



**AGENDA
REGULAR CITY COUNCIL
CITY OF LEANDER, TEXAS**

Pat Bryson Municipal Hall
201 North Brushy Street ~ Leander, Texas



Thursday ~ October 16, 2014 at 7:00 PM

**Mayor – Christopher Fielder
Place 1 – Andrea Navarrette
Place 2 – Kirsten Lynch
Place 3 – Simon Garcia (Mayor Pro Tem)**

**Place 4 – Ron Abruzzese
Place 5 – Jason Dishongh
Place 6 – David Siebold
City Manager – Kent Cagle**

1. Open meeting, Invocation, Pledges of Allegiance
2. Roll Call
3. Staff Comments:
4. Citizen Comments: Three (3) minutes allowed per speaker
Please turn in speaker request form before the meeting begins
5. Recognition of Sergeant Ryan Doyle and Officer John Carnley on awards received from Mothers Against Drunk Driving (MADD) at the Travis County Law Enforcement Event on September 19, 2014
6. Proclamation recognizing October 2014 as Fire Prevention Month in the City of Leander
Sponsored by Chief Bill Gardner
7. Proclamation recognizing November 3-7, 2014 as Municipal Court Week
Sponsored by Robert Powers

CONSENT AGENDA: ACTION

8. Approval of the minutes: Regular Meeting October 2, 2014
9. Second reading of an Ordinance on Zoning Case 14-Z-019: amending Ordinance #05-018, the Composition Zoning Ordinance for two tracts of land located at 523 Powell Drive for 6.95 acres, more or less. Currently, Leander, Williamson County, Texas
10. Award of bid to purchase twelve (12) vehicles

PUBLIC HEARING: ACTION

11. **Public Hearing** on Zoning Case #14-Z-024: consider action on the rezoning of a 4.368 acre tract of land, more or less, located at 17680 Ronald Reagan. Currently, the property is zoned Interim SFS-2-B (Single Family Suburban) and the applicant is proposing to zone the property GC-3-C (General Commercial), Leander, Williamson County, Texas
Applicant: King Bravo, on behalf of Donald R & Joan S Thomas, Trustees of the Donald R & Joan S Thomas Revoc Liv Tr
Applicant has withdrawn the request

12. **Public Hearing** on whether to issue "City of Leander, Texas General Obligation Refunding Bonds, Series 2014" of approximately \$2,950,000 to refund a portion of the City's outstanding obligations, being the City's General Obligation Refunding Bonds, Series 2005 to achieve debt service savings and restructure the City's debt service obligations

Action on an Ordinance authorizing the issuance of "City of Leander, Texas General Obligation Refunding Bonds, Series 2014"

13. **Public Hearing** on whether the City should levy special assessments against property located in the Oak Creek Public Improvement District

Action on an Ordinance Accepting and Approving a Service and Assessment Plan and Assessment Roll for the Oak Creek Public Improvement District; Making a Finding of Special Benefit to the Property in the District; Levying Special Assessments Against the Property within the District and Establishing a Lien on Such Property; Providing for the Payment of the Assessments in Accordance with Texas Local Government Code; Providing for the Method of Assessment and Payment of Assessments; Providing Penalties and Interest on Delinquent Assessments; and Providing for Related Matters

PUBLIC HEARING

14. **Public Hearing** on whether the City should issue special assessment revenue bonds to provide public improvements in connection with the Oak Creek Public Improvement District in an amount of approximately \$5,200,000

REGULAR AGENDA

15. Consider Oak Creek Public Improvement District Financing Agreement
16. Consider Oak Creek Public Improvement District Landowner's Agreement
17. Consider Bond Purchase Agreement for the City of Leander Special Assessment Revenue Bonds, Series 2014 (Oak Creek Public Improvement District)
18. Consider Indenture of Trust Securing \$5,200,000 City of Leander, Texas Special Assessment Revenue Bonds Series 2014 (Oak Creek Public Improvement District)
19. Consider an Ordinance authorizing the issuance of the City of Leander, Texas Special Assessment Revenue Bonds, Series 2014 (Oak Creek Public Improvement District); approving and authorizing an Indenture of Trust, an Official Statement, a Continuing Disclosure Agreement and other agreements and documents in connection therewith; making finding with respect to the issuance of such bonds; and providing an effective date.
20. Consider Special Assessment Revenue Bonds, Series 2014 (Oak Creek Public Improvement District) Continuing Disclosure Agreement
21. Consider Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation
22. Consider an Ordinance Amending the Project and Financing Plan for the Reinvestment Zone No. 1, Identifying Projects to be funded from the Tax Increment Fund and Supplementing the Project and Financing Plan for the Zone; Establishing a Subaccount in the Tax Increment Fund, and Providing for Related Matters

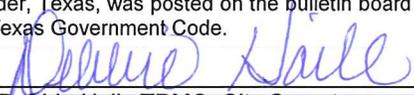
23. Consider Oak Creek Development and Reimbursement Agreement
24. Consider approval of form and substance of the Official Statement
25. Consider Amendment No. 1 to Task Order KFA-21 with K. Friese & Associates, Inc. for professional services for Ronald Reagan Boulevard 24-inch Water Line Extension
26. Consider Appointments to the Board Selection Committee

EXECUTIVE SESSION

27. Convene into executive session pursuant to:
 - a. Section 551.071 and 551.072, Texas Government Code and Section 1.05, Texas Disciplinary Rules of Professional Conduct to deliberate the acquisition of real property and possible use of eminent domain proceedings as set forth in Chapter 21 of the Texas Property Code regarding a 2.658 acre tract in Williamson County, Texas owned by Ronald L. and Linda C. Russell
 - b. Section 551.071 and 551.072, Texas Government Code and Section 1.05, Texas Disciplinary Rules of Professional Conduct to deliberate the acquisition of real property
28. Reconvene into open session to take action as deemed appropriate in City Council's discretion regarding:
 - a. The acquisition of real property and possible use of eminent domain proceedings as set forth in Chapter 21 of the Texas Property Code regarding a 2.658 acre tract in Williamson County, Texas owned by Ronald L. and Linda C. Russell
 - b. To take action as deemed appropriate in the City Council's discretion regarding the acquisition of real property
29. Consider and take possible action on an Ordinance: finding acquisition of real property serves public convenience and necessity and that said property will be acquired for a public use, namely the Bagdad Road Re-Alignment Project; finding that all appropriate and necessary pre-acquisition requirements set forth in Chapter 21 of the Texas Property Code have been met; and, authorizing the use of eminent domain proceedings as set forth in Chapter 21 of the Texas Property Code regarding a 2.658 acre tract in Williamson County, Texas owned by Ronald L. and Linda C. Russell, as further described in the attached proposed ordinance for this item.
30. Council Members Closing Statements
31. Adjournment

CERTIFICATION

This meeting will be conducted pursuant to the Texas Government Code Section 551.001 et seq. At any time during the meeting the Council reserves the right to adjourn into executive session on any of the above posted agenda items in accordance with the sections 551.071 [litigation and certain consultation with attorney], 551.072 [acquisition of interest in real property], 551.073 [contract for gift to city], 551.074 [certain personnel deliberations] or 551.076 [deployment/ implementation of security personnel or devices]. The City of Leander is committed to compliance with the American with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. **Please call the City Secretary at 512/ 528-2743 for information.** Hearing impaired or speech disabled persons equipped with telecommunications devices for the deaf may call 512/ 528-2800. I certify that the above agenda for this Meeting of the City Council of the City of Leander, Texas, was posted on the bulletin board at City Hall, in Leander, Texas, on the 10th day of October, 2014 by 5:00 pm pursuant to Chapter 551 of the Texas Government Code.


Debbie Haile TRMC, City Secretary



PROCLAMATION



WHEREAS, the city of Leander, TX is committed to ensuring the safety and security of all those living in and visiting Leander; and

WHEREAS, home fires killed more than 2,700 people in the United States in 2013, according to the National Fire Protection Association (NFPA), and fire departments in the United States responded to 369,500 home fires; and

WHEREAS, working smoke alarms cut the risk of dying in reported home fires in half; and

WHEREAS, three out of five home fire deaths result from fires in properties without working smoke alarms; and

WHEREAS, when smoke alarms should have operated but did not do so it was usually because batteries were missing, disconnected, or dead; and

WHEREAS, Leander's residents should install smoke alarms in every sleeping room, outside each separate sleeping area, and on every level of the home; and

WHEREAS, Leander's residents should install smoke alarms and alert devices that meet the needs of people who are deaf or hard of hearing; and

WHEREAS, Leander Fire Department is dedicated to reducing the occurrence of home fires and home fire injuries through prevention and life safety education; and

WHEREAS, Leander's residents are responsive to public education measures and are able to take personal steps to increase their safety from fire, especially in their homes; and

WHEREAS, the 2014 Fire Prevention Week theme, "Working Smoke Alarms Save Lives: Test Yours Every Month!" effectively serves to remind us that we need working smoke alarms to give us the time to get out safely.

THEREFORE, WE, Mayor and City Council of Leander, Texas do hereby call upon all citizens of Leander to join the Leander Fire Department in testing their smoke alarms at least every month by pushing the test button, and to support the many public safety activities and efforts of the LEANDER Fire Department services during Fire Prevention Week 2014.

NOW, THEREFORE; the City of Leander does hereby join other cities across the United State of America in recognition of October 2014:

Fire Prevention Month

Signed this 16th day of October, 2014.

Attest:

Christopher Fielder, Mayor

Debbie Haile, TRMC City Secretary



PROCLAMATION



WHEREAS, the Municipal Court of Leander, Texas, a time honored and vital part of local government, has existed since 1978,

WHEREAS, more people, citizens and non-citizens alike, come in personal contact with municipal courts than all other Texas courts combined, and

WHEREAS, public impression of the entire Texas judicial system is largely dependent upon the public's experience in municipal court,

WHEREAS, Municipal Judges and court support personnel have pledged to be ever mindful of their neutrality and impartiality, rendering equal service to all, and conform to the standards set by the Canons of Judicial Conduct,

WHEREAS, the Municipal Courts play a significant role in preserving the quality of life in Texas communities through the adjudication of traffic offenses, ensuring a high level of traffic safety for our citizens,

WHEREAS, the Municipal Courts serve as the local justice center for the enforcement of local ordinances and fine-only state offenses that protect the peace and dignity of our community,

WHEREAS, the Municipal Judges, Clerks, Court Administrators, Bailiffs, and Warrant Officers continually strive to improve the administration of justice through participation in judicial education programs, seminars, workshops and the annual meetings of their state and local professional organizations.

THEREFORE, it is most appropriate that we recognize the accomplishments of the 916 Texas Municipal Courts, and salute their critical role in preserving public safety, protecting the quality of life in Texas communities, and deterring future criminal behavior,

NOW, THEREFORE, I, Christopher Fielder and the City Council of Leander, Texas, do proclaim **November 3 – 7, 2014** as:

“Municipal Court Week”

And further extend appreciation to all Leander Municipal Judges and Court Personnel for the vital services they perform and their exemplary dedication to our community

Attest:

Christopher Fielder, Mayor

Debbie Haile, City Secretary



**MINUTES
REGULAR CITY COUNCIL
CITY OF LEANDER, TEXAS**

Pat Bryson Municipal Hall
201 North Brushy Street ~ Leander, Texas

Thursday ~ October 2, 2014 at 7:00 PM



Mayor – Christopher Fielder

Place 1 – Andrea Navarrette

Place 2 – Kirsten Lynch

Place 3 – Simon Garcia (Mayor Pro Tem)

Place 4 – Ron Abruzzese

Place 5 – Jason Dishongh

Place 6 – David Siebold

City Manager – Kent Cagle

1. Open meeting, Invocation, Pledges of Allegiance
Mayor Fielder opened the meeting at 7:00pm and welcomed those in attendance
Council Member Dishongh delivered the invocation
2. Roll Call
All present except Mayor Pro Tem Garcia
3. Staff Comments
No staff comments
4. Citizen Comments: Three (3) minutes allowed per speaker
Please turn in speaker request form before the meeting begins
No citizen comments
5. Proclamation recognizing October 2014 as “LEEF” month in the City of Leander.
Sponsored by Council Member Dishongh
Council Member Dishongh read the Proclamation and presented it to Greg Bowden and Gloria Gonzales with LEEF
6. Proclamation recognizing “National Night Out” 2014
Sponsored by Chief Minton
Council Member Navarrette read the Proclamation and presented it to Chief Minton
7. Recognition of Sergeant Ryan Doyle and Officer John Carnley on awards received from Mothers Against Drunk Driving (MADD) at the Travis County Law Enforcement Event on September 19, 2014
Mayor Fielder tabled this item until the October 16, 2014 meeting
8. Recognition of the City of Leander Planning Department for being awarded the “2014 Certificate of Achievement for Planning Excellence” from the Texas Chapter of the American Planning Association
Mayor Fielder recognized the Planning Department for their Award from the Texas APA

CONSENT AGENDA: ACTION

9. Approval of the minutes: Special Meeting: September 15, 2014, Regular Meeting: September 18, 2014, and Special Called: September 22, 2014
10. Contract Award for Landscape Maintenance & Mowing Services
11. Contract Award for Right-of-Way (ROW) Mowing

- 12. Contract Award for Fuel Delivery and Tank Rental
- 13. Dedication and Acceptance of Lakeline Boulevard, Phase 3

Motion made by Council Member Navarrette to approve. Second by Council Member Dishongh. Motion passes, all voting “aye”

Mayor Fielder moved to item # 21 at this time.

PUBLIC HEARING: ACTION

- 14. **Public Hearing** on Subdivision Case # 14-CP-006: a Concept Plan for the Parker Tract, for 9.999 acres, more or less, located at 7160 RM 2243, Leander, Williamson County, Texas
Applicant: Keith Young on behalf of 162 Parker Ranch Holdings, LTD
Tom Yantis, Assistant City Manager explained

No speakers

Action on Subdivision Case #14-CP-006: a Concept Plan for Parker Tract located at 7160 RM 2243, Leander, Williamson County, Texas

Motion made by Council Member Siebold to approve. Second by Council Member Navarrette. Motion passes, all voting “aye”

- 15. **Public Hearing** on Zoning Case #14-Z-024: Consider a zoning change for 1.72 acre tract of land, more or less, generally located at the southeast corner of the intersection of Municipal Drive and S. Bagdad Road from LC-2-B, Local Commercial to LC-3-B, Local Commercial, Leander, Williamson County, Texas
Applicant: Professional StruCIVIL Engineers, Inc. on behalf of Sherrie A. McIver, Emmet Hawkes Jr., Sally Ochsner, and Cynthia Hawkes
Tom Yantis, Assistant City Manager explained

Shakil - applicant explained request

Marshall Hines 1801 Montana Ct. Leander – spoke against

Action on Zoning Case #14-Z-024: amending Ordinance #05-018, the Composite Zoning Ordinance, for property located generally at the southeast corner of the intersection of Municipal Drive and S. Bagdad Road, Leander, Williamson County, Texas

Motion made by Council Member Abruzzese to deny the zoning request. Second by Council Member Navarrette. Motion passes, all voting “aye”

REGULAR AGENDA

- 16. a. Consider approval of a Resolution approving the form and authorizing the distribution of a Preliminary official statement for special assessment revenue bonds, series 2014 for the Oak Creek Public Improvement District
Tom Yantis, Assistant City Manager explained

Mark Curran , applicant explained the requests and thanked the city for their help

Motion made by Council Member Siebold to approve. Second by Council Member Lynch. Motion passes, all voting “aye”

- b. Consider approval of a Resolution directing publication of notice of public hearing on intention to issue special assessment revenue bonds for the Oak Creek Public Improvement District
Tom Yantis, Assistant City Manager explained

Motion made by Council Member Dishongh to approve. Second by Council Member Siebold. Motion passes, all voting "aye"

- c. Consider approval of a Resolution of the City of Leander authorizing and directing a proposed assessment roll for the Oak Creek Public Improvement District to be filed with the City Secretary; providing for and ratifying and approving notice of a public hearing to consider proposed assessments to be levied against property located in the Oak Creek Public Improvement District; and providing for related matters.

Tom Yantis, Assistant City Manager explained

Mark Curran 300 Crescent Ct. Dallas, Texas – spoke for

Motion made by Council Member Lynch to approve. Second by Council Member Siebold. Motion passes, all voting "aye"

17. Ordinance Case 14-OR-007: Consider action on an ordinance adopting Chapter 3, Article 3.08, Code of Ordinances, City of Leander, Texas, regarding the regulation of signs; and providing for a savings clause and repealing conflicting ordinances and resolutions.

Bill Gardner, Fire Chief explained

Motion made by Council Member Dishongh to approve with the changes to Section "G" as discussed. Second by Council Member Lynch. Motion passes, all voting "aye"

18. Discuss and consider process for updating the Comprehensive Plan
Tom Yantis, Assistant City Manager explained

19. Discuss and consider priorities for FY 2014-15 involuntary annexations
Tom Yantis, Assistant City Manager explained

20. Presentation of Planning & Zoning Commission Progress Report for Sept. 2013 to Sep. 2014
Tom Yantis, Assistant City Manager explained

21. Consider nominations for appointments to the Public Arts Commission, Economic Development Committee and Committee for People with Disabilities

The Board Selection Committee recommended Jennifer Jones for the Public Art Commission. Motion made by Council Member Dishongh to appoint Jennifer Jones to the Public Art Commission. Second by Council Member Navarrette. Motion passes, all voting "aye"

The Board Selection Committee recommended Peter Messana for the Economic Development Committee.

Motion made by Council Member Dishongh to appoint Peter Messana to the Economic Development Committee. Second by Council Member Navarrette. Motion passes, all voting "aye"

The Board Selection Committee recommended Cindy Zampich and Kris King to the Committee for People with Disabilities.

Mayor Fielder appointed Cindy Zampich and Kris King to Committee for People with Disabilities.

Mayor Fielder moved back to item # 14 at this time

22. Council Members Closing Statements
Council Members gave their closing statements

23. Adjournment
With there being no further business, the meeting adjourned at 8:24 pm

Attest:

Christopher Fielder, Mayor

Debbie Haile, TRMC, City Secretary



Executive Summary

October 16, 2014

Agenda Subject: Zoning Case 14-Z-019: Consider action on the rezoning of two tracts of land located at 523 Powell Drive for 6.95 acres more or less, WCAD Parcels R036452 and R036453. Currently, the property is zoned SFU/MH-2-B (Single Family Urban/Manufactured Home) and the applicant is proposing to zone the property PUD (Planned Unit Development), Leander, Williamson County, Texas.

Background: This request is the final step in the rezoning process.

Origination: Applicant: Gary Eli Jones and David Singleton on behalf of Lexor Homes.

Financial Consideration: None

Recommendation: See Planning Analysis. The Planning & Zoning Commission unanimously recommended approval of the request at the September 11, 2014 meeting with the following changes to the PUD:

1. Fencing shall be limited to wrought iron or decorative tubular metal.

The City Council unanimously approved the request at the September 18, 2014 meeting.

Attachments:

1. Planning Analysis
2. Current Zoning Map
3. Proposed Zoning Map
4. Aerial Map
5. Proposed PUD
6. Letter of Intent
7. Ordinance

Prepared By: Tom Yantis
Assistant City Manager

10/01/2014



PLANNING ANALYSIS

ZONING CASE 14-Z-019
LEANDER HEIGHTS PUD – 523 POWELL DR

GENERAL INFORMATION

Owner: Lexor Homes

Current Zoning: SFU/MH-2-B (Single Family Urban/Manufactured Home)

Proposed Zoning: PUD (Planned Unit Development)

Size and Location: The property located is located at 523 Powell Drive and includes approximately 6.95 acres.

Staff Contact: Robin M. Griffin, AICP
Senior Planner

ABUTTING ZONING AND LAND USE:

The table below lists the abutting zoning and land uses.

	ZONING	LAND USE
NORTH	SFU/MH-2-B	Established single-family home
EAST	SFU/MH-2-B	Established single-family home
SOUTH	SFU-2-B	Proposed Magnolia Creek Subdivision
WEST	SFL-2-B	Established single-family neighborhood, Mason Creek North

COMPOSITE ZONING ORDINANCE & SMARTCODE INTENT STATEMENTS**PUD – PLANNED UNIT DEVELOPMENT:**

The purpose and intent of the Planned Unit Development (PUD) district is to design unified standards for development in order to facilitate flexible, customized zoning and subdivision standards which encourage imaginative and innovative designs for the development of property within the City. The intent of this zoning request is to provide for the design of a development which permits the development of a four-plex or six-plex condominium project. The intent of this zoning district is to cohesively regulate the development to assure compatibility with adjacent single-family residences, neighborhoods, and commercial properties within the region.

COMPREHENSIVE PLAN STATEMENTS:

The following Comprehensive Plan statements may be relevant to this case:

- Plan for continued growth and development that improves the community's overall quality of life and economic viability.
- Provide for a variety of sustainable housing options for all age groups and economic levels. Determine ways to successfully integrate this variety within neighborhoods so as to accommodate the different needs of families throughout their life cycle. Create more desirable and livable neighborhoods while respecting the goal of maintaining stable real estate values and housing marketability.

ANALYSIS:

The applicant is requesting the PUD (Planned Unit Development) district in order to allow for the development of a 96 unit four-plex and six-plex condominium project. This request was previously reviewed by the Planning & Zoning Commission on July 24, 2014. The applicant withdrew the request and resubmitted an application for a PUD as recommended by the Planning & Zoning Commission.

The properties to the north and east are currently developed as single-family homes. The property to the west is developed as the Mason Creek North subdivision and the neighborhood park is adjacent to the proposed development. The property to the south is part of the Magnolia Creek Subdivision that is currently under development.

The applicant is proposing a condominium style project that would include approximately fourteen units per acre. The base zoning district for this PUD is MF-1-B (Multi-Family).

A PUD district is an appropriate district in this situation because it offers the applicant the opportunity to design a zoning district that will provide for a condominium style residential development with limits to the permitted density. The intent of the multi-family use component is to serve as a buffer between single family neighborhoods and more intensive uses including commercial uses and roadways. In addition, one of the goals of the use component includes

limiting the amount of contiguous land zoned for multi-family to twenty five acres. Another goal is to provide for a variety of housing opportunities throughout the community.

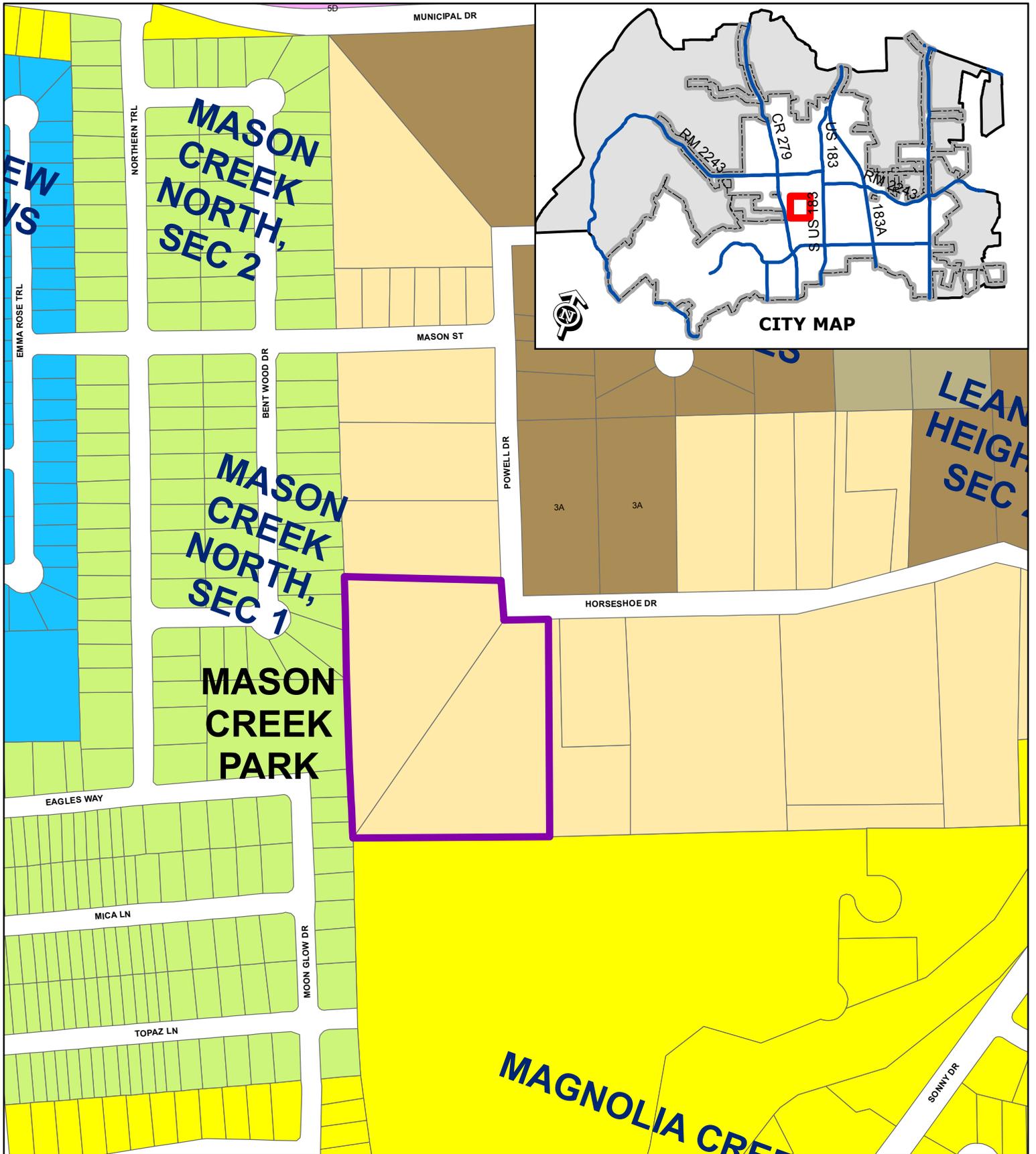
The Type 1 site component is intended for multi-family developments that are bounded by single-family development on at least one side. This component ensures that a development will not have large buildings and that the scale is compatible with residential neighborhoods. The following standards would apply from the Type 1 Site Component as modified by the PUD:

- No parking modules, drive aisles, driveways, garages or similar facilities are permitted between the buildings closest to the street and the street frontage.
- Parking areas shall be no wider than two parking modules wide.
- At least eighty-five percent (85%) of the units are required to have at least one enclosed garage parking space.
- Buildings shall be constructed to a residential scale. No first floor gross building area shall exceed 7,000 gross square feet. No building shall contain more than 14,000 gross square feet of floor area.
- No building shall be constructed to a height of greater than thirty-five feet.

Type B architectural component requires that 85% of the first story walls and 50% overall (all stories) are masonry. The Type A architectural component requires that 85% of the entire building is masonry.

STAFF RECOMMENDATION:

Staff recommends approval of PUD (Planned Unit Development) district with the condition that the driveway location is conceptual and still needs to be reviewed as part of the site development process. The added requirements that limit the scale and form of the project will assist with the integration of this project into the existing development. The maximum height will be limited to thirty-five feet and the building size will be limited to 7,000 gross square feet for the first floor and a total of 14,000 gross square feet. The staff recommendation follows the intent statements of the Composite Zoning Ordinance.



ZONING CASE 14-Z-019

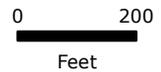
Attachment #2

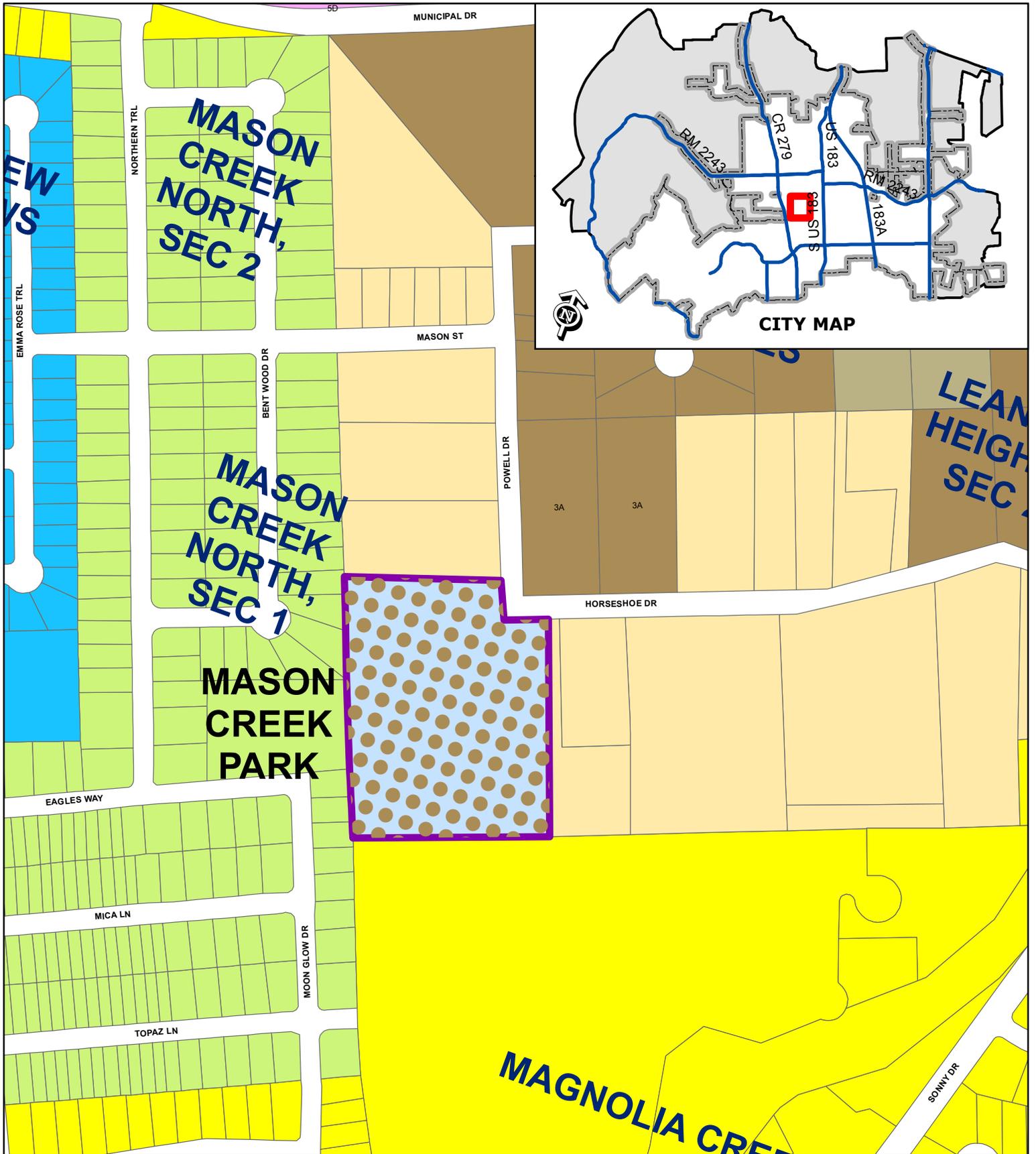
Current Zoning Map
523 Powell Drive



-  Subject Property
-  City Limits
-  Future Annexation Per DA
-  Involuntary Annexation
-  Voluntary Annexation

- | | | |
|-------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
|  SFR |  SFT |  GC |
|  SFE |  SFU/MH |  HC |
|  SFS |  TF |  HI |
|  SFU |  MF |  PUD |
|  SFC |  LO | |
|  SFL |  LC | |





ZONING CASE 14-Z-019

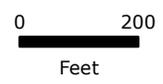
Attachment #3

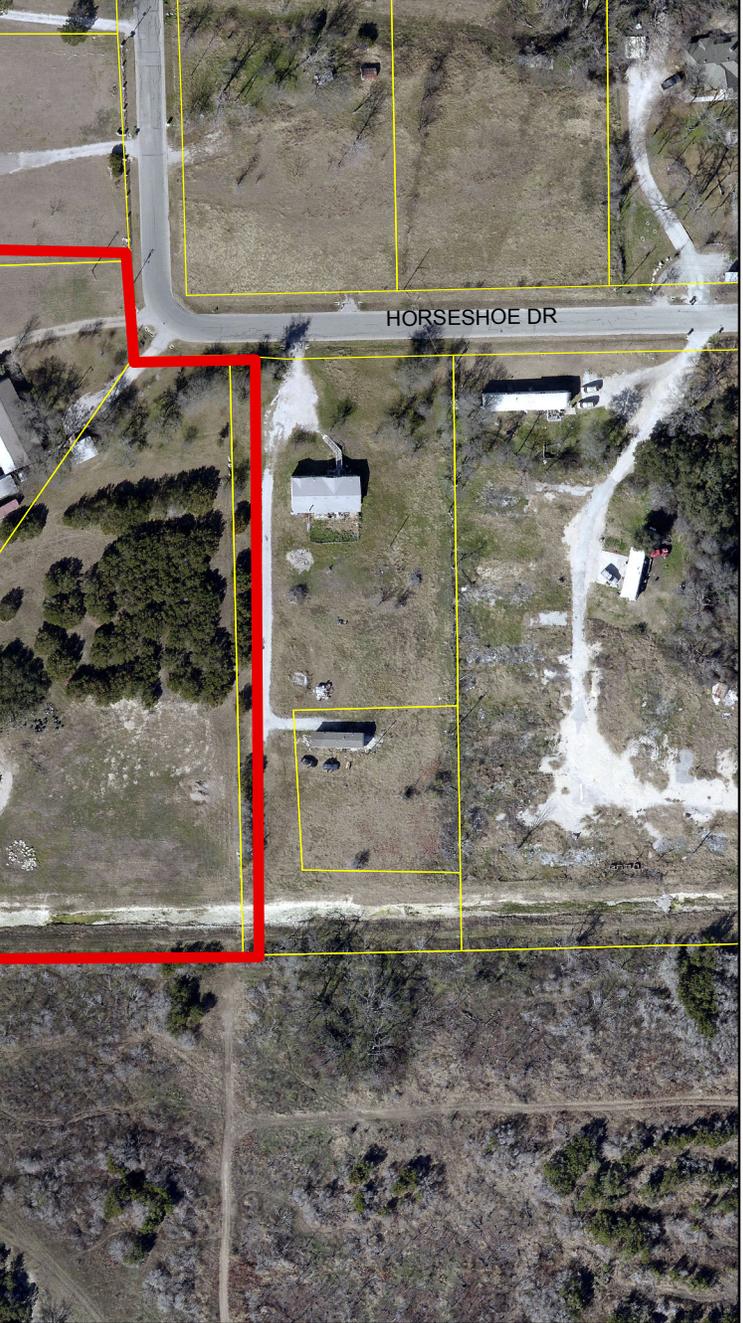
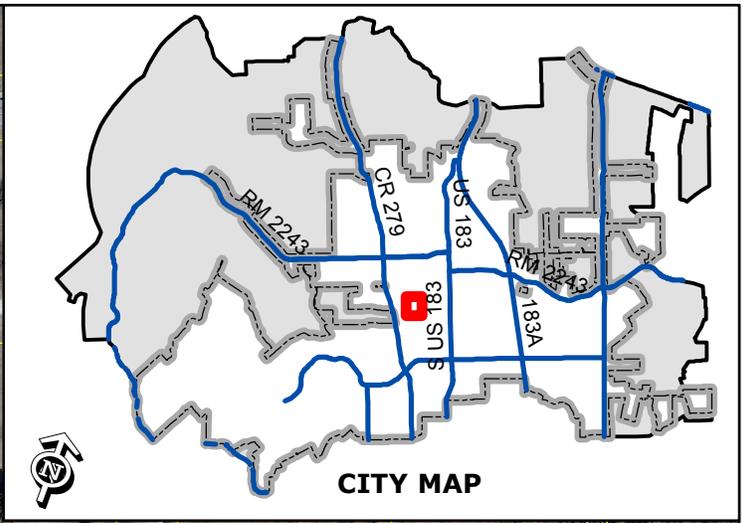
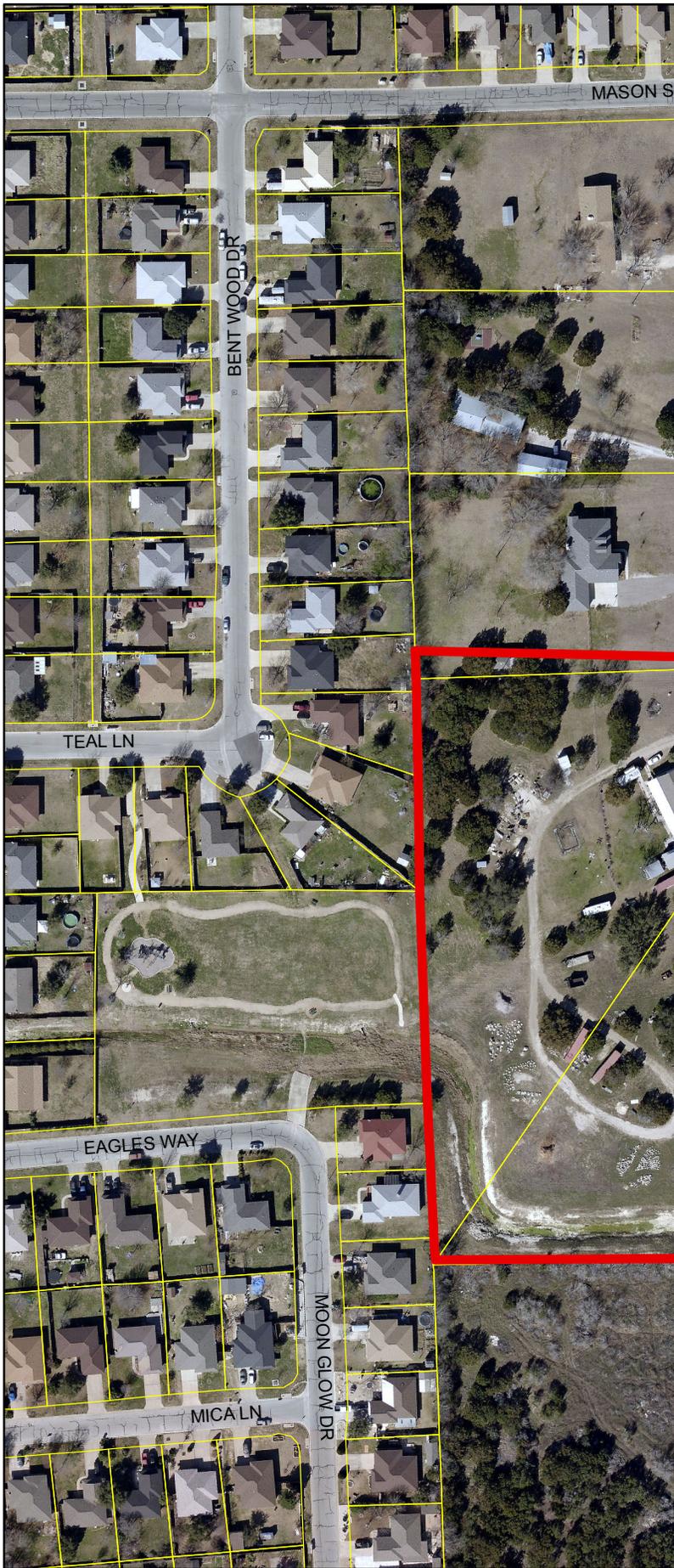
Proposed Zoning Map
523 Powell Drive



-  Subject Property
-  City Limits
-  Future Annexation Per DA
-  Involuntary Annexation
-  Voluntary Annexation

- | | | |
|-------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
|  SFR |  SFT |  GC |
|  SFE |  SFU/MH |  HC |
|  SFS |  TF |  HI |
|  SFU |  MF |  PUD |
|  SFC |  LO | |
|  SFL |  LC | |





ZONING CASE 14-Z-019 Attachment #4

Aerial Exhibit - Approximate Boundaries
523 Powell Drive



-  Subject Property
-  City Limits

EXHIBIT A

Leander Heights - PUD

1. Base zoning districts: The base-zoning district for the PUD is MF-1-B.
2. PUD Area = 6.95 Acres
3. The use shall be an attached residential condominium regime development.
4. The maximum area of the first floor of any individual building shall be 7,000 square feet and the total area of any individual building shall be limited to 14,000 square feet. Garages shall not count towards the total gross floor area. A maximum of six units may be connected.
5. **MAXIMUM UNIT COUNT:** The project shall be limited to 96 residential units.
6. **LIGHTING:** Streetlights will not be required but are permitted.
7. **RESIDENTIAL SETBACKS:** Building separation shall be a minimum of 10-feet. Rear building separation (defined as the condition when rears of two units are immediately adjacent to one another) shall be a minimum of 20-feet. Roof overhangs, fireplaces, bay windows and similar projections may extend into any 10-foot building separation a maximum of two feet on any side. Porches, patios, balconies and similar projections may extend into the front or rear 10-foot building separation a maximum distance of seven feet if there are no walls within such extension.
8. **PERIMETER SETBACKS:** All buildings will be setback a minimum of 15-feet from the perimeter lot line.
9. **PARKING/GARAGES:** All units shall have a two car garage and shall comply with the SFT (Single-Family Townhome) use component parking requirements. Garage doors may be located on the fronts of buildings and may protrude in front of the dwelling no more than five feet.
10. **LANDSCAPE:** The intent for this development is to save as many of the existing trees as possible through the site planning process. Landscaping shall meet the requirements of Article VI, Section 1 of the Composite Zoning Ordinance.
11. **LOCATION OF BUILDINGS:** Buildings may be oriented to the interior of the site and multiple buildings may front a common green. Building setbacks and separations shall be designed in accordance with the standards previously specified.
12. **FRONT DOOR ACCESS:** Separate front doors for each unit may be located on the front of the buildings and may face a public street, common green or internal to the site.
13. **WATER QUALITY/DETENTION PONDS:** The required detention/water quality ponds shall meet the requirements of Article VI, Section 7 of the Composite Zoning Ordinance.
14. **FENCING:** Fencing shall be limited to wrought iron or decorative tubular metal
15. Each building shall generally comply in scale and massing with the elevations shown in Exhibit 1. The units are not required to be designed to appear to be one large single-family structure (mansion).

EXHIBIT 1



August 29, 2014

To: Ms. Robin Griffin, AICP
Senior Planner
City of Leander Planning Department
P.O. Box 3169
Leander, TX 78646

From: David Singleton, Southwest Land Services, Inc.

Re: Zoning Change Application - Amended
523 Powell
Lot 15A, Block A
Leander Heights Section Two

On behalf of Lexar Homes, we are submitting the enclosed Zoning Application to rezone the referenced property from SFU/MH to PUD zoning with the underlying zoning of MF-1B. The Owner wishes to develop a combination of four and six unit buildings on the property.

We believe the negotiated PUD notes (attached) adequately address staff's concerns and accurately outlines the applicants intent for the project. Specifically, the project is designed to be an attached residential condominium development with a unit count not to exceed 96 units and will limit the number of units to 6 units per building (or less). Further, two (2) enclosed garage spaces will be provided per unit and additional parking will be provided to meet the townhome standards of the City.

The boundary of the proposed zoning change is defined as Lot 15A, Block "A" of the Leander Heights Section 2 Final Plat recorded in Cabinet 5, Slides 105-106, Williamson County Official Records.

The topography of the site is relatively flat with slopes of less than two (2) percent. The property has numerous oak trees that will be cataloged in accordance with the City's Site Development Ordinance. The southern boundary of the tract has a drainage channel of varying widths from 60-90 feet that conveys flows from the Mason Creek subdivision. There is an existing manufactured home on the property that will be removed coincidental to re-development of the tract.

A water line extension along Powell from its intersection with Mason to the property will be required to provide fire flows for the development. Wastewater service is currently available at the rear of the property.

We respectfully solicit Staff's recommendation for approval of the request and welcome any questions you have in regard to the request.

Sincerely,

David Singleton

ORDINANCE NO #

ORDINANCE OF THE CITY OF LEANDER, TEXAS, AMENDING THE ZONING ORDINANCE BY REZONING SEVERAL PARCELS OF LAND FROM SFU/MH-2-B (SINGLE-FAMILY URBAN/MANUFACTURED HOME) TO PUD (PLANNED UNIT DEVELOPMENT); MAKING FINDINGS OF FACT; AND PROVIDING FOR RELATED MATTERS.

Whereas, the owner of the property described herein after (the "Property") has requested that the Property be rezoned;

Whereas, after giving at least ten days written notice to the owners of land within two hundred feet of the Property, the Planning & Zoning Commission held a public hearing on the proposed rezoning and forwarded its recommendation on the rezoning to the City Council;

Whereas, after publishing notice of the public hearing at least fifteen days prior to the date of such hearing, the City Council at a public hearing has reviewed the request and the circumstances of the Property and finds that a substantial change in circumstances of the Property, sufficient to warrant a change in the zoning of the Property, has transpired;

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

Section 1. Findings. The foregoing recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

Section 2. Amendment of Zoning Ordinance. Ordinance No. 05-018, as amended, the City of Leander Composite Zoning Ordinance (the "Zoning Ordinance" or "Code"), is hereby modified and amended by rezoning the Property as set forth in Section 3.

Section 3. Applicability. This ordinance applies to the following parcels of land, which is herein referred to as the "Property:" That certain parcels of land being 6.95 acres, more or less, located at 523 Powell Drive in Leander, Williamson County, Texas, being legally described as Lots 15 & 16, Block A, Leander Heights Section Two Amended, being more particularly described in Exhibit "C"; and identified by Williamson County tax identification numbers R036452 and R036453.

Section 4. Property Rezoned. The Zoning Ordinance is hereby amended by changing the zoning district for the Property from SFU/MH-2-B (Single-Family Urban/Manufactured Home) to PUD (Planned Unit Development) known as the Leander Heights PUD. The PUD shall be developed and occupied in accordance with this Ordinance, the PUD plan attached as Exhibits "A" and "B", which are hereby adopted and incorporated herein for all purposes, and the Composite Zoning Ordinance to the extent not amended by this Ordinance. In the event of a conflict between the Composite Zoning Ordinance and the requirements for the Property set forth in this Ordinance, this Ordinance shall control.

Section 5. Recording Zoning Change. The City Council directs the City Secretary to record this zoning classification on the City's official zoning map with the official notation as prescribed by the City's zoning ordinance.

Section 6. Severability. Should any section or part of this ordinance be held unconstitutional, illegal, or invalid, or the application to any person or circumstance for any reasons thereof ineffective or inapplicable, such unconstitutionality, illegality, invalidity, or ineffectiveness of such section or part shall in no way affect, impair or invalidate the remaining portion or portions thereof; but as to such remaining portion or portions, the same shall be and remain in full force and effect and to this end the provisions of this ordinance are declared to be severable.

Section 7. Open Meetings. That it is hereby officially found and determined that the meeting at which this ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Chapt. 551, Loc. Gov't. Code.

PASSED AND APPROVED on First Reading this the 18th day of September, 2014.
FINALLY PASSED AND APPROVED on this the 2nd day of October, 2014.

THE CITY OF LEANDER, TEXAS

ATTEST:

Christopher Fielder, Mayor

Debbie Haile, City Secretary

EXHIBIT A

Leander Heights - PUD

1. Base zoning districts: The base-zoning district for the PUD is MF-1-B.
2. PUD Area = 6.95 Acres
3. The use shall be an attached residential condominium regime development.
4. The maximum area of the first floor of any individual building shall be 7,000 square feet and the total area of any individual building shall be limited to 14,000 square feet. Garages shall not count towards the total gross floor area. A maximum of six units may be connected.
5. **MAXIMUM UNIT COUNT:** The project shall be limited to 96 residential units.
6. **LIGHTING:** Streetlights will not be required but are permitted.
7. **RESIDENTIAL SETBACKS:** Building separation shall be a minimum of 10-feet. Rear building separation (defined as the condition when rears of two units are immediately adjacent to one another) shall be a minimum of 20-feet. Roof overhangs, fireplaces, bay windows and similar projections may extend into any 10-foot building separation a maximum of two feet on any side. Porches, patios, balconies and similar projections may extend into the front or rear 10-foot building separation a maximum distance of seven feet if there are no walls within such extension.
8. **PERIMETER SETBACKS:** All buildings will be setback a minimum of 15-feet from the perimeter lot line.
9. **PARKING/GARAGES:** All units shall have a two car garage and shall comply with the SFT (Single-Family Townhome) use component parking requirements. Garage doors may be located on the fronts of buildings and may protrude in front of the dwelling no more than five feet.
10. **LANDSCAPE:** The intent for this development is to save as many of the existing trees as possible through the site planning process. Landscaping shall meet the requirements of Article VI, Section 1 of the Composite Zoning Ordinance.
11. **LOCATION OF BUILDINGS:** Buildings may be oriented to the interior of the site and multiple buildings may front a common green. Building setbacks and separations shall be designed in accordance with the standards previously specified.
12. **FRONT DOOR ACCESS:** Separate front doors for each unit may be located on the front of the buildings and may face a public street, common green or internal to the site.
13. **WATER QUALITY/DETENTION PONDS:** The required detention/water quality ponds shall meet the requirements of Article VI, Section 7 of the Composite Zoning Ordinance.
14. **FENCING:** Fencing shall be limited to wrought iron or decorative tubular metal
15. Each building shall generally comply in scale and massing with the elevations shown in Exhibit 1. The units are not required to be designed to appear to be one large single-family structure (mansion).

EXHIBIT 1



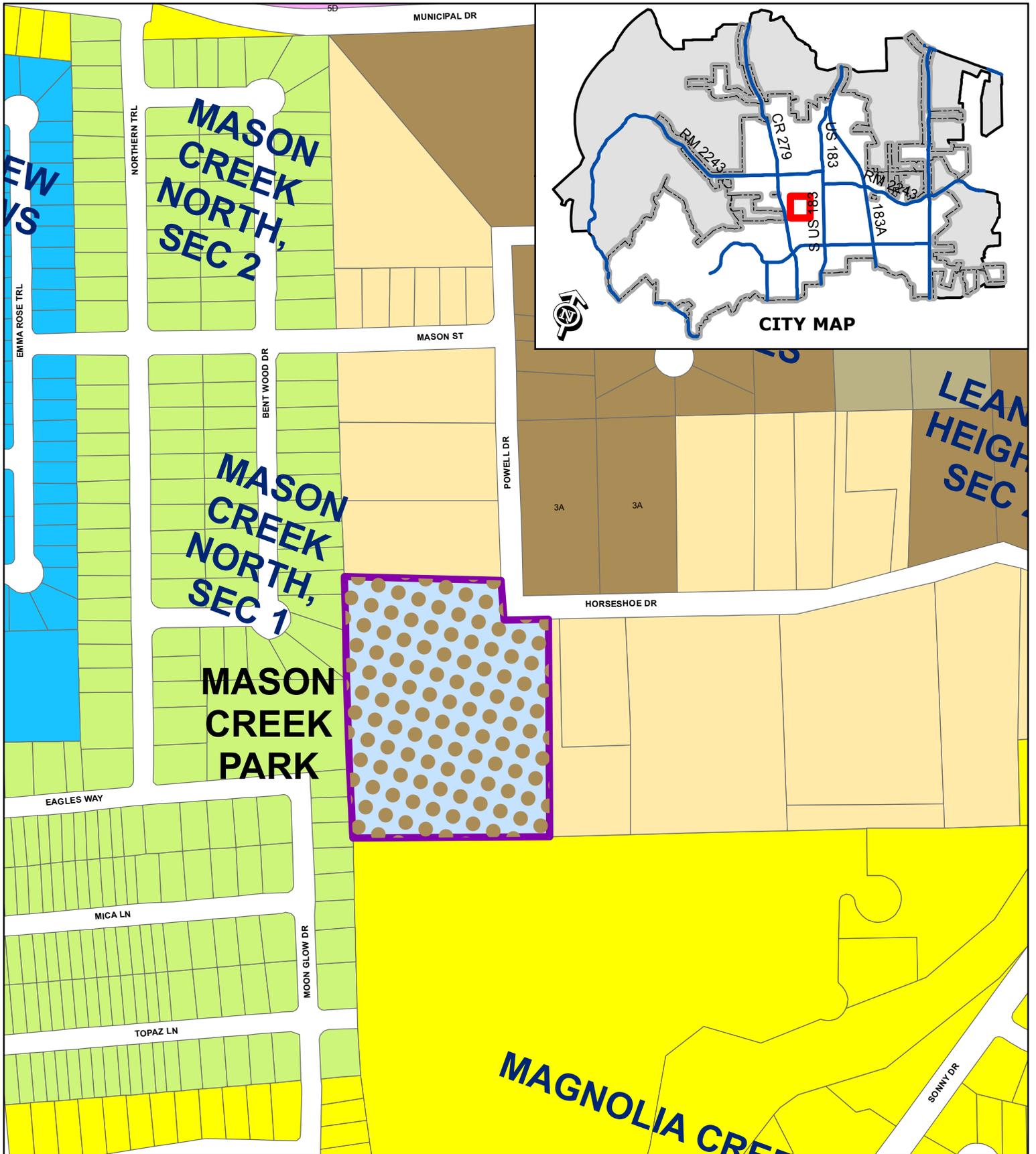


EXHIBIT C

Zoning Case 14-Z-019

Proposed Zoning Map
523 Powell Drive



- Subject Property
- City Limits
- Future Annexation Per DA
- Involuntary Annexation
- Voluntary Annexation

- | | | |
|-----|--------|-----|
| SFR | SFT | GC |
| SFE | SFU/MH | HC |
| SFS | TF | HI |
| SFU | MF | PUD |
| SFC | LO | |
| SFL | LC | |
- 0 200
Feet



Executive Summary
October 16, 2014

Agenda Subject: Consider award of bid to purchase twelve (12) vehicles.

Background: Solicitation #S15-001 for Police Pursuit and Citywide Fleet Vehicles was issued in September 2014. Eight responses were received. Five (5) vehicles are replacement and seven (7) vehicles are for new positions approved in the FY 2014-15 budget.

Department	Vehicle	Qty	Price	Total	Award
Police-Patrol	2015 Chevy Tahoe	6	29,116	174,696	Caldwell County Ford-Chevy
Police-Victims Services	2015 Ford Interceptor	1	25,500	25,500	Prestige Ford
Engineering-Stormwater Inspector	2015 Dodge Ram	1	25,906	25,906	Grapevine Chrysler Jeep Dodge
Public Works-Water & Wastewater Supt	2015 Dodge Ram	1	23,609	23,609	Grapevine Chrysler Jeep Dodge
Public Works-Wastewater Plant Operator	2015 Ford F250	1	24,872	24,872	Caldwell County Ford Chevy
Fire-Inspector & Assistant Chief	2015 Dodge Ram	2	25,507	51,014	Grapevine Chrysler Jeep Dodge

Origination: Joy Simonton, Purchasing Agent

Financial Consideration: The FY 2014-15 Budget includes funds for both the replacement vehicles and the new additions to the fleet. Total Amount \$325,597.

Attachments: Bid Tabulation, Evaluation Criteria & Award Recommendations from Solicitation #S15-001 Police Pursuit and Citywide Fleet Vehicles.

Recommendation: Staff recommends award of vehicle bid to Caldwell Country Ford-Chevy, Prestige Ford and Grapevine Dodge per the attached award schedule.

Prepared by: Joy Simonton, Purchasing Agent
 Robert G. Powers, Finance Director

City of Leander Vehicle Award Schedule FY 14/15

ITEM #	NEW OR REPLACEMENT	VEHICLE DESCRIPTION	STAFF TITLE	VEHICLE BEING REPLACED	VENDOR	MAKE	MODEL	YEAR ('13, '14 or '15)	DAYS TO DELIVER	VEHICLE PRICE
#1 PD	NEW	PPV 2WD SUV - White	Patrol		Caldwell Country Ford-Chevy	Chevy	Tahoe	2015	90	\$29,116.00
#2 PD	NEW	PPV 2WD SUV - White	Patrol		Caldwell Country Ford-Chevy	Chevy	Tahoe	2015	90	\$29,116.00
#3 PD	REPLACEMENT	PPV 2WD SUV - White	Patrol	L-2	Caldwell Country Ford-Chevy	Chevy	Tahoe	2015	90	\$29,116.00
#4 PD	REPLACEMENT	PPV 2WD SUV - White	Patrol	L-7	Caldwell Country Ford-Chevy	Chevy	Tahoe	2015	90	\$29,116.00
#5 PD	REPLACEMENT	PPV 2WD SUV - White	Patrol	L-11	Caldwell Country Ford-Chevy	Chevy	Tahoe	2015	90	\$29,116.00
#6 PD	REPLACEMENT	PPV 2WD SUV - White	Patrol	L-19 (This may stay for COP Program)	Caldwell Country Ford-Chevy	Chevy	Tahoe	2015	90	\$29,116.00
#7 PD	NEW	Mid-sized SUV - 4-door, Grey	Victims Services		Prestige Ford	Ford	Interceptor (Explorer)	2015	90-120	\$25,500.00
#8 PW/ENG	NEW	1/2 Ton Pick-Up Truck with 4-Door Crew Cab, 4WD - White	Stormwater Inspector		Grapevine Dodge	Dodge	Ram	2015	60-75	\$25,906.00
#9 PW	NEW	1/2 Ton Pick-Up Truck with 4-Door Crew Cab, 2WD - White	WW Superintendent		Grapevine Dodge	Dodge	Ram	2015	60-75	\$23,609.00
#10 PW	NEW	3/4 Ton Pick-up Truck, 2-Door Regular Cab and Utility Bed - White	WW Treatment Plant Operator		Caldwell Country Ford-Chevy	Ford	F250	2015	120-150	\$24,872.00
#11 FIRE	REPLACEMENT	1/2 Ton Pick-Up Truck with 4-Door Crew Cab - Red Special Service Vehicle (SSV) Package, 4x4	Inspector Vehicle (Shared)	Expedition	Grapevine Dodge	Dodge	Ram	2015	75	\$25,507.00
#12 FIRE	REPLACEMENT	1/2 Ton Pick-Up Truck with 4-Door Crew Cab - Red Special Service Vehicle (SSV) Package, 4x4	Asst. Chief Stuart Heater	N/A	Grapevine Dodge	Dodge	Ram	2015	75	\$25,507.00
									TOTAL	\$325,597.00

Bid Info: City of Leander
 Police Pursuit and Citywide Fleet Vehicles
 Solicitation No. #S15-001
 Opening: 10/03/2014

EVALUATION CRITERIA	Max Points	Caldwell Country Ford-Chevy	Reliable Chevrolet	Prestige Ford
Price and Score	70	61	60	70
Item #1 - 6; PPV 2WD SUV - White		\$174,696.00	\$179,326.44	\$153,000.00
		\$29,116.00 EACH	\$29,887.74 EACH	\$25,500.00 EACH
Meets City's Needs	20	20	20	0
Product meets all required specifications. Scoring includes days to deliver and warranty evaluation.		2015 Chevrolet Tahoe Days to Deliver 90 Meets Spec.	2015 Chevrolet Tahoe Days to Deliver 85-105 Meets Spec.	2015 Ford Explorer Interceptor Days to Deliver 90-120 Does not meet spec as V6. Overall capacity is smaller than spec requires.
Respondent is Responsible	10	10	10	10
Respondent is qualified.		Yes	Yes	Yes
TOTAL:	100	91	90	N/A

AWARD

Bid Info: City of Leander
 Police Pursuit and Citywide Fleet Vehicles
 Solicitation No. #S15-001
 Opening: 10/03/2014

EVALUATION CRITERIA	Max Points	Prestige Ford	Prestige Ford	Meador Dodge	Grapevine Chrysler Jeep Dodge	Cowboy Dodge
Price and Score	70	70	68	68	68	67
Item #7; Mid Sized SUV, 4-door,- Grey		\$25,500.00	\$26,200.00	\$26,439.00	\$26,439.00	\$26,805.00
Meets City's Needs	20	20	20	20	20	20
Product meets all required specifications. Scoring includes days to deliver and warranty evaluation.		2015 Ford Interceptor Utility Days to deliver - 90-120 Days Meets Spec (AWD) Police Package Includes Incentives	2015 Ford Interceptor Utility Days to deliver - 90-120 Days Meets Spec Plus 2WD (FWD) Option;	2015 Dodge Durango SSV Days to deliver - 120 Meets Spec.	2015 Dodge Durango SSV Days to deliver - 75 Meets Spec.	2015 Dodge Durango SSV Days to deliver - 120 Meets Spec.
Respondent is Responsible	10	10	10	10	10	10
Respondent is qualified.		Yes	Yes	Yes	Yes	Yes
TOTAL:	100	100	98	98	98	97

AWARD

Bid Info: City of Leander
 Police Pursuit and Citywide Fleet Vehicles
 Solicitation No. #S15-001
 Opening: 10/03/2014

EVALUATION CRITERIA	Max Points	Grapevine Chrysler Jeep Dodge	Silsbee Ford	Meador Dodge	Prestige Ford	Caldwell Country Ford-Chevy	Griffith Ford Sequin	Prestige Ford
Price and Score	70	70	69	69	65	63	62	62
Item #8; 1/2 Ton P/U 4 door crew cab, 4WD - White		\$25,906.00	\$26,160.00	\$26,369.00	\$28,000.00	\$29,013.00	\$29,249.61	\$29,400.00
Meets City's Needs	20	20	20	20	20	20	20	20
Product meets all required specifications. Scoring includes days to deliver and warranty evaluation.		2015 Dodge Ram Days to Deliver 60-75 Meets Spec.	2015 Ford F150 Meets Spec.	2015 Dodge Ram Meets Spec.	2015 Ford F150 Meets Spec. If Available From Stock	2015 Ford F150 Meets Spec.	2015 Ford F150 Meets Spec.	2015 Ford F150 Meets Spec. Factory Direct 90-160 Day Delivery
Respondent is Responsible	10	10	10	10	10	10	10	10
Respondent is qualified.		Yes	Yes	Yes	Yes	Yes	Yes	Yes
TOTAL:	100	100	99	99	95	93	92	92

AWARD

Bid Info: City of Leander
 Police Pursuit and Citywide Fleet Vehicles
 Solicitation No. #S15-001
 Opening: 10/03/2014

EVALUATION CRITERIA	Max Points	Grapevine Chrysler Jeep Dodge	Meador Dodge	Prestige Ford	Caldwell Country Ford-Chevy	Reliable Chevrolet	Griffith Ford Sequin	Prestige Ford	Silsbee Ford
Price and Score	70	70	69	66	64	64	63	63	57
Item #9; 1/2 Ton P/U 4 door crew cab, 2WD - White		\$23,609.00	\$23,950.00	\$25,100.00	\$25,842.00	\$26,019.50	\$26,173.01	\$26,400.00	\$29,231.00
Meets City's Needs	20	20	20	20	20	20	20	20	20
Product meets all required specifications. Scoring includes days to deliver and warranty evaluation.		2015 Dodge Ram Days to Deliver 60-75 Meet Spec	2015 Dodge Ram Meets Spec	2015 Ford F150 Meets Spec If Available From Stock	2015 Chevrolet Silverado Meets Spec	2015 Chevrolet Silverado Meets Spec	2015 Ford F150 Meett Spec	2015 Ford F150 Meets Spec Factory Direct Price	2015 Ford F150 Meets Spec
Respondent is Responsible	10	10	10	10	10	10	10	10	10
Respondent is qualified.		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
TOTAL:	100	100	99	96	94	94	93	93	87

AWARD

Bid Info: City of Leander
 Police Pursuit and Citywide Fleet Vehicles
 Solicitation No. #S15-001
 Opening: 10/03/2014

EVALUATION CRITERIA	Max Points	Caldwell Country Ford-Chevy	Prestige Ford	Griffith Ford Sequin	Silsbee Ford	Grapevine Chrysler Jeep Dodge	Meador Dodge	Reliable Chevrolet
Price and Score	70	70	69	68	66	64	60	60
Item #10; 3/4 Ton P/U 2 door reg. cab, Utility Bed - White		\$24,872.00	\$25,200.00	\$25,694.25	\$26,471.00	\$27,040.00	\$28,900.00	\$29,246.10
Meets City's Needs	20	20	20	20	20	20	20	20
Product meets all required specifications. Scoring includes days to deliver and warranty evaluation.		2015 Ford F250 Days to Deliver 120-150 Meets Spec	2015 F250 Meets Spec	2015 Ford F250 Meets Spec	2015 Ford F250 Meets Spec	2015 2500 Tradesman Meets Spec	2015 Dodge Ram Meets Spec	2015 Chevy Silverado Meets Spec
Respondent is Responsible	10	10	10	10	10	10	10	10
Respondent is qualified.		Yes	Yes	Yes	Yes	Yes	Yes	Yes
TOTAL:	100	100	99	98	96	94	90	90
		AWARD						

Bid Info: City of Leander
 Police Pursuit and Citywide Fleet Vehicles
 Solicitation No. #S15-001
 Opening: 10/03/2014

EVALUATION CRITERIA	Max Points	Prestige Ford	Caldwell Country Ford-Chevy	Griffith Ford Sequin	Silsbee Ford	Reliable Chevrolet
Price and Score	70	70	70	68	66	60
Item #10A; DIESEL ALTERNATE 3/4 Ton P/U 2 door reg. cab, Utility Bed - White		\$31,600.00	\$31,673.00	\$32,507.93	\$33,728.00	\$36,590.10
Meets City's Needs	20					
Product meets all required specifications. Scoring includes days to deliver and warranty evaluation.		N/A	N/A	N/A	N/A	N/A
Respondent is Responsible	10	10	10	10	10	10
Respondent is qualified.		Yes	Yes	Yes	Yes	Yes
TOTAL:	100	N/A	N/A	N/A	N/A	N/A

No Award - Diesel Is Out of Budget Range

Bid Info: City of Leander
 Police Pursuit and Citywide Fleet Vehicles
 Solicitation No. #S15-001
 Opening: 10/03/2014

EVALUATION CRITERIA	Max Points	Grapevine Chrysler Jeep Dodge	Meador Dodge	Cowboy Dodge	Prestige Ford
Price and Score	70	70	67	66	59
Item #11 - 12, SSV 1/2 Ton Pick-up, 4-door crew cab - Red		\$51,014.00	\$53,316.00	\$54,348.00	\$60,800.00
		\$25,507.00 EACH	\$26,658.00 EACH	\$27,174.00 EACH	\$30,400.00 EACH
Meets City's Needs	20	20	20	20	0
Product meets all required specifications. Scoring includes days to deliver and warranty evaluation.		2015 Dodge Ram SSV Meets Spec Days to Deliver - 75 All Options Included	2015 Dodge Ram SSV Meets Spec to Deliver - 120 Days Options Not Listed	2015 Dodge Ram SSV Meets Spec Days to Deliver - 120 All Options Included	2015 Ford F150 SSV Deliver date does not meet spec. 120 Days from January 2015
Respondent is Responsible	10	10	10	10	10
Respondent is qualified.		Yes	Yes	Yes	Yes
TOTAL:	100	100	97	96	N/A

AWARD

IFB#S15-001 FLEET VEHICLES

OPENING 10/3/14

VENDOR NAME:

RELIABLE CHEVROLET

City of Leander Vehicle Bid Tabulation FY 14/15

ITEM #	NEW OR REPLACEMENT	VEHICLE DESCRIPTION	VENDOR	MAKE	MODEL	YEAR ('13, '14 or '15)	DAYS TO DELIVER	VEHICLE PRICE
#1 PD	NEW	PPV 2WD SUV - White						\$29,887.74
#2 PD	NEW	PPV 2WD SUV - White						\$29,887.74
#3 PD	REPLACEMENT	PPV 2WD SUV - White						\$29,887.74
#4 PD	REPLACEMENT	PPV 2WD SUV - White						\$29,887.74
#5 PD	REPLACEMENT	PPV 2WD SUV - White						\$29,887.74
#6 PD	REPLACEMENT	PPV 2WD SUV - White						\$29,887.74
#7 PD	NEW	Mid-sized SUV - 4-door, Grey						NO BID
#8 PW/ENG	NEW	1/2 Ton Pick-Up Truck with 4-Door Crew Cab, 4WD - White						\$28,278.89
#9 PW	NEW	1/2 Ton Pick-Up Truck with 4-Door Crew Cab, 2WD - White						\$26,019.50
#10 PW	NEW	3/4 Ton Pick-up Truck, 2-Door Regular Cab and Utility Bed - White						\$29,246.10
#11 FIRE	REPLACEMENT	1/2 Ton Pick-Up Truck with 4-Door Crew Cab - Red Special Service Vehicle (SSV) Package, 4x4						NO BID
#12 FIRE	REPLACEMENT	1/2 Ton Pick-Up Truck with 4-Door Crew Cab - Red Special Service Vehicle (SSV) Package, 4x4						NO BID

ALT
\$36,590.10

IFB#S15-001 FLEET VEHICLES

OPENING 10/3/14

VENDOR NAME:

Chadwell Company

City of Leander Vehicle Bid Tabulation FY 14/15

ITEM #	NEW OR REPLACEMENT	VEHICLE DESCRIPTION	VENDOR	MAKE	MODEL	YEAR ('13, '14 or '15)	DAYS TO DELIVER	VEHICLE PRICE
#1 PD	NEW	PPV 2WD SUV - White						\$29,116.00
#2 PD	NEW	PPV 2WD SUV - White						\$29,116.00
#3 PD	REPLACEMENT	PPV 2WD SUV - White						\$29,116.00
#4 PD	REPLACEMENT	PPV 2WD SUV - White						\$29,116.00
#5 PD	REPLACEMENT	PPV 2WD SUV - White						\$29,116.00
#6 PD	REPLACEMENT	PPV 2WD SUV - White						\$29,116.00
#7 PD	NEW	Mid-sized SUV - 4-door, Grey						NO BID
#8 PW/ENG	NEW	1/2 Ton Pick-Up Truck with 4-Door Crew Cab, 4WD - White						\$29,013.00
#9 PW	NEW	1/2 Ton Pick-Up Truck with 4-Door Crew Cab, 2WD - White						\$25,842.00
#10 PW	NEW	3/4 Ton Pick-up Truck, 2-Door Regular Cab and Utility Bed - White						\$24,872.00
#11 FIRE	REPLACEMENT	1/2 Ton Pick-Up Truck with 4-Door Crew Cab - Red Special Service Vehicle (SSV) Package, 4x4						NO BID
#12 FIRE	REPLACEMENT	1/2 Ton Pick-Up Truck with 4-Door Crew Cab - Red Special Service Vehicle (SSV) Package, 4x4						NO BID

ALT.
\$31,673.00

IFB#S15-001 FLEET VEHICLES

OPENING 10/3/14

VENDOR NAME: MEADOR DODGE

City of Leander Vehicle Bid Tabulation FY 14/15

ITEM #	NEW OR REPLACEMENT	VEHICLE DESCRIPTION	VENDOR	MAKE	MODEL	YEAR ('13, '14 or '15)	DAYS TO DELIVER	VEHICLE PRICE
#1 PD	NEW	PPV 2WD SUV - White						100 BID
#2 PD	NEW	PPV 2WD SUV - White						100 BID
#3 PD	REPLACEMENT	PPV 2WD SUV - White						100 BID
#4 PD	REPLACEMENT	PPV 2WD SUV - White						100 BID
#5 PD	REPLACEMENT	PPV 2WD SUV - White						100 BID
#6 PD	REPLACEMENT	PPV 2WD SUV - White						100 BID
#7 PD	NEW	Mid-sized SUV - 4-door, Grey						\$26,439.00
#8 PW/ENG	NEW	1/2 Ton Pick-Up Truck with 4-Door Crew Cab, 4WD - White						\$26,369.00
#9 PW	NEW	1/2 Ton Pick-Up Truck with 4-Door Crew Cab, 2WD - White						\$23,950.00
#10 PW	NEW	3/4 Ton Pick-up Truck, 2-Door Regular Cab and Utility Bed - White						\$28,900.00
#11 FIRE	REPLACEMENT	1/2 Ton Pick-Up Truck with 4-Door Crew Cab - Red Special Service Vehicle (SSV) Package, 4x4						\$26,658.00
#12 FIRE	REPLACEMENT	1/2 Ton Pick-Up Truck with 4-Door Crew Cab - Red Special Service Vehicle (SSV) Package, 4x4						\$26,658.00

BUT
100 BID

IFB#S15-001 FLEET VEHICLES

OPENING 10/3/14

VENDOR NAME:

GRAPEVINE CHRYSLER SEED + DODGE

City of Leander Vehicle Bid Tabulation FY 14/15

ITEM #	NEW OR REPLACEMENT	VEHICLE DESCRIPTION	VENDOR	MAKE	MODEL	YEAR ('13, '14 or '15)	DAYS TO DELIVER	VEHICLE PRICE
#1 PD	NEW	PPV 2WD SUV - White						NO BID
#2 PD	NEW	PPV 2WD SUV - White						NO BID
#3 PD	REPLACEMENT	PPV 2WD SUV - White						NO BID
#4 PD	REPLACEMENT	PPV 2WD SUV - White						NO BID
#5 PD	REPLACEMENT	PPV 2WD SUV - White						NO BID
#6 PD	REPLACEMENT	PPV 2WD SUV - White						NO BID
#7 PD	NEW	Mid-sized SUV - 4-door, Grey						\$26,439. ⁰⁰
#8 PW/ENG	NEW	1/2 Ton Pick-Up Truck with 4-Door Crew Cab, 4WD - White						\$25,906. ⁰⁰
#9 PW	NEW	1/2 Ton Pick-Up Truck with 4-Door Crew Cab, 2WD - White						\$23,609. ⁰⁰
#10 PW	NEW	3/4 Ton Pick-up Truck, 2-Door Regular Cab and Utility Bed - White						\$27,040. ⁰⁰
#11 FIRE	REPLACEMENT	1/2 Ton Pick-Up Truck with 4-Door Crew Cab - Red Special Service Vehicle (SSV) Package, 4x4						\$25,507. ⁰⁰
#12 FIRE	REPLACEMENT	1/2 Ton Pick-Up Truck with 4-Door Crew Cab - Red Special Service Vehicle (SSV) Package, 4x4						\$25,507. ⁰⁰

ALT
\$ NO BID

IFB#S15-001 FLEET VEHICLES

OPENING 10/3/14

VENDOR NAME:

SILSBEE FORD

City of Leander Vehicle Bid Tabulation FY 14/15

ITEM #	NEW OR REPLACEMENT	VEHICLE DESCRIPTION	VENDOR	MAKE	MODEL	YEAR ('13, '14 or '15)	DAYS TO DELIVER	VEHICLE PRICE
#1 PD	NEW	PPV 2WD SUV - White						NO BID
#2 PD	NEW	PPV 2WD SUV - White						NO BID
#3 PD	REPLACEMENT	PPV 2WD SUV - White						NO BID
#4 PD	REPLACEMENT	PPV 2WD SUV - White						NO BID
#5 PD	REPLACEMENT	PPV 2WD SUV - White						NO BID
#6 PD	REPLACEMENT	PPV 2WD SUV - White						NO BID
#7 PD	NEW	Mid-sized SUV - 4-door, Grey						NO BID
#8 PW/ENG	NEW	1/2 Ton Pick-Up Truck with 4-Door Crew Cab, 4WD - White						\$26,160. ⁰⁰
#9 PW	NEW	1/2 Ton Pick-Up Truck with 4-Door Crew Cab, 2WD - White						\$29,231. ⁰⁰
#10 PW	NEW	3/4 Ton Pick-up Truck, 2-Door Regular Cab and Utility Bed - White						\$26,471. ⁰⁰
#11 FIRE	REPLACEMENT	1/2 Ton Pick-Up Truck with 4-Door Crew Cab - Red Special Service Vehicle (SSV) Package, 4x4						NO BID
#12 FIRE	REPLACEMENT	1/2 Ton Pick-Up Truck with 4-Door Crew Cab - Red Special Service Vehicle (SSV) Package, 4x4						NO BID

AUT
 \$33,728.⁻
 JF

IFB#S15-001 FLEET VEHICLES

OPENING 10/3/14

VENDOR NAME:

Prestige Ford

City of Leander Vehicle Bid Tabulation FY 14/15

ITEM #	NEW OR REPLACEMENT	VEHICLE DESCRIPTION	VENDOR	MAKE	MODEL	YEAR ('13, '14 or '15)	DAYS TO DELIVER	VEHICLE PRICE
#1 PD	NEW	PPV 2WD SUV - White						\$25,500. ⁰⁰
#2 PD	NEW	PPV 2WD SUV - White						\$25,500. ⁰⁰
#3 PD	REPLACEMENT	PPV 2WD SUV - White						\$25,500.-
#4 PD	REPLACEMENT	PPV 2WD SUV - White						\$25,500.-
#5 PD	REPLACEMENT	PPV 2WD SUV - White						\$25,500
#6 PD	REPLACEMENT	PPV 2WD SUV - White						\$25,500
#7 PD	NEW	Mid-sized SUV - 4-door, Grey						\$26,200.- \$25,500.-
#8 PW/ENG	NEW	1/2 Ton Pick-Up Truck with 4-Door Crew Cab, 4WD - White						\$29,400.- \$28,000.-
#9 PW	NEW	1/2 Ton Pick-Up Truck with 4-Door Crew Cab, 2WD - White						\$26,400.- \$25,100.-
#10 PW	NEW	3/4 Ton Pick-up Truck, 2-Door Regular Cab and Utility Bed - White						\$25,200
#11 FIRE	REPLACEMENT	1/2 Ton Pick-Up Truck with 4-Door Crew Cab - Red Special Service Vehicle (SSV) Package, 4x4						\$30,400
#12 FIRE	REPLACEMENT	1/2 Ton Pick-Up Truck with 4-Door Crew Cab - Red Special Service Vehicle (SSV) Package, 4x4						\$30,400

OUT
\$31,600.⁰⁰

IFB#S15-001 FLEET VEHICLES

OPENING 10/3/14

VENDOR NAME:

GRUPPITI FLEET SERVICE

City of Leander Vehicle Bid Tabulation FY 14/15

ITEM #	NEW OR REPLACEMENT	VEHICLE DESCRIPTION	VENDOR	MAKE	MODEL	YEAR ('13, '14 or '15)	DAYS TO DELIVER	VEHICLE PRICE
#1 PD	NEW	PPV 2WD SUV - White						100 BID
#2 PD	NEW	PPV 2WD SUV - White						100 BID
#3 PD	REPLACEMENT	PPV 2WD SUV - White						100 BID
#4 PD	REPLACEMENT	PPV 2WD SUV - White						100 BID
#5 PD	REPLACEMENT	PPV 2WD SUV - White						100 BID
#6 PD	REPLACEMENT	PPV 2WD SUV - White						100 BID
#7 PD	NEW	Mid-sized SUV - 4-door, Grey						100 BID
#8 PW/ENG	NEW	1/2 Ton Pick-Up Truck with 4-Door Crew Cab, 4WD - White						\$29,249.61
#9 PW	NEW	1/2 Ton Pick-Up Truck with 4-Door Crew Cab, 2WD - White						\$26,173.01
#10 PW	NEW	3/4 Ton Pick-up Truck, 2-Door Regular Cab and Utility Bed - White						\$25,694.25
#11 FIRE	REPLACEMENT	1/2 Ton Pick-Up Truck with 4-Door Crew Cab - Red Special Service Vehicle (SSV) Package, 4x4						100 BID
#12 FIRE	REPLACEMENT	1/2 Ton Pick-Up Truck with 4-Door Crew Cab - Red Special Service Vehicle (SSV) Package, 4x4						100 BID

ALT
\$32,507.93

IFB#S15-001 FLEET VEHICLES

OPENING 10/3/14

VENDOR NAME: AutoBay Dodge

City of Leander Vehicle Bid Tabulation FY 14/15

ITEM #	NEW OR REPLACEMENT	VEHICLE DESCRIPTION	VENDOR	MAKE	MODEL	YEAR ('13, '14 or '15)	DAYS TO DELIVER	VEHICLE PRICE
#1 PD	NEW	PPV 2WD SUV - White						NO BID
#2 PD	NEW	PPV 2WD SUV - White						NO BID
#3 PD	REPLACEMENT	PPV 2WD SUV - White						NO BID
#4 PD	REPLACEMENT	PPV 2WD SUV - White						NO BID
#5 PD	REPLACEMENT	PPV 2WD SUV - White						NO BID
#6 PD	REPLACEMENT	PPV 2WD SUV - White						NO BID
#7 PD	NEW	Mid-sized SUV - 4-door, Grey						\$26,805
#8 PW/ENG	NEW	1/2 Ton Pick-Up Truck with 4-Door Crew Cab, 4WD - White						NO BID
#9 PW	NEW	1/2 Ton Pick-Up Truck with 4-Door Crew Cab, 2WD - White						NO BID
#10 PW	NEW	3/4 Ton Pick-up Truck, 2-Door Regular Cab and Utility Bed - White						NO BID
#11 FIRE	REPLACEMENT	1/2 Ton Pick-Up Truck with 4-Door Crew Cab - Red Special Service Vehicle (SSV) Package, 4x4						\$27,174.00
#12 FIRE	REPLACEMENT	1/2 Ton Pick-Up Truck with 4-Door Crew Cab - Red Special Service Vehicle (SSV) Package, 4x4						\$27,174.00

ACT
NO BID



Executive Summary

October 16, 2014

Agenda Subject: Zoning Case 14-Z-025: Hold a public hearing and consider action on the rezoning of a 4.368 acre tract of land, more or less, located at 17680 Ronald Reagan, WCAD Parcel #R372083. Currently, the property is zoned Interim SFS-2-B (Single Family Suburban) and the applicant is proposing to zone the property GC-3-C (General Commercial), Leander, Williamson County, Texas.

Background: This request is the first step in the rezoning process.

Origination: Applicant: King Bravo, on behalf of Donald R & Joan S Thomas Trustees of the Donald R & Joans Thomas Revoc Liv. Tr.

Financial Consideration: None

Recommendation: The applicant has withdrawn the request.

Attachments: 1. Withdraw Request

Prepared By: Tom Yantis
Assistant City Manager

10/06/2014

Robin Griffin

From: King Bravo Go Daddy [King@KingBravo.com]
Sent: Monday, September 22, 2014 4:53 PM
To: Robin Griffin
Subject: 17680 Zoning Request Cancelled

Robin please cancel the zoning request for 17 680 Ronald Reagan Blvd.

King Bravo, REALTOR ®, GRI
Nextage Lone Star Realty
Direct (512) 994-5853



Executive Summary

October 16, 2014

Agenda Subject Conduct a Public Hearing on whether to issue “City of Leander, Texas General Obligation Refunding Bonds, Series 2014” of approximately \$2,950,000 to refund a portion of the City’s outstanding obligations, being the City’s General Obligation Refunding Bonds, Series 2005 to achieve debt service savings and restructure the City’s debt service obligations.

Background: This public hearing is being held in conjunction with the proposed refunding of certain outstanding bonds in order to take advantage of current market conditions. In consultation with our Financial Advisor, First Southwest, staff has solicited pricing from banks to refund approximately \$2,950,000 of the City’s existing debt to take advantage of current interest rates. The estimated savings is approximately \$280,000 over the remaining 11-year life of the bonds. The majority of the savings would be realized in fiscal year 2016. Pricing for the bonds will happen on Tuesday, October 14th and we will present the final numbers to the City Council at the meeting. In the event that the bond market is not favorable on the 14th, we will recommend that the bonds not be sold and then re-advertise using a public sale through an underwriter. Prior to the issuance of any indebtedness (other than general obligation bonds), the City Charter requires a public hearing. (The Charter does not require a public hearing on the issuance of voter-approved general obligation bonds.)

Origination: Robert G. Powers, Finance Director

Financial Consideration: Potential savings \$280,000 over eleven years.

Recommendation:

Attachments: none

Prepared by: Robert G. Powers, Finance Director



Executive Summary

October 16, 2014

Agenda Subject Consideration and action on an Ordinance authorizing the issuance of “City of Leander, Texas General Obligation Refunding Bonds, Series 2014.”

Background: In consultation with our Financial Advisor, First Southwest, staff has solicited pricing from banks to refund approximately \$2,950,000 of the City’s existing debt to take advantage of current interest rates. The estimated savings is approximately \$280,000 over the remaining 11-year life of the bonds. The majority of the savings would be realized in fiscal year 2016. Pricing for the bonds will happen on Tuesday, October 14th and we will present the final numbers to the City Council at the meeting. In the event that the bond market is not favorable on the 14th, we will recommend that the bonds not be sold and then re-advertise using a public sale through an underwriter.

Origination: Robert G. Powers, Finance Director

Financial Consideration: Estimated savings over life of bonds equal to \$280,000

Recommendation: Approve Ordinance Authorizing Issuance of General Obligation & Refunding Bonds, Series 2014.

Attachments: Sample Ordinance; Original to be provided

Prepared by: Robert G. Powers, Finance Director

SAMPLE

Regular Sale Draft

ORDINANCE NO. 12-

**AN ORDINANCE AUTHORIZING THE ISSUANCE OF \$ _____
"CITY OF LEANDER, TEXAS GENERAL OBLIGATION REFUNDING BONDS, SERIES
2012A"; AUTHORIZING THE REFUNDING OF CERTAIN OUTSTANDING
OBLIGATIONS; LEVYING A CONTINUING DIRECT ANNUAL AD VALOREM TAX ON
ALL TAXABLE PROPERTY WITHIN THE CITY TO PAY THE INTEREST ON SAID
BONDS AND TO CREATE A SINKING FUND FOR THE REDEMPTION THEREOF AND
THE ASSESSMENT AND COLLECTION OF SUCH TAXES; AUTHORIZING THE
DELIVERY OF AN ESCROW AGREEMENT; AUTHORIZING THE SALE THEREOF;
AND ENACTING PROVISIONS INCIDENT AND RELATED TO THE ISSUANCE OF
SAID BONDS**

WHEREAS, the City Council of the City of Leander, Texas (the "City Council") has determined that bonds should be issued in accordance with the laws of the State of Texas, including Chapter 1207, Texas Government Code, as amended, for the purpose of (1) refunding a portion of the City's outstanding general obligation debt; and (2) the payment of costs of issuance for the Bonds (hereinafter defined); and

WHEREAS, among numerous series of bonds and certificates of obligation of the City which are secured by the full faith and credit of the City and a pledge by the City to levy ad valorem taxes sufficient to pay principal of and interest on such bonds and certificates of obligation as they become due, there are specifically outstanding the following series of obligations: General Obligation and Refunding Bonds, Series 2007 (the "Series 2007 Bonds"); and Combination Tax and Revenue Certificates of Obligation, Series 2007 (the "Series 2007 Certificates"); and

WHEREAS, the City desires to defease and/or refund in advance of their maturities:

\$13,520,000 representing a portion of the outstanding 2017 maturity and all of the outstanding 2018 through 2027 maturities of its Series 2007 Bonds (the "Series 2007 Refunded Obligations"); and

\$6,460,000 representing all of the outstanding 2018 through 2027 maturities of its Series 2007 Certificates (the "Series 2007 Refunded CO Obligations"); and

the Series 2007 Refunded Obligations and the Series 2007 Refunded CO Obligations will be referred to collectively as the "Refunded Obligations"; and

WHEREAS, Chapter 1207, Texas Government Code (the "Act"), as amended, authorizes the City to issue refunding bonds payable from taxes, without an election, for the purpose of refunding the Refunded Obligations in advance of their maturities and to accomplish such refunding by depositing directly with any paying agent for the Refunded Obligations the proceeds of such refunding bonds, together with other available funds, in an amount sufficient to provide for the payment or redemption of the Refunded Obligations, and provides that such deposit shall constitute the making of firm banking and financial arrangements for the discharge and final payment or redemption of the Refunded Obligations; and

SAMPLE

WHEREAS, the City desires to achieve a present value savings and to restructure the City's debt service obligations; and

WHEREAS, the City desires to appoint BOKF, NA dba Bank of Texas, Austin, Texas, as Escrow Agent for the Bonds and to deposit with the paying agent for the Refunded Obligations, the amount sufficient to discharge and make final payment or redemption of the Refunded Obligations; and

WHEREAS, upon the issuance of the refunding bonds herein authorized and the deposit of funds referred to above, the Refunded Obligations shall no longer be regarded as being outstanding, except for the purpose of being paid pursuant to such deposit, and the pledges, liens, trusts and all other covenants, provisions, terms and conditions of the ordinance authorizing the issuance of the Refunded Obligations shall be, with respect to the Refunded Obligations, discharged, terminated and defeased; and

WHEREAS, on the 19th day of April, 2011, the City Council of the City convened at 7:00 p.m. and considered an Ordinance authorizing the issuance of said bonds (the "Ordinance") for the purposes of (1) refunding a portion of the City's outstanding general obligation debt; and (2) the payment of costs of issuance for the Bonds; and

WHEREAS, the City Council determined that at this time the Bonds should be delivered and sold for cash.

NOW, THEREFORE, BE IT ORDAINED, ADJUDGED AND DECREED BY THE CITY COUNCIL OF THE CITY OF LEANDER, TEXAS:

SECTION 1. Recitals: Consideration. It is hereby found and determined that the matters and facts set out in the preamble to this Ordinance are true and correct.

It is hereby found and determined that the transactions contemplated in this Ordinance result in a restructuring of the City's debt service and that such benefit of restructuring its outstanding debt service requirements is sufficient consideration for the refunding of the Refunded Obligations. The refunding will result in a gross savings of \$ _____ and a present value savings of \$ _____.

SECTION 2. Definitions.

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

"Bond" or "Bonds" means the Bonds authorized to be issued by Section 3 of this Ordinance and designated as "City of Leander, Texas General Obligation Refunding Bonds, Series 2012A".

"City" means the City of Leander, Texas.

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

"Code" means the Internal Revenue Code of 1986, as amended, including the regulations and published rulings thereunder.

SAMPLE

"Dated Date" means the dated date of the Bonds, May 1, 2012.

"Defeasance Securities" means the (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of the purchase thereof are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the City adopts or approves the proceedings authorizing the financial arrangements are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, and (iv) any other then authorized securities or obligations under applicable state law that may be used to defease obligations such as the Bonds.

"Designated Payment/Transfer Office" means the office of the Paying Agent which is designated for the presentment of the Bonds.

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

"DTC Participant" means any broker, dealer, bank, trust company, clearing corporation or certain other organizations with bonds credited to an account maintained on its behalf by DTC.

"Escrow Agent" means BOKF NA dba Bank of Texas, Austin, Texas.

"Escrow Agreement" means the escrow deposit letter agreement between the City and the Escrow Agent to hold the deposit for the redemption of the Refunded Obligations.

"Fiscal Year" means such fiscal year of the City as shall from time to time be set by the City Council.

"Initial Bond" means the initial bond described in Sections 3 and 20 of this Ordinance.

"Interest and Sinking Fund" means the interest and sinking fund established by Section 22 of this Ordinance.

"Interest Payment Date" when used in connection with any Bond means the date or dates upon which interest on each Bond is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being February 15 and August 15 of each year, commencing August 15, 2012.

"Owner," "Holder" or "Registered Owner" means the person who is the registered owner of a Bond or Bonds as shown in the Register.

"Paying Agent/Registrar" shall mean the Registrar.

"Record Date" means the close of business on the last business day of the month next preceding the month in which an Interest Payment Date occurs.

"Register" means the register specified in Section 12 of this Ordinance.

SAMPLE

"Registrar" means initially BOKF, NA dba Bank of Texas.

"Representation Letter" means the Letter of Representations with respect to the Bonds between the City and DTC.

"Unclaimed Payments" means money deposited with the Paying Agent/Registrar for the payment of the principal of or interest on the Bonds as the same come due and payable and remaining unclaimed by the Owners for 90 days after the applicable payment or redemption date.

"Underwriters" means Morgan Keegan & Company, Inc., Southwest Securities, Inc. and Stephens Inc.

SECTION 3. Authorization, Maturities, Interest Rates and Interest Payment Dates. The Bonds shall be issued as fully registered obligations, without coupons, paying accrued interest to the Holders or Owners on and at stated intervals prior to Stated Maturity, totaling \$_____ in principal amount for the purposes of (1) refunding a portion of the City's outstanding general obligation debt; and (2) the payment of costs of issuance for the Bonds.

The Bonds (other than the Initial Bond which shall be numbered T-1) shall be in denominations of \$5,000 or any integral multiple (within a Stated Maturity) thereof, shall be lettered "R" and numbered consecutively from One (1) upward, and principal shall become due and payable on August 15 in each of the years and in amounts (the "Stated Maturities") and bear interest at the rate(s) per annum in accordance with the following schedule:

Stated Maturity	Principal Amount	Interest Rate(s)
2018	\$ 335,000	%
2019	795,000	%
2020	775,000	%
2021	620,000	%
2022	625,000	%
2023	870,000	%
2024	420,000	%
2025	585,000	%
2026	1,210,000	%
2027	3,055,000	

The Bonds shall bear interest on the unpaid principal amounts from the Issue Date, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, at the rates per annum shown in the above schedule (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Bonds shall be payable on February 15 and August 15 in each year, commencing August 15, 2012.

SECTION 4. Designation and Date. The Bonds shall be designated as "City of Leander, Texas General Obligation Refunding Bonds, Series 2012A" and shall be dated May 1, 2012.

SAMPLE

SECTION 5. Execution of Bonds; Seal. The Bonds shall be signed by the Mayor and the City Secretary, by their manual, lithographed, or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds. If any officer of the City whose manual or facsimile signature shall appear on the Bonds shall cease to be such officer before the authentication of such Bonds or before the delivery of such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

SECTION 6. Approval by Attorney General; Registration by Comptroller. The Initial Bond shall be delivered to the Attorney General of Texas for approval and shall be registered by the Comptroller. The manually executed registration certificate of the Comptroller substantially in the form provided in Section 20 of this Ordinance shall be attached or affixed to the Initial Bond.

SECTION 7. Authentication. Except for the Initial Bond, which needs not be authenticated by the Registrar, only such Bonds which bear thereon a certificate of authentication, substantially in the form provided in Section 20 of this Ordinance, manually executed by an authorized representative of the Registrar, shall be entitled to the benefits of this Ordinance or shall be valid or obligatory for any purpose. Such duly executed certificate of authentication shall be conclusive evidence that the Bonds so authenticated were delivered by the Registrar hereunder.

SECTION 8. Payment of Principal and Interest. The Registrar is hereby appointed as the Paying Agent and Registrar for the Bonds. The principal of the Bonds shall be payable, without exchange or collection charges, in any coin or currency of the United States of America which on the date of payment is legal tender for the payment of debts due the United States of America, upon their presentation and surrender as they respectively become due and payable, whether at maturity or by prior redemption, at the Designated Payment/Transfer Office of the Registrar. The interest on each Bond shall be payable on each Interest Payment Date, by check mailed by the Registrar on or before the Interest Payment Date to the Owner of record as of the Record Date, to the address of such Owner as shown on the Register, or by such other method acceptable to the Registrar, requested by, and at the risk and expense of, the Owner.

If the date for payment of the principal of or interest on any Bond is not a Business Day, then the date for such payment shall be the next succeeding Business Day with the same force and effect as if made on the date payment was originally due.

SECTION 9. Successor Registrars. The City covenants that at all times while any Bonds are outstanding it will provide a commercial bank or trust company organized under the laws of the State of Texas or other entity duly qualified and legally authorized to serve as and perform the duties and services of the Registrar and Paying Agent for the Bonds. The City reserves the right to change the Registrar on not less than 60 days written notice to the Registrar, so long as any such notice is effective not less than 60 days prior to the next succeeding principal or Interest Payment Date on the Bonds. Promptly upon the appointment of any successor Registrar, the previous Registrar shall deliver the Register or copies thereof to the new Registrar, and the new Registrar shall notify each Owner, by United States mail, first class postage prepaid, of such change and of the address of the new Registrar. Each Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Section.

SAMPLE

SECTION 10. Special Record Date. If interest on any Bond is not paid on any Interest Payment Date and continues unpaid for thirty (30) days thereafter, the Registrar shall establish a new record date for the payment of such interest, to be known as a Special Record Date. The Registrar shall establish a Special Record Date when funds to make such interest payment are received from or on behalf of the City. Such Special Record Date shall be fifteen (15) days prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first class, postage prepaid, not later than five (5) days prior to the Special Record Date, to each affected Owner of record as of the close of business on the date prior to the mailing of such notice.

SECTION 11. Ownership: Unclaimed Principal and Interest. The City, the Registrar and any other person may treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment of the principal of or interest on such Bond, and for all other purposes, whether or not such Bond is overdue, and neither the City nor the Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Owner of any Bond in accordance with this Section 11 shall be valid and effectual and shall discharge the liability of the City and the Registrar upon such Bond to the extent of the sums paid.

Amounts held by the Registrar which represent principal of and interest on the Bonds remaining unclaimed by the Owner after the expiration of three years from the date such amounts have become due and payable shall be reported and disposed of by the Registrar in accordance with the applicable provisions of Texas law including, to the extent applicable, Title 6 of the Texas Property Code, as amended.

SECTION 12. Registration, Transfer, and Exchange. So long as any Bonds remain outstanding, the Registrar shall keep a Register (the "Register") at its Designated Payment/Transfer Office and, subject to such reasonable regulations as it may prescribe, the Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of this Ordinance.

Each Bond shall be transferable only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the registered Owner or his authorized representative in form satisfactory to the Registrar. Upon due presentation of any Bond for transfer, the Registrar shall, to the extent possible and under reasonable circumstances, authenticate and deliver in exchange therefor, within 72 hours after such presentation, a new Bond or Bonds, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount and bearing interest at the same rate as the Bond or Bonds so presented.

All Bonds shall be exchangeable upon presentation and surrender thereof at the Designated Payment/Transfer Office of the Registrar for a Bond or Bonds of the same maturity and interest rate and in any authorized denomination, in an aggregate amount equal to the unpaid principal amount of the Bond or Bonds presented for exchange.

The Registrar shall be and is hereby authorized to authenticate and deliver exchange Bonds in accordance with the provisions of this Section 12. Each Bond delivered in accordance with this Section 12 shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

SAMPLE

The City or the Registrar may require the Owner of any Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Bond. Any fee or charge of the Registrar for such transfer or exchange shall be paid by the City.

SECTION 13. Mutilated, Lost, or Stolen Bonds. Upon the presentation and surrender to the Registrar of a mutilated Bond, the Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like maturity, interest rate, and principal amount, bearing a number not contemporaneously outstanding. If any Bond is lost, apparently destroyed, or wrongfully taken, the City, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authorize and the Registrar shall authenticate and deliver a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding.

The City or the Registrar may require the Owner of a mutilated Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith and any other expenses connected therewith, including the fees and expenses of the Registrar. The City or the Registrar may require the Owner of a lost, apparently destroyed or wrongfully taken Bond, before any replacement Bond is issued, to:

furnish to the City and the Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Bond;

furnish such security or indemnity as may be required by the Registrar and the City to save them harmless;

pay all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Registrar and any tax or other governmental charge that may be imposed; and

(4) meet any other reasonable requirements of the City and the Registrar.

If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the City or the Registrar in connection therewith.

If any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the City in its discretion may, instead of issuing a replacement Bond, authorize the Registrar to pay such Bond.

Each replacement Bond delivered in accordance with this Section 13 shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

SECTION 14. Cancellation of Bonds. All Bonds paid in accordance with this Ordinance, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in

SAMPLE

accordance herewith, shall be canceled and destroyed upon the making of proper records regarding such payment. The Registrar shall furnish the City with appropriate certificates of destruction of such Bonds.

SECTION 15. Book-Entrv-Only System.

The definitive Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 16 hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds, except as provided in this Ordinance. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute Owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners, as shown in the Register as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Register, shall receive a certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks or drafts being mailed to the registered Owner at the close of business on the Record Date, the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

SECTION 16. Successor Securities Depository: Transfer Outside Book-Entrv-Only Svstem. In the event that the City or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter by and between the City, the Paying Agent/Registrar and DTC (the "Representation Letter"), and that it is in the best interest of the Owners of the Bonds that they be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, the City or the Paying Agent/Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended; notify DTC and DTC Participants, as identified by DTC, of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository; or (ii) notify DTC and DTC Participants, as identified by DTC, of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts,

SAMPLE

as identified by DTC. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

SECTION 17. Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the Representation Letter.

SECTION 18. Effect of Pledge. Chapter 1208, Government Code, applies to the issuance of the Bonds and the pledge of the taxes thereof granted by the City under Section 22 of this Ordinance, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the taxes granted by the City under Section 22 of this Ordinance is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the Registered Owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

SECTION 19. Optional Redemption. The City reserves the right, at its option, to redeem Bonds having stated maturities on or after August 15, 20_____ prior to maturity, in whole or in part, on August 15, 20_____, or any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption.

The Bonds may be redeemed only in integral multiples of \$5,000. If a Bond subject to redemption is in a denomination larger than \$5,000, a portion of such Bond may be redeemed, but only in integral multiples of \$5,000. Upon surrender of any Bond for redemption in part, the Registrar, in accordance with Section 12 hereof, shall authenticate and deliver in exchange therefor a Bond or Bonds of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

If less than all of the Bonds are to be redeemed and if less than all of a maturity is to be redeemed, the Registrar shall determine by lot the Bonds, or portions thereof, within such maturity to be redeemed.

Notice of any redemption identifying the Bonds to be redeemed shall be given by the Registrar at least thirty days prior to the date fixed for redemption by sending written notice by United States mail, first class, postage prepaid, to the Owner of each Bond to be redeemed in whole or in part at the address of the registered Owner appearing on the Register at the close of business on the Business Day next preceding the date of mailing such notice. Such notices shall state the redemption date, the redemption price, the place at which Bonds are to be surrendered for payment and, if less than all Bonds of a particular maturity are to be redeemed, the numbers of the Bonds or portions thereof of that maturity to be redeemed. Any notice given as provided in this Section 19 shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Registrar for payment of the redemption price of the Bonds or portions thereof to be redeemed. When Bonds have been called for redemption in whole or in part and due

SAMPLE

Principal Amount: DOLLARS

The CITY OF LEANDER, TEXAS (hereinafter referred to as the "City"), for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, on the Stated Maturity date specified above the Principal Amount herein above stated (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on the unpaid principal amount hereof from the Dated Date at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 15 and August 15 in each year, commencing August 15, 2012. Principal of this Bond is payable at its Stated Maturity or redemption to the Registered Owner hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor. Interest is payable to the Registered Owner of this Bond whose name appears on the "Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date," which is the last business day of the month next preceding each Interest Payment Date, and interest shall be paid by the Paying Agent/Registrar by check sent by United States mail, first class postage prepaid, to the address of the Registered Owner recorded in the Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the Registered Owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$_____ (herein referred to as the "Bonds") for the purposes of (1) refunding of a portion of the City's outstanding general obligation debt; and (2) the payment of costs of issuance for the Bonds.

The Bonds maturing on and after August 15, 20 _____, may be redeemed prior to their Stated Maturities, at the option of the City, in whole or in part, in pncipal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected by lot by the Paying Agent/Registrar), on August 15, 20 _____, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption and upon 30 days prior written notice being sent by United States mail, first class postage prepaid, to the Registered Owners of the Bonds to be redeemed, and subject to the terms and provisions relating thereto contained in the Ordinance.

If this Bond (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date this Bond (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and interest thereon shall cease to accrue from and after the redemption date therefor, provided moneys for the payment of the redemption price and the interest on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar.

In the event of a partial redemption of the principal amount of this Bond, payment of the redemption price of such principal amount shall be made to the Registered Owner only upon presentation and surrender of this Bond to the Paying Agent/Registrar at its Designated Payment/Transfer Office, and there shall be issued to the Registered Owner hereof, without charge, a new Bond or Bonds of like maturity and interest rate in any authorized denominations provided by the Ordinance for the then

SAMPLE

unredeemed balance of the principal sum hereof. If this Bond is selected for redemption, in whole or in part, the City and the Paying Agent/Registrar shall not be required to transfer this Bond to an assignee of the Registered Owner within 45 days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the Registered Owner of the unredeemed balance hereof in the event of its redemption in part.

The Bonds are payable from the proceeds of an ad valorem tax levied, within the limits prescribed by law, upon all taxable property in the City. Reference is hereby made to the Ordinance, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the Registered Owner or Holder of this Bond by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied and pledged for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be discharged at or prior to its maturity, and deemed to be no longer outstanding thereunder; and for other terms and provisions contained therein. Capitalized terms used herein have the meanings assigned in the Ordinance.

This Bond, subject to certain limitations contained in the Ordinance, may be transferred on the Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the Registered Owner hereof, or his duly authorized agent. When a transfer on the Register occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, shall treat the Registered Owner whose name appears on the Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of principal at the Stated Maturity, or its redemption, in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of nonpayment of interest on a Bond on a

00603710; 3

scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Registered Owner of a Bond appearing on the Register at the close of business on the last business day next preceding the date of mailing of such notice.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things to be done precedent to and in the issuance of this Bond and the series of which it is a part, have been properly done, have happened and have been performed in regular and due time, form and manner as required by law; that proper provisions have been made for the levy and collection annually of taxes upon all taxable property in said City sufficient, within the limits prescribed by law, to pay the interest on this Bond and the series of which it is

SAMPLE

a part as due and to provide for the payment of the principal as the same matures; and that the total indebtedness of the City, including the Bonds does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City has caused this Bond to be executed by the manual or facsimile signature of the Mayor of the City and countersigned by the manual or facsimile signature of the City Secretary, and the official seal of the City has been duly impressed or placed in facsimile on this Bond.

Mayor
City of Leander, Texas

City Secretary
City of Leander, Texas

[SEAL]

(f) Form of Comptroller's Registration Certificate.

The following Comptroller's Registration Certificate may be deleted from the definitive Bonds if such certificate on the Initial Bond is fully executed.

OFFICE OF THE COMPTROLLER OF PUBLIC ACCOUNTS OF THE STATE OF TEXAS	§ § §	REGISTER NO.
--------------------------------------------------------------------------	-------------	--------------

I hereby certify that there is on file and of record in my office a Certificate of the Attorney General of the State of Texas to the effect that this Bond has been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that this Bond has this day been registered by me.

Witness my hand and seal of office at Austin, Texas, _____

[SEAL]

Comptroller of Public Accounts
of the State of Texas

SAMPLE

(g) Form of Certificate of Paying Agent/Registrar.

The following Certificate of Paying Agent/Registrar may be deleted from the Initial Bond if the Comptroller's Registration Certificate appears thereon.

CERTIFICATE OF PAYING AGENT/REGISTRAR

The records of the Paying Agent/Registrar show that the Initial Bond of this series of Bonds was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this is one of the Bonds referred to in the within-mentioned Ordinance.

BOKF, NA DBA BANK OF TEXAS
Austin, Texas
As Paying Agent/Registrar

Dated:

By:

Authorized Signatory

(h) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers
unto

/ _____

(Please print or typewrite name and address, including zip code, of Transferee)(Please insert Social Security or Taxpayer identification Number)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and
appoints _____ attorney, to register the transfer of the within
Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution as defined by SEC Rule 17Ad-15 (17 CFR 240-17Ad-15).

NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

SAMPLE

- (i) *The Initial Bond shall be in the respective form set forth therefor in paragraph (a) of this Section, except as follows:*

Heading and paragraph one shall be amended to read as follows:

REGISTERED

No. T-1 \$ _____

UNITED STATES OF AMERICA STATE OF TEXAS
CITY OF LEANDER, TEXAS GENERAL
OBLIGATION REFUNDING BOND SERIES 2012A

Dated Date: May 1, 2012

Registered Owner:

Principal Amount:

The CITY OF LEANDER, TEXAS (hereinafter referred to as the "City"), for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, the Principal Amount herein above stated on August 15 in the years and in principal installments in accordance with the following schedule:

<u>STATED</u> <u>MATURITY</u>	<u>PRINCIPAL INTEREST</u> <u>AMOUNT RATE(S)</u>
----------------------------------	----------------------------------------------------

(Information to be inserted from schedule
in Section 3 hereof.)

(or so much principal thereof as shall not have been prepaid prior to maturity) and to pay interest on the unpaid principal installments hereof from the Dated Date at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 15 and August 15 in each year, commencing August 15, 2012. Principal installments of this Bond are payable in the year of maturity or on a prepayment date to the Registered Owner hereof by BOKF, NA dba Bank of Texas (the "Paying Agent/Registrar"), upon presentation and surrender, at its Designated Payment/Transfer Office in Austin, Texas. Interest is payable to the Registered Owner of this Bond whose name appears on the "Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date," which is the last business day of the month next preceding each Interest Payment Date, and interest shall be paid by the Paying Agent/Registrar by check sent by United States mail, first class postage prepaid, to the address of the Registered Owner recorded in the Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the Registered Owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

(j) *Form of Statement of Insurance.* A statement relating to a municipal bond insurance policy, if any, to be issued for the Bonds may be printed on each Bond.

SAMPLE

SECTION 21. CUSIP Registration and Legal Opinion.

CUSIP Numbers. The City may secure identification numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association ("CUSIP numbers"), and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the City nor the attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

Legal Opinion. The approving legal opinion of Bickerstaff Heath Delgado Acosta LLP, Bond Counsel, may be printed on the reverse side of each Bond or may be attached to each Bond.

SECTION 22. Interest and Sinking Fund: Tax Levy. There is hereby established a separate fund of the City to be known as the "City of Leander, Texas General Obligation Refunding Bonds, Series 2012A Interest and Sinking Fund" (the "Interest and Sinking Fund"), which shall be kept separate and apart from all other funds of the City. The proceeds from all taxes levied, assessed and collected for and on account of the Bonds authorized by this Ordinance shall be deposited, as collected, in the Interest and Sinking Fund. While the Bonds or any part of the principal thereof or interest thereon remain outstanding and unpaid, there is hereby levied and there shall be annually assessed and collected in due time, form and manner, and at the same time as other City taxes are assessed, levied and collected, in each year, beginning with the current year, a continuing direct annual ad valorem tax, within the limits prescribed by law, upon all taxable property in the City, sufficient to pay the current interest on the Bonds as the same becomes due and to provide and maintain a sinking fund of not less than two percent of the principal amount of the Bonds or the amount required to pay each installment of principal of the Bonds as the same matures, whichever is greater, full allowance being made for delinquencies and costs of collection, and said taxes are hereby irrevocably pledged to the payment of the interest on and principal of the Bonds and to no other purpose.

SECTION 23. Control and Delivery of the Bonds. After the Bonds to be initially issued shall have been executed, it shall be the duty of the Mayor and other appropriate officials and agents of the City to deliver the Bonds to be initially issued and all pertinent records and proceedings to the Attorney General of the State of Texas, for examination and approval. After the Bonds to be initially issued shall have been approved by the Attorney General, they shall be delivered to the Comptroller for registration. Upon registration of the Bonds to be initially issued, the Comptroller (or the Comptroller's bond clerk or an assistant bond clerk lawfully designated in writing to act for the Comptroller) shall manually sign the Comptroller's Registration Certificate prescribed herein and the seal of said Comptroller shall be impressed, or placed in facsimile, thereon.

SECTION 24. Sale: Purchase Agreement. The Bonds are hereby sold and shall be delivered to the Underwriters at a price of \$ _____ (representing the principal amount of the Bonds of \$ _____, plus a net original issue premium of \$ _____ and less an underwriters' discount of \$ _____) plus accrued interest on the Bonds from May 1, 2012 to the date of closing, in accordance with the terms of a Bond Purchase Agreement (the "Purchase Agreement") of even date herewith, presented to and hereby approved by the City Council, which price and terms are hereby found and determined to be the most advantageous and reasonably obtainable by the City. The Mayor is authorized to execute the Purchase Agreement. In addition, other appropriate officials of the City are hereby authorized and directed to execute such Purchase Agreement on behalf of the City. The Mayor and all other officers, agents and representatives of the City are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out

SAMPLE

therein and to provide for the issuance and delivery of the Bonds. The Initial Bond shall be registered in the name of Morgan Keegan & Company, Inc.

SECTION 25. Covenants Regarding Tax Exemption of Interest on the Bonds. The City covenants to take any action necessary to secure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

to take any action to assure that no more than 10 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

to take any action to assure that in the event the "private business use" described in subsection (a) hereof exceeds 5 percent of the proceeds of the Bonds or the projects licensed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

to refrain from taking any action which would otherwise result in the Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with-

- (1) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 30 days or less until such proceeds are needed for the purpose for which the bonds are issued,

amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1 (b) of the Treasury Regulations, and

amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

SAMPLE

to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings);

to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(i) to maintain such records as will enable the City to fulfill its responsibilities under this section and section 148 of the Code and to retain such records for at least six years following the final payment of principal of and interest on the Bonds.

In order to facilitate compliance with the above covenants (h) and (i), a "Rebate Fund" is hereby authorized to be established by the City for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is authorized to be established for the additional purpose of compliance with section 148 of the Code.

It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the

Bonds under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Mayor and the City Manager of the City to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

In addition, the City covenants that the property being financed with the proceeds of the Refunded Obligations will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless the City obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

SECTION 26. Use of Proceeds.

On the Closing Date, the City shall cause the proceeds from the sale of the Bonds to be deposited as follows:

SAMPLE

\$ _____ of accrued interest received from the Underwriters shall be deposited into the Interest and Sinking Fund;

\$ from premium to pay the costs of issuance, consisting of:

\$ _____ of general costs of issuance; and

\$ _____ of Underwriters' Discount;

\$ of rounding amount shall be deposited to the Interest and Sinking Fund.

(4) The balance of the proceeds from the sale of the Bonds shall be applied to establish an escrow fund to refund the Refunded Obligations, as more fully provided below, and, to the extent not otherwise provided for, to pay all expenses arising in connection with the issuance of the Bonds, the establishment of such escrow fund and the refunding of the Refunded Obligations. Any proceeds of the Bonds remaining after making all such deposits and payments shall be deposited into the Interest and Sinking Fund.

SECTION 27. Security of Funds.

All moneys on deposit in the funds referred to in this Ordinance shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds, and moneys on deposit in such funds shall only be used for the purposes permitted by this Ordinance.

SECTION 28. Reserved.

SECTION 29. Investments.

Money in the Funds established by this Ordinance, at the option of the City, may be invested in such securities or obligations as permitted under applicable law.

Any securities or obligations in which money is so invested shall be kept and held in trust for the benefit of the Owners and shall be sold and the proceeds of sale shall be timely applied to the making of all payments required to be made from the fund from which the investment was made.

SECTION 30. Investment Income.

Interest and income derived from investment of any fund created by this Ordinance shall be credited to such fund.

SECTION 31. Escrow Agreement Approval and Execution. The discharge and defeasance of the Refunded Obligations shall be effectuated pursuant to the terms and provisions of an Escrow Agreement to be entered into by and between the City and the Escrow Agent, which shall be substantially in the form attached hereto as Exhibit A, the terms and provisions of which are hereby approved, subject to such insertions, additions and modifications as shall be necessary (a) to carry out the program designed for the City by the Financial Advisor, and which shall be certified as to mathematical accuracy by Grant Thornton LLP, certified public accountants, whose Verification Report (the "Verification Report") shall be attached to the Escrow Agreement, (b) to maximize the benefit of City's restructuring of its debt service obligations

SAMPLE

and/or to minimize the City's costs of refunding, (c) to comply with all applicable laws and regulations relating to the refunding of the Refunded Obligations, and (d) to carry out the other intents and purposes of this Ordinance, and the Mayor is hereby authorized to execute and deliver such Escrow Agreement on behalf of the City in multiple counterparts and the City Secretary is hereby authorized to attest thereto and affix the seal of the City.

SECTION 32. Redemption/Defeasance of Refunded Obligations.

Call. The City hereby irrevocably calls the following obligations of the City for redemption prior to maturity or defeasance to maturity on the dates set forth below, at a price of par plus accrued interest to the dates fixed for redemption, and authorizes and directs notice of such redemption to be given in accordance with the ordinances authorizing the issuance of such obligations:

<u>Obligations to be Redeemed</u>	<u>Redemption Date</u>
General Obligation and Refunding Bonds, Series 2002 Maturities 2017 through 2027	August 15, 2012 @ Par plus accrued interest to the date of redemption
Combination Tax and Revenue Certificates of Obligation, Series 2007 Maturities 2018 through 2027	August 15, 2012 @ Par plus accrued interest to the date of redemption

The City hereby authorizes and instructs the Mayor, City Manager, the Escrow Agent and the paying agents for the Refunded Obligations to take such steps as are necessary to accomplish the redemption and the defeasance of the Refunded Obligations in accordance with the provisions hereof.

Notices of Defeasance/Redemption. The City hereby ratifies its authorization to give notices of defeasance/redemption of the Refunded Obligations in the manner and within the time required by the ordinances authorizing the issuances thereof. The respective notices will be substantially in the forms set out in Exhibit B.

SECTION 33. Refunding of Refunded Obligations. It is hereby found and determined that the refunding of the Refunded Obligations is advisable and necessary in order to restructure the principal and interest requirements of the City.

SECTION 34. Refunding.

Source of Funds for Redemption. The source of funds for payment of the principal of and interest on the Refunded Obligations called for redemption and to be redeemed in advance of maturity pursuant to this Ordinance shall be from the funds placed with the Escrow Agent pursuant to this Ordinance.

Purchase of United States Treasury Obligations. To assure the purchase of the Federal Securities referred to in the Escrow Agreement, the Mayor and the Escrow Agent are hereby authorized to subscribe for, agree to purchase, and purchase non-callable obligations of the United States of America, in such amounts and maturities and bearing interest at such rates as may be provided for in the Verification Report, and to execute any and all subscriptions, purchase agreements, commitments, letters of authorization and other documents necessary to effectuate the foregoing, and any actions heretofore taken for such purpose are hereby ratified and approved.

SAMPLE

Related Matters. To satisfy in a timely manner all of the City's obligations under this Ordinance, the Purchase Agreement and the Escrow Agreement, the Mayor, the City Secretary, the City Manager, and all other appropriate officers and agents of the City are hereby authorized and directed to take all other actions that are reasonably necessary to provide for the refunding of the Refunded Obligations, including, without limitation, executing and delivering on behalf of the City all certificates, consents, receipts, requests, and other documents as may be reasonably necessary to satisfy the City's obligations under the Escrow Agreement, the Purchase Agreement, and this Ordinance and to direct the application of funds of the City consistent with the provisions of such Escrow Agreement and this Ordinance.

Transfer from Interest and Sinking Fund. On the date of delivery of and payment for the Bonds there shall be transferred from the interest and sinking funds for the Refunded Obligations to the Escrow Agent, an amount sufficient, if any, when added to the proceeds of the Bonds, to provide for the refunding of the Refunded Obligations, all as set out in the Verification Report.

SECTION 35. Continuing Disclosure Undertaking.

Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

"EMMA" means the Electronic Municipal Market Access System established by the MSRB.

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means SEC Rule 15c2-12, as amended from time to time or officially interpreted by the SEC.

"SEC" means the United States Securities and Exchange Commission.

Updated Information and Data. The City shall provide annually to the MSRB through EMMA, within six months after the end of each fiscal year ending in or after 2012, financial information and operating data with respect to the City that is of the general type included in the Official Statement authorized by Section 38, being the information described in Tables 1 through 6 and 8 through 14 of the Official Statement and Appendix B thereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles the City may be required to employ from time to time in accordance with State law, and (2) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the City shall provide (1) unaudited financial statements for such fiscal year within such six month period, and (2) audited financial statements for the applicable fiscal year to the MSRB through EMMA when and if the audit report on such statements becomes available.

If the City changes its fiscal year, it will notify the MSRB through EMMA of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB through EMMA or filed with the SEC).

SAMPLE

(c) *Event Notices.* The City shall notify the MSRB through EMMA, in a timely manner not in excess of ten business days after the occurrence of any of the following events with respect to the Bonds:

Principal and interest payment delinquencies;

Non-payment related defaults, if material;

Unscheduled draws on debt service reserves reflecting financial difficulties;

Unscheduled draws on credit enhancements reflecting financial difficulties;

Substitution of credit or liquidity providers, or their failure to perform;

Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability. Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax-exempt status of the Bonds;

Modifications to rights of holders of the Bonds, if material;

Bond calls, if material, and tender offers;

Defeasances;

Release, substitution, or sale of property securing repayment of the Bonds, if material;

Rating changes;

Bankruptcy, insolvency, receivership or similar event;

The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

Appointment of a successor or additional trustee or the change of name of a trustee, if material

The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by this Section.

(d) *Limitations, Disclaimers, and Amendments.* The City shall be obligated to observe and perform the covenants specified in this Section with respect to the City and the Bonds while, but only while, the City remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the City in any event will give notice required by subsection (c) of this Section of any bond calls and defeasance that cause the City to no longer be such an "obligated person."

SAMPLE

The provisions of this Section are for the sole benefit of the Holders and Beneficial Owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the financial results, condition, or prospects of the City or the State of Texas or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

No default by the City in observing or performing its obligations under this Section shall comprise a breach of or default under the Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a Person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and Beneficial Owners of the Bonds. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) of this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

SECTION 36. Defeasance.

Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Bond") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment,

SAMPLE

of sufficient money to provide for such payment, and when proper arrangements have been made by the City with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Bonds that is made in conjunction with the payment arrangements specified in subsection (a)(i) or (ii) of this Section shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the City expressly reserves the right to call the Defeased Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Bonds immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the City be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the City, or deposited as directed in writing by the City. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection (a)(i) or (ii) of this Section. All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Bonds, with respect to which such money has been so deposited, shall be remitted to the City or deposited as directed in writing by the City.

(c) Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(d) In the event that the City elects to defease less than all of the principal amount of Bonds of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Bonds by such random method as it deems fair and appropriate.

SECTION 37. Registrar. The form of agreement setting forth the duties of the Registrar is hereby approved, and the appropriate officials of the City are hereby authorized to execute such agreement for and on behalf of the City.

SECTION 38. Official Statement. The City Council ratifies and confirms its prior approval of the form and content of the Preliminary Official Statement prepared in the initial offering and sale of the Bonds and hereby authorizes the preparation of a final Official Statement reflecting the terms of the Purchase Agreement with the Underwriters and other relevant matters. The use of such Official Statement in the reoffering of the Bonds by the Underwriters is hereby approved and authorized. The proper officials of the City are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed in the Purchase Agreement, dated as of the date of payment for and delivery of the Bonds.

SAMPLE

SECTION 39. Ordinance a Contract: Amendments. The Ordinance shall constitute a contract with the Owners, from time to time, of the Bonds, binding on the City and its successors and assigns, and shall not be amended or repealed by the City as long as any Bond remains outstanding except as permitted in this Section. The City may amend the Ordinance without the consent of or notice to any Owners to (i) cure any ambiguity, defect or omission therein that does not materially adversely affect the interests of the holders; (ii) grant additional rights or security for the benefit of the holders; (iii) add events of default as shall not be inconsistent with the provisions of the Ordinance that do not materially adversely affect the interests of the holders; (iv) qualify the Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect; or (v) make such other provisions in regard to matters or questions arising under the Ordinance that are not inconsistent with the provisions thereof and which, in the opinion of Bond Counsel for the City, do not materially adversely affect the interests of the holders. In addition, the City may amend the Ordinance in ways not described above with the consent of the holders of a majority of the aggregate principal amount of the Bonds outstanding if it is deemed necessary or desirable by the City; provided, however, that without the consent of the holders of 100% of the then outstanding Bonds, no amendment may be made for the purpose of: (i) making any change in the maturity of any of the outstanding Bonds; (ii) reducing the rate of interest borne by any of the outstanding Bonds; (iii) reducing the amount of the principal of, or redemption premium, if any, payable on any outstanding Bonds; (iv) modifying the terms of payment of principal, interest or redemption premium on outstanding Bonds, or imposing any condition with respect to such payment; or (v) changing the minimum percentage of the principal amount of the Bonds necessary for consent to such amendment.

SECTION 40. No Personal Liability. No recourse shall be had for payment of the principal of or interest on any Bonds or for any claim based thereon, or on this Ordinance, against any official or employee of the City or any person executing any Bonds.

SECTION 41. Further Procedures. The Mayor and City Secretary, and all other officers, employees, and agents of the City, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Bonds, the sale of the Bonds, the Escrow Agreement and the Paying Agent/Registrar Agreement. In addition, prior to the initial delivery of the Bonds, the Mayor and City Manager and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized and approved by this Ordinance necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance, (ii) obtain a rating from any of the national bond rating agencies or satisfy any requirements of the provider of a municipal bond insurance policy, if any, or (iii) obtain the approval of the Bonds by the Attorney General's office. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 42. Appropriation. To pay the debt service coming due on the Bonds for Fiscal Year 2012, the City has appropriated from current funds on hand in its Interest and Sinking Funds for the Refunded Obligations the amount of \$ _____ for the interest and principal payment due on August 15, 2012, and such funds are hereby certified to be on hand and available to pay such debt service, and such amount shall be used for no other purpose.

SAMPLE

SECTION 43. Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Ordinance, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code.

[The remainder of this page intentionally left blank.]

FINALLY PASSED, APPROVED AND EFFECTIVE this 19th day of April, 2012.

Mayor
City of Leander, Texas

ATTEST:

City Secretary
City of Leander, Texas

[SEAL]

SAMPLE

[SIGNATURE PAGE]

Exhibit A ESCROW

AGREEIVIENT

SAMPLE

Exhibit B

NOTICES **OF** DEFEASANCE/REDEMPTION



Executive Summary

October 16, 2014

Agenda Subject: Public Hearing on whether the City should levy special assessments against property located in the Oak Creek Public Improvement District; and

Consider an Ordinance Accepting and Approving a Service and Assessment Plan and Assessment Roll for the Oak Creek Public Improvement District; Making a Finding of Special Benefit to the Property in the District; Levying Special Assessments Against the Property within the District and Establishing a Lien on Such Property; Providing for the Payment of the Assessments in Accordance with Texas Local Government Code; Providing for the Method of Assessment and Payment of Assessments; Providing Penalties and Interest on Delinquent Assessments; and Providing for Related Matters.

Background:

On April 17, 2014, Council directed staff to proceed with the steps necessary to accept the PID petition and schedule the public hearing for the creation of the Oak Creek PID. On May 1, 2014 the Council accepted the petition for the creation of the Oak Creek PID. On June 5, 2014 the Council opened the public hearing on the creation of the PID and continued it until July 3, 2014. At the July 3, 2014 meeting the Council continued the public hearing until July 17, 2014. On July 17, 2014 the Council closed the public hearing and approved a resolution creating the Oak Creek PID. On October 2, 2014 the Council approved: a resolution approving the form and authorizing distribution of the preliminary official statement, a resolution directing publication of notice of a public hearing on the intention to issue special assessment revenue bonds, and a resolution authorizing the filing of the assessment role and directing publication of a public hearing on the levying of assessments.

The Oak Creek PID proposes to issue special assessment revenue bonds to pay for the proposed public improvements.

This agenda item provides for the public hearing required prior to levying the PID assessments and approves the ordinance approving the assessment plan and levying the special assessments.

Origination: Applicant: Sentinel/Cotter Leander, LLC

Recommendation: Staff recommends approval.

Attachments:

1. Ordinance with exhibits

Prepared by: Tom Yantis, AICP
Assistant City Manager



Oak Creek Public Improvement District

Service and Assessment Plan

Section I

PLAN DESCRIPTION AND DEFINED TERMS

A. Introduction

On July 17, 2014 (the “**Creation Date**”), the Leander City Council approved that certain “Petition for the Creation of a Public Improvement District to Finance Improvements for Oak Creek” which authorized the creation of the Oak Creek Public Improvement District (the “**PID**”) to finance the Actual Costs for the benefit of certain property in the PID, all of which is located within the jurisdiction of the City of Leander, Texas (the “**City**”).

Chapter 372 of the Texas Local Government Code, Improvement Districts in Municipalities and Counties (as amended, the “**PID Act**”), governs the creation of public improvement districts within the State of Texas. This Service and Assessment Plan has been prepared pursuant to the PID Act. According to the PID Act, a Service Plan “must cover a period of five years and must also define the annual indebtedness and the projected costs for improvements. The plan shall be reviewed and updated annually for the purpose of determining the annual budget for improvements.” The Service Plan is described in Section V of this Service and Assessment Plan.

The Assessment Roll for the Improvement Area is attached hereto as **Appendix A**, and is addressed in Section VII of this Service and Assessment Plan. The Special Assessments as shown on the Assessment Roll are based on the method of assessment described in Sections IV and VI of this SAP.

B. Definitions

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

“**Actual Cost(s)**” means, with respect to a Public Improvement, the Owner’s demonstrated, reasonable, allocable, and allowable costs of constructing such Public Improvements, as specified in a payment request in a form that has been reviewed and approved by the City and in an amount not to exceed the lesser of: (1) the amount for each Public Improvement as set forth in this SAP; (2) the net proceeds of PID Bonds or the (3) actual, documented cost of constructing the Public Improvements approved by the City. Actual Cost may also include (i) (a) the costs incurred by or on behalf of the Owner (either directly or through affiliates) for the design, planning, financing, administration/management, acquisition, installation, construction and/or implementation of such Public Improvement, (b) the costs incurred by or on behalf of the Owner in preparing the Plans for such Public Improvements, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Public Improvements, (d) a construction management fee of 4.0% of the costs incurred by or on behalf of the Owner for the construction of such Public Improvements if the Owner is serving as the Construction Manager but not the general contractor, (e) the costs incurred by or on behalf of the Owner for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, appraisals, legal, accounting and similar professional services, taxes (property and franchise) related to the Public Improvements (f) all labor, bonds and materials, including equipment and fixtures, by contractors, builders and materialmen in connection with the acquisition, construction or implementation

of the Public Improvements, (g) all related permitting, zoning and public approval expenses, architectural, engineering, and consulting fees, financing charges, taxes, governmental fees and charges, insurance premiums, and miscellaneous expenses, and all payments for Administrative Expenses after the date of a resolution authorizing such reimbursement, plus Interest, if any, calculated from the respective dates of the expenditures until the date of reimbursement therefore; and (ii) Administrative Expenses.

Actual Costs shall not include construction management fees in an amount that exceeds a percentage equal to the construction management fee amortized in equal monthly assessments over the term of the appropriate construction management agreement. 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.

“Administrative Expenses” means the administrative, organization, maintenance and operation costs and expenses associated with, or incident to, the administration, organization, maintenance and operation of the District, including, but not limited to, the costs of (i) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, (ii) creating and organizing the District and preparing the Assessment Roll, (iii) computing, levying, collecting and transmitting the Special Assessments or the Annual Installments thereof, (iv) maintaining the record of Special Assessments, payments and reallocations and/or cancellations of the Special Assessments, (v) issuing, paying and redeeming the PID Bonds, (vi) investing or depositing the Special Assessments, (vii) complying with the PID Act with respect to the PID Bonds, (viii) paying the paying agent/registrar’s and trustee’s fees and expenses (including the fees and expenses of their respective legal counsel), and (ix) administering the construction of the Public Improvements, in accordance with the terms of this Agreement.

“Administrator” means an employee or designee of the City, including a third party whom the City designates by contract who shall have the responsibilities provided for herein.

“Annual Installment” means, with respect to each Assessed Property, each annual payment of: (i) the Special Assessment, as shown on the Assessment Roll attached hereto as **Appendix A**, or in an Annual Service Plan Update, and calculated as provided in Section VI of this SAP, (ii) Administrative Expenses, (iii) the prepayment reserve described in Section IV of this SAP, and (iv) the delinquency reserve described in Section IV of this SAP.

“Annual Service Plan Update” has the meaning set forth in Section V of this SAP.

“Assessed Property” means any and all Parcels within the PID other than Non-Benefited Property.

“Assessment Ordinance” means each ordinance adopted by the City Council approving this SAP (or such amendments to this SAP) and levying the Special Assessments, as required by Article II of the PID Finance Agreement.

“Assessment Roll” means the document included in this SAP as **Appendix A**, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

“**City**” means the City of Leander, Texas.

“**City Council**” means the duly elected governing body and council of the City.

“**Delinquent Collection Costs**” mean interest, penalties and expenses incurred or imposed with respect to any delinquent Assessment of a Special Assessment in accordance with the PID Act and the costs related to pursuing collection of a delinquent Assessment and foreclosing the lien against the Assessed Property, including attorney’s fees.

“**Indenture**” means that Indenture of Trust dated as of October 16, 2014, 2014 between BOKF, NA dba Bank of Texas and the City pursuant to which the PID Bonds will be issued.

“**Lot**” means a tract of land described as a “lot” in a subdivision plat recorded in the official public records of Williamson County, Texas.

“**Lot Type**” means a classification of final building lots with similar characteristics (e.g. commercial, light industrial, multifamily residential, single family residential, etc.), as determined by the Administrator and confirmed by the City Council. In the case of single family residential Lots, the Lot Type shall be further defined by classifying the residential lots by the estimated final Lot value for each lot as of the date of the recorded subdivision plat, considering factors such as density, lot size, proximity to amenities, view premiums, location, and any other factors that may impact Lot value, as determined by the Administrator and confirmed by the City Council.

“**Non-Benefited Property**” means Parcels within the boundaries of the PID that accrue no special benefit from the Public Improvements, Public Property and easements that create an exclusive use for a public utility provider. Property identified as Non-Benefited Property at the time the Special Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel is not assessed. Assessed Property converted to Non-Benefited Property, if the Special Assessments may not be reallocated pursuant to Section VI.C, remains subject to the Special Assessments and requires the Special Assessments to be prepaid as provided for in Section VI.E.

“**Non-PID Property**” means property benefitted by the Public Improvements, but either (i) not located in the District or (ii) located in a future phase of the Project that is not currently assessed.

“**Oak Creek**” or “**Project**” means the approximately 151 acres of land located in the corporate limits of the City. The Project is contained within the area depicted on Table II-A.

“**Owner(s)**” means Sentinel/Cotter Leander, LLC or its assignees or affiliates

“**Owner Association Property**” means property within the boundaries of the PID that is owned by or irrevocably offered for dedication to, whether in fee simple or through an exclusive use easement, an Owner’s Association established for the benefit of a group of homeowners or property owners within the PID.

“**Parcel**” means a property identified by either a tax map identification number assigned by the Williamson Central Appraisal District for real property tax purpose, by metes and bounds description, by

lot and block number in a final subdivision plat recorded in the official public records of Williamson County, or by any other means determined by the City.

“PID” means the Oak Creek Public Improvement District created by the City pursuant to Resolution No. 14-013-00.

“PID Bonds” means those certain City of Leander, Texas Special Assessment Revenue Bonds, Series 2014 (Oak Creek Public Improvement District project) that are secured by Assessments levied on the Assessed Property.

“PID Finance Agreement” means the Oak Creek Public Improvement District Financing Agreement by and between the City and Owner dated _October 16, 2014.

“Prepayment Costs” mean interest and expenses to the date of prepayment, plus any additional amounts due pursuant to the Indenture related to the PID Bonds and allowed by law, if any, reasonably expected to be incurred by or imposed upon the City as a result of any prepayment of a Special Assessment and the Bonds secured by such Assessment.

“Public Improvements” mean those Public Improvements described in Section III.B of this SAP, designed, constructed, and installed in accordance with this SAP and the PID Finance Agreement, and any future amendments.

“Public Property” means property, real property, right of way and easements located within the boundaries of the PID that is owned by or irrevocably offered for dedication to the federal government, the State of Texas, Williamson County, the City, a school district, a public utility provider or any other political subdivision or public agency, whether in fee simple, through an exclusive use easement, or through a public utility easement.

“PUD Ordinance” means Ordinance No. 14-039-00, the ordinance that provides entitlement approvals to the property within the PID via the Oak Creek Planned Unit Development.

“Service and Assessment Plan” or “SAP” means this Oak Creek Public Improvement District Service and Assessment Plan (as such plan is amended from time to time), to be initially adopted by the City Council in the first Assessment Ordinance for the purpose of assessing allocated costs against property located within the boundaries of the PID.

“Special Assessment” means the assessment levied against a Parcel imposed pursuant to the Assessment Ordinance and the provisions hereof, as shown on the Assessment Roll, subject to reallocation upon the subdivision of such Parcel created by such subdivision or reduction according to the provisions hereof and the PID Act.

Section III

DESCRIPTION OF THE PUBLIC IMPROVEMENTS

A. Authorized Improvement Overview

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

- (i) landscaping;
- (ii) erection of fountains, distinctive lighting, and signs;
- (iii) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of way;
- (iv) construction or improvement of pedestrian mall;
- (v) acquisition and Assessment of pieces of art;
- (vi) acquisition, construction or improvement of libraries;
- (vii) acquisition, construction or improvement of off-street parking facilities;
- (viii) acquisition, construction or improvement of rerouting of mass transportation facilities;
- (ix) acquisition, construction or improvement of water, wastewater, or drainage facilities or improvements;
- (x) the establishment or improvement of parks;
- (xi) projects similar to those listed in Subdivisions (i)-(x)
- (xii) acquisition, by purchase or otherwise, of real property in connection with an Public improvement;
- (xiii) 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;
- (xiv) payment of expenses incurred in the establishment, administration and operation of the district; and
- (xv) the development, rehabilitation, or expansion of affordable housing.

After analyzing the public improvement projects authorized by the PID Act, the City has determined that the Public Improvements described in Section III.B of this SAP should be undertaken by the City.

B. Descriptions and Estimated Costs of the Public Improvements

The PID Bonds will fund all or a portion of the costs of the Public Improvements. The estimated costs of the Public Improvements are shown in Table III-A. The costs, as shown in Table III-A, are estimates and may be revised in Annual Service Plan Updates.

The Public Improvements are generally described as follows and generally shown in **Appendix E**. The Public Improvements will be constructed in accordance with the PID Finance Agreement, the plans and specifications approved by the City, applicable local ordinances to the extent not modified by the PUD Ordinance or by the City in writing, applicable state and federal regulations, and good engineering practices.

- **West Broade Street (North South) – Sanitary Sewer Lines** - The sanitary sewer line along West Broade Street consists of approximately 2,840 linear feet of 8-inch SDR-26 PVC gravity line with approximately 17 manholes. Additionally, there is approximately 450 linear feet of 15-inch SDR-26 PVC gravity line with approximately 4 manholes along West Broade Street. This improvement is a part of the main infrastructure that must be completed in order for Lots to be sold to third party purchasers.
- **West Broade Street (North South) – Drainage Improvements** - Drainage improvements along West Broade Street consist of approximately 2,540 linear feet of Reinforced Concrete Pipe (RCP) storm sewer ranging in size from 18 inches up to 60 inches. Drainage improvements also include approximately 9 junction boxes and approximately 9 curb inlets. The runoff will be collected by the roadway channeled into the curb inlets and conveyed to the storm sewer pipes and discharged into water quality basins as required by TCEQ. This improvement is a part of the main infrastructure that must be completed for Lots to be sold to third party purchasers.
- **South Brook Drive (East West) – Sanitary Sewer Lines** - The sanitary sewer line along South Brook Drive consists of approximately 1,880 linear feet of 8-inch SDR-26 PVC gravity line with approximately 11 four foot diameter manholes. This improvement is a part of the main infrastructure that must be completed in order for Lots to be sold to third party purchasers.
- **South Brook Drive (East West) – Drainage Improvements** - Drainage improvements along South Brook Drive consist of approximately 2,970 linear feet of Reinforced Concrete Pipe (RCP) storm sewer ranging in size from 18 inches up to 60 inches. Drainage improvements also include approximately 5 junction boxes and approximately 8 curb inlets. The runoff will be collected by the roadway channeled into the curb inlets and conveyed to the storm sewer pipes and discharged into water quality basins as required by TCEQ. This improvement is a part of the main infrastructure that must be completed in order for Lots to be sold to third party purchasers.
- **Neighborhood Entry Features** - Neighborhood entry features reflect the design aesthetic and materials established by the primary and secondary entry features. Signs displaying the neighborhood name will be located at the entry to neighborhoods and sited to be easily viewed from the roadway. Neighborhood entries will be constructed to City standards and specifications and will be dedicated to the City. This design feature will enhance the Project and therefore is intended to increase Lot values.

- **Walls at Collectors** - Masonry walls will be constructed along both sides of West Broade Street and along San Gabriel Parkway to provide an attractive border along the community boundary. The wall materials will complement the stone material utilized in the primary and secondary entry features for the subdivision. Masonry columns will be incorporated into the walls at regular intervals along the roadway frontage. This design feature will enhance the Project and therefore is intended to increase Lot values.
- **Collector Road Landscape** - Native and drought tolerant landscape including turf, ornamental grasses and xeriscaped planting beds will be installed along West Broade Street, San Gabriel Parkway and the eastern section of South Brook Drive. The landscaping along the road is intended to create a unique sense of place and enhance the natural beauty of the community. This design feature will enhance the Project and therefore is intended to increase Lot values.
- **Pond Aeration** - An aeration fountain will be installed in the water quality retention pond to circulate the water and prevent stagnation. The fountain will also create an aesthetic amenity for the pond. This design feature will enhance the Project and therefore is intended to increase Lot values.

**Table III-A
Estimated Costs of Public Improvements**

Description	Hard Costs	Project Management (4%)	Soft Costs (10%)	Contingency (15%)	Total
West Broade Street Sewer	\$ 313,713	\$ 12,549	\$ 31,371	\$ 47,057	\$ 404,690
South Brook Drive Sewer	162,974	6,519	16,297	24,446	210,237
West Broade Street Drainage	734,223	29,369	73,422	110,133	947,148
South Brook Drive Drainage	513,940	20,558	51,394	77,091	662,982
Neighborhood Entry Features	24,000	960	2,400	3,600	30,960
Walls at Collectors	732,065	29,283	73,207	109,810	944,364
Collector Road Landscape	496,952	19,878	49,695	74,543	641,068
Pond Aeration	5,000	200	500	750	6,450
Total Public Improvements	\$ 2,982,867	\$ 119,315	\$ 298,287	\$ 447,430	\$ 3,847,899

Note: Cost estimates provided by Pape-Dawson Engineering, SEC Planning & Owner. The figures shown in Table III-A are estimates, and may be revised in Annual Service Plan Updates. Some soft costs shown in Table III-A have been completed and will be reimbursed upon issuance of the PID Bonds pursuant to the PID Finance Agreement.

Section IV ASSESSMENT PLAN

A. Introduction

The PID Act requires the City Council to apportion the Public Improvements on the basis of special benefits conferred upon the Parcel as a result of the Public Improvements. The PID Act provides that the Actual Costs may be assessed: (i) equally per front foot or square foot; (ii) according to the value of the property as determined by the governing body, with or without regard to improvements on the property; or (iii) in any other manner that results in imposing equal shares of the cost on property similarly benefited.

Table IV-A provides the estimated allocation of costs of the Public Improvements between the Assessed Property and Non-PID Property. This section describes the special benefit received by each Parcel within the PID as a result of the Public Improvements, provides the basis and justification for the determination that this special benefit exceeds the amount of the Special Assessments, and establishes the methodologies by which the City Council allocates and reallocates the special benefit of the Public Improvements to Parcels or Lots in a manner that results in equal share of the Actual Cost being apportioned to Parcels or Lots similarly benefited. The determination by the City Council of the assessment methodologies set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Owner and all future owners of any Assessed Property.

B. Special Benefit

Assessed Property must receive a direct and special benefit from the Public Improvements, and this benefit must be equal to or greater than the amount of the Special Assessments. The Public Improvements are provided specifically for the benefit of the Assessed Property. The Public Improvements are more particularly described in Section III.A and in line-item format on Table III-A to this SAP. The costs of issuance of the PID Bonds and payment of costs incurred in the establishment of the PID as shown in Table V-A are permissible Administrative Expenses authorized to be included in the Special Assessments by the PID Act.

At the time that this SAP was approved by the City Council, the Owner owned 100% of the Assessed Property. Owner has acknowledged that the Public Improvements confer a special benefit on the Assessed Property and has consented to the imposition of the Special Assessments to pay for the Actual Costs associated therewith. The Owner is acting in its interest in consenting to this apportionment and levying of the Special Assessments because the special benefit conferred upon the Assessed Property by the Public Improvements exceeds the amount of the Special Assessments.

The Owner has ratified, confirmed, accepted, agreed to and approved: (i) the determinations and finding by the City Council as to the special benefits described in this SAP and the Assessment Ordinance; (ii) the SAP and the Assessment Ordinance, and (iii) the levying of Special Assessments on the Assessed Property. Use of the Assessed Property as described in this SAP and as authorized by the PUD Ordinance requires that Public Improvements be acquired, constructed, installed, and/or improved. Funding the Actual Costs through the PID and the PID Bonds has been determined by the City Council to be the most beneficial means of doing so.

The acquisition, construction, installation and improvement of the Public Improvements results in a special benefit to the Assessed Property, and this special benefit exceeds the amount of the Special Assessment. This conclusion is based on and supported by the evidence, information, and testimony provided to the City Council.

C. Allocation of Actual Costs of Public Improvements

The Public Improvements will provide a special benefit to the Parcels within the PID only. Accordingly, the Actual Costs of the Public Improvements are allocated entirely to Parcels within the PID, as shown in table IV-A. The costs shown in Table IV-A are estimates and may be revised in Annual Service Plan Updates, but may not result in increased Special Assessments without consent by each owner of Assessed Property subject to the imposition of the increased Special Assessments provided that the Annual Installment may be adjusted each year as provided in the Assessment Ordinance and this SAP without consent of the owners of the Assessed Property.

Table IV-A					
Allocation of Public Improvement Costs between PID and Non-PID Property					
Public Improvement	Total Cost (a)(b)	PID Assessed Property		Non PID Assessed Property	
		% Allocation	Share of Costs	% Allocation	Share of Costs
<i>Hard/Soft Costs</i>					
West Broade Street Sewer	\$ 404,690	100%	\$ 404,690	0%	\$ -
South Brook Drive Sewer	210,237	100%	210,237	0%	-
West Broade Street Drainage	947,148	100%	947,148	0%	-
South Brook Drive Drainage	662,982	100%	662,982	0%	-
Neighborhood Entry Features	30,960	100%	30,960	0%	-
Walls at Collectors	944,364	100%	944,364	0%	-
Collector Road Landscape	641,068	100%	641,068	0%	-
Pond Aeration	6,450	100%	6,450	0%	-
Total Hard/Soft Costs	\$ 3,847,899		\$ 3,847,899		\$ -

(a) See Table III-A for details.

(b) Any Public Improvement that is allocated 100% to Assessed Property is required to be constructed in order for Lots to be sold to third party purchasers.

D. Assessment Methodology

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

For purpose of this SAP, the City Council has determined that the Actual Costs of the portion of the Public Improvements to be financed with the PID Bonds shall be allocated to the Assessed Property by spreading the entire Special Assessment across all Lots within the PID based on the ratio of the estimated buildout value of each Lot to the total buildout value for all Parcels. Table IV-B summarizes the allocation of the Special Assessments relating to PID Bonds for the Assessed Property.

Based on the cost estimates provided by the Owner for the Public Improvements, the City Council has determined that the benefit to the Assessed Property from the Public Improvements is at least equal to the Special Assessments levied on the Assessed Property as subdivided into individual Lots.

The Special Assessments and Annual Installments for each Parcel or Lot located is shown on the Assessment Roll, attached as **Appendix A**, and no Special Assessment shall be changed except as authorized by this SAP or the PID Act. Table IV-B summarizes the initial allocation of the Special Assessment relating to the PID Bonds for the Assessed Property at the time the Assessment Ordinance was adopted by the City Council. This SAP will be modified as appropriate based on the actual amount of PID Bonds that are sold.

Table IV-B Assessment Allocation									
Lot Type (a)	Tax Parcel (a)	# of Lots (a)	Estimated Buildout AV	Percent of Total	Total Assessment	Annual Total Installment (b)	Total Assessment per Lot	Annual Installment per Lot	
41	R529007	110	\$ 27,720,277	15.7%	\$ 817,615	\$ 71,346	\$ 7,433	\$ 649	
41	R529008	37	\$ 9,324,093	5.3%	\$ 275,016	\$ 23,998	\$ 7,433	\$ 649	
50	R529006	131	\$ 41,701,667	23.7%	\$ 1,230,000	\$ 107,331	\$ 9,389	\$ 819	
50	R529012	63	\$ 20,055,000	11.4%	\$ 591,527	\$ 51,617	\$ 9,389	\$ 819	
60	R529009	105	\$ 39,690,397	22.5%	\$ 1,170,677	\$ 102,155	\$ 11,149	\$ 973	
Townhome	R529010	78	\$ 15,795,158	9.0%	\$ 465,882	\$ 40,653	\$ 5,973	\$ 521	
Townhome	R524552	100	\$ 20,250,203	11.5%	\$ 597,284	\$ 52,120	\$ 5,973	\$ 521	
Subtotal		624	\$ 174,536,794	99.0%	\$ 5,148,000	\$ 449,220			
HOA		-	-	1%	\$ 52,000	\$ 4,538			
Total		624	\$ 174,536,794	100.0%	\$ 5,200,000	\$ 453,758			

(a) Estimates based on information available as of xx/xx/2014, the date this SAP was adopted by the City Council. Although the actual unit counts and buildout values may vary from the estimates shown above, the initial assessment allocation for each Lot Type will not change unless modified in an Annual Service Plan Update approved by the City Council, subject to the terms of this SAP, the PID Act, and any other documents associated with PID Bonds. Although the Project's entitlements provide for the possible construction of additional lots, the Owners anticipate the actual development will be as presented above.

(b) Reflects the annual installment for the first full year after the use of the capitalized interest.

E. Assessments and Annual Installments

The Special Assessments for the PID Bonds will be levied on each Parcel according to the Assessment Roll, attached hereto as Appendix A. The Annual Installments for the PID Bonds will be collected on the dates and in the amounts shown on the Assessment Roll and the Service and Assessment Plan, subject to any revisions made during an Annual Service Plan Update.

F. Administrative Expenses

The Administrative Expenses shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Special Assessment remaining on the Parcel. The benefit to the Assessed Property from administration and operation of the District, reflected in the Administrative Expenses, is at least equal to the portion of the Annual Installment attributable to Administrative Expenses that are assessed against the Assessed Property. The Administrative Expenses shall be collected as part of and in the same manner as Annual Installments in the amounts shown on the Assessment Roll shown on Appendix A, which will be revised in Annual Service Plan Updates based on actual costs incurred. Administrative Expenses do not include payment of the actual principal of and interest on the Bonds or any costs which constitute expenses payable as an expense of issuing the Bonds. Administrative Expenses collected and not expended for actual Administrative Expenses shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of Administration Expenses. The amount of Administrative Expenses necessary for the time period commencing on the date the initial Bonds are issued and terminating on the date the first Annual Installment is due will be paid at closing, as shown on Table V-A.

G. Excess Interest Rate

Pursuant to the PID Act, the interest rate for Special Assessments may exceed the actual interest rate per annum paid on the PID Bonds by no more than one half of one percent (0.50%) (the “Excess Interest Rate”). Forty percent (40.0%) of the funds generated by the Excess Interest Rate (i.e., 0.20%) will initially fund the Prepayment Reserve created under the Indenture (the “Prepayment Portion”). The remaining sixty percent (60.0%) balance of the funds generated by the Excess Interest Rate (i.e., 0.30%) will initially fund the Delinquency Reserve created under the Indenture.

H. Prepayment Reserve

A portion of the funds generated by the Excess Interest Rate will be deposited in the Prepayment Reserve and allocated to fund the associated interest charged between the date of prepayment of a Special Assessment and the date on which PID Bonds are actually redeemed. The Prepayment Reserve shall be funded each year until it reaches 1.5% of the par amount of the outstanding PID Bonds. If the PID Act is subsequently amended to allow a prepayment of a Special Assessment to include all applicable interest from the date of prepayment through and including the date of the regularly scheduled PID Bond payments to be charged upon the prepayment of the Special Assessment, the Prepayment Portion subsequently collected may be deposited in the Delinquency Reserve. If the Prepayment Reserve is so eliminated or if in a given year the Prepayment Reserve is fully funded at 1.5% of the par amount of the outstanding PID Bonds, the excess monies in the Prepayment Reserve will be transferred to the

Delinquency Reserve or, if the Delinquency Reserve contains the full Delinquency Reserve Requirement, the City can decide to allocate the excess monies to pay Administrative Expenses or to the redemption of PID Bonds as determined by the City and as set forth in the Indenture.

I. Delinquency Reserve

A portion of the funds generated by the Excess Interest Rate will be deposited in the Delinquency Reserve and allocated to offset any possible delinquent payments. The Delinquency Reserve) shall be funded each year up to 4.0% of the par amount of the outstanding PID Bonds. If in a given year, the Delinquency Reserve is fully funded at 4.0% of the par amount of the outstanding PID Bonds, the City can decide to allocate the excess monies in the Delinquency Reserve to pay Administrative Expenses or to the redemption of PID Bonds as determined by the City and as set forth in the Indenture.

Section V

SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Public Improvements undertaken within the PID during the five year period. It is anticipated that it will take approximately 9 months for the Public Improvements to be constructed.

The estimated Actual Costs for the Public Improvements plus costs related to the issuance of the PID Bonds, and payment of expenses incurred in the establishment, administration and operation of the PID is \$5,200,000 as shown in Table V-A. The Service Plan shall be reviewed and updated at least annually at the first regularly scheduled City Council meeting in July of each year or as reasonably soon thereafter, and at such other times as the City may determine, for the purpose of determining the annual budget for Administrative Expenses, updating the estimated Public Improvement costs, and updating the Assessment Roll. Any update to this SAP is herein referred as an “Annual Service Plan Update.”

Table V-A summarizes the sources and uses of funds required to construct the Public Improvements, establish the PID, and issue the PID Bonds. The sources and uses of funds shown in Table V-A shall be updated each year in the Annual Service Plan Update to reflect any budget revisions, Actual Costs and Administrative Expenses.

**Table V-A
Sources and Uses of Funds**

Sources of Funds	
Gross Bond Amount	\$ 5,200,000
Owner Contribution (a)	-
	<u>\$ 5,200,000</u>
Uses of Funds	
Public Improvements (b)	\$ 3,847,899
	<u>\$ 3,847,899</u>
Other Fund Deposits:	
Debt Service Reserve Fund (c)	\$ 407,094
Capitalized Interest (d)	350,807
Administrative Expense Deposit	40,000
	<u>\$ 797,901</u>
Cost of Issuance:	<u>\$ 382,700</u>
Underwriter's Discount/Underwriter's Counsel	<u>\$ 171,500</u>
	<u>\$ 5,200,000</u>

- (a) Owner will fund all costs not covered by the PID Bonds.
(b) See Table III-A and Table IV-A for details.
(c) The PID Bonds will include a debt service reserve fund equal to the lesser of 125% of the Average Annual Debt Service on the Bonds, Maximum Annual Debt Service of the Bonds or 10% of the Bonds.
(d) The PID Bonds will include twelve months of capitalized interest.

The annual projected debt service and Administrative Expenses are shown on Table V-B. The annual projected debt service and administrative expenses are subject to revision and shall be updated in the Annual Service Plan Update to reflect any changes expected for each year.

Table V-B Annual Projected Debt Service and Administrative Expenses								
Year Ending September 30	Principal Payments	Interest Expense	Administrative Expenses	Prepayment Reserve	Delinquency Reserve	Capitalized Interest	Annual PID Installments	
2015	\$ -	\$ 256,825	\$ 35,000	\$ 8,320	\$ 12,480	\$ 256,825	\$ 55,800	
2016	75,000	321,031	35,700	10,400	15,600	93,982	363,749	
2017	75,000	316,719	36,414	10,250	15,375	-	453,758	
2018	75,000	312,406	37,142	10,100	15,150	-	449,799	
2019	75,000	308,094	37,885	9,950	14,925	-	445,854	
2020	75,000	303,781	38,643	9,800	14,700	-	441,924	
Total	\$ 375,000	\$ 1,818,856	\$ 220,784	\$ 58,820	\$ 88,230	\$ 350,807	\$ 2,210,883	

Note: The Annual Projected Debt Service are the expenditures associated with the formation of the PID, the costs of issuance and repayment of the PID Bonds and the administration of the PID less the Capitalized Interest. The debt service estimates are based on an average interest rate of approximately 6.5% and a 30 year term for the PID Bonds.

Section VI

TERMS OF THE SPECIAL ASSESSMENTS

A. Amount of Special Assessments and Annual Installments for Parcels Located Within the PID

The Special Assessments for each Assessed Property is shown on the Assessment Roll, attached as **Appendix A.** The Annual Installments for each Assessed Property are shown on the attached **Appendix B.** No Special Assessment shall be changed except as authorized by this SAP and the PID Act. The Annual Installments shall be collected in an amount sufficient to pay principal and interest on the PID Bonds, to fund the prepayment reserve and delinquency reserve described in Section IV, and to fund Administrative Expenses of the PID.

B. Reallocation of Assessments for Parcels Located Within the PID

The Special Assessments for each initial Tax Parcel are based on the number and type of expected Lots within that Tax Parcel shown on the parcel map attached hereto as **Appendix D** (“the Parcel Map”). The number of each type of Lot contained in each Tax Parcel was counted and the amount of assessments shown on Table IV-B for each Lot type was added up to calculate the amount of the assessment for each Tax Parcel. For example, if Tax Parcel R529007 includes 110, 41’ Lots and zero 50’ Lots then the amount of the assessment for Tax Parcel R529007 is \$817,615.49, (\$817,615.49 + \$0). As Lots are platted in accordance with the Parcel Map, each Lot will be assessed the Total Assessment that it was assigned pursuant to Table IV-B.

If Lots are not platted in accordance with the Parcel Map, the Special Assessments for each affected Lot will be allocated in an equitable manner, but in no event will such new allocation increase the Total Assessment for each Lot as identified in Table IV-B.

C. Mandatory Prepayment of Special Assessments

If Assessed Property or portion thereof is transferred to a party that is exempt from the payment of the Special Assessment under applicable law, or if an owner causes a Parcel or portion thereof to become Non-Benefited Property, the owner of such Parcel or portion thereof shall pay to the Administrator the full amount of the Special Assessment, plus all Prepayment Costs, for such Parcel or portion thereof prior to any such transfer or act; provided, however that such mandatory prepayment of the Special Assessment shall not be required for portions of a Parcel that are dedicated for use as internal roads, parks and other similar, Public Improvements in connection with the recording of the plat for a Parcel that has been subdivided, in which case the Special Assessment that was allocated to that certain Parcel in which the public improvement is located will be reallocated to similarly benefitted Parcels, as more fully described in Section VI.B; provided, however, that reallocation of a Special Assessment for a Parcel that is a homestead under Texas law may not exceed the Special Assessment prior to reallocation.

D. Reduction of Special Assessments

1. If after all Public Improvements to be funded with the PID Bonds have been completed and the Actual Costs for such Public Improvements are less than the Actual Costs used to calculate the Special Assessments securing the PID Bonds, resulting in excess PID Bond proceeds, then the City may reduce the Special Assessment securing the PID Bonds for each Assessed Property on a pro-rata basis such that the sum of the resulting reduced Special Assessments for all Assessed Properties equals the reduced Actual Costs. The Special Assessments shall not be reduced to an amount less than the related outstanding series of PID Bonds.
2. Similarly, if the City does not undertake some of the Public Improvements with the PID Bonds then the City Council may reduce the Special Assessment securing the PID Bonds for each Assessed Property on a pro-rata basis to reflect only the Actual Costs that were expended. The Special Assessments shall not be reduced to an amount less than the related PID Bonds.
3. The City may also decide to use such excess PID Bond proceeds to pay for Administrative Expenses, or to fund additional Public Improvements.

E. Payment of Special Assessments

1. Payment in Full

- (a) The Special Assessment for any Parcel may be paid in full at any time in accordance with the PID Act. That payment shall include all Prepayment Costs, if any are required. If a prepayment in full will result in redemption of PID Bonds, the payment amount shall receive credit from the applicable portion of the Reserve Fund (as defined in the Indenture) applied to the redemption pursuant to the provisions of the Indenture, net of any other costs applicable to the redemption of PID Bonds.
- (b) If an Annual Installment has been billed prior to payment in full of a Special Assessment, the Annual Installment shall be due and payable and shall be credited against the payment in full amount.
- (c) Upon payment in full of a Special Assessment and all Prepayment Costs, the City shall deposit the payment in accordance with the Indenture; whereupon, the Special Assessment shall be reduced to zero, and the owner's obligation to pay the Special Assessment and Annual Installments thereof shall automatically terminate. The City shall provide the owner of the affected Assessed Property a recordable "Notice of PID Special Assessment Termination."

- (d) At the option of the Parcel owner, the Special Assessment on any Parcel may be paid in part in an amount equal to the amount of prepaid Special Assessments plus Prepayment Costs with respect thereto. Upon the payment of such amount for a Parcel, the Special Assessment for the Parcel shall be reduced, the Special Assessment Roll shall be updated to reflect such partial payment, and the obligation to pay the Annual Installment for such Parcel shall be reduced to the extent the partial payment is made.

2. **Payment in Annual Installments**

The Act provides that a Special Assessment for a Parcel may be paid in full at any time. If not paid in full, the Act authorizes the City to collect interest and collection costs on the outstanding Special Assessment. A Special Assessment for a Parcel that is not paid in full will be collected in Annual Installments each year in the amounts shown in **Appendix B** to the SAP, which includes interest on the outstanding Special Assessment and Administrative Expenses.

The Annual Installments as listed on the Assessment Roll have been calculated assuming an average interest rate on the PID Bonds of 6.5%. The Annual Installments may not exceed the amounts shown on the Assessment Roll except as pursuant to any amendment or update to this SAP.

The Annual Installments shall be reduced to equal the actual costs of repaying the PID Bonds and actual Administrative Expenses (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as interest income on account balances.

The City has the right and option to refund the PID Bonds in accordance with Section 372.027 of the PID Act. In the event of such refunding, the Administrator shall recalculate the Annual Installments, and if necessary, may adjust, or decrease, the amount of the Annual Installment so that total Annual Installments of Assessments will be produced in annual amounts that are required to pay the refunding PID Bonds when due and payable as required by and established in the ordinance and/or the indenture authorizing and securing the refunding PID Bonds, and such refunding PID Bonds shall constitute "PID Bonds" for purposes of this SAP.

F. Collection of Annual Installments

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

Any sale of Assessed Property for nonpayment of the delinquent Annual Installments shall be subject to the lien established for the remaining unpaid Annual Installments against such Assessed Property and such Assessed Property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent Annual Installments against such Assessed Property as they become due and payable.

Each Annual Installment, including the interest on the unpaid amount of a Special Assessment, shall be assessed on September 1 and shall be due on October 1 of that year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installment (i.e. the Annual Installments due for the period commencing on October 17, 2014 and ending on September 30, 2015) will be due on November 1, 2014 and will be delinquent if not paid prior to February 1, 2015.

G. Surplus Funds Remaining in the Improvement Area Bond Account

If proceeds from PID Bonds still remain after all of the Public Improvements are constructed and accepted by the City, the proceeds may be utilized to finance other Public Improvements that specially benefit all the Assessed Property.

Section VII

THE ASSESMENT ROLL

A. Assessment Roll

Each Parcel has been evaluated by the City Council (based on the applicable zoning, developable area, proposed Owner Association Property and Public Property, Public Improvements, best and highest use of land, and other development factors deemed relevant by the City Council) to determine the amount of Assessed Property within the Parcel.

The Assessed Property will be assessed for the special benefits conferred upon the property because of the Public Improvements. Table VII summarizes the \$5,200,000 of special benefit, including the costs of the Public Improvements, the costs of the PID formation and Bond issuance costs. The amount of PID Bonds is \$5,200,000, which is equal to the benefit received by the Assessed Property, and as such, the total assessment for all Assessed Property is \$5,200,000 plus annual Administrative Expenses. The Special Assessment for each Assessed Property is calculated based on the allocation methodologies described in Section IV.D of this SAP. The Assessment Roll is attached hereto as Appendix A.

B. Annual Assessment Roll Updates

The Administrator shall prepare, and shall submit to the City Council for approval, annual updates to the Assessment Roll in conjunction with the Annual Service Plan Update to reflect the following matters, together with any other changes helpful to the Administrator or the City and permitted by the Act: (i) the identification of each Parcel (ii) the Special Assessment for each Assessed Property, including any adjustments authorized by this SAP or in the PID Act; (iii) the Annual Installment for the Assessed Property for the year (if the Special Assessment is payable in Annual Installments); and (iv) payments of the Special Assessment, if any, as provided by Section VI.E of this SAP.

**Table VII
Special Benefit Summary**

Public Improvement	Total Cost (a)	PID Assessed Property		Non PID Assessed Property	
		% Allocation	Share of Costs	% Allocation	Share of Costs
<i>Master Improvements</i>					
Total Hard/Soft Costs	\$ 3,847,899	100%	\$ 3,847,899	0%	\$ -
<i>PID Formation/Bond Cost of Issuance</i>					
Reserve Fund	\$ 407,094	100%	\$ 407,094	0%	\$ -
Capitalized Interest	\$ 350,807	100%	\$ 350,807	0%	\$ -
Administrative Expense Deposit	\$ 40,000	100%	\$ 40,000	0%	\$ -
Underwriter's Discount/Financial Advisor Fee	\$ 171,500	100%	\$ 171,500	0%	\$ -
Cost of Issuance	\$ 382,700	100%	\$ 382,700	0%	\$ -
Total PID Formation/Bond Cost of Issuance	\$ 1,352,101	100%	\$ 1,352,101	0%	\$ -
Total	\$ 5,200,000	100%	\$ 5,200,000	0%	\$ -
Proposed Assessment	\$ 5,200,000		\$ 5,200,000		
Excess Benefit	\$ -		\$ -		

(a) See Table III-A for details. Any Public Improvement that is allocated 100% to the Assessed Property is required to be constructed in order to sell Lots to third party purchasers.

Section VIII

MISCELLANEOUS PROVISIONS

A. Administrative Review

The City may elect to designate a third party to serve as Administrator. The City shall notify Owner in writing upon appointing a third party Administrator.

To the extent consistent with the PID Act, an owner of an Assessed Property claiming that a calculation error has been made in the Assessment Roll, including the calculation of the Annual Installment, must send a written notice describing the error to the City no later than thirty (30) days after the date any amount which is alleged to be incorrect is due prior to seeking any other remedy. If an owner fails to give such notice, such owner shall be deemed to have accepted the calculation of the Assessment Roll (including the Annual Installments) and to have waived any objection to the calculation. The Administrator shall promptly review the notice, and if necessary, meet with the Assessed Property owner, consider written and oral evidence regarding the alleged error and decide whether, in fact, such a calculation error occurred.

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

B. Termination of Special Assessments

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

C. Amendments

Amendments to this SAP can be made as permitted or required by the PID Act and under Texas law.

D. Administration and Interpretation of Provisions

The City Council shall administer (or cause the administration of) the PID along with the SAP, and all Annual Service Plan Updates consistent with the PID Act.

E Severability

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

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

Appendix A

Assessment Roll

Assessment by Parcel					
Parcel	Gross Acres	Estimated Assessable Acres	Master Bond Assessment	Assessment per Assessable Acre	
R524552	9.91	9.91	\$ 597,284.04	\$ 60,270.84	
R525192	0.36	-	\$ -	\$ -	
R528999	7.42	-	\$ -	\$ -	
R529000	5.45	-	\$ -	\$ -	
R529001	0.51	-	\$ -	\$ -	
R529002	0.17	-	\$ -	\$ -	
R529003	0.28	-	\$ -	\$ -	
R529004	0.01	-	\$ -	\$ -	
R529005	22.57	-	\$ -	\$ -	
R529006	28.66	28.66	\$ 1,229,999.56	\$ 42,918.44	
R529007	18.03	18.03	\$ 817,615.49	\$ 45,357.57	
R529008	6.00	6.00	\$ 275,016.12	\$ 45,843.66	
R529009	26.97	26.97	\$ 1,170,676.73	\$ 43,401.80	
R529010	7.82	7.82	\$ 465,881.55	\$ 59,590.89	
R529012	16.99	16.99	\$ 591,526.50	\$ 34,822.31	
HOA	-	-	\$ 52,000.00	\$ -	
Totals	151.12	114.37	\$ 5,200,000.00		

Preliminary and Subject to Change

Appendix B

Annual Installment Schedules

**Appendix B-1
Annual Installments - All Parcels**

Installment Due Date (a)	Master Bonds			Administrative Expenses	Prepayment Reserve	Delinquency Reserve	Debt Service Reserve Fund	Capitalized Interest	Annual Installment
	Principal	Interest (b)	Net Debt Service	(c)					
09/01/15	\$ -	\$ 256,825.01	\$ 256,825.01	\$ 35,000.00	\$ 8,320.00	\$ 12,480.00	\$ -	\$ 256,825.01	\$ 55,800.00
09/01/16	\$ 75,000.00	\$ 321,031.26	\$ 396,031.26	\$ 35,700.00	\$ 10,400.00	\$ 15,600.00	\$ -	\$ 93,982.23	\$ 363,749.03
09/01/17	\$ 75,000.00	\$ 316,718.76	\$ 391,718.76	\$ 36,414.00	\$ 10,250.00	\$ 15,375.00	\$ -	\$ -	\$ 453,757.76
09/01/18	\$ 75,000.00	\$ 312,406.26	\$ 387,406.26	\$ 37,142.28	\$ 10,100.00	\$ 15,150.00	\$ -	\$ -	\$ 449,798.54
09/01/19	\$ 75,000.00	\$ 308,093.76	\$ 383,093.76	\$ 37,885.13	\$ 9,950.00	\$ 14,925.00	\$ -	\$ -	\$ 445,853.89
09/01/20	\$ 75,000.00	\$ 303,781.26	\$ 378,781.26	\$ 38,642.83	\$ 9,800.00	\$ 14,700.00	\$ -	\$ -	\$ 441,924.09
09/01/21	\$ 75,000.00	\$ 299,468.76	\$ 374,468.76	\$ 39,415.68	\$ 9,650.00	\$ 14,475.00	\$ -	\$ -	\$ 438,009.44
09/01/22	\$ 100,000.00	\$ 295,156.26	\$ 395,156.26	\$ 40,204.00	\$ 9,500.00	\$ 14,250.00	\$ -	\$ -	\$ 459,110.26
09/01/23	\$ 100,000.00	\$ 289,406.26	\$ 389,406.26	\$ 41,008.08	\$ 30.00	\$ 23,220.00	\$ -	\$ -	\$ 453,664.34
09/01/24	\$ 100,000.00	\$ 283,656.26	\$ 383,656.26	\$ 41,828.24	\$ -	\$ 22,750.00	\$ -	\$ -	\$ 448,234.50
09/01/25	\$ 125,000.00	\$ 277,906.26	\$ 402,906.26	\$ 42,664.80	\$ -	\$ 22,250.00	\$ -	\$ -	\$ 467,821.06
09/01/26	\$ 125,000.00	\$ 270,718.76	\$ 395,718.76	\$ 43,518.10	\$ -	\$ 21,625.00	\$ -	\$ -	\$ 460,861.86
09/01/27	\$ 125,000.00	\$ 263,531.26	\$ 388,531.26	\$ 44,388.46	\$ -	\$ 21,000.00	\$ -	\$ -	\$ 453,919.72
09/01/28	\$ 150,000.00	\$ 256,343.76	\$ 406,343.76	\$ 45,276.23	\$ -	\$ 20,375.00	\$ -	\$ -	\$ 471,994.99
09/01/29	\$ 150,000.00	\$ 247,718.76	\$ 397,718.76	\$ 46,181.76	\$ -	\$ 19,625.00	\$ -	\$ -	\$ 463,525.52
09/01/30	\$ 150,000.00	\$ 238,343.76	\$ 388,343.76	\$ 47,105.39	\$ -	\$ 18,875.00	\$ -	\$ -	\$ 454,324.15
09/01/31	\$ 175,000.00	\$ 228,968.76	\$ 403,968.76	\$ 48,047.50	\$ -	\$ 18,125.00	\$ -	\$ -	\$ 470,141.26
09/01/32	\$ 175,000.00	\$ 218,031.26	\$ 393,031.26	\$ 49,008.45	\$ -	\$ 17,250.00	\$ -	\$ -	\$ 459,289.71
09/01/33	\$ 200,000.00	\$ 207,093.76	\$ 407,093.76	\$ 49,988.62	\$ -	\$ 16,375.00	\$ -	\$ -	\$ 473,457.38
09/01/34	\$ 200,000.00	\$ 194,593.76	\$ 394,593.76	\$ 50,988.39	\$ -	\$ 15,375.00	\$ -	\$ -	\$ 460,957.15
09/01/35	\$ 225,000.00	\$ 182,093.76	\$ 407,093.76	\$ 52,008.16	\$ -	\$ 14,375.00	\$ -	\$ -	\$ 473,476.92
09/01/36	\$ 225,000.00	\$ 168,031.26	\$ 393,031.26	\$ 53,048.32	\$ -	\$ 13,250.00	\$ -	\$ -	\$ 459,329.58
09/01/37	\$ 250,000.00	\$ 153,968.76	\$ 403,968.76	\$ 54,109.29	\$ -	\$ 12,125.00	\$ -	\$ -	\$ 470,203.05
09/01/38	\$ 250,000.00	\$ 138,343.76	\$ 388,343.76	\$ 55,191.47	\$ -	\$ 10,875.00	\$ -	\$ -	\$ 454,410.23
09/01/39	\$ 275,000.00	\$ 122,718.76	\$ 397,718.76	\$ 56,295.30	\$ -	\$ 9,625.00	\$ -	\$ -	\$ 463,639.06
09/01/40	\$ 300,000.00	\$ 105,187.50	\$ 405,187.50	\$ 57,421.21	\$ -	\$ 8,250.00	\$ -	\$ -	\$ 470,858.71
09/01/41	\$ 300,000.00	\$ 86,062.50	\$ 386,062.50	\$ 58,569.63	\$ -	\$ 6,750.00	\$ -	\$ -	\$ 451,382.13
09/01/42	\$ 325,000.00	\$ 66,937.50	\$ 391,937.50	\$ 59,741.03	\$ -	\$ 5,250.00	\$ -	\$ -	\$ 456,928.53
09/01/43	\$ 350,000.00	\$ 46,218.76	\$ 396,218.76	\$ 60,935.85	\$ -	\$ 3,625.00	\$ -	\$ -	\$ 460,779.61
09/01/44	\$ 375,000.00	\$ 23,906.26	\$ 398,906.26	\$ 62,154.56	\$ -	\$ 1,875.00	\$ 407,093.76	\$ -	\$ 55,842.06
	\$ 5,200,000.00	\$ 6,483,262.77	\$ 11,683,262.77	\$ 1,419,882.77	\$ 78,000.00	\$ 439,800.00	\$ 407,093.76	\$ 350,807.24	\$ 12,863,044.54

Preliminary and Subject to Change.

(a) The 09/01/XX dates represent Installment due dates for the Bonds which are intended to cover both bi-annual payments.

(b) Gross of Capitalized Interest

(c) Preliminary Estimate. The administrative charges will be revised in Annual Service Plan Updates based on actual costs.

**Appendix B-2
Annual Installments - Parcel No. R524552**

Installment Due Date (a)	Master Bonds			Administrative Expenses	Prepayment Reserve	Delinquency Reserve	Debt Service Reserve Fund	Capitalized Interest	Annual Installment
	Principal	Interest (b)	Net Debt Service	(c)					
09/01/15	\$ -	\$ 29,499.52	\$ 29,499.52	\$ 4,020.18	\$ 955.65	\$ 1,433.48	\$ -	\$ 29,499.52	\$ 6,409.32
09/01/16	\$ 8,614.67	\$ 36,874.39	\$ 45,489.07	\$ 4,100.58	\$ 1,194.57	\$ 1,791.85	\$ -	\$ 10,795.02	\$ 41,781.06
09/01/17	\$ 8,614.67	\$ 36,379.05	\$ 44,993.72	\$ 4,182.60	\$ 1,177.34	\$ 1,766.01	\$ -	\$ -	\$ 52,119.67
09/01/18	\$ 8,614.67	\$ 35,883.71	\$ 44,498.38	\$ 4,266.25	\$ 1,160.11	\$ 1,740.16	\$ -	\$ -	\$ 51,664.90
09/01/19	\$ 8,614.67	\$ 35,388.36	\$ 44,003.04	\$ 4,351.57	\$ 1,142.88	\$ 1,714.32	\$ -	\$ -	\$ 51,211.81
09/01/20	\$ 8,614.67	\$ 34,893.02	\$ 43,507.69	\$ 4,438.60	\$ 1,125.65	\$ 1,688.48	\$ -	\$ -	\$ 50,760.42
09/01/21	\$ 8,614.67	\$ 34,397.68	\$ 43,012.35	\$ 4,527.38	\$ 1,108.42	\$ 1,662.63	\$ -	\$ -	\$ 50,310.78
09/01/22	\$ 11,486.23	\$ 33,902.33	\$ 45,388.56	\$ 4,617.92	\$ 1,091.19	\$ 1,636.79	\$ -	\$ -	\$ 52,734.47
09/01/23	\$ 11,486.23	\$ 33,241.87	\$ 44,728.10	\$ 4,710.28	\$ 3.45	\$ 2,667.10	\$ -	\$ -	\$ 52,108.94
09/01/24	\$ 11,486.23	\$ 32,581.42	\$ 44,067.65	\$ 4,804.49	\$ -	\$ 2,613.12	\$ -	\$ -	\$ 51,485.25
09/01/25	\$ 14,357.79	\$ 31,920.96	\$ 46,278.75	\$ 4,900.58	\$ -	\$ 2,555.69	\$ -	\$ -	\$ 53,735.01
09/01/26	\$ 14,357.79	\$ 31,095.38	\$ 45,453.17	\$ 4,998.59	\$ -	\$ 2,483.90	\$ -	\$ -	\$ 52,935.66
09/01/27	\$ 14,357.79	\$ 30,269.81	\$ 44,627.60	\$ 5,098.56	\$ -	\$ 2,412.11	\$ -	\$ -	\$ 52,138.27
09/01/28	\$ 17,229.35	\$ 29,444.24	\$ 46,673.59	\$ 5,200.53	\$ -	\$ 2,340.32	\$ -	\$ -	\$ 54,214.44
09/01/29	\$ 17,229.35	\$ 28,453.55	\$ 45,682.90	\$ 5,304.54	\$ -	\$ 2,254.17	\$ -	\$ -	\$ 53,241.61
09/01/30	\$ 17,229.35	\$ 27,376.72	\$ 44,606.06	\$ 5,410.63	\$ -	\$ 2,168.03	\$ -	\$ -	\$ 52,184.72
09/01/31	\$ 20,100.91	\$ 26,299.88	\$ 46,400.79	\$ 5,518.85	\$ -	\$ 2,081.88	\$ -	\$ -	\$ 54,001.51
09/01/32	\$ 20,100.91	\$ 25,043.58	\$ 45,144.48	\$ 5,629.22	\$ -	\$ 1,981.37	\$ -	\$ -	\$ 52,755.08
09/01/33	\$ 22,972.46	\$ 23,787.27	\$ 46,759.73	\$ 5,741.81	\$ -	\$ 1,880.87	\$ -	\$ -	\$ 54,382.41
09/01/34	\$ 22,972.46	\$ 22,351.49	\$ 45,323.95	\$ 5,856.64	\$ -	\$ 1,766.01	\$ -	\$ -	\$ 52,946.61
09/01/35	\$ 25,844.02	\$ 20,915.71	\$ 46,759.73	\$ 5,973.78	\$ -	\$ 1,651.15	\$ -	\$ -	\$ 54,384.66
09/01/36	\$ 25,844.02	\$ 19,300.46	\$ 45,144.48	\$ 6,093.25	\$ -	\$ 1,521.93	\$ -	\$ -	\$ 52,759.66
09/01/37	\$ 28,715.58	\$ 17,685.21	\$ 46,400.79	\$ 6,215.12	\$ -	\$ 1,392.71	\$ -	\$ -	\$ 54,008.61
09/01/38	\$ 28,715.58	\$ 15,890.48	\$ 44,606.06	\$ 6,339.42	\$ -	\$ 1,249.13	\$ -	\$ -	\$ 52,194.61
09/01/39	\$ 31,587.14	\$ 14,095.76	\$ 45,682.90	\$ 6,466.21	\$ -	\$ 1,105.55	\$ -	\$ -	\$ 53,254.66
09/01/40	\$ 34,458.69	\$ 12,082.08	\$ 46,540.77	\$ 6,595.53	\$ -	\$ 947.61	\$ -	\$ -	\$ 54,083.92
09/01/41	\$ 34,458.69	\$ 9,885.34	\$ 44,344.03	\$ 6,727.44	\$ -	\$ 775.32	\$ -	\$ -	\$ 51,846.80
09/01/42	\$ 37,330.25	\$ 7,688.60	\$ 45,018.85	\$ 6,861.99	\$ -	\$ 603.03	\$ -	\$ -	\$ 52,483.87
09/01/43	\$ 40,201.81	\$ 5,308.79	\$ 45,510.60	\$ 6,999.23	\$ -	\$ 416.38	\$ -	\$ -	\$ 52,926.21
09/01/44	\$ 43,073.37	\$ 2,745.93	\$ 45,819.30	\$ 7,139.22	\$ -	\$ 215.37	\$ 46,759.73	\$ -	\$ 6,414.15
	\$ 597,284.04	\$ 744,682.58	\$ 1,341,966.62	\$ 163,091.02	\$ 8,959.26	\$ 50,516.45	\$ 46,759.73	\$ 40,294.53	\$ 1,477,479.09

Preliminary and Subject to Change.

(a) The 09/01/XX dates represent Installment due dates for the Bonds which are intended to cover both bi-annual payments.

(b) Gross of Capitalized Interest

(c) Preliminary Estimate. The administrative charges will be revised in Annual Service Plan Updates based on actual costs.

Appendix B-3
Annual Installments - Parcel No. R529006

Installment Due Date (a)	Master Bonds			Administrative Expenses	Prepayment Reserve	Delinquency Reserve	Debt Service Reserve Fund	Capitalized Interest	Annual Installment
	Principal	Interest (b)	Net Debt Service	(c)					
09/01/15	\$ -	\$ 60,748.97	\$ 60,748.97	\$ 8,278.84	\$ 1,968.00	\$ 2,952.00	\$ -	\$ 60,748.97	\$ 13,198.84
09/01/16	\$ 17,740.38	\$ 75,936.21	\$ 93,676.59	\$ 8,444.42	\$ 2,460.00	\$ 3,690.00	\$ -	\$ 22,230.40	\$ 86,040.61
09/01/17	\$ 17,740.38	\$ 74,916.14	\$ 92,656.52	\$ 8,613.31	\$ 2,424.52	\$ 3,636.78	\$ -	\$ -	\$ 107,331.12
09/01/18	\$ 17,740.38	\$ 73,896.07	\$ 91,636.45	\$ 8,785.57	\$ 2,389.04	\$ 3,583.56	\$ -	\$ -	\$ 106,394.62
09/01/19	\$ 17,740.38	\$ 72,876.00	\$ 90,616.38	\$ 8,961.29	\$ 2,353.56	\$ 3,530.34	\$ -	\$ -	\$ 105,461.55
09/01/20	\$ 17,740.38	\$ 71,855.93	\$ 89,596.30	\$ 9,140.51	\$ 2,318.08	\$ 3,477.11	\$ -	\$ -	\$ 104,532.01
09/01/21	\$ 17,740.38	\$ 70,835.85	\$ 88,576.23	\$ 9,323.32	\$ 2,282.60	\$ 3,423.89	\$ -	\$ -	\$ 103,606.04
09/01/22	\$ 23,653.84	\$ 69,815.78	\$ 93,469.62	\$ 9,509.79	\$ 2,247.11	\$ 3,370.67	\$ -	\$ -	\$ 108,597.20
09/01/23	\$ 23,653.84	\$ 68,455.69	\$ 92,109.52	\$ 9,699.98	\$ 7.10	\$ 5,492.42	\$ -	\$ -	\$ 107,309.03
09/01/24	\$ 23,653.84	\$ 67,095.59	\$ 90,749.43	\$ 9,893.98	\$ -	\$ 5,381.25	\$ -	\$ -	\$ 106,024.66
09/01/25	\$ 29,567.30	\$ 65,735.50	\$ 95,302.79	\$ 10,091.86	\$ -	\$ 5,262.98	\$ -	\$ -	\$ 110,657.64
09/01/26	\$ 29,567.30	\$ 64,035.38	\$ 93,602.67	\$ 10,293.70	\$ -	\$ 5,115.14	\$ -	\$ -	\$ 109,011.52
09/01/27	\$ 29,567.30	\$ 62,335.26	\$ 91,902.55	\$ 10,499.57	\$ -	\$ 4,967.31	\$ -	\$ -	\$ 107,369.43
09/01/28	\$ 35,480.76	\$ 60,635.14	\$ 96,115.89	\$ 10,709.57	\$ -	\$ 4,819.47	\$ -	\$ -	\$ 111,644.93
09/01/29	\$ 35,480.76	\$ 58,594.99	\$ 94,075.75	\$ 10,923.76	\$ -	\$ 4,642.07	\$ -	\$ -	\$ 109,641.57
09/01/30	\$ 35,480.76	\$ 56,377.45	\$ 91,858.20	\$ 11,142.23	\$ -	\$ 4,464.66	\$ -	\$ -	\$ 107,465.10
09/01/31	\$ 41,394.22	\$ 54,159.90	\$ 95,554.11	\$ 11,365.08	\$ -	\$ 4,287.26	\$ -	\$ -	\$ 111,206.45
09/01/32	\$ 41,394.22	\$ 51,572.76	\$ 92,966.98	\$ 11,592.38	\$ -	\$ 4,080.29	\$ -	\$ -	\$ 108,639.64
09/01/33	\$ 47,307.68	\$ 48,985.62	\$ 96,293.30	\$ 11,824.23	\$ -	\$ 3,873.32	\$ -	\$ -	\$ 111,990.84
09/01/34	\$ 47,307.68	\$ 46,028.89	\$ 93,336.57	\$ 12,060.71	\$ -	\$ 3,636.78	\$ -	\$ -	\$ 109,034.06
09/01/35	\$ 53,221.13	\$ 43,072.16	\$ 96,293.30	\$ 12,301.93	\$ -	\$ 3,400.24	\$ -	\$ -	\$ 111,995.46
09/01/36	\$ 53,221.13	\$ 39,745.84	\$ 92,966.98	\$ 12,547.96	\$ -	\$ 3,134.13	\$ -	\$ -	\$ 108,649.07
09/01/37	\$ 59,134.59	\$ 36,419.52	\$ 95,554.11	\$ 12,798.92	\$ -	\$ 2,868.03	\$ -	\$ -	\$ 111,221.07
09/01/38	\$ 59,134.59	\$ 32,723.61	\$ 91,858.20	\$ 13,054.90	\$ -	\$ 2,572.35	\$ -	\$ -	\$ 107,485.46
09/01/39	\$ 65,048.05	\$ 29,027.70	\$ 94,075.75	\$ 13,316.00	\$ -	\$ 2,276.68	\$ -	\$ -	\$ 109,668.43
09/01/40	\$ 70,961.51	\$ 24,880.88	\$ 95,842.39	\$ 13,582.32	\$ -	\$ 1,951.44	\$ -	\$ -	\$ 111,376.15
09/01/41	\$ 70,961.51	\$ 20,357.08	\$ 91,318.60	\$ 13,853.97	\$ -	\$ 1,596.63	\$ -	\$ -	\$ 106,769.20
09/01/42	\$ 76,874.97	\$ 15,833.29	\$ 92,708.26	\$ 14,131.05	\$ -	\$ 1,241.83	\$ -	\$ -	\$ 108,081.13
09/01/43	\$ 82,788.43	\$ 10,932.51	\$ 93,720.94	\$ 14,413.67	\$ -	\$ 857.45	\$ -	\$ -	\$ 108,992.06
09/01/44	\$ 88,701.89	\$ 5,654.75	\$ 94,356.64	\$ 14,701.94	\$ -	\$ 443.51	\$ 96,293.30	\$ -	\$ 13,208.79
	\$ 1,229,999.56	\$ 1,533,540.45	\$ 2,763,540.01	\$ 335,856.77	\$ 18,449.99	\$ 104,029.58	\$ 96,293.30	\$ 82,979.38	\$ 3,042,603.67

Preliminary and Subject to Change.

(a) The 09/01/XX dates represent Installment due dates for the Bonds which are intended to cover both bi-annual payments.

(b) Gross of Capitalized Interest

(c) Preliminary Estimate. The administrative charges will be revised in Annual Service Plan Updates based on actual costs.

**Appendix B-4
Annual Installments - Parcel No. R529007**

Installment Due Date (a)	Master Bonds			Administrative Expenses	Prepayment Reserve	Delinquency Reserve	Debt Service Reserve Fund	Capitalized Interest	Annual Installment
	Principal	Interest (b)	Net Debt Service	(c)					
09/01/15	\$ -	\$ 40,381.56	\$ 40,381.56	\$ 5,503.18	\$ 1,308.18	\$ 1,962.28	\$ -	\$ 40,381.56	\$ 8,773.64
09/01/16	\$ 11,792.53	\$ 50,476.95	\$ 62,269.48	\$ 5,613.24	\$ 1,635.23	\$ 2,452.85	\$ -	\$ 14,777.18	\$ 57,193.62
09/01/17	\$ 11,792.53	\$ 49,798.88	\$ 61,591.41	\$ 5,725.51	\$ 1,611.65	\$ 2,417.47	\$ -	\$ -	\$ 71,346.03
09/01/18	\$ 11,792.53	\$ 49,120.81	\$ 60,913.34	\$ 5,840.02	\$ 1,588.06	\$ 2,382.09	\$ -	\$ -	\$ 70,723.51
09/01/19	\$ 11,792.53	\$ 48,442.74	\$ 60,235.27	\$ 5,956.82	\$ 1,564.48	\$ 2,346.71	\$ -	\$ -	\$ 70,103.28
09/01/20	\$ 11,792.53	\$ 47,764.67	\$ 59,557.20	\$ 6,075.96	\$ 1,540.89	\$ 2,311.34	\$ -	\$ -	\$ 69,485.38
09/01/21	\$ 11,792.53	\$ 47,086.60	\$ 58,879.13	\$ 6,197.48	\$ 1,517.31	\$ 2,275.96	\$ -	\$ -	\$ 68,869.87
09/01/22	\$ 15,723.37	\$ 46,408.53	\$ 62,131.90	\$ 6,321.43	\$ 1,493.72	\$ 2,240.58	\$ -	\$ -	\$ 72,187.63
09/01/23	\$ 15,723.37	\$ 45,504.43	\$ 61,227.81	\$ 6,447.85	\$ 4.72	\$ 3,650.97	\$ -	\$ -	\$ 71,331.34
09/01/24	\$ 15,723.37	\$ 44,600.34	\$ 60,323.71	\$ 6,576.81	\$ -	\$ 3,577.07	\$ -	\$ -	\$ 70,477.59
09/01/25	\$ 19,654.22	\$ 43,696.24	\$ 63,350.46	\$ 6,708.35	\$ -	\$ 3,498.45	\$ -	\$ -	\$ 73,557.26
09/01/26	\$ 19,654.22	\$ 42,566.13	\$ 62,220.34	\$ 6,842.51	\$ -	\$ 3,400.18	\$ -	\$ -	\$ 72,463.04
09/01/27	\$ 19,654.22	\$ 41,436.01	\$ 61,090.23	\$ 6,979.36	\$ -	\$ 3,301.91	\$ -	\$ -	\$ 71,371.50
09/01/28	\$ 23,585.06	\$ 40,305.89	\$ 63,890.95	\$ 7,118.95	\$ -	\$ 3,203.64	\$ -	\$ -	\$ 74,213.54
09/01/29	\$ 23,585.06	\$ 38,949.75	\$ 62,534.81	\$ 7,261.33	\$ -	\$ 3,085.71	\$ -	\$ -	\$ 72,881.85
09/01/30	\$ 23,585.06	\$ 37,475.68	\$ 61,060.75	\$ 7,406.56	\$ -	\$ 2,967.79	\$ -	\$ -	\$ 71,435.09
09/01/31	\$ 27,515.91	\$ 36,001.62	\$ 63,517.52	\$ 7,554.69	\$ -	\$ 2,849.86	\$ -	\$ -	\$ 73,922.07
09/01/32	\$ 27,515.91	\$ 34,281.87	\$ 61,797.78	\$ 7,705.78	\$ -	\$ 2,712.28	\$ -	\$ -	\$ 72,215.84
09/01/33	\$ 31,446.75	\$ 32,562.13	\$ 64,008.88	\$ 7,859.90	\$ -	\$ 2,574.70	\$ -	\$ -	\$ 74,443.48
09/01/34	\$ 31,446.75	\$ 30,596.71	\$ 62,043.46	\$ 8,017.10	\$ -	\$ 2,417.47	\$ -	\$ -	\$ 72,478.02
09/01/35	\$ 35,377.59	\$ 28,631.28	\$ 64,008.88	\$ 8,177.44	\$ -	\$ 2,260.24	\$ -	\$ -	\$ 74,446.55
09/01/36	\$ 35,377.59	\$ 26,420.18	\$ 61,797.78	\$ 8,340.99	\$ -	\$ 2,083.35	\$ -	\$ -	\$ 72,222.11
09/01/37	\$ 39,308.44	\$ 24,209.09	\$ 63,517.52	\$ 8,507.81	\$ -	\$ 1,906.46	\$ -	\$ -	\$ 73,931.79
09/01/38	\$ 39,308.44	\$ 21,752.31	\$ 61,060.75	\$ 8,677.96	\$ -	\$ 1,709.92	\$ -	\$ -	\$ 71,448.62
09/01/39	\$ 43,239.28	\$ 19,295.53	\$ 62,534.81	\$ 8,851.52	\$ -	\$ 1,513.37	\$ -	\$ -	\$ 72,899.71
09/01/40	\$ 47,170.12	\$ 16,539.02	\$ 63,709.15	\$ 9,028.55	\$ -	\$ 1,297.18	\$ -	\$ -	\$ 74,034.88
09/01/41	\$ 47,170.12	\$ 13,531.93	\$ 60,702.05	\$ 9,209.12	\$ -	\$ 1,061.33	\$ -	\$ -	\$ 70,972.50
09/01/42	\$ 51,100.97	\$ 10,524.83	\$ 61,625.80	\$ 9,393.31	\$ -	\$ 825.48	\$ -	\$ -	\$ 71,844.59
09/01/43	\$ 55,031.81	\$ 7,267.15	\$ 62,298.96	\$ 9,581.17	\$ -	\$ 569.97	\$ -	\$ -	\$ 72,450.10
09/01/44	\$ 58,962.66	\$ 3,758.87	\$ 62,721.53	\$ 9,772.80	\$ -	\$ 294.81	\$ 64,008.88	\$ -	\$ 8,780.26
	\$ 817,615.49	\$ 1,019,387.71	\$ 1,837,003.20	\$ 223,253.49	\$ 12,264.23	\$ 69,151.40	\$ 64,008.88	\$ 55,158.74	\$ 2,022,504.71

Preliminary and Subject to Change.

(a) The 09/01/XX dates represent Installment due dates for the Bonds which are intended to cover both bi-annual payments.

(b) Gross of Capitalized Interest

(c) Preliminary Estimate. The administrative charges will be revised in Annual Service Plan Updates based on actual costs.

**Appendix B-5
Annual Installments - Parcel No. R529008**

Installment Due Date (a)	Master Bonds			Administrative Expenses	Prepayment Reserve	Delinquency Reserve	Debt Service Reserve Fund	Capitalized Interest	Annual Installment
	Principal	Interest (b)	Net Debt Service	(c)					
09/01/15	\$ -	\$ 13,582.89	\$ 13,582.89	\$ 1,851.07	\$ 440.03	\$ 660.04	\$ -	\$ 13,582.89	\$ 2,951.13
09/01/16	\$ 3,966.58	\$ 16,978.61	\$ 20,945.19	\$ 1,888.09	\$ 550.03	\$ 825.05	\$ -	\$ 4,970.51	\$ 19,237.86
09/01/17	\$ 3,966.58	\$ 16,750.53	\$ 20,717.11	\$ 1,925.85	\$ 542.10	\$ 813.15	\$ -	\$ -	\$ 23,998.21
09/01/18	\$ 3,966.58	\$ 16,522.45	\$ 20,489.03	\$ 1,964.37	\$ 534.17	\$ 801.25	\$ -	\$ -	\$ 23,788.82
09/01/19	\$ 3,966.58	\$ 16,294.38	\$ 20,260.95	\$ 2,003.66	\$ 526.23	\$ 789.35	\$ -	\$ -	\$ 23,580.19
09/01/20	\$ 3,966.58	\$ 16,066.30	\$ 20,032.88	\$ 2,043.73	\$ 518.30	\$ 777.45	\$ -	\$ -	\$ 23,372.36
09/01/21	\$ 3,966.58	\$ 15,838.22	\$ 19,804.80	\$ 2,084.61	\$ 510.37	\$ 765.55	\$ -	\$ -	\$ 23,165.32
09/01/22	\$ 5,288.77	\$ 15,610.14	\$ 20,898.91	\$ 2,126.30	\$ 502.43	\$ 753.65	\$ -	\$ -	\$ 24,281.29
09/01/23	\$ 5,288.77	\$ 15,306.04	\$ 20,594.81	\$ 2,168.82	\$ 1.59	\$ 1,228.05	\$ -	\$ -	\$ 23,993.27
09/01/24	\$ 5,288.77	\$ 15,001.93	\$ 20,290.70	\$ 2,212.20	\$ -	\$ 1,203.20	\$ -	\$ -	\$ 23,706.10
09/01/25	\$ 6,610.96	\$ 14,697.83	\$ 21,308.79	\$ 2,256.44	\$ -	\$ 1,176.75	\$ -	\$ -	\$ 24,741.99
09/01/26	\$ 6,610.96	\$ 14,317.70	\$ 20,928.66	\$ 2,301.57	\$ -	\$ 1,143.70	\$ -	\$ -	\$ 24,373.93
09/01/27	\$ 6,610.96	\$ 13,937.57	\$ 20,548.53	\$ 2,347.60	\$ -	\$ 1,110.64	\$ -	\$ -	\$ 24,006.78
09/01/28	\$ 7,933.16	\$ 13,557.44	\$ 21,490.59	\$ 2,394.56	\$ -	\$ 1,077.59	\$ -	\$ -	\$ 24,962.74
09/01/29	\$ 7,933.16	\$ 13,101.28	\$ 21,034.44	\$ 2,442.45	\$ -	\$ 1,037.92	\$ -	\$ -	\$ 24,514.81
09/01/30	\$ 7,933.16	\$ 12,605.46	\$ 20,538.61	\$ 2,491.30	\$ -	\$ 998.26	\$ -	\$ -	\$ 24,028.17
09/01/31	\$ 9,255.35	\$ 12,109.63	\$ 21,364.98	\$ 2,541.12	\$ -	\$ 958.59	\$ -	\$ -	\$ 24,864.70
09/01/32	\$ 9,255.35	\$ 11,531.18	\$ 20,786.53	\$ 2,591.94	\$ -	\$ 912.31	\$ -	\$ -	\$ 24,290.78
09/01/33	\$ 10,577.54	\$ 10,952.72	\$ 21,530.26	\$ 2,643.78	\$ -	\$ 866.04	\$ -	\$ -	\$ 25,040.08
09/01/34	\$ 10,577.54	\$ 10,291.62	\$ 20,869.16	\$ 2,696.66	\$ -	\$ 813.15	\$ -	\$ -	\$ 24,378.97
09/01/35	\$ 11,899.74	\$ 9,630.52	\$ 21,530.26	\$ 2,750.59	\$ -	\$ 760.26	\$ -	\$ -	\$ 25,041.11
09/01/36	\$ 11,899.74	\$ 8,886.79	\$ 20,786.53	\$ 2,805.60	\$ -	\$ 700.76	\$ -	\$ -	\$ 24,292.89
09/01/37	\$ 13,221.93	\$ 8,143.06	\$ 21,364.98	\$ 2,861.72	\$ -	\$ 641.26	\$ -	\$ -	\$ 24,867.96
09/01/38	\$ 13,221.93	\$ 7,316.69	\$ 20,538.61	\$ 2,918.95	\$ -	\$ 575.15	\$ -	\$ -	\$ 24,032.72
09/01/39	\$ 14,544.12	\$ 6,490.31	\$ 21,034.44	\$ 2,977.33	\$ -	\$ 509.04	\$ -	\$ -	\$ 24,520.81
09/01/40	\$ 15,866.31	\$ 5,563.13	\$ 21,429.44	\$ 3,036.88	\$ -	\$ 436.32	\$ -	\$ -	\$ 24,902.64
09/01/41	\$ 15,866.31	\$ 4,551.65	\$ 20,417.96	\$ 3,097.61	\$ -	\$ 356.99	\$ -	\$ -	\$ 23,872.57
09/01/42	\$ 17,188.51	\$ 3,540.17	\$ 20,728.68	\$ 3,159.57	\$ -	\$ 277.66	\$ -	\$ -	\$ 24,165.91
09/01/43	\$ 18,510.70	\$ 2,444.40	\$ 20,955.11	\$ 3,222.76	\$ -	\$ 191.72	\$ -	\$ -	\$ 24,369.58
09/01/44	\$ 19,832.89	\$ 1,264.35	\$ 21,097.24	\$ 3,287.21	\$ -	\$ 99.16	\$ 21,530.26	\$ -	\$ 2,953.36
	\$ 275,016.12	\$ 342,884.96	\$ 617,901.08	\$ 75,094.36	\$ 4,125.24	\$ 23,260.02	\$ 21,530.26	\$ 18,553.39	\$ 680,297.04

Preliminary and Subject to Change.

(a) The 09/01/XX dates represent Installment due dates for the Bonds which are intended to cover both bi-annual payments.

(b) Gross of Capitalized Interest

(c) Preliminary Estimate. The administrative charges will be revised in Annual Service Plan Updates based on actual costs.

**Appendix B-6
Annual Installments - Parcel No. R529009**

Installment Due Date (a)	Master Bonds			Administrative Expenses	Prepayment Reserve	Delinquency Reserve	Debt Service Reserve Fund	Capitalized Interest	Annual Installment
	Principal	Interest (b)	Net Debt Service	(c)					
09/01/15	\$ -	\$ 57,819.05	\$ 57,819.05	\$ 7,879.55	\$ 1,873.08	\$ 2,809.62	\$ -	\$ 57,819.05	\$ 12,562.26
09/01/16	\$ 16,884.76	\$ 72,273.81	\$ 89,158.57	\$ 8,037.15	\$ 2,341.35	\$ 3,512.03	\$ -	\$ 21,158.23	\$ 81,890.87
09/01/17	\$ 16,884.76	\$ 71,302.94	\$ 88,187.70	\$ 8,197.89	\$ 2,307.58	\$ 3,461.38	\$ -	\$ -	\$ 102,154.55
09/01/18	\$ 16,884.76	\$ 70,332.06	\$ 87,216.83	\$ 8,361.85	\$ 2,273.81	\$ 3,410.72	\$ -	\$ -	\$ 101,263.21
09/01/19	\$ 16,884.76	\$ 69,361.19	\$ 86,245.95	\$ 8,529.08	\$ 2,240.04	\$ 3,360.07	\$ -	\$ -	\$ 100,375.15
09/01/20	\$ 16,884.76	\$ 68,390.32	\$ 85,275.08	\$ 8,699.67	\$ 2,206.28	\$ 3,309.41	\$ -	\$ -	\$ 99,490.43
09/01/21	\$ 16,884.76	\$ 67,419.44	\$ 84,304.20	\$ 8,873.66	\$ 2,172.51	\$ 3,258.76	\$ -	\$ -	\$ 98,609.13
09/01/22	\$ 22,513.01	\$ 66,448.57	\$ 88,961.58	\$ 9,051.13	\$ 2,138.74	\$ 3,208.10	\$ -	\$ -	\$ 103,359.56
09/01/23	\$ 22,513.01	\$ 65,154.07	\$ 87,667.09	\$ 9,232.15	\$ 6.75	\$ 5,227.52	\$ -	\$ -	\$ 102,133.52
09/01/24	\$ 22,513.01	\$ 63,859.57	\$ 86,372.59	\$ 9,416.80	\$ -	\$ 5,121.71	\$ -	\$ -	\$ 100,911.10
09/01/25	\$ 28,141.27	\$ 62,565.08	\$ 90,706.34	\$ 9,605.13	\$ -	\$ 5,009.15	\$ -	\$ -	\$ 105,320.62
09/01/26	\$ 28,141.27	\$ 60,946.95	\$ 89,088.22	\$ 9,797.24	\$ -	\$ 4,868.44	\$ -	\$ -	\$ 103,753.90
09/01/27	\$ 28,141.27	\$ 59,328.83	\$ 87,470.10	\$ 9,993.18	\$ -	\$ 4,727.73	\$ -	\$ -	\$ 102,191.01
09/01/28	\$ 33,769.52	\$ 57,710.71	\$ 91,480.23	\$ 10,193.04	\$ -	\$ 4,587.03	\$ -	\$ -	\$ 106,260.30
09/01/29	\$ 33,769.52	\$ 55,768.96	\$ 89,538.48	\$ 10,396.91	\$ -	\$ 4,418.18	\$ -	\$ -	\$ 104,353.56
09/01/30	\$ 33,769.52	\$ 53,658.36	\$ 87,427.88	\$ 10,604.84	\$ -	\$ 4,249.33	\$ -	\$ -	\$ 102,282.06
09/01/31	\$ 39,397.77	\$ 51,547.77	\$ 90,945.54	\$ 10,816.94	\$ -	\$ 4,080.48	\$ -	\$ -	\$ 105,842.97
09/01/32	\$ 39,397.77	\$ 49,085.41	\$ 88,483.18	\$ 11,033.28	\$ -	\$ 3,883.49	\$ -	\$ -	\$ 103,399.96
09/01/33	\$ 45,026.03	\$ 46,623.05	\$ 91,649.08	\$ 11,253.94	\$ -	\$ 3,686.51	\$ -	\$ -	\$ 106,589.53
09/01/34	\$ 45,026.03	\$ 43,808.92	\$ 88,834.95	\$ 11,479.02	\$ -	\$ 3,461.38	\$ -	\$ -	\$ 103,775.35
09/01/35	\$ 50,654.28	\$ 40,994.79	\$ 91,649.08	\$ 11,708.60	\$ -	\$ 3,236.25	\$ -	\$ -	\$ 106,593.92
09/01/36	\$ 50,654.28	\$ 37,828.90	\$ 88,483.18	\$ 11,942.78	\$ -	\$ 2,982.97	\$ -	\$ -	\$ 103,408.93
09/01/37	\$ 56,282.53	\$ 34,663.01	\$ 90,945.54	\$ 12,181.63	\$ -	\$ 2,729.70	\$ -	\$ -	\$ 105,856.88
09/01/38	\$ 56,282.53	\$ 31,145.35	\$ 87,427.88	\$ 12,425.26	\$ -	\$ 2,448.29	\$ -	\$ -	\$ 102,301.44
09/01/39	\$ 61,910.79	\$ 27,627.69	\$ 89,538.48	\$ 12,673.77	\$ -	\$ 2,166.88	\$ -	\$ -	\$ 104,379.13
09/01/40	\$ 67,539.04	\$ 23,680.88	\$ 91,219.92	\$ 12,927.24	\$ -	\$ 1,857.32	\$ -	\$ -	\$ 106,004.49
09/01/41	\$ 67,539.04	\$ 19,375.26	\$ 86,914.30	\$ 13,185.79	\$ -	\$ 1,519.63	\$ -	\$ -	\$ 101,619.72
09/01/42	\$ 73,167.30	\$ 15,069.65	\$ 88,236.94	\$ 13,449.51	\$ -	\$ 1,181.93	\$ -	\$ -	\$ 102,868.38
09/01/43	\$ 78,795.55	\$ 10,405.24	\$ 89,200.78	\$ 13,718.50	\$ -	\$ 816.10	\$ -	\$ -	\$ 103,735.38
09/01/44	\$ 84,423.80	\$ 5,382.02	\$ 89,805.82	\$ 13,992.87	\$ -	\$ 422.12	\$ 91,649.08	\$ -	\$ 12,571.73
	\$ 1,170,676.73	\$ 1,459,577.85	\$ 2,630,254.58	\$ 319,658.41	\$ 17,560.15	\$ 99,012.24	\$ 91,649.08	\$ 78,977.28	\$ 2,895,859.02

Preliminary and Subject to Change.

(a) The 09/01/XX dates represent Installment due dates for the Bonds which are intended to cover both bi-annual payments.

(b) Gross of Capitalized Interest

(c) Preliminary Estimate. The administrative charges will be revised in Annual Service Plan Updates based on actual costs.

**Appendix B-7
Annual Installments - Parcel No. R529010**

Installment Due Date (a)	Master Bonds			Administrative Expenses	Prepayment Reserve	Delinquency Reserve	Debt Service Reserve Fund	Capitalized Interest	Annual Installment
	Principal	Interest (b)	Net Debt Service	(c)					
09/01/15	\$ -	\$ 23,009.62	\$ 23,009.62	\$ 3,135.74	\$ 745.41	\$ 1,118.12	\$ -	\$ 23,009.62	\$ 4,999.27
09/01/16	\$ 6,719.45	\$ 28,762.03	\$ 35,481.47	\$ 3,198.46	\$ 931.76	\$ 1,397.64	\$ -	\$ 8,420.11	\$ 32,589.22
09/01/17	\$ 6,719.45	\$ 28,375.66	\$ 35,095.10	\$ 3,262.43	\$ 918.32	\$ 1,377.49	\$ -	\$ -	\$ 40,653.34
09/01/18	\$ 6,719.45	\$ 27,989.29	\$ 34,708.74	\$ 3,327.67	\$ 904.89	\$ 1,357.33	\$ -	\$ -	\$ 40,298.62
09/01/19	\$ 6,719.45	\$ 27,602.92	\$ 34,322.37	\$ 3,394.23	\$ 891.45	\$ 1,337.17	\$ -	\$ -	\$ 39,945.21
09/01/20	\$ 6,719.45	\$ 27,216.55	\$ 33,936.00	\$ 3,462.11	\$ 878.01	\$ 1,317.01	\$ -	\$ -	\$ 39,593.13
09/01/21	\$ 6,719.45	\$ 26,830.19	\$ 33,549.63	\$ 3,531.35	\$ 864.57	\$ 1,296.85	\$ -	\$ -	\$ 39,242.41
09/01/22	\$ 8,959.26	\$ 26,443.82	\$ 35,403.08	\$ 3,601.98	\$ 851.13	\$ 1,276.69	\$ -	\$ -	\$ 41,132.88
09/01/23	\$ 8,959.26	\$ 25,928.66	\$ 34,887.92	\$ 3,674.02	\$ 2.69	\$ 2,080.34	\$ -	\$ -	\$ 40,644.97
09/01/24	\$ 8,959.26	\$ 25,413.50	\$ 34,372.76	\$ 3,747.50	\$ -	\$ 2,038.23	\$ -	\$ -	\$ 40,158.50
09/01/25	\$ 11,199.08	\$ 24,898.35	\$ 36,097.42	\$ 3,822.45	\$ -	\$ 1,993.44	\$ -	\$ -	\$ 41,913.31
09/01/26	\$ 11,199.08	\$ 24,254.40	\$ 35,453.48	\$ 3,898.90	\$ -	\$ 1,937.44	\$ -	\$ -	\$ 41,289.82
09/01/27	\$ 11,199.08	\$ 23,610.45	\$ 34,809.53	\$ 3,976.88	\$ -	\$ 1,881.44	\$ -	\$ -	\$ 40,667.85
09/01/28	\$ 13,438.89	\$ 22,966.51	\$ 36,405.40	\$ 4,056.42	\$ -	\$ 1,825.45	\$ -	\$ -	\$ 42,287.26
09/01/29	\$ 13,438.89	\$ 22,193.77	\$ 35,632.66	\$ 4,137.54	\$ -	\$ 1,758.25	\$ -	\$ -	\$ 41,528.46
09/01/30	\$ 13,438.89	\$ 21,353.84	\$ 34,792.73	\$ 4,220.29	\$ -	\$ 1,691.06	\$ -	\$ -	\$ 40,704.09
09/01/31	\$ 15,678.71	\$ 20,513.91	\$ 36,192.61	\$ 4,304.70	\$ -	\$ 1,623.87	\$ -	\$ -	\$ 42,121.18
09/01/32	\$ 15,678.71	\$ 19,533.99	\$ 35,212.70	\$ 4,390.79	\$ -	\$ 1,545.47	\$ -	\$ -	\$ 41,148.96
09/01/33	\$ 17,918.52	\$ 18,554.07	\$ 36,472.59	\$ 4,478.61	\$ -	\$ 1,467.08	\$ -	\$ -	\$ 42,418.28
09/01/34	\$ 17,918.52	\$ 17,434.16	\$ 35,352.68	\$ 4,568.18	\$ -	\$ 1,377.49	\$ -	\$ -	\$ 41,298.35
09/01/35	\$ 20,158.34	\$ 16,314.25	\$ 36,472.59	\$ 4,659.55	\$ -	\$ 1,287.89	\$ -	\$ -	\$ 42,420.03
09/01/36	\$ 20,158.34	\$ 15,054.36	\$ 35,212.70	\$ 4,752.74	\$ -	\$ 1,187.10	\$ -	\$ -	\$ 41,152.53
09/01/37	\$ 22,398.15	\$ 13,794.46	\$ 36,192.61	\$ 4,847.79	\$ -	\$ 1,086.31	\$ -	\$ -	\$ 42,126.72
09/01/38	\$ 22,398.15	\$ 12,394.58	\$ 34,792.73	\$ 4,944.75	\$ -	\$ 974.32	\$ -	\$ -	\$ 40,711.80
09/01/39	\$ 24,637.97	\$ 10,994.69	\$ 35,632.66	\$ 5,043.64	\$ -	\$ 862.33	\$ -	\$ -	\$ 41,538.63
09/01/40	\$ 26,877.78	\$ 9,424.02	\$ 36,301.80	\$ 5,144.52	\$ -	\$ 739.14	\$ -	\$ -	\$ 42,185.46
09/01/41	\$ 26,877.78	\$ 7,710.56	\$ 34,588.35	\$ 5,247.41	\$ -	\$ 604.75	\$ -	\$ -	\$ 40,440.50
09/01/42	\$ 29,117.60	\$ 5,997.11	\$ 35,114.70	\$ 5,352.35	\$ -	\$ 470.36	\$ -	\$ -	\$ 40,937.42
09/01/43	\$ 31,357.41	\$ 4,140.86	\$ 35,498.27	\$ 5,459.40	\$ -	\$ 324.77	\$ -	\$ -	\$ 41,282.45
09/01/44	\$ 33,597.23	\$ 2,141.82	\$ 35,739.05	\$ 5,568.59	\$ -	\$ 167.99	\$ 36,472.59	\$ -	\$ 5,003.04
	\$ 465,881.55	\$ 580,852.41	\$ 1,046,733.97	\$ 127,211.00	\$ 6,988.22	\$ 39,402.83	\$ 36,472.59	\$ 31,429.74	\$ 1,152,433.69

Preliminary and Subject to Change.

(a) The 09/01/XX dates represent Installment due dates for the Bonds which are intended to cover both bi-annual payments.

(b) Gross of Capitalized Interest

(c) Preliminary Estimate. The administrative charges will be revised in Annual Service Plan Updates based on actual costs.

**Appendix B-8
Annual Installments - Parcel No. R529012**

Installment Due Date (a)	Master Bonds			Administrative Expenses	Prepayment Reserve	Delinquency Reserve	Debt Service Reserve Fund	Capitalized Interest	Annual Installment
	Principal	Interest (b)	Net Debt Service	(c)					
09/01/15	\$ -	\$ 29,215.15	\$ 29,215.15	\$ 3,981.43	\$ 946.44	\$ 1,419.66	\$ -	\$ 29,215.15	\$ 6,347.53
09/01/16	\$ 8,531.63	\$ 36,518.94	\$ 45,050.57	\$ 4,061.06	\$ 1,183.05	\$ 1,774.58	\$ -	\$ 10,690.96	\$ 41,378.31
09/01/17	\$ 8,531.63	\$ 36,028.37	\$ 44,560.01	\$ 4,142.28	\$ 1,165.99	\$ 1,748.98	\$ -	\$ -	\$ 51,617.26
09/01/18	\$ 8,531.63	\$ 35,537.80	\$ 44,069.44	\$ 4,225.12	\$ 1,148.93	\$ 1,723.39	\$ -	\$ -	\$ 51,166.88
09/01/19	\$ 8,531.63	\$ 35,047.24	\$ 43,578.87	\$ 4,309.63	\$ 1,131.86	\$ 1,697.79	\$ -	\$ -	\$ 50,718.15
09/01/20	\$ 8,531.63	\$ 34,556.67	\$ 43,088.30	\$ 4,395.82	\$ 1,114.80	\$ 1,672.20	\$ -	\$ -	\$ 50,271.12
09/01/21	\$ 8,531.63	\$ 34,066.10	\$ 42,597.73	\$ 4,483.74	\$ 1,097.74	\$ 1,646.61	\$ -	\$ -	\$ 49,825.81
09/01/22	\$ 11,375.51	\$ 33,575.53	\$ 44,951.04	\$ 4,573.41	\$ 1,080.67	\$ 1,621.01	\$ -	\$ -	\$ 52,226.13
09/01/23	\$ 11,375.51	\$ 32,921.44	\$ 44,296.95	\$ 4,664.88	\$ 3.41	\$ 2,641.39	\$ -	\$ -	\$ 51,606.63
09/01/24	\$ 11,375.51	\$ 32,267.35	\$ 43,642.86	\$ 4,758.18	\$ -	\$ 2,587.93	\$ -	\$ -	\$ 50,988.96
09/01/25	\$ 14,219.39	\$ 31,613.25	\$ 45,832.64	\$ 4,853.34	\$ -	\$ 2,531.05	\$ -	\$ -	\$ 53,217.03
09/01/26	\$ 14,219.39	\$ 30,795.64	\$ 45,015.03	\$ 4,950.41	\$ -	\$ 2,459.95	\$ -	\$ -	\$ 52,425.39
09/01/27	\$ 14,219.39	\$ 29,978.02	\$ 44,197.41	\$ 5,049.41	\$ -	\$ 2,388.86	\$ -	\$ -	\$ 51,635.68
09/01/28	\$ 17,063.26	\$ 29,160.41	\$ 46,223.67	\$ 5,150.40	\$ -	\$ 2,317.76	\$ -	\$ -	\$ 53,691.84
09/01/29	\$ 17,063.26	\$ 28,179.27	\$ 45,242.54	\$ 5,253.41	\$ -	\$ 2,232.44	\$ -	\$ -	\$ 52,728.39
09/01/30	\$ 17,063.26	\$ 27,112.82	\$ 44,176.08	\$ 5,358.48	\$ -	\$ 2,147.13	\$ -	\$ -	\$ 51,681.69
09/01/31	\$ 19,907.14	\$ 26,046.36	\$ 45,953.51	\$ 5,465.65	\$ -	\$ 2,061.81	\$ -	\$ -	\$ 53,480.96
09/01/32	\$ 19,907.14	\$ 24,802.17	\$ 44,709.31	\$ 5,574.96	\$ -	\$ 1,962.28	\$ -	\$ -	\$ 52,246.55
09/01/33	\$ 22,751.02	\$ 23,557.97	\$ 46,308.99	\$ 5,686.46	\$ -	\$ 1,862.74	\$ -	\$ -	\$ 53,858.19
09/01/34	\$ 22,751.02	\$ 22,136.03	\$ 44,887.05	\$ 5,800.19	\$ -	\$ 1,748.98	\$ -	\$ -	\$ 52,436.23
09/01/35	\$ 25,594.90	\$ 20,714.09	\$ 46,308.99	\$ 5,916.19	\$ -	\$ 1,635.23	\$ -	\$ -	\$ 53,860.41
09/01/36	\$ 25,594.90	\$ 19,114.41	\$ 44,709.31	\$ 6,034.52	\$ -	\$ 1,507.26	\$ -	\$ -	\$ 52,251.08
09/01/37	\$ 28,438.77	\$ 17,514.73	\$ 45,953.51	\$ 6,155.21	\$ -	\$ 1,379.28	\$ -	\$ -	\$ 53,487.99
09/01/38	\$ 28,438.77	\$ 15,737.31	\$ 44,176.08	\$ 6,278.31	\$ -	\$ 1,237.09	\$ -	\$ -	\$ 51,691.48
09/01/39	\$ 31,282.65	\$ 13,959.88	\$ 45,242.54	\$ 6,403.88	\$ -	\$ 1,094.89	\$ -	\$ -	\$ 52,741.31
09/01/40	\$ 34,126.53	\$ 11,965.61	\$ 46,092.14	\$ 6,531.96	\$ -	\$ 938.48	\$ -	\$ -	\$ 53,562.58
09/01/41	\$ 34,126.53	\$ 9,790.05	\$ 43,916.58	\$ 6,662.59	\$ -	\$ 767.85	\$ -	\$ -	\$ 51,347.02
09/01/42	\$ 36,970.41	\$ 7,614.48	\$ 44,584.89	\$ 6,795.85	\$ -	\$ 597.21	\$ -	\$ -	\$ 51,977.95
09/01/43	\$ 39,814.28	\$ 5,257.62	\$ 45,071.90	\$ 6,931.76	\$ -	\$ 412.36	\$ -	\$ -	\$ 52,416.03
09/01/44	\$ 42,658.16	\$ 2,719.46	\$ 45,377.62	\$ 7,070.40	\$ -	\$ 213.29	\$ 46,308.99	\$ -	\$ 6,352.32
	\$ 591,526.50	\$ 737,504.19	\$ 1,329,030.69	\$ 161,518.90	\$ 8,872.90	\$ 50,029.49	\$ 46,308.99	\$ 39,906.11	\$ 1,463,236.88

Preliminary and Subject to Change.

(a) The 09/01/XX dates represent Installment due dates for the Bonds which are intended to cover both bi-annual payments.

(b) Gross of Capitalized Interest

(c) Preliminary Estimate. The administrative charges will be revised in Annual Service Plan Updates based on actual costs.

Appendix C

Legal Descriptions for Parcels within PID

Appendix D

Phasing Plan

Appendix E

Public Improvements

FIELD NOTES**FOR****PHASE 1**

A 7.419 acre, or 323,160 square feet more or less, tract of land out of a called 25.319 acre tract conveyed to Sentinel/Cotter Leander LLC, recorded in Document No. 2013144493 of the Official Public Records of Williamson County, Texas and out of a called 125.575 acre tract conveyed to Sentinel/Cotter Leander LLC, recorded in Document No. 2013089235 of the Official Public Records of Williamson County, Texas, situate in the Charles Cochran Survey, Abstract 134, in the City of Leander, Williamson County, Texas. Said 7.419 acre tract being more fully described as follows, with bearings based on the North American Datum of 1983 (NA 2011) epoch 2010.00, from the Texas Coordinate System established for the Central Zone:

BEGINNING: At a set ½" iron rod with yellow cap marked "Pape-Dawson", a point in the southeast right of way line of South Brook Drive, a variable width right of way recorded in the Amended Plat of Heritage Glen, Section 1, Document No. 2012059320 of the Official Public Records of Williamson County, Texas and a point in a west line of said called 125.575 acre tract, from which a found iron rod bears S 21°04'04" E, 2.08 feet, the north corner of Lot 1, Block A of said Amending Plat of Heritage Glen;

THENCE: N 21°04'24"W, along and with the northeast right of way line of said South Brook Drive and a west line of said called 125.575 acre tract, a distance of 60.00 feet set ½" iron rod with yellow cap marked "Pape-Dawson", a point in the northeast right of way line of said South Brook Drive and a point in a west line of said called 125.575 acre tract, from which a found iron rod with cap marked "ALL POINTS" bears N 21°04'24" W, 1.91 feet, a point in the northeast right of way line of said South Brook Drive, a southeast corner of Lot 1, Block D of said Amending Plat of Heritage Glen and a northwest corner of said called 125.575 acre tract;

THENCE: Departing the northeast right of way line of said South Brook Drive and a west line of said called 125.575 acre tract, over and across said called 125.575 acre tract the following calls and distances:

N 68°53'25" E, a distance of 274.28 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Northeasterly, along a tangent curve to the left, said curve having radius of 15.00 feet, a central angle of $89^{\circ}59'39''$, a chord bearing and distance of $N 23^{\circ}53'36'' E$, 21.21 feet, an arc length of 23.56 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

$N 68^{\circ}53'12'' E$, a distance of 50.00 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

Southeasterly, along a non-tangent curve to the left, said curve having a radial bearing of $N 68^{\circ}53'46'' E$, a radius of 15.00 feet, a central angle of $90^{\circ}00'21''$, a chord bearing and distance of $S 66^{\circ}06'24'' E$, 21.21 feet, an arc length of 23.56 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

$N 68^{\circ}53'25'' E$, a distance of 112.49 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

Northeasterly, along a tangent curve to the left, said curve having radius of 870.00 feet, a central angle of $41^{\circ}08'18''$, a chord bearing and distance of $N 48^{\circ}19'16'' E$, 611.33 feet, an arc length of 624.66 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

$N 27^{\circ}45'07'' E$, a distance of 168.62 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

Northeasterly, along a tangent curve to the right, said curve having radius of 630.00 feet, a central angle of $15^{\circ}46'52''$, a chord bearing and distance of $N 35^{\circ}38'33'' E$, 172.97 feet, an arc length of 173.52 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

Northeasterly, along a reverse curve to the left, said curve having radius of 15.00 feet, a central angle of $86^{\circ}26'40''$, a chord bearing and distance of $N 00^{\circ}18'39'' E$, 20.54 feet, an arc length of 22.63 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

$N 47^{\circ}05'19'' E$, a distance of 50.00 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

Southeasterly, along a non-tangent curve to the left, said curve having a radial bearing of $N 47^{\circ}05'19'' E$, a radius of 15.00 feet, a central angle of $86^{\circ}26'40''$, a chord bearing and distance of $S 86^{\circ}08'01'' E$, 20.54 feet, an arc length of 22.63 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

Northeasterly, along a reverse curve to the right, said curve having radius of 630.00 feet, a central angle of $12^{\circ}17'05''$, a chord bearing and distance of $N 56^{\circ}47'11'' E$, 134.82 feet, an arc length of 135.08 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

$N 62^{\circ}55'43'' E$, a distance of 115.27 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

Northeasterly, along a tangent curve to the left, said curve having radius of 60.00 feet, a central angle of $51^{\circ}38'01''$, a chord bearing and distance of $N 37^{\circ}06'43'' E$, 52.26 feet, an arc length of 54.07 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

Northeasterly, along a reverse curve to the right, said curve having radius of 85.00 feet, a central angle of $10^{\circ}07'16''$, a chord bearing and distance of $N 16^{\circ}21'21'' E$, 15.00 feet, an arc length of 15.01 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

Northwesterly, along a reverse curve to the left, said curve having radius of 45.00 feet, a central angle of $54^{\circ}45'56''$, a chord bearing and distance of $N 05^{\circ}58'00'' W$, 41.39 feet, an arc length of 43.01 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

$N 33^{\circ}20'58'' W$, a distance of 118.61 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

Northwesterly, along a tangent curve to the right, said curve having radius of 530.00 feet, a central angle of $34^{\circ}48'37''$, a chord bearing and distance of $N 15^{\circ}56'39'' W$, 317.07 feet, an arc length of 322.00 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

Northwesterly, along a reverse curve to the left, said curve having radius of 15.00 feet, a central angle of $90^{\circ}21'34''$, a chord bearing and distance of $N 43^{\circ}43'08'' W$, 21.28 feet, an arc length of 23.66 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

$N 88^{\circ}53'55'' W$, a distance of 5.00 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

N 01°06'05" E, a distance of 50.00 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 88°53'55" E, a distance of 5.90 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Northeasterly, along a tangent curve to the left, said curve having radius of 15.00 feet, a central angle of 89°20'52", a chord bearing and distance of N 46°25'39" E, 21.09 feet, an arc length of 23.39 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: N 01°45'13" E, at a distance of 331.68 feet passing the north line of said called 125.575 acre tract and the south line of the aforementioned 25.319 acre tract, continuing over and across said called 25.319 acre tract, for a total distance of 485.70 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: Continuing over and across said called 25.575 acre tract the following calls and distances:

Northwesterly, along a tangent curve to the left, said curve having radius of 15.00 feet, a central angle of 90°00'00", a chord bearing and distance of N 43°14'47" W, 21.21 feet, an arc length of 23.56 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 01°45'13" E, a distance of 50.00 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Northeasterly, along a non-tangent curve to the left, said curve having a radial bearing of N 01°45'13" E, a radius of 15.00 feet, a central angle of 90°00'00", a chord bearing and distance of N 46°45'13" E, 21.21 feet, an arc length of 23.56 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: N 01°45'13" E, a distance of 127.71 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson", a point in the north line of said called 25.319 acre tract and a point in the south line of San Gabriel Parkway, a variable width right of way;

THENCE: Southeasterly, along a non-tangent curve to the left, said curve having a radial bearing of N 02°26'50" E, a radius of 2149.70 feet, a central angle of 01°35'56", a chord bearing and distance of S 88°21'08" E, 60.00 feet, an arc length of 60.00 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson", a point in the north line of said called 25.319 acre tract and a point in the south right of way line of said San Gabriel Parkway;

THENCE: S 01°45'13" W, departing the north line of said called 25.319 acre tract and the south right of way line of said San Gabriel Parkway, over and across said called 25.319 acre tract, at a distance of 330.10 feet passing the south line of said called 25.319 acre tract and the north line of said called 125.575 acre tract continuing for a total distance of 692.30 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: Continuing over and across said called 125.575 acre tract the following calls and distances:

Southeasterly, along a non-tangent curve to the left, said curve having a radial bearing of S 87°28'43" E, a radius of 15.00 feet, a central angle of 91°25'12", a chord bearing and distance of S 43°11'19" E, 21.48 feet, an arc length of 23.94 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 88°53'55" E, a distance of 5.00 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 01°06'05" W, a distance of 50.00 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 88°53'55" W, a distance of 5.91 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Southwesterly, along a tangent curve to the left, said curve having radius of 15.00 feet, a central angle of 89°34'10", a chord bearing and distance of S 46°19'00" W, 21.13 feet, an arc length of 23.45 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Southeasterly, along a compound curve to the left, said curve having radius of 470.00 feet, a central angle of 34°52'53", a chord bearing and distance of S 15°54'31" E, 281.73 feet, an arc length of 286.13 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 33°20'58" E, a distance of 111.11 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Southeasterly, along a tangent curve to the left, said curve having radius of 60.00 feet, a central angle of 51°38'01", a chord bearing and distance of S 59°09'58" E, 52.26 feet, an arc length of 54.07 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Southeasterly, along a reverse curve to the right, said curve having radius of 85.00 feet, a central angle of 15°43'05", a chord bearing and distance of S 77°07'26" E, 23.25 feet, an arc length of 23.32 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Northeasterly, along a reverse curve to the left, said curve having radius of 45.00 feet, a central angle of 54°45'56", a chord bearing and distance of N 83°21'09" E, 41.39 feet, an arc length of 43.01 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 55°58'11" E, a distance of 129.38 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Northeasterly, along a tangent curve to the right, said curve having radius of 430.00 feet, a central angle of 44°03'40", a chord bearing and distance of N 78°00'01" E, 322.59 feet, an arc length of 330.68 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 79°58'09" E, a distance of 336.04 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: Southeasterly, along a tangent curve to the left, said curve having radius of 620.00 feet, a central angle of 01°17'14", a chord bearing and distance of S 80°36'46" E, 13.93 feet, an arc length of 13.93 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson", a point in the east line of said called 125.575 acre tract and a point in the west line of a called 164.446 acre tract conveyed to Waterstone Michelle LP, recorded in Document No. 2004063368 of the Official Public Records of Williamson County, Texas;

THENCE: S 21°01'39" E, along and with the east line of said called 125.575 acre tract and the west line of said called 164.466 acre tract, a distance of 68.15 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: Northwesterly, along a non-tangent curve to the right, departing the east line of said called 125.575 acre tract and the west line of said called 164.466 acre tract, over and across said called 125.575 acre tract, said curve having a radial bearing of N 05°53'28" E, a radius of 680.00 feet, a central angle of 04°08'23", a chord bearing and distance of N 82°02'20" W, 49.12 feet, an arc length of 49.13 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: Continuing over and across said called 125.575 acre tract the following calls and distances:

N 79°58'09" W, a distance of 170.10 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Southwesterly, along a tangent curve to the left, said curve having radius of 25.00 feet, a central angle of 90°00'00", a chord bearing and distance of S 55°01'51" W, 35.36 feet, an arc length of 39.27 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 79°58'09" W, a distance of 46.00 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Northwesterly, along a non-tangent curve to the left, said curve having a radial bearing of N 79°58'09" W, a radius of 25.00 feet, a central angle of 90°00'00", a chord bearing and distance of N 34°58'09" W, 35.36 feet, an arc length of 39.27 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 79°58'09" W, a distance of 69.95 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Southwesterly, along a tangent curve to the left, said curve having radius of 370.00 feet, a central angle of 44°03'40", a chord bearing and distance of S 78°00'01" W, 277.58 feet, an arc length of 284.54 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 55°58'11" W, a distance of 121.87 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Southwesterly, along a tangent curve to the left, said curve having radius of 60.00 feet, a central angle of 51°38'01", a chord bearing and distance of S 30°09'10" W, 52.26 feet, an arc length of 54.07 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Southwesterly, along a reverse curve to the right, said curve having radius of 85.00 feet, a central angle of $07^{\circ}38'31''$, a chord bearing and distance of $S 08^{\circ}09'26'' W$, 11.33 feet, an arc length of 11.34 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

Southeasterly, along a reverse curve to the left, said curve having radius of 45.00 feet, a central angle of $54^{\circ}45'56''$, a chord bearing and distance of $S 15^{\circ}24'17'' E$, 41.39 feet, an arc length of 43.01 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

$S 42^{\circ}47'15'' E$, a distance of 142.08 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

Northeasterly, along a tangent curve to the left, said curve having radius of 15.00 feet, a central angle of $97^{\circ}41'38''$, a chord bearing and distance of $N 88^{\circ}21'56'' E$, 22.59 feet, an arc length of 25.58 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

$N 39^{\circ}31'07'' E$, a distance of 7.03 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

$S 50^{\circ}28'53'' E$, a distance of 46.00 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

$S 39^{\circ}31'07'' W$, a distance of 5.00 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

Southeasterly, along a tangent curve to the left, said curve having radius of 15.00 feet, a central angle of $97^{\circ}12'16''$, a chord bearing and distance of $S 09^{\circ}05'01'' E$, 22.50 feet, an arc length of 25.45 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

Southeasterly, along a compound curve to the left, said curve having radius of 318.00 feet, a central angle of $11^{\circ}46'37''$, a chord bearing and distance of $S 63^{\circ}34'28'' E$, 65.25 feet, an arc length of 65.36 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

$S 69^{\circ}27'46'' E$, a distance of 238.21 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

Southeasterly, along a tangent curve to the right, said curve having radius of 382.00 feet, a central angle of $48^{\circ}39'25''$, a chord bearing and distance of $S 45^{\circ}08'04'' E$, 314.74 feet, an arc length of 324.40 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

THENCE: $S 20^{\circ}48'21'' E$, a distance of 81.91 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson", a point in the south line of said called 125.575 acre tract and a point in the north line of Lot 1, Block N, shown in the final plat of Northside Meadow, Phase 1A recorded in Document No. 2014025255 of the Official Public Records of Williamson County, Texas, from which a found MAG nail with shiner stamped "Chaparral" bears $N 75^{\circ}04'45'' E$, 300.96 feet;

THENCE: $S 75^{\circ}04'43'' W$, along and with the south line of said called 125.575 acre tract and the north line of said Lot 1, Block N, at a distance of 1.84 feet passing the northeast corner of W. Broade Street, recorded in said Final Plat of Northside Meadows, continuing along and with the south line of said called 125.575 acre tract and the north right of way line of said W. Broade Street, at a distance of 62.47 feet passing the northwest corner of said W. Broade Street and the northeast corner a called 69.3222 acre tract conveyed to Continental Homes of Texas LP., recorded in Document No. 2013016235 of the Official Public Records of Williamson County, Texas, continuing along and with the south line of said called 125.575 acre tract and the north line of called 69.3222 acre tract, for a total distance of 64.34 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

THENCE: Departing the south line of said called 125.575 acre tract and the north line of said called 69.3222 acre tract, over and across said called 125.575 acre tract the following calls and distances:

$N 20^{\circ}48'21'' W$, a distance of 75.31 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

Northwesterly, along a tangent curve to the left, said curve having radius of 318.00 feet, a central angle of $44^{\circ}11'39''$, a chord bearing and distance of $N 42^{\circ}54'10'' W$, 239.25 feet, an arc length of 245.28 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

Southwesterly, along a compound curve to the left, said curve having radius of 15.00 feet, a central angle of $94^{\circ}27'47''$, a chord bearing and distance of $S 67^{\circ}46'07'' W$, 22.02 feet, an arc length of 24.73 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

N 69°27'46" W, a distance of 48.00 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Northwesterly, along a non-tangent curve to the left, said curve having a radial bearing of N 65°57'04" W, a radius of 15.00 feet, a central angle of 93°37'09", a chord bearing and distance of N 22°45'39" W, 21.87 feet, an arc length of 24.51 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 69°27'46" W, a distance of 183.79 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Northwesterly, along a tangent curve to the right, said curve having radius of 382.00 feet, a central angle of 13°20'38", a chord bearing and distance of N 62°47'27" W, 88.77 feet, an arc length of 88.97 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Southwesterly, along a non-tangent curve to the left, said curve having a radial bearing of S 33°59'13" W, a radius of 15.00 feet, a central angle of 80°59'27", a chord bearing and distance of S 83°29'30" W, 19.48 feet, an arc length of 21.20 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 50°28'53" W, a distance of 48.00 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Northwesterly, along a non-tangent curve to the left, said curve having a radial bearing of N 47°14'01" W, a radius of 15.00 feet, a central angle of 85°38'48", a chord bearing and distance of N 00°03'25" W, 20.39 feet, an arc length of 22.42 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 42°47'15" W, a distance of 145.73 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Northwesterly, along a tangent curve to the left, said curve having radius of 60.00 feet, a central angle of 51°38'01", a chord bearing and distance of N 68°36'15" W, 52.26 feet, an arc length of 54.07 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Northwesterly, along a reverse curve to the right, said curve having radius of 85.00 feet, a central angle of $32^{\circ}06'55''$, a chord bearing and distance of $N 78^{\circ}21'48'' W$, 47.02 feet, an arc length of 47.64 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

Northwesterly, along a reverse curve to the left, said curve having radius of 45.00 feet, a central angle of $54^{\circ}45'56''$, a chord bearing and distance of $N 89^{\circ}41'19'' W$, 41.39 feet, an arc length of 43.01 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

$S 62^{\circ}56'45'' W$, a distance of 16.80 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

$S 62^{\circ}55'33'' W$, a distance of 105.97 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

Southwesterly, along a tangent curve to the left, said curve having radius of 570.00 feet, a central angle of $35^{\circ}10'36''$, a chord bearing and distance of $S 45^{\circ}20'25'' W$, 344.48 feet, an arc length of 349.95 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

$S 27^{\circ}45'07'' W$, a distance of 168.62 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

Southwesterly, along a tangent curve to the right, said curve having radius of 930.00 feet, a central angle of $08^{\circ}48'12''$, a chord bearing and distance of $S 32^{\circ}09'13'' W$, 142.75 feet, an arc length of 142.89 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

Southeasterly, along a non-tangent curve to the left, said curve having a radial bearing of $S 49^{\circ}31'12'' E$, a radius of 14.00 feet, a central angle of $91^{\circ}41'31''$, a chord bearing and distance of $S 05^{\circ}21'57'' E$, 20.09 feet, an arc length of 22.40 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

$S 38^{\circ}55'14'' W$, a distance of 48.00 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

Southwesterly, along a non-tangent curve to the left, said curve having a radial bearing of $S 39^{\circ}03'11'' W$, a radius of 14.00 feet, a central angle of $91^{\circ}41'31''$, a chord bearing and distance of $S 83^{\circ}12'26'' W$, 20.09 feet, an arc length of 22.40 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

Southwesterly, along a non-tangent curve to the right, said curve having a radial bearing of N 48°42'51" W, a radius of 930.00 feet, a central angle of 27°36'16", a chord bearing and distance of S 55°05'17" W, 443.74 feet, an arc length of 448.06 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: S 68°53'25" W, a distance of 466.80 feet to the POINT OF BEGINNING and containing 7.419 acres in the City of Leander, Williamson County, Texas. Said tract being accordance with a survey made on the ground under Job No. 50784-00 by Pape Dawson Engineers, Inc.

PREPARED BY: Pape-Dawson Engineers, Inc.
DATE: June 26, 2014
JOB No.: 50784-00
DOC.ID.: H:\survey\CIVIL\50784-00\Word\7.419 Acre Phase 1.docx
TBPE Firm Registration #470
TBPLS Firm Registration #100288-00



A handwritten signature in black ink, appearing to read "G. E. Buchanan", written over the bottom portion of the professional seal.



TAX Parcel #'s: R52900, R529001, R529002,
R529003, R529004, R529005

LAND DEVELOPMENT ENVIRONMENTAL TRANSPORTATION WATER RESOURCES SURVEYING

FIELD NOTES
FOR
PHASE 1A, PART 1

A 0.057 of an acre, or 2,493 square feet more or less, tract of land out of a called 25.319 acre tract conveyed to Sentinel/Cotter Leander LLC, recorded in Document No. 2013144493 of the Official Public Records of Williamson County, Texas. Said 0.057 of an acre tract being more fully described as follows, with bearings based on the North American Datum of 1983 (NA 2011) epoch 2010.00, from the Texas Coordinate System established for the Central Zone:

BEGINNING: At a found iron rod with cap marked "Chaparral", the northeast corner of said called 25.319 acre tract, the northwest corner of a called 107.928 acre tract conveyed to Waterstone Tylerville LP, recorded in Document No. 2004063370 of the Official Public Records of Williamson County, Texas and a point in the south right of way line of San Gabriel Parkway, a variable width right of way:

THENCE: S 00°24'10" E, departing the south right of way line of said San Gabriel Parkway, along and with the east line of said called 25.319 acre tract and the west line of said called 107.928 acre tract, a distance of 20.00 feet to a found iron rod with cap marked "Chaparral";

THENCE: S 46°02'48" W, along and with a southeast line of said called 25.319 acre tract and a northwest line of said called 107.928 acre tract, a distance of 35.85 feet to a found iron rod with cap marked "Chaparral";

THENCE: N 88°14'47" W, along and with a south line of said called 25.319 acre tract and a north line of said called 107.928 acre tract, a distance of 20.00 feet to a found iron rod with cap marked "Chaparral";

THENCE: S 01°45'13" W, along and with the west line of said called 25.319 acre tract and the east line of said called 107.928 acre tract, a distance of 284.43 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson", a point in the south line of said called 25.319 acre tract, a southwest corner of said called 107.928 acre tract and a point in the north line of a called 125.575 acre tract, conveyed to Sentinel/Cotter Leander LLC., recorded in Document No. 2013089235 of the Official Public Records of Williamson County, Texas;

THENCE: S 63°52'34" W, along and with the south line of said called 25.319 acre tract and the north line of said called 125.575 acre tract, a distance of 2.74 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson";

THENCE: N 01°45'13" E, departing the south line of said called 25.319 acre tract and the north line of said called 125.575 acre tract, over and across said called 25.319 acre tract, a distance of 330.10 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson", a point in the north line of said called 25.319 acre tract and a point in the south right of way line of said San Gabriel Parkway;

THENCE: Southeasterly, along a non-tangent curve to the left, along and with the north line of said called 25.319 acre tract and the south right of way line of said San Gabriel Parkway, said curve having a radial bearing of N 00°50'53" E, a radius of 2149.70 feet, a central angle of 01°14'42", a chord bearing and distance of S 89°46'23" E, 46.71 feet, an arc length of 46.71 feet to the POINT OF BEGINNING and containing 0.057 of an acre in the City of Leander, Williamson County, Texas. Said tract being accordance with a survey made on the ground under Job No. 50784-00 by Pape Dawson Engineers, Inc.

PREPARED BY: Pape-Dawson Engineers, Inc.

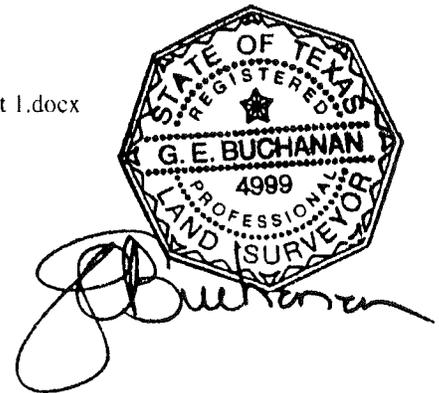
DATE: June 30, 2014

JOB No.: 50784-00

DOC.ID.: H:\survey\CIVIL\50784-00\Word\0.057 of an Acre Phase 1a_Part 1.docx

TBPE Firm Registration #470

TBPLS Firm Registration #100288-00





LAND DEVELOPMENT ENVIRONMENTAL TRANSPORTATION WATER RESOURCES SURVEYING

FIELD NOTES
FOR
PHASE 1A, PART 2

A 5.390 acre, or 234,803 square feet more or less, tract of land out of a called 125.575 acre tract conveyed to Sentinel/Cotter Leander LLC, recorded in Document No. 2013089235 of the Official Public Records of Williamson County, Texas, situate in the Charles Cochran Survey, Abstract 134, in the City of Leander, Williamson County, Texas. Said 5.390 acre tract being more fully described as follows, with bearings based on the North American Datum of 1983 (NA 2011) epoch 2010.00, from the Texas Coordinate System established for the Central Zone:

COMMENCING: At a found iron rod with cap marked "Chaparral", the northeast corner of said called 25.319 acre tract, the northwest corner of a called 107.928 acre tract conveyed to Waterstone Tylerville LP, recorded in Document No. 2004063370 of the Official Public Records of Williamson County, Texas and a point in the south right of way line of San Gabriel Parkway, a variable width right of way:

THENCE: S 00°24'10" E, departing the south right of way line of said San Gabriel Parkway, along and with the east line of said called 25.319 acre tract and the west line of said called 107.928 acre tract, a distance of 20.00 feet to a found iron rod with cap marked "Chaparral";

THENCE: S 46°02'48" W, along and with a southeast line of said called 25.319 acre tract and a northwest line of said called 107.928 acre tract, a distance of 35.85 feet to a found iron rod with cap marked "Chaparral";

THENCE: N 88°14'47" W, along and with a south line of said called 25.319 acre tract and a north line of said called 107.928 acre tract, a distance of 20.00 feet to a found iron rod with cap marked "Chaparral";

THENCE: S 01°45'13" W, along and with the west line of said called 25.319 acre tract and the east line of said called 107.928 acre tract, a distance of 284.43 feet to a set 1/2" iron rod with yellow cap marked "Pape-Dawson", a point in the south line of said called 25.319 acre tract, a southwest corner of said called 107.928 acre tract and a point in the north line said called 125.575 acre tract, the POINT OF BEGINNING;

- THENCE: N 63°52'34" E, along and with a south line of said called 107.928 acre tract and the north line of said called 125.575 acre tract, a distance of 54.95 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";
- THENCE: S 86°44'26" E, along and with a south line of said called 107.928 acre tract and the north line of said called 125.575 acre tract, a distance of 11.33 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson", a south corner of said called 107.928 acre tract, a point in the north line of said called 125.575 acre tract and the northwest corner of a called 3.150 acre tract conveyed to Arnold and Jeanne Thompson recorded in Document No. 2000053933 of the Official Public Records of Williamson County, Texas;
- THENCE: S 00°44'37" E, along and with an east line of said called 125.575 acre tract and the west line of said called 3.150 acre tract, at a distance of 22.42 feet passing a found iron rod, continuing for a total distance of 117.75 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson", a northeast corner of said called 125.575 acre tract and the southwest corner of said called 3.150 acre tract;
- THENCE: N 88°20'25" E, along and with a north line of said called 125.575 acre tract and the south line of said called 3.150 acre tract, a distance of 440.85 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";
- THENCE: N 88°34'53" E, along and with a north line of said called 125.575 acre tract and the south line of said called 3.150 acre tract, a distance of 234.17 feet to a found iron rod with cap marked "Chaparral", the northeast corner of said called 125.575 acre tract, a point in the south line of said called 3.150 acre tract and the northwest corner of a called 164.466 acre tract conveyed to Waterstone Michelle LP, recorded in Document No. 2004063368 of the Official Public Records of Williamson County, Texas;
- THENCE: S 21°01'39" E, along and with the east line of said called 125.575 acre tract and the west line of said called 164.466 acre tract, a distance of 728.60 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";
- THENCE: Departing the east line of said called 125.575 acre tract and the west line of said called 164.466 acre tract, over and across said called 125.575 acre tract the following calls and distances:

Northwesterly, along a non-tangent curve to the right, said curve having a radial bearing of N 08°44'38" E, a radius of 619.97 feet, a central angle of 01°17'14", a chord bearing and distance of N 80°36'45" W, 13.93 feet, an arc length of 13.93 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 79°58'09" W, a distance of 199.08 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 10°01'51" E, a distance of 161.95 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 00°00'00" E, a distance of 54.14 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 25°09'23" W, a distance of 112.68 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 60°54'35" W, a distance of 227.90 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 76°28'41" W, a distance of 140.01 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 71°57'27" W, a distance of 182.94 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 90°00'00" W, a distance of 271.79 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 01°45'13" E, a distance of 315.22 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson", a point in the north line of said called 125.575 acre tract and a point in the south line of the aforementioned called 25.319 acre tract;

5.390 Acres
Job No. 50784-00
Page 4 of 4

THENCE: N 63°52'34" E, along and with the north line of said called 125.575 acre tract and the south line of said called 25.319 acre tract, a distance of 2.74 feet to the POINT OF BEGINNING and containing 5.390 acres in the City of Leander, Williamson County, Texas. Said tract being accordance with a survey made on the ground under Job No. 50784-00 by Pape Dawson Engineers, Inc.

PREPARED BY: Pape-Dawson Engineers, Inc.

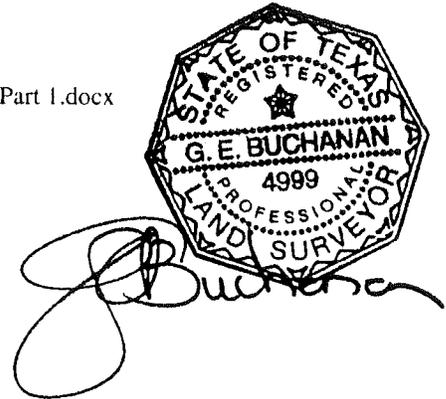
DATE: June 30, 2014

JOB No.: 50784-00

DOC.ID.: H:\survey\CIVIL\50784-00\Word\0.057 of an Acre Phase 1a_Part 1.docx

TBPE Firm Registration #470

TBPLS Firm Registration #100288-00





LAND DEVELOPMENT ENVIRONMENTAL TRANSPORTATION WATER RESOURCES SURVEYING

FIELD NOTES
FOR
PHASE 1A, PART 3

A 0.506 of an acre, or 22,052 square feet more or less, tract of land out of a called 125.575 acre tract conveyed to Sentinel/Cotter Leander LLC, recorded in Document No. 2013089235 of the Official Public Records of Williamson County, Texas, situate in the Charles Cochran Survey, Abstract 134, in the City of Leander, Williamson County, Texas. Said 0.506 of an acre tract being more fully described as follows, with bearings based on the North American Datum of 1983 (NA 2011) epoch 2010.00, from the Texas Coordinate System established for the Central Zone:

COMMENCING: At a calculated point, a point in the south line of said called 125.575 acre tract, the northwest corner of W. Broade Street, as shown in the final plat of Northside Meadow, Phase 1A recorded in Document No. 2014025255 of the Official Public Records of Williamson County, Texas and the northeast corner a called 69.3222 acre tract conveyed to Continental Homes of Texas LP., recorded in Document No. 2013016235 of the Official Public Records of Williamson County, Texas:

THENCE: S 75°04'43" W, along and with the south line of said called 125.575 acre tract and the north line of said called 69.3222 acre tract, a distance of 1.85 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson", the POINT OF BEGINNING:

THENCE: S 75°04'43" W, continuing along and with the south line of said called 125.575 acre tract and the north line of said called 69.3222 acre tract, a distance of 258.95 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: Departing the south line of said called 125.575 acre tract and the north line of said called 69.3222 acre tract, over and across said called 125.575 acre tract the following calls and distances:

N 14°55'29" W, a distance of 0.66 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Northeasterly, along a non-tangent curve to the left, said curve having a radial bearing of N 14°48'08" W, a radius of 170.00 feet, a central angle of 49°10'50", a chord bearing and distance of N 50°36'27" E, 141.48 feet, an arc length of 145.92 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 26°01'01" E, a distance of 118.50 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Northeasterly, along a tangent curve to the left, said curve having radius of 70.00 feet, a central angle of 05°28'48", a chord bearing and distance of N 23°16'37" E, 6.69 feet, an arc length of 6.69 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 69°27'46" W, a distance of 20.00 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 20°32'14" E, a distance of 23.46 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 69°27'46" W, a distance of 131.14 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 20°32'14" E, a distance of 27.70 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Northeasterly, along a tangent curve to the right, said curve having radius of 15.00 feet, a central angle of 94°27'47", a chord bearing and distance of N 67°46'07" E, 22.02 feet, an arc length of 24.73 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Southeasterly, along a compound curve to the right, said curve having radius of 318.00 feet, a central angle of 44°11'39", a chord bearing and distance of S 42°54'10" E, 239.25 feet, an arc length of 245.28 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: S 20°48'21" E, a distance of 75.31 feet to the POINT OF BEGINNING and containing 0.506 of an acre in the City of Leander, Williamson County, Texas. Said tract being accordance with a survey made on the ground under Job No. 50784-00 by Pape Dawson Engineers, Inc.

PREPARED BY: Pape-Dawson Engineers, Inc.

DATE: June 30, 2014

JOB No.: 50784-00

DOC.ID.: H:\survey\CIVIL\50784-00\Word\0.506 of an Acre Phase 1a_Part 3.docx

TBPE Firm Registration #470

TBPLS Firm Registration #100288-00





LAND DEVELOPMENT ENVIRONMENTAL TRANSPORTATION WATER RESOURCES SURVEYING

FIELD NOTES
FOR
PHASE 1A, PART 4

A 0.165 of an acre, or 7,194 square feet more or less, tract of land out of a called 125.575 acre tract conveyed to Sentinel/Cotter Leander LLC, recorded in Document No. 2013089235 of the Official Public Records of Williamson County, Texas, situate in the Charles Cochran Survey, Abstract 134, in the City of Leander, Williamson County, Texas. Said 0.165 of an acre tract being more fully described as follows, with bearings based on the North American Datum of 1983 (NA 2011) epoch 2010.00, from the Texas Coordinate System established for the Central Zone:

COMMENCING: At a calculated point, a point in the south line of said called 125.575 acre tract, the northwest corner of W. Broade Street, as shown in the final plat of Northside Meadow, Phase 1A recorded in Document No. 2014025255 of the Official Public Records of Williamson County, Texas and the northeast corner a called 69.3222 acre tract conveyed to Continental Homes of Texas LP., recorded in Document No. 2013016235 of the Official Public Records of Williamson County, Texas:

THENCE: S 75°04'43" W, along and with the south line of said called 125.575 acre tract and the north line of said called 69.3222 acre tract, a distance of 1.85 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: Departing the south line of said called 125.575 acre tract and the north line of said called 69.3222 acre tract, over and across said called 125.575 acre tract the following calls and distances:

N 20°48'21" W, a distance of 75.31 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Northwesterly, along a tangent curve to the left, said curve having radius of 318.00 feet, a central angle of 44°11'39", a chord bearing and distance of N 42°54'10" W, 239.25 feet, an arc length of 245.28 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Southwesterly, along a compound curve to the left, said curve having radius of 15.00 feet, a central angle of 94°27'47", a chord bearing and distance of S 67°46'07" W, 22.02 feet, an arc length of 24.73 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: N 69°27'46" W, a distance of 48.00 feet to a calculated point, the POINT OF BEGINNING:

THENCE: Continuing over and across said called 125.575 acre tract the following calls and distances for the herein described tract:

S 20°32'14" W, a distance of 8.76 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 69°27'46" W, a distance of 157.20 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 69°27'46" W, a distance of 20.00 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 64°07'47" W, a distance of 132.43 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 39°31'07" E, a distance of 14.62 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

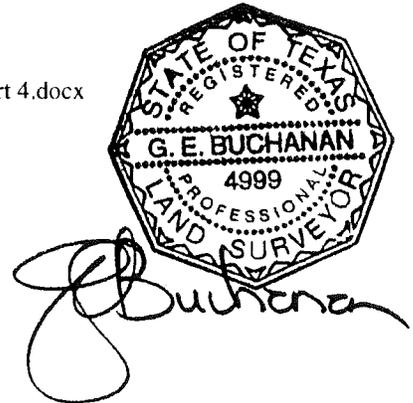
Northeasterly, along a non-tangent curve to the right said curve having a radial bearing of S 47°00'13" E, a radius of 15.00 feet, a central angle of 80°59'27", a chord bearing and distance of N 83°29'30" E, 19.48 feet, an arc length of 21.20 feet to a point;

Southeasterly, along a non-tangent curve to the left, said curve having a radial bearing of N 33°52'52" E, a radius of 382.00 feet, a central angle of 13°20'38", a chord bearing and distance of S 62°47'27" E, 88.77 feet, an arc length of 88.97 feet to a point;

S 69°27'46" E, a distance of 183.79 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: Southeasterly, along a tangent curve to the right, said curve having radius of 15.00 feet, a central angle of $93^{\circ}37'09''$, a chord bearing and distance of S $22^{\circ}45'39''$ E, 21.87 feet, an arc length of 24.51 feet to the POINT OF BEGINNING and containing 0.165 of an acre in the City of Leander, Williamson County, Texas. Said tract being accordance with a survey made on the ground under Job No. 50784-00 by Pape Dawson Engineers, Inc.

PREPARED BY: Pape-Dawson Engineers, Inc.
DATE: June 30, 2014
JOB No.: 50784-00
DOC.ID.: H:\survey\CIVIL\50784-00\Word\0.165 of an Acre Phase 1a_Part 4.docx
TBPE Firm Registration #470
TBPLS Firm Registration #100288-00





LAND DEVELOPMENT ENVIRONMENTAL TRANSPORTATION WATER RESOURCES SURVEYING

FIELD NOTES
FOR
PHASE 1A, PART 5

A 0.276 of an acre, or 12,041 square feet more or less, tract of land out of a called 125.575 acre tract conveyed to Sentinel/Cotter Leander LLC, recorded in Document No. 2013089235 of the Official Public Records of Williamson County, Texas, situate in the Charles Cochran Survey, Abstract 134, in the City of Leander, Williamson County, Texas. Said 0.165 of an acre tract being more fully described as follows, with bearings based on the North American Datum of 1983 (NA 2011) epoch 2010.00, from the Texas Coordinate System established for the Central Zone:

COMMENCING: At a calculated point, a point in the south line of said called 125.575 acre tract, the northwest corner of W. Broade Street, as shown in the final plat of Northside Meadow, Phase 1A recorded in Document No. 2014025255 of the Official Public Records of Williamson County, Texas and the northeast corner a called 69.3222 acre tract conveyed to Continental Homes of Texas LP., recorded in Document No. 2013016235 of the Official Public Records of Williamson County, Texas:

THENCE: S 75°04'43" W, along and with the south line of said called 125.575 acre tract and the north line of said called 69.3222 acre tract, a distance of 1.85 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: Departing the south line of said called 125.575 acre tract and the north line of said called 69.3222 acre tract, over and across said called 125.575 acre tract the following calls and distances:

N 20°48'21" W, a distance of 75.31 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Northwesterly, along a tangent curve to the left, said curve having radius of 318.00 feet, a central angle of 44°11'39", a chord bearing and distance of N 42°54'10" W, 239.25 feet, an arc length of 245.28 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Southwesterly, along a compound curve to the left, said curve having radius of 15.00 feet, a central angle of 94°27'47", a chord bearing and distance of S 67°46'07" W, 22.02 feet, an arc length of 24.73 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 69°27'46" W, a distance of 48.00 feet to a calculated point,

Northwesterly, along a non-tangent curve to the left, said curve having a radial bearing of N 65°55'11" W, a radius of 15.00 feet, a central angle of 93°37'09", a chord bearing and distance of N 22°45'39" W, 21.87 feet, an arc length of 24.51 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 69°27'46" W, a distance of 183.79 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Northwesterly, along a tangent curve to the right, said curve having radius of 382.00 feet, a central angle of 13°20'38", a chord bearing and distance of N 62°47'27" W, 88.77 feet, an arc length of 88.97 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Southwesterly, along a non-tangent curve to the left, said curve having a radial bearing of S 33°59'13" W, a radius of 15.00 feet, a central angle of 83°29'30", a chord bearing and distance of S 83°29'30" E, 19.48 feet, an arc length of 21.20 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 50°28'53" W, a distance of 48.00 feet to a calculated point, the POINT OF BEGINNING:

THENCE:

Continuing over and across said called 125.575 acre tract, the following calls and distances for the herein described tract:

S 39°31'07" W, a distance of 7.05 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 50°28'53" W, a distance of 138.79 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 42°47'15" W, a distance of 20.00 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 47°12'45" W, a distance of 29.30 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Southwesterly, along a tangent curve to the right, said curve having radius of 50.00 feet, a central angle of $15^{\circ}42'58''$, a chord bearing and distance of $S 55^{\circ}04'14'' W$, 13.67 feet, an arc length of 13.71 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

$S 62^{\circ}55'43'' W$, a distance of 24.76 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

$N 27^{\circ}04'17'' W$, a distance of 109.04 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

Southwesterly, along a non-tangent curve to the left, said curve having a radial bearing of $S 11^{\circ}25'44'' E$, a radius of 80.00 feet, a central angle of $15^{\circ}38'24''$, a chord bearing and distance of $S 70^{\circ}45'04'' W$, 21.77 feet, an arc length of 21.84 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

$N 62^{\circ}56'45'' E$, a distance of 16.80 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

Southeasterly, along a non-tangent curve to the right, said curve having a radial bearing of $S 27^{\circ}04'17'' E$, a radius of 45.00 feet, a central angle of $54^{\circ}45'56''$, a chord bearing and distance of $S 89^{\circ}41'19'' E$, 41.39 feet, an arc length of 43.01 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

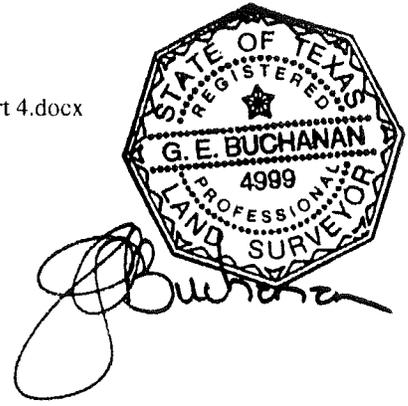
Southeasterly, along a reverse curve to the left, said curve having radius of 85.00 feet, a central angle of $32^{\circ}06'55''$, a chord bearing and distance of $S 78^{\circ}21'48'' E$, 47.02 feet, an arc length of 47.64 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

Southeasterly, along a reverse curve to the right, said curve having radius of 60.00 feet, a central angle of $51^{\circ}38'01''$, a chord bearing and distance of $S 68^{\circ}36'15'' E$, 52.26 feet, an arc length of 54.07 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

$S 42^{\circ}47'15'' E$, a distance of 145.73 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

Southeasterly, along a non-tangent curve to the right, said curve having a radial bearing of S 47°07'11" W, a radius of 15.00 feet, a central angle of 85°38'48", a chord bearing and distance of S 00°03'25" E, 20.39 feet, an arc length of 22.42 feet to the POINT OF BEGINNING and containing 0.276 of an acre in the City of Leander, Williamson County, Texas. Said tract being accordance with a survey made on the ground under Job No. 50784-00 by Pape Dawson Engineers, Inc.

PREPARED BY: Pape-Dawson Engineers, Inc.
DATE: June 30, 2014
JOB No.: 50784-00
DOC.ID.: H:\survey\CIVIL\50784-00\Word\0.165 of an Acre Phase 1a_Part 4.docx
TBPE Firm Registration #470
TBPLS Firm Registration #100288-00





LAND DEVELOPMENT ENVIRONMENTAL TRANSPORTATION WATER RESOURCES SURVEYING

FIELD NOTES
FOR
PHASE 1A, PART 6

A 0.009 of an acre, or 372 square feet more or less, tract of land out of a called 125.575 acre tract conveyed to Sentinel/Cotter Leander LLC, recorded in Document No. 2013089235 of the Official Public Records of Williamson County, Texas, situate in the Charles Cochran Survey, Abstract 134, in the City of Leander, Williamson County, Texas. Said 0.009 of an acre tract being more fully described as follows, with bearings based on the North American Datum of 1983 (NA 2011) epoch 2010.00, from the Texas Coordinate System established for the Central Zone:

BEGINNING: At found iron rod with cap marked "All-Points", a point in the northeast right of way line of said South Brook Drive, a variable width right of way recorded in the Amended Plat of Heritage Glen, Section 1, Document No. 2012059320 of the Official Public Records of Williamson County, Texas, a southeast corner of Lot 1, Block D of Amending Plat of Heritage Glen, and a northwest corner of said called 125.575 acre tract;

THENCE: N 68°53'25" E, along and with the south line of said Lot 1, Block D and a north line of said called 125.575 acre tract, a distance of 154.77 feet to a found iron rod with cap marked "Chaparral";

THENCE: Northeasterly, along a tangent curve to the left, along and with the southeast line of said Lot 1 and a northwest line of said called 125.575 acre tract, said curve having radius of 14.99 feet, a central angle of 89°58'31", a chord bearing and distance of N 23°54'10" E, 21.19 feet, an arc length of 23.53 feet to a found iron rod with cap marked "Chaparral";

THENCE: S 21°08'13" E, departing the southeast line of said Lot 1 and a northwest line of said called 125.575 acre tract, over and across said called 125.575 acre tract, a distance of 16.88 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: S 68°53'25" W, continuing over and across said called 125.575 acre tract, a distance of 169.77 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson", a point in the northeast right of way line of said South Brook Drive, and a point in a west line of said called 125.575 acre tract;

THENCE: N 21°05'35" W, , along and with the northeast right of way line of said South Brook Drive and a west line of said called 125.575 acre tract,, a distance of 1.90 feet to the POINT OF BEGINNING and containing 0.009 of an acre in the City of Leander, Williamson County, Texas. Said tract being accordance with a survey made on the ground under Job No. 50784-00 by Pape Dawson Engineers, Inc.

PREPARED BY: Pape-Dawson Engineers, Inc.

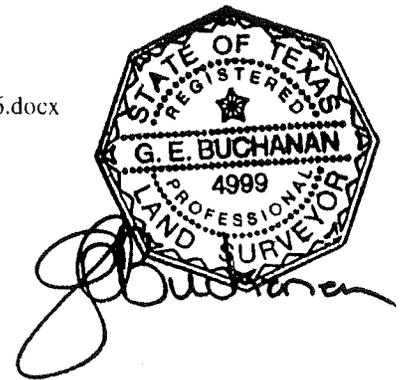
DATE: June 30, 2014

JOB No.: 50784-00

DOC.ID.: H:\survey\CIVIL\50784-00\Word\0.009 of an Acre Phase 1a_Part 6.docx

TBPE Firm Registration #470

TBPLS Firm Registration #100288-00





LAND DEVELOPMENT ENVIRONMENTAL TRANSPORTATION WATER RESOURCES SURVEYING

FIELD NOTES
FOR
PHASE 1A, PART 7

A 22.566 acre, or 982,967 square feet more or less, tract of land out of a called 25.319 acre tract conveyed to Sentinel/Cotter Leander LLC, recorded in Document No. 2013144493 of the Official Public Records of Williamson County, Texas and out of a called 125.575 acre tract conveyed to Sentinel/Cotter Leander LLC, recorded in Document No. 2013089235 of the Official Public Records of Williamson County, Texas, situate in the Charles Cochran Survey, Abstract 134, in the City of Leander, Williamson County, Texas. Said 22.566 acre tract being more fully described as follows, with bearings based on the North American Datum of 1983 (NA 2011) epoch 2010.00, from the Texas Coordinate System established for the Central Zone:

COMMENCING: At a found iron rod with cap marked "Chaparral", the northeast corner of said called 25.319 acre tract, the northwest corner of a called 107.928 acre tract conveyed to Waterstone Tylerville LP, recorded in Document No. 2004063370 of the Official Public Records of Williamson County, Texas and a point in the south right of way line of San Gabriel Parkway, a variable width right of way:

THENCE: Southwesterly, along a curve to the right, along and with the south right of way line of said San Gabriel Parkway and the north line of said called 25.319 acre tract, said curve having radius of 2149.70 feet, a central angle of $02^{\circ}50'39''$, a chord bearing and distance of $N 88^{\circ}58'29'' W$, 106.70 feet, at an arc length of 20.01 passing a found iron rod with cap marked "Chaparral", continuing for a total arc length of 106.71 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson", the POINT OF BEGINNING:

THENCE: Departing the south right of way line of said San Gabriel Parkway and the north line of said called 25.319 acre tract, over and across said called 25.319 acre tract the following calls and distances:

$S 01^{\circ}45'13'' W$, a distance of 127.71 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

Southwesterly, along a tangent curve to the right, said curve having radius of 15.00 feet, a central angle of $90^{\circ}00'00''$, a chord bearing and distance of $S 46^{\circ}45'13'' W$, 21.21 feet, an arc length of 23.56 feet to a set $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

S 01°45'13" W, a distance of 50.00 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Southeasterly, along a non-tangent curve to the right, said curve having a radial bearing of S 01°45'13" W, a radius of 15.00 feet, a central angle of 90°00'00", a chord bearing and distance of S 43°14'47" E, 21.21 feet, an arc length of 23.56 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: S 01°45'13" W, at a distance of 154.02 feet passing the south line of said called 25.319 acre tract and the north line of said called 125.575 acre tract, continuing over and across said called 125.575 acre tract, for a total distance of 485.70 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: Continuing over and across said called 125.575 acre tract the following calls and distances:

Southwesterly, along a tangent curve to the right, said curve having radius of 15.00 feet, a central angle of 89°20'52", a chord bearing and distance of S 46°25'39" W, 21.09 feet, an arc length of 23.39 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 88°53'55" W, a distance of 5.90 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 01°06'05" W, a distance of 50.00 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 88°53'55" E, a distance of 5.00 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Southeasterly, along a tangent curve to the right, said curve having radius of 15.00 feet, a central angle of 90°21'34", a chord bearing and distance of S 43°43'08" E, 21.28 feet, an arc length of 23.66 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Southeasterly, along a reverse curve to the left, said curve having radius of 530.00 feet, a central angle of 34°48'37", a chord bearing and distance of S 15°56'39" E, 317.07 feet, an arc length of 322.00 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 33°20'58" E, a distance of 118.61 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Southeasterly, along a tangent curve to the right, said curve having radius of 45.00 feet, a central angle of 54°45'56", a chord bearing and distance of S 05°58'00" E, 41.39 feet, an arc length of 43.01 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Southwesterly, along a reverse curve to the left, said curve having radius of 85.00 feet, a central angle of 10°07'16", a chord bearing and distance of S 16°21'21" W, 15.00 feet, an arc length of 15.01 feet to a point;

Southwesterly, along a reverse curve to the right, said curve having radius of 60.00 feet, a central angle of 51°38'01", a chord bearing and distance of S 37°06'43" W, 52.26 feet, an arc length of 54.07 feet to a point;

THENCE: S 62°55'43" W, a distance of 115.27 feet to a point

Southwesterly, along a tangent curve to the left, said curve having radius of 630.00 feet, a central angle of 12°17'05", a chord bearing and distance of S 56°47'11" W, 134.82 feet, an arc length of 135.08 feet to a point;

Northwesterly, along a reverse curve to the right, said curve having radius of 15.00 feet, a central angle of 86°26'40", a chord bearing and distance of N 86°08'01" W, 20.54 feet, an arc length of 22.63 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 47°05'19" W, a distance of 50.00 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 42°54'41" W, a distance of 138.91 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 47°05'19" E, a distance of 50.00 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Northwesterly, along a non-tangent curve to the right, said curve having a radial bearing of N 47°05'19" E, a radius of 440.00 feet, a central angle of 06°26'04", a chord bearing and distance of N 39°41'39" E, 49.39 feet, an arc length of 49.41 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 53°31'22" E, a distance of 56.56 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 82°58'23" E, a distance of 50.96 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 89°30'35" E, a distance of 63.30 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 53°01'28" E, a distance of 56.35 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 49°28'29" E, a distance of 71.20 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 11°05'45" E, a distance of 109.37 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 22°11'57" W, a distance of 57.60 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 23°03'46" W, a distance of 65.51 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 40°08'59" W, a distance of 71.39 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 01°06'05" E, a distance of 120.00 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 88°53'55" E, a distance of 8.87 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 01°06'05" E, a distance of 175.00 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 87°24'19" W, a distance of 60.02 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 85°08'53" W, a distance of 73.54 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 58°08'59" W, a distance of 6.01 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 83°30'33" W, a distance of 13.22 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 79°22'48" W, a distance of 65.41 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 78°21'57" W, a distance of 60.00 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 86°34'55" W, a distance of 116.86 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

Northwesterly, along a non-tangent curve to the right, said curve having a radial bearing of N 00°07'01" W, a radius of 2382.71 feet, a central angle of 03°04'23", a chord bearing and distance of N 88°34'50" W, 127.78 feet, an arc length of 127.80 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 81°05'27" W, a distance of 73.56 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 77°17'17" W, a distance of 182.83 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 81°08'50" W, a distance of 58.79 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 83°07'04" W, a distance of 58.94 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 87°16'21" W, a distance of 298.90 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 87°16'21" W, a distance of 180.00 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 87°16'21" W, a distance of 100.00 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 87°16'21" W, a distance of 20.00 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 87°16'21" W, a distance of 66.27 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 84°45'22" W, a distance of 72.32 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 78°38'16" W, a distance of 72.24 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 71°37'03" W, a distance of 72.24 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 64°35'50" W, a distance of 72.24 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 57°34'38" W, a distance of 72.24 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 50°33'25" W, a distance of 72.24 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 41°45'52" W, a distance of 94.12 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 47°46'19" W, a distance of 15.03 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 47°24'48" W, a distance of 55.74 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 87°26'39" W, a distance of 73.93 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 80°44'03" W, a distance of 72.21 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 48°26'35" W, a distance of 69.37 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 33°34'20" W, a distance of 58.71 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: S 34°58'56" W, a distance of 17.64 feet to a found iron rod, a point in the west line of said called 125.575 acre tract and a point in the east line of Lot 3, Block H of Benbrook Ranch, Section 2, Phase 1 recorded in Cabinet CC, Slides 3-9 of the Plat Records of Williamson County, Texas;

THENCE: Along and with the west line of said called 125.575 acre tract and the east line of said Lot 3, Block H the following calls and distances:

N 07°45'22" W, a distance of 114.04 feet to a found iron rod;

N 07°05'26" W, a distance of 89.72 feet to a found iron rod;

N 07°51'34" W, a distance of 7.22 feet to a found iron rod with cap marked "Maples-RPLS 5043";

N 22°14'09" E, a distance of 10.53 feet to a found iron rod;

THENCE: N 19°14'53" W, a distance of 37.16 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: Along and with the northwest line of said called 125.575 acre tract and the southeast line of said Lot 3, Block H the following calls and distances:

N 34°39'48" E, a distance of 99.97 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 67°40'33" E, a distance of 149.80 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 52°35'48" E, a distance of 241.79 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 66°43'13" E, a distance of 108.25 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 69°50'23" E, a distance of 135.33 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: N 77°48'43" E, a distance of 160.41 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson", a point in the north line of said called 125.575 acre tract, the southwest corner of the aforementioned called 25.319 acre tract and a point in the west line of said Lot 3, Block H;

THENCE: N 20°44'50" W, along and with the west line of said called 25.319 acre tract and the east line of said Lot 3, Block H, at a distance of 56.09 feet passing a found iron rod, continuing for a total distance of 65.03 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson", a point in the west line of said called 25.319 acre tract and a point in the east line of said Lot 3, Block H;

THENCE: Departing the west line of said called 25.319 acre tract and the east line of said Lot 3, Block H, over and across said called 25.319 acre tract the following calls and distances:

N 69°15'18" E, a distance of 39.49 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 74°12'37" E, a distance of 63.50 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 87°21'33" E, a distance of 65.30 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 63°32'53" E, a distance of 160.96 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 89°20'39" E, a distance of 59.00 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 75°09'40" E, a distance of 51.89 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 89°00'14" E, a distance of 636.24 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 84°25'19" E, a distance of 63.17 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 79°35'10" E, a distance of 280.00 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 82°54'08" E, a distance of 84.37 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

S 88°14'47" E, a distance of 132.92 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 01°45'13" E, a distance of 120.00 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

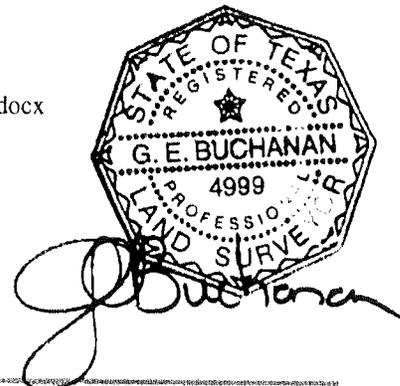
N 88°14'47" W, a distance of 32.33 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 01°44'56" E, a distance of 50.00 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

N 01°45'13" E, a distance of 144.54 feet to a set ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: Southeasterly, along a non-tangent curve to the left, said curve having a radial bearing of N 04°13'05" E, a radius of 2149.70 feet, a central angle of 01°46'15", a chord bearing and distance of S 86°40'02" E, 66.44 feet, an arc length of 66.44 feet to the POINT OF BEGINNING and containing 22.566 acres in the City of Leander, Williamson County, Texas. Said tract being accordance with a survey made on the ground under Job No. 50784-00 by Pape Dawson Engineers, Inc.

PREPARED BY: Pape-Dawson Engineers, Inc.
DATE: June 30, 2014
JOB No.: 50784-00
DOC.ID.: H:\survey\CIVIL\50784-00\Word\22.565 Acre Phase 1a_Part 7.docx
TBPE Firm Registration #470
TBPLS Firm Registration #100288-00



FIELD NOTES

FOR

PHASE TWO

A 28.659 acre, or 1,248,401 square feet more or less, tract of land, being out of a called 125.575 acre tract, described in conveyance to Sentinel/Cotter Leander LLC, in Special Warranty Deed recorded in Document No. 2013089235 of the Official Public Records of Williamson County, Texas, situate in the Charles Cochran Survey, Abstract No. 134, Williamson County Texas. Said 28.659 acre tract being more fully described as follows, with bearings based on the North American Datum of 1983 (NA 2011) epoch 2010.00, from the Texas Coordinate System established for the Central Zone.

BEGINNING: At a found iron rod with a cap marked "Chaparral", on a southwest line of said called 125.575 acre tract, the north corner of Lot 1, Block D of the Amended Plat of Heritage Glen recorded in Document No. 2012059320 of the Official Public Records of Williamson County, Texas;

THENCE: S 68°52'01" W, along and with the northwest line of said Lot 1, a southwest line of said called 125.575 acre tract, a distance of 0.61 feet to a point;

THENCE: Departing the northwest line of said Lot 1, over and across said called 125.575 acre tract, the following bearings and distances:

N 20°59'28" W, a distance of 125.07 feet to a calculated point;

N 68°53'22" E, a distance of 106.69 feet to a calculated point;

N 21°06'38" W, a distance of 50.00 feet to a calculated point;

S 68°52'17" W, a distance of 92.27 feet to a calculated point;

N 20°59'28" W, a distance of 62.58 feet to a calculated point;

N 03°56'12" W, a distance of 5.19 feet to a calculated point;

N 03°56'12" W, a distance of 53.22 feet to a calculated point;

N 03°28'56" W, a distance of 57.12 feet to a calculated point;

N 00°28'29" E, a distance of 59.75 feet to a calculated point;

N 02°43'39" E, a distance of 310.00 feet to calculated a point;

S 87°16'21" E, a distance of 105.00 feet to calculated a point;

N 02°43'39" E, a distance of 50.00 feet to calculated a point;

S 87°16'21" E, a distance of 302.99 feet to a calculated point of curvature;

Northeasterly, along a tangent curve to the left, said curve having radius of 850.00 feet, a central angle of $15^{\circ}26'22''$, a chord bearing and distance of $N 85^{\circ}00'28'' E$, 228.36 feet, an arc length of 229.05 feet to a calculated point of tangency;

$N 77^{\circ}17'17'' E$, a distance of 148.43 feet to a calculated point of curvature;

Northeasterly, along a tangent curve to the right, said curve having radius of 425.00 feet, a central angle of $14^{\circ}30'01''$, a chord bearing and distance of $N 84^{\circ}32'17'' E$, 107.27 feet, an arc length of 107.56 feet to a calculated point of reverse curvature;

Northeasterly, along a reverse curve to the left, said curve having radius of 2507.71 feet, a central angle of $04^{\circ}01'46''$, a chord bearing and distance of $N 89^{\circ}46'24'' E$, 176.33 feet, an arc length of 176.36 feet to a calculated point of compound curvature;

Northeasterly, along a compound curve to the left, said curve having radius of 175.00 feet, a central angle of $09^{\circ}23'34''$, a chord bearing and distance of $N 83^{\circ}03'44'' E$, 28.66 feet, an arc length of 28.69 feet to a calculated point of tangency;

$N 78^{\circ}21'57'' E$, a distance of 116.23 feet to a calculated point of curvature;

Northeasterly, along a tangent curve to the right, said curve having radius of 425.00 feet, a central angle of $12^{\circ}44'09''$, a chord bearing and distance of $N 84^{\circ}44'01'' E$, 94.27 feet, an arc length of 94.47 feet to a calculated point of tangency;

$S 88^{\circ}53'55'' E$, a distance of 59.42 feet to a calculated point;

$S 01^{\circ}06'05'' W$, a distance of 50.00 feet to a calculated point;

$N 88^{\circ}53'55'' W$, a distance of 8.87 feet to a calculated point;

$S 01^{\circ}06'05'' W$, a distance of 120.00 feet to a calculated point;

$S 40^{\circ}08'59'' E$, a distance of 71.39 feet to a calculated point;

$S 23^{\circ}03'46'' E$, a distance of 65.51 feet to a calculated point;

$S 22^{\circ}11'57'' E$, a distance of 57.60 feet to a calculated point;

$S 11^{\circ}17'11'' W$, a distance of 60.74 feet to a calculated point;

$S 10^{\circ}51'29'' W$, a distance of 48.62 feet to a calculated point;

$S 49^{\circ}28'29'' W$, a distance of 71.20 feet to a calculated point;

S 53°01'28" W, a distance of 56.35 feet to a calculated point;

N 89°30'35" W, a distance of 63.30 feet to a calculated point;

N 82°58'23" W, a distance of 50.96 feet to a calculated point;

S 53°31'22" W, a distance of 56.56 feet to a calculated point of non-tangent curvature;

Southeasterly, along a non-tangent curve to the left, said curve having a radial bearing of N 53°31'22" E, a radius of 440.00 feet, a central angle of 06°26'04", a chord bearing and distance of S 39°41'39" E, 49.39 feet, an arc length of 49.41 feet to a calculated point of non-tangency;

S 47°05'19" W a distance of 50.00 feet to a calculated point of non-tangent curvature;

Northwesterly, along a non-tangent curve to the right, said curve having a radial bearing of N 47°05'19" E, a radius of 490.00 feet, a central angle of 06°35'50", a chord bearing and distance of N 39°36'46" W, 56.39 feet, an arc length of 56.42 feet to a calculated point of reverse curvature;

Northwesterly, along a reverse curve to the left, said curve having radius of 15.00 feet, a central angle of 85°27'25", a chord bearing and distance of N 79°02'33" W, 20.36 feet, an arc length of 22.37 feet to a calculated point of tangency;

S 58°13'44" W, a distance of 29.86 feet to a calculated point of curvature;

Southwesterly, along a tangent curve to the left, said curve having radius of 315.00 feet, a central angle of 30°28'37", a chord bearing and distance of S 42°59'26" W, 165.59 feet, an arc length of 167.56 feet to a calculated point of tangency;

S 27°45'07" W, a distance of 234.50 feet to a calculated point of curvature;

Southwesterly, along a tangent curve to the right, said curve having radius of 623.00 feet, a central angle of 41°08'18", a chord bearing and distance of S 48°19'16" W, 437.77 feet, an arc length of 447.31 feet to a calculated point of tangency;

S 68°53'25" W, a distance of 112.46 feet to a calculated point of curvature;

Southwesterly, along a tangent curve to the left, said curve having radius of 15.00 feet, a central angle of 89°59'39", a chord bearing and distance of S 23°53'36" W, 21.21 feet, an arc length of 23.56 feet to a calculated point of tangency;

S 21°06'14" E, a distance of 217.00 feet to a calculated point;

S 68°53'12" W, a distance of 50.00 feet to a calculated point of non-tangent curvature;

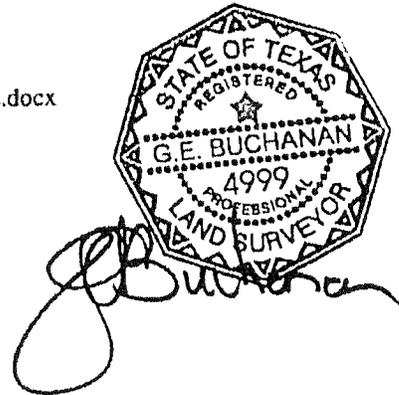
Southwesterly, along a non-tangent curve to the right, said curve having a radial bearing of S 68°53'46" W, a radius of 15.00 feet, a central angle of 89°59'39", a chord bearing and distance of S 23°53'36" W, 21.21 feet, an arc length of 23.56 feet to a calculated point of tangency;

S 68°53'25" W, a distance of 104.51 feet to a calculated point;

THENCE:

N 21°08'13" W, at a distance of 16.91 feet passing through a found iron rod with a cap marked "Chaparral", on a southwest line of the aforementioned called 125.575 acre tract, an east corner of the aforementioned Lot 1, continuing along and with the northeast line of said Lot 1, a southwest line of said called 125.575 acre tract, for a total distance of 761.25 feet to the **POINT OF BEGINNING** and containing 28.659 acres in the City of Leander, Williamson County, Texas. Said tract being described in accordance with a survey made on the ground by Pape Dawson Engineers, Inc., Job No. 50784-00.

PREPARED BY: Pape-Dawson Engineers, Inc.
DATE: June 3, 2014
JOB NO. 50784-00
DOC. ID. H:\survey\CIVIL\50784-00\Word\28.659 Acre Tract Phase 2.docx
TBPE Firm Registration #470
TBPLS Firm Registration #100288-00





Tax Parcel # R529008
R529007

LAND DEVELOPMENT ENVIRONMENTAL TRANSPORTATION WATER RESOURCES SURVEYING

FIELD NOTES
FOR
PHASE THREE

An 18.026 acre, or 785,192 square feet more or less, tract of land, being out of a called 125.575 acre tract, described in conveyance to Sentinel/Cotter Leander LLC, in Special Warranty Deed recorded in Document No. 2013089235 of the Official Public Records of Williamson County, Texas, situate in the Charles Cochran Survey, Abstract No. 134, Williamson County Texas. Said 18.026 acre tract being more fully described as follows, with bearings based on the North American Datum of 1983 (NA 2011) epoch 2010.00, from the Texas Coordinate System established for the Central Zone.

BEGINNING: At a found iron rod with a cap marked "Stanley", on the northwest line of Lot 72, Block A of the Estates of North Creek Ranch Section Two recorded in Cabinet V, Slides 293-295 of the Plat Records of Williamson County, Texas, the southeast corner of Lot 1, Block A of the Amended Plat of Heritage Glen Section One recorded in Document No. 2012059320 of the Official Public Records of Williamson County, Texas, a south corner of said called 125.575 acre tract;

THENCE: N 21°04'43" W, along and with the northeast line of said Lot 1, Block A, a southwest line of said called 125.575 acre tract, a distance of 122.80 feet to a found iron rod with a cap marked "All Points", the east corner of the right-of-way for South Brook Drive, a variable width right-of-way, dedicated in the said Amended Plat of Heritage Glen Section One, the north corner of said Lot 1, Block A;

THENCE: N 21°04'24" W, continuing along and with a southwest line of said called 125.575 acre tract, the northeast right-of-way line of said South Brook Drive, a distance of 2.13 feet to a calculated point;

THENCE: Departing the northeast right-of-way line of said South Brook Drive, over and across said called 125.575 acre tract, the following bearings and distances:

N 68°53'25" E, a distance of 466.81 feet to a calculated point of curvature;

Northeasterly, along a tangent curve to the left, said curve having radius of 930.00 feet, a central angle of 27°39'45", a chord bearing and distance of N 55°03'32" E, 444.66 feet, an arc length of 449.01 feet to a calculated point of reverse curvature;

Northeasterly, along a reverse curve to the right, said curve having radius of 14.00 feet, a central angle of 87°41'35", a chord bearing and distance of N 85°04'27" E, 19.40 feet, an arc length of 21.43 feet to a calculated point of non-tangency;

N 38°55'14" E, a distance of 48.00 feet to a calculated point of non-tangent curvature;

Northwesterly, along a non-tangent curve to the right, said curve having a radial bearing of N 38°55'14" E, a radius of 14.00 feet, a central angle of 87°41'35", a chord bearing and distance of N 07°13'58" W, 19.40 feet, an arc length of 21.43 feet to a calculated point of reverse curvature;

Northeasterly, along a reverse curve to the left, said curve having radius of 930.00 feet, a central angle of 08°51'42", a chord bearing and distance of N 32°10'58" E, 143.69 feet, an arc length of 143.84 feet to a calculated point of tangency;

N 27°45'07" E, a distance of 168.62 feet to a calculated point of curvature;

Northeasterly, along a tangent curve to the right, said curve having radius of 570.00 feet, a central angle of 35°10'36", a chord bearing and distance of N 45°20'25" E, 344.48 feet, an arc length of 349.95 feet to a calculated point of tangency;

N 62°55'33" E, a distance of 105.97 feet to a calculated point of non-tangent curvature;

Northeasterly, along a non-tangent curve to the right, said curve having a radial bearing of S 27°04'08" E, a radius of 80.00 feet, a central angle of 15°38'24", a chord bearing and distance of N 70°45'04" E, 21.77 feet, an arc length of 21.84 feet to a point to a calculated point of non-tangency;

S 27°04'17" E, a distance of 109.04 feet to a calculated point;

N 62°55'43" E, a distance of 24.76 feet to a calculated point of curvature;

Northeasterly, along a tangent curve to the left, said curve having radius of 50.00 feet, a central angle of 15°42'58", a chord bearing and distance of N 55°04'14" E, 13.67 feet, an arc length of 13.71 feet to a calculated point of tangency;

N 47°12'45" E, a distance of 29.30 feet to a calculated point;

S 42°47'15" E, a distance of 20.00 feet to a calculated point;

S 50°28'53" E, a distance of 138.79 feet to a calculated point;

N 39°31'07" E, a distance of 7.05 feet to a calculated point;

S 50°28'53" E, a distance of 48.00 feet to a calculated point;

S 39°31'07" W, a distance of 14.62 feet to a calculated point;

S 64°07'47" E, a distance of 132.43 feet to a calculated point;

S 69°27'46" E, a distance of 20.00 feet to a calculated point;
S 69°27'46" E, a distance of 157.20 feet to a calculated point;
N 20°32'14" E, a distance of 8.76 feet to a calculated point;
S 69°27'46" E, a distance of 48.00 feet to a calculated point;
S 20°32'14" W, a distance of 27.70 feet to a calculated point;
S 69°27'46" E, a distance of 131.14 feet to a calculated point;
S 20°32'14" W, a distance of 23.46 feet to a calculated point;
S 69°27'46" E, a distance of 20.00 feet to a calculated point of non-tangent curvature;

Southwesterly, along a non-tangent curve to the right, said curve having a radial bearing of N 69°27'46" W, a radius of 70.00 feet, a central angle of 05°28'48", a chord bearing and distance of S 23°16'37" W, 6.69 feet, an arc length of 6.69 feet to a calculated point of tangency;

S 26°01'01" W, a distance of 118.50 feet to a calculated point of curvature;

Southwesterly, along a tangent curve to the right, said curve having radius of 170.00 feet, a central angle of 49°10'50", a chord bearing and distance of S 50°36'27" W, 141.48 feet, an arc length of 145.92 feet to a calculated point of non-tangency;

S 14°55'29" E, a distance of 0.66 feet to a calculated point on the northwest line of a called 69.3222 acre tract recorded in Document No. 2013016235 of the Official Public Records of Williamson County, Texas, from which a found ½" iron rod with a cap marked "Chaparral", at the south corner of a called 164.466 acre tract recorded in Document No. 2004063368 of the Official Public Records of Williamson County, Texas, east corner of said called 125.575 acre tract, bears N 75°04'43" E, a distance of 624.25 feet and N 74°57'44" E, a distance of 30.64 feet;

THENCE:

Along and with the northwest line of said called 69.3222 acre tract, the southeast line of said called 125.575 acre tract, the following bearings and distances:

S 75°04'43" W, a distance of 687.96 feet to a found mag nail marked "Chaparral";

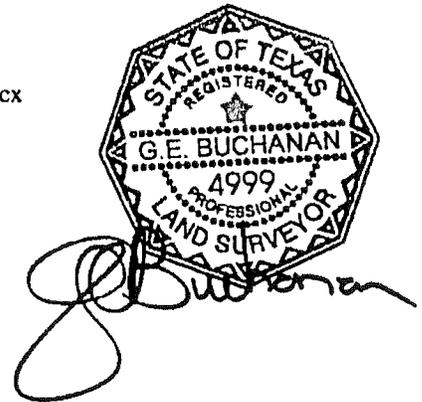
S 75°09'16" W, a distance of 837.85 feet to a found ½" iron rod;

S 80°57'08" W, a distance of 27.02 feet to a found ½" iron rod;

S 68°39'32" W, a distance of 22.69 feet to a found ½" iron rod, at the north corner of Lot 68, Block A of the aforementioned Estates of North Creek Ranch Section Two, the west corner of said called 69.3222 acre tract;

THENCE: S 69°06'18" W, continuing along and with the southeast line of said called 125.575 acre tract, the northwest line of said Block A, a distance of 369.04 feet to the **POINT OF BEGINNING** and containing 18.026 acres in the City of Leander, Williamson County, Texas. Said tract being described in accordance with a survey made on the ground by Pape Dawson Engineers, Inc., Job No. 50784-00

PREPARED BY: Pape-Dawson Engineers, Inc.
DATE: June 3, 2014
JOB NO. 50784-00
DOC. ID. H:\survey\CIVIL\50784-00\Word\18.026 Phase 3 Part II.docx
TBPE Firm Registration #470
TBPLS Firm Registration #100288-00



FIELD NOTES

FOR

PHASE FOUR

A 26.973 acre, or 1,174,927 square feet more or less, tract of land, being out of a called 125.575 acre tract, described in conveyance to Sentinel/Cotter Leander LLC, in Special Warranty Deed recorded in Document No. 2013089235 of the Official Public Records of Williamson County, Texas, situate in the Charles Cochran Survey, Abstract No. 134, Williamson County Texas. Said 26.973 acre tract being more fully described as follows, with bearings based on the North American Datum of 1983 (NA 2011) epoch 2010.00, from the Texas Coordinate System established for the Central Zone.

BEGINNING: At a found iron rod with a cap marked "Stanley", on the northeast line of Lot 13, Block H of the Benbrook Ranch, Section One, Phase Two recorded in Cabinet Y, Slides 345-349 of the Plat Records of Williamson County, Texas, the west corner of Lot 10, Block C of the Amended Plat of Heritage Glen Section One recorded in Document No. 2012059320 of the Official Public Records of Williamson County, Texas;

THENCE: N 16°29'09" W, along and with the northeast line of said Benbrook Ranch Section One, Phase Two, a southwest line of said called 125.575 acre tract, at a distance of 940.7 feet passing the north corner of said Benbrook Ranch, Section One, Phase Two, the east corner of Lot 1A, Block B of the Benbrook Ranch Section One, Phase One recorded in Cabinet W, Slides 295-299 of the Plat Records of Williamson County, Texas, continuing along and with the southwest line of said called 125.575 acre tract, the northeast line of said Lot 1A, for a total distance of 1009.31 feet to a found ½' iron rod, an angle point in the southeast line of Lot 3, Block H of the Benbrook Ranch Section Two, Phase One recorded in Cabinet CC, Slides 3-9 of the Plat Records of Williamson County, Texas the north corner of said Lot 1A, the west corner of said called 125.575 acre tract;

THENCE: N 26°56'19" E, along and with the southeast line of said Lot 3, the northwest line of said called 125.575 acre tract, a distance of 227.17 feet to a found ½" iron rod, an east corner of said Lot 3, an angle point in the northwest line of said called 125.575 acre tract;

THENCE: Over and across said called 125.575 acre tract, the following bearings and distances:

N 34°58'56" E, a distance of 17.64 feet to a calculated point;

N 33°34'20" E, a distance of 58.71 feet to a calculated point;

N 48°26'35" E, a distance of 69.37 feet to a calculated point;

N 80°44'03" E, a distance of 72.21 feet to a calculated point;
S 87°26'39" E, a distance of 73.93 feet to a calculated point;
S 47°24'48" E, a distance of 55.74 feet to a calculated point;
S 47°46'19" E, a distance of 15.03 feet to a calculated point;
N 41°45'52" E, a distance of 94.12 feet to a calculated point;
N 50°33'25" E, a distance of 72.24 feet to a calculated point;
N 57°34'38" E, a distance of 72.24 feet to a calculated point;
N 64°35'50" E, a distance of 72.24 feet to a calculated point;
N 71°37'03" E, a distance of 72.24 feet to a calculated point;
N 78°38'16" E, a distance of 72.24 feet to a calculated point;
N 84°45'22" E, a distance of 72.32 feet to a calculated point;
S 87°16'21" E, a distance of 66.27 feet to a calculated point;
S 87°16'21" E, a distance of 20.00 feet to a calculated point;
S 87°16'21" E, a distance of 100.00 feet to a calculated point;
S 87°16'21" E, a distance of 180.00 feet to a calculated point;
S 87°16'21" E, a distance of 298.90 feet to a calculated point;
N 83°07'04" E, a distance of 58.94 feet to a calculated point;
N 81°08'50" E, a distance of 58.79 feet to a calculated point;
N 77°17'17" E, a distance of 182.83 feet to a calculated point;
N 81°05'27" E, a distance of 73.56 feet to a calculated point of non-tangent curvature;
Southeasterly, along a non-tangent curve to the left, said curve having a radial bearing of N 02°57'22" E, a radius of 2382.71 feet, a central angle of 03°04'23", a chord bearing and distance of S 88°34'50" E, 127.78 feet, an arc length of 127.80 feet to a calculated point of non-tangency;
N 86°34'55" E, a distance of 116.86 feet to a calculated point;
N 78°21'57" E, a distance of 60.00 feet to a calculated point;
N 79°22'48" E, a distance of 65.41 feet to a calculated point;
S 83°30'33" E, a distance of 13.22 feet to a calculated point;
N 58°08'59" E, a distance of 6.01 feet to a calculated point;

N 85°08'53" E, a distance of 73.54 feet to a calculated point;

S 87°24'19" E, a distance of 60.02 feet to a calculated point;

S 01°06'05" W, a distance of 125.00 feet to a calculated point;

N 88°53'55" W, a distance of 59.42 to a calculated point of curvature;

Southwesterly, along a tangent curve to the left, said curve having radius of 425.00 feet, a central angle of 12°44'09", a chord bearing and distance of S 84°44'01" W, 94.27 feet, an arc length of 94.47 feet to a calculated point;

S 78°21'57" W, a distance of 116.23 feet to a calculated point of non-tangent curvature;

Southwesterly, along a non-tangent curve to the right, said curve having a radial bearing of N 11°38'03" W, a radius of 175.00 feet, a central angle of 09°23'34", a chord bearing and distance of S 83°03'44" W, 28.66 feet, an arc length of 28.69 feet to a calculated point of compound curvature;

Southwesterly, along a compound curve to the right, said curve having radius of 2507.70 feet, a central angle of 04°01'46", a chord bearing and distance of S 89°46'24" W, 176.33 feet, an arc length of 176.36 feet to a calculated point of reverse curvature;

Southwesterly, along a reverse curve to the left, said curve having radius of 425.00 feet, a central angle of 14°30'01", a chord bearing and distance of S 84°32'17" W, 107.27 feet, an arc length of 107.56 feet to a calculated point of tangency;

S 77°17'17" W, a distance of 148.43 feet to a calculated point of curvature;

Southwesterly, along a tangent curve to the right, said curve having radius of 850.00 feet, a central angle of 15°26'22", a chord bearing and distance of S 85°00'28" W, 228.36 feet, an arc length of 229.05 feet to a calculated point of tangency;

N 87°16'21" W, a distance of 302.99 feet to a calculated point;

S 02°43'39" W, a distance of 50.00 feet to a calculated point;

N 87°16'21" W, a distance of 105.00 feet to a calculated point;

S 02°43'39" W, a distance of 310.00 feet to a calculated point;

S 00°28'29" W, a distance of 59.75 feet to a calculated point;

S 03°28'56" E, a distance of 57.12 feet to a calculated point;

S 03°56'12" E, a distance of 58.42 feet to a calculated point;

S 20°59'28" E, a distance of 62.58 feet to a calculated point;

N 68°52'23" E, a distance of 92.25 feet to a calculated point;

S 21°07'37" E, a distance of 50.00 feet to a calculated point;

S 68°53'22" W, a distance of 106.69 feet to a calculated point;

S 20°59'28" E, a distance of 125.07 feet to a calculated point, on a southeast line of said called 125.575 acre tract, the northwest line of Lot 1, Block D recorded in the aforementioned Amended Plat of Heritage Glen Section One, from which a found iron rod with a cap marked "Chaparral", at the north corner of said Lot 1, an interior corner of said called 125.575 acre tract, bears N 68°52'01" E, a distance of 0.61 feet;

THENCE: S 68°52'01" W, along and with the northwest line of said Lot 1, a southeast line of said called 125.575 acre tract, a distance of 749.28 feet to a found iron rod with a cap marked "Chaparral", the west corner of said Lot 1, an interior corner of said called 125.575 acre tract;

THENCE: Along and with the southwest line of said Lot 1, a northeast line of said called 125.575 acre tract, the following bearings and distances:

THENCE: S 18°25'19" E, a distance of 213.17 feet to a found ½" iron rod, a point of curvature;

THENCE: Southeasterly, along a tangent curve to the right, said curve having radius of 1027.82 feet, a central angle of 01°42'41", a chord bearing and distance of S 17°33'58" E, 30.70 feet, an arc length of 30.70 feet to a found iron rod with a cap marked "Chaparral", a corner in the right-of-way of Coulee Drive, a 60-foot right-of-way, dedicated in the said Amended Plat of Heritage Glen Section One, an exterior corner of said called 125.575 acre tract, a point of non-tangency;

THENCE: S 73°27'38" W, departing the southwest line of said Lot 1, along and with the northwest right-of-way line of said Coulee Drive, a southeast line of said called 125.575 acre tract, a distance of 59.92 feet to a found ½" iron rod, a corner in the right-of-way of said Coulee Drive, an interior corner of said called 125.575 acre tract, a point of non-tangent curvature;

THENCE: Southeasterly, along a non-tangent curve to the right, said curve having radius of 871.56 feet, a central angle of 01°05'47", a chord bearing and distance of S 15°46'52" E, 16.68 feet, an arc length of 16.68 feet to a found iron rod with a cap marked "All Points", the north corner of the aforementioned Lot 10, an exterior corner of said called 125.575 acre tract, a point of non-tangency;

THENCE: S 74°29'43" W, departing the southwest right-of-way line of said Coulee Drive, along and with the northwest line of said Lot 10, a southwest line of said called 125.575 acre tract, a distance of 146.29 feet to the **POINT OF BEGINNING** and containing 26.973 acres in the City of Leander, Williamson County, Texas. Said tract being described in accordance with a survey made on the ground by Pape Dawson Engineers, Inc., Job No. 50784-00

PREPARED BY: Pape-Dawson Engineers, Inc.
DATE: June 3, 2014
JOB NO. 50784-00
DOC. ID. H:\survey\CIVIL\50784-00\Word\26.973 Acre Tract Phase 4.docx
TBPE Firm Registration #470
TBPLS Firm Registration #100288-00



FIELD NOTES

FOR

PHASE FIVE

A 16.987 acre, or 739,938 square feet more or less, tract of land, being out of a called 25.319 acre tract, described in conveyance to Sentinel/Cotter Leander LLC, in Special Warranty Deed recorded in Document No. 2013114493 of the Official Public Records of Williamson County, Texas, situate in the Charles Cochran Survey, Abstract No. 134, Williamson County Texas. Said 16.987 acre tract being more fully described as follows, with bearings based on the North American Datum of 1983 (NA 2011) epoch 2010.00, from the Texas Coordinate System established for the Central Zone.

BEGINNING: At a found iron rod with a cap marked "Chaparral", on the south right-of-way line of the San Gabriel Parkway, a variable width right-of-way, the northeast corner of a 34.705 acre tract recorded in Document No. 2005006808 of the Official Public Records of Williamson County, Texas, the northwest corner of said called 25.319 acre tract;

THENCE: Along and with the south right-of-way line of said San Gabriel Parkway, the north line of said called 25.319 acre tract, the following bearings and distances:

S 77°11'17" E, a distance of 206.14 feet to a found iron rod with a cap marked "ZWA";

S 76°33'22" E, a distance of 999.70 feet to a found iron rod with a cap marked "ZWA";

S 76°10'25" E, a distance of 306.53 feet to a found iron rod with a cap marked "Chaparral", at a point of curvature;

Southeasterly, along a tangent curve to the left, said curve having radius of 2149.70 feet, a central angle of 09°36'30", a chord bearing and distance of S 80°58'40" E, 360.07 feet, an arc length of 360.49 feet to a calculated point of non-tangency;

THENCE: Departing the south right-of-way line of said San Gabriel Parkway, over and across said called 25.319 acre tract, the following bearings and distances:

S 01°45'13" W, a distance of 144.54 feet to a calculated point;

S 01°44'56" W, a distance of 50.00 feet to a calculated point;

S 88°14'47" E, a distance of 32.33 feet to a calculated point;

S 01°45'13" W, a distance of 120.00 feet to a calculated point;

N 88°14'47" W, a distance of 132.92 feet to a calculated point;

N 82°54'08" W, a distance of 84.37 feet to a calculated point;

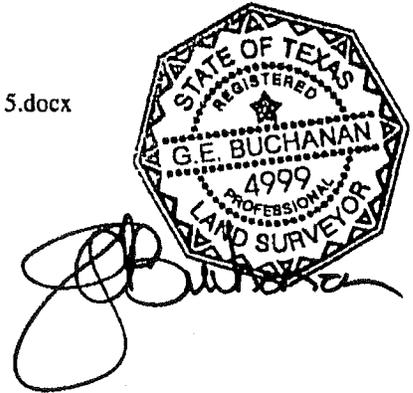
N 79°35'10" W, a distance of 280.00 feet to a calculated point;

N 84°25'19" W, a distance of 63.17 feet to a calculated point;
S 89°00'14" W, a distance of 636.24 feet to a calculated point;
S 75°09'40" W, a distance of 51.89 feet to a calculated point;
N 89°20'39" W, a distance of 59.00 feet to a calculated point;
N 63°32'53" W, a distance of 160.96 feet to a calculated point;
S 87°21'33" W, a distance of 65.30 feet to a calculated point;
S 74°12'37" W, a distance of 63.50 feet to a calculated point;

THENCE: S 69°15'18" W, a distance of 39.49 feet to a calculated point, on an east line of Lot 3, Block H of the Benbrook Ranch, Section Two Phase One recorded in Cabinet CC, Slides 3-9 of the Plat Records of Williamson County, Texas, the west line of said called 25.319 acre tract;

THENCE: N 20°44'50" W, along and with an east line of said Lot 3, the west line of said called 25.319 acre tract, at a distance of 78.8 feet passing through the southeast corner of the aforementioned called 34.705 acre tract, a northeast corner of said Lot 3, continuing along and with the west line of said called 25.319 acre tract, the east line of said called 34.705 acre tract, for a total distance of 682.50 feet to the **POINT OF BEGINNING** and containing 16.987 acres in the City of Leander, Williamson County, Texas. Said tract being described in accordance with a survey made on the ground by Pape Dawson Engineers, Inc., Job No. 50784-00

PREPARED BY: Pape-Dawson Engineers, Inc.
DATE: June 3, 2014
JOB NO. 50784-00
DOC. ID. H:\survey\CIVIL\50784-00\Word\16.987 Acre Tract Phase 5.docx
TBPE Firm Registration #470
TBPLS Firm Registration #100288-00



FIELD NOTES
FOR
PHASE SIX

A 7.818 acre, or 340,546 square feet more or less, tract of land, being out of a called 125.575 acre tract, described in conveyance to Sentinel/Cotter Leander LLC, in Special Warranty Deed recorded in Document No. 2013089235 of the Official Public Records of Williamson County, Texas, situate in the Charles Cochran Survey, Abstract No. 134, Williamson County, Texas. Said 7.818 acre tract being more fully described as follows, with bearings based on the North American Datum of 1983 (NA 2011) epoch 2010.00, from the Texas Coordinate System established for the Central Zone:

COMMENCING: At a found iron rod with cap marked "Chaparral", the northeast corner of a called 25.319 acre tract, conveyed to Sentinel/Cotter Leander LLC recorded in Document No. 2013114493 of the Official Public Records of Williamson County, Texas, the northwest corner of a called 107.928 acre tract conveyed to Waterstone Tylerville LP., recorded in Document No. 2004063370 of the Official Public Records of Williamson County, Texas, and a point in the south right of way line of San Gabriel Parkway, a variable width right of way;

THENCE: S 00°24'10" E, departing the south right of way line of said San Gabriel Parkway, along and with the east line of said called 25.319 acre tract and the west line of said called 107.928 acre tract, a distance of 20.00 feet to a found iron rod with cap marked "Chaparral";

THENCE: S 46°02'48" W, along and with a southeast line of said called 25.319 acre tract and a northwest line of said called 107.928 acre tract, a distance of 35.85 feet to a found iron rod with cap marked "Chaparral";

THENCE: N 88°14'47" W, along and with a south line of said called 25.319 acre tract and a north line of said called 107.928 acre tract, at a distance of 20.00 feet passing a found iron rod with cap marked "Chaparral", a northeast corner of said called 25.319 acre tract and a northwest corner of said called 107.928 acre tract, continuing over and across said called 25.319 acre tract for a total distance of 22.41 feet to a calculated point;

THENCE: S 01°45'13" W, continuing over and across said called 25.319 acre tract, at a distance of 285.72 feet passing the south line of said called 25.319 acre tract and the north line of said called 125.575 acre tract, continuing over and across said called 125.575 acre tract, for a total distance of 600.93 feet to found ½" iron rod with yellow cap marked "Pape-Dawson", the POINT OF BEGINNING:

THENCE: Continuing over and across said called 125.575 acre tract, the following calls and distances:

EAST, a distance of 271.79 feet to a calculated point;

N 71°57'27" E, a distance of 182.94 feet to a calculated point;

S 76°28'41" E, a distance of 140.01 feet to a calculated point;

S 60°54'35" E, a distance of 227.90 feet to a calculated point;

S 25°09'23" E, a distance of 112.68 feet to a calculated point;

SOUTH, a distance of 54.14 feet to a calculated point;

S 10°01'51" W, a distance of 161.95 feet to a calculated point;

N 79°58'09" W, a distance of 136.96 feet to a calculated point;

Southwesterly, along a tangent curve to the left, said curve having radius of 430.00 feet, a central angle of 44°03'40", a chord bearing and distance of S 78°00'01" W, 322.59 feet, an arc length of 330.68 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

S 55°58'11" W, a distance of 129.38 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

Southwesterly, along a tangent curve to the right, said curve having radius of 45.00 feet, a central angle of 54°45'56", a chord bearing and distance of S 83°21'09" W, 41.39 feet, an arc length of 43.01 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

Northwesterly, along a reverse curve to the left, said curve having radius of 85.00 feet, a central angle of $15^{\circ}43'05''$, a chord bearing and distance of $N 77^{\circ}07'26'' W$, 23.25 feet, an arc length of 23.32 feet to a found $\frac{1}{2}$ " iron rod with yellow cap marked "Papae-Dawson";

Northwesterly, along a reverse curve to the right, said curve having radius of 60.00 feet, a central angle of $51^{\circ}38'01''$, a chord bearing and distance of $N 59^{\circ}09'58'' W$, 52.26 feet, an arc length of 54.07 feet to a found $\frac{1}{2}$ " iron rod with yellow cap marked "Papae-Dawson";

$N 33^{\circ}20'58'' W$, a distance of 111.11 feet to a found $\frac{1}{2}$ " iron rod with yellow cap marked "Papae-Dawson";

Northwesterly, along a tangent curve to the right, said curve having radius of 470.00 feet, a central angle of $34^{\circ}52'53''$, a chord bearing and distance of $N 15^{\circ}54'31'' W$, 281.73 feet, an arc length of 286.13 feet to a found $\frac{1}{2}$ " iron rod with yellow cap marked "Papae-Dawson";

Northeasterly, along a compound curve to the right, said curve having radius of 15.00 feet, a central angle of $89^{\circ}34'10''$, a chord bearing and distance of $N 46^{\circ}19'00'' E$, 21.13 feet, an arc length of 23.45 feet to a found $\frac{1}{2}$ " iron rod with yellow cap marked "Papae-Dawson";

$S 88^{\circ}53'55'' E$, a distance of 5.91 feet to a found $\frac{1}{2}$ " iron rod with yellow cap marked "Papae-Dawson";

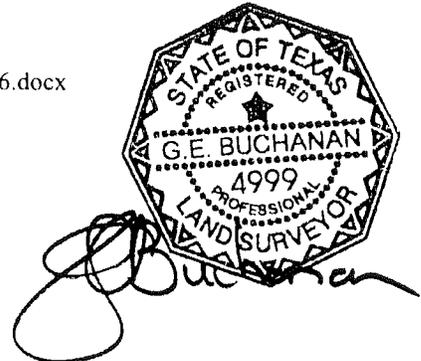
$N 01^{\circ}06'05'' E$, a distance of 50.00 feet to a found $\frac{1}{2}$ " iron rod with yellow cap marked "Papae-Dawson";

$N 88^{\circ}53'55'' W$, a distance of 5.00 feet to a found $\frac{1}{2}$ " iron rod with yellow cap marked "Papae-Dawson";

Northwesterly, along a tangent curve to the right, said curve having radius of 15.00 feet, a central angle of $91^{\circ}25'12''$, a chord bearing and distance of $N 43^{\circ}11'19'' W$, 21.48 feet, an arc length of 23.94 feet to a found $\frac{1}{2}$ " iron rod with yellow cap marked "Papae-Dawson";

THENCE: N 01°45'13" E, a distance of 46.97 feet to the POINT OF BEGINNING and containing 7.818 acres in the City of Leander, Williamson County, Texas. Said tract being described in accordance with a survey made on the ground by Pape Dawson Engineers, Inc., Job No. 50784-00.

PREPARED BY: Pape-Dawson Engineers, Inc.
DATE: June 17, 2014
JOB NO. 50784-00
DOC. ID. H:\survey\CIVIL\50784-00\Word\7.818 Acre Tract Phase 6.docx
TBPE Firm Registration #470
TBPLS Firm Registration #100288-00



FIELD NOTES
FOR
PHASE SEVEN

A 9.991 acre, or 435,216 square feet more or less, tract of land, being out of a called 125.575 acre tract, described in conveyance to Sentinel/Cotter Leander LLC, in Special Warranty Deed recorded in Document No. 2013089235 of the Official Public Records of Williamson County, Texas, situate in the Charles Cochran Survey, Abstract No. 134, Williamson County, Texas. Said 9.991 acre tract being more fully described as follows, with bearings based on the North American Datum of 1983 (NA 2011) epoch 2010.00, from the Texas Coordinate System established for the Central Zone:

COMMENCING: At a calculated point, a point in the south line of said called 125.575 acre tract, the northeast corner of West Broade Street, a variable width right of way as shown in the Final Plat of Northside Meadow, Phase 1A recorded in Document No. 2014025255 of the Official Public Records of Williamson County, Texas and the northwest corner of Lot 1, Block N, shown in said final plat of Northside Meadow, Phase 1A:

THENCE: N 75°07'14" E, departing the east right of way line of said West Broade Street, along and with the south line of said called 125.575 acre tract and the north line of said Lot 1, Block N, a distance of 1.85 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson", the POINT OF BEGINNING:

THENCE: Departing the south line of said called 125.575 acre tract and the north line of said Lot 1, Block N, over and across said called 125.575 acre tract the following calls and distances:

N 20°48'21" W, a distance of 81.91 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

Northwesterly, along a tangent curve to the left, said curve having radius of 382.00 feet, a central angle of 48°39'25", a chord bearing and distance of N 45°08'04" W, 314.74 feet, an arc length of 324.40 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

N 69°27'46" W, a distance of 238.21 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

Northwesterly, along a tangent curve to the right, said curve having radius of 318.00 feet, a central angle of $11^{\circ}46'37''$, a chord bearing and distance of $N 63^{\circ}34'28'' W$, 65.25 feet, an arc length of 65.36 feet to a found $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

Northwesterly, along a compound curve to the right, said curve having radius of 15.00 feet, a central angle of $97^{\circ}12'16''$, a chord bearing and distance of $N 09^{\circ}05'01'' W$, 22.50 feet, an arc length of 25.45 feet to a found $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

$N 39^{\circ}31'07'' E$, a distance of 5.00 feet to a found $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

$N 50^{\circ}28'53'' W$, a distance of 46.00 feet to a found $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

$S 39^{\circ}31'07'' W$, a distance of 7.03 feet to a found $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

Southwesterly, along a tangent curve to the right, said curve having radius of 15.00 feet, a central angle of $97^{\circ}41'38''$, a chord bearing and distance of $S 88^{\circ}21'56'' W$, 22.59 feet, an arc length of 25.58 feet to a found $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

$N 42^{\circ}47'15'' W$, a distance of 142.08 feet to a found $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

Northwesterly, along a tangent curve to the right, said curve having radius of 45.00 feet, a central angle of $54^{\circ}45'56''$, a chord bearing and distance of $N 15^{\circ}24'17'' W$, 41.39 feet, an arc length of 43.01 feet to a found $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

Northeasterly, along a reverse curve to the left, said curve having radius of 85.00 feet, a central angle of $07^{\circ}38'31''$, a chord bearing and distance of $N 08^{\circ}09'26'' E$, 11.33 feet, an arc length of 11.34 feet to a found $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

Northeasterly, along a reverse curve to the right, said curve having radius of 60.00 feet, a central angle of $51^{\circ}38'01''$, a chord bearing and distance of $N 30^{\circ}09'10'' E$, 52.26 feet, an arc length of 54.07 feet to a found $\frac{1}{2}$ " iron rod with yellow cap marked "Pape-Dawson";

N 55°58'11" E, a distance of 121.87 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

Northeasterly, along a tangent curve to the right, said curve having radius of 370.00 feet, a central angle of 44°03'40", a chord bearing and distance of N 78°00'01" E, 277.58 feet, an arc length of 284.54 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

S 79°58'09" E, a distance of 69.95 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

Southeasterly, along a tangent curve to the right, said curve having radius of 25.00 feet, a central angle of 90°00'00", a chord bearing and distance of S 34°58'09" E, 35.36 feet, an arc length of 39.27 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

S 79°58'09" E, a distance of 46.00 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

Northeasterly, along a non-tangent curve to the right, said curve having a radial bearing of S 79°58'09" E, a radius of 25.00 feet, a central angle of 90°00'00", a chord bearing and distance of N 55°01'51" E, 35.36 feet, an arc length of 39.27 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

S 79°58'09" E, a distance of 170.10 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson";

THENCE: Southeasterly, along a tangent curve to the left, said curve having radius of 680.00 feet, a central angle of 04°08'22", a chord bearing and distance of S 82°02'20" E, 49.12 feet, an arc length of 49.13 feet to a found ½" iron rod with yellow cap marked "Pape-Dawson", a point in the east line of said called 125.575 acre tract and a point in the west line of a called 164.446 acre tract conveyed to Waterstone Michelle LP, recorded in Document No. 2004063368 of the Official Public Records of Williamson County, Texas;

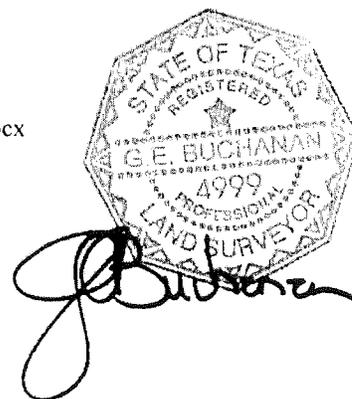
THENCE: S 21°01'39" E, along and with the east line of said called 125.575 acre tract and the west line of said called 164.466 acre tract, a distance of 681.59 feet to found iron rod with cap marked "Chaparral", the southeast corner of said called 125.575 acre tract and a point in the north line of a called 78.978 acre

tract, conveyed to H.E.B. Grocery recorded in Document No. 2003003109 of the Official Public Records of Williamson County, Texas;

THENCE: S 74°57'44" W, along and with the south line of said called 125.575 acre tract and the north line of said called 78.978 acre tract, a distance of 30.64 feet to a found MAG nail with washer stamped "SC1", a point in the south line of said called 125.575 acre tract, the northwest corner of said called 78.978 acre tract and the northeast corner of the aforementioned Lot 1, Block N;

THENCE: S 75°04'43" W, along and with the south line of said called 125.575 acre tract and the north line of said Lot 1, Block N, a distance of 300.96 feet to the POINT OF BEGINNING and containing 9.991 acres in the City of Leander, Williamson County, Texas. Said tract being described in accordance with a survey made on the ground by Pape Dawson Engineers, Inc., Job No. 50784-00.

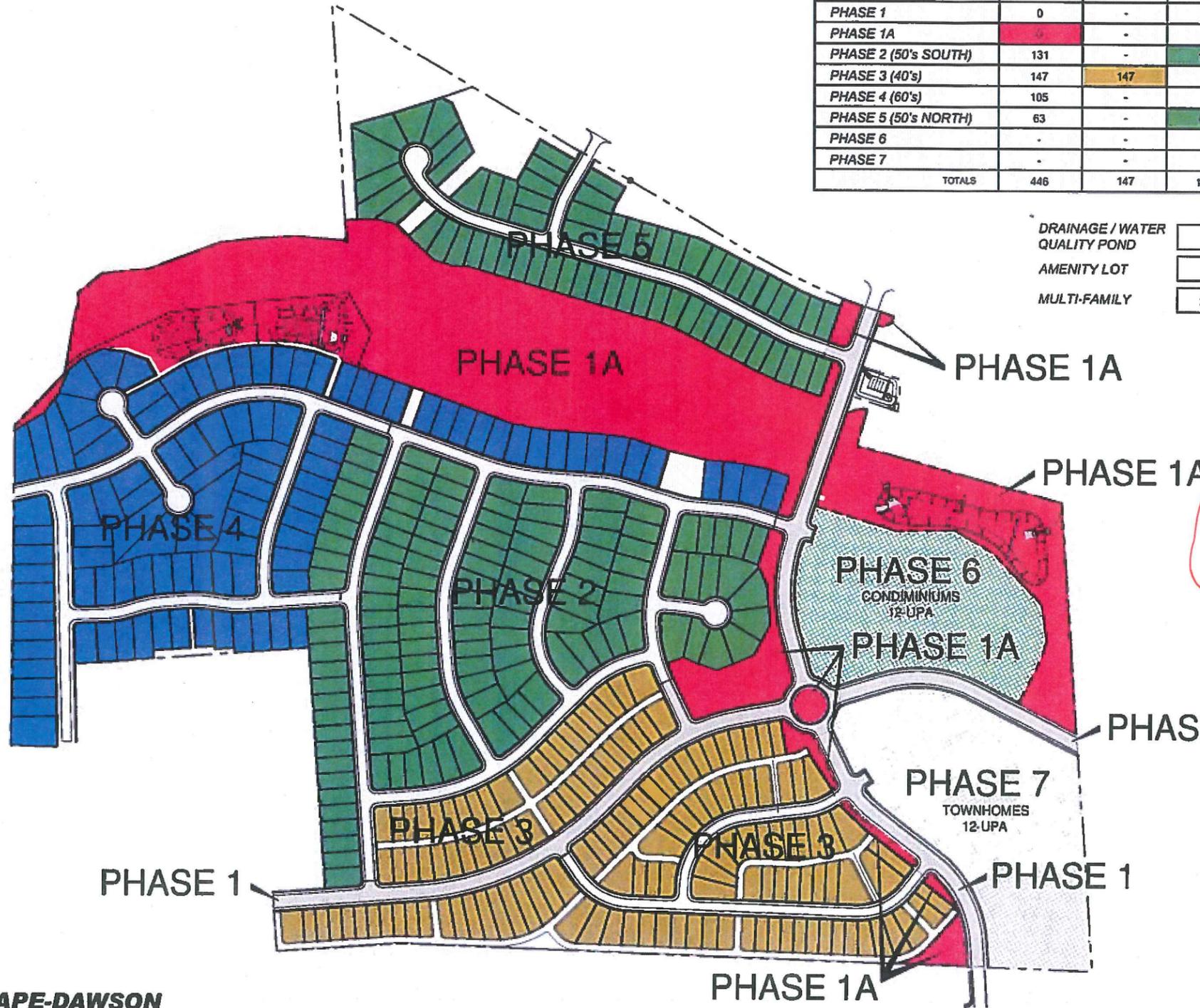
PREPARED BY: Pape-Dawson Engineers, Inc.
DATE: June 17, 2014
JOB NO. 50784-00
DOC. ID. H:\survey\CIVIL\50784-00\Word\9.991 Acre Tract Phase 7.docx
TBPE Firm Registration #470
TBPLS Firm Registration #100288-00



OAK CREEK

PHASING PLAN EXHIBIT

PHASE	TOTAL # LOTS	40' lots	50' lots	60' lots
PHASE 1	0	-	-	-
PHASE 1A	0	-	-	-
PHASE 2 (50's SOUTH)	131	-	131	-
PHASE 3 (40's)	147	147	-	-
PHASE 4 (60's)	105	-	-	105
PHASE 5 (50's NORTH)	63	-	63	-
PHASE 6	-	-	-	-
PHASE 7	-	-	-	-
TOTALS	446	147	194	105



- DRAINAGE / WATER QUALITY POND 25 AC
- AMENITY LOT 1 LOT
- MULTI-FAMILY 2 LOTS

Tax Parcels

Phase 1 : R528999
R525192 ✓

Phase 1A - R529001
- R529002
R529000 R529003
R529004 R529005

Phase 2 - R529006

Phase 3 - R529008
R529007

Phase 4 - R529009

Phase 5 - R529012

Phase 6 - R529010

Phase 7 - R524552 ✓

PID FUNDED IMPROVEMENTS

LANDSCAPE DEVELOPMENT BUDGET

-  SEWER AND DRAINAGE IMPROVEMENTS
-  NEIGHBORHOOD ENTRY FEATURES
-  COLLECTOR ROAD LANDSCAPE
-  LAKE LANDSCAPING AND AERATION
-  MASONRY WALLS AT COLLECTORS



ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF LEANDER APPROVING A SERVICE AND ASSESSMENT PLAN FOR THE OAK CREEK PUBLIC IMPROVEMENT DISTRICT; MAKING A FINDING OF SPECIAL BENEFIT TO THE PROPERTY IN THE DISTRICT; LEVYING SPECIAL ASSESSMENTS AGAINST PROPERTY WITHIN THE DISTRICT; ESTABLISHING A LIEN ON SUCH PROPERTY; APPROVING AN ASSESSMENT ROLL FOR THE DISTRICT; PROVIDING FOR PAYMENT OF THE SPECIAL ASSESSMENTS IN ACCORDANCE WITH CHAPTER 372, TEXAS LOCAL GOVERNMENT CODE; PROVIDING FOR THE METHOD OF ASSESSMENT AND THE PAYMENT OF THE SPECIAL ASSESSMENTS; PROVIDING FOR PENALTIES AND INTEREST ON DELINQUENT ASSESSMENTS; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE; AND PROVIDING FOR RELATED MATTERS

WHEREAS, a petition was submitted and filed with the City Secretary of the City of Leander, Texas (the "City"), pursuant to the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code ("PID Act"), requesting creation of a public improvement district over a portion of the area of the City known as the Oak Creek Public Improvements District (the "District");

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

WHEREAS, after providing the notices required by the Act and by the Texas Open Meetings Act, Chapter 551, Texas Government Code, as amended (the "Open Meetings Act"), the City Council conducted a public hearing on June 5, 2014, to determine the advisability of creating and establishing the District and undertaking the public improvement projects described in the Petition as required by Section 372.009 of the PID Act;

WHEREAS, the public hearing was continued and reconvened on July 3, 2014, and on July 17, 2014, to allow the City Council to hear evidence and make findings as to the advisability, nature and cost of the improvements the boundaries of the District and the method of assessment and apportionment of costs between the District and the City;

WHEREAS, on July 17, 2014, by Resolution No. 14-013-00, the City Council authorized the District in accordance with its finding as to the advisability of the public improvement and services;

WHEREAS, on July 24, 2014, the City published notice of its authorization of the District in the *Hill Country News*, a newspaper of general circulation in the City;

WHEREAS, no written protests of the District were filed by any owners of record of property within the District within 20 days after July 24, 2014;

WHEREAS, the City Council, pursuant to Section 372.016(b) of the PID Act, published notice on October 2, 2014 in the *Hill Country News*, a newspaper of general circulation in the City, of a public hearing to consider the proposed assessments to be levied against property located in the District;

WHEREAS, the City Council convened the hearing at the City Council meeting beginning at 7:00 p.m. on October 16, 2014, at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or to contest the Service and Assessment Plan, the Assessment Roll, and each proposed assessment, and to offer testimony pertinent to any issue presented on the amount of the Special Assessment, the apportionment of the costs of the public improvements, the purpose of the Special Assessment, the special benefits accruing to the property within the District due to the public improvements, and the penalties and interest of annual installments and on delinquent annual installments of the Special Assessment;

WHEREAS, the City Council finds and determines that the Assessment Roll and the Service and Assessment Plan should be approved and that the Special Assessments (as defined in the Service and Assessment Plan) should be levied as provided in this Ordinance and the Service and Assessment Plan and Assessment Roll;

WHEREAS, the City Council further finds that there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the apportionment of the costs of the public improvements, the Assessment Roll, or the levy of the Special Assessments;

WHEREAS, prior to the issuance of bonds secured by the Special Assessments, the owners (the "Landowners" or the "Assessed Parties") of 100% of the privately-owned and taxable property located within the District, and who are persons to be assessed pursuant to this Ordinance, will have executed and presented to the City Council for approval and acceptance a Landowner Agreement (the "Landowner Agreement") in the form and substance acceptable to the City, in which the Assessed Parties approve and accept the Service and Assessment Plan, approve the Assessment Roll, approve this Ordinance, and approve the levy of the Special Assessments against their property located within the District, and agree to pay the Special Assessments when due and payable;

WHEREAS, the City Council closed the hearing, and after considering all comments and all written and documentary evidence presented at the hearing, including all written comments and statements filed with the City, determined to proceed with the adoption of this Ordinance in conformity with the requirements of the PID Act;

WHEREAS, the apportionment of the cost of the public improvements and the Annual Installment pursuant to the Service and Assessment Plan is fair and reasonable, reflects an accurate presentation of the special benefit each property will receive from the administrative services and construction of the Public Improvements identified in the Service and Assessment Plan, and is hereby approved;

WHEREAS, the Service and Assessment Plan covers a period of at least five years and defines the annual indebtedness and projected costs for the Public Improvements and Administrative Expenses;

WHEREAS, the Service and Assessment Plan apportions the cost of the Public Improvement and Administrative Expenses to be assessed against property in the District and such apportionment is made on the basis of special benefits accruing to the property because of the Public Improvements and Administrative Expenses;

WHEREAS, all of the real property in the District which is being assessed in the amounts shown in the Assessment Roll will be benefitted by the services and improvements proposed to be provided through the District in the Service and Assessment Plan, and each parcel of real property will receive special benefits in each year equal or greater than each annual Assessment Installment and will receive special benefits during the term of the Special Assessments equal to or greater than the total amount assessed;

WHEREAS, the method of apportionment of the cost of the Public Improvements, Administrative Expenses, and Annual Installments associated with the PID Bonds set forth in the Service and Assessment Plan results in imposing equal shares of the costs of the Public Improvements and Administrative Expenses on property similarly benefitted, and results in a reasonable classification and formula for apportionment of such costs;

WHEREAS, the Service and Assessment Plan should be approved as the service plan and assessment plan for the District as described in Sections 372.013 and 372.014 of the PID Act;

WHEREAS, the Assessment Roll in the form attached as Appendix A to the Service and Assessment Plan (Assessment Roll) should be approved as the assessment roll for the District;

WHEREAS, the provisions of the Service and Assessment Plan relating to due and delinquency dates for the Special Assessments and the Annual Installments, and procedures in connection with the imposition and collection of the Special Assessments should be approved and will expedite collection of the Special Assessments in a timely manner in order to provide the services and improvements needed and required for the area within the District; and

WHEREAS, the assessments herein levied and assessed are made and levied under and by virtue of the terms, powers and provisions of the PID Act.

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

Section 1. Findings. The findings and recitations set out in this Ordinance are found to be true and correct and they are hereby adopted by the City Council and made a part hereof for all purposes.

Section 2. Public Hearing. The action of the City Council holding and closing the public hearing in these proceedings is hereby ratified and confirmed.

Section 3. Terms. Terms not otherwise defined herein are defined in the Service and Assessment Plan substantially in the form attached hereto as Exhibit A (Service and Assessment Plan).

Section 4. Assessment Plan. The Service and Assessment Plan substantially in the form attached to this Ordinance is hereby accepted and approved pursuant to the PID Act Sections 372.013 and 372.014 as the service and assessment plan for the District.

Section 5. Assessment Roll. The Assessment Roll attached as Appendix A to the Service and Assessment Plan is hereby approved as the assessment roll of the District.

Section 6. Levy and Payment of Special Assessments for Costs of Improvement Project. (a) The City Council hereby levies an assessment on each tract of property located within the District, except for the Non-Benefitted Property, as shown and described on the Service and Assessment Plan and the Assessment Roll, in the respective amounts shown on the Assessment Roll. There is further levied and assessed against each tract of property located within the District, except for the Non-Benefitted Property, having not paid the assessments in full, additional annual assessments for the Administrative Expenses, the prepayment reserve, and the delinquency reserve, as described in the Service and Assessment Plan, which shall be part of the Special Assessment and the Annual Installment. The amount of the Annual Installment shall be reviewed and determined annually by the City Council following the City Council's annual review of the Service and Assessment Plan for the District. Pursuant to Section 372.015(d), the amount of assessment for each property owner may be adjusted following the annual review of the Service and Assessment Plan.

(b) The levy of the Special Assessments related to the District shall be effective on the date of execution of this Ordinance levying assessments and strictly in accordance with the terms of the Service and Assessment Plan.

(c) The collection of the Special Assessments shall be as described in the Service and Assessment Plan.

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

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

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

(g) The Annual Installments for Assessed Properties shall be calculated pursuant to the terms of the Service and Assessment Plan.

Section 7. Method of Assessment. The method of apportioning the Actual Costs is set forth in the Service and Assessment Plan.

Section 8. Penalties and Interest on Delinquent Special Assessments. Delinquent Special Assessments shall be subject to the penalties, interest, procedures, and foreclosure sales set forth in the Service and Assessment Plan. The Special Assessments shall have lien priority as specified in the PID Act and the Service and Assessment Plan.

Section 9. Prepayments of Special Assessments. As provided in subsection 372.018(f) of the PID Act and Section VI.E of the Service and Assessment Plan, the owner (the “Owner”) of any Assessed Property may prepay the Special Assessments levied by this Ordinance.

Section 10. Lien Property. (a) As provided in the Landowner Agreement, the City Council and the Landowners intend for the obligations, covenants and burdens on the Landowners of the Assessed Property, including without limitation such Landowners’ obligations related to payment of the Special Assessments and the Annual Installments, to constitute a covenant running with the land. The Special Assessments and the Annual Installments levied hereby shall be binding upon the Owners, and their respective transferees, legal representatives, heirs, devisees, successors and assigns in the same manner and for the same period as such parties would be personally liable for the payment of ad valorem taxes under applicable law. Special Assessments and the Annual Installments shall have lien priority as specified in the Service and Assessment Plan.

(b) The Special Assessments and Annual Installments levied and assessed against the property within the District as provided in this Ordinance and the Service and Assessment Plan, together with reasonable attorney's fees and costs of collection, if incurred, are hereby declared to be and are made a lien upon each tract of property within the District against which the same are levied and assessed, and a personal liability and charge against the real and true owners of such lot, including the successors and assigns, whether such owners be named herein or not, and said liens shall be and constitute the first enforceable lien and claim against the lot on which such assessments are levied, and shall be a first and paramount lien thereon, superior to all other liens and claims except state, county, school district and City ad valorem taxes.

Section 11. Appointment of Administrator and Collector of Assessments. (a) The Finance Director of the City or his designee is hereby appointed and designated as the initial Administrator of the Service and Assessment Plan and of the assessments levied by this Ordinance. The Administrator shall perform the duties of the Administrator described in the Service and Assessment Plan and in this Ordinance. The Administrator’s fees, charges and expenses for providing such service shall be part of the Annual Installment, as further described in the Service and Assessment Plan. The Finance Director or designee shall serve in such

capacity until such time as the City shall arrange for the Administrator's duties to be performed by any other qualified person or company selected by the City.

(b) The Finance Director of the City or his designee is hereby appointed as the temporary collector of the Special Assessments. The Finance Director or designee shall serve in such capacity until such time as the City shall arrange for the collection duties to be performed by any other qualified collection agent selected by the City.

Section 12. Applicability of Tax Code. To the extent not inconsistent with this Ordinance, and not inconsistent with the PID Act or the other laws governing public improvement districts, the provisions of the Texas Tax Code governing enforcement of ad valorem tax liens shall be applicable to the imposition and collection of Special Assessments by the City, and the Texas Tax Code shall otherwise be applicable to the extent provided by the PID Act.

Section 13. Severability. If any provision of this Ordinance or the application of any provision to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared to be severable.

Section 14. Effective Date. This Ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the Tex. Loc. Gov't. Code, and it is accordingly so ordained.

Section 15. Open Meetings. It is hereby officially found and determined that the meeting at which this Ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, *Chapt. 551, Tex. Gov't. Code.*

PASSED AND APPROVED on this 16th day of October, 2014.

ATTEST:

THE CITY OF LEANDER, TEXAS

Debbie Haile, City Secretary

Christopher Fielder, Mayor

EXHIBIT A

**SERVICE AND ASSESSMENT PLAN FOR THE OAK CREEK PUBLIC
IMPROVEMENT DISTRICT**



Executive Summary

October 16, 2014

Agenda Subject: Public Hearing on whether the City should issue special assessment revenue bonds to provide public improvements in connection with the Oak Creek Public Improvement District in an amount of approximately \$5,200,000.

Background:

On April 17, 2014, Council directed staff to proceed with the steps necessary to accept the PID petition and schedule the public hearing for the creation of the Oak Creek PID. On May 1, 2014 the Council accepted the petition for the creation of the Oak Creek PID. On June 5, 2014 the Council opened the public hearing on the creation of the PID and continued it until July 3, 2014. At the July 3, 2014 meeting the Council continued the public hearing until July 17, 2014. On July 17, 2014 the Council closed the public hearing and approved a resolution creating the Oak Creek PID. On October 2, 2014 the Council approved: a resolution approving the form and authorizing distribution of the preliminary official statement, a resolution directing publication of notice of a public hearing on the intention to issue special assessment revenue bonds, and a resolution authorizing the filing of the assessment role and directing publication of a public hearing on the levying of assessments.

The Oak Creek PID proposes to issue special assessment revenue bonds to pay for the proposed public improvements.

This agenda item provides for the required public hearing on the issuance of the PID bonds.

Origination: Applicant: Sentinel/Cotter Leander, LLC

Recommendation: Staff recommends approval.

Attachments:

1. None (See agenda item #19 backup materials)

Prepared by: Tom Yantis, AICP
Assistant City Manager



Executive Summary

October 16, 2014

Agenda Subject: Consider Oak Creek Public Improvement District Financing Agreement.

Background:

On April 17, 2014, Council directed staff to proceed with the steps necessary to accept the PID petition and schedule the public hearing for the creation of the Oak Creek PID. On May 1, 2014 the Council accepted the petition for the creation of the Oak Creek PID. On June 5, 2014 the Council opened the public hearing on the creation of the PID and continued it until July 3, 2014. At the July 3, 2014 meeting the Council continued the public hearing until July 17, 2014. On July 17, 2014 the Council closed the public hearing and approved a resolution creating the Oak Creek PID. On October 2, 2014 the Council approved: a resolution approving the form and authorizing distribution of the preliminary official statement, a resolution directing publication of notice of a public hearing on the intention to issue special assessment revenue bonds, and a resolution authorizing the filing of the assessment role and directing publication of a public hearing on the levying of assessments.

The Oak Creek PID proposes to issue special assessment revenue bonds to pay for the proposed public improvements.

This agenda item approves the financing agreement between the developer and the City which identifies the responsibilities of both parties related to the construction and financing of the PID improvements.

Origination: Applicant: Sentinel/Cotter Leander, LLC

Recommendation: Staff recommends approval.

Attachments:

1. PID Financing Agreement

Prepared by: Tom Yantis, AICP
Assistant City Manager

OAK CREEK PUBLIC IMPROVEMENT DISTRICT
FINANCING AGREEMENT

BETWEEN

SENTINEL/COTTER LEANDER, LLC, a Texas limited liability company

AND

THE CITY OF LEANDER, TEXAS

OAK CREEK PUBLIC IMPROVEMENT DISTRICT
FINANCING AGREEMENT

This Oak Creek Public Improvement District Financing Agreement (this “**Agreement**”), dated as of _____, 2014, (the “**Effective Date**”), is entered into between SENTINEL/COTTER LEANDER, LLC, a Texas limited liability company (including its Designated Successors and Assigns, the “**Owner**”), and the City of Leander, Texas (the “**City**”), a municipal corporation, acting by and through its duly authorized representative.

Recitals:

WHEREAS, Owner owns a total of approximately 151 acres of land more particularly described on Exhibit “B” attached hereto and made a part hereof (the “**Property**”).

WHEREAS, the City has adopted Ordinance No. 14-039-00 establishing a Planned Unit Development (“**PUD**”) for the Property;

WHEREAS, it is intended that the Property will be developed as a single family residential development by Owner, its affiliates and/or their successors and assigns (the “**Project**”);

WHEREAS, the City Council authorized the formation of the Oak Creek Public Improvement District pursuant to Resolution No. 14-013-00 (the “**District**”) on July 17, 2014 in accordance with the PID Act (as defined in Exhibit “A”);

WHEREAS, pursuant to the terms of this Agreement, the City has agreed to allow financing of certain public improvements within the Property via a public improvement district;

WHEREAS, the Owner proposes to construct certain improvements over time to serve Property located in the District (or portions thereof) and donate some of those improvements to the City in accordance with the terms and provisions of this Agreement;

WHEREAS, the City intends to (upon satisfaction of the conditions and in accordance with the terms set forth in this Agreement), at the request, and with the consent, approval and agreement of the Owner, adopt the Assessment Ordinance (as defined in Exhibit A) and adopt the Assessment Plan (as defined in Exhibit A) that provides for the construction and financing of certain public improvements within the District pursuant to the Assessment Plan, payable in whole or in part, by and from assessments levied against property within the District, as more specifically provided for in the Assessment Plan;

WHEREAS, the City intends to (upon satisfaction of the conditions and in accordance with the terms set forth in this Agreement) levy assessments on all or a portion of the property located within the District and issue bonds for payment of costs associated with construction and/or acquisition of the Public Improvements (as defined in Exhibit “A”) included in the Assessment Plan, as such plan may be amended from time to time;

WHEREAS, the City has determined that it is in its best interests to contract with the Owner for the construction of the Public Improvements, which will result in the efficient and effective implementation of the Assessment Plan; and

WHEREAS, from the proceeds of the PID Bonds, the City will, upon satisfaction of the conditions and in accordance with the terms set forth in this Agreement, acquire those certain Public Improvements provided for in this Agreement and the Developer will be paid or repaid or reimbursed for the costs of acquisition, construction and improvement of the Segments that are completed from time to time and operative, subject to the terms and limitations set forth herein;

NOW, THEREFORE, for and in consideration of the mutual agreements, covenants, and conditions contained herein, and other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I. SCOPE OF AGREEMENT

This Agreement establishes provisions for the apportionment, levying, and collection of Assessments on the Property (Article II), the Construction of Public Improvements to be Acquired by the City (Article III), advancement of construction funds for the PID Bonds, acquisition, ownership and maintenance of Public Improvements within the District (Article IV), and the issuance of bonds for the financing of the Public Improvements (Article V). Definitions used herein are set forth in Exhibit "A" attached hereto and made a part hereof and in the Assessment Plan.

ARTICLE II. APPORTIONMENT, LEVY AND COLLECTION OF ASSESSMENTS

Section 2.01. Preliminary Matters

(a) On July 17, 2014, the City authorized the formation of the District in Resolution No. 14-013-00. The District includes all of the Property.

(b) The Property may be developed in phases in accordance with the phasing plan approved by the City (the "**Phasing Plan**").

(c) A draft of the Assessment Plan for the Property is attached hereto as Exhibit "C." The Owner acknowledges and agrees that the Assessment Plan must meet the requirements of Texas Local Government Code §§ 372.013 and 372.014 and be presented to the City Council for review and approval prior to PID Bonds being issued. Thereafter, the Assessment Plan will be updated and amended by the Administrator at least once per year, and submitted for the City Council's review and approval.

(d) Special Assessments on any portion of the Property will bear a direct proportional relationship to and be less than or equal to the special benefit of the Public Improvements within the District.

(e) Special Assessment on any given portion of the Property may be adjusted so long as the Special Assessments are determined in accordance with the Assessment Plan.

(f) The Property shall be subject to an Owner's Association assessment for the provision of authorized services, including but not limited to maintaining public areas (e.g. parks and open space and landscaping) within the District as set forth in Section 3.09.

(g) Promptly following submission to the City of an updated Assessment Plan (or any subsequent amendment or supplement to the Assessment Plan) acceptable in form and substance to the City and to the Owner with respect to the matters therein that require approval by the Owner as provided in this Agreement, the City Council shall consider an Assessment Ordinance relating to the applicable plan or amendment or supplement. If an Assessment Ordinance is adopted, the City shall use reasonable, good faith efforts to expeditiously initiate and approve all necessary documents and orders required to effectuate and implement the Assessment Plan and Assessment Ordinance.

Section 2.02. Apportionment and Levy of Assessments.

The City intends to levy Special Assessments on the Property in accordance herewith and with the Assessment Plan (as such plan is amended from time to time) at such time as PID Bonds are issued in accordance with Article IV hereof. The City's apportionment and levy of Special Assessments shall be made in accordance with the PID Act.

Section 2.03. Collection of Assessments.

The City covenants and agrees that it shall, as authorized by the PID Act and other applicable law, continuously collect or cause to be collected Special Assessments levied pursuant to the Assessment Plan during the term of this Agreement in the manner and to the maximum extent permitted by applicable law. The City covenants and agrees that to the extent permitted by applicable law, it will not permit a reduction, abatement, or exemption in the Special Assessments due on any portion of the Property until the PID Bonds related to that particular portion of the Property are no longer outstanding, whether as a result of payment in full, defeasance or otherwise; provided that certain portions of the Property, as defined in the Assessment Plan, will not be subject to the Special Assessments. The City shall use good and sound practices to collect the Special Assessments consistent with the City's policies and standard practices applicable to the collection of City taxes and assessments. The City shall use good faith efforts to cause County to include the Special Assessments on the county tax bills for the Project.

Notwithstanding anything to the contrary contained herein or in the Assessment Plan, the Special Assessment Revenues collected annually from the Property will be (a) first deposited to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the PID Bonds next coming due, (b) second, deposited to the Reserve Account of the Reserve Fund in an amount necessary to cause the amount on deposit therein to equal the Reserve Fund Requirement, (c) third, deposited to the Prepayment Reserve Account and Delinquency Reserve Account of the Reserve Fund in an amount necessary to cause the amount on deposit therein to equal the Prepayment Reserve Requirement and the Delinquency Reserve Requirement, respectively, (d) fourth, used to pay Initial Administrative Expenses; (e) fifth, used to pay Actual Costs, and (f) sixth, used to pay any costs permitted by the PID Act. Capitalized terms not defined in this Section 2.03 shall have the meanings ascribed to them in the Indenture.

Further notwithstanding anything to the contrary contained herein, the City covenants to use diligent, good faith efforts to contract with Williamson County for the collection of the Special Assessments such that the Special Assessments will be included on the ad valorem tax bill(s) for the Property and will be collected as part of and in the same manner as ad valorem taxes.

Section 2.04. Approval and Recordation of Special Assessments through Landowner Agreement.

Concurrently with the levy of the Special Assessments for any portion of the Property, the Owner shall execute (and shall cause any other owner of any of the Property that will be subject to the future special assessments to execute) a Landowner Agreement (herein so called) in which the Landowner shall approve and accept the apportionment of assessments in the Assessment Plan and the levy of the Special Assessments by the City. The Landowner Agreement further shall (a) evidence the Owner's intent that the Special Assessments be covenants running with the land that (i) will bind any and all current and successor owners of the Property to the Special Assessments, including applicable interest thereon, as and when due and payable thereunder and (ii) provide that subsequent purchasers of such land take their title subject to and expressly assume the terms and provisions of the Special Assessments; and (b) provide that the liens created by the levy of the Special Assessments are a first and prior lien on the Property, subject only to liens for ad valorem taxes of the State or municipality (if any), County, school district, special district or other political subdivision.

Section 2.05. Actual Costs

(a) Notwithstanding anything to the contrary contained herein, the City and Owner hereby acknowledge and agree that the Actual Costs expended by Owner may not be fully reimbursed from the PID Bonds. The City and Owner hereby acknowledge and agree that the provisions of this Section 2.05 shall hereby constitute a "reimbursement" under Chapter 372 of the Texas Local Government Code.

(b) The Owner reimbursement provisions contained in this Section 2.05 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 net proceeds from the PID Bonds and Special Assessment Revenues.

(c) Owner's right, title and interest into the payments of unreimbursed Actual Costs shall be the sole and exclusive property of Owner (or its Transferee) and no other third party shall have any claim or right to such funds unless Owner transfers its rights to its unreimbursed Actual Costs to a Transferee in writing and otherwise in accordance with the requirements set forth herein. Owner 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, all or any portion of Owner's right, title, or interest under this Agreement including, but not limited to, any right, title or interest of Owner in and to payment of its unreimbursed Actual Costs (a "**Transfer**," and the person or entity to whom the transfer is made, a "**Transferee**"). Notwithstanding the foregoing, no Transfer shall be effective until written notice of the Transfer,

including the name and address of the Transferee, is provided to the City. The City may rely conclusively on any written notice of a Transfer provided by Owner without any obligation to investigate or confirm the Transfer.

Section 2.06. Obligations Secured by Pledged Revenues.

THE PID BONDS ARE SPECIAL OBLIGATIONS OF THE CITY SECURED SOLELY BY PLEDGED REVENUES (AS DEFINED IN THE INDENTURE) AND ANY OTHER FUNDS HELD UNDER THE INDENTURE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE PID BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE CITY AND ARE NOT SECURED EXCEPT AS PROVIDED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND ANY OTHER FUNDS HELD UNDER THE INDENTURE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO THE OWNERS OF THE BONDS TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES.

ARTICLE III. CONSTRUCTION AND ACQUISITION

Section 3.01. Acquisition of Public Improvements

(a) The Owner will obtain approval of construction plans, or landscaping plans, as appropriate, for the Public Improvements from the City prior to commencing construction of the Public Improvements. Landscaping components of the Public Improvements shall meet or exceed the landscaping requirements set forth in the applicable City zoning regulations. The Public Improvements will be completed within the timeframes required by the Subdivision Ordinance.

(b) The Owner will dedicate the Public Improvements identified in Sections B and E of Exhibit “G” to the City upon completion of said Public Improvements, and the City will accept dedication of such Public Improvements after confirming that the Public Improvements have been completed in accordance with this Agreement and the Subdivision Ordinance and after receiving the documents and information required by Section 28(g) of the Subdivision Ordinance. With respect to the Public Improvements described in Section E of Exhibit “G”, the Owner will also be required to submit an executed License Agreement, in the City’s standard format, prior to the City’s acceptance of the Public Improvements. Section 28(g) of the Subdivision Ordinance shall govern the procedure for inspection, dedication, and acceptance of the Public Improvements.

(c) With respect to the Public Improvements identified Sections C and D in Exhibit “G”, the Owner will grant the City an easement in a form acceptable to the City granting the City and the public the right of access to and use of such Public Improvements. Owner shall further enter into a restrictive covenant agreement with the City in a form substantially similar to that set forth in Exhibit “H”. The easement and restrictive covenant agreement required in this

subsection shall be granted to the City prior to or at the time the final plat for the phase in which the Public Improvement is located is submitted to the City, and will be a condition of final plat approval.

(d) Section 28(g) of the Subdivision Ordinance shall govern the procedure for inspection, dedication, and acceptance of the Public Improvements; provided that, with respect to the Public Improvements described in Sections C and D of Exhibit “G”, use of the phrase “acceptance of Public Improvements” will refer to the City’s determination that such improvements have been constructed and completed in accordance with the terms of this Agreement and applicable regulations, the Owner has delivered to the City executed easements and restrictive covenants as required in Section 3.01(c), and the City has authorized payment for the Actual Costs of said improvements.

Section 3.02. Designation of Construction Manager, Construction Engineers

(a) The City hereby designates the Owner, or its assignees, as the Construction Manager with full responsibility for the design, the designation of easement locations, facilities site designations and acquisitions, supervision of construction, and the bidding and letting of construction contracts for the construction of the Public Improvements in accordance with the provisions of this Article III, subject to the City’s review and approval of design specifications and easement locations.

(b) Inspection of the construction of all Public Improvements shall be by City Construction Representative or its designees. If the PID Bonds have not been issued, the Owner shall pay the inspection fee which shall be included in the Actual Cost and may later be reimbursed to Owner when PID Bonds are issued. If the PID Bonds have been issued, the Owner may pay the inspection fee out of the PID Bond proceeds.

(c) The Owner shall be entitled to a separate Construction Management Fee for the construction of each Segment, unless Owner contracts with a third party to act as the Construction Manager with respect to construction of the Public Improvements.

(d) The City shall cooperate with the Owner in connection with its services as Construction Manager.

(e) The Owner shall designate the consulting engineers for the Public Improvements for the compensation specified by the Owner.

Section 3.03. Designation of Construction Manager Subcontractor

The City acknowledges and agrees that Owner may subcontract out all or some of the duties of Construction Manager to a third party. Owner may designate an individual, company, or partnership or other entity as a subcontractor for construction management services for one or more Public Improvements or distinct Segments thereof.

Section 3.04. Fiscal Security

If prior to commencement of construction of a given Public Improvement, there are funds within the Project Fund of the Indenture sufficient to pay for completion of that Public Improvement, it is intended that the Owner not be required to post fiscal security as required by the Subdivision Ordinance for the applicable Public Improvement. If subcontractors providing labor or materials for the Public Improvements file claims or otherwise give notice asserting failure to receive payment for such labor or materials, the City may require the Owner to post a payment bond for the estimated cost of constructing the Public Improvements. The Owner shall give the City a copy of any such claims within three business days of receipt of the claim. The City acknowledges that it will accept fiscal security, if required, for the Public Improvements in the form of an irrevocable letter of credit, surety bond, cash deposit, or other security acceptable to the City. If no such account exists or such account is not appropriately funded, then the Owner shall be required to post fiscal security for Public Improvements in accordance with Section 28(d) of the Subdivision Ordinance. No final plat for the Property may be approved unless either: a) the Public Improvements and the Subdivision Improvements required for the property subject to the final plat have been completed; or b) Owner has posted fiscal surety with the City in an amount equal to 110% of an amount equal to the difference between the amount held in the Project Fund and the estimated cost to complete the Public Improvements, and the Owner has posted any fiscal surety required by the Subdivision Ordinance to guarantee the completion of the Subdivision Improvements required for the property subject to the final plat. Notwithstanding anything contained herein to the contrary, no final plat for any portion of the Property that contains single family residential lots will be approved until the Public Improvements and the TIRZ Improvements are complete.

Section 3.05. Maintenance of Project, Warranties

Unless otherwise provided for, the Owner shall maintain each Public Improvement (or Segment thereof) in good and safe condition until such Public Improvement (or Segment thereof) is accepted by the City. The City's acceptance of Public Improvements shall be in accordance with the City standard rules and procedures for the acceptance of subdivision improvements, as modified by this Agreement. Prior to such acceptance, the Owner shall be responsible for performing any required maintenance on such Public Improvement. On or before the acceptance by the City of a Public Improvement (or Segment thereof), the Owner shall assign to the City all of the Owner's rights in any warranties, guarantees, maintenance obligations or other evidences of contingent obligations of third persons with respect to such Public Improvement (or Segment thereof) and shall provide the City with the items set forth in Section 28(g)(4) of the Subdivision Ordinance.

Section 3.06. Sales and Use Tax Exemptions.

(a) The parties agree that, as municipally and publicly owned and acquired properties, all costs of materials, other properties and services used in constructing the Public Improvements to be acquired by the City are exempt under the Tax Code from sales and use taxes levied by the State of Texas, or by any city, county, special district, or other political subdivision of the State, as set forth in 34 Tex. Admin. Code, sec. 3.291.

(b) The City will provide such certifications to the Owner and/or to suppliers and contractors as may be required to assure the exemptions claimed herein.

(c) The City and the Owner shall cooperate in structuring the construction contracts for the Public Improvements to comply with requirements (including those set forth in 34. Tex. Admin. Code, sec. 3.291) for exemption from sales and use taxes.

Section 3.07. Regulatory Requirements

(a) Notwithstanding anything to the contrary contained herein, the Owners shall be responsible for the costs of designing, constructing, and obtaining the City's acceptance of the Public Improvements and the Subdivision Improvements, in accordance with applicable local, state, and federal regulations, the City-approved plans and specifications, and good engineering practices. The Owner will be entitled to reimbursement for the Actual Costs of the Public Improvements as provided in this Agreement and any other agreement with the City, subject to the terms and limitations of said agreements; provided that Owner will be responsible for the costs that exceed the authorized reimbursement amounts. Once Owner begins construction of any Public Improvement or Segment thereof, Owner shall complete said Public Improvement or Segment thereof within timeframes required, if any, for completion of public infrastructure set forth in the Subdivision Ordinance.

(b) It is agreed that the PID will be exempt from any public bidding or other purchasing and procurement policies pursuant to Texas Local Government Code Section 252.022(a)(9) which states that a project is exempt from such policies if "paving drainage, street widening, and other public improvements, or related matters, if at least one-third of the cost is to be paid by or through special assessments levied on property that will benefit from the improvements." The Owner shall procure bids from at least three (3) independent, competent contractors for the construction of the Public Improvements and provide copies of the bids to the City. The Public Improvements shall be bid based on the construction plans and specifications approved by the City. Bidders for contracts for the Public Improvements and Subdivision Improvements will be required to submit itemized bids that identify separately the portions of the contract that are for construction of the Public Improvements, the construction of the TIRZ Improvements, and for the construction of any improvements other than the Public Improvements or the TIRZ Improvements. If the City Manager refuses to approve any aspect affecting the award of a construction contract for a Public Improvement, the Developer(s) may appeal such determination to the City Council. Such appeal shall be heard by the City Council no later than 20 days after an appeal is submitted to the City.

(c) The City Construction Representative agrees to cooperate with the Owner to the extent reasonably possible without detriment to proper engineering review, comment, and revision on the review and approval of the engineering, design, plans, and specifications of all Public Improvements submitted by the Owner.

Section 3.08. Additional Requirements for Public Improvements Funded with Progress Payments

The following additional requirements shall be applicable to Public Improvements funded

in accordance with the procedures set forth in Section 4.02:

(a) Prior to the later to occur of (i) the Effective Date, or (ii) commencing construction of any such Public Improvements, the Project Engineer shall review all plans and specifications, construction contract and related materials for the applicable Public Improvement, and shall certify to the Owner, City, Underwriter and Trustee that the amount of funding under the PID Bonds (as specified in the Assessment Plan and Indenture), including but not limited to the fiscal security referenced in Section 3.04 above, is sufficient to fund the full cost of design and construction of the applicable Public Improvements (but excluding any Construction Management Fees or contingencies as set forth in the Assessment Plan).

(b) The Construction Manager will maintain an ongoing monthly updated accounting of funds disbursed, work progress and remaining funding needed to complete each applicable Public Improvement. Such accounting to include a reconciliation of any un-advanced amounts out of the segregated accounts in the Project Fund under the applicable Indenture as compared to the remaining costs to complete each applicable Public Improvement. The Construction Manager will provide such monthly reports to the Owner, the City Construction Representative, the Underwriter and the Trustee.

(c) All change orders or costs increases for applicable Public Improvements must be approved by the Owner, Construction Manager and the City Construction Representative, to the extent any such change order is in excess of \$100,000.00; provided that no change order (regardless of the amount) shall substantially change the character or nature of the Public Improvement. The Construction Manager shall provide copies of all approved change orders to the Financial Advisor, Underwriter and Trustee within ten (10) days after approval.

Section 3.09 Owner's Association

The Owner will create one or more home owners associations for the Property (collectively the "**Owner's Association**"), and shall establish bylaws, rules, regulations and restrictive covenants (collectively the "**Association Regulations**") to assure the Owner's Association performs and accomplishes the duties and purposes required to be performed and accomplished by the Owner's Association pursuant to this Section. The Owner's Association will have binding, continuing responsibility for the maintenance, repair and operation of the HOA-Maintained Improvements (the "**Maintenance Obligation**"). The HOA's Maintenance Obligation shall be noted on the plat and in the restrictive covenants filed of record for the subdivision. The owner of each lot within the Property shall be required to be a member of the Owner's Association, and unpaid dues or assessments shall be and constitute a lien on the lot for which they are assessed; provided that such lien will be subordinate to liens created by levy of the Special Assessments. The Association Regulations will establish periodic Owner's Association dues and assessments, to be charged and paid by the lot owners in within the Property, that are and will be sufficient to maintain the HOA-Maintained Improvements. The Association Regulations will require the periodic dues and assessments to be increased from time to time as necessary to provide the funds required for the maintenance of the HOA-Maintained Improvements, and to provide funds required for the management and operation of the Association. The Association Regulations shall give the City authority to judicially enforce the

covenants requiring the Maintenance Obligation and shall provide for the City to recover any attorney's fees and expenses incurred in judicial enforcement. The Association Regulations shall be subject to the City's approval. Compliance with this section shall be a condition of final plat approval.

(b) The Owners' Association dues and assessments required to be established, maintained and collected by the Owners' Association pursuant to this Agreement shall be in addition to, and not in lieu of, any and all other fees, charges and assessments that will be applicable to the Property.

(c) The Owners' Association shall execute a License Agreement using the City's standard form obligating the Owners' Association to maintain the HOA-Maintained Improvements within 30 days after creation of the Owner's Association.

ARTICLE IV. PAYMENT FOR PUBLIC IMPROVEMENTS

Section 4.01. Overall Requirements

(a) The City shall not be obligated to provide funds for any Public Improvement except from the proceeds of the PID Bonds. The City makes no warranty, either express or implied, that the proceeds of the PID Bonds available for the payment of the Actual Cost of the Public Improvements to be constructed for or acquired by the City will be sufficient for the construction or acquisition of all of those particular Public Improvements. The Parties anticipate that the cost to construct the Public Improvements may be greater than the proceeds of the PID Bonds available for Public Improvements.

(b) Owner may enter into agreements with one or more real estate owners or builders (commercial or residential) to sell or develop a portion of the Property and/or to construct certain Public Improvements (each such Owner, a "Co-Owner") in accordance with the terms and conditions of this Agreement. The Owner may submit Actual Costs paid for by a Co-Owner and obtain reimbursement of such Actual Costs on behalf of and to be paid to such Co-Owner. Costs owed to subcontractors (for which no evidence of payment exists) shall be paid by Trustee to the subcontractors.

(c) The Parties hereby acknowledge and agree that Public Improvements that are intended to be funded by progress payments through PID Bonds (i.e. PID Bonds are sold and then Public Improvements are funded by draws out of PID Bond proceeds) will be governed by Section 4.02 of this Agreement. Public Improvements that have already been completed and paid for by the Owner prior to the issuance of PID Bonds intended to fund such Public Improvements will be governed by Section 4.03 of this Agreement.

(d) The procedures set forth in Section 4.02 and 4.03 below shall apply to all Certifications for Payment regardless of which account within the Project Fund the actual funds are being paid from.

(e) Notwithstanding anything contained herein to the contrary, the City will not release

any payments for the Actual Costs of the Public Improvements until the Owner has submitted and obtained approval by the City of construction plans for all of the Public Improvements and the TIRZ Improvements.

Section 4.02. Progress Payments for Public Improvements

(a) With respect to those Public Improvements not funded pursuant to Section 4.03 below, Owner shall deliver and the City shall accept the given Public Improvements in accordance with the terms herein, if all City ordinances and regulations (as may be modified by this Agreement) are satisfied. The net PID Bond Proceeds from the issuance of the PID Bonds will be held by the Trustee in various segregated accounts under the Project Fund. Those sums held in the various segregated accounts will be advanced to the Owner by the Trustee to fund the costs of design, construction, City inspection and administrative costs, and other soft costs (as more particularly specified herein and in the Assessment Plan) upon receipt of a completed Certification for Payment. Payments will be made to Owner periodically as construction progresses. The procedures for such progress payments are contained in this Section 4.02 and the Indenture. Such payments shall be made by Trustee on a monthly basis and within five (5) business days of the Trustee's receipt of the completed Certification for Payment from the Finance Director. The Construction Manager or its designee shall deliver to the City Construction Representative his/her concurrence to pay pursuant to a completed Certification for Payment within fifteen (15) calendar days after its receipt of the required submittal items pursuant to either subpart (b) or (c) below, as applicable and the City Construction Representative shall then have up to fifteen (15) calendar days to forward the executed Certification for Payment to the Trustee for payment. If the City disapproves any Certification for Payment, the City shall provide a written explanation of the reasons for such disapproval so that if the Certification for Payment is revised in accordance with City's comments, the Certification for Payment can be approved. Notwithstanding anything to the contrary contained herein, if the monthly reconciliation provided by the Construction Manager pursuant to Section 3.08(b) above for a particular Public Improvement shows there are not enough funds in the segregated account to fund the remaining design and construction costs of that Public Improvement after taking into consideration any contingencies, the City Construction Representative shall not be obligated to authorize payments of a Payment Request until such time as Owner provides evidence satisfactory to the City Construction Representative that Owner has or will provide funds in an amount sufficient to fully fund the remaining design and construction costs of that Public Improvement. Furthermore, notwithstanding anything contained herein to the contrary, in the event a subcontractor supplying labor or materials for the Public Improvements claims that the subcontractor has not been paid for such labor or materials, the City Construction Representative shall not be obligated to authorize payments of a Payment Request until such claim is resolved.

(b) After the City has approved the construction plans for all of the Public Improvements and the TIRZ Improvements, requests for payment for design costs for the Public Improvements may be submitted on a monthly basis. The submittal items necessary for a design payment are as follows:

(i) A Certification for Payment executed by the Construction Manager specifying the design has been completed on the applicable Public Improvement;

(ii) A Bills Paid Affidavit from the contractor; and

(iii) Copies of all supporting invoices with respect to such design payment.

(c) During the construction phase for any Public Improvement to be funded by the PID Bonds pursuant to this Section 4.02, payments for construction costs shall be made by the Trustee on a monthly basis. Payments shall be made by the Trustee based on the Actual Cost of the construction completed and the receipt of a completed Certification for Payment. The City is not obligated to authorize any construction payment until such time that the City has approved the plans and specifications for all of the Public Improvements and the TIRZ Improvements. The items required for a construction payment are as follows:

(i) A Certification for Payment executed by the Project Engineer and Construction Manager specifying the amount of work that has been performed and the cost thereof;

(ii) A Bills Paid Affidavit from the contractor;

(iii) Copies of all supporting invoices with respect to such payment;

(iv) Waivers of liens for work on the applicable Public Improvements through the previous Certification for Payment, receipts for payment from the contractor and any subcontractors for the current Certification for Payment, and verification in a form acceptable to the City that any subcontractors have been paid; and

(v) City inspection and approval of the constructed Public Improvement.

The City and the Owner hereby agree that as Payment Requests are made by Owner, processed by the City, and paid by the Trustee, any proceeds of PID Bonds contained in the Bond Improvement Account within the Project Fund shall first be used to fund Payment Requests.

(d) In addition to the submitted items required in 4.02(b) above, in order to obtain the final payment for a Public Improvement funded by the PID Bonds pursuant to this Section 4.02, the following are required:

(i) The Owner shall have provided to the City an assignment of the warranties and guaranties, if applicable, for such Public Improvement and all documentation and information required by Section 28(g) of the Subdivision Ordinance, and executed License Agreement, if required under Section 3.01(b), and an executed easement and restrictive covenant if required by Section 3.01(c);

(ii) Before the final Certification for Payment is submitted to the City, the Project Engineer shall conduct a review for the City to confirm that such Public

Improvement was constructed in accordance with the plans therefor and this Agreement and the Project Engineer will verify and approve the Actual Cost of such Public Improvement specified in such Certification for Payment. Upon confirmation by the Project Engineer to the Finance Director and the submission of the final Certification for Payment indicating that such Public Improvement has been constructed in accordance with the plans therefor, and verification and approval of the Actual Cost of such Public Improvement, the City Construction Representative shall within fifteen (15) calendar days thereafter accept such Public Improvement and the City Construction Representative shall sign the Certification for Payment and forward the same to the Finance Director. The Finance Director shall then have up to ten (10) calendar days to forward the executed Certification for Payment to the Trustee for payment. The City agrees to instruct the Project Engineer to conduct each such review in an expeditious manner not to exceed fifteen (15) calendar days after the Certification for Payment is submitted to the City.

After the final Certification for Payment is submitted to the City, the City shall conduct a review to confirm that such Public Improvement was constructed in accordance with the plans therefor and this Agreement and to verify the Actual Cost of the Public Improvement specified in such Certification for Payment. The City agrees to conduct each such review in an expeditious manner after the Certification for Payment is submitted to the City and the Owner 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. Upon confirmation by the City that such Public Improvement has been constructed in accordance with the plans therefor, and verification and approval of the Actual Cost of such Public Improvement, the City shall within fifteen (15) calendar days thereafter accept such Public Improvement and an authorized representative of the City shall sign the Certification for Payment and forward the same to the Finance Director. The Finance Director shall then have up to fifteen (15) calendar days to forward the executed Certification for Payment to the Trustee for payment.

(e) A retainage of five percent (5%) of the Payment Request shall be withheld from each payment. Retainage will be released upon final completion of the applicable Public Improvement and the expiration of the statutory time period for a mechanics and materialman's lien to be filed. The Owner will cause each construction contract for the Public Improvements to include a provision requiring five percent (5%) retainage to be disbursed only upon completion and acceptance by the City of the applicable Public Improvement.

(f) The Owner has determined that prior to the Effective Date, it has expended funds for costs reimbursable under the PID Act, including: (i) the design of the Public Improvements, (ii) costs of construction of the Public Improvements, (iii) costs in obtaining permits required for the construction of the Public Improvements, and (iv) other costs associated with the formation of the District ("**Owner Expended Funds**"). The total amount of Owner Expended Funds approved by the City pursuant to this Section shall be referred to herein as the "**Reimbursement Payment.**" The costs described in 4.02(f)(i), (ii), and (iii) shall be referred to herein as the "**Reimbursement Payment for the Actual Cost of the Public Improvements**".

(g) Prior to disbursement of proceeds of PID Bonds for the Reimbursement Payment, Owner shall submit to the City a Certification for Payment satisfactory to the City and the Trustee for the Reimbursement Payment and the City will sign the Certification for Payment and deliver said Certification for Payment to the Trustee. Owner shall be reimbursed an amount equal to the Reimbursement Payment and such amount shall be transferred to the Trustee for distribution to the Owner or the Owner's designee; provided that no portion of the Reimbursement Payment that constitutes the Reimbursement Payment for the Actual Cost of the Public Improvements shall be paid until construction plans for all of the Public Improvements and TIRZ Improvements have been approved by the City.

(h) At the closing of the PID, Owner may be reimbursed Bond Issuance Costs for the PID Bonds paid by the Owner, as described in the Assessment Plan and approved by the City. Such Bond Issuance Costs paid at closing shall be set forth in a closing memorandum issued by the Underwriter and included in the Certification for Payment. Additional Bond Issuance Costs for the PID Bonds will be paid after the closing of the applicable PID Bonds upon submittal of proper documentation so long as such Bond Issuance Costs are described in the Assessment Plan and funds remain in the respective Costs of Issuance Account described in the Indenture.

Section 4.03. Payments for Completed Public Improvements

(a) For the Public Improvements that will be conveyed to the City (as set forth on Exhibit "G" attached hereto), the Owner shall convey and dedicate to, and the City shall acquire and accept dedication of the given Public Improvement for the Actual Cost, when such Public Improvement is completed in accordance with this Agreement and has been accepted by the City.

(b) To receive funds from the proceeds of the PID Bond to pay the Actual Cost of a given Public Improvement, the Owner shall deliver to the City and the Project Engineer (i) documentation evidencing the Actual Cost of the Public Improvement, (ii) an assignment of the warranties and guaranties, if applicable, for such Public Improvement, in form reasonably acceptable to the City (if the City is the entity accepting such Public Improvements); and (iii) all other documentation required under Section 4.02 above.

(c) After the final Certification for Payment is submitted to the City, the City shall conduct a review to confirm that such Public Improvement was constructed in accordance with the plans therefor and to verify the Actual Cost of the Public Improvement specified in such Certification for Payment. The City agrees to conduct each such review in an expeditious manner after the Certification for Payment is submitted to the City and the Owner 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. Upon confirmation by the City that such Public Improvement has been constructed in accordance with the plans therefor, and verification and approval of the Actual Cost of such Public Improvement, the City shall within thirty (30) calendar days thereafter accept such Public Improvement and an authorized representative of the City shall sign the Certification for Payment and forward the same to the Finance Director. The Finance Director shall then have up to ten (10) calendar days to forward the executed Certification for Payment to the Trustee for payment.

Section 4.04. Owner, as borrower, has entered into that certain Construction Loan Agreement and related loan documents (the “**Loan**”) with 686342 B.C. Ltd., a British Columbia Company, as lender, (“**Lender**”) in the amount of Four Million Two Hundred Thousand and No/100 Dollars (\$4,200,000.00) (the “**Loan Proceeds**”), which Loan Proceeds shall be disbursed on terms as set forth in the Loan for construction of the Infrastructure Improvements. The Indenture requires that the Loan Proceeds be fully disbursed to Owner for the costs to construct the Infrastructure Improvements prior to any PID Bond proceeds being disbursed as set forth in this section and under Article IV hereof. At such time as the Loan Proceeds have been fully disbursed to Owner pursuant to the terms of the Loan, the Owner shall deliver to the City and Trustee an accounting of the Loan Proceeds disbursed and the costs to which they were applied, which accounting shall include (i) the amount of the disbursements attributable to the Public Improvements (the “**Public Improvement Portion**”) and (ii) the amount of the disbursements attributable to the TIRZ Improvements. After delivery of such accounting, Owner shall obtain a reimbursement for the Public Improvement Portion by submitting a Certificate of Payment for the Public Improvement Portion and otherwise complying with the provisions of Section 4.02 and Section 4.03, as applicable. Such Public Improvement Portion being reimbursed to Owner out of the Bond Improvement Account shall be deposited into the Developer Improvement Account within the Project Fund (the “**Developer Improvement Account**”). Once the Public Improvement Portion has been deposited into the Developer Improvement Account, the funds in the Developer Improvement Account shall be disbursed by Trustee pursuant to Sections 4.02 and 4.03, as applicable, to pay (or reimburse Owner for) the costs incurred to complete the design and construction of the TIRZ Improvements. The remaining balance of the net PID Bond proceeds in the Bond Improvement Account after disbursement of the Public Improvement Portion, shall be disbursed to pay (or reimburse) the balance of the Actual Cost of the Public Improvements in accordance with the terms of this Agreement, including Article IV. The PID Bond proceeds shall not be used to pay for any portion of the TIRZ Improvements.

By way of example only, if (a) the PID Bond proceeds total \$3,800,000, (b) the cost of the Public Improvements are \$3,800,000, (c) the cost of the TIRZ Improvements are \$4,200,000, and (d) the Loan Proceeds of \$4,200,000 funded (i) \$2,500,000 of Public Improvements and (ii) \$1,700,000 of TIRZ Improvements, then after full disbursement of the Loan Proceeds and upon receipt of the accounting and other required documentation as set forth above: (X) the Trustee would reimburse Owner \$2,500,000 for the Public Improvements funded by the Loan Proceeds (i.e., the Public Improvement Portion), which amount would be placed in the Developer Improvement Account; (Y) thereafter, the \$2,500,000 Public Improvement Portion placed in the Developer Improvement Account would be used to fund the remaining TIRZ Improvements; and (Z) the remaining balance of \$1,300,000 [\$3.8 million PID Bond proceeds minus the \$2.5 million Public Improvement Portion] in the Bond Improvement Account will be used to fund the remaining Public Improvements.

ARTICLE V. PID BONDS

Section 5.01. Issuance of PID Bonds.

(a) Subject to the terms and conditions set forth in this Article V, the City intends to authorize the issuance of the PID Bonds to pay for the Public Improvements. The City will use diligent, good faith efforts to sell bonds after receiving a Bond Issuance Request from the Developer. The Public Improvements to be constructed and funded in connection with the PID Bonds are detailed on the chart attached hereto as Exhibit "D".

(b) The aggregate principal amount of PID Bonds required to be issued hereunder shall not exceed an amount sufficient to fund: (i) the Actual Costs of the Public Improvements, (ii) required reserves and capitalized interest during the period of construction and not more than 12 months after the completion of construction of all Public Improvements covered by the PID Bond issue in question and in no event for a period greater than 18 months from the date of the initial delivery of the PID Bonds (iv) the Reserve Fund and the Administrative Fund (as defined in the Indenture), and (iv) any costs of issuance for the PID Bonds. Provided, however that to the extent the law(s) which limit the period of capitalized interest to 12 months after completion of construction change, the foregoing limitation may be adjusted to reflect the law(s) in effect at the time of future PID Bond issuances.

(c) The final maturity for each series of PID Bonds shall occur no later than 30 years from the issuance date of said PID Bonds.

(d) PID Bonds are not required to be issued under this Article V unless (1) the statutory requirements set forth in Chapter 372 of the Texas Local Government Code have been satisfied; (ii) the City shall receive at the time of issuance an opinion of counsel selected by the City stating in effect that the PID Bonds are legal and valid under Texas law and that all preconditions to their issuance under State law have been satisfied; and (iii) the approving opinion of the Attorney General of the State of Texas as required by the PID Act.

(e) If proceeds from PID Bonds are still available after all the Public Improvements are accepted by the City and Owner has been reimbursed for all unreimbursed Actual Costs incurred in connection therewith, the proceeds may be utilized to finance other Public Improvements within the Property for which reimbursements are not being received by the Owner from other public sources.

Section 5.02. Project Fund

(a) The City hereby covenants and agrees that if PID Bonds are issued, the Indenture will establish a Project Fund as a separate fund to be held by the Trustee under the Indenture. The portion of the proceeds of the PID Bonds issued to pay Actual Costs of Public Improvements and Bond Issuance Costs shall be deposited upon issuance into separate accounts within the Project Fund.

(b) As described in subparagraph (a) above, proceeds from the PID Bonds will be placed in the Bond Improvement Account within the Project Fund which will be held by the Trustee under the Indenture.

Section 5.03. Denomination, Maturity, Interest, and Security for Bonds

(a) The PID Bonds shall be finally authorized by the City Council and shall be issued in the denominations, shall mature and be prepaid, shall bear interest, and shall be secured by and payable solely from the PID Bond Security, all to be as described and provided in the PID Bond Ordinance or Indenture, as applicable.

(b) The final and adopted versions of the PID Bond Ordinance and the Indenture (and all documents incorporated or approved therein) shall contain provisions relating to the withdrawal, application, and uses of the proceeds of the PID Bonds when and as issued and delivered and otherwise contain such terms and provisions as are mutually approved by the City and the Owner.

Section 5.04. Sale of PID Bonds.

The PID Bonds shall be issued by the City and shall be marketed and sold through negotiated sale to an approved third party with the cooperation and assistance of the Owner in all respects with respect to the preparation of marketing documents, such as preliminary and final official statements or in such other marketing and/or sales method mutually agreed upon by the City and the Owner.

ARTICLE VI. REPRESENTATIONS AND WARRANTIES

Section 6.01. Representations and Warranties of City.

The City makes the following representation and warranty for the benefit of the Owner:

(a) that the City is a municipal corporation and political subdivision of the State of Texas, duly incorporated, organized and existing under the Constitution and general laws of the State, and has full legal right, power and authority under the PID Act and other applicable law (i) to enter into, execute and deliver this Agreement, (ii) to adopt the Assessment Ordinance, and (iii) to carry out and consummate the transactions contemplated by this Agreement.

Section 6.02. Representation and Warranties of Owner

The Owner makes the following representations, warranties and covenants for the benefit of the City:

(a) The Owner represents and warrants that the Owner is a limited liability company 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.

(b) The Owner represents and warrants that 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.

(c) The Owner represents and warrants that this Agreement is 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 equity principles.

(d) The Owner covenants that once it commences construction of a Segment it will use its reasonable and diligent efforts to do all things which may be lawfully required of it in order to cause such Segment of the Public Improvements to be completed in accordance with this Agreement.

(e) The Owner covenants that it will not commit any act in, upon or to the Property or the Project in violation of any law, ordinance, rule, regulation, or order of any governmental authority or any covenant, condition or restriction now or hereafter affecting the Property or the Project.

(f) The Owner represents and warrants that (i) it will not request payment from the City for the acquisition of any Public Improvements that are not part of the Project, and (ii) it will diligently follow all procedures set forth in this Agreement with respect to Payment Requests.

(g) For a period of two years after the final Acceptance Date of the final Phase of the Public Improvements, the Owner covenants to maintain proper books of record and account for the Public Improvements and all costs related thereto. The Owner covenants that such accounting books will be maintained in accordance with sound accounting practices, and will be available for inspection by the City or its agent at any reasonable time during regular business hours upon at least 72 hours' notice.

ARTICLE VII. DEFAULT AND REMEDIES

(a) A Party shall be deemed in default under this Agreement (which shall be deemed a breach hereunder) if such Party fails to materially perform, observe or comply with any of its covenants, agreements or obligations hereunder or breaches or violates any of its representations contained in this Agreement.

(b) Before any failure of any Party to perform its obligations under this Agreement shall be deemed to be a breach of this Agreement, the Party claiming such failure shall notify, in writing, the Party alleged to have failed to perform of the alleged failure and shall demand performance. No breach of this Agreement may be found to have occurred if performance has commenced to the reasonable satisfaction of the complaining Party within thirty (30) days of the receipt of such notice (or five (5) days in the case of a monetary default), subject, however, in the case of non-monetary default, to the terms and provisions of subparagraph (c). Upon a breach of this Agreement, the non-defaulting Party in any court of competent jurisdiction, by an action or proceeding at law or in equity, may secure the specific performance of the covenants and agreements herein contained (and/or an action for mandamus as and if appropriate). Except as otherwise set forth herein, no action taken by a Party pursuant to the provisions of this Article VII or pursuant to the provisions of any other Section of this Agreement shall be deemed to constitute an election of remedies and all remedies set forth in this Agreement shall be

cumulative and non-exclusive of any other remedy either set forth herein or available to any Party at law or in equity. Each of the Parties shall have the affirmative obligation to mitigate its damages in the event of a default by the other Party. Notwithstanding any provision contained herein to the contrary, the Owner shall not be required to construct any portion of the Public Improvements (or take any other action related to or in furtherance of same) while the City is in default under this Agreement).

(c) Notwithstanding any provision in this Agreement to the contrary, if the performance of any covenant or obligation to be performed hereunder by any Party is delayed as a result of circumstances which are beyond the reasonable control of such Party (which circumstances may include, without limitation, pending litigation, acts of God, war, acts of civil disobedience, widespread pestilence, fire or other casualty, shortage of materials, adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or tornadoes, labor action, strikes, changes in the law affecting the obligations of the Parties hereunder, or similar acts), the time for such performance shall be extended by the amount of time of the delay directly caused by and relating to such uncontrolled circumstances. The Party claiming delay of performance as a result of any of the foregoing “force majeure” events shall deliver written notice of the commencement of any such delay resulting from such force majeure event not later than seven (7) days after the claiming Party becomes aware of the same, and if the claiming Party fails to so notify the other Party of the occurrence of a “force majeure” event causing such delay, the claiming Party shall not be entitled to avail itself of the provisions for the extension of performance contained in this Article.

ARTICLE VIII. GENERAL PROVISIONS

Section 8.01. Notices.

Any notice, communication or disbursement required to be given or made hereunder shall be in writing and shall be given or made by facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses set forth below or at such other addresses as any be specified in writing by any Party hereto to the other parties hereto. Each notice which shall be mailed or delivered in the manner described above shall be deemed sufficiently given, served, sent and received for all purpose at such time as it is received by the addressee (with return receipt, the delivery receipt or the affidavit of messenger being deemed conclusive evidence of such receipt) at the following addresses:

If to City: City of Leander
 PO Box 319
 200 W Willis St
 Leander, Texas 78641
 Attn: City Manager
 Facsimile: (512) 259-1605

With a copy to: Knight and Partners

Attn: Paige Saenz, City Attorney
223 W. Anderson, Suite A-105
Austin, Texas 78752
Facsimile: 512.323.5773

If to Owner: Sentinel/Cotter Leander, LLC
Attn: Tom Reilly
700 Lavaca Street, Suite 900
Austin, Texas 78701
Facsimile: _____

With a copy to: Metcalfe Wolff Stuart & Williams, LLP
Attn: Steven C. Metcalfe
221 W. 6th, Suite 1300
Austin, Texas 78701
Facsimile: 512.404.2244

Section 8.02. Fee Arrangement

(a) The Owner agrees that it will pay all of the City's costs and expenses (including the City's third party advisors and consultants) related to the creation and administration of the District, as well as costs and expenses relating to the development and review of the Assessment Plan (including legal fees and financial advisory fees), estimates of which are reflected on the Schedule attached as Exhibit "F" ("**Initial City PID Costs**"). Prior to closing, the City shall submit to the Owner invoices and other supporting documentation evidencing the Initial City PID Costs and the Owner will pay these fees, as applicable, to the City or on behalf of the City from proceeds of the PID Bonds. In addition to any Initial City PID Costs paid by the Owner pursuant to the preceding sentences, all fees of legal counsel related to the issuance of the PID Bonds, including fees for the preparation of customary bond documents and the obtaining of Attorney General approval for the PID Bonds, will be paid at closing by the Owner from the proceeds of the PID Bonds as mutually agreed to by the City and the Owner.

(b) Pursuant to a separate agreement, the City may contract with a third party to serve as the Administrator and to administer the PID after Closing. The Administrative Expenses shall be collected as part of and in the same manner as Annual Installments in the amounts set forth in the Assessment Plan.

Section 8.03. Assignment

(a) Subject to subparagraph (b) below, Owner may, in its sole and absolute discretion, with the prior written consent of the City (which consent will not be unreasonably withheld), assign this Agreement with respect to all or part of the Project from time to time to any party so long as the assignee has demonstrated to the City's satisfaction that the assignee has the financial, technical, and managerial capacity, the experience, and expertise to perform any duties or obligations so assigned and so long as the assigned rights and obligations are assumed without modifications to this Agreement. Owner shall provide the City thirty (30) days prior

written notice of any such assignment. Upon such assignment or partial assignment, Owner shall be fully released from any and all obligations under this Agreement and shall have no further liability with respect to this Agreement for the part of the Project so assigned.

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

(c) Any sale of a portion of the Property or assignment of any right hereunder shall not be deemed a Transfer unless the conveyance or transfer instrument effecting such sale or assignment expressly states that the sale or assignment is deemed to be a Transfer.

Section 8.04. Term of Agreement

This Agreement shall terminate on the date on which the City and Owner discharge all of their obligations hereunder; provided, that this Agreement shall automatically terminate on July 3, 2015, if the PID Bonds are not issued by such date. In the case of any termination of this Agreement and/or dissolution of the District, the obligation of any Party to pay any Project Costs expended prior to the termination of this Agreement and/or dissolution of the District and remaining unpaid shall survive such termination and/or dissolution.

Section 8.05. Construction of Certain Terms

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction shall apply:

(a) Words importing a gender include either gender.

(b) Words importing the singular include the plural and vice versa.

(c) A reference to a document includes an amendment, supplement, or addition to, or replacement, substitution, or novation of, that document but, if applicable, only if such amendment, supplement, addition, replacement, substitution, or novation is permitted by and in accordance with that applicable document.

(d) Any term defined herein by reference to another instrument or document shall continue to have the meaning ascribed thereto whether or not such other instrument or document remains in effect.

(e) A reference to any Party includes, with respect to Owner, its Designated Successors and Assigns, and reference to any Party in a particular capacity excludes such Party in any other capacity or individually.

(f) All references in this Agreement to designated "Articles," "Sections," and other subdivisions are to the designated Articles, Sections, and other subdivisions of this Agreement. All references in this Agreement to "Exhibits" are to the designated Exhibits to this Agreement.

(g) The words "herein," "hereof," "hereto," "hereby," "hereunder," and other words of similar import refer to this Agreement as a whole and not to the specific Section or provision where such word appears.

(h) The words "including" and "includes," and words of similar import, are deemed to be followed by the phrase "without limitation."

(i) Unless the context otherwise requires, a reference to the "Property," the "Public Improvements," or the "District" is deemed to be followed by the phrase "or a portion thereof."

(j) Every "request," "order," "demand," "direction," "application," "appointment," "notice," "statement," "certificate," "consent," "approval," "waiver," "identification," or similar action under this Agreement by any Party shall, unless the form of such instrument is specifically provided, be in writing duly signed by a duly authorized representative of such Party.

(k) The Parties hereto acknowledge that each such party and their respective counsel have participated in the drafting and revision of this Agreement. Accordingly, the Parties agree that any rule of construction that disfavors the drafting party shall not apply in the interpretation of this Agreement.

Section 8.06. Table of Contents; Titles and Headings

The titles of the articles, and the headings of the sections of this Agreement are solely for convenience of reference, are not a part of this Agreement, and shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

Section 8.07. Amendments.

This Agreement may be amended, modified, revised or changed by written instrument executed by the Parties.

Section 8.08. Time

In computing the number of days for purposes of this Agreement, all days will be counted, including Saturdays, Sundays, and legal holidays; however, if the final day of any time period falls on a Saturday, Sunday, or legal holiday, then the final day will be deemed to be the next day that is not a Saturday, Sunday, or legal holiday.

Section 8.09. Counterparts

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, and all of which will together constitute the same instrument.

Section 8.10. Entire Agreement

This Agreement contains the entire agreement of the Parties.

Section 8.11. Severability; Waiver

If any provision of this Agreement is illegal, invalid, or unenforceable, under present or future laws, it is the intention of the parties that the remainder of this Agreement not be affected and, in lieu of each illegal, invalid, or unenforceable provision, a provision be added to this Agreement which is legal, valid, and enforceable and is as similar in terms to the illegal, invalid, or enforceable provision as is possible.

Any failure by a Party to insist upon strict performance by the other party of any material provision of this Agreement will not be deemed a waiver or of any other provision, and such Party may at any time thereafter insist upon strict performance of any and all of the provisions of this Agreement.

Section 8.12. Owner as Independent Contractor

In performing under this Agreement, it is mutually understood that the Owner is acting as an independent contractor, and not an agent of the City.

Section 8.13. Supplemental Agreements

Other agreements and details concerning the obligations of the Parties under and with respect to this Agreement are included in the Assessment Plan, the Assessment Ordinance, PID Bond Ordinance and Indenture.

Section 8.14. Exhibits

The following exhibits are attached to and incorporated into this Agreement for all purposes:

Exhibit A	-	Definitions
Exhibit B	-	Property
Exhibit C	-	Assessment Plan
Exhibit D	-	PID Bond Chart
Exhibit E	-	Form of Certification for Payment
Exhibit F	-	Fee Schedule
Exhibit G	-	Public Improvements
Exhibit H	-	Form of Restrictive Covenant

CITY OF LEANDER,
a home rule city and Texas municipal corporation

By: _____
Name: _____
Title: _____

[Signatures Continue on Next Page]

SENTINEL/COTTER LEANDER, LLC,
a Texas limited liability company

By: _____
Name: _____
Title: _____

Exhibit "A"

DEFINITIONS

Unless the context requires otherwise, and in addition to the terms defined above, each of the following terms and phrases used in this Agreement has the meaning ascribed thereto below:

"Acceptance Date" means, with respect to a Segment, the date that the Actual Cost thereof is paid to the Owner pursuant to the terms hereof.

"Actual Cost of the Public Improvements" means the Owner's demonstrated, reasonable, allocable, and allowable costs of constructing such Public Improvement, as specified in a payment request in a form that has been reviewed and approved by the City and in an amount not to exceed the lesser of: 1) the amount for each Public Improvements as set forth in the Assessment Plan; 2) the net proceeds of the PID Bonds; or 3) the actual, documented cost of designing and constructing the Public Improvements approved by the City.

"Actual Cost(s)" means the Actual Cost of the Public Improvements, and. The Actual Costs may include (a) the costs incurred by or on behalf of the Owner (either directly or through affiliates) for the design, planning, financing, administration/management, acquisition, installation, construction and/or implementation of such Public Improvements, (b) the fees paid for obtaining permits, licenses or other governmental approvals for such Public Improvements, (c) a Construction Management Fee of 4.0% of the costs incurred by or on behalf of the Owner for the construction of such Public Improvements if the Owner is serving as the Construction Manager, (d) the costs incurred by or on behalf of the Owner for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, appraisals, legal, accounting and similar professional services, taxes (property and franchise) related to the Public Improvements; (e) all labor, bonds and materials, including equipment and fixtures, by contractors, builders and materialmen in connection with the acquisition, construction or implementation of the Public Improvements, (f) all related permitting, zoning and public approval expenses, architectural, engineering, and consulting fees, financing charges, taxes, governmental fees and charges, insurance premiums, and all payments for Administrative Expenses after the date of a resolution authorizing such reimbursement, plus Interest, if any, calculated from the respective dates of the expenditures until the date of reimbursement therefore. Actual Costs shall not include construction management fees in an amount that exceeds an amount equal to the construction management fee amortized in equal monthly installments over the term of the appropriate construction management agreement. 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 construction management fees are calculated.

"Administrator" means the employee or designee of the City, including a third party designee whom the City designates by contract, who shall have the responsibilities provided for herein and in the Assessment Plan.

"Administrative Expenses" means the administrative, organization, maintenance and operation costs and expenses associated with, or incident to, the administration, organization,

maintenance and operation of the District, including, but not limited to, the costs of (i) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, (ii) creating and organizing the District and preparing the assessment roll, (iii) computing, levying, collecting and transmitting the Special Assessments or the installments thereof, (iv) maintaining the record of installments, payments and reallocations and/or cancellations of the Special Assessments, (v) issuing, paying and redeeming the PID Bonds, (vi) investing or depositing the Special Assessments, (vii) complying with the PID Act with respect to the PID Bonds, (viii) paying the paying agent/registrar's and trustee's fees and expenses (including the fees and expenses of its legal counsel), and (ix) administering the construction of the Public Improvements, in accordance with the terms of this Agreement.

"Agreement" has the meaning given in the recitals to this Agreement.

"Annual Installments" shall have the meaning given in the Service and Assessment Plan.

"Appraisal" means an appraisal of the Property prepared by a duly qualified, licensed appraiser in the State of Texas acceptable to the Owner and the City.

"Assessed Property" means for any year, Parcels within the District other than Non-Benefited Property.

"Assessment Ordinance" means the ordinance adopted by the City Council approving the Assessment Plan (or such amendments to the Assessment Plan) and levying the Special Assessments, as required by Article II of this Agreement.

"Assessment Plan" means the Oak Creek Public Improvement District Service and Assessment Plan (as such plan is amended from time to time), to be initially adopted by the City Council in the Assessment Ordinance for the purpose of assessing allocated costs against property located within the boundaries of the District having terms, provisions and findings approved and agreed to by the Owner, as required by Article II of this Agreement. The Parties hereby acknowledge that the Assessment Plan may be amended from time to time.

"Attorney General" means the Texas Attorney General's Office.

"Bond Issuance Costs" means costs relating to the authorization, sale and issuance of the PID Bonds including, printing costs, costs of reproducing and binding documents, closing costs, filing and recording fees, initial fees, expenses and charges of the Trustee, including its first annual administration fee, expenses incurred by the City or Owners in connection with the issuance of the PID Bonds, Financial Advisor fees, the SAP consultant fees, the bond (underwriter's) discount or underwriting fee, legal fees and charges, including Bond Counsel, charges for execution, transportation and safekeeping of the PID Bonds and other costs, charges and fees in connection with the issuance of the PID Bonds.

"Bond Issuance Request" means written request made by Developer to the City Manager and City's Finance Director in good faith as evidenced by the Developer's expenditure of necessary amounts for financial analysis, appraisals, legal counsel, and other professional

services and due diligence necessary to support the request to the full degree that the City Council may act on it and issue PID Bonds.

“Bond Pledged Revenue Account” means the separate and unique fund established by the City under such name pursuant to the Indenture where the portion of the Special Assessment Revenue allocated to the payment of debt service on the PID Bonds shall be deposited as set forth in Section 2.03 hereof.

“Certification for Payment” means the certificate so defined in the Indenture.

“City” has the meaning given in the recitals to this Agreement.

“City Council” means the duly elected governing body and council of the City.

“City Manager” means the City Manager of the City or his/her designee(s).

“Co-Owner” has the meaning given in Section 4.01 of this Agreement.

“City Construction Representative” means the employee or designee of the City carrying out the duties as described in this Agreement.

“Construction Manager” means initially the Owner, and thereafter subject to change in accordance with Section 3.03 of this Agreement. The City acknowledges and agrees that (i) the Owner intends to subcontract out the duties of Construction Manager to a third party and (ii) Owner’s hiring of the initial subcontractor to serve as the Construction Manager shall not be deemed a change in the Construction Manager pursuant to the terms and conditions of Section 3.03.

“Construction Management Fee” means 4.0% of the costs incurred by or on behalf of Owner for the construction of each Segment.

“County” means Williamson County, Texas.

“Debt” means any bond, note, or other evidence of indebtedness incurred, entered into, or issued by the City related exclusively to the District.

“Designated Successors and Assigns” shall mean (i) an entity to which Owner assigns (in writing) its rights and obligations contained in this Agreement pursuant to Section 8.03 related to all or a portion of the Property, (ii) any entity which is the successor by merger or otherwise to all or substantially all of Owner’s assets and liabilities including, but not limited to, any merger or acquisition pursuant to any public offering or reorganization to obtain financing and/or growth capital; or (iii) any entity which may have acquired all of the outstanding stock or ownership of assets of Owner.

“District” has the meaning given in the recitals to this Agreement.

“Effective Date” has the meaning given in the recitals to this Agreement.

“Finance Director” means the Finance Director of the City or his/her designee.

“Financial Advisor” means First Southwest Company.

“HOA Maintained Improvements” means the Public Improvements described in Sections C, D, and E of Exhibit “G” of the Agreement to be maintained by the Owners’ Association in accordance with this Agreement.

“Indenture” means that certain Indenture of Trust between the City and Trustee covering the PID Bonds for the Property, as it may be amended from time to time.

“Infrastructure Improvements” means collectively the Public Improvements and the TIRZ Improvements.

“Initial City PID Costs” shall have the meaning given in Section 8.02 of this Agreement.

“Interest” shall mean the interest rate charged for the PID Bonds or such other interest rate as may be required by applicable law.

“Issue Date” means the date of the initial delivery of the PID Bonds.

“License Agreement” means the license agreement or agreements, in the City’s standard form, between the Owners’ Association and the City providing for the maintenance of certain Public Improvements as identified in the license agreement and as required by this Agreement.

“Non-Benefitted Property” means Parcels within the boundaries of the District that accrue no special benefit from Public Improvements, as determined by the City Council, including Parcels owned by a public entity. A Parcel is not assessed if the Parcel is identified as Non-Benefitted Property at the time the Special Assessments (i) are levied or (ii) are reallocated pursuant to an amendment to the Service and Assessment Plan.

“Notice” means any notice, writing, or other communication given under this Agreement.

“Owner” has the meaning given in the recitals to this Agreement.

“Owner’s Association” means a homeowner’s association or property owner’s association.

“Parcel” means a property identified by either a tax map identification number assigned by the Williamson County Appraisal District for real property tax purpose, by metes and bounds description, by lot and block number in a final subdivision plat recorded in the Official Public Records of Williamson County, or by any other means determined by the City.

“Party” means the Owner or the City, as parties to this Agreement, and **“Parties”** means collectively, the Owner and the City.

“Payment Request” means the document to be provided by the Owner to substantiate the Actual Cost of one or more Segments.

“**Phasing Plan**” has the meaning given in Section 2.01(b).

“**PID Act**” means Chapter 372, Local Government Code, as amended.

“**PID Bond Ordinance**” means and refers to the ordinance or ordinances of the City Council that will authorize and approve the issuance and sale of the PID Bonds and provide for their security and payment, either under the terms of the Bond Ordinance or a trust indenture related to the PID Bonds.

“**PID Bond Security**” means the funds that are to be pledged in or pursuant to the PID Bond Ordinance or the Indenture to the payment of the debt service requirements on the PID Bonds, consisting of the Special Assessments, including earnings and income derived from the investment or deposit of Special Assessments in the special funds or accounts created and established for the payment and security of the PID Bonds, unless such earnings are required to be deposited into a rebate fund for payment to the federal government.

“**PID Bonds**” means the bonds to be issued by the City, which may include funds for any required reserves and amounts necessary to pay the Bond Issuance Costs, and to be secured by a pledge of the PID Bond Security pursuant to the authority granted in the PID Act, and as required by this Agreement for the purposes of (i) financing the costs of the Public Improvements and related costs, and (ii) reimbursing the Owner for Actual Costs paid prior to the issuance of and payment for the PID Bonds.

“**Pledged Revenue Fund**” means the separate and unique fund established by the City under such name pursuant to the Indenture wherein the Special Assessment Revenues are deposited.

“**Prepayment**” means the payment of all or a portion of a Special Assessment before the due date thereof. Amounts received at the time of a Prepayment which represent a payment of principal, interest or penalties on a delinquent installment of a Special Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Special Assessment.

“**Prime**” means the prime rate as reported by *The Wall Street Journal*.

“**Project**” has the meaning given in the recitals to this Agreement.

“**Project Costs**” means the total of all Actual Costs.

“**Project Engineer**” means the civil engineer or firm of civil engineers selected by the Owner to perform the duties set forth herein, which is currently Pape-Dawson.

“**Project Fund**” means the separate and unique fund established by the City under such name pursuant to the Indenture as described in Section 5.02 hereof.

“**Property**” has the meaning given in the recitals to this Agreement.

“Public Improvements” means collectively any and all improvements which are included in the Service and Assessment Plan as such plan is amended and updated from time to time.

“PUD” has the meaning given in the recitals of this Agreement.

“Regulatory Requirements” means the requirements and provisions of any state or federal law, and any permits, rules, orders or regulations issued or adopted from time to time by any regulatory authority, state, federal or other, having jurisdiction over the Public Improvements, as adjusted by the PUD.

“Reimbursement Payment” has the meaning given in Section 4.02(d) of this Agreement.

“SAP Consultant” means Development Planning and Financing Group, Inc.

“Segment” or Segments” means the discrete portions of the Public Improvements identified as such.

“Special Assessments” means the assessments levied against properties in the District, as provided for in the applicable Assessment Ordinance and in the Assessment Plan, including any supplemental assessments or reallocation of assessments levied in accordance with Sections 372.019 and 372.020 of the PID Act.

“Special Assessment Revenues” means the monies collected from Special Assessments, including supplemental assessments and reassessments, interest, expenses, or penalties on Special Assessments, prepayments, foreclosure proceeds, and proceeds from a guarantor, if any, of the Special Assessments.

“State” means the State of Texas.

“Subdivision Improvements” means all streets, roads, sidewalks, drainage, water and wastewater lines and facilities and all other infrastructure within the Property required to be constructed by the Owner under the Subdivision Ordinance and required for the development as proposed in the PUD. The term does not include the Public Improvements.

“Subdivision Ordinance” means Chapter 10, Leander Code of Ordinances, as amended from time to time.

“TIRZ Improvements” means that certain infrastructure identified as the Oak Creek Projects in the TIRZ Reimbursement and Development Agreement between the City and the Owner dated October 16, 2014 for which the Owner is eligible for reimbursement of the design, construction, and installation costs under said agreement.

“Trustee” means the trustee under the Indentures, and any successor thereto permitted under the Indentures and any other Trustee under a future Indenture.

“Underwriter” means Jefferies, LLC.

Exhibit “B”

PROPERTY DESCRIPTION FOR PROJECT

Exhibit “C”

ASSESSMENT PLAN

[See Attached]

Exhibit “D”

PID BOND CHART

- **West Broade Street (North South) – Sanitary Sewer Lines** - The sanitary sewer line along West Broade Street consists of approximately 2,840 linear feet of 8-inch SDR-26 PVC gravity line with approximately 17 manholes. Additionally, there is approximately 450 linear feet of 15-inch SDR-26 PVC gravity line with approximately 4 manholes along West Broade Street.
- **West Broade Street (North South) – Drainage Improvements** - Drainage improvements along West Broade Street consist of approximately 2,540 linear feet of Reinforced Concrete Pipe (“RCP”) storm sewer ranging in size from 18 inches up to 60 inches. Drainage improvements also include approximately 9 junction boxes and approximately 9 curb inlets. The runoff will be collected by the roadway channeled into the curb inlets and conveyed to the storm sewer pipes and discharged into water quality basins as required by TCEQ.
- **South Brook Drive (East West) – Sanitary Sewer Lines** - The sanitary sewer line along South Brook Drive consists of approximately 1,880 linear feet of 8-inch SDR-26 PVC gravity line with approximately 11 four foot diameter manholes.
- **South Brook Drive (East West) – Drainage Improvements** - Drainage improvements along South Brook Drive consist of approximately 2,970 linear feet of RCP storm sewer ranging in size from 18 inches up to 60 inches. Drainage improvements also include approximately 5 junction boxes and approximately 8 curb inlets. The runoff will be collected by the roadway channeled into the curb inlets and conveyed to the storm sewer pipes and discharged into water quality basins as required by TCEQ.
- **Neighborhood Entry Features** - Neighborhood entry features reflect the design aesthetic and materials established by the primary and secondary entry features. Signs displaying the neighborhood name will be located at the entry to neighborhoods and sited to be easily viewed from the roadway.
- **Walls at Collectors** - Masonry walls will be constructed along both sides of West Broade Street and along San Gabriel Parkway to provide an attractive border along the community boundary. The wall materials will complement the stone material utilized in primary and secondary entry features for the subdivision. Masonry columns will be incorporated into the walls at regular intervals along the roadway frontage.
- **Collector Road Landscape** - Native and drought tolerant landscape including turf, ornamental grasses and xeriscaped planting beds will be installed along West Broade Street, San Gabriel Parkway and the eastern section of South Brook Drive.
- **Pond Aeration** - An aeration fountain will be installed in the water quality retention pond to circulate the water and prevent stagnation. The fountain will also create an aesthetic amenity for the pond.

Exhibit “E”

**FORM OF CERTIFICATION FOR PAYMENT
(Design – Oak Creek)**

_____ (“**Construction Manager**”) hereby requests payment for the percentage of design costs completed (the “**Design Costs**”) described in Attachment A attached hereto. Capitalized undefined terms shall have the meanings ascribed thereto in the Oak Creek Public Improvement District Financing Agreement between Sentinel Cotter Leander, LLC and the City of Leander, Texas (the “**City**”), dated as of _____ (the “**Finance Agreement**”). In connection with this Certification for Payment, the undersigned, in his or her capacity as the _____ of Construction Manager, to his or her knowledge, hereby represents and warrants to the City as follows:

1. He (she) is a duly authorized representative of Construction Manager, qualified to execute this request for payment on behalf of the Construction Manager and knowledgeable as to the matters forth herein.

2. The design work described in Attachment A has been completed in the percentages stated therein.

3. The true and correct Design Costs for which payment is requested is set forth in Attachment A and payment for such requested amounts and purposes has not been subject to any previously submitted request for payment.

4. Attached hereto as Attachment B is a true and correct copy of a bills paid affidavit evidencing that any contractor or subcontractor having performed design work described in Attachment A has been paid in full for all work completed through the previous Certification for Payment.

5. Attached hereto as Attachment C are invoices, receipts, worksheets and other evidence of costs which are in sufficient detail to allow the City to verify the Design Costs for which payment is requested.

[Signature Page Follows]

SIGNATURE PAGE TO
FORM OF CERTIFICATION FOR PAYMENT

Date : _____

[Construction Manager Signature Block to be
added]

APPROVAL BY THE CITY

The Design described in Attachment A has been reviewed, verified and approved by the City Construction Representative of the City. Payment of the Design Costs are hereby approved.

Date: _____

CITY OF LEANDER, TEXAS

By: _____
City Construction Representative

ATTACHMENT A TO CERTIFICATION OF PAYMENT (DESIGN)

<u>Description of Design Work</u>	<u>Percentage of Design Work Completed under this Certification for Payment</u>	<u>Design Costs</u>	<u>Total Percentage of Design Work Completed</u>
-----------------------------------	---------------------------------------------------------------------------------	---------------------	--------------------------------------------------

ATTACHMENT B TO CERTIFICATION OF PAYMENT (DESIGN)

[attached – bills paid affidavit]

ATTACHMENT C TO CERTIFICATION OF PAYMENT (DESIGN)

[attached – receipts]

EXHIBIT "E"
FORM OF CERTIFICATION FOR PAYMENT
(Construction – Oak Creek)

_____ (“Construction Manager”) hereby requests payment of the Actual Cost of the work described in Attachment A attached hereto (the “Draw Actual Costs”). Capitalized undefined terms shall have the meanings ascribed thereto in the Oak Creek Public Improvement District Financing Agreement between Sentinel Cotter Leander, LLC and the City of Leander, Texas (the “City”), dated as of _____. In connection with this Certification for Payment, the undersigned, in his or her capacity as the _____ of Construction Manager, to his or her knowledge, hereby represents and warrants to the City as follows:

1. He (she) is a duly authorized representative of Construction Manager, qualified to execute this request for payment on behalf of the Construction Manager and knowledgeable as to the matters forth herein.
2. The true and correct Draw Actual Costs for which payment is requested is set forth in Attachment A and payment for such requested amounts and purposes has not been subject to any previously submitted request for payment.
3. Attached hereto as Attachment B is a true and correct copy of a bills paid affidavit evidencing that any contractor or subcontractor having performed work on a Segment described in Attachment A has been paid in full for all work completed through the previous Certification for Payment.
4. Attached hereto as Attachment C are invoices, receipts, worksheets and other evidence of costs which are in sufficient detail to allow the City to verify the Draw Actual Costs of each Segment for which payment is requested.

[Signature Page Follows]

SIGNATURE PAGE TO
FORM OF CERTIFICATION FOR PAYMENT

Date : _____

[Construction Manager Signature Block to
Be inserted]

JOINDER OF PROJECT ENGINEER

The undersigned Project Engineer joins this Certification for Payment solely for the purposes of certifying that the representations made by Construction Manager in Paragraph 2 above are true and correct in all material respects.

Project Engineer

APPROVAL BY THE CITY

The Draw Actual Costs of each Segment described in Attachment A has been reviewed, verified and approved by the City Construction Representative of the City. Payment of the Draw Actual Costs of each such Segment is hereby approved.

Date: _____

CITY OF LEANDER, TEXAS

By: _____
City Construction Manager

ATTACHMENT A TO CERTIFICATION OF PAYMENT (CONSTRUCTION)

<u>Segment</u>	<u>Description of Work Completed under this Certification for Payment</u>	<u>Draw Actual Costs</u>
----------------	-------------------------------------------------------------------------------	----------------------------------

ATTACHMENT B TO CERTIFICATION OF PAYMENT (CONSTRUCTION)

[bills paid affidavit – attached]

ATTACHMENT C TO CERTIFICATION OF PAYMENT (CONSTRUCTION)

[RECEIPTS – ATTACHED]

Exhibit "F"

FEE SCHEDULE

Bond Counsel		\$82,000.00	
Underwriter's Counsel		\$67,500.00	
Trustee's Counsel/Trustee		\$7,500.00	
Underwriter		\$104,000.00	
City's Financial Advisor		\$104,000.00	
Appraisal			
Publication Fees			

EXHIBIT “G”

PUBLIC IMPROVEMENTS

A. The Public Improvements shall be owned, maintained, and operated as provided in this Exhibit and the Agreement. The Public Improvements listed herein are more particularly described in the Assessment Plan.

B. The following Public Improvements will be dedicated to the City and shall be maintained by the City after acceptance by the City:

1. Sanitary Sewer – South Brook Drive
2. Sanitary Sewer – West Broade Street
3. Drainage – South Brook Drive
4. Drainage – West Broade Street

C. The following Public Improvement shall be located on a lot or lots owned by the Owners’ Association, which lots will be subject to the easement and restrictive covenants described in Section 3.01(c) of the Agreement:

1. Neighborhood Entry Features

D. To the maximum extent possible, the following Public Improvements will be located on a lot or lots owned by the Owners’ Association, which lots will be subject to the easement and restrictive covenants described in Section 3.01 (c) of the Agreement; provided that if any portion of the Public Improvement is located in the public right-of-way or a park, the Owners’ Association will be responsible for the maintenance of such portion of the Public Improvement located in accordance with the License Agreement:

1. Walls at Collectors
2. Collector Road Landscape

E. The following Public Improvement will be dedicated to the City and shall be maintained by the Owners’ Association in accordance with the License Agreement:

1. Pond Aeration

Exhibit "H"

**FORM OF RESTRICTIVE COVENANT
RESTRICTIVE COVENANT AGREEMENT**

STATE OF TEXAS §
§
COUNTY OF WILLIAMSON §

This Restrictive Covenant Agreement (this "Agreement"), is entered into as of the ____ day of _____, 2014, by and between the City of Leander, Texas (the "City"), and Sentinel/Cotter Leander, LLC, a Texas limited liability company (the "Owner").

WHEREAS, the Owner constructed or caused to be constructed _____ (the "Public Improvement") on the property more particularly shown and described in Exhibit A attached hereto and incorporated herein for all purposes (the "Property");

WHEREAS, the Property is located in the Oak Creek Public Improvement District, which was created by the City to Resolution No. 14-013-00 (the "District") on July 17, 2014 in accordance with Chapter 372, Texas Local Government Code (the "PID Act");

WHEREAS, the design and construction of the Public Improvement was financed via the District;

WHEREAS, the Public Improvement is located on property that is or will be owned by the homeowner's association for the Oak Creek Subdivision; and

WHEREAS, the City and the Owner desire to ensure the continued use of the Property and the Public Improvement for the benefit of the District and the Subdivision;

NOW, THEREFORE, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00), together with other good and valuable consideration, and mutual promises contained herein, Owner and the City agree as follows:

1. Owner hereby covenants to City that the Owner will not remove, destroy, or otherwise alter the Public Improvement without the prior written consent of the City; provided that in the case of landscaping, dead and/or sickly plants, trees and vegetation shall be removed and replaced as necessary to maintain the landscaping in an attractive and aesthetically-pleasing condition, and as otherwise necessary to comply with applicable City ordinances. The Owner further covenants to the City that the use of the Property as authorized by the Oak Creek Planned Unit Development, set forth in Ordinance Number 14-039-00 and as a site for the Public Improvement shall not change without the written consent of the City.

2. The terms and provisions hereof shall be deemed to be restrictive covenants encumbering and running with the Property and shall be binding upon the Owner and its

If to Owner: Sentinel Cotter Leander, LLC
Attn: Tom Rielly
700 Lavaca Street, Suite 900
Austin, Texas 78701
Facsimile: _____

With a copy to:

5. This Agreement and the rights and obligations of the Parties hereunder shall be governed by, and construed in accordance with the laws of the State of Texas (without giving effect to the principles thereof relating to conflicts of law).

IN TESTIMONY WHEREOF, the parties hereto have executed this AGREEMENT in Williamson County, Texas as of this ____ day of _____, 2014.

CITY OF LEANDER, TEXAS

Attest:

Christopher Fielder, Mayor
P.O. Box 319
Leander, Williamson County, Texas 78646

Debbie Haile, City Secretary

OWNER:

SENTINEL/COTTER LEANDER, LLC,
a Texas limited liability company

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

STATE OF TEXAS §

EXHIBIT "A"
Metes and Bounds Description of the Property



Professional Land Surveying, Inc.
Surveying and Mapping

Office: 512-443-1724
Fax: 512-389-0943

3500 McCall Lane
Austin, Texas 78744

**25.319 AC.
WATERSTONE TYLERVILLE, L.P.**

A DESCRIPTION OF 25.319 ACRES (APPROXIMATELY 1,102,883 SQ. FT.) IN THE CHARLES COCHRAN SURVEY, ABSTRACT NO. 134, IN WILLIAMSON COUNTY, TEXAS, BEING A PORTION OF A 107.928 ACRE TRACT CONVEYED TO WATERSTONE TYLERVILLE, L.P. IN A SPECIAL WARRANTY DEED WITH VENDOR'S LIEN DATED AUGUST 5, 2004 AND RECORDED IN DOCUMENT NO. 2004063370 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 25.319 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2" rebar with Chaparral cap set in the west line of the said 107.928 acre tract, being also in the south right-of-way line of San Gabriel Parkway (right-of-way width varies) as described in Document No. 2005011119 of the Official Public Records of Williamson County, Texas, and being in the east line of a 34.705 acre tract described in Document No. 2005006808 of the Official Public Records of Williamson County, Texas, from which a 1/2" rebar found for the northwest corner of the 107.928 acre tract bears North 20°44'42" West, a distance of 453.14 feet;

THENCE with the south line of San Gabriel Parkway, over and across the 107.928 acre tract, the following four (4) courses and distances:

1. South 77°11'17" East, a distance of 206.16 feet to a 1/2" rebar with ZWA cap found;
2. South 76°33'22" East, a distance of 999.84 feet to a 1/2" rebar with ZWA cap found;
3. South 76°10'25" East, a distance of 306.57 feet to a 1/2" rebar with Chaparral cap set, from which a 1/2" rebar found with an illegible cap found bears South 06°04'20" West, a distance of 0.38 feet;
4. With a curve to the left, having a radius of 2150.00 feet, a delta angle of 14°13'24", an arc length of 533.72 feet, and a chord which bears South 83°17'07" East, a distance of 532.35 feet to a 1/2" rebar with Chaparral cap set;

THENCE continuing over and across the 107.928 acre tract, the following two (4) courses and distances:

1. South 00°24'10" East, a distance of 20.00 feet to a 1/2" rebar with Chaparral cap set;
2. South 46°02'48" West, a distance of 35.85 feet to a 1/2" rebar with Chaparral cap set;
3. North 88°14'47" West, a distance of 20.00 feet to a 1/2" rebar with Chaparral cap set;
4. South 01°45'13" West, a distance of 284.57 feet to a calculated point in the south line of the 107.928 acre tract, being also the north line of a 164.466 acre tract described in Document No. 2004063368 of the Official Public Records of Williamson County, Texas, being also an agreed boundary line described in Volume 1455, Page 296 of the Official Public Records of Williamson County, Texas, from which a 1/2" rebar found in the common line of the 107.928 acre tract and the 164.466 acre tract, and being in the west line of a 3.150 acre tract described in Document No. 2000053933 of the Official Public Records of Williamson County, Texas bears North 63°51'43" East, a distance of 55.17 feet, and South 86°45'17" East, a distance of 11.33 feet for the northwest corner of the 3.150 acre tract, and South 00°45'28" East, a distance of 22.26 feet;

THENCE with the south line of the 107.928 acre tract, being also the north line of the 164.466 acre tract, being also the agreed boundary line, and being the center of Brushy Creek, the following fourteen (14) courses and distances:

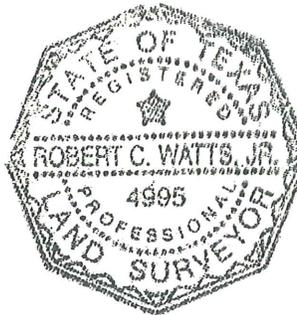
1. South 63°51'43" West, a distance of 205.44 feet to a calculated point;
2. South 16°32'43" West, a distance of 105.29 feet to a calculated point;
3. South 70°10'43" West, a distance of 89.94 feet to a calculated point;
4. North 39°53'17" West, a distance of 143.77 feet to a calculated point;
5. South 75°34'43" West, a distance of 148.11 feet to a calculated point;
6. South 57°03'43" West, a distance of 58.81 feet to a calculated point;
7. North 82°30'17" West, a distance of 435.20 feet to a calculated point;
8. North 46°59'17" West, a distance of 75.24 feet to a calculated point;

9. South 69°06'43" West, a distance of 245.27 feet to a calculated point;
10. South 80°03'43" West, a distance of 151.16 feet to a calculated point;
11. North 35°10'17" West, a distance of 76.69 feet to a calculated point;
12. North 13°32'17" West, a distance of 73.80 feet to a calculated point;
13. North 25°33'17" West, a distance of 69.71 feet to a calculated point;
14. North 77°13'17" West, a distance of 144.19 feet to a calculated point for the southwest corner of the 107.928 acre tract, being also the southeast corner of Lot 3, Block H, Benbrook Ranch Section Two, Phase One, a subdivision of record in Cabinet CC, Slide 3 of the Plat Records of Williamson County, Texas;

THENCE North 20°44'42" West, with the west line of the 107.928 acre tract, being also the east line of Lot 3, Block H, and being the east line of the 34.705 acre tract, at 55.92 feet passing a 1/2" rebar found, and continuing for a total distance of 747.56 feet to the **POINT OF BEGINNING**, containing 25.319 acres of land, more or less.

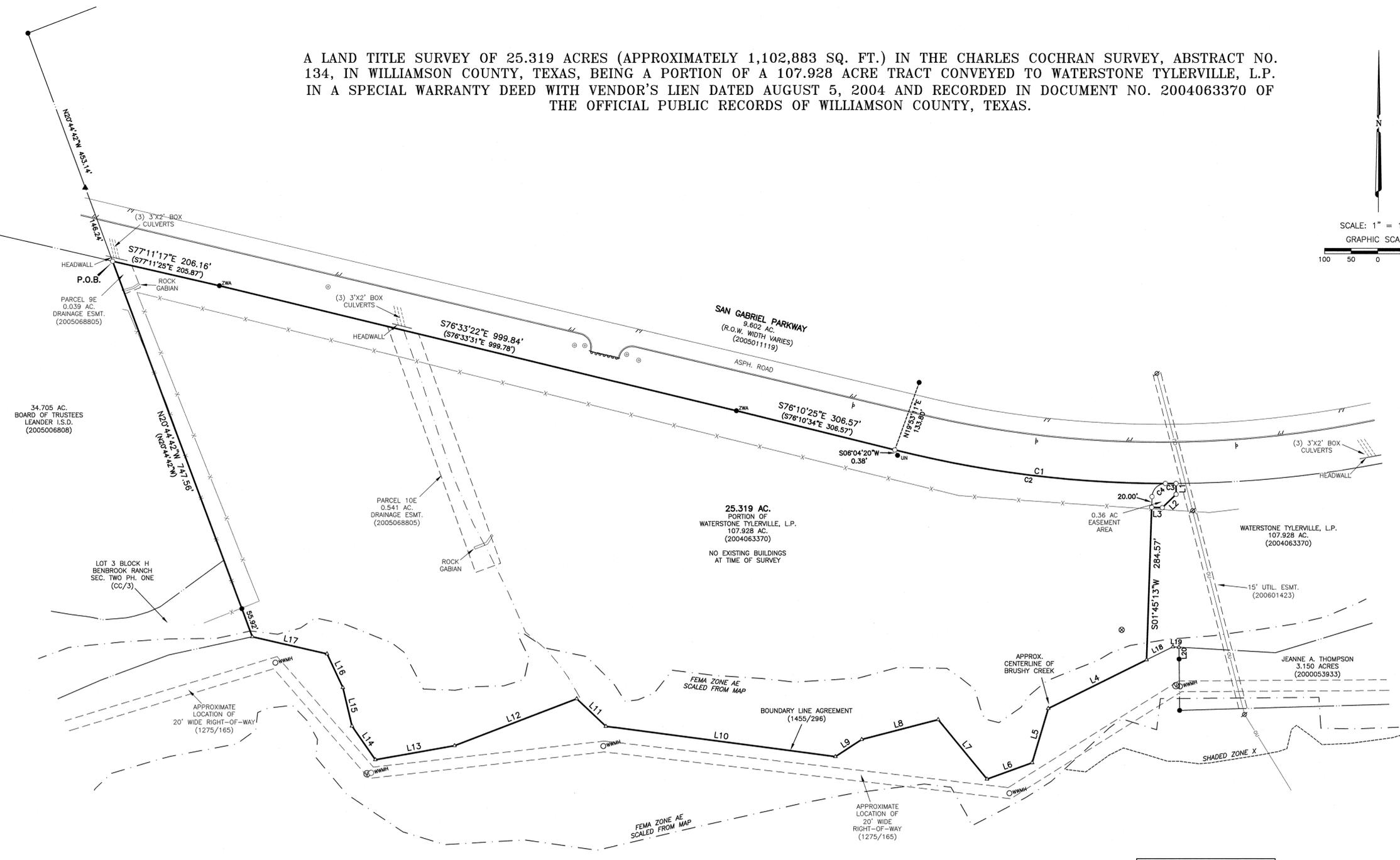
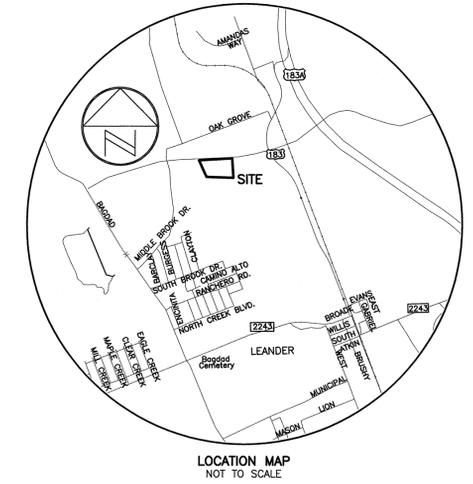
Surveyed on the ground September 12, 2013. Bearing basis is Grid Azimuth for Texas Central Zone, 1983/93 HARN values from LCRA control network. Attachments: Survey Drawing No. 143-033-BASE.

RCW
Robert C. Watts, Jr.
Registered Professional Land Surveyor
State of Texas No. 4995



9-19-13

A LAND TITLE SURVEY OF 25.319 ACRES (APPROXIMATELY 1,102,883 SQ. FT.) IN THE CHARLES COCHRAN SURVEY, ABSTRACT NO. 134, IN WILLIAMSON COUNTY, TEXAS, BEING A PORTION OF A 107.928 ACRE TRACT CONVEYED TO WATERSTONE TYLERVILLE, L.P. IN A SPECIAL WARRANTY DEED WITH VENDOR'S LIEN DATED AUGUST 5, 2004 AND RECORDED IN DOCUMENT NO. 2004063370 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS.



25.319 AC.
PORTION OF
WATERSTONE TYLERVILLE, L.P.
107.928 AC.
(2004063370)
NO EXISTING BUILDINGS
AT TIME OF SURVEY

WATERSTONE TYLERVILLE, L.P.
107.928 AC.
(2004063370)

JEANNE A. THOMPSON
3,150 ACRES
(2000053933)

WATERSTONE MICHELLE, L.P.
PORTION OF 164.466 AC.
(2004063368)

- TITLE COMMITMENT NOTE:**
COMMITMENT FOR TITLE INSURANCE PREPARED BY:
Stewart Title Insurance Company (Georgetown title Company, Inc.)
G.F. No.: 130068550A Effective Date: 8/7/2013 Issued: 8/16/2013
- The surveyor has relied upon the referenced Commitment for Title regarding easements, restrictions, and other matters affecting this property. No additional research was done for the purpose of this survey. Items listed are worded according to the commitment, followed by surveyor's notes and/or observations.
- Schedule "B" items contained therein and re-listed below were considered:
- Restrictive Covenants:
Volume 969, Page 312, Official Records, Williamson County, Texas.
 - Easement dated October 15, 1929, granted by Mrs. Alice E. Woolsey et al to Texas Power & Light Co. recorded in Volume 245, Page 140, Deed Records, Williamson County, Texas. -- May affect the subject tract, unable to accurately plot due to poor description.
 - Easement for underground facilities dated June 28, 1974, granted by Miller Rhodes to Southwestern Bell Telephone Company recorded in Volume 594, Page 783, Deed Records, Williamson County, Texas. -- Does not affect the subject tract
 - Terms, provisions and conditions of Boundary Line Agreement dated November 18, 1986, by and between Michelle, Ltd. and Michelle III, Ltd. recorded in Volume 1450, Page 886, and re-recorded in Volume 1455, Page 296, Official Records, Williamson County, Texas. -- Subject to, shown hereon
 - Drainage easement dated August 19, 2005, granted by Waterstone Tylerville, L.P. to Williamson County, Texas, recorded under Document No. 2005068805, Official Public Records, Williamson County, Texas. -- Subject to, shown hereon (Parcels 9E and 10E, others do not apply)
 - Utility easement dated July 16, 2004, granted by William B. Pohl, Trustee for Tylerville, Ltd. to Padernoles Electric Cooperative, Inc. recorded under Document No. 2006010423, Official Public Records, Williamson County, Texas. -- Subject to, "as the power lines exist". The line known to us to be in place in the general time of execution of the easement is shown hereon, which does not affect the subject tract.
 - An undivided 50% of all royalties and an undivided 50% in and to all of the oil, gas and other minerals, and all rights incident thereto, reserved by Grantors in deed dated July 20, 1983, executed by Philip H. Thompson, Jr. and wife, Jeanne A. Thompson to F.B.N. II Associates recorded in Volume 930, Page 468, Deed Records, Williamson County, Texas. Title to said reservation has not been examined subsequent to its date of execution. -- Subject to, not plottable
 - An undivided 50% of all royalties in all of the oil, gas and other minerals, and all rights incident thereto, conveyed in Mineral Deed dated March 14, 1986, from Jack Friedman to Philip H. Thompson, Jr. and wife, Jeanne A. Thompson recorded in Volume 1327, Page 221, Official Records, Williamson County, Texas. Title to said reservation has not been examined subsequent to its date of execution. -- Subject to, not plottable
 - The rights of Upper Brushy Creek Water Control and Improvement District to levy taxes and issue bonds.

FLOOD-PLAIN NOTE:
A portion of the tract shown hereon lies within Zone "AE" (special flood hazard area), as identified by the Federal Emergency Management Agency, National Flood Insurance Program, as shown on map no. 48491C0455E, dated September 26, 2008, for Williamson County, Texas and incorporated areas. If this site is not within an identified special flood hazard area, this flood statement does not imply that the property and/or the structures thereon will be free from flooding or flood damage. This flood statement shall not create liability on the part of the surveyor.

SURVEYOR'S CERTIFICATE:
CERTIFIED TO: Waterstone Tylerville, L.P.
Sentinel Land Company, LLC
Stewart Title Guaranty Company
Georgetown Title Company, Inc.

PROPERTY ADDRESS: San Gabriel Parkway, Leander, Texas 78641

DATE OF SURVEY: 09/12/2013

ATTACHMENTS: Metes and Bounds Description

I hereby certify that a survey of the property shown hereon was actually made upon the ground under my direction and supervision on the date shown, and that to the best of my professional knowledge and belief there are no apparent encroachments, overlapping of improvements, discrepancies, deed line conflicts, visible utility lines or roads in place, except as shown hereon, and that this property abuts or adjoins a dedicated road right-of-way or access easement, unless noted hereon.

This survey was made substantially in accordance with the standards and conditions set forth for a Category 1A, Condition II, Land Title Survey, based on the Manual of Practice for Land Surveying in Texas, 2006 Revised Eleventh Edition, prepared by the Texas Society of Professional Surveyors.

Robert C. Watts, Jr. Date 9-19-13
Registered Professional Land Surveyor
State of Texas No. 4995

LEGEND

- 1/2" REBAR FOUND (OR AS NOTED)
- ^{ZWA} 1/2" REBAR WITH "ZWA" CAP FOUND
- ^{UN} 1/2" REBAR WITH "UNREADABLE" CAP FOUND
- 1/2" REBAR WITH "CHAPARRAL" CAP SET
- ▲ NAIL WITH "CUNNINGHAM ALLEN" WASHER FOUND
- △ CALCULATED POINT
- ⊙ VENT PIPE
- ⊙ PVC PIPE
- ⊙ UTILITY POLE
- ← GUY WIRE
- OVERHEAD UTILITIES
- ⊙ WASTEWATER MANHOLE
- ⊙ WATER VALVE
- ▽ SIGN
- EDGE OF PAVEMENT
- BARB WIRE FENCE
- () RECORD INFORMATION

THIS IS A SURFACE DRAWING.
BEARING BASIS: THE TEXAS COORDINATE SYSTEM OF 1983 (NAD83), CENTRAL ZONE, BASED ON 1983/93 HARN VALUES FROM LCRA CONTROL NETWORK.
POINT #1 DISK IN CONCRETE STAMPED "LEA3"
TEXAS STATE PLANE COORDINATES:
N 10185125.630
E 3076139.255
COMBINED SCALE FACTOR = 0.999861806 (FOR SURFACE TO GRID CONVERSION)
INVERSE SCALE FACTOR = 1.000138213 (FOR GRID TO SURFACE CONVERSION)
SCALED ABOUT LEA3

LINE TABLE

LINE	BEARING	DISTANCE
L1	S00°24'10"E	20.00'
L2	S46°02'48"W	35.85'
L3	N88°14'47"W	20.00'
L4	S63°51'43"W	205.44'
L5	S16°32'43"W	105.29'
L6	S70°10'43"W	89.94'
L7	N39°53'17"W	143.77'
L8	S75°34'43"W	148.11'
L9	S57°03'43"W	58.81'
L10	N82°30'17"W	435.20'
L11	N46°59'17"W	75.24'
L12	S69°06'43"W	245.27'
L13	S80°03'43"W	151.16'
L14	N35°10'17"W	76.69'
L15	N13°32'17"W	73.80'
L16	N25°33'17"W	69.71'
L17	N77°13'17"W	144.19'
L18	N63°51'43"E	55.17'
L19	S86°45'17"E	11.33'
L20	S00°45'28"E	22.26'

CURVE TABLE

CURVE	RADIUS	DELTA	ARC	BEARING	CHORD	TANGENT
C1	2150.00'	14°13'24"	533.72'	S83°17'07"E	532.35'	268.24'
C2	2150.00'	13°41'25"	513.72'	S83°01'08"E	512.50'	258.09'
C3	2150.00'	0°31'59"	20.00'	N89°52'11"E	20.00'	10.00'
C4	25.00'	88°22'56"	38.56'	S45°56'42"W	34.85'	24.30'

Professional Land Surveying, Inc.
Surveying and Mapping

3500 McCall Lane
Austin, Texas 78744
512-443-1724

Robert C. Watts, Jr.
R.P.L.S. No. 4995

PROJECT NO.: 143-033
DRAWING NO.: 143-033-BASE
PLOT DATE: 09/19/2013
PLOT SCALE: 1" = 100'
DRAWN BY: IAS/RW
SHEET 01 OF 01



**Professional Land Surveying, Inc.
Surveying and Mapping**

Office: 512-443-1724
Fax: 512-389-0943

3500 McCall Lane
Austin, Texas 78744

**125.575 AC.
WATERSTONE MICHELLE, L.P.**

A DESCRIPTION OF 125.575 ACRES (APPROXIMATELY 5,470,044 SQUARE FEET) IN THE CHARLES COCHRAN SURVEY, ABSTRACT NO. 134, IN WILLIAMSON COUNTY, TEXAS, BEING A PORTION OF A 164.466 ACRE TRACT DESCRIBED IN A SPECIAL WARRANTY DEED WITH VENDOR'S LIEN TO WATERSTONE MICHELLE, L.P., DATED AUGUST 5, 2004 AND RECORDED IN DOCUMENT NO. 2004063368 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 125.575 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a 1/2" rebar found for the southeast corner of the said 164.466 acre tract, being also the northeast corner of a 78.978 acre tract recorded in Document No. 2003003109 of the Official Public Records of Williamson County, Texas and being also in the west right-of-way line of US Highway 183 (right-of-way width varies);

THENCE South 75°04'10" West, with the south line of the 164.466 acre tract and the north line of the 78.978 acre tract, a distance of 603.40 feet to a 1/2" rebar with Chaparral cap set for the **POINT OF BEGINNING**;

THENCE with the south line of the 164.466 acre tract and the north line of the 78.978 acre tract, the following five (5) courses and distances:

1. South 75°04'10" West, a distance of 30.83 feet to a concrete monument found;
2. South 75°04'31" West, a distance of 1,312.45 feet to a concrete monument found;
3. South 75°07'18" West, a distance of 837.81 feet to a 1/2" rebar found;
4. South 80°22'18" West, a distance of 27.71 feet to 1/2" rebar found;
5. South 69°36'56" West, a distance of 21.77 feet to a 1/2" rebar found in the south line of the 164.466 acre tract, being also the northwest corner of the 78.978 acre tract, being also the northeast corner of Lot 68 Block A, Estates of North Creek Ranch Section Two, a subdivision of record in Cabinet V, Slide 293 of the Plat Records of Williamson County, Texas;

THENCE South 69°09'11" West with the south line of the 164.466 acre tract and the north line of the said Estates of North Creek Ranch Section Two, a distance of 369.12

feet to a 1/2" rebar with Stanley cap found for the southeast corner of Lot 1, Block A, Heritage Glen Section One, a subdivision of record in Cabinet CC, Slide 369 of the Plat Records of Williamson County, Texas;

THENCE crossing the 164.466 acre tract, with the perimeter of said Heritage Glen Section One, the following ten (10) courses and distances:

1. North 21°07'13" West, a distance of 186.87 feet to a 1/2" rebar with All Points cap found in the north right-of-way line of the termination of South Brook Drive (64' right-of-way width), being also in the south line of Lot 1, Block D, Heritage Glen Section One;
2. North 68°51'57" East, with the south line of Lot 1, a distance of 154.83 feet to a 1/2" rebar with Chaparral cap found for a point of curvature;
3. With a curve to the left in the south line of Lot 1, having a radius of 15.00 feet, a delta angle of 89°43'31", an arc length of 23.49 feet, and a chord which bears North 23°56'24" East, a distance of 21.16 feet to a 1/2" rebar with Chaparral cap found for a point of tangency in the east line of Lot 1;
4. North 21°06'14" West, with the east line of Lot 1, a distance of 744.15 feet to a Mag nail with Chaparral washer set for the northeast corner of Lot 1;
5. South 68°53'22" West, with the north line of Lot 1, a distance of 750.35 feet to a 1/2" rebar with Chaparral cap found for the northwest corner of Lot 1;
6. South 18°24'23" East, with the west line of Lot 1, a distance of 213.39 feet to a 1/2" rebar with Chaparral cap found for a point of curvature;
7. With a curve to the right in the west line of Lot 1, having a radius of 931.56 feet, a delta angle of 01°53'09", an arc length of 30.66 feet, and a chord which bears South 17°29'03" East, a distance of 30.66 feet to a 1/2" rebar with All Points cap found in the east right-of-way of the termination of Coulee Drive (60' right-of-way width);
8. South 73°28'22" West, with the north termination of Coulee Drive, a distance of 59.85 feet to a 1/2" rebar with All Points cap found in the west right-of-way line of Coulee Drive;
9. With a curve to the right in the west line of Coulee Drive, having a radius of 871.56 feet, a delta angle of 01°05'46", an arc length of 16.68 feet, and a chord

which bears South 15°58'40" East, a distance of 16.67 feet to a 1/2" rebar with All Points cap found for the northeast corner of Lot 10, Block C of Heritage Glen Section One;

10. South 74°30'40" West, with the north line of said Lot 10, a distance of 146.22 feet to a 1/2" rebar with Stanley cap found for the northwest corner of lot 10, being also in the east line of Lot 13, Block H, Benbrook Ranch, Section One, Phase Two, a subdivision recorded in Cabinet Y, Slide 345 of the Plat Records of Williamson County, Texas, and being also in the west line of the 164.466 acre tract;

THENCE North 16°29'54" West, with the west line of said 164.466 acre tract, same being the east line of said Block H, a distance of 1,009.33 feet to a 1/2" rebar found for an angle point in the west line of the 164.466 acre tract, being also in the southeast line of Lot 3, Block H, Benbrook Ranch Section Two, Phase One, a subdivision of record in Cabinet CC, Slide 3 of the Plat Records of Williamson County, Texas;

THENCE with the northwest line of the 164.466 acre tract and the southeast line of said Lot 3, the following five (5) courses and distances:

1. North 26°58'52" East, a distance of 227.49 feet to a 1/2" rebar found;
2. North 07°51'51" West, a distance of 113.94 feet to a 182" rebar found;
3. North 07°08'24" West, a distance of 89.78 feet to a 1/2" rebar found;
4. North 10°03'53" East, a distance of 17.15 feet to a 1/2" rebar found;
5. North 19°15'44" West, a distance of 37.17 feet to a calculated point in the centerline of Brushy Creek;

THENCE with the north line of the 164.466 acre tract, being the centerline of Brushy Creek, and being the south line of Lot 3, the following six (6) courses and distances:

1. North 34°38'57" East, a distance of 99.98 feet to a calculated point;
2. North 67°39'42" East, a distance of 149.82 feet to a calculated point;
3. North 52°34'57" East, a distance of 241.82 feet to a calculated point;
4. North 66°42'22" East, a distance of 108.26 feet to a calculated point;

5. North 69°49'32" East, a distance of 135.35 feet to a calculated point;
6. North 77°47'52" East, a distance of 160.43 feet to a calculated point for the southeast corner of Lot 3, being also the southwest corner of a 107.928 acre tract described in Document No. 2004063370 of the Official Public Records of Williamson County, Texas, from which a 1/2" rebar found bears North 20°39'49" West, a distance of 55.92 feet;

THENCE with centerline of Brushy Creek, being also the north line of the 164.466 acre tract and the south line of the 107.928 acre tract, the following fifteen (15) courses and distances:

1. South 77°13'17" East, a distance of 144.19 feet to a calculated point;
2. South 25°33'17" East, a distance of 69.71 feet to a calculated point;
3. South 13°32'17" East, a distance of 73.80 feet to a calculated point;
4. South 35°10'17" East, a distance of 76.69 feet to a point;
5. North 80°03'43" East, a distance of 151.16 feet to a calculated point;
6. North 69°06'43" East, a distance of 245.27 feet to a calculated point;
7. South 46°59'17" East, a distance of 75.24 feet to a calculated point;
8. South 82°30'17" East, a distance of 435.20 feet to a calculated point;
9. North 57°03'43" East, a distance of 58.81 feet to a calculated point;
10. North 75°34'43" East, a distance of 148.11 feet to a calculated point;
11. South 39°53'17" East, a distance of 143.77 feet to a calculated point;
12. North 70°10'43" East, a distance of 89.94 feet to a calculated point;
13. North 16°32'43" East, a distance of 105.29 feet to a calculated point;
14. North 63°51'43" East, a distance of 260.61 feet to a calculated point;

15. South 86°45'17" East, a distance of 11.33 feet to a calculated point for the northwest corner of a 3.150 acre tract recorded in Document No. 2000053933 of the Official Public Records of Williamson County, Texas;

THENCE leaving Brushy Creek, with the north line of the 164.466 acre tract, being also the west line of the 3.150 acre tract, the following two (2) courses and distances:

1. South 00°45'28" East, a distance of 22.26 feet to a 1/2" rebar found;
2. South 00°45'28" East, a distance of 95.51 feet to a 1/2" rebar found for the southwest corner of the 3.150 acre tract;

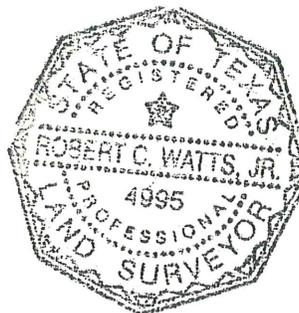
THENCE with the north line of the 164.466 acre tract, being also the south line of the 3.150 acre tract, the following two (2) courses and distances:

1. North 88°19'34" East, a distance of 440.91 feet to a 1/2" rebar found, from which a nail found in a concrete dam bears North 11°52'18" West, a distance of 168.04 feet;
2. North 88°34'02" East, a distance of 234.28 feet to a 1/2" rebar with Chaparral cap set, from which a 1/2" rebar found in the west right-of-way line of U.S. 183, being also the northeast corner of the 164.466 acre tract, being also the southeast corner of the 3.150 acre tract, bears North 88°34'02" East, a distance of 636.85 feet;

THENCE South 21°01'11" East, crossing the 164.466 acre tract, a distance of 1,478.67 to the **POINT OF BEGINNING**, containing 125.575 acres of land, more or less.

Surveyed on the ground July 17, 2013. Bearing basis is Grid Azimuth for Texas Central Zone, 1983/93 HARN values from LCRA control network. Attachments: Survey Drawing No. 942-001-T11.


Robert C. Watts, Jr.
Registered Professional Land Surveyor
State of Texas No. 4995



7-24-13



Executive Summary

October 16, 2014

Agenda Subject: Consider Oak Creek Public Improvement District Landowner's Agreement.

Background:

On April 17, 2014, Council directed staff to proceed with the steps necessary to accept the PID petition and schedule the public hearing for the creation of the Oak Creek PID. On May 1, 2014 the Council accepted the petition for the creation of the Oak Creek PID. On June 5, 2014 the Council opened the public hearing on the creation of the PID and continued it until July 3, 2014. At the July 3, 2014 meeting the Council continued the public hearing until July 17, 2014. On July 17, 2014 the Council closed the public hearing and approved a resolution creating the Oak Creek PID. On October 2, 2014 the Council approved: a resolution approving the form and authorizing distribution of the preliminary official statement, a resolution directing publication of notice of a public hearing on the intention to issue special assessment revenue bonds, and a resolution authorizing the filing of the assessment role and directing publication of a public hearing on the levying of assessments.

The Oak Creek PID proposes to issue special assessment revenue bonds to pay for the proposed public improvements.

This agenda item approves the landowner's agreement between the City and the developer/landowner which includes the landowner's agreement to include their property in the PID and accept the assessments for the repayment of the PID bonds.

Origination: Applicant: Sentinel/Cotter Leander, LLC

Recommendation: Staff recommends approval.

Attachments:

1. Oak Creek PID Landowner's Agreement

Prepared by: Tom Yantis, AICP
Assistant City Manager

OAK CREEK PUBLIC IMPROVEMENT DISTRICT

LANDOWNER AGREEMENT

among

THE CITY OF LEANDER, TEXAS

and

SENTINEL/COTTER LEANDER, LLC

Dated as of:

_____, 2014

**LANDOWNER AGREEMENT
(Oak Creek Public Improvement District)**

This **LANDOWNER AGREEMENT** (the “Agreement”) is entered into among the CITY OF LEANDER, TEXAS, a home-rule municipal corporation of the State of Texas (the “City”), and SENTINEL/COTTER LEANDER, LLC, a Texas limited liability company (the “Landowner”) (individually “Party” or collectively “Parties”). This Agreement shall be effective on the latest date it is executed by all the Parties (the “Effective Date”).

RECITALS

WHEREAS, the Landowner owns approximately 151 acres of land located in Leander, Williamson County, Texas which is more particularly described in **Exhibit “A”** attached hereto (the “Land”).

WHEREAS, the Land constitutes taxable, privately-owned land located within the Oak Creek Public Improvement District (the “District”) created pursuant to the authority of Chapter 372, Texas Local Government Code, as amended (the “PID Act”);

WHEREAS, the Landowner and the City have entered into that certain Oak Creek Public Improvement District Financing Agreement (as such agreement may be amended from time to time as provided therein, the “PID Finance Agreement”), relating to, among other matters, the levy of assessments on the Land, the issuance of revenue bonds secured by such assessments, and the construction of the “Public Improvements” as defined therein;

WHEREAS, the City Council of the City (the “City Council”) has contemporaneously herewith adopted an assessment ordinance (Ordinance No. _____) (including all exhibits, the “Assessment Ordinance”) that levied a Special Assessment on each Parcel within District, which Special Assessments will be pledged as security for the payment of PID Bonds issued by the City to pay for, among other things, the costs of constructing the Public Improvements that will confer a special benefit on the property in the District;

WHEREAS, a copy of the Assessment Ordinance is attached hereto as **Exhibit B**;

WHEREAS, the Assessment Ordinance includes a “Service and Assessment Plan”;

WHEREAS, the Service and Assessment Plan includes an “Assessment Roll” setting forth the amount of the Special Assessment for each Assessed Parcel, including the amount of the “Annual Installment” for each Special Assessment paid in installments; and

NOW THEREFORE, for and in consideration of the mutual promises, covenants, obligations, and benefits hereinafter set forth, the Parties agree as follows:

ARTICLE I
DEFINITIONS; APPROVAL OF AGREEMENTS

Definitions. Capitalized terms used but not defined in this Agreement (including the exhibits hereto) shall have the meanings given to them in the PID Financing Agreement.

Affirmation of Recitals. The matters set forth in the Recitals of this Agreement are true and correct and are incorporated in this Agreement as official findings of the City Council.

ARTICLE II
AGREEMENT OF LANDOWNER

A. Landowner ratifies, confirms, accepts, agrees to, and approves:

(i) the creation of the District, the boundaries of the District, and the boundaries of the Assessed Parcels;

(ii) the location and construction of the Public Improvements;

(iii) the determinations and findings of special benefit to the Assessed Parcels made by the City Council in the Assessment Ordinance and Service and Assessment Plan; and

(iv) the Assessment Ordinance and the Service and Assessment Plan.

B. Landowner consents, acknowledges, accepts, and agrees:

(i) to the Special Assessments to be levied against the applicable Assessed Parcels as shown on the Assessment Roll, as the Assessment Roll may be amended from time to time;

(ii) that the Public Improvements and administration and operation of the District confer a special benefit on the Assessed Parcels in an amount that exceeds the Special Assessments against the Assessed Parcels as shown on the Assessment Roll;

(iii) that the Special Assessments against the Assessed Parcels are final, conclusive, and binding upon the Landowner and its successors and assigns;

(iv) to pay the Special Assessments and Annual Installments against the Assessed Parcels when due and in the amounts stated in the Assessment Ordinance, Service and Assessment Plan, and Assessment Roll;

(v) that each Special Assessment or reassessment against the Assessed Parcels, with interest, the expense of collection, and reasonable attorney's fees, if incurred, is a first and prior lien against the Assessed Parcels, superior to all other liens and monetary claims except liens or monetary claims for state, county, school district, or

municipal ad valorem taxes, and is a personal liability of and charge against the owner of the Assessed Parcels regardless of whether the owner is named;

(vi) that the Special Assessment liens on the Assessed Parcels are liens and covenants that run with the land and are effective from the date of the Assessment Ordinance and continue until the Special Assessments are paid in full and may be enforced by the governing body of the City in the same manner that ad valorem tax liens against real property may be enforced;

(vii) that delinquent installments of Special Assessments against the Assessed Parcels shall incur and accrue interest, penalties, and attorney's fees as provided in the PID Act;

(viii) that the owner of an Assessed Parcel may pay at any time the entire Assessment against the Assessed Parcel, with interest that has accrued on the Assessment to the date of such payment;

(ix) that Annual Installments may be adjusted, decreased, and extended and that owners of the Assessed Parcels shall be obligated to pay such Annual Installments as adjusted, decreased, or extended, when due and without the necessity of further action, assessments, or reassessments by the City Council;

(x) that the Landowner has received, or hereby waives, all notices required by State law (including, but not limited to the PID Act) in connection with the creation of the District and the adoption and approval by the City Council of the Assessment Ordinance, the Service and Assessment Plan, and the Assessment Roll; and

(xi) after the initial PID Bonds (and any subsequent Parity Bonds) are paid in full, additional Special Assessments may be placed on the Land.

C. Landowner further agrees that the City may record in the real property records of Williamson County a "Notice of Creation of Special Assessment District" and "Imposition of Special Assessment" (the contents of which shall be consistent with the Assessment Ordinance, the Service and Assessment Plan, and this Agreement as reasonably determined by the City) that evidence the lien and encumbrance created upon the Landowner's Assessed Parcels by the Assessment Ordinance.

D. Landowner hereby waives:

(i) any and all defects, irregularities, illegalities or deficiencies in the proceedings establishing the District, defining the Assessed Parcels, adopting the Assessment Ordinance, Service and Assessment Plan, and Assessment Roll, levying of the Special Assessments, and determining the amount of the Annual Installments of the Special Assessments;

(ii) any and all notices and time periods provided by the PID Act including, but not limited to, notice of the establishment of the District and notice of public hearings regarding the approval of the Assessment Ordinance, Service and Assessment Plan, and

Assessment Roll and regarding the levying of the Special Assessments and determining the amount of the Annual Installments of the Special Assessments;

(iii) any and all actions and defenses against the adoption or amendment of the Assessment Ordinance, Service and Assessment Plan, and Assessment Roll;

(iv) any and all actions and defenses against the City's finding of "special benefit" pursuant to the PID Act and as set forth in the Service and Assessment Plan and the levying of the Special Assessments and determining the amount of the Annual Installment of the Special Assessments; and

(v) any right to object to the legality of the Assessment Ordinance, Service and Assessment Plan, Assessment Roll, or Special Assessments or to any proceedings connected therewith.

ARTICLE III
TEXAS PROPERTY CODE SECTION 5.014 NOTICE

The following notice is applicable if your property is "residential real property" as defined in Section 5.014 of the Texas Property Code:

**NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENT
DISTRICT ASSESSMENT TO THE CITY OF LEANDER, WILLIAMSON
COUNTY, TEXAS, CONCERNING ASSESSED PARCELS.**

As the purchaser of a parcel of residential real property located in a public improvement district, you are obligated to pay a Special Assessment to the City for improvement projects undertaken by the District under Chapter 372, Local Government Code. Information about the Special Assessment (such as its due date or how it is paid) may be obtained by contacting the City. The Assessment against your parcel may be paid in full at any time together with interest through the date of payment. If you do not elect to pay the Assessment in full, it will be due and payable in annual payments, including interest and collection costs. Your failure to pay the Special Assessment or any annual payment could result in a lien on and the foreclosure of your Parcel.

ARTICLE IV
DEDICATION OF PUBLIC IMPROVEMENTS

Landowner acknowledges that the Public Improvements, together with the land, easements, or other rights-of-way needed for the Public Improvements, shall be dedicated to the City or the Owner's Association as provided in the PID Finance Agreement. Landowner will execute such conveyances and/or dedications as may be reasonably required to evidence the same.

ARTICLE V
MISCELLANEOUS

A. Notices. Any notice or other communication (a “Notice”) required or contemplated by this Agreement shall be given at the addresses set forth below. Notices as to one or more Assessed Parcels shall only be given to the Landowner that owns the applicable Assessed Parcels. Notices as to all of the Land shall be given to all Landowners. Notices shall be in writing and shall be deemed given: (i) five business days after being deposited in the United States Mail, Registered or Certified Mail, Return Receipt Requested; or (ii) when delivered by a nationally recognized private delivery service (e.g., FedEx or UPS) with evidence of delivery signed by any person at the delivery address. Each Party may change its address by written notice to the other Parties in accordance with this section.

Landowner

Sentinel Cotter Leander, LLC
Attn: Tom Reilly
700 Lavaca Street, Suite 900
Austin, Texas 78701
Facsimile: _____

With a copy to:
Metcalf Wolff Stuart & Williams, LLP
Attn: Steven C. Metcalfe
221 W. 6th, Suite 1300
Austin, Texas 78701
Facsimile: 512.404.2244

If to City: City of Leander
PO Box 319
200 W Willis St
Leander, Texas 78641
Attn: City Manager
Facsimile: 512.259.1605

With a copy to: Knight and Partners
Attn: Paige Saenz, City Attorney
223 W. Anderson, Suite A-105
Austin, Texas 78752
Facsimile: 512.323-5773

B. Parties in Interest. In the event of the sale or transfer of an Assessed Parcel or any portion thereof, the purchaser or transferee shall be deemed to have assumed the obligations of the Landowner with respect to such Assessed Parcel or such portion thereof, and the seller or

transferor shall be released with respect to such Assessed Parcel or portion thereof. Notwithstanding the foregoing, the holders of Bonds are express beneficiaries of this Agreement and shall be entitled to pursue any and all remedies at law or in equity to enforce the obligations of the Parties, subject to the limitations set forth in the Indenture.

C. Amendments. This Agreement may be amended only by a written instrument executed by all the Parties. No termination or amendment shall be effective until a written instrument setting forth the terms thereof has been executed by the then-current owners of the Land and recorded in the Real Property Records of Williamson County, Texas.

D. Estoppels. Within 10 days after written request from any Party, the other Parties shall provide a written certification indicating whether this Agreement remains in effect as to an Assessed Parcel and whether any Party is then in default hereunder.

E. Termination. This Agreement shall terminate as to each Assessed Parcel upon payment in full of the Special Assessment against the Assessed Parcel.

[SIGNATURE PAGES TO FOLLOW]

EXECUTED by the Parties on the dates stated below.

THE CITY OF LEANDER, TEXAS

By: _____
Christopher Fielder, Mayor

ATTEST:

By: _____
Debbie Haile, City Secretary

STATE OF TEXAS

§

§

COUNTY OF WILLIAMSON

§

BEFORE ME, a Notary Public, on this day personally appeared, by Christopher Fielder, Mayor of the City of Leander, a Texas home-rule municipal corporation, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed on behalf of that municipal corporation.

GIVEN UNDER MY HAND AND SEAL of office this ____ day of _____, 2014.

(SEAL)

Notary Public, State of Texas

LANDOWNER:

SENTINEL COTTER LEANDER, LLC
a Texas limited liability corporation

By: _____
Tom Reilly, Manager

THE STATE OF TEXAS
COUNTY OF WILLIAMSON

THIS INSTRUMENT is acknowledged before me on this ____ day of _____, 2014, by Tom Reilly, Manager of Sentinel Cotter Leander, LLC.

[SEAL]

Notary Public, State of Texas

EXHIBIT A to LANDOWNER AGREEMENT

Legal Description

25.319 AC.
WATERSTONE TYLERVILLE, L.P.

A DESCRIPTION OF 25.319 ACRES (APPROXIMATELY 1,102,883 SQ. FT.) IN THE CHARLES COCHRAN SURVEY, ABSTRACT NO. 134, IN WILLIAMSON COUNTY, TEXAS, BEING A PORTION OF A 107.928 ACRE TRACT CONVEYED TO WATERSTONE TYLERVILLE, L.P. IN A SPECIAL WARRANTY DEED WITH VENDOR'S LIEN DATED AUGUST 5, 2004 AND RECORDED IN DOCUMENT NO. 2004063370 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 25.319 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2" rebar with Chaparral cap set in the west line of the said 107.928 acre tract, being also in the south right-of-way line of San Gabriel Parkway (right-of-way width varies) as described in Document No. 2005011119 of the Official Public Records of Williamson County, Texas, and being in the east line of a 34.705 acre tract described in Document No. 2005006808 of the Official Public Records of Williamson County, Texas, from which a 1/2" rebar found for the northwest corner of the 107.928 acre tract bears North 20°44'42" West, a distance of 453.14 feet;

THENCE with the south line of San Gabriel Parkway, over and across the 107.928 acre tract, the following four (4) courses and distances:

1. South 77°11'17" East, a distance of 206.16 feet to a 1/2" rebar with ZWA cap found;
2. South 76°33'22" East, a distance of 999.84 feet to a 1/2" rebar with ZWA cap found;
3. South 76°10'25" East, a distance of 306.57 feet to a 1/2" rebar with Chaparral cap set, from which a 1/2" rebar found with an illegible cap found bears South 06°04'20" West, a distance of 0.38 feet;
4. With a curve to the left, having a radius of 2150.00 feet, a delta angle of 14°13'24", an arc length of 533.72 feet, and a chord which bears South 83°17'07" East, a distance of 532.35 feet to a 1/2" rebar with Chaparral cap set;

THENCE continuing over and across the 107.928 acre tract, the following two (4) courses and distances:

1. South 00°24'10" East, a distance of 20.00 feet to a 1/2" rebar with Chaparral cap set;
2. South 46°02'48" West, a distance of 35.85 feet to a 1/2" rebar with Chaparral cap set;
3. North 88°14'47" West, a distance of 20.00 feet to a 1/2" rebar with Chaparral cap set;
4. South 01°45'13" West, a distance of 284.57 feet to a calculated point in the south line of the 107.928 acre tract, being also the north line of a 164.466 acre tract described in Document No. 2004063368 of the Official Public Records of Williamson County, Texas, being also an agreed boundary line described in Volume 1455, Page 296 of the Official Public Records of Williamson County, Texas, from which a 1/2" rebar found in the common line of the 107.928 acre tract and the 164.466 acre tract, and being in the west line of a 3.150 acre tract described in Document No. 2000053933 of the Official Public Records of Williamson County, Texas bears North 63°51'43" East, a distance of 55.17 feet, and South 86°45'17" East, a distance of 11.33 feet for the northwest corner of the 3.150 acre tract, and South 00°45'28" East, a distance of 22.26 feet;

THENCE with the south line of the 107.928 acre tract, being also the north line of the 164.466 acre tract, being also the agreed boundary line, and being the center of Brushy Creek, the following fourteen (14) courses and distances:

1. South 63°51'43" West, a distance of 205.44 feet to a calculated point;
2. South 16°32'43" West, a distance of 105.29 feet to a calculated point;
3. South 70°10'43" West, a distance of 89.94 feet to a calculated point;
4. North 39°53'17" West, a distance of 143.77 feet to a calculated point;
5. South 75°34'43" West, a distance of 148.11 feet to a calculated point;
6. South 57°03'43" West, a distance of 58.81 feet to a calculated point;
7. North 82°30'17" West, a distance of 435.20 feet to a calculated point;
8. North 46°59'17" West, a distance of 75.24 feet to a calculated point;

9. South 69°06'43" West, a distance of 245.27 feet to a calculated point;
10. South 80°03'43" West, a distance of 151.16 feet to a calculated point;
11. North 35°10'17" West, a distance of 76.69 feet to a calculated point;
12. North 13°32'17" West, a distance of 73.80 feet to a calculated point;
13. North 25°33'17" West, a distance of 69.71 feet to a calculated point;
14. North 77°13'17" West, a distance of 144.19 feet to a calculated point for the southwest corner of the 107.928 acre tract, being also the southeast corner of Lot 3, Block H, Benbrook Ranch Section Two, Phase One, a subdivision of record in Cabinet CC, Slide 3 of the Plat Records of Williamson County, Texas;

THENCE North 20°44'42" West, with the west line of the 107.928 acre tract, being also the east line of Lot 3, Block H, and being the east line of the 34.705 acre tract, at 55.92 feet passing a 1/2" rebar found, and continuing for a total distance of 747.56 feet to the **POINT OF BEGINNING**, containing 25.319 acres of land, more or less.

Surveyed on the ground September 12, 2013. Bearing basis is Grid Azimuth for Texas Central Zone, 1983/93 HARN values from LCRA control network. Attachments: Survey Drawing No. 143-033-BASE.

RCW
Robert C. Watts, Jr.
Registered Professional Land Surveyor
State of Texas No. 4995



9-19-13

**125.575 AC.
WATERSTONE MICHELLE, L.P.**

A DESCRIPTION OF 125.575 ACRES (APPROXIMATELY 5,470,044 SQUARE FEET) IN THE CHARLES COCHRAN SURVEY, ABSTRACT NO. 134, IN WILLIAMSON COUNTY, TEXAS, BEING A PORTION OF A 164.466 ACRE TRACT DESCRIBED IN A SPECIAL WARRANTY DEED WITH VENDOR'S LIEN TO WATERSTONE MICHELLE, L.P., DATED AUGUST 5, 2004 AND RECORDED IN DOCUMENT NO. 2004063368 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 125.575 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a 1/2" rebar found for the southeast corner of the said 164.466 acre tract, being also the northeast corner of a 78.978 acre tract recorded in Document No. 2003003109 of the Official Public Records of Williamson County, Texas and being also in the west right-of-way line of US Highway 183 (right-of-way width varies);

THENCE South 75°04'10" West, with the south line of the 164.466 acre tract and the north line of the 78.978 acre tract, a distance of 603.40 feet to a 1/2" rebar with Chaparral cap set for the **POINT OF BEGINNING**;

THENCE with the south line of the 164.466 acre tract and the north line of the 78.978 acre tract, the following five (5) courses and distances:

1. South 75°04'10" West, a distance of 30.83 feet to a concrete monument found;
2. South 75°04'31" West, a distance of 1,312.45 feet to a concrete monument found;
3. South 75°07'18" West, a distance of 837.81 feet to a 1/2" rebar found;
4. South 80°22'18" West, a distance of 27.71 feet to 1/2" rebar found;
5. South 69°36'56" West, a distance of 21.77 feet to a 1/2" rebar found in the south line of the 164.466 acre tract, being also the northwest corner of the 78.978 acre tract, being also the northeast corner of Lot 68 Block A, Estates of North Creek Ranch Section Two, a subdivision of record in Cabinet V, Slide 293 of the Plat Records of Williamson County, Texas;

THENCE South 69°09'11" West with the south line of the 164.466 acre tract and the north line of the said Estates of North Creek Ranch Section Two, a distance of 369.12

feet to a 1/2" rebar with Stanley cap found for the southeast corner of Lot 1, Block A, Heritage Glen Section One, a subdivision of record in Cabinet CC, Slide 369 of the Plat Records of Williamson County, Texas;

THENCE crossing the 164.466 acre tract, with the perimeter of said Heritage Glen Section One, the following ten (10) courses and distances:

1. North 21°07'13" West, a distance of 186.87 feet to a 1/2" rebar with All Points cap found in the north right-of-way line of the termination of South Brook Drive (64' right-of-way width), being also in the south line of Lot 1, Block D, Heritage Glen Section One;
2. North 68°51'57" East, with the south line of Lot 1, a distance of 154.83 feet to a 1/2" rebar with Chaparral cap found for a point of curvature;
3. With a curve to the left in the south line of Lot 1, having a radius of 15.00 feet, a delta angle of 89°43'31", an arc length of 23.49 feet, and a chord which bears North 23°56'24" East, a distance of 21.16 feet to a 1/2" rebar with Chaparral cap found for a point of tangency in the east line of Lot 1;
4. North 21°06'14" West, with the east line of Lot 1, a distance of 744.15 feet to a Mag nail with Chaparral washer set for the northeast corner of Lot 1;
5. South 68°53'22" West, with the north line of Lot 1, a distance of 750.35 feet to a 1/2" rebar with Chaparral cap found for the northwest corner of Lot 1;
6. South 18°24'23" East, with the west line of Lot 1, a distance of 213.39 feet to a 1/2" rebar with Chaparral cap found for a point of curvature;
7. With a curve to the right in the west line of Lot 1, having a radius of 931.56 feet, a delta angle of 01°53'09", an arc length of 30.66 feet, and a chord which bears South 17°29'03" East, a distance of 30.66 feet to a 1/2" rebar with All Points cap found in the east right-of-way of the termination of Coulee Drive (60' right-of-way width);
8. South 73°28'22" West, with the north termination of Coulee Drive, a distance of 59.85 feet to a 1/2" rebar with All Points cap found in the west right-of-way line of Coulee Drive;
9. With a curve to the right in the west line of Coulee Drive, having a radius of 871.56 feet, a delta angle of 01°05'46", an arc length of 16.68 feet, and a chord

which bears South 15°58'40" East, a distance of 16.67 feet to a 1/2" rebar with All Points cap found for the northeast corner of Lot 10, Block C of Heritage Glen Section One;

10. South 74°30'40" West, with the north line of said Lot 10, a distance of 146.22 feet to a 1/2" rebar with Stanley cap found for the northwest corner of lot 10, being also in the east line of Lot 13, Block H, Benbrook Ranch, Section One, Phase Two, a subdivision recorded in Cabinet Y, Slide 345 of the Plat Records of Williamson County, Texas, and being also in the west line of the 164.466 acre tract;

THENCE North 16°29'54" West, with the west line of said 164.466 acre tract, same being the east line of said Block H, a distance of 1,009.33 feet to a 1/2" rebar found for an angle point in the west line of the 164.466 acre tract, being also in the southeast line of Lot 3, Block H, Benbrook Ranch Section Two, Phase One, a subdivision of record in Cabinet CC, Slide 3 of the Plat Records of Williamson County, Texas;

THENCE with the northwest line of the 164.466 acre tract and the southeast line of said Lot 3, the following five (5) courses and distances:

1. North 26°58'52" East, a distance of 227.49 feet to a 1/2" rebar found;
2. North 07°51'51" West, a distance of 113.94 feet to a 182" rebar found;
3. North 07°08'24" West, a distance of 89.78 feet to a 1/2" rebar found;
4. North 10°03'53" East, a distance of 17.15 feet to a 1/2" rebar found;
5. North 19°15'44" West, a distance of 37.17 feet to a calculated point in the centerline of Brushy Creek;

THENCE with the north line of the 164.466 acre tract, being the centerline of Brushy Creek, and being the south line of Lot 3, the following six (6) courses and distances:

1. North 34°38'57" East, a distance of 99.98 feet to a calculated point;
2. North 67°39'42" East, a distance of 149.82 feet to a calculated point;
3. North 52°34'57" East, a distance of 241.82 feet to a calculated point;
4. North 66°42'22" East, a distance of 108.26 feet to a calculated point;

5. North 69°49'32" East, a distance of 135.35 feet to a calculated point;
6. North 77°47'52" East, a distance of 160.43 feet to a calculated point for the southeast corner of Lot 3, being also the southwest corner of a 107.928 acre tract described in Document No. 2004063370 of the Official Public Records of Williamson County, Texas, from which a 1/2" rebar found bears North 20°39'49" West, a distance of 55.92 feet;

THENCE with centerline of Brushy Creek, being also the north line of the 164.466 acre tract and the south line of the 107.928 acre tract, the following fifteen (15) courses and distances:

1. South 77°13'17" East, a distance of 144.19 feet to a calculated point;
2. South 25°33'17" East, a distance of 69.71 feet to a calculated point;
3. South 13°32'17" East, a distance of 73.80 feet to a calculated point;
4. South 35°10'17" East, a distance of 76.69 feet to a point;
5. North 80°03'43" East, a distance of 151.16 feet to a calculated point;
6. North 69°06'43" East, a distance of 245.27 feet to a calculated point;
7. South 46°59'17" East, a distance of 75.24 feet to a calculated point;
8. South 82°30'17" East, a distance of 435.20 feet to a calculated point;
9. North 57°03'43" East, a distance of 58.81 feet to a calculated point;
10. North 75°34'43" East, a distance of 148.11 feet to a calculated point;
11. South 39°53'17" East, a distance of 143.77 feet to a calculated point;
12. North 70°10'43" East, a distance of 89.94 feet to a calculated point;
13. North 16°32'43" East, a distance of 105.29 feet to a calculated point;
14. North 63°51'43" East, a distance of 260.61 feet to a calculated point;

15. South 86°45'17" East, a distance of 11.33 feet to a calculated point for the northwest corner of a 3.150 acre tract recorded in Document No. 2000053933 of the Official Public Records of Williamson County, Texas;

THENCE leaving Brushy Creek, with the north line of the 164.466 acre tract, being also the west line of the 3.150 acre tract, the following two (2) courses and distances:

1. South 00°45'28" East, a distance of 22.26 feet to a 1/2" rebar found;
2. South 00°45'28" East, a distance of 95.51 feet to a 1/2" rebar found for the southwest corner of the 3.150 acre tract;

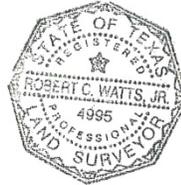
THENCE with the north line of the 164.466 acre tract, being also the south line of the 3.150 acre tract, the following two (2) courses and distances:

1. North 88°19'34" East, a distance of 440.91 feet to a 1/2" rebar found, from which a nail found in a concrete dam bears North 11°52'18" West, a distance of 168.04 feet;
2. North 88°34'02" East, a distance of 234.28 feet to a 1/2" rebar with Chaparral cap set, from which a 1/2" rebar found in the west right-of-way line of U.S. 183, being also the northeast corner of the 164.466 acre tract, being also the southeast corner of the 3.150 acre tract, bears North 88°34'02" East, a distance of 636.85 feet;

THENCE South 21°01'11" East, crossing the 164.466 acre tract, a distance of 1,478.67 to the **POINT OF BEGINNING**, containing 125.575 acres of land, more or less.

Surveyed on the ground July 17, 2013. Bearing basis is Grid Azimuth for Texas Central Zone, 1983/93 HARN values from LCRA control network. Attachments: Survey Drawing No. 942-001-T11.

rcw
Robert C. Watts, Jr.
Registered Professional Land Surveyor
State of Texas No. 4995



7-24-13

**EXHIBIT B to LANDOWNER AGREEMENT
Assessment Ordinance**

[See Attached]



Executive Summary

October 16, 2014

Agenda Subject: Consider Bond Purchase Agreement for the City of Leander Special Assessment Revenue Bonds, Series 2014 (Oak Creek Public Improvement District).

Background:

On April 17, 2014, Council directed staff to proceed with the steps necessary to accept the PID petition and schedule the public hearing for the creation of the Oak Creek PID. On May 1, 2014 the Council accepted the petition for the creation of the Oak Creek PID. On June 5, 2014 the Council opened the public hearing on the creation of the PID and continued it until July 3, 2014. At the July 3, 2014 meeting the Council continued the public hearing until July 17, 2014. On July 17, 2014 the Council closed the public hearing and approved a resolution creating the Oak Creek PID. On October 2, 2014 the Council approved: a resolution approving the form and authorizing distribution of the preliminary official statement, a resolution directing publication of notice of a public hearing on the intention to issue special assessment revenue bonds, and a resolution authorizing the filing of the assessment role and directing publication of a public hearing on the levying of assessments.

The Oak Creek PID proposes to issue special assessment revenue bonds to pay for the proposed public improvements.

This agenda item approves the bond purchase agreement between the City, Jeffries, LLC (the underwriter), and Sentinel/Cotter Leander, LLC (the developer).

Origination: Applicant: Sentinel/Cotter Leander, LLC

Recommendation: Staff recommends approval.

Attachments:

1. Bond Purchase Agreement

Prepared by: Tom Yantis, AICP
Assistant City Manager

\$ _____
**CITY OF LEANDER, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2014
(OAK CREEK PUBLIC IMPROVEMENT DISTRICT)**

BOND PURCHASE AGREEMENT

October __, 2014

City of Leander, Texas
200 West Willis St.
Leander, Texas 78641

Sentinel/Cotter Leander, LLC
9111 Jollyville Road, Suite 212
Austin, TX 78746

Ladies and Gentlemen:

The undersigned, Jefferies LLC (the “Underwriter”), offers to enter into this Bond Purchase Agreement (this “Agreement”) with the City of Leander, Texas (the “City”), and Sentinel/Cotter Leander, LLC, a Texas limited liability company (the “Developer”), which will be binding upon the City, the Developer, and the Underwriter upon the acceptance hereof by the City and the Developer. This offer is made subject to its acceptance by the City and the Developer by execution of this Agreement and its delivery to the Underwriter on or before 10:00 p.m., Central Time, on the date hereof and, if not so accepted, will be subject to withdrawal by the Underwriter upon written notice delivered to the City and the Developer at any time prior to the acceptance hereof by the City and the Developer. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Indenture (defined herein) between the City and BOKF, NA dba Bank of Texas, as trustee (the “Trustee”), authorizing the issuance of the Bonds (defined herein), and in the Official Statement (defined herein).

1. Purchase and Sale of Bonds. Upon the terms and conditions and upon the basis of representations, warranties, and agreements hereinafter set forth, the Underwriter hereby agrees to purchase from the City, and the City hereby agrees to sell to the Underwriter, all (but not less than all) of \$_____ aggregate principal amount of the “City of Leander, Texas, Special Assessment Revenue Bonds, Series 2014 (Oak Creek Public Improvement District)” (the “Bonds”), at a purchase price of \$_____ (representing the aggregate principal amount of the Bonds, less an Underwriter’s discount of \$_____, which includes the fees of Underwriter’s Counsel in the amount of \$_____).

Inasmuch as this purchase and sale represents a negotiated transaction, the City and the Developer understand, and hereby confirm, that the Underwriter is not acting as a fiduciary of the City or the Developer, but rather is acting solely in its capacity as Underwriter for its own account. The City and the Developer acknowledge and agree that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm's-length commercial transaction among the City, the Developer, and the Underwriter, (ii) in connection therewith and with the discussions, undertakings, and procedures leading up to the consummation of this transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent or fiduciary of the City or the Developer, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City or the Developer with respect to the offering described herein or the discussions, undertakings, and procedures leading thereto (regardless of whether the Underwriter has provided other services or is currently providing other services to the City or the Developer on other matters) and the Underwriter has no obligation to the City or the Developer with respect to the offering described herein except the obligations expressly set forth in this Agreement, and (iv) the City and the Developer have consulted their own legal, financial, and other advisors to the extent they have deemed appropriate. The City and the Developer further acknowledge and agree that following the issuance and delivery of the Bonds, the Underwriter has indicated that it may have periodic discussions with the City regarding the expenditure of Bond proceeds and the construction of the projects financed with the Bonds and, in connection with such discussions, the Underwriter shall be acting solely as a principal and will not be acting as the agent or fiduciary of, and will not be assuming an advisory or fiduciary responsibility in favor of, the City or the Developer.

The Bonds shall be dated the date of their issuance and delivery and shall have the maturities and redemption features, if any, and bear interest at the rates per annum shown on Appendix A hereto. Payment for and delivery of the Bonds, and the other actions contemplated hereby, shall take place on _____, 2014 (or such other date as may be agreed to by the City, the Developer, and the Underwriter) (the "Closing Date").

2. Authorization Instruments and Law. The Bonds were authorized by an Ordinance enacted by the City Council of the City (the "City Council") on October 16, 2014 (the "Bond Ordinance") and shall be issued pursuant to the provisions of Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "Act"), and the Indenture of Trust, dated as of _____, 2014, between the City and the Trustee, authorizing the issuance of the Bonds (the "Indenture"). The Bonds shall be substantially in the form described in, and shall be secured under the provisions of, the Indenture.

The Bonds and interest thereon shall be secured by the proceeds of the Assessments (the "Assessments") levied on the assessable parcels within the Oak Creek Public Improvement District (the "District"). The District was established by Resolution No. 14-013-00 (the "Creation Resolution"), enacted by the City Council on July 17, 2014 and effective on July 24, 2014 in accordance with the Act. A Service and Assessment Plan (the "Service and Assessment Plan") which sets forth the costs of Projects and the method of payment of the Assessments was adopted by the City Council on October 16, 2014, pursuant to Ordinance No. 14-___-___ (the "Assessment Ordinance" and, together with the Creation Resolution, the Indenture, and the Bond Ordinance, the "Authorizing Documents"). The Bonds shall be further secured by certain applicable funds and accounts created under the Indenture.

The Bonds shall be as described in Appendix A hereto, the Indenture, and the Official Statement.

The proceeds of the Bonds shall be used for (i) paying a portion of the Costs of the Projects; (ii) paying interest on the Bonds during construction of the Projects; (iii) funding a reserve fund for payment of principal and interest on the Bonds; (iv) paying a portion of the costs incidental to the organization of the District; and (v) paying costs of issuing the Bonds.

3. Public Offering. The Underwriter agrees to make a bona fide public offering of all of the Bonds at a price not to exceed the public offering prices set forth on page i of the Official Statement and may subsequently change such offering prices without any requirement of prior notice. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the public offering prices stated on page i of the Official Statement; provided that on or before the Closing, the Underwriter shall execute and deliver to Bickerstaff Heath Delgado Acosta LLP, Austin, Texas (“Bond Counsel”) an issue price certificate for the Bonds prepared by Bond Counsel verifying the initial offering prices to the public at which the Underwriter reasonably expected to sell or in fact sold a substantial amount of each stated maturity of the Bonds to the public.

4. Official Statement.

(a) Delivery of Official Statement. The City previously has delivered, or caused to be delivered, to the Underwriter the Preliminary Official Statement for the Bonds dated October 3, 2014 (the “Preliminary Official Statement”), in a “designated electronic format,” as defined in the Municipal Securities Rulemaking Board (“MSRB”) Rule G-32 (“Rule G-32”). The City will prepare, or cause to be prepared, a final Official Statement relating to the Bonds (the “Official Statement”) which will be (i) dated the date of this Agreement, (ii) complete within the meaning of the United States Securities and Exchange Commission’s Rule 15c2-12, as amended (the “Rule”), (iii) in a “designated electronic format,” and (iv) substantially in the form of the most recent version of the Preliminary Official Statement provided to the Underwriter before the execution hereof. The Official Statement, including the cover page thereto, all exhibits, schedules, appendices, maps, charts, pictures, diagrams, reports, and statements included or incorporated therein or attached thereto, and all amendments and supplements thereto that may be authorized for use with respect to the Bonds are collectively referred to herein as the “Official Statement.” Until the Official Statement has been prepared and is available for distribution, the City shall provide to the Underwriter sufficient quantities (which may be in electronic format) of the Preliminary Official Statement as the Underwriter deems necessary to satisfy the obligation of the Underwriter under the Rule with respect to distribution to each potential customer, upon request, of a copy of the Preliminary Official Statement.

(b) Preliminary Official Statement Deemed Final. The Preliminary Official Statement has been prepared for use by the Underwriter in connection with the public offering, sale, and distribution of the Bonds. The City hereby represents and warrants that the Preliminary Official Statement has been deemed final by the City as of its date,

except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of the Rule.

(c) Use of Official Statement in Offering and Sale. The City hereby authorizes the Official Statement and the information therein contained to be used by the Underwriter in connection with the public offering and the sale of the Bonds. The City consents to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Bonds. The City shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the City's acceptance of this Agreement (but, in any event, not later than within seven (7) business days after the City's acceptance of this Agreement) copies of the Official Statement which is complete as of the date of its delivery to the Underwriter. The City shall provide the Official Statement, or cause the Official Statement to be provided, (i) in a "designated electronic format" consistent with the requirements of Rule G-32 and (ii) in a printed format in such quantity as the Underwriter shall request in order for the Underwriter to comply with Section (b)(4) of the Rule and the rules of the MSRB.

(d) Updating of Official Statement. If, after the date of this Agreement, up to and including the date the Underwriter is no longer required to provide an Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) ninety (90) days from the "end of the underwriting period" (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from the MSRB, but in no case less than twenty-five (25) days after the "end of the underwriting period" for the Bonds), the City or the Developer becomes aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the City or the Developer, as applicable, will notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time request), and if, in the reasonable judgment of the Underwriter, such fact or event requires preparation and publication of a supplement or amendment to the Official Statement, the City or the Developer, as applicable, will forthwith prepare and furnish, at the City's own expense (in a form and manner approved by the Underwriter), either an amendment or a supplement to the Official Statement so that the statements therein as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading or so that the Official Statement will comply with law; provided, however, that for all purposes of this Agreement and any certificate delivered by the City or the Developer in accordance herewith, (i) neither the City nor the Developer makes any representations with respect to the descriptions in the Preliminary Official Statement or the Official Statement of The Depository Trust Company, New York, New York, or its book-entry-only system ("DTC"), (ii) the City makes no representations with respect to the information in the Preliminary Official Statement or the Official Statement under the captions and subcaptions "PLAN OF FINANCE — Development Plan," "THE PROJECTS," "THE

DEVELOPMENT,” “THE DEVELOPER,” “THE SPECIAL ASSESSMENT CONSULTANT,” “BONDHOLDERS’ RISKS,” (only as it pertains to the Developer, the Projects, and the Development) and “LEGAL MATTERS — Litigation – The Developer,” and (iii) the Developer makes no representations with respect to the information in the Preliminary Official Statement and the Official Statement under the captions “THE CITY,” “THE DISTRICT,” and “LEGAL MATTERS — Litigation – The City.” If such notification shall be subsequent to the Closing, the City, at the expense of the Developer, shall furnish such legal opinions, certificates, instruments, and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement. The City shall provide any such amendment or supplement, or cause any such amendment or supplement to be provided, (i) in a “designated electronic format” consistent with the requirements of Rule G-32 and (ii) in a printed format in such quantity as the Underwriter shall request in order for the Underwriter to comply with Section (b)(4) of the Rule and the rules of the MSRB.

(e) Filing with MSRB. The Underwriter hereby agrees to timely file the Official Statement with the MSRB through its Electronic Municipal Market Access (“EMMA”) system on or before the date of Closing. Unless otherwise notified in writing by the Underwriter, the City can assume that the “end of the underwriting period” for purposes of the Rule is the date of the Closing.

5. City Representations, Warranties and Covenants. The City represents, warrants and covenants to the Underwriter and the Developer that:

(a) Due Organization, Existence and Authority. The City is a political subdivision of the State of Texas (the “State”), and has, and at the Closing Date will have, full legal right, power and authority (i) to enter into this Agreement; the Indenture; the Oak Creek Public Improvement District Financing Agreement, dated as of _____, 2014 (the “Financing Agreement”), executed and delivered by the City and the Developer; the Oak Creek Development and Reimbursement Agreement, dated _____, 2014 (the “Development Agreement”), executed and delivered by the City, Tax Increment Reinvestment Zone Number One, City of Leander, Texas and the Developer; the Landowner Agreement, dated _____, 2014 (the “Landowner Agreement”), executed and delivered by the City and the Developer; the Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation – Oak Creek Public Improvement District dated _____, 2014 (the “Redemption Waiver Agreement”) executed and delivered by the City and the Trustee; the Continuing Disclosure Agreement with respect to the Bonds, dated as of _____, 2014 (the “Continuing Disclosure Agreement”), executed and delivered by the City and BOKF, NA dba Bank of Texas, as Dissemination Agent; (ii) to issue, sell, and deliver the Bonds to the Underwriter as provided herein; and (iii) to carry out and consummate the transactions on its part contemplated by the Authorizing Documents, this Agreement, the Financing Agreement, Development Agreement, the Landowner Agreement, the Redemption Waiver Agreement; the Official Statement, the Continuing Disclosure Agreement, and any other documents and certificates contemplated by any of the foregoing (collectively, the “City Documents”).

(b) Due Authorization and Approval of City. By all necessary official action of the City, the City has duly authorized and approved the adoption or execution and delivery by the City of, and the performance by the City of the obligations on its part contained in, the City Documents and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded, except as may have been approved by the Underwriter. When validly executed and delivered by the other parties thereto, the Indenture, this Agreement, the Financing Agreement, the Development Agreement, the Landowner Agreement, the Redemption Waiver Agreement, and the Continuing Disclosure Agreement will constitute the legally valid and binding obligations of the City enforceable upon the City in accordance with their respective terms, except insofar as enforcement may be limited by principles of sovereign immunity, bankruptcy, insolvency, reorganization, moratorium, or similar laws or equitable principles relating to or affecting creditors' rights generally. The City has complied, and will at the Closing be in compliance, in all material respects, with the obligations on its part to be performed on or prior to the Closing Date under the City Documents.

(c) Due Authorization for Issuance of the Bonds. The City has duly authorized the issuance and sale of the Bonds pursuant to the Bond Ordinance, the Indenture, and the Act. The City has, and at the Closing Date will have, full legal right, power and authority (i) to enter into, execute, deliver, and perform its obligations under this Agreement and the City Documents, (ii) to issue, sell and, deliver the Bonds to the Underwriter pursuant to the Indenture, the Bond Ordinance, the Act, and as provided herein, and (iii) to carry out, give effect to and consummate the transactions on the part of the City described by the City Documents and the Bond Ordinance.

(d) No Breach or Default. As of the time of acceptance hereof, and to the best of its knowledge, the City is not, and as of the Closing Date the City will not be, in breach of or in default in any material respect under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument related to the Bonds and to which the City is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument which breach, default or event could have a material adverse effect on the City's ability to perform its obligations under the Bonds or the City Documents; and, as of such times, the authorization, execution and delivery of the Bonds and the City Documents and compliance by the City with obligations on its part to be performed in each of such agreements or instruments does not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the City (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties are bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or

under the terms of any such law, regulation or instrument, except as may be permitted by the City Documents.

(e) No Litigation. At the time of acceptance hereof there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body (collectively and individually, an “Action”) pending against the City with respect to which the City has been served with process, nor to the knowledge of the City is any Action threatened against the City, in which any such Action (i) in any way questions the existence of the City or the rights of the members of the City Council to hold their respective positions, (ii) in any way questions the formation or existence of the District, (iii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contests or affects the validity of the City Documents or the consummation of the transactions on the part of the City contemplated thereby, or contests the exclusion of the interest on the Bonds from federal income taxation, or (iv) which may result in any material adverse change in the financial condition of the City; and, as of the time of acceptance hereof there is no basis for any action, suit, proceeding, inquiry, or investigation of the nature described in clauses (i) through (iv) of this sentence.

(f) Bonds Issued Pursuant to Indenture. The City represents that the Bonds, when issued, executed, and delivered in accordance with the Indenture and sold to the Underwriter as provided herein, will be validly issued and outstanding obligations of the City subject to the terms of the Indenture, entitled to the benefits of the Indenture and the security of the pledge of the proceeds of the levy of the Assessments received by the City, all to the extent provided for in the Indenture. The Indenture creates a valid pledge of the monies in certain funds and accounts established pursuant to the Indenture to the extent provided for in the Indenture, including the investments thereof, subject in all cases to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.

(g) Assessments. The Assessments constituting the security for the Bonds have been levied by the City in accordance with the Act on those parcels of land identified in the Assessment Roll (as defined in the Service and Assessment Plan). According to the Act, such Assessments constitute a valid and legally binding first and prior lien against the properties assessed, superior to all other liens and claims, except liens or claims for state, county, school district, or municipality ad valorem taxes.

(h) Consents and Approvals. All authorizations, approvals, licenses, permits, consents, elections, and orders of or filings with any governmental authority, legislative body, board, agency, or commission having jurisdiction in the matters which are required by the Closing Date for the due authorization of, which would constitute a condition precedent to or the absence of which would adversely affect the due performance by the City of, its obligations in connection with the City Documents have been duly obtained or made and are in full force and effect, except the approval of the Bonds by the Attorney General of the State, registration of the Bonds by the Comptroller of Public Accounts of

the State, and the approvals, consents and orders as may be required under Blue Sky or securities laws of any jurisdiction.

(i) No Adverse IRS Listing. The City has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the City is an issuer whose arbitrage certifications may not be relied upon.

(j) Public Debt. Prior to the Closing, the City will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by a pledge of the Assessments which secure the Bonds without the prior approval of the Underwriter.

(k) Preliminary Official Statement. The information contained in the Preliminary Official Statement with respect to the City under the captions and subcaptions “THE CITY,” “THE DISTRICT,” “LEGAL MATTERS — Litigation – The City,” and “CONTINUING DISCLOSURE” is true and correct in all material respects, and such information does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(l) Official Statement. At the time of the City’s acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to paragraph (d) of Section 4 of this Agreement) at all times subsequent thereto during the period up to and including twenty-five (25) days subsequent to the “end of the underwriting period,” the information contained in the Official Statement with respect to the City under the captions and subcaptions “THE CITY,” “THE DISTRICT,” “LEGAL MATTERS — Litigation – The City,” and “CONTINUING DISCLOSURE” does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that if the City notifies the Underwriter of any fact or event as required by Section 4(d) hereof, and the Underwriter determines that such fact or event does not require preparation and publication of a supplement or amendment to the Official Statement, then the Official Statement in its then-current form shall be conclusively deemed to be complete and correct in all material respects.

(m) Supplements or Amendments to Official Statement. If the Official Statement is supplemented or amended pursuant to paragraph (d) of Section 4 of this Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including twenty-five (25) days subsequent to the “end of the underwriting period,” the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that if the City notifies the Underwriter of any fact or event as required by Section 4(d) hereof, and the Underwriter determines that such fact or event

does not require preparation and publication of a supplement or amendment to the Official Statement, then the Official Statement in its then-current form shall be conclusively deemed to be complete and correct in all material respects.

(n) Compliance with the Rule. During the last five (5) years, the City has complied in all material respects with its previous continuing disclosure undertakings made by it in accordance with the Rule, except as described in the Official Statement.

(o) Use of Bond Proceeds. The City will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Indenture and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

(p) Blue Sky and Securities Laws and Regulations. The City will furnish such information and execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request, at no expense to the City, (i) to (y) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and (z) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and (ii) to continue such qualifications in effect so long as required for the initial distribution of the Bonds by the Underwriter (provided, however, that the City will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Underwriter immediately of receipt by the City of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose.

(q) Certificates of the City. Any certificate signed by any official of the City authorized to do so in connection with the transactions described in this Agreement shall be deemed a representation and warranty by the City to the Underwriter as to the statements made therein and can be relied upon by the Underwriter as to the statements made therein.

(r) Intentional Actions Regarding Representations and Warranties. The City covenants that between the date hereof and the Closing it will not intentionally take actions which will cause the representations and warranties made in this Section to be untrue as of the Closing.

(s) Financial Advisor. The City has engaged First Southwest Company as its financial advisor in connection with its offering and issuance of the Bonds. The City covenants to notify the Underwriter and the Developer in a timely manner of any engagement by the City of a new or additional financial advisor with respect to the Bonds.

By delivering the Official Statement to the Underwriter, the City shall be deemed to have reaffirmed, with respect to the Official Statement, the representations, warranties and covenants set forth above with respect to the Preliminary Official Statement.

6. Developer Representations, Warranties and Covenants. The Developer represents, warrants and covenants to the Underwriter and the City that:

(a) Due Organization, Existence and Authority. The Developer is duly formed and validly existing as a limited liability company under the laws of the State of Texas, with full rights, power and authority to execute, deliver and perform its obligations under this Agreement, the Financing Agreement, the Landowner Agreement, the Redemption Waiver Agreement, the Developer's Continuing Disclosure Agreement with respect to the Bonds, dated as of _____, 2014 (the "Developer Continuing Disclosure Agreement"), executed and delivered by the Developer and BOKF, NA dba Bank of Texas, as Dissemination Agent, and any other documents and certificates of the Developer contemplated by any of the foregoing (collectively, the "Developer Documents").

(b) Organizational Documents. The copies of the organizational documents of the Developer delivered on the Closing Date (the "Developer Organizational Documents") are fully executed, true, correct and complete copies of such documents and such documents have not been amended or supplemented and are in full force and effect as of the date hereof.

(c) Due Authorization and Approval. By all necessary action, the Developer has duly authorized and approved its execution and delivery of the Developer Documents and the performance by the Developer of its obligations contained in the Developer Documents and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded.

(d) No Breach or Default. The execution and delivery of the Developer Documents by the Developer and compliance by the Developer with the provisions thereof under the circumstances contemplated thereby do not and will not in any material respect conflict with or constitute on the part of the Developer a breach or default under (i) any order, writ, judgment, injunction, decree, determination or award of any governmental authority against or with respect to the Developer, or (ii) any agreement or instrument to which the Developer is a party or by which it is bound, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would, in any material respect, constitute a default or an event of default by the Developer under the Developer Documents.

(e) No Litigation. Other than as described in the Preliminary Official Statement and the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the knowledge of the Developer, threatened by or against the Developer: (i) in any way questioning the due formation and valid existence of the Developer; (ii) in any way challenging the titles of its officers executing the Developer

Documents, (iii) in any way contesting or affecting the validity or enforceability or the execution and delivery by it of the Developer Documents or the consummation of the transactions contemplated thereby; (iv) in any way questioning or contesting the validity of any governmental approval of the District or any aspect thereof; (v) in any way questioning or contesting the construction and development of the Development, or (vi) which would have a material adverse effect upon the financial condition of the Developer or its ability to own or develop property within the District.

(f) Information. The information prepared and submitted by the Developer to the City or the Underwriter in connection with the preparation of the Preliminary Official Statement and the Official Statement was, and is, as of this date, true and correct in all material respects.

(g) Preliminary Official Statement and Official Statement. The Developer represents and warrants that the information set forth in the Preliminary Official Statement and Official Statement under the captions ‘PLAN OF FINANCE — Development Plan,’ ‘THE PROJECTS,’ ‘THE DEVELOPMENT’ and ‘THE DEVELOPER’ and, to the best of its knowledge after due inquiry, under the captions ‘BONDHOLDERS’ RISKS’ (only as it pertains to the Developer, the Projects, and the Development) and ‘LEGAL MATTERS — Litigation — The Developer’ is true and correct and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Developer agrees to provide a certificate dated the Closing Date affirming, as of such date, the representations contained in this subsection (g) with respect to the Preliminary Official Statement and the Official Statement.

(h) Consent to Bond Issuance. The Developer hereby consents to the issuance of the Bonds.

(i) Consent to Terms of Indenture. The Developer hereby consents to all of the terms and conditions contained in the Indenture.

(j) Agreement. The Developer covenants that, while the Bonds are outstanding, it will not bring any action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body which in any way seeks to challenge or overturn the District, the validity of the Developer Documents, the levy or collection of the Assessments or the validity of the Bonds or the proceedings relating to their issuance.

(k) Permits, Licenses, Etc. The Developer has obtained and there are currently in force and effect, or the Developer is not aware of any fact that will prevent it from receiving at or prior to the Closing Date or the date required therefor, all consents, permits, licenses, certificates and other approvals (governmental or otherwise) required of it that:

(i) are necessary to conduct its business as it is currently being conducted;

(ii) (with the exception of the Authorizing Documents) would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance of its obligations under this Agreement, the Developer Documents and any other material agreement or instrument to which it is a party and which is to be used or contemplated for use in the consummation of the transactions contemplated hereby or by the Official Statement relating to the financing and construction of the Projects; or

(iii) are necessary for the acquisition, construction and operation of the Projects.

(l) Events of Default. No “Event of Default” or “event of default” by the Developer under any of the Developer Documents, any documents to which Developer is a party described in the Official Statement, or under any material documents relating to the financing and construction of the Projects to which the Developer is a party, or event that, with the passage of time or the giving of notice or both, would constitute such “Event of Default” or “event of default,” by the Developer has occurred and is continuing.

(m) Financing. Other than the Bonds, no debt will be issued nor will any additional liens be placed on the property within the District in order to complete the construction of the Projects.

(n) Taxes and Assessments. All ad valorem taxes and assessments are current on the property which the Developer owns within the District.

7. The Closing. At 10:00 a.m., Central time, on the Closing Date, or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the City, the Developer and the Underwriter, (i) the City will deliver or cause to be delivered to DTC through its “FAST” System, the Bonds in the form of one fully registered Bond for each maturity, registered in the name of Cede & Co., as nominee for DTC, duly executed by the City and authenticated by the Trustee as provided in the Indenture, and (ii) the City will deliver the closing documents hereinafter mentioned to Bond Counsel, or a place to be mutually agreed upon by the City, the Developer, and the Underwriter. Settlement will be through the facilities of DTC. The Underwriter will accept delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer in federal funds payable to the order of the City or its designee. These payments and deliveries, together with the delivery of the aforementioned documents, are herein called the “Closing.” The Bonds will be made available to the Underwriter for inspection not less than twenty-four (24) hours prior to the Closing.

8. Closing Conditions. The Underwriter has entered into this Agreement in reliance upon the representations and covenants herein and the performance by the City and the Developer of their respective obligations hereunder both as of the date hereof and as of the date

of the Closing. The Underwriter's obligations under this Agreement are and shall be subject to the following additional conditions:

(a) Bring-Down Representations of the City and the Developer. The representations and covenants of the City and the Developer contained herein shall be true and correct in all material respects as of the date hereof and at the time of the Closing, as if made on the Closing Date.

(b) Executed Agreements and Performance Thereunder. At the time of the Closing (i) the City Documents and the Developer Documents shall be in full force and effect, and shall not have been amended, modified, or supplemented except with the written consent of the Underwriter; (ii) the Authorizing Documents shall be in full force and effect; (iii) there shall be in full force and effect such other resolutions or actions of the City as, in the opinion of Bond Counsel and Counsel to the Underwriter, shall be necessary on or prior to the Closing Date in connection with the transactions on the part of the City contemplated by this Agreement and the City Documents; (iv) there shall be in full force and effect such other resolutions or actions of the Developer as, in the opinion of Metcalfe Wolff Stuart & Williams, LLP, Austin, Texas, the Developer's counsel ("Developer's Counsel") shall be necessary on or prior to the Closing Date in connection with the transactions on the part of the Developer contemplated by this Agreement and the Developer Documents; and (v) the City and the Developer shall perform or have performed their respective obligations required or specified in the City Documents and the Developer Documents, respectively, to be performed at or prior to Closing.

(c) No Default. At the time of the Closing, no default shall have occurred or be existing and no circumstances or occurrences that, with the passage of time or giving of notice, shall constitute an event of default under this Agreement, the Indenture, the Developer Documents, the City Documents or other documents relating to the financing and construction of the Projects and the Development, and the Developer shall not be in default in the payment of principal or interest on any of its indebtedness which default shall materially adversely impact the ability of such Developer to pay the Assessments when due.

(d) Closing Documents. At or prior to the Closing, the Underwriter shall have received each of the documents required under Section 9 below.

(e) Termination Events. The Underwriter shall have the right to cancel its obligation to purchase the Bonds and to terminate this Agreement without liability therefor by written notification to the City and the Developer if, between the date of this Agreement and the Closing, in the Underwriter's sole and reasonable judgment, any of the following shall have occurred:

(i) the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall be materially adversely affected by any of the following events:

(1) legislation shall have been introduced in or enacted by the Congress of the United States or adopted by either House thereof, or legislation pending in the Congress of the United States shall have been amended, or legislation shall have been recommended to the Congress of the United States or otherwise endorsed for passage (by press release, other form of notice, or otherwise) by the President of the United States, the Treasury Department of the United States, or the Internal Revenue Service or legislation shall have been proposed for consideration by either the U.S. Senate Committee on Finance or the U.S. House of Representatives Committee on Ways and Means or legislation shall have been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision by a court of the United States or the Tax Court of the United States shall be rendered or a ruling, regulation, or official statement (final, temporary, or proposed) by or on behalf of the Treasury Department of the United States, the Internal Revenue Service, or other federal agency shall be made, which would result in federal taxation of revenues or other income of the general character expected to be derived by the City or upon interest on securities of the general character of the Bonds or which would have the effect of changing, directly or indirectly, the federal income tax consequences of receipt of interest on securities of the general character of the Bonds in the hands of the holders thereof, and which in either case, makes it, in the reasonable judgment of the Underwriter, impracticable or inadvisable to proceed with the offer, sale, or delivery of the Bonds on the terms and in the manner contemplated in the Official Statement; or

(2) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Indenture need to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

(3) a general suspension of trading in securities on the New York Stock Exchange, the establishment of minimum prices on such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking

moratorium declared by federal, State of New York, or State officials authorized to do so; or

(4) there shall have occurred any outbreak of hostilities (including, without limitation, an act of terrorism) or other national or international calamity or crisis, including, but not limited to, an escalation of hostilities that existed prior to the date hereof, and the effect of any such event on the financial markets of the United States shall be such as would make it impracticable, in the reasonable judgment of the Underwriter, for it to sell the Bonds on the terms and in the manner contemplated by the Official Statement; or

(5) there shall have occurred since the date of this Agreement any materially adverse change in the affairs or financial condition of the City, except for changes which the Official Statement disclose are expected to occur; or

(6) any state blue sky or securities commission or other governmental agency or body in any state in which more than 10% of the Bonds have been offered and sold shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto; or

(7) any amendment to the federal or state Constitution or action by any federal or state court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the City, its property, income, securities (or interest thereon), or the validity or enforceability of the Assessments to pay principal of and interest on the Bonds; or

(ii) the New York Stock Exchange or other national securities exchange or any governmental authority shall impose, as to the Bonds or as to obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter; or

(iii) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, which change shall occur subsequent to the date hereof and shall not be due to the malfeasance, misfeasance or nonfeasance of the Underwriter; or

(iv) any fact or event shall exist or have existed that, in the Underwriter's reasonable judgment, requires or has required an amendment of or supplement to Official Statement; or

(v) a general banking moratorium shall have been declared by federal or State authorities having jurisdiction and be in force; or

(vi) a material disruption in securities settlement, payment or clearance services shall have occurred; or

(vii) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws on the date of Closing, including the Securities Act of 1933 (the "1933 Act"), the Securities Exchange Act of 1934 (the "Exchange Act") and the Trust Indenture Act of 1939 (the "Trust Indenture Act"); or

(viii) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission, which prohibition shall occur subsequent to the date hereof and shall not be due to the malfeasance, misfeasance, or nonfeasance of the Underwriter.

With respect to the conditions described in subparagraphs (ii) and (viii) above, the Underwriter is not aware of any current, pending or proposed law or government inquiry or investigation as of the date of execution of this Agreement which would permit the Underwriter to invoke its termination rights hereunder.

9. Closing Documents. At or prior to the Closing, the Underwriter shall receive the following documents:

(a) Bond Opinion. The approving opinion of Bond Counsel, dated the Closing Date and substantially in the form included as Appendix C to the Official Statement, together with a reliance letter from Bond Counsel, dated the date of the Closing and addressed to the Underwriter, which may be included in the supplemental opinion required by Section 9(b), to the effect that the foregoing opinion may be relied upon by the Underwriter to the same extent as if such opinion were addressed to it.

(b) Supplemental Opinion. A supplemental opinion of Bond Counsel dated the Closing Date and addressed to the City, the Developer and the Underwriter, in form and substance acceptable to counsel for the Underwriter, to the following effect:

(i) Except to the extent noted therein, Bond Counsel has not verified and is not passing upon, and does not assume any responsibility for, the accuracy, completeness or fairness of the statements and information contained in the Official Statement but that Bond Counsel has reviewed the statements and information appearing under the captions and subcaptions “PLAN OF FINANCE — The Bonds” (except for the last paragraph thereof), “DESCRIPTION OF THE BONDS,” “SECURITY FOR THE BONDS,” “ASSESSMENT PROCEDURES” (except for the subcaptions “Assessment Methodology” and “Assessment Amounts”), “THE DISTRICT,” “TAX MATTERS,” “LEGAL MATTERS – Legal Proceedings”, “LEGAL MATTERS – Legal Opinions,” “SUITABILITY FOR INVESTMENT,” “CONTINUING DISCLOSURE,” “REGISTRATION AND QUALIFICATION OF BONDS FOR SALE,” “LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS,” and “APPENDIX A – FORM OF INDENTURE” and Bond Counsel is of the opinion that the information relating to the Bonds and legal issues contained under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Bond Ordinance and Indenture;

(ii) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”), and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

(iii) The City has full power and authority to adopt the Creation Resolution, the Assessment Ordinance, and the Bond Ordinance (collectively, the foregoing documents are referred to herein as the “City Actions”) and perform its obligations thereunder and the City Actions have been duly adopted, are in full force and effect and have not been modified, amended or rescinded; and

(iv) The Indenture, the Financing Agreement, the Landowner Agreement, the Redemption Waiver Agreement, the Continuing Disclosure Agreement, and this Agreement have been duly authorized, executed and delivered by the City and, assuming the due authorization, execution and delivery of such instruments, documents, and agreements by the other parties thereto, constitute the legal, valid, and binding agreements of the City, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, or other laws affecting enforcement of creditors rights, or by the application of equitable principles if equitable remedies are sought and to the application of Texas law relating to governmental immunity applicable to governmental entities.

(c) City Legal Opinion. An opinion of an attorney for the City, dated the Closing Date and addressed to the Underwriter, the Developer, and the Trustee, with respect to matters relating to the City, substantially in the form of Appendix B hereto or in form otherwise agreed upon by the Underwriter.

(d) Developer's Counsel Opinion. An opinion of Developer's Counsel, substantially in the form of Appendix C hereto, dated the Closing Date and addressed to the City, Bond Counsel, the Underwriter, and the Trustee, or in form otherwise agreed upon by the City and the Underwriter.

(e) Developer Certificate. A certificate or certificates of the Developer, dated the Closing Date, to the effect that:

(i) the representations and warranties of the Developer contained herein and in the Developer Documents are true and correct in all material respects on and as of the Closing Date as if made on the date thereof;

(ii) the Developer Documents have been properly executed by the Developer, have not been amended or rescinded, and the delivery and due performance thereof by the Developer has been authorized by the Developer;

(iii) to the best of its knowledge after due inquiry, there is no action, suit, proceeding or investigation before any court, public board or body pending, with respect to which the Developer has been served with process, or, to the knowledge of the Developer threatened against the Developer wherein an unfavorable decision, ruling or finding would: (a) affect the creation, organization, existence, or powers of the Developer or its officers to their offices; or (b) in any way question or affect this Agreement or the transactions contemplated by this Agreement or the Developer Documents;

(iv) the Developer has complied in all material respects with all of its agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Developer hereunder or prior to the Closing;

(v) the information set forth in the Official Statement under the captions "PLAN OF FINANCE -- Development Plan," "THE PROJECTS," "THE DEVELOPMENT" and "THE DEVELOPER," and, to the best of its knowledge after due inquiry, under the captions "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Projects, and the Development), and "LEGAL MATTERS — Litigation – The Developer" is true and correct and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, as of the date thereof; and

(vi) although it has not verified and does not assume any responsibility for the accuracy, completeness, or fairness of the information contained in the Preliminary Official Statement or the Official Statement other than that described in clause (v), it has participated in the preparation of the Preliminary Official Statement and the Official Statement and without independent verification, no facts came to its attention to lead it to believe that the Preliminary Official Statement, as of its date or as of the date of this Agreement, or the Official Statement, as of its date or as of the date of Closing (except for financial, forecast,

technical and statistical statements and data therein and the information regarding The Depository Trust Company and its book-entry only system, in each case as to which it is not called upon to comment) contained or contains any untrue statement of a material fact, or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) City Certificate. A certificate of the City, dated the Closing Date, to the effect that, to the best of its knowledge after due inquiry:

(i) the representations and warranties of the City contained herein and in the City Documents are true and correct in all material respects on and as of the Closing Date as if made on the date thereof;

(ii) the Authorizing Documents and City Documents are in full force and effect and have not been amended, modified, or supplemented;

(iii) except as disclosed in the Official Statement, no litigation or proceeding against the City is pending or, to the knowledge of such persons, threatened in any court or administrative body nor is there a basis for litigation which would (a) contest the right of the members or officials of the City to hold and exercise their respective positions, (b) contest the due organization and valid existence of the City or the establishment of the District, (c) contest the validity, due authorization and execution of the Bonds or the City Documents, or (d) attempt to limit, enjoin or otherwise restrict or prevent the City from levying and collecting the Assessments pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof; and

(iv) the City has, to the best of its knowledge, complied with all agreements and covenants and satisfied all conditions set forth in the City Documents, on its part to be complied with or satisfied hereunder at or prior to the Closing.

(g) Trustee's Certificate. A certificate of the Trustee, dated the date of Closing, in form and substance acceptable to counsel for the Underwriter to the following effect:

(i) The Trustee is duly organized and validly existing as a national banking association organized under the laws of the United States of America, having the full power and authority, including trust powers, to accept and perform its duties under the Indenture; and

(ii) No consent, approval, authorization or other action by any governmental authority having jurisdiction over the Trustee that has not been obtained is or will be required for the authentication of the Bonds or the consummation by the Trustee of the other transactions contemplated to be performed by the Trustee in connection with the authentication of the Bonds and the acceptance and performance of the obligations created by the Indenture.

(h) Underwriter Counsel's Opinion. An opinion, dated the Closing Date and addressed to the Underwriter, of Fulbright & Jaworski, LLP, Dallas, Texas, counsel to the Underwriter, to the effect that although such counsel has not verified and is not passing upon, and does not assume any responsibility for, the accuracy, completeness or fairness of the information contained in the Official Statement, it has participated in the preparation of the Official Statement and without independent verification, no facts came to its attention that caused it to believe that the Official Statement (except for the Appendices as well as any other financial, engineering and statistical data contained therein or included therein by reference or any litigation disclosed therein, as to which it expresses no view) as of its date contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(i) Official Statement. The Official Statement and each supplement or amendment, if any, thereto.

(j) Delivery of City Documents and Developer Documents. The City Documents and Developer Documents shall have been executed and delivered in form and content satisfactory to the Underwriter.

(k) Organizational Documents. The Developer shall have delivered to the Underwriter and the City fully executed copies of the Developer's organizational documents.

(l) Construction Loan Documents. The Developer shall have delivered to the Underwriter executed copies of all documents relating Construction Loan (as such term is defined in the Official Statement).

(m) Form 8038. Evidence that the federal tax information form 8038-G has been prepared by Bond Counsel for filing.

(n) Federal Tax Certificate. A certificate of the City in form and substance satisfactory to Bond Counsel and counsel to the Underwriter (a) setting forth the facts, estimates and circumstances in existence on the date of the Closing, which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and any applicable regulations (whether final, temporary or proposed), issued pursuant to the Code, and (b) certifying that to the best of the knowledge and belief of the City there are no other facts, estimates or circumstances that would materially change the conclusions, representations and expectations contained in such certificate.

(o) Attorney General Opinion and Comptroller Registration. The approving opinion of the Attorney General of the State regarding the Bonds and the Comptroller of the State's Certificate of Registration for the Initial Bond.

(p) Continuing Disclosure Agreements. The Continuing Disclosure Agreement and the Developer Continuing Disclosure Agreement, shall have been executed by the parties in substantially the forms attached to the Preliminary Official Statement as Appendix D-1 and Appendix D-2, respectively.

(q) Letter of Representation of the Appraiser. Letter of Representation of the Appraiser, substantially in the form of Appendix D hereto, addressed to the City, Bond Counsel, the Underwriter, and the Trustee, or in form otherwise agreed upon by the Underwriter.

(r) Letter of Representation of Special Assessment Consultant. Letter of Representation of Development Planning & Financing Group Inc., substantially in the form of Appendix E hereto, addressed to the City, Bond Counsel, the Underwriter, and the Trustee, or in form otherwise agreed upon by the Underwriter.

(s) Evidence of Filing of Creation Resolution, the Landowner Agreement, and Assessment Ordinance. Evidence that the Creation Resolution, the Landowner Agreement, and the Assessment Ordinance have been filed of record in the real property records of Denton County and Collin County, Texas.

(t) Lender Consent Certificates. Lender Consent Certificates of 686342 B.C., Ltd., a British Columbia Company, and any other lienholder on land in the District, consenting to and acknowledging the creation of the District, the adoption of the Assessment Ordinance, the levy of the Assessments, and the subordination of their respective liens to the lien created by the Assessments.

(u) Evidence of Ownership of Property. Evidence that on the date that the Assessment Ordinance was adopted all of the Assessed Parcels were owned by the Developer or other development entities and that such landowners are not entities that may claim a homestead right under Texas law.

(v) Additional Documents. Such additional legal opinions, certificates, instruments, and other documents as the Underwriter or their counsel may reasonably deem necessary.

If either the City or the Developer shall be unable to satisfy the conditions contained in this Agreement or if the obligations of the Underwriter shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and neither the Underwriter nor the City shall be under further obligation hereunder, except as further set forth in Sections 11 and 13 hereof.

10. Indemnification.

(a) The Developer will indemnify and hold harmless the City and the Underwriter and each of their officers, directors, employees and agents against any losses, claims, damages or liabilities to which any of them may become subject, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged

untrue statement of a material fact contained or incorporated by reference in the Official Statement under the captions “DEVELOPMENT PLAN -- Development Plan,” “THE PROJECTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “THE DEVELOPMENT CONSULTANT,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Projects, and the Development) and “LEGAL MATTERS — Litigation – The Developer,” or any amendment or supplement to the Official Statement amending or supplementing the information contained under the aforementioned captions (as qualified above), or arise out of or are based upon the omission or alleged untrue statement or omission to state therein a material fact necessary to make the statements under the aforementioned captions (as qualified above) not misleading under the circumstances under which they were made and will reimburse any indemnified party for any reasonable legal or other expenses reasonably incurred by them in connection with investigating or defending any such action or claim as such expenses are incurred. Notwithstanding any provision in this Agreement to the contrary, the Developer shall have no liability to the Underwriter, the City or any other person for any untrue, inaccurate or misleading statement set forth in the introductory paragraph of this Agreement or numbered Sections 2 through 5, 7, 8(d) through 8(e), 9(a) through 9(c), 9(f) through 9(h), 9(m) through 9(o), 9(q) through 9(s) or 10.

(b) The Underwriter will indemnify and hold harmless the Developer and the City against any losses, claims, damages or liabilities to which the Developer or the City may become subject, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Official Statement, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary to make the statements therein not misleading under the circumstances under which they were made, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Official Statement or any such amendment or supplement in reliance upon and in conformity with information under the heading “UNDERWRITING” in the Official Statement, and will reimburse the Developer and the City for any legal or other expenses reasonably incurred by the Developer and the City in connection with investigating or defending any such actions or claims as such expenses are incurred.

(c) Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve the indemnifying party from any liability which it may have to the indemnified party otherwise than under such subsection, unless such indemnifying party was prejudiced by such delay or lack of notice. In case any such action shall be brought against an indemnified party, it shall promptly notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the

indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. The indemnifying party shall not be liable for any settlement of any such action effected without its consent, but if settled with the consent of the indemnifying party or if there is a final judgment for the plaintiff in any such action, the indemnifying party will indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment. The indemnity agreement in this Section 10 shall survive delivery of the Bonds and shall survive any investigation made by or on behalf of the City, the Developer or the Underwriter.

11. Costs and Expenses.

(a) The Underwriter shall be under no obligation to pay, and the City shall cause to be paid from proceeds of the Bonds the following expenses incident to the issuance of the Bonds and performance of the City's obligations hereunder: (i) the costs of the preparation and printing of the Bonds; (ii) the cost of preparation, printing, and mailing of the Preliminary Official Statement, the final Official Statement and any supplements and amendments thereto; (iii) the fees and disbursements of the City's financial advisor, the Trustee's counsel, Bond Counsel, Developer's Counsel, and the Trustee relating to the issuance of the Bonds, (iv) the Attorney General's review fees, (v) the fees and disbursements of accountants, advisers and any other experts or consultants retained by the City or the Developer, including but not limited to the fees and expenses of the Appraiser, and (vi) the expenses incurred by or on behalf of City employees and representatives that are incidental to the issuance of the Bonds and the performance by the City of its obligations under this Agreement.

(b) The Underwriter shall pay the following expenses: (i) all advertising expenses in connection with the limited offering of the Bonds; (ii) fees of Underwriter's Counsel; and (iii) all other expenses, including CUSIP fees (including out-of-pocket expenses and related regulatory expenses), incurred by it in connection with its public offering and distribution of the Bonds, except as noted in Subsection 11(a) above.

(c) The City acknowledges that the Underwriter will pay from the underwriters' expense allocation of the underwriting discount the applicable per bond assessment charged by the Municipal Advisory Council of Texas, a non-profit corporation whose purpose is to collect, maintain and distribute information relating to issuing entities of municipal securities.

12. Notice. Any notice or other communication to be given to the City under this Agreement may be given by delivering the same in writing to: City of Leander, Texas, 200 West Willis St., Leander, Texas 78641, Attention: City Manager.

Any notice or other communication to be given to the Developer under this Agreement may be given by delivering the same in writing to: Sentinel/Cotter LLC, c/o Sentinel Land Company, LLC, 9111 Jollyville Road, Suite 212, Attention: Tom Rielly.

Any notice or other communication to be given to the Underwriter under this Agreement may be given by delivering the same in writing to: Jefferies LLC, 300 Crescent Court, Suite 500, Dallas, Texas 75201, Attention: Mark Curran, Managing Director.

13. Entire Agreement. This Agreement is made solely for the benefit of the City, the Developer and the Underwriter (including their respective successors and assigns), and no other person shall acquire or have any right hereunder or by virtue hereof. All of the City's and the Developer's representations, warranties, and agreements contained in this Agreement shall remain operative and in full force and effect regardless of: (i) any investigations made by or on behalf of the Underwriter, provided the City and the Developer shall have no liability with respect to any matter of which the Underwriter has actual knowledge prior to the purchase of the Bonds; or (ii) delivery of any payment for the Bonds pursuant to this Agreement. The agreements contained in this Section and in Section 14 shall survive any termination of this Agreement.

14. Survival of Representations and Warranties. All representations and warranties of the parties made in, pursuant to or in connection with this Agreement shall survive the execution and delivery of this Agreement, notwithstanding any investigation by the parties. All statements contained in any certificate, instrument, or other writing delivered by a party to this Agreement or in connection with the transactions contemplated by this Agreement constitute representations and warranties by such party under this Agreement to the extent such statement is set forth as a representation and warranty in the instrument in question.

15. Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

16. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof.

17. State Law Governs. The validity, interpretation, and performance of this Agreement shall be governed by the laws of the State of Texas.

18. No Assignment. The rights and obligations created by this Agreement shall not be subject to assignment by the Underwriter, the Developer or the City without the prior written consent of the other parties hereto.

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

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first set forth above.

JEFFERIES LLC,
as Underwriter

By: _____
Name: Mark Curran
Title: Managing Director

Accepted at _____ a.m./p.m. central time on the date first stated above.

CITY OF LEANDER, TEXAS

By: _____
Mayor

SENTINEL/COTTER LEANDER LLC
a Texas limited liability company

By: SENTINEL LAND COMPANY LLC
a Texas limited liability company]

By: _____
Name: Thomas J. Rielly
Title: Manager and Member

APPENDIX A

\$ _____
 CITY OF LEANDER, TEXAS,
 (a municipal corporation of the State of Texas located in Williamson and Travis Counties)
 SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2014
 (OAK CREEK PUBLIC IMPROVEMENT DISTRICT)

\$ _____ % Term Bonds, Due [_____,] 20__, Priced to Yield _____% ^{(a) (b) (c)}

\$ _____ % Term Bonds, Due [_____,] 20__, Priced to Yield _____% ^{(a) (b) (c)}

\$ _____ % Term Bonds, Due [_____,] 20__, Priced to Yield _____% ^{(a) (b) (c)}

^(a) [The Bonds maturing on and after _____, 20__ are subject to redemption, in whole or in part, prior to stated maturity, at the option of the City, on any Interest Payment Date on or after _____, 20__, at the redemption price (expressed as a percentage of principal amount) applicable to the date of redemption falling within the applicable redemption period, as set forth in the following schedule, plus accrued interest to date of redemption:

<u>Redemption Period</u>	<u>Redemption Price</u>
_____, 20__ through _____, 20__	103%
_____, 20__ through _____, 20__	102%
_____, 20__ through _____, 20__	101
_____, 20__ and thereafter	100%

]

^(b) The Term Bonds maturing _____, 20__, are also subject to mandatory sinking fund redemption on the dates and in the respective principal amounts as set forth in the following schedule.

\$ _____ Term Bonds due _____, 20__

<u>Redemption Date</u>	<u>Principal Amount</u>
_____, 20__	\$ _____,000
_____, 20__	_____,000
_____, 20__	_____,000
_____, 20__	_____,000
_____, 20__	_____,000
_____, 20__	_____,000
_____, 20__	_____,000

^(c) The Term Bonds maturing _____, 20__, are also subject to mandatory sinking fund redemption on the dates and in the respective principal amounts as set forth in the following schedule.

\$ _____ Term Bonds due _____, 20__

<u>Redemption Date</u>	<u>Principal Amount</u>
_____, 20__	\$ _____,000
_____, 20__	_____,000
_____, 20__	_____,000
_____, 20__	_____,000
_____, 20__	_____,000
_____, 20__	_____,000
_____, 20__	_____,000

(d) The Term Bonds maturing _____, 20__, are also subject to mandatory sinking fund redemption on the dates and in the respective principal amounts as set forth in the following schedule.

<u>\$ Term Bonds due , 20</u>	
<u>Redemption Date</u>	<u>Principal Amount</u>
_____, 20__	\$,000
_____, 20__	,000
_____, 20__	,000
_____, 20__	,000
_____, 20__	,000
_____, 20__	,000
_____, 20__	,000

(e) The Bonds are also subject to extraordinary optional redemption as described in the Official Statement under “DESCRIPTION OF THE BONDS — Redemption Provisions.”

APPENDIX B

[LETTERHEAD OF THE ATTORNEY FOR THE CITY]

[CLOSING DATE]

[Include Developer, Trustee, Underwriter,
Developer's Counsel, and Bond Counsel as addressees]

\$ _____
CITY OF LEANDER, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2014
(OAK CREEK PUBLIC IMPROVEMENT DISTRICT)

Ladies and Gentlemen:

We are the Attorney for the City of Leander, Texas (the "City") for limited purposes, and are rendering this opinion in connection with the issuance and sale of \$ _____ "City of Leander, Texas, Special Assessment Revenue Bonds, Series 2014 (Oak Creek Public Improvement District)" (the "Bonds"), by the City, a political subdivision of the State of Texas.

The Bonds are authorized pursuant to Ordinance No. _____ and enacted by the City Council of the City (the "City Council") on _____, 2014 (the "Bond Ordinance") and shall be issued pursuant to the provisions of Subchapter A of the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "Act") and the Indenture of Trust dated as of _____, 2014 (the "Indenture") by and between the City and BOKF, NA dba Bank of Texas, as trustee (the "Trustee"). Capitalized terms not defined herein shall have the same meanings as in the Indenture, unless otherwise stated herein.

In connection with rendering this opinion, we have reviewed the:

- (a) The Bond Ordinance;
- (b) The Resolution No. _____ (the "Creation Resolution") enacted by the City Council on _____, 2014 and effective upon publication on _____, 2014;
- (c) The Ordinance No. _____ accepted and approved by City Council on _____, 2014, and the Service and Assessment plan attached as an exhibit thereto (the "Assessment Ordinance");
- (d) The Indenture;
- (e) The Financing Agreement dated as of _____, 2014, executed and delivered by the City and the Developer (the "Financing Agreement");
- (f) The Development Agreement dated _____, 2014, executed and delivered by the City and the Developer, (as amended, the "Development Agreement");

(g) The Landowner Agreement dated _____, 2014, executed and delivered by the City and the Developer (the “Landowner Agreement”);

(h) The Continuing Disclosure Agreement, dated as of _____, 2014, executed and delivered by the City and the Dissemination Agent (the “Disclosure Agreement”);

(k) The Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation, dated as of _____, 2014, executed and delivered by the City, the Developer and the Trustee (the “Redemption Waiver Agreement”); and

The Bond Ordinance, the Creation Resolution, and the Assessment Ordinance shall herein after be referred to as the “Authorizing Documents” and the remaining documents shall herein after be collectively referred to as the “City Documents.”

In all such examinations, we have assumed that all signatures on documents and instruments executed by the City are genuine and that all documents submitted to me as copies conform to the originals. In addition, for purposes of this opinion, we have assumed the due authorization, execution and delivery of the City Documents by all parties other than the City.

Based upon and subject to the foregoing and the additional qualifications and assumptions set forth herein, we are of the opinion that:

1. The City is a Texas political subdivision and has all necessary power and authority to enter into and perform its obligations under the Authorizing Documents and the City Documents. The City has taken or obtained all actions, approvals, consents and authorizations required of it by applicable laws in connection with the execution of the Authorizing Documents and the City Documents and the performance of its obligations thereunder.

2. To the best of our knowledge, there is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, public board or body, pending, or threatened against the City: (a) affecting the existence of the City or the titles of its officers to their respective offices, (b) in any way questioning the formation or existence of the District, (c) affecting, contesting or seeking to prohibit, restrain or enjoin the delivery of any of the Bonds, or the payment, collection or application of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, including the special assessments in the District pursuant to the provisions of the Assessment Ordinance and the Service and Assessment Plan referenced therein, (d) contesting or affecting the validity or enforceability or the City’s performance of the City Documents, (e) contesting the exclusion of the interest on the Bonds from federal income taxation, or (f) which may result in any material adverse change relating to the financial condition of the City.

3. The Authorizing Documents were duly enacted by the City and remain in full force and effect on the date hereof.

4. The City Documents have been duly authorized, executed and delivered by the City and remain legal, valid and binding obligations of the City enforceable against the City in accordance with their terms. However, the enforceability of the obligations of the City under such City Documents may be limited or otherwise affected by (a) bankruptcy, insolvency,

reorganization, moratorium and other laws affecting the rights of creditors generally, (b) principles of equity, whether considered at law or in equity, and (c) the application of Texas law relating to governmental immunity applicable to governmental entities.

5. The performance by the City of the obligations under the Authorizing Documents and the City Documents will not violate any provision of any Federal or Texas constitutional or statutory provision.

6. No further consent, approval, authorization, or order of any court or governmental agency or body or official is required to be obtained by the City as a condition precedent to the performance by the City of its obligations under the Authorizing Documents and the City Documents.

7. The adoption of the Authorizing Documents and the execution and delivery of the City Documents and the compliance with the provisions of the Authorizing Documents and the City Documents under the circumstances contemplated thereby, to the best of our knowledge: (a) do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement to which the City is a party or by which it is bound, and (b) do not and will not in any material respect conflict with or constitute on the part of the City a violation, breach of or default under any existing law, regulation, court order or consent decree to which the City is subject.

This opinion may not be relied upon by any other person except those specifically addressed in this letter.

Very truly yours,

APPENDIX C

[LETTERHEAD OF COUNSEL TO THE DEVELOPER]

[CLOSING DATE]

[Include City, Underwriter, Bond Counsel, and Trustee as addressees]

\$ _____
CITY OF LEANDER, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2014
(OAK CREEK PUBLIC IMPROVEMENT DISTRICT)

Ladies and Gentlemen:

We have acted as special counsel for Sentinel/Cotter Leander LLC (the “Developer”) in connection with the issuance and sale by the City of Leander, Texas (the “City”), of \$ _____ City of Leander, Texas, Special Assessment Revenue Bonds, Series 2014 (Oak Creek Public Improvement District) (the “Bonds”), pursuant to Indenture of Trust dated as of _____, 2014 (the “Indenture”), by and between the City and BOKF, NA dba Bank of Texas, as trustee (the “Trustee”). Proceeds from the sale of the Bonds will be used, in part, to fund certain public infrastructure improvements in the development known as “Oak Creek” (the “Project”) located in the City.

The Bonds are being sold to Jefferies LLC (the “Underwriter”), pursuant to that certain Bond Purchase Agreement dated _____, 2014 (the “Bond Purchase Agreement”), by and among the City, the Developer, and the Underwriter. This opinion is being delivered pursuant to Section 9(d) of the Bond Purchase Agreement.

All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Bond Purchase Agreement.

Assumptions and Bases for Opinions and Assurances

In our capacity as special counsel to the Developer, and for purposes of rendering the opinions set forth herein, we have examined originals or copies, certified or otherwise identified to our satisfaction, of:

(a) The following documents being executed, entered into and/or issued, as the case may be, in connection with the issuance of the Bonds (collectively, the “Documents”):

- (1) The Indenture;
- (2) The Bond Purchase Agreement;
- (3) The Financing Agreement;
- (4) The Development Agreement;

- (5) The Landowner Agreement;
- (6) The Redemption Waiver Agreement; and
- (7) The Developer Continuing Disclosure Agreement.

(b) Certificates of the Developer dated as of the closing date certifying as to (i) the Developer's organization documents as such are in effect as of the date hereof (the "Developer Basic Documents"); (ii) the resolution of the Developer adopted as of _____, 20__, authorizing its execution of the applicable Documents to which it is a party and related matters; and (iii) certain other matters (collectively, the "Developer Certificates");

(c) Evidence that the Developer is authorized to do business in the State of Texas and is in good standing;

(d) The Preliminary Official Statement, dated October 3, 2014, relating to the issuance of the Bonds (the "Preliminary Official Statement");

(e) The final Official Statement relating to the issuance of the Bonds, dated _____, 2014 (the "Official Statement"); and

(f) Such other documents, records, agreements and certificates of the Developer and its officers and such other parties as we have deemed necessary or appropriate to enable us to render the opinions expressed below.

In basing the opinions and other matters set forth herein on "our knowledge," the words "our knowledge" signify that, in the course of our representation of the Developer, the principal attorneys in this firm involved in the current actual transaction do not have actual knowledge or actual notice that any such opinions or other matters are not accurate or that any of the documents, certificates, reports and information on which we have relied are not accurate and complete. Except as otherwise stated herein, we have undertaken no independent investigation or certification of such matters. The words "our knowledge" and similar language used herein are intended to be limited to the knowledge of the attorneys within our firm who have worked on the matters contemplated by our representation as special counsel.

In rendering the opinions set forth herein, we have assumed, without independent investigation, that (i) all persons other than the Developer have duly and validly executed and delivered each instrument, document, and agreement constituting a Document or executed in connection therewith to which such party is a signatory, and each such party's obligations set forth therein are its legal, valid, and binding obligations, enforceable in accordance with the terms thereof; (ii) each person executing any such instrument, document, or agreement other than the Developer is duly authorized and has the legal power to do so; (iii) each natural person executing any such instrument, document, or agreement is legally competent to do so; (iv) there are no oral or written modifications of, or amendments to, the Documents, and there has been no waiver of any of the provisions thereof, by actions or conduct of the parties or otherwise; (v) all representations of fact set forth in the Documents are complete and accurate, insofar as such facts pertain to the subject matter of the opinions rendered hereby; and (vi) all documents submitted to us as originals are complete and authentic, all documents submitted to us as certified, conformed or photostatic copies conform to the original documents, all signatures on all documents

submitted to us for examination are genuine, and all public records and certificates of public officials are accurate and complete.

In addition, we have assumed that the Documents accurately reflect the complete understanding of the parties with respect to the transactions contemplated thereby and the rights and obligations of the parties thereunder. We have also assumed that the terms and conditions of the transaction as reflected in the Documents have not been amended, modified or supplemented, directly or indirectly, by any other agreement or understanding of the parties or waiver of any of the material provisions of the Documents.

We assume that none of the parties to the Documents (other than Developer) is a party to any court or regulatory proceeding relating to or otherwise affecting the Documents or is subject to any order, writ, injunction or decree of any court or federal, state or local governmental agency or commission that would prohibit the execution and delivery of the Documents, or the consummation of the transactions therein contemplated in the manner therein provided, or impair the validity or enforceability thereof. We assume that each of the parties to the Documents (other than Developer) has full authority to close this transaction in accordance with the terms and provisions of the Documents.

We assume that neither the Underwriter nor the City nor their respective counsel has any current actual knowledge of any facts not known to us or any law or judicial decision which would make the opinions set forth herein incorrect, and that no party upon whom we have relied for purposes of this opinion letter has perpetrated a fraud.

We have only been engaged by our clients in connection with the Documents (and the transactions contemplated in the Documents) and do not represent these clients generally.

Opinions and Assurances

Based solely upon the foregoing, and subject to the assumptions and limitations set forth herein, we are of the opinion that:

1. The Developer and the managing member of the Developer are in good standing and the Developer is qualified to do business in and in good standing under the laws of the State of Texas.

2. The Developer has the full legal right, power and authority to execute, deliver and perform its obligations under each of the Documents to it is a party and has taken all necessary actions to authorize the execution, distribution and delivery by it of such Documents and the performance by it of such obligations.

3. The execution, delivery, and performance by the Developer of the Documents to which it is a party, and compliance and performance by the Developer with the terms and provisions thereof and obligations thereunder, will not:

(i) to our knowledge, violate or conflict with any provision of any existing law, statute, rule or regulation applicable to the Developer by reason of the general conduct of its business and operation of its assets:

(ii) based solely upon the Developer Certificates and our knowledge, conflict with or result in the breach of any court decree or order of any governmental body binding upon or affecting the Developer, the conflict with which or breach of which would have a material, adverse effect on the ability of the Developer to perform its obligations under the Documents to which they are a party; or

(iii) contravene or conflict with the Developer Basic Documents.

4. To our knowledge, no consent, approval, authorization or other action by, or filing with, any governmental authority is required for the execution and delivery by the Developer of the Documents to which each is a party or the performance of their respective obligations thereunder, other than as are required with respect to the financing transaction evidenced thereby, or if required, and not otherwise obtained, with respect to which the requisite consent, approval or authorization has been obtained, the requisite filing has been accomplished or the requisite action has been taken at or prior to the date required therefor.

5. The Developer has duly executed and delivered each of the Documents to which they are a party, and each of such Documents constitutes the legal, valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms.

6. To our knowledge after reasonable inquiry, there are no actions, suits or proceedings pending against the Developer in any court of law or equity, or before or by any governmental instrumentality with respect to (i) its organization or existence or qualification to do business in the State of Texas; (ii) its authority to execute or deliver the Documents to which it is a party; (iii) the validity or enforceability against them of such Documents or the transactions contemplated thereby; (iv) the titles of the officers executing the Documents; (v) the execution and delivery of the Documents on behalf of the Developer; or (vi) the operations or financial condition of the Developer that would materially adversely affect those operations or the financial condition of the Developer.

7. To our knowledge, no taxes or other charges, including, without limitation, intangible or documentary stamp taxes, mortgage or recording taxes, transfer taxes or similar charges, are payable to the State of Texas by the Developer on account of their execution or delivery of any of the Documents or the creation of the indebtedness evidenced or secured by any of the Documents or the recording or filing of any of the Documents, except for normal filing or recording fees.

8. In addition, we advise you that no facts have come to our attention that would lead us to believe that the information set forth in the Official Statement under the captions "PLAN OF FINANCE — Development Plan," "THE PROJECTS," "THE DEVELOPMENT," "THE DEVELOPER" and "BONDHOLDERS' RISK FACTORS" (only as it pertains to the Developer, the Projects, and the Development) does not fairly and accurately present the information purported to be shown therein, and (except for Appendices A, C, and E as well as any other financial, engineering and statistical data contained therein or elsewhere in the Official Statement or included therein by reference, as to which we express no view) as of the date hereof, nothing has come to the attention of those individuals working on this matter on behalf of this firm which would lead us to believe that such information contains an untrue statement of a

material fact or that such information omits to state a material fact required to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

9. To our knowledge, the execution and delivery of the Developer Basic Documents and the Documents do not, and the transactions contemplated thereby may be consummated and the terms and conditions thereof may be observed and performed in a manner that does not, conflict with or constitute a breach of or default under any loan agreement, indenture, bond note, resolution, agreement or other instrument to which the Developer is a party or is otherwise subject which violation, breach or default would materially adversely affect the Developer, or the transactions contemplated by the Documents; nor will any such execution, delivery, adoption, fulfillment, or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Developer, except as expressly contemplated by the Documents (a) under the terms of any such law, administrative regulation, judgment or decree or (b) under any such loan agreement, indenture, bond note, resolution, agreement, or other instrument.

Qualifications

In addition to any assumptions, qualifications and other matters set forth elsewhere herein, the opinions set forth above are subject to the following assumptions and qualifications:

(a) We have not examined any court dockets, agency files or other public records regarding the entry of any judgments, writs, decrees or orders or the pendency of any actions, proceedings, investigations or litigation.

(b) We have relied upon the Developer Certificates as well as the representations of the Developer contained in the Documents with respect to certain facts material to our opinion. Except as otherwise specifically indicated herein, we have made no independent investigation regarding any of the foregoing documents or the representations contained therein.

(c) Our opinion delivered pursuant to Section 5 above is subject to the effect of any applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other laws affecting creditors' rights generally and to the effect of general principles of equity, including (without limitation) remedies of specific performance and injunctive relief and concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law).

(d) Except for the Documents, we have not reviewed, and express no opinion as to, any other contracts or agreements to which the Developer is a party or by which the Developer is or may be bound.

(e) The opinions expressed herein are based upon and limited to the applicable laws of the State of Texas and the laws of the United States of America, excluding the principles of conflicts of laws thereof, as in effect as of the date hereof, and our knowledge of the facts relevant to such opinions on such date. In this regard, we note that we are members of the Bar of the State of Texas, we do not express any opinion herein as to matters governed by the laws of any other jurisdiction, except the United States of America, we do not purport to be experts in

any other laws and we can accept no responsibility for the applicability or effect of any such laws. In addition, we assume no obligation to supplement the opinions expressed herein if any applicable laws change after the date hereof, or if we become aware of any facts or circumstances that affect the opinions expressed herein.

(f) This letter is strictly limited to the matters expressly set forth herein and no statements or opinions should be inferred beyond such matters.

(g) Notwithstanding anything contained herein to the contrary, we express no opinion whatsoever concerning the status of title to any real or personal property.

(h) We express no opinion as to the laws of any jurisdiction other than the laws of the State of Texas and the laws of the United States of America. The opinions expressed above concern only the effect of the laws (excluding the principles of conflict of laws, except as specifically provided herein) of the State of Texas and the United States of America as currently in effect. We assume no obligation to supplement this opinion if any applicable laws change after the date of this opinion, or if we become aware of any facts that might change the opinions expressed above after the date of this opinion.

(i) The opinions expressed herein regarding the enforceability of the Documents is subject to the qualification that certain of the remedial, waiver or other provisions thereof may not be enforceable; but such unenforceability will not, in our judgment, render the Documents invalid as a whole or substantially interfere with the practical realization of the principal legal benefits provided in the Documents, except to the extent of any economic consequences of any procedural delays which may result therefrom.

(j) The opinion expressed herein as to the enforceability of the Documents is specifically subject to the qualification that enforceability of the Documents is limited by the following: (i) the rights of the United States under the Federal Tax Lien Act of 1966, as amended; (ii) principles of equity, public policy and unconscionability which may limit the availability of certain remedies; (iii) bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium, liquidation, probate, conservatorship and other laws applicable to creditors' rights or the collection of debtors' obligations generally; and (iv) requirements of due process under the United States Constitution, the Constitution of the State of Texas and other laws or court decisions limiting the rights of creditors to repossess, foreclose or otherwise realize upon the property of a debtor without appropriate notice or hearing or both.

(k) We express no opinion as to whether a court would grant specific performance or any other equitable remedy with respect to the enforcement of the Documents.

(l) We express no opinion as to the validity, binding effect, or enforceability of: (i) provisions which purport to waive rights or notices, including rights to trial by jury, counterclaims or defenses, jurisdiction or venue; (ii) provisions relating to consent judgments, waivers of defenses or the benefits of statutes of limitations, marshaling of assets, the transferability of any assets which by their nature are nontransferable, sales in inverse order of alienation, or severance; (iii) provisions purporting to waive the benefits of present or of future laws relating to exemptions, appraisalment, valuation, stay of execution, redemption, extension of

time for payment, setoff and similar debtor protection laws; or (iv) provisions requiring a party to pay fees and expenses regardless of the circumstances giving rise to such fees or expenses or the reasonableness thereof.

(m) The opinions expressed herein are subject to the effect of generally applicable rules of law that provide that forum selection clauses in contracts are not necessarily binding on the court(s) in the forum selected.

(n) We express no opinion as to the enforceability of any provisions in the Documents purporting to entitle a party to indemnification in respect of any matters arising in whole or in part by reason of any negligent, illegal or wrongful act or omission of such party.

This opinion is furnished to you solely in connection with the transactions, for the purposes and on the terms described above and may not be relied upon by you for any other purpose or by any other person in any manner or for any purpose.

Very truly yours,

APPENDIX E

[LETTERHEAD OF APPRAISER]

[DATE]

[Include City, Underwriter, Bond Counsel, and Trustee as addressees]

Re: City of Leander, Texas, Special Assessment Revenue Bonds, Series 2014 (Oak Creek Public Improvement District) (the "Bonds")

Ladies and Gentlemen:

The undersigned, Jackson Claborn, Inc., appraiser of (i) the undeveloped property contained in the Oak Creek Public Improvement District ("District"), does hereby represent the following:

1. On behalf of Jackson Claborn, Inc., I have supplied certain information contained in the Preliminary Official Statement for the Bonds, dated October 3, 2014, and the Official Statement for the Bonds, dated _____, 2014 (together, the "Official Statement"), relating to the issuance of the Bonds by the City of Leander, Texas, as described above. The information I have provided is the real estate appraisal of the property in the District, located in Appendix ____ to the Official Statement.

2. To the best of my professional knowledge and belief, as of the date of my appraisal report, the portion of the Official Statement described above does not contain an untrue statement of a material fact as to the information and data set forth therein, and does not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

3. I agree to the use of the name of my firm in the Official Statement for the Bonds.

4. I agree that, to the best of my ability, I will inform you immediately should I learn of any event(s) or information of which you are not aware subsequent to the date of this letter and prior to the actual time of delivery of the Bonds (anticipated to occur on or about _____, 2014) which would render any such information in the Official Statement untrue, incomplete, or incorrect, in any material fact or render any statement in the appraisal materially misleading.

5. The undersigned hereby represents that he has been duly authorized to execute this letter of representation.

Sincerely yours,

JACKSON CLABORN, INC.

By: _____
Its: _____

EXHIBIT F

[LETTERHEAD OF DPFPG INC.]

[DATE]

[Include City, Underwriter, Bond Counsel, and Trustee as addressees]

Re: City of Leander, Texas, Special Assessment Revenue Bonds, Series 2014 (Oak Creek Public Improvement District) (the "Bonds")

Ladies and Gentlemen:

The undersigned, _____, of Development Planning & Financial Group Inc. ("DPFG"), consultant in connection with the creation by the City of Leander, Texas (the "City"), of the Oak Creek Public Improvement District (the "District"), does hereby represent the following:

1. On behalf of DPFPG, I have supplied certain information contained in the Preliminary Official Statement, dated October 3, 2014, and the Official Statement, dated _____, 2014, both in connection with the Bonds (the "Official Statement"), relating to the issuance of the Bonds by the City, as described above. The information I have provided is (a) located under the caption "THE SPECIAL ASSESSMENT CONSULTANT" and (b) the Service and Assessment Plan (the "SAP") for the District located in Appendix B to the Official Statement.

2. To the best of my professional knowledge and belief, the portions of the Official Statement described above do not contain an untrue statement of a material fact as to the information and data set forth therein, and does not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

3. I agree to the inclusion of the following in the Official Statement for the Bonds: (a) the information under the caption "THE SPECIAL ASSESSMENT CONSULTANT" and (b) the SAP.

4. I agree to the use of the name of my firm in the Official Statement for the Bonds.

5. I agree that, to the best of my ability, I will inform you immediately should I learn of any event(s) or information of which you are not aware subsequent to the date of this letter and prior to the actual time of delivery of the Bonds (anticipated to occur on or about _____, 2014) which would render any such information in the Official Statement untrue, incomplete, or incorrect, in any material fact or render any such information materially misleading.

6. The undersigned hereby represents that he has been duly authorized to execute this letter of representation.

Sincerely yours,

DEVELOPMENT PLANNING & FINANCIAL
GROUP INC.

By: _____
Its: _____



Executive Summary

October 16, 2014

Agenda Subject: Consider Indenture of Trust Securing \$5,200,000 City of Leander, Texas Special Assessment Revenue Bonds Series 2014 (Oak Creek Public Improvement District).

Background:

On April 17, 2014, Council directed staff to proceed with the steps necessary to accept the PID petition and schedule the public hearing for the creation of the Oak Creek PID. On May 1, 2014 the Council accepted the petition for the creation of the Oak Creek PID. On June 5, 2014 the Council opened the public hearing on the creation of the PID and continued it until July 3, 2014. At the July 3, 2014 meeting the Council continued the public hearing until July 17, 2014. On July 17, 2014 the Council closed the public hearing and approved a resolution creating the Oak Creek PID. On October 2, 2014 the Council approved: a resolution approving the form and authorizing distribution of the preliminary official statement, a resolution directing publication of notice of a public hearing on the intention to issue special assessment revenue bonds, and a resolution authorizing the filing of the assessment role and directing publication of a public hearing on the levying of assessments.

The Oak Creek PID proposes to issue special assessment revenue bonds to pay for the proposed public improvements.

This agenda item approves the indenture of trust securing the PID bonds.

Origination: Applicant: Sentinel/Cotter Leander, LLC

Recommendation: Staff recommends approval.

Attachments:

1. Indenture of Trust with exhibits

Prepared by: Tom Yantis, AICP
Assistant City Manager

INDENTURE OF TRUST

By and Between

CITY OF LEANDER, TEXAS

and

BOKF, NA dba Bank of Texas,
as Trustee

DATED AS OF OCTOBER 16, 2014

SECURING

\$ _____

CITY OF LEANDER, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2014
(OAK CREEK PUBLIC IMPROVEMENT DISTRICT)

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1.	Definitions.....	.....
Section 1.2.	Findings. ....	.....
Section 1.3.	Table of Contents, Titles and Headings. ....	.....
Section 1.4.	Interpretation.....	.....

ARTICLE II

THE BONDS

Section 2.1.	Security for the Bonds.....	.....
Section 2.2.	Limited Obligations.....	.....
Section 2.3.	Authorization for Indenture.....	.....
Section 2.4	Contract with Owners and Trustee. ....	.....

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS
REGARDING THE BONDS

Section 3.1.	Authorization. ....	.....
Section 3.2.	Date, Denomination, Maturities, Numbers and Interest.....	.....
Section 3.3.	Conditions Precedent to Delivery of Bonds. ....	.....
Section 3.4.	Medium, Method and Place of Payment. ....	.....
Section 3.5.	Execution and Registration of Bonds. ....	.....
Section 3.6.	Ownership. ....	.....
Section 3.7.	Registration, Transfer and Exchange.....	.....
Section 3.8.	Cancellation.....	.....
Section 3.9.	Temporary Bonds.....	.....
Section 3.10.	Replacement Bonds. ....	.....
Section 3.11.	Book-Entry Only System. ....	.....
Section 3.12.	Successor Securities Depository: Transfer Outside Book-Entry-Only System.....	.....
Section 3.13.	Payments to Cede & Co. ....	.....

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1.	Limitation on Redemption.....	.....
Section 4.2.	Mandatory Sinking Fund Redemption. ....	.....
Section 4.3.	Optional Redemption. ....	.....

Section 4.4. **Extraordinary Optional Redemption.**

Section 4.5. **Partial Redemption.**.....

Section 4.6. **Notice of Redemption to Owners.**

Section 4.7. **Payment Upon Redemption.**.....

Section 4.8. **Effect of Redemption.**.....

ARTICLE V
FORM OF THE BONDS

Section 5.1. **Form Generally.**.....

Section 5.2. **Form of the Bonds.**

Section 5.3. **CUSIP Registration.**

Section 5.4. **Legal Opinion.**.....

ARTICLE VI
FUNDS AND ACCOUNTS

Section 6.1. **Establishment of Funds and Accounts.**

Section 6.2. **Initial Deposits to Funds and Accounts.**.....

Section 6.3. **Pledged Revenue Fund.**.....

Section 6.4. **Bond Fund.**

Section 6.5. **Project Fund.**.....

Section 6.6. **Redemption Fund.**

Section 6.7. **Reserve Fund.**.....

Section 6.8. **Rebate Fund: Rebatable Arbitrage.**

Section 6.9. **Administrative Fund.**

Section 6.10. **Developer Property Tax Reserve Fund.**.....

Section 6.11. **Investment of Funds.**.....

Section 6.12. **Security of Funds**

ARTICLE VII
COVENANTS

Section 7.1. **Confirmation of Assessments.**

Section 7.2. **Collection and Enforcement of Assessments.**

Section 7.3. **Covenant Against Encumbrances.**.....

Section 7.4. **Records, Accounts, Accounting Reports.**

Section 7.5. **Covenants Regarding Tax Exemption of Interest on Bonds.**.....

ARTICLE VIII
LIABILITY OF CITY

Section 8.1. **Liability of City.**.....

ARTICLE IX
THE TRUSTEE

Section 9.1. **Acceptance of Trust; Trustee as Registrar and Paying Agent**.....

Section 9.2. **Trustee Entitled to Indemnity**.....

Section 9.3. **Responsibilities of the Trustee**.....

Section 9.4. **Property Held in Trust**.....

Section 9.5. **Trustee Protected in Relying on Certain Documents**.....

Section 9.6. **Compensation**.....

Section 9.7. **Permitted Acts**.....

Section 9.8. **Resignation of Trustee**.....

Section 9.9. **Removal of Trustee**.....

Section 9.10. **Successor Trustees**.....

Section 9.11. **Transfer of Rights and Property to Successor Trustee**.....

Section 9.12. **Merger, Conversion or Consolidation of Trustee**.....

Section 9.13. **Trustee to File Continuation Statements**.....

Section 9.14. **Construction of Indenture**.....

ARTICLE X
MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. **Amendments Permitted**.....

Section 10.2. **Owners' Meetings**.....

Section 10.3. **Procedure for Amendment with Written Consent of Owners**.....

Section 10.4. **Effect of Supplemental Indenture**.....

Section 10.5. **Endorsement or Replacement of Bonds Issued After Amendments**..

Section 10.6. **Amendatory Endorsement of Bonds**.....

Section 10.7. **Waiver of Default**.....

Section 10.8. **Execution of Supplemental Indenture**.....

ARTICLE XI
DEFAULT AND REMEDIES

Section 11.1. **Events of Default**.....

Section 11.2. **Immediate Remedies for Default**.....

Section 11.3. **Restriction on Owner's Action**.....

Section 11.4. **Application of Revenues and Other Moneys After Default**.....

Section 11.5. **Effect of Waiver**.....

Section 11.6. **Evidence of Ownership of Bonds**.....

Section 11.7. **No Accelerations**.....

Section 11.8. **Mailing of Notice**.....

Section 11.9. **Exclusion of Bonds**.....

ARTICLE XII
GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. **Representations as to Pledged Revenues.**.....
Section 12.2. **Accounts, Periodic Reports and Certificates.**
Section 12.3. **General.**.....

ARTICLE XIII
SPECIAL COVENANTS

Section 13.1. **Further Assurances; Due Performance.**.....
Section 13.2. **Other Obligations or Other Liens.**.....
Section 13.3. **Books of Record.**.....

ARTICLE XIV
PAYMENT AND CANCELLATION OF THE BONDS AND
SATISFACTION OF THE INDENTURE

Section 14.1. **Trust Irrevocable.**.....
Section 14.2. **Satisfaction of Indenture.**.....
Section 14.3. **Bonds Deemed Paid.**.....

ARTICLE XV
MISCELLANEOUS

Section 15.1. **Benefits of Indenture Limited to Parties.**.....
Section 15.2. **Successor is Deemed Included in All References to Predecessor.**
Section 15.3. **Execution of Documents and Proof of Ownership by Owners.**
Section 15.4. **Waiver of Personal Responsibility.**.....
Section 15.5. **Notices to and Demands on City and Trustee.**
Section 15.6. **Partial Invalidity.**.....
Section 15.7. **Applicable Laws.**.....
Section 15.8. **Payment on Business Day.**
Section 15.9. **Amendments and Supplements to Financing Agreement.**
Section 15.10. **Counterparts.**.....

EXHIBIT A DESCRIPTION OF THE PROPERTY WITHIN THE OAK CREEK
PUBLIC IMPROVEMENT DISTRICT

INDENTURE OF TRUST

THIS INDENTURE, dated as of October 16, 2014, is by and between the CITY OF LEANDER, TEXAS (the "*City*"), and BOKF, NA dba Bank of Texas, as trustee (together with its successors, the "*Trustee*"). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article I.

WHEREAS, on May 1, 2014, a petition was submitted by the Developer and filed with the City Secretary of the City (the "*City Secretary*") pursuant to the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "*PID Act*"), requesting the creation of a public improvement district located within the corporate limits of the City to be known as Oak Creek Public Improvement District (the "*District*"); and

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

WHEREAS, on June 5, 2014, after due notice, the City Council of the City (the "*City Council*") held the public hearing in the manner required by law on the advisability of the improvement projects and services described in the petition as required by Section 372.009 of the PID Act and on July 17, 2014, the City Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 14-013-00, adopted by a majority of the members of the City Council, authorized the District in accordance with its finding as to the advisability of the improvement projects and services; and

WHEREAS, on July 24, 2014, the City published notice of its authorization of the District in the *Hill Country News*, a newspaper of general circulation in the City; and

WHEREAS, no written protests of the District from any owners of record of property within the District were filed with the City Secretary within 20 days after July 24, 2014; and

WHEREAS, the City Council, pursuant to Section 372.016(b) of the PID Act, published notice of a public hearing in a newspaper of general circulation in the City to consider the proposed "*Assessment Roll*" and the "*Service and Assessment Plan*" and the levy of the "*Special Assessments*" on property in the District; and

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

WHEREAS, the City Council convened the hearing on October 16, 2014, at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity for the City Council to hear and pass on any objections to the proposed Special Assessments, and to offer testimony pertinent to any issue presented on the amount of the Special Assessment, the allocation of Costs, the purposes of the Special Assessment, the special benefits of the Special Assessment, and the penalties and interest on annual installments and on delinquent annual installments of the Special Assessment; and

WHEREAS, at the October 16, 2014 public hearing referenced above, there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of Costs, the Assessment Roll, and the levy of the Special Assessments; and

WHEREAS, the City Council closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the City, approved and accepted the Service and Assessment Plan in conformity with the requirements of the PID Act and adopted the Assessment Ordinance and therein approved the Assessment Roll and levied the Special Assessments; and

WHEREAS, the City Council is authorized by the PID Act to issue its revenue bonds payable from the Special Assessments for the purpose of (i) paying the Costs of the Projects, (ii) paying interest on the Bonds during and after the period of acquisition and construction of the Projects, (iii) paying expenses incurred in the establishment, administration and operation of the District and the cost of issuing the Bonds, and (iv) funding a reserve fund for payment of principal and interest on Bonds and for funding other funds as provided in Section 6.2; and

WHEREAS, the City Council now desires to issue its revenue bonds, in accordance with the PID Act, such bonds to be entitled "City of Leander, Texas Special Assessment Revenue Bonds, Series 2014 (Oak Creek Public Improvement District)" (the "*Bonds*"), such Bonds being payable solely from the Special Assessments and other funds pledged under this Indenture to the payment of the Bonds and for the purposes set forth in this preamble; and

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

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

FIRST GRANTING CLAUSE

The Pledged Revenues, as herein defined, including all moneys and investments held in the Pledged Funds (other than in the Developer Improvement Account (including the Retainage Subaccount therein) and the Administrative Fund), including any contract or any evidence of indebtedness related thereto or other rights of the City to receive any of such moneys or investments, whether now existing or hereafter coming into existence, and whether now or hereafter acquired; and

SECOND GRANTING CLAUSE

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

THIRD GRANTING CLAUSE

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

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

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

PROVIDED, HOWEVER, that if and to the extent Special Assessments have been prepaid in full, along with all Prepayment Costs, the real property associated with such Special Assessment prepayment shall be released from the Trust Estate and shall no longer constitute a part of the Trust Estate;

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

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

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

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1. Definitions.

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

"Account" means any of the accounts established pursuant to Section 6.1 of this Indenture.

"Administrative Expenses" means the administrative, organization, maintenance and operation costs and expenses associated with, or incident to, the administration, organization, maintenance and operation of the District, including, but not limited to, the costs of (i) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, (ii) creating and organizing the District and preparing the Assessment Roll, (iii) computing, levying, collecting and transmitting the Special Assessments or the Annual Installments thereof, (iv) maintaining the record of Assessments, payments and reallocations and/or cancellations of the Special Assessments, (v) issuing, paying and redeeming the Bonds, (vi) investing or depositing the Special Assessments, (vii) complying with the PID Act with respect to the Bonds, (viii) paying the Paying Agent/Registrar's and Trustee's fees and expenses (including the fees and expenses of its legal counsel), and (ix) administering the construction of the Improvements. Administrative Expenses collected and not expended for actual Administrative Expenses shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of Administration Expenses. The amount of Administrative Expenses necessary for the time period commencing on the date the initial Bonds are issued and terminating on the date the first Annual Installment is due will be paid from the Cost of Issuance.

"Administrative Expenses Special Assessments" means the aggregate assessments for Assessed Parcels for payment of Administrative Expenses for the District shown on Appendix B of the Service and Assessment Plan. The singular of such term means the assessment levied against an Assessed Parcel as shown on the Assessment Roll. Administrative Expenses Special Assessments also include any supplemental assessments levied for the Projects in accordance with Sections 372.019 and 372.020 of the PID Act.

"Administrative Expenses Special Assessment Revenues" means the monies collected from Administrative Expenses Special Assessments, including interest on Administrative Expenses Special Assessments during the period an Administrative Expenses Special Assessment is delinquent, Foreclosure Proceeds of Administrative Expenses Special Assessments, proceeds from a guarantor of the Administrative Expenses Special Assessments, amounts collected as reimbursement of Delinquent Collection Costs, and penalties for non-timely payment of Administrative Expenses Special Assessments.

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

"Administrator" means an employee or designee of the City who shall have the responsibilities provided in the Service and Assessment Plan, this Indenture, or any other agreement or document approved by the City related to the duties and responsibilities of the administration of the District.

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

"Annual Installment" means, with respect to each Assessed Property (as defined in the Service and Assessment Plan), each annual payment of: (i) the Special Assessment, as shown on the Assessment Roll attached to the Service and Assessment Plan as Appendix A and related to the Bonds or as shown on an Annual Service Plan Update as Appendix A, or in an Annual Service Plan Update as defined in the Service and Assessment Plan) and calculated as provided in Section VI of the Service and Assessment Plan (ii) Administrative Expenses, (iii) the prepayment reserve described in Section IV of the Service and Assessment Plan, and (iv) the delinquency reserve described in Section IV of the Service and Assessment Plan.

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

"Assessment Ordinance" means Ordinance No. _____ adopted by the City Council on October 16, 2014, as may be amended or supplemented, that levied the Special

Assessments on the Assessed Parcels.

Assessed Parcel" means each respective parcel of land located within the District against which a Special Assessment is levied by the Assessment Ordinance in accordance with the Service and Assessment Plan.

"Assessment Roll" means the document attached as Appendix A to the Service and Assessment Plan, showing the total amount of the Special Assessment against each Assessed Parcel, as updated, modified, or amended from time to time in accordance with the terms of the Service and Assessment Plan and the PID Act.

"Authorized Denomination" means \$25,000 and any integral multiple of \$5,000 in excess thereof.

"Bond" means any of the Bonds.

"Bond Counsel" means Bickerstaff Heath Delgado Acosta LLP or any other attorney or firm of attorneys designated by the City that are nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

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

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

"Bond Improvement Account" means the account created and established under the Project Fund in Section 6.1(b)(iii)(A).

"Bond Ordinance" means Ordinance No. _____ adopted by the City Council on October 16, 2014, authorizing the issuance of the Bonds pursuant to this Indenture.

"Bond Special Assessments" means the aggregate assessments for Assessed Parcels shown on the Assessment Roll. The singular of such term means the assessment levied against an Assessed Parcel as shown on the Assessment Roll. Bond Special Assessments also include any supplemental assessments levied for the Projects in accordance with Sections 372.019 and 372.020 of the PID Act.

"Bond Special Assessment Revenues" means the monies collected from Bond Special Assessments or Annual Installments thereof, including interest on Bond Special Assessments during the period a Bond Special Assessment or any Annual Installment thereof is current or delinquent, Prepayments, Foreclosure Proceeds of Bond Special Assessments, and penalties for non-timely payment of Bond Special Assessments.

"Bond Year" means the one-year period beginning on January 1 in each year and ending on the day prior to January 1 in the following year.

"Bonds" means the City's bonds authorized to be issued by Section 3.1 of this Indenture entitled "City of Leander, Texas Special Assessment Revenue Bonds, Series 2014 (Oak Creek Public Improvement District)."

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

"Certification for Payment" means a certificate executed by an engineer, construction manager or other person or entity acceptable to the City, as evidenced by the signature of a City Representative, specifying the amount of work performed and the cost thereof, presented to the Trustee to request funding for Costs from money on deposit in the Project Fund. Each Certification for Payment shall be substantially in the form attached to the Financing Agreement as Exhibit E.

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

"City Order" means written instructions by the City, executed by a City Representative.

"City Representative" means that official or agent of the City authorized by the City Council to undertake the action referenced herein.

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

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

"Construction Loan" means that certain construction loan agreement and related documents with 686342 B.C. Ltd, a British Columbia company as lender and the Developer as borrower in the amount of \$4,200,000.

"Construction Loan Proceeds" means the \$4,200,000 from the Construction Loan which will be used for construction of Infrastructure Improvements.

"Costs" means the costs of the Projects as authorized under the PID Act.

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

"Delinquency Reserve Requirement" means an amount not to exceed four percent (4%) of the outstanding Bonds which will be funded over time from revenues received from Bond

Special Assessment Revenues deposited to the Pledged Revenue Fund until the amount on deposit in the Delinquency Reserve Account equals four percent (4%) of the Bonds outstanding.

"Delinquent Collection Costs" means the costs related to the foreclosure on an Assessed Parcel and the costs of collection of a delinquent Special Assessment, including penalties and reasonable attorney's fees actually paid, but excluding amounts representing interest and penalty interest.

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

"Developer" means Sentinel/Cotter Leander, LLC, a Texas Limited Liability Company, and any successor thereto, including any successors and assigns under the Financing Agreement.

"Developer Improvement Account" means the account created and established under the Project Fund in Section 6.1(b)(iii)(B).

"Developer Property Tax Delinquency Amount" means, as of any date of determination, any amount of ad valorem taxes levied by any taxing entity on property in the District subject to an agricultural valuation for purposes of such ad valorem taxes remaining unpaid on or after February 1 of the year after such ad valorem taxes are due.

"Developer Property Tax Reserve Fund" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.10.

"Developer Property Tax Reserve Fund Release Date" means the date specified in Section 6.10(b).

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

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

"Financing Agreement" means the Oak Creek Public Improvement District Financing Agreement between the City and the Developer dated as of October 16, 2014, which provides for the appointment, levying and collection of Special Assessments, the construction of the Projects, the maintenance of the Projects, the issuance of the Bonds and other matters related thereto.

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

"Fund" means any of the funds established pursuant to Section 6.1 of this Indenture.

"Improvements" means the public improvements and other related costs defined as "Public Improvements" in the Service and Assessment Plan.

"Indenture" means this Indenture of Trust dated as of October 16, 2014 between the City and BOKF, NA dba Bank of Texas, securing the City's bonds entitled "City of Leander, Texas Special Assessment Revenue Bonds, Series 2014 (Oak Creek Public Improvement District)", as originally executed or as it may be from time to time supplemented or amended by one or more indentures supplemental hereto and entered into pursuant to the applicable provisions hereof.

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

"Infrastructure Improvements" means collectively the Improvements and the TIRZ Improvements.

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

"Interest Payment Date" means the date or dates upon which interest on the Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being on March 1 and September 1 of each year, commencing March 1, 2015.

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

"Letter of Credit" means a standby letter of credit in form and substance, and issued by a financial institution, acceptable to the City.

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

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

"Owner" means the Person who is the registered owner of a Bond or Bonds, as shown in the Register, which shall be Cede & Co., as nominee for DTC, so long as the Bonds are in book-entry-only form and held by DTC as securities depository in accordance with Section 3.11.

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

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

"PID Act" means Chapter 372, Improvement Districts in Municipalities and Counties, Subchapter A, Public Improvement Districts, Texas Local Government Code, as amended.

"Pledged Funds" means the Pledged Revenue Fund, the Bond Fund, the Project Fund (other than the Developer Improvement Account (including the Retainage Subaccount therein)), the Reserve Fund, and the Redemption Fund.

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

"Pledged Revenues" means the (i) Bond Special Assessment Revenues, and (ii) the moneys held in any of the Pledged Funds.

"Prepayment" means the payment of all or a portion of a Bond Special Assessment before the due date thereof. Amounts received at the time of a Prepayment which represent a payment of principal, interest or penalties on a delinquent installment of a Bond Special Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Bond Special Assessment.

"Prepayment Costs" means interest on Special Assessments and expenses to the date of Prepayment.

"Prepayment Reserve Requirement" means an amount not to exceed one and one-half

percent (1½%) of the outstanding Bonds which will be funded over time from revenues received from Bond Special Assessment Revenues deposited to the Pledged Revenue Fund until the amount on deposit in the Prepayment Reserve Account equals one and one-half percent (1½%) of the outstanding Bonds.

"Principal and Interest Account" means the account created and established under the Bond Fund in Section 6.1(b)(i) for the payment of interest and principal on the Bonds.

"Project Fund" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.5.

"Projects" means the Improvements.

"Purchaser" means the initial purchaser of the Bonds.

"Rebatable Arbitrage" means rebatable arbitrage as defined in Section 1.148-3 of the Treasury Regulations.

"Rebate Fund" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.8.

"Record Date" means the close of business on the last business day of the month next preceding an Interest Payment Date.

"Redemption Fund" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.6.

"Redemption Price" means, when used with respect to any Bond or portion thereof, the principal amount of such Bond or such portion thereof plus the applicable premium, if any, plus accrued and unpaid interest on such Bond to the date fixed for redemption payable upon redemption thereof pursuant to the Indenture.

"Redemption Waiver Agreement" means the Agreement Regarding Waivers of Right of Redemption and Agricultural Exemption by and between the Developer and the City dated as of October 16, 2014, as may be amended and supplemented from time to time.

"Register" means the register specified in Article III of this Indenture.

"Reserve Fund" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.7.

"Reserve Fund Obligations" means cash or Investment Securities.

"Reserve Fund Requirement" means the least of: (i) Maximum Annual Debt Service on the Bonds as of the date of issuance, (ii) 125% of average Annual Debt Service on the Bonds as

of the date of issuance, or (iii) 10% of the principal amount of the Bonds; provided, however, that such amount shall be reduced by the amount of any transfers made pursuant to Section 6.7(c); and provided further that as a result of an optional redemption pursuant to Section 4.3 or an extraordinary optional redemption pursuant to Section 4.4, the Reserve Fund Requirement shall be reduced by a percentage equal to the pro rata amount of Bonds redeemed by such optional redemption divided by the total amount of the Outstanding Bonds prior to such redemption. As of the date of delivery of the Bonds, the Reserve Fund Requirement is \$_____, which is an amount equal to Maximum Annual Debt Service as of the date of issuance.

"Retainage" means the amounts required to be retained pending final disbursement of Costs for a Project as set forth in a Certification for Payment.

"Retainage Subaccount" means each Subaccount so designated and established under Accounts and Subaccounts pursuant to Section 6.1 and administered pursuant to Section 6.5.

"Service and Assessment Plan" means the document, including the Assessment Roll, which is attached as Exhibit A to the Assessment Ordinance, as may be updated, amended and supplemented from time to time.

"Sinking Fund Installment" means the amount of money to redeem or pay at maturity the principal of a Stated Maturity of Bonds payable from such installments at the times and in the amounts provided in Section 4.2.

"Special Assessment Revenues" means the Bond Special Assessment Revenue and the Administrative Expenses Special Assessment Revenue.

"Special Assessments" means the Bond Special Assessments and the Administrative Expenses Special Assessments.

"Stated Maturity" means the date the Bonds, or any portion of the Bonds, as applicable, are scheduled to mature without regard to any redemption or prepayment.

"Subaccount" means any of the subaccounts established pursuant to Section 6.1 of this Indenture.

"Supplemental Indenture" means an indenture which has been duly executed by the City Representative pursuant to an ordinance adopted by the City Council and which indenture amends or supplements this Indenture, but only if and to the extent that such indenture is specifically authorized hereunder.

"TIRZ Improvements" means the Oak Creek Public Improvements, as defined in the Oak Creek Leander Development and Reimbursement Agreement dated _____.

"Treasury Regulations" shall have the meaning assigned to such term in Section 7.5(c).

"Trust Estate" means the Trust Estate described in the granting clauses of this Indenture.

"Trustee" means BOKF, NA dba Bank of Texas and its successors, and any other corporation or association that may at any time be substituted in its place, as provided in Article IX, such entity to serve as Trustee and Paying Agent/Registrar for the Bonds.

"Value of Investment Securities" means the amortized value of any Investment Securities, provided, however, that all United States of America, United States Treasury Obligations – State and Local Government Series shall be valued at par and those obligations which are redeemable at the option of the holder shall be valued at the price at which such obligations are then redeemable. The computations shall include accrued interest on the investment securities paid as a part of the purchase price thereof and not collected. For the purposes of this definition "amortized value," when used with respect to a security purchased at par, means the purchase price of such security and when used with respect to a security purchased at a premium above or discount below par, means as of any subsequent date of valuation, the value obtained by dividing the total premium or discount by the number of interest payment dates remaining to maturity on any such security after such purchase and by multiplying the amount as calculated by the number of interest payment dates having passed since the date of purchase and (i) in the case of a security purchased at a premium, by deducting the product thus obtained from the purchase price, and (ii) in the case of a security purchased at a discount, by adding the product thus obtained to the purchase price.

Section 1.2. **Findings.**

The declarations, determinations and findings declared, made and found in the preamble to this Indenture are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.3. **Table of Contents, Titles and Headings.**

The table of contents, titles, and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Indenture or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.4. **Interpretation.**

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) Words importing persons include any individual, corporation, limited liability

company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or agency or political subdivision thereof.

(c) Any reference to a particular Article or Section shall be to such Article or Section of this Indenture unless the context shall require otherwise.

(d) This Indenture and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Indenture.

ARTICLE II

THE BONDS

Section 2.1. Security for the Bonds.

(a) The Bonds, as to both principal and interest, are and shall be equally and ratably secured by and payable from a first lien on and pledge of the Trust Estate.

(b) The lien on and pledge of the Pledged Revenues shall be valid and binding and fully perfected from and after the Closing Date, which is the date of the delivery of this Indenture, without physical delivery or transfer of control of the Pledged Revenues, the filing of this Indenture or any other act; all as provided in Chapter 1208 of the Texas Government Code, as amended, which applies to the issuance of the Bonds and the pledge of the Pledged Revenues granted by the City under this Indenture, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bonds are Outstanding such that the pledge of the Pledged Revenues granted by the City under this Indenture is to be subject to the filing requirements of Chapter 9, Business and Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business and Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Section 2.2. Limited Obligations.

The Bonds are special and limited obligations of the City, payable solely from and secured solely by the Trust Estate, including the Pledged Revenues and the Pledged Funds; and the Bonds shall never be payable out of funds raised or to be raised by taxation or from any other revenues, properties or income of the City.

Section 2.3. Authorization for Indenture.

The terms and provisions of this Indenture and the execution and delivery hereof by the City to the Trustee have been duly authorized by official action of the City Council of the

City. The City has ascertained and it is hereby determined and declared that the execution and delivery of this Indenture is necessary to carry out and effectuate the purposes set forth in the preambles of this Indenture and that each and every covenant or agreement herein contained and made is necessary, useful or convenient in order to better secure the Bonds and is a contract or agreement necessary, useful and convenient to carry out and effectuate the purposes herein described.

Section 2.4. Contract with Owners and Trustee.

(a) The purposes of this Indenture are to establish a lien and the security for, and to prescribe the minimum standards for the authorization, issuance, execution and delivery of, the Bonds and to prescribe the rights of the Owners, and the rights and duties of the City and the Trustee.

(b) In consideration of the purchase and acceptance of any or all of the Bonds by those who shall purchase and hold the same from time to time, the provisions of this Indenture shall be a part of the contract of the City with the Owner, and shall be deemed to be and shall constitute a contract among the City, the Owners, and the Trustee.

ARTICLE III

**AUTHORIZATION; GENERAL TERMS AND PROVISIONS
REGARDING THE BONDS**

Section 3.1. Authorization.

The Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, including particularly the PID Act, as amended. The Bonds shall be issued in the aggregate principal amount of \$_____ for the purpose of (i) paying the Costs of the Projects, (ii) paying interest on the Bonds during and after the period of acquisition and construction of the Projects, (iii) making deposits to a reserve fund, a capitalized interest fund, and a project fund, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuance of the Bonds.

Section 3.2. Date, Denomination, Maturities, Numbers and Interest.

(a) The Bonds shall be dated _____, 2014 (the "*Bond Date*") and shall be issued in Authorized Denominations. The Bonds shall be in fully registered form, without coupons, and shall be numbered separately from R-1 upward, except the Initial Bond, which shall be numbered T-1.

(b) Interest shall accrue and be paid on each Bond from the later of the Date of Delivery or the most recent Interest Payment Date to which interest has been paid or

provided for, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below or otherwise provided for. Such interest shall be payable semiannually on March 1 and September 1 of each year, commencing March 1, 2015 computed on the basis of a 360-day year of twelve 30-day months.

(c) The Bonds shall mature on September 1 in the years and in the principal amounts and shall bear interest as set forth below:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2028	\$	%
2038	\$	%
2048	\$	%

(d) The Bonds shall be subject to mandatory sinking fund redemption, optional redemption, and extraordinary optional redemption prior to maturity as provided in Article IV, and shall otherwise have the terms, tenor, denominations, details, and specifications as set forth in the form of Bond set forth in Section 5.2.

Section 3.3. Conditions Precedent to Delivery of Bonds.

The Bonds shall be executed by the City and delivered to the Trustee, whereupon the Trustee shall authenticate the Bonds and, upon payment of the purchase price of the Bonds, shall deliver the Bonds upon the order of the City, but only upon delivery to the Trustee of:

- (a) a certified copy of the Assessment Ordinance;
- (b) a certified copy of the Bond Ordinance;
- (c) a copy of the executed Financing Agreement;
- (d) a copy of this Indenture executed by the Trustee and the City; and
- (e) a City Certificate directing the authentication and delivery of the Bonds, describing the Bonds to be authenticated and delivered, designating the purchasers to whom the Bonds are to be delivered, stating the purchase price of the Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the City.

Section 3.4. Medium, Method and Place of Payment.

(a) Principal of and interest on the Bonds shall be paid in lawful money of the United States of America, as provided in this Section.

(b) Interest on the Bonds shall be payable to the Owners thereof as shown in the Register at the close of business on the relevant Record Date.

(c) Interest on the Bonds shall be paid by check, dated as of the Interest Payment Date, and sent, first class United States mail, postage prepaid, by the Paying Agent/Registrar to each Owner at the address of each as such appears in the Register or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, the Owner shall bear all risk and expense of such other banking arrangement.

(d) The principal of each Bond shall be paid to the Owner of such Bond on the due date thereof, whether at the maturity date or the date of prior redemption thereof, upon presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

(e) If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in Section 3.2 of this Indenture.

(f) Unclaimed payments of amounts due hereunder shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds to which such unclaimed payments pertain. Subject to any escheat, abandoned property, or similar law of the State of Texas, any such payments remaining unclaimed by the Owners entitled thereto for three (3) years after the applicable payment or redemption date shall be applied to the next payment or payments on the Bonds thereafter coming due and, to the extent any such money remains after the retirement of all Outstanding Bonds, shall be paid to the City to be used for any lawful purpose. Thereafter, none of the City, the Paying Agent/Registrar, or any other Person shall be liable or responsible to any holders of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds, subject to any applicable escheat law or similar law of the State of Texas.

Section 3.5. Execution and Registration of Bonds.

(a) The Bonds shall be executed on behalf of the City by the Mayor and City Secretary, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect

as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds.

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Indenture unless and until there appears thereon the Certificate of Trustee substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Trustee. It shall not be required that the same officer or authorized signatory of the Trustee sign the Certificate of Trustee on all of the Bonds. In lieu of the executed Certificate of Trustee described above, the Initial Bond delivered at the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller of Public Accounts of the State of Texas, or by her duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General of the State of Texas, is a valid and binding obligation of the City, and has been registered by the Comptroller of Public Accounts of the State of Texas.

(d) On the Closing Date, one Initial Bond representing the entire principal amount of all Bonds, payable in stated installments to the Purchaser, or its designee, executed with the manual or facsimile signatures of the Mayor and the City Secretary, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts, will be delivered to the Purchaser or its designee. Upon payment for the Initial Bond, the Trustee shall cancel the Initial Bond and deliver to DTC on behalf of the Purchaser one registered definitive Bond for each year of maturity of the Bonds, in the aggregate principal amount of all Bonds for such maturity, registered in the name of Cede & Co., as nominee of DTC.

Section 3.6. **Ownership.**

(a) The City, the Trustee, the Paying Agent/Registrar and any other Person may treat the Person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment as provided herein (except interest shall be paid to the Person in whose name such Bond is registered on the Record Date) and for all other purposes, whether or not such Bond is overdue, and none of the City, the Trustee or the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of any Bond shall be valid and effectual and shall discharge the liability of the City, the Trustee and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 3.7. Registration, Transfer and Exchange.

(a) So long as any Bond remains outstanding, the City shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a Register in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with this Indenture. The Paying Agent/Registrar represents and warrants that it will maintain a copy of the Register, and shall cause the Register to be current with all registration and transfer information as from time to time may be applicable.

(b) A Bond shall be transferable only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Bond shall be effective until entered in the Register.

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any Authorized Denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond presented for exchange. The Trustee is hereby authorized to authenticate and deliver Bonds exchanged for other Bonds in accordance with this Section.

(d) The Trustee is hereby authorized to authenticate and deliver Bonds transferred or exchanged in accordance with this Section. A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bond being transferred or exchanged, at the Designated Payment/Transfer Office, or sent by United States mail, first class, postage prepaid, to the Owner or his designee. Each transferred Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such transferred Bond is delivered.

(e) Each exchange Bond delivered in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such exchange Bond is delivered.

(f) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for a different denomination of any of the Bonds. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer, or exchange of a Bond.

(g) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Bond or portion thereof called for redemption prior to maturity

within forty-five (45) days prior to the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Bond.

Section 3.8. Cancellation.

All Bonds paid or redeemed before scheduled maturity in accordance with this Indenture, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Indenture, shall be canceled, and proper records shall be made regarding such payment, redemption, exchange, or replacement. The Paying Agent/Registrar shall dispose of canceled Bonds in accordance with the records retention requirements of the Trustee.

Section 3.9. Temporary Bonds.

(a) Following the delivery and registration of the Initial Bond and pending the preparation of definitive Bonds, the proper officers of the City may execute and, upon the City's request, the Trustee shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the City executing such temporary Bonds may determine, as evidenced by their signing of such temporary Bonds.

(b) Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the benefit and security of this Indenture.

(c) The City, without unreasonable delay, shall prepare, execute and deliver to the Trustee the Bonds in definitive form; thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds in temporary form and the Trustee shall authenticate and deliver in exchange therefor a Bond or Bonds of the same maturity and series, in definitive form, in the Authorized Denomination, and in the same aggregate principal amount, as the Bond or Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.10. Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Trustee shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Trustee, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount bearing a number not contemporaneously outstanding, provided that the Owner first complies with the following requirements:

- (i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond;
- (ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the Trustee to save them and the City harmless;
- (iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Trustee and the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and
- (iv) satisfies any other reasonable requirements imposed by the City and the Trustee.

(c) After the delivery of such replacement Bond, if a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the Person to whom it was delivered or any Person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expense incurred by the City, the Paying Agent/Registrar or the Trustee in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond, may pay such Bond if it has become due and payable or may pay such Bond when it becomes due and payable.

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 3.11. **Book-Entry-Only System.**

(a) The Bonds shall initially be issued in book-entry-only form and shall be

deposited with DTC, which is hereby appointed to act as the securities depository therefor, in accordance with the letter of representations from the City to DTC. On the Closing Date the definitive Bonds shall be issued in the form of a single typewritten certificate for each maturity thereof registered in the name of Cede & Co., as nominee for DTC.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any Person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other Person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other Person, other than an Owner, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Indenture to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the Person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners as shown in the Register, as provided in this Indenture, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the Register, shall receive a Bond certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Indenture. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks or drafts being mailed to the registered owner at the close of business on the Record Date, the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

Section 3.12. Successor Securities Depository: Transfer Outside Book-Entry-Only System.

In the event that the City determines that DTC is incapable of discharging its responsibilities described herein and in the letter of representations from the City to DTC, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Bonds and cause the Paying

Agent/Registrar to transfer one or more separate registered Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Indenture.

Section 3.13. Payments to Cede & Co.

Notwithstanding any other provision of this Indenture to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds shall be made and given, respectively, in the manner provided in the blanket letter of representations from the City to DTC.

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1. Limitation on Redemption.

The Bonds shall be subject to redemption before their scheduled maturity only as provided in this Article IV.

Section 4.2. Mandatory Sinking Fund Redemption.

(a) The Bonds maturing on September 1 in the years 2028, 2038 and 2048 (collectively, "*Term Bonds*"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the redemption price equal to the principal amount of the Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI, on the dates and in the respective sinking fund installments as set forth in the following schedule:

Term Bond Maturing September 1, 2028

Redemption Date	Principal Amount
September 1, 2015	\$
September 1, 2016	
September 1, 2017	

September 1, 2018	
September 1, 2019	
September 1, 2020	
September 1, 2021	
September 1, 2022	
September 1, 2023	
September 1, 2024	
September 1, 2025	
September 1, 2026	
September 1, 2027	
September 1, 2028	\$

Term Bond Maturing September 1, 2038

Redemption Date	Principal Amount
September 1, 2029	\$
September 1, 2030	
September 1, 2031	
September 1, 2032	
September 1, 2033	
September 1, 2034	
September 1, 2035	
September 1, 2036	
September 1, 2037	

September 1, 2038	\$
-------------------	----

Term Bond Maturing September 1, 2048

Redemption Date	Principal Amount
September 1, 2039	\$
September 1, 2040	
September 1, 2041	
September 1, 2042	
September 1, 2043	
September 1, 2044	
September 1, 2045	
September 1, 2046	
September 1, 2047	
September 1, 2048	\$

(b) At least forty-five (45) days prior to each sinking fund redemption date, the Trustee shall select a principal amount of Bonds of such maturity equal to the Sinking Fund Installment amount of such Bonds to be redeemed, shall call such Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 4.6.

(c) The principal amount of Bonds required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least 45 days prior to the sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

(d) The principal amount of Bonds required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced on a pro rata basis

among Sinking Fund Installments by the principal amount of any Bonds which, at least 45 days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.3. Optional Redemption.

The City reserves the right and option to redeem Bonds before their scheduled maturity date, in whole or in part, on any Interest Payment Date on or after _____, 20__, such redemption date or dates to be fixed by the City, at the redemption price (expressed as a percentage of principal amount) applicable to the date of redemption falling within the applicable redemption period, as set forth in the following schedule, plus accrued interest to the date of redemption:

<u>Redemption Period</u>	<u>Redemption Price</u>
_____ __, 20 through _____ __, 20	103%
_____ __, 20 through _____ __, 20	102%
_____ __, 20 through _____ __, 20	101%
_____ __, 20__ and thereafter	100%

Section 4.4. Extraordinary Optional Redemption.

The City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, on the 15th day of any month, at a redemption price equal to the principal amount of the Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption, from amounts on deposit in the Redemption Fund as a result of (i) unexpended proceeds transferred under Section 6.5(d), (ii) Prepayments (including related transfers to the Redemption Fund as provided in Section 6.3(d)), (iii) transfers from the Prepayment Reserve under Section 6.7(g), (iv) transfers from the Delinquency Reserve under Section 6.7(h) or (v) transfers to the Redemption Fund pursuant to Section 6.7(l).

Section 4.5. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to either Section 4.2, 4.3 or 4.4, Bonds shall be redeemed in increments of \$5,000 in inverse order of maturity, provided that no redemption shall cause the principal amount of any Bond to be less than the minimum Authorized Denomination for such Bond. Each Bond shall be treated as representing the number of Bonds that are obtained by dividing the principal amount of such Bond by the minimum Authorized Denomination for such Bond.

(b) Upon surrender of any Bond for redemption in part, the Trustee in accordance with Section 3.7 of this Indenture, shall authenticate and deliver an exchange

Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, such exchange being without charge.

Section 4.6. Notice of Redemption to Owners.

(a) The Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register.

(b) The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, and subject to Section 4.5, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond shall become due and payable.

(c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

(d) The City has the right to rescind any optional redemption or extraordinary optional redemption described in Section 4.3 or 4.4 by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be canceled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

Section 4.7. Payment Upon Redemption.

(a) The Trustee shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust an amount from the Redemption Fund or otherwise received by the Trustee from the City and shall use such funds solely for the purpose of paying the Redemption Price on the Bonds being redeemed.

(b) Upon presentation and surrender of any Bond called for redemption at the designated corporate trust office of the Trustee on or after the date fixed for redemption, the Trustee shall pay the Redemption Price on such Bond to the date of redemption from the moneys set aside for such purpose.

Section 4.8. Effect of Redemption.

Notice of redemption having been given as provided in Section 4.6 of this Indenture, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption provided that funds for the payment of the principal amount plus

accrued unpaid interest on such Bonds to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

ARTICLE V

FORM OF THE BONDS

Section 5.1. Form Generally.

(a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of the Trustee, and the Assignment to appear on each of the Bonds, (i) shall be substantially in the form set forth in this Article with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Indenture, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the City or by the officers executing such Bonds, as evidenced by their execution thereof.

(b) Any portion of the text of any Bonds may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds.

(c) The definitive Bonds shall be typewritten, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof.

(d) The Initial Bond submitted to the Attorney General of the State of Texas may be typewritten and photocopied or otherwise reproduced.

Section 5.2. Form of the Bonds.

(a) Form of Bond.

NEITHER THE FAITH AND CREDIT NOR THE
TAXING POWER OF THE STATE OF TEXAS,
THE CITY, OR ANY OTHER POLITICAL
CORPORATION, SUBDIVISION OR AGENCY
THEREOF, IS PLEDGED TO THE PAYMENT OF
THE PRINCIPAL OF OR INTEREST ON THIS
BOND.

REGISTERED
No. ____

REGISTERED
\$ _____

United States of America
State of Texas

CITY OF LEANDER, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2014
OAK CREEK PUBLIC IMPROVEMENT DISTRICT

<u>INTEREST RATE</u>	<u>BOND DATE</u>	<u>MATURITY DATE</u>	<u>DATE OF DELIVERY</u>	<u>CUSIP NUMBER</u>
_____%	_____, 2014	_____, 20__	_____, 2014	_____

The City of Leander, Texas (the "City"), for value received, hereby promises to pay, solely from the Pledged Revenues, to

_____ or registered assigns, on the Maturity Date, as specified above, the sum of

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Date of Delivery, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on March 1 and September 1 of each year, commencing March 1, 2015.

Capitalized terms appearing herein that are defined terms in the Indenture defined below, have the meanings assigned to them in the Indenture. Reference is made to the Indenture for such definitions and for all other purposes.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Austin, Texas (the "Designated Payment/Transfer Office"), of BOKF, NA dba Bank of Texas, as trustee and paying agent/registrar (the "Trustee"), or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered

owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a "*Special Record Date*") will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "*Special Payment Date*," which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of a duly authorized issue of assessment revenue bonds of the City having the designation specified in its title (herein referred to as the "Bonds"), dated as of the date of delivery and issued in the aggregate principal amount of \$_____ and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of **October 16, 2014** (the "*Indenture*"), by and between the City and BOKF, NA dba Bank of Texas, as trustee (the "*Trustee*," which term includes any successor trustee under the Indenture), to which Indenture reference is hereby made for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder to the holders of the Bonds, the Trustee, and the City, and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each holder of this Bond hereby consents. All Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The Bonds are being issued for the purpose of (i) paying the Costs of the Projects, (ii) paying interest on the Bonds during and after the period of acquisition and construction of the Projects, (iii) making deposits to a reserve fund, a capitalized interest account, and a project fund, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuing the Bonds.

The Bonds are limited obligations of the City payable solely from the Pledged Revenues as defined in the Indenture. Reference is hereby made to the Indenture, copies of which are on file with and available upon request from the Trustee, for the provisions, among others, with respect to the nature and extent of the duties and obligations of the City,

the Trustee and the Owners. The Owner of this Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms, conditions and provisions of the Indenture.

Notwithstanding any provision hereof, the Indenture may be released and the obligation of the City to make money available to pay this Bond may be defeased by the deposit of money and/or certain direct or indirect Defeasance Securities sufficient for such purpose as described in the Indenture.

The Bonds are issuable as fully registered bonds only in denominations of \$25,000 and any multiple of \$5,000 in excess thereof ("Authorized Denominations").

The Bonds maturing on September 1 in the years 2028, 2038, and 2048 (collectively, "*Term Bonds*"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part a redemption price equal to the principal amount thereof plus accrued and unpaid interest thereon to the date set for redemption from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI of the Indenture, on the dates and in the respective sinking fund installments as set forth in the following schedule:

Term Bonds Maturing September 1, 2028

Redemption Date	Principal Amount
September 1, 2015	\$
September 1, 2016	
September 1, 2017	
September 1, 2018	
September 1, 2019	
September 1, 2020	
September 1, 2021	
September 1, 2022	
September 1, 2023	
September 1, 2024	
September 1, 2025	

September 1, 2026	
September 1, 2027	
September 1, 2028	\$

Term Bonds Maturing September 1, 2038

Redemption Date	Principal Amount
September 1, 2029	\$
September 1, 2030	
September 1, 2031	
September 1, 2032	
September 1, 2033	
September 1, 2034	
September 1, 2035	
September 1, 2036	
September 1, 2037	
September 1, 2038	\$

Term Bonds Maturing September 1, 2048

Redemption Date	Principal Amount
September 1, 2039	\$
September 1, 2040	
September 1, 2041	

September 1, 2042	
September 1, 2043	
September 1, 2044	
September 1, 2045	
September 1, 2046	
September 1, 2047	
September 1, 2048	\$

At least forty-five (45) days prior to each sinking fund redemption date, the Trustee shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Bonds of such maturity equal to the sinking fund installments of such Bonds to be redeemed, shall call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6 of the Indenture.

The principal amount of Bonds required to be redeemed on any sinking fund redemption date shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least 45 days prior to the sinking fund redemption date, shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The principal amount of Bonds required to be redeemed on any sinking fund redemption date shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Bonds which, at least 45 days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

The City reserves the right and option to redeem Bonds before their scheduled maturity date, in whole or in part, on any Interest Payment Date on or after _____ 15, 20__, such redemption date or dates to be fixed by the City, at the redemption price (expressed as a percentage of principal amount) applicable to the date of redemption falling

within the applicable redemption period, as set forth in the following schedule, plus accrued interest to the date of redemption:

<u>Redemption Period</u>	<u>Redemption Price</u>
_____ __, 20 through _____ __, 20	103%
_____ __, 20 through _____ __, 20	102%
_____ __, 20 through _____ __, 20	101%
_____ __, 20__ and thereafter	100%

Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, on the 15th day of any month, at a redemption price equal to the principal amount of the Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption from amounts on deposit in the Redemption Fund as a result (i) unexpended proceeds transferred under Section 6.5(d), (ii) Prepayments (including related transfers to the Redemption Fund as provided in Section 6.3(d)), (iii) transfers from the Prepayment Reserve under Section 6.7(d), (iv) transfers from the Delinquency Reserve under Section 6.7(e) or (v) transfers to the Redemption Fund pursuant to Section 6.7(l).

The Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown on the Register. The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed. Any notice so given shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

With respect to any optional redemption of the Bonds, unless the Trustee has received funds sufficient to pay the Redemption Price of the Bonds to be redeemed before giving of a notice of redemption, the notice may state the City may condition redemption on the receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient funds are not received, the notice shall be of no force and effect, the City shall not redeem the Bonds, and the Trustee shall give notice, in the manner in which the notice of redemption was given, that the Bonds have not been redeemed.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the City and the rights of the holders of the Bonds under the Indenture at any time Outstanding affected by such modification. The Indenture also contains provisions permitting the holders of specified percentages in aggregate principal amount of the Bonds at the time Outstanding, on behalf

of the holders of all the Bonds, to waive compliance by the City with certain past defaults under the Bond Ordinance or the Indenture and their consequences. Any such consent or waiver by the holder of this Bond or any predecessor Bond evidencing the same debt shall be conclusive and binding upon such holder and upon all future holders thereof and of any Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such consent or waiver is made upon this Bond.

As provided in the Indenture, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Trustee, and upon delivery to the Trustee of such certifications and/or opinion of counsel as may be required under the Indenture for the transfer of this Bond. Upon satisfaction of such requirements, one or more new fully registered Bonds of the same Stated Maturity, of Authorized Denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the City nor the Trustee shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within 45 calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond.

The City, the Trustee, and any other Person may treat the Person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the Person in whose name this Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond be overdue, and neither the City nor the Trustee shall be affected by notice to the contrary.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF LEANDER, TEXAS, WILLIAMSON COUNTY, TEXAS OR THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that the total indebtedness of the City, including the Bonds, does not exceed any Constitutional or statutory limitation.

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be executed under the official seal of the City.

City Secretary, City of Leander, Texas

Mayor, City of Leander, Texas

[SEAL]

(b) Form of Comptroller's Registration Certificate.

The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Bond:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO. _____
	§	
THE STATE OF TEXAS	§	

I HEREBY CERTIFY THAT there is on file and of record in my office a certificate to the effect that the Attorney General of the State of Texas has approved this Bond, and that this Bond has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts
of the State of Texas

[SEAL]

(c) Form of Certificate of Trustee.

CERTIFICATE OF TRUSTEE

It is hereby certified that this is one of the Bonds of the series of Bonds referred to in the within mentioned Indenture.

BOKF, NA, dba Bank of Texas,
as Trustee

DATED: _____

By: _____

Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto
(Please print name and address, including zip code, of Transferee)

(Social Security or other identifying information) _____
the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints
_____ attorney, to register the transfer of the within Bond on the books
kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Authorized Signatory

NOTICE: The signature on this Assignment
must correspond with the name of the Registered
Owner as it appears on the face of the within
Bond in every particular and must be guaranteed
in a manner acceptable to the Trustee

(e) The Initial Bond shall be in the form set forth in paragraphs (a) through (d) of
this section, except for the following alterations:

(i) immediately under the name of the Bond the heading "INTEREST
RATE" and "MATURITY DATE" shall both be completed with the expression "As
Shown Below," and the reference to the "CUSIP NUMBER" shall be deleted;

(ii) in the first paragraph of the Bond, the words "on the Maturity Date,
as specified above, the sum of _____ DOLLARS" shall be deleted and the following
will be inserted: "on September 1 in each of the years, in the principal installments and
bearing interest at the per annum rates set forth in the following schedule:

_____ Years	_____ Principal Amount	_____ Interest Rate
----------------	---------------------------	------------------------

(Information to be inserted from Section 3.2(b)); and

(iii) the Initial Bond shall be numbered T-1.

Section 5.3. CUSIP Registration.

The City may secure identification numbers through the CUSIP Service Bureau Division of Standard & Poor's Corporation, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the City nor the attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

Section 5.4. Legal Opinion.

The approving legal opinion of Bond Counsel may be printed on or attached to each Bond over the certification of the City Secretary of the City, which may be executed in facsimile.

ARTICLE VI

FUNDS AND ACCOUNTS

Section 6.1. Establishment of Funds and Accounts.

(a) Creation of Funds. The following Funds are hereby created and established under this Indenture:

- (i) Pledged Revenue Fund;
- (ii) Bond Fund;
- (iii) Project Fund;
- (iv) Reserve Fund;
- (v) Redemption Fund;
- (vi) Rebate Fund;
- (vii) Administrative Fund; and
- (viii) Developer Property Tax Reserve Fund.

(b) Creation of Accounts and Subaccounts.

(i) The following Accounts are hereby created and established under the Bond Fund:

- (A) Capitalized Interest Account; and
- (B) Principal and Interest Account.

(ii) The following Accounts are hereby created and established under the Reserve Fund:

- (A) Reserve Account;
- (B) Prepayment Reserve Account; and
- (C) Delinquency Reserve Account.

(iii) The following Accounts and Subaccounts are hereby created and established under the Project Fund:

- (A) Bond Improvement Account, and under such Account, a Retainage Subaccount;
- (B) Developer Improvement Account, and under such Account, a Retainage Subaccount; and
- (C) Costs of Issuance Account.

(c) Each Fund, each Account and each Subaccount created within such Fund shall be maintained by the Trustee separate and apart from all other funds and accounts of the City. The Pledged Funds shall constitute trust funds which shall be held in trust by the Trustee as part of the Trust Estate solely for the benefit of the Owners of the Bonds. The Developer Improvement Account (including the Retainage Subaccount therein) shall constitute a trust fund which shall be held in trust by the Trustee solely for the benefit of the City. The Developer Improvement Account (including the Retainage Subaccount therein) shall not be part of the Trust Estate and shall not be security for the Bonds. Amounts in the Developer Improvement Account (including the Retainage Subaccount therein) shall not be used to pay the principal of or interest on the Bonds. Amounts on deposit in the Funds, Accounts and Subaccounts shall be used solely for the purposes set forth herein.

(d) Interest earnings and profit on each respective Fund and Account established by this Indenture shall be applied or withdrawn for the purposes of such Fund or Account as specified below.

Section 6.2. Initial Deposits to Funds and Accounts.

(a) The proceeds from the sale of the Bonds shall be paid to the Trustee and deposited or transferred by the Trustee as follows:

- (i) to the Capitalized Interest Account of the Bond Fund: \$_____;
- (ii) to the Reserve Account of the Reserve Fund: \$_____;
- (iii) to the Costs of Issuance Account of the Project Fund: \$_____;
- (iv) to the Bond Improvement Account of the Project Fund: \$_____; and
- (v) to the Administrative Fund: \$10,000,

(b) The Developer contribution for payment of Costs of Improvements from the Construction Loan prior to the release of Bond proceeds shall be evidenced by one or more Certifications for Payment presented to the Trustee. The Trustee shall transfer from the Bond Improvement Account of the Project Fund to the Developer Improvement Account of the Project Fund such amounts as determined from the Certifications of Payment. Such amounts shall then be disbursed to the Developer pursuant to Section 4.04 of the Financing Agreement. It is the intent of the City that this provision evidence the City's intention to make such reimbursements under Treas. Reg. Section 1.150-2 and Section 1201.042, Texas Government Code to the extent that such qualifying expenditures, if any, by the Developer for costs associated with the Improvements occur up to sixty days prior to the date of the Bond Ordinance.

Section 6.3. Pledged Revenue Fund.

(a) Immediately upon receipt thereof, the City shall deposit or cause to be deposited the Bond Special Assessment Revenues into the Pledged Revenue Fund.

(b) From time to time as needed to pay the obligations relating to the Bonds, but no later than five (5) Business Days before each Interest Payment Date, the Trustee shall withdraw from the Pledged Revenue Fund and transfer to the Principal and Interest Account of the Bond Fund, an amount, taking into account any amounts then on deposit in such Principal and Interest Account and any expected transfers from the Capitalized Interest Account to the Principal and Interest Account, such that the amount on deposit in the Principal and Interest Account equals the principal (including any Sinking Fund Installments) and interest due on the Bonds on the next Interest Payment Date.

(c) If, after the foregoing transfers and any transfer from the Reserve Fund as provided in Section 6.7, there are insufficient funds to make the payments provided in paragraph (b) above, the Trustee shall apply the available funds in the Principal and Interest Account first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Bonds.

(d) The Trustee shall transfer Prepayments to the Redemption Fund promptly after deposit of such amounts into the Pledged Revenue Fund.

(e) The Trustee shall transfer Foreclosure Proceeds relating to Bond Special Assessments first to the Reserve Fund to restore any transfers from the Reserve Fund made with respect to the Assessed Parcel or Assessed Parcels to which the Foreclosure Proceeds relate, and second, to the Redemption Fund promptly after deposit of such amounts into the Pledged Revenue Fund.

(f) Any Special Assessments remaining after no Bonds are Outstanding may be used for any lawful purpose for which Special Assessments may be used under the PID Act.

Section 6.4. Bond Fund.

(a) On each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account and transfer to the Paying Agent/Registrar the principal (including any Sinking Fund Installments) and interest then due and payable on the Bonds, less any amount to be used to pay interest on the Bonds on such Interest Payment Date from the Capitalized Interest Account as provided below.

(b) If amounts in the Principal and Interest Account are insufficient for the purposes set forth in paragraph (a) above, the Trustee shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the Paying Agent/Registrar.

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

<u>Date</u>	<u>Amount</u>
-------------	---------------

Any amounts on deposit to the Capitalized Interest Account after the payment of interest on the dates and in the amounts listed above shall be transferred to the Project Fund, or if the Project Fund has been closed as provided in Section 6.5(d), such amounts shall be

transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

Section 6.5. Project Fund.

(a) Money on deposit in the Project Fund shall be used for the purposes specified in Section 3.1.

(b) Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more City Certificates. Disbursements from all other Accounts or Subaccounts in the Project Fund to pay Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certification for Payment. Transfers of Retainage into a Retainage Subaccount and disbursements of Retainage shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certification for Payment. The disbursement and transfer of funds in the Project Fund pursuant to a Certification for Payment shall be pursuant to and in accordance with the disbursement procedures described in Article IV of the Financing Agreement as modified herein. Such provisions and procedures relating to such disbursement, and no other provisions of the Financing Agreement, in the Financing Agreement are herein incorporated by reference and deemed set forth herein in full.

(c) Except as provided in Section 6.5(d), (f) and (g), money on deposit in the Bond Improvement Account and in the Developer Improvement Account shall be used solely to pay Costs of the Improvements. Pursuant to Section 4.02 and Section 4.03 of the Financing Agreement, the Trustee shall pay Costs of the Improvements, first, from funds in the Bond Improvement Account until such Account is depleted and, second, from funds on deposit in the Developer Improvement Account. Provided; however, no money from Bond proceeds may be paid to the Developer until such time as the Developer has expended all Construction Loan Proceeds for Infrastructure Improvements as provided in Section 4.04 of the Financing Agreement.

- (i) At such time as the Construction Loan Proceeds have been fully disbursed, Developer shall deliver to the City and Trustee an accounting of the Construction Loan Proceeds disbursed and the costs to which they were applied, which accounting shall include (1) the amount of the disbursements attributable to the Improvements (the “Public Improvement Portion”) and (2) the amount of the disbursements attributable to the TIRZ Improvements.
- (ii) After delivery of such accounting of the Construction Loan Proceeds, Developer shall be reimbursed for the Public Improvement Portion by submitting a Certification of Payment for the Public Improvement Portion

and otherwise complying with the provisions of Section 4.02 and Section 4.03 of the Financing Agreement, as applicable. The Public Improvement Portion being reimbursed to Developer shall be transferred from the Bond Improvement Account and deposited into the Developer Improvement Account within the Project Fund.

- (iii) Once the Public Improvement Portion has been deposited into the Developer Improvement Account, the funds in the Developer Improvement Account shall be disbursed by Trustee pursuant to Sections 4.02 and 4.03 of the Financing Agreement, as applicable, to pay (or reimburse) Developer for the costs incurred for the Improvements so that such payment can be used to complete the design and construction of the TIRZ Improvements. The Bond proceeds shall not be used to pay for any portion of the TIRZ Improvements.

(d) If the City Representative determines in his or her sole discretion that amounts then on deposit in the Project Fund are not expected to be expended for purposes of the Project Fund due to the abandonment, or constructive abandonment, of one or more of the Projects such that, in the opinion of the City Representative, it is unlikely that the amounts in the Project Fund will ever be expended for the purposes of the Project Fund, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Project Fund that are not expected to be used for purposes of the Project Fund. If such City Certificate is so filed, the amounts on deposit in the Project Fund (other than in the Developer Improvement Account) shall be transferred to the Redemption Fund to redeem Bonds on the earliest practicable date after notice of redemption has been provided in accordance with the Indenture.

(e) In making any determination pursuant to this Section, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

(f) Upon the filing of a City Certificate stating that all Projects have been completed and that all Costs of the Projects have been paid, or that any such Costs are not required to be paid from the Project Fund pursuant to a Certification for Payment, the Trustee shall transfer the amount, if any, remaining within the Project Fund (other than in the Developer Improvement Account) to the Bond Fund or to the Redemption Fund as directed by the City Representative in a City Certificate filed with the Trustee, and the amounts on deposit in the Developer Improvement Account shall be transferred and released pursuant to Section 6.5(h). Upon such transfers, the Project Fund shall be closed.

(g) Any amounts in the Developer Improvement Account to be transferred and released pursuant to Section 6.5(c), (d), or (f) shall be irrevocably and unconditionally

transferred and released to the Developer, or to the Developer's successors and assigns or designees as identified in a written notice from the Developer to the Trustee and the City. The City and the Trustee shall solely and conclusively rely as to payment of amounts released from the Developer Improvement Account on any such written notice from the Developer as to their successors and assigns or designees. The City shall provide written notice of the release to the Trustee and Developer, or to the Developer's successors and assigns.

(h) Upon a determination by the City Representative that all costs of issuance of the Bonds have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to another Account or Subaccount in the Project Fund and used to pay Costs or to the Principal and Interest Account and used to pay interest on the Bonds, as directed in a City Certificate filed with the Trustee.

Section 6.6. Redemption Fund.

The Trustee shall cause to be deposited to the Redemption Fund from the Pledged Revenue Fund an amount sufficient to redeem Bonds as provided in Sections 4.3 and 4.4 on the dates specified for redemption as provided in Sections 4.3 and 4.4. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds as provided in Article IV.

Section 6.7. Reserve Fund.

(a) All amounts deposited in the Reserve Account of the Reserve Fund shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund as provided in this Indenture.

(b) Whenever a transfer is made from the Reserve Account of the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Trustee shall provide written notice thereof to the City, specifying the amount withdrawn and the source of said funds.

(c) Whenever, on any Interest Payment Date, or on any other date at the request of a City Representative, the value of cash and Value of Investment Securities on deposit in the Reserve Account exceeds the Reserve Fund Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Bonds on the next Interest Payment Date in accordance with Section 6.4, unless within thirty (30) days of such notice to the City Representative, the Trustee receives a City Order instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8, or (ii) to the Project Fund to pay Costs if such application and the expenditure of funds is expected to occur within three (3) years of the date hereof.

(d) An auxiliary account known as the Prepayment Reserve Account is established

and will initially be funded at Zero Dollars. The Trustee will transfer from the Pledged Revenue Fund on March 1 and September 1 of each year, commencing March 1, 2016, after payment of principal of and interest on the Bonds due and payable on such dates, an amount equal to forty percent (40%) of the Excess Interest Rate (as defined in the Service and Assessment Plan) to accumulate and maintain an amount equal to the Prepayment Reserve Requirement in the Prepayment Reserve Account. In calculating the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on the Annual Installments as shown on the Assessment Roll in the Service and Assessment Plan unless it receives a City Order specifying that a different amount be used. The City shall provide a City Certificate instructing the Trustee as to the amount to be transferred to the Prepayment Reserve Account. The Trustee may conclusively rely on such City Certificate.

(e) An auxiliary account known as the Delinquency Reserve Account is established and will initially be funded at Zero Dollars. The Trustee shall also deposit from the Pledged Revenue Fund to the Delinquency Reserve Account on March 1 and September 1 of each year, commencing March 1, 2016, after payment of principal of and interest on the Bonds due and payable on such dates, an amount equal to sixty percent (60.0%) of the Excess Interest Rate (as defined in the Service and Assessment Plan) to accumulate and maintain an amount equal to the Delinquency Reserve Requirement in the Delinquency Reserve Account. In calculating the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on the Annual Installments as shown on the Assessment Roll in the Service and Assessment Plan unless it receives a City Order specifying that a different amount be used. The City shall provide a City Certificate instructing the Trustee as to the amount to be transferred to the Delinquency Reserve Account. The Trustee may conclusively rely on such City Certificate.

(f) Whenever Bonds are to be redeemed pursuant to Section 4.4, a proportionate amount in the Reserve Account of the Reserve Fund shall be transferred on the Business Day prior to the redemption date by the Trustee to the Redemption Fund to be applied to the redemption of the Bonds. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to a percentage of the amount of the Bonds redeemed with such percentage equal to the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund, as a percentage of the Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund, as a percentage of the Outstanding Bonds prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayment toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption of the Bonds to be redeemed as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall from the Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

(g) Moneys on deposit in the Prepayment Reserve Account up to the Prepayment Reserve Requirement may be used to pay debt service on the Bonds in the event that amounts on deposit in Bond Fund, the Reserve Account and the Delinquency Reserve account are

insufficient for such purpose and as directed by a City Order for the purposes of payment of Administrative Expenses in the event that amounts on deposit in the Administrative Fund are insufficient for such purpose. The amounts set forth in such City Order shall be transferred to the Administrative Fund to be used for such purposes. Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the value of cash and Value of Investment Securities on deposit in the Prepayment Reserve Account exceeds the Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess (the "Excess Prepayment Reserve Amount"). The Excess Prepayment Reserve Amount shall be transferred, at the direction of the City pursuant to a City Order, to the Administrative Fund for the payment of Administrative Expenses or to the Redemption Fund in order to effect the redemption of Bonds pursuant to Section 4.4. In the event that the Trustee does not receive a City Order directing the transfer of the Excess Prepayment Reserve Amount to the Administrative Fund within 45 days of providing notice to the City of such Excess Prepayment Reserve Amount, the Trustee shall transfer the Excess Prepayment Reserve Amount to the Redemption Fund and redeem Bonds pursuant to Section 4.4 hereof.

(h) Moneys in the Delinquency Reserve Account up to the Delinquency Reserve Requirement may be used to pay debt service on the Bonds in the event that amounts on deposit in Bond Fund and the Reserve Account are insufficient for such purpose and as directed by a City Order for the purposes of payment of Administrative Expenses in the event that amounts on deposit in the Administrative Fund are insufficient for such purpose. The amounts set forth in such City Order shall be transferred to the Administrative Fund to be used for such purposes. Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the value of cash and Value of Investment Securities on deposit in the Delinquency Reserve Account exceeds the Delinquency Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess (the "Excess Delinquency Reserve Amount"). The Excess Delinquency Reserve Amount shall be transferred, at the direction of the City pursuant to a City Order, to the Administrative Fund for the payment of Administrative Expenses or to the Redemption Fund in order to effect the redemption of Bonds pursuant to Section 4.4. In the event that the Trustee does not receive a City Order directing the transfer of the Excess Delinquency Reserve Amount to the Administrative Fund within 45 days of providing notice to the City of such Excess Delinquency Reserve Amount, the Trustee shall transfer the Excess Delinquency Reserve Amount to the Redemption Fund and redeem Bonds pursuant to Section 4.4 hereof.

(i) Whenever, on any principal payment date or Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds due on such date, the Trustee shall transfer first from the Delinquency Reserve Account of the Reserve Fund, second from the Reserve Account of the Reserve Fund and third from the Prepayment Reserve Account to the Bond Fund the amounts necessary to cure such deficiency.

(j) At the final maturity of the Bonds, the amount on deposit in the Reserve Account, the Prepayment Reserve Account and the Delinquency Reserve Account shall be transferred to the Redemption Fund and applied to the payment of the principal of the Bonds.

(k) If, after a Reserve Account withdrawal, the amount on deposit in the Reserve

Account is less than the Reserve Fund Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account the amount of such deficiency, but only to the extent that such amount is not required for the timely payment of principal, interest, or Sinking Fund Installments.

(l) If the amount held in the Reserve Fund together with the amount held in the Pledged Revenue Fund, the Bond Fund and Redemption Fund is sufficient to pay the principal amount and of all Outstanding Bonds on the next date the Bonds may be optionally redeemed by the City at a redemption price of par, together with the unpaid interest accrued on such Bonds as of such date, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds on such date.

Section 6.8. Rebate Fund: Rebatable Arbitrage.

(a) The Rebate Fund is to be held by the Trustee in accordance with the terms and provisions of this Indenture. Amounts on deposit in the Rebate Fund shall be used solely for the purpose of paying amounts due the United States Government in accordance with the Code. The Rebate Fund shall not be part of the Trust Estate and shall not be security for the Bonds.

(b) In order to assure that Rebatable Arbitrage is paid to the United States rather than to a third party, investments of funds on deposit in the Rebate Fund shall be made in accordance with the Code and the Tax Certificate.

(c) The Trustee conclusively shall be deemed to have complied with the provisions of this Section and shall not be liable or responsible if it follows the instructions of the City and shall not be required to take any action under this Section in the absence of instructions from the City.

(d) If, on the date of each annual calculation, the amount on deposit in the Rebate Fund exceeds the amount of the Rebatable Arbitrage, the City may direct the Trustee, pursuant to a City Order, to transfer the amount in excess of the Rebatable Arbitrage to the Bond Fund.

Section 6.9. Administrative Fund.

(a) Immediately upon receipt thereof, the City shall deposit or cause to be deposited to the Administrative Fund the Administrative Expenses Special Assessment Revenues.

(b) Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered hereunder and used as directed by a City Order solely for the purposes set forth in the Service and Assessment Plan, including payment of Administrative Expenses. The Administrative Fund shall not be part of the Trust Estate and shall not be security for the Bonds.

Section 6.10. Developer Property Tax Reserve Fund.

(a) The Developer shall deposit or cause to be deposited \$_____ into the Developer Property Tax Reserve Fund prior to the issuance of the Bonds. Prior to the Developer Property Tax Reserve Fund Release Date, and upon receipt by the Trustee of a City Order specifying (1) the amount to be transferred and (2) the dates on which such transfer shall be made, funds deposited in the Developer Property Tax Reserve Fund shall be transferred by the Trustee in an aggregate amount equal to all outstanding Developer Property Tax Delinquency Amounts to the City for payment of the related unpaid delinquent ad valorem taxes levied by any taxing entity on any property in the District and any penalties, costs and interest related thereto. The City shall use amounts received by the Trustee from the Developer Property Tax Reserve Fund solely for payment of outstanding Developer Property Tax Delinquency Amounts and any penalties, costs and interest related thereto, all in accordance with the Redemption Waiver Agreement. Prior to the Developer Property Tax Reserve Fund Release Date, upon any transfer of funds deposited in the Developer Property Tax Reserve Fund to the City in accordance with this clause (a), the Developer shall deposit or cause to be deposited an equivalent amount of funds into the Developer Property Tax Reserve Fund to replenish such Developer Property Tax Reserve Fund, all in accordance with the Redemption Waiver Agreement.

(b) Any amounts deposited in the Developer Property Tax Reserve Fund shall be released, except during the occurrence of an ongoing current Event of Default, on or after March 1 of the first year after the tax year in which no property in the District is subject to an agriculture valuation for purposes of ad valorem taxes levied by any taxing entity (the "Developer Property Tax Fund Release Date"). Such amounts shall be released only upon the filing of evidence satisfactory to the City of payment of all ad valorem taxes due and owing with respect to property in the District subject to an agriculture valuation. The City shall provide the Trustee with a City Certificate to this effect, upon which the Trustee may conclusively rely.

At such time as the conditions for release above are met, any amounts deposited in the Developer Property Tax Reserve Fund shall be irrevocably and unconditionally released to the Developer, or to the Developer's successors and assigns or designees as identified in a written notice from the Developer to the Trustee and the City. The City and the Trustee shall solely and conclusively rely as to payment of amounts released from the Developer Property Tax Reserve Fund on any such written notice from the Developer as to its successors and assigns or designees.

Section 6.11. Investment of Funds.

(a) Money in any Fund or Account, other than the Reserve Account, shall be invested by the Trustee as directed by the City pursuant to a City Order filed with the Trustee in Investment Securities; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund or Account will be

available at the proper time or times. Money in the Reserve Account shall be invested in such Investment Securities as directed by the City pursuant to a City Order filed with the Trustee, maturing on the earlier of a date or dates not later than (1) the date of maturity of the last Bond then Outstanding or (2) five (5) years after the date of the investment. Such investments shall be valued each year in terms of the Value of Investment Securities as of December 31. For purposes of maximizing investment returns, to the extent permitted by law, money in the Funds and Accounts may be invested in common investments of the kind described above, or in a common pool of such investment which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold to prevent any default.

(b) Obligations purchased as an investment of moneys in any Fund or Account shall be deemed to be part of such Fund or Account, subject, however, to the requirements of this Indenture for transfer of interest earnings amid profits resulting from investment of amounts in Funds and Accounts. Whenever in this Indenture any moneys are required to be transferred by the City to the Trustee, such transfer may be accomplished by transferring a like amount of Investment Securities.

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee shall not incur any liability for losses arising from any investments made pursuant to this Section. The Trustee shall not be required to determine the legality of any investments.

(d) Investments in any and all Funds and Accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular Funds or Accounts of amounts received or held by the Trustee hereunder, provided that the Trustee shall at all times account for such investments strictly in accordance with the Funds and Accounts to which they are credited and otherwise as provided in this Indenture.

(e) The Trustee will furnish the City periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

Section 6.12. Security of Funds.

All Funds heretofore created or reaffirmed, to the extent not invested as herein permitted, shall be secured in the manner and to the fullest extent required by law for the security of public funds, and such Funds shall be used only for the purposes and in the manner permitted or required by this Indenture.

ARTICLE VII

COVENANTS

Section 7.1. **Confirmation of Assessments.**

The City hereby confirms, covenants, and agrees that, in the Assessment Ordinance, it has levied the Special Assessments against the respective Assessed Parcels from which the Bond Special Assessment Revenues will be collected and received.

Section 7.2. **Collection and Enforcement of Assessments.**

(a) For so long as any Bonds are Outstanding, the City covenants, agrees and warrants that it will take and pursue all actions permissible under Applicable Laws to cause the Special Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement or exemption in the Special Assessments.

(b) To the extent permitted by law, notice of the Annual Installments shall be sent by, or on behalf of the City, to the affected property owners on the same statement or such other mechanism that is used by the City, so that such Annual Installments are collected simultaneously with ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City.

(c) The City will determine or cause to be determined, no later than _____ of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Special Assessment or the corresponding Assessed Parcel.

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

Section 7.3. **Covenant Against Encumbrances.**

(a) The City shall not create and, to the extent Pledged Revenues are received, shall not suffer to remain, any lien, encumbrance or charge upon the Pledged Revenues or upon any other property pledged under this Indenture, except the pledge created for the security of the Bonds, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

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

Section 7.4. Records, Accounts, Accounting Reports.

The City hereby covenants and agrees that so long as any of the Bonds or Outstanding Bonds or any interest thereon remain outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts pertaining to the Special Assessments. The Trustee and holder or holders of any Bonds or any duly authorized agent or agents of such holders shall have the right at all reasonable times to inspect all such records, accounts, and data relating thereto, upon written request to the City by the Trustee or duly authorized representative, as applicable. The City shall provide the Trustee or duly authorized representative, as applicable, an opportunity to inspect such books and records relating to the Bonds during the City's regular business hours and on a mutually agreeable date not later than thirty (30) days after the City receives such request.

Section 7.5. Covenants Regarding Tax Exemption of Interest on Bonds.

(a) The City covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Bonds as an obligation described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Article or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" that is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount that is greater than the lesser

of \$5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action that would otherwise result in the Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds that were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) that produces a materially higher yield over the term of the Bonds, other than investment property acquired with –

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, in the case of an advance refunding bond, for a period of 30 days or less until such proceeds are needed for the purpose for which the Bonds are issued, and in the case of a current refunding bond, for a period of 90 days or less,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(7) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings); and

(8) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) any Rebatale Arbitrage.

(b) In order to facilitate compliance with the above covenant (a)(8), the Rebate Fund is established by the City pursuant to Section 6.1 for the sole benefit of the United States of America, and such Rebate Fund shall not be subject to the claim of any other

person, including without limitation the Registered Owner. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code. To meet the requirement of covenant (a)(8)

- (i) the City shall calculate the amount of Rebatable Arbitrage, if any, in accordance with rules set forth in section 148(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final computation date, and
- (ii) the City shall, pursuant to a City Order, direct the Trustee to transfer to the Rebate Fund from the funds or subaccounts designated in such City Order and direct the Trustee to pay to the United States from the Rebate Fund the amount of Rebatable Arbitrage. In all cases, the payments of Rebatable Arbitrage shall be made at the times, in the installments, to the place and in the manner as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(c) The City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto (the "*Treasury Regulations*"). In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Bonds, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Bonds, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Mayor to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, that may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) The City covenants to account for the expenditure of sale proceeds and investment earnings to be used for Costs of the Projects on its books and records in accordance with the requirements of the Code. The City recognizes that in order for the proceeds to be

considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within eighteen (18) months of the later of the date that (1) the expenditure is made, or (2) the Projects are completed; but in no event later than three (3) years after the date on which the original expenditure is paid. The foregoing notwithstanding, the City recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than sixty (60) days after the earlier of (1) the fifth (5th) anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired. The City agrees to obtain the advice of nationally recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) The City covenants that the projects funded with the proceeds of the Bonds will not be sold or otherwise disposed of in a transaction resulting in the receipt by the City of cash or other compensation, unless the City obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains a legal opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

ARTICLE VIII

LIABILITY OF CITY

Section 8.1. Liability of City.

(a) The City shall not incur any responsibility in respect of the Bonds or this Indenture other than in connection with the duties or obligations explicitly herein or in the Bonds assigned to or imposed upon it. The City shall not be liable in connection with the performance of its duties hereunder, except for its own willful default or act of bad faith. The City shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements of the Trustee herein or of any of the documents executed by the Trustee in connection with the Bonds, or as to the existence of a default or event of default thereunder.

(b) In the absence of bad faith, the City may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the City and conforming to the requirements of this Indenture. The City shall not be liable for any error of judgment made in good faith unless it shall be proved

that it was negligent in ascertaining the pertinent facts.

(c) No provision of this Indenture, the Bonds, the Assessment Ordinance, or any agreement, document, instrument, or certificate executed, delivered or approved in connection with the issuance, sale, delivery, or administration of the Bonds (the "*Bond Documents*"), shall require the City to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Pledged Revenues and the Administrative Expenses Special Assessments) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of the City there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

(d) Neither the Owners nor any other Person shall have any claim against the City or any of its officers, officials, agents, or employees for damages suffered as a result of the City's failure to perform in any respect any covenant, undertaking, or obligation under any Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent that any such claim relates to an obligation, undertaking, representation, or covenant of the City, in accordance with the Bond Documents and the PID Act. Any such claim shall be payable only from Pledged Revenues or the Administrative Expenses Special Assessment Revenues. Nothing contained in any of the Bond Documents shall be construed to preclude any action or proceeding in any court or before any governmental body, agency, or instrumentality against the City or any of its officers, officials, agents, or employees to enforce the provisions of any of the Bond Documents or to enforce all rights of the Owners of the Bonds by mandamus or other proceeding at law or in equity.

(e) The City may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The City may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever in the administration of its duties under this Indenture the City shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the City, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector or City Manager or other person designated by the City Council to so act on behalf of the City, and such certificate shall be full warrant to the City for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the City may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

(f) In order to perform its duties and obligations hereunder, the City may employ such persons or entities as it deems necessary or advisable. The City shall not be liable for any of

the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the Opinions, calculations, determinations, and directions of such persons or entities.

ARTICLE IX

THE TRUSTEE

Section 9.1. Acceptance of Trust; Trustee as Registrar and Paying Agent.

(a) The Trustee accepts and agrees to execute the respective trusts imposed upon it by this Indenture, but only upon the terms and conditions and subject to the provisions of this Indenture to all of which the parties hereto and the respective Owners of the Bonds agree.

(b) The Trustee is hereby designated and agrees to act as Paying Agent/Registrar for and in respect to the Bonds.

Section 9.2. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction by the Owners against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct; provided, however, that in no event shall the Trustee request or require indemnification as a condition to making any deposits, payments or transfers when required hereunder, or to deliver any notice when required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as the Trustee, without indemnity, and in such case the Trustee may make transfers from the Pledged Revenue Fund to pay all costs and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall be entitled to a preference therefor over any Bonds Outstanding hereunder.

Section 9.3. Responsibilities of the Trustee.

(a) The recitals contained in this Indenture and in the Bonds shall be taken as the statements of the City and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or the Bonds or with respect to the security afforded by this Indenture, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in

this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to the City or others in accordance with this Indenture, except as to the application of any moneys paid to it in its capacity as Trustee; or (iv) any calculation of arbitrage or rebate under the Code.

(b) The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture.

(c) The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture, except for its own negligence or willful misconduct.

Section 9.4. Property Held in Trust.

All moneys and securities held by the Trustee at any time pursuant to the terms of this Indenture shall be held by the Trustee in trust for the purposes and under the terms and conditions of this Indenture.

Section 9.5. Trustee Protected in Relying on Certain Documents.

(a) The Trustee may rely upon any order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond, or other document provided to the Trustee in accordance with the terms of this Indenture that it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or Person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, or upon the written opinion of any counsel, architect, engineer, insurance consultant, management consultant, or accountant believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry into any statements contained or matters referred to in any such instrument. Subject to Sections 9.1 and 9.3, the Trustee may consult with counsel selected by the Trustee with due care, who may or may not be Bond Counsel, and any advice from such counsel with respect to compliance with the provisions of this Indenture shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder, reasonably and in good faith, in accordance with such advice.

(b) Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter may be deemed to be conclusively proved and established by a City Certificate, unless other evidence in respect thereof be hereby specifically prescribed. Such City Certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but in its discretion the Trustee may in lieu thereof accept other evidence

of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice, or other direction required or permitted to be furnished pursuant to any provision hereof by the City to the Trustee shall be sufficiently executed if executed in the name of the City by the City Representative.

(c) The Trustee shall not be under any obligation to see to the recording or filing of this Indenture, or otherwise to the giving to any Person of notice of the provisions hereof except as expressly required in Section 9.13.

Section 9.6. Compensation.

Unless otherwise provided by contract with the Trustee, the Trustee shall transfer from the Administrative Fund, from time to time, reasonable compensation for all services rendered by it hereunder, including its services as Paying Agent/Registrar, together with all its reasonable expenses, charges, and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, all pursuant to a City Order and subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by such City Order, and the Trustee shall have a lien therefor on any and all funds at any time held by it hereunder prior to any Bonds Outstanding. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if in the judgment of the Trustee there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it. If the City shall fail to make any payment required by this Section, the Trustee may make such payment from any moneys in its possession under the provisions of this Indenture and shall be entitled to a preference therefor over any Bonds Outstanding hereunder.

Section 9.7. Permitted Acts.

The Trustee and its directors, officers, employees, or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds and may join in any action that any Owner of Bonds may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the City or any committee formed to protect the rights of holders of Bonds or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not such committee shall represent the holders of a majority of the Bonds.

Section 9.8. Resignation of Trustee.

The Trustee may at any time resign and be discharged of its duties and obligations

hereunder by giving not fewer than 30 days' notice, specifying the date when such resignation shall take effect, to the City and each Owner of any Outstanding Bond. Such resignation shall take effect upon the appointment of a successor as provided in Section 9.10 and the acceptance of such appointment by such successor.

Section 9.9. Removal of Trustee.

The Trustee may be removed at any time by (i) the Owners of at least a majority of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to the City, or (ii) so long as the City is not in default under this Indenture, the City. Copies of each such instrument shall be delivered by the City to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the City or the Owners of not less than 10% of the Bonds.

Section 9.10. Successor Trustee.

(a) If the Trustee shall resign, be removed, be dissolved, or become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the position of the Trustee hereunder shall thereupon become vacant.

(b) If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed within one year after any such vacancy shall have occurred by the Owners of at least 25% of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the City.

(c) Until such successor Trustee shall have been appointed by the Owners of the Bonds, the City shall forthwith appoint a Trustee to act hereunder. Copies of any instrument of the City providing for any such appointment shall be delivered by the City to the Trustee so appointed. The City shall mail notice of any such appointment to each Owner of any Outstanding Bonds within 30 days after such appointment. Any appointment of a successor Trustee made by the City immediately and without further act shall be superseded and revoked by an appointment subsequently made by the Owners of Bonds.

(d) If in a proper case no appointment of a successor Trustee shall be made within 45 days after the giving by any Trustee of any notice of resignation in accordance with Section 9.8 or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner of Bonds may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such

00752459;13

notice, if any, as the court may deem proper, appoint such successor and the City shall be responsible for the costs of such appointment process.

(e) Any successor Trustee appointed under the provisions of this Section shall be a commercial bank or trust company or national banking association (i) having a capital and surplus and undivided profits aggregating at least \$50,000,000, if there be such a commercial bank or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms, and (ii) authorized by law to perform all the duties of the Trustee required by this Indenture.

(f) Each successor Trustee shall mail, in accordance with the provisions of the Bonds, notice of its appointment to the Trustee, any rating agency which, at the time of such appointment, is providing a rating on the Bonds and each of the Owners of the Bonds.

Section 9.11. Transfer of Rights and Property to Successor Trustee.

Any successor Trustee appointed under the provisions of Section 9.10 shall execute, acknowledge, and deliver to its predecessor and the City an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations, and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the City or of such successor, execute, acknowledge, and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers, and trusts of such Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and shall pay over, assign, and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing from the City be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties, or obligations, any and all such deeds, conveyances, and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged, and delivered by the City.

Section 9.12. Merger, Conversion or Consolidation of Trustee.

Any corporation or association into which the Trustee may be merged or with which it may be consolidated or any corporation or association resulting from any merger, conversion or consolidation to which it shall be a party or any corporation or association to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Trustee hereunder, without any further act, deed or conveyance, provided that such corporation or association shall be a commercial bank or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 9.10, or a trust company that is a wholly-owned subsidiary

00752459;13

of any of the foregoing.

Section 9.13. Trustee to File Continuation Statements.

If necessary, the Trustee shall file or cause to be filed, such continuation statements as may be required by the Texas Uniform Commercial Code, as from time to time in effect (the "UCC"), in order to continue perfection of the security interest of the Trustee in such items of tangible or intangible personal property and any fixtures as may have been granted to the Trustee pursuant to this Indenture in the time, place and manner required by the UCC.

Section 9.14. Construction of Indenture.

The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Owners of the Bonds. The Trustee is not responsible for the initial filing of any financing statement and is only responsible for filing continuation statements after it is provided copies of filed financing statements.

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. Amendments Permitted.

(a) This Indenture and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture, except as provided below, pursuant to the affirmative vote at a meeting of Owners of the Bonds, or with the written consent without a meeting, of the Owners of the Bonds of at least a majority of the aggregate principal amount of the Bonds then Outstanding. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation by the City of any pledge or lien upon the Pledged Revenues superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by Applicable Laws or this Indenture), or reduce the percentage of Bonds required for the amendment hereof. Any such amendment may not modify any of the rights or obligations of the Trustee without its written consent.

(b) This Indenture and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by law, and only for anyone or more

00752459;13

of the following purposes:

(i) to add to the covenants and agreements of the City in this Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the City;

(ii) to make modifications not adversely affecting any Outstanding Bonds in any material respect;

(iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in regard to questions arising under this Indenture, as the City and the Trustee may deem necessary or desirable and not inconsistent with this Indenture, and that shall not adversely affect the rights of the Owners of the Bonds; and

(iv) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Bonds.

Section 10.2. Owners' Meetings.

The City may at any time call a meeting of the Owners of the Bonds. In such event the City is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof, and to fix and adopt rules and regulations for the conduct of said meeting.

Section 10.3. Procedure for Amendment with Written Consent of Owners.

(a) The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds or of this Indenture, to the extent that such amendment is permitted by Section 10.1, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a request to Owners for their consent thereto, shall be mailed by first class mail, by the Trustee to each Owner of Bonds from whom consent is required under this Indenture, but failure to mail copies of such Supplemental Indenture and request shall not affect the validity of the Supplemental Indenture when assented to as in this Section provided.

(b) Such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the written consents of the Owners as required by this Indenture and a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 11.6. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof), unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this

Section provided for has been mailed.

(c) After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Indenture, the City shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Indenture, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Indenture or consents thereto). Proof of the mailing of such notice shall be filed with the Trustee. A record, consisting of the papers required by this Section 10.3 to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Indenture shall become effective upon the filing with the Trustee of the proof of mailing of such notice, and the Supplemental Indenture shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the City and the Owners of all Bonds at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

Section 10.4. Effect of Supplemental Indenture.

From and after the time any Supplemental Indenture becomes effective pursuant to this Article X, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties, and obligations under this Indenture of the City and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 10.5. Endorsement or Replacement of Bonds Issued After Amendments.

The City may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the designated office of the Trustee or at such other office as the City may select and designate for that purpose, a suitable notation shall be made on such Bond. The City may determine that new Bonds, so modified as in the opinion of the City is necessary to conform to such Owners' action, shall be prepared, executed, and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the designated office of the Trustee without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 10.6. Amendatory Endorsement of Bonds.

The provisions of this Article X shall not prevent any Owner from accepting any amendment as to the particular Bonds held by such Owner, provided that due notation thereof is made on such Bonds.

Section 10.7. Waiver of Default.

With the written consent of at least a majority in aggregate principal amount of the Bonds then Outstanding, the Owners may waive compliance by the City with certain past defaults under the Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners.

Section 10.8. Execution of Supplemental Indenture.

In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel addressed and delivered to the Trustee and the City stating that the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.1. Events of Default.

Each of the following occurrences or events shall be and is hereby declared to be an "Event of Default," to wit:

(i) The failure of the City to deposit the Pledged Revenue to the Pledged Revenue Fund;

(ii) The failure of the City to enforce the collection of the Special Assessments including the prosecution of foreclosure proceedings in accordance with Section 7.2; and

(iii) Default in the performance or observance of any covenant, agreement or obligation of the City under this Indenture and the continuation thereof for a period of 60 days after written notice specifying such default and requiring same to be remedied shall have been given to the City by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Owners of not less than 25% in principal

00752459;13

amount of the Bonds then Outstanding; provided, however, if the default stated in the notice is capable of cure but cannot reasonably be cured within the applicable period, the City shall be entitled to a further extension of time reasonably necessary to remedy such default so long as corrective action is instituted by the City within the applicable period and is diligently pursued until such failure is corrected, but in no event for a period of time of more than ninety (90) days after such notice.

Section 11.2. Immediate Remedies for Default.

(a) Subject to Article VIII, upon the happening and continuance of any of the Events of Default described in Section 11.1, then and in every such case the Trustee may proceed, and upon the written request of the Owners of not less than 25% in principal amount of the Bonds then Outstanding hereunder shall proceed, to protect and enforce the rights of the Owners under this Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted.

(b) PURSUANT TO SECTION 11.7, THE PRINCIPAL OF THE BONDS SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

(c) If the assets of the Trust Estate are sufficient to pay all amounts due with respect to Outstanding Bonds, in the selection of Trust Estate assets to be used in the payment of Bonds due under this Article, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Order, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Order, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale.

(d) Whenever moneys are to be applied pursuant to this Article XI, irrespective of and whether other remedies authorized under this Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate and as may be required by law and apply the proceeds thereof in accordance with the provisions of this Section. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City, and all other Persons claiming such

properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the judgment of the Trustee, proper for the purpose which may be designated in such request.

Section 11.3. Restriction on Owner's Action.

(a) No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust thereof or any other remedy hereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing as provided in Section 11.1, or of which by such Section it is deemed to have notice, (ii) such default has become an Event of Default and the Owners of 25% of the aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in Section 9.2, (iv) the Trustee has for 60 days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of a majority of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner provided herein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy hereunder.

(b) Subject to Article VIII, nothing in this Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond issued hereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed herein and in the Bonds.

(c) In case the Trustee or any Owners shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owners, then and in every such case the City, the Trustee and the Owners shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall

continue as if no such proceedings had been taken.

Section 11.4. Application of Revenues and Other Moneys After Default.

(a) All moneys, securities, funds and Pledged Revenues and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out this Indenture, during the continuance of an Event of Default, the Trustee, on behalf of the City, notwithstanding Section 11.2, be applied by the Trustee to the payment of interest and principal or Redemption Price then due on Bonds, as follows:

FIRST: To the payment to the Owners entitled thereto all installments of interest then due in the direct order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the Owners entitled thereto, without any discrimination or preference; and

SECOND: To the payment to the Owners entitled thereto of the unpaid principal of Outstanding Bonds, or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal due and to the Owners entitled thereto, without any discrimination or preference.

Within ten (10) days of receipt of such good and available funds, the Trustee may fix a record and payment date for any payment to be made to Owners pursuant to this Section 11.4.

(b) In the event funds are not adequate to cure any of the Events of Default described in Section 11.1, the available funds shall be allocated to the Bonds that are Outstanding in proportion to the quantity of Bonds that are currently due and in default under the terms of this Indenture.

(c) The restoration of the City to its prior position after any and all defaults have been cured, as provided in Section 11.3, shall not extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 11.5. Effect of Waiver.

No delay or omission of the Trustee, or any Owner, to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or the Owners, respectively, may be exercised from

time to time and as often as may be deemed expedient.

Section 11.6. Evidence of Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners of Bonds may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, or the holding by any Person of the Bonds shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

(i) The fact and date of the execution of such instruments by any Owner of Bonds or the duly appointed attorney authorized to act on behalf of such Owner may be provided by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate, or affidavit shall also constitute sufficient proof of his authority.

(ii) The ownership of Bonds and the amount, numbers and other identification and date of holding the same shall be proved by the Register.

(b) Except as otherwise provided in this Indenture with respect to revocation of a consent, any request or consent by an Owner of Bonds shall bind all future Owners of the same Bond in respect of anything done or suffered to be done by the City or the Trustee in accordance therewith.

Section 11.7. No Acceleration.

In the event of the occurrence of an Event of Default under Section 11.1, the right of acceleration of any Stated Maturity is not granted as a remedy hereunder and the right of acceleration under this Indenture is expressly denied.

Section 11.8. Mailing of Notice.

Any provision in this Article for the mailing of a notice or other document to Owners shall be fully complied with if it is mailed, first class postage prepaid, only to each Owner at the address appearing upon the Register.

Section 11.9. **Exclusion of Bonds.**

Bonds owned or held by or for the account of the City will not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Indenture, and the City shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Indenture.

ARTICLE XII

GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. **Representations as to Pledged Revenues.**

(a) The City represents and warrants that it is authorized by Applicable Laws to authorize and issue the Bonds, to execute and deliver this Indenture and to pledge the Pledged Revenues in the manner and to the extent provided in this Indenture, and that the Pledged Revenues are and will be and remain free and clear of any pledge, lien, charge, or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by this Indenture except as expressly provided herein.

(b) The City shall at all times, to the extent permitted by Applicable Laws, defend, preserve and protect the pledge of the Pledged Revenues and all the rights of the Owners and the Trustee, under this Indenture against all claims and demands of all Persons whomsoever.

(c) The City will take all steps reasonably necessary and appropriate, and will direct the Trustee to take all steps reasonably necessary and appropriate, to collect all delinquencies in the collection of the Special Assessments and any other amounts pledged to the payment of the Bonds to the fullest extent permitted by the Act and other Applicable Laws.

Section 12.2. **Accounts, Periodic Reports and Certificates.**

The Trustee shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Funds and Accounts established by this Indenture and which shall at all times be subject to inspection by the City, and the Owner or Owners of not less than 10% in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

Section 12.3. **General.**

The City shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under the provisions of this Indenture.

ARTICLE XIII

SPECIAL COVENANTS

Section 13.1. Further Assurances; Due Performance.

(a) At any and all times the City will duly execute, acknowledge and deliver, or will cause to be done, executed and delivered, all and every such further acts, conveyances, transfers, and assurances in a manner as the Trustee shall reasonably require for better conveying, transferring, pledging, and confirming unto the Trustee, all and singular, the revenues, Funds, Accounts and properties constituting the Pledged Revenues, and the Trust Estate hereby transferred and pledged, or intended so to be transferred and pledged.

(b) The City will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, contained in this Indenture.

Section 13.2. Other Obligations or Other Liens.

(a) The City reserves the right to issue obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from Pledged Revenues.

(b) The City will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, and will not do or omit to do or suffer to be or omitted to be done any matter or things whatsoever whereby the lien of this Indenture or the priority hereof might or could be lost or impaired; and further covenants that it will pay or cause to be paid or will make adequate provisions for the satisfaction and discharge of all lawful claims and demands which if unpaid might by law be given precedence over or any equality with this Indenture as a lien or charge upon the Pledged Revenues or Pledged Funds; provided, however, that nothing in this Section shall require the City to apply, discharge, or make provision for any such lien, charge, claim, or demand so long as the validity thereof shall be contested by it in good faith, unless thereby, in the opinion of Bond Counsel to the Trustee, the same would endanger the security for the Bonds.

Section 13.3. Books of Record.

(a) The City shall cause to be kept full and proper books of record and accounts, in which full, true and proper entries will be made of all dealing, business and affairs of the City, which relate to the Pledged Revenues, the Pledged Funds, and the Bonds.

(b) The Trustee shall have no responsibility with respect to the financial and other information received by it pursuant to this Section 13.3 except to receive and retain

same, subject to the Trustee's document retention policies, and to distribute the same in accordance with the provisions of this Indenture.

ARTICLE XIV

PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE

Section 14.1. Trust Irrevocable.

The trust created by the terms and provisions of this Indenture is irrevocable until the Bonds secured hereby are fully paid or provision is made for their payment as provided in this Article.

Section 14.2. Satisfaction of Indenture.

If the City shall pay or cause to be paid, or there shall otherwise be paid to the Owners, principal of and interest on all of the Bonds, at the times and in the manner stipulated in this Indenture, and all amounts due and owing with respect to the Bonds have been paid or provided for, then the pledge of the Trust Estate and all covenants, agreements, and other obligations of the City to the Owners of such Bonds, shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the City copies of all such documents as it may have evidencing that principal of and interest on all of the Bonds has been paid so that the City may determine if the Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the Funds and Accounts held hereunder to the Person entitled to receive such amounts, or, if no Person is entitled to receive such amounts, then to the City.

Section 14.3. Bonds Deemed Paid.

(a) Any Outstanding Bonds shall prior to the Stated Maturity or redemption date thereof be deemed to have been paid and to no longer be deemed Outstanding within the meaning of this Trust Indenture (a "*Defeased Debt*"), and particularly this Article XIV, when payment of the principal of, premium, if any, on such Defeased Debt, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, upon redemption, or otherwise), either (1) shall have been made in accordance with the terms thereof, or (2) shall have been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amount and at such times as will ensure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. Neither

Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, be reinvested in Defeasance Securities as directed by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

(b) Any determination not to redeem Defeased Debt that is made in conjunction with the payment arrangements specified in Section 4.5(a)(1) or (2) shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the City expressly reserves the right to call the Defeased Debt for redemption; (2) the City gives notice of the reservation of that right to the Owners of the Defeased Debt immediately following the defeasance; (3) the City directs that notice of the reservation be included in any defeasance or redemption notices that it authorizes; and (4) at or prior to the time of the redemption, the City satisfies the conditions of clause (a) of this Section 14.3 with respect to such Defeased Debt as though it was being defeased at the time of the exercise of the option to redeem the Defeased Debt, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

ARTICLE XV

MISCELLANEOUS

Section 15.1. Benefits of Indenture Limited to Parties.

Nothing in this Indenture, expressed or implied, is intended to give to any Person other than the City, the Trustee and the Owners, any right, remedy, or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Trustee.

Section 15.2. Successor is Deemed Included in All References to Predecessor.

Whenever in this Indenture or any Supplemental Indenture either the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 15.3. Execution of Documents and Proof of Ownership by Owners.

(a) Any request, declaration, or other instrument which this Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys duly appointed in writing.

(b) Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration, or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the Person signing such request, declaration, or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

(c) Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number, and date of holding the same shall be proved by the Register.

(d) Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the City or the Trustee in good faith and in accordance therewith.

Section 15.4. Waiver of Personal Liability.

No member, officer, agent, or employee of the City shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

Section 15.5. Notices to and Demands on City and Trustee.

(a) Except as otherwise expressly provided in this Indenture, all notices or other instruments required or permitted under this Indenture shall be in writing and shall be telexed, cabled, delivered by hand, or mailed by first class mail, postage prepaid, and addressed as follows:

If to the City:

City of Leander, Texas
200 W. Willis
Leander, Texas 78641
Attention: City Manager
Telephone: 512.528.2702
Fax: 512.259.1065

With Copies to:

Knight and Partners
Attorneys at Law

223 W. Anderson, Suite A-105
Austin, Texas 78752
Attention: Paige Saenz
Telephone: 512.323.5778
Fax: 512.323.5773

If to the Trustee
Or the Paying Agent/Registrar:

BOKF, NA dba Bank of Texas
Corporate Trust Services
100 Congress Avenue, Suite 250
Austin, Texas 78701
Attention: Jose Gaytan
Telephone: 512.813.2002
Fax: 512.813.2020

(b) Any such notice, demand, or request may also be transmitted to the appropriate party by telegram or telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

(c) Any of such addresses may be changed at any time upon written notice of such change given to the other party by the party effecting the change. Notices and consents given by mail in accordance with this Section shall be deemed to have been given five (5) Business Days after the date of dispatch; notices and consents given by any other means shall be deemed to have been given when received.

(d) The Trustee shall mail to each Owner of a Bond notice of (1) any substitution of the Trustee; or (2) the redemption or defeasance of all Bonds Outstanding.

Section 15.6. Partial Invalidity.

If any Section, paragraph, sentence, clause, or phrase of this Indenture shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The City hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause, or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that anyone or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

Section 15.7. Applicable Laws.

This Indenture shall be governed by and enforced in accordance with the laws of the State of Texas applicable to contracts made and performed in the State of Texas.

Section 15.8. Payment on Business Day.

In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to this Indenture is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day that is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 15.9. Amendments and Supplements to Financing Agreement.

The City and the Developer may amend and supplement the Financing Agreement from time to time without the consent or approval of the Owners or the Trustee.

Section 15.10. Counterparts.

This Indenture may be executed in counterparts, each of which shall be deemed an original.

[remainder of page left blank intentionally]

IN WITNESS WHEREOF, the City and the Trustee have caused this Indenture of Trust to be executed all as of the date hereof.

CITY OF LEANDER, TEXAS

By: _____
Mayor

[SEAL]

Attest:

City Secretary

BOKF, NA, dba Bank of Texas, as
Trustee

By: _____
Authorized Officer

By: _____
Authorized Officer

Signature Page to Indenture of Trust

EXHIBIT A

**DESCRIPTION OF THE PROPERTY WITHIN THE OAK CREEK
PUBLIC IMPROVEMENT DISTRICT**



**Professional Land Surveying, Inc.
Surveying and Mapping**

Office: 512-443-1724
Fax: 512-389-0943

3500 McCall Lane
Austin, Texas 78744

**125.575 AC.
WATERSTONE MICHELLE, L.P.**

A DESCRIPTION OF 125.575 ACRES (APPROXIMATELY 5,470,044 SQUARE FEET) IN THE CHARLES COCHRAN SURVEY, ABSTRACT NO. 134, IN WILLIAMSON COUNTY, TEXAS, BEING A PORTION OF A 164.466 ACRE TRACT DESCRIBED IN A SPECIAL WARRANTY DEED WITH VENDOR'S LIEN TO WATERSTONE MICHELLE, L.P., DATED AUGUST 5, 2004 AND RECORDED IN DOCUMENT NO. 2004063368 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 125.575 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a 1/2" rebar found for the southeast corner of the said 164.466 acre tract, being also the northeast corner of a 78.978 acre tract recorded in Document No. 2003003109 of the Official Public Records of Williamson County, Texas and being also in the west right-of-way line of US Highway 183 (right-of-way width varies);

THENCE South 75°04'10" West, with the south line of the 164.466 acre tract and the north line of the 78.978 acre tract, a distance of 603.40 feet to a 1/2" rebar with Chaparral cap set for the **POINT OF BEGINNING**;

THENCE with the south line of the 164.466 acre tract and the north line of the 78.978 acre tract, the following five (5) courses and distances:

1. South 75°04'10" West, a distance of 30.83 feet to a concrete monument found;
2. South 75°04'31" West, a distance of 1,312.45 feet to a concrete monument found;
3. South 75°07'18" West, a distance of 837.81 feet to a 1/2" rebar found;
4. South 80°22'18" West, a distance of 27.71 feet to 1/2" rebar found;
5. South 69°36'56" West, a distance of 21.77 feet to a 1/2" rebar found in the south line of the 164.466 acre tract, being also the northwest corner of the 78.978 acre tract, being also the northeast corner of Lot 68 Block A, Estates of North Creek Ranch Section Two, a subdivision of record in Cabinet V, Slide 293 of the Plat Records of Williamson County, Texas;

THENCE South 69°09'11" West with the south line of the 164.466 acre tract and the north line of the said Estates of North Creek Ranch Section Two, a distance of 369.12

feet to a 1/2" rebar with Stanley cap found for the southeast corner of Lot 1, Block A, Heritage Glen Section One, a subdivision of record in Cabinet CC, Slide 369 of the Plat Records of Williamson County, Texas;

THENCE crossing the 164.466 acre tract, with the perimeter of said Heritage Glen Section One, the following ten (10) courses and distances:

1. North 21°07'13" West, a distance of 186.87 feet to a 1/2" rebar with All Points cap found in the north right-of-way line of the termination of South Brook Drive (64' right-of-way width), being also in the south line of Lot 1, Block D, Heritage Glen Section One;
2. North 68°51'57" East, with the south line of Lot 1, a distance of 154.83 feet to a 1/2" rebar with Chaparral cap found for a point of curvature;
3. With a curve to the left in the south line of Lot 1, having a radius of 15.00 feet, a delta angle of 89°43'31", an arc length of 23.49 feet, and a chord which bears North 23°56'24" East, a distance of 21.16 feet to a 1/2" rebar with Chaparral cap found for a point of tangency in the east line of Lot 1;
4. North 21°06'14" West, with the east line of Lot 1, a distance of 744.15 feet to a Mag nail with Chaparral washer set for the northeast corner of Lot 1;
5. South 68°53'22" West, with the north line of Lot 1, a distance of 750.35 feet to a 1/2" rebar with Chaparral cap found for the northwest corner of Lot 1;
6. South 18°24'23" East, with the west line of Lot 1, a distance of 213.39 feet to a 1/2" rebar with Chaparral cap found for a point of curvature;
7. With a curve to the right in the west line of Lot 1, having a radius of 931.56 feet, a delta angle of 01°53'09", an arc length of 30.66 feet, and a chord which bears South 17°29'03" East, a distance of 30.66 feet to a 1/2" rebar with All Points cap found in the east right-of-way of the termination of Coulee Drive (60' right-of-way width);
8. South 73°28'22" West, with the north termination of Coulee Drive, a distance of 59.85 feet to a 1/2" rebar with All Points cap found in the west right-of-way line of Coulee Drive;
9. With a curve to the right in the west line of Coulee Drive, having a radius of 871.56 feet, a delta angle of 01°05'46", an arc length of 16.68 feet, and a chord

which bears South 15°58'40" East, a distance of 16.67 feet to a 1/2" rebar with All Points cap found for the northeast corner of Lot 10, Block C of Heritage Glen Section One;

10. South 74°30'40" West, with the north line of said Lot 10, a distance of 146.22 feet to a 1/2" rebar with Stanley cap found for the northwest corner of lot 10, being also in the east line of Lot 13, Block H, Benbrook Ranch, Section One, Phase Two, a subdivision recorded in Cabinet Y, Slide 345 of the Plat Records of Williamson County, Texas, and being also in the west line of the 164.466 acre tract;

THENCE North 16°29'54" West, with the west line of said 164.466 acre tract, same being the east line of said Block H, a distance of 1,009.33 feet to a 1/2" rebar found for an angle point in the west line of the 164.466 acre tract, being also in the southeast line of Lot 3, Block H, Benbrook Ranch Section Two, Phase One, a subdivision of record in Cabinet CC, Slide 3 of the Plat Records of Williamson County, Texas;

THENCE with the northwest line of the 164.466 acre tract and the southeast line of said Lot 3, the following five (5) courses and distances:

1. North 26°58'52" East, a distance of 227.49 feet to a 1/2" rebar found;
2. North 07°51'51" West, a distance of 113.94 feet to a 182" rebar found;
3. North 07°08'24" West, a distance of 89.78 feet to a 1/2" rebar found;
4. North 10°03'53" East, a distance of 17.15 feet to a 1/2" rebar found;
5. North 19°15'44" West, a distance of 37.17 feet to a calculated point in the centerline of Brushy Creek;

THENCE with the north line of the 164.466 acre tract, being the centerline of Brushy Creek, and being the south line of Lot 3, the following six (6) courses and distances:

1. North 34°38'57" East, a distance of 99.98 feet to a calculated point;
2. North 67°39'42" East, a distance of 149.82 feet to a calculated point;
3. North 52°34'57" East, a distance of 241.82 feet to a calculated point;
4. North 66°42'22" East, a distance of 108.26 feet to a calculated point;

5. North 69°49'32" East, a distance of 135.35 feet to a calculated point;
6. North 77°47'52" East, a distance of 160.43 feet to a calculated point for the southeast corner of Lot 3, being also the southwest corner of a 107.928 acre tract described in Document No. 2004063370 of the Official Public Records of Williamson County, Texas, from which a 1/2" rebar found bears North 20°39'49" West, a distance of 55.92 feet;

THENCE with centerline of Brushy Creek, being also the north line of the 164.466 acre tract and the south line of the 107.928 acre tract, the following fifteen (15) courses and distances:

1. South 77°13'17" East, a distance of 144.19 feet to a calculated point;
2. South 25°33'17" East, a distance of 69.71 feet to a calculated point;
3. South 13°32'17" East, a distance of 73.80 feet to a calculated point;
4. South 35°10'17" East, a distance of 76.69 feet to a point;
5. North 80°03'43" East, a distance of 151.16 feet to a calculated point;
6. North 69°06'43" East, a distance of 245.27 feet to a calculated point;
7. South 46°59'17" East, a distance of 75.24 feet to a calculated point;
8. South 82°30'17" East, a distance of 435.20 feet to a calculated point;
9. North 57°03'43" East, a distance of 58.81 feet to a calculated point;
10. North 75°34'43" East, a distance of 148.11 feet to a calculated point;
11. South 39°53'17" East, a distance of 143.77 feet to a calculated point;
12. North 70°10'43" East, a distance of 89.94 feet to a calculated point;
13. North 16°32'43" East, a distance of 105.29 feet to a calculated point;
14. North 63°51'43" East, a distance of 260.61 feet to a calculated point;

15. South 86°45'17" East, a distance of 11.33 feet to a calculated point for the northwest corner of a 3.150 acre tract recorded in Document No. 2000053933 of the Official Public Records of Williamson County, Texas;

THENCE leaving Brushy Creek, with the north line of the 164.466 acre tract, being also the west line of the 3.150 acre tract, the following two (2) courses and distances:

1. South 00°45'28" East, a distance of 22.26 feet to a 1/2" rebar found;
2. South 00°45'28" East, a distance of 95.51 feet to a 1/2" rebar found for the southwest corner of the 3.150 acre tract;

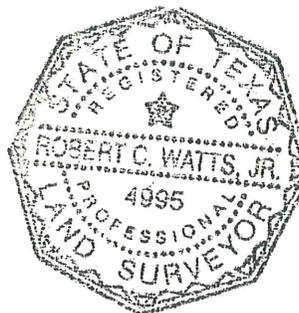
THENCE with the north line of the 164.466 acre tract, being also the south line of the 3.150 acre tract, the following two (2) courses and distances:

1. North 88°19'34" East, a distance of 440.91 feet to a 1/2" rebar found, from which a nail found in a concrete dam bears North 11°52'18" West, a distance of 168.04 feet;
2. North 88°34'02" East, a distance of 234.28 feet to a 1/2" rebar with Chaparral cap set, from which a 1/2" rebar found in the west right-of-way line of U.S. 183, being also the northeast corner of the 164.466 acre tract, being also the southeast corner of the 3.150 acre tract, bears North 88°34'02" East, a distance of 636.85 feet;

THENCE South 21°01'11" East, crossing the 164.466 acre tract, a distance of 1,478.67 to the **POINT OF BEGINNING**, containing 125.575 acres of land, more or less.

Surveyed on the ground July 17, 2013. Bearing basis is Grid Azimuth for Texas Central Zone, 1983/93 HARN values from LCRA control network. Attachments: Survey Drawing No. 942-001-T11.


Robert C. Watts, Jr.
Registered Professional Land Surveyor
State of Texas No. 4995



7-24-13



Professional Land Surveying, Inc.
Surveying and Mapping

Office: 512-443-1724
Fax: 512-389-0943

3500 McCall Lane
Austin, Texas 78744

**25.319 AC.
WATERSTONE TYLERVILLE, L.P.**

A DESCRIPTION OF 25.319 ACRES (APPROXIMATELY 1,102,883 SQ. FT.) IN THE CHARLES COCHRAN SURVEY, ABSTRACT NO. 134, IN WILLIAMSON COUNTY, TEXAS, BEING A PORTION OF A 107.928 ACRE TRACT CONVEYED TO WATERSTONE TYLERVILLE, L.P. IN A SPECIAL WARRANTY DEED WITH VENDOR'S LIEN DATED AUGUST 5, 2004 AND RECORDED IN DOCUMENT NO. 2004063370 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 25.319 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2" rebar with Chaparral cap set in the west line of the said 107.928 acre tract, being also in the south right-of-way line of San Gabriel Parkway (right-of-way width varies) as described in Document No. 2005011119 of the Official Public Records of Williamson County, Texas, and being in the east line of a 34.705 acre tract described in Document No. 2005006808 of the Official Public Records of Williamson County, Texas, from which a 1/2" rebar found for the northwest corner of the 107.928 acre tract bears North 20°44'42" West, a distance of 453.14 feet;

THENCE with the south line of San Gabriel Parkway, over and across the 107.928 acre tract, the following four (4) courses and distances:

1. South 77°11'17" East, a distance of 206.16 feet to a 1/2" rebar with ZWA cap found;
2. South 76°33'22" East, a distance of 999.84 feet to a 1/2" rebar with ZWA cap found;
3. South 76°10'25" East, a distance of 306.57 feet to a 1/2" rebar with Chaparral cap set, from which a 1/2" rebar found with an illegible cap found bears South 06°04'20" West, a distance of 0.38 feet;
4. With a curve to the left, having a radius of 2150.00 feet, a delta angle of 14°13'24", an arc length of 533.72 feet, and a chord which bears South 83°17'07" East, a distance of 532.35 feet to a 1/2" rebar with Chaparral cap set;

THENCE continuing over and across the 107.928 acre tract, the following two (4) courses and distances:

1. South 00°24'10" East, a distance of 20.00 feet to a 1/2" rebar with Chaparral cap set;
2. South 46°02'48" West, a distance of 35.85 feet to a 1/2" rebar with Chaparral cap set;
3. North 88°14'47" West, a distance of 20.00 feet to a 1/2" rebar with Chaparral cap set;
4. South 01°45'13" West, a distance of 284.57 feet to a calculated point in the south line of the 107.928 acre tract, being also the north line of a 164.466 acre tract described in Document No. 2004063368 of the Official Public Records of Williamson County, Texas, being also an agreed boundary line described in Volume 1455, Page 296 of the Official Public Records of Williamson County, Texas, from which a 1/2" rebar found in the common line of the 107.928 acre tract and the 164.466 acre tract, and being in the west line of a 3.150 acre tract described in Document No. 2000053933 of the Official Public Records of Williamson County, Texas bears North 63°51'43" East, a distance of 55.17 feet, and South 86°45'17" East, a distance of 11.33 feet for the northwest corner of the 3.150 acre tract, and South 00°45'28" East, a distance of 22.26 feet;

THENCE with the south line of the 107.928 acre tract, being also the north line of the 164.466 acre tract, being also the agreed boundary line, and being the center of Brushy Creek, the following fourteen (14) courses and distances:

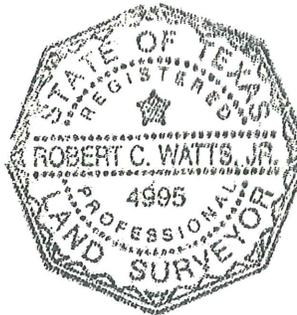
1. South 63°51'43" West, a distance of 205.44 feet to a calculated point;
2. South 16°32'43" West, a distance of 105.29 feet to a calculated point;
3. South 70°10'43" West, a distance of 89.94 feet to a calculated point;
4. North 39°53'17" West, a distance of 143.77 feet to a calculated point;
5. South 75°34'43" West, a distance of 148.11 feet to a calculated point;
6. South 57°03'43" West, a distance of 58.81 feet to a calculated point;
7. North 82°30'17" West, a distance of 435.20 feet to a calculated point;
8. North 46°59'17" West, a distance of 75.24 feet to a calculated point;

9. South 69°06'43" West, a distance of 245.27 feet to a calculated point;
10. South 80°03'43" West, a distance of 151.16 feet to a calculated point;
11. North 35°10'17" West, a distance of 76.69 feet to a calculated point;
12. North 13°32'17" West, a distance of 73.80 feet to a calculated point;
13. North 25°33'17" West, a distance of 69.71 feet to a calculated point;
14. North 77°13'17" West, a distance of 144.19 feet to a calculated point for the southwest corner of the 107.928 acre tract, being also the southeast corner of Lot 3, Block H, Benbrook Ranch Section Two, Phase One, a subdivision of record in Cabinet CC, Slide 3 of the Plat Records of Williamson County, Texas;

THENCE North 20°44'42" West, with the west line of the 107.928 acre tract, being also the east line of Lot 3, Block H, and being the east line of the 34.705 acre tract, at 55.92 feet passing a 1/2" rebar found, and continuing for a total distance of 747.56 feet to the **POINT OF BEGINNING**, containing 25.319 acres of land, more or less.

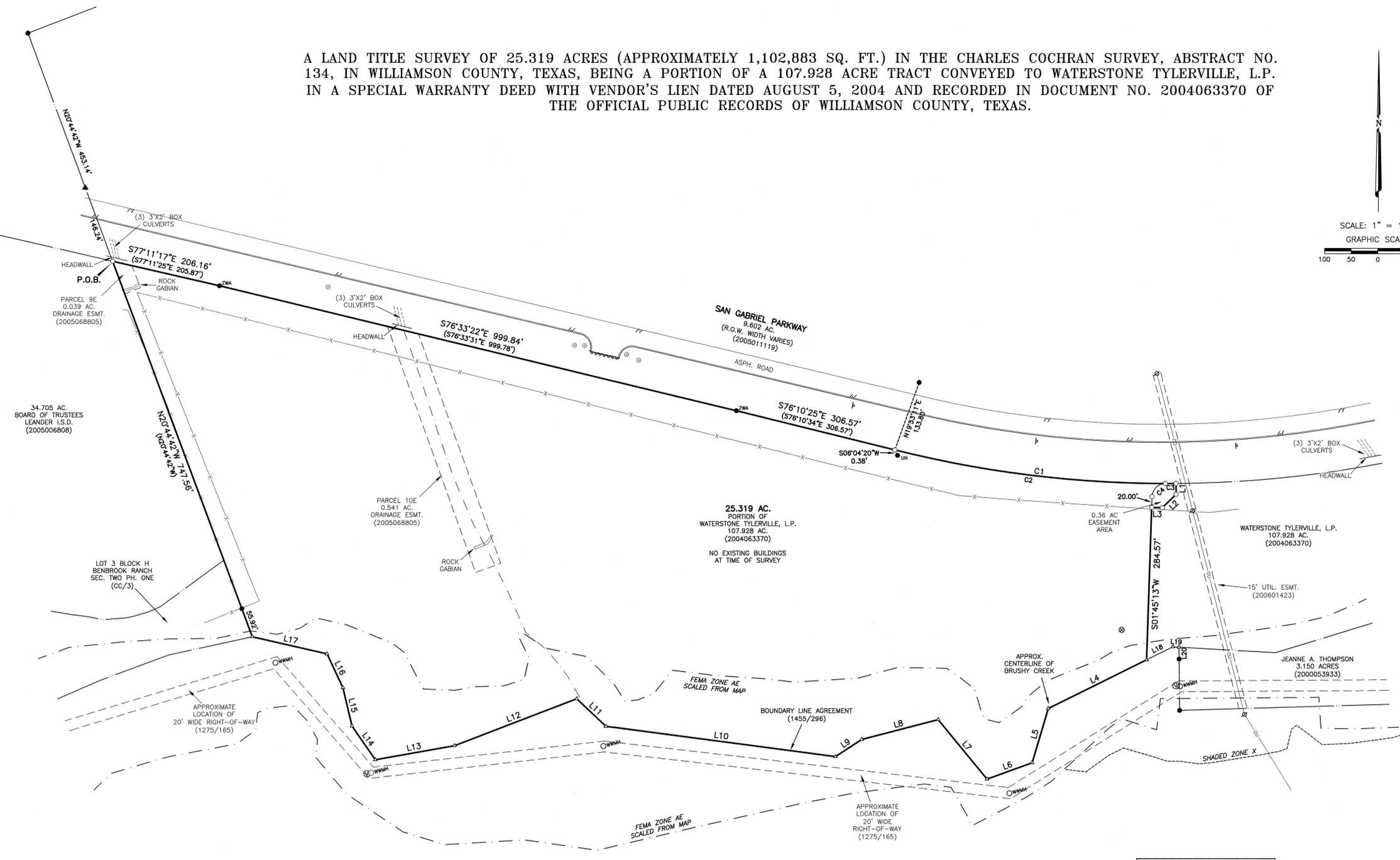
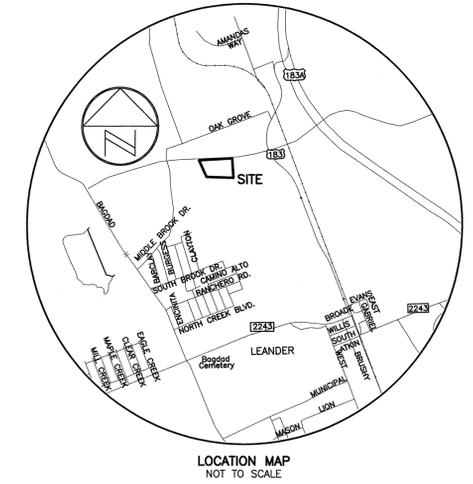
Surveyed on the ground September 12, 2013. Bearing basis is Grid Azimuth for Texas Central Zone, 1983/93 HARN values from LCRA control network. Attachments: Survey Drawing No. 143-033-BASE.

RCW
Robert C. Watts, Jr.
Registered Professional Land Surveyor
State of Texas No. 4995



9-19-13

A LAND TITLE SURVEY OF 25.319 ACRES (APPROXIMATELY 1,102,883 SQ. FT.) IN THE CHARLES COCHRAN SURVEY, ABSTRACT NO. 134, IN WILLIAMSON COUNTY, TEXAS, BEING A PORTION OF A 107.928 ACRE TRACT CONVEYED TO WATERSTONE TYLerville, L.P. IN A SPECIAL WARRANTY DEED WITH VENDOR'S LIEN DATED AUGUST 5, 2004 AND RECORDED IN DOCUMENT NO. 2004063370 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS.



25.319 AC.
PORTION OF
WATERSTONE TYLerville, L.P.
107.928 AC.
(2004063370)
NO EXISTING BUILDINGS
AT TIME OF SURVEY

WATERSTONE TYLerville, L.P.
107.928 AC.
(2004063370)

JEANNE A. THOMPSON
3,150 ACRES
(2000053933)

WATERSTONE MICHELLE, L.P.
PORTION OF 164.466 AC.
(2004063368)

- TITLE COMMITMENT NOTE:**
COMMITMENT FOR TITLE INSURANCE PREPARED BY:
Stewart Title Insurance Company (Georgetown title Company, Inc.)
G.F. No.: 130068550A Effective Date: 8/7/2013 Issued: 8/16/2013
- The surveyor has relied upon the referenced Commitment for Title regarding easements, restrictions, and other matters affecting this property. No additional research was done for the purpose of this survey. Items listed are worded according to the commitment, followed by surveyor's notes and/or observations.
- Schedule "B" items contained therein and re-listed below were considered:
- Restrictive Covenants:
Volume 969, Page 312, Official Records, Williamson County, Texas.
 - Easement dated October 15, 1929, granted by Mrs. Alice E. Woolsey et al to Texas Power & Light Co. recorded in Volume 245, Page 140, Deed Records, Williamson County, Texas. -- May affect the subject tract, unable to accurately plot due to poor description.
 - Easement for underground facilities dated June 28, 1974, granted by Miller Rhodes to Southwestern Bell Telephone Company recorded in Volume 594, Page 783, Deed Records, Williamson County, Texas. -- Does not affect the subject tract
 - Terms, provisions and conditions of Boundary Line Agreement dated November 18, 1986, by and between Michelle, Ltd. and Michelle III, Ltd. recorded in Volume 1450, Page 886, and re-recorded in Volume 1455, Page 296, Official Records, Williamson County, Texas. -- Subject to, shown hereon
 - Drainage easement dated August 19, 2005, granted by Waterstone Tylerville, L.P. to Williamson County, Texas, recorded under Document No. 2005068805, Official Public Records, Williamson County, Texas. -- Subject to, shown hereon (Parcels 9E and 10E, others do not apply)
 - Utility easement dated July 16, 2004, granted by William B. Pohl, Trustee for Tylerville, Ltd. to Padernoles Electric Cooperative, Inc. recorded under Document No. 2006010423, Official Public Records, Williamson County, Texas. -- Subject to, "as the power lines exist". The line known to us to be in place in the general time of execution of the easement is shown hereon, which does not affect the subject tract.
 - An undivided 50% of all royalties and an undivided 50% in and to all of the oil, gas and other minerals, and all rights incident thereto, reserved by Grantors in deed dated July 20, 1983, executed by Philip H. Thompson, Jr. and wife, Jeanne A. Thompson to F.B.N. II Associates recorded in Volume 930, Page 468, Deed Records, Williamson County, Texas. Title to said reservation has not been examined subsequent to its date of execution. -- Subject to, not plottable
 - An undivided 50% of all royalties in all of the oil, gas and other minerals, and all rights incident thereto, conveyed in Mineral Deed dated March 14, 1986, from Jack Friedman to Philip H. Thompson, Jr. and wife, Jeanne A. Thompson recorded in Volume 1327, Page 221, Official Records, Williamson County, Texas. Title to said reservation has not been examined subsequent to its date of execution. -- Subject to, not plottable
 - The rights of Upper Brushy Creek Water Control and Improvement District to levy taxes and issue bonds.

FLOOD-PLAIN NOTE:
A portion of the tract shown hereon lies within Zone "AE" (special flood hazard area), as identified by the Federal Emergency Management Agency, National Flood Insurance Program, as shown on map no. 48491C0455E, dated September 26, 2008, for Williamson County, Texas and incorporated areas. If this site is not within an identified special flood hazard area, this flood statement does not imply that the property and/or the structures thereon will be free from flooding or flood damage. This flood statement shall not create liability on the part of the surveyor.

SURVEYOR'S CERTIFICATE:
CERTIFIED TO: Waterstone Tylerville, L.P.
Sentinel Land Company, LLC
Stewart Title Guaranty Company
Georgetown Title Company, Inc.

PROPERTY ADDRESS: San Gabriel Parkway, Leander, Texas 78641

DATE OF SURVEY: 09/12/2013
ATTACHMENTS: Metes and Bounds Description

I hereby certify that a survey of the property shown hereon was actually made upon the ground under my direction and supervision on the date shown, and that to the best of my professional knowledge and belief there are no apparent encroachments, overlapping of improvements, discrepancies, deed line conflicts, visible utility lines or roads in place, except as shown hereon, and that this property abuts or adjoins a dedicated road right-of-way or access easement, unless noted hereon.

This survey was made substantially in accordance with the standards and conditions set forth for a Category 1A, Condition II, Land Title Survey, based on the Manual of Practice for Land Surveying in Texas, 2006 Revised Eleventh Edition, prepared by the Texas Society of Professional Surveyors.

Robert C. Watts, Jr. 9-19-13
Date
Registered Professional Land Surveyor
State of Texas No. 4995

LEGEND

- 1/2" REBAR FOUND (OR AS NOTED)
- ^{ZWA} 1/2" REBAR WITH "ZWA" CAP FOUND
- ^{UN} 1/2" REBAR WITH "UNREADABLE" CAP FOUND
- 1/2" REBAR WITH "CHAPARRAL" CAP SET
- ▲ NAIL WITH "CUNNINGHAM ALLEN" WASHER FOUND
- △ CALCULATED POINT
- ⊙ VENT PIPE
- ⊙ PVC PIPE
- ⊙ UTILITY POLE
- ← GUY WIRE
- OVERHEAD UTILITIES
- ⊙ WASTEWATER MANHOLE
- ⊙ WATER VALVE
- ▽ SIGN
- EDGE OF PAVEMENT
- BARB WIRE FENCE
- () RECORD INFORMATION

THIS IS A SURFACE DRAWING.
BEARING BASIS: THE TEXAS COORDINATE SYSTEM OF 1983 (NAD83), CENTRAL ZONE, BASED ON 1983/93 HARN VALUES FROM LCRA CONTROL NETWORK.
POINT #1
DISK IN CONCRETE STAMPED "LEA3"
TEXAS STATE PLANE COORDINATES:
N 10185125.630
E 3076139.255
COMBINED SCALE FACTOR = 0.999861806
(FOR SURFACE TO GRID CONVERSION)
INVERSE SCALE FACTOR = 1.000138213
(FOR GRID TO SURFACE CONVERSION)
SCALED ABOUT LEA3

LINE TABLE

LINE	BEARING	DISTANCE
L1	S00°24'10"E	20.00'
L2	S46°02'48"W	35.85'
L3	N88°14'47"W	20.00'
L4	S63°51'43"W	205.44'
L5	S16°32'43"W	105.29'
L6	S70°10'43"W	89.94'
L7	N39°53'17"W	143.77'
L8	S75°34'43"W	148.11'
L9	S57°03'43"W	58.81'
L10	N82°30'17"W	435.20'
L11	N46°59'17"W	75.24'
L12	S69°06'43"W	245.27'
L13	S80°03'43"W	151.16'
L14	N35°10'17"W	76.69'
L15	N13°32'17"W	73.80'
L16	N25°33'17"W	69.71'
L17	N77°13'17"W	144.19'
L18	N63°51'43"E	55.17'
L19	S86°45'17"E	11.33'
L20	S00°45'28"E	22.26'

CURVE TABLE

CURVE	RADIUS	DELTA	ARC	BEARING	CHORD	TANGENT
C1	2150.00'	14°13'24"	533.72'	S83°17'07"E	532.35'	268.24'
C2	2150.00'	13°41'25"	513.72'	S83°01'08"E	512.50'	258.09'
C3	2150.00'	0°31'59"	20.00'	N89°52'11"E	20.00'	10.00'
C4	25.00'	88°22'56"	38.56'	S45°56'42"W	34.85'	24.30'

Robert C. Watts, Jr.
R.P.L.S. No. 4995

Professional Land Surveying, Inc.
Surveying and Mapping
3500 McCall Lane
Austin, Texas 78744
512-443-1724

PROJECT NO.: 143-033
DRAWING NO.: 143-033-BASE
PLOT DATE: 09/19/2013
PLOT SCALE: 1" = 100'
DRAWN BY: IAS/RW
SHEET 01 OF 01



Executive Summary

October 16, 2014

Agenda Subject: Consider an Ordinance authorizing the issuance of the City of Leander, Texas Special Assessment Revenue Bonds, Series 2014 (Oak Creek Public Improvement District); approving and authorizing an Indenture of Trust, an Official Statement, a Continuing Disclosure Agreement and other agreements and documents in connection therewith; making findings with respect to the issuance of such bonds; and providing an effective date.

Background:

On April 17, 2014, Council directed staff to proceed with the steps necessary to accept the PID petition and schedule the public hearing for the creation of the Oak Creek PID. On May 1, 2014 the Council accepted the petition for the creation of the Oak Creek PID. On June 5, 2014 the Council opened the public hearing on the creation of the PID and continued it until July 3, 2014. At the July 3, 2014 meeting the Council continued the public hearing until July 17, 2014. On July 17, 2014 the Council closed the public hearing and approved a resolution creating the Oak Creek PID. On October 2, 2014 the Council approved: a resolution approving the form and authorizing distribution of the preliminary official statement, a resolution directing publication of notice of a public hearing on the intention to issue special assessment revenue bonds, and a resolution authorizing the filing of the assessment role and directing publication of a public hearing on the levying of assessments.

The Oak Creek PID proposes to issue special assessment revenue bonds to pay for the proposed public improvements.

This agenda item authorizes the issuance of the PID bonds.

Origination: Applicant: Sentinel/Cotter Leander, LLC

Recommendation: Staff recommends approval.

Attachments:

1. Ordinance with exhibits

Prepared by: Tom Yantis, AICP
Assistant City Manager



Executive Summary

October 16, 2014

Agenda Subject: Consider Special Assessment Revenue Bonds, Series 2014 (Oak Creek Public Improvement District) Continuing Disclosure Agreement.

Background:

On April 17, 2014, Council directed staff to proceed with the steps necessary to accept the PID petition and schedule the public hearing for the creation of the Oak Creek PID. On May 1, 2014 the Council accepted the petition for the creation of the Oak Creek PID. On June 5, 2014 the Council opened the public hearing on the creation of the PID and continued it until July 3, 2014. At the July 3, 2014 meeting the Council continued the public hearing until July 17, 2014. On July 17, 2014 the Council closed the public hearing and approved a resolution creating the Oak Creek PID. On October 2, 2014 the Council approved: a resolution approving the form and authorizing distribution of the preliminary official statement, a resolution directing publication of notice of a public hearing on the intention to issue special assessment revenue bonds, and a resolution authorizing the filing of the assessment role and directing publication of a public hearing on the levying of assessments.

The Oak Creek PID proposes to issue special assessment revenue bonds to pay for the proposed public improvements.

This agenda item approves the continuing disclosure agreement.

Origination: Applicant: Sentinel/Cotter Leander, LLC

Recommendation: Staff recommends approval.

Attachments:

1. Continuing disclosure agreement

Prepared by: Tom Yantis, AICP
Assistant City Manager

**CITY OF LEANDER, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2014
(OAK CREEK PUBLIC IMPROVEMENT DISTRICT)**

CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

This Continuing Disclosure Agreement dated as of October 16, 2014 (this “Disclosure Agreement”) is executed and delivered by and between the City of Leander, Texas (the “Issuer”) and BOKF, NA dba Bank of Texas (the “Dissemination Agent”) with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2014 (Oak Creek Public Improvement District)” (the “Bonds”). The Issuer and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer and the Dissemination Agent for the benefit of the Owners (as hereinafter defined) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB or the SEC, all filings made by the Dissemination Agent pursuant to this Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of October 16, 2014, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Administrator” shall mean the employee or designee of the City, identified in any indenture of trust or relating to the Bonds, the District’s Service and Assessment Plan, or any other agreement or document approved by the Issuer related to the duties and responsibilities of the administration of the District.

“Annual Financial Information” shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Sections 4(b) through (g) of this Disclosure Agreement.

“Annual Issuer Report” shall mean any Annual Bond Disclosure Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Developer” shall mean Sentinel/Cotter Leander, LLC, a Texas limited liability company, and its successors and assigns.

“Disclosure Agreement of Developer” shall mean the Continuing Disclosure Agreement of the Developer dated as of October 16, 2014 executed and delivered by the Developer and the Dissemination Agent.

“Disclosure Representative” shall mean the Director of Finance of the Issuer or his or her designee, or such other officer or employee as the Issuer, may designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean the Trustee, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“District” shall mean the Oak Creek Public Improvement District.

“EMMA” shall mean the Electronic Municipal Market Access System available on the internet at <http://emma.msrb.org>.

“Fiscal Year” shall mean the calendar year from October 1 through September 30.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule.

“Owner” shall mean the registered owner of any Bonds.

“Participating Underwriter” shall mean Jefferies LLC and its successors and assigns.

“Rule” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Tax-Exempt” shall mean that interest on the Bonds is excluded from gross income for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax liability.

“Trustee” shall mean BOKF, NA dba Bank of Texas, or any successor trustee pursuant to the Indenture.

SECTION 3. Provision of Annual Bond Disclosure Reports.

(a) The Issuer shall cause and hereby directs the Dissemination Agent to, not later than six months after the end of the Issuer’s Fiscal Year, commencing with the Fiscal Year ending September 30, 2014, provide or cause to be provided to the MSRB, in the electronic or other form required by the MSRB, an Annual Issuer Report provided to the Dissemination Agent which is consistent with the requirements of Section 4 of this Disclosure Agreement. In each case, the Annual Issuer Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Agreement; *provided* that the audited financial statements of the Issuer, if prepared and when available, may be submitted separately from the balance of the Annual Issuer

Report, and later than the date required in this paragraph for the filing of the Annual Issuer Report if audited financial statements are not available by that date; provided further, however, that the Annual Financial Information must be submitted not later than six months after the end of the Issuer's Fiscal Year. If the Issuer's Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(d). All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

- (b) The Issuer shall or shall cause the Dissemination Agent to:
 - (i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Issuer Report on the date required in subsection (a);
 - (ii) file the Annual Issuer Report (excluding the audited financial statements of the Issuer, if any, which shall be filed by the Issuer or the Dissemination Agent upon receipt from the Issuer) containing or incorporating by reference the information set forth in Section 4 hereof; and
 - (iii) if the Issuer has provided the Dissemination Agent with the completed Annual Issuer Report and the Dissemination Agent has filed such Annual Issuer Report with the MSRB, then the Dissemination Agent shall file a report with the Issuer certifying that the Annual Issuer Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB

SECTION 4. Content of Annual Issuer Reports. The Annual Issuer Report for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent, the following:

(a) If prepared and when available, the audited financial statements of the Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer. If audited financial statements of the Issuer are not available by the date required by Section 3(a), the Issuer shall provide the Annual Financial Information not later than such date.

- (b) Tables setting forth the following information, as of the end of such Fiscal Year:
 - (i) For the Bonds, the maturity date or dates, the interest rate or rates, the original aggregate principal amount and principal amount remaining Outstanding.
 - (ii) The amounts in the funds and accounts securing the Bonds.

(c) Updates to the information in the Service and Assessment Plan ("SAP") as most recently amended or supplemented, including any changes to the methodology for levying the Assessments in the District.

(d) The total amount of Annual Installments, delinquent Annual Installments, Foreclosure Proceeds and prepaid Assessments collected during the immediate preceding billing period (generally, October 1 of the preceding calendar year through January 31 of the current calendar year).

(e) The total amount of Annual Installments assessed and collected during such Fiscal Year, together with the amount of delinquent Assessments collected and Assessments prepaid during such Fiscal Year.

(f) The principal and interest paid on the Bonds during the most recent Fiscal Year and the minimum scheduled principal and interest required to be paid on the Bonds in the next Fiscal Year.

(g) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer's audited financial statements.

See Exhibit B hereto for a form for submitting the information set forth in the preceding paragraph. The Administrator shall initially be the City Finance Director. If the City Finance Director ceases to serve as the Administrator and no Administrator is designated, City staff shall prepare the Annual Financial Information.

Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, each of the following is a Listed Event with respect to the Bonds:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
7. Modifications to rights of Owners, if material.
8. Bond calls, if material.

9. Defeasances.
10. Release, substitution, or sale of property securing repayment of the Bonds, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the Issuer.
13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.

For these purposes, any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than the Business Day immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event.

Additionally, the Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide annual audited financial statements or unaudited financial information as required under this Disclosure Agreement. See Exhibit A hereto for a form for submitting “Notice To MSRB of Failure To File.”

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information (which date shall not be more than ten (10) Business Days after the occurrence of the Listed Event or failure to file).

In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 5 is filed within (10) Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, within three (3) Business Days of obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Participating Underwriter, the Issuer or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8, 10, 13, or 14 of subparagraph (a) above is not material under applicable federal securities laws, the Issuer shall promptly notify the Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (d).

(d) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall immediately file a notice of such occurrence with the MSRB.

SECTION 6. Termination of Reporting Obligations. The obligations of the Issuer and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. So long as any of the Bonds remain Outstanding, the Dissemination Agent may assume that the Issuer is an obligated person with respect to the Bonds until it receives written notice from the Disclosure Representative stating that the Issuer is no longer an obligated person with respect to the Bonds, and the Dissemination Agent may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to such series of Bonds under Section 5(d).

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with

or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be the Trustee.

SECTION 8. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested by the Issuer), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related Annual Issuer Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(d), and (ii) the Annual Issuer Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Issuer Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Issuer Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall

have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Bond Disclosure Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of any Participating Underwriter or the Owners of at least 25% aggregate principal amount of Outstanding Bonds, shall, upon being indemnified to its satisfaction as provided in the Indenture), or any Owner or beneficial owner of the Bonds may, take such actions as may be necessary and appropriate to cause the Issuer, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action to mandamus or specific performance. A default under this Disclosure Agreement by the Issuer shall not be deemed a default under the Disclosure Agreement of Developer by the Developer, and a default under the Disclosure Agreement of the Developer by the Developer shall not be deemed a default under this Disclosure Agreement by the Issuer.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only with funds to be provided by the Developer or from Assessments collected from the property owners in the District, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Dissemination Agent for losses, expenses or liabilities arising from information provided to the Dissemination Agent by the Developer or the failure of the Developer to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The fact that the Dissemination Agent may have a banking relationship with the Issuer or any person with whom the Issuer contracts in connection with the transaction described in the Indenture, apart from the relationship created by the Indenture or this Disclosure Agreement, shall not be construed to mean that the Dissemination Agent has actual knowledge of any event described in Section 5 above, except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the

construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER OR THE DISSEMINATION AGENT, RESPECTIVELY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT IS UNDER NO OBLIGATION NOR IS IT REQUIRED TO BRING SUCH AN ACTION.

SECTION 12. Assessment Timeline. The basic expected timeline for the collection of Assessments and the anticipated procedures for pursuing the collection of delinquent Assessments is set forth in Exhibit C which is intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Assessments.

SECTION 13. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer or Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent or employee of the Issuer or Dissemination Agent in other than that person's official capacity.

SECTION 14. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 15. Sovereign Immunity. The Dissemination Agent agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other

person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. Dissemination Agent Compensation. The Issuer shall pay or reimburse the Dissemination Agent, but only with funds to be provided by the Developer or from Assessments collected from the property owners in the District, for its fees and expenses for the Dissemination Agent's services rendered in accordance with this Disclosure Agreement.

SECTION 18. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 19. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[remainder of page left blank intentionally]

CITY OF LEANDER, TEXAS

By: _____
Christopher Fielder, Mayor

BOKF, NA DBA BANK OF TEXAS
(as Dissemination Agent)

By: _____
Authorized Officer

EXHIBIT A

**NOTICE TO MSRB OF FAILURE TO FILE
ANNUAL ISSUER REPORT**

Name of Issuer: City of Leander, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2014
(Oak Creek Public Improvement District)
Date of Delivery: _____, 20__

NOTICE IS HEREBY GIVEN that the City of Leander, Texas, has not provided an Annual Issuer Report with respect to the above-named bonds as required by the Continuing Disclosure Agreement dated _____, 2014, between the Issuer and BOKF, NA dba Bank of Texas, as dissemination agent. The Issuer anticipates that the Annual Issuer Report will be filed by _____.

Dated: _____

BOKF, NA dba Bank of Texas,
on behalf of the City of Leander, Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: City of Leander, Texas

EXHIBIT B

**CITY OF LEANDER, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2014
(OAK CREEK PUBLIC IMPROVEMENT DISTRICT)**

ANNUAL BOND DISCLOSURE REPORT*

Delivery Date: _____, 20__

TRUSTEE

Name: BOKF, NA dba Bank of Texas
Address: _____
City: _____
Telephone: _____
Contact Person: _____

BONDS OUTSTANDING

CUSIP Number	Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount

INVESTMENTS

Fund/ Account Name	Investment Description	Par Value	Book Value	Market Value

*Excluding Audited Financial Statements of the Issuer

ASSETS AND LIABILITIES OF PLEDGED TRUST ESTATE

Bonds (Principal Balance) _____
Funds and Accounts [list] _____
TOTAL ASSETS _____

LIABILITIES

Outstanding Bond Principal _____
Outstanding Program Expenses (if any) _____
TOTAL LIABILITIES _____

EQUITY

Asset Less Liabilities _____
Parity Ratio _____

Form of Accounting Cash Accrual Modified Accrual

ITEMS REQUIRED BY SECTION 4(c) - (g)

[Insert a line item for each applicable listing]

EXHIBIT C

BASIC TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
October 1 (Initial Assessment Due November 1)		Assessments are due.
February 1 (following year)	1	Assessments Delinquent if not received
February 15	15	<p>Issuer forwards payment to Trustee for all collections received as of February 15, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter.</p> <p>Issuer and/or Administrator should be aware of actual and specific delinquencies</p> <p>Issuer and/or Administrator should be aware if Reserve Fund needs to be utilized for debt service payment on March 1. If there is to be a shortfall, the Trustee and Dissemination Agent should be immediately notified.</p> <p>Issuer and/or Administrator should also be aware if, based on collections, there will be a shortfall for September payment.</p> <p>Issuer and/or Administrator should determine if previously collected surplus funds, if any, plus actual collections will be fully adequate for debt service in March and September.</p> <p>At this point, if total delinquencies are under 5% and if there is adequate funding for March and September payments, no further action is anticipated for collection of Assessments except that the Issuer or Administrator, working with the City Attorney or an appropriate designee, will begin process to cure deficiency. For properties delinquent by more than one year or if the delinquency exceeds \$10,000 the matter will be referred for commencement of foreclosure.</p> <p>If there are over 5% delinquencies or if there is inadequate funding in the Pledged Revenue Fund for transfer to the Principal and Interest</p>

March 1	29/30	<p>Account of such amounts as shall be required for the full March and September payments, the collection-foreclosure procedure will proceed against all delinquent properties.</p> <p>Trustee pays bond interest payments to bondholders.</p> <p>Reserve Fund payment to Bond Fund may be required if Assessments are below approximately 50% collection rate.</p> <p>Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw or Fund for debt service.</p> <p>Use of Reserve Fund for debt service payment should trigger commencement of foreclosure on delinquent properties.</p>
March 5	33/34	<p>Issuer and/or Administrator to notify Dissemination Agent for disclosure to MSRB of all delinquencies.</p> <p>If any property owner with ownership of property responsible for more than \$10,000 of the Assessments is delinquent or if a total of delinquencies is over 5%, or if it is expected that Reserve Fund moneys will need to be utilized for either the March or September bond payments, the Disclosure Representative shall work with City Attorney's office, or the appropriate designee, to satisfy payment of all delinquent Assessments.</p>
March and May		<p>Notice of delinquencies mailed to delinquent property owners</p>
July 1	150/151	<p>Preliminary Foreclosure activity commences, and Issuer to notify Dissemination Agent of the commencement of preliminary foreclosure activity.</p> <p>If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections,</p>

		Dissemination Agent to request same from the Issuer.
July 15	165/166	If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, and if instructed by the bondholders under Section 11.2 of the Indenture, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.
August 1	181/182	The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent for dissemination to those bondholders who have requested to be notified of collections progress. The goal for the foreclosure actions is a filing by no later than August 15 (day 206/207).
August 15	206/207	Foreclosure action to be filed with the court.
August 30	221/222	Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status. Dissemination Agent notifies bondholders.
September 15	237/238	If bondholders and Dissemination Agent have not been notified of a foreclosure action, Dissemination Agent will notify the Issuer that it is appropriate to file action.



Executive Summary

October 16, 2014

Agenda Subject: Consider Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation.

Background:

On April 17, 2014, Council directed staff to proceed with the steps necessary to accept the PID petition and schedule the public hearing for the creation of the Oak Creek PID. On May 1, 2014 the Council accepted the petition for the creation of the Oak Creek PID. On June 5, 2014 the Council opened the public hearing on the creation of the PID and continued it until July 3, 2014. At the July 3, 2014 meeting the Council continued the public hearing until July 17, 2014. On July 17, 2014 the Council closed the public hearing and approved a resolution creating the Oak Creek PID. On October 2, 2014 the Council approved: a resolution approving the form and authorizing distribution of the preliminary official statement, a resolution directing publication of notice of a public hearing on the intention to issue special assessment revenue bonds, and a resolution authorizing the filing of the assessment role and directing publication of a public hearing on the levying of assessments.

The Oak Creek PID proposes to issue special assessment revenue bonds to pay for the proposed public improvements.

This agenda item approves an agreement regarding the conveyance of right of redemption and waiver of agricultural valuation.

Origination: Applicant: Sentinel/Cotter Leander, LLC

Recommendation: Staff recommends approval.

Attachments:

1. Agreement

Prepared by: Tom Yantis, AICP
Assistant City Manager

**AGREEMENT REGARDING CONVEYANCE OF RIGHT OF REDEMPTION AND
WAIVER OF AGRICULTURAL VALUATION—OAK CREEK PID**

THIS AGREEMENT REGARDING CONVEYANCE OF RIGHT OF REDEMPTION AND WAIVER OF AGRICULTURAL VALUATION—OAK CREEK PID (“Agreement”), dated as of October 16, 2014 (the Effective Date”), by and among SENTINEL/COTTER LEANDER, LLC, a Texas limited liability company (“Landowner”), the CITY OF LEANDER, TEXAS (the “City”), acting by and through its duly authorized representative, and BOKF, NA (d/b/a Bank of Texas) and any successor thereto (“Escrow Agent”). The City, the Escrow Agent, and Landowner are sometimes referred to herein individually as “Party”, and together as the “Parties.”

RECITALS

A. WHEREAS, upon the petition of the Landowner, on October 16, 2014 the City authorized the formation of the Oak Creek Public Improvement District (the “District”) on the District Property (defined below) and in accordance with Chapter 372 of the Texas Local Government Code, as amended. For purposes herein, the “District Property” or “Property” shall mean that certain approximately 151 acres of land located in Williamson County, Texas and more particularly described on **Exhibit “A”** attached hereto;

B. WHEREAS, it is intended that the Property will be developed as a single-faimly development (the “Project”);

C. WHEREAS, Landowner proposes to construct certain Public Improvements (as defined in the Financing Agreement) to serve the Property and transfer certain of those improvements to the City in accordance with the terms and provisions of the Oak Creek Public Improvement District Financing Agreement, dated as of October 16, 2014 between the Landowner and the City (the “Financing Agreement”);

D. WHEREAS, the City intends to (upon satisfaction of the conditions and in accordance with the terms set forth in the Financing Agreement), at the request, and with the consent, approval and agreement of the Landowner, adopt the Assessment Ordinance and adopt the Assessment Plan that provides for the construction and financing of certain Public Improvements for the benefit of the Assessed Property (as herein defined) within the District pursuant to the Assessment Plan (as defined in the Financing Agreement), payable in whole or in part, by and from assessments levied against Assessed Property, as more specifically provided for in the Assessment Plan;

E. WHEREAS, the City intends to (upon satisfaction of the conditions and in accordance with the terms set forth in the Financing Agreement) levy assessments on all or a

portion of the District Property (“Assessed Property”) and issue bonds for payment of costs associated with construction and/or acquisition of the Public Improvements included in the Assessment Plan, as such plan may be amended from time to time;

F. WHEREAS, pursuant to the Assessment Plan, the City will maintain Assessment Rolls (as defined in the Assessment Plan) that identify all parcels within the District that are Assessed Property and all parcels that are not subject to an assessment;

G. WHEREAS, from the proceeds of the bonds the City issues in connection with the Public Improvements, the City, will, upon satisfaction of the conditions and in accordance with the terms set forth in the Financing Agreement, acquire and accept those certain Public Improvements provided for in the Financing Agreement and the Landowner will be paid or reimbursed for all or a portion of the costs of acquisition, construction, and improvement of the Public Improvements;

H. WHEREAS, as a condition precedent to the City’s performance of its obligations under the Financing Agreement, Landowner has agreed to (a) convey all rights to redeem any portion of the Property which is Assessed Property and that has an agricultural use valuation following a tax sale, and (b) execute and deliver into escrow with the Escrow Agent waivers of agricultural use valuation in the form attached as “**Exhibit B**” hereto; and

NOW, THEREFORE, in consideration of the premises set forth above, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereto hereby agree as follows:

SECTION 1. DEFINITIONS

(a) “Exempt Property” shall include any portion of the Property that is designated for agricultural use (which shall include, but not be limited to, any of the uses described in Section 23.51 of the Texas Tax Code, as amended) or is otherwise claimed for agricultural use by the owner thereof for ad valorem tax purposes pursuant to Section 23.41 of the Texas Tax Code or any other applicable statute, law or right.

(b) “Lender” means a lender or mortgagee that holds a lien or security interest in all or a portion of the Assessed Property.

(c) “Non-Redeemable Property” shall be those portions of the Property that are Assessed Property and have an Exempt Property status at the time either the applicable ad valorem taxes become past due or at the time that the annual payment on the Special Assessment levied against the property becomes past due.

SECTION 2. CONVEYANCE OF RIGHT OF REDEMPTION.

Landowner has GRANTED, BARGAINED, SOLD, and CONVEYED, and by these presents does hereby GRANT, BARGAIN, SELL, and CONVEY, without warranty, unto the Escrow Agent all rights that Landowner and its successors and assigns now have or in the future

may have in equity, or under common law, statutory law, the Constitution of the State of Texas or otherwise to redeem, repurchase or reacquire Non-Redeemable Property following a foreclosure of a tax lien or sale, transfer or conveyance in connection with a tax sale, including, without limitation, any and all rights arising under Section 34.21 of the Texas Tax Code, as amended (“Tax Redemption Rights”).

TO HAVE AND TO HOLD the Tax Redemption Rights in the Non-Redeemable Property belonging in any way to Landowner, unto the Escrow Agent, its successors and assigns, forever, subject to the Restrictions and Reservations set forth herein, so that neither Landowner nor Landowner’s successors and assigns, nor any other person claiming by, through or under Landowner, shall at any time hereafter have, claim or demand any right, title, or interest in and to the Tax Redemption Rights in the Non-Redeemable Property or any part thereof, except as expressly provided in this Agreement, subject to the Restrictions and Reservations set forth in this Agreement.

Restrictions and Reservations

IT IS EXPRESSLY UNDERSTOOD AND AGREED that if all or a portion of the Non-Redeemable Property ceases to be Assessed Property, as shown on the Assessment Rolls, then the owner of such land shall have the right to assume ownership of Tax Redemption Rights for said portion of the Non-Redeemable Property. Upon written request by an owner of land located within the Property that is Non-Redeemable Property that has ceased to be Assessed Property, the City and the Escrow Agent shall execute a Release from this Agreement in the form attached hereto as **Exhibit “C”**.

SECTION 3. RESTRICTION AGAINST REDEMPTION OF NON-REDEEMABLE PROPERTY

In the event that a court of competent jurisdiction enters a final judgment that the foregoing conveyance of Tax Redemption Rights is not effective, Landowner hereby absolutely, unconditionally and irrevocably waives, releases, relinquishes and surrenders forever, on behalf of itself and its respective successors and assigns, and agrees not to assert or exercise any and all Tax Redemption Rights it now has or in the future may have in equity, pursuant to statute, the Constitution of the State of Texas or otherwise to redeem, repurchase or reacquire any portion of the Property that is Non-Redeemable Property following a foreclosure of a tax lien or sale, transfer or conveyance in connection with a tax sale, including, without limitation, any and all rights arising under Section 34.21 of the Texas Tax Code, as amended.

SECTION 4. DEPOSIT OF FUNDS WITH ESCROW AGENT AND WAIVER OF AGRICULTURAL USE VALUATION.

(a) Concurrently with the closing on the initial PID Bonds (as defined in the Financing Agreement) for the Property, the Landowner will deposit \$_____ with the Escrow Agent (“Special Assessment Fund”) which is estimated to be two years of ad valorem

taxes levied by all taxing units on the Property subject to agricultural valuation for the calendar years 2013 and 2014. Escrow Agent is instructed to hold the Special Assessment Fund in cash. The Landowner will file a written certificate with Escrow Agent by each March 1st detailing the tax parcels within the Property subject to agricultural use valuation for the appropriate calendar year(s) and certifying, to the best of its knowledge based solely upon a tax certificate issued by a standard commercial tax reporting service, that all of the ad valorem taxes on such tax parcels have been paid. In the event that Landowner does not timely provide such written certificate to the Escrow Agent, the Escrow Agent will notify Landowner and Subsequent Owners and Lender (if applicable) and is hereby directed to take action pursuant to Section 4(c) below.

(b) Delivery of Agricultural Use Waiver Into Escrow. Concurrently with the execution and delivery of this Agreement, Landowner has executed and has delivered or will promptly deliver to the Escrow Agent to be held in escrow five (5) originals of the form attached hereto as **Exhibit “B”** (each an, “Agricultural Use Waiver”) waiving any agricultural use valuation and any right to special appraisal arising based on agricultural use with respect to Non-Redeemable Property. The Agricultural Use Waiver shall be held in escrow, and shall only be released from escrow in accordance with the provisions of this Section 4.

(c) Authorization to File Agricultural Use Waiver.

(i) Prior to the Escrow Agent taking any action described in subsection 4(c)(ii) below, the Escrow Agent is directed to deliver to the Williamson County Tax Assessor/Collector or its successors (the “County”) an amount equal to past due or delinquent taxes using funds in the Special Assessment Fund. If the funds in the Special Assessment Fund are not sufficient to pay all such past due ad valorem taxes, including any accrued interest and penalties, then the Escrow Agent shall notify Landowner of such deficiency and Landowner shall deliver to the Escrow Agent within thirty (30) days the requisite amount of funds to transfer to the County an amount equal to all past due taxes and the amount necessary to restore the applicable Special Assessment Fund to the level required by this Agreement.

(ii) In the event that the Landowner or any Subsequent Owner (defined below) has not provided to the Escrow Agent proof of payment of any taxes secured by a lien against any portion of the Non-Redeemable Property by March 1st following the year for which such taxes are levied, the Escrow Agent shall provide the applicable Landowner and/or Subsequent Owner and Lender (if applicable) notice of the deficiency and provide ten (10) days to cure said deficiency. If none of the Landowner, Subsequent Owner or Lender provide such proof of payment by March 1st, Escrow Agent shall (unless otherwise instructed by holders of not less than twenty percent (20%) of the Bonds, as defined in the Financing Agreement, secured by the applicable Indenture then outstanding) and Landowner and Subsequent Owners hereby irrevocably authorize the Escrow Agent to, release the Agricultural Use Waiver from escrow and file same in the Official Public Records of Williamson County (the “Records”) against the portion of the Non-Redeemable Property as to which proof of payment of taxes was not provided. The Escrow Agent shall, and Landowner or any Subsequent Owner, as applicable, further authorize the Escrow Agent to, attach to the Agricultural Use Waiver a description of that

portion of the Non-Redeemable Property for which taxes are delinquent; provided, however, that the Escrow Agent shall verify with the City in writing the descriptions of the Non-Redeemable Property to be attached to such waiver. In the event that the Escrow Agent receives notice that delinquent taxes and all penalties and interest have been paid prior to Escrow Agent's transmittal of the Agricultural Use Waiver to the County, then Escrow Agent shall not file the Waiver of Agricultural Use in the Records and such waiver shall be returned to escrow. In the event that the number of Agricultural Use Waivers held by Escrow Agent is less than three (3) and some portion of the Property is Non-Redeemable Property, the Landowner agrees to promptly execute and deliver to the Escrow Agent, to be held in and released from escrow as provided herein, another Agricultural Use Waiver for use with any remaining Non-Redeemable Property owned by Landowner; provided, however, the Escrow Agent shall deliver to the County an Agricultural Use Waiver with respect to the remaining Non-Redeemable Property owned by a Landowner that has not paid taxes as required by this section, if said Landowner does not execute and deliver to the Escrow Agent such additional Agricultural Waivers within thirty (30) days of a written request by the Escrow Agent. Notwithstanding anything to the contrary contained herein, Lender is under no obligation to cure any deficiency.

(iii) Except as provided in Section 4(c)(iv), in the event that the Landowner or any Subsequent Owner has not provided to the Escrow Agent proof of payment of any Special Assessments levied by the City pursuant to the Assessment Ordinance that are secured by a lien against any portion of the Non-Redeemable Property by March 1st following the year for which such Special Assessments are levied (or ten (10) days before such assessments become delinquent, if earlier), the Escrow Agent shall provide the applicable Landowner and/or Subsequent Owner and Lender notice of the failure to pay Special Assessments. If none of Landowner, Subsequent Owner or Lender provide such proof of payment by March 1st, then Escrow Agent shall (unless otherwise instructed by holders of not less than twenty percent (20%) of the Bonds secured by the Indenture) and Landowner and any Subsequent Owner hereby irrevocably authorize the Escrow Agent to release the Agricultural Use Waiver from escrow and file same in the Records against the portion of the Non-Redeemable Property as to which proof of payment of taxes was not provided. The Escrow Agent shall, and Landowner further authorizes the Escrow Agent to, attach to the Agricultural Use Waiver a description of that portion of the Non-Redeemable Property for which Special Assessments are delinquent. In the event that the number of Agricultural Use Waivers held by Escrow Agent is less than three (3) and some portion of the Property is Non-Redeemable, the Landowner and/or Subsequent Owner, as applicable, agrees to promptly execute and deliver to the Escrow Agent, to be held in and released from escrow as provided herein, another Agricultural Use Waiver for use with any remaining Non-Redeemable Property owned by Landowner; provided, however, the Escrow Agent shall deliver to the County an Agricultural Use Waiver with respect to the remaining Non-Redeemable Property owned by Landowner that has not paid the Special Assessments as required by this section, if Landowner does not execute and deliver to the Escrow Agent such additional Agricultural Waivers within thirty (30) days of a written request by the Escrow Agent. Notwithstanding anything to the contrary contained herein, Lender is under no obligation to cure the failure to pay.

(iv) If, by case law, statute or an opinion of the Attorney General it is determined that Tax Redemption Rights do not apply to the Special Assessments levied on behalf of the District, then Section 4(c)(iii) shall immediately become non-operative and non-effective upon Escrow Agent's receipt of written notice of such decision, statute or opinion from Landowner, the City, the County or any representatives of the foregoing entities.

SECTION 5. REPRESENTATIONS AND WARRANTIES.

The Landowner hereby represents and warrants to the City as follows:

(a) Landowner represents and warrants that it is a limited liability company duly organized and validly existing under the laws of the State of Texas, is qualified to do business in and is in good standing 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 own business as now being conducted and as now contemplated.

(b) Landowner represents and warrants that it 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 such Landowner.

SECTION 6. DEFAULT AND REMEDIES.

In the event that Landowner or any Subsequent Owner shall violate, or indicate that such Landowner or any Subsequent Owner intends to violate, any of the terms and provisions set forth in this Agreement, in addition to any other remedies available at law or in equity, the Escrow Agent shall have the right, but shall not be obligated, to sue such Landowner or Subsequent Owner, as applicable (the obligations of Landowner and each Subsequent Owner under this Agreement being several, not joint) for and obtain a prohibitive or mandatory injunction or any other equitable remedy to prevent the breach of, or to enforce the observance of, the terms of this Agreement. The foregoing remedies shall be cumulative with, in addition to, and non-exclusive of one another, and the exercise of any one remedy shall not bar the exercise of any other remedy. In the event of any legal action commenced by the Escrow Agent to enforce the obligations of Landowner or any Subsequent Owner hereunder, the Escrow Agent shall be entitled to recover its reasonable attorney's fees and costs from such Landowner or Subsequent Owner, as applicable. Escrow Agent shall provide ten (10) days' notice to Lender prior to taking any enforcement action. Notwithstanding anything to the contrary set forth in this Agreement, the obligations of Landowner under this Agreement shall be several, not joint.

SECTION 7. REGARDING THE ESCROW AGENT.

(a) The duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement, and the Escrow Agent shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Agreement and no implied obligations or duties are to be imposed upon Escrow Agent. The Escrow Agent shall not be responsible for the enforceability of the transfer rights provided in Section 2 or the terms of this Agreement.

(b) The Escrow Agent shall not be liable for any action taken or omitted by it in the performance of its duties under this Agreement, except for its own gross negligence or willful misconduct.

(c) Any action against the Escrow Agent under this Agreement shall be limited to specific performance.

SECTION 8. MISCELLANEOUS.

(a) Term of Agreement. This Agreement shall continue in full force and effect so long as any obligations remain outstanding under the Indenture of Trust dated as of October ____, 2014 between the City and Escrow Agent in its capacity as trustee (the "Indenture"). In the event the Escrow Agent ceases serving as trustee under the Indenture, the Escrow Agent's obligations under this Agreement shall terminate provided that the Escrow Agent has delivered to a successor Escrow Agent under this Agreement the Agricultural Use Waivers held in escrow.

(b) Headings Descriptive. The headings of the several Sections and subsections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

(c) Interpretation. The singular number includes the plural and the masculine gender includes the feminine and neuter.

(d) Covenants Run with the Land; Transfers of the Property. This Agreement shall run with the land and the ownership of any Non-Redeemable Property and will act as an appurtenant burden on the Non-Redeemable Property and shall be binding upon the Non-Redeemable Property and all owners, tenants, subtenants, licensees, assignees and occupants thereof and any other party having any interest therein. Upon the acquisition by any party of any interest in the Non-Redeemable Property, such party shall automatically and without further action by such party or any other party be deemed to have assumed and agreed to be bound by this Agreement.

(e) **INDEMNIFICATION. LANDOWNER AND SUBSEQUENT OWNERS, SEVERALLY SHALL TO THE FULLEST EXTENT PERMITTED BY LAW, DEFEND, INDEMNIFY AND HOLD HARMLESS ESCROW AGENT AND EACH DIRECTOR, OFFICER, EMPLOYEE, ATTORNEY, AGENT AND AFFILIATE OF ESCROW AGENT (COLLECTIVELY, THE "INDEMNIFIED PARTIES") AGAINST ANY AND ALL ACTIONS, CLAIMS (WHETHER OR NOT VALID), LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES OF ANY KIND OR NATURE WHATSOEVER**

(INCLUDING WITHOUT LIMITATION REASONABLE ATTORNEYS' FEES, COSTS AND EXPENSES) INCURRED BY OR ASSERTED AGAINST ANY OF THE INDEMNIFIED PARTIES AS A RESULT OF OR ARISING FROM OR IN ANY WAY RELATING TO ANY CLAIM, DEMAND, SUIT, ACTION OR PROCEEDING BY ANY PERSON, INCLUDING WITHOUT LIMITATION SUCH LANDOWNER, ASSERTING A CLAIM FOR ANY LEGAL OR EQUITABLE REMEDY AGAINST ANY PERSON ARISING FROM OR IN CONNECTION WITH THE NEGOTIATING, EXECUTION, PERFORMANCE OR FAILURE OF PERFORMANCE OF THIS AGREEMENT BY LANDOWNER OR SUCH SUBSEQUENT OWNER, AS APPLICABLE, WHETHER OR NOT ANY SUCH INDEMNIFIED PARTY IS A PARTY TO ANY SUCH SUIT, ACTION OR PROCEEDING; PROVIDED, HOWEVER, THAT NO INDEMNIFIED PARTY SHALL HAVE THE RIGHT TO BE INDEMNIFIED HEREUNDER FOR ANY LIABILITY FINALLY DETERMINED BY A COURT OF COMPETENT JURISDICTION, SUBJECT TO NO FURTHER APPEAL, TO HAVE RESULTED SOLELY FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH INDEMNIFIED PARTY. IT BEING THE EXPRESSION INTENTION OF THE PARTIES THAT THE INDEMNIFIED PARTIES ARE TO BE HELD HARMLESS AND INDEMNIFIED FOR THEIR OWN NEGLIGENCE.

Escrow Agent may consult legal counsel selected by it in the event of any dispute or question as to the construction of any of the provisions hereof or of its duties hereunder, or relating to any dispute involving any party hereto, and shall incur no liability and shall be fully indemnified from any liability whatsoever in acting in accordance with the opinion or instruction of such counsel. The Landowner or such Subsequent Owner, as applicable shall promptly pay, upon demand, the fees and expenses of any such counsel.

(f) Escrow Agent's Fees. The Escrow Agent shall not charge a fee for the performance of services hereunder.

(g) Material Agreement. Landowner acknowledges that the agreements and obligations of the Parties set forth herein are a material inducement to the City's entering into the Financing Agreement, that Landowner is represented by counsel of their own choice with respect to this Agreement, and that Landowner is entering into this Agreement freely and voluntarily and not acting under coercion or duress.

(h) Binding Effect. This Agreement shall be binding upon the Landowner and its successors, receivers, trustees, and assigns and shall inure to the benefit of the City, the Escrow Agent and the successors and assigns of the City and Escrow Agent.

(i) Amendments. This Agreement may be modified or amended only by a written agreement executed by the Escrow Agent, the City, and each owner of that portion of the Property to be affected by such amendment and recorded in the Official Public Records of Williamson County, Texas.

(j) Severability; No Waiver. If any provision of this Agreement is held invalid or unenforceable, not other provision of this Agreement will be affected by such holding and all other provisions of this Agreement will continue in full force and effect. Any failure by a Party to insist upon strict performance by the other Party of any material provision of this Agreement will not be deemed a waiver of such requirement or of any other provision, and such Party may at any time thereafter insist upon strict performance of any and all of the provisions of this Agreement.

(k) Notices. Any notice, communication or disbursement required to be given or made hereunder shall be in writing and shall be given or made by facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the address set forth below or at such other address as may be specified in writing by any Party hereto to the other parties hereto. Each notice which shall be mailed or delivered in the manner described above shall be deemed sufficiently given, served, sent and received for all purpose at such time as it is received by the addressee (with return receipt, the delivery receipt or the affidavit of messenger being deemed conclusive evidence of such receipt) at the following addresses.

If to City: City of Leander
 PO Box 319
 200 W Willis St
 Leander, Texas 78641
 Attn: City Manager
 Facsimile: _____

With a copy to: Knight and Partners
 Attn: Paige Saenz, City Attorney
 223 W. Anderson, Suite A-105
 Austin, Texas 78752
 Facsimile: _____

If to Owner: Sentinel Cotter Leander, LLC
 Attn: Tom Rielly
 700 Lavaca Street, Suite 900
 Austin, Texas 78701
 Facsimile: _____

With a copy to: Metcalf Wolff Stuart & Williams, LLP
 Attn: Steven C. Metcalfe
 221 W. 6th, Suite 1300
 Austin, Texas 78701
 Facsimile: 512.404.2244

(l) Third Party Beneficiaries. The provisions of this Agreement are and will be for the benefit of the Parties, the Escrow Agent and the holders of the Bonds only and are not for the

benefit of any other third party and, accordingly, no other third party shall have the right to enforce the provisions of this Agreement

(m) Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

(n) Further Assurances. The applicable Parties agree to take all further action and execute and deliver to the City such additional documents as may be necessary or as the City may reasonably request to carry out the purposes of this Agreement.

(o) Governing Law. This Agreement and the rights and obligations of the Parties hereunder shall be governed by, and construed in accordance with the laws of the State of Texas (without giving effect to the principles thereof relating to conflicts of law).

(p) Exhibits. The following exhibits are attached to and incorporated into this Agreement for all purposes:

Exhibit “A”- Description of the Property

Exhibit “B”- Form of Agricultural Use Waiver

Exhibit “C”- Form of Release Form Agreement

[Signature page follows]

IN WITNESS WHEREOF, the Parties to this Agreement have caused this Agreement to be executed by their duly authorized representatives on dates set forth in the acknowledgements below, to be effective as of the day and year first above written.

CITY OF LEANDER,
a home rule city and Texas municipal corporation

By: _____
Name: _____
Title: _____

ATTEST

City Secretary

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me on _____, 2014, by _____, _____, on behalf of said City.

Notary Public, State of Texas

BOKF, NA (D/B/A BANK OF TEXAS)

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2014, by
_____, _____, on behalf of BOKF, NA.

[SEAL]

Notary Public, State of Texas

OWNER:

SENTINEL/COTTER LEANDER, LLC,
a Texas limited liability company

By: _____
Name: _____
Title: _____

THE STATE OF _____ §

COUNTY OF _____ §

THIS INSTRUMENT is acknowledged before me on this ___ day of _____, 2014, by _____, as _____ of Sentinel/Cotter Leander, LLC, a Texas limited liability company.

[SEAL]

Notary Public, State of _____

Exhibit "A"

Description of District Property

Exhibit "B"

WAIVER OF SPECIAL APPRAISAL

THE STATE OF TEXAS §
 § KNOW EVERYONE BY THESE PRESENTS:
COUNTY OF WILLIAMSON §

THAT this Waiver of Special Appraisal (this "Waiver") is made and entered into as of the _____ date of _____, 20____, for the benefit of the City of Leander, Texas (the "City") and the Escrow Agent (as defined below), by Sentinel/Cotter Leander, LLC ("Landowner," whether one or more), owner of the property described on Schedule 1 hereto (the "Property"), which Property is located within the Estancia Oak Creek Improvement District (the "District"), a public improvement district of the City, pursuant to Texas Tax Code Ann. §23.20.

RECITALS

A. The City has the right to levy special assessments on land located within the District pursuant to a separate ordinance enacted by the City Council of the City, which assessments are intended to provide for the financing of certain improvements for the benefit of the District.

B. The purpose of the City in selling its special assessments revenue bonds is to provide, among other things, financing for certain improvements to serve the District (the "Facilities").

C. Escrow Agent is the Trustee described in that certain Oak Creek Public Improvement District Financing Agreement having an effective date of October 16, 2014 by and between Landowner and the City.

D. In furtherance of this purpose, the City has agreed to reimburse Landowner or has reimbursed Landowner's predecessor in interest for payments made for certain Public Improvements pursuant to that certain Indenture of Trust dated as of October 16, 2014 between the City and the Escrow Agent.

E. Landowner acknowledges that the election by Landowner to claim agricultural use exemptions or valuations arising under Section 34.21 of the Texas Tax Code, as amended (collectively, the "Exemptions"), but not including any residential homestead exemption, for the Property would be detrimental to the property valuation base and may significantly impair the ability of the City to meet its debt obligations for its special assessments revenue bonds.

WAIVER

Section 1. Waiver of Exemptions. Landowner, on behalf of itself, its successors and assigns, (i) irrevocably waives its right to claim any of the Exemptions with respect to the Property for a period of thirty (30) years beginning on the date of this Waiver is received by the Williamson County Tax Assessor/Collector; (ii) authorizes the City and/or the Escrow Agent to file this Waiver with the Chief Appraiser of the Williamson County Appraisal District, or its successors, in accordance with the terms of the Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation-Oak Creek PID having an effective date of October 16, 2014; and (iii) covenants that it will not make any claim for a special appraisal except on written authorization of the Escrow Agent. Landowner acknowledges that it may have the right under Article 8 of the Texas Constitution to assert some or all of the Exemptions which it is waiving herein, and agrees that it shall be estopped from claiming such Exemptions for so long as this Waiver shall remain in effect, provided, however, it is expressly acknowledged and agreed by Landowner that mechanisms for single family residences now available or to be made available by any change in Texas laws for the reduction of ad valorem tax liability or of valuation for the purposes of ad valorem taxes or other assessments with respect to real property, such as exemptions for homesteads, disabled veterans, and elderly homesteads, are not included in the definition of Exemptions and are expressly allowed, to the extent such exemptions would be otherwise available, with respect to the Property.

Section 2. Disclosures of Lienholders. Landowner represents and warrants that there _____ is the lienholder on the Property.

Section 3. Covenants to Run with Land. The terms and provisions hereof shall be deemed to be restrictive covenants encumbering and running with the Property and shall be binding upon the Landowner and its successors and assigns. In particular, each successive purchaser of the Property shall, upon purchase thereof (or such portion thereof) be deemed to have waived its right to claims of the Exemptions with respect to the Property (or such portions thereof) for so long as this Waiver shall remain in effect.

Section 4. Enforceability. The covenants and restrictions binding the Property hereunder shall be enforceable only by the City, the Escrow Agent and their respective successors and assigns. This Waiver is for the sole benefit of the parties hereto, and of the Escrow Agent, and no other third party is intended to be a beneficiary of this Waiver.

Section 5. Termination. This Waiver shall continue in full force and effect until the earlier to occur of the following: (i) thirty (30) years; or (ii) such time as the Escrow Agent approves a revocation in writing.

Section 6. Severability. Every provision of this Waiver is intended to be severable. In the event any term or provision hereof is declared to be illegal or invalid for any reason whatsoever by a court of competent jurisdiction, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable to the maximum extent permitted by law, it being the intent of the parties hereto to give full force and effect to the agreements made hereunder to the maximum extent permitted by law.

Section 7. Headings. The Section headings are included in this Waiver for convenience and reference only, and shall not be deemed to affect the substantive provisions of this Waiver.

Section 8. Remedies. If Landowner breaches its obligations hereunder, the Escrow Agent or the City (on behalf of the Escrow Agent), in addition to all other remedies set forth herein or otherwise available at law or in equity, shall be entitled to recover from Landowner the amount of assessments that would have been due to the City had Landowner complied with this Waiver. Such payment will be due and payable, and will incur penalties and charges under the same terms as if the payment had been an assessment obligation of Landowner to City.

[EXECUTION PAGES FOLLOW]

IN WITNESS WHEREOF, the Parties to this Agreement have caused this Agreement to be executed by their duly authorized representatives on the dates set forth in the acknowledgements below, to be effective as of the day and year first above written.

CITY OF LEANDER

By: _____

Name: _____

Title: _____

ATTEST

City Secretary

THE STATE OF TEXAS §

COUNTY OF WILLIAMSON §

This instrument was acknowledged before me on _____, 2014, by _____, _____, on behalf of said City.

Notary Public, State of Texas

OWNER:

SENTINEL/COTTER LEANDER, LLC,
a Texas limited liability company

By: _____
Name: _____
Title: _____

THE STATE OF _____ §

COUNTY OF _____ §

THIS INSTRUMENT is acknowledged before me on this ___ day of _____, 2014, by _____, as _____ of Sentinel/Cotter Leander, LLC, a Texas limited liability company.

[SEAL]

Notary Public, State of _____

Escrow Agent had, have or may have by virtue of the Redemption Agreement. In no event shall this release have any impact on land within the District other than the Property described in the attached Exhibit "A".

Escrow Agent has GRANTED, BARGAINED, SOLD, and CONVEYED, and by these presents does hereby GRANT, BARGAIN, SELL, and CONVEY, unto Owner all rights that Escrow Agent and its successors and assigns received from Owner or its predecessors pursuant to the Redemption Agreement and, to the extent applicable, the Acknowledgment of Assumption and Conveyance of Right of Redemption.

now have or in the future may have in equity, or under common law, statutory law, the Constitution of the State of Texas or otherwise in the "Tax Redemption Rights," as defined in the Redemption Agreement with respect to the Property described in the attached Exhibit "A".

TO HAVE AND TO HOLD the Tax Redemption Rights in the Property, described in the attached Exhibit "A", belonging in any way to Escrow Agent, unto the Owner, its successors and assigns, forever without warranty.

[SIGNATURE PAGE FOLLOWS]

WITNESS THE EXECUTION HEREOF this the _ day of _____ , 2014.

City of Leander

By: _____

THE STATE OF TEXAS §

COUNTY OF WILLIAMSON §

This instrument was acknowledged before me on _____, 2014, by _____, the _____ of the City of Leander, Texas, a home rule city and Texas municipal corporation, on behalf of said city and municipal corporation.

Notary Public, State of Texas

WITNESS THE EXECUTION HEREOF this the __ day of _____ ,
2014.

Escrow
Agent

By: _____

THE STATE OF _____ §

COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 2014,
by _____ the _____, on behalf of said entity.

Notary Public, State of _____

* Attach description of the Land as **Exhibit A** prior to recording.

After Recording Mail to:



Executive Summary

October 16, 2014

Agenda Subject: An Ordinance of the City of Leander, Texas amending the Project and Financing Plan for the Reinvestment Zone Number One to reallocate the estimated project costs among project categories; to update estimated project costs and the estimated time when project costs will be incurred; assigning projects subject to reimbursement agreements to Project Categories in the Zone Plan; establishing the Oak Creek Subaccount in the Tax Increment Fund; and providing for related matters.

Background:

This ordinance amends the TIRZ Project Plan as stated above. The total of all projects stays the same and estimated costs by category are modified to reflect commitments made in previously approved reimbursement agreements and more current information.

The TIRZ Board and Development Authority will meet on October 13, 2014 to consider this item. Their recommendations will be presented at the Council meeting.

This agenda item approves the ordinance amending the TIRZ Project Plan.

Origination: Applicant: Sentinel/Cotter Leander, LLC

Recommendation: Staff recommends approval.

Attachments:

1. Ordinance amending the TIRZ Project Plan

Prepared by: Tom Yantis, AICP
Assistant City Manager

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF LEANDER, TEXAS AMENDING THE PROJECT AND FINANCING PLAN FOR THE REINVESTMENT ZONE NUMBER ONE TO REALLOCATE THE ESTIMATED PROJECT COSTS AMONG PROJECT CATEGORIES; TO UPDATE ESTIMATED PROJECT COSTS AND THE ESTIMATED TIME WHEN PROJECT COSTS WILL BE INCURRED; ASSIGNING PROJECTS SUBJECT TO REIMBURSEMENT AGREEMENTS TO PROJECT CATEGORIES IN THE ZONE PLAN; ESTABLISHING THE OAK CREEK SUBACCOUNT IN THE TAX INCREMENT FUND; AND PROVIDING FOR RELATED MATTERS

WHEREAS, Reinvestment Zone Number One, City of Leander, Texas (the "Zone") is a tax increment reinvestment zone created pursuant to Chapter 311, Texas Tax Code, as amended (the "Act"), by Ordinance No. 06-029-00 adopted by the City Council of the City (the "City Council" and the "City") on September 7, 2006, as amended by Ordinance No. 06-029-01 adopted by the City Council on June 21, 2007 (the "Zone Creation Ordinance");

WHEREAS, the Zone Creation Ordinance adopted a project and financing plan pursuant to Section 311.011, Texas Tax Code, which was updated and supplemented by Ordinance Number 13-077-00 (the "Zone Plan");

WHEREAS, the Zone and the City Council have approved reimbursement agreements in which developers who are parties to those agreements are eligible to receive tax increment funds as reimbursement for the design and construction of certain public improvements that are eligible for reimbursement from tax increment funds under the Zone Plan and the applicable reimbursement agreement;

WHEREAS, the Zone, the Authority, and the City considered the approval of that certain Oak Creek Development and Reimbursement Agreement dated October __, 2014 (the "Reimbursement Agreement"), in which the developer will be reimbursed for the design, construction, and installation of certain water, drainage, water quality control, transportation, and other public improvement projects that are described in Section 2 as the Public Improvement Projects, subject to the terms and conditions of the Reimbursement Agreement;

WHEREAS, the Zone and the City desire to assign the Public Improvement Projects to project categories in the Zone Plan for the purpose of tracking the commitment of tax increment funds; and

WHEREAS, the Zone and the City desire to amend the Zone Plan to reallocate estimated project costs among the projects categories, without increasing the total estimated project costs, update the estimated project costs and the estimated time when project costs will be incurred for the Zone Plan based on the approved reimbursement agreements applicable within the Zone;

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

Section 1. Findings. The findings and recitations set out in this Ordinance are found to be true and correct and they are hereby adopted by the City Council and made a part hereof for all purposes.

Section 2. Public Improvement Projects. (a) The public improvement projects described in **Exhibit A** are reasonable and necessary to provide adequate water, drainage, water quality control, transportation, and other public infrastructure for persons and property located within the Zone (the “Public Improvement Projects”). The Public Improvement Projects are authorized by the Act, are consistent with the Zone Plan, and correspond to the categories of projects set forth in the Zone Plan, as follows:

<u>Public Improvement Project</u>	<u>Zone Plan Project Category</u>
(1) West Broade Street Water Project	Water – Necessary Connections
(2) South Brook Drive Water Project	Water – Necessary Connections
(3) Water Quality Basin “A”	Drainage—Detention and Water Quality – Regional Facilities/Ponds/Treatment Facilities (BMPs)
(4) Water Quality Basin “B”	Drainage—Detention and Water Quality – Regional Facilities/Ponds/Treatment Facilities (BMPs)
(5) Water Quality Basin “C”	Drainage—Detention and Water Quality – Ponds/Treatment Facilities (BMPs)
(6) Water Quality Basin “D”	Drainage—Detention and Water Quality – Regional Facilities/Ponds/Treatment Facilities (BMPs)
(7) West Broade Street	Transportation – Required Roadways
(8) South Brook Drive	Transportation – Required Roadways
(9) Enhanced Bridge Treatment	Transportation – Required Roadways
(10) Design Enhancements	Design Enhancements –
(a) Primary Entry Feature	Plaza/Features
(b) Secondary Entry Feature	Plaza/Features
(c) Native Area Revegetation	Greenspace Treatments
(d) Lake Treatments	Plaza/Features
(e) Trailheads	Greenspace Treatments
(11) Street Lighting	Street Lighting

(b) No bonded indebtedness secured by tax increment revenue from the Zone is envisioned at this time to finance the design and construction of the Public Improvement Projects.

Section 3. Zone Plan. The estimated project costs and estimated time when project costs will be incurred within the Zone, are hereby amended and updated as set forth in **Exhibit B**. The estimated project costs that are assigned to particular developments, as shown on Exhibit B, reflect the maximum reimbursement that may be paid to a developer under an applicable

reimbursement agreement; the actual reimbursements paid to a developer will be subject to the terms, conditions, and limitations of the applicable reimbursement agreement.

Section 4. Sub Accounts Created. The Oak Creek Payment Account (the “Payment Account”) is hereby created and established as a sub-account of the Tax Increment Fund. The Payment Account shall be maintained for the period of time required under the Reimbursement Agreement, and a portion of the tax receipts shall be deposited into the Payment Account as provided in the Reimbursement Agreement.

Section 5. Monetary Obligations. It is estimated that the project costs for the Public Improvement Projects will be expended as follows: 2015: up to \$4,208,175.

Section 6. Amendment of Conflicting Ordinances. The Zone Plan adopted under Ordinances 06-029-00, 06-029-01, and 13-077-00, is hereby amended to the extent of any conflict with this Ordinance. In the event of a conflict between this Ordinance and another Ordinance of the City, this Ordinance shall control, provided that this Ordinance shall not change the terms, conditions, or limitations of any reimbursement agreement governing payment of tax increment revenue generated within the Zone.

Section 7. Severability. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses and phrases of this Ordinance are severable and, if any phrase, sentence, paragraph or section of this Ordinance should be declared invalid by the final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation of this ordinance of any such invalid phrase, clause, sentence, paragraph or section. If any provision of this Ordinance shall be adjudged by a court of competent jurisdiction to be invalid, the invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision, and to this end the provisions of this Ordinance are declared to be severable.

Section 8. Effective Date. This ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the *Tex. Loc. Gov't. Code*.

Section 9. Open Meetings. It is hereby officially found and determined that the meeting at which this ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, *Chapt. 551, Tex. Gov't. Code*.

PASSED AND APPROVED on this the ____ day of October 2014.

ATTEST:

THE CITY OF LEANDER, TEXAS

Debbie Haile, City Secretary

Christopher Fielder, Mayor

EXHIBIT A
PUBLIC IMPROVEMENT PROJECTS

(a) Water Projects:

i. West Broade Street – The water line along West Broade Street consists of approximately 115 linear feet of 8-inch C-900 DR-14 PVC water line and approximately 2,680 linear feet of 12-inch C-900 DR-14 PVC water line generally shown in **Exhibit A-1**.

ii. South Brook Drive – The water line along South Brook Drive consists of approximately 520 linear feet of 8-inch C-900 DR-14 PVC water line and approximately 2,430 linear feet of 12-inch C-900 DR-14 PVC water line, generally shown in **Exhibit A-1**.

(b) Drainage-Detention Projects:

i. Water Quality Basin “A” – Water Quality Basin “A” will be wet detention and water quality ponds that will also serve as a water feature amenity and will provide water quality for approximately 67.50 acres within the Property and approximately 6.61 acres of offsite area as generally shown in **Exhibit A-2**.

ii. Water Quality Basin “B” – Water Quality Basin “B” will be wet detention and water quality ponds that will also serve as a water feature amenity and will provide water quality for approximately 12.10 acres within the Property and approximately 2.27 acres of offsite area as generally shown in **Exhibit A-2**.

iii. Water Quality Basin “C” – Water Quality Basin “C” will be wet detention and water quality ponds that will also serve as a water feature amenity and will provide water quality for approximately 24.16 acres within the property. Water Quality Basin “C” was not designed to treat any offsite areas, as generally shown in **Exhibit A-2**.

iv. Water Quality Basin “D” – Water Quality Basin “D” will be wet detention and water quality ponds that will also serve as a water feature amenity and will provide water quality for approximately 30.45 acres within the property and approximately 5.01 acres of offsite area as generally shown in **Exhibit A-2**.

(c) Transportation Projects.

i. W. Broade Street consists of the roadway improvements commencing at the intersection of West Broade Street and San Gabriel Parkway and continuing south through the property approximately 2,460 linear feet to the southern property boundary, generally shown in **Exhibit A-3**.

ii. South Brook Drive consists of the roadway improvements commencing at the western boundary of the project and continuing east through the property approximately 2,690 linear feet to the eastern property boundary, generally shown

in **Exhibit A-3**.

iii. Enhanced Bridge Treatment. The primary bridge structure will be faced with masonry veneer. An ornamental pedestrian railing with masonry columns will adorn the bridge crossing. The masonry and railing will complement the materials utilized at the Primary Entry Feature in order to provide a consistent appearance and theme. The location of the bridge enhancement is generally shown in **Exhibit A-3**.

(d) Design Enhancements. The eligible Design Enhancements are shown on **Exhibit A-4**. The Developer shall submit construction design, and/or landscaping plans, as appropriate at or before the time that the Developer submits construction plans for the phase in which the project or projects will be located and obtain the City Planning Director's (or designee's) approval of the proposed project and plans.

EXHIBIT A-1
Water Projects

EXHIBIT A-2
Drainage-Detention Projects

EXHIBIT A-3
Transportation Projects

EXHIBIT A-4
Design Enhancements

**EXHIBIT B
ZONE PLAN**

TIRZ FUNDED IMPROVEMENTS

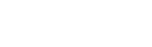
WATER PROJECTS

-  WEST BROADE STREET
-  SOUTH BROOK DRIVE



TIRZ FUNDED IMPROVEMENTS

DRAINAGE-DETENTION PROJECTS-
REGIONAL FACILITIES/PONDS/TREATMENT (BMPs)

-  WATER QUALITY BASIN "A"
-  WATER QUALITY BASIN "B"
-  WATER QUALITY BASIN "C"
-  WATER QUALITY BASIN "D"



TIRZ FUNDED IMPROVEMENTS

TRANSPORTATION PROJECTS

-  WEST BROADE STREET
-  SOUTH BROOK DRIVE
-  ENHANCED BRIDGE TREATMENT



TIRZ FUNDED IMPROVEMENTS

DESIGN ENHANCEMENTS

-  PRIMARY ENTRY FEATURE
-  SECONDARY ENTRY FEATURE
-  LAKE TREATMENTS
-  NATIVE AREA RESTORATION
-  STREET LIGHTING
-  TRAILHEADS



Phased Detention				\$ 135,000	\$ 135,000			\$ 270,000	\$ 270,000	\$ 270,000	\$ 270,000										\$ -		
Offsite Facilities				\$ 1,500,000	\$ 1,050,000			\$ 2,550,000	\$ 2,550,000	\$ 2,550,000	\$ 2,550,000										\$ -		
Property/Easements					\$ 350,000	\$ 350,000		\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000										\$ -		
Water Quality (some overlap with Detention)																							
Treatment Facilities (BMPs)				\$ 790,000	\$ 790,000			\$ 1,580,000	\$ 1,580,000	\$ 280,126	\$ 280,126				\$ 877,141	\$ 422,733					\$ 1,299,874		
Phased Treatment				\$ 125,000	\$ 125,000	\$ 100,000		\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000										\$ -		
Property/Easements				\$ 225,000	\$ 225,000			\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000										\$ -		
Off-site Facilities				\$ 250,000	\$ 250,000			\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000										\$ -		
							Sub-Tot	\$ 10,700,000	\$ 10,700,000	\$ 6,217,675	\$ 6,217,675										\$ 4,482,325		
Design Enhancements																							
Street Lighting				\$ 300,000	\$ 300,000	\$ 300,000		\$ 900,000	\$ 900,000	\$ 162,208	\$ 162,208				\$ 680,000	\$ 57,792					\$ 737,792		
Plazas/Features				\$ 300,000	\$ 350,000	\$ 300,000		\$ 950,000	\$ 950,000	\$ 735,042	\$ 735,042					\$ 214,958					\$ 214,958		
Greenspace Treatments				\$ 300,000	\$ 350,000	\$ 300,000		\$ 950,000	\$ 950,000	\$ 722,750	\$ 722,750					\$ 227,250					\$ 227,250		
Other (unique improvements that benefit the TOD)				\$ 200,000	\$ 150,000	\$ 100,000		\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000										\$ -		
							Sub-Tot	\$ 3,250,000	\$ 3,250,000	\$ 2,070,000	\$ 2,070,000										\$ 1,180,000		
				\$ 6,600	\$ 33,567	\$ 1,530,260	\$ 24,051,489	\$ 24,830,000	\$ 9,393,084	Total	\$ 59,845,000	\$ 59,845,000	\$ 38,366,291	\$ 38,366,291	\$ 569,912	\$ 1,197,052	\$ 4,700,000	\$ 1,445,000	\$ 13,468,245	\$ 4,220,374	\$ 300,000	\$ (4,421,874)	\$ 21,478,709
Notes:																							

* - The committed amounts are maximum dollar amounts that are subject to any pro-rata cost calculations, multipliers, reductions or other stipulations in the approved reimbursement agreements.

** - The Crescent agreement provides for a portion of the water and wastewater impact fees collected from connections into the funded water and wastewater improvements to be paid to the TIRZ account to be used to fund the reimbursements. These amounts are based on the total number of LUEs only within the Crescent property and at the impact fee rates as of October 2014



Executive Summary

October 16, 2014

Agenda Subject: Consider the Oak Creek Development and Reimbursement Agreement.

Background:

The Oak Creek subdivision lies with the City of Leander Tax Increment Reinvestment Zone #1 (TIRZ). The TIRZ project plan includes public improvements within the boundaries of the Oak Creek project. The developer has requested reimbursement from TIRZ revenues for the improvements listed in the agreement in the maximum amount of \$4,220,374. The improvements include water lines, roadways, water quality and detention, and design enhancements.

The TIRZ Board and Development Authority will meet on October 13, 2014 to consider this item. Their recommendations will be presented at the Council meeting.

This agenda item approves the reimbursement agreement.

Origination: Applicant: Sentinel/Cotter Leander, LLC

Recommendation: Staff recommends approval.

Attachments:

1. Reimbursement agreement

Prepared by: Tom Yantis, AICP
Assistant City Manager

OAK CREEK LEANDER DEVELOPMENT AND REIMBURSEMENT AGREEMENT

This Oak Creek Leander Development and Reimbursement Agreement (the “Agreement”) is entered into effective when fully executed (the “Effective Date”), by the City of Leander, Texas (the “City”); the Leander Development Authority (the “Authority”); Sentinel/Cotter Leander, LLC (the “Developer”), a limited liability company; and Reinvestment Zone Number One, City of Leander, Texas (the “Zone”). The capitalized terms used in this Agreement have the meanings ascribed to them herein.

RECITALS

WHEREAS, the City is a Texas home-rule municipal corporation;

WHEREAS, the Authority is a non-profit corporation formed pursuant to Subchapter D, Chapter 431, Texas Transportation Code, and the City Charter of the City;

WHEREAS, the Developer is a Texas limited liability company and owns approximately 151 acres of property in Williamson County within the Zone and intends to develop it as a residential community in accordance with the Oak Creek PUD (the “Oak Creek Subdivision”);

WHEREAS the Zone is a tax increment reinvestment zone created pursuant to the authority of Chapter 311, Texas Tax Code, as amended (the “Act”), by Ordinance No. 06-029-00 adopted by the City Council of the City (the “City Council”) on September 7, 2006, as amended by Ordinance No. 06-029-01 adopted by the City Council on June 21, 2007;

WHEREAS, the City, the Authority, the Developer, and the Zone are individually referred to as a “Party” and collectively as the “Parties”;

WHEREAS, the City executes this Agreement for limited purposes which are: (1) approving this Agreement as a contractual obligation of the Authority; (2) creating the Payment Account with respect to the Oak Creek Projects (the “Oak Creek Payment Account”) within the Tax Increment Fund and depositing the City Tax Increment Receipts and County Tax Increment Receipts into such Oak Creek Payment Account (3) overseeing the design, construction, and installation and City acceptance of the Oak Creek Projects; (4) approving the use of funds in the Oak Creek Payment Account by the Authority to reimburse the Developer for Oak Creek Project Costs; and (5) to hold the rights and obligations expressly set forth herein as rights and obligations of the City;

WHEREAS, the Zone, acting through its Board of Directors (the “Board”) executes this Agreement for limited purposes which are: (1) approving this Agreement as a contractual obligation of the Authority; (2) approving the creation of an Oak Creek Payment Account within the Tax Increment Fund and approving the deposits into such account in the Tax Increment Fund of the City Tax Increment Receipts and County Tax Increment Receipts; (3) approving the use of funds in the Oak Creek Payment Account by the Authority to reimburse the Developer for Oak Creek Project Costs; and (4) to hold the rights and obligations expressly set forth herein as rights and obligations of the Zone;

WHEREAS, the City created the Authority to oversee the design, construction, and installation of the Oak Creek Projects that benefit development within the Zone, subject to the

terms and conditions of this Agreement;

WHEREAS, the City Council zoned the land within the Zone as the Leander Transportation Oriented Development District Planned Unit Development (the “TODD PUD”);

WHEREAS, the City and the County have agreed that for the term of the Zone, fifty percent (50%) of their respective ad valorem taxes collected on the Captured Appraised Value of property within the Zone will be dedicated to the Zone;

WHEREAS, the percentages of the funds dedicated to the Zone specified in this Agreement will be deposited into the Oak Creek Payment Account in the Tax Increment Fund and will be made available to the Authority to reimburse the Developer for costs paid or incurred to design, construct, and install Oak Creek Projects that are authorized by the Act and that implement the Project Plan as recommended by the Board and approved by the City Council, subject to the terms and conditions of this Agreement;

WHEREAS, by this Agreement, the Authority is contracting with the Developer to design, construct, and install the Oak Creek Projects on the Property that implement the Project Plan;

WHEREAS, to facilitate the Developer's intended development of the Property in a market-competitive manner, the City Council created the Oak Creek Public Improvement District (“PID” or “District”) by Resolution No. 14-013-00 that includes the Property and that assists with the costs related to the design and construction of certain public improvements (as defined herein); and

WHEREAS, if this Agreement is not fully executed within sixty (60) days after it is approved by the City Council of the City, it shall be null and void.

NOW THEREFORE, for and in consideration of the above stated premises and the terms, conditions, and covenants set forth herein, the Parties contract, covenant, and agree as follows:

ARTICLE 1

INTRODUCTION

1.1 The Property. As of the Effective Date, the Developer owns approximately 151 acres described on **Exhibit A** attached hereto. The Property is located within the Zone and is located in the TODD PUD. In addition, the Property is located in the Oak Creek PID.

1.2 Development of the Property. The Property will be developed in phases in accordance with the phasing plan approved by the City.

1.3 Development Incentives. The Authority desires to promote development within the Zone by providing financial assistance for the design, construction, and installation of Oak Creek Projects that have been approved in the Project Plan.

1.4 Requested Reimbursements. The Developer has requested the Authority reimburse the

Developer for costs associated with the design, construction, and installation of those certain public improvements including facilities for water, water quality, and roadways described in Article 3 and also defined herein as the Oak Creek Projects and that have been approved in the Project Plan.

1.5 Project Plan. The Board has recommended approval of, and the City Council has approved the construction, water, water quality, roadways, and other public improvements for Oak Creek that are eligible under the Act for reimbursement from the Zone. The Authority finds that such public improvements, the Oak Creek Projects described in Article 3, are authorized by the Act, are consistent with and included in the Project Plan, and are appropriate for reimbursement pursuant to this Agreement.

1.6 Benefits. The Developer will benefit from being reimbursed certain costs and by virtue of the improved feasibility for the current development of the Property, the financial benefit of the reimbursements, the City services that will be made available to the Property, and the predictability regarding the City's regulations applicable to development. The Authority, the Zone, and the City will benefit from the construction of the Oak Creek Projects, the initial development within the TODD PUD, the enhancement of land values in properties that will be served by the Oak Creek Projects, and resulting tax revenues that the City and the County will realize.

1.7 Consideration. The benefits to the Parties, plus the mutual promises expressed herein, are good and valuable consideration for this Agreement, the sufficiency of which is hereby acknowledged by the Parties.

1.8 Term. The term of this Agreement shall begin on the Effective Date and continue until the earlier of: (1) the date the Zone is terminated; or (2) the date on which the Developer has been reimbursed for the Oak Creek Project Costs as provided in this Agreement.

ARTICLE 2

DEFINITIONS

2.1 Applicable Regulations means (1) this Agreement; (2) all federal statutes and regulations, as amended; (3) all statutes and the Constitution of the State of Texas, as amended (including, but not limited to, Article III, Section 52-a of the Texas Constitution, Section 380.001 of the Texas Local Government Code, and Chapter 311 and Section 351.101 of the Texas Tax Code), as amended from time to time; (4) the City's Smart Code in effect on July 17, 2014, and any amendments thereto that apply to the Property pursuant to Chapter 245, Texas Local Government Code; (5) the Oak Creek PUD; (6) to the extent not in conflict with this Agreement, all other City ordinances, as amended; and (7) all rules and regulations of the Texas Department of Transportation, as amended.

2.2 Captured Appraised Value means, for a taxing unit, the total taxable value of real property by the unit and located in the Zone for a given year less the total taxable value of which real property taxable by the unit and located in the Zone for the year in which the Zone was created.

2.3 City Tax Increment Receipts means: 80% of [(50% of the ad valorem taxes collected

and received by the City on the Captured Appraised Value of the Property)] minus the Zone Administrative Expenses].

2.4 County means Williamson County, Texas.

2.5 County Participation Agreement means the Amended Tax Increment Financing Agreement effective August 8, 2006, by and between the City and the County, as amended.

2.6 County Tax Increment Receipts mean [80% of [(50% of the ad valorem taxes collected and received by the County on the Captured Appraised Value of the Property) minus the Zone Administrative Expenses].

2.7 Design Enhancements mean the projects described in Section 3.1(d).

2.8 Drainage – Detention Projects means the projects described in section 3.1(b).

2.9 Estimated Total for Each Category of the Oak Creek Projects means estimated costs to construct each category of the Oak Creek Projects. There are four categories of Oak Creek Projects, which are: (a) the Water Projects; (b) the Drainage-Detention Projects; (c) the Transportation Projects; and (d) the Design Enhancements. The Estimated Total for Each Category of the Oak Creek Projects is set forth in **Exhibit B**, attached hereto and incorporated herein for all purposes; provided that the Estimated Total for the Design Enhancement is defined in Section 2.10.

2.10 Estimated Total for the Design Enhancements means the lower of the sum of the estimated project costs shown in Table IV, **Exhibit B** for the projects that are approved under Section 3.1(d), or \$500,000.

2.11 Estimated Total for the Drainage-Detention Projects means the estimated total for the projects shown in Table II, **Exhibit B**.

2.12 Estimated Total for the Transportation Projects means the estimated total shown in Table III, **Exhibit B**.

2.13 Estimated Total for the Water Projects means the estimated total shown in Table I, **Exhibit B**.

2.14 HOA-Maintained Improvements mean the Primary Entry Feature, the Secondary Entry Feature, the Native Area Revegetation, and the Lake Treatments, which are respectively described in Table IV(a), (b), (c), and (d) of **Exhibit B** and **Exhibit C-4**.

2.15 Initial Payment means the initial reimbursement payment to Developer as described in Section 4.7(c).

2.16 Oak Creek Planned Unit Development (“Oak Creek PUD”) means the zoning applied to the Project pursuant to Ordinance No. 14-039-00 approved on July 17, 2014.

2.17 Oak Creek Payment Account means a separate account established by the City and the Zone within the Tax Increment Fund for the deposit of the City Tax Increment Receipts and the County Tax Increment Receipts, and from which the Authority will reimburse the Developer for

Oak Creek Project Costs specified in this Agreement.

2.18 Oak Creek Projects means the improvements described in Section 3.1.

2.19 Oak Creek Project Costs is defined in Section 5.1.

2.20 PID Improvements means the public improvements that are financed and funded by the Oak Creek PID.

2.21 Project Plan means that certain Project Plan and Reinvestment Zone Financing Plan as recommended by the Board of Directors of the Zone and approved by the City Council on October 5, 2006, and as modified upon recommendation of the Board of Directors of the Zone on December 16, 2013, and approved by the City Council by Ordinance No. 13-077-00 adopted December 19, 2013, and as further modified upon recommendation of the Board of Directors of the Zone on October 13, 2014, and approved by the City Council by Ordinance No. [REDACTED] adopted October 16, 2014.

2.22 Subdivision Improvements means those improvements and facilities necessary to develop the Property as more particularly described in Section 3.2.

2.23 Smart Code means the zoning regulations that govern development within the TODD PUD adopted by Ordinance Number 05-028-00, and amended by Ordinance Number 14-042-00.

2.24 Tax Increment Fund means the tax increment fund required by the Act into which the ad valorem taxes levied and collected by the City and the County on the Captured Appraised Value is to be deposited.

2.25 TCEQ means the Texas Commission on Environmental Quality, or successor agency.

2.26 Transportation Projects mean the projects described in Section 3.1(c).

2.27 Water Projects mean the projects described in Section 3.1(a).

2.28 Zone Administrative Expenses mean the administration costs set forth in the Project Plan.

ARTICLE 3

OAK CREEK PROJECTS

3.1 Oak Creek Projects. The Oak Creek Projects for which the Developer will be eligible for reimbursement, subject to the terms and conditions of this Agreement are the improvements described in this section:

(a) Water Projects:

i. West Broade Street – The water line along West Broade Street consists of approximately 115 linear feet of 8-inch C-900 DR-14 PVC water line and

approximately 2,680 linear feet of 12-inch C-900 DR-14 PVC water line, extending from San Gabriel Parkway to the extension of West Broade Street, generally shown in **Exhibit C-1**, attached hereto and incorporated herein. Water improvements will include approximately three 8-inch gate valves, approximately eight 12-inch gate valves, approximately four fire hydrants, and approximately one air release valve.

ii. South Brook Drive – The water line along South Brook Drive consists of approximately 520 linear feet of 8-inch C-900 DR-14 PVC water line and approximately 2,430 linear feet of 12-inch C-900 DR-14 PVC water line, extending from the existing stub of South Brook Drive to the future extension of South Brook Drive, generally shown in **Exhibit C-1**, attached hereto and incorporated herein. Water improvements will include approximately three 8-inch gate valves, approximately 5 12-inch gate valves, approximately six fire hydrants, and approximately one air release valve.

(b) Drainage-Detention Projects:

i. Water Quality Basin “A” – Water Quality Basin “A” provides water quality for approximately 67.50 acres within the Property and approximately 6.61 acres of offsite area as generally shown in **Exhibit C-2**, attached hereto and incorporated herein.

ii. Water Quality Basin “B” – Water Quality Basin “B” provides water quality for approximately 12.10 acres within the Property and approximately 2.27 acres of offsite area as generally shown in **Exhibit C-2**, attached hereto and incorporated herein.

iii. Water Quality Basin “C” – Water Quality Basin “C” provides water quality for approximately 24.16 acres within the property. Water Quality Basin “C” was not designed to treat any offsite areas, as generally shown in **Exhibit C-2**, attached hereto and incorporated herein.

iv. Water Quality Basin “D” – Water Quality Basin “D” provides water quality for approximately 30.45 acres within the property and approximately 5.01 acres of offsite area as generally shown in **Exhibit C-2**, attached hereto and incorporated herein.

v. Design Standards for Drainage-Detention Ponds. The Drainage-Detention Projects will be wet detention and water quality ponds that will also serve as a water feature amenities to the Oak Creek Subdivision, as generally shown construction plans entitled Oak Creek Phase 1, Street & Drainage, Water & Wastewater Improvements and submitted to the City on June 6, 2014 (the “Plans”). (The Plans are being referenced for the purpose of describing the general nature and character of the improvements as a wet detention and water quality pond. Reference to the Plans herein does not constitute approval of such Plans.) The Drainage-Detention Quality Projects will be designed and constructed in accordance with the TCEQ in order to remove a minimum of 80% of the increase in Total Suspended Solids (TSS) and this

Agreement.

(c) Transportation Projects.

i. W. Broade Street consists of the roadway improvements commencing at the intersection of West Broade Street and San Gabriel Parkway and continuing south through the property approximately 2,460 linear feet to the southern property boundary, generally shown in **Exhibit C-3**, attached hereto and incorporated herein. West Broade Street shall be designed and constructed as a two lane local street with a forty foot pavement width and a sixty foot right-of-way width.

ii. South Brook Drive consists of the roadway improvements commencing at the western boundary of the project and continuing east through the property approximately 2,690 linear feet to the eastern property boundary, generally shown in **Exhibit C-3**, attached hereto and incorporated herein. South Brook Drive shall be designed and constructed as a two lane local street with a forty foot pavement width and a sixty foot right-of-way width.

iii. Enhanced Bridge Treatment – The primary bridge structure will be faced with masonry veneer. An ornamental pedestrian railing with masonry columns will adorn the bridge crossing. The masonry and railing will complement the materials utilized at the Primary Entry Feature in order to provide a consistent appearance and theme.

(d) Design Enhancements. The Developer is eligible to receive reimbursements from the Oak Creek Payment Account for projects that are generally shown and described in Table IV of **Exhibit B** and **Exhibit C-4**, attached hereto and incorporated herein, up to the Estimated Total for the Design Enhancements. The Developer shall submit construction design, and/or landscaping plans, as appropriate at or before the time that the Developer submits construction plans for the phase in which the project or projects will be located and obtain the City Planning Director's (or designee's) approval of the proposed project and plans. The projects approved in writing by the City's Planning Director in accordance with this subsection 3.1(d), as shown on the approved plans, shall constitute the Design Enhancements. The Design Enhancements shall meet or exceed the Conventional District Sector landscaping requirements set forth in the Smart Code.

3.2 Subdivision Improvements.

(a) The subdivision improvements are all required water facilities, wastewater facilities streets, drainage facilities and other amenities and improvements that are required by regulatory authorities with jurisdiction over the Property to serve individual lots within the Property, and do not include the Oak Creek Projects.

(b) The Developer shall not receive any rebate or contribution from the City or the Authority for any part or portion of the Subdivision Improvements. The Developer shall, at the Developer's expense, design, construct, and complete the Subdivision Improvements determines in accordance with the plans and specifications approved by the City, the Applicable Regulations, and good engineering practices.

ARTICLE 4

REIMBURSEMENT OF OAK CREEK PROJECT COSTS

4.1 Oak Creek Project Costs. Subject to the terms, limitations, and provisions of this Agreement, and the Developer's full and timely performance of, and compliance with, each of the requirements set forth in this Agreement, the Authority shall reimburse the Developer for the actual, documented costs and expenses paid or incurred by the Developer to design, construct, and install the Oak Creek Projects, up to a maximum of the Estimated Total for Each Category of the Oak Creek Projects.

4.2 Combined Totals Not Exceed Cost; Consent Not Required. The actual cost to design, construct, and install a particular project may exceed or be less than the estimated project costs shown for each of the Oak Creek Projects in **Exhibit B**, and an amendment to this Agreement will not be required to adjust such estimated project costs; provided that notwithstanding any provision to the contrary herein, if the total actual costs to design, construct, and install the Oak Creek Projects exceeds the Estimated Total for Each Category of the Oak Creek Projects, the excess is not reimbursable without the consent of the City, the Authority, and the Zone. For example, if the actual cost to design, construct and install the West Broade Street Water Project exceeds the Estimated Project Cost for said project set forth in Table I(a), Exhibit B, the Developer may apply to be reimbursed for the actual project costs provided that Developer submits an update to Table I as required in Section 4.7(b) and provided further that Developer shall not be reimbursed for any amounts that exceed the Estimated Total for Water Projects, without the written consent of the City, the Authority, and the Zone.

4.3 Oak Creek Payment Account. The City shall create and maintain the Oak Creek Payment Account as a separate and segregated account within the Tax Increment Fund, which shall be invested in the same manner as other municipal funds with interest added to the balance). The City shall not comingle the Oak Creek Payment Account with any other funds of the City and shall not allow the Oak Creek Payment Account to be used for any purposes except as provided by this Agreement.

4.4 Deposits. The City shall deposit the City Tax Increment Receipts and County Tax Increment Receipts into the Oak Creek Payment Account no less frequently than quarterly for the earlier to occur of (a) the term of the Zone; (b) the Oak Creek Projects Costs are reimbursed in full, up to a maximum of the Estimated Total for each Category of the Oak Creek Projects; or (c) the termination of this Agreement.

4.5 Quarterly Accounting. The Oak Creek Payment Account will be used to reimburse the Developer for Oak Creek Project Costs. The City and the Authority shall provide to the Developer a quarterly accounting (certified by the City Manager of the City and by the Board of Directors of the Authority) of all deposits into and disbursements from the Oak Creek Payment Account and shall otherwise maintain complete books and records with respect to such deposits and disbursements in accordance with generally accepted accounting principles as applied to Texas municipalities.

4.6 Acceptance. Following the completion of each Oak Creek Project and upon written notice from the Developer, the City shall accept the completed a project if the project complies with the Applicable Regulations and this Agreement in accordance with this Section:

(a) The Developer will dedicate the Water Utility Projects, the Drainage-Detention Projects, the Transportation Projects, and the Trailheads and Street Lighting respectively described in Table IV(e) and (m) of **Exhibit B** and **Exhibit C-4** (if constructed) to the City upon completion of said projects, and the City will accept dedication of such projects after confirming that the projects have been completed in accordance with this Agreement and after receiving the documents and information required by the Applicable Regulations. With respect to the Street Lighting, the Developer will also be required to submit an executed license agreement, in the City's standard format, prior to the City's acceptance of the projects.

(b) With respect to the Primary Entry Feature, the Secondary Entry Feature, the Native Area Revegetation, and the Lake Treatments, which are respectively described in Table IV(a), (b), (c), and (d) of **Exhibit B** and **Exhibit C-4**, if constructed, the Developer will grant the City an easement in a form acceptable to the City granting the City and the public the right of access to and use of such projects. The Developer shall further enter into a restrictive covenant agreement with the City in a form substantially similar to that set forth in **Exhibit D**. The easement and restrictive covenant agreement required in this subsection shall be granted to the City prior to or at the time the final plat for the phase in which the Public Improvement is located is submitted to the City, and will be a condition of final plat approval.

4.7 Reimbursement. (a) The City shall issue written confirmation to the Developer that the project has been accepted upon request. Upon acceptance of a Project, the Developer shall submit to the Authority evidence (in form reasonably acceptable to the Authority) of the actual costs paid or incurred by the Developer for the Project Costs to which the Developer is entitled to be reimbursed. The Developer shall keep records of all contracts, change orders payment applications, and pay requests made in connection with the design and construction of the Oak Creek Projects.

(b) In the event that the actual costs of designing, constructing, and installing an Oak Creek Project exceeds or is less than the Estimated Project Costs for such project set forth in Exhibit B, at the time that the Developer applies for reimbursement under this Section 4.7, the Developer shall submit an update to the estimated project costs for all of the projects in the category in which the project for which reimbursement is sought is located, showing to which project the cost overruns or cost underruns shall be reallocated for future reimbursement allocations. In no event shall the updated estimate cause the Estimated Total for the particular category of Oak Creek Projects to increase.

(c) The Authority shall have 60 days to verify the Project Costs or to notify the Developer in writing of the Authority's objections to the Developer's request for reimbursement (and the failure of the Authority to do so within such 60-day period shall constitute verification of the costs as presented by the Developer). If the Authority verifies (or is deemed to have verified) that the Developer paid or incurred the Project Costs, then to the extent funds are available, the Authority shall reimburse the Developer for the verified costs within 30 days in the amount up to, but not exceeding, the verified Project Costs for the particular project for which reimbursement is requested, provided that the Estimated Total for the particular Category of Oak Creek Projects shall not be exceeded, taking into account all prior payments to Developer for projects within that category (the "Initial Payment"). After an Initial Payment, to the extent funds are

available in the Payment Account and if the verified Project Costs have not been reimbursed in full by an Initial Payment, then the Authority shall make payments to reimburse the Developer for such verified Project Costs on or before the thirtieth (30th) day following the end of each calendar quarter (March 31, June 30, September 30, and December 31) of each year until the earlier to occur of: (i) the verified Project Costs having been paid in full; (ii) the Authority has made payments equal to the Estimated Total for the particular category for which payment is sought; or (iii) this Agreement has terminated or expired.

(d) Notwithstanding anything contained herein to the contrary, the City will not release any reimbursements for the Oak Creek Projects until the Developer has submitted and obtained approval by the City of construction plans for all of the Oak Creek Projects and the PID Improvements.

4.8 Oak Creek Payment Account. The Oak Creek Payment Account shall be used to reimburse Oak Creek Project Costs in the order determined by the Developer, provided that the Developer notifies the City in writing of the desired order. Upon the earlier to occur of: (i) all Oak Creek Project Costs having been paid in full for all Oak Creek Projects, up to a maximum of the Estimated Total for each Category of the Oak Creek Projects; (ii) the payment in full of an amount equal to the Estimated Total for Each Category of the Oak Creek Projects; or (iii) the termination of this Agreement, the City may terminate the Oak Creek Payment Account, and use the City Tax Increment Receipts unencumbered by this Agreement, and the County may use the County Tax Increment Receipts unencumbered by this Agreement.

4.9 Representation Regarding the Tax Increment Receipts. The City, the Authority, and the Zone each represent and warrant to the Developer that, to the best knowledge and belief of each of them, no person or entity has any right, title, or interest in the City Tax Increment Receipts and County Tax Increment Receipts. Each of the City, the Authority, and the Zone further represent and warrant to the Developer that, to their best knowledge and belief, entering into this Agreement will not constitute a breach of or otherwise violate any agreement to which they are a party or by which they are bound.

4.10 PID Reimbursements. The Developer shall not seek or accept reimbursement from the PID for any of the Oak Creek Projects. The Developer shall further not seek or accept reimbursement from the Zone for any projects for which the Developer is entitled to be reimbursed from the PID.

4.11 Suspension of Reimbursements. Notwithstanding any other term or provision of this Agreement, no reimbursement shall be made to Developer at a time when Developer is delinquent in the payment of ad valorem taxes to either the City or the County. For so long as such delinquencies by Developer remain unpaid (including interest, penalties, and costs of collection), reimbursements by the Authority to Developer shall be suspended until the delinquencies are fully paid. This provision does not apply to ad valorem taxes that are due but not yet delinquent. A developer shall not be considered “delinquent” if exercising its rights to protest valuation.

ARTICLE 5

PROJECT COSTS; ENGINEERING REQUIREMENTS

5.1 The Oak Creek Project Costs for each of the Oak Creek Projects set forth in Article 4, include costs for the following:

- (a) hard construction costs;
- (b) surveying costs;
- (c) the cost of soils and materials testing;
- (d) engineering fees relating to the Project;
- (e) any other necessary and reasonable out-of-pocket costs expended by the Developer in connection with the design, construction, and installation of the Oak Creek Projects, including the cost of any necessary land and rights-of-way located outside the boundaries of the Property;
- (f) legal fees and professional costs paid to the Authority in conjunction with the negotiation and execution of this Agreement;
- (g) plan review, approval, and inspection fees paid to any governmental agency having jurisdiction to review the plans and construction of a Oak Creek Projects, that are charged and paid for review and inspection of Oak Creek Projects.

All such sums and amounts shall be documented to and approved by the Authority upon completion and final acceptance by the City of each Oak Creek Project, for the purposes of determining the final agreed amount eligible for reimbursement to Developer under this Agreement.

5.2 Developer Payment of Costs. All Oak Creek Project Costs, as well as the costs of the Subdivision Improvements, shall be paid by the Developer as they become due. The Authority shall not bear any part or portion of such costs.

5.3 Developer Financing. The Developer shall secure the financing for, and shall design, construct, and install the Oak Creek Projects and Subdivision Improvements in accordance with this Agreement.

5.4 Bid Requirements. The Developer shall obtain written bids and at least three (3) bid sheets submitted by independent, qualified contractors for the construction of each Oak Creek Project. Public bidding in compliance with the Municipal Purchasing Act is not required, but written bids are required to be obtained and accepted in a fair and impartial manner with three (3) or more interested, prospective bidders having been provided equal access to plans, specifications, and information. The Parties acknowledge that the Oak Creek Projects may, in some cases, be built in conjunction with Subdivision Improvements that are not subject to reimbursement under this Agreement. Developer will have each bid proposal separately identify or itemize the construction costs for Oak Creek Projects and Subdivision Improvements.

5.5 City Engineer Bid Approval. The City Engineer will timely review and approve all bids and contracts for the construction of Oak Creek Projects for compliance with the Applicable Regulations. Subject to change orders approved by the City Engineer for such compliance, the

actual Oak Creek Project Costs paid or incurred by the Developer will determine the amount reimbursed to the Developer pursuant to this Agreement; provided that the amount reimbursed to Developer shall not exceed the Estimated Project Costs for Each Category of the Oak Creek Projects. Provided written bids are obtained and the contractor selection is made in a manner as not to discourage future competition and competitive bids, the selection of the contractor will be at the sole discretion of the Developer. The Developer will award all construction contracts. The Oak Creek Projects shall be designed and constructed in accordance with the plans and specifications approved by the City, the Applicable Rules, and good engineering practices.

5.6 Developer Reports and Records. The Developer will make quarterly reports to the City Engineer on the amounts paid to contractors for each Oak Creek Project and will maintain accounts in a manner that separately reflects payments subject to reimbursement under this Agreement.

5.7 City Engineer Responsibilities. The City Engineer will: (1) make recommendations to and advise the Authority on the award of construction contracts by the Developer; (2) make quarterly reports to the Authority on the progress of construction; (3) review and make recommendations to the Authority on the final, as-built Oak Creek Project Costs; and (4) periodically inspect the Oak Creek Projects during construction. No changes to the plans and specifications or change orders to the construction contracts pertaining to a Project may be made without the approval of the City Engineer. The City Engineer will reasonably cooperate with the Developer and the Developer's project engineer and will keep the Developer's project engineer fully advised of the City Engineer's findings regarding the bidding process and the construction of the Oak Creek Projects.

5.8 Record Drawings. Upon completion of construction of each Project, the Developer must provide the Authority with final, "record" drawings in a form approved by the City Engineer.

5.9 Required Certificates. Upon Completion of construction of each Project, the Developer's engineer must provide the City with a certificate or completion certifying that the construction of the Oak Creek Project has been completed in accordance with the plans and specifications approved by the City Engineer and that the required "record" drawings have been provided.

5.10 Eligible Costs. The Developer will work and coordinate with the Authority and the City Engineer to assure that actual Oak Creek Project Costs are accurately and truly identified and agreed between the Parties as eligible for reimbursement under this Agreement.

ARTICLE 6

PLANS, SPECIFICATIONS, AND PERFORMANCE

6.1 Other Authority Agreements. The City and the Authority hereby further agree as follows:

- (a) Building Permits. The City and the Authority will coordinate and facilitate the issuance of building permits for buildings to be constructed within a phase of the subdivision for which a final plat has been approved based on the City having either accepted (i) the completed Subdivision Improvements and Oak Creek Projects for such phase or (ii) adequate fiscal surety for the Subdivision Improvements and Oak Creek

Projects for such phase meeting the requirements of the Applicable Regulations; provided the permit applicant is not in default under this Agreement and that the application does not commit the Authority to request the City to waive otherwise applicable requirements that on-site and off-site infrastructure for the approved plat must be accepted by the City prior to the issuance of a certificate of occupancy for the completed building. Notwithstanding anything contained herein to the contrary, no final plat for any portion of the Property that contains single family residential lots will be approved until the Oak Creek Projects and the PID Improvements are complete.

(b) Authorized Coordination. The Authority will, as appropriate, authorize the City Engineer to coordinate with the Developer's engineer in a timely manner on specific design requirements, plans, and specifications for the Oak Creek Projects and Subdivision Improvements.

(c) Plan Approval. The City Engineer shall review and approve, on behalf of the Authority, all plans for the construction of Oak Creek Projects.

(d) Required City Engineer Approvals. All approvals of Oak Creek Projects and the plans and specifications therefore by the City Engineer shall be based compliance with the Applicable Regulations and this Agreement, and no approvals shall be unreasonably denied, withheld, conditioned, or delayed.

6.2 Permits and Approvals. The City Engineer shall cooperate with the Developer as appropriate and take necessary, reasonable, and appropriate actions on a timely basis to assist the Developer in obtaining any permits, licenses, or other approvals from the City, the County, TxDOT, TCEQ, or any other regulatory authority required for the construction of the Oak Creek Projects and the Subdivision Improvements.

6.3 Fill Materials. The Developer shall have the right, subject to the approval of the City Engineer, to remove soil and limestone required, if necessary, to construct and to use such materials as fill within the Property.

6.4 Bid Approval. The City Engineer shall review and act upon approving bids for construction of the Oak Creek Projects within a reasonable time.

6.5 Change Orders and Inspections. During the construction of the Oak Creek Projects, the City Engineer shall review, approve, and sign, as appropriate, any necessary change orders exceeding \$100,000 within a reasonable time, not to exceed (30) days; provided that no change order (regardless of the amount) shall change the character or nature of any Oak Creek Project. A change order that changes the character or nature of an Oak Creek Project must be approved by the Authority, the Zone, and the City. A change order that changes the character or nature of an Oak Creek Project shall cause that project to be ineligible for reimbursements under this Agreement, unless such change order is approved by the Authority, the Zone, and the City. The City Engineer shall also cause all inspections of Oak Creek Projects to be completed within a reasonable time and final acceptance of completed Oak Creek Projects within thirty (30) days or a request for final acceptance if the projects have been constructed in substantial accordance with approved plans and specifications.

6.6 Project Acceptance. After completion of construction of Oak Creek Projects and Subdivision Improvements in accordance with the Applicable Regulations and this Agreement, the City Engineer shall approve and cause the acceptance of the Oak Creek Projects and Subdivision Improvements that comply with this Agreement by the City Council in a timely manner.

6.7 Submittal Review. The City Engineer shall conduct a timely review of all submittals by the Developer as each submittal is made, and the City and the Authority will review such submittals individually.

6.8 Perform Under Agreement. The City, the Authority, and the Zone agree to perform their respective duties and obligations under this Agreement in a timely manner, including reimbursement by the authority to the Developer of Oak Creek Project Costs as provided by this Agreement.

6.9 Other Developer Agreements. The Developer hereby further agrees:

(a) Payment of Fees. To pay to the Authority, the Zone, and the City all fees and charges provided for or established by the Applicable Regulations for or with respect to the development of the Property;

(b) Dedication. Upon completion of the Oak Creek Projects and Subdivision Improvements, to dedicate to the City, for ownership, operation, and maintenance, the Oak Creek Projects as provided in Section 4.6 and, to the extent required by Applicable Regulations, the Subdivision Improvements, if constructed in substantial accordance with the Applicable Regulations;

(c) Fiscal. As a condition of obtaining final plat approval, either complete the Subdivision Improvements and the Oak Creek Projects that will serve the property within the final plat or post fiscal surety for the such improvements and projects that meets the requirements of the Applicable Regulations.

(d) Timely Coordination. To coordinate with the City Engineer with respect to specific design requirements and specifications and with respect to the review and approval by the City Engineer of the plans and specifications for the Oak Creek Projects and the Subdivision Improvements in a timely manner;

(e) Timely Applications. To make, or cause the Developer's engineer to make, timely requests for reviews, approvals, and permits accompanied by documents, plans and specifications compliant with Applicable Regulations; and

(f) Perform Under Agreement. To perform in a timely manner all applicable duties and obligations of the Developer as provided in this Agreement.

6.10 Home Owner's Association.

(a) The Developer will create one or more home owners associations for the Property (collectively the "Owner's Association"), and shall establish bylaws, rules, regulations and restrictive covenants (collectively the "Association Regulations") to assure the

Owner's Association performs and accomplishes the duties and purposes required to be performed and accomplished by the Owner's Association pursuant to this Section. The Owner's Association will have binding, continuing responsibility for the maintenance, repair and operation of the HOA-Maintained Improvements (the "Maintenance Obligation"). The HOA's Maintenance Obligation shall be noted on the plat and in the restrictive covenants filed of record for the subdivision. The owner of each lot within the Property shall be required to be a member of the Owner's Association, and unpaid dues or assessments shall be and constitute a lien on the lot for which they are assessed; provided that such lien will be subordinate to liens created by levy of the Special Assessments. The Association Regulations will establish periodic Owner's Association dues and assessments, to be charged and paid by the lot owners in within the Property, that are and will be sufficient to maintain the HOA-Maintained Improvements. The Association Regulations will require the periodic dues and assessments to be increased from time to time as necessary to provide the funds required for the maintenance of the HOA-Maintained Improvements, and to provide funds required for the management and operation of the Association. The Association Regulations shall give the City authority to judicially enforce the covenants requiring the Maintenance Obligation and shall provide for the City to recover any attorney's fees and expenses incurred in judicial enforcement. The Association Regulations shall be subject to the City's approval. Compliance with this section shall be a condition of final plat approval.

(b) The Owners' Association dues and assessments required to be established, maintained and collected by the Owners' Association pursuant to this Agreement shall be in addition to, and not in lieu of, any and all other fees, charges and assessments that will be applicable to the Property.

(c) The Owners' Association shall execute a license agreement using the City's standard form obligating the Owners' Association to maintain the HOA-Maintained Improvements within thirty (30) days of the creation of the Owner's Association.

6.11 Natural Resource Regulations. The Developer further agrees that the Oak Creek Projects and the Subdivision Improvements will be constructed in compliance with the applicable state and federal natural resource and environmental laws, rules, and regulations, including, but not limited to, the following, to the extent, if any, they may be or become applicable. The Developer is not, however, responsible for water quality problems that are the result of surface water that originates outside the Property.

ARTICLE 7

EMINENT DOMAIN

The Authority agrees to cooperate and facilitate with the City for the City to provide reasonable use of all necessary City lands, rights-of-way, and easements and to provide further required easements or lands in fee simple as may be necessary for construction of Oak Creek Projects, save and except for any such land and easements within the Property. It is acknowledged that there exists a public necessity for the Oak Creek Projects, that the Oak Creek Projects will be Authority projects for the benefit of the Zone and the City, and that the Authority agrees to work, cooperate, and facilitate with the City to cause the City to use its

power of eminent domain to acquire such lands or easements, if necessary. The Developer shall pay the reasonable costs of any eminent domain proceeding that is initiated under the terms of this Agreement.

ARTICLE 8

ASSIGNMENT

8.1 Assignment by Developer. This Agreement may be assigned in whole or in part, by the Developer to any person or entity that is approved by the City (an “Assignee” and the “Assignment”). The Assignment shall be in writing and shall obligate the Assignee to be bound by the terms and conditions of this Agreement. The Assignment shall not be effective until a fully executed copy is provided to the City. The form of the Assignment shall be approved by the City Attorney prior to its execution. From and after the effective date of the Assignment, the City, the Authority, and the Zone agree to look solely to the Assignee for the performance of all duties and obligations that are assigned and agree that the Developer-assignor shall be unconditionally and irrevocably released from all such duties and obligations and from all liability under this Agreement whether such liability arose prior to or after the effective date of the Assignment. The City shall have thirty (30) days to approve or refuse to approve any proposed Assignee identified by the Developer in writing, and the failure of the City to do so within such thirty (30) day period shall constitute an approval. The City shall not unreasonably withhold, condition, or delay its approval of any proposed Assignee. If the City refuses to approve an Assignee, such refusal shall be in writing, shall set forth the basis for the refusal, shall be signed by the City Manager of the City, and shall be delivered to the Developer assignor within such thirty (30) day period. The City shall maintain as confidential all information regarding any proposed Assignee until a copy of the Assignment is delivered to the City; only to the extent that doing so is authorized under the Texas Public Information Act (Chapter 552, Texas Government Code, as amended (the “Texas Public Information Act”)), and release of information regarding a proposed Assignee in compliance with the Texas Public information Act shall not be deemed a breach of this Agreement.

8.2 Memorandum of Agreement. The Parties agree to execute and record a “Memorandum of Agreement” regarding this Agreement, the form of which memorandum shall be determined by the City, and which shall be recorded within sixty (60) days after the date the execution of this agreement. Upon termination of this Agreement, the Parties agree to execute and record an appropriate release of this Agreement. This Agreement shall be binding upon the Parties, their successors and assigns.

ARTICLE 9

DEFAULT; REMEDIES

9.1 Notice; Cure; Default. Notwithstanding anything herein to the contrary, no Party shall be deemed to be in default under this Agreement until the passage of sixty (60) business days after receipt by such Party of notice of default from the other Party (“Cure Period”), which notice shall specify, in reasonable detail, the nature of the default. Upon the passage of the Cure Period without cure of the default, such Party shall be deemed to have defaulted for purposes of this Agreement; provided that, if the nature of the default is such that it cannot reasonably be cured within the Cure Period, the Party receiving the notice of default may during such Cure Period

give the other Party written notice that it has commenced cure within the Cure Period and will diligently and continuously prosecute the cure to completion as soon as reasonably possible, and such written notice together with diligent and continuous prosecution of the cure shall extend the Cure Period for up to an additional ninety (90) calendar days so long as the cure is being diligently and continuously pursued during such time; and provided further that, if the cure cannot be reasonably accomplished within the additional ninety (90) calendar day period but the applicable facts, circumstances, and progress establish that a cure will be obtained within a reasonable period of time following the expiration of the ninety (90) calendar day period, the time for cure will be extended for an additional period of time as mutually agreed by the Parties (such agreement not to be unreasonably withheld); provided, further, that if a default is not cured within the applicable Cure Period, or, as applicable, written notice having been given and cure being commenced and diligently and continuously prosecuted, within the additional ninety (90) calendar days after the giving of the written notice, or, as otherwise applicable within the time mutually agreed by the Parties due to the defaulting Party not being able to obtain a cure within the additional ninety (90) calendar days after the defaulting Party gives written notice that it is commencing cure, then the non-defaulting Party may pursue the remedies set forth in this Agreement. Notwithstanding any provision contained herein to the contrary, the City may exercise its rights under any fiscal surety posted to secure the completion of the Oak Creek Projects or the Subdivision Improvements after the expiration of the time to complete such improvements set forth in the Applicable Regulations.

9.2 Remedies. If a Party is in default under this Agreement, the other Parties have available (to the maximum extent permitted by law, taking into consideration governmental immunities, if any) all remedies at law or in equity (including, but not limited to, injunctive relief, specific performance, and mandamus); however, no default by one Party shall constitute or be the basis for a default by a different Party, and no default by a Party shall: (1) entitle any Party to terminate this Agreement except as provided in Section 9.4; (2) entitle any Party to seek monetary damages; (3) relieve the City from its obligation to create and maintain the Oak Creek Payment Account within the Tax Increment Fund and to deposit therein the City Tax Increment Receipts and County Tax Increment Receipts; (4) relieve the City from its obligation to accept completed Subdivision Improvements and Oak Creek Projects that comply with the Applicable Regulations and this Agreement; (5) relieve the Authority from its obligation to verify the Oak Creek Project Cost; or (6) relieve the Authority from its obligation to reimburse verified Oak Creek Project Costs, subject to the terms, conditions, and limitations under this Agreement; or (7) relieve the Developer from complying with each requirement and obligation of the Developer under this Agreement.

9.3 Suspension of Reimbursements. In addition to the remedies set forth in this Article 9, notwithstanding the Cure Period, if the Developer is in default under this Agreement, and the Developer is or becomes entitled to reimbursement by the Authority for Oak Creek Project Costs in accordance with this Agreement, the Authority shall have the right, notwithstanding the Cure Period, upon 30 day's written notice to Developer, to suspend (and place in a third-party escrow account for the benefit of the Party "A") such reimbursements until the default has been cured.

9.4 Partial Termination. In addition to the remedies set forth in this Article 9, if a Party is in default under this Agreement, the Authority may partially terminate this Agreement as to any Oak Creek Projects not then completed or under construction upon the condition that further written notice of the intent of the Authority to do so is given to the defaulting Party and to any

lenders to or assignees of the defaulting Party that have been identified to the Authority and the lenders and assignees are given an additional 90 days to cure the default.

9.5 Remedies Cumulative. The remedies described in this Article are in addition to and not in replacement of any other remedies at law or inequity that a Party may have as a result of any default under this Agreement.

ARTICLE 10

FORCE MAJEURE

10.1 Force Majeure. The term "force majeure" as employed herein shall mean and refer to acts of God; strikes, lockouts, or other industrial disturbances; acts of public enemies, orders of any kind of the government of the United States, including, but not limited to, the State of Texas, Williamson County or the City of Leander, or any civil or military authority; insurrections; riots; epidemic; landslides; lightning, earthquakes; fires, hurricanes; storms, floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accidents to machinery, pipelines, or canals; or other causes not reasonably within the control of the Party claiming such inability. The term "force majeure" will specifically include an attack by terrorists within the United States that results in a disruption of the financial markets for a period of more than one (1) week.

10.2 Notice of Force Majeure. If, by reason of force majeure, any Party hereto shall be rendered wholly or partially unable to carry out its obligations under this Agreement, then such Party shall give written notice of the full particulars of such force majeure to the other Parties within thirty (30) days after the occurrence thereof.

10.3 Suspension. The obligations of the Party giving such notice, to the extent affected by the force majeure, shall be suspended during the continuance of the inability claimed, except as hereinafter provided, but for no longer period, and the Party shall endeavor to remove or overcome such inability with all reasonable dispatch.

10.4 Settlement of Strikes. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the Party having the difficulty, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require that the settlement be unfavorable in the judgment of the Party having the difficulty.

ARTICLE 11

NOTICES AND MISCELLANEOUS PROVISIONS

11.1 Written Notice. Any notice to be given hereunder by any Party to another Party shall be in writing and may be affected by personal delivery, or by facsimile with confirmation of receipt by the addressee, or by sending said notices by registered or certified mail, return receipt requested, to the address set forth below. Notice shall be deemed given when delivered or when deposited with the United States Postal Service with sufficient postage affixed. Any notice mailed to the City shall be addressed:

City of Leander:
Attn: City Manager
P.O. Box 319
200 West Willis Street
Leander, Texas 78646-0319
Facsimile: (512) 259-1605

Leander TIRZ:
Leander Development Authority
P.O. Box 319
200 West Willis Street
Leander, Texas 78646-0319
Facsimile: (512) 259-1605

Copy to:
Knight & Partners
223 W. Anderson Lane, Ste A105
Austin, Texas 78752
Facsimile: (512) 323-5773

Sentinel Land Company:
Attn: Tom Rielly
160 Newport Center Drive
Newport Beach, CA 92660
Facsimile: (512) _____

Copy to:
Metcalf Wolff Stewart & Williams
Attention: Talley Williams
221 W. 6th Street, Suite 1300
Austin, Texas
Facsimile: (512) 404-2245

11.2 Applicable Law and Venue. The interpretation, performance, enforcement and validity of this Agreement is governed by the laws of the State of Texas. Venue will be in a court of appropriate jurisdiction in Williamson County, Texas.

11.3 Entire Agreement. This Agreement contains the entire agreement of the parties. There are no other agreements or promises, oral or written, between the parties regarding the subject matter of this Agreement. This Agreement can be amended only by written agreement signed by the Developer, the City, the Zone, and the Authority.

11.3. Attorney Fees. A Party shall not be liable to another Party for attorney fees or costs incurred in connection with any litigation between the parties, in which a Party seeks to obtain a remedy from the other party, including appeals and post judgment awards.

11.4. Severability. If any provision of this Agreement is illegal, invalid, or unenforceable, under present or future laws, it is the intention of the parties that the remainder of this

Agreement not be affected and, in lieu of each illegal, invalid, or unenforceable provision, a provision be added to this Agreement which is legal, valid, and enforceable and is as similar in terms to the illegal, invalid, or enforceable provision as is possible.

11.5 Waiver. Any failure by a Party to insist upon strict performance by the other party of any material provision of this Agreement will not be deemed a waiver or of any other provision, and such Party may at any time thereafter insist upon strict performance of any and all of the provisions of this Agreement.

11.6 Waiver of Alternative Benefits. The Parties acknowledge the mutual promises and obligations of the Parties expressed herein are good, valuable and sufficient consideration for this Agreement. The Parties further acknowledge the Parties voluntarily elected the benefits and obligations of this Agreement, as opposed to the benefits available were Developer to have elected to develop the Property without the benefits and obligations of this Agreement, pursuant to and in compliance with the applicable City ordinances. Therefore, save and except the right to enforce the obligations of the City, the Zone, or the Authority to perform each and all of the City's, the Zone's, or the Authority's respective duties and obligations under this Agreement, Developer hereby waives any and all claims or causes of action against the City, the Zone, and the Authority the Developer may have for or with respect to any duty or obligation undertaken by Developer pursuant to this Agreement, including any benefits that may have been otherwise available to Developer but for this Agreement.

11.7 No Joint Venture. The terms of this Agreement are not intended to and shall not be deemed to create any partnership or joint venture among the parties. The City, the Zone, and the Authority, its past, present and future officers, elected officials, employees and agents, do not assume any responsibilities or liabilities to any third party in connection with the development of the Property. The City, the Zone, and the Authority enter into this Agreement in the exercise of its public duties and authority to provide for development of property within the City pursuant to its police powers and for the benefit and protection of the public health, safety, and welfare.

11.8 No Third Party Beneficiaries. 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 provided otherwise herein, or in a written instrument executed by both the City and the third party. Absent a written agreement between the City and third party providing otherwise, if a default occurs with respect to an obligation of the City under this Agreement, any notice of default or action seeking a remedy for such default must be made by the Owner.

11.9 Exhibits, Headings, Construction. All schedules and exhibits referred to in or attached to this Agreement are incorporated into and made a part of this Agreement for all purposes. The paragraph headings contained in this Agreement are for convenience only and do not enlarge or limit the scope or meaning of the paragraphs. Wherever appropriate, words of the masculine gender may include the feminine or neuter, and the singular may include the plural, and vice-versa.

11.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, and all of which will together constitute the same instrument. This Agreement will become effective only when one or more counterparts, individually or taken together, bear the signatures of all of the parties.

11.11 Time. Time is of the essence of this Agreement. In computing the number of days for purposes of this Agreement, all days will be counted, including Saturdays, Sundays and legal holidays; however, if the final day of any time period falls on a Saturday, Sunday or legal holiday, then the final day will be deemed to be the next day that is not a Saturday, Sunday or legal holiday.

11.12 Authority for Execution. The City certifies, represents, and warrants that the execution of this Agreement is duly authorized and adopted in conformity with its City Charter and City ordinances. Developer hereby certifies, represents, and warrants that the execution of this Agreement is duly authorized and adopted in conformity with the articles of incorporation and bylaws or partnership agreement of each entity executing on behalf of Developer.

[Execution Page Follows]

Executed as of ____ day of ____, 2014 and Effective upon execution by all Parties.

City of Leander, Texas

Mayor

Attest:

City Secretary

Approved as to Form:

City Attorney

Leander Development Authority

By: _____
Name: _____
Title: _____

Reinvestment Zone Number One, City of Leander

By: _____
Name: _____
Title: _____

Sentinel/Cotter Leander LLC, a Texas limited Liability company

By: _____

Name: _____

Title: _____

EXHIBIT A

Property

EXHIBIT B
Estimated Total for Each Category of the Oak Creek Projects
TABLE I

Water Projects – Necessary Connections	Estimated Project Costs
a. West Broade Street	\$192,581
b. South Brook Drive	<u>\$239,869</u>
Estimated Total for Water Projects	\$432,450

TABLE II

Drainage-Detention Projects – Regional Facilities/Ponds/Treatment Facilities (BMP's)	Estimated Project Costs
a. Water Quality Basin "A"	\$496,650
b. Water Quality Basin "B"	\$187,050
c. Water Quality Basin "C"	\$374,100
d. Water Quality Basin "D"	<u>\$399,900</u>
Estimated Total for Drainage-Detention Projects	\$1,457,700

TABLE III

Transportation Projects – Required Roadways	Estimated Project Costs
a. W. Broade Street	\$973,247
b. South Brook Drive	\$598,977
c. Enhanced Bridge Treatment	<u>\$285,000</u>
Estimated Total for Transportation Improvements	\$1,572,224

TABLE IV

List of Possible Design Enhancements	Estimated Project Costs
a. Primary Entry Feature	\$181,845
a. Secondary Entry Feature	\$25,800
b. Native Area Revegetation	\$75,950
c. Lake Treatments	\$129,000
d. Trailheads	\$17,415
e. Street Lighting	\$57,792

EXHIBIT C

Oak Creek Projects

EXHIBIT C-1

Water Projects

EXHIBIT C-2

Drainage-Detention Projects

EXHIBIT C-3

Transportation Projects

EXHIBIT C-4

Design Enhancements

EXHIBIT D

Form of Restrictive Covenant Agreement

RESTRICTIVE COVENANT AGREEMENT

STATE OF TEXAS §
§
COUNTY OF WILLIAMSON §

This Restrictive Covenant Agreement (this "Agreement"), is entered into as of the ____ day of _____, 2014, by and between the City of Leander, Texas (the "City"), and Sentinel/Cotter Leander, LLC, a Texas limited liability company (the "Owner").

WHEREAS, the Owner constructed or caused to be constructed _____ (the "Public Improvement") on the property more particularly shown and described in Exhibit A attached hereto and incorporated herein for all purposes (the "Property");

WHEREAS, the Property is located in the Oak Creek Public Improvement District, which was created by the City to Resolution No. 14-013-00 (the "District") on July 17, 2014 in accordance with Chapter 372, Texas Local Government Code (the "PID Act");

WHEREAS, the design and construction of the Public Improvement was financed via the District;

WHEREAS, the Public Improvement is located on property that is or will be owned by the homeowner's association for the Oak Creek Subdivision; and

WHEREAS, the City and the Owner desire to ensure the continued use of the Property and the Public Improvement for the benefit of the District and the Subdivision;

NOW, THEREFORE, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00), together with other good and valuable consideration, and mutual promises contained herein, Owner and the City agree as follows:

1. Owner hereby covenants to City that the Owner will not remove, destroy, or otherwise alter the Public Improvement without the prior written consent of the City; provided that in the case of landscaping, dead and/or sickly plants, trees and vegetation shall be removed and replaced as necessary to maintain the landscaping in an attractive and aesthetically-pleasing condition, and as otherwise necessary to comply with applicable City ordinances. The Owner further covenants to the City that the use of the Property as authorized by the Oak Creek Planned Unit Development, set forth in Ordinance Number 14-039-00 and as a site for the Public Improvement shall not change without the written consent of the City.

2. The terms and provisions hereof shall be deemed to be restrictive covenants encumbering and running with the Property and shall be binding upon the Owner and its successors and assigns.

3. (a) The City and its legal representatives and assigns shall have the right to enforce this Agreement and the covenants, restrictions, and conditions herein by a proceeding at law or in equity. The remedies available to the City under this Agreement are in addition to any other remedies that may be available to the City under its ordinances or state law. Failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

(b) In the event that the Owner or any subsequent owner shall violate, or indicate that such Owner or any subsequent owner intends to violate, any of the terms and provisions set forth in this Agreement, in addition to any other remedies available at law or in equity, the City shall have the right, but shall not be obligated, to sue such Owner or any subsequent owner, as applicable (the obligations of Owner or any subsequent owner under this Agreement being several, not joint) for and obtain a prohibitive or mandatory injunction or any other equitable remedy to prevent the breach of, or to enforce the observance of, the terms of this Agreement. The foregoing remedies shall be cumulative with, in addition to, and non-exclusive of one another, and the exercise of any one remedy shall not bar the exercise of any other remedy. In the event of any legal action commenced by the City to enforce the obligations of Owner or any subsequent owner hereunder, the City shall be entitled to recover its reasonable attorney's fees and costs from such Owner or any subsequent owner, as applicable.

4. Any notice, communication or disbursement required to be given or made hereunder shall be in writing and shall be given or made by facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the address set forth below or at such other address as may be specified in writing by any Party hereto to the other parties hereto. Each notice which shall be mailed or delivered in the manner described above shall be deemed sufficiently given, served, sent and received for all purpose at such time as it is received by the addressee (with return receipt, the delivery receipt or the affidavit of messenger being deemed conclusive evidence of such receipt) at the following addresses.

If to City: City of Leander
PO Box 319
200 W Willis St
Leander, Texas 78641
Attn: City Manager
Facsimile: 512.259.1605

With a copy to: Knight and Partners
Attn: Paige Saenz, City Attorney
223 W. Anderson, Suite A-105
Austin, Texas 78752
Facsimile: 512.323.5773

If to Owner: Sentinel Cotter Leander, LLC

Attn: Tom Rielly
700 Lavaca Street, Suite 900
Austin, Texas 78701
Facsimile: _____

With a copy to:

5. This Agreement and the rights and obligations of the Parties hereunder shall be governed by, and construed in accordance with the laws of the State of Texas (without giving effect to the principles thereof relating to conflicts of law).

IN TESTIMONY WHEREOF, the parties hereto have executed this AGREEMENT in Williamson County, Texas as of this ____ day of _____, 2014.

CITY OF LEANDER, TEXAS

Attest:

Christopher Fielder, Mayor

Debbie Haile, City Secretary

OWNER:

SENTINEL/COTTER LEANDER, LLC,
a Texas limited liability company

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

STATE OF TEXAS

§

EXHIBIT "A"

Metes and Bounds Description of the Property



**Professional Land Surveying, Inc.
Surveying and Mapping**

Office: 512-443-1724
Fax: 512-389-0943

3500 McCall Lane
Austin, Texas 78744

**125.575 AC.
WATERSTONE MICHELLE, L.P.**

A DESCRIPTION OF 125.575 ACRES (APPROXIMATELY 5,470,044 SQUARE FEET) IN THE CHARLES COCHRAN SURVEY, ABSTRACT NO. 134, IN WILLIAMSON COUNTY, TEXAS, BEING A PORTION OF A 164.466 ACRE TRACT DESCRIBED IN A SPECIAL WARRANTY DEED WITH VENDOR'S LIEN TO WATERSTONE MICHELLE, L.P., DATED AUGUST 5, 2004 AND RECORDED IN DOCUMENT NO. 2004063368 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 125.575 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a 1/2" rebar found for the southeast corner of the said 164.466 acre tract, being also the northeast corner of a 78.978 acre tract recorded in Document No. 2003003109 of the Official Public Records of Williamson County, Texas and being also in the west right-of-way line of US Highway 183 (right-of-way width varies);

THENCE South 75°04'10" West, with the south line of the 164.466 acre tract and the north line of the 78.978 acre tract, a distance of 603.40 feet to a 1/2" rebar with Chaparral cap set for the **POINT OF BEGINNING**;

THENCE with the south line of the 164.466 acre tract and the north line of the 78.978 acre tract, the following five (5) courses and distances:

1. South 75°04'10" West, a distance of 30.83 feet to a concrete monument found;
2. South 75°04'31" West, a distance of 1,312.45 feet to a concrete monument found;
3. South 75°07'18" West, a distance of 837.81 feet to a 1/2" rebar found;
4. South 80°22'18" West, a distance of 27.71 feet to 1/2" rebar found;
5. South 69°36'56" West, a distance of 21.77 feet to a 1/2" rebar found in the south line of the 164.466 acre tract, being also the northwest corner of the 78.978 acre tract, being also the northeast corner of Lot 68 Block A, Estates of North Creek Ranch Section Two, a subdivision of record in Cabinet V, Slide 293 of the Plat Records of Williamson County, Texas;

THENCE South 69°09'11" West with the south line of the 164.466 acre tract and the north line of the said Estates of North Creek Ranch Section Two, a distance of 369.12

feet to a 1/2" rebar with Stanley cap found for the southeast corner of Lot 1, Block A, Heritage Glen Section One, a subdivision of record in Cabinet CC, Slide 369 of the Plat Records of Williamson County, Texas;

THENCE crossing the 164.466 acre tract, with the perimeter of said Heritage Glen Section One, the following ten (10) courses and distances:

1. North 21°07'13" West, a distance of 186.87 feet to a 1/2" rebar with All Points cap found in the north right-of-way line of the termination of South Brook Drive (64' right-of-way width), being also in the south line of Lot 1, Block D, Heritage Glen Section One;
2. North 68°51'57" East, with the south line of Lot 1, a distance of 154.83 feet to a 1/2" rebar with Chaparral cap found for a point of curvature;
3. With a curve to the left in the south line of Lot 1, having a radius of 15.00 feet, a delta angle of 89°43'31", an arc length of 23.49 feet, and a chord which bears North 23°56'24" East, a distance of 21.16 feet to a 1/2" rebar with Chaparral cap found for a point of tangency in the east line of Lot 1;
4. North 21°06'14" West, with the east line of Lot 1, a distance of 744.15 feet to a Mag nail with Chaparral washer set for the northeast corner of Lot 1;
5. South 68°53'22" West, with the north line of Lot 1, a distance of 750.35 feet to a 1/2" rebar with Chaparral cap found for the northwest corner of Lot 1;
6. South 18°24'23" East, with the west line of Lot 1, a distance of 213.39 feet to a 1/2" rebar with Chaparral cap found for a point of curvature;
7. With a curve to the right in the west line of Lot 1, having a radius of 931.56 feet, a delta angle of 01°53'09", an arc length of 30.66 feet, and a chord which bears South 17°29'03" East, a distance of 30.66 feet to a 1/2" rebar with All Points cap found in the east right-of-way of the termination of Coulee Drive (60' right-of-way width);
8. South 73°28'22" West, with the north termination of Coulee Drive, a distance of 59.85 feet to a 1/2" rebar with All Points cap found in the west right-of-way line of Coulee Drive;
9. With a curve to the right in the west line of Coulee Drive, having a radius of 871.56 feet, a delta angle of 01°05'46", an arc length of 16.68 feet, and a chord

which bears South 15°58'40" East, a distance of 16.67 feet to a 1/2" rebar with All Points cap found for the northeast corner of Lot 10, Block C of Heritage Glen Section One;

10. South 74°30'40" West, with the north line of said Lot 10, a distance of 146.22 feet to a 1/2" rebar with Stanley cap found for the northwest corner of lot 10, being also in the east line of Lot 13, Block H, Benbrook Ranch, Section One, Phase Two, a subdivision recorded in Cabinet Y, Slide 345 of the Plat Records of Williamson County, Texas, and being also in the west line of the 164.466 acre tract;

THENCE North 16°29'54" West, with the west line of said 164.466 acre tract, same being the east line of said Block H, a distance of 1,009.33 feet to a 1/2" rebar found for an angle point in the west line of the 164.466 acre tract, being also in the southeast line of Lot 3, Block H, Benbrook Ranch Section Two, Phase One, a subdivision of record in Cabinet CC, Slide 3 of the Plat Records of Williamson County, Texas;

THENCE with the northwest line of the 164.466 acre tract and the southeast line of said Lot 3, the following five (5) courses and distances:

1. North 26°58'52" East, a distance of 227.49 feet to a 1/2" rebar found;
2. North 07°51'51" West, a distance of 113.94 feet to a 182" rebar found;
3. North 07°08'24" West, a distance of 89.78 feet to a 1/2" rebar found;
4. North 10°03'53" East, a distance of 17.15 feet to a 1/2" rebar found;
5. North 19°15'44" West, a distance of 37.17 feet to a calculated point in the centerline of Brushy Creek;

THENCE with the north line of the 164.466 acre tract, being the centerline of Brushy Creek, and being the south line of Lot 3, the following six (6) courses and distances:

1. North 34°38'57" East, a distance of 99.98 feet to a calculated point;
2. North 67°39'42" East, a distance of 149.82 feet to a calculated point;
3. North 52°34'57" East, a distance of 241.82 feet to a calculated point;
4. North 66°42'22" East, a distance of 108.26 feet to a calculated point;

5. North 69°49'32" East, a distance of 135.35 feet to a calculated point;
6. North 77°47'52" East, a distance of 160.43 feet to a calculated point for the southeast corner of Lot 3, being also the southwest corner of a 107.928 acre tract described in Document No. 2004063370 of the Official Public Records of Williamson County, Texas, from which a 1/2" rebar found bears North 20°39'49" West, a distance of 55.92 feet;

THENCE with centerline of Brushy Creek, being also the north line of the 164.466 acre tract and the south line of the 107.928 acre tract, the following fifteen (15) courses and distances:

1. South 77°13'17" East, a distance of 144.19 feet to a calculated point;
2. South 25°33'17" East, a distance of 69.71 feet to a calculated point;
3. South 13°32'17" East, a distance of 73.80 feet to a calculated point;
4. South 35°10'17" East, a distance of 76.69 feet to a point;
5. North 80°03'43" East, a distance of 151.16 feet to a calculated point;
6. North 69°06'43" East, a distance of 245.27 feet to a calculated point;
7. South 46°59'17" East, a distance of 75.24 feet to a calculated point;
8. South 82°30'17" East, a distance of 435.20 feet to a calculated point;
9. North 57°03'43" East, a distance of 58.81 feet to a calculated point;
10. North 75°34'43" East, a distance of 148.11 feet to a calculated point;
11. South 39°53'17" East, a distance of 143.77 feet to a calculated point;
12. North 70°10'43" East, a distance of 89.94 feet to a calculated point;
13. North 16°32'43" East, a distance of 105.29 feet to a calculated point;
14. North 63°51'43" East, a distance of 260.61 feet to a calculated point;

15. South 86°45'17" East, a distance of 11.33 feet to a calculated point for the northwest corner of a 3.150 acre tract recorded in Document No. 2000053933 of the Official Public Records of Williamson County, Texas;

THENCE leaving Brushy Creek, with the north line of the 164.466 acre tract, being also the west line of the 3.150 acre tract, the following two (2) courses and distances:

1. South 00°45'28" East, a distance of 22.26 feet to a 1/2" rebar found;
2. South 00°45'28" East, a distance of 95.51 feet to a 1/2" rebar found for the southwest corner of the 3.150 acre tract;

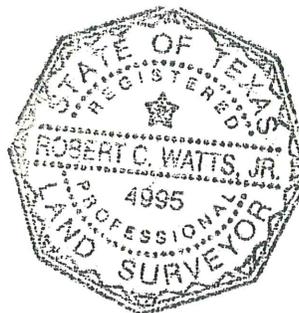
THENCE with the north line of the 164.466 acre tract, being also the south line of the 3.150 acre tract, the following two (2) courses and distances:

1. North 88°19'34" East, a distance of 440.91 feet to a 1/2" rebar found, from which a nail found in a concrete dam bears North 11°52'18" West, a distance of 168.04 feet;
2. North 88°34'02" East, a distance of 234.28 feet to a 1/2" rebar with Chaparral cap set, from which a 1/2" rebar found in the west right-of-way line of U.S. 183, being also the northeast corner of the 164.466 acre tract, being also the southeast corner of the 3.150 acre tract, bears North 88°34'02" East, a distance of 636.85 feet;

THENCE South 21°01'11" East, crossing the 164.466 acre tract, a distance of 1,478.67 to the **POINT OF BEGINNING**, containing 125.575 acres of land, more or less.

Surveyed on the ground July 17, 2013. Bearing basis is Grid Azimuth for Texas Central Zone, 1983/93 HARN values from LCRA control network. Attachments: Survey Drawing No. 942-001-T11.


Robert C. Watts, Jr.
Registered Professional Land Surveyor
State of Texas No. 4995



7-24-13



Professional Land Surveying, Inc.
Surveying and Mapping

Office: 512-443-1724
Fax: 512-389-0943

3500 McCall Lane
Austin, Texas 78744

**25.319 AC.
WATERSTONE TYLERVILLE, L.P.**

A DESCRIPTION OF 25.319 ACRES (APPROXIMATELY 1,102,883 SQ. FT.) IN THE CHARLES COCHRAN SURVEY, ABSTRACT NO. 134, IN WILLIAMSON COUNTY, TEXAS, BEING A PORTION OF A 107.928 ACRE TRACT CONVEYED TO WATERSTONE TYLERVILLE, L.P. IN A SPECIAL WARRANTY DEED WITH VENDOR'S LIEN DATED AUGUST 5, 2004 AND RECORDED IN DOCUMENT NO. 2004063370 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 25.319 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2" rebar with Chaparral cap set in the west line of the said 107.928 acre tract, being also in the south right-of-way line of San Gabriel Parkway (right-of-way width varies) as described in Document No. 2005011119 of the Official Public Records of Williamson County, Texas, and being in the east line of a 34.705 acre tract described in Document No. 2005006808 of the Official Public Records of Williamson County, Texas, from which a 1/2" rebar found for the northwest corner of the 107.928 acre tract bears North 20°44'42" West, a distance of 453.14 feet;

THENCE with the south line of San Gabriel Parkway, over and across the 107.928 acre tract, the following four (4) courses and distances:

1. South 77°11'17" East, a distance of 206.16 feet to a 1/2" rebar with ZWA cap found;
2. South 76°33'22" East, a distance of 999.84 feet to a 1/2" rebar with ZWA cap found;
3. South 76°10'25" East, a distance of 306.57 feet to a 1/2" rebar with Chaparral cap set, from which a 1/2" rebar found with an illegible cap found bears South 06°04'20" West, a distance of 0.38 feet;
4. With a curve to the left, having a radius of 2150.00 feet, a delta angle of 14°13'24", an arc length of 533.72 feet, and a chord which bears South 83°17'07" East, a distance of 532.35 feet to a 1/2" rebar with Chaparral cap set;

THENCE continuing over and across the 107.928 acre tract, the following two (4) courses and distances:

1. South 00°24'10" East, a distance of 20.00 feet to a 1/2" rebar with Chaparral cap set;
2. South 46°02'48" West, a distance of 35.85 feet to a 1/2" rebar with Chaparral cap set;
3. North 88°14'47" West, a distance of 20.00 feet to a 1/2" rebar with Chaparral cap set;
4. South 01°45'13" West, a distance of 284.57 feet to a calculated point in the south line of the 107.928 acre tract, being also the north line of a 164.466 acre tract described in Document No. 2004063368 of the Official Public Records of Williamson County, Texas, being also an agreed boundary line described in Volume 1455, Page 296 of the Official Public Records of Williamson County, Texas, from which a 1/2" rebar found in the common line of the 107.928 acre tract and the 164.466 acre tract, and being in the west line of a 3.150 acre tract described in Document No. 2000053933 of the Official Public Records of Williamson County, Texas bears North 63°51'43" East, a distance of 55.17 feet, and South 86°45'17" East, a distance of 11.33 feet for the northwest corner of the 3.150 acre tract, and South 00°45'28" East, a distance of 22.26 feet;

THENCE with the south line of the 107.928 acre tract, being also the north line of the 164.466 acre tract, being also the agreed boundary line, and being the center of Brushy Creek, the following fourteen (14) courses and distances:

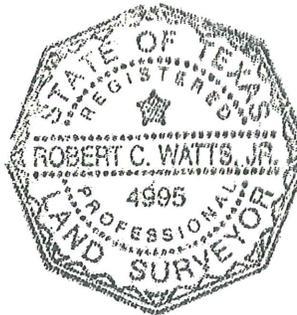
1. South 63°51'43" West, a distance of 205.44 feet to a calculated point;
2. South 16°32'43" West, a distance of 105.29 feet to a calculated point;
3. South 70°10'43" West, a distance of 89.94 feet to a calculated point;
4. North 39°53'17" West, a distance of 143.77 feet to a calculated point;
5. South 75°34'43" West, a distance of 148.11 feet to a calculated point;
6. South 57°03'43" West, a distance of 58.81 feet to a calculated point;
7. North 82°30'17" West, a distance of 435.20 feet to a calculated point;
8. North 46°59'17" West, a distance of 75.24 feet to a calculated point;

9. South 69°06'43" West, a distance of 245.27 feet to a calculated point;
10. South 80°03'43" West, a distance of 151.16 feet to a calculated point;
11. North 35°10'17" West, a distance of 76.69 feet to a calculated point;
12. North 13°32'17" West, a distance of 73.80 feet to a calculated point;
13. North 25°33'17" West, a distance of 69.71 feet to a calculated point;
14. North 77°13'17" West, a distance of 144.19 feet to a calculated point for the southwest corner of the 107.928 acre tract, being also the southeast corner of Lot 3, Block H, Benbrook Ranch Section Two, Phase One, a subdivision of record in Cabinet CC, Slide 3 of the Plat Records of Williamson County, Texas;

THENCE North 20°44'42" West, with the west line of the 107.928 acre tract, being also the east line of Lot 3, Block H, and being the east line of the 34.705 acre tract, at 55.92 feet passing a 1/2" rebar found, and continuing for a total distance of 747.56 feet to the **POINT OF BEGINNING**, containing 25.319 acres of land, more or less.

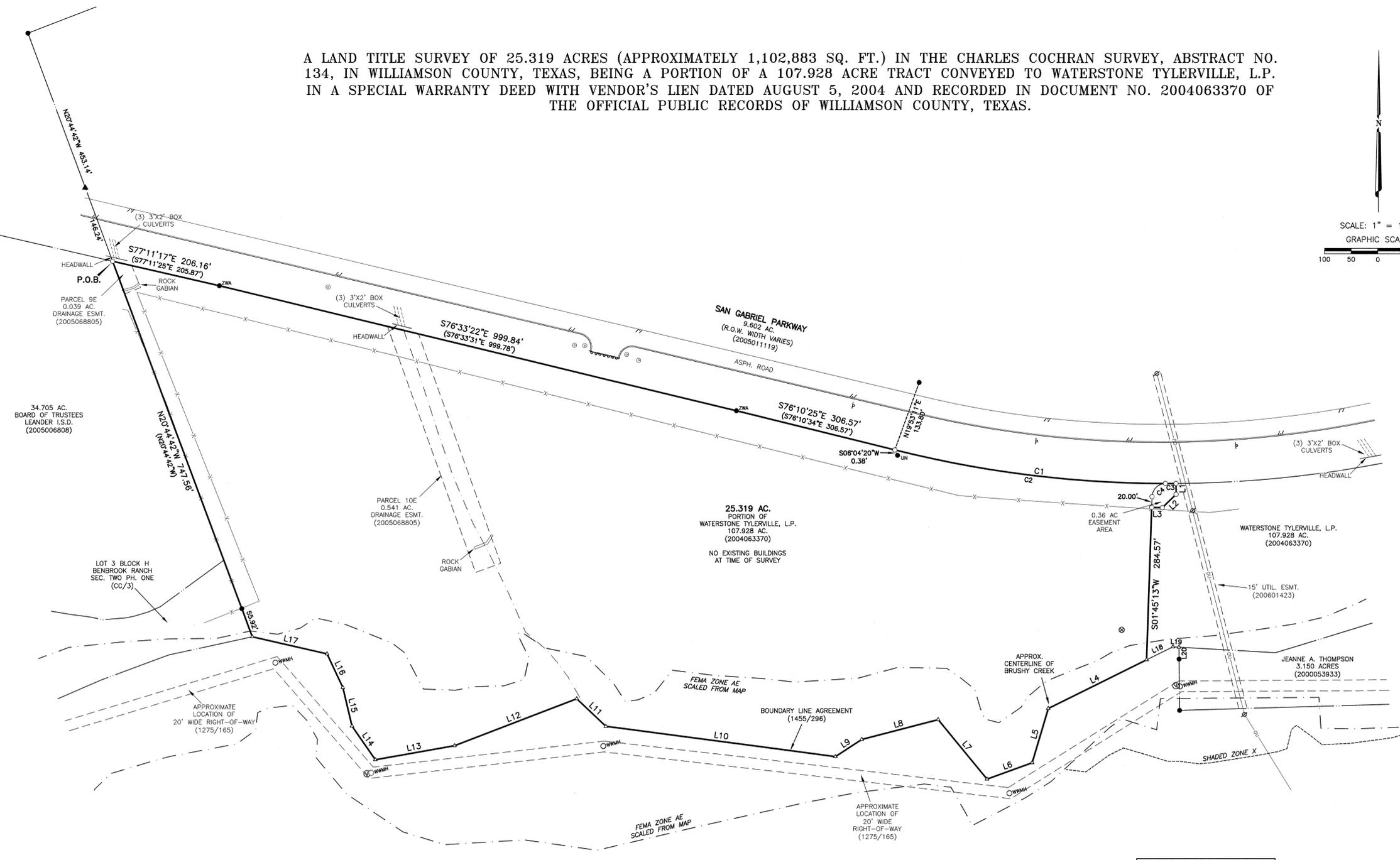
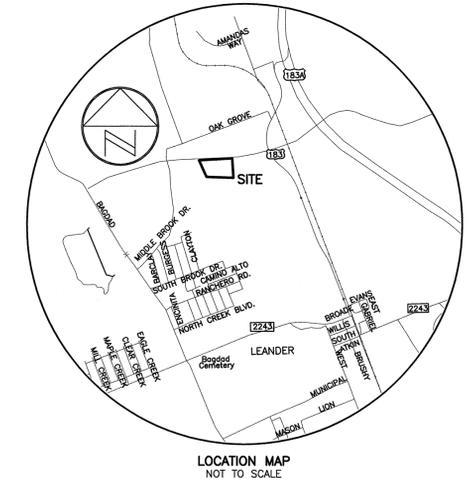
Surveyed on the ground September 12, 2013. Bearing basis is Grid Azimuth for Texas Central Zone, 1983/93 HARN values from LCRA control network. Attachments: Survey Drawing No. 143-033-BASE.

RCW
Robert C. Watts, Jr.
Registered Professional Land Surveyor
State of Texas No. 4995



9-19-13

A LAND TITLE SURVEY OF 25.319 ACRES (APPROXIMATELY 1,102,883 SQ. FT.) IN THE CHARLES COCHRAN SURVEY, ABSTRACT NO. 134, IN WILLIAMSON COUNTY, TEXAS, BEING A PORTION OF A 107.928 ACRE TRACT CONVEYED TO WATERSTONE TYLerville, L.P. IN A SPECIAL WARRANTY DEED WITH VENDOR'S LIEN DATED AUGUST 5, 2004 AND RECORDED IN DOCUMENT NO. 2004063370 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS.



25.319 AC.
PORTION OF
WATERSTONE TYLerville, L.P.
107.928 AC.
(2004063370)
NO EXISTING BUILDINGS
AT TIME OF SURVEY

WATERSTONE TYLerville, L.P.
107.928 AC.
(2004063370)

JEANNE A. THOMPSON
3,150 ACRES
(2000053933)

WATERSTONE MICHELLE, L.P.
PORTION OF 164.466 AC.
(2004063368)

- TITLE COMMITMENT NOTE:**
COMMITMENT FOR TITLE INSURANCE PREPARED BY:
Stewart Title Insurance Company (Georgetown title Company, Inc.)
G.F. No.: 130068550A Effective Date: 8/7/2013 Issued: 8/16/2013
- The surveyor has relied upon the referenced Commitment for Title regarding easements, restrictions, and other matters affecting this property. No additional research was done for the purpose of this survey. Items listed are worded according to the commitment, followed by surveyor's notes and/or observations.
- Schedule "B" items contained therein and re-listed below were considered:
- Restrictive Covenants:
Volume 969, Page 312, Official Records, Williamson County, Texas.
 - Easement dated October 15, 1929, granted by Mrs. Alice E. Woolsey et al to Texas Power & Light Co. recorded in Volume 245, Page 140, Deed Records, Williamson County, Texas. -- May affect the subject tract, unable to accurately plot due to poor description.
 - Easement for underground facilities dated June 28, 1974, granted by Miller Rhodes to Southwestern Bell Telephone Company recorded in Volume 594, Page 783, Deed Records, Williamson County, Texas. -- Does not affect the subject tract
 - Terms, provisions and conditions of Boundary Line Agreement dated November 18, 1986, by and between Michelle, Ltd. and Michelle III, Ltd. recorded in Volume 1450, Page 886, and re-recorded in Volume 1455, Page 296, Official Records, Williamson County, Texas. -- Subject to, shown hereon
 - Drainage easement dated August 19, 2005, granted by Waterstone Tylerville, L.P. to Williamson County, Texas, recorded under Document No. 2005068805, Official Public Records, Williamson County, Texas. -- Subject to, shown hereon (Parcels 9E and 10E, others do not apply)
 - Utility easement dated July 16, 2004, granted by William B. Pohl, Trustee for Tylerville, Ltd. to Padernoles Electric Cooperative, Inc. recorded under Document No. 2006010423, Official Public Records, Williamson County, Texas. -- Subject to, "as the power lines exist". The line known to us to be in place in the general time of execution of the easement is shown hereon, which does not affect the subject tract.
 - An undivided 50% of all royalties and an undivided 50% in and to all of the oil, gas and other minerals, and all rights incident thereto, reserved by Grantors in deed dated July 20, 1983, executed by Philip H. Thompson, Jr. and wife, Jeanne A. Thompson to F.B.N. II Associates recorded in Volume 930, Page 468, Deed Records, Williamson County, Texas. Title to said reservation has not been examined subsequent to its date of execution. -- Subject to, not plottable
 - An undivided 50% of all royalties in all of the oil, gas and other minerals, and all rights incident thereto, conveyed in Mineral Deed dated March 14, 1986, from Jack Friedman to Philip H. Thompson, Jr. and wife, Jeanne A. Thompson recorded in Volume 1327, Page 221, Official Records, Williamson County, Texas. Title to said reservation has not been examined subsequent to its date of execution. -- Subject to, not plottable
 - The rights of Upper Brushy Creek Water Control and Improvement District to levy taxes and issue bonds.

FLOOD-PLAIN NOTE:
A portion of the tract shown hereon lies within Zone "AE" (special flood hazard area), as identified by the Federal Emergency Management Agency, National Flood Insurance Program, as shown on map no. 48491C0455E, dated September 26, 2008, for Williamson County, Texas and incorporated areas. If this site is not within an identified special flood hazard area, this flood statement does not imply that the property and/or the structures thereon will be free from flooding or flood damage. This flood statement shall not create liability on the part of the surveyor.

SURVEYOR'S CERTIFICATE:
CERTIFIED TO: Waterstone Tylerville, L.P.
Sentinel Land Company, LLC
Stewart Title Guaranty Company
Georgetown Title Company, Inc.

PROPERTY ADDRESS: San Gabriel Parkway, Leander, Texas 78641

DATE OF SURVEY: 09/12/2013

ATTACHMENTS: Metes and Bounds Description

I hereby certify that a survey of the property shown hereon was actually made upon the ground under my direction and supervision on the date shown, and that to the best of my professional knowledge and belief there are no apparent encroachments, overlapping of improvements, discrepancies, deed line conflicts, visible utility lines or roads in place, except as shown hereon, and that this property abuts or adjoins a dedicated road right-of-way or access easement, unless noted hereon.

This survey was made substantially in accordance with the standards and conditions set forth for a Category 1A, Condition II, Land Title Survey, based on the Manual of Practice for Land Surveying in Texas, 2006 Revised Eleventh Edition, prepared by the Texas Society of Professional Surveyors.

Robert C. Watts, Jr. 9-19-13
Date
Registered Professional Land Surveyor
State of Texas No. 4995

LEGEND

- 1/2" REBAR FOUND (OR AS NOTED)
- ^{ZWA} 1/2" REBAR WITH "ZWA" CAP FOUND
- ^{UN} 1/2" REBAR WITH "UNREADABLE" CAP FOUND
- 1/2" REBAR WITH "CHAPARRAL" CAP SET
- ▲ NAIL WITH "CUNNINGHAM ALLEN" WASHER FOUND
- △ CALCULATED POINT
- ⊙ VENT PIPE
- ⊙ PVC PIPE
- ⊙ UTILITY POLE
- ← GUY WIRE
- OVERHEAD UTILITIES
- ⊙ WASTEWATER MANHOLE
- ⊙ WATER VALVE
- ▽ SIGN
- EDGE OF PAVEMENT
- BARB WIRE FENCE
- () RECORD INFORMATION

THIS IS A SURFACE DRAWING.
BEARING BASIS: THE TEXAS COORDINATE SYSTEM OF 1983 (NAD83), CENTRAL ZONE, BASED ON 1983/93 HARN VALUES FROM LCRA CONTROL NETWORK.
POINT #1
DISK IN CONCRETE STAMPED "LEA3"
TEXAS STATE PLANE COORDINATES:
N 10185125.630
E 3076139.255
COMBINED SCALE FACTOR = 0.999861806
(FOR SURFACE TO GRID CONVERSION)
INVERSE SCALE FACTOR = 1.000138213
(FOR GRID TO SURFACE CONVERSION)
SCALED ABOUT LEA3

LINE TABLE

LINE	BEARING	DISTANCE
L1	S00°24'10"E	20.00'
L2	S46°02'48"W	35.85'
L3	N88°14'47"W	20.00'
L4	S63°51'43"W	205.44'
L5	S16°32'43"W	105.29'
L6	S70°10'43"W	89.94'
L7	N39°53'17"W	143.77'
L8	S75°34'43"W	148.11'
L9	S57°03'43"W	58.81'
L10	N82°30'17"W	435.20'
L11	N46°59'17"W	75.24'
L12	S69°06'43"W	245.27'
L13	S80°03'43"W	151.16'
L14	N35°10'17"W	76.69'
L15	N13°32'17"W	73.80'
L16	N25°33'17"W	69.71'
L17	N77°13'17"W	144.19'
L18	N63°51'43"E	55.17'
L19	S86°45'17"E	11.33'
L20	S00°45'28"E	22.26'

CURVE TABLE

CURVE	RADIUS	DELTA	ARC	BEARING	CHORD	TANGENT
C1	2150.00'	14°13'24"	533.72'	S83°17'07"E	532.35'	268.24'
C2	2150.00'	13°41'25"	513.72'	S83°01'08"E	512.50'	258.09'
C3	2150.00'	0°31'59"	20.00'	N89°52'11"E	20.00'	10.00'
C4	25.00'	88°22'56"	38.56'	S45°56'42"W	34.85'	24.30'

Professional Land Surveying, Inc.
Surveying and Mapping
3500 McCall Lane
Austin, Texas 78744
512-443-1724

PROJECT NO.: 143-033
DRAWING NO.: 143-033-BASE
PLOT DATE: 09/19/2013
PLOT SCALE: 1" = 100'
DRAWN BY: IAS/RW
SHEET 01 OF 01

TIRZ FUNDED IMPROVEMENTS

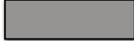
DRAINAGE-DETENTION PROJECTS-
REGIONAL FACILITIES/PONDS/TREATMENT (BMPs)

-  WATER QUALITY BASIN "A"
-  WATER QUALITY BASIN "B"
-  WATER QUALITY BASIN "C"
-  WATER QUALITY BASIN "D"



TIRZ FUNDED IMPROVEMENTS

TRANSPORTATION PROJECTS

-  WEST BROADE STREET
-  SOUTH BROOK DRIVE
-  ENHANCED BRIDGE TREATMENT



TIRZ FUNDED IMPROVEMENTS

DESIGN ENHANCEMENTS

-  PRIMARY ENTRY FEATURE
-  SECONDARY ENTRY FEATURE
-  LAKE TREATMENTS
-  NATIVE AREA RESTORATION
-  STREET LIGHTING
-  TRAILHEADS





Executive Summary

October 16, 2014

Agenda Subject: Consider approval of the form and substance of the City of Leander, Texas Special Assessment Revenue Bonds, Series 2014 (Oak Creek Public Improvement District) Official Statement.

Background:

On April 17, 2014, Council directed staff to proceed with the steps necessary to accept the PID petition and schedule the public hearing for the creation of the Oak Creek PID. On May 1, 2014 the Council accepted the petition for the creation of the Oak Creek PID. On June 5, 2014 the Council opened the public hearing on the creation of the PID and continued it until July 3, 2014. At the July 3, 2014 meeting the Council continued the public hearing until July 17, 2014. On July 17, 2014 the Council closed the public hearing and approved a resolution creating the Oak Creek PID. On October 2, 2014 the Council approved: a resolution approving the form and authorizing distribution of the preliminary official statement, a resolution directing publication of notice of a public hearing on the intention to issue special assessment revenue bonds, and a resolution authorizing the filing of the assessment role and directing publication of a public hearing on the levying of assessments.

The Oak Creek PID proposes to issue special assessment revenue bonds to pay for the proposed public improvements.

This agenda item approves the final form of the official statement.

Origination: Applicant: Sentinel/Cotter Leander, LLC

Recommendation: Staff recommends approval.

Attachments:

1. Official Statement

Prepared by: Tom Yantis, AICP
Assistant City Manager

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 3, 2014

In the opinion of Bond Counsel, assuming continuing compliance by the City after the date of initial delivery of the Bonds with certain covenants contained in the Bond Ordinance and the Indenture and subject to the matters described under "TAX MATTERS" herein, interest on the Bonds under existing statutes, regulations, published rulings, and court decisions (1) is excludable from the gross income of owners thereof for federal income tax purposes under Section 103 of the Internal Revenue Code, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals or, except as described herein, corporations. See "TAX MATTERS – Tax Exemption" herein for a discussion of Bond Counsel's opinion, including a description of certain alternative minimum tax consequences for corporations.

\$5,200,000*

**CITY OF LEANDER, TEXAS,
(a municipal corporation of the State of Texas located in Williamson and Travis Counties)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2014
(OAK CREEK PUBLIC IMPROVEMENT DISTRICT)**

Dated Date: November 1, 2014**Due:** September 1, as shown on the inside cover**Interest to Accrue from Date of Delivery**

The City of Leander, Texas, Special Assessment Revenue Bonds, Series 2014 (Oak Creek Public Improvement District) (the "Bonds"), are being issued by the City of Leander, Texas (the "City"). The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$25,000 of principal amount and any integral multiple of \$5,000 in excess thereof. The Bonds will bear interest at the rates set forth on the inside cover, calculated on the basis of a 360-day year of twelve 30-day months, payable on each March 1 and September 1, commencing March 1, 2015, until maturity or earlier redemption. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. No physical delivery of the Bonds will be made to the beneficial owners thereof. For so long as the book-entry only system is maintained, the principal of and interest on the Bonds will be paid from the sources described herein by BOKF, NA dba Bank of Texas, as trustee (the "Trustee"), to DTC as the registered owner thereof. See "BOOK-ENTRY ONLY SYSTEM."

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "PID Act"), an ordinance to be adopted by the City Council of the City (the "City Council") on October 16, 2014 (the "Bond Ordinance"), and an Indenture of Trust, dated October 16, 2014 (the "Indenture"), entered into by and between the City and the Trustee.

Proceeds of the Bonds will be used to provide funds for (i) paying a portion of the Costs of the Projects, which consist of the costs of certain sanitary sewer improvements, drainage improvements, pond improvements, signage, and landscaping that will benefit the entire Oak Creek Public Improvement District (the "District"), (ii) paying interest on the Bonds during construction of the Projects, (iii) funding a reserve fund for the payment of principal of and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuing the Bonds. See "THE PROJECTS" and "APPENDIX A — Form of Indenture." Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

The Bonds, when issued and delivered, will constitute valid and binding special obligations of the City payable solely from and secured by the Pledged Revenues, consisting primarily of monies collected from Assessments levied against assessable properties in the District in accordance with a Service and Assessment Plan, all to the extent and upon the conditions described herein. The Bonds are not payable from funds raised or to be raised from taxation. See "SECURITY FOR THE BONDS" and "APPENDIX B – Form of Service and Assessment Plan".

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

THE BONDS INVOLVE A DEGREE OF RISK AND ARE NOT SUITABLE FOR ALL INVESTORS. PROSPECTIVE PURCHASERS SHOULD CAREFULLY EVALUATE THE RISKS AND MERITS OF AN INVESTMENT IN THE BONDS, SHOULD CONSULT WITH THEIR LEGAL AND FINANCIAL ADVISORS BEFORE CONSIDERING A PURCHASE OF THE BONDS, AND SHOULD BE WILLING TO BEAR THE RISKS OF LOSS OF THEIR INVESTMENT IN THE BONDS. THE BONDS ARE NOT CREDIT ENHANCED OR RATED AND NO APPLICATION HAS BEEN MADE FOR A RATING ON THE BONDS. SEE "BONDHOLDERS' RISKS" AND "SUITABILITY FOR INVESTMENT."

THE BONDS ARE SPECIAL OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND THE OTHER FUNDS HELD UNDER THE INDENTURE COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE CITY AND ARE NOT SECURED EXCEPT AS PROVIDED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND ANY OTHER FUNDS HELD UNDER THE INDENTURE COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO THE OWNERS OF THE BONDS TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES. SEE "SECURITY FOR THE BONDS."

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

The Bonds are offered for delivery when, as, and if issued by the City and accepted by the Underwriter, subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of Bickerstaff Heath Delgado Acosta LLP, Bond Counsel, as to the validity of the Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See "APPENDIX C — Form of Opinion of Bond Counsel." Certain legal matters will be passed upon for the Underwriter by its counsel, Fulbright & Jaworski LLP, a member of Norton Rose Fulbright, for the Developer by its counsel, Metcalfe Wolff Stuart & Williams, LLP, and for the Trustee by its counsel Naman, Howell, Smith and Lee, PLLC. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about November 13, 2014.

* Preliminary; subject to change.

JEFFERIES

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

CUSIP Prefix: _____ (c)

\$5,200,000*

CITY OF LEANDER, TEXAS,

(a municipal corporation of the State of Texas located in Williamson and Travis Counties)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2014
(OAK CREEK PUBLIC IMPROVEMENT DISTRICT)

\$1,225,000* _____ % Term Bonds, Due September 1, 2028*, Priced to Yield _____ %; CUSIP _____ (a) (b) (c)

~~\$1,950,000* _____ % Term Bonds, Due _____, 20 September 1, 2038*, Priced to Yield _____ %; CUSIP _____ (a) (b) (c)~~

~~\$2,025,000* _____ % Term Bonds, Due _____, 20 _____, Priced to Yield _____ %; CUSIP _____ (a) (b) (c) _____ %
Term Bonds, Due _____, 20 September 1, 2044*, Priced to Yield _____ %; CUSIP _____ (a) (b) (c)~~

* Preliminary; subject to change.

- (a) The Bonds are subject to redemption, in whole or in part, prior to stated maturity, at the option of the City, on any Interest Payment Date on or after _____, 20____, at the prices described herein under “DESCRIPTION OF THE BONDS — Redemption Provisions.”
- (b) The Bonds are also subject to mandatory sinking fund redemption and extraordinary optional redemption as described herein under “DESCRIPTION OF THE BONDS — Redemption Provisions.”
- (c) CUSIP numbers are included solely for the convenience of owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor’s Financial Services LLC on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers are provided for convenience of reference only. None of the City, the City’s Financial Advisor or the Underwriter takes any responsibility for the accuracy of such numbers.

**CITY OF LEANDER, TEXAS
CITY COUNCIL**

<u>Name</u>	<u>Place</u>	<u>Term Expires (May)</u>
Christopher Fielder	Mayor	2015
Simon Garcia	Mayor Pro Tem, Place 3	2016
Andrea Navarrette	Council member, Place 1	2016
Kirsten Lynch	Council member, Place 2	2015
Ron Abruzzese	Council member, Place 4	2015
Jason Dishongh	Council member, Place 5	2016
David Siebold	Council member, Place 6	2015

CITY MANAGER
Kent Cagle

CITY SECRETARY
Debbie Haile

FINANCE DIRECTOR
Robert Powers

SERVICE AND ASSESSMENT PLAN CONSULTANT
Development Planning & Financing Group, Inc.

FINANCIAL ADVISOR TO THE CITY
First Southwest Company

BOND COUNSEL
Bickerstaff Heath Delgado Acosta LLP

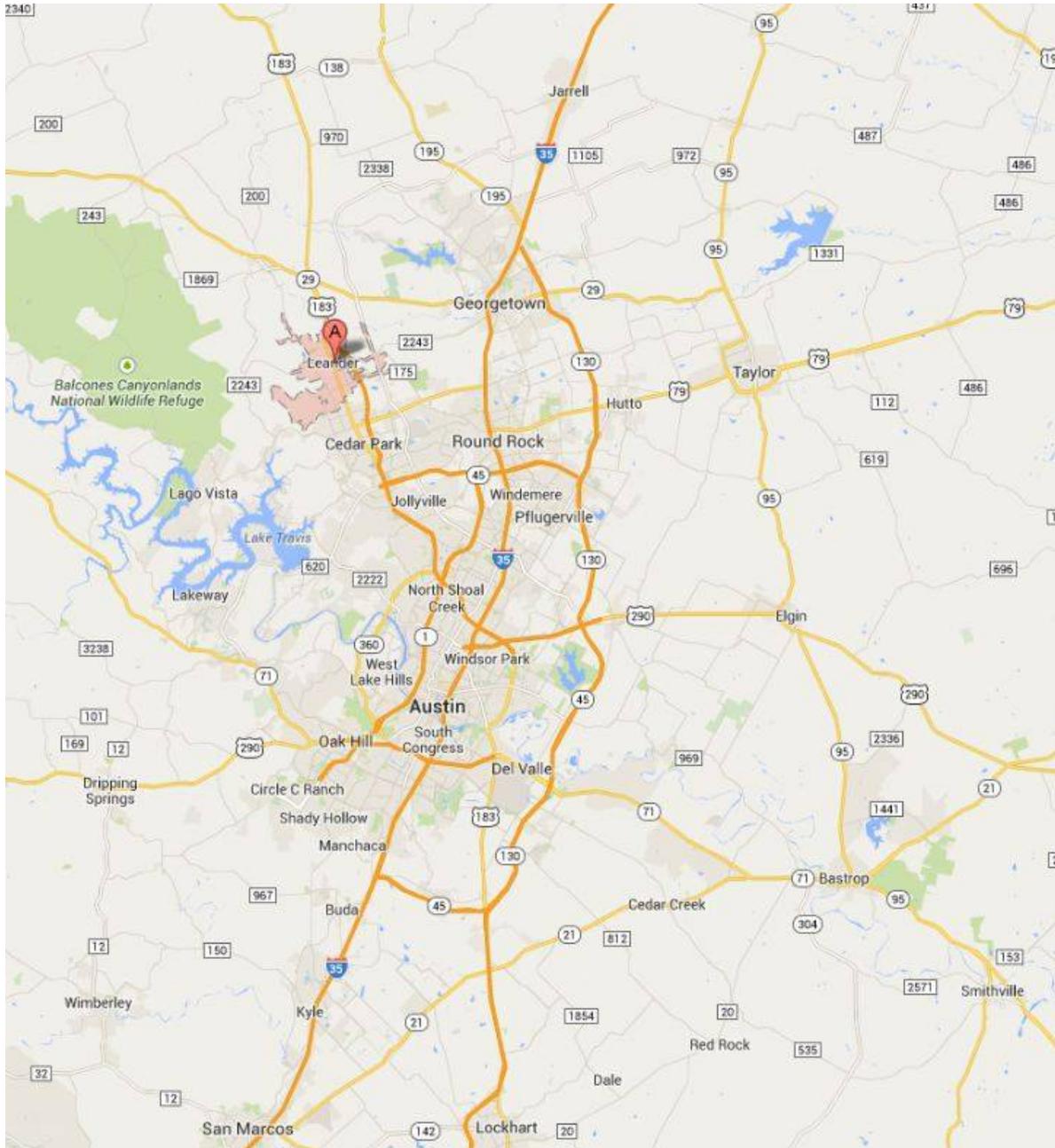
UNDERWRITER'S COUNSEL
Fulbright & Jaworski LLP
(a member of Norton Rose Fulbright)

For additional information regarding the City, please contact:

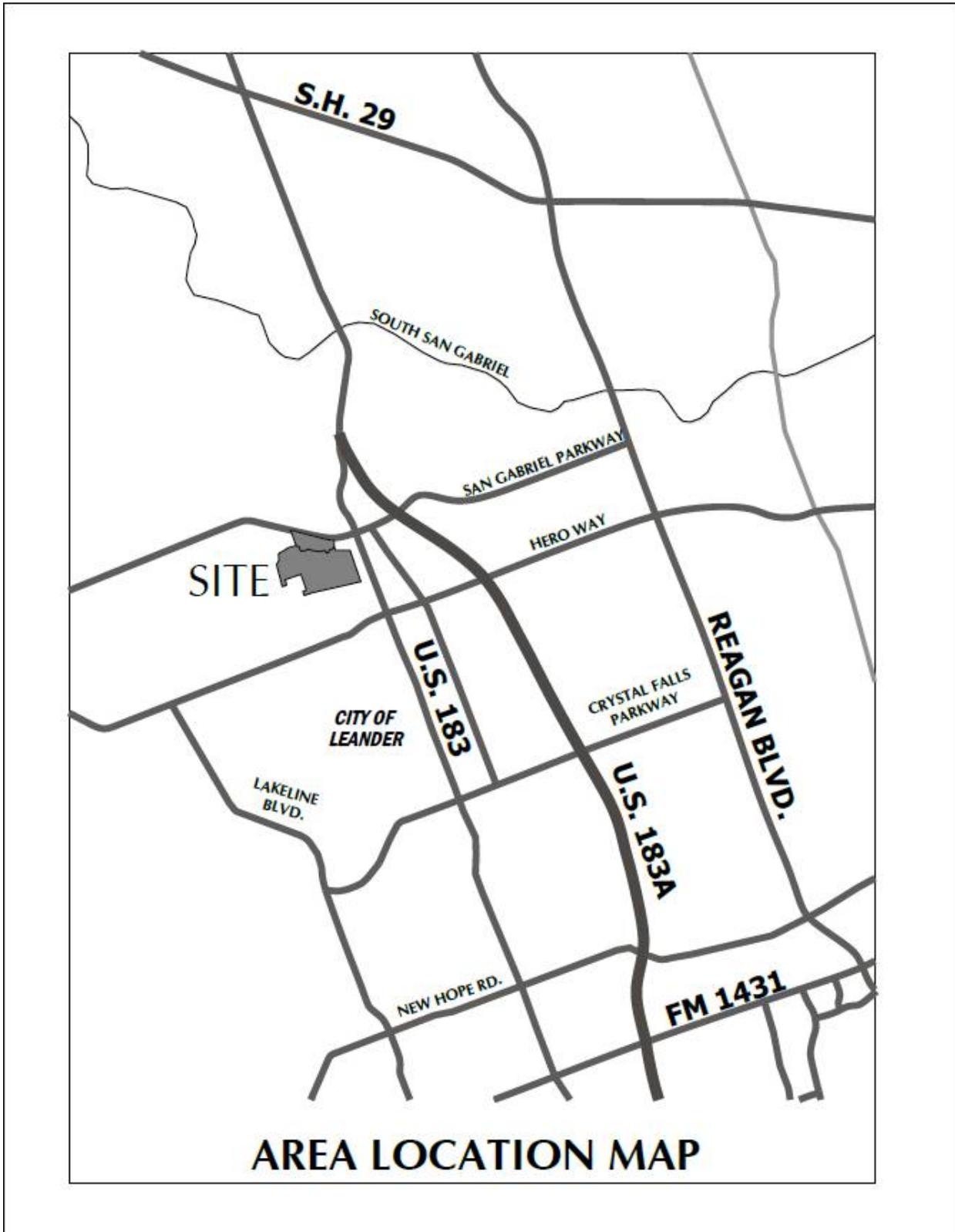
Kent Cagle
City Manager
City of Leander, Texas
200 West Willis St.
Leander, Texas 78641
(512) 528-2700
Kcagle@leandertx.gov

Chris W. Allen
First Southwest Company
300 West Sixth Street, Suite 1940
Austin, Texas 78701
(512) 481-2013
Chris.Allen@firstsw.com

REGIONAL LOCATION MAP OF DISTRICT



AREA LOCATION MAP OF DISTRICT



For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), this document constitutes a preliminary official statement of the City with respect to the Bonds that has been deemed "final" by the City as of its date except for the omission of no more than the information permitted by Rule.

No dealer, broker, salesperson or other person has been authorized by the City or the Underwriter to give any information or make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. This Official Statement, which includes the cover page and the Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy and there shall be no offer, solicitation or sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

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

NEITHER THE CITY NOR THE UNDERWRITER MAKE ANY REPRESENTATION AS TO THE ACCURACY, COMPLETENESS, OR ADEQUACY OF THE INFORMATION SUPPLIED BY THE DEPOSITORY TRUST COMPANY FOR USE IN THIS OFFICIAL STATEMENT.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH LAWS. THE REGISTRATION OR QUALIFICATION OF THE BONDS UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THEY MAY HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NONE OF SUCH JURISDICTIONS, OR ANY OF THEIR AGENCIES, HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS OFFICIAL STATEMENT CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE UNITED STATES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE SECURITIES ACT. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED SUCH AS "PLAN," "EXPECT," "ESTIMATE," "PROJECT," "ANTICIPATE," "BUDGET" OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE" HEREIN.

THE TRUSTEE HAS NOT PARTICIPATED IN THE PREPARATION OF THIS OFFICIAL STATEMENT AND ASSUMES NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT OR THE RELATED TRANSACTIONS AND DOCUMENTS OR FOR ANY FAILURE BY ANY PARTY TO DISCLOSE EVENTS THAT MAY HAVE OCCURRED AND MAY

AFFECT THE SIGNIFICANCE OR ACCURACY OF SUCH INFORMATION.

TABLE OF CONTENTS

	Page		Page
INTRODUCTION	1	Development Plans	25
PLAN OF FINANCE	2	Projects	26 27
Development Plan	2	Development/Status	27
The Bonds	2	Residential	27
DESCRIPTION OF THE BONDS	2	History and Financing of the Development	28
General Description	2	Competition	29 33
Redemption Provisions	3	Zoning/Permitting	29 33
BOOK-ENTRY ONLY SYSTEM	4	Environmental	33
SECURITY FOR THE BONDS	6 7	Utilities	29 33
General	6 7	THE DEVELOPER	29 33
Pledged Revenues	7	General	29 33
Collection and Deposit of Assessments	8	Description of the Developer	30 34
Unconditional Levy of Assessments	8	Executive Biography	30
Perfected Security Interest	9	History and Financing of the Development	31
Pledged Revenue Fund	9	THE SPECIAL ASSESSMENT CONSULTANT	31 35
Reserve Fund	9 10	APPRAISAL OF PROPERTY WITHIN THE	
Prepayment Reserve Account of the Reserve		DISTRICT	31 36
Fund	10	The Appraisal	31 36
Delinquency Reserve Account of the Reserve		Value to Assessment Burden Ratio	36
Fund	10 11	BONDHOLDERS' RISKS	32 37
Administrative Fund	11 12	General	32 37
Defeasance	11 12	Failure or Inability to Complete Proposed	
Events of Default	12 13	Development	32 37
Remedies in Event of Default	12 13	Completion of the Projects and Other	
Restriction on Owner's Actions	13 14	Infrastructure	33 38
Application of Revenues and Other Moneys		Feasibility Study	33 38
After Event of Default	13 14	Absorption Rate	33 38
Investment or Deposit of Funds	14 15	Risks Related to the Current Residential Real	
SOURCES AND USES OF FUNDS	14 15	Estate Market	34 39
DEBT SERVICE REQUIREMENTS	15 16	Competition in the Housing Industry	34 39
OVERLAPPING TAXES AND DEBT	16 17	Assessment Limitations	34 39
ASSESSMENT PROCEDURES	17 18	Loss of Tax Exemption	35 40
General	17 18	Bankruptcy	35 40
Assessment Methodology	17 18	Direct and Overlapping Indebtedness,	
Collection and Enforcement of Assessment		Assessments and Taxes	36 41
Amounts	17 18	Depletion of Reserve Fund	36 41
Assessment Amounts	19 20	Availability of Utilities	36 41
Prepayment of Assessments	19 20	Hazardous Substances	36 41
Priority of Lien	20 21	Regulation	37 42
Foreclosure Proceedings	20 21	100-Year Flood Plain	37 42
THE CITY	21 22	Bondholders' Remedies and Bankruptcy	37 42
Background	21 22	Judicial Foreclosures	38 43
City Government	21 22	No Acceleration	38 43
Major Employers	21 22	No Credit Rating	38 43
THE DISTRICT	22 23	Bankruptcy Limitation to Bondholders' Rights	38 43
General	22 23	Management and Ownership	39 44
Powers and Authority	22 23	General Risks of Real Estate Investment and	
THE PROJECTS	22 23	Development	39 44
General	22 23	Dependence Upon Developer	39 44
Ownership and Maintenance of Improvements	23 24	Agricultural Use Valuation and Redemption	
THE DEVELOPMENT	23 24	Rights	39 45
Overview	23 24	TAX MATTERS	40 45

TABLE OF CONTENTS
(continued)

	Page
Tax Exemption.....	40 <u>45</u>
Collateral Federal Income Tax Consequences.....	41 <u>46</u>
Tax Accounting Treatment of Discount and Premium on Certain Bonds.....	42 <u>47</u>
State, Local and Foreign Taxes.....	42 <u>48</u>
Changes in Federal and State Tax Law.....	43 <u>48</u>
LEGAL MATTERS.....	43 <u>48</u>
Legal Proceedings.....	43 <u>48</u>
Legal Opinions.....	43 <u>48</u>
Litigation — The City.....	44 <u>49</u>
Litigation — The Developer.....	44 <u>49</u>
SUITABILITY FOR INVESTMENT.....	44 <u>49</u>
ENFORCEABILITY OF REMEDIES.....	44 <u>50</u>
NO RATING.....	45 <u>50</u>
CONTINUING DISCLOSURE.....	45 <u>50</u>
UNDERWRITING.....	45 <u>51</u>
REGISTRATION AND QUALIFICATION OF BONDS FOR SALE.....	45 <u>51</u>
LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS.....	46 <u>51</u>
INVESTMENTS.....	46 <u>51</u>
INFORMATION RELATING TO THE TRUSTEE.....	48 <u>53</u>
SOURCES OF INFORMATION.....	48 <u>54</u>
General.....	48 <u>54</u>
Source of Certain Information.....	49 <u>54</u>
Experts.....	49 <u>54</u>
Updating of Official Statement.....	49 <u>54</u>
FORWARD-LOOKING STATEMENTS.....	49 <u>55</u>
AUTHORIZATION AND APPROVAL.....	50 <u>56</u>

APPENDIX A	Form of Indenture
APPENDIX B	Form of Service and Assessment Plan
APPENDIX C	Form of Opinion of Bond Counsel
APPENDIX D-1	Form of City Disclosure Agreement
APPENDIX D-2	Form of Developer Disclosure Agreement
APPENDIX E	Appraisal of Parcels
APPENDIX F	Feasibility Study
APPENDIX G	Financing Agreement

(THIS PAGE IS INTENTIONALLY LEFT BLANK.)

~~PRELIMINARY~~ OFFICIAL STATEMENT

\$5,200,000*
CITY OF LEANDER, TEXAS,
(a municipal corporation of the State of Texas located in Williamson and Travis Counties)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2014
(OAK CREEK PUBLIC IMPROVEMENT DISTRICT)

INTRODUCTION

The purpose of this Official Statement, including the cover page, inside cover and Appendices hereto, is to provide certain information in connection with the issuance and sale by the City of Leander, Texas (the “City”), of its \$5,200,000* aggregate principal amount of Special Assessment Revenue Bonds, Series 2014 (Oak Creek Public Improvement District) (the “Bonds”).

PROSPECTIVE INVESTORS SHOULD BE AWARE OF CERTAIN RISK FACTORS, ANY OF WHICH, IF MATERIALIZED TO A SUFFICIENT DEGREE, COULD DELAY OR PREVENT PAYMENT OF PRINCIPAL OF AND/OR INTEREST ON THE BONDS. THE BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. See “SUITABILITY FOR INVESTMENT” and “BONDHOLDERS’ RISKS.”

The Bonds are being issued by the City pursuant to the Public Improvement Assessment District Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), the ordinance authorizing the issuance of the Bonds to be adopted by the City Council on , October 16, 2014 (the “Bond Ordinance”), and an Indenture of Trust, dated as of , October 16, 2014 (the “Indenture”), entered into by and between the City and BOKF, NA, dba Bank of Texas, as trustee (the “Trustee”). The Bonds will be secured by assessments (“Assessments”) levied against assessable property located within the Oak Creek Public Improvement District (the “District”) pursuant to a separate ordinance to be enacted by the City Council on , October 16, 2014 (the “Assessment Ordinance”).

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

Set forth herein are brief descriptions of the City, the District, the Assessment Ordinance, the Bond Ordinance, the Service and Assessment Plan (as defined herein), the Developer (as defined herein), and the Developer Consultant (as defined herein), together with summaries of terms of the Bonds and the Indenture and certain provisions of the PID Act. All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID Act and all references to the Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. Copies of these documents may be obtained during the period of the offering of the Bonds from the Underwriter, Jefferies LLC, 300 Crescent Court, Suite 500, Dallas, Texas 75201, telephone number (972) 701-3037. The form of the Indenture appears in APPENDIX A and the form of the Service and Assessment Plan appears in APPENDIX B. The final Indenture and the final Service and Assessment Plan will be provided in the final Official Statement. The information provided under this caption “INTRODUCTION” is intended to provide a brief overview of the information provided in the other captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed hereunder.

**Preliminary; subject to change.*

PLAN OF FINANCE

Development Plan

Sentinel/Cotter Leander, LLC (the “Developer”) plans to develop public improvements to serve the entire District. The boundaries of the District are shown in the maps on pages iii and iv of this Official Statement. The District will feature approximately 446 single family detached and as many as ~~214~~[189](#) attached residential home sites plus extensive trails and other public amenities. Proceeds of the Bonds will be used primarily to finance a portion of the Costs of the Projects, which consist of the costs of certain sanitary sewer improvements, drainage improvements, pond improvements, signage, and landscaping that will benefit the entire District. See “THE PROJECTS.”

The Bonds

Proceeds of the Bonds will be used to provide funds for (i) paying a portion of the Costs of the Projects, which consist of the costs of certain sanitary sewer improvements, drainage improvements, pond improvements, signage, and landscaping that will benefit the entire Oak Creek Public Improvement District (the “District”), (ii) paying interest on the Bonds during construction of the Projects, (iii) funding a reserve fund for the payment of principal of and interest on the Bonds, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuing the Bonds. To the extent that a portion of the proceeds of the Bonds is allocated for the payment of the cost of issuance of the Bonds and less than all of such amount is used to pay such costs, the excess amount may, at the option of the City, be transferred to another account in the Project Fund and used to pay Costs or to the Principal and Interest Account of the Bond Fund to pay interest on the Bonds. See “THE PROJECTS,” “APPENDIX A – Form of Indenture” and “SOURCES AND USES OF FUNDS.”

Payment of the Bonds is secured by a pledge of and a lien upon the Pledged Revenues, consisting primarily of Assessments to be levied against the assessable parcels or lots within the District, all to the extent and upon the conditions described herein and in the Indenture. See “SECURITY FOR THE BONDS” and “ASSESSMENT PROCEDURES.”

When compared to the estimated ~~aggregate retail~~[appraised](#) value of the ~~assessable~~ property in the District (~~\$15,665,000~~[20,880,000](#)), the principal amount of the Bonds has an estimated value to assessment burden ratio of approximately ~~3.134~~[0*](#) to 1. See “APPRAISAL OF PROPERTY WITHIN THE DISTRICT – Value to Assessment Burden Ratio” and “APPENDIX E – Appraisals of Parcels”.

DESCRIPTION OF THE BONDS

General Description

The Bonds will mature on the dates and in the amounts set forth in the inside cover page of this Official Statement. Interest on the Bonds will accrue from their date of delivery to the Underwriter and will be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Bonds will be payable on each March 1 and September 1, commencing March 1, 2015 (each an “Interest Payment Date”), until maturity or prior redemption. BOKF, NA dba Bank of Texas is the initial Trustee, Paying Agent and Registrar for the Bonds.

The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$25,000 of principal and any integral multiple of \$5,000 in excess thereof (“Authorized Denominations”). Upon initial issuance, the ownership of the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), and purchases of beneficial interests in the Bonds will be made in book-entry only form. See “BOOK-ENTRY ONLY SYSTEM” and “SUITABILITY FOR INVESTMENT.”

** Preliminary; subject to change.*

Redemption Provisions

Mandatory Sinking Fund Redemption. The Bonds are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at a price of 100% of the principal amount thereof, plus accrued and unpaid interest to the redemption date, from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to the Indenture, on the dates and in the respective principal amounts as set forth in the following schedules:

\$ Term Bonds due , 20 *

<u>Redemption Date</u>	<u>Principal Amount</u>
<u> </u> , 20 <u> </u>	
<u> </u> , 20 <u> </u> †	

\$ Term Bonds due , 20 *

<u>Redemption Date</u>	<u>Principal Amount</u>
<u> </u> , 20 <u> </u>	
<u> </u> , 20 <u> </u> †	

\$ Term Bonds due , 20 *

<u>Redemption Date</u>	<u>Principal Amount</u>
<u> </u> , 20 <u> </u>	
<u> </u> , 20 <u> </u> †	

~~* Preliminary, subject to change.~~

~~* Stated maturity.~~

~~* Preliminary, subject to change.~~

~~† Stated maturity.~~

At least forty-five (45) days prior to each mandatory sinking fund redemption date, the Trustee will select a principal amount of Bonds equal to the Sinking Fund Installment amount of such Bonds to be redeemed, will call such Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in the Indenture.

The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date pursuant to the Indenture shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least 45 days prior to the sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date pursuant to the Indenture shall be reduced on a pro rata basis among sinking fund installments by the principal amount of any Bonds which, at least 45 days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Optional Redemption. The City reserves the right and option to redeem the Bonds before their scheduled maturity dates, in whole or in part, on or after , 20 , such redemption date or dates to be fixed by the City, at the redemption prices shown below, plus accrued interest to the redemption date.

<u>Redemption Date</u>	<u>Redemption Price</u>
<u> </u> , 20 <u> </u> through <u> </u> , 20 <u> </u>	103%
<u> </u> , 20 <u> </u> through <u> </u> , 20 <u> </u>	102%
<u> </u> , 20 <u> </u> through <u> </u> , 20 <u> </u>	101%
<u> </u> , 20 <u> </u> and thereafter	100%

Extraordinary Optional Redemption. The Bonds are subject to extraordinary optional redemption by the City prior to their scheduled maturity on the 15th day of any month after the required notice of redemption at a redemption price equal to 100% of the principal amount of the Bonds, or portions thereof, to be redeemed plus accrued interest to the redemption date from amounts on deposit in the Redemption Fund (i) as a result of Prepayments, including related transfers to the Redemption Fund, (ii) as a result of unexpended proceeds transferred from the Project Fund to the Bond Fund pursuant to the Indenture, (iii) as a result of transfers to the Redemption Fund from the Delinquency Reserve Fund pursuant to the Indenture in the event that the Delinquency Reserve Fund contains the Delinquency Reserve Requirement, (iv) as a result of transfers to the Redemption Fund from the Prepayment Reserve Fund pursuant to the Indenture in the event that the Prepayment Reserve Fund contains the Prepayment Reserve Requirement and the Delinquency Reserve Fund contains the Delinquency Reserve Requirement, and (v) as a result of transfers to the Redemption Fund made pursuant to the Indenture in the event that the amount held in the Reserve Fund together with the amount held in the Pledged Revenue Fund, the Bond Fund and Redemption Fund is sufficient to pay the principal amount and of all Outstanding Bonds. Unexpended proceeds shall be transferred to the Redemption Fund only in the event that such proceeds are not expected to be expended for purposes of the Project Fund due to the abandonment, or constructive abandonment, of the Project such that, in the opinion of the City Representative, it is unlikely that the amounts in the Project Fund will ever be expended for the purposes of the Project Fund. See “ASSESSMENT PROCEDURES — Prepayment of Assessments” for a description of Prepayments. No redemption shall be made which results in a Bond remaining outstanding in a principal amount less than an Authorized Denomination. See “APPENDIX A — Form of Indenture.”

Provisions with Respect to Redemption. Bonds may be redeemed in part only in increments of \$5,000. If less than all of the Bonds are to be redeemed, the Bonds to be redeemed shall be redeemed in the reverse order of their maturity, and treating each minimum Authorized Denomination of the Bonds as a single Bond for such purposes.

Upon surrender of any Bond for redemption in part, the Trustee, in accordance with the provisions of the Indenture, shall authenticate and deliver in exchange thereof a Bond or Bonds of like tenor, maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Bond or Bonds so surrendered.

Notice of Redemption. Notice of any redemption shall be given by the Trustee at least thirty (30) days prior to the redemption date by giving written notice to the Owner of each Bond to be redeemed in whole or in part at the address shown on the Register by first-class mail, postage prepaid. Any such notice shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. When such Bonds have been called for redemption, in whole or in part, and due provision has been made to redeem same, such Bonds, or portions thereof, shall no longer be regarded as Outstanding except for the purposes of receiving payment from the funds provided for redemption, and the right of the Owners to collect interest on such Bonds or portions thereof which would otherwise accrue after the redemption date shall be terminated.

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

BOOK-ENTRY ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by The Depository Trust Company (“DTC”), New York, New York, while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The City and the Underwriter believe the source of such information to be reliable, but neither the City nor the Underwriter takes responsibility for the accuracy or completeness thereof.

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

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

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

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the

Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

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

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

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but none of the City, the City's Financial Advisor or the Underwriter takes no responsibility for the accuracy thereof.

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

SECURITY FOR THE BONDS

General

THE BONDS ARE SPECIAL OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND THE OTHER FUNDS HELD UNDER THE INDENTURE COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS ARE NOT SECURED BY FUNDS RAISED OR TO BE RAISED FROM TAXATION AND DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE CITY AND ARE NOT SECURED EXCEPT AS PROVIDED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND ANY OTHER FUNDS HELD UNDER THE INDENTURE COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO THE OWNERS OF THE BONDS TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES.

The principal of, premium, if any, and interest on the Bonds are secured by a pledge of and a lien upon the pledged revenues (the “Pledged Revenues”), consisting primarily of Assessments levied against the assessable parcels or lots within the District (the “Assessed Parcels”) and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. The District contains approximately 151 acres, all of which are expected to constitute Assessed Parcels. In accordance with the PID Act, the City has caused the preparation of a Service and Assessment Plan (as amended and supplemented from time to time, the “Service and Assessment Plan”), which describes the special benefit received by the property within the District, including the Assessed Parcels, provides the basis and justification for the determination of special benefit on such property, establishes the methodology for the levy of Assessments and provides for the allocation of Pledged Revenues for payment of principal of, premium, if any, and interest on the Bonds. The Service and Assessment Plan is reviewed and updated annually for the purpose of determining the annual budget for Administrative Expenses, updating the estimated Improvements costs, and updating the Assessment Roll. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future owners and developers within the District. See “APPENDIX B — Form of Service and Assessment Plan.”

Pledged Revenues

The City is authorized by the PID Act, the Assessment Ordinance and other provisions of law to finance the Projects by levying Assessments upon properties in the District benefitted thereby. For a description of the assessment methodology and the amounts of Assessments anticipated to be levied in the District, see “ASSESSMENT PROCEDURES” and “APPENDIX B — Service and Assessment Plan.”

Pursuant to the Indenture, Pledged Revenues are the sum of (i) the Bond Special Assessment Revenues, and (ii) the moneys held in any of the Pledged Funds. “Special Assessment Revenues” means the monies collected from Bond Special Assessments, including interest on Bond Special Assessments during the period a Bond Special Assessment or any installment thereof is current or delinquent, Prepayments, Foreclosure Proceeds of Bond Special Assessments, and penalties for non-timely payment of Bond Special Assessments; and monies collected from Administrative Expenses Special Assessments, including interest on Administrative Expenses Special Assessments during the period an Administrative Expenses Special Assessment is delinquent, Foreclosure Proceeds of Administrative Expenses Special Assessments, proceeds from a guarantor of the Administrative Expenses Special Assessments, amounts collected as reimbursement of Delinquent Collection Costs, and penalties for non-timely payment of Administrative Expenses Special Assessments. “Annual Installments” mean, with respect to each Assessed Parcel (i) each annual payment of the Bond Special Assessment, including interest on the Bond Special Assessments, and (ii) the Administrative Expenses Special Assessment as shown on the Assessment Roll. Assessments also include any supplemental assessments levied in accordance with Sections 372.019 and 372.020 of the PID Act. The City will covenant in the Indenture that it will take and pursue all actions permissible under Applicable Laws to cause Assessments to be collected and the liens thereof to be enforced continuously. See “-

Pledged Revenue Fund,” “APPENDIX A — Form of Indenture” and “APPENDIX B — Form of Service and Assessment Plan.”

The PID Act provides that the Assessments (including any reassessment, with interest, the expense of collection and reasonable attorney’s fees, if incurred) are a first and prior lien (the “Assessment Lien”) against the property assessed, superior to all other liens or claims, except liens and claims by the State of Texas (the “State”), counties, cities, school districts, or other municipalities for ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named. Pursuant to the PID Act, the Assessment Lien is effective from the date of the Assessment Ordinance until the Assessments are paid (or otherwise discharged), and is enforceable by the City Council in the same manner that an ad valorem property tax levied against real property may be enforced by the City Council. See “ASSESSMENT PROCEDURES” and “BONDHOLDERS’ RISKS — Assessment Limitations” herein.

The Assessments levied in the Assessment Ordinance and described in the Service and Assessment Plan are set at a level sufficient to fund the Costs of the Projects in the approximate amount of \$3,847,899.

Collection and Deposit of Assessments

The Assessments shown on the Assessment Roll, together with the interest thereon, shall first be applied to the payment of the principal of and interest on the Bonds as and to the extent provided in the Service and Assessment Plan and the Indenture.

The portion of the Assessments assessed to pay debt service on the Bonds, together with interest thereon, are payable in Annual Installments established by the Assessment Ordinance and the Service and Assessment Plan to correspond, as nearly as practicable, to the debt service requirements for the Bonds. An Assessment has been made payable in the Assessment Ordinance which, if collected, will be sufficient to first pay debt service requirements on the Bonds for such Fiscal Year. Each Annual Installment is payable as provided in the Service and Assessment Plan and the Assessment Ordinance.

A record of the Assessments on each parcel, tract or lot which are to be collected in each year during the term of the Bonds is shown on the Assessment Roll. Sums received from the collection of the Assessments to pay the debt service requirements (including delinquent installments, Foreclosure Proceeds and penalties) and of the interest thereon shall be deposited into the Pledged Revenue Fund, except that amounts received as Prepayments shall be deposited into the Redemption Fund.

Portions of the Annual Installments collected as Delinquent Collection Costs shall be deposited in the Administrative Fund and shall not constitute Pledged Revenues.

Unconditional Levy of Assessments

The City has imposed Assessments on the property within the District to pay the principal of and interest on the Bonds scheduled for payment from Pledged Revenues as described in the Indenture and in the Service and Assessment Plan and coming due during each Fiscal Year. The Assessments shall be effective on the date of, and strictly in accordance with the terms of, the Assessment Ordinance. Each Assessment may be paid immediately in full or in periodic Annual Installments over a period of time equal to the term of the Bonds, which installments shall include interest on the Assessments. Pursuant to the Assessment Ordinance, interest on the Assessments has been calculated at the rate of interest on the Bonds plus 0.50%, calculated on the basis of a 360-day year consisting of twelve 30-day months. Such rate may be adjusted as described in the Service and Assessment Plan. Each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be calculated on _____ and shall be due on October 1 of each year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments will be due on _____, and will be delinquent if not paid prior to _____.

As authorized by Section 372.018(b) of the PID Act, the City will levy, assess, and collect each year while the Bonds are Outstanding and unpaid, commencing _____ 2015, as part of the Annual Installment, an amount to

pay the annual costs incurred by the City in the administration and operation of the District. The portion of each Annual Installment used to pay such annual costs shall remain in effect from year to year until all Bonds are finally paid or until the City adjusts the levy after an annual review in any year pursuant to Section 372.013 of the PID Act. The Assessments to pay annual expenses shall be due in the manner set forth in the Assessment Ordinance on ~~_____~~October 1 of each year and shall be delinquent if not paid by ~~_____~~February 1 of the following year. There will be no discount for the early payment of Assessments. Such Assessments to pay expenses do not secure repayment of the Bonds.

Assessments, together with interest, penalties, and expense of collection and reasonable attorneys' fees, as permitted by the Texas Tax Code, shall be a first and prior lien against the property assessed, superior to all other liens and claims, except liens or claims for State, county, city, school district or municipal ad valorem taxes and shall be a personal liability of and charge against the owner of the property regardless of whether the owners are named. The lien for Assessments and penalties and interest begins on the effective date of the Assessment Ordinance and continues until Assessments are paid or until all Bonds are finally paid.

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

Perfected Security Interest

Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the Pledged Revenues and such pledge is valid, effective, and perfected. The City will covenant in the Indenture that should Texas law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of such revenues is subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, in order to preserve to the registered owners of the Bonds a security interest in such pledge, the City will take such measures as it determines are reasonable and necessary to enable a filing of a security interest in said pledge to occur. See "APPENDIX A — Form of Indenture."

Pledged Revenue Fund

The City has created under the Indenture a Pledged Revenue Fund to be held by the Trustee. Immediately upon receipt thereof while the Bonds are outstanding, and beginning in year 2015, the Assessments are collected, the City shall deposit or cause to be deposited the Bond Special Assessment Revenues into the Pledged Revenue Fund. Such Pledged Revenues shall be (a) first, deposited to the Principal and Interest Account of the Bond Fund in an amount sufficient to pay debt service on the Bonds next coming due, (b) second, deposited to the Reserve Account of the Reserve Fund in an amount necessary to cause the amount on deposit therein to equal the Reserve Fund Requirement, (c) third, to pay any other costs permitted by the PID Act.

From time to time as needed to pay the obligations relating to the Bonds, but no later than five business days before each Interest Payment Date, the Trustee shall withdraw from the Pledged Revenue Fund, and transfer to the Principal and Interest Account of the Bond Fund, an amount, taking into account any amounts then on deposit in such Principal and Interest Account and any expected transfers from the Capitalized Interest Account to the Principal and Interest Account, such that the amount on deposit in the Principal and Interest Account equals the principal (including any Sinking Fund Installments) and interest due on the Bonds on the next Interest Payment Date.

If, after the foregoing transfers and any transfer from the Reserve Fund (as described under "Reserve Fund" below), there are insufficient funds to make the payments provided in the preceding paragraph, the Trustee shall apply the available funds in the Principal and Interest Account first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Bonds.

The Trustee shall transfer Prepayments to the Redemption Fund promptly after deposit of such amounts into the Pledged Revenue Fund. The amount to be transferred shall be an amount, for each Prepayment, equal to the amount of interest that would have accrued on the Assessment but for the Prepayment for the period from and including the date of the Prepayment to but excluding the date of redemption of Bonds pursuant to an extraordinary optional redemption with the proceeds of such Prepayment.

The Trustee shall deposit Foreclosure Proceeds first, to the Reserve Fund to restore any transfers from the Reserve Fund to the Bond Fund made with respect to the Assessed Parcels to which the Foreclosure Proceeds relate, and second, to the Redemption Fund promptly after deposit of such amounts into the Pledged Revenue Fund. Any Assessments remaining after satisfying the foregoing payments may be used for any lawful purpose for which Assessments may be used under the PID Act.

Any Pledged Revenues remaining after no Bonds are outstanding may be used for any lawful purpose for which Assessments may be used under the PID Act.

Reserve Fund

Pursuant to the Indenture, a Reserve Account will be created within the Reserve Fund for the benefit of the Bonds and held by the Trustee. The Reserve Fund Requirement will be funded at closing with proceeds of the Bonds. Pursuant to the Indenture, the "Reserve Fund Requirement" for the Bonds shall be an amount equal to the least of (i) Maximum Annual Debt Service on the Bonds as of their date of issuance, (ii) 125% of average Annual Debt Service on the Bonds as of their date of issuance, or (iii) 10% of the proceeds of the Bonds; provided, however, that such amount shall be reduced by the amount of any transfers made pursuant to the Indenture. Also, as a result of an optional redemption of the Bonds, the Reserve Fund Requirement shall be reduced by a percentage equal to the pro rata amount of Bonds redeemed by such optional redemption divided by the total amount of the Outstanding Bonds prior to such redemption. As of the date of delivery of the Bonds, the Reserve Fund Requirement equals \$_____.

If, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds due on such date, the Trustee shall, after first transferring any available funds on deposit in the Delinquency Reserve Account of the Reserve Fund (described below), transfer second from the Reserve Account of the Reserve Fund to the Bond Fund and transfer third from the Prepayment Reserve Account of the Reserve Fund (described below), the amounts necessary to cure such deficiency. The Trustee shall determine the value of cash and investments on deposit in the Reserve Account as of each Interest Payment Date. So long as no Event of Default under the Indenture shall have occurred and be continuing, if as of the date of such determination the value of cash and investments on deposit in the Reserve Account exceeds the Reserve Fund Requirement, the Trustee shall transfer such excess to the Principal and Interest Account of the Bond Fund to be used for the payment of interest on the Bonds on the next Interest Payment Date, unless within thirty (30) days of such notice to the City Representative, the Trustee receives a City Order instructing the Trustee to apply such excess: (i) to pay amounts due in the Rebate Fund, or (ii) to the Project Fund to pay Costs if such application and the expenditure of funds is expected to occur within three (3) years of the date of the Indenture.

In the event of an extraordinary optional redemption of the Bonds from the proceeds of a Prepayment, the Trustee, pursuant to written directions from the City, shall transfer from the Reserve Account to the Redemption Fund the amount specified in such directions, which shall be an amount equal to the difference between the Reserve Fund Requirement immediately prior to such extraordinary optional redemption, and the Reserve Fund Requirement immediately after such extraordinary optional redemption.

Prepayment Reserve Account of the Reserve Fund

Pursuant to the Indenture and the Service and Assessment Plan, a Prepayment Reserve Account will be created within the Reserve Fund and held by the Trustee for the benefit of the Bonds. The Trustee will transfer funds from the Pledged Revenue Fund to the Prepayment Reserve Account on a semi-annual basis until the amount on deposit therein is equal to the Prepayment Reserve Requirement. The Prepayment Reserve Requirement is an amount equal to 1.5% of the outstanding Bonds, initially \$_____. The City has allocated 40% of the Excess Interest Rate (as defined in the Service and Assessment Plan) component of the Annual Installments for such purpose until such time as the Prepayment Reserve Account contains the full amount of the Prepayment Reserve Requirement.

Moneys on deposit in the Prepayment Reserve Account up to the Prepayment Reserve Requirement may be used to pay debt service on the Bonds in the event that amounts on deposit in Bond Fund, the Reserve Account and the Delinquency Reserve account are insufficient for such purpose and as directed by a City Order for the purposes

of payment of Administrative Expenses in the event that amounts on deposit in the Administrative Fund are insufficient for such purpose. The amounts set forth in such City Order shall be transferred to the Administrative Fund to be used for such purposes. Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the value of cash and Value of Investment Securities on deposit in the Prepayment Reserve Account exceeds the Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess (the "Excess Prepayment Reserve Amount"). The Excess Prepayment Reserve Amount shall be transferred, at the direction of the City pursuant to a City Order, to the Administrative Fund for the payment of Administrative Expenses or to the Redemption Fund in order to effect the redemption of Bonds pursuant to the Indenture. In the event that the Trustee does not receive a City Order directing the transfer of the Excess Prepayment Reserve Amount to the Administrative Fund within 45 days of providing notice to the City of such Excess Prepayment Reserve Amount, the Trustee shall transfer the Excess Prepayment Reserve Amount to the Redemption Fund and redeem Bonds pursuant to the Indenture. See "APPENDIX A – Form of Indenture" and "APPENDIX B – Form of Service and Assessment Plan" and "DESCRIPTION OF THE BONDS—Redemption Provisions."

If, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds due on such date, the Trustee shall transfer from the Prepayment Reserve Account of the Reserve Fund to the Bond Fund the amounts necessary to cure such deficiency, in the event that such transfer is necessary after amounts are first transferred from the Delinquency Reserve Account and the Reserve Account.

Delinquency Reserve Account of the Reserve Fund

Pursuant to the Indenture and the Service and Assessment Plan, a Delinquency Reserve Account will be created within the Reserve Fund and held by the Trustee for the benefit of the Bonds. The Trustee will transfer funds from the Pledged Revenue Fund to the Delinquency Reserve Account on a semi-annual basis. The Delinquency Reserve Requirement is an amount equal to 4% of the outstanding Bonds, initially \$ _____, which amount will be accrued from deposits of the 60% of the Excess Interest Rate (as defined in the Service and Assessment Plan). The City has allocated 60% of the Excess Interest Rate (as defined in the Service and Assessment Plan) component of the Annual Installments for such purpose until such time as the Delinquency Reserve Account contains the full amount of the Delinquency Reserve Requirement.

Moneys in the Delinquency Reserve Account up to the Delinquency Reserve Requirement may be used to pay debt service on the Bonds in the event that amounts on deposit in Bond Fund and the Reserve Account are insufficient for such purpose and as directed by a City Order for the purposes of payment of Administrative Expenses in the event that amounts on deposit in the Administrative Fund are insufficient for such purpose. The amounts set forth in such City Order shall be transferred to the Administrative Fund to be used for such purposes. Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the value of cash and Value of Investment Securities on deposit in the Delinquency Reserve Account exceeds the Delinquency Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess (the "Excess Delinquency Reserve Amount"). The Excess Delinquency Reserve Amount shall be transferred, at the direction of the City pursuant to a City Order, to the Administrative Fund for the payment of Administrative Expenses or to the Redemption Fund in order to effect the redemption of Bonds pursuant to the Indenture. In the event that the Trustee does not receive a City Order directing the transfer of the Excess Delinquency Reserve Amount to the Administrative Fund within 45 days of providing notice to the City of such Excess Delinquency Reserve Amount, the Trustee shall transfer the Excess Delinquency Reserve Amount to the Redemption Fund and redeem Bonds pursuant to the Indenture. See "APPENDIX A – Form of Indenture" and "APPENDIX B – Form of Service and Assessment Plan" and "DESCRIPTION OF THE BONDS—Redemption Provisions."

If, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds due on such date, the Trustee shall transfer first from the Delinquency Reserve Account of the Reserve Fund to the Bond Fund the amounts necessary to cure such deficiency.

Administrative Fund

The City has created under the Indenture an Administrative Fund held by the Trustee, which shall initially be funded by a \$10,000 deposit of Bond Proceeds and, thereafter, by deposits of the Administrative Expenses

Special Assessments Revenues. Upon receipt, the City shall transfer to the Trustee, for deposit to the Administrative Fund, the portion of the Administrative Expenses Special Assessments Revenues. Monies in the Administrative Fund are not Pledged Revenues and may be used as directed by City Order for the purposes set forth in the Service and Assessment Plan. See “APPENDIX B — Form of Service and Assessment Plan.”

Defeasance

All Outstanding Bonds shall prior to the Stated Maturity or redemption date thereof be deemed to have been paid and to no longer be deemed Outstanding if (i) in case any such Bonds are to be redeemed on any date prior to their Stated Maturity, the Trustee shall have given notice of redemption on said date as provided in the Indenture, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with any moneys deposited with the Trustee at the same time, shall be sufficient to pay when due the principal of and interest on of the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (iii) the Trustee shall have verified the sufficiency of the moneys or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest on of the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall be reinvested in Defeasance Securities as directed by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

“Defeasance Securities” means Investment Securities then authorized by applicable law for the investment of funds to defease public securities. “Investment Securities” means those authorized investments described in the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended (the “PFIA”); and provided further investments are, at the time made, included in and authorized by the City’s official investment policy as approved by the City Council from time to time. Under current law, the following constitute Defeasance Securities, all of which may be in book-entry form:

- (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America;
- (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality, and that are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; and
- (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent.

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

Events of Default

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

- (i) the failure of the City to deposit the Pledged Revenues to the Pledged Revenue Fund;

(ii) the failure of the City to enforce the collection of the Special Assessments including the prosecution of foreclosure proceedings; and

(iii) default in the performance or observance of any covenant, agreement or obligation of the City under the Indenture and the continuation thereof for a period of 60 days after written notice specifying such default and requiring same to be remedied shall have been given to the City by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Owners of not less than 25% in principal amount of the Bonds then Outstanding; provided, however, if the default stated in the notice is capable of cure but cannot reasonably be cured within the applicable period, the City shall be entitled to a further extension of time reasonably necessary to remedy such default so long as corrective action is instituted by the City within the applicable period and is diligently pursued until such failure is corrected, but in no event for a period of time of more than ninety (90) days after such notice.

Remedies in Event of Default

Upon the happening and continuance of any Event of Default, the Owners of not less than 25% in aggregate outstanding principal amount of the Bonds then Outstanding may proceed against the City for the purpose of protecting and enforcing the rights of the Owners under the Indenture by action seeking mandamus or by other suit, action, or special proceeding in equity or at law in any court of competent jurisdiction for any relief to the extent permitted by Applicable Laws including, but not limited to, the specific performance of any covenant or agreement contained in the Indenture, or injunction; provided, however, that no action for money damages against the City may be sought or will be permitted.

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

If the assets of the Trust Estate are sufficient to pay all amounts due with respect to Outstanding Bonds, in the selection of Trust Estate assets to be used in the payment of Bonds due in an Event of Default, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Order, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Order, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale.

Whenever moneys are to be applied pursuant to an Event of Default, irrespective of and whether other remedies authorized under the Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate and as may be required by law and apply the proceeds thereof in accordance with the provisions of the Indenture. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the judgment of the Trustee, proper for the purpose which may be designated in such request.

Restriction on Owner's Actions

No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereof or any other remedy thereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing or of which it is deemed to have notice, (ii) such default has become an Event of Default and the Owners of 25% of the aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers granted or to institute such action, suit or proceeding in its own

name, (iii) the Owners have furnished to the Trustee indemnity as provided in the Indenture, (iv) the Trustee has for 60 days after such notice failed or refused to exercise the powers granted, or to institute such action, suit, or proceeding in its own name, (v) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of a majority of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, no one or more owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the Indenture by its, his or their action or to enforce any right hereunder except in the manner provided in the Indenture, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided in the Indenture and for the equal benefit of the Owners of all Bonds then Outstanding. The notification, request and furnishing of shall, at the option of the Trustee, be conditions precedent to the execution of the powers and trusts of the Indenture and to any action or cause of action for the enforcement of the Indenture or for any other remedy thereunder.

Subject to provisions of the Indenture with respect to certain liabilities of the City, nothing in the Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond issued thereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed therein and in the Bonds.

In case the Trustee or any Owners shall have proceeded to enforce any right under the Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owners, then and in every such case the City, the Trustee and the Owners shall be restored to their former positions and rights thereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Application of Revenues and Other Moneys After Event of Default

All moneys, securities, funds and Pledged Revenues and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture with respect to Events of Default shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out the Indenture, be applied by the Trustee, on behalf of the City, to the payment of interest and principal or redemption price then due on Bonds, as follows:

FIRST: To the payment to the Owners entitled thereto all installments of interest then due in the direct order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the Owners entitled thereto, without any discrimination or preference; and

SECOND: To the payment to the Owners entitled thereto of the unpaid principal of Outstanding Bonds, or redemption price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal due and to the Owners entitled thereto, without any discrimination or preference.

Within ten (10) days of receipt of such good and available funds, the Trustee may fix a record and payment date for any payment to be made to Owners pursuant to the Indenture.

In the event funds are not adequate to cure any of the Events of Default, the available funds shall be allocated to the Bonds that are Outstanding in proportion to the quantity of Bonds that are currently due and in default under the terms of the Indenture.

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

Investment or Deposit of Funds

Money in any fund or account established pursuant to the Indenture (other than the Reserve Account) will be invested by the Trustee as directed by the City pursuant to a City Order filed with the Trustee at least two (2) days in advance of the making of such investment in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the PFIA or any successor law, as in effect from time to time; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investment with any primary dealer of such agreements) that the money required to be expended from any fund will be available at the proper time or times.

Obligations purchased as an investment of moneys in any fund or account established pursuant to the Indenture shall be deemed to be part of such fund or account, subject, however, to the requirements of the Indenture for transfer of interest earnings and profits resulting from investment of amounts in funds and accounts. Whenever in the Indenture any moneys are required to be transferred by the City to the Trustee, such transfer may be accomplished by transferring a like amount of permitted investments.

SOURCES AND USES OF FUNDS*

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

Sources of Funds:	
Principal Amount	\$ _____
Total Sources	\$ _____
Uses of Funds:	
Deposit to Capitalized Interest Account of Bond Fund	\$ _____
Deposit to Reserve Account of Reserve Fund	_____
Deposit to Costs of Issuance Account of Project Fund ⁽¹⁾	_____
Deposit to Bond Improvement Account of Project Fund	_____
<u>Deposit to Administrative Fund</u>	<u>_____</u>
Total Uses	\$ _____

* Preliminary; subject to change.

⁽¹⁾ Includes Underwriter’s discount, the initial year’s administrative costs and a portion of the costs to create the District.

[The remainder of this page intentionally left blank.]

DEBT SERVICE REQUIREMENTS*

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

Period Ending (September 1)	Principal	Interest	Total
2015	---		
2016	75,000		
2017	75,000		
2018	75,000		
2019	75,000		
2020	75,000		
2021	75,000		
2022	100,000		
2023	100,000		
2024	100,000		
2025	100,000		
2026	125,000		
2027	125,000		
2028	125,000		
2029	150,000		
2030	150,000		
2031	175,000		
2032	175,000		
2033	175,000		
2034	200,000		
2035	200,000		
2036	225,000		
2037	250,000		
2038	250,000		
2039	275,000		
2040	300,000		
2041	325,000		
2042	350,000		
2043	375,000		
2044	400,000		
Total	\$ 5,200,000	\$ _____	\$ _____

* Preliminary; subject to change.

[The remainder of this page intentionally left blank.]

OVERLAPPING TAXES AND DEBT

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

In addition to the Assessments described above, the Developer anticipates that each lot owner in the District will pay a maintenance and operation fee and/or a property owner's association fee to a homeowner's association, which is expected to be formed by the Developer after delivery of the Bonds. In addition, the Leander Independent School District, Williamson County, the Austin Community College District, the Upper Brushy Creek WCID, and the Williamson County FM/RD may each levy ad valorem taxes upon land in the District for payment of debt incurred by such governmental entities and/or for payment of maintenance and operations expenses. The City has no control over the level of ad valorem taxes or special assessments levied by such other taxing authorities.

<u>Taxing Entity</u>	<u>2013 Ad Valorem Tax Rate*</u>
The City	\$ 0.6679
Leander Independent School District	\$ 1.5119
Williamson County	\$ 0.4490
Austin Community College District	\$ 0.0949
Williamson County FM/RD	\$ 0.0400
Upper Brushy Creek WCID	\$ 0.0200
TOTAL	<u>\$ 2.7837</u>

*Per \$100 taxable appraised value.
Source: Williamson County

As noted above, the District includes territory located in other governmental entities that may issue or incur debt secured by the levy and collection of ad valorem taxes. Set forth below is an overlapping debt table showing the outstanding indebtedness payable from ad valorem taxes with respect to property within the District and the City, as of September 1, 2014, and City debt secured by the Assessments.

<u>Taxing or Assessing Entity</u>	<u>Total Outstanding Debt</u>	<u>Estimated % Applicable⁽¹⁾</u>	<u>Direct and Estimated Overlapping Debt⁽¹⁾</u>
The City (Assessments)	\$ 5,200,000*	100%	\$ 5,200,000*
The City (ad valorem taxes)	\$ 99,281,000	100%	\$ 99,281,000
Williamson County	\$ 849,554,942	4.69%	\$ 39,844,127
Leander Independent School District	\$1,089,130,235	14.06%	\$ 153,131,711
Austin Community College District	\$ 82,713,659	1.61%	\$ 1,331,690
Williamson County FM/RD	\$ 0	N/A	N/A
Upper Brushy Creek WCID	\$ 0	N/A	N/A
TOTAL	\$2,125,879,836*	%	\$298,788,528*

* Includes the Bonds. Preliminary; subject to change.

⁽¹⁾ Based upon ratio of acreage of the District to total acreage of the taxing entity.

Source: The City and the Municipal Advisory Council of Texas.

If land is devoted principally to agricultural use, the developer can apply for an agricultural valuation on the property and pay ad valorem taxes based on the land's agricultural value. Agricultural use includes production of crops or livestock. It also can include leaving the land idle for a government program or for normal crop or livestock rotation.

If land qualified for an agricultural valuation and the land use changes to a non-agricultural use, "rollback taxes" are assessed for each of the previous five (5) years in which the land received the lower agricultural valuation. The rollback tax is the difference between taxes paid on land's agricultural value and the taxes that the land owner

would have paid if the land had been taxed on a higher market value plus interest charged for each year from the date on which taxes would have been due.

ASSESSMENT PROCEDURES

General

As required by the PID Act, when the City determines to defray a portion of the Costs of the Projects through Assessments, it must adopt a resolution generally describing the Projects and the land within the District to be subject to Assessments to pay the cost therefor. The City has caused an assessment roll to be prepared (the "Assessment Roll"), which Assessment Roll will show the land within the District to be assessed, the amount of the benefit to and the Assessment against each lot or parcel of land and the number of Annual Installments in which the Assessment is divided. The Assessment Roll will be filed with the City Secretary and made available for public inspection. Statutory notice will be given to the owners of the property to be assessed and a public hearing will be conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Projects and funding a portion of the same with Assessments. The City expects to proceed to levy the Assessments and adopt the Assessment Ordinance immediately prior to adopting the Bond Ordinance. After such adoption, the Assessments will become legal, valid and binding liens upon the property against which the Assessments are made.

Under the PID Act, the costs of Projects may be assessed by the City against the assessable property in the District so long as the special benefit conferred upon the Assessed Parcels by the Projects equals or exceeds the Assessments. The Costs of the Projects may be assessed using any methodology that results in the imposition of equal shares of cost on Assessed Parcels similarly benefited. The allocation of benefits and assessments to the benefitted land within the District is presented in the Service and Assessment Plan, which should be read in its entirety. See "APPENDIX B — Form of Service and Assessment Plan."

Assessment Methodology

The Service and Assessment Plan describes the special benefit to be received by each parcel of assessable property as a result of the Projects, provides the basis and justification for the determination that such special benefit exceeds the Assessments being levied, and establishes the methodology by which the City allocates the special benefit of the Projects to parcels in a manner that results in equal shares of costs being apportioned to parcels similarly benefited. As described in the Service and Assessment Plan, the Costs of the Projects are being funded with proceeds of the Bonds, which are payable from and secured by Pledged Revenues, including the Special Assessment Revenues. As set forth in the Service and Assessment Plan, the benefits received by the Assessed Parcels are currently spread among the existing parcels in the District based on the estimated buildout value of each Lot (as defined in the Service and Assessment Plan) to the total buildout value for all Parcels. As the existing Parcels are subsequently divided the Assessments will be further apportioned based on the buildout value of each Lot to the total buildout value for all Parcels.

The Actual Costs may be assessed by the City Council against the Assessed Property so long as the special benefit conferred upon the Assessed Property by the Public Improvements equals or exceeds the amount of the Special Assessments. The Actual Costs may be assessed using any methodology that results in the imposition of equal shares of the Actual Costs on Assessed Property similarly benefited. See "APPENDIX B — Form of Service and Assessment Plan."

Collection and Enforcement of Assessment Amounts

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

The City will covenant in the Indenture to collect, or cause to be collected, Assessments as provided in the Assessment Ordinance. No less frequently than annually, the City staff shall prepare or shall cause to be prepared,

and the City Council shall approve, an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include an updated Assessment Roll and a calculation of the Annual Installment for each Parcel. Administrative Expenses shall be allocated among Parcels in proportion to the amount of the Annual Installments for the Parcels.

The City will covenant, agree and warrant in the Indenture that, for so long as any Bonds are Outstanding, it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement or exemption in the Assessments.

To the extent permitted by law, notice of the Annual Installments will be sent by, or on behalf of the City, to the affected property owners on the same statement or such other mechanism that is used by the City, so that such Annual Installments are collected simultaneously with ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City.

The City will determine or cause to be determined, no later than ~~_____~~ February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessment or the corresponding Assessed Parcel.

The City will implement a timeline and procedures for Assessment collections and pursuit of delinquencies that is substantially similar to the timeline set forth in Exhibit C of the City Disclosure Agreement set forth in APPENDIX D-1 and to comply therewith to the extent that the City reasonably determines that such compliance is the most appropriate timeline and procedures for enforcing the payment of delinquent Assessments.

A committee of not less than ~~—25%~~ of the Owners or Beneficial Owners may request a meeting with the City Manager, Finance Director, or Development Services Director of the City to discuss the City’s actions in pursuing the payment of any Assessment delinquencies in the event that (i) on or after ~~_____~~ March 1 in any year, based on Assessment revenues collected to such date and the available money on deposit in the various funds and accounts under the Indenture, money in the Reserve Account will be required to be used to pay all or a portion of the principal or interest payments to be made on the Bonds during such year, or (ii) in any year, the aggregate amount of delinquent payments of Assessments is more than ~~_____~~ five percent (~~—5%~~) of aggregate amount of Assessments due in such year.

The City shall not be required under any circumstances to expend any funds for delinquent collection costs in connection with its covenants and agreements other than funds on deposit in the Administrative Fund.

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

Date Payment <u>Received</u>	Cumulative <u>Penalty</u>	Cumulative <u>Interest</u>	<u>Total</u>
February	6%	1%	7%
March	7%	2%	9%
April	8%	3%	11%
May	9%	4%	13%
June	10%	5%	15%
July	12%	6%	18%

After July, the penalty remains at 12%, and interest increases at the rate of 1% each month. In addition, if an account is delinquent in July, a 20% attorney’s collection fee may be added to the total penalty and interest charge.

In general, property subject to lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts due. An automatic stay by creditors or other entities, including governmental units, could prevent governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In most cases, post-petition Assessments are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

Assessment Amounts

Assessment Amounts. The maximum amounts of the Assessments have been established by the methodology described in the Service and Assessment Plan. The Assessments will be levied against the parcels comprising the Assessed Parcels as indicated on the Assessment Roll. See “APPENDIX B — Form of Service and Assessment Plan” and “APPENDIX G — Financing Agreement”.

Method of Apportionment of Assessments. For purposes of the Service and Assessment Plan, the City Council has determined that the Actual Costs of the portion of the Improvements to be financed with the Bonds shall be allocated to the Assessed Property by spreading the entire Special Assessment across all Lots within the District based on the ratio of the estimated buildout value of each Lot to the total buildout value for all Parcels.

Based on the cost estimates provided by the Owner for the Improvements, the City Council has determined that the benefit to the Assessed Property from the Improvements is at least equal to the Special Assessments levied on the Assessed Property as subdivided into individual Lots. The Special Assessments and Annual Installments for each Parcel or Lot located is shown on the Assessment Roll, and no Special Assessment shall be changed except as authorized by this Service and Assessment Plan or the PID Act. See “APPENDIX B — Form of Service and Assessment Plan.” See “ASSESSMENT PROCEDURES — Assessment Methodology.”

Pursuant to the PID Act, the interest rate for Special Assessments may exceed the actual interest rate per annum paid on the Bonds by no more than one half of one percent (0.50%), (the “Excess Interest Rate”). Forty percent (40.0%) of the funds generated by the Excess Interest Rate (0.20%) is dedicated to fund the Prepayment Reserve. The remaining sixty percent (60.0%) balance of the funds generated by the Excess Interest Rate (0.30%) is dedicated to the Delinquency Reserve.

The Bonds are secured by a first lien on and pledge of Pledged Revenues, including the Assessments. See “SECURITY FOR THE BONDS” and “APPENDIX B— Form of Service and Assessment Plan.”

Prepayment of Assessments

A portion of the funds generated by the Excess Interest Rate will be allocated to fund the associated interest charged between the date of prepayment of a Special Assessment and the date on which Bonds are actually redeemed (the “Prepayment Reserve”). The Prepayment Reserve shall be funded each year until it reaches 1.5% of the par amount of the Bonds, but in no event will the annual collections be more than 0.20% higher than the actual interest rate paid on the Bonds. If the PID Act is subsequently amended to allow a prepayment of a Special Assessment to include all applicable interest from the date of prepayment through and including the date of the regularly scheduled Bond payments to be charged upon the prepayment of the Special Assessment, the 0.20% allocated to fund the associated interest charged between the date of prepayment of and Special Assessment and the date on which Bonds are actually prepaid may be eliminated. If the Prepayment Reserve is fully funded at 1.5% of the par amount of the Bonds (the “Prepayment Reserve Requirement”), the City can allocate the excess amounts above the Prepayment Reserve Requirement to redeem Bonds or pay Administrative Expenses as set forth in the Indenture.

Delinquency Payments

A portion of the funds generated by the Excess Interest Rate will be allocated to offset any possible delinquent payments. This additional reserve (the “Delinquency Reserve”) shall be funded each year up to 4.0% of the par amount of the Bonds, but in no event will the annual collection of the Delinquency Reserve be more than 0.30% higher than the actual interest rate paid on the Bonds. If the Delinquency Reserve is fully funded at the

Delinquency Reserve Requirement, the City can allocate the excess amounts above the Delinquency Reserve Requirement to redeem Bonds or pay Administrative Expenses as set forth in the Indenture. See “SECURITY FOR THE BONDS—Delinquency Reserve Account.”

Priority of Lien

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

Foreclosure Proceedings

In the event of delinquency in the payment of any Annual Installment, the City is empowered to order institution of an action in state district court to foreclose the lien of such delinquent Annual Installment. In such action the real property subject to the delinquent Annual Installments may be sold at judicial foreclosure sale for the amount of such delinquent Annual Installments, plus penalties and interest.

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

The City will covenant in the Indenture to take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement or exemption in the Assessments, provided that the City is not required to expend any funds for collection and enforcement of Assessments other than funds on deposit in the Administrative Fund. See “APPENDIX A – Form of Indenture.” See also “APPENDIX D-1 – Form of City Disclosure Agreement” for a description of the expected timing of certain events with respect to collection of delinquent Assessments.

The City will create the Delinquency Reserve Account under the Indenture and will fund such account as provided in the Indenture. The City will not be obligated to fund foreclosure proceedings out of any funds other than in the Administrative Fund. If Pledged Revenues are insufficient to pay foreclosure costs, the owners of the Bonds may be required to pay amounts necessary to continue foreclosure proceedings. See “SECURITY FOR THE BONDS – Delinquency Reserve Account of the Reserve Fund,” “APPENDIX A – Form of Indenture” and “APPENDIX B – Form of Service and Assessment Plan.”

[The remainder of this page intentionally left blank.]

THE CITY

Background

The City is a political subdivision and municipal corporation of the State, duly organized and existing under the laws of the State, including the City's home-rule charter initially adopted by the voters in 1998 and amended in 2005. The City operates under the Council/Manager form of government in which the Mayor and six councilmembers are elected.

City Government

The current members of the City Council and their respective expiration of terms of office are as follows:

<u>Council Member</u>	<u>Term Expires</u> <u>(May)</u>
Christopher Fielder (Mayor)	2015
Andrea Navarrette, Place 1	2016
Kirsten Lynch, Place 2	2015
Simon Garcia, Place 3	2016
Ron Abruzzese, Place 4	2015
Jason Dishongh, Place 5	2016
David Siebold, Place 6	2015

The principal administrators of the City include the following:

<u>Name</u>	<u>Position</u>
Kent Cagle	City Manager
Debbie Haile	City Secretary
Robert Powers	Finance Director

Major Employers

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

<u>Employer</u>	<u>Product or Service</u>	<u>Employees</u>
Leander Independent School District	Education	1,000
G&R Electrical Construction	Electrical Contractors	300
City of Leander Police Department	Public Safety	175
HE Butt Grocery Co.	Grocery	160
Lowes Home Improvement	Retail Store	140
Utz Environmental Services	Environmental and Ecological Services	140
Mobile Crete, Inc.	Ready-Mix Concrete	101
HL Chapman Pipeline Construction	Pipeline	100
Preferred Care at Home	Home Health Service	99
D&W Painting	Painters	85
Centex Plaster	Swimming Pool Repair and Service	90
Kohl's	Retail	85
Grass Patch, Inc.	Architects	60
McDonald's	Fast Food Restaurant	50

Source:

The

City.

THE DISTRICT

General

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries or extraterritorial jurisdiction, and to impose assessments within the public improvement district to pay for certain improvements. The District was created by Ordinance No. 14-013-00 of the City in accordance with the PID Act (the “Creation Resolution”) for the purpose of, among others, funding the Projects. The District is located in Leander, Texas. The District is not a separate political subdivision of the State and is governed by the City Council. A map of the property within the District is included on page 26 hereof.

Powers and Authority

Pursuant to the PID Act, the City may establish and create the District and undertake improvement projects that confer a special benefit on property located within the District, whether located within the City limits or the City’s extraterritorial jurisdiction. The PID Act provides that the City may levy and collect Assessments on property in the District, or portions thereof, payable in periodic installments based on the benefit conferred by an improvement project to pay all or part of its cost.

Pursuant to the PID Act and the Creation Resolution, the City has the power to undertake the acquisition, construction or improvement of the Projects. See “THE PROJECTS.” Pursuant to the authority granted by the PID Act and the Creation Resolution, the City has determined to undertake the construction, acquisition or purchase of certain sanitary sewer, drainage, pond, signage, and landscaping improvements within the District comprising the Projects and to finance a portion of the costs thereof through the issuance of the Bonds. The City has further determined to provide for the payment of debt service on the Bonds through Pledged Revenues. See “ASSESSMENT PROCEDURES” herein and “APPENDIX B — Form of Service and Assessment Plan.”

THE PROJECTS

General

The Projects consist of the costs of construction, acquisition or purchase of certain sanitary sewer improvements, drainage improvements, pond improvements, signage, and landscaping that will benefit the entire District. See “THE DEVELOPMENT – Projects.” A portion of the costs of construction of the Projects will be funded with proceeds of the Bonds. The Developer is responsible for ensuring that construction, acquisition or purchase of the Projects are completed and it or its designee will act as construction manager.

The Appraisal (as defined below) estimates that the value of the property within the District after construction, acquisition or purchase of the Projects is \$18,000,000. The Appraisal further estimates that after the additional projects outlined in the Appraisal are completed, which additional projects are to be financed by the hereinafter defined Construction Loan, the total value of the property within the District will be \$20,880,000. See “APPRAISAL OF PROPERTY WITHIN THE DISTRICT.” The Costs of the Projects and the Additional Improvements (as defined herein) are expected to be approximately \$8,056,073, a portion of which will be financed by the Bonds and a portion of which will be financed by the Construction Loan.

[The remainder of this page intentionally left blank.]

The following table reflects the total expected Costs of the Projects [and the Additional Improvements](#).

<u>Type of Improvement</u>	<u>Estimated Cost</u>
Street Improvements	\$1,630,015
Drainage Improvements	1,610,130
Water and Water Quality Improvements	1,890,150
Wastewater Improvements	614,926
Landscaping	<u>2,310,852</u>
Total	\$8,056,073

Ownership and Maintenance of Improvements

A portion of the Projects will be dedicated to the City and portion will be dedicated to the Homeowners' Association (the "HOA"). The Projects that will be dedicated to the City are the sanitary sewer line improvements, the drainage improvements, and the pond aeration improvements. The Projects dedicated to the HOA will be subject to a public use easement and to a restrictive covenant addressing the continued use of the property for the improvement placed on that property (to prevent against a change in use without City approval). The City will provide for the ongoing maintenance, operation, and repair of its portion of the Projects as outlined in the Financing Agreement. See "APPENDIX G — Financing Agreement".

THE DEVELOPMENT

The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the City, the City's Financial Advisor and the Underwriter, and none of the City, the City's Financial Advisor or the Underwriter have any way of guaranteeing the accuracy of such information. The Developer has reviewed this Official Statement and warrants and represents that neither (i) the information under the caption "THE DEVELOPMENT" nor (ii) the information relating to the Developer's plan for developing the land within the District (the "Development") under the subcaption "BONDHOLDERS' RISKS — Dependence on the Developer" contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they are made, not misleading. At the time of delivery of the Bonds to the Underwriter, the Developer will deliver a certificate to this effect to the City and the Underwriter.

Overview

Surrounding Area. The Development is a residential development within the corporate limits of the City and lies completely within Williamson County. The Development is an infill project located directly north of the historic older downtown of Leander. The Development lies within a 2,300-acre area designated by the City for a transit oriented development (the "TOD") centering around the recently constructed transit center for the Leander Station of the MetroRail Red Line (one of only nine stations on the line and the only station outside of Austin) that services Austin and Leander. Within this TOD, the City is planning a new town center development of offices, mixed use commercial and higher density residential development approximately 200 yards to the east of the Development to complement the transit center. The Development is connected to the Leander Station via a new roadway recently constructed within the DR Horton Homes project that sits directly to the south of the Development (the "DR Horton Project"). The transit center has increased transit ridership by over 300% in the last year and is expected to continue to facilitate commute traffic to the Downtown Austin area.

The Development receives primary access from the San Gabriel Parkway along the north side of the site. This parkway has recently been extended to provide direct access to Highway 183A, a tollway to the east of the Site. This new tollway provides improved north-south access throughout the Austin area and is within a three minute drive from the Development. Additional new residential projects, including the DR Horton Project, are currently underway directly to the north and south of the Development. Home construction is underway on these two residential projects with over 50 homes being constructed this year.

Additional residential and commercial developments are in progress to the north of the Development and construction is in progress on a road that connects the Development to existing retail and commercial development to the south. A new HEB anchored shopping center is south of the DR Horton Project. In addition, Highway 183 (not the new tollway) runs directly east of the Development and contains a broad range of commercial and restaurant development down to and through the historic older downtown.

The site has very close proximity to new schools, including a recently completed elementary school directly to the southwest of the Development. Across San Gabriel Parkway to the northwest, the Tom Glenn High School is under construction on Collaborative Drive and is scheduled to be completed in Fall 2016. Furthermore, in November 2014, a bond election will be held for residents within the Austin Community College District to approve the issuance of bonds for, among other projects, the construction of an Austin Community College campus to be located on property within the TOD and east of the Development.

Description of the Development. The Development comprises approximately 151 acres that will consist of approximately 446 lots occupied by single family homes (alley loaded and conventional) and as many as 189 townhomes (attached single family). The Development will consist of distinctive housing options including townhomes and single family homes, and will include a variety of enhancements, including: private alleys, large public open spaces, roundabouts, buried power lines, upgraded landscaping, a private community clubhouse and recreational facilities, enhanced entry features and community mailboxes.

Development Plans

The current development plan is divided into seven phases:

Phase 1. The initial phase of development will include backbone infrastructure costs such as sanitary sewer, storm drainage, primary and secondary entry features, neighborhood entry feature, walls at collectors, landscape, re-vegetation, pond treatments/aeration, mail kiosks, and trailheads.

Phase 2. Phase 2 is planned to include 131 lots, 15 of which will back directly to the adjacent elementary school playground/athletic field and another eight lots will back to adjacent open space. South Book Drive will provide access to this Phase 2 from its southwestern boundary and will be generally centralized from within the overall Development.

Phase 3. Both South Brook Drive and West Broade Street will provide access to this site from its western boundary as well as bisecting the phase which will be located in the south sector of the overall Development. Phase 3 is planned for a total of 147 lots.

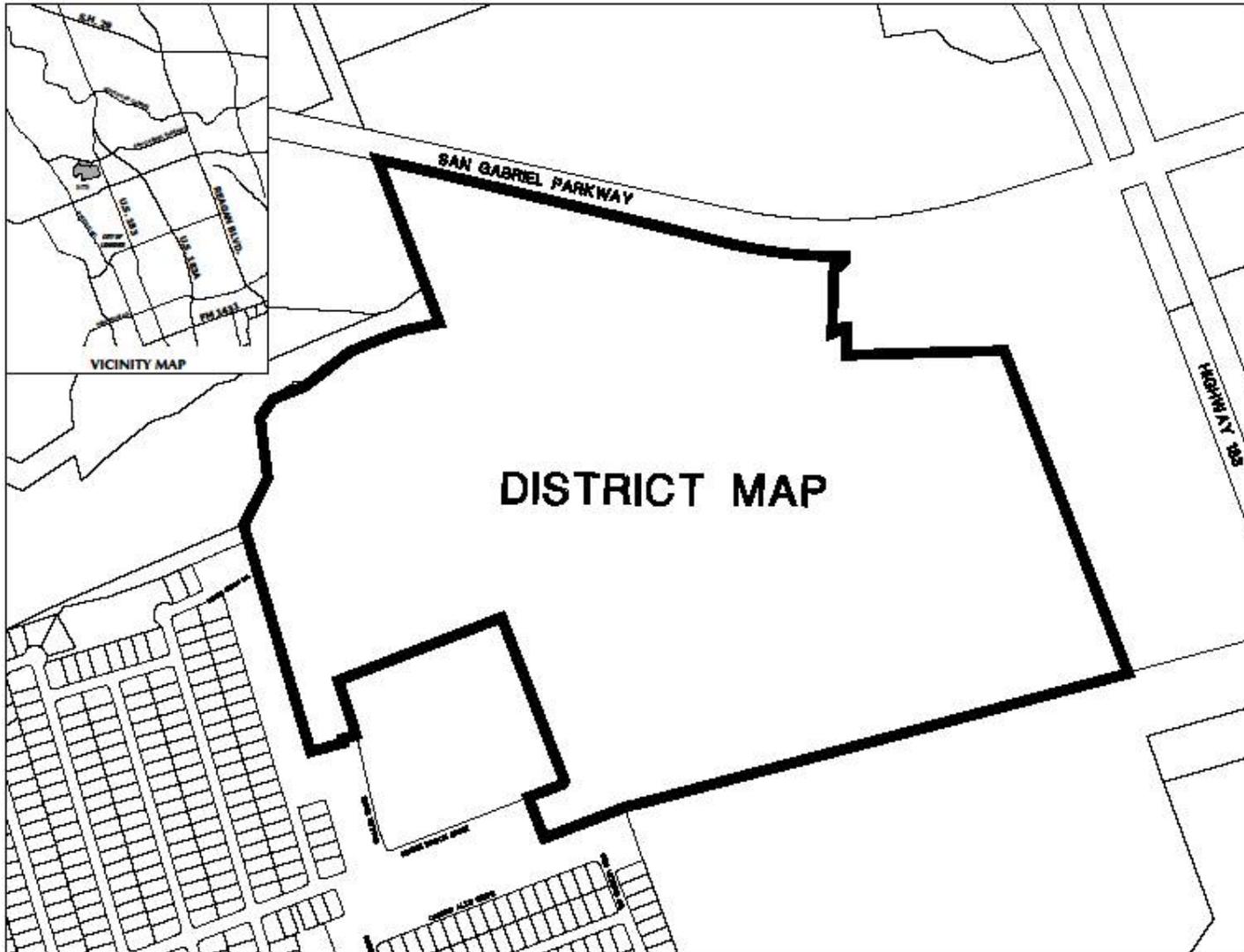
Phase 4. West Broade Street will provide access to this site from its eastern boundary. Additional access is provided from the existing Middle Brook Drive and Coulee Drive which are part of the existing Heritage Glen, Section 1 and Benbrook Ranch, Section 1, Phase 2 developments located adjacent to the west of the Phase 4. This phase is generally located in the northwestern sector within the overall Development. Furthermore, additional access will be provided through the adjacent Phase 2 upon development. Phase 4 is planned for a total of 105 lots, of which 12 lots will back directly to the adjacent elementary school playground/athletic field and another 37 lots will back to open space.

Phase 5. Both San Gabriel Parkway and West Broade Street will provide access to this site from its northern and eastern boundaries. This phase is generally located in the far northern sector within the overall Development. Phase 5 is planned for a total of 63 lots, of which 36 lots will back directly to the adjacent open space and another 17 backing to San Gabriel Parkway.

Phase 6. Both South Brook Drive and West Broade Street will provide access to this site from its southern and western boundaries. This phase will be located in the eastern sector of the overall Development. Phase 6 is planned for as many as 83 townhome lots.

Phase 7. Both South Brook Drive and West Broade Street will provide access to this site from its northern and western boundaries. This phase will be located in the southeastern sector of the overall Development. Phase 7 is planned for as many as 106 townhome lots.

DISTRICT MAP



Projects

The Projects being financed with proceeds of the Bonds consist of sanitary sewer improvements, drainage improvements, signage, pond improvements, and landscaping benefitting the District. See “APPENDIX B — Form of Service and Assessment Plan.” The Projects will be constructed in accordance with plans and specifications approved by the City, applicable local ordinances to the extent not modified by the City in writing pursuant to the hereinafter defined PUD, applicable state and federal regulations, and good engineering practices.

- **West Broade Street (North South) – Sanitary Sewer Lines** - The sanitary sewer line along West Broade Street consists of approximately 2,840 linear feet of 8-inch SDR-26 PVC gravity line with approximately 17 manholes. Additionally, there is approximately 450 linear feet of 15-inch SDR-26 PVC gravity line with approximately 4 manholes along West Broade Street.
- **West Broade Street (North South) – Drainage Improvements** - Drainage improvements along West Broade Street consist of approximately 2,540 linear feet of Reinforced Concrete Pipe (“RCP”) storm sewer ranging in size from 18 inches up to 60 inches. Drainage improvements also include approximately 9 junction boxes and approximately 9 curb inlets. The runoff will be collected by the roadway channeled into the curb inlets and conveyed to the storm sewer pipes and discharged into water quality basins as required by TCEQ.
- **South Brook Drive (East West) – Sanitary Sewer Lines** - The sanitary sewer line along South Brook Drive consists of approximately 1,880 linear feet of 8-inch SDR-26 PVC gravity line with approximately 11 four foot diameter manholes.
- **South Brook Drive (East West) – Drainage Improvements** - Drainage improvements along South Brook Drive consist of approximately 2,970 linear feet of RCP storm sewer ranging in size from 18 inches up to 60 inches. Drainage improvements also include approximately 5 junction boxes and approximately 8 curb inlets. The runoff will be collected by the roadway channeled into the curb inlets and conveyed to the storm sewer pipes and discharged into water quality basins as required by TCEQ.
- **Neighborhood Entry Features** - Neighborhood entry features reflect the design aesthetic and materials established by the primary and secondary entry features. Signs displaying the neighborhood name will be located at the entry to neighborhoods and sited to be easily viewed from the roadway.
- **Walls at Collectors** - Masonry walls will be constructed along both sides of West Broade Street and along San Gabriel Parkway to provide an attractive border along the community boundary. The wall materials will complement the stone material utilized in primary and secondary entry features for the subdivision. Masonry columns will be incorporated into the walls at regular intervals along the roadway frontage.
- **Collector Road Landscape** - Native and drought tolerant landscape including turf, ornamental grasses and xeriscaped planting beds will be installed along West Broade Street, San Gabriel Parkway and the eastern section of South Brook Drive.
- **Pond Aeration** - An aeration fountain will be installed in the water quality retention pond to circulate the water and prevent stagnation. The fountain will also create an aesthetic amenity for the pond.

Development/Status

The Development has received all of its required zoning entitlements, including planned unit development zoning, which was approved by the City on July 17, 2014. The Developer is currently negotiating with several homebuilders for sale of Parcels and Lots.

Residential

The residential development plan contains two different product lines: single family homes in Phases 2-5 and townhomes (single family attached) in Phases 6-7.

ESTIMATED HOME PRICES

Phase	Lot Type	# of Lots	Lot Width	Estimated Finished Lot Price	Estimated Base Home Price	Estimated Absorption Per Quarter
2	Single Family Detached	131	50	\$ 65,000	\$ 318,000	10
3	Single Family Detached	147	41	\$ 53,300	\$ 252,000	13
4	Single Family Detached	105	60	\$ 78,000	\$ 378,000	10
5	Single Family Detached	63	50	\$ 65,000	\$ 318,000	10
6	Single Family Attached	83	28	\$ 36,400	\$ 202,500	9
7	Single Family Attached	106	28	\$ 36,400	\$ 202,500	9
Total		626				

History and Financing of the Development

Generally. The property for the Development was acquired by the Developer in two transactions. The first was for 125.575 acres in September 2013 for \$4,520,000 (\$36,000 per acre) and the second was for an additional 25.319 acres in December 2013 for \$846,000 (\$33,414 per acre). The Developer has since completed the entitlement process with the City including obtaining planned unit development (“PUD”) zoning approval on July 17, 2014. The Developer is currently negotiating with several national and regional builders for the sale of lots in the development and with a private real estate lender to provide additional construction financing for planned development expenditures.

Contracts for the Purchase of Lots Within the Development. A total of 210 lots in the Development are under contract for purchase by home builders. The Developer has entered into a Purchase and Sale Agreement dated as of August 29, 2014 for the purchase of all 147 lots within Phase 3 of the Development. The Developer has entered into a Purchase and Sale Agreement dated as of August 28, 2014 for the purchase of all 63 lots located in Phase 5 of the Development. In addition, the Developer is in negotiations for the purchase of all 105 lots within Phase 4 of the Development and all 131 lots located within Phase 2 of the Development.

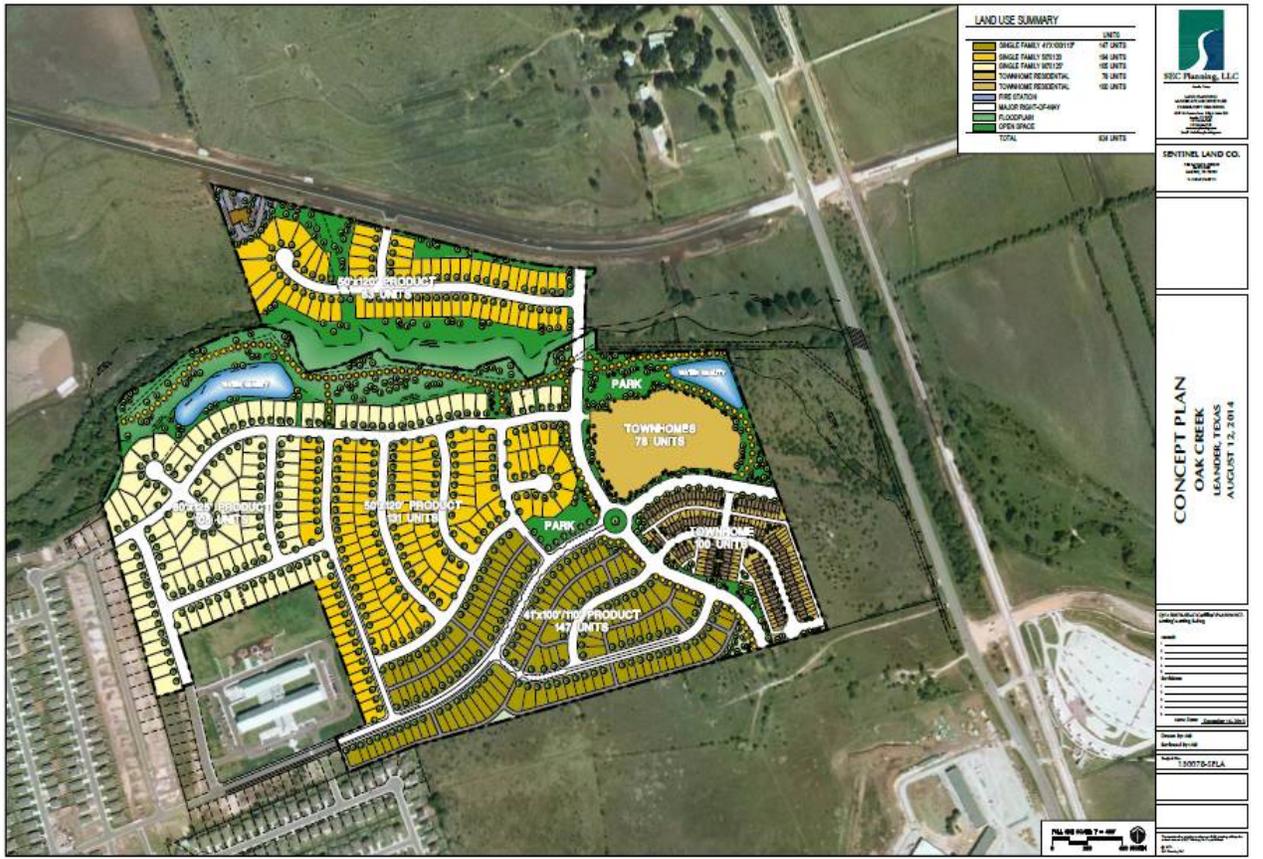
Construction Loan for Infrastructure and TIRZ Reimbursements. In addition to financing the Projects to be through the issuance of the Bonds, the Developer has obtained additional financing in the form of a construction loan (the “Construction Loan”) to finance portions of the Projects as well as certain additional infrastructure improvements within the Development. These additional infrastructure improvements consist of street improvements for South Brook Street and West Broade Street, water improvements, water quality ponds, street lighting, native area revegetation, lake treatments, trailheads, and an enhanced bridge treatment (the “Additional Improvements”). The Construction Loan will be evidenced by a Revolving Promissory Note in favor of 686342 B.C. Ltd. (the “Lender”). The Lender and the Developer will enter into a Construction Loan Agreement dated as of _____, 2014 (the “Construction Loan Agreement”) relating to the Construction Loan and, as security for the Construction Loan, the Developer will grant the Lender a mortgage on the 151 acre tract of land on which the Development will be built (the “Land”) pursuant to a Deed of Trust and Assignment of Rents, Security Agreement and Fixture Filing (the “Deed of Trust”). The Construction Loan matures 12 months after its effective date.

Other than for disbursements related to costs of issuance of the Bonds and for payment of capitalized interest, which shall be paid from the proceeds of the Bonds, the proceeds of the Construction Loan will be expended prior to the expenditure of the proceeds of the Bonds. The Trustee will not distribute the proceeds of the Bonds for purposes other than to pay costs of issuance and to pay capitalized interest until the Trustee has received an accounting of the expenditures of the Construction Loan proceeds. The Lender will subordinate its rights relating to the Construction Loan and its interests in the Land and other security for the Construction Loan as necessary to ensure the priority position of the Bonds and the lien on the Assessed Property for the Assessments.

The City, Tax Increment Reinvestment Zone Number One, City of Leander (the “Zone”), Texas and the Developer are currently negotiating an Oak Creek Development and Reimbursement Agreement (the “Development Agreement”), pursuant to which it is expected that monies collected from ad valorem tax increments within the District will be used to reimburse the Developer for the Additional Improvements funded by the Developer under the Construction Loan (the “TIRZ Reimbursements”). The maximum amount of the TIRZ Reimbursements expected to be distributed if the Development Agreement is finalized is \$4,000,000. The TIRZ Reimbursements are not pledged

to or available for payment of the Bonds. The Development Agreement must be approved by the City and the governing body of the Zone. The Zone is scheduled to vote on the Development Agreement on October 13, 2014 and the City is scheduled to vote on the Development Agreement on October 16, 2014.

SITE CONCEPT PLAN



[The remainder of this page intentionally left blank.]

Competition

The housing industry in the Austin area is very competitive, and neither the Developer nor the City can give any assurance that the building programs which are planned will ever commence. The competitive position of the Developer in the sale of developed lots or of any other home builder in the construction and sale of single family residential units is affected by most of the factors discussed in this section, and such competitive position is directly related to maintenance of market values in the District.

Zoning/Permitting

The Development has been designed to create walkable, pedestrian friendly neighborhoods. For the purpose of establishing development standards for the PUD, base zoning districts have been selected from the Leander Composite Zoning Ordinance for the various residential products proposed within the PUD. This PUD allows the flexibility to mix the various residential products and define boundaries for each lot type during the platting process. Each plat or site plan submitted to the City will identify the use at the time of City submittal. All neighborhoods within the PUD will comply with the modified development standards of this PUD.

Environmental

A Phase One Environmental Site Assessment (the “Phase One ESA”) of approximately 125 acres of the 151 acres comprising the District (the “Phase One ESA Portion”) was completed on July 24, 2014. Based on the information presented in each of the Phase One ESA, there was no evidence that the Phase One ESA Portion of the Development was under environmental regulatory review or enforcement action. The site reconnaissance, regulatory database review and historical source review revealed no evidence of recognized environmental conditions involving the Phase One ESA Portion of the Development.

Utilities

The City will provide both water and sewer service to the Development. Pedernales Electric Cooperative will provide electric service to the Development.

THE DEVELOPER

The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the City, the City’s Financial Advisor, and the Underwriter, and none of the City, the City’s Financial Advisor, or the Underwriter has no way of guaranteeing the accuracy of such information. The Developer has reviewed this Official Statement and warrants and represents that the information contained herein under the captions “THE PROJECTS”, “THE DEVELOPMENT” and “THE DEVELOPER”, and to the best of its knowledge after due inquiry, under the captions “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Projects, and the Development), “LEGAL MATTERS — Litigation – The Developer,” and “CONTINUING DISCLOSURE” (only as it pertains to the Developer) is true and correct and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

General

In general, the activities of a developer in a development such as the District include purchasing the land, designing the subdivision, including the utilities and streets to be installed and any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, sewer, and drainage facilities, as well as telephone and electric service) and selling improved lots and commercial reserves to builders, developers, or other third parties. The relative success or failure of a developer to perform such activities within a development may have a material effect on the security of the revenue bonds, such as the Bonds,

issued by a public improvement district. A developer is generally under no obligation to a public improvement district, such as the District, to develop the property which it owns in a development. Furthermore, there is no restriction on the developer's right to sell any or all of the land which the developer owns within a development. In addition, a developer is ordinarily the major tax and assessment payer within a district during its development.

Description of the Developer

The Developer was formed in 2013. Sentinel Land Company, LLC ("Sentinel") owns a 45.45% membership interest of the Developer and Leander Holdings, LLC ("Leander Holdings") owns a 54.55% membership interest in the Developer.

Leander Holdings.

James J. Cotter, Sr. Prior to September 13, 2014, Mr. James J. Cotter, Sr. served as the manager of Leander Holdings. Cotter was the Chief Executive Officer of Reading International, Inc. from December 27, 2000 to August 7, 2014. Mr. Cotter previously served as the Chief Executive Officer of Reading International Inc. until October 16, 2000.

James J. Cotter, Sr. passed away on September 13, 2014. Mr. Cotter's assets are now owned by the James J. Cotter Living Trust dated August 1, 2000, as amended.

James J. Cotter Living Trust. The James J. Cotter Living Trust is controlled by three co-trustees, James J. Cotter, Jr. Ellen Marie Cotter and Margaret Cotter (the "Cotter Trustees"). The Cotter Trustees are ~~currently~~ in support of the Development and the Project.

Sentinel.

Sentinel is the managing member of the Developer and Mr. Thomas J. Rielly is the sole member of Sentinel. Sentinel and Sorento Holdings 2012, LLC ("Sorento" and, together with Sentinel, the "Sentinel Group"), an affiliated entity, opened offices in Austin, Texas in 2012. Sentinel and Sorento own a total of 1,261 acres for 4,864 lots split between four parcels in the greater Austin area, including Sentinel's interest in the Development. The three parcels other owned or controlled by the Sentinel Group are as follows:

Sorento is a 356-acre master planned community in Pflugerville, Texas which is currently under development and has 964 single family lots which have been sold to D.R. Horton, leaving an additional 500 multifamily units to be sold in 2015. The first 168 finished lots were delivered to D.R. Horton in June 2014. An additional 100 lots are scheduled to be delivered in June 2015, along with a completed clubhouse and amenity center.

Woodhull Ranch is a 300-acre 1,200 lot residential master planned community located in Georgetown, Texas. A final site plan has been completed with the City as well as a municipal utility district to develop improvements such as arterial roads, lots, a clubhouse and amenity center. Construction is scheduled to begin in the first quarter of 2015.

Lively Ranch is a 455-acre 1,600 lot residential subdivision located in Leander, Texas. The Lively Ranch is expected to be purchased by an affiliate of Sentinel Land Company with closing anticipated to occur in the first quarter of 2015. A final agreement for sewer has been completed with the City of Georgetown and a municipal utility district consent agreement has been approved by the City of Leander. Construction is scheduled to begin in the fourth quarter of 2014.

Thomas J. Rielly. Rielly has been a real estate development executive for thirty-five years. Prior to forming Sentinel Land Company, LLC in 2013, Mr. Rielly founded Rielly Homes in 1986. Rielly Homes built over 3000 residential tract homes as well as custom homes, condominiums, commercial buildings, and over 1,500 units of apartments and townhomes throughout San Diego, Riverside, San Bernardino and Orange County, California. Rielly Homes included five major divisions located in Southern California, which, at the time of its sale, had annual sales

exceeding \$400,000,000. The Arizona division sold and closed land for a 272 unit apartment complex in Chandler, Arizona which was the final parcel of a Rielly Homes Development consisting of 530 single family lots, a 15.5 acre retail site and the abovementioned apartment site. Rielly Homes also formed a partnership with William Lyon Homes for the acquisition of 1,300 acres of agriculture land in Maricopa County to develop a 5,000 lot master planned community and 424 acres in Surprise, Arizona to develop a 1,600 lot master planned community.

In 2003 Rielly Homes was acquired by publicly traded Schuler Homes. Schuler then also acquired Western Pacific Housing and subsequently was acquired by DR Horton. Mr. Rielly left Schuler Homes in 2004.

Prior to serving founding Rielly Homes, Mr. Rielly served as President of Daon Corporation, where he was involved in property acquisition, securing financing, lender-joint venture relationships, design and development. Daon developed major projects such as Hamilton Cove in Catalina, California which features 300+ water-edge condominiums, La Costa Estates, the 1,000 acres adjacent to the La Costa Country Club in Carlsbad, California, the Corona Foothill Lemon Company, which owned 1,500 acres of residential land in Corona, California, and Shadowview Country Club in Vista, California, which consisted of 1,100 acres, 5,000 residential homes and a Ted Robinson-designed championship golf course. Additionally, Daon converted more than 5,000 apartment units to condominium homes in California, Texas and Florida.

Mr. Rielly also served as Executive Vice President and Chief Operations Officer of DAON/BCE Development, Inc. United States operations and was instrumental in the merger of Daon and BCE Development, Inc. in 1984. Managing a staff of 370 employees and assets exceeding \$2.5 billion, Mr. Rielly administered the accounting, finance, administrative services and operating divisions, comprised of commercial/industrial, land, office centers and residential. His operational responsibilities included direct negotiations and supervision of property acquisitions, construction, leasing and sales of commercial and residential properties throughout the United States.

BCE Development, Inc. purchased and repositioned several major real estate packages such as the twelve major offices complexes acquired from The Oxford Group (IDS Building in Minneapolis, and Republic Plaza in Denver, Colorado).

For additional information, see “BONDHOLDERS’ RISKS — Dependence Upon Developer” herein.

~~[The remainder of this page intentionally left blank.]~~

THE SPECIAL ASSESSMENT CONSULTANT

DPMG (www.dpmg.com) is a national real estate consulting firm with 12 offices in nine states (California, Arizona, Colorado, Nevada, Idaho, Texas, Florida, North Carolina, and South Carolina). Since its inception in 1991, it has focused on providing real estate and financial consulting services principally to residential and commercial real estate developers as well as lenders, public agencies and other institutional investors. A key emphasis is identifying the lowest cost and the lowest risk manner of financing and funding public improvements and infrastructure such as roadways, utilities, etc. as well as the vertical improvements of a project.

To accomplish this, DPMG typically provides, among others, the following services:

- Preparation of financial analyses and projections;
- Preparation of financial feasibility studies, including compliance analyses with debt covenants;
- Identification of available and applicable public/private financing alternatives;
- Preparation of fiscal and economic impact studies;
- Negotiation of development agreements;
- Evaluation of development impact fee arrangements;
- Tracking of reimbursable development costs; and
- Structuring of reimbursement agreements.

The financing programs that are involved usually include some type of public financing and/or public/private partnerships. These have included land secured financings such as municipal utility districts (MUDs), public improvement districts (PIDs), tax increment reinvestment zones (TIRZs), community facility districts (CFDs), as well as general obligation, revenue and assessment bonds. The firm has been involved in the formation, structuring, feasibility analysis and issuance of more than \$15.0 billion of bonds for more than 2,200 special taxing districts (or their equivalents) since 1991.

APPRAISAL OF PROPERTY WITHIN THE DISTRICT

The Appraisal

General. Jackson Claborn, Inc., Plano, Texas, (the “Appraiser”) prepared an appraisal report for the District dated September 12, 2014. The Appraisal was prepared at the request of the City. The description herein of the Appraisal is intended to be a brief summary only. The Appraisal is attached hereto as Appendix E and should be read in its entirety. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions and qualifications, which are set forth therein. See APPENDIX E – Appraisal of Parcels.” The Appraiser has consented to the inclusion of the Appraisal in this Official Statement.

Value Estimates. The value estimate of the property using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal is \$18,000,000. The Appraisal further estimates that after the additional projects outlined in the Appraisal are completed, which additional projects are to be financed by the Construction Loan, the total value of the property within the District will be \$20,880,000. The value of such additional projects is not considered in the calculations under “Value to Assessment Burden Ratio” below.

Value to Assessment Burden Ratio

The primary security for the Bonds will consist of Pledged Revenues (which, in turn, primarily consist of the Annual Installments of the Assessments). Subject to the extraordinary assumptions and hypothetical conditions stated therein, the Appraisal sets forth the estimated aggregate retail value of the property subject to assessment within the District to be \$18,000,000. As noted above, the estimated aggregate retail value of the property within the District assumes (among other matters) completion of the Projects, a portion of which will be financed with the proceeds of the Bonds. See “THE DEVELOPMENT.”

Set forth below for the purpose of illustration is the ratio derived from a comparison of the estimated value of property within the District and the principal amount of the Bonds.

When compared to the ~~estimated aggregate retail~~ appraised value of the ~~taxable~~ property in the District (\$~~18,000,000~~20,880,000), the principal amount of the Bonds has an estimated value to assessment burden ratio of ~~3.474.0*~~ to 1.

In comparing the appraised value of the real property within the District and the aggregate principal amount of the Bonds, it should be noted that only the real property upon which there is a delinquent Assessment can be foreclosed upon, and the real property within the District cannot be foreclosed upon as a whole to pay delinquent Assessments of the owners of such parcels within the District unless all of the property is subject to a delinquent Assessment. In any event, individual parcels may be foreclosed upon separately to pay delinquent Assessments levied against such parcels.

Other public entities whose boundaries overlap those of the District currently impose ad valorem taxes on the property within the District and will likely do so in the future. Such entities could also impose assessment liens on the property within the District. Liens created on the property within the District through the levy of ad valorem taxes as well as liens created through the levy of the Assessments are a first and prior lien superior to all others. For example, construction loans may be obtained by the Developer or home loans may be obtained by ultimate homeowners. The deeds of trust securing such debt on property within the District, however, will be in a junior position to ad valorem tax and assessment liens. See "OVERLAPPING TAXES AND DEBT" and "ASSESSMENT PROCEDURES."

BONDHOLDERS' RISKS

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

The Bonds, which are limited, special revenue obligations of the City and are not the obligation of the State, Williamson or Travis Counties, or any other political subdivision thereof, are secured solely by the Pledged Revenues. The Bonds are not secured by funds of the City raised or to be raised by taxation.

General

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

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

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

Failure or Inability to Complete Proposed Development

Proposed development within the District (including the foregoing) may be affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, changes in the income tax treatment of real property ownership, unexpected increases in development costs and other similar factors as well as availability-of utilities and the development or existence of environmental concerns with such land. See "Availability of Utilities" and "Hazardous Substances." Land development within the District could also be affected adversely by changes in governmental policies, including, but not limited to, governmental policies to restrict or control development. (Any approvals needed in the future for the Development must come from the City.) There can be no assurances that other similar projects will not be developed in the future or that existing projects will not be upgraded or otherwise able to compete with the Development. A slowdown of the development process and the related absorption rate within the Development because of any or all of the foregoing could affect adversely land values. THE TIMELY PAYMENT OF THE BONDS DEPENDS UPON THE WILLINGNESS AND ABILITY OF THE OWNER AND ANY SUBSEQUENT OWNERS TO PAY THE ASSESSMENTS WHEN DUE. ANY OR ALL OF THE FOREGOING COULD REDUCE THE WILLINGNESS AND THE ABILITY OF SUCH OWNERS TO PAY THE ASSESSMENTS AND COULD GREATLY REDUCE THE VALUE OF PROPERTY WITHIN THE ASSESSMENT AREA IN THE EVENT SUCH PROPERTY HAS TO BE FORECLOSED. In that event, there could be a default in the payment of the Bonds.

Completion of the Projects and Other Infrastructure

The construction of the Projects and other infrastructure which are necessary for the successful development of the Development are not yet complete. The cost and time for completion of all of such improvements is uncertain and may be affected by changes in national, regional and local and economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; changes in local, regional and national market and economic conditions; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes to be built in the Development, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; force majeure (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; subcontractor defaults; and other unknown contingencies and factors beyond the control of the Developer or its affiliates. If costs overruns result in delay of construction, or if other delays are experienced, the Developer may be unable to complete timely all of such necessary improvements.

Feasibility Study

Feasibility Study. A feasibility study of the District, dated May 20, 2014 (the "Feasibility Study"), was performed by DPF (the "Analyst"), in connection with the request by the Developer to the City to create the District and approve the issuance of Special Assessment Revenue Bonds by the City to assist in funding the construction of a portion of the qualified public improvements associated with the District. The Feasibility Study outlines both an overview of the District, the benefits which can be expected to accrue to the City, as well as specific terms and conditions under which the District is expected to be undertaken.

Neither the City, the Developer nor the Underwriter assumes any responsibility for the accuracy or completeness of the information contained in the Feasibility Study. The discussion of the Feasibility Study contained herein is expanded and supplemented by the Feasibility Study, which is attached to this Official Statement as Appendix F. THE FEASIBILITY STUDY, AND ITS GENERAL LIMITING CONDITIONS INCLUDED THEREIN, SHOULD BE READ IN ITS ENTIRETY, TOGETHER WITH THIS OFFICIAL STATEMENT.

The Feasibility Study concluded that assuming the proposed offering of the Bonds is structured in a similar manner to previously completed public improvement district bond offerings for which DPFG served as a consultant and assuming that the issuance of the Bonds is sized with a 3:1 value to lien ratio, it is expected that the proposed offering of the Bonds will be successfully underwritten. The data used as part of the Feasibility Study's methodology is believed to be accurate. However, the Analyst did not independently verify the accuracy of the data and therefore assumes no responsibility for any inaccuracies.

There can be no assurance that the findings or assumptions described in the Feasibility Study are accurate. There can also be no assurance that any value(s) assigned to or estimated for a unit or set of units by the Feasibility Study is related in any way to current or future appraised value(s), in particular the value(s) of such unit(s) on the date of any possible future default under the Bonds.

Absorption Rate

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

Risks Related to the Current Residential Real Estate Market

During recent years, the real estate market has experienced significant slowing of new home sales and new home closings due in part to the subprime mortgage crisis involving adjustable rate mortgages and other creative mortgage financing tools that allowed persons with higher credit risk to buy homes. The economic crisis that resulted from higher interest rates, at a time when many subprime mortgages were due to reset their interest rates, has served to reduce the availability of mortgages to many potential home buyers, making entry into the real estate market difficult. These downturns in the real estate market and other factors beyond the control of the Developer, including general economic conditions, may impact the timing of lot and home sales within the District. No prediction can be made about the state of the real estate market in the future or the availability of financing for potential home buyers.

Competition in the Housing Industry

The housing industry in the Austin area is very competitive, and none of the Developer, the City, the City's Financial Advisor or the Underwriter can give any assurance that the building programs which are planned will ever commence. The competitive position of the Developer in the sale of developed lots or of any other homebuilder in the construction and sale of single family residential units is affected by most of the factors discussed in this section, and such competitive position is directly related to maintenance of market values in the District.

Assessment Limitations

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

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

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

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

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

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

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

THE ASSESSMENTS CONSTITUTE A FIRST AND PRIOR LIEN AGAINST THE PROPERTY ASSESSED, SUPERIOR TO ALL OTHER LIENS AND CLAIMS EXCEPT LIENS AND CLAIMS FOR STATE, COUNTY OR SCHOOL DISTRICT OR MUNICIPAL AD VALOREM TAXES AND IS A PERSONAL OBLIGATION OF AND CHARGE AGAINST THE OWNERS OF PROPERTY LOCATED WITHIN THE DISTRICT.

Loss of Tax Exemption

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

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions

and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

Bankruptcy

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

Direct and Overlapping Indebtedness, Assessments and Taxes

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

Depletion of Reserve Fund

Failure of the owners of property within the District to pay the Assessments when due could result in the rapid, total depletion of the Reserve Fund prior to replenishment from the resale of property upon a foreclosure or otherwise or delinquency redemptions after a foreclosure sale, if any. There could be a default in payments of the principal of and interest on the Bonds if sufficient amounts are not available in the Reserve Fund. The Indenture provides that if, after a withdrawal from the Reserve Fund, the amount in the Reserve Fund is less than the Reserve Fund Requirement, the Trustee shall transfer an amount from the Pledged Revenue Fund to the Reserve Fund sufficient to cure such deficiency, as described under "SECURITY FOR THE BONDS — Reserve Fund" herein.

Availability of Utilities

Water and sanitary sewer services to the District will be provided by the City. Failure or inability to complete proposed development including development of necessary utilities could affect adversely development of the land in the District. See "Failure or Inability to Complete Proposed Development."

Hazardous Substances

While governmental taxes, assessments and charges are a common claim against the value of a parcel, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized to the assessment is a claim with regard to a hazardous substance. In general, the owners and operators of a parcel may be required by law to remedy conditions relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or "Superfund Act," is the most well-known and widely applicable of these laws. It is likely that, should any of the parcels of land located in the District be affected by a hazardous substance, the marketability and value of parcels would be reduced by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The value of the land within the District does not take into account the possible liability of the owner (or operator) for the remedy of a hazardous substance condition of the parcel. The City has not independently verified, and is not aware, that the owner (or operator) of any of the parcels within the District has such a current liability with respect to such parcel; however, it is possible that such liabilities do currently exist and that the City is not aware of them.

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

See “THE DEVELOPMENT – Environmental” for discussion of a previous Phase I Environmental Site Assessment.

Regulation

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

100-Year Flood Plain

The Federal Emergency Management Agency's flood insurance map, Panel Number 48491C0455E, dated September 26, 2008, indicates that none of the subject property is located within a flood hazard area.

Bondholders' Remedies and Bankruptcy

In the event of default in the payment of principal or of interest on the Bonds or the occurrence of any other Event of Default under the Indenture, and upon the written request of the owners of the Bonds of not less than a majority in principal amount of the Outstanding Bonds, the Trustee shall proceed to protect and enforce its rights and the rights of the owners of the Bonds under the Indenture by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for mandamus or the specific performance of any covenant or agreement contained therein or in aid or execution of any power granted or for the enforcement of any proper legal or equitable remedy, as the Trustee shall deem most effectual to protect and enforce such rights. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the Bonds or the Indenture and the City's obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The owners of the Bonds cannot themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the owners of the Bonds further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. In this regard, should the City file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the City to seek judicial foreclosure of its Assessment Lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See “BONDHOLDERS' RISKS — Bankruptcy Limitation to Bondholders' Rights” herein.

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

In addition, in 2006, the Texas Supreme Court ruled in *Tooke v. City of Mexia*, 197 S.W.3d 325 (Tex. 2006) (“Tooke”) that a waiver of sovereign immunity must be provided for by statute in “clear and unambiguous” language. In so ruling, the Court declared that statutory language such as “sue and be sued”, in and of itself, did not constitute a clear and unambiguous waiver of sovereign immunity. In *Tooke*, the Court noted the enactment in 2005 of sections 271.151-.160, Texas Local Government Code (the “Local Government Immunity Waiver Act”), which,

according to the Court, waives “immunity from suit for contract claims against most local governmental entities in certain circumstances.” The Local Government Immunity Waiver Act covers cities and relates to contracts entered into by cities for providing goods or services to cities. The City is not aware of any Texas court construing the Local Government Immunity Waiver Act in the context of whether contractual undertakings of local governments that relate to their borrowing powers are contracts covered by the Act. Because it is unclear whether the Texas Legislature has effectively waived the City’s sovereign immunity from a suit for money damages in the absence of City action, the Trustee or the owners of the Bonds may not be able to bring such a suit against the City for breach of the Bonds or the Indenture covenants. As noted above, the Indenture provides that owners of the Bonds may exercise the remedy of mandamus to enforce the obligations of the City under the Indenture. Neither the remedy of mandamus nor any other type of injunctive relief was at issue in Tooke, and it is unclear whether Tooke will be construed to have any effect with respect to the exercise of mandamus, as such remedy has been interpreted by Texas courts. In general, Texas courts have held that a writ of mandamus may be issued to require public officials to perform ministerial acts that clearly pertain to their duties. Texas courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, mandamus may be used to require a public officer to perform legally-imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party (including the payment of monies due under a contract).

Judicial Foreclosures

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

No Acceleration

The Indenture does not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the terms of the Bonds or the Indenture.

No Credit Rating

No credit rating for the Bonds has been sought, nor is it anticipated that any such rating will be applied for. Even if a credit rating had been sought for the Bonds, it is not anticipated that such a rating would have been investment grade. There can be no guarantee that there will be a secondary market for the Bonds, or, if a secondary market exists, that such Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary market trading in connection with a particular issue is suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then generally prevailing circumstances. Such prices could be substantially different from the original purchase price.

Bankruptcy Limitation to Bondholders’ Rights

The enforceability of the rights and remedies of the owners of the Bonds may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. The City is authorized under Texas law to voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. 901-946. The City may proceed under Chapter 9 if it (1) is generally not paying its debts, or unable to meet its debts, as they become due, (2) desires to effect a plan to adjust such debts, and (3) has

either obtained the agreement of or negotiated in good faith with its creditors, is unable to negotiate with its creditors because negotiation is impracticable, or reasonably believes that a creditor may attempt to obtain a preferential transfer.

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

Management and Ownership

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

General Risks of Real Estate Investment and Development

Investments in undeveloped or developing real estate are generally considered to be speculative in nature and to involve a high degree of risk. The Development will be subject to the risks generally incident to real estate investments and development. Many factors that may affect the Development, as well as the operating revenues of the Developer, including those derived from the Development, are not within the control of the Developer. Such factors include changes in national, regional and local economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; changes in local, regional and national market and economic conditions; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes to be built in the Development, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; acts of God (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; contractor or subcontractor defaults; and other unknown contingencies and factors beyond the control of the applicable owner or developer. Furthermore, the operating revenues of such entities may be materially adversely affected if specific conditions in the lot purchase contracts are not met by such entities. Failure to meet the lot purchase contract's conditions allows the applicable lot purchaser to terminate its obligation to purchase lots from the Developer and obtain its earnest money deposit back. See "THE DEVELOPMENT – Overview" herein.

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

Dependence Upon Developer

Initial Liability of Developer for Assessments. The Developer, as the 100% owner of the Assessed Parcels in the District, currently has the obligation to pay 100% of the total Assessments. The ability of the Developer to make full and timely payment of the Assessments will directly affect the ability of the City to meet its debt service obligations with respect to the Bonds. The sole assets of the Developer are land within the District, related permits and development rights and minor operating accounts. The source of funding for future land development activities and infrastructure construction to develop the remaining parcels and lots proposed for the Development consists of

proceeds of lot sales as well as possible bank financing and equity contributions by the Developer. There can be no assurances given as to the financial ability of the Developer to advance any funds to the City to supplement revenues from the Assessments if necessary, or as to whether the Developer will advance such funds.

Financial History of Developer Principal. On December 18, 2011, Thomas J. Rielly voluntarily filed a Chapter 7 bankruptcy petition in the U.S. Bankruptcy Court for the Central District of California relating, *inter alia*, to his obligations as personal guarantor on loans in connection with his past business endeavors (the “Chapter 7 Obligations”), which Chapter 7 Obligations were unrelated to the Development and his involvement with the Developer. Certain of the Chapter 7 Obligations were satisfied during the course of the proceedings relating to the Chapter 7 Petition via a payoff arrangement with the creditor or a deed in lieu of foreclosure; the remaining Chapter 7 Obligations were satisfied or discharged through the discharge and termination of the Chapter 7 Petition. The Chapter 7 Petition was discharged in October 2012 and terminated in July 2013.

Neither Thomas J. Rielly nor the Developer is issuing any personal guarantee for payments relating to the Bonds. However, the completion of the Development is dependent upon the receipt of funds from the Developer in addition to the proceeds of the Bonds. The payment of the Assessments on the Assessed Parcels will initially be the responsibility of the Developer as the initial owner of the Assessed Property.

Agricultural Use Valuation and Redemption Rights

All of the acreage in the District is currently entitled to valuation for ad valorem tax purposes based upon its agricultural use. Under Texas law, an owner of land that is entitled to an agricultural valuation has the right to redeem such property after a tax sale for a period of two years after the tax sale by paying to the tax sale purchaser a 25% premium, if redeemed during the first year, or a 50% premium, if redeemed during the second year, over the purchase price paid at the tax sale and certain qualifying costs incurred by the purchaser. Although the Assessments are not considered a tax sale under Texas law, the PID Act provides that the lien for the Assessments may be enforced in the same manner as a lien for ad valorem taxes. This shared enforcement mechanism raises a possibility that the right to redeem agricultural valuation property may be available following a foreclosure of a lien for the Assessments, though there is no indication in Texas law that such redemption rights would be available in such a case.

The Developer expects that the agricultural use valuations within the District will be terminated as each parcel is developed beginning in 2014, and affecting tax rolls beginning in 2015.

At closing of the Bonds, the Developer will execute an Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation (a “Redemption Waiver Agreement”) with the City pursuant to which the Developer will convey to the Trustee for the benefit of the owners of the Bonds its right to redeem any agricultural valuation property and require any subsequent purchaser from the Developer to execute a similar conveyance. In addition, the Developer will deliver, and require any subsequent purchaser to deliver, into escrow with the Trustee a waiver of agricultural valuation, which the Trustee will be authorized to release and file with the Williamson County Tax Assessor/Collector in the event that the subsequent owner has not paid ad valorem taxes or the special assessments due in respect of agricultural valuation property within 60 days of their due date. Each Redemption Waiver Agreement will be enforceable by the Trustee on behalf of the owners of the Bonds. Although each Redemption Waiver Agreement is intended to protect the City and the bondholders against potential redemption rights of the Developer in the context of a foreclosure proceeding, because there is currently no case law with respect to waiver of redemption rights or an agricultural valuation, it is unclear whether the Redemption Waiver Agreement is enforceable under Texas law.

Because the enforceability of a Redemption Waiver Agreement is not certain, as additional protection against the occurrence of a tax sale for non-payment of ad valorem taxes and the associated risk of redemption rights arising, the Developer will pay to the Trustee prior to delivery of the Bonds, and for so long as there exists property in the District that is entitled to valuation based on its agricultural use, an amount equal to the estimated ad valorem taxes assessed against agricultural valuation property to become due in the next two years. Such funds will be held by the Trustee and used to pay delinquent ad valorem taxes on agricultural valuation property and thereby potentially avoid the possibility of a sale for non-payment of ad valorem taxes and the associated risk of redemption rights arising. In the event such funds are used to pay delinquent ad valorem taxes, the Developer will be required to

replenish such funds previously held by the Trustee. A proportionate amount of such deposit will be returned to the Developer upon termination of agricultural valuation.

TAX MATTERS

Tax Exemption

In the opinion of Bickerstaff Heath Delgado Acosta LLP, Bond Counsel to the City, assuming continuing compliance by the City with the tax covenants described below, under existing law, interest on the Bonds is excludable for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (“Code”), and will not constitute a specific item of tax preference under Section 57 of the Code for purposes of calculating the alternative minimum tax imposed on individuals or corporations pursuant to section 55 of the Code.

The adjustment for “adjusted current earnings” set forth in Section 56(g) of the Code is required in determining a corporation’s alternative minimum taxable income. Alternative minimum taxable income is increased by seventy-five percent (75%) of the excess, if any, of the “adjusted current earnings” of a corporation over the alternative minimum taxable income (determined without regard to this adjustment or the alternative tax net operating loss deduction). Interest on tax-exempt obligations, including the Bonds, would generally be included in computing a corporation’s “adjusted current earnings.” Accordingly, a portion of any interest on the Bonds received or accrued by a corporation that owns the Bonds will be included in computing such corporation’s alternative minimum taxable income for such year.

In rendering its opinion, Bond Counsel has relied on the City’s covenants contained in the Ordinance and the City’s covenants contained in the Federal Tax Certificate, that it will comply with the applicable requirements of the Code, relating to, inter alia, the use and investment of proceeds of the Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the City to comply with such covenants could result in the interest on the Bonds being subject to federal income tax from the date of issue of the Bonds. Bond Counsel has not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date of issuance of the Bonds that may affect the tax-exempt status of the interest.

Except as stated above, Bond Counsel will express no opinion as to any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership or disposition of, the Bonds.

Bond Counsel’s opinions are based on existing law, which is subject to change. Such opinions are further based on Bond Counsel’s knowledge of facts as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel’s attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, Bond Counsel’s opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the “Service”); rather, such opinions represent Bond Counsel’s legal judgment based upon its review of existing law and in reliance upon the representations and covenants referenced above that it deems relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the City as the taxpayer and the Registered Owners may not have a right to participate in such audit. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit regardless of the ultimate outcome of the audit.

Collateral Federal Income Tax Consequences

Prospective purchasers of the Bonds should be aware that the ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers including, without limitation, holders who may be deemed to have incurred or continued indebtedness to acquire or carry tax-exempt obligations, holders of certain interests in a financial asset securitization investment trust, controlled foreign corporations, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit, and to individuals and families that qualify for a premium assistance credit amount under Section 36B of the Code. The Code denies the earned income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain

limits set forth in Sections 32(i) and (j) of the Code. Interest on the Bonds will constitute disqualified income for this purpose. The Code also provides that for years beginning after December 31, 2010, the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the Bonds will be included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by the household income. Section 36B(d) of the Code provides that household income consists of the modified adjusted gross income of the taxpayer and certain other individuals. Modified adjusted gross income means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the Bonds. These categories of prospective purchasers should consult their own tax advisors as to the applicability of these consequences. Prospective purchasers of the Bonds should also be aware that, under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Bonds, received or accrued during the year.

Section 884 of the Code imposes on certain foreign corporations a branch profits tax equal to thirty percent (30%) of the “dividend equivalent amount” for the taxable year. Interest on the Bonds received or accrued by a foreign corporation subject to the branch profits tax may be included in computing the “dividend equivalent amount” of such corporation.

In addition, passive investment income, including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Code for any S corporation that has Subchapter C earnings and profits at the close of the taxable year, if more than twenty-five percent (25%) of the gross receipts of such S corporation is passive investment income.

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than designated “qualified tax-exempt obligations” as defined in Section 265(b)(3) of the Code.

Tax Accounting Treatment of Discount and Premium on Certain Bonds

The initial public offering price of certain Bonds (the “Discount Bonds”) may be less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. A portion of such original issue discount allocable to the holding period of such Discount Bond by the initial purchaser will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Bonds described above under “Tax Exemption.” Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bond and generally will be allocated to an original purchaser in a different amount from the amount of the payment denominated as interest actually received by the original purchaser during the tax year. However, such interest may be required to be taken into account in determining the alternative minimum taxable income of a corporation, for purposes of calculating a corporation's alternative minimum tax imposed by Section 55 of the Code, and the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with “subchapter C” earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income. Owners of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes,

accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The initial public offering price of certain Bonds (the “Premium Bonds”) may be greater than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity. Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

State, Local and Foreign Taxes

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

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the United States Congress and in the states that, if enacted, could alter or amend the Federal and State tax matters referred to above or adversely affect the market value or marketability of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value or marketability of the Bonds.

Prospective purchasers of the Bonds should consult with their own tax advisors regarding any other federal income tax legislation, whether currently pending or proposed, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

LEGAL MATTERS

Legal Proceedings

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

Bickerstaff Heath Delgado Acosta LLP, serves as Bond Counsel to the City. Fulbright & Jaworski LLP, a member of Norton Rose Fulbright, serves as Underwriter’s Counsel. The legal fees paid to Bond Counsel and Underwriter’s Counsel are contingent upon the sale and delivery of the Bonds.

Legal Opinions

The City will furnish the Underwriter a transcript of certain certified proceedings incident to the authorization and issuance of the Bonds. Such transcript will include a certified copy of the approving opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State, to

the effect that the Bonds are valid and binding special obligations of the City. The City will also furnish the legal opinion of Bickerstaff Heath Delgado Acosta LLP, Bond Counsel, to the effect that, based upon an examination of such transcript, the Bonds are valid and binding special obligations of the City under the Constitution and laws of the State. The legal opinion of Bond Counsel will further state that the Bonds, including principal of and interest thereon, are payable from and secured by a pledge of and lien on the Pledged Revenues. Bond Counsel will also provide a legal opinion to the effect that interest on the Bonds will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described above under the caption “TAX MATTERS,” including the alternative minimum tax consequences for corporations. A copy of the opinion of Bond Counsel is attached hereto as “APPENDIX C —Form of Opinion of Bond Counsel.”

Except as noted below, Bond Counsel did not take part in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Bonds in the Official Statement under the captions or subcaptions “PLAN OF FINANCE”, “DESCRIPTION OF THE BONDS,” “SECURITY FOR THE BONDS,” “ASSESSMENT PROCEDURES,” “THE DISTRICT,” “TAX MATTERS,” “LEGAL MATTERS — Legal Proceedings,” “LEGAL MATTERS — Legal Opinions,” “CONTINUING DISCLOSURE OF INFORMATION” (except for the last two sentences of the first paragraph thereunder), “REGISTRATION AND QUALIFICATION OF BONDS FOR SALE,” “LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS” and APPENDIX A and APPENDIX C and such firm is of the opinion that the information relating to the Bonds, the Bond Ordinance and the Indenture contained therein fairly and accurately describes the laws and legal issues addressed herein and, with respect to the Bonds, such information conforms to the Bond Ordinance and the Indenture.

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

Litigation — The City

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

Litigation — The Developer

At the time of delivery and payment for the Bonds, the Developer will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the best knowledge of the Developer, threatened against or affecting the Developer wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition of the Developer or its sole manager and sole member or would adversely affect (1) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Bond Ordinance, the Service and Assessment Plan, the Construction, Funding, and Acquisition Agreement, or the Bond Purchase Agreement, or otherwise described in this Official Statement, or (2) the tax-exempt status of interest on the Bonds (individually or in the aggregate, a “Material Adverse Effect”).

SUITABILITY FOR INVESTMENT

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

ENFORCEABILITY OF REMEDIES

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

NO RATING

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

CONTINUING DISCLOSURE

Pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), the City and the Trustee will enter into a Continuing Disclosure Agreement (the “City Disclosure Agreement”), for the benefit of the owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Disclosure Agreement, certain financial information and operating data relating to the City (the “City Reports”). The specific nature of the information to be contained in the City Reports is set forth in “APPENDIX D-1 — Form of City Disclosure Agreement.” The City has agreed to update information and to provide notices of specified events only as provided in the City Disclosure Agreement. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Official Statement, except as provided in the City Disclosure Agreement. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the City Disclosure Agreement or from any statement made pursuant to the Disclosure Agreements.

Under certain circumstances, the failure of the City to comply with its obligations under the City Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the City Disclosure Agreement would allow the owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

During the last five years, the City has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule. The City has reconfirmed its obligations under its prior undertakings and intends to fully comply with its undertakings made under the Rule in the future.

Pursuant to Rule, the Trustee and the Developer will enter into a Continuing Disclosure Agreement (the “Developer Disclosure Agreement,” and, together with the City Disclosure Agreement, the “Disclosure Agreements”), for the benefit of the owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Developer Disclosure Agreement, certain financial information and operating data relating to the Development and the Developer and certain information regarding the Projects and other projects within the District that will be financed by the Bonds and/or the Developer (the “Developer Reports”). The specific nature of the information to be contained in the Developer Reports is set forth in “APPENDIX D-2 — Form of Developer Disclosure Agreement.” Under certain circumstances, the failure of the Developer to comply with its obligations under the Developer Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Developer Disclosure Agreement would allow the owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance. The Developer has not previously entered into any continuing disclosure agreements in accordance with the Rule.

UNDERWRITING

Jefferies, LLC (the “Underwriter”) has agreed to purchase the Bonds from the City at a purchase price of \$_____ (the par amount of the Bonds, less a reoffering discount of \$_____ less an underwriting discount of \$_____). The Underwriter’s obligations are subject to certain conditions precedent and if obligated to purchase any of the Bonds the Underwriter will be obligated to purchase all of the Bonds. The Bonds may be offered and sold by the Underwriter at prices lower than the initial offering prices stated on the inside cover page hereof, and such initial offering prices may be changed from time to time by the Underwriter.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

The sale of the Bonds has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any jurisdiction. The City assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

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

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

INVESTMENTS

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

Under Texas law, the City is authorized to make investments meeting the requirements of the PFIA, which currently include (1) obligations, including letter of credit, of the United States or its agencies and instrumentalities; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) certificates of deposit and share certificates meeting the requirements of the PFIA that are issued by or through an institution that either has its main office or a branch office in Texas, and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or are secured as to principal by obligations described in clauses (1) through (6) or in any other manner and amount provided by law for City deposits, or are invested by the City through a broker or depository institution that has its main office or a branch office in the State and otherwise meet the requirements of the PFIA; (8) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1), and are placed through a primary government securities dealer or a financial institution doing business in the State; (9) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency; (10) commercial paper with a stated maturity of 270 days or less that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank; (11) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that have a dollar weighted average stated maturity of 90 days or less and include in their investment objectives the maintenance of a stable net asset value of \$1 for each share; and (12) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, invest exclusively in obligations described in this paragraph, and are continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than "AAA" or its equivalent. If specifically authorized in the authorizing document, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

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

Political subdivisions such as the City are authorized to implement securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1)

through (6) of the first paragraph under this subcaption, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm not less than “A” or its equivalent, or (c) cash invested in obligations that are described in clauses (1) through (6) and (10) through (12) of the first paragraph under this subcaption, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the governmental body, held in the name of the governmental body and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less.

Under Texas law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for City funds, the maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All City funds must be invested consistent with a formally adopted “Investment Strategy Statement” that specifically addresses each funds’ investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

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

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

Under the City’s current investment policy, the City’s authorized investment options are more restrictive than those allowed by state law. Furthermore, this policy specifically prohibits investment in the following

investment securities: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and (4) collateralized mortgage obligations, the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

INFORMATION RELATING TO THE TRUSTEE

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

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the City of any of the Bonds authenticated or delivered pursuant to the Indenture or for the use or application of the proceeds of such Bonds by the City. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Bonds, the technical or financial feasibility of the project, or the investment quality of the Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

Neither the information on the Trustee’s website, nor any links from that website, is a part of this Official Statement, nor should any such information be relied upon to make investment decisions regarding the Bonds.

SOURCES OF INFORMATION

General

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

Source of Certain Information

The information contained in this Official Statement relating to the description of the Projects generally and, in particular, the information included in the sections captioned “THE PROJECTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer and the Development) and “LEGAL MATTERS — Litigation — The Developer” has been provided by the Developer.

Experts

The information regarding the Service and Assessment Plan in this Official Statement has been provided by Development Planning & Financing Group, Inc., and has been included in reliance upon the authority of such firm as experts in the field of development planning and finance.

The information regarding the Appraisal in this Official Statement has been provided by Jackson Claborn, Inc., and has been included in reliance upon the authority of such firm as experts in the field of the appraisal of real property.

Updating of Official Statement

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

FORWARD-LOOKING STATEMENTS

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

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

[The remainder of this page intentionally left blank.]

AUTHORIZATION AND APPROVAL

The execution and delivery of this Official Statement has been duly authorized by the City Council of the City of Leander, Texas.

CITY OF LEANDER, TEXAS

Mayor

ATTEST:

City Secretary

(THIS PAGE IS INTENTIONALLY LEFT BLANK.)

APPENDIX A
FORM OF INDENTURE

(THIS PAGE IS INTENTIONALLY LEFT BLANK.)

APPENDIX B
FORM OF SERVICE AND ASSESSMENT PLAN

(THIS PAGE IS INTENTIONALLY LEFT BLANK)

APPENDIX C
FORM OF OPINION OF BOND COUNSEL

(THIS PAGE IS INTENTIONALLY LEFT BLANK)

APPENDIX D-1

FORM OF CITY DISCLOSURE AGREEMENT

(THIS PAGE IS INTENTIONALLY LEFT BLANK)

APPENDIX D-2

FORM OF DEVELOPER DISCLOSURE AGREEMENT

(THIS PAGE IS INTENTIONALLY LEFT BLANK)

APPENDIX E
APPRAISAL OF PARCELS

(THIS PAGE IS INTENTIONALLY LEFT BLANK)

(THIS PAGE IS INTENTIONALLY LEFT BLANK)

APPENDIX F
FEASIBILITY STUDY

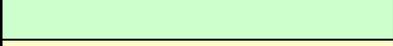
(THIS PAGE IS INTENTIONALLY LEFT BLANK)

APPENDIX G
FINANCING AGREEMENT

(THIS PAGE IS INTENTIONALLY LEFT BLANK)

Document comparison by Workshare Compare on Friday, October 10, 2014
11:36:21 AM

Input:	
Document 1 ID	interwovenSite://US_DMS/US2014/46602887/17
Description	#46602887v17<US2014> - LEANDER OAK CREEK PID 2014 - POS
Document 2 ID	interwovenSite://US_DMS/US2014/46602887/19
Description	#46602887v19<US2014> - LEANDER OAK CREEK PID 2014 - POS
Rendering set	Standard

Legend:	
Insertion	
Deletion	
Moved from	
Moved to	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	169
Deletions	174
Moved from	2
Moved to	2
Style change	0
Format changed	0
Total changes	347



Executive Summary

October 16, 2014

Council Agenda Subject: Consideration of Amendment No. 1 to Task Order KFA-21 with K. Friese & Associates, Inc., for professional services for Ronald Reagan Boulevard 24-inch Water Line Extension.

Background: Amendment No. 1 to Task Order KFA-21 provides for professional services for the design, advertising, bidding, and construction phase services for approximately 3,800 linear feet of 24-inch water transmission line along the west side Reagan Boulevard from Via De Sienna Boulevard to the northeast corner of Kaufman Loop and Reagan Boulevard. Compensation for this work is a combination of a lump sum amount of \$36,406.00 and time and materials not to exceed \$53,240.00 without authorization by the City of Leander. The additional compensation of \$89,646.00 provided by this Amendment increases the currently authorized compensation for Task Order KFA-21 from \$176,753.00 to a total of \$266,399.00.

Origination: Wayne S. Watts, P.E., CFM, City Engineer

Financial Consideration: \$89,646.00 from Utility Fund Reserves to be reimbursed by the Water Impact Fee Fund, GL # TBD.

Recommendation: Staff requests authorization of the City Manager to negotiate and execute Amendment No. 1 to Task Order KFA-21.

Attachments: Amendment No. 1 to Task Order KFA-21 and Scope of Services with supporting documents.

Prepared by: Wayne S. Watts, P.E., CFM, City Engineer

AMENDMENT NO. 1 TO TASK ORDER KFA-21

This will constitute authorization by the City of Leander, Texas (Owner), for K Friese & Associates, Inc., Austin, Texas (Engineer), to proceed with the following described engineering services:

RONALD REAGAN BOULEVARD 24-INCH WATERLINE EXTENSION

A. AMENDMENT DESCRIPTION

The original Task Order authorized the design and construction administration of 7,800 LF of potable waterline within Ronald Reagan Blvd. The City of Leander has requested that KFA perform the design of an additional 3,800 LF of 24-inch waterline extension up to Kauffman Loop.

B. SCOPE OF SERVICES

KFA will provide design services as described in the attached Scope of Services.

C. DELIVERABLES

KFA will provide deliverables as described in the attached Scope of Services.

D. BASIS OF COMPENSATION

Compensation for professional services for the Ronald Reagan Waterline North Extension shall be based on a combination of a lump sum of \$36,406.00 and time and materials not to exceed \$53,240.00 without prior authorization from the Owner, as described in the attached Scope of Services with supporting documentation. This additional amount of \$89,646.00 provided by this Amendment increases the currently authorized compensation for Task Oder KFA-21 from \$176,753.00 to a total of \$266,399.00. The City shall make payments to the Engineer for performing the engineering services described on a monthly billing basis in accordance with monthly statements submitted by the Engineer and approved by the City. Final payment shall be due upon completion of the services described.

E. TIME FOR COMPLETION

The Engineer will work expeditiously to complete the services described herein. Design phase services are anticipated to take approximately 3 months. Bid and Construction phase services are anticipated to take 6 months.

KFA will begin work as soon as authorized and as services are requested. Design and construction phase services are anticipated to be completed within 18 months after notice to proceed.

APPROVED:

CITY OF LEANDER, TEXAS

By _____

Title _____

Attest _____

Date _____

ACCEPTED:

K FRIESE & ASSOCIATES, INC.

By _____

Karen A. Friese, P.E.
President

Attest _____

Date _____

SCOPE OF SERVICES
RONALD REAGAN BOULEVARD 24-INCH WATERLINE EXTENSION
ADD SERVICES FOR AN ADDITIONAL 3,800 LF OF 24-INCH

The Ronald Reagan Boulevard 24-inch Waterline Extension originally consisted of approximately 7,800 linear feet of potable water main to be installed within the right-of-way of Ronald Reagan Boulevard extending northward to Via Sienna Boulevard. The City has requested additional services to extend the design to include approximately 3,800 linear feet of additional 24-inch waterline be added to the project from Via Sienna Boulevard to Kauffman Loop. At Kauffman Loop the line will cross under Ronald Reagan Blvd. to the east side of the right-of-way.

It is anticipated that a portion of this additional 3,800 linear foot extension will be change ordered into the Construction Contract for the initial Reagan Waterline North project, and the remainder will be advertised and bid separately.

The Scope and Fee has been divided into "Time and Material" tasks and "Lump Sum" tasks.

PHASE I - DESIGN AND BID PHASE (LUMP SUM TASKS)

1. Project Management/Administration – This task includes monitoring budgets and schedules, communications, and other tasks directly associated with the project.
2. Project Design Meetings – KFA will prepare for and attend meetings with City of Leander staff to kick off the project (1 kick off meeting) and to review plan and specification submittals at the 30%, 75% and 100% design levels (1 review meetings).
3. Route Analysis: The general route for the pipeline will be as described above. The final alignment will be determined taking into account USACE permitting, existing utilities, possible cultural resource sites, and possible endangered species site impacts will also be evaluated to determine the final route.
4. Utility Research: Coordinate with utility companies to identify the location of existing utilities along the route.
5. Plan Preparation – For purposes of this proposal, it is assumed that the main will be approximately 3,800 linear feet long. Once the horizontal alignment has been finalized, KFA will develop construction plans, contract documents and technical specifications. Plan and profile sheets will be created for the entire length. A portion of these sheets will be added to the existing Reagan Waterline North project as a change order, and the remainder will be bid out separately. For the portion bid out separately, construction plans will include notes, plan and profile sheets, erosion and sedimentation controls, tree protection, and traffic control. Additionally, plans will include connection to the existing City of Leander water system and a storm water pollution prevention plan (SWPPP).
6. Technical specifications will be prepared for the project and KFA will coordinate with the City of Leander to incorporate front end and contract documents.

SCOPE OF SERVICES
RONALD REAGAN BOULEVARD 24-INCH WATERLINE EXTENSION
ADD SERVICES FOR AN ADDITIONAL 3,800 LF OF 24-INCH

7. KFA will provide 30%, 75%, and 100% submittals to the City of Leander for review and comment. Submittals will include 3 sets of drawings and contract documents and technical specifications as they are developed. Each submittal will also include an updated project cost estimate. The final submittal will include one full size set of reproducible construction plans and complete set of contract documents and technical specifications and one electronic set of construction plans, contract documents and technical specifications.
8. Develop construction cost estimates for the project at each plan submittal.
9. Quality Assurance/Quality Control – The QA/QC task includes review of the work at various stages of progress as well as review of all materials to be submitted.
10. Permitting - KFA will submit plans and specifications to TCEQ documenting the project and address any comments or requests for additional information typically necessary for construction approval. For purposes of this proposal, it is assumed that the final alignment will be able to be permitted under the Nation Wide Permit 12 with the USACE.
11. For the portion of the project that will be bid separately from the existing Reagan Waterline North project, KFA will assist the City of Leander during the Bid Phase with contract document distribution, conducting the pre-bid conference and bid opening, and providing assistance throughout the bidding process. Services during the bid phase will include:
 - a. Attend pre-bid conference. KFA will attend the pre-bid conference document any questions and any responses provided at the meeting, and issue a follow-up addendum if necessary.
 - b. Interpret plans and specifications and draft addenda, as necessary, for issuance by the City of Leander. One (1) addendum has been assumed for budgeting purposes.
 - c. Attend bid-opening, prepare bid tabulation and issue a recommendation for award. KFA will attend the public bid opening. After receipt of bids, KFA will tabulate the bids in unit price format. KFA will evaluate the bids for responsiveness, meet with the low bidder if necessary, and issue a recommendation of award to the City of Leander.

PHASE I - DESIGN AND BID PHASE (TIME & MATERIALS TASKS)

1. Environmental Services (SWCA)
 - a. Jurisdictional Waters Delineation
 - b. Threatened and Endangered Species Assessment
 - c. Cultural and Historic Resources Assessment
 - d. Texas Historical Commission (THC) Coordination
2. Geotechnical Engineering Services (Fugro):
 - a. Field Investigation – Fugro will perform up to five borings at depths of twenty feet each.

SCOPE OF SERVICES
RONALD REAGAN BOULEVARD 24-INCH WATERLINE EXTENSION
ADD SERVICES FOR AN ADDITIONAL 3,800 LF OF 24-INCH

- b. Laboratory Testing – Fugro will perform laboratory tests to classify soil strata and evaluate plasticity
 - c. Engineering Report – Fugro will draft a geotechnical engineering report that will include boring locations, general subsurface conditions, bore logs, trench safety discussion, groundwater conditions and recommendations for earthwork.
3. Design Survey (Inland):
- a. Topographic Survey – Inland Geodetics will establish horizontal and vertical control and perform a detailed topographic route survey for the entire proposed alignment for a width of 75-feet including trees 8-inches in diameter and larger, manhole inverts and visible utilities in the area. Inland will prepare CADD files with a digital terrain model processed with 1 foot contours. No easements are anticipated or included.

PHASE II - CONSTRUCTION PHASE SERVICES (TIME & MATERIALS)

1. For the portion of the project that will be bid separately from the existing Reagan Waterline North project, KFA will assist the City of Leander with contract administration during the construction phase of the project. We understand the City of Leander will provide required construction inspection services, and have assumed that the construction duration will be approximately 4 months. KFA's services will include:
- a. Construction plan reproduction and distribution. KFA will incorporate addenda items in the construction plans as appropriate and reproduce and distribute the documents.
 - b. Attend pre-construction conference. KFA will attend a pre-construction conference with the City of Leander, Contractor, and other parties as appropriate, and prepare the meeting minutes.
 - c. Attend regular construction meetings. KFA will attend regular construction meetings with the City of Leander, Contractor, and other parties as appropriate, including preparing the meeting minutes. For budgeting purposes we have assumed 8 meetings.
 - d. Site Visits. KFA will visit the site (8 visits) to check the progress of the work and verify general conformance with the project plans and technical specifications.
 - e. Submittal Review. KFA will maintain a log of all Contractor submittals, track review progress, review and approve submittals, and distribute submittals to the appropriate parties.
 - f. Pay Estimate Review. KFA will review the Contractor's pay estimates after approval by the City of Leander's on-site Inspector and make recommendations for payment.
 - g. Preparation of Change Orders. KFA will review all Contractor's requests for Change Orders and prepare Change Orders as appropriate. For budgeting purposes we have assumed two (2) change orders.

SCOPE OF SERVICES
RONALD REAGAN BOULEVARD 24-INCH WATERLINE EXTENSION
ADD SERVICES FOR AN ADDITIONAL 3,800 LF OF 24-INCH

- h. Provide answers to requests for information (RFI's) from Contractor as related to possible conflicts and clarifications needed between plans and specifications. Four (4) RFI's have been assumed.
- i. Contract Close-out. KFA will attend a final project walk-thru, document "punch list items", and issue an Engineer's Concurrence for Project Acceptance letter. KFA will also notify TCEQ and other jurisdictional agencies of project completion.
- j. Record Drawings. KFA will use the Contractor's redline as-built drawings to document as-built conditions in the final record drawings. KFA will supply the City of Leander with one set of reproducible record drawings and provide one set of record drawings in electronic format.

KFA MANPOWER/BUDGET ESTIMATE
RONALD REAGAN BLVD. 24-INCH WATERLINE EXTENSION - ADD SERVICES FOR AN ADDITIONAL 3,800 LF OF 24-INCH

Task		Project				CADD Technician Hours	Clerical Hours	Total Labor Hours	Total Labor Cost	Sub-Consultant Cost	Expenses Cost	Total Cost
		Principal Hours	Manager Hours	EIT Hours	Manager Hours							
Lump Sum - Phase I - Design & Bid Phase												
1	Project Management/Administration		8				4	12	\$1,471			\$1,471
2	Project Design Meetings (2)		8	6				14	\$1,800		\$200	\$2,000
3	Route Analysis - Finalize Alignment		2	4	4			10	\$1,062		\$100	\$1,162
4	Utility Research			6	2			8	\$762			\$762
5	Plan Preparation (21 Sheets)		32	60	80			172	\$18,096			\$18,096
6	Technical Specifications		4	8			4	16	\$1,627			\$1,627
7	30%, 75%, 100% Submittals		3	6	12		4	25	\$2,398		\$300	\$2,698
8	Construction Cost Estimates		3	6	6			15	\$1,593			\$1,593
9	QA/QC of Contract Documents		8					8	\$1,224			\$1,224
10	TCEQ Permitting		4	4				8	\$996			\$996
11	Bid Phase Services	0	16	16	4		6	42	\$4,727		\$50	\$4,777
a	Pre-Bid Conference		8	4				12	\$1,608			\$1,608
b	Contractor Questions and Addenda (1)		4	4	4		4	16	\$1,615		\$50	\$1,665
c	Bid Opening, Tabulation, & Recommendation		4	8			2	14	\$1,504			\$1,504
Lump Sum Totals		0	88	116	108		18	330	\$35,756	\$0	\$650	\$36,406
T & M - Phase I - Design & Bid Phase												
1	Environmental Services (SWCA)		2	2				4	\$498	\$6,240		\$6,738
2	Geotechnical Investigation (Fugro)		2	2				4	\$498	\$9,975		\$10,473
3	Design Survey (Inland)		4	4	4			12	\$1,368	\$11,266		\$12,634
Subtotal Phase I		0	8	8	4		0	20	\$2,364	\$27,481	\$0	\$29,845
T & M - Phase II - Construction Phase												
1	Construction Phase Services	0	79	90	18		8	195	\$22,895		\$500	\$23,395
a	Construction Plan Reproduction and Distribution		2		4		8	14	\$1,172			\$1,172
b	Pre-Construction Conference		6	4	2			12	\$1,488			\$1,488
c	Construction Meetings (4)		12	12				24	\$2,988		\$200	\$3,188
d	Site Visits (4)		12	12				24	\$2,988		\$200	\$3,188
e	Submittal Review		12	40				52	\$5,676			\$5,676
f	Pay Estimate Review (5)		5	8				13	\$1,533			\$1,533
g	Change Orders (2)		8	4	4			16	\$1,980			\$1,980
h	RFI's (4)		12	6				18	\$2,412			\$2,412
i	Contract Close-out		8					8	\$1,224			\$1,224
j	Record Drawings		2	4	8			14	\$1,434		\$100	\$1,534
Subtotal Phase II		0	79	90	18		8	195	\$22,895	\$0	\$500	\$23,395
T & M Project Totals		0	87	98	22		8	215	\$25,259	\$27,481	\$500	\$53,240
Total Project Budget =											\$89,646	



Austin Office
4407 Monterey Oaks Boulevard,
Bldg.1, Suite 110
Austin, TX 78749
Tel 512.476.0891 Fax 512.476.0893
www.swca.com

July 22, 2014

Mr. Dale Murphy, P.E.
K Friese + Associates
1120 South Capital of Texas Highway
CityView 2, Suite 100
Austin, Texas 78746

RE: Proposal for Environmental Services for the City of Leander 24-inch Water Line Extension Project, Williamson County, Texas

Dear Mr. Murphy:

SWCA Environmental Consultants (SWCA) is pleased to present K Friese + Associates this proposal to provide environmental services in support of the installation of a 24-inch-diameter water line, totaling approximately 3,800 feet, along Ronald Reagan Boulevard for the City of Leander. Our proposed scope of services will include a comprehensive environmental resources report, which includes an assessment of waters of the U.S., state and federally listed species, and cultural resources survey along the water line easement.

The attachment describes our proposed scope of work and cost estimate for the services described above. SWCA appreciates the opportunity to submit this proposal. If you have any questions or concerns regarding this proposal, please do not hesitate to contact me at (512) 476-0891 or via email at kgreuter@swca.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Kensley Greuter". The signature is fluid and cursive, written over a white background.

Kensley Greuter
Project Manager/Certified Wildlife Biologist

Enclosures

SCOPE OF SERVICES CITY OF LEANDER WATER LINE EXTENSION PROJECT

Please note that all tasks include project management time necessary for efficient project operations for task start-up, preparation of a safety plan, coordination of the field investigations with the client, and invoice review. SWCA Environmental Consultants (SWCA) will conduct the following tasks on behalf of the client. SWCA respectfully requests that preliminary design data be provided prior to conducting all tasks. All costs are presented on a not to exceed basis.

TASK I: THREATENED AND ENDANGERED SPECIES ASSESSMENT

SWCA will conduct a threatened and endangered species habitat assessment concurrently with the jurisdictional waters delineation (Task II). SWCA will review existing files and information from the client, including the Atkins report, to determine if any threatened or endangered species are likely to occur within the project area. These files will include both those of the U.S. Fish and Wildlife Service (USFWS) and the Texas Parks and Wildlife Department (TPWD). During the jurisdictional waters delineation, SWCA will document existing habitat conditions along the project alignments. SWCA will draft summary of our findings from the background search and field efforts to be included in the environmental resources summary report (Task IV).

Assumptions

- Both the threatened and endangered species assessment (Task I) and the jurisdictional waters delineation (Task II) will be conducted by one biologist in one, half-day mobilization. If factors outside of SWCA's control, including inclement weather, or unsafe project conditions, affect the project schedule, SWCA will contact K Friese + Associates to discuss a change order.

Cost for Task I: \$1,000.00

TASK II: JURISDICTIONAL WATERS DELINEATION

After an electronic file of the alignments and easement widths has been provided, SWCA will conduct a jurisdictional waters delineation to identify and quantify all waters of the U.S. within the jurisdiction of the U.S. Army Corps of Engineers (USACE). While no jurisdictional waters are anticipated to be crossed, SWCA nevertheless must review the site to ensure any waterways that do not show up on aerial imagery or digital data are identified.

SWCA will conduct the jurisdictional waters/wetland delineation pursuant to the current USACE methodologies as outlined in the 1987 Wetland Manual and in accordance with guidance provided by the USACE Fort Worth Regulatory staff. SWCA will perform delineations on any stream crossings identified along the alignments as well as any wetlands that may be encountered. The delineation will be confined to a maximum width of the public utility easement. At each water crossing, SWCA will gather information on the presence or absence of hydric soils, wetland vegetation, and wetland hydrology. A soil pit will be dug to a depth of at least 12 inches at each sample point. The dominant plant species present in a 30-foot radius around the sample point will be noted and observations regarding wetland hydrology will be made. The boundary of each jurisdictional area recorded will be recorded with a global positioning system (GPS) device. SWCA will draft summary of our findings from the field efforts to be included in the environmental resources summary report (Task IV).

Cost for Task I: \$1,250.00

TASK III: CULTURAL RESOURCES ASSESSMENT

Subtask A: Background Review and Antiquities Permit Application

SWCA will first conduct a thorough background archaeological literature and records search of the project area. For this research, an SWCA archaeologist will search site files, records, and map files housed at the Texas Archaeological Research Laboratory and the THC Library. Additionally, an SWCA archaeologist will search the Texas Archeological Sites Atlas online database for any previously recorded surveys and historic or prehistoric archaeological sites located in or near the project area.

Because the project involves lands owned or controlled by Williamson County, the project will be subject to review under the Antiquities Code of Texas and archaeological field investigations will require a Texas Antiquities Permit. SWCA's Principal Investigator will prepare the permit application and submit it to the client for review and signatures. Once complete, SWCA will submit the application with all pertinent project documentation to the THC, the permitting and reviewing agency. SWCA will incorporate the results of the background review in the permit application.

Subtask B: Archaeological Survey

SWCA will conduct a cultural resources survey of the 3,800-foot-long project corridor. The survey will be of sufficient intensity to determine the nature, extent, and, if possible, potential

significance of any cultural resources located within the proposed project area. The survey will meet all THC archaeological survey standards. The field survey will consist of a team of SWCA archaeologists walking the project area with particular focus paid to any drainages and adjacent terraces and slopes, as well as any existing standing structures within the project area. Subsurface investigations will involve shovel testing in settings with the potential to contain buried cultural materials and dependent upon variables such as previous disturbances and the presence of soils. Shovel tests will be approximately 30 centimeters (cm) in diameter and excavated in arbitrary 20-cm levels to 100 cm below surface or culturally sterile deposits, whichever comes first. The matrix from each shovel test will be screened through ¼-inch mesh, and the location of each excavation will be plotted using a hand-held Global Positioning Systems (GPS) receiver. Each shovel test will be recorded on a standardized form to document the excavations.

Any discovered cultural resources will be defined and recorded following standard federal and state guidelines. All recorded sites will be mapped in detail with a GPS unit and plotted on U.S. Geological Survey 7.5-minute topographic maps with a GPS unit and appropriate project maps for planning purposes. SWCA is proposing a non-collection survey. Artifacts will be tabulated, analyzed, and documented in the field, but not collected. Temporally diagnostic artifacts will be described in detail and photographed in the field, then reburied. This policy will eliminate curation costs once the fieldwork is concluded.

Subtask C: Reporting

Upon completion of the survey, SWCA will prepare a report of the findings that will conform to Council of Texas Archaeologists standards. The report will document previous investigations in the area, background cultural settings, the methodology used in the investigations, the presence and condition of any previously recorded sites revealed in the records review, the general nature and extent of cultural resources encountered during the survey, recommendations on the need for any further work, and the potential significance of the cultural resources in regards to future development and eligibility as State Antiquities Landmarks. This report will be included as an appendix with a summary of our findings included in the environmental resources report discussed below (Task IV).

Assumptions

- Assumes a 50-foot-wide corridor.

- Survey will be completed by a team of two archaeologists in a single day and in one mobilization. If factors outside of SWCA's control, including inclement weather, or unsafe project conditions, affect the project schedule, SWCA will contact KFriese + Associates to discuss a change order.
- SWCA assumes that up to one archaeological site will be identified during the survey. If additional sites are encountered, SWCA will contact KFriese + Associates to negotiate a Change Order.
- Backhoe trenching is not included in this cost proposal. The survey will determine if the project area contains the potential for deeply buried cultural deposits that would require backhoe trenching. If the survey finds that mechanical excavations are required to assess deeply buried cultural deposits, SWCA will consult with the client and submit a change order for the additional work.
- The cost does not include any project-related safety training or expenses (e.g., OSHA, HAZWOPER, company or site-specific safety training). An additional cost estimate for safety-related expenses outside SWCA standard safety protocols would be submitted separately if required.

Cost for Task III: \$3,990.00

TASK IV: ENVIRONMENTAL RESOURCES SUMMARY REPORT

Upon completion of the jurisdictional delineation, review of threatened and endangered species, and the cultural resources assessment, a comprehensive environmental resources summary report will be prepared which summarizes our findings. The comprehensive environmental resources summary report will describe the project area, the methods used during the assessments, and the results of our investigations. The report will also include the location of any jurisdictional areas within the easement and will provide a description of the jurisdictional areas found. In addition, the report will include field data sheets, mapping, and photos of each sample site. The report will describe the threatened and endangered species in Williamson County, their habitat requirements, and their likelihood of occurrence in along the pipeline alignment.

The cultural resources portion will need to be submitted to the THC for review and concurrence after K Friese + Associates approves our findings. Once THC has reviewed the document (30-day review period) and provided the results of the review to SWCA, any revisions will be

incorporated into the final report. SWCA will submit a final report to the client and the THC. As part of completing Antiquities Permit requirements, SWCA will also furnish two electronic copies of the final report on a tagged PDF formatted CD to the THC, complete an Abstracts in Texas Contract Archeology Summary form and abstract text on-line, and furnish 11 hard copies of the report (without site information) to university-based libraries and archaeological research facilities around the state.

An electronic copy of the environmental resources summary report will be submitted to the client for comments within three weeks of completion of fieldwork. Following receipt of comments, SWCA will finalize the report and submit up to five hard copies to K Friese + Associates.

Cost for Task IV is built into the costs for each resource task.

TOTAL COST: NOT TO EXCEED \$6,240.00



SWCA Environmental Consultants
2014 Rate Schedule

Principals & Project Management	Rate
Principal-In-Charge	\$270 - \$377
Project Manager XI	\$187.00
Project Manager X	\$170.00
Project Manager IX	\$153.00
Project Manager VIII	\$141.00
Project Manager VII	\$130.00
Project Manager VI	\$119.00
Project Manager V	\$108.00
Project Manager IV	\$95.00
Project Manager III	\$85.00

Consulting Services

Cultural Resources	Training/Facilitating
Environmental Resources	Graphics/Media Production
Paleontology	GIS/CADD Resources
Scientific Resources	Technical Writing/Editing
Planning Resources	Air Quality
Subject Matter Expert	\$189 - \$323
Specialist XI	\$187.00
Specialist X	\$170.00
Specialist IX	\$153.00
Specialist VIII	\$141.00
Specialist VII	\$130.00
Specialist VI	\$119.00
Specialist V	\$108.00
Specialist IV	\$95.00
Specialist III	\$85.00
Specialist II	\$73.00
Specialist I	\$63.00
Technician II	\$50.00
Technician I	\$40.00

Administrative

Administrative VII	\$108.00
Administrative VI	\$95.00
Administrative V	\$85.00
Administrative IV	\$73.00
Administrative III	\$63.00
Administrative II	\$50.00
Administrative I	\$40.00



8613 Cross Park Drive
Austin, Texas 78754
Phone: 512-977-1800
Fax: 512-973-9966

K Friese & Associates, Inc.
1120 South Capital of Texas Highway
City View 2, Suite 100
Austin, Texas 78746

Proposal No. 04.30141050
July 21, 2014

Attention: Mr. Dale Murphy, P.E.

**Proposal for Geotechnical Investigation
Ronald Reagan Waterline North Extension
Leander, Texas**

Fugro Consultants, Inc. (Fugro) is pleased to be selected to provide geotechnical engineering services for the above referenced project. The project will consist of about 3,800 linear ft of new 24-inch diameter waterline to be installed along the easement of Ronald Reagan Boulevard starting from Via De Sienna Blvd. and extending north to Kauffman Loop in Leander, Texas. The waterline will be installed using conventional open-cut techniques. It is anticipated that the waterline will be on the order of 10 to 15 ft deep. Fugro has performed geotechnical investigation for about 7,800 linear ft of waterline along Ronald Reagan Boulevard south of Via De Sienna Blvd. and submitted a Geotechnical Report dated February 18, 2014.

The project will include field, laboratory and engineering phases. The following sections of this proposal include the scope of our services in these study phases, a cost estimate, an estimated schedule, and proposed terms and conditions.

Field Investigation

According to published geologic mapping and nearby boring data, the alignment is likely underlain by weathered remnants and limestone of the Keys Valley Marl and Comanche Peak members of the Fredericksburg Group. As requested, Fugro will drill borings at approximate 1,000 ft intervals along the alignment. A total of five (5) borings will be drilled to the 20 ft depth. Total drilling footage will be about 100 feet.



K Friese & Associates, Inc.
Mr. Dale Murphy, P.E.

July 21, 2014
Page 2 of 5

Borings will be staked and utilities located prior to drill rig mobilization. Cohesive soil will be sampled using seamless push tube samplers, while granular or near rock-like materials will be sampled and tested using the Standard Penetrations Test (SPT). Limestone which is encountered will be cored continuously to allow for limestone characterization and laboratory testing. Completed open boreholes will be backfilled with a cuttings-bentonite mixture. Groundwater measurements will be made at the time of boring.

Laboratory Testing

Laboratory tests (natural water content determinations, Atterberg limits, and partial gradation analyses) will be performed to classify soil strata and to evaluate plasticity and shrink/swell potential. Unconfined compression tests will be conducted on selected intact soil and/or rock specimens to evaluate the compressive strength of the subsurface strata. Soluble sulfates, chlorides, pH, and box resistivity testing is proposed for use by others in evaluating soil corrosivity.

Engineering Report

Engineering analyses of the results of the field and laboratory data will be made to develop selected geotechnical parameters for waterline installation. Specifically, the report will include the following:

1. General subsurface conditions, discussion of site geology, boring logs with descriptions of strata and laboratory test results, and water levels obtained at the time of drilling;
 2. Boring location plan;
 3. Discussion of excavation potential;
 4. General discussion of OSHA trench safety for preliminary cost estimation purposes (actual design, installation and performance of trench excavation safety systems are the responsibility of the contractor);
 5. Discussion of anticipated groundwater conditions and potential effect on proposed construction; and
 6. Recommendations for earthwork including pipe bedding and backfilling procedures.
-



K Friese & Associates, Inc.
Mr. Dale Murphy, P.E.

July 21, 2014
Page 3 of 5

An electronic (PDF) copy of the report will be submitted unless otherwise requested. The undersigned will manage this project.

Cost Estimate

Based on the scope of work outlined above and the attached Fee Schedule G-2014, our estimated fee is presented on Attachment 1. The estimated fee is based on the following:

1. Boring locations within the R.O.W. will be accessible with truck-mounted drilling equipment and that no site clearing, grading, permitting, or traffic control will be required for access.
2. The presence of any on-site utilities will be made known to us. We will notify the Utility Protection Center (Texas One-Call) at least 72 hours prior to mobilization to the site.
3. Right of Entry for truck mounted drill rig and support vehicles will be obtained by others.
4. The actual boring locations will be marked in the field after drilling for others to obtain locations and elevations. We will obtain latitude and longitude coordinates of the boring location using a hand-held GPS device.
5. The engineering services provided for herein do not include preparation of a Geotechnical Baseline Report (GBR).

The estimated fee may be exceeded if site conditions are significantly different than anticipated or changes in work are required or requested. However, the estimated maximum fee will not be exceeded without the client's prior authorization. Required additions to the above scope of services would be invoiced in accordance with the attached fee schedule.

Schedule

Weather and site conditions permitting, field operations can start within about one week after formal authorization to proceed. Borings will take about two to three working days to complete. Under normal circumstances, laboratory testing and report preparation will take an additional 2 to 3 weeks to complete. We will keep you informed of our findings as they become available.



K Friese & Associates, Inc.
Mr. Dale Murphy, P.E.

July 21, 2014
Page 4 of 5

Terms and Conditions

Fees for field work, laboratory testing, and report preparation are outlined in Schedule G-2014. Schedule 40.01 describes general contractual conditions including identification of client, on-site responsibilities and risks, warranty, invoicing procedures, and record and sample maintenance. Schedules G-2014 and 40.01 are attached to this proposal.

The following statement is required by Fugro's Insurance Company. Fugro's scope of work does not include the investigation, detection, or design related to the presence of any Biological Pollutants. The term "Biological Pollutants" includes, but is not limited to, mold, fungi, spores, bacteria, and viruses, and the byproducts of any such biological organisms.

* * *



K Friese & Associates, Inc.
Mr. Dale Murphy, P.E.

July 21, 2014
Page 5 of 5

To indicate acceptance of this proposal, please have the signature block below signed by a duly authorized representative of the client, and return one copy to us for our files.

We appreciate the opportunity to submit this proposal and look forward to working with you on this project. Please call us if we can be of any additional assistance.

Sincerely,
FUGRO CONSULTANTS, INC
TBPE Firm Registration No. F-299

A handwritten signature in black ink, appearing to read "Yanfeng Li".

Yanfeng Li, P.E.
Project Manager

A handwritten signature in black ink, appearing to read "Johnny F. Flores".

Johnny F. Flores, P.E.
Branch Manager

YL/lr(w/g/p/2014/04.30141050)

Attachments

- Attachment 1
- Schedule 40.01
- Fee Schedule G-2014

CLIENT:

Firm Name

Authorizing Signature

Typed Name & Title

Date



**Attachment 1 - Cost Estimate
Geotechnical Investigation
Ronald Reagan Waterline North Extension
Leander, Texas**

1. Soil Borings - Geotechnical		Quantity	Unit	Rate	Subtotal
	Coordination, one-call, supervision of clearing, staking of borings, field logging				
1.1.1	Mobilization / Demobilization	50	mile	\$5.00	\$250.00
1.3.1	Drilling and Sampling - Soil	30	feet	\$18.00	\$540.00
1.4	Standard Penetration Tests	5	each	\$25.00	\$125.00
1.6.1	Rock Coring (soft rock)	70	feet	\$26.00	\$1,820.00
1.6.2	Rock Coring (hard rock)	0	feet	\$35.00	\$0.00
1.12	Clearing of Trees/Brush for Access	0	day	\$2,000.00	\$0.00
1.18	Plugging Boreholes	100	feet	\$8.00	\$800.00
3.7	Graduate Engineer	4	hour	\$100.00	\$400.00
3.9	Logger	16	hour	\$100.00	\$1,600.00
				Subtotal	\$5,535.00

2. Laboratory Investigation		Quantity	Unit	Rate	Subtotal
2.1	Moisture Contents	5	each	\$15.00	\$75.00
2.2	Atterberg Limit Determinations	5	each	\$65.00	\$325.00
2.6	Sieve Analysis	5	each	\$65.00	\$325.00
2.12	Unconfined Compression Tests, Soil	2	each	\$60.00	\$120.00
2.12	Unconfined Compression Tests, Rock	5	each	\$65.00	\$325.00
2.22	Soluble Sulfate, Chlorides, pH, Box Resistivity	1	suite	\$500.00	\$500.00
				Subtotal	\$1,670.00

3. Technical Services		Quantity	Unit	Rate	Subtotal
	Logging, Laboratory Assignment, Drafting and Report Preparation				
3.7	Graduate Engineer	4	hour	\$100.00	\$400.00
3.9	Drafting	4	hour	\$70.00	\$280.00
3.10	Word Processing	1	hour	\$60.00	\$60.00
				Subtotal	\$740.00

4. Engineering Services - Geotechnical Report		Quantity	Unit	Rate	Subtotal
3.3	Project Manager	9	hour	\$170.00	\$1,530.00
3.7	Graduate Engineer	5	hour	\$100.00	\$500.00
				Subtotal	\$2,030.00

Total Estimated Cost				\$9,975.00
-----------------------------	--	--	--	-------------------





GENERAL CONDITIONS FOR TECHNICAL SERVICES

1. Parties to This Agreement
CLIENT as used herein is the entity who authorizes performance of services by Fugro Consultants, Inc. (FUGRO) under the conditions stated herein. FUGRO as used herein includes, Fugro Consultants, Inc., its employees and officers, and its subcontractors and sub-consultants (including affiliated corporations).
2. On-site Responsibilities and Risks
 - 2.1 Right-of-Entry. Unless otherwise agreed, CLIENT will furnish unfettered rights-of-entry and obtain permits as required for FUGRO to perform the fieldwork.
 - 2.2 Damage to Property. FUGRO will take reasonable precautions to reduce damage to land and other property caused by FUGRO's operations. However, CLIENT understands that damage may occur and FUGRO's fee does not include the cost of repairing such damage. If CLIENT desires FUGRO to repair and/or pay for damages, FUGRO will undertake the repairs and add the pre-agreed cost to FUGRO's fee.
 - 2.3 Toxic and Hazardous Materials. CLIENT will provide FUGRO with all information within CLIENT's possession or knowledge as to the potential occurrence of toxic or hazardous materials, or Biological Pollutants (as defined in 9. below) at the site being investigated. If unanticipated toxic or hazardous materials, or biological pollutants are encountered, FUGRO reserves the right to demobilize FUGRO's field operations at CLIENT's expense. Remobilization will proceed following consultation with FUGRO's safety coordinator and CLIENT's acceptance of proposed safety measures and fee adjustments.
 - 2.4 Utilities and Pipelines. While performing FUGRO's fieldwork, FUGRO will take reasonable precautions to avoid damage to subterranean and subaqueous structures, pipelines, and utilities. CLIENT agrees to defend, indemnify, and hold FUGRO harmless for any damages to such structures, pipelines, and utilities that are not called to FUGRO's attention and/or correctly shown on plans furnished to FUGRO.
 - 2.5 Site Safety. FUGRO is not responsible for the job site safety of others, nor does FUGRO have stop-work authority over work by others. However, FUGRO will conduct its work in a safe, workman-like manner, and will observe the work-site safety requirements of CLIENT that have been communicated to FUGRO in writing.
3. Standard of Care
 - 3.1 FUGRO will perform its services consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions in the same location.
 - 3.2 CLIENT acknowledges that conditions may vary from those encountered at the location where borings, surveys, or explorations are made and that FUGRO's data, interpretations, and recommendations are based solely on the information available to FUGRO, and FUGRO is not responsible for the interpretation by others of the information developed.
4. Limitation of Remedies
To the greatest extent permitted by law, CLIENT's sole remedy against FUGRO for claims and liabilities in any way arising out of or directly or indirectly related to FUGRO's work for CLIENT will not exceed an aggregate limit of \$50,000 or the amount of FUGRO's fee, whichever is greater, regardless of the legal theory under which remedy is sought, whether based on negligence [whether sole or concurrent, active or passive], breach of warranty, breach of contract, strict liability or otherwise. In the event CLIENT does not wish to limit FUGRO's remedy to this sum, and if CLIENT requests in writing prior to acceptance of this Agreement, FUGRO agrees to negotiate a greater remedy amount in exchange for an increase in scope and fee appropriate to the project and remedy risks involved. .
5. Invoices and Payment
At FUGRO's discretion, invoices will be submitted at the completion of task elements, or monthly for services rendered. Payment is due upon presentation of FUGRO's invoice and is past due thirty- (30) days from invoice date. CLIENT agrees to pay a financing charge of one percent (1%) per month (or the maximum rate allowable by law, whichever is less), on past due accounts, and agrees to pay attorney's fees or other costs incurred in collecting any delinquent amount.
6. Data, Records, Work Product and Report(s), and Samples
Data, Records, Work Product and Report(s) are FUGRO's property. All pertinent records relating to FUGRO's services shall be retained for a minimum of two (2) years after completion of the work. CLIENT shall have access to the records at all reasonable times during said period. FUGRO will retain samples of soil and rock for a minimum of 30 days after submission of FUGRO's report unless CLIENT advises FUGRO otherwise. Upon CLIENT's written request, for an agreed charge FUGRO will store or deliver the samples in accordance with CLIENT's instructions.
7. Indemnification
FUGRO and CLIENT shall indemnify each other from any claims, damages, losses, and costs, including, but not limited to, reasonable attorney's fees and litigation costs, to the proportionate extent caused by each party's own negligence, including the negligence of the indemnifying party, and its employees, affiliated corporations, officers, and sub-tier parties in connection with the project.
8. Consequential Damages
Notwithstanding any other provision of this Agreement, CLIENT and FUGRO waive and release any claim against the other for loss of revenue, profit or use of capital, loss of services, business interruption and/or delay, loss of product, production delays, losses resulting from failure to meet other contractual commitments or deadlines, downtime of facilities, or for any special, indirect, delay or consequential damages resulting from or arising out of this Agreement, or as a result of or in connection with the work, and whether based on negligence (whether sole or concurrent, active or passive), breach of warranty, breach of contract, strict liability or otherwise.
9. Biological Pollutants
FUGRO's scope of work does not include the investigation, detection, or design related to the presence of any Biological Pollutants. The term "Biological Pollutants" includes, but is not limited to, mold, fungi, spores, bacteria, and viruses, and the byproducts of any such biological organisms. CLIENT agrees that FUGRO will have no liability for any claim regarding bodily injury or property damage alleged, arising from, or caused directly or indirectly by the presence of or exposure to any Biological Pollutants. In addition, CLIENT will defend, indemnify, and hold harmless FUGRO from any third party claim for damages alleged to arise from or be caused by the presence of or exposure to any Biological Pollutants. If CLIENT requests in writing prior to acceptance of this Agreement, FUGRO will negotiate a greater limitation amount, and remove CLIENT's responsibilities, in exchange for an increase in fee to develop an expanded scope of work to provide biological pollutant protection.
10. Acceptance of Agreement
These GENERAL CONDITIONS have been established in large measure to allocate certain risks between CLIENT and FUGRO. FUGRO will not initiate service without formal agreement on the terms and conditions set forth in these GENERAL CONDITIONS. Acceptance or authorization to initiate services shall be considered by both parties to constitute formal acceptance of all terms and conditions of these GENERAL CONDITIONS. Furthermore, all preprinted terms and conditions on CLIENT's purchase order or purchase order acknowledgment forms are inapplicable to these GENERAL CONDITIONS and FUGRO's involvement in CLIENT's project.
11. Termination of Contract
CLIENT and FUGRO may terminate services at any time upon ten (10) days written notice. In the event of termination, CLIENT agrees to fully compensate FUGRO for services performed including reimbursable expenses to the termination date, as well as demobilization expenses. FUGRO will terminate services without waiving any claims or incurring any liability.



**FEE SCHEDULE FOR GEOTECHNICAL FIELD,
 LABORATORY AND ENGINEERING SERVICES**

1. Field Investigation

1.1.	Mobilization and demobilization, per mobilization:		
1.1.1	Drill truck, water truck and crew	\$	5.00/mile
1.1.2	All-terrain drill rig and crew		Upon Request
1.2.	All-terrain vehicle with drill rig (additional charge)	\$	600.00/day
1.3.	Drilling and sampling:		
1.3.1	Drilling and sampling with 3-inch, thin-walled tube sampler, continuous to 10.0 ft, 5.0-ft intervals thereafter	\$	18.00/foot
1.3.2	Continuous drilling and sampling with 3-inch, thin-walled tube sampler or split-spoon sampler	\$	35.00/foot
1.4.	Standard penetration tests	\$	25.00/each
1.5.	TxDOT cone penetration tests	\$	31.00/each
1.6.	Rock coring, NQ or similar core barrel:		
1.6.1	Drilling in soft rock (Austin Chalk, Eagle Ford Shale, etc.)	\$	26.00/foot
1.6.2	Drilling in hard rock or cavitated rock (Edwards, Buda, Glen Rose, Georgetown, and Walnut Formations)	\$	35.00/foot
1.7.	Wash or auger borings drilled and logged from cuttings:		
1.7.1	Soil	\$	15.00/foot
1.7.2	Rock	\$	24.00/foot
1.8.	Casing of boreholes	\$	20.00/foot
1.9.	Hourly charges for boring layout, excessive time spent gaining access to boring locations, backfilling boreholes, cleaning up site, installing piezometers, and for other reasons beyond our control	\$	190.00/hour
1.10.	Rental of concrete core drilling equipment or equipment to gain site access, or traffic control devices		Cost + 15%
1.11.	Materials for piezometers, grouting, etc.		Cost + 15%
1.12.	Surveying or other outside contractors		Cost + 15%
1.13.	Traffic control		Upon Request
1.14.	Per diem for out-of-town assignments, per person	\$	135.00/night
1.15.	High-pressure steam cleaner		Upon Request
1.16.	OVA meter		Upon Request
1.17.	Steel drums for drill cuttings (delivered)	\$	7-.00/each
1.18.	Plugging boreholes with bentonite/concrete slurry	\$	8.00/foot
1.19.	Cone penetrometer testing	\$	3,450.00/day



2. Laboratory Tests

2.1.	Natural water content and soil classification	\$ 15.00/each
2.2.	Plastic and liquid limits	\$ 65.00/each
2.3.	Free swell test	\$ 115.00/each
2.4.	Pressure swell test	\$ 150.00/each
2.5.	Uniaxial pressure-strain test.....	\$ 75.00/each
2.6.	Sieve analysis (Nos. 4, 40, and 200 sieves)	\$ 65.00/each
2.7.	Percent material passing a single sieve	\$ 45.00/each
2.8.	Minus No. 200 sieve	\$ 45.00/each
2.9.	Hydrometer analysis.....	\$ 225.00/each
2.10.	Unit dry weight determination and natural water content	\$ 25.00/each
2.11.	Unconfined compression test, soil.....	\$ 60.00/each
2.12.	Unconfined compression test, rock	\$ 65.00/each
2.13.	Unconsolidated-undrained triaxial compression test.....	\$ 70.00/each
2.14.	Standard Proctor (ASTM D-698) compaction test.....	\$ 225.00/each
2.15.	Modified Proctor (ASTM D-1557) compaction test.....	\$ 225.00/each
2.16.	TxDOT (TEX-113-E) compaction test.....	\$ 225.00/each
2.17.	California Bearing Ratio (CBR).....	\$ 240.00/point
2.18.	Consolidation test, 7-load increments	\$ 850.00/each
	Additional load increments	\$ 125.00/each
2.19.	Permeability of silt or clay.....	\$ 345.00/each
2.20.	Specific gravity	\$ 65.00/each
2.21.	Volumetric shrinkage.....	\$ 95.00/each
2.22.	Soluble Sulfates (TEX-145-E)	\$ 90.00/each
2.23.	Chemical and analytical testing by outside laboratory	Cost + 15%

3. Engineering and Technical Personnel

3.1.	Senior Consultant/Project Principal	\$ 195.00/hour
3.2.	Senior Project Manager.....	\$ 180.00/hour
3.3.	Project Manager	\$ 170.00/hour
3.4.	Project Engineer.....	\$ 145.00/hour
3.5.	Laboratory Manager	\$ 145.00/hour
3.6.	Project Geologist.....	\$ 135.00/hour
3.7.	Graduate Professional.....	\$ 100.00/hour
3.8.	Senior Engineering Technician	\$ 85.00/hour
3.9.	Technician and Draftsperson	\$ 70.00/hour
3.10.	Word Processor.....	\$ 60.00/hour

4. Report Reproduction and Miscellaneous

4.1.	Outside services, printing, reproduction, etc.	Cost + 15%
4.2.	Outside technical assistance	Cost + 15%
4.3.	Transportation	\$ 0.60/mile

Rates for other tests and services quoted on request.



*1504 Chisholm Trail Road
Suite 103
Round Rock, TX 78681
512-238-1200
512-238-1251 fax*

21 July 2014

Dale Murphy, P.E.
KFriese & Associates, Inc.
1120 S. Capital of Texas Hwy.
City View 2, Ste: 100
Austin TX, 78746

RE: City of Leander- Ronald Reagan Waterline Extension Project – Via De Sienna Blvd. to Kaufmann Loop

Mr. Murphy:

Inland Geodetics, LP (Inland) is pleased to submit our proposal for professional land surveying services related to the above referenced project. Our proposal is to generate topographic design data for the City of Leander Water Line Extension Project along the westerly ROW line of Ronald Reagan Boulevard within the state limits above. The area will encompass a detailed route survey of the proposed alignment and will encompass approx. 3800'. This alignment is delineated by an exhibit sent by email 17 July 2014 by Dale Murphy and a site visit of the project site and is considered the basis for this proposal. Below is a specific list of our proposed Scope of Services and estimated costs.

SCOPE OF SERVICES

A. Right of Entry

1. Inland assumes the affected owners have been contacted requesting access for surveying operations, and that right-of-entry has been secured. Any special conditions or request must be forwarded to our office before operations begin.

B. Right-of-Way Schematic

1. Inland will perform sufficient deed research and field surveying to utilize the gathered information to depict the existing Ronald Reagan Blvd. ROW within the project files.

C. Primary Control and Field Topographic Survey

1. Inland shall generate, recover and verify existing horizontal and vertical primary control. Additionally we shall establish or densify secondary control as needed for the length of this project. The values will be relative to NAD 83 Texas State Plane Coordinates, Central Zone 4203 (scaled to surface values). Vertical Datum will be GPS Orthometric heights and projected through the length of the project
2. Inland will perform differential level loops to develop a benchmark vertical control system at approximately 1000 foot intervals.
3. Inland will place a "One Call" request for utility locations within the area of the survey and locate any markings made within a reasonable time frame of the survey. Additional trips to site to collect utility markings made at a later date will be considered reason to seek additional compensation.
4. Collect spot elevations and grade breaks along the project route (approx. 75' wide corridor) including driveways, visible utilities, drainage features, trees and any improvements within the defined area including defining the edges of pavement for Ronald Reagan Blvd. Additionally, geotechnical boreholes will be located with X,Y,Z values (assumes 4 sites). Inland will generate a 1 foot contour interval DTM file of the project area and deliver a Autocad dwg, XML, and point ASCII file.

The estimated Lump Sum fee for the above services:

\$ 11,266.00

The estimated fee proposed above are based on personnel time required to perform the described Scope of Services. Additional time requirements resulting from project scope changes, plan revisions, field recovery of or discrepancies of control provided will be considered reasonable cause for us to seek additional compensation for services not included in these amounts. Inland will require a tax exemption certificate from KFriese and Associates issued by the City of Leander for the purchase of taxable goods and services on this project (boundary determination components).

Best Regards

M. Stephen Truesdale, RPLS, LSLs
Principal/Co-owner
Inland Geodetics, LLC
TBPLS Firm Registration No. 10059100



Executive Summary

October 16, 2014

-
- Agenda Subject:** Consider appointments to the Board Selection Committee
- Background:** The Board Selection Committee reviews and interviews applicants for all Boards and Commissions for the City.
- Origination:** Council Member Dishongh
- Financial Consideration:** No financial impact to the City
- Recommendation:** No staff recommendation
- Attachments:** None
- Prepared By:** Debbie Haile, TRMC, City Secretary



Executive Summary

October 16, 2014

Council Agenda Subject: Consider and take possible action on an Ordinance: finding acquisition of real property serves public convenience and necessity and that said property will be acquired for a public use, namely the Bagdad Road Re-Alignment Project; finding that all appropriate and necessary pre-acquisition requirements set forth in Chapter 21 of the Texas Property Code have been met; and, authorizing the use of eminent domain proceedings as set forth in Chapter 21 of the Texas Property Code regarding a 2.658 acre tract in Williamson County, Texas owned by Ronald L. and Linda C. Russell, as further described in the attached proposed resolution for this item.

Origination: Wayne S. Watts, P.E., CFM, City Engineer

Financial Consideration: To be determined

Recommendation: Approval motion language –

“I move that the City of Leander, Texas approve Resolution No. _____, which authorizes the use of the power of eminent domain, as set forth in Chapter 21 of the Texas Property Code, to acquire the 2.658 acre tract in Williamson County, Texas owned by Ronald L. and Linda C. Russell, more specifically described by a metes and bounds description attached as “Exhibit A” to the resolution.”

Practical Note – The Property Code requires a “record vote” on motions to authorize eminent domain. Courts have not interpreted what this means precisely, but the safest practice is to take a roll call vote and have the minutes reflect the vote of each council member so that their individual vote is “recorded.” Should the minutes only reflect the outcome (e.g. 3 in favor, 2 opposed), it is possible the authority to exercise eminent domain could be challenged on that ground and the matter abated until the City corrected it. Until there is more guidance from the courts interpreting what the Legislature means by this new provision, this is the safest (albeit not required as of yet) course, but it is up to the City how it wants to deal with “record votes.”

Attachments: Resolution

Prepared by: Wayne S. Watts, P.E., CFM, City Engineer

ORDINANCE NO. _____

AN ORDINANCE MAKING FINDINGS OF FACT; AUTHORIZING AND DIRECTING THE ACQUISITION OF FEE SIMPLE TITLE OF 2.658 ACRES, MORE OR LESS, LOCATED IN WILLIAMSON COUNTY, TEXAS, OWNED BY RONALD L. AND LINDA C. RUSSELL, MORE FULLY DESCRIBED BY METES AND BOUNDS IN EXHIBIT "A" TO THIS ORDINANCE IS REQUIRED FOR THE CONSTRUCTION, STRAIGHTENING, WIDENING, OR EXTENDING OF ANY ALLEY, STREET, OR OTHER ROADWAY; FINDING THE TRACT OF LAND IS REQUIRED AND NECESSARY FOR THE CONSTRUCTION, STRAIGHTENING, WIDENING, OR EXTENDING OF ANY ALLEY, STREET, OR OTHER ROADWAY, SPECIFICALLY THE BAGDAD ROAD RE-ALIGNMENT PROJECT; FINDING THE ACQUISITION OF THE PROPERTY IS NECESSARY FOR A PUBLIC USE AND THE PUBLIC SAFETY, HEALTH AND WELFARE; CONFIRMING AND RATIFYING PRIOR AUTHORIZATIONS, ACTIONS, AND GOOD FAITH NEGOTIATIONS WITH THE OWNERS OF THE TRACT OF LAND PURSUANT TO THE TEXAS PROPERTY CODE; AUTHORIZING AND DIRECTING THE CITY ATTORNEY TO TAKE SUCH ACTIONS AS ARE NECESSARY TO EXERCISE THE CITY'S POWER OF EMINENT DOMAIN AND ACQUIRE THE PROPERTY IN FEE SIMPLE IN A CONDEMNATION ACTION AND TO TAKE ALL OTHER NECESSARY STEPS TO OBTAIN SUCH LANDS.

Whereas, the City of Lago Vista, Texas, a home rule municipal corporation (the "City"), that provides water and wastewater services to the City and the area within the extraterritorial jurisdiction of the City;

Whereas, the City Council has been requested by at least one landowner to provide water and ultimately wastewater services to an area within the extraterritorial jurisdiction of the City;

Whereas, the City is authorized pursuant to Section 2.03, Lago Vista Home Rule Charter, by and through the procedures outlined in Chapter 21, Texas Property Code, to exercise the power of eminent domain for any public purpose or as necessary or desirable to carry out any power conferred by the Charter or state or federal law;

Whereas, the City is explicitly authorized pursuant to Section 2206.001(c), Texas Government Code, to take private property through the use of eminent domain for water supply, wastewater, flood control, and drainage projects, as well as the provision of utility services, among other enumerated items;

Whereas, the City Council finds it reasonable and necessary to acquire easements on, over and across two tracts of land more specifically described hereinafter that are located along and within an access easement also known as Lakeshore Point that intersects with Lakeshore Blvd, Lago Vista, Texas (the "Easements") for the purposes of obtaining two water and wastewater line

easements to serve all the landowners along Lakeshore Point (the “Project”);

Whereas, the construction of the Project and acquisition of the Easements is a public purpose, and is necessary and useful for the public health, safety and welfare and to serve landowners with properly treated water and ultimately service their wastewater needs;

Whereas, the purchase and acquisition of the Easements is necessary for the Project and the Project will benefit the public, visitors, and citizens of the City and the region, and is a public convenience and necessity;

Whereas, no reasonable, feasible or prudent alternatives exist but to acquire and take the Easements for the Project;

Whereas, it is necessary to acquire the Easements that will be for the purpose of construction, reconstruction, operation, and maintenance of the Project;

Whereas, a portion of the Project must be located within an existing access easement that runs through land owned by Axel Sigmar that is located in the City’s extraterritorial limits and the other portion of the Project must be located on an existing access easement that runs through land owned by the Estate of Terry Tippit;

Whereas, the City has attempted and will continue, in good faith, to negotiate with the owners and representatives of the Easements to convey them to the City for the purpose of the Project but such efforts have been unsuccessful;

Whereas, the Project is of paramount public importance, and without the City obtaining the Easements, the Project improvements cannot be otherwise accomplished;

Whereas, the City has advised the owners of the Easement area, and their representatives, of their entitlement to just compensation for the Easements and has and will continue to comply with the State requirements concerning acquisition of Easements and relocation pursuant to State law;

Whereas, it has been necessary to set out procedures for the establishment and approval of reasonable, adequate and just compensation for the Easements to be acquired for the Project;

Whereas, the City has obtained appraisals from a qualified independent appraiser for the Easements that the City must acquire for the Project, and such appraiser has established the value of the Easements necessary for the Project;

Whereas, the City Charter authorizes the City to acquire property within or without its boundaries for a municipal and public purpose in fee simple title, or in any lesser interest or estate, by purchase, gift, devise, lease or condemnation;

Whereas, Chapter 251 of the Texas Local Government Code and other authority authorize a municipality to take fee simple title or lesser interest to property through condemnation

proceedings, if the governing body thereof expresses the intention to do so;

Whereas, Chapter 251 of the Texas Local Government Code and other authority authorize a governing body of a municipality to exercise the right of eminent domain for a public purpose to acquire public or private property, whether located inside or outside the municipality, including the following public purposes: for construction, reconstruction, operation and maintenance of water and wastewater lines; as well as all necessary appurtenances thereto, if deemed necessary for public use, necessity, or convenience; and

Whereas, it is essential to the public health and safety that the City acquire the required Easements as soon as possible and begin construction of the Project;

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

Section 1. Findings of Fact. The above and foregoing recitals are hereby found to be true and correct and are incorporated herein as findings of fact. The City Council further finds and determines that the immediate acquisition of Easements, as more specifically described in the following Section 2, is essential to the public health, safety and welfare of the citizens of the City; and that all actions required and necessary to acquire such Easements for the Project and the related improvements, should be pursued, accomplished and completed immediately.

Section 2. Easements To Be Acquired. The following described Easements are necessary and essential to the health and public safety of the citizens of the City and the function, performance and operation of a portion of the City's water and wastewater system:

- (1) A 0.5166 acre tract, more or less, for an easement for water and wastewater lines on, over and across that tract or parcel of land 16.499 acres or 718,709 square feet of land, more or less, out of the O.O Henderson Survey No. 189, Abstract No. 2709, Travis County, Texas, as more particularly described by metes and bounds and shown in Exhibit "A" attached hereto and incorporated herein as if fully transcribed herein.
- (2) A 0.78 acre tract, more or less, for an easement for water and wastewater lines on, over and across that tract out of the W.B. Corwin Survey No. 189 (O. O Henderson Survey No. 189), Travis County, Texas, as more particularly described by metes and bounds and shown in Exhibit "A" attached hereto and incorporated herein as if fully transcribed herein.

Section 3. Acquisition and Negotiation Authorized. The City Manager, the City Attorney and other designated staff are hereby authorized to acquire the easements on, over and across the Tracts. The City Manager and City Attorney are hereby further authorized to continue good faith negotiations with the owner or representative of such Tracts for the acquisition of the same.

Section 4. Negotiation and Procedure. In the event that the City's good faith negotiations

with the owners are not successful and the Easements cannot be acquired by agreement, the City Manager and City Attorney are directed to continue to follow the procedures required by Ch. 21, Tex. Prop. Code, as and to the extent necessary, to acquire the tracts by exercise of eminent domain. Further, the City Manager and City Attorney are directed to initiate and complete all other actions deemed necessary and appropriate to obtain the Easements for the Project and all improvements and appurtenances related thereto.

Section 5. Ratification of Actions. All actions heretofore taken by the City Council, the Mayor, city staff, the City Manager, and the City Attorney with respect to the acquisition of easements on, over and across the tracts described in Section 2 above and the establishment of the Project, including the negotiation for and/or acquisition of any necessary property rights in the Tracts, or other necessary properties, are hereby confirmed, ratified, approved and adopted by the Council.

Section 6. Further Procedures. The City Manager and the City Attorney are hereby expressly authorized, empowered and directed, from time to time, to do and perform all such acts and things as may be reasonable, necessary and desirable in order to acquire the easements on, over and across the tracts on terms and conditions that are in the best interest of the public, and that provide the owners of the tracts lawful, just and reasonable compensation.

PASSED AND ADOPTED this _____ day of _____, 2014.

ATTEST:

THE CITY OF LAGO VISTA, TEXAS

Christina Buckner, City Secretary

Randy Kruger, Mayor

EXHIBIT "A"