

CITY OF FAIR OAKS RANCH CITY COUNCIL SPECIAL MEETING

Tuesday, May 20, 2025 at 6:30 PM

Public Safety Training Room, Police Station, 7286 Dietz Elkhorn, Fair Oaks Ranch

Live Stream: <https://www.youtube.com/channel/UCDqRvLvReqxrh1lbajwshKA/live>

AGENDA

OPEN MEETING

1. Roll Call - Declaration of a Quorum
2. Pledge of Allegiance

CITIZENS and GUEST FORUM

To address the Council, please sign the Attendance Roster located on the table at the entrance in the foyer of the Public Safety Training Room. In accordance with the Open Meetings Act, Council may not discuss or take action on any item which has not been posted on the agenda. Speakers shall limit their comments to five (5) minutes each

3. Citizens to be heard

CONSIDERATION/DISCUSSION ITEMS

4. Consideration and possible action approving a resolution amending a development agreement related to The Reserve at Fair Oaks Ranch and authorizing the execution of all related documents by the City Manager

Scott M. Huizenga, ICMA-CM, City Manager
T. Daniel Santee, City Attorney

5. Consideration and possible action approving a resolution accepting a petition for annexation from BRMK Boerne Ranch, LLC; authorizing the City Manager to negotiate a written services agreement with the petitioner; and setting a public hearing date for said annexation

Scott M. Huizenga, ICMA-CM, City Manager
T. Daniel Santee, City Attorney

6. Consideration and possible action approving a resolution accepting a petition for a Public Improvement District (PID) and setting a public hearing date

Scott M. Huizenga, ICMA-CM, City Manager
T. Daniel Santee, City Attorney

7. Consideration and possible action approving a resolution authorizing a professional services reimbursement agreement between the City and Bitterblue, Inc. and the execution of all applicable documents by the City Manager

Scott M. Huizenga, ICMA-CM, City Manager

8. Consideration and possible action approving a resolution authorizing the execution of a Public Improvement District Administrator agreement with P3Works, LLC, and execution of all applicable documents by the City Manager

Scott M. Huizenga, ICMA-CM, City Manager

ADJOURNMENT

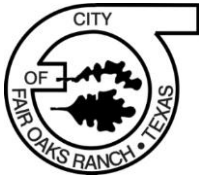
Signature of Agenda Approval: s/ Gregory C. Maxton

Gregory C. Maxton, Mayor

I, Christina Picioccio, TRMC, City Secretary, certify that the above Notice of Meeting was posted on the outside bulletin board at the Fair Oaks Ranch City Hall, 7286 Dietz Elkhorn, Fair Oaks Ranch, Texas, and on the City's website www.fairoaksranchtx.org, both places being convenient and readily accessible to the general public at all times

As per Texas Government Code 551.045, said Notice was posted by 6:30 PM, May 17, 2025 and remained so posted continuously for at least 72 hours before said meeting was convened. A quorum of various boards, committees, and commissions may attend the City Council meeting

The Fair Oaks Ranch Police Station is wheelchair accessible at the front main entrance of the building from the parking lot. Requests for special services must be received forty-eight (48) hours prior to the meeting time by calling the City Secretary's office at (210) 698-0900. Braille is not available. The City Council reserves the right to convene into Executive Session at any time regarding an issue on the agenda for which it is legally permissible; pursuant to Texas Government Code Chapter 551. Section 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development).



CITY COUNCIL CONSIDERATION ITEM

CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Consideration and possible action approving a resolution amending a development agreement related to The Reserve at Fair Oaks Ranch and authorizing the execution of all related documents by the City Manager

DATE: May 20, 2025

DEPARTMENT: Administration

PRESENTED BY: Scott M. Huizenga, ICMA-CM, City Manager
T. Daniel Santee, City Attorney

INTRODUCTION/BACKGROUND:

In late 2024, Bitterblue, Inc. inquired about amending the development agreement between the City and R.W. Pfeiffer Properties, LLC, concerning the property commonly known as “The Reserve at Fair Oaks Ranch.” R.W. Pfeiffer Properties was the property owner in 2013, and since then, the property has changed ownership multiple times. The City and Bitterblue (the current owner) began negotiating an amended development agreement in December 2024. After several months of negotiation, the parties have reached a tentative agreement. For City Council consideration is the proposed amended development agreement for the 345-acre parcel to be known as the Post Oak Subdivision included as **Exhibit A**.

The property is located north of Ammann Road, within the City’s Extraterritorial Jurisdiction (ETJ) and has been the subject of long-standing uncertainty. The 2013 development plan called for a high-density housing development which included 635 homes, a wastewater treatment plant and Public Improvement District (PID) financing. The proposed development stalled in 2014 when the annexation step in the development process was rejected by the community. In 2018, litigation was resolved – however, the current development agreement remained in effect. Development efforts have mostly been on pause since 2018, until now.

Key provisions in the proposed amendment are:

- **Annexation and Zoning:** The property will be brought into the city limits and zoned Neighborhood Residential, aligning it with the surrounding community and ensuring consistency with City regulations.
- **Home Count and Lot Size:** The number of homes has been reduced from 635 to 278, with each lot being one acre or larger. This nearly 60% reduction helps preserve the character of Fair Oaks Ranch and significantly reduces the number of homes drawing on the City’s water supply.
- **Water and Wastewater:** The City will provide water service. Homes will use on-site septic systems instead of a centralized wastewater plant. This eliminates the need for a package plant and gives the City oversight over water usage.

- **Tree Preservation:** The agreement includes stronger tree preservation requirements than the 2014 agreement, supporting the City's efforts to maintain tree cover and protect its natural environment.
- **Ammann Road Improvements:** The developer will contribute funding toward the City's Ammann Road improvement project.
- **Public Improvement District (PID):** A PID will fund public infrastructure through bonds repaid by property owners in the subdivision. The City is not responsible for repaying this debt, and it does not affect the City's credit rating.
- **Parks, Trails, and Open Space:** The developer must provide and maintain these amenities through a Homeowners' Association (HOA). The City will retain public access easements.
- **HOA Oversight:** The HOA will be subject to a City-approved Maintenance Agreement. The City retains the right to review HOA financials to ensure adequate maintenance of shared spaces.
- **Developer Commitments:** Bitterblue, a respected local developer known for high-end custom homes, is leading the project. The development is expected to reflect the character and quality of nearby neighborhoods such as Stone Creek Ranch.

This proposed amended development agreement is the first step in a series of City Council actions needed to move the Post Oak Subdivision project forward. Upon the City Council's acceptance of this amended development agreement, staff will prepare a series of actions for Council consideration, including and in no specific order:

- Annexation services agreement and public hearing
- Public Improvement District public hearing and findings
- Public Improvement District Administrator Agreement
- Zoning Map and Future Land Use Map amendments

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

Complies with Texas Constitution Article III, Section 52-a Loan or Grant of Public Money for Economic Development

Complies with Texas Local Government Code Section 212 Subchapter G Agreement Governing Certain Land in a Municipality's Extraterritorial Jurisdiction

Supports Strategic Action Plan Pillar 2 Responsible Growth Management.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

None

LEGAL ANALYSIS:

Approved to as form.

RECOMMENDATION/PROPOSED MOTION:

I move to approve a resolution amending a development agreement with Bitterblue, Inc. and authorizing the execution of all related documents by the City Manager

A RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS AMENDING A DEVELOPMENT AGREEMENT RELATED TO THE RESERVE AT FAIR OAKS RANCH AND AUTHORIZING THE EXECUTION OF ALL RELATED DOCUMENTS BY THE CITY MANAGER

WHEREAS, in 2013 the City entered into a development agreement with a prior owner of The Reserve at Fair Oaks Ranch property described in Exhibit A, and

WHEREAS, the current owners, Bitterblue Inc., approached the City in late 2024 and began negotiating with the City an amendment to the 2013 development agreement, and

WHEREAS, the City and Bitterblue, Inc. have reached a tentative amended development agreement, and

WHEREAS, the owner, as part of the amended development agreement, has submitted a petition for annexation into the City and a petition to create a Public Improvement District, and

WHEREAS, the City Council has determined that the terms of the amended development agreement are in the best interest of the City and its long-term efforts to responsibly manage growth.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS:

- Section 1.** That the City Council amends the development agreement with Bitterblue, Inc. as presented in **Exhibit A** and authorizes the execution of all related documents by the City Manager.
- Section 2.** That the recitals contained in the preamble hereto are hereby found to be true and such recitals are hereby made a part of this resolution for all purposes and are adopted as a part of the judgment and findings of the City Council.
- Section 3.** If any provision of this resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this resolution would have been enacted without such invalid provision.
- Section 4.** That it is officially found, determined, and declared that the meeting at which this resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.
- Section 5.** All resolutions or parts thereof, which are in conflict or inconsistent with any provision of this resolution are hereby repealed to the extent of such conflict, and the provision of this resolution shall be and remain controlling as to the matters resolved herein.

- Section 6.** This resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.
- Section 7.** This resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED, APPROVED, and ADOPTED on this 20th day of May 2025.

Gregory C. Maxton, Mayor

ATTEST:

APPROVED AS TO FORM:

Christina Picioccio, TRMC
City Secretary

Denton Navarro Rodriguez Bernal Santee & Zech
P.C., City Attorney

AMENDED DEVELOPMENT AGREEMENT

BY AND AMONG

CITY OF FAIR OAKS RANCH, TEXAS

AND

BITTERBLUE, INC.

This Development Agreement (this “Agreement”) is entered by and between the **City of Fair Oaks Ranch**, a Texas home-rule municipal corporation located within Bexar, Kendall and Comal County, Texas (hereinafter, referred to as “City”); and **Bitterblue, Inc.** (hereinafter referred to as “Owner”). City and Owner shall hereafter collectively be referred to as “Parties” or in the singular as “Party”.

RECITALS

WHEREAS, as of the Effective Date of this Agreement the Owner will have fee title to the 344.6 acres of land, more particularly described in **Exhibit “A”** and **Exhibit “B”**, which are attached hereto and fully incorporated herein (the “Property”); and

WHEREAS, concurrently with the City's creation of the hereinafter defined District, the Owners will agree certain restrictions on the development of the Property, subject however to (i) the Parties acknowledging that the preliminary concept plan attached to this Agreement as **Exhibit “C”** (the “Preliminary Concept Plan”) is preliminary in nature and subject to change as planning for the hereinafter defined Project develops and (ii) Owner closing on the Property; and

WHEREAS, the Property is located in Kendall and Comal Counties, Texas, wholly outside the City’s corporate limits but wholly within the City’s extraterritorial jurisdiction (the “ETJ”); and

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

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

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

WHEREAS, the City had previously entered into a development agreement with a prior owner of the Property on November 20, 2013 (“2013 Development Agreement”), which was subsequently amended on November 20, 2014 (“2014 Development Agreement”); and

WHEREAS, upon the approval of this Agreement, the establishment of the required Public Improvement District (“PID”), annexation and associated zoning of the Property, the Parties agree that the 2013 Development Agreement and 2014 Development Agreement, is wholly amended and replaced by this Agreement, the Parties agree that Owner will have waived all associated development and contractual claims and rights under the 2013 Development Agreement and 2014 Development Agreement; and,

WHEREAS, Owner intends to develop the Property as a 278 single-family lot residential development, to include associated public infrastructure and other public and private improvements (as further described herein), and comprised of the hereinafter-defined residential project (the “Project”); and

WHEREAS, Owner has agreed to voluntary, full purpose annexation of the Property, thereafter to be included within the City’s corporate limits and to comply with certain terms and conditions regarding the Project’s development, including with respect to subdivision and platting of the Property, 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 improvement projects 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 Kendall and Comal County’s Official Public Land Records (so as to bind the Owner 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 Owner has communicated to the City that its development of the Project in the manner herein described requires the City’s creation of a PID under Chapter 372 of the Texas Local Government Code over the entirety of the Property; and

WHEREAS, Owner has submitted a petition to the City, which was filed on December 12, 2024, for the full purpose annexation of the Property; and

WHEREAS, Owner has submitted a petition to the City which was filed May 1, 2025, to create the Post Oak Public Improvement District (the “District”); 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, and utility system customer base, and by creating additional residential opportunities for City residents; 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:

“Acquisition and Reimbursement Agreement” means that certain “Acquisition and Reimbursement Agreement”, in the form attached hereto as **Exhibit “D”**, 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 Owner, as the same may be amended, modified or extended, or supplemented from time to time.

“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.

“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 (defined herein).

“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 all onsite and offsite (1) landscaping; (2) erection of fountains, distinctive lighting, and signs; (3) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of-way; (4) construction of improvement of pedestrian malls; (5) acquisition and installation of pieces of art; (6) acquisition, construction, or improvement of libraries; (7) acquisition, construction, or improvement of off-street parking facilities; (8) acquisition, construction, improvement, or rerouting of mass transportation facilities; (9) acquisition, construction, or improvement of water, wastewater, or drainage facilities or improvements; (10) the establishment or improvement of parks; (11) projects similar to those listed in (1)-(10); (12) acquisition, by purchase or otherwise, of real property in connection with an authorized improvement; (13) special supplemental services for improvement and promotion of the District, including services relating to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation, and cultural enhancement; (14) payment of expenses incurred in establishment, administration, and operation of the District, including the costs of

financing the public improvements listed above; (15) the development, rehabilitation, or expansion of affordable housing; and (16) payment of expenses associated with operating and maintaining the improvements listed above and any other hard or soft costs associated with the development of the Property as allowed by the Act.

“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, but is not limited to, (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of such Authorized Improvement, including the acquisition of necessary easements and other right-of-way, general contractor and construction management fees, if any, (b) the costs of preparing the construction plans, specifications (including bid packages, contracts, and as-built drawings) for such Authorized Improvement, (c) the fees paid for obtaining permits, zoning, licenses, plan approvals, inspections 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 landscaping, 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, payment and performance bonds and other construction security, 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 costs and 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 percent [in an agreed upon percentage and to be paid in amount equivalent to the percentage of work completed and accepted by the City] 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 _____, 2025, 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 Owner or of a substantial part of the assets of either Owner under any insolvency or debtor relief law or (ii) the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for either Owner or a substantial part of either Owner’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 Owner 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 Owner'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 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 Fair Oaks Ranch, Texas, a Texas Home Rule Municipality, located in Bexar, Kendall, and Comal Counties.

"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 "E"**.

"City Representative" means the City Manager 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.

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

"Completion Agreement" means that certain "Completion Agreement" 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 Bonds, and the Developer, as the same may be amended, modified or extended, or supplemented from time to time.

"Concept Plan" means the general rendering of the Project (including its critical elements), a copy of which is attached hereto as Exhibit C.

“Continuing Disclosure Agreement” means any continuing disclosure agreement of the Owner 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 Kendall County, Texas and/or Comal County, Texas.

“Dedicated Parcel” means the parcel shown on Exhibit C as the potential future water tank site.

“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 Landowner Consent Certificate, the Completion Agreement, and the Acquisition and Reimbursement Agreement.

“District” means the Post Oaks Public Improvement District created by the City of Fair Oaks Ranch on _____, 2025.

“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 the date of the last signature on this Agreement.

“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 Owner (as and if applicable) or otherwise make the Owner’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 and vertical construction is complete.

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

“Landowner Consent Certificate” means a certificate of the owners of the Property from time to time, in the form attached hereto as **Exhibit “F”** attached hereto, agreeing to various provisions relative to establishment of the PID, the Property’s development, and the financing Authorized Improvements Costs and consenting to the levy of Assessments on the owner’s Assessable Property.

“Maintenance Agreement” means a “Maintenance Agreement”, in the form attached hereto as **Exhibit “G”**, to be entered into between the City and each Homeowner’s Association (“HOA”) pursuant to which the HOA agrees to undertake the applicable HOA Maintenance Obligations (as defined in the Maintenance Agreement).

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

“Owner Disclosure Program” means the disclosure program, administered by the PID Administrator, as set forth in a document in the form of **Exhibit “H”** 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 Kendall County Appraisal District or Comal 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 Kendall County’s and Comal County’s official public records, or by any other means determined by the City.

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

“Phase” means a segment of Project development relating to a portion of the Project.

“PID” means Public Improvement District as that term is defined in Chapter 372 of the Texas Local Government Code.

“PID Administrator” means the individual or entity selected by the City to oversee the administration of the District.

“PID Bonds” means the assessment revenue or construction 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 within the Project.

“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 278 single-family lot residential development and associated private and public improvements to be constructed on the Property, as generally evidenced in the Concept Plan.

“Public Improvement” *see Authorized Improvement.*

“Retail Municipal Utility Service” means potable water 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 Owner and the City in accordance with Chapter 372.

“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 thirtieth (30th) anniversary of the Effective Date.

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

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 Owner enters into this Agreement pursuant to its general corporate powers exercised by duly adopted resolution.

(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 Owner 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.

2.03 Owner as a Party.

The Parties hereby represent and acknowledge that the Parties duties under this Agreement shall at all times be subject to and contingent upon Owner's acquisition of fee title to the Property as of the Effective Date. In the event Owner does not acquire fee title to the Property on or before _____, 2025 this Agreement shall be deemed null and void ab initio.

2.04 Public Improvement District

Additionally, the Parties hereby recognize and agree that the creation of the District is essential to this Agreement and that absent such creation within 120 days of the Execution Date the Parties this Agreement shall be of no force and effect.

**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 Authorized Improvements adequate for the development of the Project, and the construction of necessary or required Authorized Improvements. 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 Authorized Improvements (designed, constructed and installed pursuant to the Governing Regulations, and in some cases, 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 Owner 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 City's 2014 Code (the "Governing Regulations"):

The Governing Regulations, subject to the provisions contained in the 3.01, 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 Owner request, authorize exceptions to strict compliance with the Governing Regulations, within the limitations described therein and pursuant to applicable State law, when the Owner 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, from time to time, to include changes, including local amendments that 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 Owner may exercise rights under Chapter 245. The Parties hereby agree that November 20, 2014, shall be the date for establishment of the Owner's rights under Chapter 245, pursuant to Section 245.002(a-1) of such Chapter. The Owner may not take advantage of any changes to laws, rules, regulations, or ordinances of the City or other regulatory agency occurring after November 20, 2014 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 12.05 hereof. For the avoidance of doubt, the foregoing restriction shall not prohibit the Owner from taking advantage of prospective changes in laws, rules, regulations, or City ordinances that do not otherwise conflict with the provisions of this Agreement. Notwithstanding the aforementioned provision, Owner shall 1) follow the Fire Code as it relates to maximum block length and 2) shall be bound by a submitted and approved tree plan reflecting a) mitigation of one (1) 2.5" tree for every 18"-24" tree removed, and b) addressing tree islands within designated right-of-way. Removal of trees 24" and larger will require the mitigation of three (3) 2.5" inch trees for each tree removed (this is in accordance with the 2014 Code) Any minor amendments to the tree plan shall be approved administratively.

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 November 20, 2014 or hereafter adopted (including the Code), 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 shall supersede and control over competing or contradictory provisions of the Code.

(c) Project Commencement; Phasing. Subject to its representations, warranties, and covenants made in this Agreement hereof, the timing and sequencing of Project development will be based on market demand and conditions and will be completed as and when the Owner

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 Owner and its assigns shall be required to complete Public Infrastructure and Authorized Improvements identified on such Approved Plat.

(d) Plat Application. Subdivision of the Property shall require the City's approval. No plat shall be approved within a Phase except in substantial conformity with the approved Phase Infrastructure Plan (see Exhibit "C"). 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 Owner. 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.

(e) Project Development Reporting. Upon commencement of Project development (and with respect to each Project Phase thereafter), the Owner shall submit to the City a written report for the applicable Phase pursuant to the Preliminary Concept Plan, 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. Such report shall include information on all construction activities, permits, and number of homes constructed.

3.02 Development Standards.

(a) Specific Standards. The Owner agrees that:

- (i) Developer shall dedicate approximately 4.37 acres as public right of way for the planned Widening and Improvement of Ammann Road, specifically the turn going North abutting the Project with improvements spanning from the southern entrance to the western entrance of the Project as reflected on the Concept Plan;
- (ii) Development of the Property shall be limited to no more than 278 Lots with one lot reserved for a future water tank site for the City. Such lot shall be utilized within five (5) years of the effective date of this Agreement or shall be utilized by the Owner for residential purposes;
- (iii) Owner shall provide a fee when the City constructs the turn on Ammann Road, such fee shall be reviewed and approved by Owner and used by the City (for this turn on Ammann Road only) within three (3) years of contribution. Such amount shall be determined within thirty (30) days of the City accepting a bid for such work.

3.03 Authorized Improvement and Public Infrastructure.

(a) Design Standards; Inspection. Public Infrastructure and Authorized Improvements shall be designed to comply with the Governing Regulations, and no construction or installation of Public Infrastructure or Authorized Improvements shall begin until plans and specifications

therefore have been approved by the City. All Public Infrastructure and Authorized Improvements shall be constructed and installed in compliance with the Governing Regulations and shall be inspected by City inspectors (certified and State-licensed, to the extent required by law). The cost for such inspections shall be paid by the Owner. All Public Infrastructure and Authorized Improvements constructed by the Owner or by any person or entity on behalf of or in the name of the Owner shall have a maintenance bond with an expiration period of two years after completion and City acceptance of such Public Infrastructure or Authorized Improvement. Maintenance bonds shall name the City as a co-beneficiary and shall be assignable to the City in accordance with the Code.

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

- (i) a report of a City inspector concerning the subject Public Infrastructure or Authorized 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 Authorized 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 Owner's Engineer pursuant to Chapter 1001, as amended, Texas Occupations Code, easements, project manuals and all other documentation related to subject Public Infrastructure or Authorized Improvement; and
- (v) an executed Maintenance Agreement between the City and the applicable HOA evidencing the HOA's acceptance of the HOA Maintenance Obligations relative to any of the then-dedicated Public Infrastructure and Authorized Improvements, as and if applicable.

After delivery of the foregoing, and upon the City issuing to the Owner a letter indicating satisfaction of the conditions precedent to such acceptance pursuant to and in accordance with this Agreement, the Owner shall, by proper instrument (as agreed to by the City and the Owner), dedicate the subject Public Infrastructure or Authorized 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 Authorized Improvement for ownership, operation, and maintenance.

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

(d) City to have Easement on all Parks, Trails, and HOA Maintenance Areas. The HOA will maintain all parks, trails, and community areas (as identified in Exhibit C), however, the City will have an easement on all such areas.

(e) Owner Access to Dedicated Public Infrastructure and Authorized Improvements. Upon the City's acceptance of Public Infrastructure or a Authorized Improvement identified within a particular Approved Plat, the Owner shall be allowed to connect, access or otherwise utilize the dedicated Public Infrastructure or Authorized 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 Service.

(a) To provide for delivery of retail water to the Property, the City and the Owner shall enter into a USA (see Exhibit "I").

(b) Water service capacity shall be allocated in the form of living unit equivalents ("LUEs") to the Property to enable provision of service to the Project. The terms by which the Developer may access this capacity, which includes the Owner's payment (or its causing to be paid) the water system capacity allocation charge, shall be specified in the USA.

(c) The Owner shall, at its expense, design, construct, acquire and install all offsite (relative to the Property) improvements necessary to connect to the City's water utility system to permit retail water service to the Property. The design of these offsite improvements shall be coordinated with and approved by the City engineer. Any oversizing required by the City shall result in an impact fee credit to the Owner.

3.05 Building Permits; Certificates of Occupancy. No permanent structure designed or intended for human occupancy (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 Owner 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 3.06. 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 Authorized Improvements pursuant to the City's inspection rights under Section 3.03(a) hereof (if the City determines that any Public Infrastructure or Authorized 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 3.06 for Public Infrastructure and Authorized 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 Homeowners Association; Agreement to Maintain Certain Improvements. Prior to the sale of the first platted lot within the Property, the Owner will create one or more HOAs that, in total, provide owners association services to the entirety of the Property (excluding the Dedicated Parcel). Upon creation, each HOA shall enter into a Maintenance Agreement with the City, pursuant to which the HOA shall agree to the HOA Maintenance Obligations (whose responsibility shall solely be the HOA's, notwithstanding any ownership by the City of the improvements or real property upon which such maintenance is required to be performed). The Owner shall provide in each HOA's organization documents that the HOA shall annually levy and collect fees from owner members that are, at a minimum and based on annual budget adopted by the HOA prior to the beginning of its fiscal year, sufficient to satisfy the annual

HOA Maintenance Obligations. Each Maintenance Agreement shall provide that the HOA shall perform the HOA Maintenance Obligations in accordance with the applicable provisions of the Governing Regulations, subject to oversight and inspection by the City, and provide to the HOA permission to perform the HOA Maintenance Obligations, as and to the extent necessary, on City-owned property. Upon reasonable request, the City shall have the right to inspect the financial reports, audits, and budget of each HOA.

3.08 Buyer Disclosures. All End Buyers shall be required to sign 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 (see Exhibit “H”).

3.09 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.

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 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.

ARTICLE 5 SOURCES OF PROJECT FINANCING

5.01 Public Improvement District.

(a) **PID Creation.** To provide for payment of the Authorized Improvements Costs and Administrative Expenses, the Parties contemplate creation of the PID. In furtherance of such expectation, the Owner has submitted to the City, and the City has accepted and found administratively complete, an application to create the PID in accordance with Chapter 372.

(b) **Service and Assessment Plan.** The Owner and the City agree that the City, the Owner, and the PID 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 Owner 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 Owner, 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 Development Documents 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 Owner shall (i) approve and accept in writing the levy of the Assessment(s) on all Assessable Property owned or controlled by the Owner; (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) Issuance of PID Bonds. Subject to satisfaction of the conditions set forth in this Section 5.01(f) 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 Owner 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 Owner 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 Owner to fund the costs of the City's professionals relating to the preparation for and issuance of PID Bonds, (which amount is considered Administrative Expenses payable from the proceeds of such series of PID Bonds).

The issuance of any series of PID Bonds shall be authorized by the City and to the following conditions:

- (i) the aggregate principal amount of all PID Bonds shall not exceed \$60,000,000;
- (ii) no series of PID Bonds shall pay from the proceeds therefrom capitalized interest beyond the second anniversary of its initial issuance;
- (iii) The Owner shall have submitted to the City all requested and required information reasonably necessary to evaluate a PID Bond issuance for each Phase

and to accomplish the levy of Assessments and the issuance of PID Bonds, which information shall include:

- (1) Total acreage of residential property, open space, and non-developable property for which Assessments are to be levied;
- (2) Engineers' opinion of probable costs (dated within the last 3 months prior to submission) and preliminary engineering plans for all PID Improvements benefiting the Phase for which Assessments are to be levied;
- (3) Any required Traffic Impact Analysis for the Phase for which Assessments are to be levied;
- (4) Break out of total PID Improvements Cost of offsite costs to serve the Phase for which Assessments are to be levied;
- (5) Break out of total PID Improvements Cost of oversizing costs to serve the Phase for which Assessments are to be levied;
- (6) Breakout of phased PID Improvements Cost for all Phases versus Major Improvements Cost;
- (7) Assumptions for number of Lots;
 - (A) Total number of Lots by type;
 - (B) Total estimated value per Lot;
 - (C) Total estimated value of home to be constructed on the Lots;
 - (D) The values provided in (i) – (iii) above based on phasing plan/absorption schedule
- (8) Map of Property
- (9) Proposed Concept Plan
 - (A) With construction phasing identified by map and cost
 - (B) Location of any open space maintained by HOA
 - (C) Total acreage of open space maintained by HOA
 - (D) Map/locations of PID Improvements to be financed by the PID from such proposed PID Bond issuance.
 - (E) Onsite improvements by Phase
 - (F) Offsite improvements by Phase

(10) Final private costs (not including the public improvement costs) to reach completed Lots (i.e., final lot benching, stabilization, etc.)

(iv) In the event Developer has requested the issuance of PID Bonds to up-front fund construction of PID Improvements, the Developer shall provide the City with evidence of a sufficient funding commitment to ensure the completion of the PID Improvements for which the PID Bonds are being issued.

(v) prior to the City's authorization of the initial series of PID Bonds:

- (1) the Owner will create the Owner Disclosure Program and provide a copy of the program to the PID Administrator;
 - (2) the Owner shall have delivered to the PID 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;
- (vi) 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;
- (vii) each series of PID Bonds shall be in an amount estimated to be sufficient to fund all or a portion of 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;
- (viii) The Service and Assessment Plan will confirm 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;
- (ix) the Owner 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 within such improvement area to the aggregate principal amount of all PID Bonds then secured or proposed to be secured by the resultant Assessment Revenues within such improvement area (the "Value to Lien Ratio") is at least 2.5:1 (which in determining, the independent certified appraiser, appraisal firm or financial consultant may rely on builder contracts, a certificate from the PID Administrator identifying lots on which vertical construction has commenced or the Kendall or Comal 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), provided further that such value to lien ratio for PID Bonds may be lower than 2.5:1 (but in no case less than 2.0:1) if the City, in its sole discretion, undertakes certain alternative financing structures including, but not limited to, directing the trustee for the applicable series of PID Bonds to hold a portion of the applicable PID Bond proceeds in escrow until the Value to Lien Ratio reaches 2.5:1, issuing the PID Bonds on a senior and subordinate lien basis, or other alternative financing means as provided in the applicable Indenture;

- (x) 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;
- (xi) evidence delivered to the City (the sufficiency of which the City has determined, its sole discretion), that:
 - (1) the Owner or another entity that has purchased a portion of the Property for development, shall own all property within each Phase of the PID prior to the levy of Assessments for such PID Phase.
 - (2) the Owner is current on all the payment of all taxes, Assessments, fees and obligations owed to each taxing district whose jurisdiction the Property is subject;
 - (3) the Owner is not in default under any Development Document; and
 - (4) no outstanding PID Bonds for the Project are then-in default and no reserve funds established therefor have been drawn upon that have not been replenished;
- (xii) the PID 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;
- (xiii) 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 for such improvement area to be financed and scope and state of Project development within the PID, and provided that there is evidence of financial security sufficient to fund the Authorized Improvements that will not be paid for or reimbursed by the PID Bonds, which fiscal security shall be in the form of (i) evidence of available funds to the Landowners in cash, (ii) a letter of credit, or (iii) a reasonably acceptable lending facility, only to the extent that the Authorized Improvements have not already been completed and paid for by Landowners or otherwise to the extent that the PID Bonds

are insufficient to fund such Authorized Improvements. Delivery of fiscal security is required no later than the closing date of the bonds; and

- (xiv) , only to the extent that the Authorized Improvements have not already been completed and paid for by Landowners or otherwise to the extent that the PID Bonds are insufficient to fund such Authorized Improvements for the PID Bonds to be creditworthy;
- (xv) 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;
- (xvi) 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
- (xvii) the Owner has agreed to provide periodic information and notices of material events regarding the Owner 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 Owner in connection with the issuance of such series of PID Bonds.

(g) 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. 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, the terms of the indenture shall control.
- (ii) The Parties intend that the Owner will complete the phases of construction of an Authorized Improvement per the Concept Plan (see previously mentioned Exhibit C) (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 Acquisition and Reimbursement Agreement.

- (iii) If 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 first, pay for additional Authorized Improvement Costs as may thereafter be included in an updated Service and Assessment Plan and then used to redeem the Bonds, as further provided for in the applicable indenture.

(h) 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.

5.02 Maximum All-In Tax Equivalent Rate. For each lot classification identified in the Service and Assessment Plan, an overlapping tax rate equivalent, including all taxing entities and the PID Special Assessment rate, of \$3.00 per \$100 of estimated buildout value (the “Project ETR”), shall be established (subject to the following adjustment) for the Project, and such the Project ETR shall not be reduced if any of the tax rates of any existing taxing entities is subsequently reduced such that the PID Special Assessment rate may be increased up to the Project ETR in that event. Notwithstanding the foregoing, the Project ETR shall be increased to an amount necessary to ensure that in no case will there be less than a PID Special Assessment tax rate equivalent of \$1.34 per \$100 of estimated buildout value. The estimated buildout value for a lot classification shall be determined by the PID Administrator using information provided by the Landowners and confirmed by the City Council by considering such factors as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, builder contracts, discussions with homebuilders, reports from third party consultants, information provided by the Landowners, or any other information that may help determine buildout value.

5.03 Completion Agreement. Prior to the City’s authorization of the initial series of PID Bonds, the Owner, the City, and the trustee for such series of PID Bonds shall have entered into a Completion Agreement obligating the Owner 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 Owner 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 Owner’s reimbursement from available Assessment Revenues all or a portion of Authorized Improvement Costs paid for by Owner. Notwithstanding its execution of the Reimbursement Agreement, the Owner hereby acknowledges that the City makes no representations or guarantees regarding the sufficiency of available Assessment Revenues to fully reimburse the Owner for amounts to which it is entitled under the Reimbursement Agreement.

5.05 Cost Overrun. If the total cost of a PID Improvement (or segment or section thereof) exceeds the total amount of the Budgeted Cost for that PID Improvement (or segment or section thereof) (a "**Cost Overrun**"), the Owner shall be solely responsible for payment of the remainder of the costs of that PID Improvement (or segment or section thereof), except as provided in Subsection 5.3 below.

5.06 Cost Underrun. If, upon the completion of construction of a PID Improvement (or segment or section thereof) and payment or reimbursement for such PID Improvement, there are Cost Underruns, any remaining Budgeted Cost(s) may be available to pay Cost Overruns on any other PID Improvement funded with the same PID Bonds upon provision by the Owner of proof of the applicable Cost Overrun to the City Manager or PID Administrator and provided that all PID Improvements are set forth in the Service and Assessment Plan. The elimination of a category of PID Improvements in the Service and Assessment Plan will require an amendment to the SAP and corresponding reduction in Assessments. If, upon completion of the PID Improvements in any improvement category, any funds remain in such category, those funds may be used to reimburse the Developer for any qualifying costs of the PID Improvements that have not been paid.

5.07 Qualified Tax-Exempt Status. If in any calendar year the City issues debt that would constitute a bank-qualified debt issuance but for the issuance of the PID Bonds or other bonds supporting public improvements for non-City owned development projects, including either bonds authorized by the PID Act, then the Developer shall pay to the City a fee (the "PID Bond Fee") to compensate the City for the interest savings the City would have achieved had the debt issued by the City been bank-qualified, provided that all other developers or owners directly benefitting from the City issuing debt are similarly burdened with an obligation to compensate the City. The City shall calculate the PID Bond Fee for all series of PID Bonds and notify the Developer of the total amount due at least ten (10) business days prior to pricing the first series of PID Bonds. The Developer agrees to pay the estimate of the PID Bond Fee to the City on the later of (a) five (5) business days prior to pricing of any series of PID Bonds or other City debt, or (b) five (5) business days after receiving Notice from the City of the estimated amount of the PID Bond Fee due to the City. The City shall not be required to price or sell any series of PID Bonds until the Developer has paid the PID Bond Fee. Upon the City's approval of the PID Bonds, the City's financial advisor shall calculate the actual costs of the PID Bond Fee (the "Actual PID Bond Fee"). The City will, within five (5) business days, notify the Developer of the Actual PID Bond Fee. In the event the Actual PID Bond Fee is less than the estimated PID Bond Fee, the City will refund to the Developer the difference between the Actual PID Bond Fee and the estimated PID Bond Fee within ten (10) business days of the date of the City's notice to the Developer of the Actual PID Bond Fee. If the Actual PID Bond Fee is more than the estimated PID Bond Fee, the Developer will pay to the City the difference between the Actual PID Bond Fee and the estimated PID Bond Fee within ten (10) business days of the date of the City's notice to the Developer of the Actual PID Bond Fee.

If a developer or owner has paid all or part of a PID Bond Fee estimate for any particular calendar year to the City, and a subsequent developer or owner pays a PID Bond Fee to the City applicable to the same calendar year, each such later developer or owner shall be reimbursed by the City as necessary so as to place all developers and owners who have paid the fee for the same calendar year in the required payment proportion. Said reimbursement(s) shall be made by the City within ten (10) business days after the City's receipt of the estimated PID Bond Fee payment(s) unless otherwise agreed to by the Parties, including, as applicable, other developers or owners.

The City will deposit all payments of a PID Bond Fee estimate received from a developer or owner (including the Developer, as applicable) into a segregated account until such time as (1) the City transfers the funds to a capital improvement project fund in conjunction with issuing City debt; and/or (2) the City refunds a portion of the PID Bond Fee estimate consistent with the pro rata formula above within ten (10) business days of issuing Bonds or agreement is made as to a different payment date. On or before January 15th of the following calendar year, the final PID Bond Fee shall be calculated. By January 31st of such year, any funds in excess of the final PID Bond Fee that remain in such segregated account on December 31st of the preceding calendar year shall be refunded to the developers or owners (including the Developer) and any deficiencies in the estimated PID Bond Fee paid to the City by any developer or owner (including Developer) shall be remitted to the City by the respective developer or owner (including Developer). Said payments shall be made within ten (10) business days after January 31st of that year unless otherwise agreed to by the Parties, including, as applicable, other developers or owners.

ARTICLE 6 ANNEXATION & ZONING

6.01 Annexation into City. The Owner hereby agrees to the voluntary, full-purpose annexation of those portions of the Property outside the corporate limits of the City into the City and has submitted, as shown in **Exhibit “J”** hereto, a petition requesting the annexation of the Property (the “Annexation Petition”). The Parties acknowledge that the foregoing annexation provisions have been agreed upon pursuant to the authority set forth in Section 212.172 of the Texas Local Government Code, which authorizes the governing body of a municipality to make a written contract with an owner of land that is located in the extraterritorial jurisdiction of the municipality to provide for the annexation of the land as a whole or in parts and to provide for the terms of annexation, if annexation is agreed to by the parties, and further provides for the parties to such agreement to specify the uses and development of the land before and after annexation, if annexation is agreed to by the parties.

6.02 Permanent Zoning. City agrees that the Property shall be permanently zoned within one hundred and eighty (180) days after annexation of the Property. The City cannot contractually agree to the zoning designation the Property shall receive; however, the City recognizes the Owner’s rights under Chapter 245 and Section 43.002 of the Texas Local Government Code. Owner has submitted an application for an amendment to the Future Land Use Map and Zoning for the subject property.

ARTICLE 7 ASSIGNMENT OF COMMITMENTS AND OBLIGATIONS; SUCCESSORS

7.01 Assignment of Owner’s Rights. Subject to this Section 7.01, the Owner 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 Owner 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 Kendall and Comal Counties, Texas in order to be effective.

Because the City's entering into this Agreement with the Owner is conditioned, in part, on the Owner'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 Owner of its rights hereunder shall be subject to the City's approval, not to be unreasonably withheld and shall be provided within fifteen (15) business days from receipt of Owner's written assignment request; provided, however, an assignment by the Owner to any Owner-affiliated entity does not require approval by the City. In connection with any request for approval of assignment, the Owner 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 Owner shall not be required to supply this information when Property is sold to 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 Owner under this Agreement shall not be sufficient to constitute an assignment of the rights or obligations of the Owner hereunder, unless specifically provided herein.

7.03 Agreement Binding on Assigns. In the event of an assignment of this Agreement, the Owner 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 Owner, 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 Owner 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 Owner has spent a substantial sum to negotiate, implement, and comply with this Agreement and the Owner 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 Owner 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 cannot resume its obligations under this Agreement within one year, the Owner shall have no duty to complete its obligations. If the City resumes its compliance with its obligations under this Agreement, the Owner 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 Owner, as the case may be, at the address stated below.

Any notice mailed to the City shall be addressed:

City of Fair Oaks Ranch
Attn.: City Manager
7286 Dietz Elkhorn Rd.
Fair Oaks Ranch, Texas 78009
shuizenga@fairoaksranchtx.org

With a copy to:

Daniel Santee
Denton, Navarro, Rodriguez, Bernal Santee & Zech, P.C.
2517 North Main Avenue

San Antonio, Texas 78212
tdsantee@rampagelaw.com

Any notice mailed to the Owner shall be addressed:

Bitterblue Inc.
Attn: Scott Teeter
11 Lynn Batts Lane, Suite 100
San Antonio, Texas, 78218

With a copy to:

Brown & McDonald, PLLC
Attention: Caroline McDonald
100 NE Loop 410 STE 1385
San Antonio, Texas 78216

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 Owner 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 Authorized Improvements (except to the extent that such inspection responsibilities are undertaken by a Certified Inspector pursuant to Section 3.03(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.

(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 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.

10.04 Owner Representations, Warranties and Covenants.

(a) The Owner hereby represents to the City that it owns the Property as of _____, free and clear of any and all liens or mortgages.

(b) The Owner 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 Authorized 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 Owner 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 Authorized Improvements that are included in the Governing Regulations and pay their costs.

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

(e) The Owner 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 Owner 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 Authorized 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 Authorized Improvements, this Agreement, and any work performed by the Developer, a contractor, or a subcontractor for any Public Infrastructure and Authorized Improvements (including pricing and payment information) may be subject to public disclosure by the City pursuant to applicable law.

(g) The Owner shall prepare, or cause to be prepared, for each Phase of the Project, plats that are compliant with applicable provisions of the Code and shall submit such plats to, and have such plats approved by, the City prior to starting any construction in said Phase.

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

(i) Owner services that are performed by the Owner 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 3.03(a), all personnel supplied or used by the Owner in the performance of its obligations arising under this Agreement shall be deemed employees, contractors or subcontractors of the Owner and shall not be considered employees, agents or subcontractors of the City for any purpose whatsoever. The Owner shall be solely responsible for the compensation of all such personnel.

(k) The Owner 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 Owner.

(l) As and to the extent applicable, the Owner shall comply with all regulations concerning employment of labor required by law (including, but not limited to, Chapter 2258 requiring the Owner 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 Owner hereby represents, warrants, and covenants for the benefit of the City:

- (i) the Owner is a corporation, 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 Owner 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 Owner;

- (iii) this Agreement is a valid and enforceable obligation of the Owner and is enforceable against the Owner 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 Owner 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 Owner 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 Owner 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 Owner 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 Owner. The Owner 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 owner with respect to the proper completion of Form 1295 other than providing the identification numbers required for the completion of Form 1295.

(o) The Owner 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 Owner understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Owner and exists to make a profit.

(p) The Owner 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 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 the Owner 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 Owner understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Owner and exists to make a profit.

(q) 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 Owner 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.

(r) 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,

- (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.

ARTICLE 11 INDEMNIFICATION

THE OWNER 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 OWNER’S ACTIVITIES UNDER THIS AGREEMENT, INCLUDING ANY ACTS OR OMISSIONS OF THE DEVELOPER, ANY AGENT, OFFICER, DIRECTOR, REPRESENTATIVE, EMPLOYEE, CONSULTANT OR SUBCONTRACTOR OF THE OWNER, 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 OWNER 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 OWNER SHALL IMMEDIATELY ADVISE THE CITY, IN WRITING, OF ANY CLAIM OR DEMAND AGAINST THE OWNER OR AN INDEMNIFIED PARTY, TO THE EXTENT AND WHEN KNOWN TO THE OWNER, RELATED TO OR ARISING OUT OF THE OWNER ACTIVITIES UNDER THIS AGREEMENT.

In addition to the indemnification provided above, the Owner 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 Kendall and Comal 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 Kendall 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 (i) mutual written consent of the Parties, (ii) at the sole discretion of any Party in the event Owner does not purchase fee ownership of the Property on or before December 31, 2025, or (iii) at the sole discretion of any Party in the event the PID as contemplated herein is not formed on or before August 1, 2025.

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 Owner with any liability, or be held liable to the Owner 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.

* * *

THE OWNER:

Bitterblue, Inc.

By: _____
Name: Scott Teeter
Title: President
Date: _____

THE STATE OF TEXAS §
 §
COUNTY OF §

This instrument was acknowledged before me on _____, 2025, by
_____, _____ of _____.

Notary Public in and for the State of Texas

CITY OF FAIR OAKS RANCH, TEXAS

By: _____
Scott, Huizenga, City Manager

Date: _____

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

 This instrument was acknowledged before me on _____, 2025, by
_____, _____ of City of Fair Oaks Ranch, a Texas
Home Rule Municipality.

Notary Public in and for the State of Texas

DRAFT

INDEX TO EXHIBITS

Exhibit A Property Description
Exhibit B..... Location Map
Exhibit C..... Concept Plan
Exhibit D Form of Reimbursement Agreement
Exhibit E..... ETJ Map
Exhibit F Landowner Consent Certificate
Exhibit G Maintenance Agreement
Exhibit H Owner Disclosure Form
Exhibit I..... Form of Utility Service Agreement
Exhibit J..... Petition for Annexation

DRAFT

Exhibit A

PROPERTY DESCRIPTION
[METES AND BOUNDS]

DRAFT

**FIELD NOTES
FOR 344.65 ACRES**

BEING A 344.65 acre tract of land, all of a 344.979 acre tract of land as recorded and conveyed to Russell W. Pfeiffer in Volume 289, Pages 398-400 of the Official Records of Comal County, Texas, and in Volume 137, Page 679 of the Official Records of Kendall County, Texas, out of the David Bradbury Survey No. 214, Abstract No. 989 of Comal County, Texas and the David Bradbury Survey No. 214, Abstract No. 33 of Kendall County, Texas, said 344.65 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at a found $\frac{1}{2}$ " iron rod in the east right of way of Ammann Road for the northwest corner of this tract and the southwest corner of a 131.013 acre tract as recorded in Volume 113, Page 834 of the Deed Records of Kendall County, Texas;

THENCE South $88^{\circ} 15' 14''$ East for a distance of 3926.52 feet with a fence the north line of this tract, and the south line of said 131.013 acre tract to a set $\frac{1}{2}$ " iron rod with "ACES" cap at a corner for the northeast corner of this tract, the southeast corner of said 131.013 acre tract and in the west lines of a 140.452 acre tract as recorded in Volume 113, Page 836 of the Deed Records of Kendall County, Texas;

THENCE South $02^{\circ} 11' 11''$ East for a distance of 3822.63 feet with a fence and the west line of said 140.452 acre tract to a set $\frac{1}{2}$ " iron rod with "ACES" cap in the north right of way of Ammann Road for the southeast corner of this tract;

THENCE with the north right of way of Ammann Road and fence the following:

North $88^{\circ} 35' 14''$ West for a distance of 7.43 feet for an angle point;
 North $88^{\circ} 26' 14''$ West for a distance of 522.50 feet for an angle point;
 North $88^{\circ} 06' 14''$ West for a distance of 318.70 feet for an angle point;
 North $87^{\circ} 19' 14''$ West for a distance of 923.90 feet for an angle point;
 North $89^{\circ} 33' 14''$ West for a distance of 727.10 feet for an angle point;
 North $89^{\circ} 45' 46''$ West for a distance of 830.80 feet for an angle point;
 North $89^{\circ} 42' 46''$ East for a distance of 587.60 feet for southwest corner of this tract;

THENCE with the east right of way of Ammann Road and a fence the following:

North $44^{\circ} 35' 14''$ West for a distance of 20.60 feet to an angle point;
 North $01^{\circ} 59' 14''$ West for a distance of 1933.70 feet for an angle point;
 North $02^{\circ} 09' 14''$ West for a distance of 1926.20 feet to **the POINT OF BEGINNING**
 and containing 344.65 acres of land, more or less, in Comal County, and Kendall Counties, Texas.

Plat of survey provided.

ALAMO CONSULTING ENGINEERING
& SURVEYING, INC.

Kevin Conroy, R.P.L.S. 4198

August 28, 2013

Job # 115800

DC:F/PROJECT/1100/115800/FIELD NOTES FOR 344.65 AC.



Exhibit B

PROPERTY LOCATION MAP

DRAFT



Exhibit C

CONCEPT PLAN

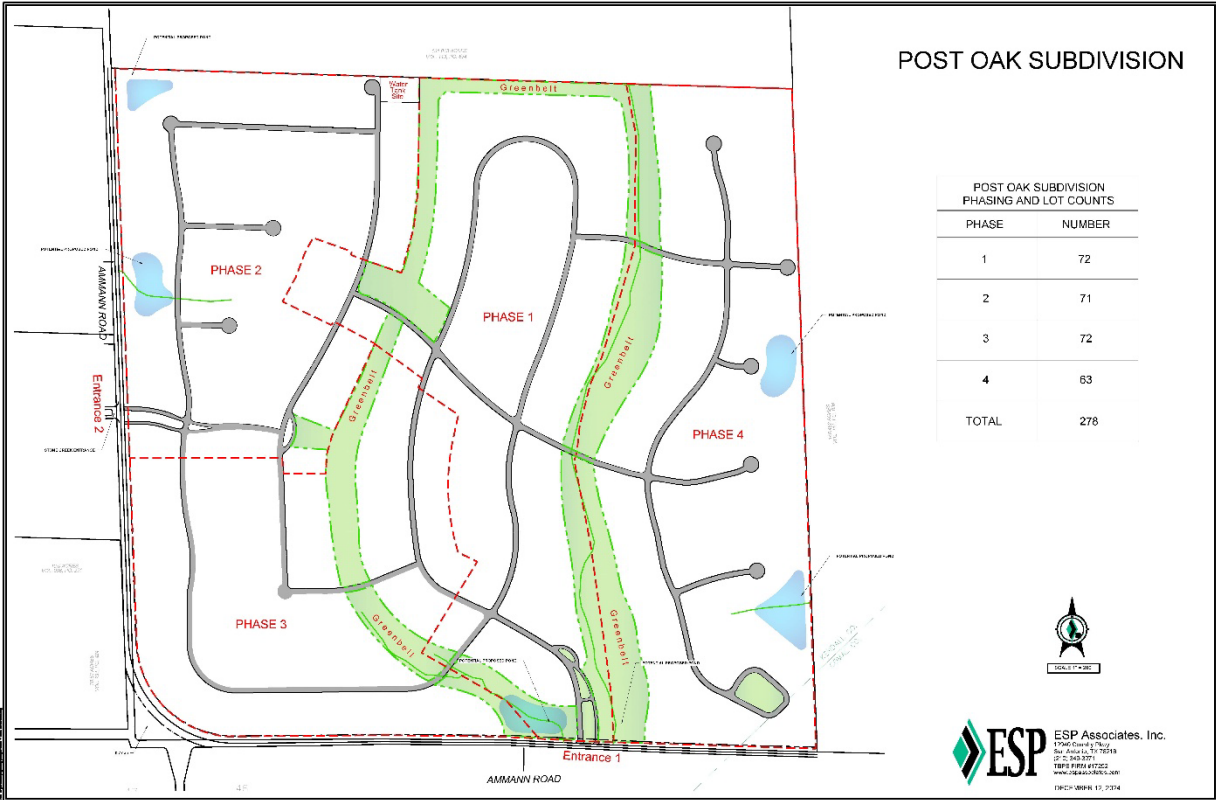


Exhibit D

FORM OF REIMBURSEMENT AGREEMENT

DRAFT

PID Reimbursement Agreement**_____ Public Improvement District No. _**

This PID Reimbursement Agreement (this “Agreement”) is entered into by Bitterblue, Inc, (the “Developer”) and the City of Fair Oaks Ranch, Texas (the “City”), to be effective _____, 2025, (the “Effective Date”). The Developer and the City are individually referred to as a “Party” and collectively as the “Parties.”

SECTION 1. RECITALS

1.1 WHEREAS, capitalized terms used in this Agreement shall have the meanings given to them in Section 2;

1.2 WHEREAS, unless otherwise defined: (1) all references to “sections” shall mean sections of this Agreement; (2) all references to “exhibits” shall mean exhibits to this Agreement which are incorporated as part of this Agreement for all purposes; and (3) all references to “ordinances” or “resolutions” shall mean ordinances or resolutions adopted by the City Council;

1.3 WHEREAS, the Developer is a Texas corporation;

1.4 WHEREAS, the City is a Texas home-rule municipality;

1.5 WHEREAS, on _____, 2025, the City Council passed and approved the PID Creation Resolution authorizing the creation of the PID pursuant to the Act, covering approximately 344.6 contiguous acres within the City’s corporate limits, which land is described in the PID Creation Resolution;

1.6 WHEREAS, on _____, 2025, the City Council passed and approved an Assessment Ordinance related to Improvement Area #__ of the PID;

1.7 WHEREAS, the City Council expects to pass and approve additional Assessment Ordinances related to other phases of development in the PID in the future as such phases are developed;

1.8 WHEREAS, each Assessment Ordinance approves the SAP, including each Assessment Roll attached thereto;

1.9 WHEREAS, the SAP identifies Authorized Improvements to be designed, constructed, and installed by or at the direction of the Parties that confer a special benefit on the Assessed Property;

1.10 WHEREAS, the SAP sets forth the Actual Costs of the Authorized Improvements;

1.11 WHEREAS, the Assessed Property is being developed in phases or “Improvement Areas;”

1.12 WHEREAS, this Agreement shall apply to all Improvement Areas and no additional reimbursement agreement shall be required for Improvement Areas to be developed in the future following the initial phase of development constituting “Improvement Area #__”;

1.13 WHEREAS, the SAP determines and apportions the Actual Costs of the Authorized Improvements to the Assessed Property, which Actual Costs represent the special benefit that the Authorized Improvements confer upon the Assessed Property as required by the Act;

1.14 WHEREAS, in each Assessment Ordinance the City levied or expects to levy a portion of the Actual Costs of the Authorized Improvements as Assessments against the Assessed Property in the amounts set forth on the Assessment Roll(s);

1.15 WHEREAS, Assessments, including the Annual Installments thereof, are or will be due and payable once levied as described in the SAP;

1.16 WHEREAS, Assessments, including the Annual Installments thereof, shall be billed and collected by the City or its designee;

1.17 WHEREAS, the Parties agree the City’s obligations to reimburse the Developer for Actual Costs of Authorized Improvements constructed for the benefit of any Improvement Area are: (1) contingent upon the City levying Assessments against property within such Improvement Area benefitting from the Authorized Improvements, (2) payable solely from the Assessments, including the Annual Installments of such Assessments, collected from Assessed Property within such Improvement Area, and (3) not due and owing unless and until the City actually adopts an Assessment Ordinance levying such Assessments;

1.18 WHEREAS, Assessment Revenue from the collection of Assessments, including the Annual Installments thereof, shall be deposited (1) as provided in the applicable Indenture if PID Bonds secured by such Assessments are issued, or (2) into the PID Reimbursement Fund if no such PID Bonds are issued or none of such PID Bonds remain outstanding;

1.19 WHEREAS, Bond Proceeds shall be deposited as provided in the applicable Indenture;

1.20 WHEREAS, a PID Project Fund related to each series of PID Bonds shall only be used in the manner set forth in the applicable Indenture;

1.21 WHEREAS, this Agreement is a “reimbursement agreement” authorized by Section 372.023(d)(1) of the Act;

1.22 WHEREAS, the foregoing RECITALS: (1) are part of this Agreement for all purposes; (2) are true and correct; (3) create obligations of the Parties (unless otherwise stated therein or in the body of this Agreement), and (4) each Party has relied upon such Recitals, each of which are incorporated as part of this Agreement for all purposes, in entering into this Agreement; and

1.23 WHEREAS, all resolutions and ordinances referenced in this Agreement (e.g., the PID Creation Resolution, Development Agreement, and each Assessment Ordinance), together with all other documents referenced in this Agreement (e.g., the SAP and each Indenture), are incorporated as part of this Agreement for all purposes as if such resolutions, ordinances, and other documents were set forth in their entirety in or as exhibits to this Agreement.

NOW THEREFORE, for and in consideration of the mutual obligations of the Parties set forth in this Agreement, the Parties agree as follows:

SECTION 2. DEFINITIONS

2.1 “Act” is defined as Chapter 372, Texas Local Government Code, as amended.

2.2 “Actual Costs” are defined in the SAP.

2.3 “Administrator” is defined in the SAP.

2.4 “Agreement” is defined in the introductory paragraph.

2.5 “Annual Collection Costs” are defined in the SAP.

2.6 “Annual Installment” is defined in the SAP.

2.7 “Applicable Laws” means the Act and all other laws or statutes, rules, or regulations of the State of Texas or the United States, as the same may be amended, by which the City and its powers, securities, operations, and procedures are, or may be, governed or from which its powers may be derived.

- 2.8 “Assessed Property” is defined in the SAP.
- 2.9 “Assessment” is defined in the SAP.
- 2.10 “Assessment Ordinance” is defined in the SAP.
- 2.11 “Assessment Revenue” means the revenues actually received by or on behalf of the City from any one or more of the following: (1) an Assessment levied against Assessed Property, or Annual Installment payment thereof, including any interest on such Assessment or Annual Installment during any period of delinquency, (2) a Prepayment, and (3) foreclosure proceeds.
- 2.12 “Assessment Roll” is defined in the SAP.
- 2.13 “Authorized Improvements” are defined in the SAP.
- 2.14 “Bond Proceeds” mean the proceeds derived from the issuance and sale of [a series of] PID Bonds that are deposited and made available to pay Actual Costs in accordance with the applicable Indenture.
- 2.15 “Certificate for Payment” means a certificate (substantially in the form of Exhibit A or as otherwise approved by the Developer and the City Representative) executed by a representative of the Developer and approved by a City Representative, delivered to a City Representative (and/or, if applicable, to the trustee named in any applicable Indenture), specifying the work performed and the amount charged (including materials and labor costs) for Actual Costs, and requesting payment of such amount from the appropriate fund or funds. Each certificate shall include supporting documentation in the standard form for City construction projects and evidence that each Authorized Improvement (or its completed segment) covered by the certificate has been inspected by the City.
- 2.16 “Change Order” is defined in Section 3.12.
- 2.17 “City” is defined in the introductory paragraph.
- 2.18 “City Council” means the governing body of the City.
- 2.19 “City Representative” means any person authorized by the City Council to undertake the actions referenced herein.
- 2.20 “Closing Disbursement Request” means a request in the form of Exhibit B or as otherwise approved by the Parties.

- 2.21 “Commitment” is defined in Section 3.10.
- 2.22 “Cost Underrun” is defined in Section 3.11.
- 2.23 “County” is defined in the SAP.
- 2.24 “Default” is defined in Section 4.8.1.
- 2.25 “Delinquent Collection Costs” are defined in the SAP.
- 2.26 “Developer” is defined in the introductory paragraph.
- 2.27 “Developer Advances” mean advances made by the Developer to pay Actual Costs.
- 2.28 “Developer Improvement Account” means an account of the PID Project Fund which may be created and established under the applicable Indenture (and segregated from all other funds contained in the PID Project Fund) into which the City deposits, or directs the applicable trustee to deposit, any funds received from the Developer as required under such Indenture.
- 2.29 “Development Agreement” is defined in the SAP.
- 2.30 “Effective Date” is defined in the introductory paragraph.
- 2.31 “Failure” is defined in Section 4.8.1.
- 2.32 “Improvement Area” is a phase of development defined and described by metes and bounds in the SAP..
- 2.33 “Improvement Area #” is defined in the SAP.
- 2.34 “Indenture” means the applicable trust indenture pursuant to which PID Bonds are issued.
- 2.35 “Maturity Date” is the date one year after the last Annual Installment is collected.
- 2.36 “Party” and “Parties” are defined in the introductory paragraph.
- 2.37 “PID” is defined as the Post Oak Public Improvement District No. __, created by the PID Creation Resolution.
- 2.38 “PID Bonds” are defined in the SAP.
- 2.39 “PID Creation Resolution” is defined as Resolution No. _____ passed and approved by the City Council on _____, 2025, and recorded in the official public records of Kendall County and Comal County, Texas, as Instrument No. _____ on _____, 2025.

2.40 “PID Pledged Revenue Fund” means, collectively, the fund established by the City under each applicable Indenture (and segregated from all other funds of the City) into which the City deposits Assessment Revenue securing PID Bonds issued and still outstanding.

2.41 “PID Project Fund” means, collectively, the fund, including all accounts created within such fund, established by the City under each applicable Indenture (and segregated from all other funds of the City) into which the City deposits Bond Proceeds in the amounts and as described in the applicable Indenture.

2.42 “PID Reimbursement Fund” means the fund, including all accounts created within such fund to designate Assessment Revenues collected from each Improvement Area, to be established by the City under this Agreement (and segregated from all other funds of the City) held by the City or the City’s designee into which the City deposits Assessment Revenue if not deposited into the PID Pledged Revenue Fund.

2.43 “Prepayment” is defined in the SAP.

2.44 “Reimbursement Agreement Balance” is defined in Section 3.3.

2.45 “SAP” is defined as the _____ *Public Improvement District Service and Assessment Plan* approved _____, 202_, as part of the Assessment Ordinance adopted by the City Council on _____, 202_ and recorded in the official public records of _____ County, Texas as Instrument No. _____ on _____, 202_, as the same may be updated or amended by City Council action in accordance with the Act.

2.46 “Transfer” and “Transferee” are defined in Section 4.11.

SECTION 3. FUNDING AUTHORIZED IMPROVEMENTS

3.1 Fund Deposits. Until PID Bonds payable from Assessment Revenue collected from a specific Improvement Area of the development are issued, the City shall bill, collect, and immediately deposit into the PID Reimbursement Fund all Assessment Revenue consisting of: (1) revenue collected from the payment of Assessments (including pre-payments and amounts received from the foreclosure of liens but excluding costs and expenses related to collection); and (2) revenue collected from the payment of Annual Installments (excluding Annual Collection Costs and Delinquent Collection Costs). Unless and until PID Bonds payable from Assessment Revenue collected from a specific Improvement Area of the development are issued, funds in the PID Reimbursement Fund shall be

deposited into a segregated account relating to the Improvement Area from which such Assessment Revenue was collected and such funds shall only be used to pay Actual Costs of the Authorized Improvements benefitting that Improvement Area or all or any portion of the Reimbursement Agreement Balance related to that Improvement Area in accordance with this Agreement.

Once PID Bonds payable from Assessment Revenue collected from a specific Improvement Area of the development are issued, the City shall bill, collect, and immediately deposit all Assessment Revenue collected from that Improvement Area that secure such series of PID Bonds in the manner set forth in the applicable Indenture. The City shall also deposit Bond Proceeds and any other funds authorized or required by the applicable Indenture in the manner set forth in the applicable Indenture. Annual Installments shall be billed and collected by the City (or by any person, entity, or governmental agency permitted by law) in the same manner and at the same time as City ad valorem taxes are billed and collected. Funds in the PID Project Fund shall only be used in accordance with the applicable Indenture; provided that funds disbursed from the applicable PID Project Fund pursuant to Section 3.5 below shall be made first from Bond Proceeds held in the applicable accounts within such PID Project Fund until such accounts are fully depleted and then from the Developer Improvement Account of the applicable PID Project Fund, if applicable. Subject to Section 3.6 below, the Actual Costs of Authorized Improvements within each Improvement Area shall be paid from: (1) the Assessment Revenue collected solely from Assessments levied on the property within such Improvement Area benefitting from such Authorized Improvements and on deposit in the PID Reimbursement Fund; or (2) net Bond Proceeds or other amounts deposited in an account of the PID Project Fund created under an Indenture related to PID Bonds secured by Assessment Revenue collected solely from Assessments levied on benefitted property within such Improvement Area. The City will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens related to such Assessments to be enforced continuously, in the manner and to the maximum extent permitted by the Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Assessments for so long as any PID Bonds are outstanding or a Reimbursement Agreement Balance remains outstanding. The City shall determine or cause to be determined, no later than [February 15] of each year whether any Annual Installment is delinquent. If such delinquencies exist, then the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action to foreclose the

currently delinquent Annual Installment; provided, however, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessment or the corresponding Assessed Property or to use any City funds, revenues, taxes, income, or property other than moneys collected from the Assessments for the payment of Actual Costs of Authorized Improvements under this Agreement. Once PID Bonds are issued, the applicable Indenture shall control in the event of any conflict with this Agreement.

3.2 Payment of Actual Costs. Subject to Section 3.6 below, if PID Bonds are not issued (or prior to such issuance) to pay Actual Costs of Authorized Improvements, the Developer may elect to make Developer Advances to pay Actual Costs. If PID Bonds are issued, the Bond Proceeds shall be used in the manner provided in the applicable Indenture; and, except as may be required under the Development Agreement and/or an applicable Indenture, the Developer shall have no obligation to make Developer Advances for the related Authorized Improvements, unless the Bond Proceeds, together with any other funds in the PID Project Fund or PID Reimbursement Fund, are insufficient to pay the Actual Costs of such Authorized Improvements, in which case the Developer shall make Developer Advances to pay the deficit. If Developer Advances are required in connection with the issuance of a series of PID Bonds, then such Developer Advances may be reduced by the amount of payments of Actual Costs of the Authorized Improvements (or portions thereof) to be financed by such PID Bonds that the Developer has previously paid if (1) the Developer submits to the City all information related to such costs that would be required by a Closing Disbursement Request at least five (5) days prior to the pricing date of such PID Bonds, and (2) the City approves such Actual Costs in writing. The Developer shall also make Developer Advances to pay for cost overruns (after applying cost savings). The lack of Bond Proceeds or other funds in the PID Project Fund shall not diminish the obligation of the Developer to pay Actual Costs of the Authorized Improvements.

3.3 Payment of Reimbursement Agreement Balance. Subject to the terms, conditions, and requirements of this Agreement, including Section 3.6 hereof, The City agrees to pay to the Developer, and the Developer shall be entitled to receive payments from the City, until the Maturity Date, for the lesser of: (a) amounts shown on each approved Certificate for Payment for Actual Costs of Authorized Improvements paid by or at the direction of the Developer, and (b) the reimbursement amount shown in Schedule I of the SAP plus: (1) simple interest on the unpaid principal balance at a rate equal to or less than five percent (5%) above the highest average index rate for tax-exempt bonds reported in a daily or weekly bond index shown on Schedule I of the SAP that was approved by the City Council

of the City and reported in the month before the date the obligation is incurred (which date is the date of approval by the City of the Assessment Ordinance levying the Assessments from which the Reimbursement Agreement Balance, or a portion thereof, shall be paid) for years one through five beginning on the date each Certificate for Payment is delivered to the City Representative; and (2) simple interest on the unpaid principal balance at a rate equal to or less than two percent (2%) above the highest average index rate for tax-exempt bonds reported in a daily or weekly bond index reported in the month before the date the obligation was incurred (which date is the same as the approval by the City of the Assessment Ordinance levying the Assessments from which the Reimbursement Agreement Balance, or a portion thereof, shall be paid) for years six and later (the unpaid principal balance, together with accrued but unpaid interest, owed the Developer for all Certificates for Payment is referred to as the “Reimbursement Agreement Balance”); provided, however, upon the issuance of PID Bonds, the interest rate due and unpaid on amounts shown on each Certificate for Payment to be paid to the Developer shall be the lower of: (1) the interest rate on such series of PID Bonds issued to finance the costs of the Authorized Improvements for which the Certificate for Payment was filed, or (2) the interest rate approved by the City Council of the City in the Assessment Ordinance levying the Assessments from which the Bonds shall be paid. The interest rates set forth in Schedule I of the SAP shall be approved by the City Council in each Assessment Ordinance as authorized by the Act. The principal amount of each portion of the Reimbursement Agreement Balance to be paid under each Assessment Ordinance, and the interest rate for such portion of the Reimbursement Agreement Balance, shall be shown on Schedule I attached to the SAP and Schedule I is incorporated as a part of this Agreement for all purposes. Interest shall accrue on each Reimbursement Agreement Balance from the later of: (1) final plat approval as evidenced by recording the final plat in the real property records of the County, and (2) the levy of Assessments securing such Reimbursement Agreement Balance. As the City passes and approves additional Assessment Ordinances and/or issues PID Bonds, the City shall approve an updated Schedule I as part of the updated or amended SAP for the sole purpose of showing the principal amount of the portion of the Reimbursement Agreement to be paid under such newly-adopted Assessment Ordinance and any adjustments to the interest rate for such portion of the Reimbursement Agreement Balance if applicable. Such updated Schedule I attached to the SAP shall automatically be incorporated as part of this Agreement for all purposes as if attached hereto without any further action from the Parties.

The Reimbursement Agreement Balance is payable solely from: (1) the PID Reimbursement Fund if no PID Bonds are issued for the purposes of paying the Authorized Improvements related to such Reimbursement Agreement Balance, or (2) from PID Bond Proceeds. No other City funds, revenues, taxes, income, or property shall be used even if the Reimbursement Agreement Balance is not paid in full by the Maturity Date. All payments made from Bond Proceeds shall be made in the manner set forth in the applicable Indenture. So long as no PID Bonds are issued and the City has received and approved a Certificate for Payment, the City shall make payments to the Developer toward the Reimbursement Agreement Balance related to each Improvement Area from Assessment Revenue collected from such Improvement Area (excluding the portion of each Assessment, or Annual Installment thereof, collected for Annual Collection Costs) and deposited in the PID Reimbursement Fund. Such payments shall be in an amount not to exceed the Assessment Revenue (excluding the portion of each Assessment, or Annual Installment thereof, collected for Annual Collection Costs) related to such Improvement Area on deposit in the PID Reimbursement Fund; and, such payments shall be made at least annually and no later than 60 days after the date payment of the Annual Installments are due and payable to the City. In the event that a Prepayment of an Assessment is made prior to the issuance of PID Bonds, the City shall remit payment to the Developer of an amount of the Reimbursement Agreement Balance then due and payable not to exceed the Assessment Revenue related to such Prepayment from the Assessment Revenue deposited into the PID Reimbursement Fund within 60 days after the Prepayment is made. Each payment from the PID Reimbursement Fund shall be accompanied by an accounting that certifies the Reimbursement Agreement Balance as of the date of the payment and that itemizes all deposits to and disbursements from the fund since the last payment.

Approval of a Certificate for Payment and all payments under this Agreement are predicated on: (1) the Developer constructing and installing, or the City acquiring (if applicable), the Authorized Improvements (or portion thereof) shown on each Certificate for Payment as required under the Development Agreement; (2) the Developer providing the necessary supporting documentation in the standard form for City construction projects; and (3) the City's inspection of each Authorized Improvement (or portion thereof) covered by each Certificate for Payment; provided, however, in no event shall the City Representative be authorized to approve a Certificate for Payment if the City has not previously levied an Assessment against Assessed Property within an Improvement Area related to and benefitting from the Authorized Improvements for which such Certificate for Payment has been

submitted. If there is a dispute over the amount of any payment, the City shall nevertheless pay the undisputed amount, and the Parties shall use all reasonable efforts to resolve the disputed amount before the next payment is made; however, if the Parties are unable to resolve the disputed amount, then the City's determination of the disputed amount (as approved by the City Council) shall control. Notwithstanding anything to the contrary in this Agreement, the City shall be under no obligation to reimburse the Developer for Actual Costs of any Authorized Improvement that is not accepted by the City.

The City's obligation to reimburse the Reimbursement Agreement Balance related to the Authorized Improvements for a particular Improvement Area constructed for the benefit of the Assessed Property within such Improvement Area is: (1) contingent upon the City levying Assessments against property within such Improvement Area benefitting from the Authorized Improvements, (2) payable solely from the Assessments, including the Annual Installments of such Assessments, collected from Assessed Property within such Improvement Area, and (3) not due and owing unless and until the City actually adopts an Assessment Ordinance levying such Assessments.

3.4 PID Bonds. The City, in its sole, legislative discretion, may issue PID Bonds, in one or more series, when and if the City Council determines it is financially feasible for the purposes of: (1) paying all or a portion of the Reimbursement Agreement Balance; or (2) paying directly Actual Costs of Authorized Improvements. PID Bonds issued for such purpose will be secured by and paid solely as authorized by the applicable Indenture. Upon the issuance of PID Bonds for such purpose and for so long as PID Bonds remain outstanding, the Developer's right to receive payments each year in accordance with Section 3.3 shall be subordinate to the deposits required under the applicable Indenture related to any outstanding PID Bonds and the Developer shall be entitled to receive funds pursuant to the flow of funds provisions of such Indenture. The failure of the City to issue PID Bonds shall not constitute a "Failure" by the City or otherwise result in a "Default" by the City. Upon the issuance of the PID Bonds, the Developer has a duty to construct those Authorized Improvements as described in the SAP and the Development Agreement. The Developer shall not be relieved of its duty to construct or cause to be constructed such improvements even if there are insufficient funds in the PID Project Fund to pay the Actual Costs. This Agreement shall apply to all PID Bonds issued by the City whether in one or more series, and no additional reimbursement agreement shall be required for future series of PID Bonds.

3.5 Disbursements and Transfers at and after Bond Closing. The City and the Developer agree that from the proceeds of the PID Bonds, and upon the presentation of evidence satisfactory to the City Representative, the City will cause the trustee under the applicable Indenture to pay at closing of the PID Bonds approved amounts from the appropriate account to the persons entitled to payment for costs of issuance and payment of costs incurred in the establishment, administration, and operation of the PID and any other costs incurred by the Developer and the City as of the time of the delivery of the PID Bonds as described in the SAP. In order to receive disbursement, the Developer shall execute a Closing Disbursement Request to be delivered to the City no less than five (5) days prior to the pricing date for the applicable series of PID Bonds for payment in accordance with the provisions of the Indenture. In order to receive additional disbursements from any applicable fund under an Indenture, the Developer shall execute a Certificate for Payment, no more frequently than monthly, to be delivered to the City for payment in accordance with the provisions of the applicable Indenture and this Agreement. Upon receipt of a Certificate for Payment (along with all accompanying documentation required by the City) from the Developer, the City shall conduct a review in order to confirm that such request is complete, to confirm that the work for which payment is requested was performed in accordance with all Applicable Laws and applicable plans therefore and with the terms of this Agreement and any other agreement between the parties related to property in the PID, and to verify and approve the Actual Costs of such work specified in such Certificate for Payment. The City shall also conduct such review as is required in its discretion to confirm the matters certified in the Certificate for Payment. The Developer agrees to cooperate with the City in conducting each such review and to provide the City with such additional information and documentation as is reasonably necessary for the City to conclude each such review. The Developer further agrees that if the City provides to the Developer a sales tax exemption certificate then sales tax will not be approved for payment under a Certification for Payment. Within fifteen (15) business days following receipt of any Certificate for Payment, the City shall either: (1) approve the Certificate for Payment and forward it to the trustee for payment, or (2) provide the Developer with written notification of disapproval of all or part of a Certificate for Payment, specifying the basis for any such disapproval. Any disputes shall be resolved as required by Section 3.3 herein. The City shall deliver the approved or partially approved Certificate for Payment to the trustee for payment, and the trustee shall make the disbursements as quickly as practicable thereafter.

3.6 Obligations Limited. The obligations of the City under this Agreement shall not, under any circumstances, give rise to or create a charge against the general credit or taxing power of the City or a debt or other obligation of the City payable from any source other than the PID Reimbursement Fund or the PID Project Fund. The Parties further agree that the City's obligation under this Agreement to reimburse the Developer for Actual Costs of Authorized Improvements within any Improvement Area shall only be paid from: (1) net proceeds of PID Bonds, if issued, on deposit in the PID Project Fund related to such PID Bonds, and/or (2) Assessments, including Annual Installments of such Assessments, collected from such Improvement Area. The Parties further agree that the City's obligation under this Agreement to reimburse the Developer for Actual Costs of Authorized Improvements constructed for the benefit of any Improvement Area is: (1) contingent upon the City levying Assessments against property within such Improvement Area benefitting from the Authorized Improvements, (2) payable solely from the Assessments, including the Annual Installments of such Assessments, collected from Assessed Property within such Improvement Area, and (3) not due and owing unless and until the City actually adopts an Assessment Ordinance levying such Assessments. Concurrent with the levy of Assessments against any Improvement Area, the City will: (1) establish a separate account within the PID Reimbursement Fund relating solely to such Improvement Area, if no PID Bonds are issued, or (2) establish a separate PID Project Fund under an Indenture if PID Bonds are issued, out of which the City will pay its obligations related to such Improvement Area; and, until such time, this Agreement does not create any obligations of the City with respect to any Improvement Area for which Assessments have not been levied. Unless approved by the City, no other City funds, revenues, taxes, or income of any kind shall be used to pay: (1) the Actual Costs of the Authorized Improvements; (2) the Reimbursement Agreement Balance even if the Reimbursement Agreement Balance is not paid in full on or before the Maturity Date; or (3) debt service on any PID Bonds. None of the City or any of its elected or appointed officials or any of its officers, employees, consultants or representatives shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of this Agreement or their acts or omissions under this Agreement.

3.7 Obligation to Pay. Subject to the provisions of Section 3.3 and 3.6, if the Developer is in substantial compliance with its obligations under the Development Agreement, then following the inspection and approval of any portion of Authorized Improvements for which Developer seeks reimbursement of the Actual Costs by submission of a Certificate for Payment or City approval of a Closing Disbursement Request, the obligations of the City under this Agreement to pay from

Assessment Revenue or the net proceeds of PID Bonds, as applicable, disbursements (whether to the Developer or to any person designated by the Developer) identified in any Closing Disbursement Request or in any Certificate for Payment and to pay debt service on PID Bonds are unconditional AND NOT subject to any defenses or rights of offset except as may be provided in any Indenture.

3.8 City Delegation of Authority. All Authorized Improvements shall be constructed by or at the direction of the Developer in accordance with the plans, the Development Agreement, applicable City ordinances and regulations, and with this Agreement and any other agreement between the parties related to property in the PID. The Developer shall perform, or cause to be performed, all of its obligations and shall conduct, or cause to be conducted, all operations with respect to the construction of Authorized Improvements in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. The Developer has sole responsibility of ensuring that all Authorized Improvements are constructed in accordance with the Development Agreement and in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. The Developer shall employ at all times adequate staff or consultants with the requisite experience necessary to administer and coordinate all work related to the design, engineering, acquisition, construction and installation of all Authorized Improvements to be acquired and accepted by the City from the Developer. If any Authorized Improvements are or will be on land owned by the City, the City hereby grants to the Developer a license to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance) of the Authorized Improvements. Inspection and acceptance of Authorized Improvements will be in accordance with applicable City ordinances and regulations.

3.9 Security for Authorized Improvements. Prior to completion and conveyance to the City of any Authorized Improvements, the Developer shall cause to be provided to the City a maintenance bond in the amount required by the City's subdivision regulations for applicable Authorized Improvements, which maintenance bond shall be for a term of two years from the date of final acceptance of the applicable Authorized Improvements. Any surety company through which a bond is written shall be a surety company duly authorized to do business in the State of Texas, provided that legal counsel for

the City has the right to reject any surety company regardless of such company's authorization to do business in Texas. Nothing in this Agreement shall be deemed to prohibit the Developer or the City from contesting in good faith the validity or amount of any mechanics or materialman's lien and/or judgment nor limit the remedies available to the Developer or the City with respect thereto so long as such delay in performance shall not subject the Authorized Improvements to foreclosure, forfeiture, or sale. In the event that any such lien and/or judgment with respect to the Authorized Improvements is contested, the Developer shall be required to post or cause the delivery of a surety bond or letter of credit, whichever is preferred by the City, in an amount reasonably determined by the City, not to exceed 120 percent of the disputed amount.

3.10 Ownership and Transfer of Authorized Improvements. If requested in writing by the City, Developer shall furnish to the City a commitment for title insurance (a "Commitment") for land related to the Authorized Improvements to be acquired and accepted by the City from the Developer and not previously dedicated or otherwise conveyed to the City. The Commitment shall be made available for City review and must be approved at least fifteen (15) business days prior to the scheduled transfer of title. The City agrees to approve the Commitment unless it reveals a matter which, in the reasonable judgment of the City, would materially affect the City's use and enjoyment of the Authorized Improvements. If the City objects to any Commitment, the City shall not be obligated to accept title to the applicable Authorized Improvements until the Developer has cured the objections to the reasonable satisfaction of the City.

3.11 Remaining Funds After Completion of an Authorized Improvement. Within any applicable Improvement Area, upon the final completion of an Authorized Improvement within such Improvement Area and payment of all outstanding invoices for such Authorized Improvement, if the Actual Cost of such Authorized Improvement is less than the budgeted cost as shown in Exhibit B to the SAP (a "Cost Underrun"), any remaining budgeted cost will be available to pay Cost Overruns on any other Authorized Improvement within such Improvement Area. A City Representative shall promptly confirm to the Administrator (as defined in the SAP) that such remaining amounts are available to pay such Cost Overruns, and the Developer, the Administrator and the City Representative will agree how to use such moneys to secure the payment and performance of the work for other Authorized Improvements. Any Cost Underrun for any Authorized Improvement is available to pay Cost Overruns on any other Authorized Improvement and may be added to the amount approved for

payment in any Certificate for Payment, as agreed to by the Developer, the Administrator and the City Representative.

3.12 Contracts and Change Orders. The Developer shall be responsible for entering into all contracts and any supplemental agreements (herein referred to as “Change Orders”) required for the construction of an Authorized Improvement. The Developer or its contractors may approve and implement any Change Orders even if such Change Order would increase the Actual Cost of an Authorized Improvement, but the Developer shall be solely responsible for payment of any Cost Overruns resulting from such Change Orders except to the extent amounts are available pursuant to Section 3.12 hereof. If any Change Order is for work that requires changes to be made by an engineer to the construction and design documents and plans previously approved under the Development Agreement, then such revisions made by an engineer must be submitted to the City for approval by the City’s engineer prior to execution of the Change Order.

SECTION 4. ADDITIONAL PROVISIONS

4.1 Term. The term of this Agreement shall begin on the Effective Date and shall continue until the earlier to occur of the Maturity Date or the date on which the Reimbursement Agreement Balance is paid in full.

4.2 No Competitive Bidding. Construction of the Authorized Improvements shall not require competitive bidding pursuant to Section 252.022(a) (9) of the Texas Local Government Code, as amended. All plans and specifications, but not construction contracts, shall be reviewed and approved, in writing, by the City prior to Developer selecting the contractor. The City, at its election made prior to the Developer entering into a construction contract, shall have the right to examine and approve the contractor selected by the Developer prior to executing a construction contract with the contractor, which approval shall not be unreasonably delayed or withheld.

4.3 Independent Contractor. In performing this Agreement, the Developer is an independent contractor and not the agent or employee of the City.

4.4 Audit. The City Representative shall have the right, during normal business hours and upon five (5) business days’ prior written notice to the Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer with respect to any of the Authorized Improvements. For a period of two years after completion of the Authorized Improvements, the Developer shall maintain proper books of record and account for the

construction of the Authorized Improvements and all costs related thereto. Such accounting books shall be maintained in accordance with customary real estate accounting principles. The Developer shall have the right, during normal business hours, to review all records and accounts pertaining to the Assessments upon written request to the City. The City shall provide the Developer an opportunity to inspect such books and records relating to the Assessments during the City's regular business hours and on a mutually agreeable date no later than ten (10) business days after the City receives such written request. The City shall keep and maintain a proper and complete system of records and accounts pertaining to the Assessments for so long as PID Bonds remain outstanding or Reimbursement Agreement Balance remains unpaid.

4.5 Developer's Right to Protest Ad Valorem Taxes. Nothing in this Agreement shall be construed to limit or restrict Developer's right to protest ad valorem taxes. The Developer's decision to protest ad valorem taxes on Assessed Property does not constitute a Default under this Agreement.

4.6 PID Administration and Collection of Assessments. The Administrator shall have the responsibilities provided in the SAP related to the duties and responsibilities of the administration of the PID, and the City shall provide the Developer with a copy of the agreement between the City and the Administrator. If the City contracts with a third-party for the collection of Annual Installments of the Assessments, the City shall provide the Developer with a copy of such agreement. For so long as PID Bonds remain outstanding or the Reimbursement Agreement Balance remains unpaid, the City shall notify the Developer of any change of administrator or third-party collection of the Assessments.

4.7 Representations and Warranties.

4.7.1 The Developer represents and warrants to the City that: (1) the Developer has the authority to enter into and perform its obligations under this Agreement; (2) the Developer has the financial resources, or the ability to collect sufficient financial resources, to meet its obligations under this Agreement; (3) the person executing this Agreement on behalf of the Developer has been duly authorized to do so; (4) this Agreement is binding upon the Developer in accordance with its terms; and (5) the execution of this Agreement and the performance by the Developer of its obligations under this Agreement do not constitute a breach or event of default by the Developer under any other agreement, instrument, or order to which the Developer is a party or by which the Developer is bound.

4.7.2 The City represents and warrants to the Developer that: (1) the City has the authority to enter into and perform its obligations under this Agreement; (2) the person executing this Agreement on behalf of the City has been duly authorized to do so; (3) this Agreement is binding upon the City in accordance with its terms; and (4) the execution of this Agreement and the performance by the City of its obligations under this Agreement do not constitute a breach or event of default by the City under any other agreement, instrument, or order to which the City is a party or by which the City is bound.

4.8 Default/Remedies.

4.8.1 If either Party fails to perform an obligation imposed on such Party by this Agreement (a “Failure”) and such Failure is not cured after notice and the expiration of the cure periods provided in this section, then such Failure shall constitute a “Default.” If a Failure is monetary, the non-performing Party shall have ten (10) days within which to cure. If the Failure is non-monetary, the non-performing Party shall have thirty (30) days within which to cure.

4.8.2 If the Developer is in Default, the City shall have available all remedies at law or in equity; provided no default by the Developer shall entitle the City to terminate this Agreement or to withhold payments to the Developer from the PID Reimbursement Fund or the PID Project Fund in accordance with this Agreement and the Indenture.

4.8.3 If the City is in Default, the Developer shall have available all remedies at law or in equity; provided, however, no Default by the City shall entitle the Developer to terminate this Agreement.

4.8.4 The City shall give notice of any alleged Failure by the Developer to each Transferee identified in any notice from the Developer, and such Transferees shall have the right, but not the obligation, to cure the alleged Failure within the same cure periods that are provided to the Developer. The election by a Transferee to cure a Failure by the Developer shall constitute a cure by the Developer but shall not obligate the Transferee to be bound by this Agreement unless the Transferee agrees in writing to be bound.

4.9 Remedies Outside the Agreement. Nothing in this Agreement constitutes a waiver by the City of any remedy the City may have outside this Agreement against the Developer, any Transferee, or

any other person or entity involved in the design, construction, or installation of the Authorized Improvements. The obligations of the Developer hereunder shall be those of a party hereto and not as an owner of property in the PID. Nothing herein shall be construed as affecting the City's or the Developer's rights or duties to perform their respective obligations under other agreements, use regulations, or subdivision requirements relating to the development property in the PID.

4.10 Estoppel Certificate. From time to time upon written request of the Developer, the City Manager will execute a written estoppel certificate, in form and substance satisfactory to both Parties that: (1) identifies any obligations of the Developer under this Agreement that are in default or, with the giving of notice or passage of time, would be in default; or (2) states, to the extent true, that to the best knowledge and belief of the City, the Developer is in compliance with its duties and obligations under this Agreement.

4.11 Transfers. The Developer has the right to convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part without the consent of (but with notice to) the City, the Developer's right, title, or interest to payments under this Agreement (but not performance obligations) including, but not limited to, any right, title, or interest of the Developer in and to payments of the Reimbursement Agreement Balance, whether such payments are from the PID Reimbursement Fund in accordance with Section 3.3 or from Bond Proceeds (any of the foregoing, a "Transfer," and the person or entity to whom the transfer is made, a "Transferee"); provided, however, that no such conveyance, transfer, assignment, mortgage, pledge or other encumbrance shall be made without prior written consent of the City if such conveyance, transfer, assignment, mortgage, pledge or other encumbrance would result in: (1) the issuance of municipal securities, and/or (2) the City being viewed as an "obligated person" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission, and/or (3) the City being subject to additional reporting or recordkeeping duties. Notwithstanding the foregoing, no Transfer shall be effective until notice of the Transfer is given to the City. The City may rely on notice of a Transfer received from the Developer without obligation to investigate or confirm the validity of the Transfer. The Developer waives all rights or claims against the City for any funds paid to a third party as a result of a Transfer for which the City received notice.

4.12 Applicable Law; Venue. This 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, the

substantive laws of the State of Texas shall govern the interpretation and enforcement of this Agreement. In the event of a dispute involving this Agreement, venue shall lie in any court of competent jurisdiction in Bexar County, Texas.

4.13 Notice. Any notice referenced in this Agreement must be in writing and shall be deemed given at the addresses shown below: (1) when delivered by a nationally recognized delivery service such as FedEx or UPS with evidence of delivery signed by any person at the delivery address regardless of whether such person is the named addressee; or (2) 72 hours after deposited with the United States Postal Service, Certified Mail, Return Receipt Requested.

To the City:

City Manager
7286 Dietz Elkhorn
Fair Oaks Ranch, Texas
Attn: Scott Huizenga
schuizenga@fairoaksranchtx.org

With a copy to:

Norton Rose Fulbright US LLP
Bond Counsel
98 San Jacinto Boulevard, Suite 1100
Austin, TX 78701
Attn : Stephanie Leibe
stephanie.leibe@nortonrosefulbright.com

Daniel Santee
Denton, Navarro, Rodriguez, Bernal, Santee & Zech,
P.C.
2517 North Main Avenue
San Antonio, Texas 78212
tdsantee@rampagelaw.com

To the Developer:

Bitterblue, Inc
11 Lynn Batts Lane, Ste. 100, San Antonio, TX 78218
Attn: Lloyd Denton
laddiedenton@bitterblue.com

With a copy to:

Brown & McDonald, PLLC
100 NE Loop 410, Ste 1385, San Antonio, TX 78216
Attn: Caroline McDonald
caroline@brownmcdonaldlaw.com

Any Party may change its address by delivering notice of the change in accordance with this section.

4.14 Conflicts; Amendment. In the event of any conflict between this Agreement and any other instrument, document, or agreement by which either Party is bound, the provisions and intent of the applicable Indenture controls. This Agreement may only be amended by written agreement of the Parties.

4.15 Severability. If any provision of this Agreement is held invalid by any court, such holding shall not affect the validity of the remaining provisions.

4.16 Non-Waiver. The failure by a Party to insist upon the strict performance of any provision of this 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 Agreement.

4.17 Third Party Beneficiaries. Nothing in this Agreement is intended to or shall be construed to confer upon any person or entity other than the City, the Developer, and Transferees any rights under or by reason of this Agreement. All provisions of this Agreement shall be for the sole and exclusive benefit of the City, the Developer, and Transferees.

4.18 Counterparts. This Agreement may be executed in multiple counterparts, which, when taken together, shall be deemed one original.

4.19 Employment of Undocumented Workers. During the term of this Agreement, the Developer agrees not to knowingly employ any undocumented workers and, if convicted of a violation under 8 U.S.C. Section 1324a(f), the Developer shall repay the incentives granted herein within 120 days after the date the Developer is notified by the City of such violation, plus interest at the rate of six percent (6%) compounded annually from the date of violation until paid. Pursuant to Section 2264.101(c), Texas Government Code, a business is not liable for a violation of Chapter 2264 by a subsidiary, affiliate, or franchisee of the business, or by a person with whom the business contracts.

4.20 No Boycott of Israel. 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 will not boycott Israel during the term of this Agreement. As used in the foregoing verification, 'boycott Israel,' has the meaning in Section 2271.001, Texas Government Code, by reference to Section 808.001(1), Texas Government Code, and 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.

4.21 Iran, Sudan, and Foreign Terrorist Organizations. 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. The foregoing representation 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.

4.22 No Discrimination Against Fossil Fuel Companies. 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 this Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning in Section 2276.001(1), Texas Government Code, by reference to Section 809.001, Texas Government Code, and means, 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.

4.23 No Discrimination Against Firearm Entities and Firearm Trade Associations. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification and the following definitions:

(a) ‘discriminate against a firearm entity or firearm trade association,’ has the meaning in Section 2274.001(3), Texas Government Code, and means: (A) 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,' has the meaning in Section 2274.001(6), Texas Government Code, and means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4), Texas Government Code, 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 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 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,' has the meaning in Section 2274.001(7), Texas Government Code, and 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.”

4.24 Affiliate. As used in Sections 4.19 through 4.24, the Developer understands ‘affiliate’ to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

4.25 Texas Attorney General Standing Letter. The Developer represents that it has, as of the Effective Date, on file with the Texas Attorney General a standing letter addressing the representations and verifications hereinbefore described in the form attached as Exhibit B to the Updated Recommendations for Compliance with the Texas BPA Verification and Representation Requirements (_____, 202_) of the Municipal Advisory Council of Texas or any other form accepted by the Texas Attorney General (a “Standing Letter”). In addition, if the Developer or the parent company, a wholly- or majority-owned subsidiary or another affiliate of the Developer receives or has received a letter from the Texas Comptroller of Public Accounts or the Texas Attorney General seeking written verification that the Developer is a member of the Net Zero Banking Alliance, Net Zero Insurance Alliance, Net Zero Asset Owner Alliance, or Net Zero Asset Managers or of the representations and certifications contained in the Developer’s Standing Letter (a “Request Letter”), the Developer shall promptly notify the City (if it has not already done so) and provide to the City, two business days prior to the Effective Date and additionally upon request by the City, written verification to the effect that its Standing Letter described in the preceding sentence remains in effect and may be relied upon by the City and the Texas Attorney General (the “Bringdown Verification”). The Bringdown Verification shall also confirm that the Developer (or the parent company, a wholly- or majority-owned subsidiary or other affiliate of the Developer that received the Request Letter) intends to timely respond or has timely responded to the Request Letter. The Bringdown Verification may be in the form of an e-mail.

4.26 Form 1295. Submitted herewith is a completed Form 1295 generated by the Texas Ethics Commission’s (the “TEC”) electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the “Form 1295”). The City hereby confirms receipt of the Form 1295 from the Developer, and the City agrees to acknowledge such form with the TEC through its electronic filing application system not later than the 30th day after the receipt of such form. The Parties understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its

consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Developer; and, neither the City nor its consultants have verified.

4.27 Changes in Law. The Parties acknowledge and expressly agree that, during the Term, either Party may take advantage of changes in the law notwithstanding anything to the contrary in this Agreement.

4.28 Public Information. Notwithstanding any other provision to the contrary in this Agreement, all information, documents, and communications relating to this Agreement may be subject to the Texas Public Information Act and any opinion of the Texas Attorney General or a court of competent jurisdiction relating to the Texas Public Information Act. The requirements of Subchapter J, Chapter 552, Texas Government Code, may apply to this Agreement and the Developer agrees that this Agreement may be terminated if the Developer knowingly or intentionally fails to comply with a requirement of that subchapter, if applicable, and the Developer fails to cure the violation on or before the tenth business day after the date the City provides notice to Developer of noncompliance with Subchapter J, Chapter 552. Pursuant to Section 552.372, Texas Government Code, Developer is required to preserve all contracting information related to this Agreement as provided by the records retention requirements applicable to the City for the duration of this Agreement; promptly provide to the City any contracting information related to this Agreement that is in the custody or possession of the Developer on request of the City; and on completion of the Agreement, either provide at no cost to the City all contracting information related to the contract that is in the custody or possession of the entity or preserve the contracting information related to the contract as provided by the records retention requirements applicable to the City.

[Execution pages follow.]

CITY:

CITY OF FAIR OAKS RANCH, TEXAS

By: _____
_____, Mayor

ATTEST:

By: _____
Christina Picioccio, City Secretary

APPROVED AS TO FORM AND LEGALITY:

By: _____
Daniel Santee, City Attorney
DENTON NAVARRO RODRIGUEZ BERNAL SANTEE & ZECH

DEVELOPER:

Bitterblue, Inc
a Texas corporation

By: _____

Lloyd Denton
Title: Manager

DRAFT

EXHIBIT A**CERTIFICATE FOR PAYMENT FORM**

The undersigned is an agent for Bitterblue, Inc (the “Developer”) and requests payment from the applicable account of the [PID Reimbursement Fund] [PID Project Fund] from the City of Fair Oaks Ranch, Texas (the “City”) in the amount of _____ for labor, materials, fees, and/or other general costs related to the creation, acquisition, or construction of certain Authorized Improvements providing a special benefit to property within the Post Oak Public Improvement District No. __. Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the PID Reimbursement Agreement between the City and the Developer, effective as of ____, 20__ (the “Reimbursement Agreement”).

In connection with the above referenced payment, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Certificate for Payment Form on behalf of the Developer and is knowledgeable as to the matters set forth herein.
2. The payment requested for the below referenced Authorized Improvements has not been the subject of any prior payment request submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.
3. The amount listed for the Authorized Improvements below is a true and accurate representation of the Actual Costs associated with the creation, acquisition, or construction of said Authorized Improvements, and such costs (i) are in compliance with the Reimbursement Agreement, and (ii) are consistent with the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the Reimbursement Agreement, the Indenture, the Service and Assessment Plan and the Development Agreement.
5. The Developer has timely paid all ad valorem taxes and annual installments of special assessments it owes or an entity the Developer controls owes, located in the Post Oak Public Improvement District and has no outstanding delinquencies for such assessments.
6. All conditions set forth in the Indenture (as defined in the Reimbursement Agreement) for the payment hereby requested have been satisfied.
7. The work with respect to the Authorized Improvements referenced below (or its completed segment) has been completed, and the City has inspected such Authorized Improvements (or its completed segment).

8. The Developer agrees to cooperate with the City in conducting its review of the requested payment and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

9. No more than ninety-five percent (95%) of the budgeted or contracted hard costs for major improvements or any phase of Authorized Improvements identified may be paid until the work with respect to such Authorized Improvements (or segment) has been completed and the City has accepted such Authorized Improvements (or segment). One hundred percent (100%) of soft costs (e.g., engineering costs, inspection fees and the like) may be paid prior to City acceptance of such Authorized Improvements (or segment).

Payments requested are as follows:

- a. X amount to Person or Account Y for Z goods or services.
- b. Etc.

[If the Authorized Improvements are to be paid in part from one series of PID Bonds and in part from another, insert the following:

As required by Section _____ of the Indenture, the costs for the Authorized Improvements that constitutes the pro-rata share of such Authorized Improvements allocable to the designated Bonds shall be paid as follows:

Authorized Improvements:	Amount to be paid from _____ Fund	Amount to be paid from _____ Fund	Total Cost of Authorized Improvements

Attached hereto are receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments. Also attached hereto are “bills paid” affidavits and supporting documentation in the standard form for City construction projects.

Pursuant to the Reimbursement Agreement, after receiving this payment request, the City has inspected the Authorized Improvements (or completed segment) and confirmed that said work has been completed in accordance with approved plans and all applicable governmental laws, rules, and regulations.

I hereby declare that the above representations and warranties are true and correct.

Bitterblue, Inc

By: _____

Title: _____

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APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Certificate for Payment, acknowledges the Certificate for Payment, acknowledges that the Authorized Improvements (or its completed segment) covered by the certificate have been inspected by the City, and otherwise finds the Certificate for Payment to be in order. After reviewing the Certificate for Payment, the City approves the Certificate for Payment and shall [include said payments in the City Certificate submitted to the Trustee directing payments to be made from the appropriate account of the PID Project Fund] [direct payment from the PID Reimbursement Fund] to the Developer or to any person designated by the Developer.

CITY OF _____, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

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Exhibit B**FORM OF CLOSING DISBURSEMENT REQUEST**

The undersigned is an agent for _____ (the “Developer”) and requests payment to the Developer (or to the person designated by the Developer) from the Cost of Issuance Account of the Project Fund from _____ (the “Trustee”) in the amount of _____ (\$ _____) to be transferred from the Cost of Issuance Account of the PID Project Fund upon the delivery of the PID Bonds for costs incurred in the establishment, administration, and operation of the _____ Public Improvement District No. ____ (the “District”), as follows. Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Indenture of Trust by and between the City and the Trustee dated as of _____, 20__ (the “Indenture”) relating to the [INSERT NAME OF BONDS] (the “PID Bonds”).

In connection with the above referenced payment, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Closing Disbursement Request on behalf of the Developer and is knowledgeable as to the matters set forth herein.
2. The payment requested for the below referenced establishment, administration, and operation of the District at the time of the delivery of the PID Bonds have not been the subject of any prior payment request submitted to the City.
3. The amount listed for the below costs is a true and accurate representation of the Actual Costs associated with the establishment, administration and operation of the District at the time of the delivery of the PID Bonds, and such costs are in compliance with the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the Reimbursement Agreement, the Indenture, the Service and Assessment Plan, and the Development Agreement.
5. All conditions set forth in the Indenture and the Reimbursement Agreement for the payment hereby requested have been satisfied.
6. The Developer agrees to cooperate with the City in conducting its review of the requested payment and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

Payments requested hereunder shall be made as directed below:

[Information regarding Payee, amount, and deposit instructions attached]

I hereby declare that the above representations and warranties are true and correct.

Bitterblue, Inc
a Texas corporation

By: _____

Title: _____

DRAFT

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Closing Disbursement Request, acknowledges the Closing Disbursement Request, and finds the Closing Disbursement Request to be in order. After reviewing the Closing Disbursement Request, the City approves the Closing Disbursement Request and shall include said payments in the City Certificate submitted to the Trustee directing payments to be made from Costs of Issuance Account upon delivery of the PID Bonds.

CITY OF FAIR OAKS RANCH, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

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Exhibit E

ETJ MAP

DRAFT

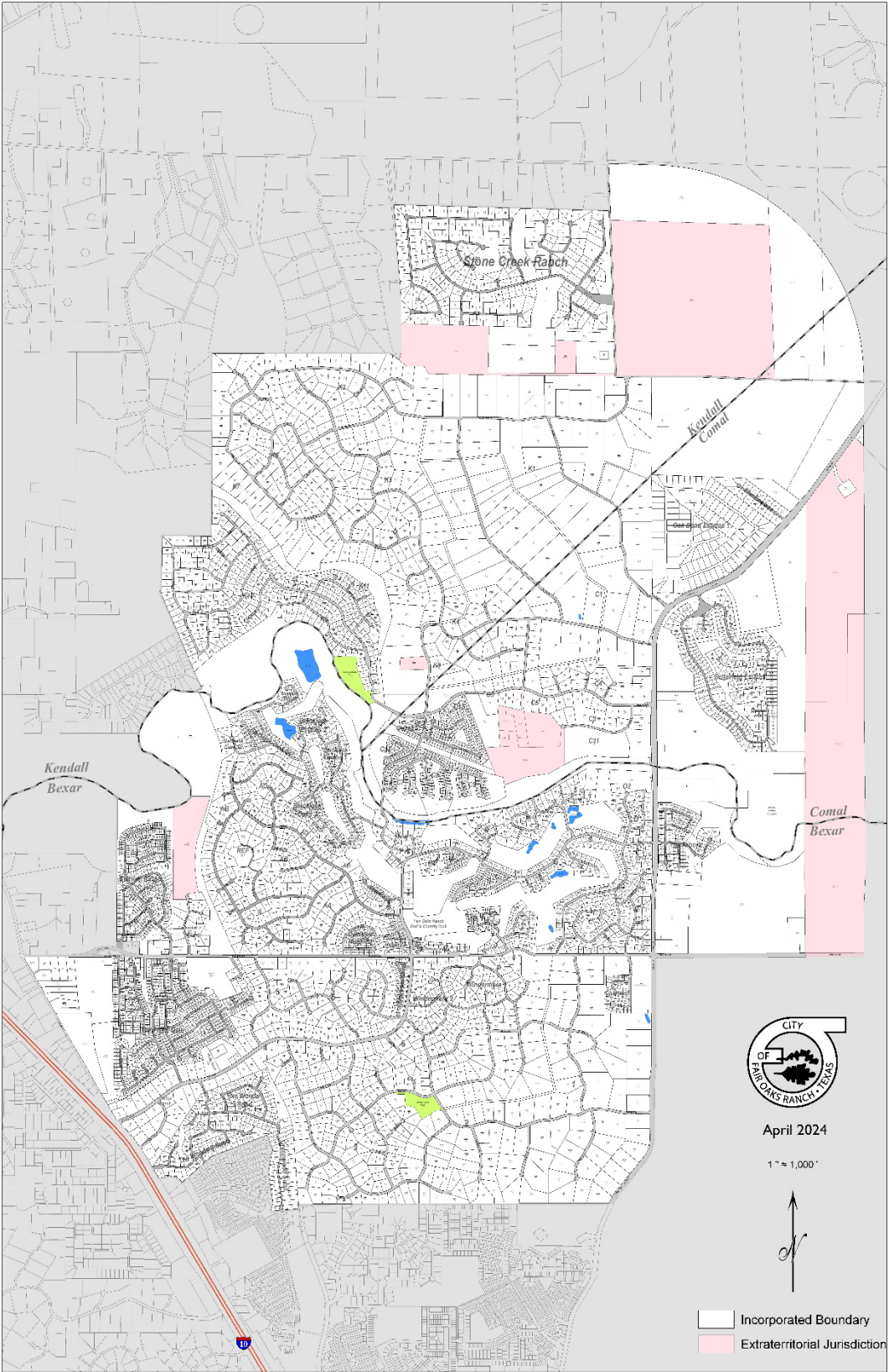


Exhibit F

LANDOWNER CONSENT CERTIFICATE

LANDOWNER CONSENT CERTIFICATE

This Landowner Consent Certificate is issued by _____, _____, (“Landowner”), as the landowner that holds record title to approximately _____ acres (the “Property”), as more particularly described by metes and bounds in Exhibit “A” attached to this Landowner Consent Certificate and incorporated herein for all purposes, within the _____ Public Improvement District (the “PID”) created by the City of Fair Oaks Ranch, Texas (the “City”). Capitalized terms used herein and not otherwise defined shall have the meaning given to such terms in the City’s ordinance levying assessments on property within the PID, anticipated to be adopted on _____, 202_, including the Service and Assessment Plan and Assessment Roll attached thereto (the ordinance and Service and Assessment Plan, including the Improvement Area #_ Assessment Roll, as of the date actually adopted by the City Council is referred to collectively as the “Assessment Ordinance”).

Landowner hereby declares and confirms that it holds record title to the Property located within the PID which is subject to the special assessments (the “Assessments”) levied by the City under the Assessment Ordinance. Further, Landowner hereby ratifies, declares, consents to, affirms, agrees to and confirms each of the following:

- The Landowner is the sole owner of the Property as of the date of this Landowner Consent Certificate and will be the sole owner of the Property on the date of the Assessment Ordinance.
- The right, power and authority of the City Council of the City to adopt the Assessment Ordinance, including the attachments thereto, and to levy the Assessments against the Property, including the apportionment thereof.
- The Improvement Area #_ Improvements specially benefit the Property in an amount in excess of the Assessments levied on the Property as shown on the Improvement Area #_ Assessment Roll.
- The Assessment against the Property is final, conclusive and binding upon the Landowner and its successors and assigns, including applicable interest thereon, as when due and payable thereunder, and subsequent purchasers of such land take their title subject to and expressly assume the terms and provisions of the Assessment.
- The Assessment against the Property is a first a prior lien against the Property, superior to all other liens and claims except liens or claims for state, county, school district, or municipal ad valorem taxes.
- Landowner shall pay the Assessment levied on the Improvement Area #_ Assessed Property owned by such Landowner when due and in the amount required by and stated in the Assessment Ordinance and the attachments thereto.
- Delinquent installments of the Assessments shall incur and accrue interest, penalties, and attorney’s fees as provided in Service and Assessment Plan and in accordance with Chapter 372 of the Texas Local Government Code, as amended (the “PID Act”).
- The “Annual Installments” (as defined in the Service and Assessment Plan) of the Assessment

levied against the Property may be adjusted, decreased and extended in accordance with the Service and Assessment Plan and the PID Act.

- All notices required to be provided to it under the PID Act have been received and to the extent of any defect in such notice, Landowner hereby waives any notice requirements.
- Landowner consents to all actions taken by the City with respect to the creation of the PID and the levy of Assessments against the Property.
- The Landowner approves and accepts the terms of the Buyer Disclosure Program.

Landowner hereby waives any and all defects, irregularities, illegalities or deficiencies in the proceedings establishing the PID, defining the Improvement Area #_ Assessed Property, adopting the Assessment Ordinance, Service and Assessment Plan and each Assessment Roll, levying of the Assessments, and determining the amount of the Annual Installments of the Assessments.

IN WITNESS WHEREOF, the undersigned has caused this Landowner Consent Certificate to be executed as of _____, 202_.

ARTICLE 13 _____

ARTICLE 14

ARTICLE 15BY: _____

By: _____

Name: _____

Title: _____

STATE OF TEXAS

COUNTY OF _____

§
§
§

The foregoing instrument was acknowledged before me by _____, known to me to be the person and the officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she is the _____ of _____, and that he or she is authorized to execute the foregoing instrument as the act of such [limited partnership] for the purposes therein expressed, in the capacity stated and as the act and deed of such entity.

Given under my hand and seal of office on this _____, 202_.

Notary Public, State of Texas

[NOTARY SEAL]

Exhibit A to the Landowner Consent Certificate

Meters and Bounds of Property

Exhibit H
MAINTENANCE AGREEMENT

PROPERTY OWNERS' ASSOCIATION, INC.

PUBLIC IMPROVEMENT FORM MAINTENANCE AGREEMENT

This Public Improvement Maintenance Agreement (this *Agreement*) is made and entered into on this the _____ day of _____, 202____, and between **City of Fair Oaks Ranch,**

Texas (the *City*), a Type A municipality, and **Property Owners' Association** (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*.

W I T N E S S E T H

WHEREAS, the City has, pursuant to applicable law, created the (the *District*) on approximately 344.6 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 [REDACTED], between the City and the Developer pertaining to the Project.

b. Developer shall mean Bitterblue, Inc, a Texas.

c. Engineer shall mean [REDACTED].

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. Maintening grass height according to species and variety of grass;

ii. Regularly mowing, aerating, fertilizing, seeding or reseeding, 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 withing 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 Maintenance Costs. The Parties intend that Association revenues realized in accordance with Section 4 hereof shall be sufficient to cover the costs of 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:**

with a copy to:

with a copy to:

Caroline McDonald
Brown & McDonald, PLLC
100 NE Loop 410 Ste 1385
San Antonio, TX 78216
Caroline@brownmcdonaldlaw.com

To City at:

City of Fair Oaks Ranch, Texas
Attn: City Manager
7286 Dietz Elkhorn
Fair Oaks Ranch, Texas 78015
shuizenga@fairoakstx.org

with a copy to:

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 , 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 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.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, this Public Improvement Maintenance Agreement has been duly executed as of the date of the acknowledgement below, to be effective on the date first above written.

BY:

CITY OF FAIR OAKS RANCH, TEXAS

By:
Name:
Title:

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF _____

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§
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This instrument was acknowledged before me on the ____ day of _____, 202__, by _____, _____ of Fair Oaks Ranch, Texas, a home rule municipality and a political subdivision of the State of Texas, on behalf of Fair Oaks Ranch , Texas.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____ day of _____, 20__

[SEAL]

Notary Public, State of Texas
Printed Name: _____
My Commission Expires: _____

IN WITNESS WHEREOF, this Public Improvement Maintenance Agreement has been duly executed as of the date of the acknowledgement below, to be effective on the date first above written.

BY:

a Texas

By: Approval of Initial Directors:

By: _____

Name: _____

Title: President

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF _____

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BEFORE ME, the undersigned authority, on this day personally appeared _____, the _____ of the a Texas , on behalf of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____ day of _____, 20__

[SEAL]

Notary Public, State of Texas

Printed Name: _____

My Commission Expires: _____

CERTIFICATION

I hereby certify that I am the duly elected and acting President of the Association and that this Policy was approved by not less than a majority vote of the Board of Directors and now appears in the books and records of the Association, which is to be recorded in the Official Public Records of Real Property of Medina County, Texas.

TO CERTIFY which witness my hand this _____ day of _____, 20 ____.

BY:

a Texas

By: _____

Name: _____

Title: President

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF _____

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BEFORE ME, the undersigned authority, on this day personally appeared _____, the _____ of the _____, a Texas nonprofit corporation, on behalf of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____ day of _____, 20 ____

[SEAL]

Notary Public, State of Texas

Printed Name: _____

My Commission Expires: _____

DECLARANT CONSENT

(in accordance with the Declaration and Bylaws for the)

If the Declarant Control Period or Development Period are in effect, the Declarant expressly consents to the adoption of this document, as evidenced by its signature below.

IN WITNESS WHEREOF, the undersigned hereunto expressly consents to this **Public Improvement Maintenance Agreement**, effective as of this _____ day of _____ 20 ____.

BY:

a Texas

BY:

a Texas ,

By: _____

Name: _____

Title: _____

Date: _____

ACKNOWLEDGEMENT**STATE OF TEXAS****COUNTY OF** _____§
§
§

BEFORE ME, the undersigned authority, on this day personally appeared _____, the _____ of a Texas on behalf of said limited liability company and limited partnership.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____ day of _____ 202__.

[SEAL]

Notary Public, State of Texas

Printed Name: _____

My Commission Expires: _____

LAND DESCRIPTION
(Metes and Bounds)

DRAFT

**FIELD NOTES
FOR 344.65 ACRES**

BEING A 344.65 acre tract of land, all of a 344.979 acre tract of land as recorded and conveyed to Russell W. Pfeiffer in Volume 289, Pages 398-400 of the Official Records of Comal County, Texas, and in Volume 137, Page 679 of the Official Records of Kendall County, Texas, out of the David Bradbury Survey No. 214, Abstract No. 989 of Comal County, Texas and the David Bradbury Survey No. 214, Abstract No. 33 of Kendall County, Texas, said 344.65 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at a found $\frac{1}{2}$ " iron rod in the east right of way of Ammann Road for the northwest corner of this tract and the southwest corner of a 131.013 acre tract as recorded in Volume 113, Page 834 of the Deed Records of Kendall County, Texas;

THENCE South $88^{\circ} 15' 14"$ East for a distance of 3926.52 feet with a fence the north line of this tract, and the south line of said 131.013 acre tract to a set $\frac{1}{2}$ " iron rod with "ACES" cap at a corner for the northeast corner of this tract, the southeast corner of said 131.013 acre tract and in the west lines of a 140.452 acre tract as recorded in Volume 113, Page 836 of the Deed Records of Kendall County, Texas;

THENCE South $02^{\circ} 11' 11"$ East for a distance of 3822.63 feet with a fence and the west line of said 140.452 acre tract to a set $\frac{1}{2}$ " iron rod with "ACES" cap in the north right of way of Ammann Road for the southeast corner of this tract;

THENCE with the north right of way of Ammann Road and fence the following:

North $88^{\circ} 35' 14"$ West for a distance of 7.43 feet for an angle point;
 North $88^{\circ} 26' 14"$ West for a distance of 522.50 feet for an angle point;
 North $88^{\circ} 06' 14"$ West for a distance of 318.70 feet for an angle point;
 North $87^{\circ} 19' 14"$ West for a distance of 923.90 feet for an angle point;
 North $89^{\circ} 33' 14"$ West for a distance of 727.10 feet for an angle point;
 North $89^{\circ} 45' 46"$ West for a distance of 830.80 feet for an angle point;
 North $89^{\circ} 42' 46"$ East for a distance of 587.60 feet for southwest corner of this tract;

THENCE with the east right of way of Ammann Road and a fence the following:

North $44^{\circ} 35' 14"$ West for a distance of 20.60 feet to an angle point;
 North $01^{\circ} 59' 14"$ West for a distance of 1933.70 feet for an angle point;
 North $02^{\circ} 09' 14"$ West for a distance of 1926.20 feet to **the POINT OF BEGINNING**
 and containing 344.65 acres of land, more or less, in Comal County, and Kendall Counties, Texas.

Plat of survey provided.

ALAMO CONSULTING ENGINEERING
& SURVEYING, INC.

Kevin Conroy, R.P.L.S. 4198

August 28, 2013

Job # 115800

DC:F/PROJECT/1100/115800/FIELD NOTES FOR 344.65 AC.



AFTER RECORDING, RETURN TO:

Declarant:

Association:

with a copy to:

Caroline McDonald

Brown & McDonald PLLC
100 NE Loop 410 Ste 1385
San Antonio, Texas 78216

DRAFT

Exhibit I

OWNER DISCLOSURE PROGRAM

Exhibit I**Owner Disclosure Program****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 Owner 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 J

FORM OF USA

UTILITY SERVICE AGREEMENT

STATE OF TEXAS	§
	§
COUNTY OF COMAL	§
COUNTY OF KENDALL	§
	§
CITY OF FAIR OAKS RANCH	§

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 FAIR OAKS RANCH, TEXAS (the City) and Bitterblue, Inc. 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 utility systems (the Water System) that are outside the boundaries of the Property to extend Systems infrastructure to the Property's border for connection to necessary water infrastructure improvements within the Property (such offsite improvements, as further defined and described herein, 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 service (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 considerations (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 284 Water Service living unit equivalents (LUEs) (such dedicated capacity, Water Capacity, and Guaranteed Capacity, collectively) from available System capacity (whether currently existing or to result from ongoing System 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 System. 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 thirty (30) 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 System 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:	For Development Agreement see Kendall County Record No. _____ or Comal County Record No. _____

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 Comal and Kendall Counties, 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 (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 FAIR OAKS RANCH, TEXAS

Bitterblue, Inc.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Address: _____

Address: _____

Date: _____

Date: _____

ACKNOWLEDGEMENTS

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 _____, 2025.

(seal)

Notary Public

STATE OF TEXAS §

COUNTY OF KENDALL §

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 _____, 2025.

(seal)

Notary Public

ATTACHMENT 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 comply with all applicable Governing Regulations, applicable rules and regulations of Comal and Kendall Counties, 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 following provisions:

- 1) City of Fair Oaks Ranch Construction Standard Specification for Water and Sanitary Sewer Construction (<https://www.fairoaksranchtx.org/DocumentCenter/View/5511/Construction-Standard-Specifications-for-Water-and-Sanitary-Sewer-Construction?bidId=>)
- 2) City of Fair Oaks Ranch Material Standard Specifications for Water and Sanitary Sewer Construction (<https://www.fairoaksranchtx.org/DocumentCenter/View/5512/Material-Standard-Specifications-for-Water-and-Sanitary-Sewer-Construction?bidId=>)

The Developer shall involve the City, as and to the extent requested or required by the City, with the Improvements' design. Prior to soliciting 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 Water 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 System 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 System improvements being undertaken by the City to expand System 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 from and up to the Guaranteed Capacity.

G.C.13.00 Conformance of Plans.

All water 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 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 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 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 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 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), and does not require the City's financial participation in the development of infrastructure.

Water Capacity. The Water Capacity shall not exceed [two hundred eighty four] (284) Water Service LUEs. The Parties agree that the Developer shall pay the City an amount equal to \$[8,670.33] per Water Service LUE, for a total of \$[2,445,033.06], for the Water Capacity, which amount shall be payable to the City the time of service request in accordance with the Service and Assessment Plan (each of such terms as defined in the Development Agreement).

Water Rights. The Developer shall convey the underlying water rights associated with the subject property to the City at no charge to the City.

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 thirtieth (30th) 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

See Kendall County Record No. _____ or Comal County Record No.

EXHIBIT K

PETITION FOR ANNEXATION

December 12, 2024

City of Fair Oaks Ranch
City Manager
Scott Huizenga
7286 Dietz Elkhorn
Fair Oaks Ranch, TX 78015

Re: Voluntary Annexation Application for the +/- 344.6 Acres of Property Bordered by Ammann Road on the South and West and Within the Extraterritorial Jurisdiction of Fair Oaks Ranch, Texas (the “**Subject Property**”); *Our File No. 1000.043*

Dear Mr. Huizenga:

On behalf of the Property Owner, please accept this Letter of Intent (*see Exhibit “A”*) for voluntary annexation of the +/- 344.6 acres of property bordered by Ammann Road on the South and West in the Extraterritorial Jurisdiction of Fair Oaks Ranch, Texas. We believe annexation, is the first step in establishing the Post Oak subdivision and corresponding Public Improvement District. Please refer to the Table of Contents for a comprehensive list of exhibits. If you have any questions, please do not hesitate to contact the office at (210) 429-7901.

Sincerely,

BROWN & MCDONALD PLLC

BY: Caroline McDonald

Annexation Table of Contents

Letter of Intent	A
Legal Description/Survey	B
Application	C
Signature Authority	D
Location/Vicinity/Zoning Maps	E
Deed	F
Concept Plan	G
Municipal Annexation Plan	H
Applicable Municipal Ordinances	I
Sign Acknowledgement	J
Title Commitment	K
Tax Certificate	L

December 12, 2024

City of Fair Oaks Ranch
City Manager
Scott Huizenga
7286 Dietz Elkhorn
Fair Oaks Ranch, TX78015

Re: Letter of Intent for Voluntary Annexation to the City of Fair Oaks Ranch of 344.6 Acres of Property Bordered by Ammann Road on the South and West, Within the Extraterritorial Jurisdiction of Fair Oaks Ranch, Texas (the “**Subject Property**”) Pursuant to Section 43.0671 of the Texas Local Government Code and The City Charter of the City of Fair Oaks Ranch

Dear Mr. Huizenga:

The undersigned, being the owner (hereinafter, the “**Property Owner**”), in fee simple of 344.6 acres of land (more fully described in **Exhibit “B,”** in the attached survey map and metes and bounds description) located in the Extraterritorial Jurisdiction (“**ETJ**”) of Fair Oaks Ranch, Texas, submits this Letter of Intent (“**LOI**”) by its representative’s signature below, to the City of Fair Oaks Ranch (“**City**”), for the full purpose expressing its intent to request voluntary annexation of the Subject Property, into the City’s corporate limits, in accordance with the provisions of the City Charter and Sections 43.0671-43.0673 of the Texas Local Government Code (“**LGC**”) (see **Exhibit “C”** for Annexation Application; see **Exhibit “D”** for Signature Authority; see **Exhibit “E”** for Maps of Subject Property; see **Exhibit “F”** for Deed).

Specifically, the Property Owner submits this LOI, pursuant to Section 43.0671 of the LGC, whereby the City (a “Tier 2 Municipality”) has the authority to annex an area if each owner of land in the area requests annexation. The Property Owner is the sole owner of the Subject Property and requests the City’s annexation of the Subject Property, in accordance with Section 43.0671 of the LGC. Additionally, the Subject Property meets the statutory requirements for full purpose annexation, by the City, as it: (1) is within the City’s extraterritorial jurisdiction; and (2) is adjacent and contiguous to the City’s corporate limits.

The Property is currently undeveloped and generally located north of Ammann Road and bordered by Ammann Road to the south and west in the Extraterritorial Jurisdiction of Fair Oaks Ranch. The Property Owner intends to develop the Subject Property for the Post Oak single-family residential subdivision (the “**Project**”; see **Exhibit “G”**) including a Public Improvement District. A Zoning and Future Land Use Amendment application has been submitted to the City and upon annexation of the Subject Property (and concurrently therewith), the Property Owner also requests the City (but, such request is not meant to make this LOI in any way contingent or conditional, such being unconditional and absolute but subject to the requirements of Section 43.0671, et seq. of the LGC) to provide the base district zoning of Neighborhood Residential. The requested base district is not compatible with the City’s Future Land Use Plan Map

(“FLUM”) and therefore a FLUM amendment to Neighborhood Residential has been submitted. The current base district of Rural Residential restricts the minimum lot size to five (5) acres. Rezoning the Subject Property to Neighborhood Residential and amending the land use designation to Neighborhood Residential will allow for the development of the Project.

The Property Owner submits this LOI based on its intent to develop the Subject Property and the Post Oak subdivision and zoning of Neighborhood Residential is required for the development of the Subject Property once it is in the City’s full purpose jurisdiction. The proposed development will be approximately 278 single family homes on 1-acre lots. The undeveloped property has an appraised value of \$3,933,480 but once completed will have an estimated appraised value of \$332,000,000. Upon successful annexation and rezoning, the Property Owner expects construction to start in the third quarter of 2025. Construction completion is projected in 2035. All dates are pending City and State approval on all associated permits.

If there is any additional information or documentation that we can provide to assist in your review of this Letter of Intent, please do not hesitate to contact me at (210) 429-7901.

(Signature on following page)

Owner:
 BRMK Boerne Ranch, LLC
 Attention: James Stockhausen
 160 Newport Center Drive, Suite 240
 Newport Beach, CA 92660
 949-333-0328
 James.stockhausen@readycapital.com

With a Copy To:
 Brown & McDonald, PLLC
 Attention: Caroline McDonald
 100 NE Loop 410, Ste 1385
 San Antonio, TX 78216
 (210) 429-7917
 caroline@brownmcdonaldlaw.com

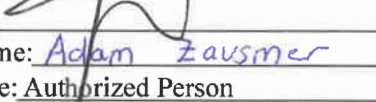
Wherefore, this Petition satisfies all the requirements of the City Charter and the Texas Local Government Code for the full purpose, voluntary annexation of the Subject Property, and the Property Owner respectfully requests that the City annex the Subject Property, as described herein.

Respectfully submitted, this 12 day of Dec, 2024.

BRMK BOERNE RANCH, LLC,
 a Washington limited liability company

By: BRMK MANAGEMENT SPE JP, LLC
 a Delaware limited liability company

Its: Member

By: 
 Name: Adam Zausmer
 Title: Authorized Person

ACKNOWLEDGEMENT

State of New York §

County of New York §

Before me, the undersigned authority, a notary public for the State of New York, on this day personally appeared Adam Zausmer, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledge to me that he executed the same for the purpose and consideration therein expressed.

Given under my hand and seal office, this the 12th day of December, 2024.

INDHIRA P CASTELLO
 Notary Public, State of New York
 Reg. No. 01CA6412071
 Qualified in New York County
 Commission Expires 12-14-2024

BRMK MANAGEMENT SPE JP, LLC

INCUMBENCY CERTIFICATE

The undersigned, being the manager of BRMK Management SPE JP, LLC, a Delaware limited liability company (the "Company"), hereby certifies that: (a) each of the persons listed below is an authorized person of the Company authorized and empowered with full power and authority to enter into any and all documents, agreements and instruments as he or she deems necessary or advisable on behalf of the Company; (b) the following persons hold the title indicated opposite their respective names; and (c) the signatures appearing opposite the following persons' names are the genuine signatures of such persons, respectively:

Name	Title	Signature
Andrew Ahlborn	Authorized Person	
Thomas Capasse	Authorized Person	
Kenneth Nick	Authorized Person	
Jack Ross	Authorized Person	
Jacqueline Schorr	Authorized Person	
Gary Taylor	Authorized Person	
Adam Zausmer	Authorized Person	

IN WITNESS WHEREOF, the undersigned has executed this Incumbency Certificate this _____ day of Setpember, 2023.

WATERFALL ASSET MANAGEMENT,
LLC

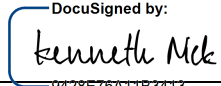
By: 
Name: Kenneth Nick
Title: Authorized Person

Exhibit "B"

, and in Document No. 202306009264, corrected in 202306009477, of the Official Public Records of **Comal** County, Texas

FIELD NOTES FOR A 344.6 ACRE TRACT OF LAND

A **344.6 acre** tract of land, out of the David Bradbury Survey No. 214, Abstract 33, Kendall County, Texas and the David Bradbury Survey No. 214, Abstract 989, Comal County, Texas and being all of a called 344.6 acre tract of land as described of record in Document No. 2023-378661 of the Official Records of Kendall County, Texas. Said **344.6 acre** tract being more particularly described by metes and bounds as follows:

BEGINNING at a found $\frac{1}{2}$ " iron rod in the apparent east right-of-way line of Ammann Road, no record found, at the southwest corner of a called 131.013 acre tract as described in Volume 113 Page 834 of the Deed Records of Kendall County, Texas, for the northwest corner of said 344.6 acre tract and the tract described herein;

THENCE: S 88° 15' 20" E, with the common line between said 131.013 acre tract and said 344.6 acre tract, a distance of **3926.35 feet** to a found 4" pipe fence post at the southeast corner of said 131.013 acre tract, in the west line of a called 140.452 acre tract of land as described in Volume 113 Page 836 of the Deed Records of Kendall County, Texas, in the west line of a called 114.9 acre tract of land as described in Volume 1195 Page 423 of the Official Records of Kendall County, Texas, for the northeast corner of said 344.6 acre tract and the tract described herein;

THENCE: S 02° 11' 22" E, with the common line between said 114.9 acre tract and the 344.6 acre tract, at 637.60 feet a found $\frac{1}{2}$ " iron rod for the southwest corner of said 114.9 acre tract, and continuing with the common line between said 140.452 acre tract and said 344.6 acre tract, a total distance of **3820.91 feet** to a found $\frac{1}{2}$ " iron rod in the apparent north right-of-way line of Ammann Road, no record found, at the southwest corner of said 140.452 acre tract, at the southeast corner of said 344.6 acre tract and for the southeast corner of the tract described herein;

THENCE: With the apparent north and east right-of-way lines of Ammann Road, and the south and west lines of said 344.6 acre tract, the following ten (10) courses:

1. **S 78° 03' 34" W**, a distance of **7.45 feet** to a found $\frac{1}{2}$ " iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
2. **N 88° 26' 20" W**, a distance of **522.50 feet** to a found $\frac{1}{2}$ " iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
3. **N 88° 06' 20" W**, a distance of **318.70 feet** to a found $\frac{1}{2}$ " iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
4. **N 87° 19' 20" W**, a distance of **923.90 feet** to a found $\frac{1}{2}$ " iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
5. **N 89° 33' 20" W**, a distance of **727.10 feet** to a found $\frac{1}{2}$ " iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
6. **S 89° 45' 40" W**, a distance of **830.80 feet** to a found $\frac{1}{2}$ " iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
7. **S 89° 42' 40" W**, a distance of **587.60 feet** to a found $\frac{1}{2}$ " iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
8. **N 44° 35' 20" W**, a distance of **20.60 feet** to a found $\frac{1}{2}$ " iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
9. **N 01° 59' 20" W**, a distance of **1933.70 feet** to a found $\frac{1}{2}$ " iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein, and
10. **N 02° 09' 20" W**, a distance of **1926.20 feet** to the **POINT OF BEGINNING** and containing **344.6 acres** of land situated in both Kendall & Comal County, Texas.

Note: The basis of bearing was established using the Trimble VRS Network, NAD (83), Texas State Plane Coordinate System, South Central Zone, 4204, US Survey Foot, Grid. A survey plat was prepared by a separate document. Distances recited herein are grid distances.



Job # 18-4085 344.6 Acres

Date: February 1, 2024

NOTES

1. BEARINGS ARE BASED ON THE STATE PLANE COORDINATE SYSTEM ESTABLISHED FOR THE TEXAS SOUTH CENTRAL ZONE 4204, NORTH AMERICAN DATUM (NAD) OF 1983. DISTANCES SHOWN HEREON ARE GRID UNITS.

2. TITLE COMMITMENT PROVIDED BY OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY, GF NO.: 23-2853-CH, EFFECTIVE DATE: JANUARY 1, 2024, ISSUED DATE: JANUARY 9, 2024.

LEGAL DESCRIPTION OF LAND:

BEING 344.6 ACRES OF LAND, MORE OR LESS, IN THE DAVID BRADBURY SURVEY NO. 214, ABSTRACT 33, IN KENDALL COUNTY, TEXAS, AND DAVID BRADBURY SURVEY NO. 214, ABSTRACT 989, IN COMAL COUNTY, TEXAS BEING THAT SAME TRACT CONVEYED IN DOCUMENT NO. 202306009264, CORRECTED IN 202306009477, OF THE OFFICIAL PUBLIC RECORDS OF COMAL COUNTY, TEXAS, AND IN DOCUMENT NO. 2023-378661, OF THE OFFICIAL PUBLIC RECORDS OF KENDALL COUNTY, TEXAS.

SCHEDULE B:

1. RESTRICTIVE COVENANTS OF RECORD:

-NONE LISTED

- 10.
- f. VOLUME 599, PAGE 69, O.R.K.C.T. - DOES NOT INCLUDE SUBJECT TRACT
- EASEMENT TO PEDERNALES ELECTRIC COOPERATIVE
- g. DOCUMENT NO. 200406034412, O.P.R.C.C.T., AND IN VOLUME 880, PAGE 51, O.R.K.C.T. - INCLUDES SUBJECT TRACT AS SHOWN
- GUADALUPE-BLANCO RIVER AUTHORITY EASEMENT
- h. VOLUME 1463 PAGE 269, O.R.K.C.T. - INCLUDES SUBJECT TRACT AS SHOWN
- PEDERNALES ELECTRIC COOPERATIVE INC., EASEMENT
- i. DOCUMENT NO. 201406011766, O.P.R.C.C.T., AND IN VOLUME 1411, PAGE 587, O.R.K.C.T. - INCLUDES SUBJECT TRACT
- DEVELOPMENT AGREEMENT
- j. DOCUMENT NO. 2021-360011, O.R.K.C.T. - INCLUDES SUBJECT TRACT
- COMPREHENSIVE SETTLEMENT AND RELEASE AGREEMENT
- k. SUBJECT PROPERTY LIES WITHIN THE BOUNDARIES OF THE COW CREEK GROUNDWATER DISTRICT.

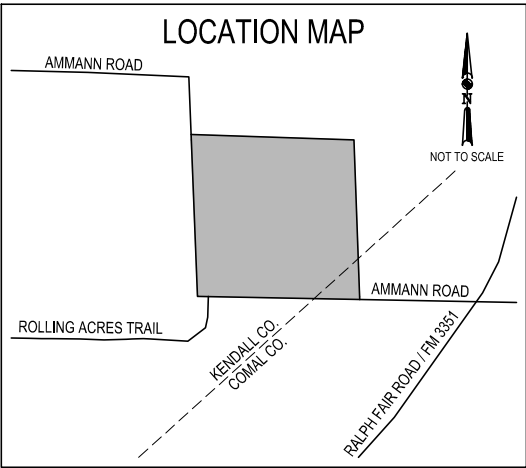
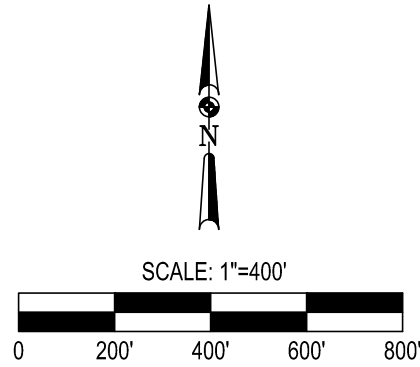
3. REFERENCED PROPERTY IS IN ZONE X, AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN, AS SCALED FROM FEMA FLOOD MAP 450 OF 525, COMMUNITY PANEL NO. 48259C0450F, DATED DECEMBER 17, 2010.

4. THE TRACT SHOWN HEREON IS LOCATED WITHIN BOTH KENDALL COUNTY AND COMAL COUNTY.

5. METES AND BOUNDS WERE PREPARED FOR THIS SURVEY BY SEPARATE INSTRUMENT.

6. FENCES ALONG BOUNDARY LINE MEANDER.

CATEGORY 1A, CONDITION IV LAND TITLE SURVEY OF
A 344.6 ACRE TRACT OF LAND, OUT OF THE DAVID BRADBURY SURVEY NO. 214, ABSTRACT 33, KENDALL COUNTY, TEXAS AND THE DAVID BRADBURY SURVEY NO. 214, ABSTRACT 989, COMAL COUNTY, TEXAS AND BEING ALL OF A CALLED 344.6 ACRE TRACT OF LAND AS DESCRIBED OF RECORD IN DOCUMENT NO. 2023-378661 OF THE OFFICIAL RECORDS OF KENDALL COUNTY, TEXAS.

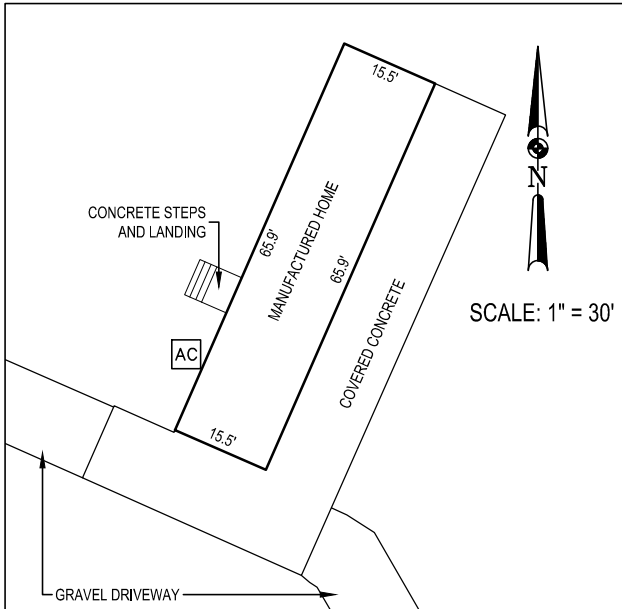


ADDRESS: 418 AMMANN ROAD
BOERNE, TX 78015

LINE TABLE		
LINE	BEARING	DISTANCE
L1	S78° 03' 34"W	7.45'
L2	N88° 06' 20"W	318.70'
L3	N44° 35' 20"W	20.60'

LEGEND

- P.O.B. POINT OF BEGINNING
O.P.R.C.C.T. OFFICIAL PUBLIC RECORDS, COMAL COUNTY, TEXAS
O.R.K.C.T. OFFICIAL RECORDS, KENDALL COUNTY, TEXAS
D.R.K.C.T. DEED RECORDS, KENDALL COUNTY, TEXAS
FT DIMENSIONAL FENCE TIE
● FOUND 1/2" IRON ROD (UNLESS OTHERWISE SPECIFIED)
⊙ FOUND 4" PIPE POST
⊙ FOUND 1/2" IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "ACES"
AC A/C PAD
E ELECTRIC BOX & KEYPAD
E ELECTRIC METER ON POLE
Ø UTILITY POLE
Ø→ UTILITY POLE WITH GUY WIRE
X TRANSMISSION TOWER
W WELL
W WATER VALVE
W WATER MANHOLE
● BOLLARD POST
S TRAFFIC SIGN
U UTILITY MARKER POST
MB MAILBOX
- - - - - OELx - - - - - ELECTRIC (OVERHEAD)
- X - X - X - WIRE FENCE
- o - o - CHAIN-LINK FENCE
- □ - □ - PIPE FENCE

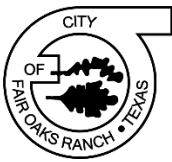


I HEREBY CERTIFY TO OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY, WICKLEY HOMES, LLC, DELAWARE LIMITED LIABILITY COMPANY, AND BRIM BOERNE RANCH LLC, A WASHINGTON LIMITED LIABILITY COMPANY:

THAT THIS SURVEY WAS MADE ON THE GROUND, AND THAT TO THE BEST OF MY KNOWLEDGE AND BELIEF, THIS PLAT CORRECTLY REPRESENTS THE FACTS FOUND AT THE TIME OF THIS SURVEY, AND CONFORMS TO THE CURRENT TEXAS SOCIETY OF PROFESSIONAL SURVEYORS STANDARDS AND SPECIFICATIONS FOR A CATEGORY 1A, CONDITION IV LAND TITLE SURVEY. FIELD WORK ORIGINALLY PERFORMED IN 2016 AND CONFIRMED ON JANUARY 30, 2024.

Kyle L. Pressler
KYLE L. PRESSLER DATE: FEBRUARY 1, 2024
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS REGISTRATION NO. 6528
KYLE.PRESSLER@MATKINHOOVER.COM
JOB NO. 18-4085 344.6 ACRES





7286 Dietz Elkhorn Fair Oaks Ranch, TX 78015

PH: (210) 698-0900.FAX: (210) 698-3565. awade@fairoaksranchtx.org www.fairoaksranchtx.org**UNIVERSAL APPLICATION (FORM UA)**

All applications must be submitted with:

(1) A complete **Universal Application** form (2 pages), and(2) A complete **Specific Application Form** with all materials listed in the checklist for the specific application.

The City staff is available to assist you in person at City Hall or over the phone at (210) 698-0900.

DEVELOPMENT INFORMATIONProject Name/Address/Location: Post Oak/ 418 Ammann Rd Acreage: +/- 344.6Brief Description of Project: Residential SubdivisionIs property platted? ☒ No ☐ Yes Subdivision name: _____ No. of Lots +/-278Recordation #: _____ Parcel(s) Tax ID#: 11782Existing Use: Undeveloped Proposed Use: Single family residential subdivisionCurrent Zoning: Rural Residential Proposed Zoning: Neighborhood Residential

Occupancy Type: _____ Sq. Ft: _____ Bed #: _____ Bath #: _____ Car Garage #: _____

Water System ☐ Well ☒ Public Flood Zone: ☐ Yes ☒ No Sewer System: ☒ Septic ☐ Public**PROPERTY OWNER INFORMATION**Owner: BMRK Boerne Ranch, LLC Contact Name: James StockhausenAddress: 160Newport Center Drive, Suite 240 City/State/ZIP: Newport Beach, CA 92660Phone: (949) 333-0328 Email: james.stockhausen@readycapital.com**APPLICANT INFORMATION**Applicant/Developer: Brown & McDonald, PLLC Contact Name: Caroline McDonaldAddress: 100 NE Loop 410 Ste 1385 City/State/ZIP: San Antonio, TX 78216Phone: (210) 429-7931 Email: caroline@brownmcdonaldlaw.com**KEY CONTACT INFORMATION**Name of the Individual: Brown & McDonald PLLC Contact Name: Caroline McDonaldAddress: 100 NE Loop 410 Ste 1385 City/State/ZIP: San Antonio, TX 78216Phone: (210) 429-7931 E-mail: caroline@brownmcdonaldlaw.com

Signature: _____ Date: _____

Print Name: **Caroline McDonald**

(Signed letter of authorization required if the application is signed by someone other than the property owner)

*******OFFICE USE ONLY*******

DATE REC'D: _____ BY: _____

FEES PAID: _____ APPROVED BY: _____

DATE APPROVED: _____

APPLICATION/PERMIT NO: _____ EXP DATE: _____

Applications shall be processed based on the City's official submission dates. When a completed application packet has been accepted and reviewed, additional information may be required by staff as a result of the review, therefore it may be necessary to postpone the proposed project and remove it from the scheduled agenda and place it on a future agenda.

SPECIFIC APPLICATION FORM (S1-S25). Please check the appropriate type below:**Land Use Policy Related**

(Section 3.9 of the UDC)

☒ Annexation* - Form S1☒ Comprehensive Plan
Amendment (Text)☐ Unified Development Code
(UDC) Text Amendment☒ Rezoning/ FLUM amendment* -
Form S2☐ Special Use Permit* - Form S3☐ Planned Unit Development
(PUD)* - Form S4☐ Development Agreement☐ Conservation Development
Alternative* (CDA) (Section 4.8)
- Form S5**Subdivision and Property
Development Related**

(Section 3.8 of the UDC)

☐ Amending Plat* - Form S6☐ Minor Plat* - Form S7☐ Development Plat* - Form S8☐ Concept Plan** - Form S9☐ Preliminary Plat* - Form S10☐ Final Plat* - Form S11☐ Replat* - Form S12☐ Construction Plans* - Form S13☐ Vacating Plat☐ Plat Extension**Site Development Related**

(Section 3.9 of the UDC)

☐ Vested Rights Verification Letter
(Refer to UDC Section 4.2 (3))☐ Zoning Verification Letter☐ Written Interpretation of the UDC☐ Temporary Use Permit* - Form S14☐ Special Exception* - Form S15☐ Site Development Permit* (Site
Plan Review) - Form S16☐ Floodplain Development Permit* -
Form S17☐ Stormwater Permit* - Form S18☐ Certificate of Design Compliance*
- Form S19

Appeal of an Administrative Decision

☐ Zoning ☐ Others

Variance

☐ Policy ☐ Judicial* - Form S20☐ Sign Special Exception/Appeal to
an Administrative Decision☐ Administrative Exception☐ Permit for Repair of Non-
Conforming Use/Building☐ Letter of Regulatory Compliance☐ On-Site Sewage Facility Permit
(OSSF)☐ Certificate of Occupancy (CO)* -
Form S21☐ Relief from Signage Regulations☐ Group Living Operation License* -
Form S22☐ Grading/Clearing Permit - Form
S23**Miscellaneous Permits**☐ Appeal of Denial of Sign Permit☐ Master/ Common Signage Plan* - Form
S24☐ Right-of-Way Construction* - Form S25**Building Permits Related**

For the following permits, please visit:

<http://fairoaksranchtx.org/77/Building-Codes>**Commercial**

New/Remodel/Addition

Residential

New Home

Remodels/Additions

Detached Buildings

Others

Fence

Solar Panels

Swimming Pools

Backflow Device/Irrigation System

Signs

Master/ Common Signage Plan

Water Heater or Water Softener

Miscellaneous

*These types of applications require additional information as listed in the Specific Application Form.

** The Concept Plan is required for PUD and CDA, and for Rezoning if included in a previously approved Concept Plan.

Application Checklist for all Applications☒ Universal Application Form (Form UA).☒ Items listed in the checklist for the Specific Application Form (Form S#) ¹. (Please make sure the boxes are checked)☒ Application Processing Fees and other application fees.☒ Letter of intent explaining the request in detail and reason for the request.☒ Signed Letter of Authorization required if the application is signed by someone other than the property owner.☒ Site plan and shapefile drawings (if applicable) for the property☒ Location map clearly indicating the site in relation to adjacent streets and other landmarks☒ A copy of proof of ownership (recorded property deed or current year tax statements)¹For items that are duplicated in the specific type of application, only one copy is required.

S1 SPECIFIC APPLICATION FORM - ANNEXATION

All documents shall be sent via email or through ShareSync/FTP file. The following steps must be completed, and the items must be submitted for the application to be deemed complete and processed.

- Pre-Application Conference prior to application submittal.
- A completed Universal Application and checklist signed by the owner/s of the property.
- Concept plan approval (if required).
- Municipal Annexation Plan in conformance with the Unified Development Code (UDC).
- A title report.
- Payment of all other applicable fees (see Schedule of Fees).
- A copy of the legal description (metes and bounds) of the area encompassing the annexation request. If the property is platted, a copy of the plat should be provided.
- Location/vicinity map showing the location and boundaries of the annexation. Indicate scale or not to scale (NTS) and provide north arrow.
- Letter of Intent explaining the annexation request in detail, reason for the request, the designation of Extraterritorial Jurisdiction (ETJ), the area of the newly annexed territory and how the annexation meets the goals and objectives of the Comprehensive Plan.
- A brief description of each municipal ordinance that would be applicable as authorized by Section 212.003 of the LGC.
- Tax certificate/s showing that all taxes owing to the State, County, School District, City and/or any other political subdivision have been paid in full to date.
- Acknowledgement that the sign posted by the City on the property fifteen (15) days prior to the public hearing will be maintained until the zone change is heard at the public hearing.

December 12, 2024

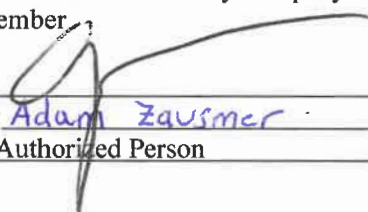
City of Fair Oaks Ranch
City Manager
Scott Huizenga
7286 Dietz Elkhorn
Fair Oaks Ranch, TX 78015

Re: Representation in Connection with the Annexation, Plan Amendment, Zoning, Development Agreements, and Public Improvement Districts for +/- 344.62 Acres Generally Located at the West and South Corner of Ammann Road, Fair Oaks Ranch, Texas (the "**Subject Property**").

This letter hereby authorizes Brown & McDonald, PLLC, to act as an authorized agent for all annexation, plan amendment, zoning, development agreements, and public improvements districts for BRMK BOERNE RANCH, LLC the property owner of the Subject Property.

BRMK BOERNE RANCH, LLC,
a Washington limited liability company

By: BRMK MANAGEMENT SPE JP, LLC
a Delaware limited liability company
Its: Member,

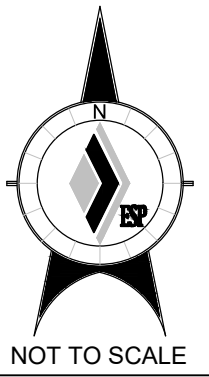
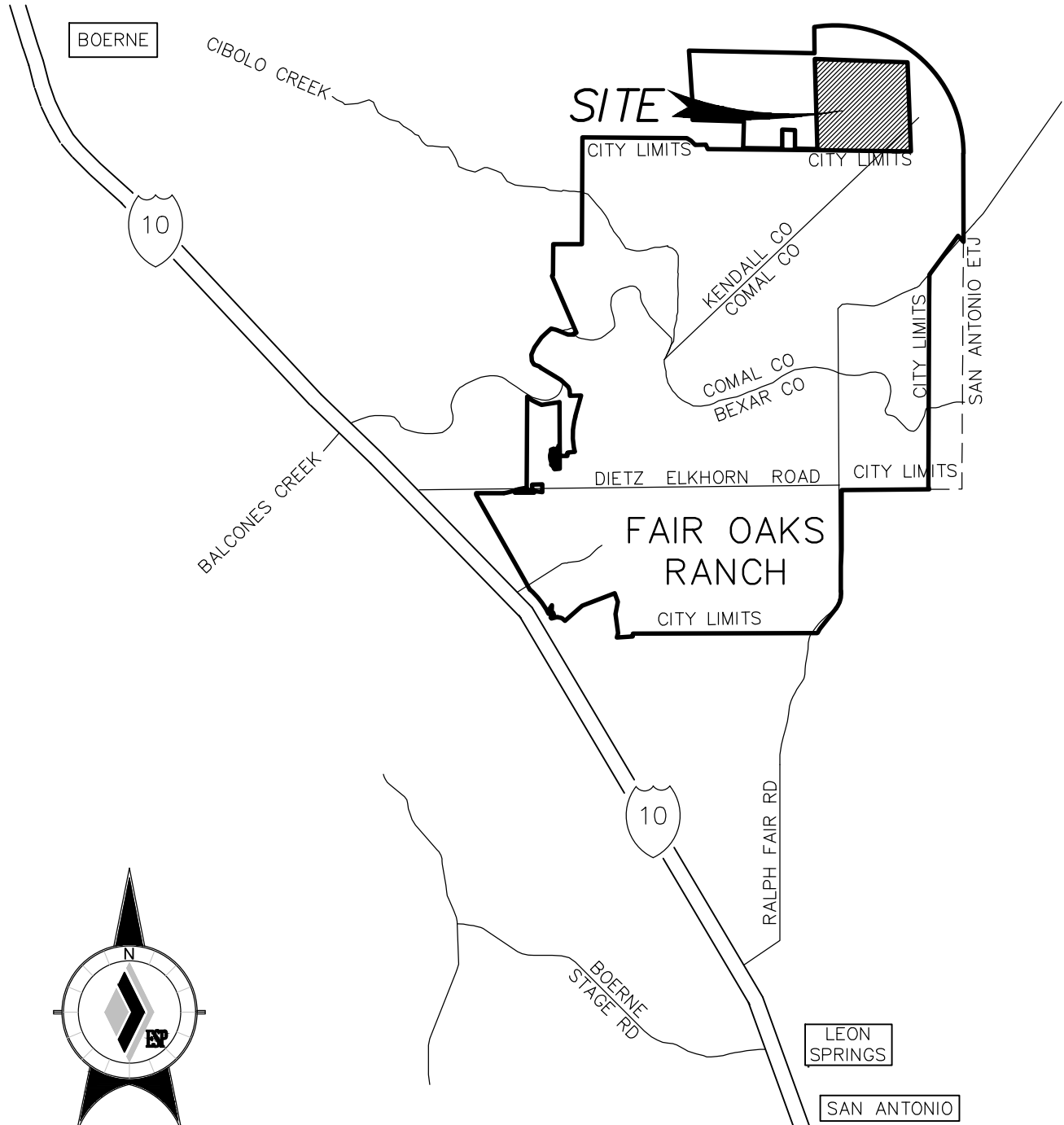
By: 
Name: Adam Zausmer
Title: Authorized Person

State of New York §
County of New York §

Before me, the undersigned authority, a notary public for the State of New York, on this day personally appeared Adam Zausmer, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledge to me that he executed the same for the purpose and consideration therein expressed.

Given under my hand and seal office, this the 12th day of December, 2024.

INDHIRA P CASTILLO
Notary Public, State of New York
Ren. No. 01CA6412071
Qualified in New York County
Commission Expires 12-14-2024



Dec 11, 2024 - 5:24pm
R:\35-00461\Engineering\Map Exhibit.dwg



ESP Associates, Inc.
12940 Country Pkwy
San Antonio, TX 78216
(210) 349-3271
TBPE FIRM #17252
www.espassociates.com

LOCATION MAP EXHIBIT

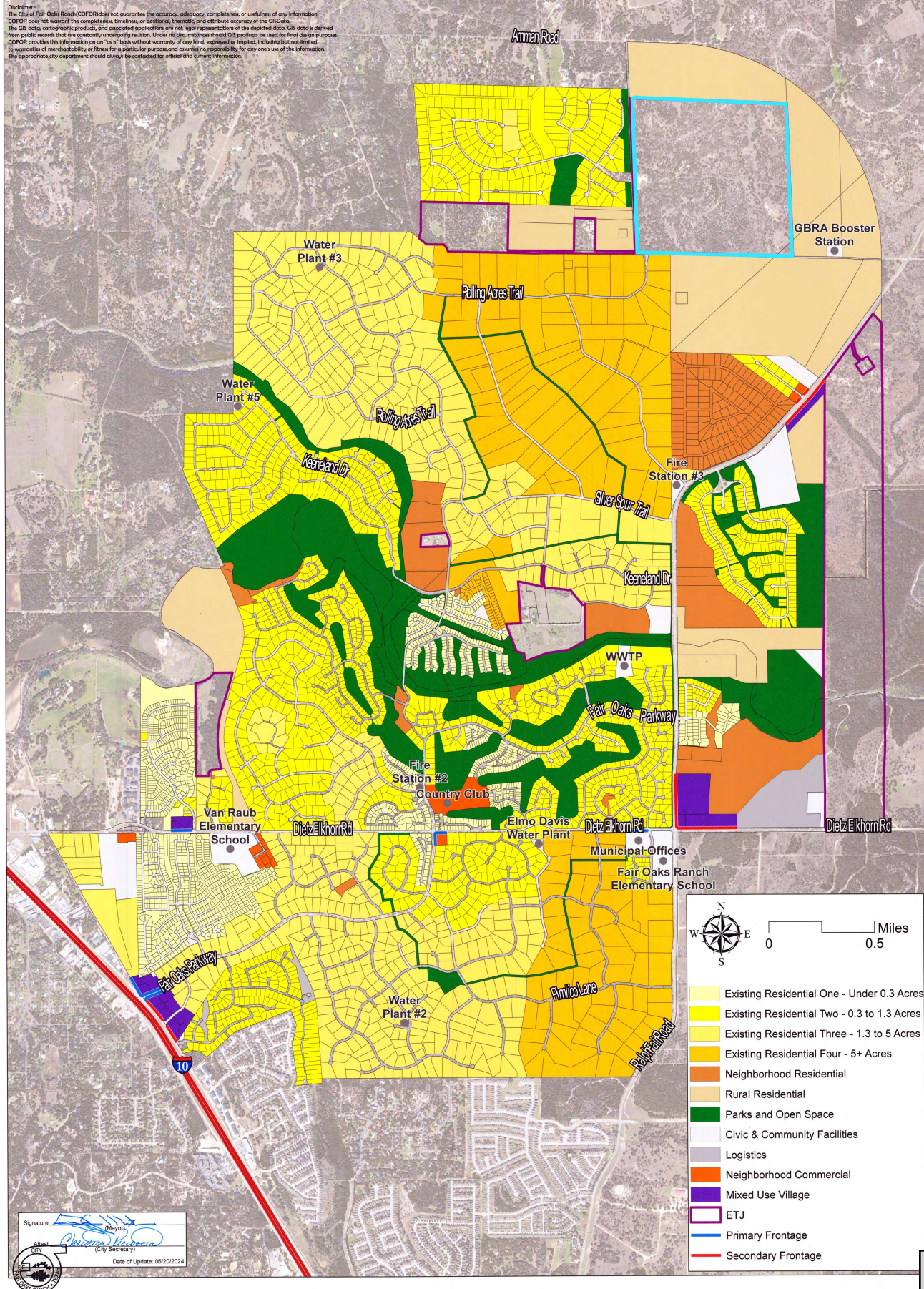
POST OAK SUBDIVISION

PROJ No. 24-01658

DATE: DEC 11, 2024

City of FAIR OAKS RANCH ZONING MAP

Disclaimer:
The City of Fair Oaks Ranch/COPOR does not guarantee the accuracy, adequacy, completeness, or usefulness of any information.
COPOR does not warrant the completeness, timeliness, or impartiality, thematic, and attribute accuracy of the GIS data.
The GIS data cartographic products and associated applications are not legal representations of the depicted data. GIS data is derived
from public records that are constantly undergoing revision. Under no circumstances should GIS products be used for final design purposes.
COPOR provides this information on an "as is" basis without warranty of any kind, expressed or implied, including but not limited to
warranties of merchantability or fitness for a particular purpose and assuming no responsibility for any one's use of the information.
The appropriate city department should always be contacted for official and current information.

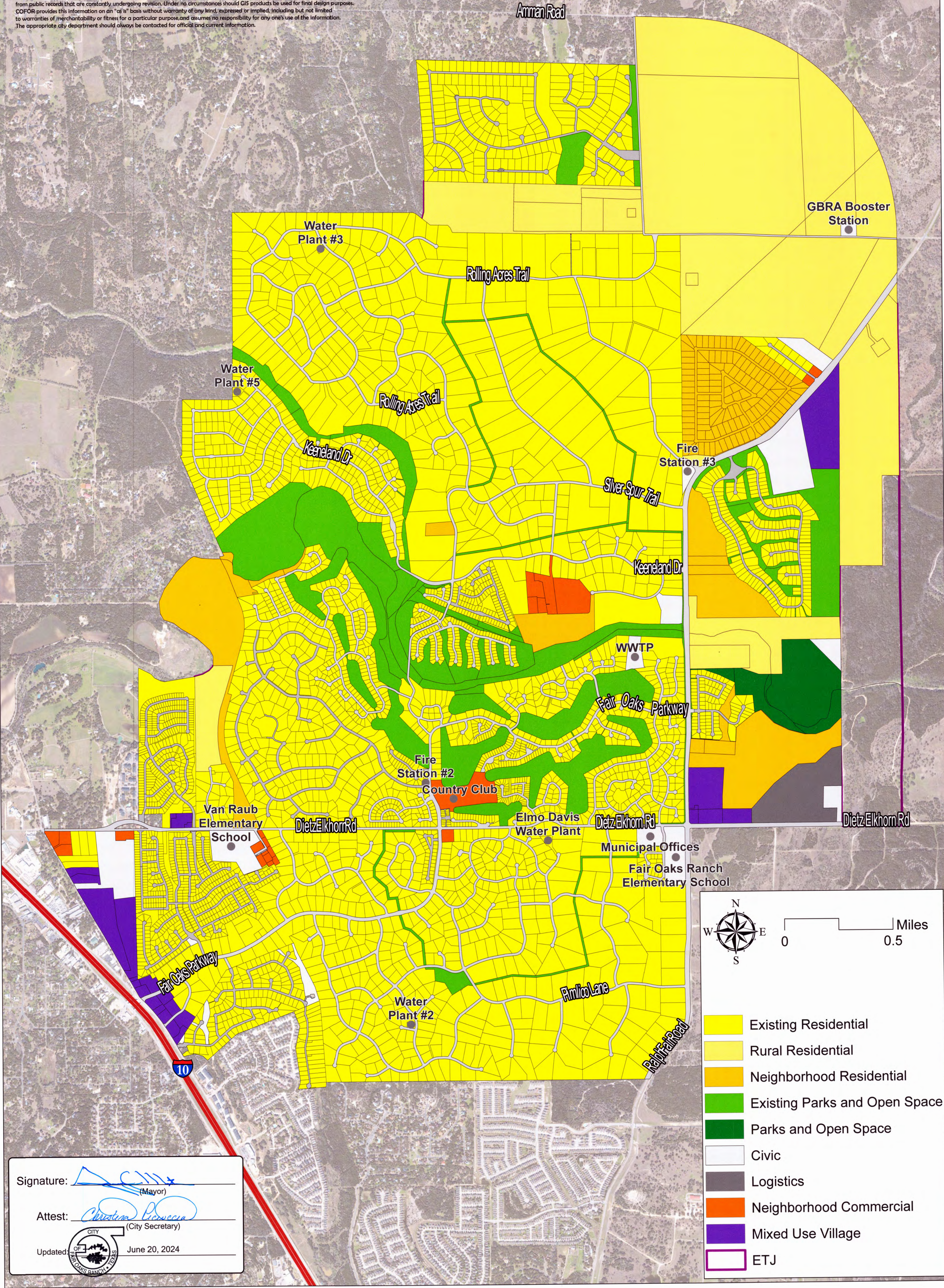


Signature: _____ (Mayor)
 _____ (City Secretary)
 Date of Update: 09/20/2024

City of FAIR OAKS RANCH

FUTURE LAND USE MAP (FLUM)

Disclaimer:
The City of Fair Oaks Ranch (COFOR) does not guarantee the accuracy, adequacy, completeness, or usefulness of any information. COFOR does not warrant the completeness, timeliness, or positional, thematic, and attribute accuracy of the GIS data. The GIS data, cartographic products, and associated applications are not legal representations of the depicted data. GIS data is derived from public records that are constantly undergoing revision. Under no circumstances should GIS products be used for final design purposes. COFOR provides this information on an "as is" basis without warranty of any kind, expressed or implied, including but not limited to warranties of merchantability or fitness for a particular purpose, and assumes no responsibility for any one's use of the information. The appropriate city department should always be contacted for official and current information.



WHEN RECORDED RETURN TO:

Munsch Hardt Kopf & Harr, P.C.
500 N. Akard St., Suite 3800
Dallas, TX 75201
Attn: Macy D. Smith

FORECLOSURE SALE DEED

STATE OF TEXAS §
COUNTIES OF COMAL AND KENDALL §

Deed of Trust, Security Agreement and Fixture Filing with Assignment of Leases and Rents (as amended, restated, modified, supplemented or assigned, the **"Deed of Trust"**):

Dated: March 6, 2019

Grantor: BOERNE RANCH ESTATES, LLC, a Texas limited liability company

Beneficiary: BRMK BOERNE RANCH LLC, a Washington limited liability company, successor in interest by assignment to BRMK LENDING, LLC, a Delaware limited liability company, successor in interest by merger to BRELF II, LLC, a Washington limited liability company

Original Trustee: Silver Star Title, LLC dba Sendera Title

Recorded: March 8, 2019, under Comal County Clerk's Instrument# 201906008026, in the Official Public Records of Comal County, Texas and under Kendall County Clerk's Doc# 00328857, Volume 1680, Page 14, in the Official Public Records of Kendall County, Texas

Secures: Promissory Note dated of even date with the Deed of Trust, in the original principal amount of \$19,578,610.00, executed by Grantor (as amended, restated, modified, supplemented or assigned, the **"Note"**)

Beneficiary's Address: c/o Broadmark Management, Corp.
1420 Fifth Avenue, Suite 2000
Seattle, Washington 98101

FORECLOSURE SALE DEED—BOERNE RANCH ESTATES, LLC

4872-3448-3015v.2

Property: The real property described in Exhibit A, together with all hereditaments, privileges, reversions, remainders, development rights and audits, air rights, appurtenances, easements and rights thereto, of every kind and nature, or used in connection therewith or as a means of access thereto, together with all right, title and interest that Grantor now has or may hereafter acquire in the following and any proceeds thereof: all income, rents, royalties, revenues, issues, profits and proceeds from any and all of such real property; all equipment, machinery, inventory, fixtures, fittings, appliances, and other tangible and intangible property and rights thereto described in the Deed of Trust, or related security agreements.

Substitute Trustee Troy Martin, Deborah Martin, Alexis Martin, Cassie Martin, Terri Martin, Deanna Ray, Shelby Martin, Martha Rossington, T. Reynolds Rossington, Kevin Key or Jay Jacobs

Substitute Trustee's Address c/o Munsch Hardt Kopf & Harr, P.C.
500 N. Akard St., Suite 3800
Dallas, TX 75201
Attn: Macy D. Smith

Foreclosure Sale: (the "Foreclosure Sale")

Date: Tuesday, March 7, 2023

Time: The Foreclosure Sale will take place between the hours of 10:00 a.m. and 1:00 p.m. local time; the earliest time at which the Foreclosure Sale will begin is 10:00 a.m., local time.

Place: The northeast porch of the historic Comal County Courthouse, 100 Main Plaza, New Braunfels, TX 78130 (or another location as designated by the Comal County Commissioners Court pursuant to § 51.002 of the Texas Property Code)

Grantee: BRMK BOERNE RANCH LLC, a Washington limited liability company

Grantee's Mailing Address: c/o Broadmark Management, Corp.
1420 Fifth Avenue, Suite 2000
Seattle, Washington 98101

Purchase Price (Credit Bid) \$24,599,072.49

RECITALS:

By the Deed of Trust, Grantor conveyed to Original Trustee the Property for the purposes of securing and enforcing payment of, among other things, the Note. Beneficiary is the owner and holder of the Note and of all liens and security interests, assignments and encumbrances securing them, including, without limitation, those under the Deed of Trust.

A default occurred and is continuing in the payment of the obligations under the Note and the Deed of Trust and was not remedied. Beneficiary accelerated the unpaid balance of the Note, and, as a result, the Note became fully due and payable, and the same remains due and payable as of the date hereof.

Beneficiary requested that Substitute Trustee sell the Property, as authorized by and provided in the Deed of Trust, to enforce the trust due to the occurrence of the foregoing events and sell the Property at the Foreclosure Sale.

Notices stating the time, place, and terms of the Foreclosure Sale were posted and filed, and Beneficiary, acting through its agent, served notice of the Foreclosure Sale to Grantor as required by the Texas Property Code. In accordance with that statute and the Deed of Trust, Substitute Trustee sold the Property to Grantee, who was the highest bidder at the Foreclosure Sale for the Purchase Price, which payment, in accordance with applicable law and the terms of the Deed of Trust, was made by crediting the Purchase Price against a portion of the outstanding indebtedness secured by the Deed of Trust. Since the Property is located in both Comal County, TX and Kendall County, TX, Beneficiary instructed Substitute Trustee to conduct the Foreclosure Sale in Comal County, TX.

CONVEYANCE:

Substitute Trustee, subject to any prior liens and other exceptions to conveyance and warranty contained in the Deed of Trust, and for the Purchase Price as consideration, grants, sells, and conveys the Property to Grantee, "AS IS," together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's successors and assigns forever. Substitute Trustee binds Grantor and Grantor's heirs and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the prior liens and other exceptions to conveyance and warranty in the Deed of Trust.

[SIGNATURE PAGE FOLLOWS]

WITNESS MY HAND this 13th day of March, 2023.

Cassie Martin

~~Troy Martin, Deborah Martin, Alexis Martin, Cassie~~
~~Martin, Terri Martin, Deanna Ray, Shelby Martin,~~
~~Martha Rossington, T. Reynolds Rossington, Kevin Key~~
~~or Jay Jacobs~~
c/o Munsch Hardt Kopf & Harr, P.C.
500 North Akard Street, Suite 3800
Dallas, Texas 75201
Attn: Macy D. Smith

STATE OF TEXAS §
 §
COUNTY OF Comal §

I, the undersigned Notary Public, do hereby certify that Troy Martin, Deborah Martin, Alexis Martin, Cassie Martin, Terri Martin, Deanna Ray, Shelby Martin, Martha Rossington, T. Reynolds Rossington, Kevin Key or Jay Jacobs personally appeared before me this day and acknowledged that he/she is the Substitute Trustee duly appointed by Beneficiary, and that by authority duly given, he/she executed the foregoing instrument in the above mentioned capacity, for the purposes and consideration set forth therein.

WITNESS my hand and official seal this the 13th day of March, 2023.

Lucas Ewing Belan

Notary Public, State of Texas
Commission Expires: 11/08/2024
Printed Name: Lucas Ewing Belan

Exhibit A: Real Property Description

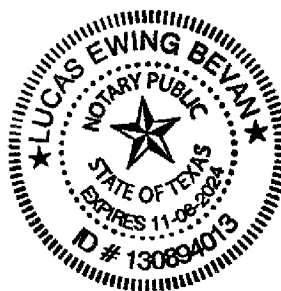


EXHIBIT A

REAL PROPERTY DESCRIPTION

A 344.6 acre tract of land, out of the David Bradbury Survey No. 214, Abstract 33, Kendall County, Texas and the David Bradbury Survey No. 214, Abstract 989, Comal County, Texas and being all of a called 344.979 acre tract of land as conveyed to R.W. Pfeiffer Properties, L.L.C., of record in Volume 1190 Page 114 of the Official Records of Kendall County, Texas. Said 344.6 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at a found ½" iron rod in the apparent east right-of-way line of Ammann Road, no record found, at the southwest corner of a called 131.013 acre tract as described in Volume 113 Page 834 of the Deed Records of Kendall County, Texas, for the northwest corner of said 344.979 acre tract and the tract described herein;

THENCE: S 88° 15' 20" E, with the common line between said 131.013 acre tract and said 344.979 acre tract, a distance of 3926.35 feet to a found 4" pipe fence post at the southeast corner of said 131.013 acre tract, in the west line of a called 140.452 acre tract of land as described in Volume 113 Page 836 of the Deed Records of Kendall County, Texas, in the west line of a called 114.9 acre tract of land as described in Volume 1195 Page 423 of the Official Records of Kendall County, Texas, for the northeast corner of said 344.979 acre tract and the tract described herein;

THENCE: S 02° 11' 22" E, with the common line between said 114.9 acre tract and the 344.979 acre tract, at 637.60 feet a found ½" iron rod for the southwest corner of said 114.9 acre tract, and continuing with the common line between said 140.452 acre tract and said 344.979 acre tract, a total distance of 3820.91 feet to a found ½" iron rod in the apparent north right-of-way line of Ammann Road, no record found, at the southwest corner of said 140.452 acre tract, at the southeast corner of said 344.979 acre tract and for the southeast corner of the tract described herein;

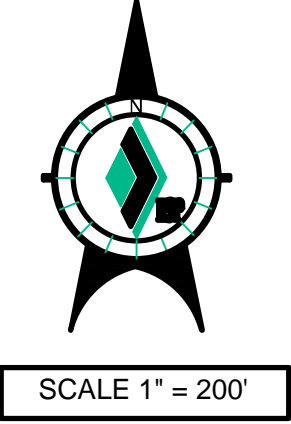
THENCE: With the apparent north and east right-of-way lines of Ammann Road, and the south and west lines of said 344.979 acre tract, the following ten (10) courses:

1. S 78° 03' 34" W, a distance of 7.45 feet to a found ½" iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
2. N 88° 26' 20" W, a distance of 522.50 feet to a found ½" iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
3. N 88° 06' 20" W, a distance of 318.70 feet to a found ½" iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
4. N 87° 19' 20" W, a distance of 923.90 feet to a found ½" iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
5. N 89° 33' 20" W, a distance of 727.10 feet to a found ½" iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
6. S 89° 45' 40" W, a distance of 830.80 feet to a found ½" iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
7. S 89° 42' 40" W, a distance of 587.60 feet to a found ½" iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
8. N 44° 35' 20" W, a distance of 20.60 feet to a found ½" iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
9. N 01° 59' 20" W, a distance of 1933.70 feet to a found ½" iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein, and
10. N 02° 09' 20" W, a distance of 1926.20 feet to the POINT OF BEGINNING and containing 344.6 acres of land, more or less situated in both Kendall & Comal County, Texas.

FORECLOSURE SALE DEED - BOERNE RANCH ESTATES, LLC

POST OAK SUBDIVISION

POST OAK SUBDIVISION PHASING AND LOT COUNTS	
PHASE	NUMBER
1	72
2	71
3	72
4	63
TOTAL	278



ESP Associates, Inc.
12940 Country Pkwy
San Antonio, TX 78216
(210) 349-3271
TBPE FIRM #17252
www.espassociates.com
DECEMBER 12, 2024

Upon annexation of the area identified in the attached Exhibit A, the City of Fair Oaks Ranch will provide City services utilizing methods by which it extends services to any other equivalent area of the City.

SERVICES TO BE PROVIDED ON THE EFFECTIVE DATE OF ANNEXATION

1. **Police Protection**

The City of Fair Oaks Ranch, Texas and its Police Department will provide police protection to newly annexed areas at the same or similar level of service now being provided to other areas of the City with like topography, land use and population density as those found within the newly annexed areas. The Police Department will have the responsibility to respond to all dispatched calls for service or assistance within the newly annexed areas.

2. **Solid Waste Collection**

Solid waste collection services will be provided to the annexed areas through the City's existing facilities or through franchise agreements with private services at the same or similar level of service now being provided to other areas of the City with like topography, land use and density as those found within the newly annexed areas. Customers in the annexed area may elect to continue using a private solid waste management service provider for a period of two years after the effective date of annexation.

3. **Maintenance of Roads and Streets**

The City will provide for maintenance of public streets and alleys that have been dedicated or will be dedicated and accepted by the City in the future. Any private roads will remain under the ownership of the property owner.

4. **Other Services**

The City of Fair Oaks Ranch, Texas finds and determines that other municipal services will be made available after the effective date of annexation at the same or similar level of service now being provided to other areas of the City with similar topography, land use and density as those found within the newly annexed areas.

LEVEL OF SERVICE

Nothing in this agreement shall require the City to provide a uniform level of full municipal services to each area of the City, including the annexed area, if different characteristics of topography, land use, and population density are considered a sufficient basis for providing different levels of service.

Agreed to on this the _____ day of _____, 2024 by the following parties subject to acceptance by the City Council of the City of Fair Oaks Ranch.

City of Fair Oaks Ranch:

Property Owner:

Attest:

City Secretary

DRAFT

EXHIBIT "A"
Survey of Property / Legal Description

DRAFT

APPLICABLE MUNICIPAL ORDINANCES

The municipal ordinances applicable to this annexation are the subject of ongoing negotiations between the Annexation Applicant and the City of Fair Oaks Ranch. Once confirmed, the applicable municipal ordinances will be included in future agreements concerning the Subject Property.

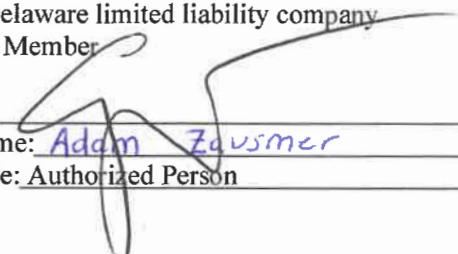
Acknowledgement

December 12, 2024

BRMK BOERNE RANCH, LLC acknowledges that the sign shall be posted by the City on the property fifteen days prior to the public hearing will be maintained until the zone change is heard at the public hearing.

BRMK BOERNE RANCH, LLC,
a Washington limited liability company

By: BRMK MANAGEMENT SPE JP, LLC
a Delaware limited liability company
Its: Member

By: 
Name: Adam Zausmer
Title: Authorized Person

Old Republic National Title Insurance Company
400 Second Avenue South
Minneapolis, MN 55401



Commitment For Title Insurance

Issued through the Office of:

Corridor Title LLC

171 Benney Ln

Dripping Springs, TX 78620

Phone: 512-894-0187



COMMITMENT FOR TITLE INSURANCE
Issued by
OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

THE FOLLOWING COMMITMENT FOR TITLE INSURANCE IS NOT VALID UNLESS YOUR NAME AND THE POLICY AMOUNT ARE SHOWN IN SCHEDULE A, AND OUR AUTHORIZED REPRESENTATIVE HAS COUNTERSIGNED BELOW.

We (Old Republic National Title Insurance Company) will issue our title insurance policy or policies (the Policy) to You (the proposed insured) upon payment of the premium and other charges due, and compliance with the requirements in Schedule B and Schedule C. Our Policy will be in the form approved by the Texas Department of Insurance at the date of issuance, and will insure your interest in the land described in Schedule A. The estimated premium for our Policy and applicable endorsements is shown on Schedule D. There may be additional charges such as recording fees, and expedited delivery expenses.

This Commitment ends ninety (90) days from the effective date, unless the Policy is issued sooner, or failure to issue the Policy is our fault. Our liability and obligations to you are under the express terms of this Commitment and end when this Commitment expires.

Issued through the Office of: CORRIDOR TITLE LLC

Gina Kuford

 Authorized Signatory

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY
 A Stock Company
 400 Second Avenue South, Minneapolis, Minnesota 55401
 (612) 371-1111

By



President

Attest

D. J. Wald

Secretary

COMMITMENT FOR TITLE INSURANCE T-7

ISSUED BY

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

SCHEDULE A

Effective Date: **February 25, 2024, 8:00 am**GF No. **23-2853-CH**Commitment No. _____, issued **March 1, 2024, 8:00 am**

1. The policy or policies to be issued are:

- a. OWNER'S POLICY OF TITLE INSURANCE (Form T-1)
(Not applicable for improved one-to-four family residential real estate)
Policy Amount: **\$23,250,000.00**
PROPOSED INSURED: **Weekley Homes, LLC, Delaware limited liability company**
- b. TEXAS RESIDENTIAL OWNER'S POLICY OF TITLE INSURANCE
ONE-TO-FOUR FAMILY RESIDENCES (Form T-1R)
Policy Amount:
PROPOSED INSURED:
- c. LOAN POLICY OF TITLE INSURANCE (Form T-2)
Policy Amount:
PROPOSED INSURED:
Proposed Borrower:
- d. TEXAS SHORT FORM RESIDENTIAL LOAN POLICY OF TITLE INSURANCE (Form T-2R)
Policy Amount:
PROPOSED INSURED:
Proposed Borrower:
- e. LOAN TITLE POLICY BINDER ON INTERIM CONSTRUCTION LOAN (Form T-13)
Binder Amount:
PROPOSED INSURED:
Proposed Borrower:
- f. OTHER
Policy Amount:
PROPOSED INSURED:

2. The interest in the land covered by this Commitment is: **Fee Simple**3. Record title to the land on the Effective Date appears to be vested in:
BRMK Boerne Ranch LLC, a Washington limited liability company

Continuation of Schedule A

GF No. **23-2853-CH**

4. Legal description of land:

Being a 344.6 acre tract of land, more or less, out of the David Bradbury Survey No. 214, Abstract 33, Kendall County, Texas and the David Bradbury Survey No. 214, Abstract 989, Comal County, Texas and being all of a called 344.6 acre tract of land as described of record in Document No. 2023-378661 of the Official Records of Kendall County, Texas, and in Document No. 202306009264, corrected in 202306009477, of the Official Public Records of Comal County, Texas. Said 344.6 acre tract being more particularly described by metes and bounds in Exhibit "A" attached hereto.

NOTE: The company is prohibited from insuring the area or quantity of the land described herein. Any statement in the legal description contained in Schedule "A" as to area or quantity of land is not a representation that such area or quantity is correct, but is made only for informal identification purposes and does not override Item 2 of Schedule "B" hereof.

SCHEDULE B

EXCEPTIONS FROM COVERAGE

In addition to the Exclusions and Conditions and Stipulations, your Policy will not cover loss, costs, attorney's fees, and expenses resulting from:

1. The following restrictive covenants of record itemized below (We must either insert specific recording data or delete this exception):

DELETED

2. Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements.
3. Homestead or community property or survivorship rights, if any of any spouse of any insured. (Applies to the Owner's Policy only.)
4. Any titles or rights asserted by anyone, including, but not limited to, persons, the public, corporations, governments or other entities,
 - a. to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs or oceans, or
 - b. to lands beyond the line of the harbor or bulkhead lines as established or changed by any government, or
 - c. to filled-in lands, or artificial islands, or
 - d. to statutory water rights, including riparian rights, or
 - e. to the area extending from the line of mean low tide to the line of vegetation, or the rights of access to that area or easement along and across that area.
 (Applies to the Owner's Policy only.)
5. Standby fees, taxes and assessments by any taxing authority for the year **2024**, and subsequent years; and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership, but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, Texas Tax Code, or because of improvements not assessed for a previous tax year. (If Texas Short Form Residential Loan Policy of Title Insurance (T-2R) is issued, that policy will substitute "which become due and payable subsequent to Date of Policy" in lieu of "for the year _____ and subsequent years.")
6. The terms and conditions of the documents creating your interest in the land.
7. Materials furnished or labor performed in connection with planned construction before signing and delivering the lien document described in Schedule A, if the land is part of the homestead of the owner. (Applies to the Loan Title Policy Binder on Interim Construction Loan only, and may be deleted if satisfactory evidence is furnished to us before a binder is issued.)
8. Liens and leases that affect the title to the land, but that are subordinate to the lien of the insured mortgage. (Applies to Loan Policy (T-2) only.)
9. The Exceptions from Coverage and Express Insurance in Schedule B of the Texas Short Form Residential Loan Policy of Title Insurance (T-2R). (Applies to Texas Short Form Residential Loan Policy of Title Insurance (T-2R) only.) Separate exceptions 1 through 8 of this Schedule B do not apply to the Texas Short Form Residential Loan Policy of Title Insurance (T-2R).
10. The following matters and all terms of the documents creating or offering evidence of the matters (We must insert matters or delete this exception.):

Continuation of Schedule B

GF No. 23-2853-CH

- a. **Rights of parties in possession. (Owner's Policy Only)** This exception may be deleted at the request of the proposed insured, upon a physical inspection by the Title Company and payment of its reasonable and actual costs thereof.
- b. **All leases, grants, exceptions or reservations of coal, lignite, oil, gas and other minerals, together with all rights, privileges and immunities relating thereto, appearing in the Public Records whether listed in Schedule B or not.** There may be leases, grants, exceptions or reservations of mineral interest that are not listed.
- c. **Intentionally deleted.**
- d. **Rights of tenants in possession under unrecorded leases or rental agreements.**
- e. **All conveyances, contracts, deeds, reservations, exceptions, limitations, leases, and similar interests in or to any geothermal energy and associated resources below the surface of land, together with all rights, privileges, and immunities relating thereto, appearing in the Public Records whether listed in Schedule B or not, all as provided by Section 2703.056 (a) of the Texas Insurance Code.**
- f. **Intentionally deleted.**
- g. **Easement executed by Russell W. Pfeiffer, to Guadalupe-Blanco River Authority, a conservation, dated July 21, 2004, recorded in Document No. [200406034412](#), of the Official Records of Comal County, Texas, and in [Volume 880, Page 51](#), of the Official Records of Kendall County, Texas.**
- h. **Easement executed by R. W. Pfeiffer Properties, L.L.C., a Texas limited liability company, to Pedernales Electric Cooperative, Inc., dated March 2, 2015, recorded in [Volume 1463, Page 269](#), of the Official Public Records of Kendall County, Texas.**
- i. **Terms, conditions, and stipulations in that certain The Reserve at Fair Oaks Ranch Development Agreement, by and between the City of Fair Oaks Ranch, a Texas General Law Type A city and R.W. Pfeiffer Properties, LLC, a Texas limited liability company and/or assigns, as recorded in Document No. [201406011766](#), of the Official Public Records of Comal County, Texas, and in [Volume 1411, Page 587](#), of the Official Public Records of Kendall County, Texas.**
- j. **Terms, conditions, and stipulations in that certain Comprehensive Settlement and Release Agreement, by and between the City of Fair Oaks Ranch and R.W. Pfeiffer Properties, LLC, filed in Cause No. 2016-CI-05444, in the District Court of Bexar County, Texas, and as recorded in Document No. [2021-360011](#), of the Official Public Records of Kendall County, Texas.**
- k. **Subject property lies within the boundaries of Cow Creek Groundwater District.**

SCHEDULE C

Your Policy will not cover loss, costs, attorneys' fees, and expenses resulting from the following requirements that will appear as Exceptions in Schedule B of the Policy, unless you dispose of these matters to our satisfaction, before the date the Policy is issued:

1. Documents creating your title or interest must be approved by us and must be signed, notarized and filed for record.
2. Satisfactory evidence must be provided that:
 - a. no person occupying the land claims any interest in that land against the persons named in paragraph 3 of Schedule A,
 - b. all standby fees, taxes, assessments and charges against the property have been paid,
 - c. all improvements or repairs to the property are completed and accepted by the owner, and that all contractors, sub-contractors, laborers and suppliers have been fully paid, and that no mechanic's, laborer's or materialmen's liens have attached to the property,
 - d. there is legal right of access to and from the land,
 - e. (on a Loan Policy only) restrictions have not been and will not be violated that affect the validity and priority of the insured mortgage.
3. You must pay the seller or borrower the agreed amount for your property or interest.
4. Any defect, lien or other matter that may affect title to the land or interest insured, that arises or is filed after the effective date of this Commitment.
5. **Deed of Trust dated October 6, 2023, recorded in Document No. [202306032229](#), of the Official Public Records of Comal County, Texas, and in Document No. [2023-383980](#), of the Official Public Records of Kendall County, Texas, executed by BRMK Boerne Ranch LLC, a Washington limited liability company to First American Title Insurance Company, Trustee(s), securing the payment of one note of even date therewith in the sum of \$22,275,000.00, payable to BRMK MANAGEMENT SPE JP, LLC, A DELAWARE LIMITED LIABILITY COMPANY.**

REQUIRE Full release of lien.

6. Intentionally deleted.
7. **This is a preliminary commitment only, and is subject to review and approval from Regional Underwriting. Upon receipt of same, additional requirements and/or exceptions may be made.**
8. **Subject property lies within the boundaries of Cow Creek Goundwater District and may be subject to taxes or special assessments as provided by law. Notice of inclusion of subject property in said district must be given, executed by buyer and seller, and must be filed of record.**
9. **We must be furnished with a properly executed Affidavit of Debts and Liens, executed by the record owner and/or seller.**
10. **We must be furnished with a properly executed Waiver of Inspection executed by the Purchaser(s).**
11. **This file must be updated prior to closing.**

Continuation of Schedule C

GF No. 23-2853-CH

12. If a durable power of attorney is to be used in this transaction:

1. Company requires an original power of attorney be provided that is suitable for filing of record, as required by Section 751.151 of the Texas Estates Code.

2. The Agent under the Durable Power of Attorney shall provide an executed Certification of Durable Power of Attorney in a form acceptable to the underwriter.

3. All documents in this transaction to be filed of record, including but not limited to any durable power of attorney used in this transaction, must wholly be in the English language, as required by Texas Property Code Section 11.002(a), in order to be filed in the real property records. If not wholly in the English language, company requires and requests a sworn English translation as described in Section 11.002, subparagraphs (b) or (c), of the Texas Property Code, suitable for filing of record.

13. FOR INFORMATIONAL PURPOSES ONLY: The following conveyances involving the subject property were recorded within the last 24 months (or, if none, the most recent conveyance): Last conveyance found in Foreclosure Sale Deed recorded in Document No. [202306009264](#), corrected in [202306009477](#), of the Official Public Records of Comal County, Texas, and in Document No. [2023-378661](#), of the Official Public Records of Kendall County, Texas.

14. Company requires submission of following documentation to determine who has authority to act on behalf of BRMK Boerne Ranch, LLC.

1. a true and correct copies of the governing documents (including certificate of formation and company agreement), together with all amendments thereto,

2. Documentation from the Secretary of State/Texas Comptroller evidencing that the limited liability company is in lawful existence or, if a foreign limited liability company, that the limited liability company is qualified to do business in the state of Texas and evidencing that the limited liability company is in good standing,

3. if specific power of sale/mortgage is not specifically granted, Company will require consent of the governing authority provided in the certificate of formation and company agreement which authorize the subject transaction and designates, by name and office held, an authorized representative of the limited liability company to execute the closing documents on behalf of the limited liability company.

4. In addition, if the LLC is a foreign limited liability company, obtain a Certificate of Status and Certificate of Good Standing from the appropriate governmental agencies of the state in which the limited liability company was created.

15. Company requires submission of following documentation to determine who has authority to act on behalf of Weekley Homes, LLC.

1. a true and correct copies of the governing documents (including certificate of formation and company agreement), together with all amendments thereto,

2. Documentation from the Secretary of State/Texas Comptroller evidencing that the limited liability company is in lawful existence or, if a foreign limited liability company, that the limited liability company is qualified to do business in the state of Texas and evidencing that the limited liability company is in good standing,

3. if specific power of sale/mortgage is not specifically granted, Company will require consent of the governing authority provided in the certificate of formation and company agreement which

Continuation of Schedule C

GF No. **23-2853-CH**

authorize the subject transaction and designates, by name and office held, an authorized representative of the limited liability company to execute the closing documents on behalf of the limited liability company.

4. In addition, if the LLC is a foreign limited liability company, obtain a Certificate of Status and Certificate of Good Standing from the appropriate governmental agencies of the state in which the limited liability company was created.

16. **FOR INFORMATIONAL PURPOSES ONLY:** The Texas Department of Insurance Rules and Regulations do not provide for survey exception (B-2) modification on Commitments; however, an acceptable survey dated February 1, 2024, prepared by Kyle L. Pressler, Registered Professional Land Surveyor No. 6528, has been received and the Company will amend said exception to read "Shortages in Area" in the proposed Policy(ies) upon payment of all expenses in connection with the survey and any applicable premium, subject to no contradictory information being received prior to closing.

COMMITMENT FOR TITLE INSURANCE

SCHEDULE D

GF No. 23-2853-CH

Effective Date: February 25, 2024, 8:00 am

Pursuant to the requirements of Rule P-21, Basic Manual of Rules, Rates and Forms for the writing of Title Insurance in the State of Texas, the following disclosures are made:

1. The following individuals are directors and/or officers, as indicated, of the Title Insurance Company issuing this Commitment

DIRECTORS OF OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

CRAIG R. SMIDDY	JOHN M. DIXON	STEVE R. WALKER
MICHAEL D. KENNEDY	CHARLES J. KOVALESKI	LISA J. CALDWELL
JOHN ERIC SMITH	GLENN W. REED	FREDERICKA TAUBITZ
STEVEN J. BATEMAN	BARBARA ADACHI	SPENCER LEROY, III
PETER B. MCNITT		

OFFICERS OF OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

CAROLYN J. MONROE, President & CEO	CHRIS G. LIESER, Executive Vice President & CFO
CURTIS J. HOFFMAN, Executive Vice President	MARK M. BUDZINSKI, Executive Vice President
DANA C. SOLMS, Executive Vice President	BENEDICT CORBETT, Vice President & Treasurer
DANIEL M. WOLD, Executive Vice President, Secretary	IVY ANDERSON, Executive Vice President

Shareholders owning, controlling or holding, directly or indirectly, ten percent (10%) or more of the shares of Old Republic National Title Insurance Company: Old Republic Title Insurance Companies, Inc.-100%, a wholly owned subsidiary of Old Republic National Title Holding Company, a wholly owned subsidiary of Old Republic Title Insurance Group, Inc., a wholly owned subsidiary of Old Republic International Corporation.

2. The following disclosures are made by the Title Insurance Agent issuing this Commitment: CORRIDOR TITLE, LLC

- a. The names of each shareholder, owner, partner or other person having, owning or controlling one percent (1%) or more of the Title Insurance Agent that will receive a portion of the premium are as follows:

Patrick M. Rose

- b. Each shareholder, owner, partner or other person having, owning or controlling ten percent (10%) or more of an entity that has, owns, or controls one percent (1%) or more of the Title Insurance Agent that will receive a portion of the premium are as follows: None.

- c. The following persons are managers and officers of the Title Insurance Agent:

MANAGERS

Patrick M. Rose

OFFICERS

Patrick M. Rose, President
Jayne Heckmann, CFO

3. You are entitled to receive advance disclosure of settlement charges in connection with the proposed transaction to which this commitment relates. Upon your request, such disclosure will be made to you. Additionally, the name of any person, firm or corporation receiving a portion of the premium from the settlement of this transaction will be

Continuation of Schedule D

GF No. **23-2853-CH**

disclosed on the closing or settlement statement.

You are further advised that the estimated title premium* is:

Owner's Policy	\$79,550.00
Loan Policy	\$0.00
Endorsement Charges	\$0.00
Other	\$0.00
Total	\$79,550.00

Of this total amount: 15% will be paid to the policy issuing Title Insurance Company; 85% will be retained by the issuing Title Insurance Agent; and the remainder of the estimated premium will be paid to other parties as follows:

<u>Amount</u>	<u>To Whom</u>	<u>For Services</u>
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"The estimated premium is based upon information furnished to us as of the date of this Commitment for Title Insurance. Final determination of the amount of the premium will be made at closing in accordance with the Rules and Regulations adopted by the Commissioner of Insurance."

DELETION OF ARBITRATION PROVISION

(Not applicable to the Texas Residential Owner's Policy)

ARBITRATION is a common form of alternative dispute resolution. It can be a quicker and cheaper means to settle a dispute with your Title Insurance Company. However, if you agree to arbitrate, you give up your right to take the Title Insurance Company to court and your rights to discovery of evidence may be limited in the arbitration process. In addition, you cannot usually appeal an arbitrator's award.

Your policy contains an arbitration provision (shown below). It allows you or the Company to require arbitration if the amount of insurance is \$2,000,000 or less. If you want to retain your right to sue the Company in case of a dispute over a claim, you must request deletion of the arbitration provision before the policy is issued. You can do this by signing this form and returning it to the Company at or before the closing of your real estate transaction or by writing to the Company.

The arbitration provision in the Policy is as follows:

"Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured, unless the Insured is an individual person (as distinguished from an Entity). All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction."

SIGNATURE

DATE

CONDITIONS AND STIPULATIONS

1. If you have actual knowledge of any matter which may affect the title or mortgage covered by this Commitment, that is not shown in Schedule B, you must notify us in writing. If you do not notify us in writing, our liability to you is ended or reduced to the extent that your failure to notify us affects our liability. If you do notify us, or we learn of such matter, we may amend Schedule B, but we will not be relieved of liability already incurred.
2. Our liability is only to you, and others who are included in the definition of Insured in the Policy to be issued. Our liability is only for actual loss incurred in your reliance on this Commitment to comply with its requirements or to acquire the interest in the land. Our liability is limited to the amount shown in Schedule A of this Commitment and will be subject to the following terms of the Policy: Insuring Provisions, Conditions and Stipulations, Exceptions and Exclusions.

IMPORTANT NOTICE
FOR INFORMATION, OR
TO MAKE A COMPLAINT
CALL OUR TOLL-FREE TELEPHONE NUMBER

1-888-678-1700

ALSO
YOU MAY CONTACT
THE TEXAS DEPARTMENT
OF INSURANCE AT

1-800-252-3439

to obtain information on

1. filing a complaint against an insurance company or agent,
2. whether an insurance company or agent is licensed,
3. complaints received against an insurance company
4. policy holder rights, and
5. a list of consumer publications and services available through the Department.

YOU MAY ALSO WRITE TO
THE TEXAS DEPARTMENT OF INSURANCE
P. O. BOX 149104
AUSTIN, TEXAS 78714-9104
FAX NO. (512) 305-7426

AVISO IMPORTANTE
PARA INFORMACION, O
PARA SOMETER UNA QUEJA
LLAME AL NUMERO GRATIS

1-888-678-1700

TAMBIEN
PUEDE COMUNICARSE CON
EL DEPARTAMENTO DE SEGUROS
DE TEXAS AL

1-800-252-3439

para obtener informacion sobre:

1. como someter una queja en contra de una compania de seguros o agente de seguros,
2. si una compania de seguros o agente de seguros tiene licencia,
3. quejas recibidas en contra de una compania seguros o agente de seguros,
4. los derechos del asegurado, y
5. una lista de publicaciones y servicios para consumidores disponibles a traves del Departamento.

TAMBIEN PUEDE ESCRIBIR AL
DEPARTAMENTO DE SEGUROS DE TEXAS
P. O. BOX 149104
AUSTIN, TEXAS 78714-9104
FAX NO. (512) 305-7426

TEXAS TITLE INSURANCE INFORMATION

<p>Title insurance insures you against loss resulting from certain risks to your title.</p> <p>The Commitment for Title Insurance is the title insurance company's promise to issue the title insurance policy. The Commitment is a legal document. You should review it carefully to completely understand it before your closing date.</p>	<p>El seguro de titulo le asegura en relacion a perdidas resultantes de ciertos riesgos que pueden afectar el titulo de su propiedad.</p> <p>El Compromiso para Seguro de Titulo es la promesa de la compania aseguradora de titulos de emitir la poliza de seguro de titulo. El Compromiso es un documento legal. Usted debe leerlo cuidadosamente y entenderlo completamente antes de la fecha para finalizar su transaccion.</p>
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Your Commitment for Title Insurance is a legal contract between you and us. The Commitment is not an opinion or report of your title. It is a contract to issue you a policy subject to the Commitment's terms and requirements.

Before issuing a Commitment for Title Insurance (the Commitment) or a Title Insurance Policy (the Policy), the Title Insurance Company (the Company) determines whether the title is insurable. This determination has already been made. Part of that determination involves the Company's decision to insure the title except for certain risks that will not be covered by the Policy. Some of these risks are listed in Schedule B of the attached Commitment as Exceptions. Other risks are stated in the Policy as Exclusions. These risks will not be covered by the Policy.

Another part of the determination involves whether the promise to insure is conditioned upon certain requirements being met. Schedule C of the Commitment lists these requirements that must be satisfied or the Company will refuse to cover them. You may want to discuss any matters shown in Schedules B and C of the Commitment with an attorney. These matters will affect your title and your use of the land.

When your Policy is issued, the coverage will be limited by the Policy's Exceptions, Exclusions and Conditions, defined below.

- **EXCEPTIONS** are title risks that a Policy generally covers but does not cover in a particular instance. Exceptions are shown on Schedule B or discussed in Schedule C of the Commitment. They can also be added if you do not comply with the Requirements section of the Commitment. When the Policy is issued, all Exceptions will be on Schedule B of the Policy.

- **EXCLUSIONS** are title risks that a Policy generally does not cover. Exclusions are contained in the Policy but not shown or discussed in the Commitment.

- **CONDITIONS** are additional provisions that qualify or limit your coverage. Conditions include your responsibilities and those of the Company. They are contained in the Policy but not shown or discussed in the Commitment. The Policy Conditions are not the same as the Commitment Conditions.

You can get a copy of the policy form approved by the Texas Department of Insurance by calling the Title Insurance Company at 1-888-678-1170 or by calling the title insurance agent that issued the Commitment. The Texas Department of Insurance may revise the policy form from time to time.


You can also get a brochure that explains the policy from the Texas Department of Insurance by calling 1-800-252-3439.

Before the Policy is issued, you may request changes in the policy. Some of the changes to consider are:

- Request amendment of the "area and boundary" exception (Schedule B, paragraph 2). To get this amendment, you must furnish a survey. On the Owner Policy, you must pay an additional premium for the amendment. If the survey is acceptable to the Company, your Policy will insure you against loss because of discrepancies or conflicts in boundary lines, encroachments or protrusions, or overlapping of improvements. The Company may then decide not to insure against specific boundary or survey problems by making special exceptions in the Policy.

- Allow the Company to add an exception to "rights of parties in possession." If you refuse this exception, the Company or the title insurance agent may inspect the property. The Company may except to and not insure you against the rights of specific persons, such as renters, adverse owners or easement holders who occupy the land. The Company may charge you for the inspection. If you want to make your own inspection, you must sign a Waiver of Inspection form and allow the Company to add this exception to your Policy.

The entire premium for a Policy must be paid when the Policy is issued. You will not owe any additional premiums unless you want to increase your coverage at a later date and the Company agrees to add an Increased Value Endorsement.

 OLD REPUBLIC TITLE	
FACTS	WHAT DOES OLD REPUBLIC TITLE DO WITH YOUR PERSONAL INFORMATION?

Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> • Social Security number and employment information • Mortgage rates and payments and account balances • Checking account information and wire transfer instructions <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Old Republic Title chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Old Republic Title share?	Can you limit this sharing?
For our everyday business purposes — such as to process your transactions, maintain your account(s), or respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes — to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes — information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes — information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For non-affiliates to market to you	No	We don't share

	Go to www.oldrepublictitle.com (Contact Us)
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Who we are

Who is providing this notice?

Companies with an Old Republic Title name and other affiliates. Please see below for a list of affiliates.

What we do

How does Old Republic Title protect my personal information?

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. For more information, visit <https://www.oldrepublictitle.com/privacy-policy>

How does Old Republic Title collect my personal information?

We collect your personal information, for example, when you:

- Give us your contact information or show your driver's license
- Show your government-issued ID or provide your mortgage information
- Make a wire transfer

We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.

Why can't I limit all sharing?

Federal law gives you the right to limit only:

- Sharing for affiliates' everyday business purposes - information about your creditworthiness
- Affiliates from using your information to market to you
- Sharing for non-affiliates to market to you

State laws and individual companies may give you additional rights to limit sharing. See the [State Privacy Rights](https://www.oldrepublictitle.com/privacy-policy) section location at <https://www.oldrepublictitle.com/privacy-policy> for your rights under state law.

Definitions

Affiliates

Companies related by common ownership or control. They can be financial and nonfinancial companies.

Our affiliates include companies with an Old Republic Title name, and financial companies such as Attorneys' Title Fund Services, LLC, Lex Terrae National Title Services, Inc., Mississippi Valley Title Services Company, and The Title Company of North Carolina.

Non-affiliates

Companies not related by common ownership or control. They can be financial and non-financial companies.

Old Republic Title does not share with non-affiliates so they can market to you

Joint marketing

A formal agreement between non-affiliated financial companies that together market financial products or services to you.

Old Republic Title doesn't jointly market.

Affiliates Who May be Delivering This Notice				
American First Title & Trust Company	American Guaranty Title Insurance Company	Attorneys' Title Fund Services, LLC	Compass Abstract, Inc.	eRecording Partners Network, LLC
Genesis Abstract, LLC	Guardian Consumer Services, Inc.	iMarc, Inc.	Kansas City Management Group, LLC	L.T. Service Corp.
Lenders Inspection Company	Lex Terrae National Title Services, Inc.	Lex Terrae, Ltd.	Mississippi Valley Title Services Company	National Title Agent's Services Company
Old Republic Branch Information Services, Inc.	Old Republic Diversified Services, Inc.	Old Republic Escrow of Vancouver, Inc.	Old Republic Exchange Company	Old Republic National Ancillary Services, Inc.
Old Republic National Commercial Title Services, Inc.	Old Republic Title and Escrow of Hawaii, Ltd.	Old Republic National Title Insurance Company	Old Republic Title Company	Old Republic Title Companies, Inc.
Old Republic Title Company of Conroe	Old Republic Title Company of Indiana	Old Republic Title Company of Nevada	Old Republic Title Company of Oklahoma	Old Republic Title Company of Oregon
Old Republic Title Company of St. Louis	Old Republic Title Company of Tennessee	Old Republic Title Information Concepts	Old Republic Title Insurance Agency, Inc.	Old Republic Title, Ltd.
RamQuest Software, Inc.	Republic Abstract & Settlement, LLC	Sentry Abstract Company	Surety Title Agency, Inc.	The Title Company of North Carolina
Trident Land Transfer Company, LLC				



Privacy Policy Notice

Title V of the Gramm-Leach-Bliley Act (GLBA) generally prohibits any financial institution, directly or through its affiliates, from sharing nonpublic personal information about you with a nonaffiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of persons or entities to whom it may be disclosed. In compliance with the GLBA, we are providing you with this document, which notifies you of the privacy policies and practices of Corridor Title Company.

We may collect nonpublic personal information about you from the following sources:

- Information we receive from you such as on applications or other forms.
- Information about your transactions we secure from our files, or from others.
- Information we receive from a consumer reporting agency.
- Information that we receive from others involved in your transaction, such as the real estate agent or lender.

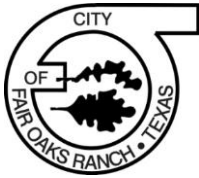
Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional nonpublic personal information will be collected about you. We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to nonaffiliated third parties as permitted by law.

We also may disclose this information about our customers or former customers to the following types of nonaffiliated companies that perform services on our behalf or with whom we have joint marketing agreements:

- Financial service providers such as companies engaged in banking, consumer finance, securities and insurance.
- Non-financial companies such as envelope stuffers and other fulfillment service providers.

WE DO NOT DISCLOSE ANY NONPUBLIC PERSONAL INFORMATION ABOUT YOU WITH ANYONE FOR ANY PURPOSE THAT IS NOT SPECIFICALLY PERMITTED BY LAW.

We restrict access to non-public personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your personal information.



CITY COUNCIL CONSIDERATION ITEM

CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Consideration and possible action approving a resolution accepting a petition for annexation from BRMK Boerne Ranch, LLC; authorizing the City Manager to negotiate a written services agreement with the petitioner; and setting a public hearing date for said annexation

DATE: May 20, 2025

DEPARTMENT: Administration

PRESENTED BY: Scott M. Huizenga, ICMA-CM, City Manager
T. Daniel Santee, City Attorney

INTRODUCTION/BACKGROUND:

On December 12, 2024, the City of Fair Oaks Ranch received a voluntary annexation petition from BRMK Boerne Ranch, LLC. The petition requests the annexation of 344.6 acres of undeveloped land located within the City's extraterritorial jurisdiction (ETJ). The property is situated along Ammann Road to the south and west. Staff reviewed the petition and have deemed it complete. The petition is included as **Exhibit A** of the resolution.

Texas Local Government Code, Chapter 43 Municipal Annexation, Subchapter C-3 provides for annexation of area on request by owners. Section 43.0672 states

WRITTEN AGREEMENT REGARDING SERVICES.

- a) The governing body of the municipality that elects to annex an area under this subchapter must first negotiate and enter into a written agreement with the owners of land in the area for the provision of services in the area.
- b) The agreement must include:
 - 1. a list of each service the municipality will provide on the effective date of the annexation; and
 - 2. a schedule that includes the period within which the municipality will provide each service that is not provided on the effective date of the annexation.
- c) The municipality is not required to provide a service that is not included in the agreement.

Section 43.0673 states:

PUBLIC HEARING.

- a) Before a municipality may adopt an ordinance to annex an area under this subchapter, the governing body of the municipality must conduct one public hearing.
- b) During the public hearing, the governing body:

1. must provide persons interested in the annexation with the opportunity to be heard; and
 2. may adopt an ordinance annexing the area.
- c) The municipality must post notice of the hearing on the municipality's Internet website if the municipality has an Internet website and publish notice of the hearing in a newspaper of general circulation in the municipality and in the area proposed for annexation. The notice for the hearing must be:
1. published at least once on or after the 20th day but before the 10th day before the date of the hearing; and
 2. posted on the municipality's Internet website on or after the 20th day but before the 10th day before the date of the hearing and must remain posted until the date of the hearing.

This voluntary annexation petition is related to an anticipated residential development to be known as Post Oak Subdivision. A concept of the development can be found in the petition under item G.

After the City Council's approval of a resolution accepting the annexation petition, authorizing the City Manager to negotiate a service plan agreement, and setting a public hearing for June 19, 2025, staff will prepare and present to the City Council at a series of annexation-related documents for Council consideration, including:

- Service plan agreement
- Annexation ordinance
- Future Land Use Map amendment and Zone Designation ordinances

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

1. Complies with Texas Local Government Code Chapter 43 Municipal Annexation, Subchapter C-3 Annexation of area on request by owners, Section 43.0671-43.0673.
2. Complies with the City's Unified Development Code Chapter 2 Review Authority and Procedures, Chapter 3 Applications and Permits
3. Supports Strategic Action Plan Pillar 2 Responsible Growth Management.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

None

LEGAL ANALYSIS:

Approved as to form.

RECOMMENDATION/PROPOSED MOTION:

I move to approve a resolution accepting the petition for annexation from BRMK Boerne Ranch, LLC, authorizing the City Manager to negotiate a services agreement, and setting June 19, 2025 as the public hearing date for said annexation.

A RESOLUTION

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS
ACCEPTING A PETITION FOR ANNEXATION FROM BRMK BOERNE RANCH, LLC;
AUTHORIZING THE CITY MANAGER TO NEGOTIATE A WRITTEN SERVICES
AGREEMENT WITH THE PETITIONER; AND SETTING A PUBLIC HEARING DATE FOR
SAID ANNEXATION**

WHEREAS, on December 12, 2024, the City of Fair Oaks Ranch received an annexation petition from BRMK Boerne Ranch, LLC, and

WHEREAS, the applicant has submitted the request for annexation on behalf of the property owner, and

WHEREAS, the requested annexation includes 344.6 acres of undeveloped land in the City's extraterritorial jurisdiction (ETJ), situated along Ammann Road to the south and west, and

WHEREAS, the staff has deemed the petition complete, and

WHEREAS, Texas Local Government Code Section Chapter 43, Subchapter C-3 Section 43.0672 requires the City Council, prior to adopting an ordinance to annex the area, to negotiate and enter into a written services agreement with the owners of the land in the proposed annexation area for the provision of municipal services, and

WHEREAS, Texas Local Government Code Section Chapter 43, Subchapter C-3 Section 43.0673 requires the City Council, prior to adopting an ordinance to annex the area, to conduct one public hearing to provide persons interested in the annexation with the opportunity to be heard.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS:

- Section 1.** That the City Council accepts the petition for annexation from BRMK Boerne Ranch, LLC as attached (**Exhibit A**), authorizes the City Manager to negotiate an annexation services agreement with the petitioner, and sets June 19, 2025, as the public hearing date for said annexation petition.
- Section 2.** That the recitals contained in the preamble hereto are hereby found to be true and such recitals are hereby made a part of this resolution for all purposes and are adopted as a part of the judgment and findings of the City Council.
- Section 3.** If any provision of this resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this resolution would have been enacted without such invalid provision.
- Section 4.** That it is officially found, determined, and declared that the meeting at which this resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this

resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

- Section 5.** All resolutions or parts thereof, which are in conflict or inconsistent with any provision of this resolution are hereby repealed to the extent of such conflict, and the provision of this resolution shall be and remain controlling as to the matters resolved herein.
- Section 6.** This resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.
- Section 7.** This resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED, APPROVED, and ADOPTED on this 20th day of May 2025.

Gregory C. Maxton, Mayor

ATTEST:

APPROVED AS TO FORM:

Christina Picioccio, TRMC
City Secretary

Denton Navarro Rodriguez Bernal Santee & Zech
P.C., City Attorney



BROWN & MCDONALD
ATTORNEYS AT LAW

December 12, 2024

City of Fair Oaks Ranch
City Manager
Scott Huizenga
7286 Dietz Elkhorn
Fair Oaks Ranch, TX 78015

Re: Voluntary Annexation Application for the +/- 344.6 Acres of Property Bordered by Ammann Road on the South and West and Within the Extraterritorial Jurisdiction of Fair Oaks Ranch, Texas (the “**Subject Property**”); *Our File No. 1000.043*

Dear Mr. Huizenga:

On behalf of the Property Owner, please accept this Letter of Intent (*see Exhibit “A”*) for voluntary annexation of the +/- 344.6 acres of property bordered by Ammann Road on the South and West in the Extraterritorial Jurisdiction of Fair Oaks Ranch, Texas. We believe annexation, is the first step in establishing the Post Oak subdivision and corresponding Public Improvement District. Please refer to the Table of Contents for a comprehensive list of exhibits. If you have any questions, please do not hesitate to contact the office at (210) 429-7901.

Sincerely,

BROWN & MCDONALD PLLC

BY: Caroline McDonald

Annexation Table of Contents

Letter of Intent	A
Legal Description/Survey	B
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Applicable Municipal Ordinances	I
Sign Acknowledgement	J
Title Commitment	K
Tax Certificate	L



BROWN & MCDONALD
ATTORNEYS AT LAW

December 12, 2024

City of Fair Oaks Ranch
City Manager
Scott Huizenga
7286 Dietz Elkhorn
Fair Oaks Ranch, TX78015

Re: Letter of Intent for Voluntary Annexation to the City of Fair Oaks Ranch of 344.6 Acres of Property Bordered by Ammann Road on the South and West, Within the Extraterritorial Jurisdiction of Fair Oaks Ranch, Texas (the “**Subject Property**”) Pursuant to Section 43.0671 of the Texas Local Government Code and The City Charter of the City of Fair Oaks Ranch

Dear Mr. Huizenga:

The undersigned, being the owner (hereinafter, the “**Property Owner**”), in fee simple of 344.6 acres of land (more fully described in **Exhibit “B,”** in the attached survey map and metes and bounds description) located in the Extraterritorial Jurisdiction (“**ETJ**”) of Fair Oaks Ranch, Texas, submits this Letter of Intent (“**LOI**”) by its representative’s signature below, to the City of Fair Oaks Ranch (“**City**”), for the full purpose expressing its intent to request voluntary annexation of the Subject Property, into the City’s corporate limits, in accordance with the provisions of the City Charter and Sections 43.0671-43.0673 of the Texas Local Government Code (“**LGC**”) (see **Exhibit “C**” for Annexation Application; see **Exhibit “D**” for Signature Authority; see **Exhibit “E**” for Maps of Subject Property; see **Exhibit “F**” for Deed).

Specifically, the Property Owner submits this LOI, pursuant to Section 43.0671 of the LGC, whereby the City (a “Tier 2 Municipality”) has the authority to annex an area if each owner of land in the area requests annexation. The Property Owner is the sole owner of the Subject Property and requests the City’s annexation of the Subject Property, in accordance with Section 43.0671 of the LGC. Additionally, the Subject Property meets the statutory requirements for full purpose annexation, by the City, as it: (1) is within the City’s extraterritorial jurisdiction; and (2) is adjacent and contiguous to the City’s corporate limits.

The Property is currently undeveloped and generally located north of Ammann Road and bordered by Ammann Road to the south and west in the Extraterritorial Jurisdiction of Fair Oaks Ranch. The Property Owner intends to develop the Subject Property for the Post Oak single-family residential subdivision (the “**Project**”; see **Exhibit “G**”) including a Public Improvement District. A Zoning and Future Land Use Amendment application has been submitted to the City and upon annexation of the Subject Property (and concurrently therewith), the Property Owner also requests the City (but, such request is not meant to make this LOI in any way contingent or conditional, such being unconditional and absolute but subject to the requirements of Section 43.0671, et seq. of the LGC) to provide the base district zoning of Neighborhood Residential. The requested base district is not compatible with the City’s Future Land Use Plan Map

("FLUM") and therefore a FLUM amendment to Neighborhood Residential has been submitted. The current base district of Rural Residential restricts the minimum lot size to five (5) acres. Rezoning the Subject Property to Neighborhood Residential and amending the land use designation to Neighborhood Residential will allow for the development of the Project.

The Property Owner submits this LOI based on its intent to develop the Subject Property and the Post Oak subdivision and zoning of Neighborhood Residential is required for the development of the Subject Property once it is in the City's full purpose jurisdiction. The proposed development will be approximately 278 single family homes on 1-acre lots. The undeveloped property has an appraised value of \$3,933,480 but once completed will have an estimated appraised value of \$332,000,000. Upon successful annexation and rezoning, the Property Owner expects construction to start in the third quarter of 2025. Construction completion is projected in 2035. All dates are pending City and State approval on all associated permits.

If there is any additional information or documentation that we can provide to assist in your review of this Letter of Intent, please do not hesitate to contact me at (210) 429-7901.

(Signature on following page)

Owner:
 BRMK Boerne Ranch, LLC
 Attention: James Stockhausen
 160 Newport Center Drive, Suite 240
 Newport Beach, CA 92660
 949-333-0328
 James.stockhausen@readycapital.com

With a Copy To:
 Brown & McDonald, PLLC
 Attention: Caroline McDonald
 100 NE Loop 410, Ste 1385
 San Antonio, TX 78216
 (210) 429-7917
 caroline@brownmcdonaldlaw.com

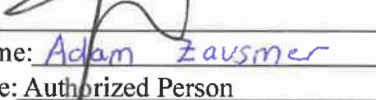
Wherefore, this Petition satisfies all the requirements of the City Charter and the Texas Local Government Code for the full purpose, voluntary annexation of the Subject Property, and the Property Owner respectfully requests that the City annex the Subject Property, as described herein.

Respectfully submitted, this 12 day of Dec, 2024.

BRMK BOERNE RANCH, LLC,
 a Washington limited liability company

By: BRMK MANAGEMENT SPE JP, LLC
 a Delaware limited liability company

Its: Member

By: 
 Name: Adam Zausmer
 Title: Authorized Person

ACKNOWLEDGEMENT

State of New York §

County of New York §

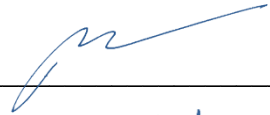
Before me, the undersigned authority, a notary public for the State of New York, on this day personally appeared Adam Zausmer, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledge to me that he executed the same for the purpose and consideration therein expressed.

Given under my hand and seal office, this the 12th day of December, 2024.

INDHIRA P CASTELLO
 Notary Public, State of New York
 Reg. No. 01CA6412071
 Qualified in New York County
 Commission Expires 12-14-2024

BRMK MANAGEMENT SPE JP, LLC**INCUMBENCY CERTIFICATE**

The undersigned, being the manager of BRMK Management SPE JP, LLC, a Delaware limited liability company (the "Company"), hereby certifies that: (a) each of the persons listed below is an authorized person of the Company authorized and empowered with full power and authority to enter into any and all documents, agreements and instruments as he or she deems necessary or advisable on behalf of the Company; (b) the following persons hold the title indicated opposite their respective names; and (c) the signatures appearing opposite the following persons' names are the genuine signatures of such persons, respectively:

Name	Title	Signature
Andrew Ahlborn	Authorized Person	
Thomas Capasse	Authorized Person	
Kenneth Nick	Authorized Person	
Jack Ross	Authorized Person	
Jacqueline Schorr	Authorized Person	
Gary Taylor	Authorized Person	
Adam Zausmer	Authorized Person	

IN WITNESS WHEREOF, the undersigned has executed this Incumbency Certificate this _____ day of Setpember, 2023.

WATERFALL ASSET MANAGEMENT,
LLC


By: 
Name: Kenneth Nick
Title: Authorized Person

Exhibit "B"



, and in Document No. 202306009264, corrected in 202306009477, of the Official Public Records of Comal County, Texas

FIELD NOTES FOR A 344.6 ACRE TRACT OF LAND

A **344.6 acre** tract of land, out of the David Bradbury Survey No. 214, Abstract 33, Kendall County, Texas and the David Bradbury Survey No. 214, Abstract 989, Comal County, Texas and being all of a called 344.6 acre tract of land as described of record in Document No. 2023-378661 of the Official Records of Kendall County, Texas. Said **344.6 acre** tract being more particularly described by metes and bounds as follows:

BEGINNING at a found $\frac{1}{2}$ " iron rod in the apparent east right-of-way line of Ammann Road, no record found, at the southwest corner of a called 131.013 acre tract as described in Volume 113 Page 834 of the Deed Records of Kendall County, Texas, for the northwest corner of said 344.6 acre tract and the tract described herein;

THENCE: S 88° 15' 20" E, with the common line between said 131.013 acre tract and said 344.6 acre tract, a distance of **3926.35 feet** to a found 4" pipe fence post at the southeast corner of said 131.013 acre tract, in the west line of a called 140.452 acre tract of land as described in Volume 113 Page 836 of the Deed Records of Kendall County, Texas, in the west line of a called 114.9 acre tract of land as described in Volume 1195 Page 423 of the Official Records of Kendall County, Texas, for the northeast corner of said 344.6 acre tract and the tract described herein;

THENCE: S 02° 11' 22" E, with the common line between said 114.9 acre tract and the 344.6 acre tract, at 637.60 feet a found $\frac{1}{2}$ " iron rod for the southwest corner of said 114.9 acre tract, and continuing with the common line between said 140.452 acre tract and said 344.6 acre tract, a total distance of **3820.91 feet** to a found $\frac{1}{2}$ " iron rod in the apparent north right-of-way line of Ammann Road, no record found, at the southwest corner of said 140.452 acre tract, at the southeast corner of said 344.6 acre tract and for the southeast corner of the tract described herein;

THENCE: With the apparent north and east right-of-way lines of Ammann Road, and the south and west lines of said 344.6 acre tract, the following ten (10) courses:

1. **S 78° 03' 34" W**, a distance of **7.45 feet** to a found $\frac{1}{2}$ " iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
2. **N 88° 26' 20" W**, a distance of **522.50 feet** to a found $\frac{1}{2}$ " iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
3. **N 88° 06' 20" W**, a distance of **318.70 feet** to a found $\frac{1}{2}$ " iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
4. **N 87° 19' 20" W**, a distance of **923.90 feet** to a found $\frac{1}{2}$ " iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
5. **N 89° 33' 20" W**, a distance of **727.10 feet** to a found $\frac{1}{2}$ " iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
6. **S 89° 45' 40" W**, a distance of **830.80 feet** to a found $\frac{1}{2}$ " iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
7. **S 89° 42' 40" W**, a distance of **587.60 feet** to a found $\frac{1}{2}$ " iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
8. **N 44° 35' 20" W**, a distance of **20.60 feet** to a found $\frac{1}{2}$ " iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
9. **N 01° 59' 20" W**, a distance of **1933.70 feet** to a found $\frac{1}{2}$ " iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein, and
10. **N 02° 09' 20" W**, a distance of **1926.20 feet** to the **POINT OF BEGINNING** and containing **344.6 acres** of land situated in both Kendall & Comal County, Texas.

Note: The basis of bearing was established using the Trimble VRS Network, NAD (83), Texas State Plane Coordinate System, South Central Zone, 4204, US Survey Foot, Grid. A survey plat was prepared by a separate document. Distances recited herein are grid distances.



Job # 18-4085 344.6 Acres

Date: February 1, 2024

NOTES

1. BEARINGS ARE BASED ON THE STATE PLANE COORDINATE SYSTEM ESTABLISHED FOR THE TEXAS SOUTH CENTRAL ZONE 4204, NORTH AMERICAN DATUM (NAD) OF 1983. DISTANCES SHOWN HEREON ARE GRID UNITS.

2. TITLE COMMITMENT PROVIDED BY OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY, GF NO.: 23-2853-CH, EFFECTIVE DATE: JANUARY 1, 2024, ISSUED DATE: JANUARY 9, 2024.

LEGAL DESCRIPTION OF LAND:

BEING 344.6 ACRES OF LAND, MORE OR LESS, IN THE DAVID BRADBURY SURVEY NO. 214, ABSTRACT 33, IN KENDALL COUNTY, TEXAS, AND DAVID BRADBURY SURVEY NO. 214, ABSTRACT 989, IN COMAL COUNTY, TEXAS BEING THAT SAME TRACT CONVEYED IN DOCUMENT NO. 202306009264, CORRECTED IN 202306009477, OF THE OFFICIAL PUBLIC RECORDS OF COMAL COUNTY, TEXAS, AND IN DOCUMENT NO. 2023-378661, OF THE OFFICIAL PUBLIC RECORDS OF KENDALL COUNTY, TEXAS.

SCHEDULE B:

1. RESTRICTIVE COVENANTS OF RECORD:

-NONE LISTED

- 10.
- f. VOLUME 599, PAGE 69, O.R.K.C.T. - DOES NOT INCLUDE SUBJECT TRACT
- EASEMENT TO PEDERNALES ELECTRIC COOPERATIVE
- g. DOCUMENT NO. 200406034412, O.P.R.C.C.T., AND IN VOLUME 880, PAGE 51, O.R.K.C.T. - INCLUDES SUBJECT TRACT AS SHOWN
- GUADALUPE-BLANCO RIVER AUTHORITY EASEMENT
- h. VOLUME 1463 PAGE 269, O.R.K.C.T. - INCLUDES SUBJECT TRACT AS SHOWN
- PEDERNALES ELECTRIC COOPERATIVE INC., EASEMENT
- i. DOCUMENT NO. 201406011766, O.P.R.C.C.T., AND IN VOLUME 1411, PAGE 587, O.R.K.C.T. - INCLUDES SUBJECT TRACT
- DEVELOPMENT AGREEMENT
- j. DOCUMENT NO. 2021-360011, O.R.K.C.T. - INCLUDES SUBJECT TRACT
- COMPREHENSIVE SETTLEMENT AND RELEASE AGREEMENT
- k. SUBJECT PROPERTY LIES WITHIN THE BOUNDARIES OF THE COW CREEK GROUNDWATER DISTRICT.

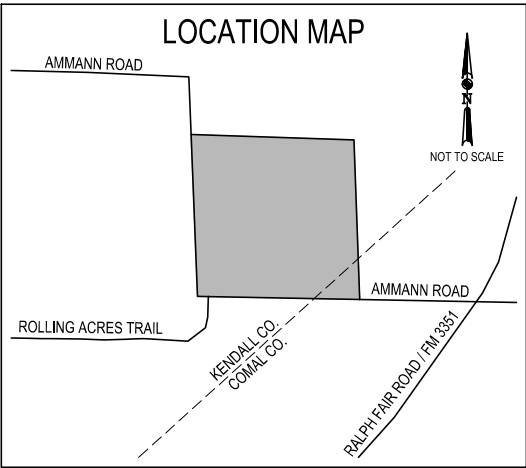
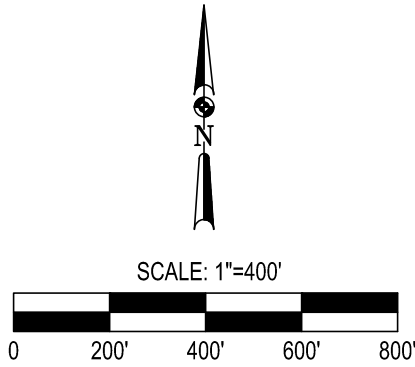
3. REFERENCED PROPERTY IS IN ZONE X, AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN, AS SCALED FROM FEMA FLOOD MAP 450 OF 525, COMMUNITY PANEL NO. 48259C0450F, DATED DECEMBER 17, 2010.

4. THE TRACT SHOWN HEREON IS LOCATED WITHIN BOTH KENDALL COUNTY AND COMAL COUNTY.

5. METES AND BOUNDS WERE PREPARED FOR THIS SURVEY BY SEPARATE INSTRUMENT.

6. FENCES ALONG BOUNDARY LINE MEANDER.

CATEGORY 1A, CONDITION IV LAND TITLE SURVEY OF
A 344.6 ACRE TRACT OF LAND, OUT OF THE DAVID BRADBURY SURVEY NO. 214, ABSTRACT 33, KENDALL COUNTY, TEXAS AND THE DAVID BRADBURY SURVEY NO. 214, ABSTRACT 989, COMAL COUNTY, TEXAS AND BEING ALL OF A CALLED 344.6 ACRE TRACT OF LAND AS DESCRIBED OF RECORD IN DOCUMENT NO. 2023-378661 OF THE OFFICIAL RECORDS OF KENDALL COUNTY, TEXAS.

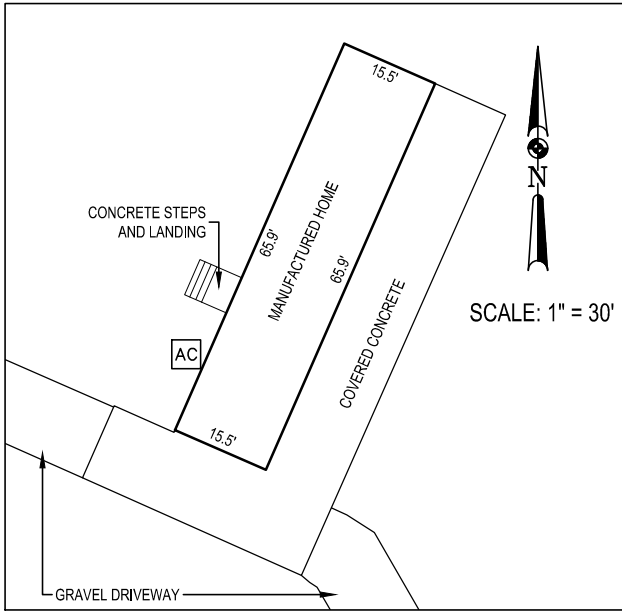


ADDRESS: 418 AMMANN ROAD
BOERNE, TX 78015

LINE TABLE		
LINE	BEARING	DISTANCE
L1	S78° 03' 34"W	7.45'
L2	N88° 06' 20"W	318.70'
L3	N44° 35' 20"W	20.60'

LEGEND

- P.O.B. POINT OF BEGINNING
O.P.R.C.C.T. OFFICIAL PUBLIC RECORDS, COMAL COUNTY, TEXAS
O.R.K.C.T. OFFICIAL RECORDS, KENDALL COUNTY, TEXAS
D.R.K.C.T. DEED RECORDS, KENDALL COUNTY, TEXAS
FT DIMENSIONAL FENCE TIE
● FOUND 1/2" IRON ROD (UNLESS OTHERWISE SPECIFIED)
⊙ FOUND 4" PIPE POST
⊙ FOUND 1/2" IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "ACES"
AC A/C PAD
E ELECTRIC BOX & KEYPAD
E ELECTRIC METER ON POLE
Ø UTILITY POLE
Ø→ UTILITY POLE WITH GUY WIRE
X TRANSMISSION TOWER
W WELL
W WATER VALVE
W WATER MANHOLE
● BOLLARD POST
S TRAFFIC SIGN
U UTILITY MARKER POST
MB MAILBOX
- - - - - OELx - - - - - ELECTRIC (OVERHEAD)
- X - X - X - WIRE FENCE
- o - o - CHAIN-LINK FENCE
- □ - □ - PIPE FENCE

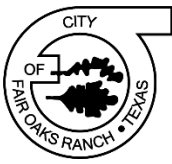


I HEREBY CERTIFY TO OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY, WICKLEY HOMES, LLC, DELAWARE LIMITED LIABILITY COMPANY, AND BRIM BOERNE RANCH LLC, A WASHINGTON LIMITED LIABILITY COMPANY:

THAT THIS SURVEY WAS MADE ON THE GROUND, AND THAT TO THE BEST OF MY KNOWLEDGE AND BELIEF, THIS PLAT CORRECTLY REPRESENTS THE FACTS FOUND AT THE TIME OF THIS SURVEY, AND CONFORMS TO THE CURRENT TEXAS SOCIETY OF PROFESSIONAL SURVEYORS STANDARDS AND SPECIFICATIONS FOR A CATEGORY 1A, CONDITION IV LAND TITLE SURVEY. FIELD WORK ORIGINALLY PERFORMED IN 2016 AND CONFIRMED ON JANUARY 30, 2024.

Kyle L. Pressler
KYLE L. PRESSLER DATE: FEBRUARY 1, 2024
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS REGISTRATION NO. 6528
KYLE.PRESSLER@MATKINHOOVER.COM
JOB NO. 18-4085 344.6 ACRES





7286 Dietz Elkhorn Fair Oaks Ranch, TX 78015

PH: (210) 698-0900.FAX: (210) 698-3565. awade@fairoaksranchtx.org www.fairoaksranchtx.org**UNIVERSAL APPLICATION (FORM UA)**

All applications must be submitted with:

(1) A complete **Universal Application** form (2 pages), and(2) A complete **Specific Application Form** with all materials listed in the checklist for the specific application.

The City staff is available to assist you in person at City Hall or over the phone at (210) 698-0900.

DEVELOPMENT INFORMATIONProject Name/Address/Location: Post Oak/ 418 Ammann Rd Acreage: +/- 344.6Brief Description of Project: Residential SubdivisionIs property platted? ☒ No ☐ Yes Subdivision name: _____ No. of Lots +/-278Recordation #: _____ Parcel(s) Tax ID#: 11782Existing Use: Undeveloped Proposed Use: Single family residential subdivisionCurrent Zoning: Rural Residential Proposed Zoning: Neighborhood Residential

Occupancy Type: _____ Sq. Ft: _____ Bed #: _____ Bath #: _____ Car Garage #: _____

Water System ☐ Well ☒ Public Flood Zone: ☐ Yes ☒ No Sewer System: ☒ Septic ☐ Public**PROPERTY OWNER INFORMATION**Owner: BMRK Boerne Ranch, LLC Contact Name: James StockhausenAddress: 160Newport Center Drive, Suite 240 City/State/ZIP: Newport Beach, CA 92660Phone: (949) 333-0328 Email: james.stockhausen@readycapital.com**APPLICANT INFORMATION**Applicant/Developer: Brown & McDonald, PLLC Contact Name: Caroline McDonaldAddress: 100 NE Loop 410 Ste 1385 City/State/ZIP: San Antonio, TX 78216Phone: (210) 429-7931 Email: caroline@brownmcdonaldlaw.com**KEY CONTACT INFORMATION**Name of the Individual: Brown & McDonald PLLC Contact Name: Caroline McDonaldAddress: 100 NE Loop 410 Ste 1385 City/State/ZIP: San Antonio, TX 78216Phone: (210) 429-7931 E-mail: caroline@brownmcdonaldlaw.comSignature: Caroline McDonald Digitally signed by Caroline McDonald
Date: 2024.12.12 16:43:48 -06'00' Date: _____Print Name: Caroline McDonald

(Signed letter of authorization required if the application is signed by someone other than the property owner)

*******OFFICE USE ONLY*******

DATE REC'D: _____ BY: _____

FEES PAID: _____ APPROVED BY: _____

DATE APPROVED: _____

APPLICATION/PERMIT NO: _____ EXP DATE: _____

Applications shall be processed based on the City's official submission dates. When a completed application packet has been accepted and reviewed, additional information may be required by staff as a result of the review, therefore it may be necessary to postpone the proposed project and remove it from the scheduled agenda and place it on a future agenda.

SPECIFIC APPLICATION FORM (S1-S25). Please check the appropriate type below:**Land Use Policy Related**

(Section 3.9 of the UDC)

☒ Annexation* - Form S1☒ Comprehensive Plan
Amendment (Text)☐ Unified Development Code
(UDC) Text Amendment☒ Rezoning/ FLUM amendment* -
Form S2☐ Special Use Permit* - Form S3☐ Planned Unit Development
(PUD)* - Form S4☐ Development Agreement☐ Conservation Development
Alternative* (CDA) (Section 4.8)
- Form S5**Subdivision and Property
Development Related**

(Section 3.8 of the UDC)

☐ Amending Plat* - Form S6☐ Minor Plat* - Form S7☐ Development Plat* - Form S8☐ Concept Plan** - Form S9☐ Preliminary Plat* - Form S10☐ Final Plat* - Form S11☐ Replat* - Form S12☐ Construction Plans* - Form S13☐ Vacating Plat☐ Plat Extension**Site Development Related**

(Section 3.9 of the UDC)

☐ Vested Rights Verification Letter
(Refer to UDC Section 4.2 (3))☐ Zoning Verification Letter☐ Written Interpretation of the UDC☐ Temporary Use Permit* - Form S14☐ Special Exception* - Form S15☐ Site Development Permit* (Site
Plan Review) - Form S16☐ Floodplain Development Permit* -
Form S17☐ Stormwater Permit* - Form S18☐ Certificate of Design Compliance*
- Form S19

Appeal of an Administrative Decision

☐ Zoning ☐ Others

Variance

☐ Policy ☐ Judicial* - Form S20☐ Sign Special Exception/Appeal to
an Administrative Decision☐ Administrative Exception☐ Permit for Repair of Non-
Conforming Use/Building☐ Letter of Regulatory Compliance☐ On-Site Sewage Facility Permit
(OSSF)☐ Certificate of Occupancy (CO)* -
Form S21☐ Relief from Signage Regulations☐ Group Living Operation License* -
Form S22☐ Grading/Clearing Permit - Form
S23**Miscellaneous Permits**☐ Appeal of Denial of Sign Permit☐ Master/ Common Signage Plan* - Form
S24☐ Right-of-Way Construction* - Form S25**Building Permits Related**

For the following permits, please visit:

<http://fairoaksranchtx.org/77/Building-Codes>**Commercial**

New/Remodel/Addition

Residential

New Home

Remodels/Additions

Detached Buildings

Others

Fence

Solar Panels

Swimming Pools

Backflow Device/Irrigation System

Signs

Master/ Common Signage Plan

Water Heater or Water Softener

Miscellaneous

*These types of applications require additional information as listed in the Specific Application Form.

** The Concept Plan is required for PUD and CDA, and for Rezoning if included in a previously approved Concept Plan.

Application Checklist for all Applications☒ Universal Application Form (Form UA).☒ Items listed in the checklist for the Specific Application Form (Form S#) ¹. (Please make sure the boxes are checked)☒ Application Processing Fees and other application fees.☒ Letter of intent explaining the request in detail and reason for the request.☒ Signed Letter of Authorization required if the application is signed by someone other than the property owner.☒ Site plan and shapefile drawings (if applicable) for the property☒ Location map clearly indicating the site in relation to adjacent streets and other landmarks☒ A copy of proof of ownership (recorded property deed or current year tax statements)¹For items that are duplicated in the specific type of application, only one copy is required.



City of Fair Oaks Ranch

7286 Dietz Elkhorn Fair Oaks Ranch, TX 78015

PH: (210) 698-0900 FAX: (210) 698-3565 awade@fairoaksranchtx.org www.fairoaksranchtx.org

S1 SPECIFIC APPLICATION FORM - ANNEXATION

All documents shall be sent via email or through ShareSync/FTP file. The following steps must be completed, and the items must be submitted for the application to be deemed complete and processed.

- Pre-Application Conference prior to application submittal.
- A completed Universal Application and checklist signed by the owner/s of the property.
- Concept plan approval (if required).
- Municipal Annexation Plan in conformance with the Unified Development Code (UDC).
- A title report.
- Payment of all other applicable fees (see Schedule of Fees).
- A copy of the legal description (metes and bounds) of the area encompassing the annexation request. If the property is platted, a copy of the plat should be provided.
- Location/vicinity map showing the location and boundaries of the annexation. Indicate scale or not to scale (NTS) and provide north arrow.
- Letter of Intent explaining the annexation request in detail, reason for the request, the designation of Extraterritorial Jurisdiction (ETJ), the area of the newly annexed territory and how the annexation meets the goals and objectives of the Comprehensive Plan.
- A brief description of each municipal ordinance that would be applicable as authorized by Section 212.003 of the LGC.
- Tax certificate/s showing that all taxes owing to the State, County, School District, City and/or any other political subdivision have been paid in full to date.
- Acknowledgement that the sign posted by the City on the property fifteen (15) days prior to the public hearing will be maintained until the zone change is heard at the public hearing.

December 12, 2024

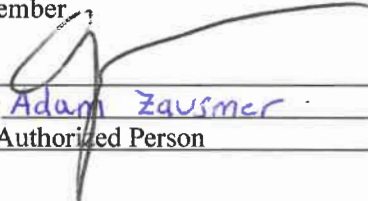
City of Fair Oaks Ranch
City Manager
Scott Huizenga
7286 Dietz Elkhorn
Fair Oaks Ranch, TX 78015

Re: Representation in Connection with the Annexation, Plan Amendment, Zoning, Development Agreements, and Public Improvement Districts for +/- 344.62 Acres Generally Located at the West and South Corner of Ammann Road, Fair Oaks Ranch, Texas (the "**Subject Property**").

This letter hereby authorizes Brown & McDonald, PLLC, to act as an authorized agent for all annexation, plan amendment, zoning, development agreements, and public improvements districts for BRMK BOERNE RANCH, LLC the property owner of the Subject Property.

BRMK BOERNE RANCH, LLC,
a Washington limited liability company

By: BRMK MANAGEMENT SPE JP, LLC
a Delaware limited liability company
Its: Member,

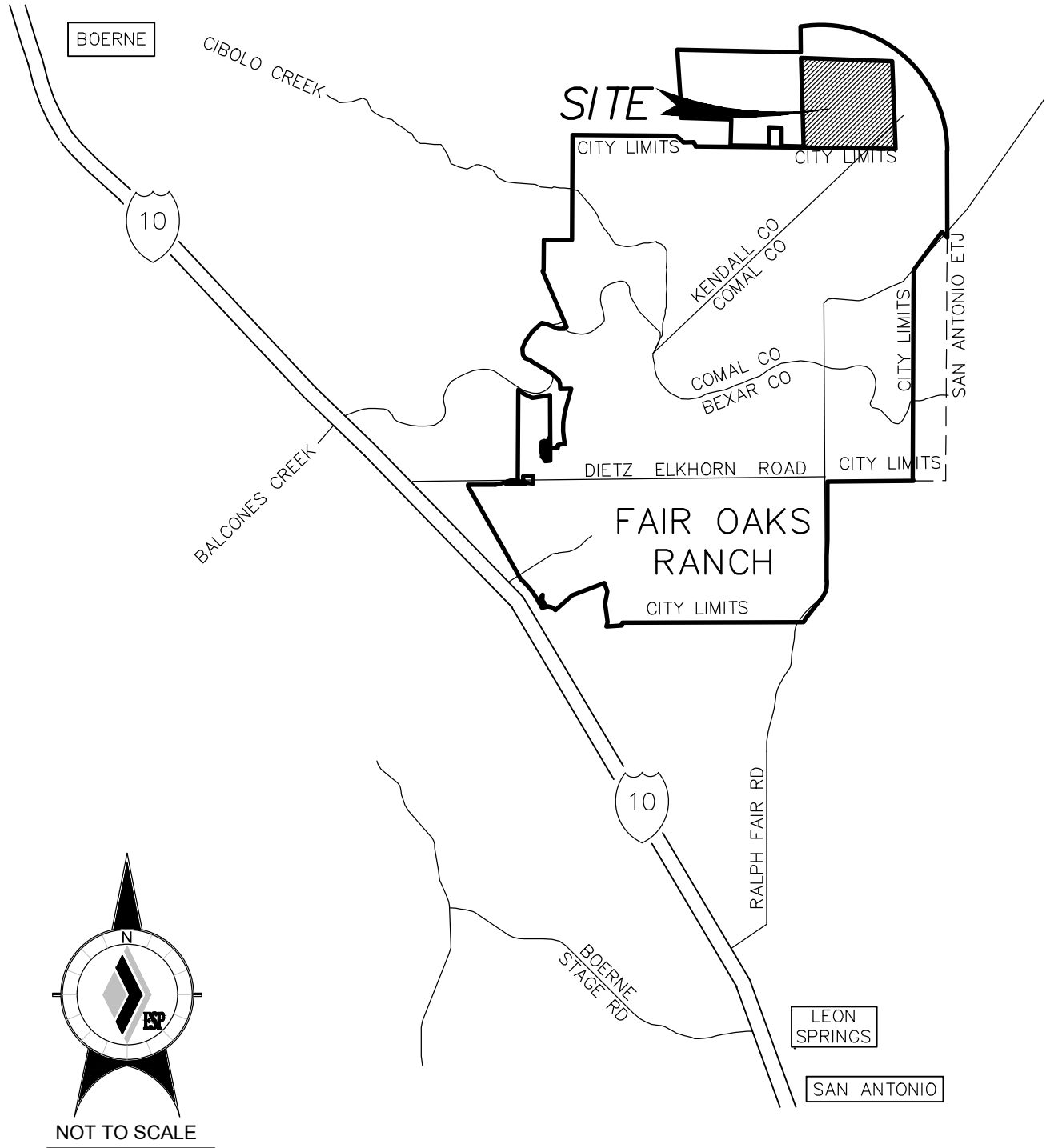
By: 
Name: Adam Zausmer
Title: Authorized Person

State of New York §
County of New York §

Before me, the undersigned authority, a notary public for the State of New York, on this day personally appeared Adam Zausmer, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledge to me that he executed the same for the purpose and consideration therein expressed.

Given under my hand and seal office, this the 12th day of December, 2024.

INDHIRA P CASTILLO
Notary Public, State of New York
Ren. No. 01CA6412071
Qualified in New York County
Commission Expires 12-14-2024



Dec 11, 2024 - 5:24pm
R:\35-00461\Engineering\UWP\Location Map Exhibit.dwg



ESP Associates. Inc.

12940 Country Pkwy
San Antonio, TX 78216
(210) 349-3271
TBPE FIRM #17252
www.espassociates.com

LOCATION MAP EXHIBIT

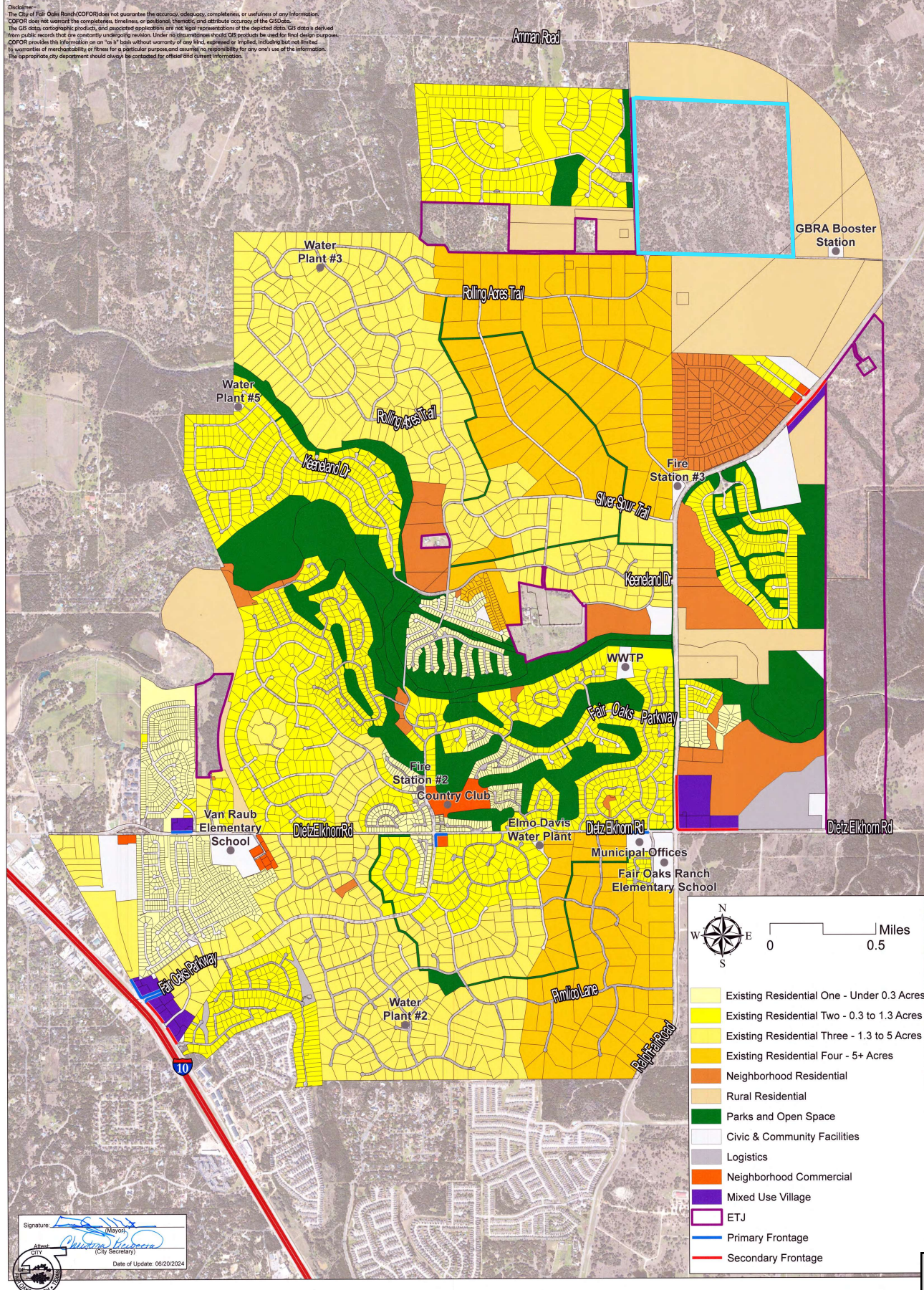
POST OAK SUBDIVISION

PROJ No. 24-01658

DATE: DEC 11, 2024

City of FAIR OAKS RANCH ZONING MAP

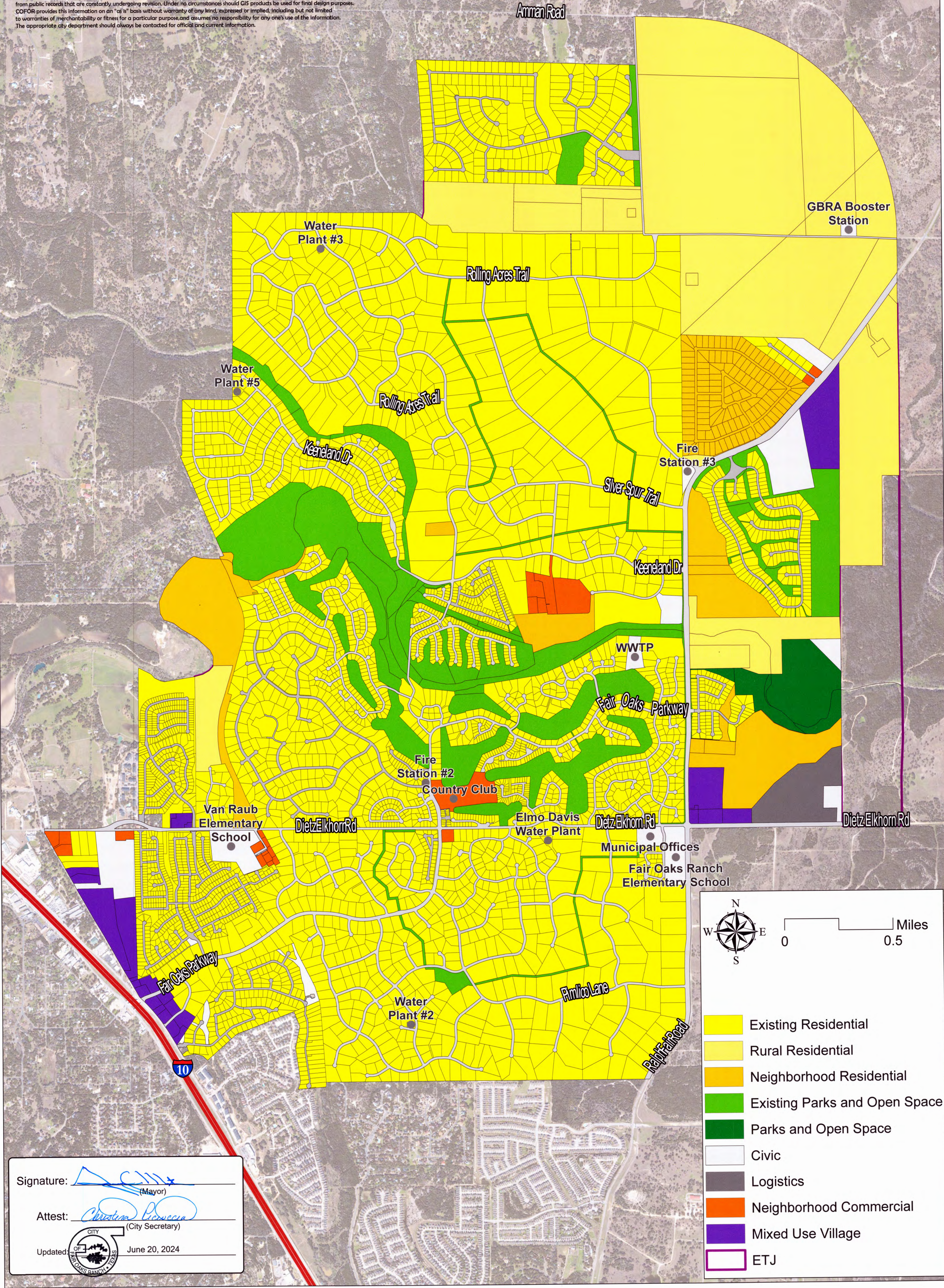
Disclaimer:
The City of Fair Oaks Ranch/COPOR does not guarantee the accuracy, adequacy, completeness, or usefulness of any information.
COPOR does not warrant the completeness, timeliness, or positional, thematic, and attribute accuracy of the GIS data.
The GIS data cartographic products and associated applications are not legal representations of the depicted data. GIS data is derived
from public records that are constantly undergoing revision. Under no circumstances should GIS products be used for final design purposes.
COPOR provides this information on an "as is" basis without warranty of any kind, expressed or implied, including but not limited to
warranties of merchantability or fitness for a particular purpose and assuming no responsibility for any use of the information.
The appropriate city department should always be contacted for official and current information.



City of FAIR OAKS RANCH

FUTURE LAND USE MAP (FLUM)

Disclaimer:
The City of Fair Oaks Ranch (COFOR) does not guarantee the accuracy, adequacy, completeness, or usefulness of any information. COFOR does not warrant the completeness, timeliness, or positional, thematic, and attribute accuracy of the GIS data. The GIS data, cartographic products, and associated applications are not legal representations of the depicted data. GIS data is derived from public records that are constantly undergoing revision. Under no circumstances should GIS products be used for final design purposes. COFOR provides this information on an "as is" basis without warranty of any kind, expressed or implied, including but not limited to warranties of merchantability or fitness for a particular purpose, and assumes no responsibility for any one's use of the information. The appropriate city department should always be contacted for official and current information.



Munsch Hardt Kopf & Harr, P.C.
500 N. Akard St., Suite 3800
Dallas, TX 75201
Attn: Macy D. Smith

STATE OF TEXAS §
§
COUNTIES OF COMAL AND KENDALL §

Dated: March 6, 2019

Grantor: BOERNE RANCH ESTATES, LLC, a Texas limited liability company

Beneficiary: BRMK BOERNE RANCH LLC, a Washington limited liability company, successor in interest by assignment to BRMK LENDING, LLC, a Delaware limited liability company, successor in interest by merger to BRELF II, LLC, a Washington limited liability company

Original Trustee: Silver Star Title, LLC dba Sendera Title

Recorded: March 8, 2019, under Comal County Clerk's Instrument# 201906008026, in the Official Public Records of Comal County, Texas and under Kendall County Clerk's Doc# 00328857, Volume 1680, Page 14, in the Official Public Records of Kendall County, Texas

Secures: Promissory Note dated of even date with the Deed of Trust, in the original principal amount of \$19,578,610.00, executed by Grantor (as amended, restated, modified, supplemented or assigned, the "Note")

Beneficiary's Address: c/o Broadmark Management, Corp.
1420 Fifth Avenue, Suite 2000
Seattle, Washington 98101

Property: The real property described in Exhibit A, together with all hereditaments, privileges, reversions, remainders, development rights and audits, air rights, appurtenances, easements and rights thereto, of every kind and nature, or used in connection therewith or as a means of access thereto, together with all right, title and interest that Grantor now has or may hereafter acquire in the following and any proceeds thereof: all income, rents, royalties, revenues, issues, profits and proceeds from any and all of such real property; all equipment, machinery, inventory, fixtures, fittings, appliances, and other tangible and intangible property and rights thereto described in the Deed of Trust, or related security agreements.

Substitute Trustee Troy Martin, Deborah Martin, Alexis Martin, Cassie Martin, Terri Martin, Deanna Ray, Shelby Martin, Martha Rossington, T. Reynolds Rossington, Kevin Key or Jay Jacobs

Substitute Trustee's Address c/o Munsch Hardt Kopf & Harr, P.C.
500 N. Akard St., Suite 3800
Dallas, TX 75201
Attn: Macy D. Smith

Foreclosure Sale: (the "Foreclosure Sale")

Date: Tuesday, March 7, 2023

Time: The Foreclosure Sale will take place between the hours of 10:00 a.m. and 1:00 p.m. local time; the earliest time at which the Foreclosure Sale will begin is 10:00 a.m., local time.

Place: The northeast porch of the historic Comal County Courthouse, 100 Main Plaza, New Braunfels, TX 78130 (or another location as designated by the Comal County Commissioners Court pursuant to § 51.002 of the Texas Property Code)

Grantee: BRMK BOERNE RANCH LLC, a Washington limited liability company

Grantee's Mailing Address: c/o Broadmark Management, Corp.
1420 Fifth Avenue, Suite 2000
Seattle, Washington 98101

Purchase Price (Credit Bid) \$24,599,072.49

RECITALS:

By the Deed of Trust, Grantor conveyed to Original Trustee the Property for the purposes of securing and enforcing payment of, among other things, the Note. Beneficiary is the owner and holder of the Note and of all liens and security interests, assignments and encumbrances securing them, including, without limitation, those under the Deed of Trust.

A default occurred and is continuing in the payment of the obligations under the Note and the Deed of Trust and was not remedied. Beneficiary accelerated the unpaid balance of the Note, and, as a result, the Note became fully due and payable, and the same remains due and payable as of the date hereof.

Beneficiary requested that Substitute Trustee sell the Property, as authorized by and provided in the Deed of Trust, to enforce the trust due to the occurrence of the foregoing events and sell the Property at the Foreclosure Sale.

Notices stating the time, place, and terms of the Foreclosure Sale were posted and filed, and Beneficiary, acting through its agent, served notice of the Foreclosure Sale to Grantor as required by the Texas Property Code. In accordance with that statute and the Deed of Trust, Substitute Trustee sold the Property to Grantee, who was the highest bidder at the Foreclosure Sale for the Purchase Price, which payment, in accordance with applicable law and the terms of the Deed of Trust, was made by crediting the Purchase Price against a portion of the outstanding indebtedness secured by the Deed of Trust. Since the Property is located in both Comal County, TX and Kendall County, TX, Beneficiary instructed Substitute Trustee to conduct the Foreclosure Sale in Comal County, TX.

CONVEYANCE:

Substitute Trustee, subject to any prior liens and other exceptions to conveyance and warranty contained in the Deed of Trust, and for the Purchase Price as consideration, grants, sells, and conveys the Property to Grantee, "AS IS," together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's successors and assigns forever. Substitute Trustee binds Grantor and Grantor's heirs and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the prior liens and other exceptions to conveyance and warranty in the Deed of Trust.

[SIGNATURE PAGE FOLLOWS]

WITNESS MY HAND this 13th day of March, 2023.

Cassie Martin

~~Troy Martin, Deborah Martin, Alexis Martin, Cassie~~
~~Martin, Terri Martin, Deanna Ray, Shelby Martin,~~
~~Martha Rossington, T. Reynolds Rossington, Kevin Key~~
~~or Jay Jacobs~~
c/o Munsch Hardt Kopf & Harr, P.C.
500 North Akard Street, Suite 3800
Dallas, Texas 75201
Attn: Macy D. Smith

STATE OF TEXAS §
 §
COUNTY OF Comal §

I, the undersigned Notary Public, do hereby certify that Troy Martin, Deborah Martin, Alexis Martin, Cassie Martin, Terri Martin, Deanna Ray, Shelby Martin, Martha Rossington, T. Reynolds Rossington, Kevin Key or Jay Jacobs personally appeared before me this day and acknowledged that he/she is the Substitute Trustee duly appointed by Beneficiary, and that by authority duly given, he/she executed the foregoing instrument in the above mentioned capacity, for the purposes and consideration set forth therein.

WITNESS my hand and official seal this the 13th day of March, 2023.

Lucas Ewing Belan

Notary Public, State of Texas
Commission Expires: 11/08/2024
Printed Name: Lucas Ewing Belan

Exhibit A: Real Property Description

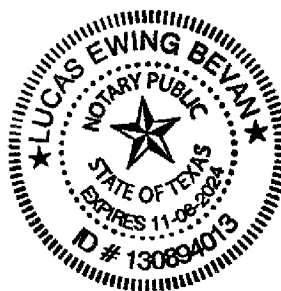


EXHIBIT A

REAL PROPERTY DESCRIPTION

A 344.6 acre tract of land, out of the David Bradbury Survey No. 214, Abstract 33, Kendall County, Texas and the David Bradbury Survey No. 214, Abstract 989, Comal County, Texas and being all of a called 344.979 acre tract of land as conveyed to R.W. Pfeiffer Properties, L.L.C., of record in Volume 1190 Page 114 of the Official Records of Kendall County, Texas. Said 344.6 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at a found ½" iron rod in the apparent east right-of-way line of Ammann Road, no record found, at the southwest corner of a called 131.013 acre tract as described in Volume 113 Page 834 of the Deed Records of Kendall County, Texas, for the northwest corner of said 344.979 acre tract and the tract described herein;

THENCE: S 88° 15' 20" E, with the common line between said 131.013 acre tract and said 344.979 acre tract, a distance of 3926.35 feet to a found 4" pipe fence post at the southeast corner of said 131.013 acre tract, in the west line of a called 140.452 acre tract of land as described in Volume 113 Page 836 of the Deed Records of Kendall County, Texas, in the west line of a called 114.9 acre tract of land as described in Volume 1195 Page 423 of the Official Records of Kendall County, Texas, for the northeast corner of said 344.979 acre tract and the tract described herein;

THENCE: S 02° 11' 22" E, with the common line between said 114.9 acre tract and the 344.979 acre tract, at 637.60 feet a found ½" iron rod for the southwest corner of said 114.9 acre tract, and continuing with the common line between said 140.452 acre tract and said 344.979 acre tract, a total distance of 3820.91 feet to a found ½" iron rod in the apparent north right-of-way line of Ammann Road, no record found, at the southwest corner of said 140.452 acre tract, at the southeast corner of said 344.979 acre tract and for the southeast corner of the tract described herein;

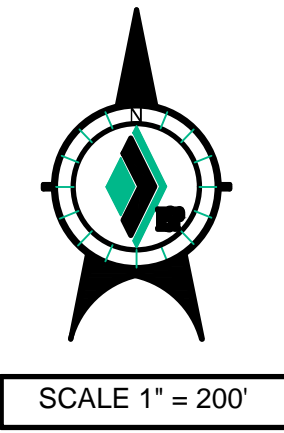
THENCE: With the apparent north and east right-of-way lines of Ammann Road, and the south and west lines of said 344.979 acre tract, the following ten (10) courses:

1. S 78° 03' 34" W, a distance of 7.45 feet to a found ½" iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
2. N 88° 26' 20" W, a distance of 522.50 feet to a found ½" iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
3. N 88° 06' 20" W, a distance of 318.70 feet to a found ½" iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
4. N 87° 19' 20" W, a distance of 923.90 feet to a found ½" iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
5. N 89° 33' 20" W, a distance of 727.10 feet to a found ½" iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
6. S 89° 45' 40" W, a distance of 830.80 feet to a found ½" iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
7. S 89° 42' 40" W, a distance of 587.60 feet to a found ½" iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
8. N 44° 35' 20" W, a distance of 20.60 feet to a found ½" iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
9. N 01° 59' 20" W, a distance of 1933.70 feet to a found ½" iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein, and
10. N 02° 09' 20" W, a distance of 1926.20 feet to the POINT OF BEGINNING and containing 344.6 acres of land, more or less situated in both Kendall & Comal County, Texas.

FORECLOSURE SALE DEED - BOERNE RANCH ESTATES, LLC

POST OAK SUBDIVISION

POST OAK SUBDIVISION PHASING AND LOT COUNTS	
PHASE	NUMBER
1	72
2	71
3	72
4	63
TOTAL	278



ESP Associates, Inc.
12940 Country Pkwy
San Antonio, TX 78216
(210) 349-3271
TBPE FIRM #17252
www.espassociates.com
DECEMBER 12, 2024

SERVICE AGREEMENT CITY OF FAIR OAKS RANCH, TEXAS

SERVICE AGREEMENT FOR THE ANNEXATION OF THE AMMANN RD PROPERTY

(This is a draft, subject to negotiations between the Applicant and the City)

Upon annexation of the area identified in the attached Exhibit A, the City of Fair Oaks Ranch will provide City services utilizing methods by which it extends services to any other equivalent area of the City.

SERVICES TO BE PROVIDED ON THE EFFECTIVE DATE OF ANNEXATION

1. **Police Protection**

The City of Fair Oaks Ranch, Texas and its Police Department will provide police protection to newly annexed areas at the same or similar level of service now being provided to other areas of the City with like topography, land use and population density as those found within the newly annexed areas. The Police Department will have the responsibility to respond to all dispatched calls for service or assistance within the newly annexed areas.

2. **Solid Waste Collection**

Solid waste collection services will be provided to the annexed areas through the City's existing facilities or through franchise agreements with private services at the same or similar level of service now being provided to other areas of the City with like topography, land use and density as those found within the newly annexed areas. Customers in the annexed area may elect to continue using a private solid waste management service provider for a period of two years after the effective date of annexation.

3. **Maintenance of Roads and Streets**

The City will provide for maintenance of public streets and alleys that have been dedicated or will be dedicated and accepted by the City in the future. Any private roads will remain under the ownership of the property owner.

4. **Other Services**

The City of Fair Oaks Ranch, Texas finds and determines that other municipal services will be made available after the effective date of annexation at the same or similar level of service now being provided to other areas of the City with similar topography, land use and density as those found within the newly annexed areas.

LEVEL OF SERVICE

Nothing in this agreement shall require the City to provide a uniform level of full municipal services to each area of the City, including the annexed area, if different characteristics of topography, land use, and population density are considered a sufficient basis for providing different levels of service.

SERVICE AGREEMENT FOR THE ANNEXATION OF THE AMMANN RD PROPERTY

Agreed to on this the _____ day of _____, 2024 by the following parties subject to acceptance by the City Council of the City of Fair Oaks Ranch.

City of Fair Oaks Ranch:

Property Owner:

Attest:

City Secretary

DRAFT

SERVICE AGREEMENT FOR THE ANNEXATION OF THE AMMANN RD PROPERTY

EXHIBIT "A"
Survey of Property / Legal Description

DRAFT

APPLICABLE MUNICIPAL ORDINANCES

The municipal ordinances applicable to this annexation are the subject of ongoing negotiations between the Annexation Applicant and the City of Fair Oaks Ranch. Once confirmed, the applicable municipal ordinances will be included in future agreements concerning the Subject Property.

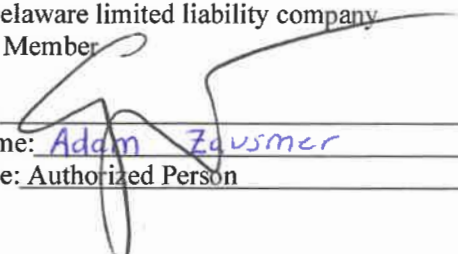
Acknowledgement

December 12, 2024

BRMK BOERNE RANCH, LLC acknowledges that the sign shall be posted by the City on the property fifteen days prior to the public hearing will be maintained until the zone change is heard at the public hearing.

BRMK BOERNE RANCH, LLC,
a Washington limited liability company

By: BRMK MANAGEMENT SPE JP, LLC
a Delaware limited liability company
Its: Member

By: 
Name: Adam Zausmer
Title: Authorized Person

Old Republic National Title Insurance Company
400 Second Avenue South
Minneapolis, MN 55401



Commitment For Title Insurance

Issued through the Office of:

Corridor Title LLC

171 Benney Ln

Dripping Springs, TX 78620

Phone: 512-894-0187



COMMITMENT FOR TITLE INSURANCE
Issued by
OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

THE FOLLOWING COMMITMENT FOR TITLE INSURANCE IS NOT VALID UNLESS YOUR NAME AND THE POLICY AMOUNT ARE SHOWN IN SCHEDULE A, AND OUR AUTHORIZED REPRESENTATIVE HAS COUNTERSIGNED BELOW.

We (Old Republic National Title Insurance Company) will issue our title insurance policy or policies (the Policy) to You (the proposed insured) upon payment of the premium and other charges due, and compliance with the requirements in Schedule B and Schedule C. Our Policy will be in the form approved by the Texas Department of Insurance at the date of issuance, and will insure your interest in the land described in Schedule A. The estimated premium for our Policy and applicable endorsements is shown on Schedule D. There may be additional charges such as recording fees, and expedited delivery expenses.

This Commitment ends ninety (90) days from the effective date, unless the Policy is issued sooner, or failure to issue the Policy is our fault. Our liability and obligations to you are under the express terms of this Commitment and end when this Commitment expires.

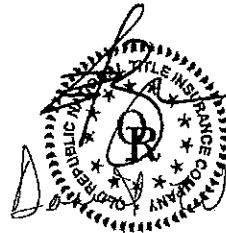
Issued through the Office of: CORRIDOR TITLE LLC



 Authorized Signatory

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY
 A Stock Company
 400 Second Avenue South, Minneapolis, Minnesota 55401
 (612) 371-1111

By



President

Attest

Secretary

COMMITMENT FOR TITLE INSURANCE T-7

ISSUED BY

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

SCHEDULE A

Effective Date: **February 25, 2024, 8:00 am**GF No. **23-2853-CH**Commitment No. _____, issued **March 1, 2024, 8:00 am**

1. The policy or policies to be issued are:

- a. OWNER'S POLICY OF TITLE INSURANCE (Form T-1)
(Not applicable for improved one-to-four family residential real estate)
Policy Amount: **\$23,250,000.00**
PROPOSED INSURED: **Weekley Homes, LLC, Delaware limited liability company**
- b. TEXAS RESIDENTIAL OWNER'S POLICY OF TITLE INSURANCE
ONE-TO-FOUR FAMILY RESIDENCES (Form T-1R)
Policy Amount:
PROPOSED INSURED:
- c. LOAN POLICY OF TITLE INSURANCE (Form T-2)
Policy Amount:
PROPOSED INSURED:
Proposed Borrower:
- d. TEXAS SHORT FORM RESIDENTIAL LOAN POLICY OF TITLE INSURANCE (Form T-2R)
Policy Amount:
PROPOSED INSURED:
Proposed Borrower:
- e. LOAN TITLE POLICY BINDER ON INTERIM CONSTRUCTION LOAN (Form T-13)
Binder Amount:
PROPOSED INSURED:
Proposed Borrower:
- f. OTHER
Policy Amount:
PROPOSED INSURED:

2. The interest in the land covered by this Commitment is: **Fee Simple**3. Record title to the land on the Effective Date appears to be vested in:
BRMK Boerne Ranch LLC, a Washington limited liability company

Continuation of Schedule A

GF No. **23-2853-CH**

4. Legal description of land:

Being a 344.6 acre tract of land, more or less, out of the David Bradbury Survey No. 214, Abstract 33, Kendall County, Texas and the David Bradbury Survey No. 214, Abstract 989, Comal County, Texas and being all of a called 344.6 acre tract of land as described of record in Document No. 2023-378661 of the Official Records of Kendall County, Texas, and in Document No. 202306009264, corrected in 202306009477, of the Official Public Records of Comal County, Texas. Said 344.6 acre tract being more particularly described by metes and bounds in Exhibit "A" attached hereto.

NOTE: The company is prohibited from insuring the area or quantity of the land described herein. Any statement in the legal description contained in Schedule "A" as to area or quantity of land is not a representation that such area or quantity is correct, but is made only for informal identification purposes and does not override Item 2 of Schedule "B" hereof.

SCHEDULE B

EXCEPTIONS FROM COVERAGE

In addition to the Exclusions and Conditions and Stipulations, your Policy will not cover loss, costs, attorney's fees, and expenses resulting from:

1. The following restrictive covenants of record itemized below (We must either insert specific recording data or delete this exception):

DELETED

2. Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements.
3. Homestead or community property or survivorship rights, if any of any spouse of any insured. (Applies to the Owner's Policy only.)
4. Any titles or rights asserted by anyone, including, but not limited to, persons, the public, corporations, governments or other entities,
 - a. to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs or oceans, or
 - b. to lands beyond the line of the harbor or bulkhead lines as established or changed by any government, or
 - c. to filled-in lands, or artificial islands, or
 - d. to statutory water rights, including riparian rights, or
 - e. to the area extending from the line of mean low tide to the line of vegetation, or the rights of access to that area or easement along and across that area.
 (Applies to the Owner's Policy only.)
5. Standby fees, taxes and assessments by any taxing authority for the year **2024**, and subsequent years; and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership, but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, Texas Tax Code, or because of improvements not assessed for a previous tax year. (If Texas Short Form Residential Loan Policy of Title Insurance (T-2R) is issued, that policy will substitute "which become due and payable subsequent to Date of Policy" in lieu of "for the year _____ and subsequent years.")
6. The terms and conditions of the documents creating your interest in the land.
7. Materials furnished or labor performed in connection with planned construction before signing and delivering the lien document described in Schedule A, if the land is part of the homestead of the owner. (Applies to the Loan Title Policy Binder on Interim Construction Loan only, and may be deleted if satisfactory evidence is furnished to us before a binder is issued.)
8. Liens and leases that affect the title to the land, but that are subordinate to the lien of the insured mortgage. (Applies to Loan Policy (T-2) only.)
9. The Exceptions from Coverage and Express Insurance in Schedule B of the Texas Short Form Residential Loan Policy of Title Insurance (T-2R). (Applies to Texas Short Form Residential Loan Policy of Title Insurance (T-2R) only.) Separate exceptions 1 through 8 of this Schedule B do not apply to the Texas Short Form Residential Loan Policy of Title Insurance (T-2R).
10. The following matters and all terms of the documents creating or offering evidence of the matters (We must insert matters or delete this exception.):

Continuation of Schedule B

GF No. 23-2853-CH

- a. **Rights of parties in possession. (Owner's Policy Only)** This exception may be deleted at the request of the proposed insured, upon a physical inspection by the Title Company and payment of its reasonable and actual costs thereof.
- b. **All leases, grants, exceptions or reservations of coal, lignite, oil, gas and other minerals, together with all rights, privileges and immunities relating thereto, appearing in the Public Records whether listed in Schedule B or not.** There may be leases, grants, exceptions or reservations of mineral interest that are not listed.
- c. **Intentionally deleted.**
- d. **Rights of tenants in possession under unrecorded leases or rental agreements.**
- e. **All conveyances, contracts, deeds, reservations, exceptions, limitations, leases, and similar interests in or to any geothermal energy and associated resources below the surface of land, together with all rights, privileges, and immunities relating thereto, appearing in the Public Records whether listed in Schedule B or not, all as provided by Section 2703.056 (a) of the Texas Insurance Code.**
- f. **Intentionally deleted.**
- g. **Easement executed by Russell W. Pfeiffer, to Guadalupe-Blanco River Authority, a conservation, dated July 21, 2004, recorded in Document No. [200406034412](#), of the Official Records of Comal County, Texas, and in [Volume 880, Page 51](#), of the Official Records of Kendall County, Texas.**
- h. **Easement executed by R. W. Pfeiffer Properties, L.L.C., a Texas limited liability company, to Pedernales Electric Cooperative, Inc., dated March 2, 2015, recorded in [Volume 1463, Page 269](#), of the Official Public Records of Kendall County, Texas.**
- i. **Terms, conditions, and stipulations in that certain The Reserve at Fair Oaks Ranch Development Agreement, by and between the City of Fair Oaks Ranch, a Texas General Law Type A city and R.W. Pfeiffer Properties, LLC, a Texas limited liability company and/or assigns, as recorded in Document No. [201406011766](#), of the Official Public Records of Comal County, Texas, and in [Volume 1411, Page 587](#), of the Official Public Records of Kendall County, Texas.**
- j. **Terms, conditions, and stipulations in that certain Comprehensive Settlement and Release Agreement, by and between the City of Fair Oaks Ranch and R.W. Pfeiffer Properties, LLC, filed in Cause No. 2016-CI-05444, in the District Court of Bexar County, Texas, and as recorded in Document No. [2021-360011](#), of the Official Public Records of Kendall County, Texas.**
- k. **Subject property lies within the boundaries of Cow Creek Groundwater District.**

SCHEDULE C

Your Policy will not cover loss, costs, attorneys' fees, and expenses resulting from the following requirements that will appear as Exceptions in Schedule B of the Policy, unless you dispose of these matters to our satisfaction, before the date the Policy is issued:

1. Documents creating your title or interest must be approved by us and must be signed, notarized and filed for record.
2. Satisfactory evidence must be provided that:
 - a. no person occupying the land claims any interest in that land against the persons named in paragraph 3 of Schedule A,
 - b. all standby fees, taxes, assessments and charges against the property have been paid,
 - c. all improvements or repairs to the property are completed and accepted by the owner, and that all contractors, sub-contractors, laborers and suppliers have been fully paid, and that no mechanic's, laborer's or materialmen's liens have attached to the property,
 - d. there is legal right of access to and from the land,
 - e. (on a Loan Policy only) restrictions have not been and will not be violated that affect the validity and priority of the insured mortgage.
3. You must pay the seller or borrower the agreed amount for your property or interest.
4. Any defect, lien or other matter that may affect title to the land or interest insured, that arises or is filed after the effective date of this Commitment.
5. **Deed of Trust dated October 6, 2023, recorded in Document No. [202306032229](#), of the Official Public Records of Comal County, Texas, and in Document No. [2023-383980](#), of the Official Public Records of Kendall County, Texas, executed by BRMK Boerne Ranch LLC, a Washington limited liability company to First American Title Insurance Company, Trustee(s), securing the payment of one note of even date therewith in the sum of \$22,275,000.00, payable to BRMK MANAGEMENT SPE JP, LLC, A DELAWARE LIMITED LIABILITY COMPANY.**

REQUIRE Full release of lien.

6. Intentionally deleted.
7. **This is a preliminary commitment only, and is subject to review and approval from Regional Underwriting. Upon receipt of same, additional requirements and/or exceptions may be made.**
8. **Subject property lies within the boundaries of Cow Creek Goundwater District and may be subject to taxes or special assessments as provided by law. Notice of inclusion of subject property in said district must be given, executed by buyer and seller, and must be filed of record.**
9. **We must be furnished with a properly executed Affidavit of Debts and Liens, executed by the record owner and/or seller.**
10. **We must be furnished with a properly executed Waiver of Inspection executed by the Purchaser(s).**
11. **This file must be updated prior to closing.**

Continuation of Schedule C

GF No. 23-2853-CH

12. If a durable power of attorney is to be used in this transaction:

1. Company requires an original power of attorney be provided that is suitable for filing of record, as required by Section 751.151 of the Texas Estates Code.

2. The Agent under the Durable Power of Attorney shall provide an executed Certification of Durable Power of Attorney in a form acceptable to the underwriter.

3. All documents in this transaction to be filed of record, including but not limited to any durable power of attorney used in this transaction, must wholly be in the English language, as required by Texas Property Code Section 11.002(a), in order to be filed in the real property records. If not wholly in the English language, company requires and requests a sworn English translation as described in Section 11.002, subparagraphs (b) or (c), of the Texas Property Code, suitable for filing of record.

13. FOR INFORMATIONAL PURPOSES ONLY: The following conveyances involving the subject property were recorded within the last 24 months (or, if none, the most recent conveyance): Last conveyance found in Foreclosure Sale Deed recorded in Document No. [202306009264](#), corrected in [202306009477](#), of the Official Public Records of Comal County, Texas, and in Document No. [2023-378661](#), of the Official Public Records of Kendall County, Texas.

14. Company requires submission of following documentation to determine who has authority to act on behalf of BRMK Boerne Ranch, LLC.

1. a true and correct copies of the governing documents (including certificate of formation and company agreement), together with all amendments thereto,

2. Documentation from the Secretary of State/Texas Comptroller evidencing that the limited liability company is in lawful existence or, if a foreign limited liability company, that the limited liability company is qualified to do business in the state of Texas and evidencing that the limited liability company is in good standing,

3. if specific power of sale/mortgage is not specifically granted, Company will require consent of the governing authority provided in the certificate of formation and company agreement which authorize the subject transaction and designates, by name and office held, an authorized representative of the limited liability company to execute the closing documents on behalf of the limited liability company.

4. In addition, if the LLC is a foreign limited liability company, obtain a Certificate of Status and Certificate of Good Standing from the appropriate governmental agencies of the state in which the limited liability company was created.

15. Company requires submission of following documentation to determine who has authority to act on behalf of Weekley Homes, LLC.

1. a true and correct copies of the governing documents (including certificate of formation and company agreement), together with all amendments thereto,

2. Documentation from the Secretary of State/Texas Comptroller evidencing that the limited liability company is in lawful existence or, if a foreign limited liability company, that the limited liability company is qualified to do business in the state of Texas and evidencing that the limited liability company is in good standing,

3. if specific power of sale/mortgage is not specifically granted, Company will require consent of the governing authority provided in the certificate of formation and company agreement which

Continuation of Schedule C

GF No. 23-2853-CH

authorize the subject transaction and designates, by name and office held, an authorized representative of the limited liability company to execute the closing documents on behalf of the limited liability company.

4. In addition, if the LLC is a foreign limited liability company, obtain a Certificate of Status and Certificate of Good Standing from the appropriate governmental agencies of the state in which the limited liability company was created.

16. FOR INFORMATIONAL PURPOSES ONLY: The Texas Department of Insurance Rules and Regulations do not provide for survey exception (B-2) modification on Commitments; however, an acceptable survey dated February 1, 2024, prepared by Kyle L. Pressler, Registered Professional Land Surveyor No. 6528, has been received and the Company will amend said exception to read "Shortages in Area" in the proposed Policy(ies) upon payment of all expenses in connection with the survey and any applicable premium, subject to no contradictory information being received prior to closing.

COMMITMENT FOR TITLE INSURANCE

SCHEDULE D

GF No. **23-2853-CH**Effective Date: **February 25, 2024, 8:00 am**

Pursuant to the requirements of Rule P-21, Basic Manual of Rules, Rates and Forms for the writing of Title Insurance in the State of Texas, the following disclosures are made:

1. The following individuals are directors and/or officers, as indicated, of the Title Insurance Company issuing this Commitment

DIRECTORS OF OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

CRAIG R. SMIDDY
MICHAEL D. KENNEDY
JOHN ERIC SMITH
STEVEN J. BATEMAN
PETER B. MCNITT

JOHN M. DIXON
CHARLES J. KOVALESKI
GLENN W. REED
BARBARA ADACHI

STEVE R. WALKER
LISA J. CALDWELL
FREDERICKA TAUBITZ
SPENCER LEROY, III

OFFICERS OF OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY

CAROLYN J. MONROE, President & CEO

CHRIS G. LIESER, Executive Vice President & CFO

CURTIS J. HOFFMAN, Executive Vice President

MARK M. BUDZINSKI, Executive Vice President

DANA C. SOLMS, Executive Vice President

BENEDICT CORBETT, Vice President & Treasurer

DANIEL M. WOLD, Executive Vice President, Secretary

IVY ANDERSON, Executive Vice President

Shareholders owning, controlling or holding, directly or indirectly, ten percent (10%) or more of the shares of Old Republic National Title Insurance Company: Old Republic Title Insurance Companies, Inc.-100%, a wholly owned subsidiary of Old Republic National Title Holding Company, a wholly owned subsidiary of Old Republic Title Insurance Group, Inc., a wholly owned subsidiary of Old Republic International Corporation.

2. The following disclosures are made by the Title Insurance Agent issuing this Commitment: CORRIDOR TITLE, LLC

- a. The names of each shareholder, owner, partner or other person having, owning or controlling one percent (1%) or more of the Title Insurance Agent that will receive a portion of the premium are as follows:

Patrick M. Rose

- b. Each shareholder, owner, partner or other person having, owning or controlling ten percent (10%) or more of an entity that has, owns, or controls one percent (1%) or more of the Title Insurance Agent that will receive a portion of the premium are as follows: None.

- c. The following persons are managers and officers of the Title Insurance Agent:

MANAGERS

Patrick M. Rose

OFFICERS

Patrick M. Rose, President
Jayne Heckmann, CFO

3. You are entitled to receive advance disclosure of settlement charges in connection with the proposed transaction to which this commitment relates. Upon your request, such disclosure will be made to you. Additionally, the name of any person, firm or corporation receiving a portion of the premium from the settlement of this transaction will be

Continuation of Schedule D

GF No. **23-2853-CH**

disclosed on the closing or settlement statement.

You are further advised that the estimated title premium* is:

Owner's Policy	<u>\$79,550.00</u>
Loan Policy	<u>\$0.00</u>
Endorsement Charges	<u>\$0.00</u>
Other	<u>\$0.00</u>
Total	<u>\$79,550.00</u>

Of this total amount: 15% will be paid to the policy issuing Title Insurance Company; 85% will be retained by the issuing Title Insurance Agent; and the remainder of the estimated premium will be paid to other parties as follows:

<u>Amount</u>	<u>To Whom</u>	<u>For Services</u>
---------------	----------------	---------------------

" The estimated premium is based upon information furnished to us as of the date of this Commitment for Title Insurance. Final determination of the amount of the premium will be made at closing in accordance with the Rules and Regulations adopted by the Commissioner of Insurance."

DELETION OF ARBITRATION PROVISION

(Not applicable to the Texas Residential Owner's Policy)

ARBITRATION is a common form of alternative dispute resolution. It can be a quicker and cheaper means to settle a dispute with your Title Insurance Company. However, if you agree to arbitrate, you give up your right to take the Title Insurance Company to court and your rights to discovery of evidence may be limited in the arbitration process. In addition, you cannot usually appeal an arbitrator's award.

Your policy contains an arbitration provision (shown below). It allows you or the Company to require arbitration if the amount of insurance is \$2,000,000 or less. If you want to retain your right to sue the Company in case of a dispute over a claim, you must request deletion of the arbitration provision before the policy is issued. You can do this by signing this form and returning it to the Company at or before the closing of your real estate transaction or by writing to the Company.

The arbitration provision in the Policy is as follows:

"Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured, unless the Insured is an individual person (as distinguished from an Entity). All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction."

SIGNATURE

DATE

CONDITIONS AND STIPULATIONS

1. If you have actual knowledge of any matter which may affect the title or mortgage covered by this Commitment, that is not shown in Schedule B, you must notify us in writing. If you do not notify us in writing, our liability to you is ended or reduced to the extent that your failure to notify us affects our liability. If you do notify us, or we learn of such matter, we may amend Schedule B, but we will not be relieved of liability already incurred.
2. Our liability is only to you, and others who are included in the definition of Insured in the Policy to be issued. Our liability is only for actual loss incurred in your reliance on this Commitment to comply with its requirements or to acquire the interest in the land. Our liability is limited to the amount shown in Schedule A of this Commitment and will be subject to the following terms of the Policy: Insuring Provisions, Conditions and Stipulations, Exceptions and Exclusions.

IMPORTANT NOTICE
FOR INFORMATION, OR
TO MAKE A COMPLAINT
CALL OUR TOLL-FREE TELEPHONE NUMBER

1-888-678-1700

ALSO
YOU MAY CONTACT
THE TEXAS DEPARTMENT
OF INSURANCE AT

1-800-252-3439

to obtain information on

1. filing a complaint against an insurance company or agent,
2. whether an insurance company or agent is licensed,
3. complaints received against an insurance company
4. policy holder rights, and
5. a list of consumer publications and services available through the Department.

YOU MAY ALSO WRITE TO
THE TEXAS DEPARTMENT OF INSURANCE
P. O. BOX 149104
AUSTIN, TEXAS 78714-9104
FAX NO. (512) 305-7426

AVISO IMPORTANTE
PARA INFORMACION, O
PARA SOMETER UNA QUEJA
LLAME AL NUMERO GRATIS

1-888-678-1700

TAMBIEN
PUEDE COMUNICARSE CON
EL DEPARTAMENTO DE SEGUROS
DE TEXAS AL

1-800-252-3439

para obtener informacion sobre:

1. como someter una queja en contra de una compania de seguros o agente de seguros,
2. si una compania de seguros o agente de seguros tiene licencia,
3. quejas recibidas en contra de una compania seguros o agente de seguros,
4. los derechos del asegurado, y
5. una lista de publicaciones y servicios para consumidores disponibles a traves del Departamento.

TAMBIEN PUEDE ESCRIBIR AL
DEPARTAMENTO DE SEGUROS DE TEXAS
P. O. BOX 149104
AUSTIN, TEXAS 78714-9104
FAX NO. (512) 305-7426

TEXAS TITLE INSURANCE INFORMATION

<p>Title insurance insures you against loss resulting from certain risks to your title.</p> <p>The Commitment for Title Insurance is the title insurance company's promise to issue the title insurance policy. The Commitment is a legal document. You should review it carefully to completely understand it before your closing date.</p>	<p>El seguro de titulo le asegura en relacion a perdidas resultantes de ciertos riesgos que pueden afectar el titulo de su propiedad.</p> <p>El Compromiso para Seguro de Titulo es la promesa de la compania aseguradora de titulos de emitir la poliza de seguro de titulo. El Compromiso es un documento legal. Usted debe leerlo cuidadosamente y entenderlo completamente antes de la fecha para finalizar su transaccion.</p>
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Your Commitment for Title Insurance is a legal contract between you and us. The Commitment is not an opinion or report of your title. It is a contract to issue you a policy subject to the Commitment's terms and requirements.

Before issuing a Commitment for Title Insurance (the Commitment) or a Title Insurance Policy (the Policy), the Title Insurance Company (the Company) determines whether the title is insurable. This determination has already been made. Part of that determination involves the Company's decision to insure the title except for certain risks that will not be covered by the Policy. Some of these risks are listed in Schedule B of the attached Commitment as Exceptions. Other risks are stated in the Policy as Exclusions. These risks will not be covered by the Policy.

Another part of the determination involves whether the promise to insure is conditioned upon certain requirements being met. Schedule C of the Commitment lists these requirements that must be satisfied or the Company will refuse to cover them. You may want to discuss any matters shown in Schedules B and C of the Commitment with an attorney. These matters will affect your title and your use of the land.

When your Policy is issued, the coverage will be limited by the Policy's Exceptions, Exclusions and Conditions, defined below.

- **EXCEPTIONS** are title risks that a Policy generally covers but does not cover in a particular instance. Exceptions are shown on Schedule B or discussed in Schedule C of the Commitment. They can also be added if you do not comply with the Requirements section of the Commitment. When the Policy is issued, all Exceptions will be on Schedule B of the Policy.

- **EXCLUSIONS** are title risks that a Policy generally does not cover. Exclusions are contained in the Policy but not shown or discussed in the Commitment.

- **CONDITIONS** are additional provisions that qualify or limit your coverage. Conditions include your responsibilities and those of the Company. They are contained in the Policy but not shown or discussed in the Commitment. The Policy Conditions are not the same as the Commitment Conditions.

You can get a copy of the policy form approved by the Texas Department of Insurance by calling the Title Insurance Company at 1-888-678-1170 or by calling the title insurance agent that issued the Commitment. The Texas Department of Insurance may revise the policy form from time to time.


You can also get a brochure that explains the policy from the Texas Department of Insurance by calling 1-800-252-3439.

Before the Policy is issued, you may request changes in the policy. Some of the changes to consider are:

- Request amendment of the "area and boundary" exception (Schedule B, paragraph 2). To get this amendment, you must furnish a survey. On the Owner Policy, you must pay an additional premium for the amendment. If the survey is acceptable to the Company, your Policy will insure you against loss because of discrepancies or conflicts in boundary lines, encroachments or protrusions, or overlapping of improvements. The Company may then decide not to insure against specific boundary or survey problems by making special exceptions in the Policy.

- Allow the Company to add an exception to "rights of parties in possession." If you refuse this exception, the Company or the title insurance agent may inspect the property. The Company may except to and not insure you against the rights of specific persons, such as renters, adverse owners or easement holders who occupy the land. The Company may charge you for the inspection. If you want to make your own inspection, you must sign a Waiver of Inspection form and allow the Company to add this exception to your Policy.

The entire premium for a Policy must be paid when the Policy is issued. You will not owe any additional premiums unless you want to increase your coverage at a later date and the Company agrees to add an Increased Value Endorsement.

 OLD REPUBLIC TITLE	
FACTS	WHAT DOES OLD REPUBLIC TITLE DO WITH YOUR PERSONAL INFORMATION?

Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> • Social Security number and employment information • Mortgage rates and payments and account balances • Checking account information and wire transfer instructions <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Old Republic Title chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Old Republic Title share?	Can you limit this sharing?
For our everyday business purposes — such as to process your transactions, maintain your account(s), or respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes — to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes — information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes — information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For non-affiliates to market to you	No	We don't share

	Go to www.oldrepublictitle.com (Contact Us)
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Who we are

Who is providing this notice?

Companies with an Old Republic Title name and other affiliates. Please see below for a list of affiliates.

What we do

How does Old Republic Title protect my personal information?

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. For more information, visit <https://www.oldrepublictitle.com/privacy-policy>

How does Old Republic Title collect my personal information?

We collect your personal information, for example, when you:

- Give us your contact information or show your driver's license
- Show your government-issued ID or provide your mortgage information
- Make a wire transfer

We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.

Why can't I limit all sharing?

Federal law gives you the right to limit only:

- Sharing for affiliates' everyday business purposes - information about your creditworthiness
- Affiliates from using your information to market to you
- Sharing for non-affiliates to market to you

State laws and individual companies may give you additional rights to limit sharing. See the [State Privacy Rights](https://www.oldrepublictitle.com/privacy-policy) section location at <https://www.oldrepublictitle.com/privacy-policy> for your rights under state law.

Definitions

Affiliates

Companies related by common ownership or control. They can be financial and nonfinancial companies.

Our affiliates include companies with an Old Republic Title name, and financial companies such as Attorneys' Title Fund Services, LLC, Lex Terrae National Title Services, Inc., Mississippi Valley Title Services Company, and The Title Company of North Carolina.

Non-affiliates

Companies not related by common ownership or control. They can be financial and non-financial companies.

Old Republic Title does not share with non-affiliates so they can market to you

Joint marketing

A formal agreement between non-affiliated financial companies that together market financial products or services to you.

Old Republic Title doesn't jointly market.

Affiliates Who May be Delivering This Notice				
American First Title & Trust Company	American Guaranty Title Insurance Company	Attorneys' Title Fund Services, LLC	Compass Abstract, Inc.	eRecording Partners Network, LLC
Genesis Abstract, LLC	Guardian Consumer Services, Inc.	iMarc, Inc.	Kansas City Management Group, LLC	L.T. Service Corp.
Lenders Inspection Company	Lex Terrae National Title Services, Inc.	Lex Terrae, Ltd.	Mississippi Valley Title Services Company	National Title Agent's Services Company
Old Republic Branch Information Services, Inc.	Old Republic Diversified Services, Inc.	Old Republic Escrow of Vancouver, Inc.	Old Republic Exchange Company	Old Republic National Ancillary Services, Inc.
Old Republic National Commercial Title Services, Inc.	Old Republic Title and Escrow of Hawaii, Ltd.	Old Republic National Title Insurance Company	Old Republic Title Company	Old Republic Title Companies, Inc.
Old Republic Title Company of Conroe	Old Republic Title Company of Indiana	Old Republic Title Company of Nevada	Old Republic Title Company of Oklahoma	Old Republic Title Company of Oregon
Old Republic Title Company of St. Louis	Old Republic Title Company of Tennessee	Old Republic Title Information Concepts	Old Republic Title Insurance Agency, Inc.	Old Republic Title, Ltd.
RamQuest Software, Inc.	Republic Abstract & Settlement, LLC	Sentry Abstract Company	Surety Title Agency, Inc.	The Title Company of North Carolina
Trident Land Transfer Company, LLC				



Privacy Policy Notice

Title V of the Gramm-Leach-Bliley Act (GLBA) generally prohibits any financial institution, directly or through its affiliates, from sharing nonpublic personal information about you with a nonaffiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of persons or entities to whom it may be disclosed. In compliance with the GLBA, we are providing you with this document, which notifies you of the privacy policies and practices of Corridor Title Company.

We may collect nonpublic personal information about you from the following sources:

- Information we receive from you such as on applications or other forms.
- Information about your transactions we secure from our files, or from others.
- Information we receive from a consumer reporting agency.
- Information that we receive from others involved in your transaction, such as the real estate agent or lender.

Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional nonpublic personal information will be collected about you. We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to nonaffiliated third parties as permitted by law.

We also may disclose this information about our customers or former customers to the following types of nonaffiliated companies that perform services on our behalf or with whom we have joint marketing agreements:

- Financial service providers such as companies engaged in banking, consumer finance, securities and insurance.
- Non-financial companies such as envelope stuffers and other fulfillment service providers.

WE DO NOT DISCLOSE ANY NONPUBLIC PERSONAL INFORMATION ABOUT YOU WITH ANYONE FOR ANY PURPOSE THAT IS NOT SPECIFICALLY PERMITTED BY LAW.

We restrict access to non-public personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your personal information.

Through Tax Year
2024

TAX CERTIFICATE EXHIBIT L

Certificate
27252 Item #5.

Issued By:

Kendall Appraisal District
118 Market Avenue
Boerne, TX 78006

Property Information

Property ID: 11782 Geo ID: 1-0033-0214-0040
Legal Acres: 339.2970
Legal Desc: A10033 - SURVEY 214 D BRADBURY 339.297 ACRES
Situs: 418 AMMANN RD
DBA:
Exemptions:

Owner ID: 5400858 100.00%
BOERNE RANCH ESTATES LLC
4161 MCKINNEY AVENUE
SUITE 403
DALLAS, TX 75204

For Entities

BOERNE ISD
COW CREEK GROUNDWATER
KENDALL COUNTY

Value Information

Improvement HS:	0
Improvement NHS:	0
Land HS:	0
Land NHS:	3,933,480
Productivity Market:	0
Productivity Use:	0
Assessed Value	3,933,480

Current/Delinquent Taxes

This is to certify that, after a careful check of the tax records of this office, the following delinquent taxes, penalties, interest and any known costs and expenses as provided by Tax Code §33.48, are due on the described property for the following taxing unit(s):

Year	Entity	Taxable	Tax Due	Disc./P&I	Attorney Fee	Total Due
2024	COW CREEK GROUNDWATER	3,933,480	196.67	0.00	0.00	196.67
2024	BOERNE ISD	3,933,480	38,976.86	-389.76	0.00	38,587.10
2024	KENDALL COUNTY	3,933,480	15,053.42	-150.53	0.00	14,902.89
Totals:			54,226.95	-540.29	0.00	53,686.66

Effective Date: 12/10/2024

Total Due if paid by: 12/31/2024

53,686.66

Tax Certificate Issued for:	Taxes Paid in 2024
KENDALL COUNTY	0.00
BOERNE ISD	0.00
COW CREEK GROUNDWATER	0.00

If applicable, the above-described property has/is receiving special appraisal based on its use, and additional rollback taxes may become due based on the provisions of the special appraisal (Comptroller Rule 9.3040) or property omitted from the appraisal roll as described under Tax Code Section 25.21 is not included in this certificate [Tax Code Section 31.08(b)].

Pursuant to Tax Code Section 31.08, if a person transfers property accompanied by a tax certificate that erroneously indicates that no delinquent taxes, penalties or interest are due a taxing unit on the property or that fails to include property because of its omission from an appraisal roll, the unit's tax lien on the property is extinguished and the purchaser of the property is absolved of liability to the unit for delinquent taxes, penalties or interest on the property or for taxes based on omitted property. The person who was liable for the tax for the year the tax was imposed or the property was omitted remains personally liable for the tax and for any penalties or interest.

A tax certificate issued through fraud or collusion is void.

This certificate does not clear abuse of granted exemptions as defined in Section 11.43 Paragraph(1) of the Texas Property Tax Code.

May Be Subject to Court Costs if Suit is Pending

Date of Issue: 12/10/2024
Requested By: BROWN & MCDONALD
Fee Amount: 10.00
Reference #:


Signature of Authorized Officer of Collecting Office

EXHIBIT A FEE RECEIPT

12/10/2024 3:34:01PM

Item #5.

Tax Office
Kendall Appraisal District 118 Market Avenue Boerne, TX 78006

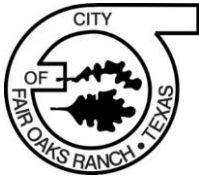
Receipt Number	1057260
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Payer Name and Address
BROWN & MCDONALD ATTORNEY AT LAW 100 NE LOOP 410 SUITE #1385 SAN ANTONIO, TX 78216

Fee ID	Fee Description	Fee Date	Year	Amount Due	Amount Paid
27116	TAX CERTIFICATES	12/10/2024	2024	10.00	10.00

Operator	Batch ID	Batch Description	Date Paid	Payment Type	Total Paid
CINDYK	8703	CK121024	12/10/2024	P	10.00

Tender Type	Details	Description	Amount
Check	1354		10.00



CITY COUNCIL CONSIDERATION ITEM

CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Consideration and possible action approving a resolution accepting a petition for a Public Improvement District (PID) and setting a public hearing date

DATE: May 20, 2025

DEPARTMENT: Public Works

PRESENTED BY: Scott M. Huizenga, ICMA-CM, City Manager
T. Daniel Santee, City Attorney

INTRODUCTION/BACKGROUND:

On May 2, 2025, the City of Fair Oaks Ranch received a Public Improvement District (PID) petition from BRMK Boerne Ranch, LLC. The petition is included as **Exhibit A** for reference. The petition requests the creation of the Post Oak PID within the City of Fair Oaks Ranch's extraterritorial jurisdiction.

The intent of the proposed PID is to create an assessment against properties within the proposed boundary that would finance public improvements related to the proposed development boundary, here referred to as the Post Oak Development. If approved, the Post Oak PID would create a financing mechanism that would address new services or improvements such as water distribution facilities, storm water management facilities, or road improvements.

On December 19, 2024, the City Council approved a City of Fair Oaks Ranch PID Policy, attached as **Exhibit C** for reference. The PID petition was reviewed by staff pursuant to requirements outlined in the policy and per Texas Local Government Code Section 372.005(a). Staff has determined the applicants sufficiently:

- Demonstrated availability of long-term financial capital
- Meet ownership requirements
- Demonstrated extraordinary mutual benefit to affected property owners and the City
- Identified land within the PID boundary that will be publicly owned
- Described all City-owned and maintained land, to include future City project costs
- Prepared a budget, to include revenues in addition to the assessments, and a description of how funds will be managed
- Specified procedure for eventual termination of the PID

As mentioned, this PID petition is related to an anticipated residential development to be known as the Post Oak Subdivision. Upon the City Council's acceptance of this PID petition resolution staff will prepare a series of actions for Council consideration, including and in no specific order:

- Proposed amendments to a current development agreement
- Annexation services agreement and public hearing
- Public Improvement District public hearing and findings
- Public Improvement District Administrator Agreement
- Zoning Map and Future Land Use Map amendments

Currently, Council action is limited to accepting the PID application and ordering a public hearing. Staff recommendation is to hold the public hearing on June 19, 2025. The form of all required notices of the Public Hearing as required by law is attached as **Exhibit B**.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

Texas Local Government Code Section 372 requires the City Council prior to establishing a Public Improvement District to provide for a public hearing and provide notice of said public hearing to affected property owners.

Supports Strategic Action Plan Pillar 2 Responsible Growth Management.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

None

LEGAL ANALYSIS:

Approved to as form.

RECOMMENDATION/PROPOSED MOTION:

I move to approve a resolution accepting for filing a landowner petition requesting the creation of the Post Oak Public Improvement District; finding the petition to be compliant with applicable laws; calling a public hearing for June 19, 2025 to consider the creation of the Public Improvement District; and authorizing and directing that notice of the public hearing be given as required by law.

A RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS ACCEPTING FOR FILING A LANDOWNER PETITION REQUESTING THE CREATION OF THE POST OAK PUBLIC IMPROVEMENT DISTRICT; FINDING THE PETITION TO BE COMPLIANT WITH APPLICABLE LAWS; CALLING A PUBLIC HEARING TO CONSIDER THE CREATION OF THE PUBLIC IMPROVEMENT DISTRICT; AUTHORIZING AND DIRECTING THAT NOTICE OF THE PUBLIC HEARING BE GIVEN AS REQUIRED BY LAW; PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE; AND RESOLVING OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, Chapter 372, Texas Local Government Code, as amended (the "Act"), authorizes the City of Fair Oaks Ranch, Texas (the "City") to create public improvement districts within the corporate limits and extraterritorial jurisdiction of the City, and

WHEREAS, a landowner petition, a copy of which is attached as Exhibit A (the "Petition"), was filed with the City Secretary requesting the creation of the "Post Oak Public Improvement District" (the "District") and which Petition the City Council of the City (the "City Council") hereby finds and determines to be validly submitted, in proper form, and compliant with applicable laws of the State of Texas (the "State") concerning the creation of a public improvement district with boundaries as described in the Petition, to support a development project within the corporate limits of the City, as required and in compliance the Act, and

WHEREAS, the Petition indicated: (i) the owners of taxable real property representing more than fifty percent (50%) of the appraised value of taxable real property liable for assessment under the proposal, as determined by the current roll of the appraisal district in which the property is located; and (ii) the record owners of real property liable for assessment under the proposal who: (a) constitute more than fifty percent (50%) of all record owners of property that are liable for assessment under the proposal, or (b) own taxable real property that constitutes more than fifty percent (50%) of the area of all taxable real property that is liable for assessment under the proposal executed the Petition, and

WHEREAS, pursuant to the Act, prior to the action of the City Council concerning the creation of the District, the City Council is required to conduct a public hearing concerning any such creation and provide notice of such public hearing as follows: (i) publish notice thereof in a newspaper of general circulation in the City and in the part of the extraterritorial jurisdiction in which the District is to be located or in which the improvements are to be undertaken, which notice shall contain, at a minimum, the requisite information specified in the Act, and (ii) mail written notice thereof which shall contain, at a minimum, the requisite information specified in the Act to the current address of the owner, as reflected on tax rolls, of property subject to assessment under the proposed District, and

WHEREAS, the City Council has determined that it is in the best interest of the City to accept the Petition and to call a public hearing (the "Public Hearing") at which the City Council will consider the adequacy of the Petition and hear public testimony regarding the feasibility and advisability of creating the proposed District.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS:

- Section 1.** The recitals set forth in the WHEREAS clauses of this Resolution are true and correct and are incorporated as part of this Resolution.
- Section 2.** City staff has reviewed the Petition and determined that the same complies with the requirements of the Act and the filing of the Petition is accepted. The Petition is filed with the office of the City Secretary and is available for public inspection.
- Section 3.** The City Council calls the Public Hearing to consider the adequacy of the Petition and to hear public testimony on the feasibility and advisability of creating the proposed District, the nature of the improvements contemplated, the estimated costs of the improvements, the boundaries of the District, the method of assessment, and the apportionment, if any, of the costs of the improvements, to be held beginning at or after 6:30 P.M. on Thursday, June 19, 2025, in the regular meeting place of the City Council in City Hall located at 7286 Dietz Elkhorn, Fair Oaks Ranch, Texas 78015. Attached hereto as Exhibit B is a form of the Notice of Public Hearing, the form and substance of which is hereby adopted and approved. All residents and property owners within the District, and all other persons, are hereby invited to appear in person, or by their attorney, and speak on the creation of the District.
- Section 4.** The Public Hearing may be adjourned from time to time.
- Section 5.** The City Secretary is hereby authorized and directed to give all notices of the Public Hearing as required by law, including notices required by the Texas Open Meetings Act and by the Act. The notice of public hearing regarding creation of the District is hereby approved and authorized to be published and mailed and shall read substantially in the form and content of Exhibit B attached hereto which notice is incorporated herein by reference as a part of this Resolution for all purposes.
- Section 6.** The City Secretary shall cause the aforesaid notice, attached hereto as Exhibit B, to be published in a newspaper of general circulation in the City and in the part of the extraterritorial jurisdiction in which the District is to be located or in which the improvements are to be undertaken before the fifteenth (15th) day before the scheduled date of the Public Hearing. The City Secretary is hereby authorized and directed to mail notices of the hearing regarding the creation of the District substantially in the form attached hereto as Exhibit B to the current addresses of the owners, as reflected on the tax rolls, of property subject to assessment under the proposed District and to address such notices to the "Property Owner" before the fifteenth (15th) day before the scheduled date of the Public Hearing, as required and as provided by the provisions of Section 372.009(d) of the Act.
- Section 7.** Upon the closing of the Public Hearing, the City Council may consider the adoption of a resolution creating the proposed District or may defer the adoption of such a resolution for up to six months. The creation of the proposed District is within the sole discretion of the City Council.

Section 8. All orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 9. This Resolution shall be construed and enforced in accordance with the laws of the State and the United States of America.

Section 10. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and this City Council hereby declares that this Resolution would have been enacted without such invalid provision.

Section 11. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

Section 12. This Resolution shall become effective immediately from and after it is passed and approved.

PASSED, APPROVED, and ADOPTED on this 20th day of May 2025.

Gregory C. Maxton, Mayor

ATTEST:

APPROVED AS TO FORM:

Christina Picioccio, TRMC
City Secretary

Denton Navarro Rodriguez Bernal Santee & Zech
P.C., City Attorney



BROWN & MCDONALD
ATTORNEYS AT LAW

May 2, 2025

Ms. Christina Picioccio, TRMC
City Secretary
City of Fair Oaks Ranch
7286 Dietz Elkhorn
Fair Oaks Ranch, Texas, 78015

VIA HAND DELIVERY

Mr. Scott Huizenga
City Manager
City of Fair Oaks Ranch
7286 Dietz Elkhorn
Fair Oaks Ranch, Texas, 78015

VIA HAND DELIVERY

RE: Petition for Consent to the Creation of the Post Oak Public Improvement District, in accordance with Chapter 372 of the Texas Local Government Code and The City of Fair Oaks Ranch's PID Policy, for Property bordered by Ammann Road to the West and South in Kendall and Comal Counties, Texas (the "Subject Property"); *Our File No.1000.043*

Dear Ms. Picioccio and Mr. Huizenga:

On behalf of the Petitioner, BMRK Boerne Ranch, LLC, we respectfully submit the enclosed Petition to the City of Fair Oaks Ranch and request the creation of the Post Oak Public Improvement District and the inclusion of the Subject Property therein, all as further described in the attached Petition. Please find enclosed:

1. A signed Petition submitted to the City of Fair Oaks Ranch for the Creation of the Post Oak Public Improvement District (**Exhibit "1"**);
2. Post Oak Public Improvement District Layout of the Subject Property (**Exhibit "2"**);
3. Deed for Subject Property (**Exhibit "3"**);
4. Post Oak Public Improvement District Timeline (**Exhibit "4"**); and
5. Post Oak Public Improvement District Financial Projections (**Exhibit "5"**).

Please do not hesitate to contact our office should you have any questions or need any additional information in connection with this Petition.

Thank you,

BROWN & MCDONALD, PLLC

BY: 
Caroline McDonald

Enclosures: As Stated

CC: Carole Vanzant, Asst. City Manager, City of Fair Oaks Ranch

EXHIBIT 1

**PETITION TO THE CITY OF FAIR OAKS RANCH FOR THE CREATION OF THE
POST OAK PUBLIC IMPROVEMENT DISTRICT**

PETITION FOR THE CREATION OF A PUBLIC IMPROVEMENT DISTRICT WITHIN
THE CITY OF FAIR OAKS RANCH, TEXAS FOR THE
POST OAK PUBLIC IMPROVEMENT DISTRICT

This petition ("Petition") is submitted and filed with the City Secretary of the City of Fair Oaks Ranch, Texas (the "City"), by BMRK Boerne Ranch, LLC (hereinafter "BMRK") owner of a majority of the Property (as defined below) for real property located within the proposed boundaries of the Public Improvement District (the "District"), as hereinafter defined. Pursuant to the provisions of Chapter 372, Texas Local Government Code, as amended (the "Act"), the Petitioner requests that the City create a District to include that real property located within the corporate limits of the City (the "Property"), more particularly described by a metes and bounds description in Exhibit A and depicted in Exhibit B. In support of this Petition, the Petitioner would present the following:

Section 1. General Nature of the Authorized Improvements. The general nature of the proposed public improvements (the "Authorized Improvements") include: (1) landscaping; (2) erection of fountains, distinctive lighting, and signs; (3) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of-way; (4) construction of improvement of pedestrian malls; (5) acquisition and installation of pieces of art; (6) acquisition, construction, or improvement of libraries; (7) acquisition, construction, or improvement of off-street parking facilities; (8) acquisition, construction, improvement, or rerouting of mass transportation facilities; (9) acquisition, construction, or improvement of water, wastewater, or drainage facilities or improvements; (10) the establishment or improvement of parks; (11) projects similar to those listed in (1)-(10); (12) acquisition, by purchase or otherwise, of real property in connection with an authorized improvement; (13) special supplemental services for improvement and promotion of the District, including services relating to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation, and cultural enhancement; (14) payment of expenses incurred in establishment, administration, and operation of the District, including the costs of financing the public improvements listed above; (15) the development, rehabilitation, or expansion of affordable housing; and (16) payment of expenses associated with operating and maintaining the improvements listed above and any other hard or soft costs associated with the development of the Property as allowed under the Act. These Authorized Improvements shall promote the interest of the City, are consistent with the City's Comprehensive Plan, and confer a special benefit upon the Property. For an overview of private and public improvements please see the concept plan in Exhibit C.

Section 2. Estimated Cost of the Authorized Improvements. The estimated Authorized Improvements Costs, together with bond issuance costs, eligible legal and financial fees, eligible credit enhancement costs and eligible costs incurred in the establishment, administration, and

operation of the District are currently estimated to be \$60,000,000. The City will pay none of the costs of the proposed improvements from funds other than the PID assessments. The remaining costs of the proposed improvements will be paid from sources other than the City or assessments of property owners.

Section 3. Boundaries of the Proposed District. The District is proposed to include the Property as shown in Exhibit A.

Section 4. Proposed Method of Assessment. An assessment methodology will be prepared that will address: (1) how costs of the Authorized Improvements financed with the assessments are assessed against the property in the District; (2) the assessments to be collected each year; and (3) reduction of assessments for costs savings (pursuant to an annual review of the service plan for the District). Additionally, a report will be prepared showing the special benefits accruing to property in the District and how the costs of the Authorized Improvements are assessed to property on the basis of the special benefits.

Pursuant to the methodology, the City shall levy assessments on each parcel within the District in a manner that results in imposing equal shares of the costs on property similarly benefited, in compliance with the Act. All assessments may be paid in full at any time (including interest and principal), and certain assessments may be paid in annual installments (including interest and principal). If an assessment is allowed to be paid in installments, then the installments must be paid in amounts necessary to meet annual costs for those Authorized Improvements financed by the assessment and must continue for a period necessary to retire the indebtedness of those Authorized Improvements (including interest).

Section 5. Proposed Apportionment of Costs between the District and the City. The City will not be obligated to provide any funds to finance the Authorized Improvements, other than from assessments levied on the District. No municipal property in the District shall be assessed. The Petitioner may also pay certain costs of the improvements from other funds available to the Petitioner.

Section 6. Management of the District. The Petitioner proposes that the District be managed by the City, with the assistance of a third-party administrator, who shall, from time to time advise the City regarding certain operations of the District. The administrator shall be paid as part of the annual administrative cost of the District.

Section 7. Advisory Body. Pursuant to the Act an advisory board may be established to develop and recommend an improvement plan for the District to the City, however, the Petitioner proposes that the District be established and managed without the creation of an advisory board. If an advisory board is created, the Petitioner requests that a representative of the Petitioner be appointed to the advisory board.

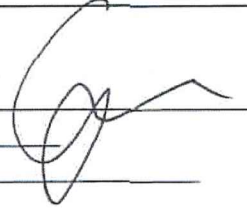
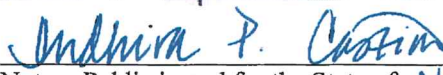
Section 8. The Petitioner Requests Establishment of the District. The person(s) signing this Petition requests the establishment of the District, is duly authorized, and has the corporate authority to execute and deliver the Petition.

Section 9. Landowner(s). This Petition has been signed by (1) the owner(s) of taxable real property representing more than 50 percent of the appraised value of taxable real property liable for assessment under this proposal, as determined by the current roll of the appraisal district in which the property is located; and (2) record owners of real property liable for assessment under this proposal who: (A) constitute more than 50 percent of all record owners of property that is liable for assessment under this proposal; or (B) own taxable real property that constitutes more than 50 percent of the area of all taxable real property that is liable for assessment under this proposal.

Section 10. City Secretary. This Petition is hereby filed with the City Secretary of the City, or other officer performing the functions of the City Secretary, in support of the creation of the District by the City Council of the City as herein provided. The undersigned request that the City Council of the City call a public hearing on the advisability of the Authorized Improvements, the estimated costs of the Authorized Improvements, the method of assessment, and the apportionment of cost between the proposed District and the City as a whole and shall give notice thereof as provided by law and grant all matters requested in this Petition.

Signatures on following page

RESPECTFULLY SUBMITTED, on this 29 day of April, 2025.

1	Printed Name: BMRK Boerne Ranch, LLC , Signature: 
	By: <u>Adam Zausmer</u>
	Title: Authorized Signer
	Address of Property in PID: 418 Ammann Rd., Kendall and Comal Counties, TX 78015 KCAD Parcel #: 11782 KCAD Property Description: A10033 - SURVEY 214 D BRADBURY 344.6 ACRES (more accurately described in Exhibit A)
	Date of Acquired Property: March 7, 2023 Appraised Value: _____, Acres: +/- 344.6
	State of <u>New York</u> § County of <u>Bronx</u> § Before me, the undersigned notary public for the State of <u>New York</u> , on this day personally appeared <u>Adam Zausmer</u> , known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purpose and consideration therein expressed.
	SUBSCRIBED AND SWORN this the <u>29th</u> day of <u>April</u> , 20 <u>25</u> .
	 Notary Public in and for the State of <u>New York</u>

INDHIRA P. CASTILLO
Notary Public, State of New York
Reg. No. 01CA6412071
Qualified in Bronx County
Commission Expires December 14, 2028

BRMK MANAGEMENT SPE JP, LLC


INCUMBENCY CERTIFICATE

The undersigned, being the manager of BRMK Management SPE JP, LLC, a Delaware limited liability company (the "Company"), hereby certifies that: (a) each of the persons listed below is an authorized person of the Company authorized and empowered with full power and authority to enter into any and all documents, agreements and instruments as he or she deems necessary or advisable on behalf of the Company; (b) the following persons hold the title indicated opposite their respective names; and (c) the signatures appearing opposite the following persons' names are the genuine signatures of such persons, respectively:

Name	Title	Signature
Andrew Ahlborn	Authorized Person	
Thomas Capasse	Authorized Person	
Kenneth Nick	Authorized Person	
Jack Ross	Authorized Person	
Jacqueline Schorr	Authorized Person	
Gary Taylor	Authorized Person	
Adam Zausmer	Authorized Person	

IN WITNESS WHEREOF, the undersigned has executed this Incumbency Certificate this _____ day of Setpember, 2023.

WATERFALL ASSET MANAGEMENT,
LLC

By: 
Name: Kenneth Nick
Title: Authorized Person

April 23, 2025

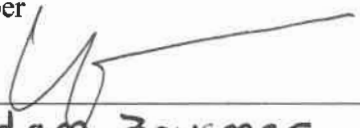
City of Fair Oaks Ranch
City Manager
Scott Huizenga
7286 Dietz Elcorn
Fair Oaks Ranch, TX 78015

Re: Representation in Connection with Platting, Permitting, and General Land Development for the +/- 344.62 Acres Generally Located at the West and South Corner of Ammann Road, Fair Oaks Ranch, Texas (the "Subject Property").

This letter authorizes Bitterblue, Inc and its subsidiaries to act as authorized agent for all platting, permitting, and general land development for BRMK Boerne Ranch, LLC, the property owner of the Subject Property.

BRMK BOERNE RANCH, LLC,
A Washington limited liability company

By: BRMK MANAGEMENT SPE JP, LLC
A Delaware limited liability company
Its Member


By: 
Name: Adam Zausmer
Title: Authorized Signer

State of New York §
County of Bronx §

Before me, the undersigned authority, a notary public for the State of New York, on this day personally appeared Adam Zausmer, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledge to me that he executed the same for the purpose and consideration therein expressed.

Given under my hand and seal office, this the 29th day of April, 2025.

(SEAL)


Notary Public-State of New York

INDHIRA P. CASTILLO
Notary Public, State of New York
Reg. No. 01CA6412071
Qualified in Bronx County
Commission Expires December 14, 2028

**FIELD NOTES
FOR 344.65 ACRES**

BEING A 344.65 acre tract of land, all of a 344.979 acre tract of land as recorded and conveyed to Russell W. Pfeiffer in Volume 289, Pages 398-400 of the Official Records of Comal County, Texas, and in Volume 137, Page 679 of the Official Records of Kendall County, Texas, out of the David Bradbury Survey No. 214, Abstract No. 989 of Comal County, Texas and the David Bradbury Survey No. 214, Abstract No. 33 of Kendall County, Texas, said 344.65 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at a found $\frac{1}{2}$ " iron rod in the east right of way of Ammann Road for the northwest corner of this tract and the southwest corner of a 131.013 acre tract as recorded in Volume 113, Page 834 of the Deed Records of Kendall County, Texas;

THENCE South $88^{\circ} 15' 14"$ East for a distance of 3926.52 feet with a fence the north line of this tract, and the south line of said 131.013 acre tract to a set $\frac{1}{2}$ " iron rod with "ACES" cap at a corner for the northeast corner of this tract, the southeast corner of said 131.013 acre tract and in the west lines of a 140.452 acre tract as recorded in Volume 113, Page 836 of the Deed Records of Kendall County, Texas;

THENCE South $02^{\circ} 11' 11"$ East for a distance of 3822.63 feet with a fence and the west line of said 140.452 acre tract to a set $\frac{1}{2}$ " iron rod with "ACES" cap in the north right of way of Ammann Road for the southeast corner of this tract;

THENCE with the north right of way of Ammann Road and fence the following:

North $88^{\circ} 35' 14"$ West for a distance of 7.43 feet for an angle point;
 North $88^{\circ} 26' 14"$ West for a distance of 522.50 feet for an angle point;
 North $88^{\circ} 06' 14"$ West for a distance of 318.70 feet for an angle point;
 North $87^{\circ} 19' 14"$ West for a distance of 923.90 feet for an angle point;
 North $89^{\circ} 33' 14"$ West for a distance of 727.10 feet for an angle point;
 North $89^{\circ} 45' 46"$ West for a distance of 830.80 feet for an angle point;
 North $89^{\circ} 42' 46"$ East for a distance of 587.60 feet for southwest corner of this tract;

THENCE with the east right of way of Ammann Road and a fence the following:

North $44^{\circ} 35' 14"$ West for a distance of 20.60 feet to an angle point;
 North $01^{\circ} 59' 14"$ West for a distance of 1933.70 feet for an angle point;
 North $02^{\circ} 09' 14"$ West for a distance of 1926.20 feet to **the POINT OF BEGINNING**
 and containing 344.65 acres of land, more or less, in Comal County, and Kendall Counties, Texas.

Plat of survey provided.

ALAMO CONSULTING ENGINEERING
& SURVEYING, INC.

Kevin Conroy, R.P.L.S. 4198

August 28, 2013

Job # 115800

DC:F/PROJECT/1100/115800/FIELD NOTES FOR 344.65 AC.



NOTES

1. BEARINGS ARE BASED ON THE STATE PLANE COORDINATE SYSTEM ESTABLISHED FOR THE TEXAS SOUTH CENTRAL ZONE 4204, NORTH AMERICAN DATUM (NAD) OF 1983. DISTANCES SHOWN HEREON ARE GRID UNITS.

2. TITLE COMMITMENT PROVIDED BY OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY, GP NO. 23-2853-04, EFFECTIVE DATE: JANUARY 1, 2024. ISSUED DATE: JANUARY 9, 2024.

LEGAL DESCRIPTION OF LAND:

BEING 344.6 ACRES OF LAND, MORE OR LESS, IN THE DAVID BRADBURY SURVEY NO. 214, ABSTRACT 33, IN KENDALL COUNTY, TEXAS, AND DAVID BRADBURY SURVEY NO. 214, ABSTRACT 989, IN COMAL COUNTY, TEXAS BEING THAT SAME TRACT CONVEYED IN DOCUMENT NO. 20230609264, CORRECTED IN 20230609477, OF THE OFFICIAL PUBLIC RECORDS OF COMAL COUNTY, TEXAS, AND IN DOCUMENT NO. 2023-378661, OF THE OFFICIAL PUBLIC RECORDS OF KENDALL COUNTY, TEXAS.

SCHEDULE B:

1. RESTRICTIVE COVENANTS OF RECORD:

- NONE LISTED

10.

f. VOLUME 599, PAGE 69, O.R.K.C.T. - DOES NOT INCLUDE SUBJECT TRACT

- EASEMENT TO PEDERNALES ELECTRIC COOPERATIVE

9. DOCUMENT NO. 20040603442, O.P.R.C.C.T., AND IN VOLUME 880, PAGE 51, O.R.K.C.T. - INCLUDES SUBJECT TRACT AS SHOWN

- GUADALUPE-BLANCO RIVER AUTHORITY EASEMENT

h. VOLUME 1463, PAGE 289, O.R.K.C.T. - INCLUDES SUBJECT TRACT AS SHOWN

- PEDERNALES ELECTRIC COOPERATIVE INC., EASEMENT

i. DOCUMENT NO. 201408011786, O.P.R.C.C.T., AND IN VOLUME 1411, PAGE 587, O.R.K.C.T. - INCLUDES SUBJECT TRACT

- DEVELOPMENT AGREEMENT

j. DOCUMENT NO. 2021-360011, O.R.K.C.T. - INCLUDES SUBJECT TRACT

- COMPREHENSIVE SETTLEMENT AND RELEASE AGREEMENT

k. SUBJECT PROPERTY LIES WITHIN THE BOUNDARIES OF THE COW CREEK GROUNDWATER DISTRICT.

3. REFERENCED PROPERTY IS IN ZONE X. AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN, AS SCALED FROM FEMA FLOOD MAP 450 OF 925, COMMUNITY PANEL NO. 482904049F, DATED DECEMBER 17, 2010.

4. THE TRACT SHOWN HEREON IS LOCATED WITHIN BOTH KENDALL COUNTY AND COMAL COUNTY.

5. METES AND BOUNDS WERE PREPARED FOR THIS SURVEY BY SEPARATE INSTRUMENT.

6. FENCES ALONG BOUNDARY LINE MEANDER.

CATEGORY 1A, CONDITION IV LAND TITLE SURVEY OF
A 344.6 ACRE TRACT OF LAND, OUT OF THE DAVID BRADBURY SURVEY NO. 214, ABSTRACT 33, KENDALL COUNTY, TEXAS AND THE DAVID BRADBURY SURVEY NO. 214, ABSTRACT 989, COMAL COUNTY, TEXAS AND BEING ALL OF A
CALLED 344.6 ACRE TRACT OF LAND AS DESCRIBED OF RECORD IN DOCUMENT NO. 2023-378661 OF THE OFFICIAL
RECORDS OF KENDALL COUNTY, TEXAS.

DAVID BRADBURY
SURVEY NO. 214
ABSTRACT 33

CALLED 64.022 ACRES
PARTITIONED
DUANE DEAN ZIEGLER
VOLUME 1177, PAGE 1120, O.R.K.C.T.

CALLED 10.610 ACRES
PARTITIONED
DUANE DEAN ZIEGLER
VOLUME 113, PAGE 534, D.R.K.C.T.

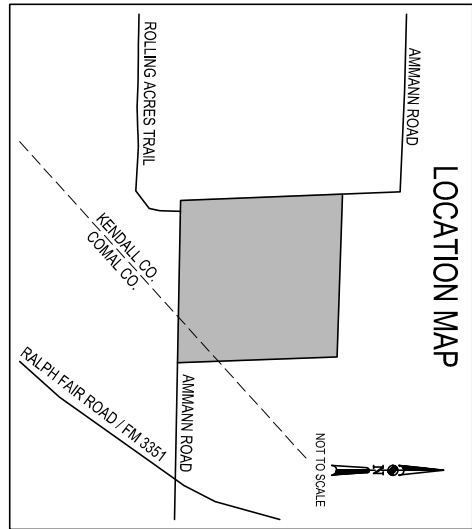
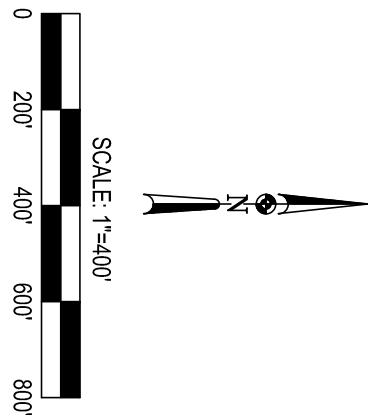
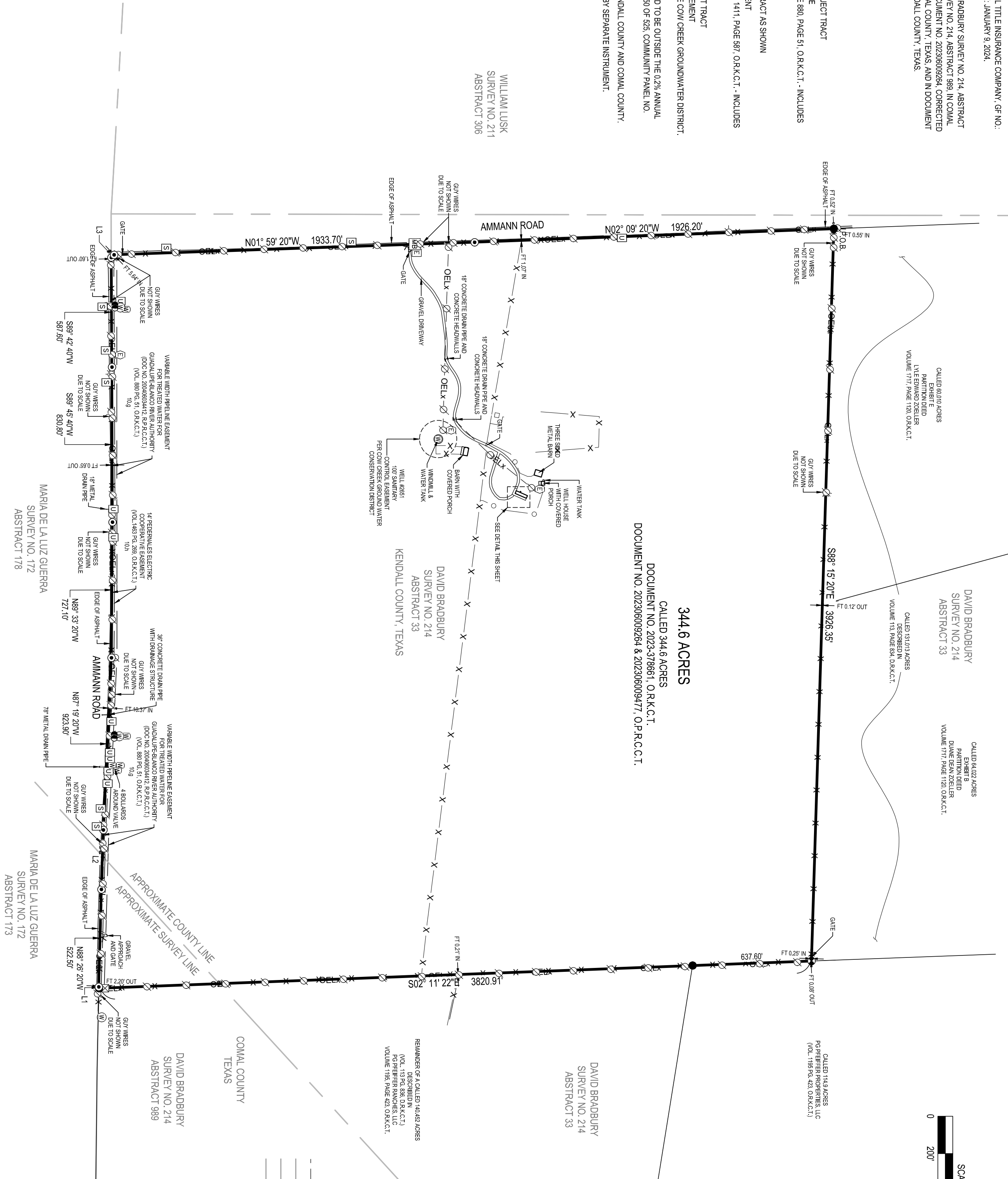
CALLED 6.010 ACRES
PARTITIONED
LUE EDWARD ZIEGLER
VOLUME 1171, PAGE 1702, O.R.K.C.T.

344.6 ACRES

CALLED 344.6 ACRES

DOCUMENT NO. 2023-378661, O.R.K.C.T.

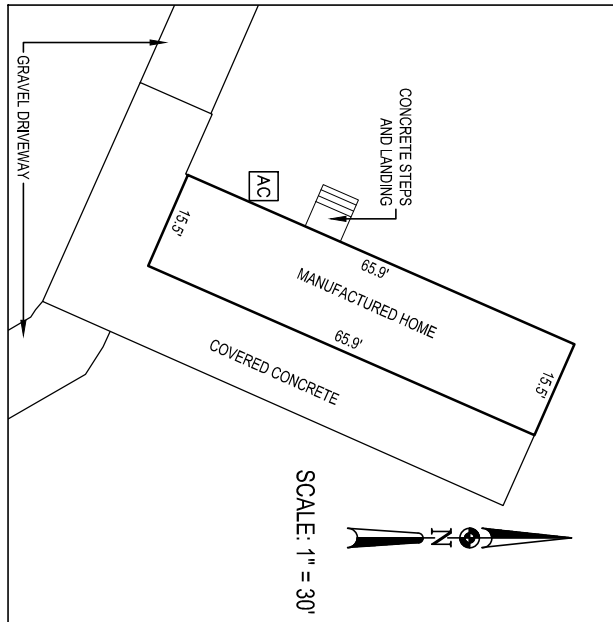
DOCUMENT NO. 20230609264 & 20230609477, O.P.R.C.C.T.



ADDRESS: 418 AMMANN ROAD
BOERNE, TX 78015

LINE TABLE		
LINE	BEARING	DISTANCE
L1	S87° 03' 24" W	7.48
L2	N89° 06' 20" W	316.70
L3	N44° 35' 20" W	20.60

LEGEND	
P.O.B.	POINT OF BEGINNING
O.P.R.C.C.T.	OFFICIAL PUBLIC RECORDS, COMAL COUNTY, TEXAS
O.R.K.C.T.	OFFICIAL RECORDS, KENDALL COUNTY, TEXAS
D.R.K.C.T.	DEED RECORDS, KENDALL COUNTY, TEXAS
FT	DIMENSIONAL FENCE THE FOUND 1/2" IRON ROD (UNLESS OTHERWISE SPECIFIED)
●	FOUND 4" PIPE POST
●	FOUND 1/2" IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "ACES"
AC	AC PAD
E	ELECTRIC BOX & KEPAD
E	ELECTRIC METER ON POLE
U	UTILITY POLE
U	UTILITY POLE WITH GUY WIRE
U	TRANSMISSION TOWER
W	WELL
W	WATER VALVE
W	WATER MANHOLE
W	BOLLARD POST
W	TRAFFIC SIGN
W	UTILITY MARKER POST
W	MALBOX
W	ELECTRIC (OVERHEAD)
W	WIRE FENCE
W	CHAINLINK FENCE
W	PIPE FENCE



THIS SURVEY WAS MADE ON THE GROUND AND THAT TO THE BEST OF MY KNOWLEDGE AND BELIEF, IT ACCURATELY REPRESENTS THE ACTUAL SURVEYED LAND AND CONFORMS TO THE CURRENT TEXAS SOCIETY OF PROFESSIONAL SURVEYORS STANDARDS AND SPECIFICATIONS FOR A CATEGORY 1A, CONDITION IV LAND TITLE SURVEY. THIS SURVEY WAS PERFORMED IN ACCORDANCE WITH THE TEXAS SURVEYING ACT, CHAPTER 131, ACTS 1989 AND 2004, AND THE TEXAS PROFESSIONAL LAND SURVEYOR REGISTRATION ACT, CHAPTER 132, ACTS 1989 AND 2004.

DATE: FEBRUARY 1, 2024
REGISTERED PROFESSIONAL LAND SURVEYOR
KYLE PRESSLER@MATKINHOOVER.COM
JOB NO. 18-0055 344.6 ACRES

POST OAK SUBDIVISION

POST OAK SUBDIVISION PHASING AND LOT COUNTS	
PHASE	NUMBER
1	72
2	71
3	72
4	63
TOTAL	278

EXHIBIT C

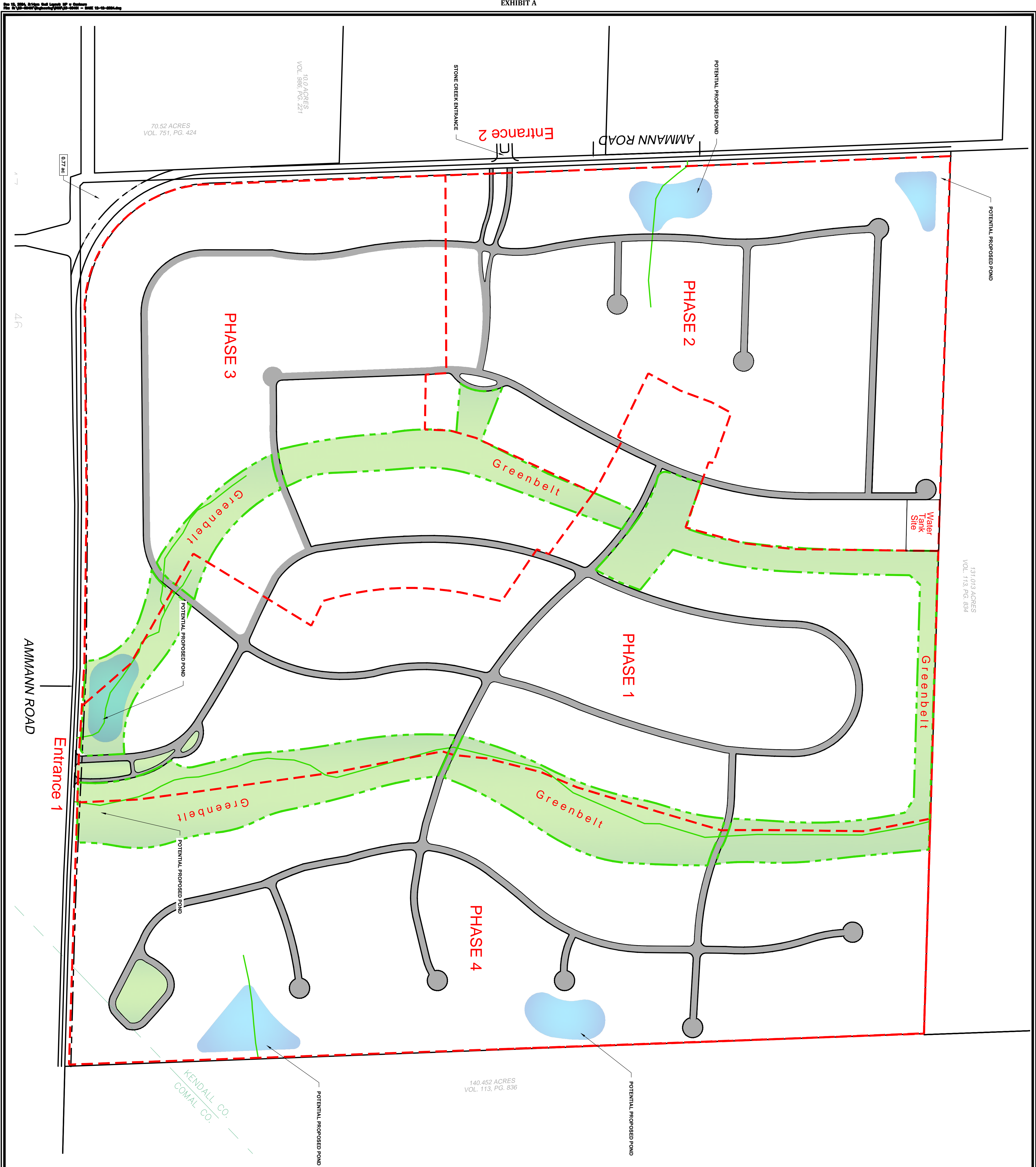


EXHIBIT A

EXHIBIT 2
LAYOUT OF THE SUBJECT PROPERTY

POST OAK SUBDIVISION

POST OAK SUBDIVISION PHASING AND LOT COUNTS	
PHASE	NUMBER
1	72
2	71
3	72
4	63
TOTAL	278

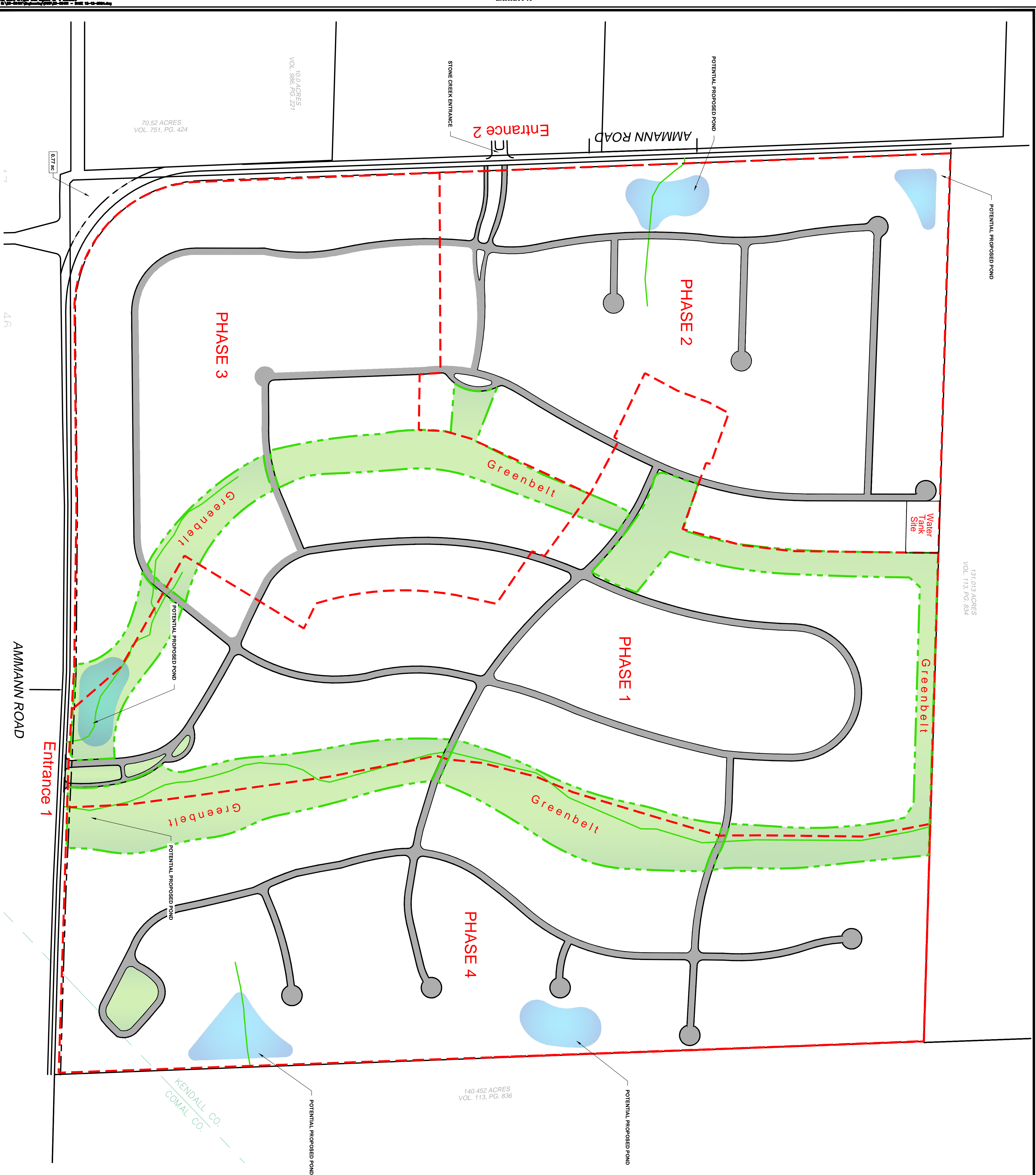


EXHIBIT 3
DEED FOR SUBJECT PROPERTY

Munsch Hardt Kopf & Harr, P.C.
500 N. Akard St., Suite 3800
Dallas, TX 75201
Attn: Macy D. Smith

STATE OF TEXAS §
§
COUNTIES OF COMAL AND KENDALL §

Dated: March 6, 2019

Grantor: BOERNE RANCH ESTATES, LLC, a Texas limited liability company

Beneficiary: BRMK BOERNE RANCH LLC, a Washington limited liability company, successor in interest by assignment to BRMK LENDING, LLC, a Delaware limited liability company, successor in interest by merger to BRELF II, LLC, a Washington limited liability company

Original Trustee: Silver Star Title, LLC dba Sendera Title

Recorded: March 8, 2019, under Comal County Clerk's Instrument# 201906008026, in the Official Public Records of Comal County, Texas and under Kendall County Clerk's Doc# 00328857, Volume 1680, Page 14, in the Official Public Records of Kendall County, Texas

Secures: Promissory Note dated of even date with the Deed of Trust, in the original principal amount of \$19,578,610.00, executed by Grantor (as amended, restated, modified, supplemented or assigned, the "Note")

Beneficiary's Address: c/o Broadmark Management, Corp.
1420 Fifth Avenue, Suite 2000
Seattle, Washington 98101

Property: The real property described in Exhibit A, together with all hereditaments, privileges, reversions, remainders, development rights and audits, air rights, appurtenances, easements and rights thereto, of every kind and nature, or used in connection therewith or as a means of access thereto, together with all right, title and interest that Grantor now has or may hereafter acquire in the following and any proceeds thereof: all income, rents, royalties, revenues, issues, profits and proceeds from any and all of such real property; all equipment, machinery, inventory, fixtures, fittings, appliances, and other tangible and intangible property and rights thereto described in the Deed of Trust, or related security agreements.

Substitute Trustee Troy Martin, Deborah Martin, Alexis Martin, Cassie Martin, Terri Martin, Deanna Ray, Shelby Martin, Martha Rossington, T. Reynolds Rossington, Kevin Key or Jay Jacobs

Substitute Trustee's Address c/o Munsch Hardt Kopf & Harr, P.C.
500 N. Akard St., Suite 3800
Dallas, TX 75201
Attn: Macy D. Smith

Foreclosure Sale: (the "Foreclosure Sale")

Date: Tuesday, March 7, 2023

Time: The Foreclosure Sale will take place between the hours of 10:00 a.m. and 1:00 p.m. local time; the earliest time at which the Foreclosure Sale will begin is 10:00 a.m., local time.

Place: The northeast porch of the historic Comal County Courthouse, 100 Main Plaza, New Braunfels, TX 78130 (or another location as designated by the Comal County Commissioners Court pursuant to § 51.002 of the Texas Property Code)

Grantee: BRMK BOERNE RANCH LLC, a Washington limited liability company

Grantee's Mailing Address: c/o Broadmark Management, Corp.
1420 Fifth Avenue, Suite 2000
Seattle, Washington 98101

Purchase Price (Credit Bid) \$24,599,072.49

RECITALS:

By the Deed of Trust, Grantor conveyed to Original Trustee the Property for the purposes of securing and enforcing payment of, among other things, the Note. Beneficiary is the owner and holder of the Note and of all liens and security interests, assignments and encumbrances securing them, including, without limitation, those under the Deed of Trust.

A default occurred and is continuing in the payment of the obligations under the Note and the Deed of Trust and was not remedied. Beneficiary accelerated the unpaid balance of the Note, and, as a result, the Note became fully due and payable, and the same remains due and payable as of the date hereof.

Beneficiary requested that Substitute Trustee sell the Property, as authorized by and provided in the Deed of Trust, to enforce the trust due to the occurrence of the foregoing events and sell the Property at the Foreclosure Sale.

Notices stating the time, place, and terms of the Foreclosure Sale were posted and filed, and Beneficiary, acting through its agent, served notice of the Foreclosure Sale to Grantor as required by the Texas Property Code. In accordance with that statute and the Deed of Trust, Substitute Trustee sold the Property to Grantee, who was the highest bidder at the Foreclosure Sale for the Purchase Price, which payment, in accordance with applicable law and the terms of the Deed of Trust, was made by crediting the Purchase Price against a portion of the outstanding indebtedness secured by the Deed of Trust. Since the Property is located in both Comal County, TX and Kendall County, TX, Beneficiary instructed Substitute Trustee to conduct the Foreclosure Sale in Comal County, TX.

CONVEYANCE:

Substitute Trustee, subject to any prior liens and other exceptions to conveyance and warranty contained in the Deed of Trust, and for the Purchase Price as consideration, grants, sells, and conveys the Property to Grantee, "AS IS," together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's successors and assigns forever. Substitute Trustee binds Grantor and Grantor's heirs and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the prior liens and other exceptions to conveyance and warranty in the Deed of Trust.

[SIGNATURE PAGE FOLLOWS]

WITNESS MY HAND this 13th day of March, 2023.

Cassie Martin

~~Troy Martin, Deborah Martin, Alexis Martin, Cassie~~
~~Martin, Terri Martin, Deanna Ray, Shelby Martin,~~
~~Martha Rossington, T. Reynolds Rossington, Kevin Key~~
~~or Jay Jacobs~~
c/o Munsch Hardt Kopf & Harr, P.C.
500 North Akard Street, Suite 3800
Dallas, Texas 75201
Attn: Macy D. Smith

STATE OF TEXAS §
 §
COUNTY OF Comal §

I, the undersigned Notary Public, do hereby certify that Troy Martin, Deborah Martin, Alexis Martin, Cassie Martin, Terri Martin, Deanna Ray, Shelby Martin, Martha Rossington, T. Reynolds Rossington, Kevin Key or Jay Jacobs personally appeared before me this day and acknowledged that he/she is the Substitute Trustee duly appointed by Beneficiary, and that by authority duly given, he/she executed the foregoing instrument in the above mentioned capacity, for the purposes and consideration set forth therein.

WITNESS my hand and official seal this the 13th day of March, 2023.

Lucas Ewing Belan

Notary Public, State of Texas
Commission Expires: 11/08/2024
Printed Name: Lucas Ewing Belan

Exhibit A: Real Property Description

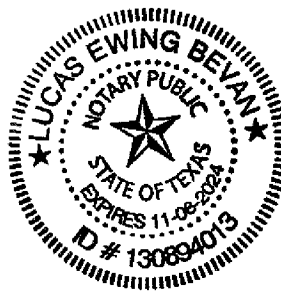


EXHIBIT A

REAL PROPERTY DESCRIPTION

A 344.6 acre tract of land, out of the David Bradbury Survey No. 214, Abstract 33, Kendall County, Texas and the David Bradbury Survey No. 214, Abstract 989, Comal County, Texas and being all of a called 344.979 acre tract of land as conveyed to R.W. Pfeiffer Properties, L.L.C., of record in Volume 1190 Page 114 of the Official Records of Kendall County, Texas. Said 344.6 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at a found ½" iron rod in the apparent east right-of-way line of Ammann Road, no record found, at the southwest corner of a called 131.013 acre tract as described in Volume 113 Page 834 of the Deed Records of Kendall County, Texas, for the northwest corner of said 344.979 acre tract and the tract described herein;

THENCE: S 88° 15' 20" E, with the common line between said 131.013 acre tract and said 344.979 acre tract, a distance of 3926.35 feet to a found 4" pipe fence post at the southeast corner of said 131.013 acre tract, in the west line of a called 140.452 acre tract of land as described in Volume 113 Page 836 of the Deed Records of Kendall County, Texas, in the west line of a called 114.9 acre tract of land as described in Volume 1195 Page 423 of the Official Records of Kendall County, Texas, for the northeast corner of said 344.979 acre tract and the tract described herein;

THENCE: S 02° 11' 22" E, with the common line between said 114.9 acre tract and the 344.979 acre tract, at 637.60 feet a found ½" iron rod for the southwest corner of said 114.9 acre tract, and continuing with the common line between said 140.452 acre tract and said 344.979 acre tract, a total distance of 3820.91 feet to a found ½" iron rod in the apparent north right-of-way line of Ammann Road, no record found, at the southwest corner of said 140.452 acre tract, at the southeast corner of said 344.979 acre tract and for the southeast corner of the tract described herein;

THENCE: With the apparent north and east right-of-way lines of Ammann Road, and the south and west lines of said 344.979 acre tract, the following ten (10) courses:

1. S 78° 03' 34" W, a distance of 7.45 feet to a found ½" iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
2. N 88° 26' 20" W, a distance of 522.50 feet to a found ½" iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
3. N 88° 06' 20" W, a distance of 318.70 feet to a found ½" iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
4. N 87° 19' 20" W, a distance of 923.90 feet to a found ½" iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
5. N 89° 33' 20" W, a distance of 727.10 feet to a found ½" iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
6. S 89° 45' 40" W, a distance of 830.80 feet to a found ½" iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
7. S 89° 42' 40" W, a distance of 587.60 feet to a found ½" iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
8. N 44° 35' 20" W, a distance of 20.60 feet to a found ½" iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein,
9. N 01° 59' 20" W, a distance of 1933.70 feet to a found ½" iron rod with a yellow plastic cap stamped "ACES" for an angle of the tract described herein, and
10. N 02° 09' 20" W, a distance of 1926.20 feet to the POINT OF BEGINNING and containing 344.6 acres of land, more or less situated in both Kendall & Comal County, Texas.

FORECLOSURE SALE DEED - BOERNE RANCH ESTATES, LLC

Kendall County
Denise Maxwell
Kendall County
Clerk

Instrument Number: 378661

eRecording - Real Property

DEED

Recorded On: March 27, 2023 03:37 PM

Number of Pages: 6

" Examined and Charged as Follows: "

Total Recording: \$42.00

***** THIS PAGE IS PART OF THE INSTRUMENT *****

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

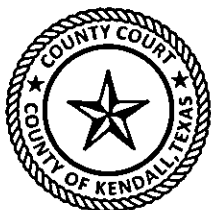
File Information:

Document Number: 378661
Receipt Number: 20230327000047
Recorded Date/Time: March 27, 2023 03:37 PM
User: Paula P
Station: cclerk06

Record and Return To:

Simplifile
5072 North 300 West

PROVO UT



STATE OF TEXAS
COUNTY OF

I hereby certify that this Instrument was FILED In the File Number sequence on the date/time printed hereon, and was duly RECORDED in the Official Records of Kendall County, Texas.

Denise Maxwell
Kendall County Clerk
Kendall County, TX

Denise Maxwell

EXHIBIT 4
POST OAK PUBLIC IMPROVEMENT DISTRICT TIMELINE

DRAFT POST OAK PUBLIC IMPROVEMENT DISTRICT TIMELINE

Action Step	Date	Action Item	Statutory Time Frame/ Additional Information	Responsible Party
1	May 20, 2025	City Council Amended Development Agreement Only Reading Call for Public Hearing for PID City Council consideration to accept the annexation petition.	City Council will consider the annexation petition, set the date for the public hearing as June 5th, and authorize the City Manager to negotiate the annexation service plan. City Council will also consider accepting the petition for a Public Improvement District (PID) and appoint an Advisory Body. City Council will consider amendments to the development agreement.	City Council, City staff with Property Owner Present
2	June 5, 2025	City Council public hearing on PID/Annexation Consider PID resolution after close of hearing	Includes CC consideration of Future Land Use Map amendment if necessary	City Council, City staff with Property Owner Present
3	June 12, 2025	Planning and Zoning Commission- Zoning	Public hearing to be held by the Planning & Zoning Commission on the zoning application request. Planning & Zoning Commission to provide recommendation on the zoning request to City Council.	City Council, City staff with Property Owner Present
4	June 19, 2025	City Council 2nd Reading Annexation	Includes CC consideration of Future Land Use Map amendment if necessary	City Council, City staff with Property Owner Present
5	August 7, 2025	City Council 1st Reading Zoning		City Council, City staff with Property Owner Present
6	August 21, 2025	City Council 2nd Reading Zoning		City Council, City staff with Property Owner Present

THIS TIMELINE IS SUBJECT TO CHANGE

DRAFT POST OAK PUBLIC IMPROVEMENT DISTRICT TIMELINE (v2 - MAY 6, 2025)

Action Step	Date	Action Item	Statutory Time Frame/Additional Information	Responsible Party
1	May 20, 2025	Amended Development Agreement Resolution Consideration of Annexation and Public Improvement District (PID) petitions and sets Public Hearings Consideration of PID Administrator agreement	City Council votes on amended DA. City Council considers accepting Annexation and PID petitions, sets public hearing for June 19th and authorizes the City Manager to finalize the Annexation Service Plan by resolutions. City Council votes on PID Administrator Agreement.	City Council and city staff with property owner.
2	June 19, 2025	Public hearings on Annexation and PID petitions. First reading of Annexation ordinance.	City Council holds public hearings on Annexation and PID petitions. City Council votes on Annexation Service Plan and authorizes City Manager to execute (both parties must execute prior to adoption of the Annexation ordinance). City Council votes on first reading of Annexation ordinance.	City Council, city staff with property owner present.
3	July 3 or 17, 2025 (TBD)	Second reading of Annexation ordinance Consideration of Public Improvement District resolution.	City Council votes on second reading of Annexation ordinance. City Council votes on PID resolution.	City Council, city staff with property owner present.
4	By Jul 10, 2025	Record PID resolution	No later than the 7 th day after the approval date of the PID resolution, City Secretary records the resolution with each county the PID lies within.	City Secretary
5	August 14, 2025	Public hearing on Future Land Use Map Amendment (FLUM) and Zone Designation applications. Recommendation made on applications.	Planning and Zoning Commission (P&Z) holds public hearing on FLUM and Zone Designation applications. P&Z provides FLUM and Zone recommendations to City Council.	P&Z, city staff with property owner present.

DRAFT POST OAK PUBLIC IMPROVEMENT DISTRICT TIMELINE (v2 - MAY 6, 2025)

Action Step	Date	Action Item	Statutory Time Frame/Additional Information	Responsible Party
6	August 21, 2025	Public hearing on Future Land Use Map Amendment (FLUM) and Zone Designation applications. First reading of FLUM and Zone ordinances.	City Council holds public hearing on FLUM and Zone Designation applications. City Council votes on first reading of FLUM and Zone designation ordinances.	City Council, city staff with property owner present.
7	September 4, 2025	Second reading of FLUM and Zone designation ordinances.	City Council votes on second reading of FLUM and Zone designation ordinances.	City Council, city staff with property owner present.

******THIS TIMELINE IS SUBJECT TO CHANGE******

EXHIBIT 5

POST OAK PUBLIC IMPROVEMENT DISTRICT FINANCIAL PROJECTIONS

**Post Oak Ranch
Table of Contents
4/25/2025**

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C	Cost Allocation	4
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E	Taxing Jurisdictions and Ad Valorem Rates	6
F	Detailed Bond Sizing Analysis: Improvement Area #1	7
G	Detailed Bond Sizing Analysis: Improvement Area #1 - Reimb. Obl. / Series B	8
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L	Detailed Bond Sizing Analysis: Future Improvement Area #4	13
M	Detailed Bond Sizing Analysis: Future Improvement Area #4 - Reimb. Obl. / Series B	14

Post Oak Ranch
Exhibit A
PID Financing Summary
4/25/2025

Bond Sources & Uses of Funds										
	IA #1			Future IA ^[b]						Total
	Series A	Reimb. Obl./ Series B	SubTotal	Future IA #2 Series A	Future IA #2 Series B	Future IA #3 Series A	Future IA #3 Series B	Future IA #4 Series A	Future IA #4 Series B	
A. Bond Sources and Uses: ^[a]										
Sources:										
Par Bond/Assessment Amount	\$ 5,832,000	\$ 4,557,000	\$ 10,389,000	\$ 5,751,000	\$ 4,658,000	\$ 5,832,000	\$ 4,731,000	\$ 5,103,000	\$ 4,086,000	\$ 40,550,000
Uses:										
Improvement Fund	\$ 4,136,740	\$ 3,806,350	\$ 7,943,090	\$ 4,088,810	\$ 3,890,940	\$ 4,146,740	\$ 3,951,830	\$ 3,625,250	\$ 3,413,060	\$ 31,059,720
Capitalized Interest	\$ 699,840	\$ -	\$ 699,840	\$ 690,120	\$ -	\$ 699,840	\$ -	\$ 612,360	\$ -	\$ 2,702,160
Reserve Fund	\$ 435,540	\$ 340,440	\$ 775,980	\$ 429,480	\$ 347,840	\$ 435,540	\$ 353,380	\$ 381,120	\$ 305,200	\$ 3,028,540
Underwriter Discount	\$ 174,960	\$ 136,710	\$ 311,670	\$ 172,530	\$ 139,740	\$ 174,960	\$ 141,930	\$ 153,090	\$ 122,580	\$ 1,216,500
Cost of Issuance (6.0%)	\$ 349,920	\$ 273,500	\$ 623,420	\$ 345,060	\$ 279,480	\$ 349,920	\$ 283,860	\$ 306,180	\$ 245,160	\$ 2,433,080
First Year Collection Costs	\$ 35,000	\$ -	\$ 35,000	\$ 25,000	\$ -	\$ 25,000	\$ -	\$ 25,000	\$ -	\$ 110,000
Total Uses	\$ 5,832,000	\$ 4,557,000	\$ 10,389,000	\$ 5,751,000	\$ 4,658,000	\$ 5,832,000	\$ 4,731,000	\$ 5,103,000	\$ 4,086,000	\$ 40,550,000
<i>Bond Issue Date</i>	9/1/2025	9/1/2027		9/1/2027	9/1/2029	9/1/2029	9/1/2031	9/1/2031	9/1/2033	
<i>Interest Rate</i>	6.00%	6.00%		6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	
<i>Estimated Appraised Value to Lien</i> ^[d]	2.5 to 1	N/A		2.5 to 1	N/A	2.5 to 1	NA	2.5 to 1	N/A	
B. PID Equivalent Tax Rate: ^[c]										
Avg. Annual Installment	\$ 502,099	\$ 354,665	\$ 856,764	\$ 482,056	\$ 362,574	\$ 488,332	\$ 368,238	\$ 431,565	\$ 317,977	\$ 3,307,505
PID Equivalent Tax Rate:										
Series A/Major IA Bond		\$ 0.70			\$ 0.68		\$ 0.68		\$ 0.69	
Series A/Series B Bond		\$ 0.49			\$ 0.51		\$ 0.51		\$ 0.50	
Total Adjusted PID Equivalent Tax Rate ^[a]		\$ 1.19			\$ 1.19		\$ 1.19		\$ 1.19	
Existing Tax Rate (Kendall County) ^[e]		\$ 1.66			\$ 1.66		\$ 1.66		\$ 1.66	
Total Equivalent Tax Rate with PID		\$ 2.85			\$ 2.85		\$ 2.85		\$ 2.85	

Footnotes:

- [a] Represent estimates only. Actual dates, rates, and amounts to be determined at bond issue.
- [b] Improvement Area allocation for illustration purposes only. Project may be separated into additional improvement areas.
- [c] Represent 2024 rates. Numbers may not add due to rounding.
- [d] City PID policy allows a minimum 2.5:1 VTL.
- [e] Assumes property is annexed into the City.

Post Oak Ranch
Exhibit B
Land Use and PID Assessment Summary
4/25/2025

I. Land Use and Estimated Values - AV Allocation						II. Total PID Assessments, Installments, and Equivalent Tax Rates ^[c]					
Description ^[a]		Estimated Appraised Value ^[b]		Estimated Buildout Value ^[c]		PID Assessment		Annual Installment		Avg. PID Equiv.	
		Per Unit ^[a]	Total	Per Unit	Total	Total	Per Unit[a]	Total	Per Unit[a]	Tax Rate	
A. Improvement Area #1 (Ph 1) ^[d]											
1 Ac Estate		72	\$ 202,500 \$ 14,580,000	\$ 1,000,000 \$ 72,000,000	\$ 10,389,000 \$ 144,292	\$ 856,764 \$ 11,899	\$ 1.19				
Total / Wtd Avg - IA #1		72	\$ 202,500 \$ 14,580,000	\$ 1,000,000 \$ 72,000,000	\$ 10,389,000 \$ 144,292	\$ 856,764 \$ 11,899	\$ 1.19				
B. Future Improvement Area #2 (Ph 2) ^[d]											
1 Ac Estate		71	\$ 202,500 \$ 14,377,500	\$ 1,000,000 \$ 71,000,000	\$ 10,409,000 \$ 146,606	\$ 844,630 \$ 11,896	\$ 1.19				
SubTotal / Wtd Avg - IA #2		71	\$ 202,500 \$ 14,377,500	\$ 1,000,000 \$ 71,000,000	\$ 10,409,000 \$ 146,606	\$ 844,630 \$ 11,896	\$ 1.19				
C. Future Improvement Area #3 (Ph 3) ^[d]											
1 Ac Estate		72	\$ 202,500 \$ 14,580,000	\$ 1,000,000 \$ 72,000,000	\$ 10,563,000 \$ 146,708	\$ 856,570 \$ 11,897	\$ 1.19				
SubTotal / Wtd Avg - IA #3		72	\$ 202,500 \$ 14,580,000	\$ 1,000,000 \$ 72,000,000	\$ 10,563,000 \$ 146,708	\$ 856,570 \$ 11,897	\$ 1.19				
D. Improvement Area #4 (Ph 4) ^[d]											
1 Ac Estate		63	\$ 202,500 \$ 12,757,500	\$ 1,000,000 \$ 63,000,000	\$ 9,189,000 \$ 145,857	\$ 749,541 \$ 11,897	\$ 1.19				
SubTotal / Wtd Avg - IA #4		63	\$ 202,500 \$ 12,757,500	\$ 1,000,000 \$ 63,000,000	\$ 9,189,000 \$ 145,857	\$ 749,541 \$ 11,897	\$ 1.19				
Total / Weighted Average		278	\$ 202,500 \$ 56,295,000	\$ 1,000,000 \$ 278,000,000	\$ 40,550,000 \$ 145,863	\$ 3,307,505 \$ 11,897	\$ 1.19				

Footnotes:

- [a] Information provided by developer.
- [b] Represent estimated improved values. Assumes 10.0% appraisal discount. Actual amount to be determined by the appraisal.
- [c] For illustration purposes, assumes 0% inflation for 2 years for IA #2, 4 years for IA #3 and 6 years for IA #4.
- [d] Improvement Area allocation for illustration purposes only. Project may be separated into additional improvement areas, or allocation may differ.

Post Oak Ranch
Exhibit C
Cost Allocation
4/25/2025

Description	Total Costs ^[a]	Improvement Area #1		Future IA #2		Future IA #3		Future IA #4	
		Phase 1		Phase 2		Phase 3		Phase 4	
		%	Cost	%	Cost	%	Cost	%	Cost
A. Major Collector Improvements^[a]									
Roadway	\$ 499,417	25.90%	\$ 129,345	25.54%	\$ 127,549	25.90%	\$ 129,345	22.66%	\$ 113,177
Water	\$ 355,791	25.90%	\$ 92,147	25.54%	\$ 90,868	25.90%	\$ 92,147	22.66%	\$ 80,629
Landscaping/Monumentation	\$ 1,273,000	25.90%	\$ 329,698	25.54%	\$ 325,119	25.90%	\$ 329,698	22.66%	\$ 288,486
Subtotal	\$ 2,128,208	25.90%	\$ 551,191	25.54%	\$ 543,535	25.90%	\$ 551,191	22.66%	\$ 482,292
Soft Costs ^[d]	\$ 425,000	25.90%	\$ 110,072	25.54%	\$ 108,543	25.90%	\$ 110,072	22.66%	\$ 96,313
Contingency ^[b]	\$ 403,823	25.90%	\$ 104,587	25.54%	\$ 103,135	25.90%	\$ 104,587	22.66%	\$ 91,514
Construction Management (4.0%)[c]	\$ 101,281	25.90%	\$ 26,231	25.54%	\$ 25,867	25.90%	\$ 26,231	22.66%	\$ 22,952
Subtotal	\$ 3,058,312	25.90%	\$ 792,081	25.54%	\$ 781,080	25.90%	\$ 792,081	22.66%	\$ 693,071
B. Direct Collector Improvements^[a]									
PID Improvements									
Roadway	\$ 12,851,426		\$ 3,396,317		\$ 3,555,415		\$ 3,411,860		\$ 2,487,834
Water	\$ 3,866,298		\$ 1,010,223		\$ 1,059,434		\$ 1,012,739		\$ 783,903
Storm Drain	\$ 3,721,789		\$ 630,915		\$ 772,621		\$ 981,431		\$ 1,336,821
Detention Pond ^[e]	\$ 357,500		\$ 103,604		\$ 31,049		\$ 142,267		\$ 80,581
Detention Pond Improvements	\$ 330,000		\$ -		\$ 82,500		\$ 165,000		\$ 82,500
Subtotal	\$ 21,127,013		\$ 5,141,058		\$ 5,501,019		\$ 5,713,298		\$ 4,771,638
Soft Costs	\$ 2,154,600		\$ 564,700		\$ 525,525		\$ 564,700		\$ 499,675
Contingency ^[b]	\$ 3,914,737		\$ 1,191,931		\$ 915,467		\$ 769,192		\$ 1,038,147
Construction Management (4.0%)[c]	\$ 1,001,670		\$ 253,320		\$ 256,659		\$ 259,300		\$ 232,391
Subtotal	\$ 28,198,020		\$ 7,151,009		\$ 7,198,671		\$ 7,306,489		\$ 6,541,851
Total Improvements	\$ 31,256,332		\$ 7,943,090		\$ 7,979,750		\$ 8,098,570		\$ 7,234,922

Footnotes

[a] Per the preliminary budget dated 04/24/25 for Major Improvements and Phase 1 Direct Collector Improvements. Per the preliminary budget dated 04/23/25 for Phases 2-4 Direct Collector Improvements.

[b] Contingency per the preliminary draft budget. Assumes 10% contingency for Ammann Road improvements, 20% for all other improvements.

[c] Construction management assumption of 4.0% of hard costs and contingency.

[d] Includes District Formation costs.

[e] Total Detention Pond costs are \$357,500. Benefit is allocated to Phase 1 (28.98%), Phase 2 (8.69%), Phase 3 (39.80%), and Phase 4 (22.54%).

Post Oak Ranch
Exhibit D
Sources and Uses of Funds
4/25/2025

Fiscal Security ^[c] \$ 6,823,231					
I. Sources and Uses of Funds ^[a]					
Description	Total ^[a]	IA #1	IA #2 ^[d]	IA #3 ^[d]	IA #4 ^[d]
A. Sources of Funds:					
Improvement Area Bond Par - Series A	\$ 22,518,000	\$ 5,832,000	\$ 5,751,000	\$ 5,832,000	\$ 5,103,000
Improvement Area Bond Par - Series B	\$ 18,032,000	4,557,000	\$ 4,658,000	\$ 4,731,000	\$ 4,086,000
Other Financing Sources	\$ 196,612	(0)	0	0	196,612
Total Sources	\$ 40,746,612	\$ 10,389,000	\$ 10,409,000	\$ 10,563,000	\$ 9,385,612
B. Uses of Funds:					
Major Improvements	\$ 3,058,312	\$ 792,081	\$ 781,080	\$ 792,081	\$ 693,071
Improvement Area Improvements	28,198,020	7,151,009	7,198,671	7,306,489	6,541,851
Total Improvements ^[a]	\$ 31,256,332	\$ 7,943,090	\$ 7,979,750	\$ 8,098,570	\$ 7,234,922
Improvement Area Bond Cost - Series A ^[b]					
Capitalized Interest	\$ 2,702,160	\$ 699,840	\$ 690,120	\$ 699,840	\$ 612,360
Debt Service Reserve Fund	1,681,680	435,540	429,480	\$ 435,540	381,120
Underwriter Discount	675,540	174,960	172,530	\$ 174,960	153,090
Cost of Issuance	1,351,080	349,920	345,060	\$ 349,920	306,180
First Year Collection Costs	110,000	35,000	25,000	\$ 25,000	25,000
Subtotal	\$ 6,520,460	\$ 1,695,260	\$ 1,662,190	\$ 1,685,260	\$ 1,477,750
Improvement Area Bond Cost - Series B ^[b]					
Capitalized Interest	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Reserve Fund	1,346,860	340,440	347,840	\$ 353,380	305,200
Underwriter Discount	540,960	136,710	139,740	\$ 141,930	122,580
Cost of Issuance	1,082,000	273,500	279,480	\$ 283,860	245,160
First Year Collection Costs	-	-	-	\$ -	-
Subtotal	\$ 2,969,820	\$ 750,650	\$ 767,060	\$ 779,170	\$ 672,940
Total Uses	\$ 40,746,612	\$ 10,389,000	\$ 10,409,000	\$ 10,563,000	\$ 9,385,612

Footnotes:

[a] Preliminary cost information provided by developer.

[b] Amounts represent estimates only and are subject to change at time of bond issue.

[c] Developer to provide fiscal security for improvements not funded by the PID bonds, or not already constructed.

[d] Improvement Area allocation for illustration purposes only. Project may be separated into additional improvement areas.

Post Oak Ranch
Exhibit E
Taxing Jurisdictions and Ad Valorem Rates
4/25/2025

I. Taxing Jurisdictions and Ad Valorem Rates			Estimated Annual Ad Valorem Revenues at Buildout
Description	Kendall County Tax Rate ^[a]	Comal County Tax Rate ^[a]	
Estimated Taxable Property Value			\$ 278,000,000
Taxing Jurisdiction:			
City of Fair Oaks Ranch[b]	\$ 0.2853	\$ 0.2853	\$ 793,134
Comal ISD	-	1.0869	[d]
Comal County Lateral	-	0.0375	
Comal County	-	0.2267	
Comal County ESD1	-	0.0698	
Comal County ESD5	-	0.1000	
Cow Creek Groundwater[c]	-	-	
Kendall County	0.3827	-	
Boerne ISD	0.9909	-	
Total	\$ 1.6589	\$ 1.8063	\$ 793,134

Footnotes:

[a] Tax rate per \$100 AV. Assumes 2024 tax rates. Project is located within Kendall County and Comal County.

[b] Assumes Project will annex into the City of Fair Oaks Ranch.

[c] Per meeting with City on 1/5/2025, property will be removed from Cow Creek Groundwater upon annexation into the City.

[d] Estimated amounts to be determined upon approval of final plat and reconciliation to county boundaries.

EXHIBIT A

Post Oak Ranch

Exhibit F

Detailed Bond Sizing Analysis: Improvement Area #1

4/25/2025

Bond Issue Date [a] 9/1/2025

	Year Ending 9/1	Principal	Interest Rate [a]	Annual Interest	Principal & Interest	Admin Expense [b]	0.50% Additional Interest	Subtotal	Capitalized Interest	Annual PID Installment
1	2026	\$ -	6.00%	\$ 349,920	\$ 349,920	\$ 35,000	\$ 29,160	\$ 414,080	\$ (349,920)	\$ 64,160
2	2027	\$ -	6.00%	\$ 349,920	\$ 349,920	\$ 35,700	\$ 29,160	\$ 414,780	\$ (349,920)	\$ 64,860
3	2028	\$ 85,000	6.00%	\$ 349,920	\$ 434,920	\$ 36,414	\$ 29,160	\$ 500,494	\$ -	\$ 500,494
4	2029	\$ 90,000	6.00%	\$ 344,820	\$ 434,820	\$ 37,142	\$ 28,735	\$ 500,697	\$ -	\$ 500,697
5	2030	\$ 96,000	6.00%	\$ 339,420	\$ 435,420	\$ 37,885	\$ 28,285	\$ 501,590	\$ -	\$ 501,590
6	2031	\$ 101,000	6.00%	\$ 333,660	\$ 434,660	\$ 38,643	\$ 27,805	\$ 501,108	\$ -	\$ 501,108
7	2032	\$ 107,000	6.00%	\$ 327,600	\$ 434,600	\$ 39,416	\$ 27,300	\$ 501,316	\$ -	\$ 501,316
8	2033	\$ 114,000	6.00%	\$ 321,180	\$ 435,180	\$ 40,204	\$ 26,765	\$ 502,149	\$ -	\$ 502,149
9	2034	\$ 121,000	6.00%	\$ 314,340	\$ 435,340	\$ 41,008	\$ 26,195	\$ 502,543	\$ -	\$ 502,543
10	2035	\$ 128,000	6.00%	\$ 307,080	\$ 435,080	\$ 41,828	\$ 25,590	\$ 502,498	\$ -	\$ 502,498
11	2036	\$ 136,000	6.00%	\$ 299,400	\$ 435,400	\$ 42,665	\$ 24,950	\$ 503,015	\$ -	\$ 503,015
12	2037	\$ 144,000	6.00%	\$ 291,240	\$ 435,240	\$ 43,518	\$ 24,270	\$ 503,028	\$ -	\$ 503,028
13	2038	\$ 152,000	6.00%	\$ 282,600	\$ 434,600	\$ 44,388	\$ 23,550	\$ 502,538	\$ -	\$ 502,538
14	2039	\$ 162,000	6.00%	\$ 273,480	\$ 435,480	\$ 45,276	\$ 22,790	\$ 503,546	\$ -	\$ 503,546
15	2040	\$ 171,000	6.00%	\$ 263,760	\$ 434,760	\$ 46,182	\$ 21,980	\$ 502,922	\$ -	\$ 502,922
16	2041	\$ 182,000	6.00%	\$ 253,500	\$ 435,500	\$ 47,105	\$ 21,125	\$ 503,730	\$ -	\$ 503,730
17	2042	\$ 192,000	6.00%	\$ 242,580	\$ 434,580	\$ 48,047	\$ 20,215	\$ 502,842	\$ -	\$ 502,842
18	2043	\$ 204,000	6.00%	\$ 231,060	\$ 435,060	\$ 49,008	\$ 19,255	\$ 503,323	\$ -	\$ 503,323
19	2044	\$ 216,000	6.00%	\$ 218,820	\$ 434,820	\$ 49,989	\$ 18,235	\$ 503,044	\$ -	\$ 503,044
20	2045	\$ 229,000	6.00%	\$ 205,860	\$ 434,860	\$ 50,988	\$ 17,155	\$ 503,003	\$ -	\$ 503,003
21	2046	\$ 243,000	6.00%	\$ 192,120	\$ 435,120	\$ 52,008	\$ 16,010	\$ 503,138	\$ -	\$ 503,138
22	2047	\$ 258,000	6.00%	\$ 177,540	\$ 435,540	\$ 53,048	\$ 14,795	\$ 503,383	\$ -	\$ 503,383
23	2048	\$ 273,000	6.00%	\$ 162,060	\$ 435,060	\$ 54,109	\$ 13,505	\$ 502,674	\$ -	\$ 502,674
24	2049	\$ 289,000	6.00%	\$ 145,680	\$ 434,680	\$ 55,191	\$ 12,140	\$ 502,011	\$ -	\$ 502,011
25	2050	\$ 307,000	6.00%	\$ 128,340	\$ 435,340	\$ 56,295	\$ 10,695	\$ 502,330	\$ -	\$ 502,330
26	2051	\$ 325,000	6.00%	\$ 109,920	\$ 434,920	\$ 57,421	\$ 9,160	\$ 501,501	\$ -	\$ 501,501
27	2052	\$ 345,000	6.00%	\$ 90,420	\$ 435,420	\$ 58,570	\$ 7,535	\$ 501,525	\$ -	\$ 501,525
28	2053	\$ 365,000	6.00%	\$ 69,720	\$ 434,720	\$ 59,741	\$ 5,810	\$ 500,271	\$ -	\$ 500,271
29	2054	\$ 387,000	6.00%	\$ 47,820	\$ 434,820	\$ 60,936	\$ 3,985	\$ 499,741	\$ -	\$ 499,741
30	2055	\$ 410,000	6.00%	\$ 24,600	\$ 434,600	\$ 62,155	\$ 2,050	\$ 498,805	\$ -	\$ 498,805
		\$ -	6.00%	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
Total		\$ 5,832,000	6.00%	\$ 7,048,380	\$ 12,880,380	\$ 1,419,883	\$ 587,365	\$ 14,887,628	\$ (699,840)	\$ 14,187,788

Footnotes:

[a] For illustration purposes only. Actual date and rate to be determined.

[b] Assumes administrative expenses escalate annually by 2%.

Post Oak Ranch
Exhibit G
Detailed Bond Sizing Analysis: Improvement Area #1 - Reimb. Obl. / Series B
4/25/2025

Bond Issue Date ^[a] 9/1/2027

Year Ending					Principal		0.50%		Annual			
		Interest		Annual		Admin		Capitalized		Annual		
9/1		Rate [a]		Interest		Expense [b]		Interest		PID		
		Principal				& Interest		Subtotal		Installment [c]		
1	2026	\$	-	6.00%	\$	-	\$	-	\$	-	\$	-
2	2027	\$	-	6.00%	\$	-	\$	-	\$	-	\$	-
3	2028	\$	67,000	6.00%	\$	273,420	\$	-	\$	22,785	\$	363,205
4	2029	\$	71,000	6.00%	\$	269,400	\$	-	\$	22,450	\$	362,850
5	2030	\$	75,000	6.00%	\$	265,140	\$	-	\$	22,095	\$	362,235
6	2031	\$	79,000	6.00%	\$	260,640	\$	-	\$	21,720	\$	361,360
7	2032	\$	84,000	6.00%	\$	255,900	\$	-	\$	21,325	\$	361,225
8	2033	\$	89,000	6.00%	\$	250,860	\$	-	\$	20,905	\$	360,765
9	2034	\$	94,000	6.00%	\$	245,520	\$	-	\$	20,460	\$	359,980
10	2035	\$	100,000	6.00%	\$	239,880	\$	-	\$	19,990	\$	359,870
11	2036	\$	106,000	6.00%	\$	233,880	\$	-	\$	19,490	\$	359,370
12	2037	\$	112,000	6.00%	\$	227,520	\$	-	\$	18,960	\$	358,480
13	2038	\$	119,000	6.00%	\$	220,800	\$	-	\$	18,400	\$	358,200
14	2039	\$	126,000	6.00%	\$	213,660	\$	-	\$	17,805	\$	357,465
15	2040	\$	134,000	6.00%	\$	206,100	\$	-	\$	17,175	\$	357,275
16	2041	\$	142,000	6.00%	\$	198,060	\$	-	\$	16,505	\$	356,565
17	2042	\$	150,000	6.00%	\$	189,540	\$	-	\$	15,795	\$	355,335
18	2043	\$	159,000	6.00%	\$	180,540	\$	-	\$	15,045	\$	354,585
19	2044	\$	169,000	6.00%	\$	171,000	\$	-	\$	14,250	\$	354,250
20	2045	\$	179,000	6.00%	\$	160,860	\$	-	\$	13,405	\$	353,265
21	2046	\$	190,000	6.00%	\$	150,120	\$	-	\$	12,510	\$	352,630
22	2047	\$	201,000	6.00%	\$	138,720	\$	-	\$	11,560	\$	351,280
23	2048	\$	213,000	6.00%	\$	126,660	\$	-	\$	10,555	\$	350,215
24	2049	\$	226,000	6.00%	\$	113,880	\$	-	\$	9,490	\$	349,370
25	2050	\$	240,000	6.00%	\$	100,320	\$	-	\$	8,360	\$	348,680
26	2051	\$	254,000	6.00%	\$	85,920	\$	-	\$	7,160	\$	347,080
27	2052	\$	269,000	6.00%	\$	70,680	\$	-	\$	5,890	\$	345,570
28	2053	\$	285,000	6.00%	\$	54,540	\$	-	\$	4,545	\$	344,085
29	2054	\$	303,000	6.00%	\$	37,440	\$	-	\$	3,120	\$	343,560
30	2055	\$	321,000	6.00%	\$	19,260	\$	-	\$	1,605	\$	341,865
		\$	-	6.00%	\$	-	\$	-	\$	-	\$	-
Total		\$	4,557,000	6.00%	\$	4,960,260	\$	-	\$	413,355	\$	9,930,615

Footnotes:

[a] For illustration purposes only. Actual rate may not exceed 5% above the highest average interest rate for tax-exempt bonds for years 1-5, and 2% for the remaining years.

[b] Assumes administrative costs are included in the Series A bond series.

[c] Assumes collection of annual installments are deferred until after the Series A capitalized interest period.

Post Oak Ranch
Exhibit H
Detailed Bond Sizing Analysis: Future Improvement Area #2
4/25/2025

Bond Issue Date [a] 9/1/2027

	Year Ending 9/1	Principal	Interest Rate [a]	Annual Interest	Principal & Interest	Admin Expense [b]	0.50% Additional Interest	Subtotal	Capitalized Interest	Annual PID Installment
1	2028	\$ -	6.00%	\$ 345,060	\$ 345,060	\$ 25,000	\$ 28,755	\$ 398,815	\$ (345,060)	\$ 53,755
2	2029	\$ -	6.00%	\$ 345,060	\$ 345,060	\$ 25,500	\$ 28,755	\$ 399,315	\$ (345,060)	\$ 54,255
3	2030	\$ 84,000	6.00%	\$ 345,060	\$ 429,060	\$ 26,010	\$ 28,755	\$ 483,825	\$ -	\$ 483,825
4	2031	\$ 89,000	6.00%	\$ 340,020	\$ 429,020	\$ 26,530	\$ 28,335	\$ 483,885	\$ -	\$ 483,885
5	2032	\$ 94,000	6.00%	\$ 334,680	\$ 428,680	\$ 27,061	\$ 27,890	\$ 483,631	\$ -	\$ 483,631
6	2033	\$ 100,000	6.00%	\$ 329,040	\$ 429,040	\$ 27,602	\$ 27,420	\$ 484,062	\$ -	\$ 484,062
7	2034	\$ 106,000	6.00%	\$ 323,040	\$ 429,040	\$ 28,154	\$ 26,920	\$ 484,114	\$ -	\$ 484,114
8	2035	\$ 112,000	6.00%	\$ 316,680	\$ 428,680	\$ 28,717	\$ 26,390	\$ 483,787	\$ -	\$ 483,787
9	2036	\$ 119,000	6.00%	\$ 309,960	\$ 428,960	\$ 29,291	\$ 25,830	\$ 484,081	\$ -	\$ 484,081
10	2037	\$ 126,000	6.00%	\$ 302,820	\$ 428,820	\$ 29,877	\$ 25,235	\$ 483,932	\$ -	\$ 483,932
11	2038	\$ 134,000	6.00%	\$ 295,260	\$ 429,260	\$ 30,475	\$ 24,605	\$ 484,340	\$ -	\$ 484,340
12	2039	\$ 142,000	6.00%	\$ 287,220	\$ 429,220	\$ 31,084	\$ 23,935	\$ 484,239	\$ -	\$ 484,239
13	2040	\$ 150,000	6.00%	\$ 278,700	\$ 428,700	\$ 31,706	\$ 23,225	\$ 483,631	\$ -	\$ 483,631
14	2041	\$ 159,000	6.00%	\$ 269,700	\$ 428,700	\$ 32,340	\$ 22,475	\$ 483,515	\$ -	\$ 483,515
15	2042	\$ 169,000	6.00%	\$ 260,160	\$ 429,160	\$ 32,987	\$ 21,680	\$ 483,827	\$ -	\$ 483,827
16	2043	\$ 179,000	6.00%	\$ 250,020	\$ 429,020	\$ 33,647	\$ 20,835	\$ 483,502	\$ -	\$ 483,502
17	2044	\$ 190,000	6.00%	\$ 239,280	\$ 429,280	\$ 34,320	\$ 19,940	\$ 483,540	\$ -	\$ 483,540
18	2045	\$ 201,000	6.00%	\$ 227,880	\$ 428,880	\$ 35,006	\$ 18,990	\$ 482,876	\$ -	\$ 482,876
19	2046	\$ 213,000	6.00%	\$ 215,820	\$ 428,820	\$ 35,706	\$ 17,985	\$ 482,511	\$ -	\$ 482,511
20	2047	\$ 226,000	6.00%	\$ 203,040	\$ 429,040	\$ 36,420	\$ 16,920	\$ 482,380	\$ -	\$ 482,380
21	2048	\$ 240,000	6.00%	\$ 189,480	\$ 429,480	\$ 37,149	\$ 15,790	\$ 482,419	\$ -	\$ 482,419
22	2049	\$ 254,000	6.00%	\$ 175,080	\$ 429,080	\$ 37,892	\$ 14,590	\$ 481,562	\$ -	\$ 481,562
23	2050	\$ 269,000	6.00%	\$ 159,840	\$ 428,840	\$ 38,649	\$ 13,320	\$ 480,809	\$ -	\$ 480,809
24	2051	\$ 285,000	6.00%	\$ 143,700	\$ 428,700	\$ 39,422	\$ 11,975	\$ 480,097	\$ -	\$ 480,097
25	2052	\$ 302,000	6.00%	\$ 126,600	\$ 428,600	\$ 40,211	\$ 10,550	\$ 479,361	\$ -	\$ 479,361
26	2053	\$ 321,000	6.00%	\$ 108,480	\$ 429,480	\$ 41,015	\$ 9,040	\$ 479,535	\$ -	\$ 479,535
27	2054	\$ 340,000	6.00%	\$ 89,220	\$ 429,220	\$ 41,835	\$ 7,435	\$ 478,490	\$ -	\$ 478,490
28	2055	\$ 360,000	6.00%	\$ 68,820	\$ 428,820	\$ 42,672	\$ 5,735	\$ 477,227	\$ -	\$ 477,227
29	2056	\$ 382,000	6.00%	\$ 47,220	\$ 429,220	\$ 43,526	\$ 3,935	\$ 476,681	\$ -	\$ 476,681
30	2057	\$ 405,000	6.00%	\$ 24,300	\$ 429,300	\$ 44,396	\$ 2,025	\$ 475,721	\$ -	\$ 475,721
		\$ -	6.00%	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
Total		\$ 5,751,000	6.00%	\$ 6,951,240	\$ 12,702,240	\$ 1,014,202	\$ 579,270	\$ 14,295,712	\$ (690,120)	\$ 13,605,592

Footnotes:

- [a] For illustration purposes only. Actual date and rate to be determined.
[b] Assumes administrative expenses escalate annually by 2%.

Post Oak Ranch
Exhibit I
Detailed Bond Sizing Analysis: Future Improvement Area #2 - Reimb. Obl. / Series B
4/25/2025

Bond Issue Date ^[a] 9/1/2029

	Year	Principal	Interest	Annual	Principal	Admin	0.50%	Subtotal	Capitalized	Annual
	Ending		Rate [a]	Interest			Additional			PID
	9/1				& Interest	Expense ^[b]	Interest		Interest	Installment ^[c]
1	2028	\$ -	6.00%	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
2	2029	\$ -	6.00%	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
3	2030	\$ 68,000	6.00%	\$ 279,480	\$ 347,480	\$ -	\$ 23,290	\$ 370,770	\$ -	\$ 370,770
4	2031	\$ 72,000	6.00%	\$ 275,400	\$ 347,400	\$ -	\$ 22,950	\$ 370,350	\$ -	\$ 370,350
5	2032	\$ 76,000	6.00%	\$ 271,080	\$ 347,080	\$ -	\$ 22,590	\$ 369,670	\$ -	\$ 369,670
6	2033	\$ 81,000	6.00%	\$ 266,520	\$ 347,520	\$ -	\$ 22,210	\$ 369,730	\$ -	\$ 369,730
7	2034	\$ 86,000	6.00%	\$ 261,660	\$ 347,660	\$ -	\$ 21,805	\$ 369,465	\$ -	\$ 369,465
8	2035	\$ 91,000	6.00%	\$ 256,500	\$ 347,500	\$ -	\$ 21,375	\$ 368,875	\$ -	\$ 368,875
9	2036	\$ 96,000	6.00%	\$ 251,040	\$ 347,040	\$ -	\$ 20,920	\$ 367,960	\$ -	\$ 367,960
10	2037	\$ 102,000	6.00%	\$ 245,280	\$ 347,280	\$ -	\$ 20,440	\$ 367,720	\$ -	\$ 367,720
11	2038	\$ 108,000	6.00%	\$ 239,160	\$ 347,160	\$ -	\$ 19,930	\$ 367,090	\$ -	\$ 367,090
12	2039	\$ 115,000	6.00%	\$ 232,680	\$ 347,680	\$ -	\$ 19,390	\$ 367,070	\$ -	\$ 367,070
13	2040	\$ 122,000	6.00%	\$ 225,780	\$ 347,780	\$ -	\$ 18,815	\$ 366,595	\$ -	\$ 366,595
14	2041	\$ 129,000	6.00%	\$ 218,460	\$ 347,460	\$ -	\$ 18,205	\$ 365,665	\$ -	\$ 365,665
15	2042	\$ 137,000	6.00%	\$ 210,720	\$ 347,720	\$ -	\$ 17,560	\$ 365,280	\$ -	\$ 365,280
16	2043	\$ 145,000	6.00%	\$ 202,500	\$ 347,500	\$ -	\$ 16,875	\$ 364,375	\$ -	\$ 364,375
17	2044	\$ 153,000	6.00%	\$ 193,800	\$ 346,800	\$ -	\$ 16,150	\$ 362,950	\$ -	\$ 362,950
18	2045	\$ 163,000	6.00%	\$ 184,620	\$ 347,620	\$ -	\$ 15,385	\$ 363,005	\$ -	\$ 363,005
19	2046	\$ 173,000	6.00%	\$ 174,840	\$ 347,840	\$ -	\$ 14,570	\$ 362,410	\$ -	\$ 362,410
20	2047	\$ 183,000	6.00%	\$ 164,460	\$ 347,460	\$ -	\$ 13,705	\$ 361,165	\$ -	\$ 361,165
21	2048	\$ 194,000	6.00%	\$ 153,480	\$ 347,480	\$ -	\$ 12,790	\$ 360,270	\$ -	\$ 360,270
22	2049	\$ 206,000	6.00%	\$ 141,840	\$ 347,840	\$ -	\$ 11,820	\$ 359,660	\$ -	\$ 359,660
23	2050	\$ 218,000	6.00%	\$ 129,480	\$ 347,480	\$ -	\$ 10,790	\$ 358,270	\$ -	\$ 358,270
24	2051	\$ 231,000	6.00%	\$ 116,400	\$ 347,400	\$ -	\$ 9,700	\$ 357,100	\$ -	\$ 357,100
25	2052	\$ 245,000	6.00%	\$ 102,540	\$ 347,540	\$ -	\$ 8,545	\$ 356,085	\$ -	\$ 356,085
26	2053	\$ 260,000	6.00%	\$ 87,840	\$ 347,840	\$ -	\$ 7,320	\$ 355,160	\$ -	\$ 355,160
27	2054	\$ 275,000	6.00%	\$ 72,240	\$ 347,240	\$ -	\$ 6,020	\$ 353,260	\$ -	\$ 353,260
28	2055	\$ 292,000	6.00%	\$ 55,740	\$ 347,740	\$ -	\$ 4,645	\$ 352,385	\$ -	\$ 352,385
29	2056	\$ 309,000	6.00%	\$ 38,220	\$ 347,220	\$ -	\$ 3,185	\$ 350,405	\$ -	\$ 350,405
30	2057	\$ 328,000	6.00%	\$ 19,680	\$ 347,680	\$ -	\$ 1,640	\$ 349,320	\$ -	\$ 349,320
		\$ -	6.00%	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
Total		\$ 4,658,000	6.00%	\$ 5,071,440	\$ 9,729,440	\$ -	\$ 422,620	\$ 10,152,060	\$ -	\$ 10,152,060

Footnotes:

- [a] For illustration purposes only. Actual rate may not exceed 5% above the highest average interest rate for tax-exempt bonds for years 1-5, and 2% for the remaining years.
- [b] Assumes administrative costs are included in the Series A bond series.
- [c] Assumes collection of annual installments are deferred until after the Series A capitalized interest period.

EXHIBIT A

PRELIMINARY DISCUSSION DRAFT

Item #6.

Post Oak Ranch

Exhibit J

Detailed Bond Sizing Analysis: Future Improvement Area #3
4/25/2025

Bond Issue Date [a] 9/1/2029

	Year Ending 9/1	Principal	Interest Rate [a]	Annual Interest	Principal & Interest	Admin Expense [b]	0.50% Additional Interest	Subtotal	Capitalized Interest	Annual PID Installment
1	2030	\$ -	6.00%	\$ 349,920	\$ 349,920	\$ 25,000	\$ 29,160	\$ 404,080	\$ (349,920)	\$ 54,160
2	2031	\$ -	6.00%	\$ 349,920	\$ 349,920	\$ 25,500	\$ 29,160	\$ 404,580	\$ (349,920)	\$ 54,660
3	2032	\$ 85,000	6.00%	\$ 349,920	\$ 434,920	\$ 26,010	\$ 29,160	\$ 490,090	\$ -	\$ 490,090
4	2033	\$ 90,000	6.00%	\$ 344,820	\$ 434,820	\$ 26,530	\$ 28,735	\$ 490,085	\$ -	\$ 490,085
5	2034	\$ 96,000	6.00%	\$ 339,420	\$ 435,420	\$ 27,061	\$ 28,285	\$ 490,766	\$ -	\$ 490,766
6	2035	\$ 101,000	6.00%	\$ 333,660	\$ 434,660	\$ 27,602	\$ 27,805	\$ 490,067	\$ -	\$ 490,067
7	2036	\$ 107,000	6.00%	\$ 327,600	\$ 434,600	\$ 28,154	\$ 27,300	\$ 490,054	\$ -	\$ 490,054
8	2037	\$ 114,000	6.00%	\$ 321,180	\$ 435,180	\$ 28,717	\$ 26,765	\$ 490,662	\$ -	\$ 490,662
9	2038	\$ 121,000	6.00%	\$ 314,340	\$ 435,340	\$ 29,291	\$ 26,195	\$ 490,826	\$ -	\$ 490,826
10	2039	\$ 128,000	6.00%	\$ 307,080	\$ 435,080	\$ 29,877	\$ 25,590	\$ 490,547	\$ -	\$ 490,547
11	2040	\$ 136,000	6.00%	\$ 299,400	\$ 435,400	\$ 30,475	\$ 24,950	\$ 490,825	\$ -	\$ 490,825
12	2041	\$ 144,000	6.00%	\$ 291,240	\$ 435,240	\$ 31,084	\$ 24,270	\$ 490,594	\$ -	\$ 490,594
13	2042	\$ 152,000	6.00%	\$ 282,600	\$ 434,600	\$ 31,706	\$ 23,550	\$ 489,856	\$ -	\$ 489,856
14	2043	\$ 162,000	6.00%	\$ 273,480	\$ 435,480	\$ 32,340	\$ 22,790	\$ 490,610	\$ -	\$ 490,610
15	2044	\$ 171,000	6.00%	\$ 263,760	\$ 434,760	\$ 32,987	\$ 21,980	\$ 489,727	\$ -	\$ 489,727
16	2045	\$ 182,000	6.00%	\$ 253,500	\$ 435,500	\$ 33,647	\$ 21,125	\$ 490,272	\$ -	\$ 490,272
17	2046	\$ 192,000	6.00%	\$ 242,580	\$ 434,580	\$ 34,320	\$ 20,215	\$ 489,115	\$ -	\$ 489,115
18	2047	\$ 204,000	6.00%	\$ 231,060	\$ 435,060	\$ 35,006	\$ 19,255	\$ 489,321	\$ -	\$ 489,321
19	2048	\$ 216,000	6.00%	\$ 218,820	\$ 434,820	\$ 35,706	\$ 18,235	\$ 488,761	\$ -	\$ 488,761
20	2049	\$ 229,000	6.00%	\$ 205,860	\$ 434,860	\$ 36,420	\$ 17,155	\$ 488,435	\$ -	\$ 488,435
21	2050	\$ 243,000	6.00%	\$ 192,120	\$ 435,120	\$ 37,149	\$ 16,010	\$ 488,279	\$ -	\$ 488,279
22	2051	\$ 258,000	6.00%	\$ 177,540	\$ 435,540	\$ 37,892	\$ 14,795	\$ 488,227	\$ -	\$ 488,227
23	2052	\$ 273,000	6.00%	\$ 162,060	\$ 435,060	\$ 38,649	\$ 13,505	\$ 487,214	\$ -	\$ 487,214
24	2053	\$ 289,000	6.00%	\$ 145,680	\$ 434,680	\$ 39,422	\$ 12,140	\$ 486,242	\$ -	\$ 486,242
25	2054	\$ 307,000	6.00%	\$ 128,340	\$ 435,340	\$ 40,211	\$ 10,695	\$ 486,246	\$ -	\$ 486,246
26	2055	\$ 325,000	6.00%	\$ 109,920	\$ 434,920	\$ 41,015	\$ 9,160	\$ 485,095	\$ -	\$ 485,095
27	2056	\$ 345,000	6.00%	\$ 90,420	\$ 435,420	\$ 41,835	\$ 7,535	\$ 484,790	\$ -	\$ 484,790
28	2057	\$ 365,000	6.00%	\$ 69,720	\$ 434,720	\$ 42,672	\$ 5,810	\$ 483,202	\$ -	\$ 483,202
29	2058	\$ 387,000	6.00%	\$ 47,820	\$ 434,820	\$ 43,526	\$ 3,985	\$ 482,331	\$ -	\$ 482,331
30	2059	\$ 410,000	6.00%	\$ 24,600	\$ 434,600	\$ 44,396	\$ 2,050	\$ 481,046	\$ -	\$ 481,046
Total		\$ 5,832,000	6.00%	\$ 7,048,380	\$ 12,880,380	\$ 1,014,202	\$ 587,365	\$ 14,481,947	\$ (699,840)	\$ 13,782,107

Footnotes:

[a] For illustration purposes only. Actual date and rate to be determined.

[b] Assumes administrative expenses escalate annually by 2%.

Post Oak Ranch
Exhibit K
Detailed Bond Sizing Analysis: Future Improvement Area #3 - Reimb. Obl. / Series B
4/25/2025

Bond Issue Date ^[a] 9/1/2031

Year Ending		Interest		Annual	Principal & Interest	Admin Expense ^[b]	0.50% Additional	Subtotal	Capitalized Interest	Annual PID	
9/1	Principal	Rate [a]	Interest	Interest			Interest			Installment ^[c]	
1	2030	\$ -	6.00%	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	-
2	2031	\$ -	6.00%	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	-
3	2032	\$ 69,000	6.00%	\$ 283,860	\$ 352,860	\$ -	\$ 23,655	\$ 376,515	\$ -	\$ 376,515	376,515
4	2033	\$ 73,000	6.00%	\$ 279,720	\$ 352,720	\$ -	\$ 23,310	\$ 376,030	\$ -	\$ 376,030	376,030
5	2034	\$ 78,000	6.00%	\$ 275,340	\$ 353,340	\$ -	\$ 22,945	\$ 376,285	\$ -	\$ 376,285	376,285
6	2035	\$ 82,000	6.00%	\$ 270,660	\$ 352,660	\$ -	\$ 22,555	\$ 375,215	\$ -	\$ 375,215	375,215
7	2036	\$ 87,000	6.00%	\$ 265,740	\$ 352,740	\$ -	\$ 22,145	\$ 374,885	\$ -	\$ 374,885	374,885
8	2037	\$ 92,000	6.00%	\$ 260,520	\$ 352,520	\$ -	\$ 21,710	\$ 374,230	\$ -	\$ 374,230	374,230
9	2038	\$ 98,000	6.00%	\$ 255,000	\$ 353,000	\$ -	\$ 21,250	\$ 374,250	\$ -	\$ 374,250	374,250
10	2039	\$ 104,000	6.00%	\$ 249,120	\$ 353,120	\$ -	\$ 20,760	\$ 373,880	\$ -	\$ 373,880	373,880
11	2040	\$ 110,000	6.00%	\$ 242,880	\$ 352,880	\$ -	\$ 20,240	\$ 373,120	\$ -	\$ 373,120	373,120
12	2041	\$ 117,000	6.00%	\$ 236,280	\$ 353,280	\$ -	\$ 19,690	\$ 372,970	\$ -	\$ 372,970	372,970
13	2042	\$ 124,000	6.00%	\$ 229,260	\$ 353,260	\$ -	\$ 19,105	\$ 372,365	\$ -	\$ 372,365	372,365
14	2043	\$ 131,000	6.00%	\$ 221,820	\$ 352,820	\$ -	\$ 18,485	\$ 371,305	\$ -	\$ 371,305	371,305
15	2044	\$ 139,000	6.00%	\$ 213,960	\$ 352,960	\$ -	\$ 17,830	\$ 370,790	\$ -	\$ 370,790	370,790
16	2045	\$ 147,000	6.00%	\$ 205,620	\$ 352,620	\$ -	\$ 17,135	\$ 369,755	\$ -	\$ 369,755	369,755
17	2046	\$ 156,000	6.00%	\$ 196,800	\$ 352,800	\$ -	\$ 16,400	\$ 369,200	\$ -	\$ 369,200	369,200
18	2047	\$ 165,000	6.00%	\$ 187,440	\$ 352,440	\$ -	\$ 15,620	\$ 368,060	\$ -	\$ 368,060	368,060
19	2048	\$ 175,000	6.00%	\$ 177,540	\$ 352,540	\$ -	\$ 14,795	\$ 367,335	\$ -	\$ 367,335	367,335
20	2049	\$ 186,000	6.00%	\$ 167,040	\$ 353,040	\$ -	\$ 13,920	\$ 366,960	\$ -	\$ 366,960	366,960
21	2050	\$ 197,000	6.00%	\$ 155,880	\$ 352,880	\$ -	\$ 12,990	\$ 365,870	\$ -	\$ 365,870	365,870
22	2051	\$ 209,000	6.00%	\$ 144,060	\$ 353,060	\$ -	\$ 12,005	\$ 365,065	\$ -	\$ 365,065	365,065
23	2052	\$ 221,000	6.00%	\$ 131,520	\$ 352,520	\$ -	\$ 10,960	\$ 363,480	\$ -	\$ 363,480	363,480
24	2053	\$ 235,000	6.00%	\$ 118,260	\$ 353,260	\$ -	\$ 9,855	\$ 363,115	\$ -	\$ 363,115	363,115
25	2054	\$ 249,000	6.00%	\$ 104,160	\$ 353,160	\$ -	\$ 8,680	\$ 361,840	\$ -	\$ 361,840	361,840
26	2055	\$ 264,000	6.00%	\$ 89,220	\$ 353,220	\$ -	\$ 7,435	\$ 360,655	\$ -	\$ 360,655	360,655
27	2056	\$ 280,000	6.00%	\$ 73,380	\$ 353,380	\$ -	\$ 6,115	\$ 359,495	\$ -	\$ 359,495	359,495
28	2057	\$ 296,000	6.00%	\$ 56,580	\$ 352,580	\$ -	\$ 4,715	\$ 357,295	\$ -	\$ 357,295	357,295
29	2058	\$ 314,000	6.00%	\$ 38,820	\$ 352,820	\$ -	\$ 3,235	\$ 356,055	\$ -	\$ 356,055	356,055
30	2059	\$ 333,000	6.00%	\$ 19,980	\$ 352,980	\$ -	\$ 1,665	\$ 354,645	\$ -	\$ 354,645	354,645
		\$ -	6.00%	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	-
Total		\$ 4,731,000	6.00%	\$ 5,150,460	\$ 9,881,460	\$ -	\$ 429,205	\$ 10,310,665	\$ -	\$ 10,310,665	10,310,665

Footnotes:

[a] For illustration purposes only. Actual rate may not exceed 5% above the highest average interest rate for tax-exempt bonds for years 1-5, and 2% for the remaining years.

[b] Assumes administrative costs are included in the Series A bond series.

[c] Assumes collection of annual installments are deferred until after the Series A capitalized interest period.

EXHIBIT A

PRELIMINARY DISCUSSION DRAFT

Item #6.

Post Oak Ranch

Exhibit L

Detailed Bond Sizing Analysis: Future Improvement Area #4
4/25/2025

Bond Issue Date [a] 9/1/2031

	Year Ending 9/1	Principal	Interest Rate [a]	Annual Interest	Principal & Interest	Admin Expense [b]	0.50% Additional Interest	Subtotal	Capitalized Interest	Annual PID Installment
1	2032	\$ -	6.00%	\$ 306,180	\$ 306,180	\$ 25,000	\$ 25,515	\$ 356,695	\$ (306,180)	\$ 50,515
2	2033	\$ -	6.00%	\$ 306,180	\$ 306,180	\$ 25,500	\$ 25,515	\$ 357,195	\$ (306,180)	\$ 51,015
3	2034	\$ 74,000	6.00%	\$ 306,180	\$ 380,180	\$ 26,010	\$ 25,515	\$ 431,705	\$ -	\$ 431,705
4	2035	\$ 79,000	6.00%	\$ 301,740	\$ 380,740	\$ 26,530	\$ 25,145	\$ 432,415	\$ -	\$ 432,415
5	2036	\$ 84,000	6.00%	\$ 297,000	\$ 381,000	\$ 27,061	\$ 24,750	\$ 432,811	\$ -	\$ 432,811
6	2037	\$ 89,000	6.00%	\$ 291,960	\$ 380,960	\$ 27,602	\$ 24,330	\$ 432,892	\$ -	\$ 432,892
7	2038	\$ 94,000	6.00%	\$ 286,620	\$ 380,620	\$ 28,154	\$ 23,885	\$ 432,659	\$ -	\$ 432,659
8	2039	\$ 100,000	6.00%	\$ 280,980	\$ 380,980	\$ 28,717	\$ 23,415	\$ 433,112	\$ -	\$ 433,112
9	2040	\$ 106,000	6.00%	\$ 274,980	\$ 380,980	\$ 29,291	\$ 22,915	\$ 433,186	\$ -	\$ 433,186
10	2041	\$ 112,000	6.00%	\$ 268,620	\$ 380,620	\$ 29,877	\$ 22,385	\$ 432,882	\$ -	\$ 432,882
11	2042	\$ 119,000	6.00%	\$ 261,900	\$ 380,900	\$ 30,475	\$ 21,825	\$ 433,200	\$ -	\$ 433,200
12	2043	\$ 126,000	6.00%	\$ 254,760	\$ 380,760	\$ 31,084	\$ 21,230	\$ 433,074	\$ -	\$ 433,074
13	2044	\$ 133,000	6.00%	\$ 247,200	\$ 380,200	\$ 31,706	\$ 20,600	\$ 432,506	\$ -	\$ 432,506
14	2045	\$ 141,000	6.00%	\$ 239,220	\$ 380,220	\$ 32,340	\$ 19,935	\$ 432,495	\$ -	\$ 432,495
15	2046	\$ 150,000	6.00%	\$ 230,760	\$ 380,760	\$ 32,987	\$ 19,230	\$ 432,977	\$ -	\$ 432,977
16	2047	\$ 159,000	6.00%	\$ 221,760	\$ 380,760	\$ 33,647	\$ 18,480	\$ 432,887	\$ -	\$ 432,887
17	2048	\$ 168,000	6.00%	\$ 212,220	\$ 380,220	\$ 34,320	\$ 17,685	\$ 432,225	\$ -	\$ 432,225
18	2049	\$ 178,000	6.00%	\$ 202,140	\$ 380,140	\$ 35,006	\$ 16,845	\$ 431,991	\$ -	\$ 431,991
19	2050	\$ 189,000	6.00%	\$ 191,460	\$ 380,460	\$ 35,706	\$ 15,955	\$ 432,121	\$ -	\$ 432,121
20	2051	\$ 201,000	6.00%	\$ 180,120	\$ 381,120	\$ 36,420	\$ 15,010	\$ 432,550	\$ -	\$ 432,550
21	2052	\$ 213,000	6.00%	\$ 168,060	\$ 381,060	\$ 37,149	\$ 14,005	\$ 432,214	\$ -	\$ 432,214
22	2053	\$ 225,000	6.00%	\$ 155,280	\$ 380,280	\$ 37,892	\$ 12,940	\$ 431,112	\$ -	\$ 431,112
23	2054	\$ 239,000	6.00%	\$ 141,780	\$ 380,780	\$ 38,649	\$ 11,815	\$ 431,244	\$ -	\$ 431,244
24	2055	\$ 253,000	6.00%	\$ 127,440	\$ 380,440	\$ 39,422	\$ 10,620	\$ 430,482	\$ -	\$ 430,482
25	2056	\$ 268,000	6.00%	\$ 112,260	\$ 380,260	\$ 40,211	\$ 9,355	\$ 429,826	\$ -	\$ 429,826
26	2057	\$ 284,000	6.00%	\$ 96,180	\$ 380,180	\$ 41,015	\$ 8,015	\$ 429,210	\$ -	\$ 429,210
27	2058	\$ 301,000	6.00%	\$ 79,140	\$ 380,140	\$ 41,835	\$ 6,595	\$ 428,570	\$ -	\$ 428,570
28	2059	\$ 320,000	6.00%	\$ 61,080	\$ 381,080	\$ 42,672	\$ 5,090	\$ 428,842	\$ -	\$ 428,842
29	2060	\$ 339,000	6.00%	\$ 41,880	\$ 380,880	\$ 43,526	\$ 3,490	\$ 427,896	\$ -	\$ 427,896
30	2061	\$ 359,000	6.00%	\$ 21,540	\$ 380,540	\$ 44,396	\$ 1,795	\$ 426,731	\$ -	\$ 426,731
Total		\$ 5,103,000	6.00%	\$ 6,166,620	\$ 11,269,620	\$ 1,014,202	\$ 513,885	\$ 12,797,707	\$ (612,360)	\$ 12,185,347

Footnotes:

[a] For illustration purposes only. Actual date and rate to be determined.

[b] Assumes administrative expenses escalate annually by 2%.

Post Oak Ranch
Exhibit M
Detailed Bond Sizing Analysis: Future Improvement Area #4 - Reimb. Obl. / Series B
4/25/2025

Bond Issue Date ^[a] 9/1/2033

Year Ending					0.50%				Annual	
		Interest	Annual	Principal	Admin	Additional		Capitalized	PID	
9/1	Principal	Rate [a]	Interest	& Interest	Expense [b]	Interest	Subtotal	Interest	Installment [c]	
1	2032	\$ -	6.00%	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
2	2033	\$ -	6.00%	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
3	2034	\$ 60,000	6.00%	\$ 245,160	\$ 305,160	\$ -	\$ 20,430	\$ 325,590	\$ -	\$ 325,590
4	2035	\$ 63,000	6.00%	\$ 241,560	\$ 304,560	\$ -	\$ 20,130	\$ 324,690	\$ -	\$ 324,690
5	2036	\$ 67,000	6.00%	\$ 237,780	\$ 304,780	\$ -	\$ 19,815	\$ 324,595	\$ -	\$ 324,595
6	2037	\$ 71,000	6.00%	\$ 233,760	\$ 304,760	\$ -	\$ 19,480	\$ 324,240	\$ -	\$ 324,240
7	2038	\$ 75,000	6.00%	\$ 229,500	\$ 304,500	\$ -	\$ 19,125	\$ 323,625	\$ -	\$ 323,625
8	2039	\$ 80,000	6.00%	\$ 225,000	\$ 305,000	\$ -	\$ 18,750	\$ 323,750	\$ -	\$ 323,750
9	2040	\$ 85,000	6.00%	\$ 220,200	\$ 305,200	\$ -	\$ 18,350	\$ 323,550	\$ -	\$ 323,550
10	2041	\$ 90,000	6.00%	\$ 215,100	\$ 305,100	\$ -	\$ 17,925	\$ 323,025	\$ -	\$ 323,025
11	2042	\$ 95,000	6.00%	\$ 209,700	\$ 304,700	\$ -	\$ 17,475	\$ 322,175	\$ -	\$ 322,175
12	2043	\$ 101,000	6.00%	\$ 204,000	\$ 305,000	\$ -	\$ 17,000	\$ 322,000	\$ -	\$ 322,000
13	2044	\$ 107,000	6.00%	\$ 197,940	\$ 304,940	\$ -	\$ 16,495	\$ 321,435	\$ -	\$ 321,435
14	2045	\$ 113,000	6.00%	\$ 191,520	\$ 304,520	\$ -	\$ 15,960	\$ 320,480	\$ -	\$ 320,480
15	2046	\$ 120,000	6.00%	\$ 184,740	\$ 304,740	\$ -	\$ 15,395	\$ 320,135	\$ -	\$ 320,135
16	2047	\$ 127,000	6.00%	\$ 177,540	\$ 304,540	\$ -	\$ 14,795	\$ 319,335	\$ -	\$ 319,335
17	2048	\$ 135,000	6.00%	\$ 169,920	\$ 304,920	\$ -	\$ 14,160	\$ 319,080	\$ -	\$ 319,080
18	2049	\$ 143,000	6.00%	\$ 161,820	\$ 304,820	\$ -	\$ 13,485	\$ 318,305	\$ -	\$ 318,305
19	2050	\$ 151,000	6.00%	\$ 153,240	\$ 304,240	\$ -	\$ 12,770	\$ 317,010	\$ -	\$ 317,010
20	2051	\$ 161,000	6.00%	\$ 144,180	\$ 305,180	\$ -	\$ 12,015	\$ 317,195	\$ -	\$ 317,195
21	2052	\$ 170,000	6.00%	\$ 134,520	\$ 304,520	\$ -	\$ 11,210	\$ 315,730	\$ -	\$ 315,730
22	2053	\$ 180,000	6.00%	\$ 124,320	\$ 304,320	\$ -	\$ 10,360	\$ 314,680	\$ -	\$ 314,680
23	2054	\$ 191,000	6.00%	\$ 113,520	\$ 304,520	\$ -	\$ 9,460	\$ 313,980	\$ -	\$ 313,980
24	2055	\$ 203,000	6.00%	\$ 102,060	\$ 305,060	\$ -	\$ 8,505	\$ 313,565	\$ -	\$ 313,565
25	2056	\$ 215,000	6.00%	\$ 89,880	\$ 304,880	\$ -	\$ 7,490	\$ 312,370	\$ -	\$ 312,370
26	2057	\$ 228,000	6.00%	\$ 76,980	\$ 304,980	\$ -	\$ 6,415	\$ 311,395	\$ -	\$ 311,395
27	2058	\$ 241,000	6.00%	\$ 63,300	\$ 304,300	\$ -	\$ 5,275	\$ 309,575	\$ -	\$ 309,575
28	2059	\$ 256,000	6.00%	\$ 48,840	\$ 304,840	\$ -	\$ 4,070	\$ 308,910	\$ -	\$ 308,910
29	2060	\$ 271,000	6.00%	\$ 33,480	\$ 304,480	\$ -	\$ 2,790	\$ 307,270	\$ -	\$ 307,270
30	2061	\$ 287,000	6.00%	\$ 17,220	\$ 304,220	\$ -	\$ 1,435	\$ 305,655	\$ -	\$ 305,655
		\$ -	6.00%	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
Total		\$ 4,086,000	6.00%	\$ 4,446,780	\$ 8,532,780	\$ -	\$ 370,565	\$ 8,903,345	\$ -	\$ 8,903,345

Footnotes:

[a] For illustration purposes only. Actual rate may not exceed 5% above the highest average interest rate for tax-exempt bonds for years 1-5, and 2% for the remaining years.

[b] Assumes administrative costs are included in the Series A bond series.

[c] Assumes collection of annual installments are deferred until after the Series A capitalized interest period.

NOTICE OF PUBLIC HEARING REGARDING THE CREATION OF A PUBLIC IMPROVEMENT DISTRICT

Pursuant to Section 372.009(c) and (d) of the Texas Local Government Code, as amended, notice is hereby given that the City Council of the City of Fair Oaks Ranch, Texas (the "City"), will hold a public hearing to accept public comments and discuss the petition (the "Petition"), filed by BMRK Boerne Ranch, LLC, a Texas limited liability company (the "Petitioner"), requesting that the City create the Post Oak Public Improvement District (the "District") to include property owned by the Petitioner located within the City's corporate limits.

Time and Place of Public Hearing. The public hearing will start at or 6:30 P.M. on Thursday, June 19, 2025, in the regular meeting place of the City Council in City Hall located at 7286 Dietz Elkhorn, Fair Oaks Ranch, Texas 78015.

General Nature of the Proposed Authorized Improvements. The general nature of the proposed public improvements are: (1) landscaping; (2) erection of fountains, distinctive lighting, and signs; (3) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of-way; (4) construction of improvement of pedestrian malls; (5) acquisition and installation of pieces of art; (6) acquisition, construction, or improvement of libraries; (7) acquisition, construction, or improvement of off-street parking facilities; (8) acquisition, construction, improvement, or rerouting of mass transportation facilities; (9) acquisition, construction, or improvement of water, wastewater, or drainage facilities or improvements; (10) the establishment or improvement of parks; (11) projects similar to those listed in (1)-(10); (12) acquisition, by purchase or otherwise, of real property in connection with an authorized improvement; (13) special supplemental services for improvement and promotion of the District, including services relating to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation, and cultural enhancement; (14) payment of expenses incurred in establishment, administration, and operation of the District, including the costs of financing the public improvements listed above; (15) the development, rehabilitation, or expansion of affordable housing; and (16) payment of expenses associated with operating and maintaining the improvements listed above and any other hard or soft costs associated with the development of the Property as allowed under the Act (collectively, the "Authorized Improvements")..

Estimated Cost of the Authorized Improvements. The estimated total cost of the proposed Authorized Improvements is \$40,746,612, including issuance and other financing costs.

Proposed District Boundaries. The District is proposed to include approximately 344.65 acres of land as shown in the map attached hereto and as more particularly described by a metes and bounds description available at the City Secretary's office located at 7286 Dietz Elkhorn, Fair Oaks Ranch, Texas 78015, and available for public inspection during regular business hours.

Proposed Method of Assessment. The City shall levy an assessment on each parcel within the District to pay the cost of the Authorized Improvements in a manner that results in imposing equal shares of the cost on property similarly benefited. Each assessment may be paid in full at any time (including interest) and certain assessments may be paid in annual installments (including interest). If allowed to be paid in installments, then the installments must be paid in amounts necessary to meet annual costs for the Authorized Improvements financed by the assessment and must continue for a period necessary to retire the indebtedness on those Authorized Improvements (including interest).

Proposed Apportionment of Cost between the District and City. The City will not be obligated to provide any funds to finance the Authorized Improvements. The cost of the Authorized Improvements will be paid from the assessments and from other sources of funds, if any, available to the developer of the property within the District. The City will pay none of the costs of the proposed Authorized Improvements and no municipal property in the proposed District shall be assessed.

During the public hearing any interested person may speak for or against the establishment of the District and the advisability of the improvements to be made for the benefit of the property within the District.

PUBLIC IMPROVEMENT DISTRICT POLICY

1. State Law Reference.

- a. Chapter 372 of the Texas Local Government Code

- 2. Purpose.** The purpose of this policy is to outline conditions that must be satisfied by a developer seeking to establish a public improvement district (“PID”) under Chapter 372 of Texas Local Government Code.

The intent of this policy is to provide parameters for establishment and use of PIDs within the City and to outline the issues to be addressed before the City Council can support the establishment of a PID. The City Council supports the use of economic tools to create sustainable developments with a higher level of public improvements (and maintenance of those improvements) than exists in a development that meets the City’s minimum standards. These projects should be self-supporting, should not place administrative burdens on the City nor involve management or oversight by the City for their daily activities. This policy shall serve to supplement all other applicable City rules, regulations, and policies. Even if all conditions of this policy are satisfied, the City Council, in its sole discretion, may choose to approve, modify or deny a Petition’s proposed PID.

- 3. Staff Point-of-Contact.** The staff point of contact for this policy is the City Manager or designee.

4. Background.

- a. PIDs are economic development financing tools authorized pursuant to Chapter 372 of the Texas Local Government Code (the “PID Act”) that allow for financing costs of certain qualified public improvements that confer a special benefit on the property within the PID. A City, through a PID may provide a means to fund certain public improvements that meet or exceed community needs and that might not otherwise be constructed as quickly, or at all, by levying assessments on properties that directly benefit from the eligible public improvements. Negotiations on the use of PIDs between the City and the developer occur on a case-by-case basis. This policy establishes guidelines for these negotiations.

5. Definitions.

- a. “Petitioner” and “Developer” may be used interchangeably and shall refer to any person(s) or entity(ies) which is responsible for requesting the PIDs creation or for managing the development of the property within the limits of the PID.
- b. “City” is defined as meaning the City of Fair Oaks Ranch, Texas.
- c. “PID Act” is defined as meaning Chapter 372 of the Texas Local Government Code.

6. Attachments.

The following documents are included as attachments to this policy and incorporated by reference.

- a. Attachment A – PID Process Outline
- b. Attachment B – Petition Template

7. Miscellaneous Provision

The following provisions shall be included in all PID Agreements:

- a. **Severance.** If any section, subsection, sentence, clause, phrase, or word of this Policy is declared unconstitutional or invalid for any purpose, the remainder of this Policy shall not be affected.
- b. **Waivers.** Waivers to or deviations from this policy may only be approved by the City unless otherwise stated herein.
- c. **No Personal Liability of Public Officials.** No public official or employee shall be personally responsible for any liability arising under or growing out of any approved or disapproved PID. Any obligation or liability of the Petitioner or Developer whatsoever that may arise at any time under the approved PID or obligation or liability which may be incurred by the Petitioner or Developer pursuant to any other instrument transaction or undertaking as a result of the PID shall be satisfied out of the assets of the Petitioner or Developer only, and the City shall have no liability.
- d. **Indemnification.** All PID agreements shall include Indemnification language as follows:

“Indemnification. DEVELOPER COVENANTS AND AGREES TO FULLY INDEMNIFY AND HOLD HARMLESS CITY (AND ITS ELECTED OFFICIALS, EMPLOYEES, OFFICERS, ATTORNEYS, DIRECTORS, AND REPRESENTATIVES), INDIVIDUALLY AND COLLECTIVELY, FROM AND AGAINST ANY AND ALL COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, PRECEEDINGS, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND SUITS OF ANY KIND AND NATURE BROUGHT BY ANY THIRD-PARTY AND RELATING TO DEVELOPER’S ACTIONS ON THE PROJECT INCLUDING, BUT NOT LIMITED TO PERSONAL INJURY OR DEATH AND PROPERTY DAMAGE, MADE UPON CITY OR DIRECTLY OR INDIRECTLY ARISING OUT OF, RESULTING FROM OR RELATED TO DEVELOPER OR DEVELOPER’S AGENTS’ OR REPRESENTATIVES’ NEGLIGENCE, WILLFUL MISCONDUCT OR CRIMINAL CONDUCT IN ITS ACTIVITIES UNDER THIS AGREEMENT, INCLUDING ANY SUCH ACTS OR OMISSIONS OF DEVELOPER OR DEVELOPER’S AGENTS OR REPRESENTATIVES, AND ANY AGENT, OFFICER, DIRECTOR, REPRESENTATIVE, EMPLOYEE, CONSULTANTS OR SUBCONSULTANT OF DEVELOPER OR DEVELOPER’S AGENTS OR REPRESENTATIVES, AND THEIR RESPECTIVE OFFICERS, AGENTS, EMPLOYEES, DIRECTORS AND REPRESENTATIVES WHILE IN THE EXERCISE OR PERFORMANCE OF THE RIGHTS OR DUTIES UNDER THIS AGREEMENT, ALL WITHOUT, HOWEVER WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO CITY, UNDER STATE LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER STATE LAW. THE PROVISIONS OF THIS INDEMNIFICATION ARE SOLELY FOR THE BENEFIT OF THE CITY AND ARE NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY. DEVELOPER SHALL PROMPTLY ADVISE CITY IN

WRITING OF ANY CLAIM OR DEMAND AGAINST THE CITY, RELATED TO OR ARISING OUT OF DEVELOPER OR DEVELOPER'S AGENTS' OR REPRESENTATIVES' ACTIVITIES UNDER THIS AGREEMENT AND SHALL SEE TO THE INVESTIGATION AND DEFENSE OF SUCH CLAIM OR DEMAND AT THE DEVELOPER'S COST TO THE EXTENT REQUIRED UNDER THE INDEMNITY IN THIS PARAGRAPH CITY SHALL HAVE THE RIGHT, AT ITS OPTION AND AT ITS OWN EXPENSE, TO PARTICIPATE IN SUCH A DEFENSE WITHOUT RELIEVING DEVELOPER OF ANY OF ITS OBLIGATIONS UNDER THIS PARAGRAPH.

IT IS THE EXPRESS INTENT OF THIS SECTION THAT THE INDEMNITY PROVIDED TO THE CITY SHALL SURVIVE THE TERMINATION AND OR EXPIRATION OF ANY AGREEMENT TO WHICH THE DEVELOPER OR ITS AGENTS OR REPRESENTATIVES ARE A PARTY RELATED TO THE PID AND SHALL BE BROADLY INTERPRETED AT ALL TIMES TO PROVIDE THE MAXIMUM INDEMNIFICATION OF THE CITY AND / OR THEIR OFFICERS, ATTORNEYS, EMPLOYEES AND ELECTED OFFICIALS PERMITTED BY LAW."

PUBLIC IMPROVEMENT DISTRICTS

1. Types of PIDs.

- a. **Capital PIDs** are those that are established to construct infrastructure within a development. There are two types of Capital PIDs:
 - i. *Reimbursement PID*: The developer pays for the infrastructure up front and is reimbursed from assessments collected over time.
 - ii. *Bonded PID*: The City issues special assessment revenue bonds for the construction of improvements and/or reimbursement to the Developer and such bonds are repaid from assessments collected annually

PID BONDS THAT MAY BE ISSUED BY THE CITY SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OF THE CITY. THE STATE OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION WHATSOEVER. BUT THE PID BONDS WILL BE LIMITED AND SPECIAL OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PID SPECIAL ASSESSMENTS TO BE COLLECTED. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY. THE STATE OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE WILL BE PLEDGED TO THE PAYMENT OF ANY PID BONDS.

Capital PIDs will have a termination date of either the maturity of the bonds for Bonded PIDs, or full repayment of the reimbursement obligation for Reimbursement PIDs.

The maximum term for PID special assessments to be levied for a single-phase development shall not exceed 30 years. The maximum term for PID special assessments to be levied for a multiple-phase development shall not exceed 30 years for each phase of development requiring a separate PID assessment levy.

- b. **Operation and Maintenance PIDs** (“O&M PIDs”) are used to fund ongoing required or enhanced operation and maintenance for public improvements such as parks, public open space, trails and other public improvements.
 - (i) There may be no termination date with an O&M PID until City Council decides otherwise.
 - (ii) The assessment is determined annually based on a budget to maintain and operate the PID.
 - (iii) Payment of the assessment is on an annual basis, and no pre-payment can occur since there is no principal amount.
 - (iv) The City may create advisory boards for Maintenance PIDs.
 - (v) Development projects may include both Capital PIDs and Maintenance PIDs.

2. General.

A PID may be created and utilized to construct qualified public improvements and/or reimburse a portion of the Developer’s actual and documented costs required for public improvements to serve the development. Such incremental costs shall be associated with the construction of qualified public improvements.

PIDS MUST BE SELF-SUFFICIENT AND NOT REQUIRE THE CITY TO INCUR ANY COSTS ASSOCIATED WITH THE FORMATION OF THE PID. BOND ISSUANCE COSTS, PID ADMINISTRATION OR THE CONSTRUCTION OF PID IMPROVEMENTS.

PID petition signatures will reflect that a reasonable attempt was made to obtain the full support of the PID by all the property owners, who will be responsible for the payment of the special assessments, located within the proposed PID. Priority will be given to PIDs with the support of 100% of the landowners, who will be responsible for the payment of the special assessments, within a PID.

A PID petition will be more likely to be approved if the development project includes one or more aspects of the following types of improvements which:

- a. Generate economic development benefits to the City consistent with the City's Comprehensive Plan and other city initiatives;
- b. Provide for improvements in the public right-of-way that are consistent with the City's Comprehensive Plan and Unified Development Code, and create new or enhanced public roads and streets (e.g., entryways, gateways, landscaping, street trees, fountains, specialty lighting, art, decorative and landscaped streets and sidewalks, bike lanes, multi-use trails, signage, terminating vistas, decorative pedestrian lighting, pedestrian safety elements, ADA accessibility, underground utilities, street lighting, etc.);
- c. Meet community needs (e.g., sales-tax generating developments, commercial development compatible with nearby residential communities, enhanced drainage improvements, pedestrian and trail connectivity)
- d. Exceed development requirements of the City; in particular enhanced architectural standards, enhanced landscaping, low impact development features, impervious cover limitations, parking lot shading, and which provide for a superior design of lots or buildings;
- e. Provide for increased recreation and open space opportunities for public use as well as protect and preserve natural amenities and environmental assets such as the lakes, trees, creeks, ponds, floodplains, slopes, hills, viewscales, and wildlife habitats;
- f. Protect and preserve the rural and community amenities or features that further the look and feel of the hill country or would otherwise be of special benefit to the property users or community; or which establish a unified architectural or design theme throughout the development that complements the community's character and heritage.

Any requested adjustments or deviations from the terms of this PID Policy for a proposed PID shall be clearly requested and explained (including a detailed description of the basis for such a request under the PID Act) prior to submitting the PID petition. Any adjustments or deviations granted are at the sole discretion of the City Council.

Property owned by the City or that is intended to be conveyed or dedicated to the City and located within the boundaries of the PID shall not be subject to any assessment by the PID.

No PIDs will be allowed to be created that overlap the boundaries of another PID.

3. Petition Requirements

In addition to the requirements of Texas Local Government Code §372.005(a) and this PID Policy, all petitions requesting establishment of a PID shall include at a minimum the following additional requirements, the satisfaction of which shall be determined in the sole discretion of the City Council:

- a. Demonstration of long-term financial capital for the PID development in the form of a cash deposit, proof of financing and/or equity capital from an investment grade financial institution, or letter of credit in favor of the City with an amount confirmed by an engineer's opinion of probable costs, or other commitments from verified funding sources which funding sources are subject to approval by the City.
- b. Evidence that the petition's signatures meet the ownership requirements of the PID Act and this PID Policy. If the Petitioner fails to provide sufficient evidence, the Petitioner shall reimburse all City's costs of signature verification.
- c. If a Petitioner submits a petition that seeks to add to or expand an existing PID, such petition shall be subject to this PID Policy.
- d. A section that clearly, and in detail, identifies the extraordinary benefit of the PID to the affected property owners and to the City in general (i.e., distinct public purpose).
- e. Identification of all land within the proposed PID that is, or will be, publicly owned including, but not limited to, sites for public rights-of-way, easements or greenbelts.
- f. Description of all City-owned and City-maintained land within the PID as well as any project costs for which the City is expected to be responsible.
- g. A budget, including the PID's revenues in addition to the assessments, and a description on how all funds will be managed.
- h. Specified procedure for eventual termination of the PID.
- i. Contingency plans to address how, if a PID is dissolved, the PID improvements and any property belonging to the PID that have not been dedicated to the public will be maintained or disposed of upon such dissolution. A PID cannot be dissolved as long as debt obligations secured by the PID's assessments remain outstanding.
- j. Statement that the Petitioner understands the annual budget for the PID is subject to review by City staff with final approval by the City Council.

- k. A professional management plan detailing who will be responsible for addressing problems and corrective actions to be taken, including a comprehensive list of financial, management and legal consultants and their respective qualifications.

4. Required Fees, Additional Documents and Information

The following must be provided or addressed before the City Council will consider a petition:

- a. A non-refundable application fee of \$20,000.00 will be required with the filing of a petition to create a PID. This fee is regulatory in character and approximates the City staff costs of evaluating the PID petition. In addition to the application fee, any other related City-required cost, limited to actual costs as are documented by the City, is the responsibility of the Petitioner.

Additionally, if the City Council determines it is in its best interest to establish a PID, a Professional Services Agreement (“PSA”) will be entered into with the Petitioner. The PSA will require the Petitioner to initially deposit funds to pay for the City's third-party consultants including, but not limited to, Bond Counsel, Financial Advisor, PID Administrator, Appraiser, and Market Study Analysis. Additional deposits will be required when the deposit balance meets a minimum threshold as described below. Funds that have been expended for payment to the City's consultants are non-refundable except for potential reimbursements from bond proceeds or special assessments. The unused balance will be rolled into the PID administration costs for the creation of the PID or refunded to Petitioner at the discretion of the City depending on circumstances. The initial deposit amount shall be \$35,000.00 with additional \$5,000.00 deposit increments when the deposit balance reaches \$10,000.00.

- b. Current tax roll, or other acceptable evidence of ownership, with notations indicating the owners registering support for the petition.
- c. A copy of the Preliminary PID Finance Plan shall be submitted with the petition. This Finance Plan shall include at a minimum:
 - (i) Description and estimated costs of the proposed public improvements to be financed;
 - (ii) Description of the proposed development;
 - (iii) Proposed timetable of the development including anticipated construction timelines;
 - (iv) Detailed development financing plan showing breakdown of proposed private (loan and equity) and public financing structure;
 - (v) Targeted gross assessment amount;
 - (vi) Estimated ad valorem tax revenue generated by the proposed development;
 - (vii) Estimated number of bond issuances;
 - (viii) Proposed maturity dates for assessments; and
 - (ix) Any other such supporting information related to the success of the PID.
- d. A copy of a Project Feasibility Report which demonstrates the economic feasibility of the proposed development project and includes the following information:
 - (i) An assessment revenue pro forma for the proposed development project;
 - (ii) A financial review of the development projections and schedule;

- (iii) Analysis of above describing the timing and amount of assessment revenue which will be generated based upon varying levels of assessments; and
- (iv) Comparison of the development project with other similar projects in the area that will not have an assessment.

5. Additional Submission Requirements for Bonded PIDs

If it is proposed that debt obligations secured by and payable from assessments (“PID Bonds”) are to be issued to reimburse for authorized improvements that a developer would ordinarily fund at its own costs, the petition must demonstrate how creation of the PID and financing of the public infrastructure provides a special benefit to the property that, but for the PID, would not occur. Examples of “special benefits” under which the City is willing to consider a PID include, but are not limited to, the following: accelerated development of neighborhood amenities, high quality development (i.e. amenities, sustainability, etc.) or furtherance of a major City Town Plan objective.

The following requirements must be met in connection with a PID Bond issuance:

- a. Value-to-lien ratio of 3:1 on a parcel-by-parcel basis is preferred. A minimum value to lien ratio of 2.5:1 on an aggregate basis across the entire area for which assessments have been levied to secure PID bonds will be considered, provided that the value to lien ratio individual parcels is not less than 2:1. The City will evaluate the value-to-lien ratio requirements on a case-by-case basis and may increase or reduce the required value-to-lien ratio for the issuance of PID Bonds based on proposed project profile, developer profile, proposed public and private financing structure of the development, prevailing market and industry trends and other relevant factors.
- b. To the extent feasible, preliminary design and engineering work for public improvements to be funded with PID Bonds shall be completed prior to the levy of assessment.
- c. Petitioner is required to provide evidence of financing of the non-public improvements which may include closed loan(s) from a bank or a financial institution in an amount necessary to fund the Private Improvements for the applicable PID Phase for which PID Bonds are being sold. Any loan agreement for such Private Improvements shall have no conditions to funding other than those customarily included in similar financings and such loan must meet the approval of the City’s financial advisor and the City.
- d. Petitioner is required to demonstrate committed capital (acceptable to the City) in the form of cash deposit, proof of bank financing and/or equity capital, or letter of credit, which represents the difference between budgeted costs to complete the public improvements assumed to be complete in the appraisal and the net proceeds of the PID Bonds. The form of acceptable committed capital (cash deposit or letter of credit) will be determined by the City (in consultation with its financial advisors, consultants and participating underwriters) on a case-by-case basis. Terms of any letter of credit used to satisfy the requirements of this paragraph will include:
 - (i) an irrevocable and unconditional letter of credit issued by one or more banks satisfactory to the City and on terms and conditions satisfactory to the City to provide a funding source

- for the agreed upon cost of infrastructure improvements that will be constructed with funds other than bond proceeds;
- (ii) the City being named as the beneficiary;
 - (iii) provisions that would enable the City, upon presentment of a properly executed draft request to the provider of the letter of credit, to draw upon the letter of credit to fund any obligation of the Developer, including funding to pay for a portion of the costs to the public infrastructure improvements that are not being funded with the proceeds of any bonds issued by the City; and
 - (iv) a commitment by an acceptable letter of credit provider with a long-term rating by a nationally recognized ratings service of at least an A or better.
- e. In the event that issuance of PID Bonds in a calendar year causes other City debt issuances not to qualify as "qualified tax-exempt obligations" under section 265(b)(3) of the Internal Revenue Code of 1986, as amended, the Petitioner will be required to pay the additional costs of the City incurred as a result thereof.

6. Maximum Assessment

The annual PID installment shall not exceed an amount that increases the expected total initial equivalent tax rate upon buildout above \$3.00 per \$100.00 of assessed value; provided that the City may consider a higher initial equivalent tax rate for developments that are funding critical infrastructure improvements. A true-up calculation will be performed at each bond issuance and upon filing of a final plat to ensure that the maximum assessment is not exceeded.

If the true-up calculation reveals that the maximum assessment is exceeded, a mandatory prepayment from the PID Petitioner will be required.

7. PID Administration

The City may contract with a qualified third-party company to manage and administer the PID, subject to approval by City Council. The PID Administrator shall have authority and responsibility to:

- a. Prepare and submit a budget and five-year service and assessment plan to the City Council for consideration and adoption. The budget shall provide for sufficient funding to pay for all costs above and beyond the City's ordinary costs, including additional administrative and/or operational costs as well as additional maintenance costs resulting from the PID.
- b. Provide for the calculation of the assessment and allocation to the respective parcels in the PID and shall provide for the billing of the assessments to the property owners or provide information to the appropriate County tax office. The PID Administrator and Developer will coordinate to ensure that the billing/assessment information provided to the tax office includes all pertinent properties.
- c. Prepare annual updates and reports for the Service and Assessment Plan as required by the PID Act and submit an annual Service and Assessment Plan in a form appropriate for consideration and adoption by the City Council each year and assist the City Council and staff in adopting the annual Service and Assessment Plan updates. The PID Administrator

will coordinate with City staff to ensure timely filing of annual Service and Assessment Plan updates with County as required by the PID Act. Prepare annual reports reflecting the expenditure of Bond Proceeds or the reimbursement of Developer expenditures as appropriate.

- d. Prepare annual reports reflecting the imposition and collection of the assessments and the balances in the various accounts related to the PID to be provided on a monthly or other periodic basis as may be required by the City.
- e. Design and implement a property buyer disclosure program consistent with the PID Act and this policy.
- f. Prepare, provide or undertake any other reports, information or tasks required by the City or the development project under the PID Act, the governing documents or the applicable contract for PID administration

If the City elects to hire a qualified third party PID administrator to administer the PID, the costs for such administration shall be paid for with PID funds. A contract with a PID Administrator to manage the PID shall not preclude the City from entering into a contract with another taxing unit for the collection of the assessments levied for the PID.

Provision for the costs associated with providing administrative services, whether the services are by third parties or the City, shall be included in any budget proposed by the Developer.

The PID Administrator may be required to submit reports of all activities and expenditures to the City until the project is built out at the frequency to be determined and adjusted from time to time by the City. The City may request an independent audit by a qualified public account at any time.

8. Disclosure to Property Buyers

To satisfy disclosure to property buyers within a PID, the City will require the petitioner to comply with the following:

- a. A landowner's agreement must be recorded in the official public records of Bexar/Kendall/Comal County which, among other things, will notify any prospective owner of the existence or proposal of assessments on the property. All closing statements and sales contracts for lots must specify who is responsible for payment of any existing assessment or a pro rata share thereof until such time as the PID assessment is paid in full.
- b. A PID must be identified as a PID with use of signage approved by the City along the main entry/exits located at the boundaries of the PID. All signage shall be clearly visible to all motorists entering and exiting the PID.
- c. Signage and information flyers for use at sales offices and model homes as approved by the City and provided by the PID Administrator.
- d. PID disclosure documents in accordance with Section 5.014 of the Texas Property Code to be signed both at contract signing and at closing with such agreements maintained on file and available for inspection by the City.

- e. Requirement to provide notice of the PID to builders in addendum to contracts and to disclose the PID on any listing.
- f. Comply with any property buyer disclosure program designed and implemented by the City or the PID Administrator.



CITY COUNCIL CONSIDERATION ITEM

CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Consideration and possible action approving a resolution authorizing a professional services reimbursement agreement between the City and Bitterblue, Inc. and the execution of all applicable documents by the City Manager

DATE: May 20, 2025

DEPARTMENT: Administration

PRESENTED BY: Scott M. Huizenga, ICMA-CM, City Manager

INTRODUCTION/BACKGROUND:

Bitterblue, Inc. filed a petition to create the Post Oak Development Public Improvement District (PID) with the City on May 2, 2025. The City will incur costs as it works through the Post Oak PID acceptance and approval process. The developer has agreed to reimburse the City for reasonable expenses related to the PID, such as professional services, legal publications, engineering fees, attorney fees, consultant fees and staff administrative time. The draft professional services agreement is attached as **Exhibit A**.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

- Supports Strategic Action Plan Pillar 2 Responsible Growth Management.
- Allows the City to recover its costs related to the creation of the Public Improvement District

LONGTERM FINANCIAL & BUDGETARY IMPACT:

There is no cost for the City to enter into this agreement.

LEGAL ANALYSIS:

The City Attorney has reviewed and approved the agreement and resolution as to form.

RECOMMENDATION/PROPOSED MOTION:

I move to approve a resolution authorizing the execution of a professional services agreement between the City and Bitterblue, Inc., and authorizing the execution of all applicable documents by the City Manager.

A RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS APPROVING AND AUTHORIZING THE EXECUTION OF A PROFESSIONAL SERVICES REIMBURSEMENT AGREEMENT BETWEEN THE CITY AND BITTERBLUE, INC. AND RESOLVING OTHER MATTERS RELATED THERETO

WHEREAS, on June 19, 2025, the City Council (the “City Council”) of the City of Fair Oaks Ranch, Texas (the “City”) may adopt a resolution creating the Post Oak Public Improvement District (the “District”) in accordance with Chapter 372, Texas Local Government Code, as amended (the “Act”), and

WHEREAS, the City desires to approve the “Professional Services Reimbursement Agreement” (the “Professional Services Agreement”) between the City and Bitterblue, Inc., a Texas corporation (the “Developer”), and

WHEREAS, the Professional Services Agreement defines the terms and conditions under which moneys may be advanced by the Developer of property within the District for the purposes of reimbursing certain expenses incurred by the City relating to the levy of assessments and potential issuance of bonds by the City which are secured by assessments levied against certain property within the District.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS:

- Section 1** The City Council hereby authorizes the City Manager to execute an agreement with Bitterblue, Inc., attached as **Exhibit A**, for professional services and to execute all applicable documents to effectuate this resolution.
- Section 2.** That the recitals contained in the preamble hereto are hereby found to be true and such recitals are hereby made a part of this resolution for all purposes and are adopted as a part of the judgment and findings of the Council.
- Section3.** If any provision of this resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this resolution would have been enacted without such invalid provision.
- Section 4.** That it is officially found, determined, and declared that the meeting at which this resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.
- Section 5.** All resolutions or parts thereof, which are in conflict or inconsistent with any provision of this resolution are hereby repealed to the extent of such conflict, and the provision of this resolution shall be and remain controlling as to the matters resolved herein.

- Section 6.** This resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.
- Section 7.** This resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED, APPROVED, and ADOPTED on this 17th day of April 2025.

Gregory C. Maxton, Mayor

ATTEST:

APPROVED AS TO FORM:

Christina Picioccio, TRMC
City Secretary

Denton Navarro Rodriguez Bernal Santee & Zech
P.C., City Attorney

**PROFESSIONAL SERVICES
REIMBURSEMENT AGREEMENT**

This Professional Services Reimbursement Agreement (this “Agreement”), effective as of the 20th day of May, 2025 (the “Effective Date”), is made and entered into by and between the City of Fair Oaks Ranch, Texas (the “City”) and Bitterblue, Inc., a Texas corporation (the “Developer”), herein collectively referred to as (“Party” or “Parties”).

WHEREAS, the Developer or affiliates of the Developer desire to develop land in the corporate limits of the City as further described in Exhibit A hereto (the “Property”);

WHEREAS, the Parties have determined that the financing of a portion of the costs of the public improvements necessary for the development of the Property, can be achieved by means of Chapter 372, Texas Local Government Code, as amended, entitled the Public Improvement District Assessment Act (“PID Act”); and

WHEREAS, the Developer desires to develop the Property and has caused a petition to be filed with the City related to the development of the Property for the Post Oak Public Improvement District (“PID”) under the PID Act; and

WHEREAS, the Parties hereto recognize that the City will continue to incur expenses through the entire PID review process until final completion of the development (“City Expenses”) including but not limited to: professional services, legal publications, notices, reproduction of materials, public hearing expenses, recording of documents, engineering fees, attorney fees, and special consultant fees, and fees for the administrative time of the City staff, but excluding costs directly related to the issuance of the bonds and paid for from proceeds of any bonds; and

WHEREAS, the Developer hereby agrees to pay for reasonable and necessary professional services provided by the consultants listed on Exhibit B and by additional consultants approved in writing by the Developer (collectively, the “City Consultants”).

NOW, THEREFORE, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Payment for Professional Services. At the time the City creates the PID, pursuant to the PID Act, the Developer shall deposit with the City \$35,000.00 (the “Initial Deposit”) for payment of City Expenses necessary to conduct the review and creation of the PID request, the PID review process and other expenses incurred prior to, but in connection with, any assessment levy:

- (a) The City agrees to hold all Developer's contributions in a separate fund maintained by the City which may only be used for City Expenses related

to the PID.

- (b) The City will pay City Expenses out of the amount deposited with the City and keep accounting of all charges for City Expenses incurred for the PID and any unused portion of the amount deposited shall be returned to the Developer within thirty (30) days of the City's payment of the final invoice.
- (c) Upon request, the City will submit copies of all monthly invoices to the Developer showing amounts paid for City Expenses for any City Consultant fees that are consistent with Exhibit B. The City may redact any information covered by attorney/client privilege, work product doctrine, or other information allowed to be kept confidential under the Texas Public Information Act.
- (d) After any monthly City Consultant fees have been paid as City Expenses, the City Consultants shall not be paid for the same City Expenses through any additional invoices or through PID bond proceeds.
- (e) Notwithstanding anything to the contrary, City Expenses invoiced and due within thirty (30) days prior to the closing of PID bonds may be paid to City Consultants, at Developer's option, through PID bond proceeds upon the closing of PID bonds.
- (f) The Developer may be reimbursed from proceeds of bonds issued in connection with the PIDs created by the City Council containing all or a portion of the Property, if any, for City Consultant fees paid in accordance with this Agreement and the PID Act.
- (g) The Developer agrees that in the event the fund described in Section 1(a) for City Expenses balance falls below \$10,000.00 and upon written notice from the City, then Developer shall remit an additional amount of not less than \$10,000.00 within five (5) business days of receipt of such notice.
- (h) In the event the balance for City Expenses is exhausted, upon written notice, Developer shall pay the balance owed in full within fifteen (15) days in addition to the remittance of the additional funds as provided above.
- (i) In the instance that deposits of additional funds are not timely made, the City has no obligation to incur any additional City Expenses in connection with the PID.

Failure of the Developer to meet its obligations under this Section 1 may result in the suspension of any active development permits until such obligations are cured, or revocation of active development permits if the obligation is not cured within twenty-one (21) days after the City's delivery to the Developer of written notice of failure to meet such obligations. In the event that Developer fails to meet the obligations under this Section 1, Developer's lender may make the

payment to the City to cure.

2. No Obligation regarding PID. The Developer acknowledges that the City has no obligation to include any specific items in PID plans or budgets, or issue any bonds or other indebtedness with respect thereto, and nothing contained within this Agreement shall create any such obligation. The Developer's obligation to pay the City Expenses shall exist and continue independent of whether the PID or bonds or other indebtedness are approved. The payments(s) made by the Developer under this Agreement are not contingent upon any outcome of the negotiations between the City and the Developer, and this Agreement shall confer no vested rights or development rights on the Property or to the Developer. Further, this Agreement shall provide no assurances, promises, or covenants to approve any development in the Property.

3. Termination. The Developer's obligation to pay for City Expenses under this Agreement shall expire upon the issuance of PID bonds, at which time the City will provide the Developer with a final statement of account and will refund to the Developer any funds deposited by the Developer that were not expended or encumbered by the City, except where the Parties expressly agree to the contrary. Upon termination of this Agreement for any reason, any balance of the Initial Deposit and any balance of any additional payment(s) made by Developer under this Agreement that exceed the City Expenses incurred as of termination shall be returned to Developer.

4. Entire Agreement. This Agreement contains the entire agreement between the Parties with respect to the transactions contemplated herein.

5. Amendment. This Agreement, and any exhibit hereto, may only be amended, altered or revoked by written instrument executed by the Parties.

6. Successors and Assigns. Neither City nor Developer may assign or transfer their interest in the Agreement without prior written consent of the other Party.

7. Notice. Any notice and/or statement required and permitted to be delivered shall be deemed delivered by depositing same in the United States Mail, Certified, with Return Receipt Requested, postage prepaid, addressed to the appropriate party at the following addresses, or at such other addresses provided by the parties in writing:

To the City: Attn: City Manager
 City of Fair Oaks Ranch
 7286 Dietz Elkhorn Rd.
 Fair Oaks Ranch, Texas 78009
 shuizenga@fairoaksranchtx.org

With a copy to: Attn: Stephanie Leibe
 Norton Rose Fulbright US LLP
 98 San Jacinto Blvd., Suite 1100
 Austin, Texas 78701

To the Developer: Attn: Scott Teeter
Bitterblue Inc.
11 Lynn Batts Lane, Suite 100
San Antonio, Texas, 78218

With a copy to: Attn: Caroline McDonald
Brown & McDonald, PLLC
100 NE Loop 410 STE 1385
San Antonio, Texas 78216

8. Interpretation. Regardless of the actual drafter of this Agreement, this Agreement shall, in the event of any dispute over its meaning or application, be interpreted fairly and reasonably and neither more strongly for or against either party.

9. Applicable Law. This Agreement is made, and shall be construed in accordance with the laws of the State of Texas and venue shall lie in Kendall County, Texas.

10. Severability. In the event any portion or provision of this Agreement is illegal, invalid, or unenforceable under present or future law, 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 it is also the intention of the parties to this Agreement that in lieu of each clause or provision that is found to be illegal, invalid or unenforceable, a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

11. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be considered an original, but all of which shall constitute one instrument.

12. Form 1295. Submitted herewith is a completed Form 1295 in connection with the Developer's participation in the execution of this Agreement generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The City hereby confirms receipt of the Form 1295 from the Developer, and the City agrees to acknowledge such form with the TEC through its electronic filing application. The Developer and the City understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Developer; and, neither the City nor its consultants have verified such information.

13. Verifications of Statutory Representations and Covenants. The Developer makes the following representations and covenants pursuant to Chapter 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under the common control with the Developer within the meaning of SEC Rule 405, 17

C.F.R. Section 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

(a) Not a Sanctioned Company. The 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, Government Code. The foregoing representation 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.

(b) No Boycott of Israel. 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 will not boycott Israel during the term of this Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The 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 this Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

[SIGNATURE PAGES TO FOLLOW]

CITY OF FAIR OAKS RANCH, TEXAS

By _____

Name: Greg Maxton
Title: Mayor

DEVELOPER

BITTERBLUE, INC.,
a Texas corporation

By: _____
Its:

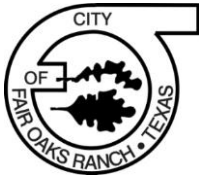
EXHIBIT A

PROPERTY METES AND BOUNDS

EXHIBIT B**CITY CONSULTANTS**

PID Application Expenses ⁽¹⁾	
Budget item	Cost Estimate
City of Fair Oaks Ranch, Texas	\$5,000
P3Works (PID Administrator)	20,000
SAMCO (Financial Advisor)	15,000
Norton Rose Fulbright (Bond Counsel)	15,000
Denton Navarro Rodriguez Bernal	15,000
Santee & Zech, P.C.	
Total	\$70,000

⁽¹⁾ Estimated, subject to change for purposes of PID creation and the levy of assessments for the PID. Does not include additional costs associated with the issuance of bonds, which would be paid from a separate budget for bond issuance costs and reimbursed from bond proceeds.



CITY COUNCIL CONSIDERATION ITEM

CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Consideration and possible action approving a resolution authorizing the execution of a Public Improvement District Administrator agreement with P3Works, LLC, and execution of all applicable documents by the City Manager

DATE: May 20, 2025

DEPARTMENT: Administration

PRESENTED BY: Scott M. Huizenga, ICMA-CM, City Manager

INTRODUCTION/BACKGROUND:

Bitterblue, Inc. filed a petition to create the Post Oak Development Public Improvement District (PID) with the City on May 2, 2025. The proposed PID will be used to finance the costs of certain public improvements related to the proposed Post Oak Development. The PID will need to be administered pursuant to requirements in the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended. The City will need specialized services to create the services assessment plan, for bond issuance, and for overall administration of the District.

The City determined P3Works, LLC, has the experience and is qualified to provide PID administrator services in compliance with Texas Local Government Code 372. The proposed agreement is attached as **Exhibit A**.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

- Supports Strategic Action Plan Pillar 2 Responsible Growth Management
- Complies with City of Fair Oaks Ranch PID Policy Section 7 PID Administration, attached as **Exhibit B**

LONGTERM FINANCIAL & BUDGETARY IMPACT:

Costs related to this agreement will be paid for out of PID funds.

LEGAL ANALYSIS:

The City Attorney has reviewed and approved the agreement and resolution as to form.

RECOMMENDATION/PROPOSED MOTION:

I move to approve a resolution authorizing the execution of a Public Improvement District administrator agreement with P3Works, LLC, and execution of all applicable documents by the City Manager.

A RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS APPROVING AND AUTHORIZING THE EXECUTION OF A PUBLIC IMPROVEMENT DISTRICT ADMINISTRATOR AGREEMENT BETWEEN THE CITY AND P3WORKS, LLC, AND EXECUTION OF ALL APPLICABLE DOCUMENTS BY THE CITY MANAGER.

WHEREAS, on June 19, 2025, the City Council may adopt a resolution creating the Post Oak Public Improvement District (PID) in accordance with Texas Local Government Code Chapter 372, as amended, and

WHEREAS, if the City adopts the Post Oak PID, it will need specialized services related to the creation and maintenance of a service assessment plan, bond issuance, and the recurring maintenance of the District, and

WHEREAS, the City identified P3Works, LLC, as having the required expertise to provide Public Improvement District administrative services and ensure compliance with Texas Local Government Code Chapter 372, and

WHEREAS, the City desires to enter into a services agreement with P3Works, LLC, to provide administrative services for the Post Oak Public Improvement District.

NOW, THEREFOERE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS:

- Section 1.** The City Council hereby authorizes the City Manager, contingent on the City Council's creation of the Post Oak Public Improvement District, to execute an agreement with P3Works, LLC, attached as **Exhibit A**, to provide administrative services for the Post Oak Public Improvement District and to execute any and all applicable documents to effectuate this resolution.
- Section 2.** That the recitals contained in the preamble hereto are hereby found to be true and such recitals are hereby made a part of this resolution for all purposes and are adopted as a part of the judgment and findings of the Council.
- Section 3.** If any provision of this resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this resolution would have been enacted without such invalid provision.
- Section 4.** That it is officially found, determined, and declared that the meeting at which this resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

- Section 5.** All resolutions or parts thereof, which are in conflict or inconsistent with any provision of this resolution are hereby repealed to the extent of such conflict, and the provision of this resolution shall be and remain controlling as to the matters resolved herein.
- Section 6.** This resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.
- Section 7.** This resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED, APPROVED, and ADOPTED on this May 20, 2025

Gregory C. Maxton, Mayor

ATTEST:

APPROVED AS TO FORM:

Christina Picioccio, TRMC
City Secretary

Denton Navarro Rodriguez Bernal Santee & Zech
P.C., City Attorney

EXHIBIT A**AGREEMENT FOR PUBLIC IMPROVEMENT DISTRICT
ADMINISTRATION SERVICES**

This Agreement for Public Improvement District Administration Services ("Agreement") is entered into this _____ day of _____, 2025, by and between P3Works, LLC ("P3Works"), and the City of Fair Oaks Ranch, Texas ("City").

RECITALS

WHEREAS, the City Council adopted Resolution No. _____ on _____, 202_, approving and authorizing the creation of Post Oak PID Public Improvement District No. __ ("PID" or "District") to finance the costs of certain public improvements for the benefit of property within the District; and

WHEREAS, the City may consider issuing bonds to fund certain improvements in the PID as authorized by the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended; and

WHEREAS, the City requires specialized services related to the creation, revision and updating of the Service and Assessment Plan ("Service and Assessment Plan"), bond issuance, and the administration of the District, as more fully set forth in this Agreement; and

WHEREAS, P3Works has the expertise to properly establish and administer the District and ensure compliance with Texas Local Government Code Chapter 372; and

WHEREAS, the City desires to retain P3Works to provide District administration services;

NOW THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, and for good and valuable consideration, P3Works and the City agree as follows:

ARTICLE I**TERM OF AGREEMENT**

1.0 The Agreement shall be effective as of its approval by all parties, shall be for a period of three (3) years, and shall automatically continue on a year-to-year basis until terminated pursuant to Article IV of this Agreement.

ARTICLE II**SERVICES TO BE PROVIDED BY P3WORKS**

2.0 The scope and timing of services to be performed by P3Works are set forth in Exhibit "A", which is attached hereto and incorporated into this Agreement by this reference.

EXHIBIT A

2.1 P3Works agrees its services pursuant to this Agreement shall at all times be subject to the control and supervision of the City and that nothing in this Agreement shall constitute an assignment of any right or obligation of the City under any applicable contract, agreement, or law. P3Works shall not represent to any property owner or any other person that it or any of its employees, agents or representatives are acting as the City or employees of the City.

2.2 No substantial changes in the scope of services shall be made without the prior written approval of P3Works and the City.

2.3 P3Works shall supply all tools and means necessary to perform the services and production of the work product described in Exhibit "A".

ARTICLE III

PAYMENT TERMS AND CONDITIONS

3.0 In consideration for the services to be performed by P3Works, the City agrees to pay P3Works the fees for all services and related costs and expenses set forth in Exhibit "A". Once assessments have been levied the Monthly Collection Fees will begin, and then the February 1 following the levy of assessments and each February 1 thereafter, the fees shall increase by 2%.

3.1 Monthly invoices shall be submitted to the City for work completed under the rates provided in Exhibit "A". City agrees to pay the amount due to P3Works upon receipt of each invoice.

3.2 Copies of all invoices to P3Works for expenses, materials, or services provided to P3Works will accompany the invoice to the City. P3Works will pass any third-party cost through to the City without markup and will not incur any expense in excess of \$200 without written consent of the City.

3.3 P3Works agrees the only source of payment for P3Works' fees and services shall be the District or funds advanced by the developer. It is expressly agreed and understood the City general fund shall never be used to pay for any expenses relating to P3Works' administration of the District. The City has entered into a Professional Services Reimbursement Agreement with the developer or landowner to fund an escrow, from which the City will pay for services until District funds shall be used. In the event there is insufficient District funds in a given year to pay P3Works' fees and expenses, P3Works agrees to defer the fees and expenses until such time as there are sufficient District funds or funds advanced by the developer. However, if the developer or landowner does not fund or replenish the funds under the Professional Services Reimbursement Agreement, then at P3Works' discretion and in accordance with such Agreement, work will cease until such time as the escrow is funded and past due invoices are paid.

ARTICLE IV

TERMINATION OF THIS AGREEMENT

4.0 Notwithstanding any other provisions of this Agreement, either party may terminate this Agreement at any time by giving sixty (60) days written notice to the other party without penalty and without limitation of its right to seek damages. City shall pay P3Works, within 30 days of such termination, all of P3Works' fees and expenses actually accrued or incurred to and including the date

EXHIBIT A

of termination, including any amount incurred or accrued in connection with work in progress.

ARTICLE V

INDEMNIFICATION

5.0 GENERAL INDEMNIFICATION – P3WORKS HEREBY COVENANTS AND AGREES TO INDEMNIFY, HOLD HARMLESS AND DEFEND THE CITY, ITS OFFICERS, AGENTS, SERVANTS AND EMPLOYEES FROM AND AGAINST ANY AND ALL CLAIMS OR LAWSUITS OF ANY KIND OR CHARACTER, WHETHER REAL OR ASSERTED, FOR EITHER PROPERTY DAMAGE OR LOSS (INCLUDING ALLEGED DAMAGE OR LOSS TO P3WORKS’ BUSINESS AND ANY RESULTING LOST PROFITS) AND/OR PERSONAL INJURY, INCLUDING DEATH, TO ANY AND ALL PERSONS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, TO THE EXTENT CAUSED BY THE NEGLIGENT ACTS OR OMISSIONS OR MALFEASANCE OF P3WORKS, ITS OFFICERS, AGENTS, SERVANTS OR EMPLOYEES.

ARTICLE VI

GENERAL PROVISIONS

6.0 This Agreement supersedes any and all agreements, including any Original PID Administration Agreement, either oral or written, between the parties hereto with respect to rendering of services by P3Works for the City and contains all of the covenants and agreements between the parties with respect to the rendering of such services in any manner whatsoever. Each party of this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party which are not embodied herein and that no other agreement, statement, or promise not contained in this Agreement shall be valid or binding.

6.1 Forum Selection and Severability - This Agreement shall be administered and interpreted under the laws of the State of Texas. Venue for any dispute brought for this Agreement shall be in Tarrant County, Texas. This Agreement shall not be construed for or against any party by reason of who drafted the provisions set forth herein. If any part of this Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null and void insofar as it is in conflict with said laws, but the remainder of this Agreement shall remain in full force and effect.

6.2 Neither this Agreement nor any duties or obligations under this Agreement may be assigned by P3Works without the prior written consent of the City, which shall not be unreasonably withheld.

6.3 P3Works is a PID Administration firm, does not provide financial advice, and is not an Independent Registered Municipal Advisor under the SEC and MSRB Rules. Therefore, P3Works will request an IRMA Exemption Letter if not already provided on the City’s website, and then will provide to the City an IRMA Exemption Acceptance Letter in the general form attached as Exhibit “B” upon execution of the Agreement.

6.4 Independent contractor. It is expressly understood and agreed that P3Works shall operate as an independent consultant as to all rights and privileges granted herein, and not as agent, representative, or employee of the City. Subject to and in accordance with the conditions and provisions of this Agreement, P3Works shall have the exclusive right to control the details of its operations and activities and be solely responsible for the acts and omissions of its officers, agents, servants, employees, consultants and subcontractors. P3Works acknowledges that the doctrine of

EXHIBIT A

respondent superior shall not apply as between the City, its officers, agents, servants and employees, and P3Works, its officers, agents, employees, servants, consultants and subcontractors. P3Works further agrees that nothing herein shall be construed as the creation of a partnership or joint enterprise between the City and P3Works. Neither P3Works nor any of P3Works' employees or agents, shall be entitled to any benefits accorded to City's employees, including without limitation, worker's compensation, disability insurance, vacation, or sick pay.

6.5 The waiver by either party of a breach or violation of any provision of this Agreement will not operate as or be construed to be a waiver of any subsequent breach thereof.

6.6 Upon acceptance or approval by City, all deliverables prepared or assembled by P3Works under this Agreement, and any other related documents or items shall be delivered to City, in hard copy and digital format for City use only. All digital data which contains algorithms, formulas, methodologies, and related content provided to the City by P3Works shall remain the property of P3Works, and is provided as backup documentation to the deliverables, but shall not be released in digital format to any third-parties due to the proprietary nature of the intellectual data.

6.7 The City acknowledges P3Works' ownership of its software, programs, inventions, know-how, trade secrets, confidential knowledge, source code, or other proprietary information relating to products, processes, services, software, formulas, developmental or experimental work, business plans, financial information, or other subject matter ("Confidential Information") pertaining to the business of P3Works. This Agreement shall not in any way give rise to any requirement or obligation for P3Works to disclose or release any Confidential Information. "Confidential Information" means all information that meets one or more of the following three conditions: (i) it has not been made available generally to the public either by P3Works, or by a third party with P3Works' consent, (ii) it is useful or of value to the P3Works's current or anticipated business or research and development activities, or those of a customer or supplier of P3Works, or (iii) it either has been identified as confidential to the City by P3Works (orally or in writing) or it has been maintained as confidential from outside parties and is recognized as intended for internal disclosure only. Confidential Information may include without limitation, technical, engineering, scientific, financial and commercial information, designs, inventions, copyright material, know-how, ideas, studies, findings, conclusions, data, samples, drawings, plans, charts, graphs, financial models, photographs, reports, letters, specifications, manuals, tables, formulae, formulations, spreadsheets, processes, operating and testing procedures, customer lists and pricing information. All records, reports, and other documents prepared by P3Works for the purposes of providing the services described in this Agreement shall be the property of the City. All such documents shall be made available to the City during the course of performance of this Agreement. Any reports, studies, photographs, negatives, or other documents or drawings prepared by P3Works in the performance of its obligations under this Agreement shall be the exclusive property of the City and all such materials shall be remitted to the City by P3Works upon completion, termination, or cancellation of this Agreement.

6.8 No deliverables or other information (including information given by City to P3Works to assist P3Works' performance under this Agreement) developed by, given to, prepared by or assembled under this Agreement shall be disclosed or made available to any third-party individual or organization that is not engaged to work on this project on behalf of the City by P3Works without the express prior written approval of the City.

6.9 The headings and article titles of this Agreement are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part hereof.

EXHIBIT A

6.10 Should either party commence any legal action or proceeding against the other based upon this Agreement, the prevailing party shall be entitled to an award of reasonable attorney's fees and costs.

6.11 All notices, requests, demands, and other communications which are required to be given under this Agreement shall be in writing and shall be deemed to have been duly given upon the delivery by registered or certified mail, return receipt requested, postage prepaid thereon, as follows:

To P3Works:

Mary V. Petty
President and Founder
P3Works, LLC
9284 Huntington Square
North Richland Hills, Texas 76182

To City:

Scott Huizenga
City Manager
City of Fair Oaks Ranch
7286 Dietz Elkhorn
City, Texas 12345

6.12 The parties hereby warrant that the persons executing this Agreement are authorized to execute this Agreement and are authorized to obligate the respective parties to perform this Agreement. A facsimile signature on this Agreement shall be treated for all purposes as an original signature.

6.13 By executing this Agreement, P3Works verifies it (i) does not boycott Israel (in accordance with Chapter 2272 of the Texas Government Code) and will not during the term of this Agreement, (ii) does not engage in business with Iran, Sudan or any company on the list referenced in Section 2252.152 of the Texas Government Code; (iii) does not boycott energy companies and will not during the term of this Agreement per Section 2274.002 of the Texas Government Code; and (iv) does not have a practice, policy, guidance or directive in this Agreement against a firearm entity or firearm trade association and will not during the term of this Agreement.

6.14 Counterparts. This Contract may be executed in two or more counterparts (including fax, email or electronic PDF counterparts), each of which shall be deemed an original and all of which together shall constitute one instrument.

6.15 Sovereign Immunity. The Parties agree neither the execution of this Agreement by the City nor another conduct, action or inaction of any City representative relating to the Agreement constitutes a waiver of sovereign immunity by the City.

[Remainder of page intentionally left blank]

EXHIBIT A

Executed on this _____ day of _____, 2025:

P3Works, LLC

BY: _____
Mary V. Petty
President and Founder

City of Fair Oaks Ranch

BY: _____
Scott Huizenga
City Manager

[Remainder of page intentionally left blank]

EXHIBIT A**EXHIBIT A
SERVICES TO BE PROVIDED****PID FORMATION, SERVICE AND ASSESSMENT PLAN PREPARATION, AND BOND
ISSUANCE SUPPORT SERVICES**

Billed at P3Works' prevailing hourly rates, which are currently as follows:

Title	Hourly Rate
<i>Executive/Regional Manager</i>	<i>\$250</i>
<i>Project Manager</i>	<i>\$210</i>
<i>Senior Analyst</i>	<i>\$185</i>
<i>Analyst II</i>	<i>\$160</i>
<i>Analyst</i>	<i>\$135</i>
<i>Administrative</i>	<i>\$100</i>

**P3Works' hourly rates may be adjusted from time to time to reflect increased costs of labor and/or adding/reclassifying titles. P3Works shall give notice of such adjustment at least (60) days in advance of the effective date of adjustment. Travel times will be billed at hourly rates.*

District Due Diligence and Preparation of PID Plan of Finance

1. P3Works will review project information and in conjunction with the City's Financial Advisor review a plan of finance for the proposed transaction, including:
2. Assessed value schedules, value to lien analysis, and overall structuring to achieve City goals and objectives,
3. Identify areas of risk with the City's Financial Advisor and solutions to mitigate the risks,
4. Bond sizing and bond phasing by improvement area,
5. Sources and uses of funds by improvement area,
6. Debt service schedules, and;
7. Assessment allocation and associated estimated annual installment by lot type for each improvement area.

Preparation of Service and Assessment Plan

1. P3Works will prepare a complete and final Service and Assessment Plan to be adopted by City Council and included in the Official Statement for the Bonds based on the Plan of Finance.
2. P3Works will present the Service and Assessment Plan to City Council and request approval of the Assessment Roll.

Bond Issuance Support

1. P3Works will ensure bond documents, including the PID financing agreement, bond indenture, and official statement are all consistent with the Service and Assessment Plan.
2. P3Works will provide ad-hoc analysis as requested by the underwriter in preparation of the preliminary official statement.

Participation in Presentations to City Council or other Public Forums

EXHIBIT A

1. P3Works will prepare and present information as requested to the City Council or any other public forum.

BASIC DISTRICT ADMINISTRATION SERVICES

If no bonds are sold:

Monthly Fee = \$1,500 beginning the first of the month following levy of assessments for the District for the first improvement area; and \$1,000 per month for each improvement area thereafter. (Proration will occur for any partial month if not begun on the 1st day of the month.)

If bonds are sold:

Monthly Fee amounts will be \$2,500 for the first improvement area beginning the first month following the issuance of bonds; and \$1,250 per month for each improvement area thereafter.

For PIDs that P3Works did not create: Monthly Collection Fees will not begin until the first Annual SAP Update is drafted by P3Works and approved by Council, therefore all work completed to that point will be billed hourly.

See Section below related to “Consulting Services Relating to Future Improvement Areas and related Bond Issuance” for hourly fees if bonds are contemplated.

Prepare Annual Service and Assessment Plan Update

1. If possible, obtain updated construction cost estimates (or actual costs for completed facilities) for District improvements, and update service and assessment plan text and tables.
2. Update service and assessment plan text and tables as necessary to account for any changes in development plan or land uses.
3. Update annual District assessment roll.
4. Identify parcel subdivisions, conveyance to owners’ associations, changes in land use, and any other information relevant to the levy of special assessments.
5. Review maps of tax parcels to compile/audit list of parcels that are within the District for the upcoming bond year. Classify each parcel pursuant to the approved service and assessment plan.
6. Identify any parcels dedicated to any property types classified as exempt by the service and assessment plan.
7. Update District database with newly subdivided parcels and property type classifications.
8. Calculate annual special assessment for each parcel. Verify the sum of annual installments for all parcels in the District is sufficient to meet the annual debt service requirement, administration expenses, and any provisions for delinquency or prepayment reserves.
9. Calculate other funds available, such as reserve fund income, capitalized interest, and interest income. Reduce annual assessment based on findings according to approved service and assessment plan.
10. Present preliminary annual assessment roll to City. Upon approval by City, submit the final annual assessment roll to County Tax Collector.

Administration of Bond Funds (if bonds are sold)

1. Review and summarize the account statements for the funds maintained by the trustee. Ensure annual special assessment calculation is compliant with Indenture as it relates to each fund.

EXHIBIT A

2. Provide an annual summary of all District accounts maintained by Trustee at the time the annual service and assessment plan update is performed.

Provide Public Information Request Support

1. If requested, P3Works will respond to any calls and or emails relating to the District. P3Works will only provide technical answers relating to the annual assessments or the District generally. P3Works will not provide any commentary on City policy relating to PIDs.
2. If the City receives a notice from a property owner alleging an error in the calculation of any matters related to the annual assessment roll for the District, P3Works will review and provide a written response to the City. If a calculation error occurred, P3Works will take corrective action as required to correct the error.

Delinquency Management

1. After the end of the annual assessment installment collection period, P3Works will prepare a delinquent special assessment report, which details which parcels are delinquent and the amount of delinquency.
2. P3Works will notify the City what action must be taken relating to delinquent parcels, if any, to remain in compliance with the District bond documents.

Website Setup

1. Prepare for the P3Works website database searchable by property tax ID for use by property owners, title companies, mortgage companies, or other interested parties. The search results will provide assessment information, including outstanding principal, annual installment amount, payment information, and a breakdown of the assessment installment by use (principal, interest, reserve fund accounts, administrations, etc.)
2. Prepare "District Information" page for website. Information will include a background of the District formation and bond issuance process, District boundary map, and description of improvements. In addition, P3Works will provide a link to District documents.

DISTRICT ADMINISTRATION SETUP SERVICES (Required for any existing PID not created by P3Works.)

\$10,000 One Time Lump Sum Fee

1. P3Works will review the full bond transcript and identify all requirements of the City relating to District administration and/or disclosure requirements.
2. Prepare written summary of all City administration and disclosure requirements.
3. Prepare calendar of all relevant dates and deadlines for District administration and disclosure requirements.
4. Meet with County Assessor's office to establish procedure for obtaining parcel information for assessment roll.
5. Meet with County Tax Office to establish procedure to include District assessment roll on property tax bill.
6. Meet with City representatives to finalize policies and procedures relating to District Administration.

EXHIBIT A

ADDITIONAL DISTRICT ADMINISTRATION SERVICES

Billed at P3Works' prevailing hourly rates, which are currently as follows:

<i>Title</i>	<i>Hourly Rate</i>
<i>Executive/Regional Manager</i>	<i>\$250</i>
<i>Project Manager</i>	<i>\$210</i>
<i>Senior Analyst</i>	<i>\$185</i>
<i>Analyst II</i>	<i>\$160</i>
<i>Analyst</i>	<i>\$135</i>
<i>Administrative</i>	<i>\$100</i>

**P3Works' hourly rates may be adjusted from time to time to reflect increased costs of labor and/or adding/reclassifying titles. P3Works shall give notice of such adjustment at least (60) days in advance of the effective date of adjustment. Travel will be billed at the hourly rates.*

Continuing Disclosure Services

1. P3Works will prepare the form of the annual report as required by the continuing disclosure agreements and work with the City and the Developer to complete.
2. P3Works will request from developer the reports due pursuant to the developer disclosure agreement and disseminate these reports pursuant to the disclosure agreement, including Seller's Disclosures.
3. Upon notification by any responsible party, or if P3Works independently becomes aware of such knowledge, P3Works will prepare notices of material events covering the events enumerated in the disclosure agreements.
4. P3Works will coordinate with the Trustee or the City's dissemination agent to disseminate the annual reports, quarterly reports from the developer, and notice of significant events to the Municipal Securities Rulemaking Board (MSRB) and any other parties required in the continuing disclosure agreement.

Developer Payment Request Administration

1. P3Works will review all developer payment requests to ensure the request complies with the PID Financing Agreement, the District service and assessment plan, and any other relevant provisions contained in the District documents.
2. P3Works will audit the developer payment request to ensure there is proper backup documentation and that the accounting is accurate.
3. P3Works will coordinate with the City's designated representative to ensure the improvements were built to the standards of the accepting governing body.
4. P3Works will ensure improvements to be dedicated are free and clear of all liens and encumbrances.

Consulting Services Relating to Future Improvement Areas and related Bond Issuance (to be paid from Developer funds advanced to City)

1. P3Works will update the Service and Assessment Plan to comply with Bond documents.
2. P3Works will prepare an updated Assessment Roll including the future Improvement Area.
3. P3Works will coordinate with City's bond counsel, financial advisor, and the bond underwriter to ensure the Bonds and all related documents are in compliance with State Law.
4. P3Works will prepare any additional reports or analyses as needed to successfully issue the Bonds.

EXHIBIT A**EXHIBIT B**
IRMA EXEMPTION LETTER

P3Works, LLC.
9284 Huntington Sq.
North Richland Hills,
Texas 76182

Mary V. Petty
President and Founder
+1.817.393.0353 Phone
Contracts@P3-Works.com

[Date]

City Manager: Scott Huizenga
7286 Dietz Elkhorn
Fair Oaks Ranch, Texas 78015

RE: IRMA Exemption/Acceptance Letter

To Whom It May Concern:

We have received your written representation, dated _____, 20__, that the City of ____ (the "City") has engaged and is represented by _____, an independent registered Municipal Advisor ("IRMA"). In accordance with Section 15Ba1-1(d)(3)(vi) of the Securities Exchange Act of 1934 ("Securities Exchange Act"), we understand and intend for the City to rely on IRMA's advice in evaluating recommendations brought forward by P3Works, LLC that constitute "advice" as defined in the Securities Exchange Act ("IRMA Exemption").

Furthermore, P3Works, LLC has conducted reasonable due diligence and is confirming that to the best of our knowledge, the IRMA is independent from P3Works, LLC, that P3Works, LLC is not a municipal advisor and is not subject to the fiduciary duty to municipal entities that the Security and Exchange Act imposes on municipal advisors, and that P3Works, LLC has a reasonable basis for relying on the IRMA Exemption. We will advise you, in writing, if we become aware of any changes.

P3Works, LLC provides PID Administration as consult services to Cities and Counties.

As required by the relevant sections of the Securities Exchange Act regarding Municipal Advisors, we are informing your identified IRMA of these facts.

Mary V. Petty
President and Founder
P3Works, LLC

EXHIBIT B

PUBLIC IMPROVEMENT DISTRICT POLICY

1. State Law Reference.

- a. Chapter 372 of the Texas Local Government Code

- 2. Purpose.** The purpose of this policy is to outline conditions that must be satisfied by a developer seeking to establish a public improvement district (“PID”) under Chapter 372 of Texas Local Government Code.

The intent of this policy is to provide parameters for establishment and use of PIDs within the City and to outline the issues to be addressed before the City Council can support the establishment of a PID. The City Council supports the use of economic tools to create sustainable developments with a higher level of public improvements (and maintenance of those improvements) than exists in a development that meets the City’s minimum standards. These projects should be self-supporting, should not place administrative burdens on the City nor involve management or oversight by the City for their daily activities. This policy shall serve to supplement all other applicable City rules, regulations, and policies. Even if all conditions of this policy are satisfied, the City Council, in its sole discretion, may choose to approve, modify or deny a Petition’s proposed PID.

- 3. Staff Point-of-Contact.** The staff point of contact for this policy is the City Manager or designee.

4. Background.

- a. PIDs are economic development financing tools authorized pursuant to Chapter 372 of the Texas Local Government Code (the “PID Act”) that allow for financing costs of certain qualified public improvements that confer a special benefit on the property within the PID. A City, through a PID may provide a means to fund certain public improvements that meet or exceed community needs and that might not otherwise be constructed as quickly, or at all, by levying assessments on properties that directly benefit from the eligible public improvements. Negotiations on the use of PIDs between the City and the developer occur on a case-by-case basis. This policy establishes guidelines for these negotiations.

5. Definitions.

- a. “Petitioner” and “Developer” may be used interchangeably and shall refer to any person(s) or entity(ies) which is responsible for requesting the PIDs creation or for managing the development of the property within the limits of the PID.
- b. “City” is defined as meaning the City of Fair Oaks Ranch, Texas.
- c. “PID Act” is defined as meaning Chapter 372 of the Texas Local Government Code.

6. Attachments.

The following documents are included as attachments to this policy and incorporated by reference.

- a. Attachment A – PID Process Outline
- b. Attachment B – Petition Template

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7. Miscellaneous Provision

The following provisions shall be included in all PID Agreements:

- a. **Severance.** If any section, subsection, sentence, clause, phrase, or word of this Policy is declared unconstitutional or invalid for any purpose, the remainder of this Policy shall not be affected.
- b. **Waivers.** Waivers to or deviations from this policy may only be approved by the City unless otherwise stated herein.
- c. **No Personal Liability of Public Officials.** No public official or employee shall be personally responsible for any liability arising under or growing out of any approved or disapproved PID. Any obligation or liability of the Petitioner or Developer whatsoever that may arise at any time under the approved PID or obligation or liability which may be incurred by the Petitioner or Developer pursuant to any other instrument transaction or undertaking as a result of the PID shall be satisfied out of the assets of the Petitioner or Developer only, and the City shall have no liability.
- d. **Indemnification.** All PID agreements shall include Indemnification language as follows:

“Indemnification. DEVELOPER COVENANTS AND AGREES TO FULLY INDEMNIFY AND HOLD HARMLESS CITY (AND ITS ELECTED OFFICIALS, EMPLOYEES, OFFICERS, ATTORNEYS, DIRECTORS, AND REPRESENTATIVES), INDIVIDUALLY AND COLLECTIVELY, FROM AND AGAINST ANY AND ALL COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, PRECEEDINGS, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND SUITS OF ANY KIND AND NATURE BROUGHT BY ANY THIRD-PARTY AND RELATING TO DEVELOPER’S ACTIONS ON THE PROJECT INCLUDING, BUT NOT LIMITED TO PERSONAL INJURY OR DEATH AND PROPERTY DAMAGE, MADE UPON CITY OR DIRECTLY OR INDIRECTLY ARISING OUT OF, RESULTING FROM OR RELATED TO DEVELOPER OR DEVELOPER’S AGENTS’ OR REPRESENTATIVES’ NEGLIGENCE, WILLFUL MISCONDUCT OR CRIMINAL CONDUCT IN ITS ACTIVITIES UNDER THIS AGREEMENT, INCLUDING ANY SUCH ACTS OR OMISSIONS OF DEVELOPER OR DEVELOPER’S AGENTS OR REPRESENTATIVES, AND ANY AGENT, OFFICER, DIRECTOR, REPRESENTATIVE, EMPLOYEE, CONSULTANTS OR SUBCONSULTANT OF DEVELOPER OR DEVELOPER’S AGENTS OR REPRESENTATIVES, AND THEIR RESPECTIVE OFFICERS, AGENTS, EMPLOYEES, DIRECTORS AND REPRESENTATIVES WHILE IN THE EXERCISE OR PERFORMANCE OF THE RIGHTS OR DUTIES UNDER THIS AGREEMENT, ALL WITHOUT, HOWEVER WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO CITY, UNDER STATE LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER STATE LAW. THE PROVISIONS OF THIS INDEMNIFICATION ARE SOLELY FOR THE BENEFIT OF THE CITY AND ARE NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY. DEVELOPER SHALL PROMPTLY ADVISE CITY IN

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WRITING OF ANY CLAIM OR DEMAND AGAINST THE CITY, RELATED TO OR ARISING OUT OF DEVELOPER OR DEVELOPER'S AGENTS' OR REPRESENTATIVES' ACTIVITIES UNDER THIS AGREEMENT AND SHALL SEE TO THE INVESTIGATION AND DEFENSE OF SUCH CLAIM OR DEMAND AT THE DEVELOPER'S COST TO THE EXTENT REQUIRED UNDER THE INDEMNITY IN THIS PARAGRAPH CITY SHALL HAVE THE RIGHT, AT ITS OPTION AND AT ITS OWN EXPENSE, TO PARTICIPATE IN SUCH A DEFENSE WITHOUT RELIEVING DEVELOPER OF ANY OF ITS OBLIGATIONS UNDER THIS PARAGRAPH.

IT IS THE EXPRESS INTENT OF THIS SECTION THAT THE INDEMNITY PROVIDED TO THE CITY SHALL SERVE THE TERMINATION AND OR EXPIRATION OF ANY AGREEMENT TO WHICH THE DEVELOPER OR ITS AGENTS OR REPRESENTATIVES ARE A PARTY RELATED TO THE PID AND SHALL BE BROADLY INTERPRETED AT ALL TIMES TO PROVIDE THE MAXIMUM INDEMNIFICATION OF THE CITY AND / OR THEIR OFFICERS, ATTORNEYS, EMPLOYEES AND ELECTED OFFICIALS PERMITTED BY LAW."

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PUBLIC IMPROVEMENT DISTRICTS

1. Types of PIDs.

- a. **Capital PIDs** are those that are established to construct infrastructure within a development. There are two types of Capital PIDs:
 - i. *Reimbursement PID*: The developer pays for the infrastructure up front and is reimbursed from assessments collected over time.
 - ii. *Bonded PID*: The City issues special assessment revenue bonds for the construction of improvements and/or reimbursement to the Developer and such bonds are repaid from assessments collected annually

PID BONDS THAT MAY BE ISSUED BY THE CITY SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OF THE CITY. THE STATE OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION WHATSOEVER. BUT THE PID BONDS WILL BE LIMITED AND SPECIAL OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PID SPECIAL ASSESSMENTS TO BE COLLECTED. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY. THE STATE OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE WILL BE PLEDGED TO THE PAYMENT OF ANY PID BONDS.

Capital PIDs will have a termination date of either the maturity of the bonds for Bonded PIDs, or full repayment of the reimbursement obligation for Reimbursement PIDs.

The maximum term for PID special assessments to be levied for a single-phase development shall not exceed 30 years. The maximum term for PID special assessments to be levied for a multiple-phase development shall not exceed 30 years for each phase of development requiring a separate PID assessment levy.

- b. **Operation and Maintenance PIDs** (“O&M PIDs”) are used to fund ongoing required or enhanced operation and maintenance for public improvements such as parks, public open space, trails and other public improvements.
 - (i) There may be no termination date with an O&M PID until City Council decides otherwise.
 - (ii) The assessment is determined annually based on a budget to maintain and operate the PID.
 - (iii) Payment of the assessment is on an annual basis, and no pre-payment can occur since there is no principal amount.
 - (iv) The City may create advisory boards for Maintenance PIDs.
 - (v) Development projects may include both Capital PIDs and Maintenance PIDs.

2. General.

A PID may be created and utilized to construct qualified public improvements and/or reimburse a portion of the Developer’s actual and documented costs required for public improvements to serve the development. Such incremental costs shall be associated with the construction of qualified public improvements.

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PIDS MUST BE SELF-SUFFICIENT AND NOT REQUIRE THE CITY TO INCUR ANY COSTS ASSOCIATED WITH THE FORMATION OF THE PID. BOND ISSUANCE COSTS, PID ADMINISTRATION OR THE CONSTRUCTION OF PID IMPROVEMENTS.

PID petition signatures will reflect that a reasonable attempt was made to obtain the full support of the PID by all the property owners, who will be responsible for the payment of the special assessments, located within the proposed PID. Priority will be given to PIDs with the support of 100% of the landowners, who will be responsible for the payment of the special assessments, within a PID.

A PID petition will be more likely to be approved if the development project includes one or more aspects of the following types of improvements which:

- a. Generate economic development benefits to the City consistent with the City's Comprehensive Plan and other city initiatives;
- b. Provide for improvements in the public right-of-way that are consistent with the City's Comprehensive Plan and Unified Development Code, and create new or enhanced public roads and streets (e.g., entryways, gateways, landscaping, street trees, fountains, specialty lighting, art, decorative and landscaped streets and sidewalks, bike lanes, multi-use trails, signage, terminating vistas, decorative pedestrian lighting, pedestrian safety elements, ADA accessibility, underground utilities, street lighting, etc.);
- c. Meet community needs (e.g., sales-tax generating developments, commercial development compatible with nearby residential communities, enhanced drainage improvements, pedestrian and trail connectivity)
- d. Exceed development requirements of the City; in particular enhanced architectural standards, enhanced landscaping, low impact development features, impervious cover limitations, parking lot shading, and which provide for a superior design of lots or buildings;
- e. Provide for increased recreation and open space opportunities for public use as well as protect and preserve natural amenities and environmental assets such as the lakes, trees, creeks, ponds, floodplains, slopes, hills, viewscapes, and wildlife habitats;
- f. Protect and preserve the rural and community amenities or features that further the look and feel of the hill country or would otherwise be of special benefit to the property users or community; or which establish a unified architectural or design theme throughout the development that complements the community's character and heritage.

Any requested adjustments or deviations from the terms of this PID Policy for a proposed PID shall be clearly requested and explained (including a detailed description of the basis for such a request under the PID Act) prior to submitting the PID petition. Any adjustments or deviations granted are at the sole discretion of the City Council.

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Property owned by the City or that is intended to be conveyed or dedicated to the City and located within the boundaries of the PID shall not be subject to any assessment by the PID.

No PIDs will be allowed to be created that overlap the boundaries of another PID.

3. Petition Requirements

In addition to the requirements of Texas Local Government Code §372.005(a) and this PID Policy, all petitions requesting establishment of a PID shall include at a minimum the following additional requirements, the satisfaction of which shall be determined in the sole discretion of the City Council:

- a. Demonstration of long-term financial capital for the PID development in the form of a cash deposit, proof of financing and/or equity capital from an investment grade financial institution, or letter of credit in favor of the City with an amount confirmed by an engineer's opinion of probable costs, or other commitments from verified funding sources which funding sources are subject to approval by the City.
- b. Evidence that the petition's signatures meet the ownership requirements of the PID Act and this PID Policy. If the Petitioner fails to provide sufficient evidence, the Petitioner shall reimburse all City's costs of signature verification.
- c. If a Petitioner submits a petition that seeks to add to or expand an existing PID, such petition shall be subject to this PID Policy.
- d. A section that clearly, and in detail, identifies the extraordinary benefit of the PID to the affected property owners and to the City in general (i.e., distinct public purpose).
- e. Identification of all land within the proposed PID that is, or will be, publicly owned including, but not limited to, sites for public rights-of-way, easements or greenbelts.
- f. Description of all City-owned and City-maintained land within the PID as well as any project costs for which the City is expected to be responsible.
- g. A budget, including the PID's revenues in addition to the assessments, and a description on how all funds will be managed.
- h. Specified procedure for eventual termination of the PID.
- i. Contingency plans to address how, if a PID is dissolved, the PID improvements and any property belonging to the PID that have not been dedicated to the public will be maintained or disposed of upon such dissolution. A PID cannot be dissolved as long as debt obligations secured by the PID's assessments remain outstanding.
- j. Statement that the Petitioner understands the annual budget for the PID is subject to review by City staff with final approval by the City Council.

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- k. A professional management plan detailing who will be responsible for addressing problems and corrective actions to be taken, including a comprehensive list of financial, management and legal consultants and their respective qualifications.

4. Required Fees, Additional Documents and Information

The following must be provided or addressed before the City Council will consider a petition:

- a. A non-refundable application fee of \$20,000.00 will be required with the filing of a petition to create a PID. This fee is regulatory in character and approximates the City staff costs of evaluating the PID petition. In addition to the application fee, any other related City-required cost, limited to actual costs as are documented by the City, is the responsibility of the Petitioner.

Additionally, if the City Council determines it is in its best interest to establish a PID, a Professional Services Agreement (“PSA”) will be entered into with the Petitioner. The PSA will require the Petitioner to initially deposit funds to pay for the City's third-party consultants including, but not limited to, Bond Counsel, Financial Advisor, PID Administrator, Appraiser, and Market Study Analysis. Additional deposits will be required when the deposit balance meets a minimum threshold as described below. Funds that have been expended for payment to the City’s consultants are non-refundable except for potential reimbursements from bond proceeds or special assessments. The unused balance will be rolled into the PID administration costs for the creation of the PID or refunded to Petitioner at the discretion of the City depending on circumstances. The initial deposit amount shall be \$35,000.00 with additional \$5,000.00 deposit increments when the deposit balance reaches \$10,000.00.

- b. Current tax roll, or other acceptable evidence of ownership, with notations indicating the owners registering support for the petition.
- c. A copy of the Preliminary PID Finance Plan shall be submitted with the petition. This Finance Plan shall include at a minimum:
 - (i) Description and estimated costs of the proposed public improvements to be financed;
 - (ii) Description of the proposed development;
 - (iii) Proposed timetable of the development including anticipated construction timelines;
 - (iv) Detailed development financing plan showing breakdown of proposed private (loan and equity) and public financing structure;
 - (v) Targeted gross assessment amount;
 - (vi) Estimated ad valorem tax revenue generated by the proposed development;
 - (vii) Estimated number of bond issuances;
 - (viii) Proposed maturity dates for assessments; and
 - (ix) Any other such supporting information related to the success of the PID.
- d. A copy of a Project Feasibility Report which demonstrates the economic feasibility of the proposed development project and includes the following information:
 - (i) An assessment revenue pro forma for the proposed development project;
 - (ii) A financial review of the development projections and schedule;

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- (iii) Analysis of above describing the timing and amount of assessment revenue which will be generated based upon varying levels of assessments; and
- (iv) Comparison of the development project with other similar projects in the area that will not have an assessment.

5. Additional Submission Requirements for Bonded PIDs

If it is proposed that debt obligations secured by and payable from assessments (“PID Bonds”) are to be issued to reimburse for authorized improvements that a developer would ordinarily fund at its own costs, the petition must demonstrate how creation of the PID and financing of the public infrastructure provides a special benefit to the property that, but for the PID, would not occur. Examples of “special benefits” under which the City is willing to consider a PID include, but are not limited to, the following: accelerated development of neighborhood amenities, high quality development (i.e. amenities, sustainability, etc.) or furtherance of a major City Town Plan objective.

The following requirements must be met in connection with a PID Bond issuance:

- a. Value-to-lien ratio of 3:1 on a parcel-by-parcel basis is preferred. A minimum value to lien ratio of 2.5:1 on an aggregate basis across the entire area for which assessments have been levied to secure PID bonds will be considered, provided that the value to lien ratio individual parcels is not less than 2:1. The City will evaluate the value-to-lien ratio requirements on a case-by-case basis and may increase or reduce the required value-to-lien ratio for the issuance of PID Bonds based on proposed project profile, developer profile, proposed public and private financing structure of the development, prevailing market and industry trends and other relevant factors.
- b. To the extent feasible, preliminary design and engineering work for public improvements to be funded with PID Bonds shall be completed prior to the levy of assessment.
- c. Petitioner is required to provide evidence of financing of the non-public improvements which may include closed loan(s) from a bank or a financial institution in an amount necessary to fund the Private Improvements for the applicable PID Phase for which PID Bonds are being sold. Any loan agreement for such Private Improvements shall have no conditions to funding other than those customarily included in similar financings and such loan must meet the approval of the City’s financial advisor and the City.
- d. Petitioner is required to demonstrate committed capital (acceptable to the City) in the form of cash deposit, proof of bank financing and/or equity capital, or letter of credit, which represents the difference between budgeted costs to complete the public improvements assumed to be complete in the appraisal and the net proceeds of the PID Bonds. The form of acceptable committed capital (cash deposit or letter of credit) will be determined by the City (in consultation with its financial advisors, consultants and participating underwriters) on a case-by-case basis. Terms of any letter of credit used to satisfy the requirements of this paragraph will include:
 - (i) an irrevocable and unconditional letter of credit issued by one or more banks satisfactory to the City and on terms and conditions satisfactory to the City to provide a funding source

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- for the agreed upon cost of infrastructure improvements that will be constructed with funds other than bond proceeds;
- (ii) the City being named as the beneficiary;
 - (iii) provisions that would enable the City, upon presentment of a properly executed draft request to the provider of the letter of credit, to draw upon the letter of credit to fund any obligation of the Developer, including funding to pay for a portion of the costs to the public infrastructure improvements that are not being funded with the proceeds of any bonds issued by the City; and
 - (iv) a commitment by an acceptable letter of credit provider with a long-term rating by a nationally recognized ratings service of at least an A or better.
- e. In the event that issuance of PID Bonds in a calendar year causes other City debt issuances not to qualify as "qualified tax-exempt obligations" under section 265(b)(3) of the Internal Revenue Code of 1986, as amended, the Petitioner will be required to pay the additional costs of the City incurred as a result thereof.

6. Maximum Assessment

The annual PID installment shall not exceed an amount that increases the expected total initial equivalent tax rate upon buildout above \$3.00 per \$100.00 of assessed value; provided that the City may consider a higher initial equivalent tax rate for developments that are funding critical infrastructure improvements. A true-up calculation will be performed at each bond issuance and upon filing of a final plat to ensure that the maximum assessment is not exceeded.

If the true-up calculation reveals that the maximum assessment is exceeded, a mandatory prepayment from the PID Petitioner will be required.

7. PID Administration

The City may contract with a qualified third-party company to manage and administer the PID, subject to approval by City Council. The PID Administrator shall have authority and responsibility to:

- a. Prepare and submit a budget and five-year service and assessment plan to the City Council for consideration and adoption. The budget shall provide for sufficient funding to pay for all costs above and beyond the City's ordinary costs, including additional administrative and/or operational costs as well as additional maintenance costs resulting from the PID.
- b. Provide for the calculation of the assessment and allocation to the respective parcels in the PID and shall provide for the billing of the assessments to the property owners or provide information to the appropriate County tax office. The PID Administrator and Developer will coordinate to ensure that the billing/assessment information provided to the tax office includes all pertinent properties.
- c. Prepare annual updates and reports for the Service and Assessment Plan as required by the PID Act and submit an annual Service and Assessment Plan in a form appropriate for consideration and adoption by the City Council each year and assist the City Council and staff in adopting the annual Service and Assessment Plan updates. The PID Administrator

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will coordinate with City staff to ensure timely filing of annual Service and Assessment Plan updates with County as required by the PID Act. Prepare annual reports reflecting the expenditure of Bond Proceeds or the reimbursement of Developer expenditures as appropriate.

- d. Prepare annual reports reflecting the imposition and collection of the assessments and the balances in the various accounts related to the PID to be provided on a monthly or other periodic basis as may be required by the City.
- e. Design and implement a property buyer disclosure program consistent with the PID Act and this policy.
- f. Prepare, provide or undertake any other reports, information or tasks required by the City or the development project under the PID Act, the governing documents or the applicable contract for PID administration

If the City elects to hire a qualified third party PID administrator to administer the PID, the costs for such administration shall be paid for with PID funds. A contract with a PID Administrator to manage the PID shall not preclude the City from entering into a contract with another taxing unit for the collection of the assessments levied for the PID.

Provision for the costs associated with providing administrative services, whether the services are by third parties or the City, shall be included in any budget proposed by the Developer.

The PID Administrator may be required to submit reports of all activities and expenditures to the City until the project is built out at the frequency to be determined and adjusted from time to time by the City. The City may request an independent audit by a qualified public account at any time.

8. Disclosure to Property Buyers

To satisfy disclosure to property buyers within a PID, the City will require the petitioner to comply with the following:

- a. A landowner's agreement must be recorded in the official public records of Bexar/Kendall/Comal County which, among other things, will notify any prospective owner of the existence or proposal of assessments on the property. All closing statements and sales contracts for lots must specify who is responsible for payment of any existing assessment or a pro rata share thereof until such time as the PID assessment is paid in full.
- b. A PID must be identified as a PID with use of signage approved by the City along the main entry/exits located at the boundaries of the PID. All signage shall be clearly visible to all motorists entering and exiting the PID.
- c. Signage and information flyers for use at sales offices and model homes as approved by the City and provided by the PID Administrator.
- d. PID disclosure documents in accordance with Section 5.014 of the Texas Property Code to be signed both at contract signing and at closing with such agreements maintained on file and available for inspection by the City.

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- e. Requirement to provide notice of the PID to builders in addendum to contracts and to disclose the PID on any listing.
- f. Comply with any property buyer disclosure program designed and implemented by the City or the PID Administrator.