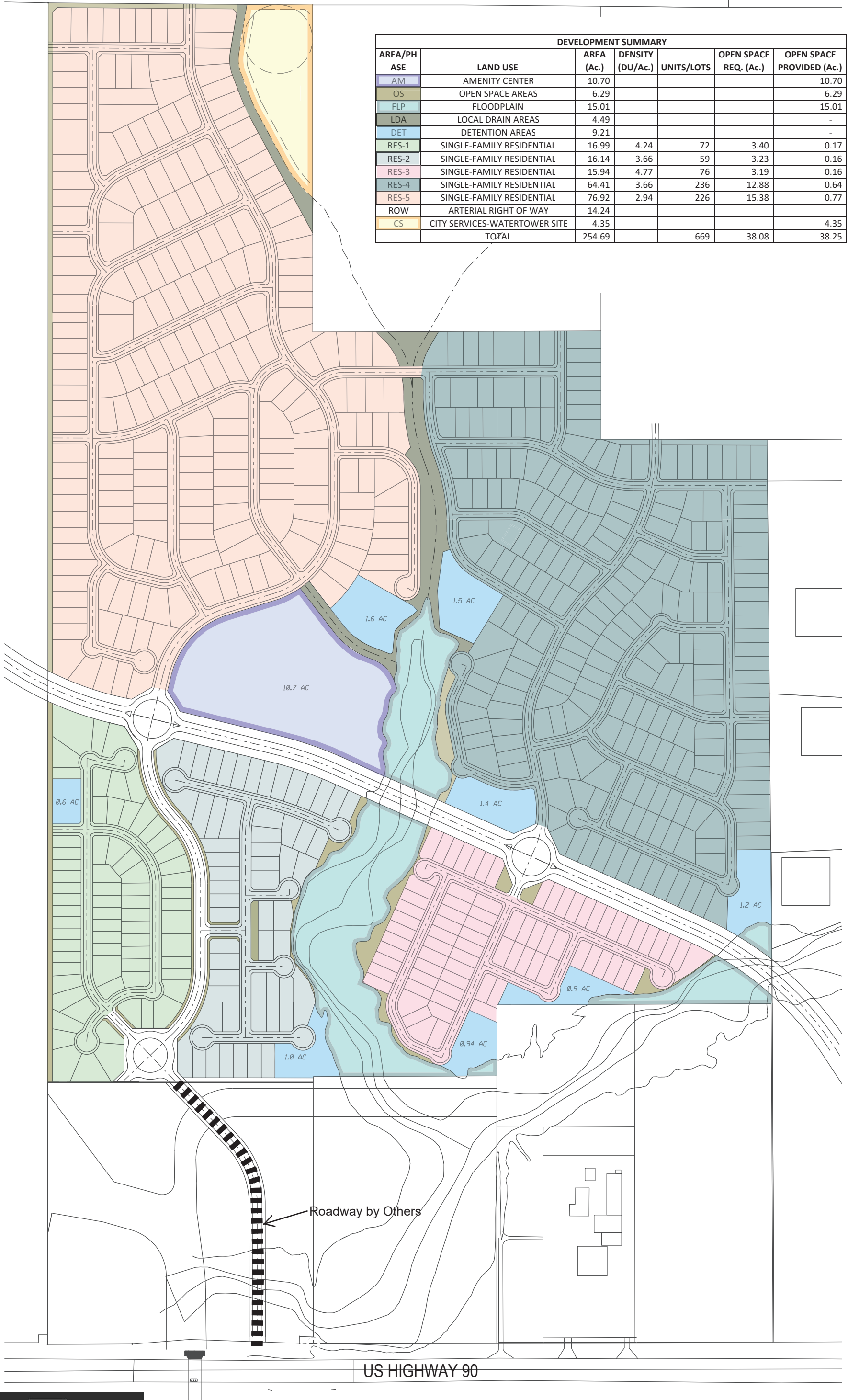
[SEAL]

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 received 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



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: 

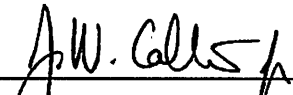
Name: DARRIN Schroeder

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.

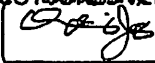
By:  _____

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.

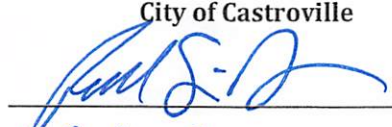
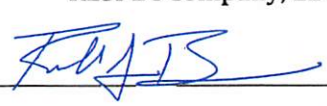
City of Castroville	RESPEC Company, LLC
By <u></u>	By <u></u>
Title <u>City Administrator</u>	Title <u>Sr. Vice President</u>
Date <u>JUN. 30, 2022</u>	Date <u>06/28/2022</u>

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

**CITY OF CASTROVILLE CITY COUNCIL
SPECIAL CALLED COUNCIL MEETING
1209 Fiorella
City Council Chamber
April 20, 2026
Monday
5:00 p.m.
MINUTES**

I. CALL TO ORDER

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

II. ROLL CALL

Present:

- | | |
|--------------------------------|---------------------------------|
| Mayor Bruce Alexander | Scott Dixon, City Administrator |
| Mayor Pro Tem Sheena Martinez | Debra Howe, City Secretary |
| Councilmember Houston Marchman | |
| Councilmember Phil King | |
| Councilmember David Merz | |
| Councilmember Robert Lee | |

Others in attendance:

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

III. CITIZENS 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.

No one requested to speak.

Mayor Alexander recessed the meeting to go into Executive Session at 5:02 p.m.

IV. 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:

- a. 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

Opened: 5:04 p.m.

Special Called Council Meeting
Minutes, April 20, 2026
Page 2
(Cont.)

Closed: 7:06 p.m.

V. RECONVENE IN OPEN SESSION

Mayor Alexander reconvened in open session at 7:11 p.m.

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

Mayor Alexander said there was no action taken in executive session.

VII. ADJOURN

Mayor Alexander adjourned the meeting at 7:12 p.m.

Mayor

ATTEST:

City Secretary

**CITY OF CASTROVILLE CITY COUNCIL
REGULAR CALLED COUNCIL MEETING
1209 Fiorella
City Council Chambers
April 28, 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 a quorum was present. (Councilmember King not present)
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:

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.

Councilmember King arrived during the start of the Executive Session.

Opened: 5:03 p.m.

Closed: 5:59 p.m.

III. RECONVENE IN OPEN SESSION

Mayor Alexander reconvened in open session at 6:05 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 | Ricky Carrasco, Assistant Public Works Director |
| Councilmember Phil King | |
| Councilmember David Merz | |
| Councilmember Robert Lee | |

Others in Attendance:
Daniel Jones, Denton, Navarro, Rodrigues, Santee, Benal & Zach

V. PLEDGE OF ALLEIGENCE

VI. INVOCATION

Pastor Terry Ballard of the Discovery Church gave the invocation.

VII CITIZENS 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.

Karen Brunair, 112 River Forrest, spoke on the agenda item requesting an Airport Forensic Investigation. Ms. Brunair wanted an additional forensic investigation on correspondence and discussions between past and present city council members, staff, and developers.

Karen Fifield, 805 Washington, spoke on wanting documentation on contracts with the developers. Ms. Fifield also wanted documentation on TxDOT asking to synchronize the traffic lights on Hwy 90 and she wanted to have turning arrows painted on the shoulder of the road to allow for legal turn off of Hwy 90. Mayor Alexander said all of the development agreements were on the City website and if she needed help to contact the City Secretary.

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.

A motion was made by Councilmember Marchman and duly seconded by Councilmember Martinez to approve the consent agenda. A vote was taken (5:0 all ayes) the motion carried by all present.

IX. MAYOR’S REPORT

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

Mayor Alexander reported on the film students and teachers from Alsace spending the last week with host families. They attended a dinner hosted by Councilmember King plus they attended the Alsatian Festive held on Saturday. Mayor Alexander said they were able to interview several members of the community and County

for the upcoming film on the ties between Castroville and Alsace. Mayor Alexander said he and his wife would be visiting Alsace in September and would have a follow up interview. Mayor Alexander briefed the City Council on his recent trip to Washington DC and his participation on a National Rural Water Policy Forum. Mayor Alexander said he had been invited along with the Executive Director of the Texas Rural Water Association to sit on a panel along with representatives from Utah and South Carolina representing small water systems. Mayor Alexander said the larger investor-owned water systems were trying to say the small rural water systems were inadequate and could not serve the customers and should be merged into the larger systems. Mayor Alexander said he spoke from experience as a Mayor of a City which owned and operated a successful small water system and as a former manager of a successful small rural water system. Mayor Alexander said after the presentation he had several positive meetings with leaders of the EPA and USDA Rural Water Development on meetings in the future on potential future projects. Mayor Alexander spoke on attending preliminary budget meetings with City Administrator Dixon, Finance Director Vidales, and each of the department heads on the 2026-2027 Budget discussions. Mayor Alexander said future discussions with the City Council would include review and a discussion on capital improvement plans for each fund to help develop a priority list of projects for the coming fiscal year. Mayor Alexander thanked all who participated in early voting for Districts 4 and 5 with Early Voting ending that day. Mayor Alexander encouraged everyone who had not voted to do so on Saturday, May 2nd.

X. CITY ADMINISTRATOR’S 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

City Administrator Dixon briefed the City Council on his report highlighting the Geneva Drainage Project being almost complete. Councilmember Lee said the Gerloff property at the corner of Geneva and Gentilz and was still taking on water during the last rain and allowing a considerable amount of water coming down Geneva to flow right onto Gentilz St and not go into the drainage channel and wanted the City to look at taking action to redirect that water. Mr. Lee said Mr. King had also noted there needed to be additional work on that corner to stop the water from going down Gentilz St. Mayor Alexander said a swell may be a good option there as it could push the water to other areas. Mr. Dixon said the Garza/Garcia Creek had a pre-bid meeting with potential bidders to outline the project. Mr. Dixon said they all went out to the site and met along with Mayor Alexander and Councilmember King. Mr. Dixon said this would come back for City Council action in May. Mayor Alexander said bidders were made aware of the budget for this project. Mr. Dixon said they were still working with the County on building a plan around the City Council’s

recommendation to work with Commissioner Sittre for an interlocal agreement. Mr. Dixon said there was nothing new on the pond closures. Mr. Dixon said the City Council were emailed a proposed plan last week taken from public input at the Multimodal Planning sessions. Mr. Dixon said Splash Pad was a work in progress; Community Center Building was still on target for end of May; Steinbach Haus window and doors were being looked at by a different contractor for a price; and City Hall/Library would bring back a rough timeline for remodel of Library. Councilmember Marchman spoke on the leaking roof at the City Hall. Mr. Marchman said he had been in the finance department and saw the leaking roof and wanted to know when it would be fixed. Mr. Dixon said he had gone back to the minutes and found where the City Council had not approved the roof repairs originally but he would be going back and revisit the bids. Mayor Alexander said the roof and exterior of the building they should not wait. Mayor Alexander spoke on the Hwy 90 TxDOT Construction saying he had attended the GoMedina Meeting that morning with TxDOT speaking on this. Mayor Alexander said they would be putting out for bid a project from FM 1343 to 471 for rehab and two new turning lanes at the intersection. Councilmember Lee asked if TxDOT would be addressing the drainage on Hwy 90. Mayor Alexander said TxDOT was only responsible for the pavement. Mr. Dixon said in speaking with TxDOT representative Clayton Ripps he said drainage and a pedestrian crossing would be addressed in the future. Councilmember Lee asked that an Airport/FAA Compliance Inspection update be added to the City Administrator Report in the future.

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

Councilmember Martinz reported on the Airport meeting held on April 7th. Ms. Martinez said the Airport Manager reported 2553 takeoffs; 29,502 gallons of AV gas and 1342 Jet Fuel was sold. Ms. Martinez said Airport Manager Mike Haley was retiring May 13th. Ms. Martinez said a company had approached the Board on building a hangar and leasing out. Ms. Martinez said possibly a new hangar could be used for the Stem Program. Arnie Dollase was still working on federal backing. Ms. Martinez said Brask LLC had a survey of the property completed and had submitted to the FAA for approval and the Board had completed the updates to Chapter 18 and would be preparing a submission to the City Council for approval.

Councilmember Marchman reported on the Planning and Zoning Commission meeting held on March 25th. Mr. Marchman said they did not have the April 8th meeting due to lack of quorum. Mr. Marchman said the board was tasked with clarifying and removing conflicting language in the sign ordinance. Mr. Marchman said they had got through the first three chapters and were continuing their review. Mayor Alexander said the Commission had been tasked with reviewing the CZO, Subdivision, and Sign Ordinances with the Commission reviewing the Sign Ordinance first and would bring back updates to the City Administrator and legal counsel before coming before the City Council for approval.

Councilmember King reported on the Historic Landmark Commission meeting held on April 21st. Mr. King said the Commission approved one Certificate of Appropriateness and would have a report from the HPO on the recent work session at the next meeting.

Councilmember Merz reported on the Parks and Recreation Board meeting held on April 1st. Mr. Merz said the board met on the new day, first Wednesday of the month, approved at the previous meeting and started to revise the identified projects. Mr. Merz said they discussed the Community Center Project and were looking for future grants.

Councilmember Lee reported on the Library Board meeting held on April 9th. Mr. Lee said the board was working on their mission statement and had reviewed the Library remodel plan for recommendations.

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

No action was taken was taken.

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

A motion was made by Councilmember King and duly seconded by Councilmember Merz to open for discussion on adopting 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.

Councilmember Lee questioned the amount of water rights shown in the agreement and explained the amount required seemed to only cover living units and nothing else requiring city water. City Administrator Dixon said Flat Creek was paying the Impact Fees and had already brought the amount of water rights that they were required by ordinance to bring. Mr. Dixon said the LUE’s were calculated but they did not include irrigation needs. Mr. Dixon said they were calculated at .612 acre foot per dwelling. Mr. Dixon said they could bring back a policy for commercial and landscaping. Mayor Alexander said the water rights were required for residential and all surrounding cities were the same. Councilmember Lee said the City needed to look at the existing developments and their consumptions now and in the future and make sure the amount of water rights required beyond just the housing were significant enough for the City’s needs. Councilmember Merz said the .612-acre foot was only required for single-family lots currently in the developments and the City should look at all requirements for the future. Councilmember King asked if this was ready as the development was on a timeline. Mayor Alexander explained the first amendment was approved by the City Council but he was not in favor so he did not sign. Mayor Alexander said this one was requesting to go from \$20,000,000 to \$25,000,000 and was discussed in executive session. Mayor Alexander asked what would the City get for the change in the Development Agreement and the suggestions would be passed on by legal counsel. Councilmember King withdrew his motion and Councilmember Merz withdrew his second. There were no new motions made. Legal representative Rob Killian asked that the item be brought back at the next council meeting as they were on a strict timeline.

- b. Discussion and appropriate action on updated drainage plan

Assistant Public Works Director Ricky Carrasco briefed the City Council on updated drainage plan with a map. Mr. Carrasco said all departments in the Public Works Department were helping the Streets

(Cont.)

Superintendent Daniel Silva with maintenance projects. Mr. Carrasco provided a mowing schedule and details on several streets; the electric department was helping fill potholes and the gas department would be helping with tree trimming. Mr. Carrasco said all employees in the Public Works Department had volunteered and would continue to help each other. Mr. Carrasco said the drainage improvements would be worked in-house with plans to work up from the Geneva area once the Geneva/Gentilz channel was completed. City Administrator Dixon said staff had heard the City Council and would be reestablishing the bar ditches as they go and Mr. Carrasco said they had a strategic plan to work on the identified streets shown on the map. Mayor Alexander thanked the department and was glad they were all working together. Mayor Alexander said it was long overdue speaking on previous discussions in 2021 by former Mayor Schroeder, 2022 by former Councilmember Carey, and his request in 2025 when he became Mayor. Mayor Alexander said on Houston Street and others with concrete structures they should go clean those structures out first. Councilmember Lee asked about streets such as Hwy 90 and those streets intersecting Hwy 90 and the curb areas that are filled with dirt and grass could they run the machine down Hwy 90 and clean up these curb areas. Councilmember Marchman asked about cleaning out the street grate next to McDonalds due to the debris washing down and causing a clog. Mr. Carrasco said they always clean before and during the rains to prevent water build up. Mayor Alexander said he was supportive of Public Works when they clean out the culverts and ditches and it will be a drastic change when done right. Councilmember Martinez said River Meadow needed to be added to the list. City Administrator Dixon said that was a street issue and would be addressed. Councilmember Merz said at the last meeting he had seen information on hiring new people and more equipment and asked if that had changed. Mayor Alexander said that would be discussed at the budget work sessions. Karen Fifield was recognized and asked if the drainage grate beside McDonalds was TxDOT's responsibility. Mayor Alexander said it had been part of a City drainage project and the City was responsibility.

c. Discussion and appropriate action to authorize HA5 street conditioning project

Assistant Public Works Director Rick Carrasco briefed the City Council on a list of streets for rehab in Westheim Village, Country Village Estates, and Alsatian Oaks Subdivisions. City Administrator Dixon said the streets listed for maintenance would be paid out of the \$200,000 shown in the current Street Maintenance budget. Mr. Dixon said they would be bringing back additional streets to be paid out of the additional \$400,000 the City Council had allotted. Mayor Alexander said the streets shown were newer streets and they needed very little maintenance unlike the main blocks within the City they needed seal coat/ resurfacing. He wanted to see those streets. Mr. Dixon said those streets would be brought back at the May 12th meeting. Mr. Dixon said there was also bond funds and some fund balances that could be used. Councilmember King said this was his field of expertise and said the newer streets needed to be maintenance early on to save millions in later years or they would end up like a lot of the current streets in town that had failed. Councilmember Lee said the City only received 20% of taxes from Alsatian Oaks and the City had to already pay for maintenance in the subdivision. Mr. Lee said he was not against doing this to extend the life of the streets but he did not think it was fair to the rest of the citizens having to fund street work in the newest subdivisions while their old streets needed extensive work. Councilmember Merz said no street lasted forever and if not maintained they would have to be rebuilt. Mr. Merz said he would like to see 5-10% of the streets

rebuilt each year and he was pleased that the next City Council would continue to increase the street maintenance. Mr. Merz said he would like to see a tax rate increase and use for street improvements. Councilmember Marchman asked if the plan they were given was with or without utilities. Mayor Alexander said that would be brought back. Mr. Dixon said staff were waiting on the agreement with Boerne to be completed and he would bring back a Plan A, B, and C with timeframes. Councilmember Martinez said her neighbor also had street issues to be looked at.

A motion was made by Councilmember Merz and duly seconded by Councilmember King to authorize a contract for the HA5 street conditioning project contingent on Boerne Interlocal Agreement. A vote was taken (3 ayes: 2 nays (Marinez, Marchman) the motion carried by a majority vote.

d. Discussion and appropriate action on results of condition survey of Steinbach Haus, Wagon Accessory Building, and City Hall

Councilmember Lee spoke on this item having been discussed at a previous meeting with a committee having been formed to evaluate the conditions of the Steinbach Haus, Wagon Accessory Building, and City Hall. Mr. Lee said the committee’s information had been sent by email the day of the council meeting and he had not seen it. A verbal report had been given on repairs for the Steinbach Haus but no written provided on the windows and doors of the Steinbach Haus or the condition of the Wagon Accessory Building or City Hall window and doors. Mr. Lee said the windows and doors at the City Hall were a maintenance item and wanted to move forward with it. Mr. Lee said they would need to be scraped and repainted. Mayor Alexander said the City Secretary was getting a contract for the Steinbach Haus and asked should the City Council do the City Hall as a maintenance item along with the roof repairs or wait and do with the design build contract. Councilmember King felt the windows would need more than just scraping and painting. Mr. King said they would need resealing and replace the rotten wood. Mr. King felt the stabilization of the building should come first before spending a large amount of money. The Wagon/Pole Barn was weathering as it should and have a maintenance program in the future. Councilmember Marchman said the roof at City Hall needed to be repaired as soon as possible. Mr. Marchman saw leaks in the Finance Director’s office and said they should use new pine wood on the windows to replace the rotting wood. Councilmember Merz said it looked like Steinbach Haus maintenance was going to be completed and the City Hall roof repairs were part of the design build plan. Mr. Dixon said yes the maintenance would be completed on Steinbach Haus but after recent rains the City Hall roof needed to be repaired now. Mr. Dixon said the roof repairs would be brought back to the next meeting for approval. Mr. Dixon said he had spoken to the design build team and let them know of the million-dollar budget and they would be preparing an ala carte type project. Mr. Dixon said they had been trying to attend a meeting to discuss and would be coming before City Council soon. Mr. Dixon summarized saying it was recommended they needed to stabilize the outside of the building first and not take any action tonight as it was a part of the larger project. Mr. Dixon said the City did not have the staff to take on this project. Councilmember Lee said he was told by Carole Romano the windows were not original and had been possibly replaced in the 1990’s. The City, through grants, had rebuilt the upper and lower windows and doors in the last 15 years and maintenance was needed.

A motion was made by Councilmember Merz and duly seconded by Councilmember Marchman to include the Doors and Windows maintenance, excluding the roof repairs, in the Design Build Project.

A vote was taken (4 ayes:1 nay(Lee)) the motion carried by a majority vote.

e. Discussion and appropriate on directing a Forensic Audit of Airport Finances

Karen Fifield, 805 Washington, requested to speak on this item. Mayor Alexander explained that a forensic audit was usually requested when there were claims of fraud or misuse of funds. Mayor Alexander said the City had an annual audit completed each year on all funds. Ms. Fifield wished to include a forensic audit on all finances from past council members. Mayor Alexander said this was only done when there was criminal activity detected and he did not know of any.

A motion was made by Councilmember King and duly seconded by Councilmember Merz to take no action on this item and may be readdressed during budget discussions.

Further discussion followed.

Councilmember Lee said when he requested this, he did not assume there was anything improper going on but there had been numerous transactions over the years including ones between departments and airport leases and he believed a financial inspection with more detail than the regular City Audit was needed to make sure everything was clear and proper. Mr. Lee said it would also give a clean look to council and the FAA on all airport financial dealings. Mr. Lee said there were open questions on the FAA Compliance Inspection requirements the City had not answered and having gotten the appraisal of the baseball fields helped in responding to those open issues. He said Mr. Loftus, FAA Airports Compliance Program Manager, had just sent an email saying compliance with grant assurances is constant and they would send a letter when all open items were completed. He also said that federal funding for the airport could be negatively impacted as long as the city remained out of compliance. Mr. Lee had questions on the transfers shown in the audit.

Councilmember Marchman felt they had spent a large amount of time discussing the Airport and he was not in favor of having a forensic audit completed. Councilmember Martinez felt they should wait and discuss during budget meetings. Ms. Martinez requested Finance Director Vidales to provide a line by line explanation. Mayor Alexander said it was important that the City Council understood all of the accounts and how they worked. Councilmember Merz said there was a lot of confusion over the airport and said they may need to do an audit. Mayor Alexander questioned whether they wanted an audit of all accounts.

Councilmember Merz understood a forensic audit could be expensive and asked who would pay for the audit, Airport or General Fund. Mr. Dixon said the Airport would pay the cost. Mr. Dixon said Mr. Vidales had sent out an email to the City Council on cashflow from 2021-2025 and cash balance for the Airport. Mr. Lee said he had not seen the email yet. Mayor Alexander said the Auditor worked for the City Council and they could request a more in-depth audit. Councilmember Merz requested to withdraw his second on taking no action on the audit.

Councilmember Martinez said she would second the motion. A vote was taken (3 ayes: 2 nays (Merz, Lee)) the motion carried by a majority vote.

f. Consider and take appropriate action on adopting an Ordinance canceling the election for Council position for District 3 and declaring unopposed candidate Nicol Schriener as District 3 Councilmember

A motion was made by Councilmember King and duly seconded by Councilmember Merz to adopt an

Council Meeting
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(Cont.)

Ordinance canceling the election for Council position for District 3 and declaring unopposed candidate Nicol Schrinier as District 3 Councilmember. A vote was taken (5:0 all ayes) the motion carried by all present.

XIV. DISCUSSION ON FUTURE AGENDA ITEMS

City Administrator Dixon recapped the items for future agendas. They were to provide a Drainage Plan; Street Plan after the May 12th meeting; and City Hall remodel.

XV. ADJOURN

Mayor Alexander adjourned the meeting at 8:30 p.m.

Mayor

ATTEST:

City Secretary



CITY COUNCIL AGENDA REPORT

DATE: May 5, 2026

AGENDA OF: May 12, 2026

DEPARTMENT: Finance

SUBJECT: Second Quarter Financial Report for the Period Ending March 31, 2026.

RECOMMENDATION:
Accept FY 2026 Second Quarter Financial Reports

BACKGROUND:
In accordance with the City’s financial reporting requirements and fiscal management policies, the Finance Department has prepared the 2nd Quarter Financial Reports, which represent the financial position of the City through the end of the second quarter for fiscal year 2025-2026 (ending March 31, 2026).

DISCUSSION:
This report provides an overview of revenues and expenditures for the General Fund, Enterprise (Utility) Fund, and Airport Fund, as well as key performance comparisons against the adopted budget and prior year actuals.

Highlights include:

- **General Fund:**
 - Sales tax collections for March 2026 totaled \$133,886, a 4.57% increase from March 2025.
 - Property tax collections are at 95.21% collected. Year-to-date collections total \$1,329,033 compared to the original budget of \$1,395,825. Property tax revenues are received unevenly throughout the fiscal year, with the majority of collections occurring in December and January. As a result, property tax revenues are typically lower in the first quarter and increase significantly later in the fiscal year.
- **Enterprise (Utility) Fund:** Year-to-date collections reached \$5,085,446 ending March 2026, reflecting a 22.6% increase over FY 2024-2025 (YTD March 2025). All departments are operating within budget exception of Refuse.
- **Airport Fund:** Year-to-date revenues total \$467,408, a 20.75% decrease from FY March 2025.

This quarter’s presentation supports fiscal transparency and helps the City Council monitor budget performance and operational trends ahead of the year-end close.

FISCAL IMPACT/SOURCE OF FUNDING:
N/A

Submitted and approved by:

Leroy Vidales Finance Director

ATTACHMENTS/ADDITIONAL INFORMATION:
FY 2026 2nd Quarter Financial Report

CITY OF CASTROVILLE

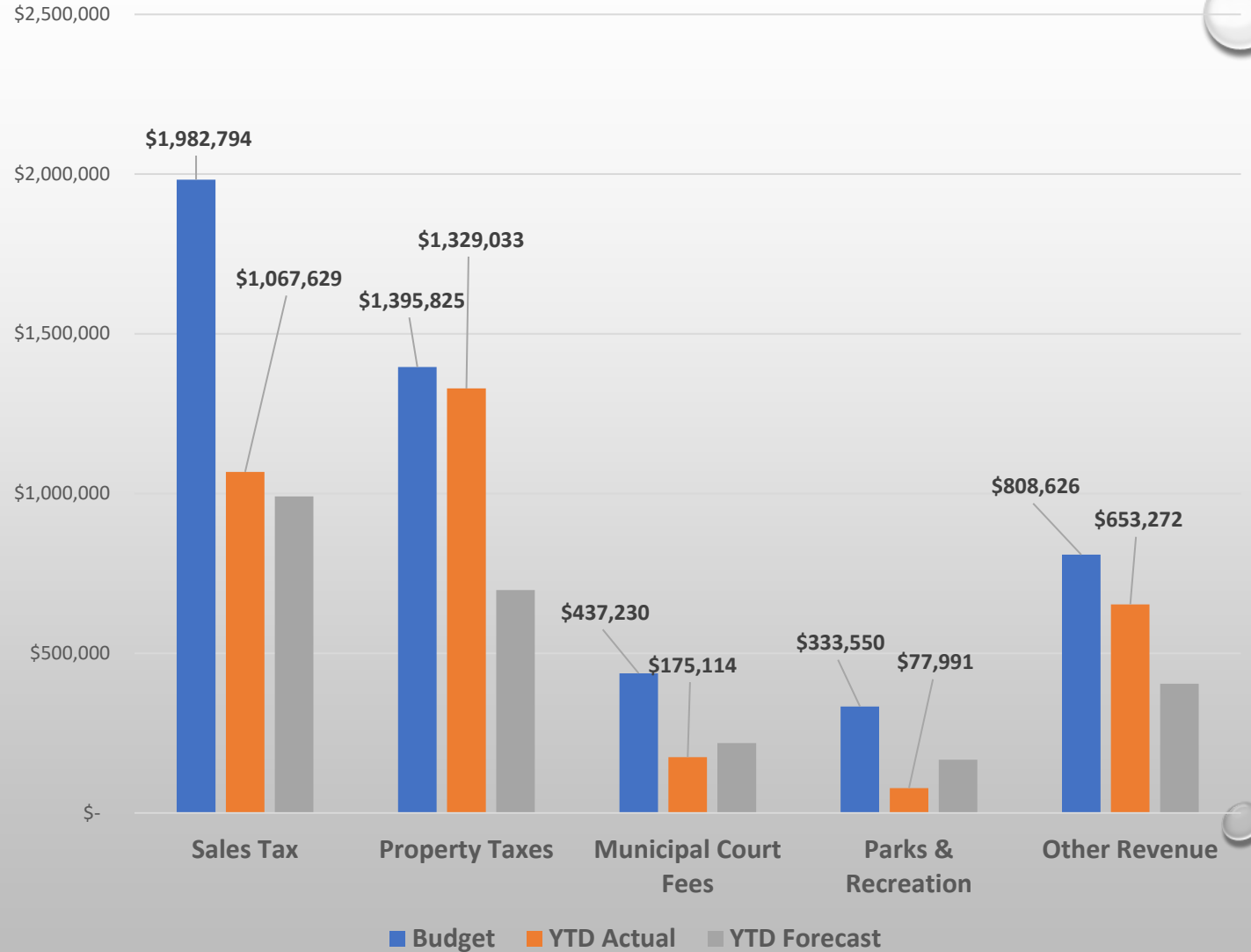
- **QUARTER FINANCIAL REPORT #2**
 - **(ENDING MARCH 31, 2026)**
 - **General Fund**
 - **Enterprise Fund**
 - **Airport Fund**

GENERAL FUND

Budget to Actual Revenues -March 31, 2026

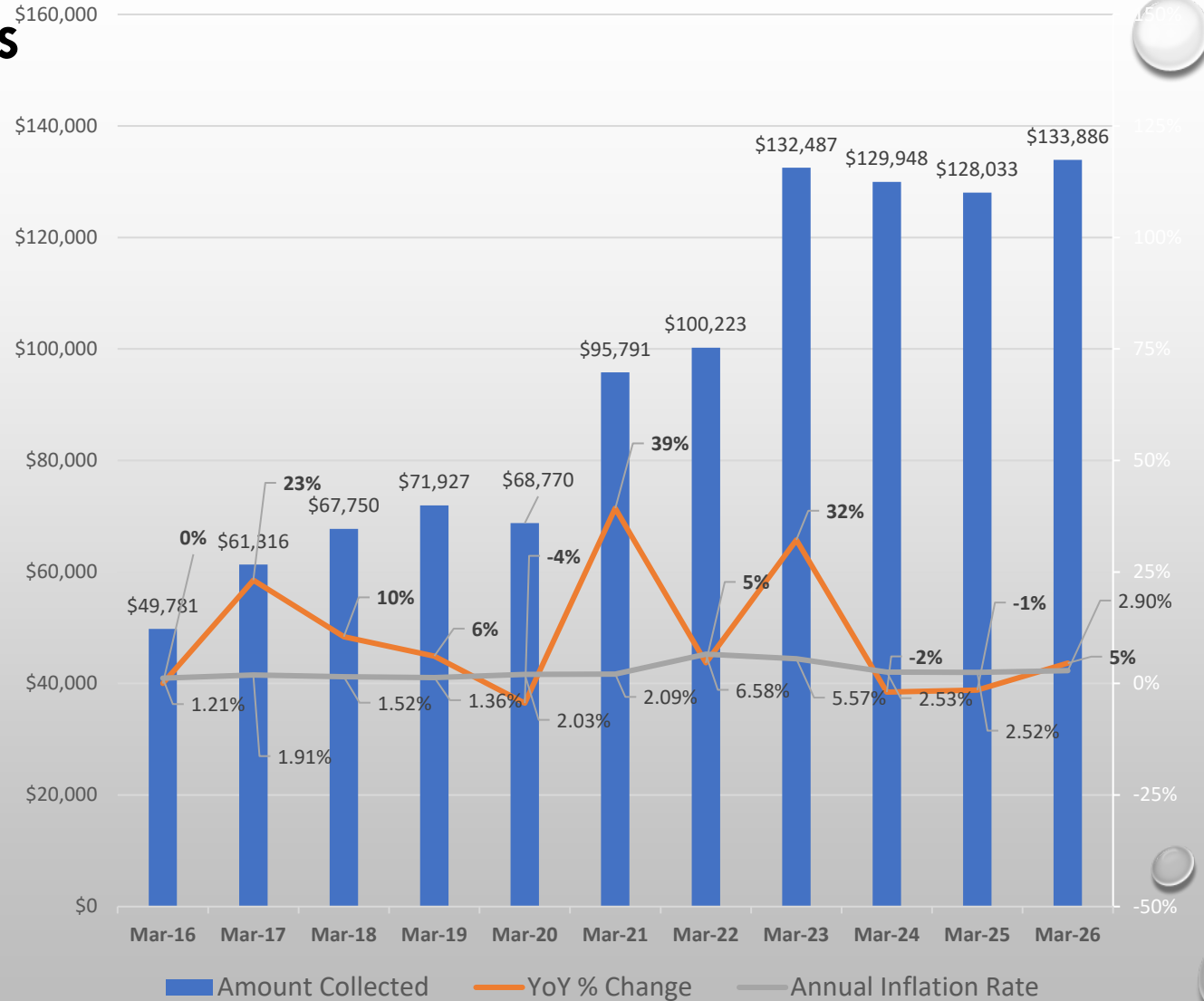
GENERAL FUND YTD COMPARISON

- Sales tax collections for the month of March totaled \$140,981 (includes sales and liquor tax) compared to last year, total collected for the month of March 2025 was \$133,292, an increase of 5.77%
- YTD Sales Tax Collections are \$1,067,629 compared to last year's YTD sales tax collections at \$989,525
- Property tax collections for the month of March totaled \$84,368 compared to last March 2025, total collected was \$28,535
- YTD Property Tax Collection are \$1,329,033 compared to last year's YTD property tax collections at \$1,292,827
- Other Revenue includes municipal court, parks and recreation and other misc. revenue. Court Collection Fees for the month of March totaled \$33,567 compared to last March 2025, total collected was \$59,214

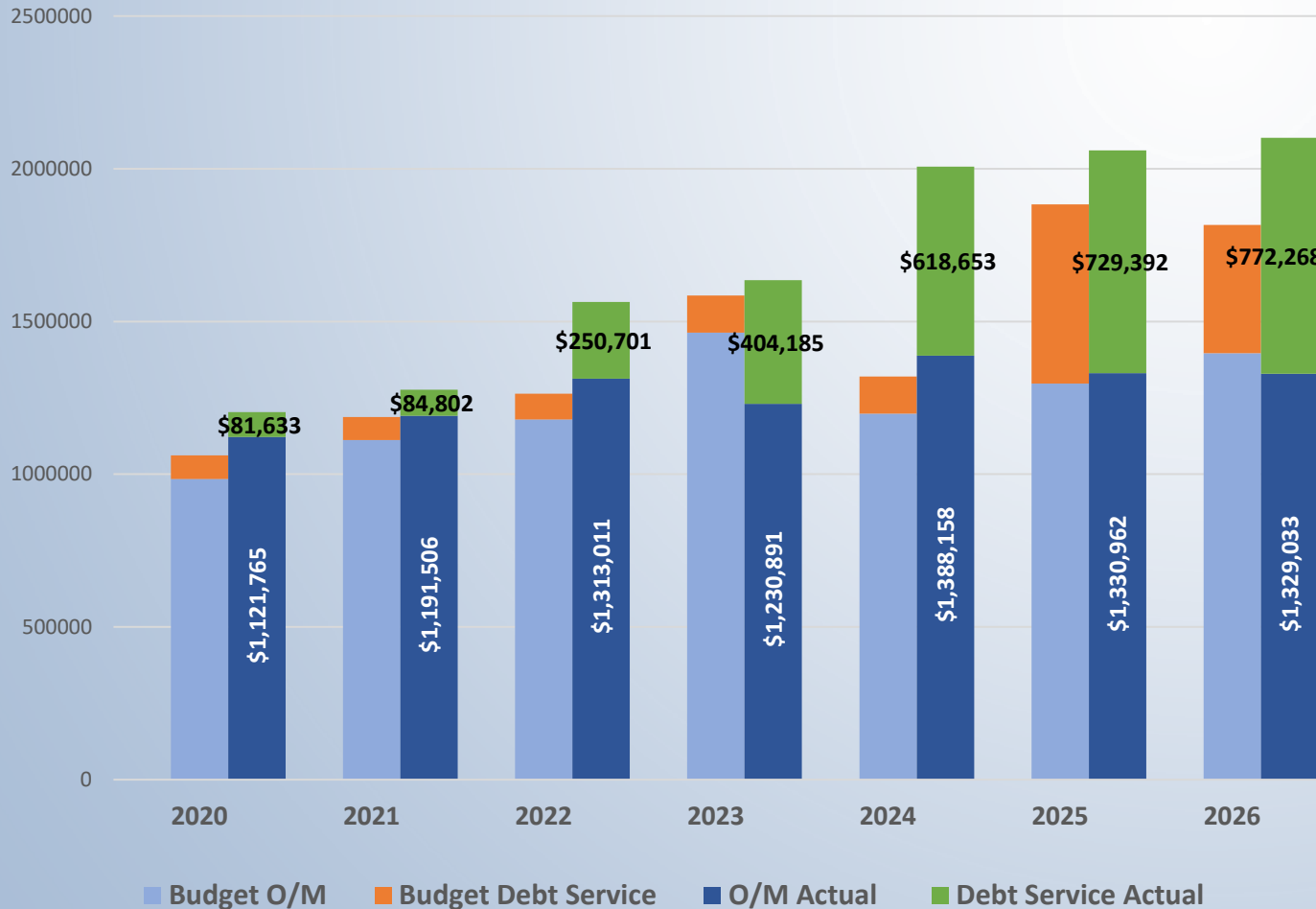


COMPARISON OF ANNUAL COLLECTIONS FOR THE MONTH OF MARCH. FISCAL YEAR 2025-2026

- Sales tax collection for the month of March totaled \$133,886. This represents an increase of 4.57%, or \$5,853 compared to last year.
- March 2026 (\$133,886) represents sales tax collections only, does not include liquor tax.
- Collections for this month represent sales that took place in January.



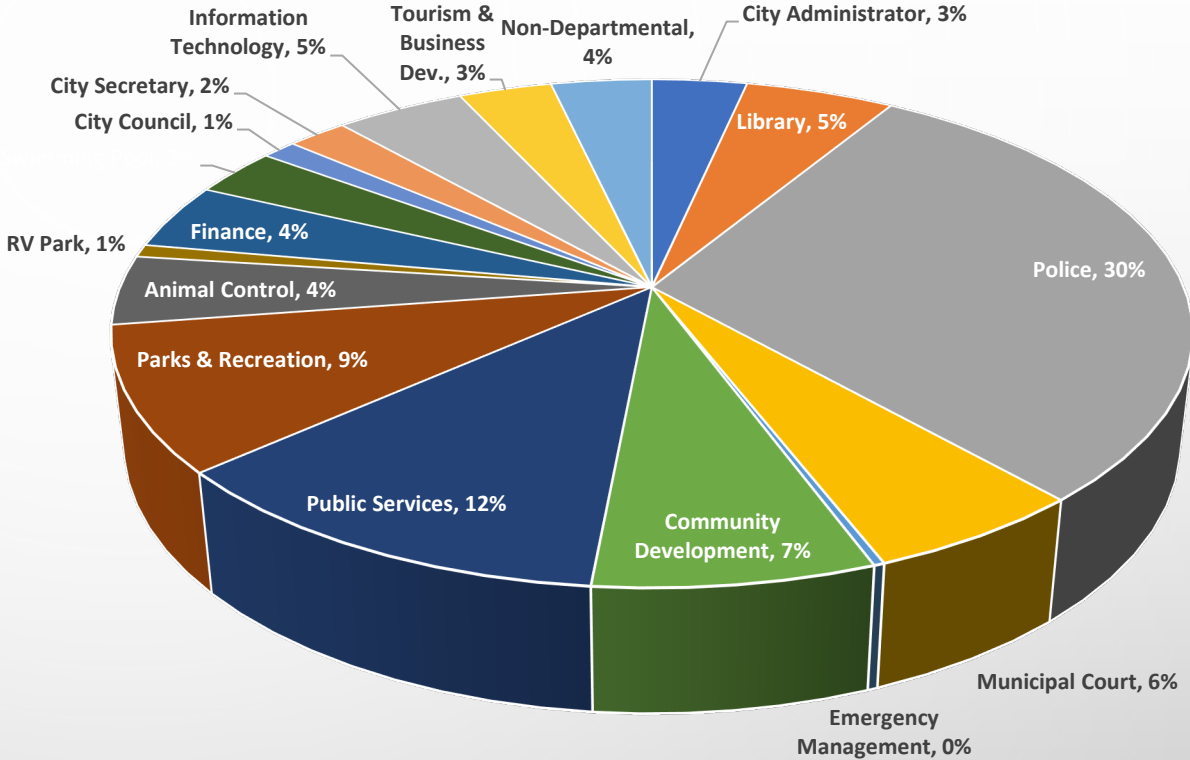
Property Tax Collections



- Current property tax collections are 95.21% of the original budget at this point of the fiscal year. This includes ad valorem, delinquent and penalties and interest. We have collected 96.84% of the total tax levy.
- Taxes become delinquent on February 1st. January is the last month to pay without penalties.
- Delinquent property taxes represent collections on prior year levies. Penalty and interest are being collected on prior year taxes.
- Total property tax collections year to date including prior year collections, as well as penalties and interest for March are \$1,329,033.

General Fund by Department

Department	% of Budget	Adopted	Actual YTD
City Administrator	3%	\$ 183,323	\$ 153,263
Library	5%	\$ 287,200	\$ 125,153
Police	30%	\$ 1,609,351	\$ 1,197,497
Municipal Court	6%	\$ 305,472	\$ 194,650
Emergency Management	0%	\$ 14,700	\$ 1,914
Community Development	7%	\$ 385,392	\$ 235,027
Public Services	12%	\$ 645,388	\$ 213,693
Parks & Recreation	9%	\$ 496,940	\$ 806,635
Animal Control	4%	\$ 238,475	\$ 133,725
RV Park	1%	\$ 43,400	\$ 12,055
Finance	4%	\$ 227,574	\$ 129,153
Swimming Pool	3%	\$ 166,208	\$ 49,630
City Council	1%	\$ 66,646	\$ 35,943
City Secretary	2%	\$ 115,767	\$ 49,729
Information Technology	5%	\$ 249,500	\$ 205,649
Tourism & Business Dev.	3%	\$ 179,489	\$ 42,422
Non-Departmental	4%	\$ 194,200	\$ 116,122
	100%	\$ 5,409,025	\$ 3,702,259



- City Administrator
- Library
- Police
- Municipal Court
- Emergency Management
- Community Development
- Public Services
- Parks & Recreation
- Animal Control
- RV Park
- Finance
- Swimming Pool
- City Council
- City Secretary
- Information Technology
- Tourism & Business Dev.
- Non-Departmental

Parks and Recreation expenditures are higher in Quarter 2 due to **contracted services for the Community Center**. These costs are **reimbursable**, with corresponding revenues being recognized, resulting in no net negative impact to the fund.

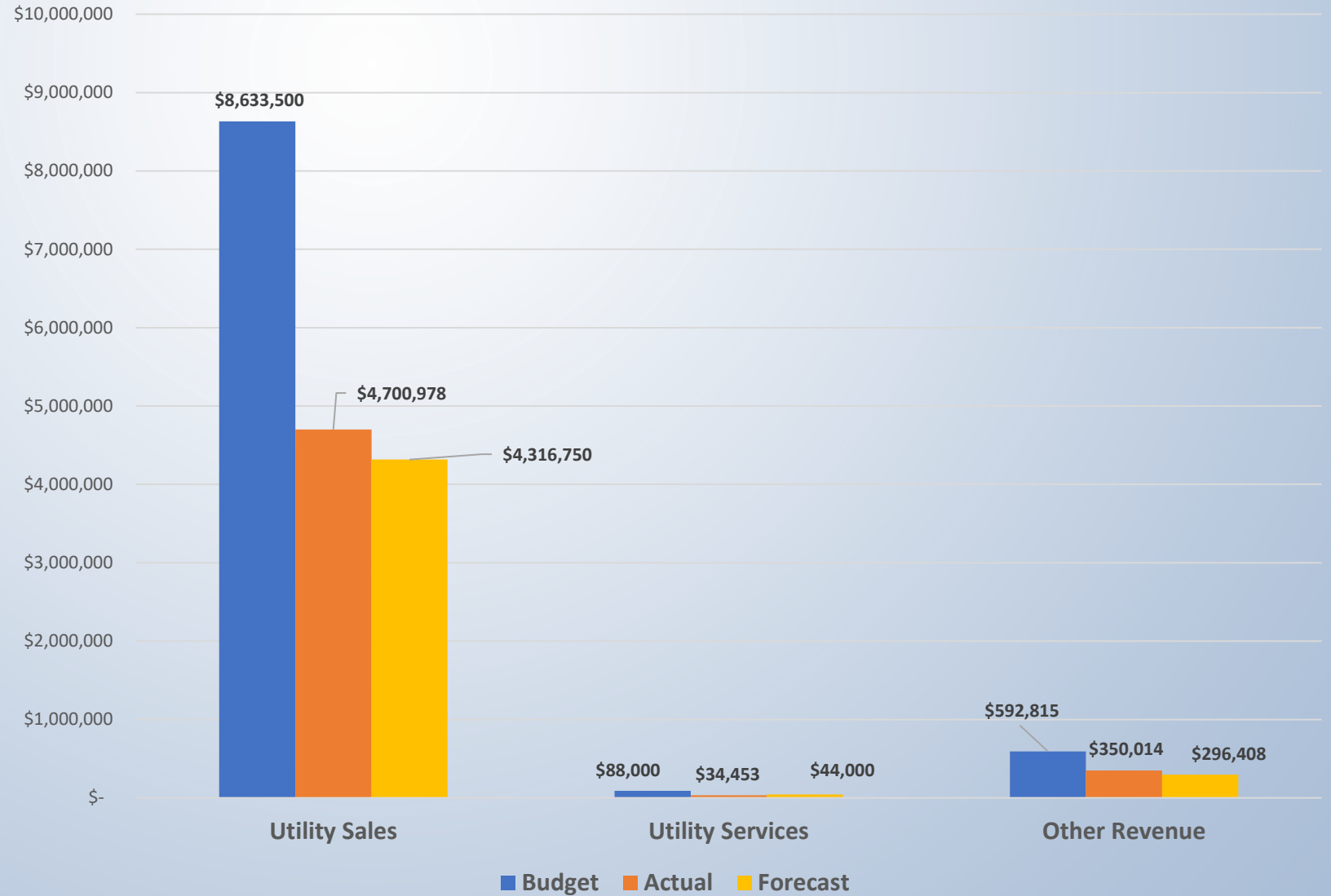


UTILITY FUND

Budget to Actual Revenues - March 2026

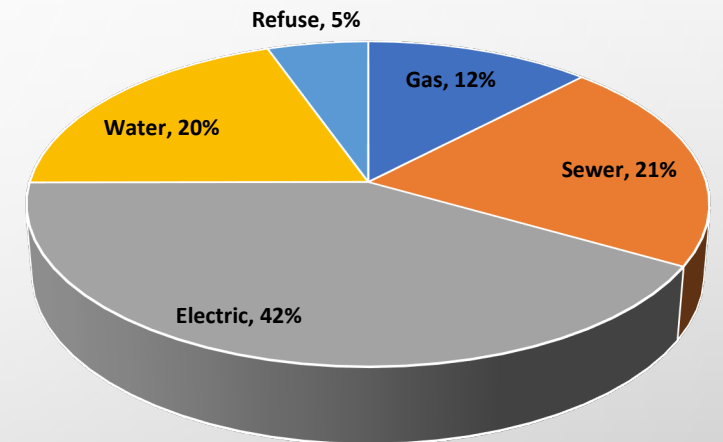
Utility Fund Revenues (March 2026)

- Utility revenues collected for the month of March totaled \$768,174 compared to last year, total collected for the month of March 2025 was \$633,944, an increase of 21.17%
- Total YTD Collections are \$5,085,446. This includes utility sales, utility services and other misc. revenue.
- Last year YTD total collections was \$4,147,873 which is a 22.6% increase.



UTILITY FUND EXPENDITURES BY DEPARTMENT

Department	% of Budget	Adopted	Actual YTD	Difference
Gas	12%	\$ 1,133,529	\$ 478,266	\$ 655,263
Sewer	21%	\$ 1,962,495	\$ 783,079	\$ 1,179,416
Electric	42%	\$ 3,885,287	\$ 1,717,376	\$ 2,167,911
Water	20%	\$ 1,826,895	\$ 1,128,712	\$ 698,183
Refuse	5%	\$ 506,109	\$ 529,064	\$ (22,955)
	100%	\$ 9,314,315	\$ 4,636,497	



- The above graph represents YTD actual expenditures by department.
- All enterprise funds are performing within expected budget parameters at the end of Quarter 2. The only exception is the Refuse Fund, which reflects expenditures at approximately 105% of budget.
 - This variance is attributable to a structural change in operations rather than overspending. Specifically, the City resumed commercial refuse services this fiscal year. As a result, both revenues and expenditures have increased to account for the full cost of providing services to both residential and commercial customers.
 - In the prior year, the Refuse Fund only reflected residential activity, whereas the current year includes both residential and commercial operations. This change impacts year-to-date comparisons and percentage-of-budget metrics but is aligned with the expanded service model and corresponding revenue collection.

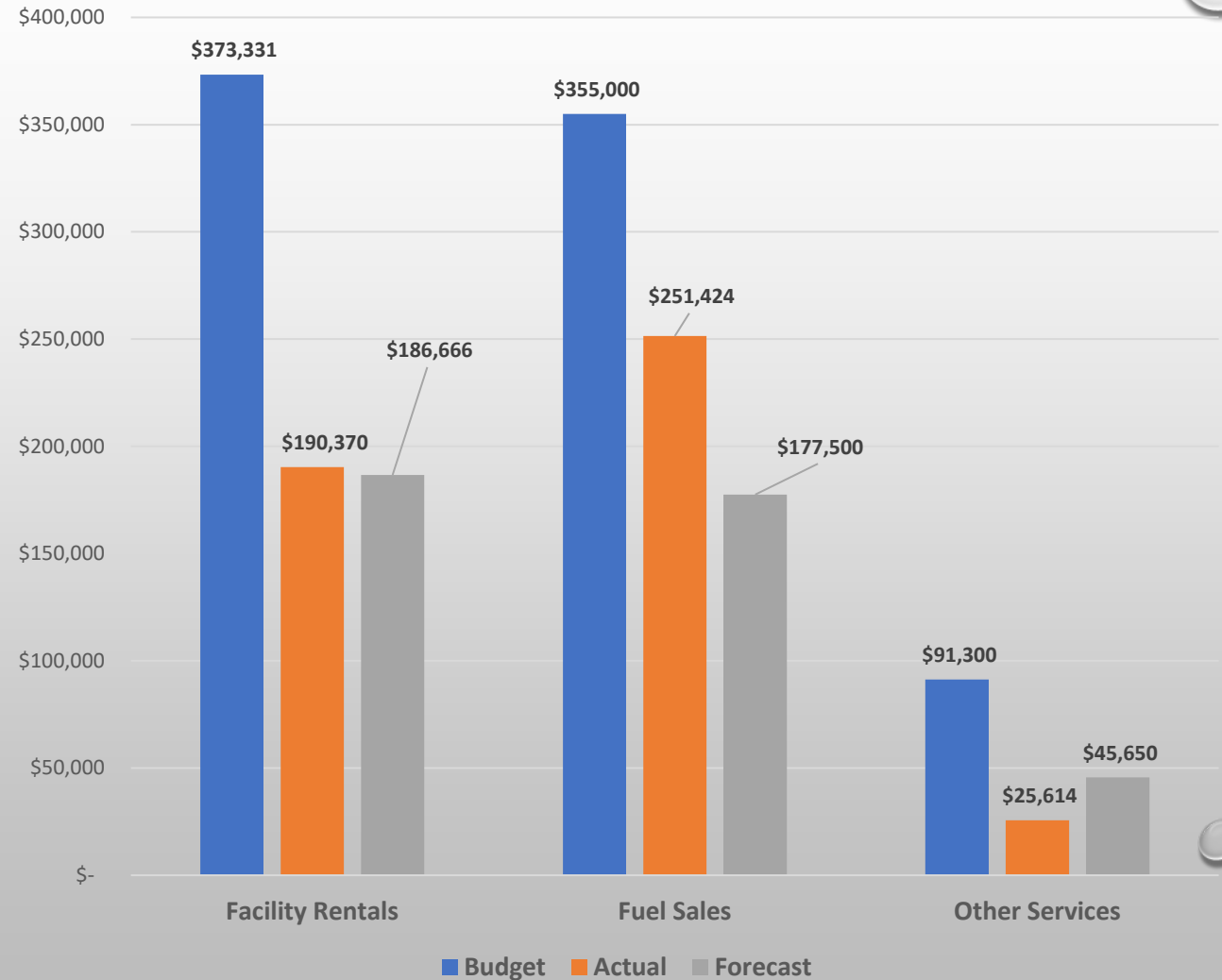


AIRPORT FUND

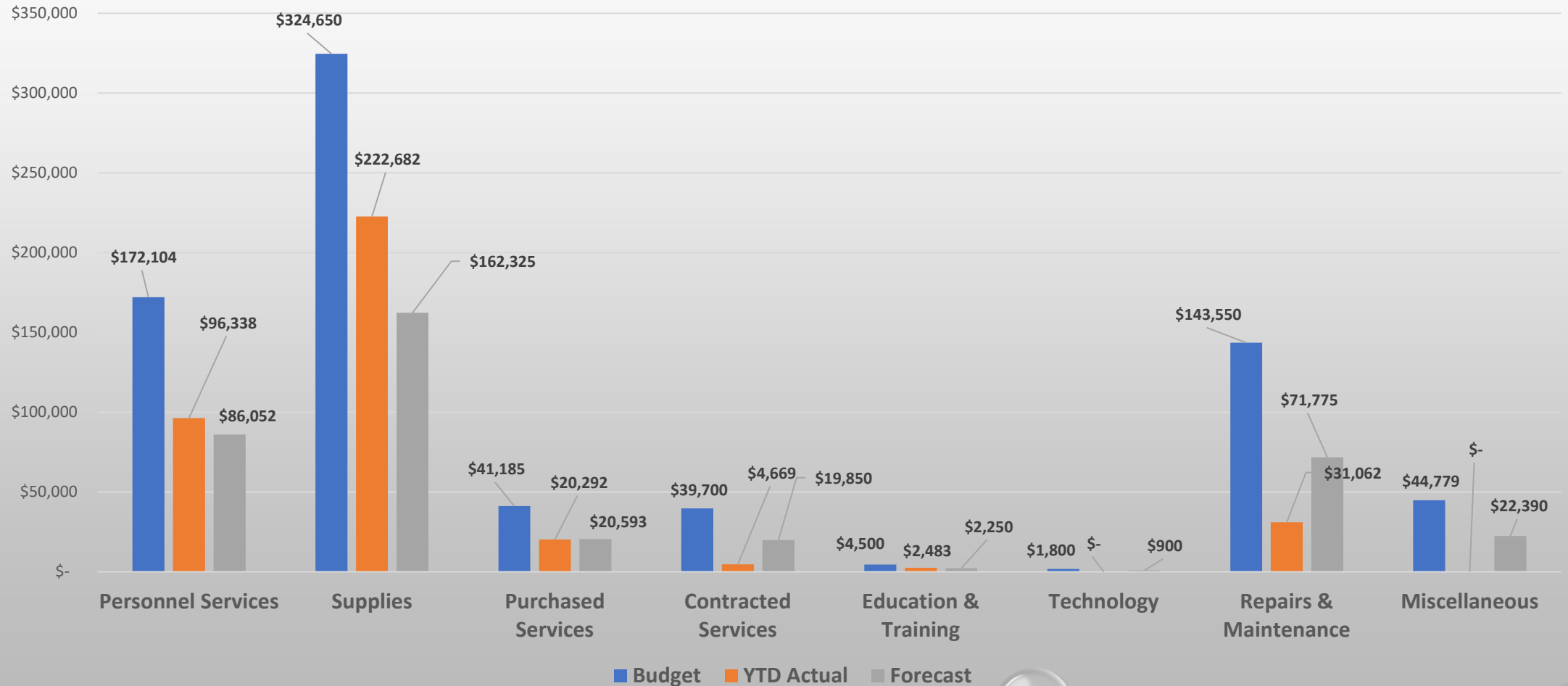
AIRPORT FUND YTD COMPARISON

- Currently collected \$70,476 in airport revenues for the month of March 2026.
- Total YTD Collections are \$467,408 This includes facility rentals, fuel sales and other misc. revenue.
- Last year YTD total collections during the month of March was \$589,780. This is a 20.75% decrease compared to last year.
- Airport revenues were higher at Quarter 2 last fiscal year (2025) due to receipt of AWOS project reimbursement. No comparable reimbursement has been received this year, so the variance is timing-related and not operational.

Budget to Actual Revenues - March 2026



AIRPORT FUND EXPENDITURES BUDGET VS. ACTUAL MARCH 2026





CITY COUNCIL AGENDA REPORT

DATE: May 5, 2026

AGENDA OF: May 12, 2026

DEPARTMENT: Finance

SUBJECT:

Second Quarter Investment Report for the period ending March 31, 2026.

RECOMMENDATION:

Accept FY 2026 2nd Quarter Investment Report.

BACKGROUND:

The Public Funds Investment Act requires the Investment Officer to prepare and submit to City Council a report on investment transactions for all funds on a quarterly basis.

DISCUSSION:

As reflected in the Schedule of Investments, the Texas Water Development Funds are invested in Money Market funds. These funds were disbursed to the City of Castroville and invested in money market funds with BOK. Staff will continue monitoring interest rate activity and act accordingly when opportunities arise and in keeping with our investment policy requirements of safety, liquidity yield, and diversity.

FISCAL IMPACT/SOURCE OF FUNDING: N/A

Budgeted Requires Budget Amendment

ATTACHMENTS:

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

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

Submitted and Approved by:

Leroy Vidales Finance Director

ATTACHMENTS/ADDITIONAL INFORMATION:

Investment Report

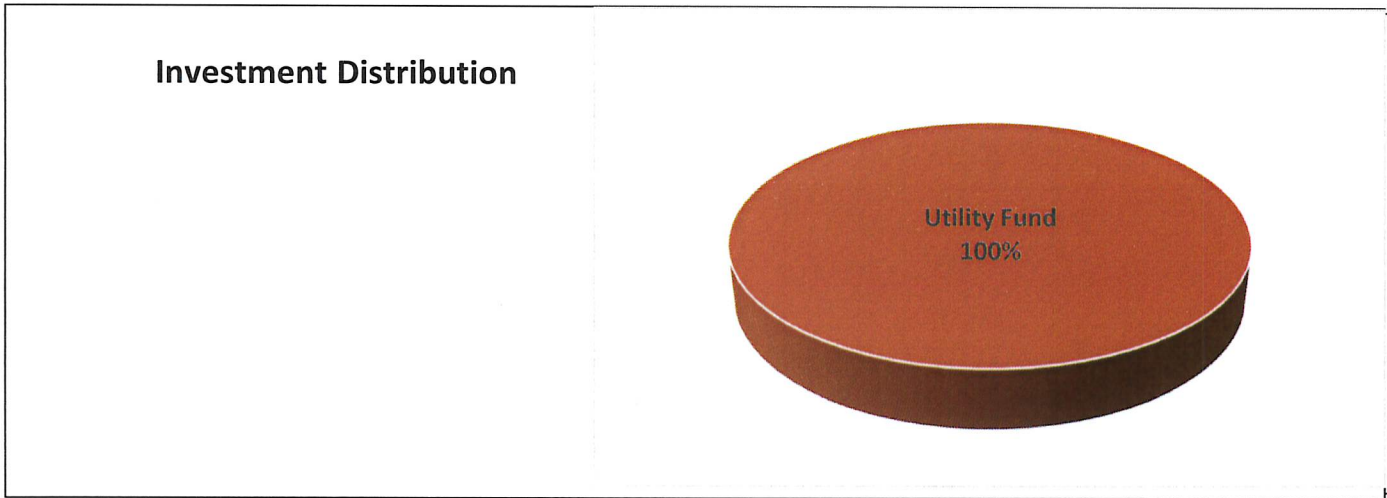
Schedule of Investment Activity - By Fund
For the quarter ending March 31, 2026

***Money Market-Dollar Value Distribution**

FUND	Financial Institution	Maturity Date	Book Value 9/30/2025	Value	Additions/ Deletions	Current Period Income	Book Value 9/30/2025	% of Total Investments
CWSRF Ser 2015 Escrow	BOK *013	n/a	857,533.06	-	-	7,305.47	864,838.53	83.57%
DWSRF Ser 2015A Escrow	BOK *021	n/a	111,594.31	-	-	950.72	112,545.03	10.88%
CWSRF Ser 2015B Escrow	BOK *039	n/a		-	-		-	0.00%
CWSRF Ser 2017B Escrow	BOK *012	n/a		-	-		-	0.00%
DWSRF Ser 2013 Escrow	BOK *017	n/a	56,943.30	-	-	485.11	57,428.41	5.55%
Yearly Weighted avg interest rate		0.41%	1,026,070.67	-	-	8,741.30	1,034,811.97	100.0%
Total Investments-All Types			\$ 1,026,070.67	\$ -	\$ -	\$ 8,741.30	\$ 1,034,811.97	\$ 1.00

CWSRF - Clean Water State Revolving Fund
DWSRF - Drinking Water State Revolving Fund

**These instruments are short-term cash equivalents: book value and market value are equal unless otherwise noted.*



This quarterly investment report complies with the investment strategy as enumerated in the City of Castroville Investment Policy and all provisions of the Public Funds Investment Act (GC § 2256.023).

We hereby certify, the above Investment Report is a true and correct representation of the investment position of the City of Castroville, Texas as of March 31, 2026.

Signed this 5th day of May 2026

Leroy Vidales

Leroy Vidales
Investment Officer
Finance Director

Scott Dixon

Scott Dixon
Investment Officer
City Administrator



Agenda Report

Agenda of: May 12, 2026

Department: Administration

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

Recommended Motion:

As this item is included on the Consent Agenda, no separate motion is required unless the item is pulled for individual consideration. If pulled, the recommended motion would be:

“I move to approve the contract with the Castroville Area Chamber of Commerce as discussed.”

Background:

At the April 14, 2026 City Council meeting, the City Council approved a resolution authorizing the Mayor to negotiate a contract for tourism and economic development activities with the Castroville Area Chamber of Commerce. During discussion of the item, the City Council expressed interest in additional performance review measures, periodic reporting, and clarification regarding eligible expenditures and operational responsibilities under the agreement.

Following those discussions, the Chamber submitted a revised draft agreement containing a number of proposed edits and clarifications for City Council consideration.

Summary of Proposed Revisions

The revised agreement generally includes the following proposed changes and clarifications:

Annual Funding and Reporting Structure

- Clarifies that the annual HOT Fund allocation is proposed to be “up to” \$75,000 annually based upon the Chamber’s approved annual budget.
- Establishes an annual payment structure with the initial payment proposed on or before June 1, 2026, and future annual payments proposed each January 1, contingent upon submission and approval of annual budget and accounting reports.
- Requires the Chamber to submit:
 - An annual proposed budget by November 1 of each year
 - An annual accounting/report of expenditures by November 1
 - Quarterly performance and project updates upon request by the City

Performance Metrics and Accountability

- Expands performance measurement requirements to include:
 - Sales tax growth comparisons
 - Website and digital engagement metrics
 - Social media impressions
 - Campaign activity
 - Events supported
 - Visitor engagement
 - Hotel overnight stays
- Adds language emphasizing City review of metrics and annual performance discussions.

Eligible Uses of HOT Funds

- Provides additional detail regarding permissible tourism-related expenditures consistent with Chapter 351 of the Texas Tax Code, including:
 - Advertising and promotional campaigns
 - Tourism marketing
 - Convention and visitor services
 - Event support and recruitment
 - Multi-day event promotion
 - Partnership development activities
- Clarifies that advertising funded through HOT Funds must target audiences outside the City limits.

Administrative and Financial Controls

- Requires HOT Funds to remain segregated from other Chamber funds.
- Expands financial reporting and audit requirements.
- Clarifies that unused funds at year-end are either to be returned to the City or applied toward future approved expenditures at the City’s discretion.
- Adds language allowing the City to withhold future allocations if expenditures materially deviate from approved budgets.

Budget Amendment Authority

- Adds language authorizing the City Administrator or designee to approve minor administrative amendments to the approved budget, provided such amendments do not increase overall funding, extend the agreement term, or materially alter performance obligations.

Term and Renewal Provisions

- Revises the contract term language to provide for:
 - Initial term beginning in 2026
 - Annual review by the City Council
 - Annual renewal subject to City Council approval
- Adds language emphasizing ongoing Council review of performance metrics and expenditures.

Additional Operational Clarifications

- Clarifies that the Chamber is not responsible for operation or management of the Steinbach Haus.
- Adds insurance requirements for events occurring on City-owned property.
- Clarifies provisions related to social media, tourism marketing, and event promotion activities.

The revised agreement remains subject to City Council review, negotiation, and approval.

STAFF RECOMMENDATION

Staff recommends that City Council review the proposed revisions and provide direction regarding any additional modifications desired prior to execution of the agreement.

Fiscal Impact: The proposed agreement contemplates annual HOT Fund allocations of up to \$75,000, subject to annual City Council approval and availability of eligible Hotel Occupancy Tax revenues.

Budgeted **Requires Budget Amendment**

Source of Funding: Hotel Occupancy Tax (HOT) Fund

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

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

Submitted by: R. Scott Dixon

Attachments: Revised Chamber Agreement Draft, April 14, 2026 City Council Minutes Excerpt, Proposed Chamber Budget / Exhibit A

AGREEMENT BETWEEN THE CITY OF CASTROVILLE AND THE CASTROVILLE CHAMBER OF COMMERCE (CONVENTION & VISITORS CHAMBER) PROVIDING FOR THE PAYMENT AND USE OF HOTEL TAX REVENUE AND ADDITIONAL TERMS AND CONDITIONS

THIS AGREEMENT made between the City of CASTROVILLE, Texas, a municipal corporation (the “CITY”), and the CASTROVILLE Chamber of Commerce (Convention & Visitors CHAMBER), a non-profit corporation incorporated under the laws of the State of Texas (the “CHAMBER”).

WHEREAS, TEX. TAX CODE §351.002 authorizes CITY to levy by ordinance a municipal hotel occupancy tax HOT Funds not exceeding seven percent (7%) of the consideration paid by a hotel occupant; and

WHEREAS, by ordinance, CITY has provided for the assessment and collection of a municipal hotel occupancy tax in the City of CASTROVILLE of seven percent (7%); and

WHEREAS, TEX. TAX CODE §351.101(a) authorizes CITY to use revenue from its municipal hotel occupancy tax to promote tourism and the convention and hotel industry by advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity; and

WHEREAS, TEX. TAX CODE §351.101(a)(1) authorizes the expenditure of municipal hotel occupancy tax for construction, improvement, enlarging, equipping, repairing, operating, and maintaining convention center facilities, visitor information centers, or both; and

WHEREAS, CHAMBER is well equipped to perform activities which promote tourism for the CITY t; and

WHEREAS, TEX. TAX CODE §351.101(c) authorizes CITY to delegate by contract with CHAMBER, the management and supervision of programs and activities of the type described hereinabove funded with revenue from the municipal hotel occupancy tax;

NOW, THEREFORE, in consideration of the performance of the mutual covenants and promises contained herein, CITY and CHAMBER agree and contract as follows:

I. HOTEL TAX REVENUE PAYMENT

1.1 Consideration. For and in consideration of the specific activities to be performed by CHAMBER under this Agreement, CITY agrees to pay to CHAMBER a portion of the hotel occupancy tax revenue collected by CITY at the rates and in the manner specified herein (such payments by CITY to CHAMBER sometimes herein referred to as the “agreed payments” or “HOT Funds payments”).

1.2 Amount of Payments.

(a) As used in this Agreement, the following terms shall have the following specific meanings:

(i) The term “HOT Funds Revenue ” shall mean the gross monies collected and received by CITY as municipal hotel occupancy tax at the rate of seven percent (7%) of the price paid for a room in a hotel, pursuant to Texas Tax Code §351.002 and City Ordinance. Hotel Tax Revenue will include penalty and interest related to the late payments of the tax revenue by the taxpayer.

(ii) The term “Collection Period” will mean the collection period for CITY’s fiscal year. It will include hotel tax revenue due to CITY for the relevant fiscal year and collected through the 22nd day of the month following the close of the relevant fiscal year.

(iii) The annual payment amount is \$75,000.00 for 2026 and may, from time to time, be modified by agreement of the CITY and CHAMBER.

1.3 Dates of Payments; Reporting; Reimbursement

- a) The first annual payment shall be made on or before June 1, 2026 and shall apply to CHAMBER activities through December 31, 2026.
- b) The annual payment for subsequent years shall be paid to the CHAMBER on or before January 1 of each year and shall apply to activities performed January 1 to December 31.
- c) The CHAMBER shall provide an annual budget to the City Council by November 1 of each year, which sets out the activities it plans to perform for the CITY using HOT Funds and anticipated expenses for the following twelve months. See also Paragraph Section 3.1.
- d) The CHAMBER shall also provide an annual accounting to the City Council by November 1 of each year, which sets out the actual expenses for CHAMBER activities performed for the CITY using HOT Funds for the past twelve months..
- e) A annual payment will be made on January 1 of each year, followingthe City Council’s review and approval of both the annual budget and annual accounting provided by the CHAMBER.
- f) If an annual budget or annual accounting is not received by November 1, , The CITY may withhold the annual payment until the appropriate reports are received and approved.
- g) Any unused funds by December 31 of each year shall be refunded to CITY within sixty (60) days. Alternatively, the City may choose to apply the unused funds to the following year’s payment.

1.4 Other limitations regarding consideration.

(a) The funding of this project in no way commits CITY to future funding of this program beyond the current contract period. Any future funding is solely the responsibility of CHAMBER.

(b) It is expressly understood that this contract in no way obligates the General Fund or any other monies or credits of CITY.

(c) CITY may withhold further allocations if CITY determines that CHAMBER’s expenditures deviate materially from their approved budget.

II. USE OF HOTEL OCCUPANCY TAX REVENUE

2.1 Use of HOT Funds. For and in consideration of the payment by CITY to CHAMBER of the agreed payments of a portion of HOT Funds, CHAMBER agrees to use such HOT Funds only for directly enhancing and promoting tourism and the convention and hotel industry as authorized by TEX. TAX CODE §351.101(a) including but not limited to:

1. Targeted advertising campaigns to reach audiences outside the CASTROVILLE city limits. These materials include, but are not limited to, signs, posters, postcards, newsletters, print advertising, digital marketing, billboards, radio and television. 2)advertise and conduct solicitations and promotional programs to attract tourists to the CITY, including, but not limited to:

- i. Marketing at the state and local level (including market analysis, campaign development, branding, promotion, etc.);
- ii. Collecting and reporting metrics on marketing activity;
- iii. Supporting the hotel owners to identify conventions, conferences and events within the CITY; and
- iv. Identifying and developingse business relationships with local private, public, and non-profit sector entities to increase tourism and economic development.

3) For meetings, conferences, and events, providing the following servicesincluding, but not limited to:

Conducting site visits and city tours for potential visitors;

Providing services for events (registration assistance, delegate name badge preparation, welcome packets, off-site function arrangements, transportation, etc.); and

Serving as liaison between event planners and hotels, local businesses,and restaurants..

4) Identifying, collecting rate bids from, and securing overflow hotels or other accommodations in the CITY.

(5) Creating multi-day events or expanding events in the CITY to two days to promote tourism.

2.3 Evaluations of CHAMBER performance. In addition to the City’s review of the annual accounting which outlines the activities provided by the CHAMBER in support of tourism for the prior year, performance metrics shall include, but not be limited to, sales tax growth in CITY, website clicks, social media impressions, campaigns launched, events supported, visitors engaged and overnight stays in hotels The City may request, not more than quarterly, a report from the CHAMBER of the ongoing projects and events involving use of HOT Funds.

2.2 Administrative Costs. The CITY hotel occupancy tax funds received by CHAMBER may be spent for day-to-day operations, office supplies, salaries, travel expenses and other administrative costs incurred directly in the promotion and servicing expenditures authorized by TEX. TAX CODE §351.101(e), but only if in support of a specified activity on CHAMBER’s annual budget and only if directly attributable to the promotion of tourism and the statutory purposes enumerated within TEX. TAX CODE §351.101(a).

a.3 Specific Restrictions on Use of HOT Funds.

(a) HOT Funds are only used for the promotion of local tourism, conventions and the hotel industry. CHAMBER shall not utilize HOT Funds for any expenditure which is not statutorily authorized and set forth in its annual budget or amended budget.

b)

c)

(c) Tex. Tax Code §351 prohibits hotel occupancy tax revenues, including any surplus funds, from being expended for general city purposes.

(d) HOT Funds may not be spent for travel for a person to attend an event or conduct an activity the primary purpose of which is not directly related to the promotion of local tourism and the convention and hotel industry.

III. RECORD KEEPING AND REPORTING REQUIREMENTS

3.1 Budget.

(a) CITY shall pay to CHAMBER annual HOT Funds pursuant to this Agreement after the annual budget has been approved in writing by the Castroville City Council, authorizing the expenditure of HOT Funds. Once approved by the CITY, it authorizes the expenditures for CHAMBER’s use of HOT Funds beginning January 1st for twelve months. CHAMBER shall adhere to the budget approved by the City Council for each calendar year, for all operations funded by HOT Funds.

(b) The CHAMBER may amend the annual budget from time to time and submit to the CITY for approval. With consent of CHAMBER, the City Administrator or his designee may authorize minor amendments to the approved budget as necessary to carry out the intent of this Agreement, in a manner consistent with efficient use of public funds, and in accordance with Tex. Tax Code §351.

3.2 Separate Accounts. CHAMBER shall maintain any HOT Funds paid to CHAMBER by CITY in a separate account established for that purpose and CHAMBER may not commingle any HOT Funds paid to CHAMBER with any other money.

3.3 Financial Records. CHAMBER shall maintain complete and accurate financial records of each expenditure of HOT Funds . Upon reasonable advance written request of the City Administrator or designee, CHAMBER shall make such financial records available for inspection and review. CHAMBER understands and accepts that all such financial records, and any other records relating to this Agreement shall be subject to the Public Information Act, TEX. GOV'T CODE, Ch. 552.

3.4 Annual Accounting. By November 1 of each year, CHAMBER shall furnish to CITY an accounting listing the expenditures made by CHAMBER for the calendar year, in a form and manner approved by the City Administrator or designee. A quarterly report may be provided to provide progress updates. CHAMBER shall respond promptly to any reasonable request from the City Administrator or designee for additional information to ensure all activities promote tourism and the convention and hotel industry .

IV. TERM AND TERMINATION

4.1 Term. This Agreement shall commence on May 1, 2026 for the remainder of 2026. Thereafter, the term runs from January 1 through December 31 of each year.subject to renewal at the first City Council meeting in November.

4.2 Termination Without Cause.

(a) This Agreement may be terminated by either party, with or without cause, by giving the other party sixty (60) days advance written notice.

(b) In the event this Agreement is terminated by either party pursuant to 4.2(a), CHAMBER agrees to return any unused funds, but shall not be obligated to reimburse funds already expended or funds previously committed under a contractual obligation of CHAMBER in the good faith exercise to promote tourism for the CITY.

(c) Further, upon termination pursuant to 4.2(a), CHAMBER will provide CITY: 1) within ten (10) business days from the termination notification, a short-term budget of probable expenditures for the remaining sixty (60) day period between termination notification and termination of this agreement. This budget will be presented to Council for approval within fifteen (15) business days after receipt by CITY. If formal approval is not given within fifteen (15) business days and the budget does not contain any expenditures that would be prohibited by the Texas Tax Code, and is within the current contractual period approved budget; the budget will be considered approved. Within 30 days of request by CITY, CHAMBER will provide a listing of expenditures that have occurred since the last required reporting period

4.3 Automatic Termination. This Agreement shall automatically terminate upon the occurrence of any of the following events:

(a) The termination of the legal existence of CHAMBER; or

(b) The insolvency of CHAMBER, the filing of a petition in bankruptcy, either voluntarily or involuntarily, or an assignment by CHAMBER for the benefit of creditors.

4.4 Right to Immediate Termination Upon Litigation. Notwithstanding any other provision of this Agreement, to mitigate damages and to preserve evidence and issues for judicial determination, either party shall have the right to terminate this Agreement upon immediate notice to the other party in the event that any person has instituted litigation concerning the activities of the non-terminating party, and the terminating party reasonably believes that such activities are required or prohibited under this Agreement.

V. ADDITIONAL TERMS AND CONDITIONS

5.1 Social Media and Marketing. CHAMBER will manage social media and marketing for tourism, retail recruitment, and business promotion. CHAMBER may use video content of the City and may include City’s website and proprietary graphics or trademarks to promote local businesses and tourism.

5.2 Existing Events. CHAMBER agrees to

5.3 Steinbach Haus. CHAMBER shall not be responsible for the Steinbach Haus in any way whatsoever.

VI. GENERAL PROVISIONS

6.1 Independent Contractor. CHAMBER shall operate as an independent contractor as to all services to be performed under this Agreement; however, the CITY delegates its statutory authority to promote tourist and the convention and hotel industry through the use of HOT Funds to the CHAMBER and CHAMBER agrees to performing this governmental function on behalf of the CITY and is acting under the CITY approval of budgeted expenditures. as an agent of CITY.

6.3 Assignment. CHAMBER shall not assign this Agreement.

6.4 Notice. Any notice required to be given under this Agreement or any statute, ordinance, or regulation, shall be effective when given in writing and deposited in the United States mail, certified mail, return receipt requested, or by hand-delivery, addressed to the respective parties as follows:

CITY

CHAMBER

City Administrator
CITY OF CASTROVILLE
1209 Fiorella Street
Castroville, TX 78009

President & CEO
CASTROVILLE CHAMBER OF COMMERCE
1115 Angelo St.
Castroville, TX 78009

6.5 Inurement. This Agreement and each provision hereof, and each and every right, duty, obligation, and liability set forth herein shall be binding upon and inure to the benefit and obligation of CITY and CHAMBER and their respective successors and assigns.

6.6 Application of Laws. All terms, conditions, and provisions of this Agreement are subject to all applicable federal laws, state laws, all ordinances of the City of CASTROVILLE passed pursuant thereto, and all judicial determinations relative thereto.

6.7 Exclusive Agreement. This Agreement contains the entire understanding and constitutes the entire agreement between the parties hereto concerning the subject matter contained herein. There are no representations, agreements, arrangements, or understandings, oral or written, express or implied, between or among the parties hereto, relating to the subject matter of this Agreement, which are not fully expressed herein. The terms and conditions of this Agreement shall prevail notwithstanding any variance in this Agreement from the terms and conditions of any other document relating to this transaction or these transactions.

6.8 Duplicate Originals. This Agreement is executed in duplicate originals.

6.9 Headings. The headings and subheadings of the various sections and paragraphs of this Agreement are inserted merely for the purpose of convenience and do not express or imply any limitation, definition, or extension of the specific terms of the section and paragraph so designated.

6.10 Severability. If any section, subsection, paragraph, sentence, clause, phrase or word in this AGREEMENT, or application thereof to any person or circumstance is held invalid by any court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this AGREEMENT, and the parties hereby declare they would have enacted such remaining portions despite any such invalidity.

EXECUTED this ____ day of _____, 2026.

THE CITY OF CASTROVILLE, TEXAS

By: _____
BRUCE ALEXANDER,
MAYOR

ATTEST:

APPROVED AS TO LEGAL FORM:

By: _____
DEBRA HOWE
CITY SECRETARY

By: _____
DNRBSZ,
CITY ATTORNEY

CASTROVILLE CHAMBER OF COMMERCE

By: _____
President

ATTEST:

APPROVED AS TO LEGAL FORM:

By: _____
Secretary

By: _____

HOT Funds Budget Proposal	
Personnel:	\$ 18,200.00
Marketing:	\$ 48,800.00
Events:	\$ 8,000.00
Total Budget:	\$ 75,000.00

Council Meeting
Minutes April 14, 2026
Page 4
(Cont.)

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

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



Agenda Report

Agenda of: May 12, 2026

Department: Parks & Recreation

Subject: Authorize roof repairs/replacement for City Hall facilities in an amount not to exceed \$40,000.

Recommended Motion:

As this item is included on the Consent Agenda, no separate motion is required unless the item is pulled for individual consideration. If pulled, the recommended motion would be:

“I move to approve the City Hall roof replacement project with S. Roofing in an amount not to exceed \$40,000.”

Background:

Staff solicited and received multiple quotes for repair and/or replacement of the City Hall roof systems, including the Council Chambers, Finance Department, City Secretary, and Mayor’s office wings. Following review of the proposals and consideration of long-term maintenance needs, staff is recommending full roof replacement rather than temporary repair measures.

The existing roofing systems have experienced ongoing deterioration and recent weather-related issues which have increased the urgency of corrective action in order to protect City facilities, equipment, and records.

The following proposals were received:

- SP Roofing – Repair Option: \$28,733.60
- S. Roofing – Full Replacement Option: \$36,962.00
- A. Restore – Full Replacement Option: \$39,954.10

Staff recommends award of the project to S. Roofing in the amount of \$36,962.00 for full roof replacement services. The proposal includes removal of the existing roofing system, installation of a new TPO roofing system, insulation improvements, flashing, coping caps, drainage improvements, and associated accessories.

The contractor has indicated that work is anticipated to begin during the week of May 11, 2026, weather permitting.

STAFF RECOMMENDATION

Staff recommends approval of the proposed roof replacement project with S. Roofing.

Fiscal Impact: The project cost is not expected to exceed \$40,000.

Budgeted **Requires Budget Amendment**

Source of Funding: Facilities Maintenance / Building Maintenance Funds

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

Impact (0-5 = Low Impact to High Impact): 2

Submitted by: Jonah Chang

Attachments: Sandoval Bid

SANDOVAL ROOFING SERVICES INC.

854 W. VILLARET

SAN ANTONIO, TX 78224

210-623-1101

Sandovalroofing1@gmail.com

DATE: April 27, 2026

PROPOSAL SUBMITTED TO:

City of Castroville

210-413-0452

Stephen Ayers

JOB LOCATION:

City Hall

Castroville, TX 78009

THE UNDERSIGNED PROPOSES TO FURNISH ALL MATERIALS AND PERFORM THE LABOR NECESSARY COMPLETE A TPO ROOFING SYSTEM

TPO ROOF & PARAPET WALL SYSTEM

Remove existing TPO roof to decking

Mechanically fastened one layer of 2.2' (R-12.6) ISO over wood decking
(taper ISO and crickets)

Mechanically fastened 60 mil TPO roofing system over ISO

Fully adhere wall flashing

ACCESSORIES

Fabricate & install downspouts

Flashing of 4 pipe penetrations, 6 drains scuppers

Install 6 new galvanized conducting heads

Fabricate & Install flashings & trims

Install 200ft 24-gauge galvalume coping caps

Install termination bar

CONTRACT TOTAL: \$36,962.00

Equipment rental (dumpster, sky track) included in contract total 3-year. Labor/ Installers Warranty

ACCEPTANCE OF PROPOSAL

NOTE: This proposal may be withdrawn from us if not accepted within 30 days. Accept with signature and return.

SUBMITTED BY: Juan Sandoval

ACCEPTED BY: _____ **DATE** _____

City Administrator's Report



To: Mayor Alexander & City Council
CC: Staff
From: R. Scott Dixon, City Administrator
Date: May 08, 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 fleximat has been delivered and will be installed over the next two weeks (weather permitting). Following installation of the fleximat, staff will complete the project by installing safety measures along the top of the channel.

Garza Creek

No Change. 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

As reported at the April 28th meeting, staff has been coordinating to prioritize and address drainage maintenance throughout the City targeting downstream areas first. Drainage maintenance has been performed along Geneva, Lisbon, and Algiers. Staff is also in the process of cleaning the drainage culverts along Naples. We are very grateful for the continued rain but it has put a *dampener* on our drainage activities. Staff will continue to implement the drainage maintenance plan that was shared with council.

Steinbach Hus

Staff met with Shaumburg & Polk (SPI) to walk and review the Steinbach site. Staff also reviewed several videos and pictures of rain events in the area. The site will need to have a topographic survey to establish the elevations in the various work areas. The survey work will be completed in the next couple of weeks. Once complete, the engineer will begin analyzing the area to develop proposed drainage improvements.

BMA Trail Access

Staff made contact with both BMA's staff and their attorney to relay the projected costs and proposed contract changes (extend from a one year initial term to a five year initial term). Staff will attend the June meeting of the BMA Board to present and discuss these changes.

Streets, Maintenance, and Paving Plan

The HA5 preservation plan was approved at the April 28th meeting. The Interlocal Agreement with the City of Boerne to allow purchase of the HA5 and other street maintenance products and services was approved at their city council meeting the same evening. This work is anticipated to commence the second week of June. Staff will be presenting on a more robust overlay product – bonded mix overlay (BMO) for use on other streets that need both minor maintenance and repair and a thicker overlay.

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 stabilization 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 continues to advance preliminary engineering and hydraulic evaluation efforts associated with the proposed concept. Staff has been advised that a simplified two-dimensional (2D) hydraulic model has now been completed and vetted in order to better evaluate pond discharge impacts and reduce the risk of downstream damage or unintended flooding conditions.

Lochner is currently evaluating various detention pond configurations, outlet structures, and potential earthen check dam alternatives to identify opportunities to reduce the size and overall cost of the required outlet infrastructure while maintaining regulatory and operational effectiveness.

Additional updates are anticipated next week as the engineering team further refines the conceptual design approach. Following completion of the ongoing hydraulic evaluations, Lochner expects to develop a more detailed project schedule for preparation of concept plans and associated cost estimates.

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 was originally planned to 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. However, Mayor Alexander requested to push this back by one meeting. The final draft plan has been included with this report for council's review.

Community Center at Regional Park (Construction)

Construction of the Community Center is currently approximately **89% complete**. Substantial completion & owner move-in date **has been pushed back two weeks** to the **middle of June**. Due to events at the pool that take place prior to this date, staff is coordinating with Frontera to complete the western (pool-dedicated areas) portion of the project by the end of May as originally planned.

Pool Restroom/Shower Building

The project design will be completed by May 15th. These plans will be given to Frontera to provide a firm budget and timeline for construction. Staff will continue to update council on the progress of this project.

Parking Improvements at Regional Park

Due to the cost (>\$100,000), State law requires that the parking lot expansion and improvement project which is budgeted at \$200,000 be competitively bid. Staff is developing the Request for Proposals for a Design/Build project to expand the parking lot above the new community center and establish retaining walls and a new parking surface. This project should be ready to award by the first council meeting in June.

ADA Handrail at Swimming Pool

Staff has contracted the installation of an ADA handrail at the beach entry of the swimming pool. The handrail was supposed to have been installed by May 8th. However, due to a materials issue, the installation has been pushed back to May 22nd.

Lion's Park Splash Pad

The plumbing repairs to the splash pad are nearing completion. Once complete, staff will run the system several times to ensure all fixtures and features are working properly with no visible leaks. Staff will then fill the voids with cement flowable fill and have the surface pad area re-poured. The splash pad is still on target to be completed by the end of May.

Hwy 90 TxDOT Construction Project

No Change. 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

No Change. 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

No Change. 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

At the April 28th meeting, council voted to include the exterior city hall repairs (walls, windows, and doors) with the design build project related to the City Hall remodel. This project will be reviewed with the architect, Fort Powell & Carson and Contractor, Pugh Construction during our budget and capital planning discussions. The team provided the schedule below as a reference point for that discussion:

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. This item is on the council agenda for ratification on May 12th. 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.

Library Expansion Project

The library expansion project is currently in the design phase. Once designs are complete and have been reviewed and accepted by staff and city council, a final budget will be developed and the contract will be amended to reflect the contracted construction amount. Construction will not begin until September at the earliest – this is to allow the library to continue its summer programming.

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

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,

A handwritten signature in blue ink, appearing to read "R. Scott Dixon".

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

City Administrator, Castroville, TX



Agenda Report

Agenda of: May 12, 2026

Department: Public Works

Subject: Discussion and appropriate action to establish and authorize a multi-year street paving and pavement preservation plan.

Recommended Motion:

I move to authorize staff to proceed with development and implementation of a multi-year street paving and pavement preservation plan utilizing available funding and to provide direction regarding future funding levels and project priorities.

Background:

Staff continues to advance development of a multi-year street maintenance and paving strategy intended to maximize roadway life expectancy while coordinating utility infrastructure replacement and drainage improvements where feasible.

At the April 28, 2026 meeting, the City Council approved the initial HA5 pavement preservation program. The associated Interlocal Agreement with the City of Boerne for cooperative purchasing of HA5 and related street maintenance products and services was approved by the Boerne City Council that same evening. That preservation work is anticipated to begin during the second week of June.

As part of the broader street maintenance strategy, staff is also evaluating use of a more robust pavement rehabilitation product known as Bonded Matrix Overlay (BMO) for streets requiring both minor repair and a thicker overlay treatment.

Bonded Matrix Overlay (BMO)

Bonded Matrix Overlay is a flexible asphalt preservation and rehabilitation system designed to provide both surface protection and structural enhancement. Unlike traditional thin seal coat applications, BMO incorporates a specialized aggregate matrix and impermeable bonding layer intended to:

- Improve roadway friction and safety
- Reduce water intrusion
- Limit oxidative deterioration
- Extend roadway service life
- Provide improved durability under moderate to heavier traffic conditions

The system is particularly useful on streets that are in “less than good” condition but do not yet require full reconstruction.

Difference Between HA5 and BMO

The recently approved HA5 program is primarily a pavement preservation treatment designed to protect newer streets from oxidation, UV deterioration, and moisture intrusion. HA5 acts as a sealing and preservation application intended to significantly delay pavement aging and extend roadway life before major maintenance becomes necessary.

By comparison, BMO is a thicker and more aggressive overlay product intended for streets already showing moderate wear and surface deterioration. While HA5 is best suited for relatively newer pavements in good condition, BMO is intended to restore and preserve streets that require a higher level of intervention while avoiding full reconstruction costs.

Staff believes the two products complement one another as part of a long-term pavement management strategy:

- **HA5** preserves newer streets before deterioration accelerates
- **BMO** rehabilitates aging streets before complete reconstruction becomes necessary

Proposed Street Areas and Funding

The attached project map identifies approximately 61,308 square yards of roadway areas currently under consideration for Bonded Matrix Overlay treatment.

Based upon current estimated pricing of approximately \$14.95 per square yard, the total estimated cost for all currently identified BMO areas would be approximately \$916,000.

The City currently has approximately \$400,000 allocated toward street maintenance and paving efforts. At current pricing levels, that funding amount would allow completion of approximately 26,750 square yards of BMO roadway treatment, representing only a portion of the identified roadway network.

As a result, City Council may wish to consider one of several potential approaches:

- Proceed with a limited “pilot” or “try-it-out” approach utilizing the currently allocated funding amount and evaluate performance before expanding the program in future years
- Increase available funding in order to address a larger portion of the identified roadway network
- Phase implementation over multiple fiscal years as part of the proposed multi-year pavement management plan

Staff also continues to coordinate paving priorities with underground utility evaluations in order to minimize future roadway cuts associated with water, sewer, or gas infrastructure replacement.

STAFF RECOMMENDATION

Staff recommends that City Council provide direction regarding desired funding levels, implementation strategy, and prioritization of future street maintenance and rehabilitation projects as part of the City’s multi-year pavement management program.

Fiscal Impact: Current available funding for street maintenance and paving activities is approximately \$400,000. Full implementation of all currently identified Bonded Matrix Overlay areas is estimated at approximately \$916,000 based upon current unit pricing.

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): 5

Submitted by: John Gomez

Attachments: Photos of BMO applications, BMO map and street list by sq. yd.

Bonded Matrix Overlay

The Smart Choice for Rehabilitation and Preservation

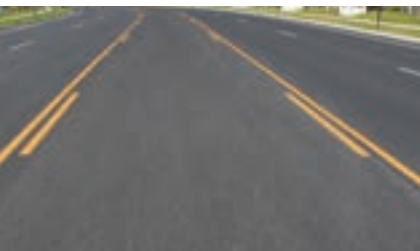
Impermeable Surface • High Public Acceptance • Unmatched Durability

WHAT IS IT?

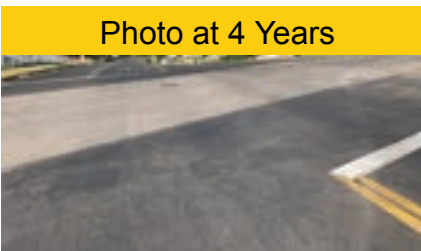
Bonded Matrix Overlay is a flexible asphalt preservation system, designed to fuse intense bonding capabilities with matrix voided aggregate. The technology integrates a beneficial macrotexture surface coupled with an impermeable barrier. Bonded Matrix Overlay provides a durable preservation treatment for roads in “less than” good condition and/or roads that are higher in traffic loads. Moving beyond what has traditionally been available for roads with a lower Pavement Condition Index (PCI), Bonded Matrix Overlay gives the durability, texture, and aesthetics without the negative side effects and performance barriers previously available for roads requiring a rugged maintenance strategy.

Defending against environmental intrusions that shorten pavement life, specialized aggregate facilitates a capillary action with both the binding agent and the impermeable matrix layer. As a result, this system supports roadway assets lasting longer and costing less to own.

- **SLOWS AGE HARDENING**
- **DURABLE WEARING COURSE**
- **TREATS PAVEMENT DISTRESSES**
- **FRICITION SUPPORTING TEXTURE**
- **DOES NOT SHED OR RAVEL**



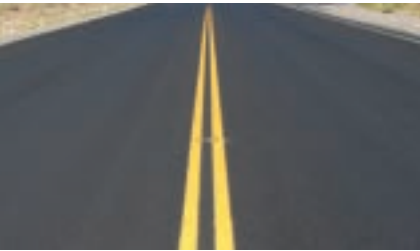
CITY OF VINEYARD



CITY OF BOUNTIFUL



CITY OF NORTH SALT LAKE



CITY OF CEDAR HILLS



CITY OF NORTH SALT LAKE



7 years old street- before and after condition of the street section





City of Castroville



BMO NO CONFLICT MEASUREMENTS

North of Hwy 90

STREET	BMO SY
Algiers	861
Angelo	4,239
Fioralla	1,044
Houston	7,249
Madrid	2,251
Mexico	845
Naples	4,282
Vienna St	1,469
Athens	923
Petersburg	849
Amelia	6,669
Old Hwy 90	4,074
Alsace	2,777
Total North of Hwy 90	37,532

South of Hwy 90

STREET	BMO SY
Algiers	2,944
Athens	4,364
Constantinople	5,689
Geneva	1,415
Lafayette	6,357
Lisbon	3,007
Total South of Hwy 90	23,776

Total North and South 61,308

CITY OF CASTROVILLE

BMO PROJECT MAP (NO CONFLICT AREAS)





CITY COUNCIL AGENDA REPORT

DATE 5/7/26

AGENDA OF: May 12, 2026

DEPARTMENT: Mayor

SUBJECT: Mayor Pro-Tem

RECOMMENDED MOTION: Motion to appoint _____ as Mayor Pro-Tem for the term May 2026 to May 2027.

BACKGROUND:

Local Gov't Code Section 22.037

Mayor as Presiding Officer; President Pro Tempore

- (a) The mayor shall preside at all meetings of the governing body of the municipality and, except in elections, may vote only if there is a tie.
- (b) At each new governing body's first meeting or as soon as practicable, the governing body shall elect one alderman to serve as president pro tempore for a term of one year.
- (c) If the mayor fails, is unable, or refuses to act, the president pro tempore shall perform the mayor's duties and is entitled to receive the fees and compensation prescribed for the mayor.
- (d) If the mayor and the president pro tempore are absent, any alderman may be appointed to preside at the meeting.

ATTACHMENTS: None.

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

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

Submitted by: Mayor Bruce Alexander



CITY COUNCIL AGENDA REPORT

DATE: May 08, 2026

AGENDA OF: May 12, 2026

DEPARTMENT: City Secretary

SUBJECT: Council Liaisons

RECOMMENDATION: Appoint Council Liaisons for City Boards and Commissions

BACKGROUND:

Each election year the members of city council are appointed by the Mayor to a Board or Commission to be the liaison.

The current boards and Liaisons are:

Airport – meets **first Tuesday at 5 p.m.** of each month - Councilmember Martinez

Library – meets **second Thursday at 6:30 p.m.** of each month - Councilmember Lee

Planning and Zoning Commission – meets **second Wednesday at 6:30 p.m.** of each month - Councilmember Marchman

Historic Landmark Commission – meets **third Tuesday at 6:30 p.m.** of each month - Councilmember King

Parks and Recreation – meets **first Wednesday at 6:30 p.m.** of each month - Councilmember Merz

ZBOA – as (Past liaison was the P & Z liaison or Mayor)

FISCAL IMPACT/SOURCE OF FUNDING:

None.

Submitted by:

ATTACHMENTS/ADDITIONAL INFORMATION:

None



Agenda Report

Agenda of:	May 12, 2026
Department:	Administration
Subject:	Discussion and appropriate action on the schedule for City Council budget workshops for the FY 2026-2027 City budgets.

Recommended Motion:

This is primarily a discussion item to establish future workshop dates for budget planning purposes.

Background:

The City Council will discuss the proposed schedule and format for upcoming FY 2026-2027 budget workshops and provide direction regarding topics, timing, and meeting structure for the annual budget development process.

Staff previously prepared a draft budget calendar outlining the major statutory deadlines and proposed workshop schedule associated with development and adoption of the FY 2026-2027 operating budget. Historically, budget workshops have primarily focused on annual operating revenues and expenditures. Mayor Alexander has expressed interest in expanding the scope of the workshop process to include broader multi-year capital planning discussions in conjunction with the annual operating budget review. Potential topics may include:

- Street maintenance and paving plans
- Water and wastewater infrastructure planning
- Drainage and flood mitigation projects
- Facility maintenance and replacement needs
- Parks and recreational infrastructure
- Vehicle and equipment replacement planning
- Debt planning and long-term financial forecasting
- Development-related infrastructure obligations

In addition, discussion is anticipated regarding workshop scheduling and format, including the possibility of conducting workshops beginning at approximately 3:30 p.m. prior to regularly scheduled City Council meetings in order to improve scheduling efficiency and reduce the need for additional standalone workshop meetings.

The purpose of this agenda item is primarily to establish expectations and direction regarding:

- Desired workshop dates and times
- Topics to be included in each session
- Level of detail and presentation format
- Integration of operational and capital planning discussions
- Potential need for additional workshops beyond those originally proposed in the draft calendar

The proposed budget calendar remains subject to modification based on Council direction, appraisal district timelines, statutory publication requirements, and operational scheduling considerations.

STAFF RECOMMENDATION

Staff recommends that City Council provide direction regarding the desired budget workshop structure and scheduling so that staff may finalize and coordinate the FY 2026-2027 budget development process.

Fiscal Impact: There is no direct fiscal impact associated with this discussion item. However, the structure and timing of the workshop process will influence development of the FY 2026-2027 operating and capital budgets.

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): 2

Submitted by: R. Scott Dixon

Attachments: Current FY26-27 Budget Calendar

2026-2027 BUDGET CALENDAR

Section XIV, Item d.

March 16, 2026	Email proposed 2026-2027 budget spreadsheet to all department directors
March 30, 2026	Staff Personnel Budgets due to City Administrator and Finance Director
April 3, 2026	Deadline for all departments to submit proposed budgets to City Administrator and Finance Director
April 6-10, 2026	One on one meetings with department directors to review proposed budget with City Administrator, Finance Director and Mayor
April 14, 2026	City Council Meeting
April 28, 2026	City Council Meeting
April 30, 2026	Chief appraiser prepares and certifies estimate of taxable value
May 1, 2026	Last day for Chief appraiser to mail notices of appraised value for properties other than single-family residence homesteads
May 4 – 8, 2026	Budget Methodology & Historical Trends City Council Budget Presentations by Staff
Or	
May 11 – 15, 2026	Budget Methodology & Historical Trends City Council Budget Presentations by Staff
May 12, 2026	City Council Meeting
May 26, 2026	Budget Workshop #1 City Council Meeting
June 9, 2026	Budget Workshop #2 (General Fund Revenues and Expenditures) City Council Meeting
June 23, 2026	City Council Meeting

- July 14, 2026
 - Budget Workshop #3 (Enterprise & Airport Fund Revenues and Expenditures)
 - City Council Meeting
 - Set dates for Public Hearings on Proposed Tax Rate
 - Set dates for Public Hearings on Fiscal Year 2027 Annual Operating Budget

- July 28, 2026
 - Budget Workshop #4 (if needed)
 - City Council Meeting

- July 25, 2026
 - Last day for Chief Appraiser to certify appraisal roll to each taxing unit

- July 30, 2026
 - Publish Public Hearing for Tax Rate

- August 6, 2026
 - Publish Public Hearing for Tax Rate

- August 7, 2026
 - Proposed budget due to City Secretary

- August 11, 2026
 - 1st Tax Rate Public Hearing
 - City Council Meeting

- August 13, 2026
 - Publish Budget Hearing #1

- August 20, 2026
 - Publish Budget Hearing #2

- August 25, 2026
 - 2nd Tax Rate Public Hearing
 - 1st Budget Public Hearing
 - Council to approve proposed tax rate as an action item and submit to Melissa Lutz
 - City Council Meeting

- September 8, 2026
 - Public Hearing for Budget
 - City Council Meeting
 - Adopt Tax Rate
 - Ratify Tax Rate
 - Adopt 2026-2027 Fiscal Budget
 - Adopt Comprehensive Fee Schedule

- September 22, 2026 City Council Meeting
 - Adopt Investment Policy
 - Adopt Financial Policy

- October 1, 2026 Fiscal Year 2026-2027 begin
Tax assessor prepares and mails tax bills

Dates are subject to change