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

DEVELOPMENT AGREEMENT

BY AND AMONG

CITY OF CASTROVILLE, TEXAS

AND

LYNN TSCHIRHART,

AND

BEVERLY TSCHIRHART,

AND

CHARLES HABY,

AND

MARILYN HABY

AND

NP HOMES LLC

This Development Agreement (this "Agreement") is entered into by and among the City of Castroville, Texas (as further defined herein, the "City"), Lynn Tschirhart, Beverly Tschirhart, Charles Haby, Marilyn Haby (collectively and hereinafter referred to as the "Landowners") and NP Homes LLC (the "Developer") and is effective as of the Effective Date for the duration of the Term.

RECITALS

WHEREAS, the Landowners own approximately 35 acres of real property ("Property") located in Medina County, Texas, approximately 25 acres being within the City's Extraterritorial Jurisdiction ("ETJ") ("Parcel A") with the remaining 10 acres being inside the City's corporate limits ("Parcel B"), as more particularly described by metes and bounds and location map attached hereto as Exhibit A, which Property the Landowners have under contract to sell to the Developer; and

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

WHEREAS, Developer intends to develop the Property as a master-planned, mixed residential and commercial use development, to include associated public infrastructure and other

public and private improvements (as further described herein, and comprised of the hereinafter-defined Residential Project and the Commercial Project, the "Project"); and

WHEREAS, upon its acquisition of the Property from the Landowners, the Developer has agreed to voluntary, full purpose annexation of Parcel A, thereafter to be included within the City's corporate limits and to comply with certain terms and conditions regarding the Property's development, including commercial design and construction standards, and the design, construction, installation, and inspection of water, sewer, natural gas, electric power, broadband internet service, drainage, roadway, streets, sidewalks, and other public infrastructure and public improvements to serve the Property, all as further described herein; and

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

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

WHEREAS, the Developer has communicated to the City that its development of the Project in the manner herein described requires the City's creation of a public improvement district under Chapter 372 over the entirety of the Property (the "PID"); and

WHEREAS, the City has communicated to the Developer that its consideration of creation of a PID that encompasses the Property is conditioned on the Developer's construction and installation of the Grant Funded Public Infrastructure (herein defined), to which condition the Developer has agreed in exchange for the Grants (defined herein); and

WHEREAS, the City has determined that Parcel A's annexation and the Property's development in accordance with the terms herein provided will benefit the City by, among other things, expanding the City's corporate limits, property tax base, sales and use tax base, and utility system customer base, and by creating additional residential, commercial, and employment opportunities for City residents, and the construction and installation of the Grant Funded Public Infrastructure will address in the near term an identified capital need of the City without requiring an initial outlay of City funds; and

WHEREAS, this Agreement is a development agreement of the type described by Chapters 212 and evidence of an economic development program under Chapter 380 of the Texas Local Government Code; and

WHEREAS, the Parties agree that the provisions of this Agreement substantially advance a legitimate interest of the City by expanding the City's ad valorem tax, sales and use tax, and utility system customer bases, increase local residential and employment opportunities, and address a pressing capital need of the City; and

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

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

ARTICLE 1
DEFINED TERMS

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

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

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

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

"Affidavit of Payment" means an affidavit of payment from any contractor, subcontractor, material supplier, and/or laborer that has provided goods and/or services in relation to any Grant Funded Public Infrastructure and that is the subject of a Developer's Reimbursement Request submitted by the Developer to the City in accordance with Section 6.05 hereof.

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

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

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

"Assessable Property" means all Property other than Non-Benefited Property.

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

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

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

"Assessment Ordinance" means the ordinance (or each ordinance, if more than one) approved by the City Council that levies Assessments on certain Assessed Property in accordance with Chapter 372 to pay for Authorized Improvements Costs, as well as the costs associated with the issuance of the PID Bonds and the Administrative Expenses.

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

"Authorized Improvements" means water, sewer, drainage, landscaping, hardscaping, and roadway infrastructure, facilities, any other permitted public improvements authorized under Chapter 372, and other soft costs needed to serve and fully develop the Property as set forth in the Land Plan (and ultimately to be included in the Service and Assessment Plan) and to be constructed

by the Developer or by or on behalf of the City, including some or all Public Improvements and Public Infrastructure (but specifically excluding Grant Funded Public Infrastructure).

"Authorized Improvements Costs" means, with respect to an Authorized Improvement, the demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvement. Authorized Improvement Costs may include (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of such Authorized Improvement, including general contractor and construction management fees, if any, (b) the costs of preparing the construction plans for such Authorized Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (d) the costs for external professional costs associated with such Authorized Improvement, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, and taxes (property and franchise), (e) the costs of all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and material men in connection with the acquisition, construction or implementation of the Authorized Improvements, (f) all related permitting, zoning and public approval expenses, architectural, engineering, legal, and consulting fees, financing charges, taxes, governmental fees and charges (including inspection fees, permit fees, development fees), insurance premiums and miscellaneous expenses. Authorized Improvements Costs may include general contractor's fees in an amount up to a percentage equal to the percentage of work completed and accepted by the City or construction management fees in an amount up to five percent of the eligible Authorized Improvements Costs described in a certification for payment. The amounts expended on legal costs, taxes, governmental fees, insurance premiums, permits, financing costs, and appraisals shall be excluded from the base upon which the general contractor and construction management fees are calculated. Authorized Improvements Costs do not include (and specifically exclude) Developer's Costs.

"Authorizing Ordinance" means Ordinance No. _____ adopted by the City Council on March 28, 2023, which ordinance authorizes the City's entering into this Agreement and other matters necessary or incidental to the foregoing, all in accordance with the applicable provisions of Chapter 212 and Chapter 380, respectively.

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

creditors or an order for relief under any insolvency debtor relief law, or (vi) file an answer admitting the material allegations of a petition filed against it in any proceeding referred to in the foregoing clauses (i) through (v), inclusive, of this part (b), and, in any case referred to in the foregoing clauses (i) through (v), such action has not been cured within twenty (20) days thereafter.

"Capital Costs" means the Developer's actual capital costs of designing, constructing, developing, and acquiring the Grant Funded Public Infrastructure, evidence of which shall be delivered to the City in accordance with Section 6.05 hereof. The term Capital Costs specifically excludes Financing Costs.

"Certificate of Occupancy" has the meaning ascribed thereto in Section 3.05 hereof.

"Certified Inspector" has the meaning ascribed thereto in Section 3.03(a) hereof.

"Chapter 42" means Chapter 42, as amended, Texas Local Government Code.

"Chapter 43" means Chapter 43, as amended, Texas Local Government Code.

"Chapter 202" means Chapter 202, as amended, Texas Property Code.

"Chapter 212" means Chapter 212, as amended, Texas Local Government Code.

"Chapter 245" means Chapter 245, as amended, Texas Local Government Code.

"Chapter 372" means Chapter 372, as amended, Texas Local Government Code.

"Chapter 380" means Chapter 380, as amended, Texas Local Government Code.

"Chapter 395" means Chapter 395, as amended, Texas Local Government Code.

"Chapter 2258" means Chapter 2258, as amended, Texas Government Code.

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

"City Ad Valorem Taxes" means sixty percent (60%) of the City revenues derived from those annual maintenance and operations ad valorem taxes levied upon any portion of the Property during the Term and collected by the City through the Grant Reimbursement Period from the owners of such portion of the Property, but which term specifically excludes the remaining forty percent (40%) of the City's annual maintenance and operations ad valorem taxes levied upon any portion of the Property and any and all City annual ad valorem taxes levied and collected for payment of debt service on City ad valorem tax supported indebtedness now or hereafter outstanding.

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

"City ETJ" means the City's Extraterritorial Jurisdiction, as determined under Chapter 42, the unincorporated area that is contiguous to the corporate boundaries of the City and that is located within one-half mile of those boundaries (plus those contiguous areas that are included in the City

ETJ by request of the owners thereof), all as further evidenced in the map attached hereto as Exhibit D.

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

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

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

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

"Commercial Use Project" means the portion of the Property identified on the Land Plan as "Commercial", to be developed in accordance with Section 3.02(b) hereof.

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

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

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

"County" means Medina County, Texas.

"Delinquent Collection Costs" means interest, penalties, and expenses incurred or imposed with respect to any delinquent installment of an Assessment in accordance with Chapter 372 and the costs related to pursuing collection of an Assessment and foreclosing the lien against the Assessed Property, including attorney's fees.

"Development Documents" means this Agreement, the CFA, the PUD, the Landowners Agreement, the Completion Agreement, and the Reimbursement Agreement.

"Developer's Costs" means the Capital Costs and the Financing Costs, which costs the Developer anticipates recouping from the City in the form of the Grants.

"Developer's Reimbursement Request" means a Grant Installment payment request made by Developer for Developer's Costs incurred, which request shall be in the form attached hereto as Exhibit F and shall include the requirements specified in Section 6.05 hereof.

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

"Effective Date" means March 28, 2023, being the date of this Agreement's effectiveness.

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

"Final Grant Installment Payment Date" means the date that is the earlier to occur of (i) the Grant Installment Payment Date that is the last day of the Grant Reimbursement Period and (ii) the regularly scheduled Grant Installment Payment Date upon which the aggregate amount of all Grant Installments paid to Developer under this Agreement totals the Maximum Disbursement Amount.

"Financing Costs" means the Developer's cost of financing the Capital Costs, being an amount equal to the lesser of the actual costs of such financing and an amount derived by assuming an annual fixed rate of interest of 8.50% and applying such amount against the amount of Developer's Costs and Financing Costs, respectively, incurred but not yet reimbursed by Grants (assuming that Grants are first applied to interest costs), evidence of which shall be delivered to the City in accordance with Section 6.05 hereof.

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

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

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

"Grant Funded Public Infrastructure" shall mean the offsite drainage projects, as further described in Exhibit H hereto, to be constructed and installed by the Developer, the costs of which construction and installation (herein referred to as the Developer's Costs) are subject to reimbursement in the form of Grants.

"Grant Installment" has the meaning ascribed thereto in Section 6.04 hereof.

"Grant Installment Payment Date" means (i) March 1st of each year, commencing on the first such payment date to occur after the Offsite Infrastructure Completion Date, and (ii) the last day of the Grant Reimbursement Period.

"Grant Proceeds Collection Account" means the "City of Castroville, Texas NP Homes Development Grant Account" established, created, and required to be maintained by the City pursuant to the Authorizing Ordinance.

"Grant Reimbursement Period" means the period of time during which the City collects City Ad Valorem Taxes that are subject to the City's obligation to make, and the source of the City's payment of, Grants, which period of time includes the Term and the remainder of the calendar year of the year in which occurs the Termination Date.

"Grants" means the monetary award made by the City to the Developer in exchange for the Developer's completion of the Grant Funded Public Infrastructure and dedication of the same to the City in accordance with Section 3.03(b) hereof, payable annually in the form of Grant Installments from City Ad Valorem Taxes from time to time on deposit in the Grant Proceeds Collection Account , the aggregate amount of which shall equal the lesser of the Developer's Costs and the Maximum Disbursement Amount.

"Greenspace" means the portion of the Property identified on the Land Plan as "Greenspace/Pond", to be designated for use as open space and/or detention.

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

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

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

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

"Maximum Disbursement Amount" means $1,400,000, plus Financing Costs.

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

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

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

"Offsite Infrastructure Completion Date" means the date of completion of the Grant Funded Public Infrastructure, as evidenced by the City's acceptance of the same in accordance with Section 3.03(b) hereof.

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

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

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

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

"Party" or "Parties" means the City, the Landowners, and the Developer, collectively or (as applicable and in context) singularly.

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

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

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

"Project" means, together, the Residential Project and the Commercial Use Project.

"Project Improvements and Infrastructure" means, collectively, the Public Improvements, the Public Infrastructure, and the Grant Funded Public Infrastructure.

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

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

"PUD" means a Planned Unit Development plan, to be prepared by the Developer and implemented in accordance with the City Subdivision Ordinance and the Comprehensive Zoning Ordinance.

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

"Residential Construction Standards" means those construction standards applicable to the Residential Project, as specified in Exhibit N.

"Residential Project" means the single-family residential development and associated private and public improvements to be constructed on the balance of the Property that remains after taking into account the Commercial Use Project and Greenspace, as generally evidenced in the Land Plan.

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

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

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

"State" shall mean the State of Texas.

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

"Termination Date" means the date that is the twentieth (20^{th}) anniversary of the Effective Date.

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

ARTICLE 2
AUTHORITY, TERM, AND LIABILITY

2.01 Authority.

(a) The City enters into this Agreement pursuant to the authority granted thereto under the Constitution and general laws of the State of Texas, including (particularly) Article III, Section 52-a of the Texas Constitution, Subchapter G of Chapter 212, and Chapter 380, and the Authorizing Ordinance. The Developer and the Developer enter into this Agreement pursuant to their respective general corporate powers exercised by duly adopted resolution of their respective governing body.

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

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

2.02 Term. This Agreement shall become effective and enforceable on the Effective Date and shall continue through the Termination Date; provided, however, that, notwithstanding any other provision of this Agreement to the contrary, the Developer's failure to deliver to the City by 5:00 p.m., Central time, on May 4, 2023 evidence of its purchase of the Property from the

Landowner shall result in the immediate and automatic termination of this Agreement without further or additional action of any Party hereto.

2.03 Developer as a Party. The Parties acknowledge that the Landowners' inclusion in this Agreement as a Party reflects the fact that the Landowners are the sole party authorized as of the date hereof to obligate the Property to the provisions hereunder concerning its development. None of the Parties contemplate the Landowners' performance of the operative provisions hereof regarding the development of the Property, which obligations belong solely to the City and the Developer as herein specified. Accordingly, the Landowners shall be automatically released from this Agreement and no longer a Party hereto immediately upon completion of the Landowner's sale of the Property to the Developer (written notice of which shall be provided to the City by the time specified in Section 2.02) without requirement of amendment or supplement to this Agreement. After delivery of such notice to the City, the Landowners shall not be a Party hereunder for any purpose other than with respect to the representations made to the City and the Developer in Section 10.01.

ARTICLE 3
PROJECT DEVELOPMENT, TIMING AND STANDARDS

3.01 Project Development.

(a) Generally; Jurisdiction. Development of the Project shall include the subdivision of the Property, the construction of Public Infrastructure adequate for the development of the Project, the construction of necessary or required Public Improvements, the construction and installation of the Grant Funded Public Infrastructure, and dedication of the Project Improvements and Infrastructure to the City. As a result of full-purpose annexation of Parcel A in accordance with Article 6, the Parties intend that the City shall have and exercise exclusive jurisdiction over the review and approval of preliminary and final plats relative to the Property, the inspection of the Project Improvements and Infrastructure (designed, constructed and installed pursuant to the Governing Regulations, and conveyed to the City pursuant to the terms hereof and thereof), and the issuance of a Certificate of Occupancy (defined herein) for each Structure (defined herein).

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

(i) this Agreement;

(ii) the PUD;

(iii) the Code;

(iv) the Comprehensive Zoning Ordinance;

(v) the Approved Plats; and

(vi) the 2006 International Building Codes, heretofore adopted by the City.

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

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

Notwithstanding the foregoing, and to the extent not inconsistent with the provisions of this Agreement, the Developer may exercise rights under Chapter 245. The Parties hereby agree that the Effective Date shall be the date for establishment of the Developer's rights under Chapter 245, pursuant to Section 245.002(a-1) of such Chapter. The Developer may not take advantage of any changes to laws, rules, regulations, or ordinances of the City or other regulatory agency occurring after the Effective Date that are inconsistent with the terms of this Agreement without prior receipt of the City's consent (such consent not to be unreasonably withheld), which shall be reflected in the form of an amendment to this Agreement made in accordance with Section 12.05 hereof. For the avoidance of doubt, the foregoing restriction shall not prohibit the Developer from taking advantage of prospective changes in laws, rules, regulations, or City ordinances that do not otherwise conflict with the provisions of this Agreement.

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

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

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

The PUD may be revised from time to time with the approval of the City, by action of the City Council, the Developer, and (if other than the Developer) the owners of the portions of the Property within the area of the PUD being revised. If the PUD is revised as provided by this Section, the revision shall be considered an amendment to this Agreement, and the City shall cause the revised PUD to be attached to the official version of this Agreement on file with the City Secretary's Office.

(d) Project Commencement. Subject to its representations, warranties, and covenants made in Section11.03 hereof, the timing and sequencing of Project development will be based on market demand and conditions and will be completed as and when the Developer determines it to be economically feasible, subject to and in accordance with the following provisions and conditions. The Developer shall be required to complete Public Infrastructure and Public Improvements identified on such Approved Plat.

(e) Plat Application. Subdivision of the Property shall require the City's approval of plats in accordance with the City Subdivision Ordinance, except as otherwise specifically modified by the Governing Regulations. No plat shall be approved except in substantial conformity with the approved Infrastructure Plan (defined below). Easements for the location, installation, construction, operation, and maintenance of major infrastructure shown on approved Infrastructure Plans will be dedicated to the City by separate instrument or plat at the discretion of the Developer.

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

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

For purposes of this Section 3.01(g), "commencement" shall mean the date of the City's issuance of the first building permit regarding improvements within the Project.

(h) Grant Funded Public Infrastructure. The City's creation of the PID in accordance with Article 5 hereof shall represent a condition precedent to the Developer's obligation to construct and install the Grant Funded Public Infrastructure. Conversely, the Developer's construction and installation of the Grant Funded Public Infrastructure and dedication of the same to the City pursuant to Section 3.03(b) hereof shall represent a condition precedent to the City's obligation to make available to the Developer any revenues or other financial benefit attributable to or derived from the PID.

3.02 Construction Standards.

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

(b) Commercial Use Project. If commenced prior to the second (2^{nd}) anniversary of the Effective Date, the Commercial Use Project shall be developed in accordance with the results of a charette undertaken between the Developer and the City's design consultant, the costs of which shall be borne by the Developer. If commenced after the second (2^{nd}) anniversary of the Effective Date, the Commercial Use Project shall be developed in accordance with the Governing Regulations, as the same exist at such time.

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

(i) Buried utilities (electric, telephone, and broadband internet) from existing poles to the Structures (defined herein);

(ii) Compliance with the Outdoor Lighting Criteria;

(iii) Streetlights (being LED lights that are dark sky compliant) throughout the Project to promote safety and walkability;

(iv) Reserved;

(v) Greenspace, as defined in this Agreement, satisfying the parkland dedication requirements under the City Subdivision Ordinance and that includes walking path, trees, landscaping and park benches;

(vi) Stained cedar fencing on the Property line of the Residential Project abutting Provident Avenue;

(vii) Fencing between individual lots in the Residential Project, which shall be constructed using one or more of the following materials: masonry, stained cedar and wrought iron;

(viii) Sidewalks on both sides of each street within the Residential Project;

(ix) A walkable trail entering the Property, as depicted in the Land Plan; and

(x) Safety and way-finding signage incorporating the following elements:

(1) Blades:

a. Printed on 080 Aluminum, 100% coverage in prismatic color, reflective, UV rated;

b. 9" tall, using oversized bracket detail to eliminate tilt; and

c. Blades can either have standard or wrap around assembly.

(2) Poles:

a. Lighter gauge round pole, made to bend if hit by car (cheaper and easier to replace);

b. 2-3/8" round tube BWG-T poles (option provided by Texas Department of Transportation) galvanized or painted (vinyl guard coated if required); and

c. topped with a matching "ball cap".

(3) Sign foundation to be built so that if a sign needs to be replaced, the foundation can be reused.

3.03 Project Improvements and Infrastructure.

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

Each Certified Inspector shall maintain a permanent record of all Project Improvements and Infrastructure inspected. All such records shall be available for copying by the City and the Developer. All such records shall be kept in a form reasonably approved by the City. Each Certified Inspector shall provide to the City and the Developer a copy of each Project Improvements and Infrastructure inspection report within ten (10) days after the inspection is performed (including

reports that identify deficiencies and subsequent corrective action). Unless the City shall have objected in writing with reasonable specificity to the Developer within thirty (30) days of the City's receipt of copies of such certificates, records or reports, then such certificates, records, or reports shall be deemed accepted and approved by the City for all purposes.

The City and the Developer each shall have the right to terminate any Certified Inspector for failure to properly perform any duty or for failure to provide inspection reports, all as required by this Agreement (after written notice to the Certified Inspector and the other Party and the failure of the Certified Inspector to cure the failure within ten (10) days); provided, however, that the Developer shall have no right to terminate the employment of any City employee then serving in the capacity of a Certified Inspector, but may only terminate such City employee's engagement as Certified Inspector of the Project Improvements and Infrastructure. Upon any such termination, the City, at its option, may allow the use of another Certified Inspector or may elect to perform some or all of the duties of the Certified Inspectors (unless such terminated Certified Inspector was a City employee, in which case the replacement Certified Inspector shall be a qualified third-party engaged to serve in such capacity). If the City elects to perform any of those duties, such duties shall be performed (and reports provided to the Developer) in the same manner as would be applicable to the Certified Inspectors, and the actual, reasonable costs and expenses paid or incurred by the City in performing the duties shall be paid by the Developer (or the contractor or builder or by the owner of the property on which the work is being performed). Notwithstanding the foregoing, the Developer shall have no right to terminate a Certified Inspector provided at the sole cost and expense of the City.

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

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

(i) a report of a Certified Inspector concerning the subject Project Improvements and Infrastructure, in form satisfactory to the City in its reasonable judgment;

(ii) executed Affidavit of Payment, bills of sale, assignments, or other instruments of transfer (and evidence of recordation thereof in the deed records of the County) reasonably requested by the City;

(iii) utility, drainage, and other easements or rights-of-way (and evidence of recordation thereof in the deed records of the County) that are related to or necessary for use of the subject Project Improvements and Infrastructure;

(iv) all bonds, warranties, guarantees, and other assurances of performance, "record" drawings in both hard copy and digital (PDF and CAD) and sealed by the Developer's Engineer pursuant to Chapter 1001, as amended, Texas Occupations Code, easements, project manuals and all other documentation related to subject Public Infrastructure or Public Improvement; and

(v) an executed Maintenance Agreement between the City and the applicable MOA evidencing the MOA's acceptance of the MOA Maintenance Obligations relative to any of the then-dedicated Project Improvements and Infrastructure, as and if applicable.

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

(c) City to Own, Operate and Maintain Dedicated Project Improvements and Infrastructure; Exception. From and after the time of the City's final acceptance of Project Improvements and Infrastructure, the City will own, operate, and maintain each such Project Improvements and Infrastructure and shall be responsible for all costs associated therewith; provided, however, that notwithstanding the foregoing, operations and maintenance responsibilities of Project Improvements and Infrastructure that constitute MOA Maintenance Obligations shall be responsibility of the appropriate MOA pursuant to the terms of this Agreement and a Maintenance Agreement for a period of three (3) years after the Effective Date of this Agreement.

3.04 Water and Wastewater Service.

(a) To provide for delivery of retail water and wastewater service to the Property, the City and the Developer shall enter into a USA. The City hereby represents to the Developer that it has adequate water and wastewater capacity to provide service to the Property, assuming development of the Property in the manner provided in this Agreement, and that it shall minimally reserve this capacity for the benefit of the Property. Notwithstanding the foregoing, the Developer's failure to commence Property development, hereby determined to mean material and continuous physical alteration of the Property necessary to facilitate Project completion, by the end of the 2023 calendar year shall result in the Developer's forfeiture of this reservation of water and wastewater service capacity, in which case Property development shall be subject to the general availability of water and wastewater utility service capacity in accordance with the Governing Regulations.

(b) For the water and wastewater service capacity (in the form of LUEs) to be allocated to the Property, the applicable Property owners shall pay to the City the applicable Impact Fees, in accordance with, at the times and in the amounts specified in the Code, as further specified in the USA.

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

3.06 Fees and Charges.

(a) General Applicability of City Fee Ordinance; Other Fees. Activities within the Property, including development activities, shall be subject to payment to the City of the fees and charges from time to time specified in the Fee Ordinance, as well as any other fees described in this Section 3.06. In the event a requested service is not covered by the provisions of this Agreement or another Governing Regulation, the Parties shall negotiate a reasonable fee for such service, on a cost basis and not with an intention of profit generation.

(b) Inspection Fees. In addition to any plan review fees identified in the Fee Ordinance, any inspections of Project Improvements and Infrastructure pursuant to the City's inspection rights under Section 3.03(a) hereof (if the City determines that any Public Improvements and Infrastructure is not being constructed in accordance with the Governing Regulations or if the City terminates any Certified Inspector), shall be subject to the payment to the City of all reasonable costs and expenses paid or incurred by the City in performing such inspections.

(c) Impact Fees. Development of the Property will be subject to the payment to the City of the capital recovery fees and charges set forth in this Section 3.06 for Public Improvements and Infrastructure necessitated by and attributable to the development of the Property, but only to the extent such fees and charges are adopted and applied to the Property in compliance with Chapter 395 and otherwise subject to the provisions set forth in this Agreement (the "Impact Fees"). All Impact Fees shall be payable upon, and as a condition to, the issuance of building permits. Impact Fees include the following:

(i) Impact Fees for any requirements for compliance with applicable State or federal law; and

(ii) Fees applicable to development within the City, as identified in the Fee Ordinance and as the same are in effect on the date of submittal of a plat application.

3.07 Mandatory Owner's Association; Agreement to Maintain Certain Improvements. Prior to the sale of the first platted lot within the Property, the Developer will create an MOA that, in total, provide owners association services to the entirety of the Property.

Upon creation, the MOA shall enter into a Maintenance Agreement with the City, pursuant to which the MOA shall agree to the MOA Maintenance Obligations (whose responsibility shall solely be the MOA's, notwithstanding any ownership by the City of the improvements or real property upon which such maintenance is required to be performed). The Developer shall provide in the MOA's organization documents that the MOA shall annually levy and collect fees from owner members that are, at a minimum and based on an annual budget adopted by the MOA prior to the beginning of its fiscal year, sufficient to satisfy the annual MOA Maintenance Obligations. The Maintenance Agreement shall provide that the MOA shall perform the MOA Maintenance Obligations in accordance with the applicable provisions of the Governing Regulations, subject to oversight and inspection by the City, and provide to the MOA permission to perform the MOA Maintenance Obligations, as and to the extent reasonably necessary, on City-owned property. Upon reasonable request, the City shall have the right to inspect the financial reports, audits, and budget of the MOA.

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

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

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

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

ARTICLE 4
MUNICIPAL SERVICES

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

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

4.03 Electric and Natural Gas Service. Retail electric and natural gas service shall be provided to the Property by the City.

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

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

ARTICLE 5
SOURCES OF PROJECT FINANCING

5.01 Public Improvement District.

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

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

(c) Assessment Ordinance. Adoption of an Assessment Ordinance is conditioned on the successful negotiation, inclusive of terms mutually acceptable to the City and the Developer, of all Development Documents other than this Agreement (which shall at such time already be in effect). Accordingly, consideration of an Assessment Ordinance shall be conditioned on presentation to the City Council (i) for approval of the City's entering into and executing the same concurrently with or prior to the City Council's consideration of the initial Assessment Ordinance or (ii) in the event any of such Development Documents for whatever reason may not be entered into at such time, final forms thereof.

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

in the Assessed Property subject to and expressly accepting and assuming the terms and provisions of such Assessments and the liens created thereby.

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

At no time will such portion of the Assessment Revenues be subject to a lien thereon or pledge thereof securing the repayment of any PID Bonds or City obligation to reimburse the Developer for its incurring Authorized Improvements Costs.

(f) Issuance of PID Bonds. Subject to satisfaction of the conditions set forth in this Section 5.01(f) and the Service and Assessment Plan, the City may issue PID Bonds for the purposes of acquiring or constructing or reimbursing Authorized Improvement Costs or any other purposes authorized by the Chapter 372. The Developer may request the City's issuance of a series PID Bonds by filing with the City a list of the Authorized Improvements to be funded with the PID Bonds and the estimated budgeted costs therefor, as described by the Service and Assessment Plan. The Developer acknowledges that the City may at the time of its request to issue PID Bonds require the Parties enter into a professional services agreement that obligates the Developer to fund the costs of the City's professionals relating to the preparation for and issuance of PID Bonds, funded in an amount of $50,000.00 or such greater amount as shall be agreed to by the Parties (which amount is considered Administrative Expenses payable from the proceeds of such series of PID Bonds).

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

(i) the aggregate principal amount of all PID Bonds shall not exceed $3,465,00.00;

(ii) no series of PID Bonds shall pay from the proceeds therefrom capitalized interest beyond the second anniversary of its initial issuance;

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

(1) the Developer will create the Owner Disclosure Program and provide a copy of the program to the City Administrator;

(2) the Developer shall have delivered to the City Administrator a fully executed Landowner Agreements from each owner of Property; and

(3) the City shall have received fully-executed or final versions of each of the Development Documents, in form satisfactory thereto;

(iv) issuance of any series of PID Bonds shall be preceded by the City's adoption or amendment of a Service and Assessment Plan, Assessment Roll, and an Assessment Ordinance levying Assessments on all or any portion of the

Property benefited by the Authorized Improvements to be funded by such Assessments;

(v) each series of PID Bonds shall be in an amount estimated to be sufficient to fund the Authorized Improvements Costs for which such PID Bonds are being issued, plus required reserves and capitalized interest (in accordance with the limitations described above), and issuance costs;

(vi) if applicable, delivery by the Developer to the City of a certification or other evidence from an independent appraiser acceptable to the City confirming that the special benefits conferred on the parcels of the Property subject to Assessments for payment of Authorized Improvements Costs increase the value of such parcels of Property by an amount at least equal to the amount assessed against such parcels;

(vii) the Developer shall have delivered to the City (i) a certificate or report from an independent certified appraiser, appraisal firm or financial consultant, assuming completion of the Authorized Improvements, demonstrating that the ratio of the aggregate appraised value of all assessed parcels of Property to the aggregate principal amount of all PID Bonds then secured or proposed to be secured by the resultant Assessment Revenues (the "Value to Lien Ratio") is at least 3:1 (which in determining, the independent certified appraiser, appraisal firm or financial consultant may rely on builder contracts, a certificate from the Administrator identifying lots on which Structure construction has commenced or the Medina County Tax Assessor/Collector's estimated assessed valuation for completed Structures (Structure and lot assessed valuation) and estimated lot valuation for lots on which Structures are under construction);

(viii) approval by the Texas Attorney General of the PID Bonds and registration of the PID Bonds by the Comptroller of Public Accounts of the State of Texas;

(ix) evidence delivered to the City (the sufficiency of which the City has determined, in its sole discretion), that:

(1) the Developer is current on all the payment of all taxes, Assessments, fees and obligations owed to each taxing district whose jurisdiction the Property is subject;

(2) the Developer is not in default under any Development Document; and

(3) no outstanding PID Bonds are then-in default and no reserve funds established therefor have been drawn upon that have not been replenished;

(x) the Administrator has certified that the costs of the Authorized Improvements to be paid from the proceeds of the PID Bonds are eligible to be paid with the proceeds of such PID Bonds;

(xi) the City has determined that the amount of proposed Assessments and the structure, terms, conditions and timing of the issuance of the series of PID Bonds are reasonable for payment of the Authorized Improvements Costs to be financed and scope and state of Project development within the PID, and that there is sufficient security for the PID Bonds to be creditworthy;

(xii) the City has confirmed that no information regarding the City, including (without limitation) financial information, has been included in any offering document relating to PID Bonds without receipt of the City's prior consent;

(xiii) the City has confirmed that the maximum maturity for a series of PID Bonds does not exceed 30 years from its date of initial delivery;

(xiv) the Developer has agreed to provide periodic information and notices of material events regarding the Developer as it relates to the development of the Property within the PID in accordance with Securities and Exchange Commission Rule 15c2-12 and any Continuing Disclosure Agreements executed by the Developer in connection with the issuance of such series of PID Bonds; and

(xv) the City has received assurance from the Developer for adequate compensation in the event that the issuance of any series of PID Bonds impacts the City's ability to issue "qualified tax-exempt obligations" in the calendar year of issuance of such series of PID Bonds.

(g) Agreement to Establish Project Fund.

(i) On the date of issuance of any PID Bonds, to accept PID Bond proceeds to fund Authorized Improvements Costs, the City shall establish in the applicable provisions of the associated indenture pursuant to which the applicable series of PID Bonds is issued a "Project Fund" and provide for the creation therein of any necessary accounts. Any such Project Fund shall be maintained as provided in such indenture, separate and apart from all other City funds. Any such Project Fund shall be administered and controlled (including signatory authority) by the City and deposits thereto and disbursements therefrom shall be made in accordance with the terms of the applicable indenture. In the event of any conflict between the terms of this Agreement and the terms of the indenture relative to Project Fund deposits and/or disbursement of Project Fund money, the terms of the indenture shall control.

(ii) The Parties intend that the Developer will undertake construction of the Authorized Improvements in accordance with this Agreement, the other Development Documents, and the Service and Assessment Plan in

conjunction with the construction of the Project, prior to seeking direct payment therefor from funds on a deposit in a Project Fund or reimbursement for such expenditures made pursuant to a Completion Agreement under the terms of the Reimbursement Agreement. Although the terms by which Developer is entitled to reimbursement shall be detailed in the Reimbursement Agreement as described in Section 372.023 of Chapter 372, the Parties agree that the Developer will generally be entitled to the maximum available funds derived from Assessment Revenues, up to the Authorized Improvement Costs thereby expended.

(iii) If funds remain in a Project Fund after the completion of all Authorized Improvements and the payment of all Authorized Improvement Costs, then such funds shall be used to pay for additional Authorized Improvement Costs as may thereafter be included in an updated Service and Assessment Plan or used to redeem the Bonds, as further provided for in the applicable indenture.

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

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

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

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

ARTICLE 6

ECONOMIC DEVELOPMENT INCENTIVES

6.01 **Generally**. Other than the costs thereof being considered Developer's Costs herein, as herein described, the Grant Funded Public Infrastructure shall be developed, constructed, and dedicated by the Developer at no expense to the City. These Project-related public financial benefits, when combined with the potential population increase, increased property tax revenue, increased sales and use tax revenue, increased utility service customer base, and other benefits potentially created by the Project, are intended to provide a catalyst to the economy of the City in numerous ways. In exchange for delivery of these Project-related public financial benefits, the City agrees to provide Developer with the economic development incentives as outlined below.

6.02 **Grants**. In exchange for Developer's satisfaction of its duties and obligations hereunder, the City shall grant, convey and deliver to Developer, at the times, in the amounts, subject to the limitations, and otherwise in accordance with the terms hereafter provided, financial incentives, in an amount equal to the Developer's Costs, in the form of the Grants. The Grants are made, granted, conveyed, and delivered to Developer pursuant to and in furtherance of the program of economic development established in the Authorizing Ordinance.

Grants shall be funded by the City solely from, and subject to the availability of, City Ad Valorem Taxes in amounts sufficient to fund the Grant (being the amounts at such time on deposit in the Grant Proceeds Collection Account), and from no other source of City funds or revenues. The City makes no representations or warranties as to the sufficiency or availability of City Ad Valorem Taxes to fund the Grants and because this City payment obligation is so limited as to source and amount as heretofore described, Developer and City agree that the City's obligation to pay Grants to the Developer does not result in the creation of a City debt as prohibited by the state constitution. No lien is granted, nor does Developer possess any right of access, priority, or preference to the City Ad Valorem Taxes or amounts from time to time on deposit and held in the Grant Proceeds Collections Account.

As stated above, Grants shall only be paid to Developer subject to the availability of City Ad Valorem Taxes to fund the Grants from amounts at such time on deposit in the Grant Proceeds Collection Account. Further, Grants shall only be made to Developer for those Developer's Costs actually incurred and, with respect to Grant Funded Public Infrastructure with respect to which the subject Developer's Costs relate, such Grant Funded Public Infrastructure shall have been conveyed to and accepted by the City pursuant to Section 3.03(b) hereof.

6.03 **Grant Proceeds Collection Account**. In the Authorizing Ordinance, the City has established the Grant Proceeds Collection Account. As required by the Authorizing Ordinance, the City shall deposit to the Grant Proceeds Collection Account, as received, City Ad Valorem Taxes.

6.04 **Payment of Grants; Grant Installment Payment Dates**. Grants shall be funded in installments (each, a "Grant Installment") on each Grant Installment Payment Date solely from and to the extent of availability of funds on deposit in the Grant Proceeds Collection Account. Each Grant Installment shall be equal to the lesser of (i) the amount of eligible Developer's Costs included in a Developer's Reimbursement Request (defined herein) received by City from Developer in accordance with Section 6.05 hereof prior to the subject Grant Installment Payment Date, plus any eligible Developer's Costs included in any previously-submitted Developer's Reimbursement Request that remain unpaid because of unavailability of funds in the Grant

Proceeds Collection Account, and (ii) the amount of funds at such time on deposit in the Grant Proceeds Collection Account. The City shall make Grant Installment payments on each Grant Installment Payment Date by withdrawing from the Grant Proceeds Collections Account an amount of money equal to the Grant Installment to be paid on such date, calculated in the manner hereinbefore described, and delivering such sum to Developer, by check, to the address identified in Section 9.05 hereof.

6.05 Developer Reports; Requests for Grant Installment Payment. When Developer has incurred Developer's Costs pursuant to the terms of this Agreement, and unless such Developer's Costs are the subject of a previously-submitted Developer's Reimbursement Request, Developer shall, not later than the February 15th preceding the applicable Grant Installment Payment Date, deliver to the City a Developer's Reimbursement Request, which request shall be substantially in the form attached hereto as Exhibit F and include:

(a) the amount of Developer's Costs;

(b) a statement of no default hereunder;

(c) documentation evidencing the name and address of the entity or entities that performed the work or service for which such Developer's Costs were incurred, a description of the contract pursuant to which the payment is made, the amount of such payment, the original contract amount, total payments made to date on such contract, adequate proof of payment (i.e., cancelled checks and invoices for said payments, if available, or properly executed Affidavit of Payment);

(d) evidence that the Grant Funded Public Infrastructure has been completed and dedicated to the City pursuant to Section 3.03(b) hereof; and

(e) with respect to any Developer's Costs included in the Developer's Reimbursement Request that are Financing Costs, appropriate receipts, ledgers, or other documentation evidencing Developer's incurrence of such Financing Costs.

The City is not obligated to fund any Developer's Reimbursement Request until such time as all documentation required by this Section shall have been submitted to the City and determined, in the City's reasonable judgment, to be accurate and complete. The City shall have ten (10) calendar days after receipt of Developer's Reimbursement Request to object to any matter contained therein, after which Developer may remedy such objection(s) and resubmit the Reimbursement Request. Upon determination of satisfactory completion of the requirements under this Section, the City shall fund the Developer's Reimbursement Request on the next occurring Grant Installment Payment Date that is at least five (5) calendar days after the date of the City's determination of satisfaction.

6.06 Continued Delivery of Developer's Reimbursement Requests; City's Continuing Obligation to Pay. Developer shall continue to submit Developer's Reimbursement Requests until such time as all Developer's Costs have been submitted to the City or the total amount of all Developer's Costs included in all Developer's Reimbursement Requests equal the Maximum Disbursement Amount. Subject to the amounts at such time held in the Grant Proceeds Collection Account, the City shall pay Grant Installments on each Grant Installment Payment Date

through the Final Grant Installment Payment Date; provided, however, that if, on the Final Grant Installment Payment Date, the aggregate amount of Grant Installments total an amount less than the Maximum Disbursement Amount, the City shall have no obligation to reimburse Developer for Developer's Costs that at such time remain unreimbursed. As of the Final Grant Installment Payment Date, the City shall have no continuing obligation to fund Grants from the Grant Proceeds Collection Account and those City Ad Valorem Taxes that have previously been required to be deposited to the Grant Proceeds Collection Account shall be available for use by the City and shall immediately be transferred to the City's General Fund for utilization for any lawful purpose.

ARTICLE 7
ANNEXATION & ZONING

7.01 Petition for Annexation into City. The Developer hereby agrees to the voluntary, full-purpose annexation of Parcel A into the City and hereby submits, as Exhibit Q hereto, a petition requesting the annexation of the Property (the "Annexation Petition"). The Annexation Petition is deemed filed by the Developer as of the Effective Date and the City agrees to pursue and process full annexation as quickly as reasonably possible.

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

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

ARTICLE 8
ASSIGNMENT OF COMMITMENTS AND OBLIGATIONS; SUCCESSORS

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

Because the City's entering into this Agreement with the Developer is conditioned, in part, on the Developer's demonstrated skill, expertise, and financial resources with respect to the development of projects similar to the Project, demonstrating its ability to satisfy its obligations arising under this Agreement, any assignment by the Developer of its rights hereunder shall be subject to the City's approval, not to be unreasonably withheld; provided, however, an assignment by the Developer to any Developer-affiliated entity does not require approval by the City. In connection with any request for approval of assignment, the Developer shall provide to the City

evidence of the assignee's similar experience, resources, and financial resources that are demonstrative of such assignee's ability to complete Project development in a manner at least equal to those of the Developer.

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

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

ARTICLE 9
DEFAULT AND NOTICE

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

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

9.03 Litigation. In the event of any third-party lawsuit or other claim relating to the validity of this Agreement or any actions taken by the Parties hereunder, the Developer and the City intend to cooperate in the defense of such suit or claim, and to use their respective best efforts to resolve the suit or claim without diminution of their respective rights and obligations under this Agreement. The City's participation in the defense of such a lawsuit is expressly conditioned on budgetary appropriations for such action by the City Council and shall be covered by Article 11 hereof, as applicable. The filing of any third-party lawsuit relating to this Agreement or the development of the Project will not delay, stop or otherwise affect the development of the Project or the City's processing or issuance of any approvals for the Project or Project development, unless otherwise required by a court of competent jurisdiction.

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

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

Any notice mailed to the City shall be addressed:

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

With a copy to:

Clay Binford
McCall, Parkhurst & Horton L.L.P.
112 East Pecan Street, Suite 1310

San Antonio, Texas 78205
cbinford@mphlegal.com

Any notice mailed to the Developer shall be addressed:

NP Homes LLC
21911 Ranier Lane
San Antonio, Texas 78260
nphomes@aol.com

With a copy to:

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

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

ARTICLE 10
CERTIFICATE OF COMPLIANCE

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

(a) this Agreement is unmodified and in full force and effect, or if there have been modifications, that this Agreement is in full force and effect as modified and stating the date and nature of each modification; and

(b) there are no current uncured defaults under this Agreement or specifying the date and nature of each default.

ARTICLE 11
REPRESENTATIONS, WARRANTIES, AND COVENANTS

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

11.02 City Representations, Warranties and Covenants.

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

(b) The City recognizes this Agreement as a development agreement under Subchapter G of Chapter 212.

(c) Subject to the Developer's compliance with Section 3.01(c), the City recognizes and acknowledges that the Project is a "planned unit development" under Section IV of the Subdivision Ordinance.

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

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

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

11.03 Developer Representations, Warranties and Covenants.

(a) The Developer hereby represents to the City that, upon acquisition from the respective owners thereof, it will own the Property.

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

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

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

(e) The Developer agrees to obtain or cause to be obtained all necessary permits and approvals required by any Governing Regulation from the City and/or all other governmental

entities having jurisdiction or regulatory authority over the construction, installation, operation, or maintenance of improvements within the Property and, with respect thereto, pay or cause to be paid all applicable permit or similar license fees.

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

(g) The Developer shall prepare, or cause to be prepared, for the Project, a plat that are compliant with applicable provisions of the Code and the Comprehensive Zoning Ordinance and shall submit such plat to, and have such plats approved by, the City prior to starting any Project construction.

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

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

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

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

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

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

(i) the Developer is a limited 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;

(ii) the Developer has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered on behalf of the Developer;

(iii) this Agreement is a valid and enforceable obligation of the Developer and is enforceable against the Developer in accordance with its terms, subject to bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights in general and by general principles of equity;

(iv) the Developer understands the duties, limitations, and responsibilities imposed upon the City under the applicable State law having application to matters that are the subject of this Agreement, including Project development; and

(v) the Developer has sufficient knowledge, experience, and financial resources to perform its obligations under this Agreement in accordance with all duties, obligations, regulations, Governing Regulation requirements, and other applicable law affecting or required to perform the development work with respect to the Project and, in this regard, the Developer shall bid, procure, supervise, manage, perform, and from time to time provide information relating to such development work regarding Project development in compliance with all duties, obligations, regulations, code and legal requirements arising under any Governing Regulation with jurisdiction over the subject development work and the Project.

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

(o) The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2270.002, Texas

Government Code, as amended, and to the extent such section does not contravene applicable Texas or federal law. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Developer understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

(p) The Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, as amended, and posted on any of the following pages of such officer's Internet website:

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

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

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

To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas

Legislature, Regular Session), Texas Government Code, as amended, the Developer verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of the applicable agreement. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law.

As used in the foregoing verification and the following definitions,

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

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

or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting), and

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

ARTICLE 12
INDEMNIFICATION

THE DEVELOPER COVENANTS AND AGREES TO FULLY INDEMNIFY AND HOLD HARMLESS THE CITY, THE CITY COUNCIL, AND ANY OTHER OFFICIAL, EMPLOYEE, AGENT, ATTORNEY, OR REPRESENTATIVE OF ANY OF THE FOREGOING (TOGETHER, THE "INDEMNIFIED PARTIES") FROM AND AGAINST ANY AND ALL COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, PROCEEDINGS, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND SUITS OF ANY KIND AND NATURE BROUGHT BY A THIRD PARTY, INCLUDING BUT NOT LIMITED TO, PERSONAL OR BODILY INJURY, DEATH AND PROPERTY DAMAGE, MADE UPON ANY INDEMNIFIED PARTY DIRECTLY OR INDIRECTLY ARISING OUT OF, RESULTING FROM OR RELATED TO THE DEVELOPER'S ACTIVITIES UNDER THIS AGREEMENT, INCLUDING ANY ACTS OR OMISSIONS OF THE DEVELOPER, ANY AGENT, OFFICER, DIRECTOR, REPRESENTATIVE, EMPLOYEE, CONSULTANT OR SUBCONTRACTOR OF THE DEVELOPER, AND THEIR RESPECTIVE OFFICERS, AGENTS, EMPLOYEES, DIRECTORS AND REPRESENTATIVES, WHILE IN THE EXERCISE OF PERFORMANCE OF THE RIGHTS OR DUTIES UNDER THIS AGREEMENT. THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY INDEMNIFIED PARTY. IN THE EVENT THE DEVELOPER AND AN INDEMNIFIED PARTY ARE FOUND JOINTLY LIABLE, BECAUSE OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF AN INDEMNIFIED PARTY, BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO ANY SUCH INDEMNIFIED PARTY UNDER APPLICABLE TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES HERETO UNDER TEXAS LAW AS TO SAID CLAIMANTS. THE PROVISIONS OF THIS INDEMNIFICATION ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY. THE DEVELOPER SHALL IMMEDIATELY ADVISE THE CITY, IN WRITING, OF ANY CLAIM OR DEMAND AGAINST THE DEVELOPER OR AN

INDEMNIFIED PARTY, TO THE EXTENT AND WHEN KNOWN TO THE DEVELOPER, RELATED TO OR ARISING OUT OF THE DEVELOPER'S ACTIVITIES UNDER THIS AGREEMENT.

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

ARTICLE 13
MISCELLANEOUS

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

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

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

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

13.05 Termination or Amendment by Agreement. This Agreement may only be terminated prior to the Termination Date, or its terms amended by mutual written consent of the Parties.

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

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

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

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

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

[SIGNATURE PAGES TO FOLLOW]

* * *

CITY OF CASTROVILLE, TEXAS

By: _____
D. Darrin Schroeder Mayor

Date: 3-31-2023

THE STATE OF TEXAS §
§
COUNTY OF MEDINA §

This instrument was acknowledged before me on March 31th, 2023, by Darrin Schroeder, Mayor of City of Castroville, a Texas General Law Type A Municipality.

_____
Notary Public in and for the State of Texas

DEBRA HOWE
NOTARY PUBLIC
STATE OF TEXAS
MY COMM. EXP. 04/06/24
NOTARY ID 1164494-6

THE DEVELOPER:

NP Homes LLC

a Texas limited Liability Company

By: _____

Name: Nader Karimi

Title: Director / Manager

Date: August 4, 2023

THE STATE OF TEXAS §
§
COUNTY OF §

This instrument was acknowledged before me on August 4, 2023, by Nader Karimi, Director/Manager of N.P. Homes LLC.

EMILIE CHRISTIAN
Notary Public, State of Texas
Comm. Expires 02-28-2024
Notary ID 132381787

Emilie Christian
Notary Public in and for the State of Texas

THE LANDOWNERS

By: Lynn J. Tschirhart
Lynn Tschirhart

Date: 8-7-2023

EMILIE CHRISTIAN
Notary Public, State of Texas
Comm. Expires 02-28-2024
Notary ID 132381787

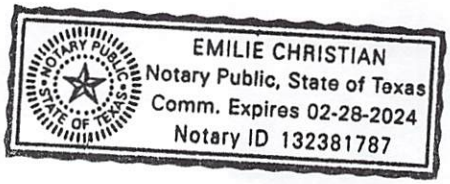
THE STATE OF TEXAS §
§
COUNTY OF Medina §

This instrument was acknowledged before me on August 7, 2023, by Lynn Tschirhart, _____ of _____.

Emilie Christian
Notary Public in and for the State of Texas

By: Beverly Tschirhart
Beverly Tschirhart

Date: 8-07-2023



THE STATE OF TEXAS §
§
COUNTY OF Medina §

This instrument was acknowledged before me on August 7, 2023, by Beverly Tschirhart, _____ of _____.

Emilie Christian
Notary Public in and for the State of Texas

By: Marilyn Haby
Marilyn Haby

Date: 8/7/2023

THE STATE OF TEXAS §
§
COUNTY OF Medina §

EMILIE CHRISTIAN
Notary Public, State of Texas
Comm. Expires 02-28-2024
Notary ID 132381787

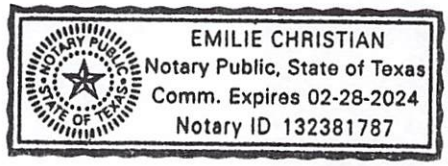
This instrument was acknowledged before me on August 7, 2023, by Marilyn Haby, _____ of _____.

Emilie Christian
Notary Public in and for the State of Texas

By: Charles J. Haby
Charles Haby

Date: 8-7-2023

THE STATE OF TEXAS §
§
COUNTY OF Medina §



This instrument was acknowledged before me on August 7, 2023, by Charles Haby, _____ of _____.

Emilie Christian
Notary Public in and for the State of Texas

INDEX TO EXHIBITS

Exhibit A

PROPERTY DESCRIPTION
[METES AND BOUNDS AND LOCATION MAP]

SURVEY PLAT

LINE TABLE		
LINE #	BEARING	LENGTH
L1	S01° 25' 36"E	624.66'
L2	N89° 57' 24"W	1782.59'
L3	N00° 13' 42"W	624.76'
L4	S89° 56' 49"E	1769.53'

STATE OF TEXAS
REGISTERED
SHERMAN L. POSEY
6433
PROFESSIONAL
LAND SURVEYOR

LEGEND:

- BOUNDARY LINE
- ADJOINER LINE
- SURVEY LINE
- FENCE
- BURIED PIPELINE
- OHE — OVERHEAD ELECTRIC LINE
- UG — UNDERGROUND UTILITY LINE
- W — WATER LINE

P.U.E. – PUBLIC UTILITY EASEMENT
B.L. – BUILDING SETBACK LINE
U.D.E. – UTILITY, DRAINAGE, AND EMBANKMENT/BACKSLOPE EASEMENT
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- POINT
- 1/2" IRON ROD FOUND
- 1/2" IRON ROD SET
- 120D NAIL FOUND
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- NAIL SET
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- WOOD FENCE CORNER POST FOUND
- AS MARKED
- A/C
- ELECTRIC METER
- TELEPHONE PEDESTAL
- SEPTIC
- GAS METER
- WATER WELL
- UTILITY POLE
- FIRE HYDRANT

FILE: 2023\BOUNDARY\MEDINA\23-0304 FM 471 10 and 25 acre survey

INTREPID
SURVEYING & ENGINEERING
P.O. Box 1209 • 109 Dilworth Plaza
Poth, TX 78147
O. 830.393.8833 • F. 830.393.3388
WWW.INTREPIDTX.COM
TBPLS #10193936 • TBPE #16550

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PLAT WAS DERIVED FROM ACTUAL FIELD NOTES OF ON-THE-GROUND SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AT THE TIME OF THIS SURVEY. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY.

05-08-2023

REGISTERED PROFESSIONAL LAND SURVEYOR — DATE

PARCEL A

0' 250' 500' 750'

NOTE:
1. BEARINGS, DISTANCES & ACREAGE ARE GRID, NAD 83 US TX SOUTH CENTRAL ZONE AND ARE DERIVED FROM NORMAL GPS TECHNIQUES.

2. THIS SURVEY WAS PREPARED WITHOUT THE BENEFIT OF A CURRENT TITLE REPORT. THERE MAY BE EASEMENTS AND/OR COVENANTS AFFECTING THIS PROPERTY, NOT SHOWN HEREON.

3. A METES AND BOUNDS DESCRIPTION ACCOMPANIES THIS PLAT.

4. IRON ROD SET ARE 1/2 INCH IRON REBAR WITH PLASTIC CAPS MARKED "INTREPID"

REFERENCE: HAZEL EASTERLING HABY	
ADDRESS: FARM TO MARKET ROAD NO. 471	
LEGAL DESCRIPTION: BEING 25.46 ACRES OF LAND OUT OF THE	
JANE CALDER SURVEY NO. 42, ABSTRACT NO. 1884 AND OUT OF	
OUT LOT NO. 2, OUT LOTS OF CASTROVILLE, MEDINA COUNTY,	
TEXAS ACCORDING TO THE MAP OR PLAT RECORDEDT THEREOF IN	
VOLUME 6, PAGE 64 M.C.P.R.	
JOB NO. 23-0304	REV. 0
DRAWN BY: AJS	FIELD BOOK: IN FILE

PARCEL A

INTREPID
SURVEYING & ENGINEERING

LEGAL DESCRIPTION: Being 25.46 acres of land out of the Jane Calder Survey No. 42, Abstract No. 1884, Medina County, Texas and out of Out Lot No. 2, Out Lots of Castroville, Medina County Texas according to the map or plat recorded thereof in Volume 6, Page 64 of the Plat Records of Medina County, Texas and also being a portion of that certain 34 acre tract described in Volume 494, Page 1040 of the Official Public Records of Medina County, Texas; Said 25.46 acre tract being more particularly described as follows and as surveyed under the supervision of Intrepid Surveying & Engineering Corporation in May, 2023:

BEGINNING at a 1/2 inch iron rod found for an interior corner of Castroville's Country Village, Unit 4, Medina County, Texas according to the map or plat recorded thereof in Volume 7, Page 200 of said Plat Records, the northeast corner of said 34 acre tract and the northeast corner hereof;

THENCE along the common lines of said 34 acre tract, the following 2 courses:

1. South 01°25'36" East a distance of 624.66 feet along a west line of said Castroville's Country Village, Unit 4, a west line of Resubdivision Plat of Christina O. Warzbach Subdivision, Medina County, Texas according to the map or plat recorded thereof in Volume 7, Page 127 of said Plat Records to a 1/2 inch iron rod found for an interior corner of Resubdivison Plat of Christina O. Warzbach Subdivision and the southeast corner hereof;
2. North 89°57'24" West a distance of 1782.59 feet along a north line of said Resubdivison Plat of Christina O. Warzbach Subdivision and the north lines of the residual of that certain 3.9930 acre tract described in Volume 1, Page 242 of the Deed Records of Medina County, Texas, that certain Lot 1, Pumphouse #5 L.C., Medina County, Texas according to the map or plat recorded thereof in Volume 10, Page 212 of said Plat Records and the Droitcourt Subdivision, Medina County, Texas according to the map or plat recorded thereof in Volume 3, Page 14 of said Plat Records to a 1/2 inch iron rod set for the southeast corner of that certain 9.72 acre tract surveyed this same day by: Intrepid Surveying and Engineering Corporation and the southwest corner hereof;

THENCE North 00°13'42" West a distance of 624.76 feet over and across said 34 acre tract along the east line of said 9.72 acre tract to a 1/2 inch iron rod set in the south line of Castroville's Country Village, Unit 1, Medina County, Texas according to the map or plat recorded thereof in Volume 6, Page 16 of said Plat Records and the north line of said 34 acre tract for the northeast corner of said 9.72 acre tract and the northwest corner hereof;

THENCE South 89°56'49" East a distance of 1769.53 feet along the north line of said 34 acre tract and the south lines of Castroville's Country Village, Unit 1 and Castroville's Country Village, Unit 4 to the **POINT OF BEGINNNING** containing 25.46 acres more or less, and as shown on certified plat herewith.

Note: Bearings, distances and acreage shown hereon are NAD 83, South Central Zone and are derived from GPS techniques. Iron Rods set are a 1/2 inch rod with plastic caps marked "INTREPID".

Surveyed by;

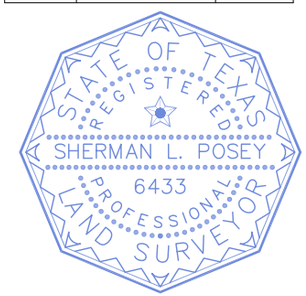
May 8, 2023

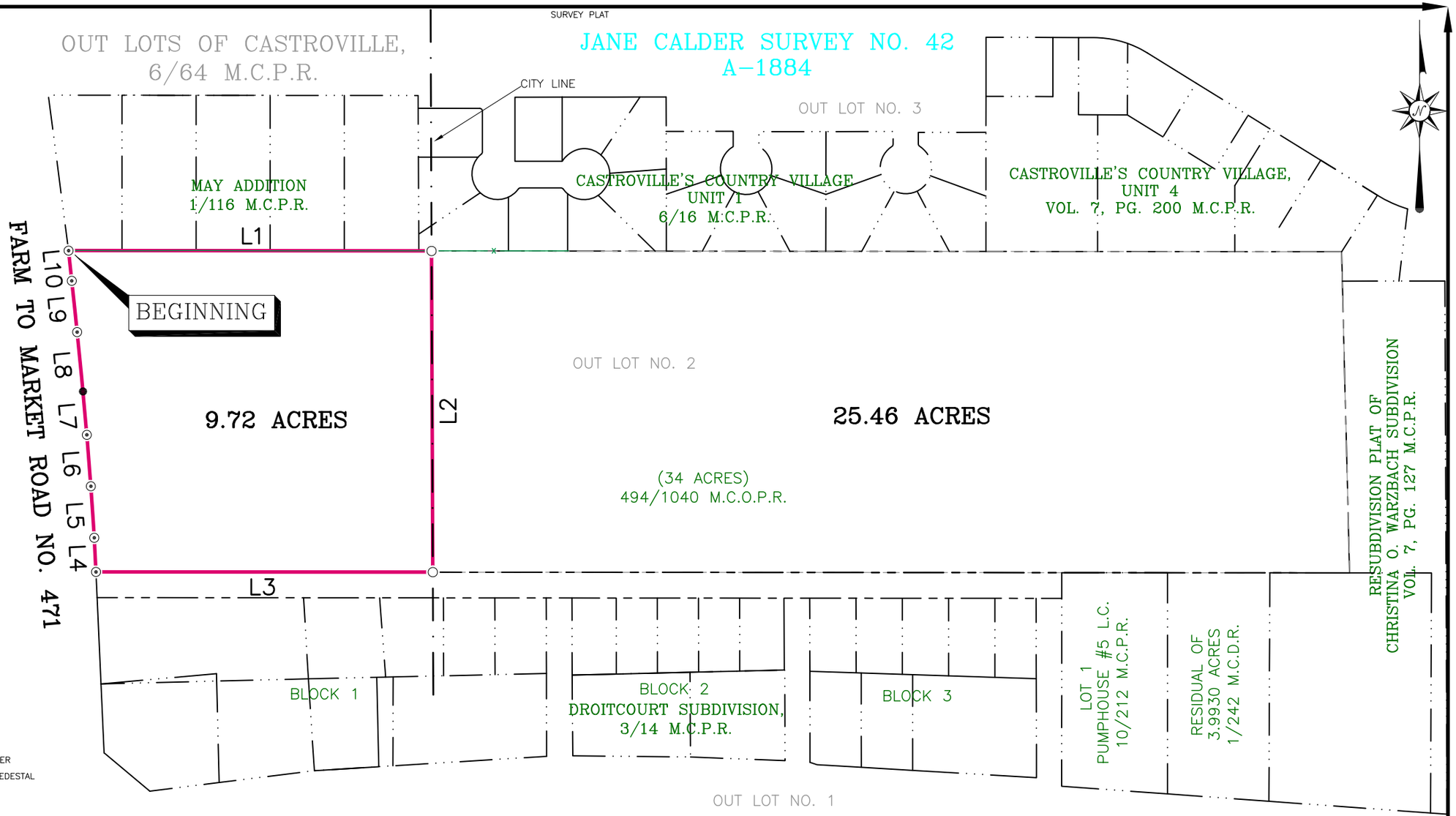
Sherman L. Posey, R.P.L.S.
Job# 23-0304.

P.O. Box 1209 ♦ 109 Dilworth Plaza
Poth, TX 78147
O. (830) 393-8833
F. (830) 393-3388

SURVEY PLAT

LINE TABLE		
LINE #	BEARING	LENGTH
L1	S89° 56' 49"E	705.83'
L2	S00° 13' 42"E	624.76'
L3	N89° 57' 24"W	655.13'
L4	N02° 49' 13"W	66.48'
L5	N03° 45' 37"W	100.40'
L6	N04° 30' 30"W	100.34'
L7	N05° 03' 51"W	84.79'
L8	N05° 36' 31"W	116.20'
L9	N06° 02' 16"W	100.01'
L10	N05° 55' 02"W	59.05'





LEGEND:

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- ADJOINER LINE
- SURVEY LINE
- FENCE
- BURIED PIPELINE
- OHE — OVERHEAD ELECTRIC LINE
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FILE: 2023\BOUNDARY\MEDINA\23-0304 FM 471 10 and 25 acre survey

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I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS PLAT WAS DERIVED FROM ACTUAL FIELD NOTES OF ON-THE-GROUND SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AT THE TIME OF THIS SURVEY. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY.

05-08-2023

REGISTERED PROFESSIONAL LAND SURVEYOR — DATE

PARCEL B

0' 250' 500' 750'

NOTE:
1. BEARINGS, DISTANCES & ACREAGE ARE GRID, NAD 83 US TX SOUTH CENTRAL ZONE AND ARE DERIVED FROM NORMAL GPS TECHNIQUES.

2. THIS SURVEY WAS PREPARED WITHOUT THE BENEFIT OF A CURRENT TITLE REPORT. THERE MAY BE EASEMENTS AND/OR COVENANTS AFFECTING THIS PROPERTY, NOT SHOWN HEREON.

3. A METES AND BOUNDS DESCRIPTION ACCOMPANIES THIS PLAT.

4. IRON ROD SET ARE 1/2 INCH IRON REBAR WITH PLASTIC CAPS MARKED "INTREPID"

REFERENCE: HAZEL EASTERLING HABY	
ADDRESS: FARM TO MARKET ROAD NO. 471	
LEGAL DESCRIPTION: BEING 9.72 ACRES OF LAND OUT OF THE	
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OUT LOT NO. 2, OUT LOTS OF CASTROVILLE, MEDINA COUNTY,	
TEXAS ACCORDING TO THE MAP OR PLAT RECORDEDT THEREOF IN	
VOLUME 6, PAGE 64 M.C.P.R.	
JOB NO. 23-0304	REV. 0
DRAWN BY: AJS	FIELD BOOK: IN FILE

PARCEL B

INTREPID
SURVEYING & ENGINEERING

LEGAL DESCRIPTION: Being 9.72 acres of land out of the Jane Calder Survey No. 42, Abstract No. 1884, Medina County, Texas and out of Out Lot No. 2, Out Lots of Castroville, Medina County Texas according to the map or plat recorded thereof in Volume 6, Page 64 of the Plat Records of Medina County, Texas and also being a portion of that certain 34 acre tract described in Volume 494, Page 1040 of the Official Public Records of Medina County, Texas; Said 9.72 acre tract being more particularly described as follows and as surveyed under the supervision of Intrepid Surveying & Engineering Corporation in May, 2023:

BEGINNING at a 1/2 inch iron rod found in the east line of Farm to Market Road No. 471 for the southwest corner of the May Addition, Medina County, Texas according to the map or plat recorded thereof in Volume 1, Page 116 of said Plat Records, the northwest corner of said 34 acre tract and the northwest corner hereof;

THENCE South 89°56’49" East a distance of 705.83 feet along the north line of said 34 acre tract and the south lines of said May Addition and Castroville’s Country Village, Unit 1, Medina County, Texas according to the map or plat recorded thereof in Volume 6, Page 16 of said Plat Records to a 1/2 inch iron rod set for the northwest corner of that certain 25.46 acre tract surveyed this same day by: Intrepid Surveying and Engineering Corporation and the northeast corner hereof;

THENCE South 00°13’42" East a distance of 624.76 feet over and across said 34 acre tract along the west line of said 25.46 acre tract to a 1/2 inch iron rod set in the north line of Droitcourt Subdivision, Medina County, Texas according to the map or plat recorded thereof in Volume 3, Page 14 of said Plat Records and the south line of said 34 acre tract for the southwest corner of said 25.46 acre tract and the southeast corner hereof;

THENCE North 89°57’24" West a distance of 655.13 feet along the north line of Droitcourt Subdivision and the south line of said 34 acre tract to a 1/2 inch iron rod found in the east line of Farm to Market Road No. 471 for the northwest corner of Droitcourt Subdivision, the southwest corner of said 34 acre tract for the southwest corner hereof;

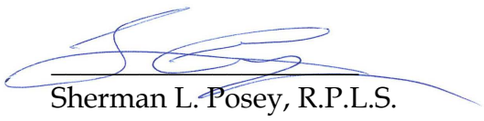
THENCE along the common lines of Farm to Market Road No. 471 and said 34 acre tract, the following 7 courses:

1. North 02°49’13" West a distance of 66.48 feet to a 1/2 inch iron rod found for a corner hereof;
2. North 03°45’37" West a distance of 100.40 feet to a 1/2 inch iron rod found for a corner hereof;
3. North 04°30’30" West a distance of 100.34 feet to a 1/2 inch iron rod found for a corner hereof;
4. North 05°03’51" West a distance of 84.79 feet to a point for a corner hereof;
5. North 05°36’31" West a distance of 116.20 feet to a 1/2 inch iron rod found for a corner hereof;
6. North 06°02’16" West a distance of 100.01 feet to a 1/2 inch iron rod found for a corner hereof;
7. North 05°55’02" West a distance of 59.05 feet to the **POINT OF BEGINNNING** containing 9.72 acres more or less, and as shown on certified plat herewith.

P.O. Box 1209 ♦ 109 Dilworth Plaza
Poth, TX 78147
O. (830) 393-8833
F. (830) 393-3388

Note: Bearings, distances and acreage shown hereon are NAD 83, South Central Zone and are derived from GPS techniques. Iron Rods set are a 1/2 inch rod with plastic caps marked "INTREPID".

Surveyed by;



May 8, 2023

Sherman L. Posey, R.P.L.S.
Job# 23-0304.

Exhibit B

RESERVED

Exhibit C

RESERVED

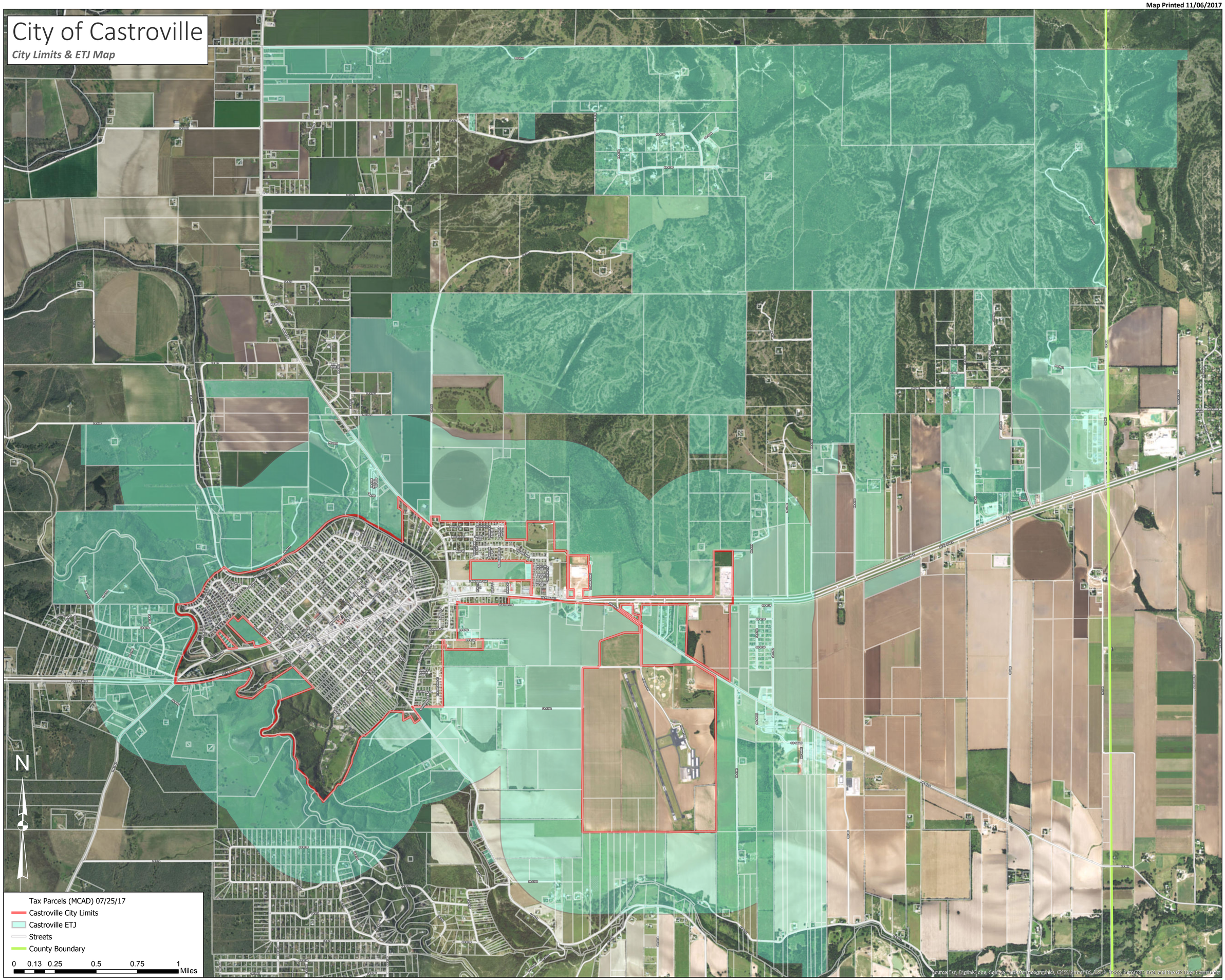
Exhibit D

CITY MAP – CORPORATE AND ETJ LIMITS

Map Printed 11/06/2017

City of Castroville

City Limits & ETJ Map



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

Exhibit E

FORM OF COMPLETION AGREEMENT

Prepared by and return to:

Clay Binford
112 E. Pecan, Suite 1310
San Antonio, Texas 78205

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

COMPLETION AGREEMENT

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

RECITALS

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

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

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

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

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

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

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

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

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

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

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

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

- **FUNDING SOURCES SUBJECT TO FINANCING AGREEMENT**. The Developer's commitment to fund the Developer Financial Commitment hereunder specified, anticipated to be satisfied with Loan proceeds, shall constitute one of the Available Sources of Payment defined in and identified under Section 2.02(a) of the Financing Agreement. Accordingly, the parties hereto

agree that accessing the Loan proceeds to pay Authorized Improvement Costs shall be subject to, in addition to any conditions to accessing Loan proceeds pursuant to the provisions of the Loan documents between the Lender and the Developer, the provisions of Section 4.03 of the Financing Agreement and shall be done only to the extent of the unavailability of other Available Sources of Payment.

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

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

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

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

(b) *Developer Default.* In the event the Developer does not comply with the terms of this Agreement, the Trustee or its designee shall have the right to seek specific performance from a court of competent jurisdiction in order to ensure the Authorized Improvements are completed as soon thereafter as possible; provided that the Trustee shall seek such relief solely at the written direction and at the sole cost and expense of the

Bondholders, which direction shall be provided in accordance with the provisions of the applicable Indenture.

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

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

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

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

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

The City:

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

With a copy to:

McCall, Parkhurst & Horton L.L.P.
112 E. Pecan, Suite 1310

San Antonio, Texas 78205
Attention: Clay Binford
Email: cbinford@mphlegal.com

Trustee:

_____
_____
_____, Texas 78____
Attention: _____
Email: _____

Developer:

[CONTACT INFORMATION]

With a copy to:

[CONTACT INFORMATION]

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

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

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

- **ASSIGNMENT**.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

As used in the foregoing verification and the following definitions,

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

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

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

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

* * *

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

CITY OF CASTROVILLE, TEXAS

By:_____
Name:_____
Title:_____

STATE OF TEXAS §
§
COUNTY OF MEDINA §

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

[SEAL]

_____
Notary Public
Commission Expires: _____

_____, solely in its capacity as trustee for the Bonds

By:_____
Name: _____
Title: _____

STATE OF TEXAS §
§
COUNTY OF _____ §

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

[SEAL]

_____
Notary Public
Commission Expires: _____

[DEVELOPER]
a Texas [limited liability company]

By:_____
Name: _____
Title: _____

STATE OF TEXAS §
§
COUNTY OF _____ §

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

[SEAL]

_____
Notary Public, State of Texas

EXHIBIT A

METES AND BOUNDS DESCRIPTION OF THE PROPERTY

EXHIBIT B

CONSENT OF LIENHOLDER

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

_____

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §
§
COUNTY OF _____ §

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

_____
Notary Public, State of Texas

EXHIBIT C

COMPLETION AGREEMENT RELEASE

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

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

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

[SIGNATURE PAGE FOLLOWS]

_____, solely in its capacity as trustee for the Bonds

By:_____

Name:_____

Title:_____

STATE OF _____ §
§
COUNTY OF _____ §

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

[SEAL]

_____
Notary Public
Commission Expires: _____

Exhibit A

Metes and Bounds

Exhibit G

RESERVED

Exhibit H

GRANT FUNDED PUBLIC INFRASTRUCTURE

CITY OF CASTROVILLE
DRAINAGE MASTER PLAN
VILLAGE PATH AND FLAT CREEK TRIBUTARY DRAINAGE IMPROVEMENTS
PROJECT SUMMARY

Project ID: D-05
Project Name: Village Path and Flat Creek Tributary Drainage Improvements
Drainage Basin: N/A

Problem Description

Roadway and property flooding are known to occur with potential residential flood risks. The channel generally does not have sufficient capacity to convey the 100-year storm event and there is minor flooding occurring within the Village Path Subdivision.

Proposed Improvements

The proposed improvements are anticipated to include channel widening and regrading from Alsatian Oaks Subdivision to the Village Path Subdivision to contain the 100-year frequency storm event and reduce property and nuisance flooding at the upstream end of the channel. Additionally, improvements to the concrete channel conveying flow from Village Path into the channel and to the ditch conveying flow from Country Lane to the channel are proposed.

CIP Ranking Criteria

	Score
Public Safety	351
Economic	189
Project Timing	95
Environment	42
Total	**677**
Final Ranking:	**2**

Project Costs

Engineering & Survey:	$ 50,000
Construction:	$ 332,835
Other:	$ 17,560
Total:	**$ 400,395**
Conceptual Cost Range:	< $1M
Estimated Construction Duration:	0 Months

Notes

- Additional drainage easement may be needed to capture the revised 100-year floodplain for between Country Ln and the downstream residential driveway.
- See exhibit for proposed improvements.

City of Castroville
Medina County, TX

Exhibit 5:
Village Path and Flat Creek Tributary Drainage Improvements

Modified ditch for additional conveyance to main channel

Potential drainage Easement to accomodate channel widening

Existing 6-5'x2' MBC

New Culvert Crossing

Modify existing concrete channel to tie into grading improvements and provide addtional capacity for ultimate conditions

Village Path

County Ln

Hollow Dr

Brook Dr

Proposed Channel Improvements

Parcel Boundary

Data Sources:
KFA (2022). Stratmap (2021)
Aerial Source: Nearmap (2021)

N

0 175 350 Feet

Date: 10/13/2022

K·FRIESE + ASSOCIATES
PUBLIC PROJECT ENGINEERING
FIRM NO. 6525

X:\Projects\0834_Castroville Drainage Master Plan\GIS\workingPRO_Castroville_DMP_20220826.aprx\0834_CIP_Ex4_VillagePath_FCT_20220829

CITY OF CASTROVILLE
DRAINAGE MASTER PLAN
PROVIDENT AVENUE STORM DRAIN IMPROVEMENT
PROJECT SUMMARY

Project ID: L-02
Project Name: Provident Avenue Storm Drain Improvement
Drainage Basin: 1 and 2 - See Exhibit

Problem Description

Roadway and property flooding due to insufficient interception capacity of the storm drain collection system. The tract north of Provident Avenue is anticpated to be developed and increase stormwater to the existing stormwater infrastructure.

Proposed Improvements

For Drainage Area 1 north of Provident Ave
-Remove the existing 24" RCP that crosses 471 and replace it with a 42" RCP sized to accept fully developed conditions from the tract to be devloped.
For draiange area 2 south of Provident Ave
- Construct inlet and storm drain improvements to convey flow received from area to the east. Construct ditches to convey flow to proposed inlets along the proposed storm drain.

CIP Ranking Criteria

	Score
Public Safety	171
Economic	189
Project Timing	125
Environment	42
Total	**527**
Final Ranking:	**8**

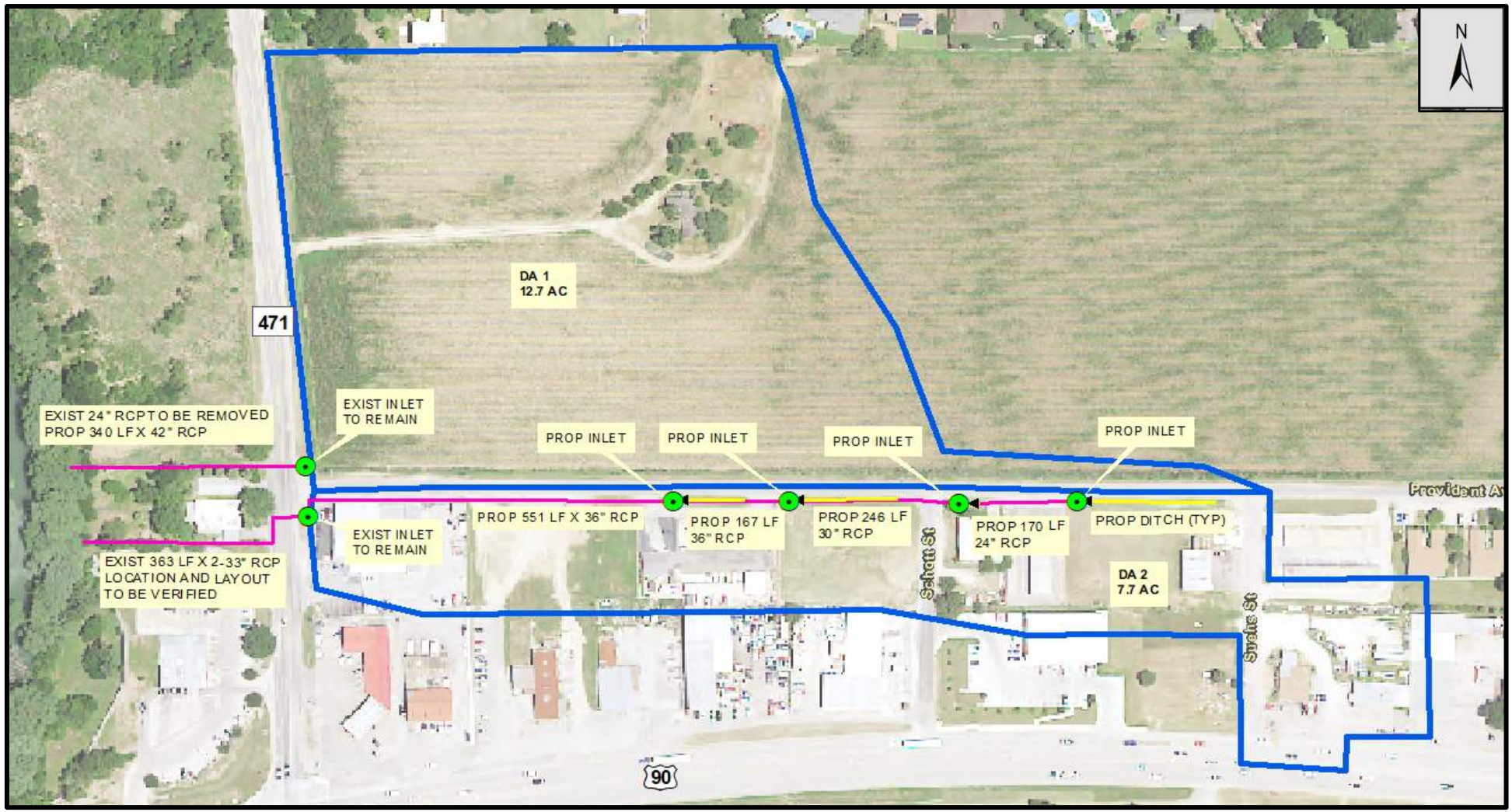
Project Costs

Engineering & Survey:	$ 91,100
Construction:	$ 606,381
Other:	$ 34,664
Total:	**$ 732,145**
Conceptual Cost Range:	< $1M
Estimated Construction Duration:	6 Months

Assumptions

CITY OF CASTROVILLE
DRAINAGE MASTER PLAN
PROVIDENT AVENUE STORM DRAIN IMPROVEMENT
PROJECT SUMMARY

Project Exhibit



K·FRIESE + ASSOCIATES
PUBLIC PROJECT ENGINEERING

Exhibit I

LAND PLAN

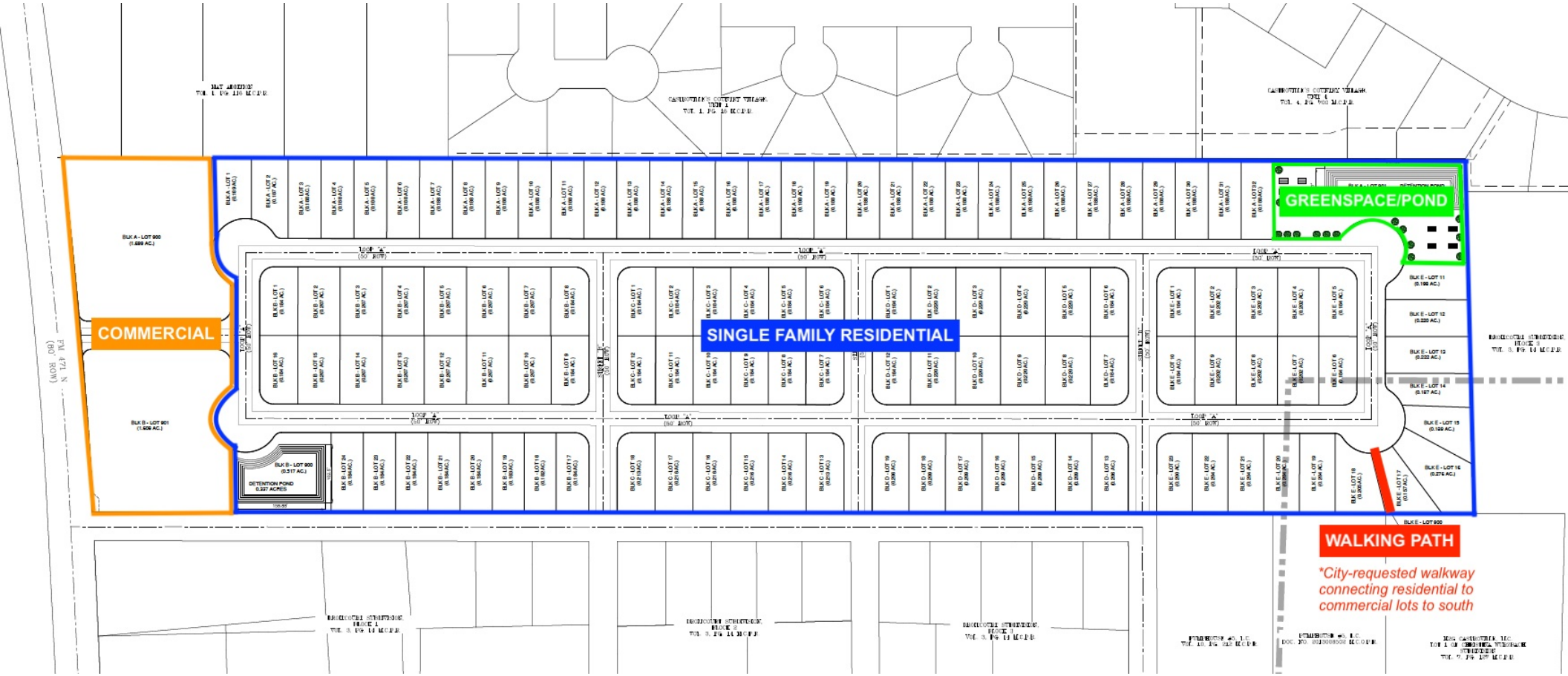

COMMERCIAL
SINGLE FAMILY RESIDENTIAL
GREENSPACE/POND
WALKING PATH
*City-requested walkway connecting residential to commercial lots to south

Exhibit J

FORM OF LANDOWNER AGREEMENT

LANDOWNER AGREEMENT

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

RECITALS

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

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

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

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

ARTICLE I. DEFINITIONS; APPROVAL OF AGREEMENTS

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

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

ARTICLE II. AGREEMENTS OF LANDOWNER

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

(i) the creation and boundaries of the District and the boundaries of the Landowner's Parcel which are coterminous with the District, all as shown on Exhibit A, and the location and development of the Authorized Improvements on the Landowner Parcel and on the property within the District;

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

(iii) the Assessment Ordinance and the Service and Assessment Plan.

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

(i) each Assessment levied by the City on the Landowner's Parcel within the District, as shown on the assessment roll attached as Appendix __ to the Service and Assessment Plan (the "Assessment Roll");

(ii) the Authorized Improvements specially benefit the District and the Landowner's Parcel in an amount in excess of the Assessment levied on the Landowner's Parcel within the District, as such Assessment is shown on the Assessment Roll;

(iii) each Assessment is final, conclusive and binding upon Landowner and any subsequent owner of the Landowner's Parcel, regardless of whether such Landowner may be required to prepay a portion of, or the entirety of, such Assessment upon the occurrence of any mandatory prepayment event as may be provided in the Service and Assessment Plan;

(iv) the obligation to pay the Assessment levied on the Landowner's Parcel owned by it when due and in the amount required by and stated in the Service and Assessment Plan and the Assessment Ordinance;

(v) each Assessment or reassessment, with interest, the expense of collection, and reasonable attorney's fees, if incurred, is a first and prior lien against the Landowner's Parcel, superior to all other liens and monetary claims except liens or monetary claims for state, county, school district, or municipal ad valorem taxes, and is a personal liability of and charge against the owner of the Landowner's Parcel regardless of whether such owner is named;

(vi) the Assessment lien on the Landowner's Parcel is a lien and covenant that runs with the land and is effective from the date of the Assessment Ordinance and continues until the Assessment is paid and may be enforced by the governing body of the City in the same manner that an ad valorem tax lien against real property may be enforced by the City;

(vii) delinquent installments of the Assessment shall incur and accrue interest, penalties, and attorney's fees as provided in the PID Act;

(viii) the owner of a Landowner's Parcel may pay at any time the entire Assessment, with interest that has accrued on the Assessment, on any parcel in the Landowner's Parcel;

(ix) the Annual Installments of the Assessments (as defined in the Service and Assessment Plan and Assessment Roll) may be adjusted, decreased, and extended; and, the assessed parties shall be obligated to pay their respective revised amounts of the Annual Installments, when due, and without the necessity of further action, assessments or reassessments by the City, the same as though they were expressly set forth herein; and

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

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

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

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

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

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

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

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

ARTICLE III. OWNERSHIP AND CONSTRUCTION OF AUTHORIZED IMPROVEMENTS

A. Ownership and Transfer of Authorized Improvements. The Landowner acknowledges that all of the Authorized Improvements and the land (or easements, as applicable) needed therefor shall be owned by the City as constructed and/or conveyed to the City and The Landowner will execute such

conveyances and/or dedications of public rights of way and easements as may be reasonably required to evidence such ownership, as generally described on the current plats of the property within the District.

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

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

(ii) Landowner hereby agrees that any right or condition imposed by the Development Agreement (as defined in the Service and Assessment Plan), or other agreement, with respect to the Assessment has been satisfied, and that Landowner shall not have any rights or remedies against the City under the Development Agreement, or under any law or principles of equity concerning the Assessments, with respect to the formation of the District, approval of the Service and Assessment Plan and the City's levy and collection of the Assessments.

ARTICLE IV. COVENANTS AND WARRANTIES; MISCELLANEOUS

A. Special Covenants and Warranties of Landowner. The Landowner represents and warrants to the City as follows:

(i) The Landowner is duly organized, validly existing and, as applicable, in good standing under the laws of the state of its organization and has the full right, power and authority to enter into this Agreement, and to perform all the obligations required to be performed by Landowner hereunder.

(ii) This Agreement has been duly and validly executed and delivered by, and on behalf of, the Landowner and, assuming the due authorization, execution and delivery thereof by and on behalf of the City and the Landowner, constitutes a valid, binding and enforceable obligation of such party enforceable in accordance with its terms. This representation and warranty is qualified to the extent the enforceability of this Agreement may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws of general application affecting the rights of creditors in general.

(iii) Neither the execution and delivery hereof, nor the taking of any actions contemplated hereby, will conflict with or result in a breach of any of the provisions of, or constitute a default, event of default or event creating a right of acceleration, termination or cancellation of any obligation under, any instrument, note, mortgage, contract, judgment, order, award, decree or

other agreement or restriction to which the Landowner is a party, or by which the Landowner or the Landowner's Parcel is otherwise bound.

(iv) The Landowner is, subject to all matters of record in the Medina County, Texas Real Property Records, the sole owner of the Landowner's Parcel.

(v) The Landowner's Parcel owned by the Landowner is not subject to, or encumbered by, any covenant, lien, encumbrance or agreement which would prohibit (i) the creation of the District, (ii) the levy of the Assessments, or (iii) the construction of the Authorized Improvements on those portions of the property within the District which are to be owned by the City, as generally described on the current plats of the property within the District (or, if subject to any such prohibition, the approval or consent of all necessary parties thereto has been obtained).

(vi) The Landowner covenants and agrees to execute any and all documents necessary, appropriate or incidental to the purposes of this Agreement, as long as such documents are consistent with this Agreement and do not create additional liability of any type to, or reduce the rights of, the Landowner by virtue of execution thereof.

B. Waiver of Claims Concerning Authorized Improvements. The Landowner, with full knowledge of the provisions, and the rights thereof pursuant to such provisions, of applicable law, waives any claims against the City and its successors, assigns and agents, pertaining to the installation of the Authorized Improvements.

C. Notices. Any notice or other communication to be given to the City or Landowner under this Agreement shall be given by delivering the same in writing to:

To the City:	Attn: City Administrator City of Castroville, Texas 1209 Fiorella Street Castroville, Texas 78387
With a copy to:	Attn: Clay Binford McCall, Parkhurst & Horton L.L.P. 112 E. Pecan, Suite 1310 San Antonio, Texas 78205
To the Developer:	[CONTACT]
With a copy to:	[CONTACT]

Any notice sent under this Agreement (except as otherwise expressly required) shall be written and mailed or sent by electronic or facsimile transmission confirmed by mailing written confirmation at substantially the same time as such electronic or facsimile transmission, or personally delivered to an officer of the recipient as the address set forth herein.

Each recipient may change its address by written notice in accordance with this Section. Any communication addressed and mailed in accordance with this provision shall be deemed to be given when so mailed, any notice so sent by electronic or facsimile transmission shall be deemed to be given when receipt of such transmission is acknowledged, and any communication so delivered in person shall be deemed to be given when receipted for, or actually received by, the addressee.

D. Parties in Interest. This Agreement is made solely for the benefit of the City and the Landowner and is not assignable, except, in the case of Landowner, in connection with the sale or disposition of all or substantially all of the parcels which constitute the Landowner's Parcel, and any such Assignment does not void any of the findings made in this Agreement. However, the parties expressly agree and acknowledge that the City, the Landowner, each current owner of any parcel which constitutes the Landowner's Parcel, and the holders of bonds issued by the City to finance the costs of the Authorized Improvements and which are secured by a pledge of the Assessments or any part thereof, are express beneficiaries of this Agreement and shall be entitled to pursue any and all remedies at law or in equity to enforce the obligations of the parties hereto. This Agreement shall be recorded in the real property records of Medina County, Texas.

E. Amendments. This Agreement may be amended only by written instrument executed by the City and the Landowner. No termination or amendment shall be effective until a written instrument setting forth the terms thereof has been executed by the then-current owners of the property within the District and recorded in the Real Property Records of Medina County, Texas.

F. Effective Date. This Agreement shall become and be effective (the "Effective Date") upon the date of final execution by the later of the City and the Landowner and shall be valid and enforceable on said date and thereafter.

G. Estoppels. Within 10 days after written request from a party hereto, the other party shall provide a written certification, indicating whether this Agreement remains in effect as to the Landowner's Parcel, and whether any party is then in default hereunder.

H. Termination. This Agreement shall terminate and be of no further force and effect as to the Landowner's Parcel upon payment in full of the Assessment(s) against such Landowner's Parcel.

[Signature pages to follow]

EXECUTED by the City and Landowner on the respective dates stated below.

Date: _____

CITY OF CASTROVILLE, TEXAS

By: _____
Mayor

ATTEST:

By: _____
City Secretary

LANDOWNER

_____
a Texas _____,

By: _____

_____,
its manager

STATE OF TEXAS)

)

COUNTY OF _____)

This instrument was acknowledged before me on the __ day of _____, 20___, by _____ in his capacity as Manager of _____, known to be the person whose name is subscribed to the foregoing instrument, and that he executed the same on behalf of and as the act of Manager of _____.

_____
Notary Public, State of Texas

My Commission Expires:

_____

LANDOWNER AGREEMENT – EXHIBIT A

METES AND BOUNDS DESCRIPTION OF LANDOWNER'S PARCEL

LANDOWNER AGREEMENT – EXHIBIT B

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

This DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (as it may be amended from time to time, this "Declaration") is made as of _____ by _____ a Texas _____ (the "Landowner").

RECITALS:

A. The Landowner holds record title to that portion of the real property located in Medina County, Texas, which is described in the attached Exhibit A (the "Landowner's Parcel").

B. The City Council (the "City Council") of the City of Castroville, Texas (the "City") upon a petition requesting the establishment of a public improvement district covering the property within the District to be known as the [NAME] Public Improvement District (the "District") by the then current owners of 100% of the appraised value of the taxable real property and 100% of the area of all taxable real property within the area requested to be included in the District created such District, in accordance with the Public Improvement District Assessment Act, codified at Chapter 372, as amended, Texas Local Government Code (the "PID Act").

C. The City Council has adopted an assessment ordinance to levy assessments for certain public improvements (including all exhibits and attachments thereto, the "Assessment Ordinance") and the Service and Assessment Plan and Assessment Roll included as an exhibit to the Assessment Ordinance (as amended from time to time, the "Service and Assessment Plan"), and has levied the assessments (as amended from time to time, the "Assessments") on property in the District.

D. The statutory notification required by Texas Property Code, Section 5.014, as amended, to be provided by the seller of real property that is located in a public improvement district established under Chapter 372 of the Texas Local Government Code, as amended, to the purchaser, is incorporated into these Covenants, Conditions and Restrictions.

DECLARATIONS:

NOW, THEREFORE, the Landowner hereby declares that the Landowner's Parcel is and shall be subject to, and hereby imposes on the Landowner's Parcel, the following covenants, conditions and restrictions:

1. Acceptance and Approval of Assessments and Lien on Property:

(a) The Landowner accepts each Assessment levied on the Landowner's Parcel owned by such Landowner.

(b) The Assessment (including any reassessment, the expense of collection, and reasonable attorney's fees, if incurred) is (1) a first and prior lien (the "Assessment Lien") against the property assessed, superior to all other liens or claims except for liens or claims for state, county, school district or municipality ad valorem property taxes whether now or hereafter payable, and (2) a personal liability of and charge against the owners of the property to the extent of their ownership regardless of whether the owners are named. The Assessment Lien is effective from the date of the Assessment Ordinance until the Assessments are paid and may be enforced by the City in the same manner as an ad valorem property tax levied against real property that may be enforced by the City.

The owner of any assessed property may pay, at any time, the entire Assessment levied against any such property. Foreclosure of an ad valorem property tax lien on property within the District will not extinguish the Assessment or any unpaid but not yet due annual installments of the Assessment and will not accelerate the due date for any unpaid and not yet due annual installments of the Assessment.

It is the clear intention of all parties to these Declarations of Covenants, Conditions and Restrictions, that the Assessments, including any annual installments of the Assessments (as such annual installments may be adjusted, decreased or extended), are covenants that run with the Landowner's Parcel and specifically binds the Landowner, its successors and assigns.

In the event of delinquency in the payment of any annual installment of the Assessment, the City is empowered to order institution of an action in district court to foreclose the related Assessment Lien, to enforce personal liability against the owner of the real property for the Assessment, or both. In such action the real property subject to the delinquent Assessment may be sold at judicial foreclosure sale for the amount of such delinquent property taxes and Assessment, plus penalties, interest and costs of collection.

2. The Landowner or any subsequent owner of the Landowner's Parcel waives:

(a) any and all defects, irregularities, illegalities or deficiencies in the proceedings establishing the District and levying and collecting the Assessments or the annual installments of the Assessments;

(b) any and all notices and time periods provided by the PID Act including, but not limited to, notice of the establishment of the District and notice of public hearings regarding the levy of Assessments by the City Council concerning the Assessments;

(c) any and all defects, irregularities, illegalities or deficiencies in, or in the adoption of, the Assessment Ordinance by the City Council;

(d) any and all actions and defenses against the adoption or amendment of the Service and Assessment Plan, the City's finding of a 'special benefit' pursuant to the PID Act and the Service and Assessment Plan, and the levy of the Assessments; and

(e) any right to object to the legality of any of the Assessments or the Service and Assessment Plan or to any of the previous proceedings connected therewith which occurred prior to, or upon, the City Council's levy of the Assessments.

3. Amendments: This Declaration may be terminated or amended only by a document duly executed and acknowledged by the then-current owner(s) of the Landowner's Parcel and the City. No such termination or amendment shall be effective until a written instrument setting forth the terms thereof has been executed by the parties by whom approval is required as set forth above and recorded in the real Property Records of Medina County, Texas.

4. Third Party Beneficiary: The City is a third-party beneficiary to this Declaration and may enforce the terms hereof.

5. Notice to Subsequent Purchasers: Upon the sale of a dwelling unit within the District, the purchaser of such property shall be provided a written notice that reads substantially similar to the following:

TEXAS PROPERTY CODE SECTION 5.014

NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENT DISTRICT ASSESSMENT TO THE CITY OF CASTROVILLE, MEDINA COUNTY, TEXAS CONCERNING THE PROPERTY AT

[Street Address]

As the purchaser of this parcel of real property, you are obligated to pay an assessment to the City of Castroville, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within [NAME] Public Improvement District (the "District") created under Subchapter A of Chapter 372, as amended, Texas Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment against your property may be obtained from the City of Castroville, Texas. The exact amount of each annual installment will be approved each year by the City Council of the City of Castroville, Texas in the annual service plan update for the District. More information concerning the amount of the assessment and the due dates of that assessment may be obtained from the City of Castroville, 1209 Fiorella Street, Castroville, Texas 78009.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

Signature of Purchaser(s) _____ Date: _____

The seller shall deliver this notice to the purchaser before the effective date of an executory contract binding the purchaser to purchase the property. The notice may be given separately, as part of the contract during negotiations, or as part of any other notice the seller delivers to the purchaser. If the notice is included as part of the executory contract or another notice, the title of the notice prescribed by this section, the references to the street address and date in the notice, and the purchaser's signature on the notice may be omitted.

EXECUTED by the undersigned on the date set forth below to be effective as of the date first above written.

LANDOWNER

_____
a Texas _____,

By: _____

_____,
its manager

STATE OF TEXAS)

)

COUNTY OF _____)

This instrument was acknowledged before me on the __ day of _____, 20___, by _____ in his capacity as Manager of _____, known to be the person whose name is subscribed to the foregoing instrument, and that he executed the same on behalf of and as the act of Manager of _____.

_____
Notary Public, State of Texas

My Commission Expires:

_____

LANDOWNER AGREEMENT - EXHIBIT C

HOMEBUYER EDUCATION PROGRAM

As used in this Exhibit C, the recorded Notice of the Authorization and Establishment of the [NAME] Public Improvement District and the Covenants, Conditions and Restrictions in Exhibit B of this Agreement are referred to as the "Recorded Notices."

1. Any Landowner who is a Builder shall attach the Recorded Notices and the final Assessment Roll for such Assessed Parcel (or if the Assessment Roll is not available for such Assessed Parcel, then a schedule showing the maximum 30-year payment for such Assessed Parcel) as an addendum to any residential homebuyer's contract.

2. Any Landowner who is a Builder shall provide evidence of compliance with 1 above, signed by such residential homebuyer, to the City.

3. Any Landowner who is a Builder shall prominently display signage in its model homes, if any, substantially in the form of the Recorded Notices.

4. If prepared and provided by the City, any Landowner who is a Builder shall distribute informational brochures about the existence and effect of the District in prospective homebuyer sales packets.

5. Any Landowner who is a Builder shall include Assessments in estimated property taxes, if such Builder estimates monthly ownership costs for prospective homebuyers.

Exhibit K

FORM OF MAINTENANCE AGREEMENT

PUBLIC IMPROVEMENT MAINTENANCE AGREEMENT

This Public Improvement Maintenance Agreement (this *Agreement*) is made and entered into on this the [___] day of [_____], 202__, by and between City of Castroville, Texas (the *City*), a Type A general law municipality, and [NAME] (the *Association*), a Texas property owners association organized and existing under laws of the State of Texas and having the powers and limitations provided under Title 11 of the Texas Property Code, for the purpose for providing the terms for the Association's maintenance of public parkland and storm drainage improvements within the hereinafter-defined District. The City and the Association are herein referred to individually as a *Party* and, together, as the *Parties*.

W I T N E S S E T H

WHEREAS, the City has, pursuant to applicable law, created the [NAME] Public Improvement (the *District*) on approximately [___] acres of land located [within] the City (such land, as more particularly described on Exhibit "A" attached hereto and made a part hereof, the *Land*) to facilitate its development for use as mixed use residential and commercial master planned community (the such development, the *Project*); and

WHEREAS, through the District, the City will provide, by revenues resultant from assessments levied and imposed on certain property within the District, a mechanism for payment of a portion of the costs of certain public improvements within the District that are necessary and incidental to Project development; and

WHEREAS, as a condition to its creation of the District and provision of the aforementioned mechanism to finance a portion of the costs of public improvements within the District, the City requires that the ongoing maintenance obligations of the hereinafter-defined Public Improvements be assumed by a non-City entity associated with the Project or the related costs be paid by or from District-associated resources to prevent these costs resultant from Project development, which the City has facilitated, from becoming a burden on the general revenues of the City and its residents and property owners that do not reside within or directly enjoy the benefits resultant from the District; and

WHEREAS, the Developer has created the Association to provide services related to the developed Project as specified in its bylaws, including the ongoing maintenance of the Public Improvements in accordance with the provisions of this Agreement and payment of the associated costs from its fees collected from property owners within the District and subject to the Association's jurisdiction; and

WHEREAS, entry into this Agreement satisfies the City's condition to the District creation and utilization of its available powers to provide a mechanism for financing a portion of the costs of certain public improvements within the District, as described above; and

WHEREAS, the Parties, for the mutual consideration hereinafter stated, desire to enter into this Agreement, pursuant to which the Association assumes responsibility for maintaining the Public Improvements (which includes payment of the associated costs of such maintenance); and

NOW, THEREFORE, THE PARTIES AGREE TO THE FOLLOWING:

SECTION 1. Definition of Certain Terms. For purposes of this Agreement, the following terms shall have the ascribed meanings:

a. *Consultant's Plan* has the meaning ascribed thereto in the Development Agreement, dated as [DATE], between the City and the Developer pertaining to the Project.

b. *Developer* shall mean [NAME], a Texas [limited liability company].

c. *Engineer* shall mean [NAME].

d. *Parkland* shall mean common areas and other land within the District dedicated to the City by the Developer and established as property available to the general public for recreational use (to specifically include promenades, plazas, walking trails, and other greenspace).

e. *Public Improvements* shall mean, collectively, the Parkland and the Storm Drainage Improvements.

f. *Storm Drainage Improvements* shall mean trench excavation and embedment, trench safety, concrete box culverts, reinforced concrete pipe, manholes, junction boxes, drainage inlets, headwall and wingwall structures, related earthwork, excavation, erosion control, detention ponds, and all other necessary appurtenances required to capture storm water runoff generated within the District.

SECTION 2. Association Agreement to Maintain Public Improvements.

a. *General*. The Association hereby exclusively agrees, at its sole cost and expense, to maintain the Public Improvements.

b. *Storm Drainage Improvements*. Maintaining Storm Drainage Improvements shall mean keeping in good structural condition all Storm Drainage Improvements and repairing and addressing any defects in or to the Storm Drainage Improvements that, if left unrepaired or unaddressed, might impair their hydraulic capacity or structural soundness, to include:

i. Maintaining access to the Storm Drainage Improvements for maintenance and inspection;

ii. Repairing defects in the storm drainage piping system, including leaking pipe joints, deflection of flexible pipe diameter in excess of 5%, pipe structural failure, or other defects;

iii. Removing obstructions from any inlet and outlet structures;

iv. Repairing concrete channel lining, pilot channels, rock rip-rap (including replacement, as needed, to maintain rock layer thickness, as designed), gabions or any other channel lining material and to repair any defects in the channel lining material including undermining, excessive cracking and settlement, structural failure, or other defects;

v. Repairing channels, ditches and detention or retention ponds and to repair erosion in same by backfilling the eroded area and re-establishing protective vegetation or by armoring the eroded area with gabions, rock rip-rap, concrete or other material approved by the Engineer;

vi. At least annually, removing willows, cottonwoods or other “woody” vegetation from channels, ditches, detention ponds and retention ponds;

vii. As frequently as required to prevent grassy vegetation from exceeding a height of more than one foot, mowing ditches, earthen channels and detention or retention ponds;

viii. Removing, as needed, accumulated debris, trash or sediment (with sediment accumulations in detention ponds not to exceed 18-inches before removal is required); and

ix. Maintaining minimum water levels in Storm Drainage Improvements intended upon construction to permanently hold water (as indicated in the Consultant's Plan).

The Association shall periodically (as needed based on weather conditions, but no less frequently than every 90 days) inspect or cause the inspection of all Storm Drainage Improvements to determine the necessity of action to address needed maintenance or repair. Remedial action shall be taken within 30 days of the Association's awareness of an issue (meaning that the Association shall commence necessary maintenance or repairs within 30 days of such awareness and diligently work toward their completion). At least annually, the Association shall commission the Engineer to complete a written inspection report concerning the condition and functionality of the Storm Drainage Improvements, deliver a copy of such report to the City, and take action, as described above, within 30 days of delivery of such report to address any identified deficiencies in, or recommendations concerning functionality or performance of, the Storm Drainage Improvements.

c. Parkland. Maintaining the Parkland shall mean at all times keeping and maintaining, or causing to be kept and maintained, the Parkland (including any improvements thereon and all other buildings and improvements erected therein) in a good state of appearance and repair (except for reasonable wear and tear), to include:

i. Maintaining grass height according to species and variety of grass;

ii. Regularly mowing, aerating, fertilizing, seeding or reseeding, resodding and controlling weeds in areas that are seeded or sodded;

iii. Pruning all trees and shrubs, as needed;

iv. Maintaining an adequate number of trash cans (based on frequency of use and in plentiful quantity to hold all trash usually generated between servicing without overflowing) and emptying the same on at least a daily basis;

v. Sweeping the area on daily basis to remove and keep the area free of trash;

vi. Removing graffiti on any surface withing 24 hours of the incident;

vii. Remediating, upon discovery, insect, rodent, and invasive species infestations;

viii. Cleaning sidewalks and pavilions so that at no time is there an accumulation of sand, dirt, or leaves;

ix. Maintaining playground equipment, play areas, fields, sports courts, lighting systems, and flagpoles to ensure the equipment and spaces are in safe, clean, operating condition and free and clear of hazards and hazardous conditions;

x. Cleaning and sanitizing all restrooms and drinking fountains on a daily basis or more frequently, as and when required;

xi. Stocking all restrooms at a minimum of once per day or more frequently as needs arise;

xii. Providing and maintaining adequate security lighting and signage (to include wayfinding and mile markers on trail systems) free of loose rivets, missing text, graffiti, and other conditions that makes interpretation difficult or impossible;

xiii. Maintaining in good repair any trail system, to include elimination of all trip hazards, remediating impacts of erosion, periodic resurfacing, elimination of buildup of soil or debris that prevents water flow, and maintenance of an 8' vertical clearance; and

xiv. Upon discovery, eliminating user created "trails".

The Association shall, as frequently as necessary to maintain a safe and sanitary environment, inspect or cause the inspection of all Parkland to determine the necessity of action to address needed maintenance or repair. Remedial action shall be taken as and when needed and shall be diligently continued through satisfactory conclusion to address matters requiring attention with respect to Parkland maintenance.

SECTION 3. Annual Budget. The Association shall annually budget for the anticipated costs of maintaining the Public Improvements, which shall include (i) the costs of any necessary repair plan herein described coming due in the reporting period covered by such annual budget and (ii) adequate annual reserves to provide sufficient available sources of periodic major maintenance and capital repair and replacement of Public Improvements. Until such time as the Association has obtained sufficient experience to formulate the anticipated Public Improvements maintenance costs unassisted (herein determined to mean preparation of at least three annual budgets after the warranties for dedicated Public Improvements have expired), the Association shall enlist the Engineer's assistance in preparing the Public Improvements maintenance cost component of its annual budget.

SECTION 4. Payment of Public Improvements Maintenance Costs. To pay the costs of maintaining the Public Improvements, the Association shall either (i) charge an annual fee to its property owners or (ii) collect funds from the Developer in an amount at least equal to such budgeted annual maintenance costs. In determining the annual fee, the Association may take into account other funds then-available to the Association to pay such annual Public Improvements maintenance costs including funds collected from the Developer. In the event that unforeseen circumstances shall arise during the course of a financial reporting that necessitate additional funding to pay the costs of maintaining Public Improvements (including reimbursement of the City for costs of emergency repairs made pursuant to Section 5 below), the Association shall either (i) impose upon its property owners a special assessment (which is a charge on such property owners separate and distinct from any assessment thereon levied by the City pursuant to Chapter 372, as amended, Texas Local Government Code) or (ii) collect funds from the Developer in an aggregate amount sufficient to pay such unanticipated and unbudgeted Public Improvements maintenance costs.

SECTION 5. City Inspection of Public Improvements; Emergency Repairs. The City may, from time to time, but not more frequently than every 12 months, review the state of repair, condition, and cleanliness of the Public Improvements and provide a written report of its findings to the Association. If the City, in its review, finds the condition of the Public Improvements to not meet its standards for other similar public improvements owned and maintained by the City or in accordance with their original specifications applicable at the time of their respective construction , then the City shall detail and deliver in writing to the Association the specific instances of failure. The Association shall have 30 days from

receipt of this written notice to address or object to the specific failures in Public Improvements maintenance identified by the City.

If the City is made aware of emergency safety conditions relative to a Public Improvement, the City will notify the Association and request that the necessary repairs to mitigate the identified safety condition(s) be completed. Upon notification, the Association shall have 3 days to mitigate the identified safety condition(s). If, however the Association is unable to or fails to begin addressing the identified safety condition(s) within a reasonable time after notification, then the City may make repairs to Public Improvements as needed and without further notification to the Association or the owners of property within the District to address the conditions of emergency or safety. Within 30 days of completion of emergency repairs to Public Improvements, the City shall notify the Association of the reasons for its making the repairs and the costs thereof.

SECTION 6. City Funding of Public Improvements Maintenance Costs. The Parties intend that Association revenues realized in accordance with Section 4 hereof shall be sufficient to cover the costs of maintaining the Public Improvements. The Parties acknowledge, however, that the City may include as a component of its "maintenance assessment" levied and imposed on assessable property within the District pursuant to the District's Service and Assessment Plan, prepared and updated from time to time by the City Council of the City in accordance with applicable Texas law, the costs of maintaining the Public Improvements in the event the Association is unable or unwilling to fulfill its duties and obligations pursuant to the terms of this Agreement.

SECTION 7. Power and Authority. Each Party represents to the other that it has full power and authority to execute, deliver and perform its obligations hereunder and that the respective governing body of each Party has taken all necessary action on its part required to authorize the execution and delivery hereof and its performance hereunder.

SECTION 8. Notices. Except as otherwise provided herein, it shall be sufficient service of any notice, request, demand, authorization, direction, consent, waiver or other paper required or permitted by this Agreement to be made, given or furnished to or filed with the following persons, if the same shall be delivered in person or duly mailed by first-class mail, postage prepaid or duly transmitted by electronic mail, at the following physical or email addresses:

(a) To Association at:

NAME
ADDRESS
PHONE
EMAIL

With a copy to:

NAME
ADDRESS
PHONE
EMAIL

(b) To City at:

City of Castroville, Texas
Attn: City Administrator

1209 Fiorella Street
Castroville, Texas 78009

With a copy to:

Clay Binford
McCall, Parkhurst & Horton L.L.P.
112 E. Pecan Street, Suite 1310
San Antonio, Texas 78205
Phone: 210-225-2819
Email: cbinford@mphlegal.com

If, because of the temporary or permanent suspension of mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such delivery of notice in lieu thereof as shall be made with the approval of the City shall constitute a sufficient notice.

SECTION 9. Severability. If any terms or provisions of this Agreement or the application of any terms or provisions of this Agreement to a particular situation, are held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of this Agreement or the application of such terms or provisions of this Agreement to other situations, will remain in full force and effect unless amended or modified by mutual consent of the Parties; provided that, if the invalidation, voiding or unenforceability would deprive either Party of material benefits derived from this Agreement, or make performance under this Agreement unreasonably difficult, then the Parties will meet and confer and will make good faith efforts to amend or modify this Agreement in a manner that is mutually acceptable to the Parties.

SECTION 10. Amendment. No amendment, modification, or alteration of the terms of this Agreement will be binding unless it is in writing, dated subsequent to the date of this Agreement, and duly executed by the Parties.

SECTION 11. Binding Agreement; Successors and Assigns. This Agreement will be binding upon and inure to the benefit of each of the Parties and their respective successors and permitted assigns.

SECTION 12. Correction of Technical Errors. If, by reason of inadvertence, and contrary to the intention of the Parties, errors are herein made in the legal descriptions or the references thereto or within any exhibit with respect to the legal descriptions, in the boundaries of any parcel in any map or drawing which is an exhibit, or in the typing of this Agreement or any of its exhibits or any other similar matters, the Parties by mutual agreement may correct such error by memorandum executed by them without the necessity of amendment of this Agreement.

SECTION 13. Governing Law and Venue. The laws of the State and the rules and regulations issued pursuant thereto shall govern the validity, construction, enforcement, and interpretation of this Agreement, without regard to conflict of law provisions. All claims, disputes and other matters in question arising out of or relating to this Agreement, or the breach thereof, shall be decided by proceedings instituted and litigated in a State court of competent jurisdiction sitting in Medina County, Texas, and the Parties hereto expressly consent to the venue and jurisdiction of such court. Any provision included or incorporated herein by reference that conflicts with said laws, rules and regulations shall be null and void and shall not be valid or enforceable or available in any action at law, whether by way of complaint, defense, or otherwise.

SECTION 14. No Waiver of Sovereign Immunity. NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED TO WAIVE THE SOVEREIGN IMMUNITY OF THE CITY. THE CITY IS

ENTERING INTO THIS AGREEMENT IN ITS GOVERNMENTAL FUNCTION AND CAPACITY AND THIS AGREEMENT DOES NOT CONSTITUTE AN EXERCISE OF THE CITY'S REGULATORY POWERS (E.G., REGULATORY APPROVALS OR IN ANY OTHER REGULATORY CAPACITY). THE ASSOCIATION ACKNOWLEDGES THAT THE CITY CANNOT CONTRACT IN ANY MANNER REGARDING THE EXERCISE, AND NOTHING CONTAINED HEREIN CONSTITUTES THE CITY'S EXERCISE, OF ITS REGULATORY POWERS OR A WAIVER OF ITS SOVEREIGN IMMUNITY PROTECTIONS.

SECTION 15. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed original and all of which, when taken together, shall constitute one and the same document.

SECTION 16. No Personal Liability. None of the members of the City Council, the Association's governing body, or any officer, agent, or employee of either Party shall be charged personally by the other Party with any liability, or be held liable to the other Party under any term or provision of this Agreement, or because of execution or attempted execution, or because of any breach or attempted or alleged breach, of this Agreement.

SECTION 17. Recordation. This Agreement, upon execution by both Parties, shall be recorded in the real property records maintained by the City Clerk of Medina County.

SECTION 18. Effective Term. This Agreement shall be effective as of its date, shall be perpetual and shall encumber and run with the Land.

* * *

EXECUTED by the Parties hereto to be effective as of [DATE], 202__.

ADDRESSES OF PARTIES:

1209 Fiorella Street
Castroville, Texas 78009

CITY OF CASTROVILLE, TEXAS

By: _____
Name: _____
Title: _____

[ASSOCIATION]

[ADDRESS]

By:_____
Name:
Title:

THE STATE OF TEXAS §
§
CITY OF MEDINA §

This instrument was acknowledged before me on the _____ day of _____, 202__, by _____, _____ of Castroville, Texas, a Type A general law municipality and a political subdivision of the State of Texas, on behalf of Castroville, Texas.

_____
Notary Public in and for
the State of Texas

_____
(Printed Name of Notary)

My Commission Expires:_____

THE STATE OF TEXAS §
§
CITY OF MEDINA §

This instrument was acknowledged before me on the ___ day of _____, 202__, by _____, _____ of [ASSOCIATION].

_____
Notary Public in and for
the State of Texas

_____
(Printed Name of Notary)

My Commission Expires:_____

EXHIBIT A

LAND DESCRIPTION

(Metes and Bounds)

Exhibit L

OWNER DISCLOSURE PROGRAM

The Administrator (as defined in the Service and Assessment Plan) for the [NAME] Public Improvement District (the *PID*) shall facilitate Notice to prospective property buyers in accordance with the following minimum requirements:

(b) Record notice of the PID in the appropriate land records for the Property.

(c) Require builders to attach the Recorded Notice of the Authorization and Establishment of the PID and the final Assessment Roll for such Assessed Parcel (or if the Assessment Roll is not available for such Assessed Parcel, then a schedule showing the maximum 30-year payment for such Assessed Parcel) in an addendum to each residential homebuyer's contract on brightly colored paper.

(d) Collect a copy of the addendum signed by each buyer from builders and provide to the City.

(e) Require signage indicating that the Property for sale is located in a special assessment district and require that such signage be located in conspicuous places in all model homes.

(f) Prepare and provide to builders an overview of the existence and effect of the PID for those builders to include in each sales packet of information that it provides to prospective homebuyers.

(g) Notify builders who estimate monthly ownership costs of the requirement that they must include special assessments in estimated Property taxes.

(h) Notify Settlement Companies through the builders that they are required to include special taxes on HUD 1 forms and include in total estimated taxes for the purpose of setting up tax escrows.

(i) Include notice of the PID in the homeowner association documents in conspicuous bold font.

(j) The City will include announcements of the PID on the City's web site.

The Developer and the Administrator shall regularly monitor the implementation of this disclosure program and shall take appropriate action to require these Notices be provided when one of them discovers that any requirement is not being complied with.

Exhibit M

FORM OF REIMBURSEMENT AGREEMENT

[NAME] PUBLIC IMPROVEMENT DISTRICT
REIMBURSEMENT AGREEMENT

This [NAME] Public Improvement District Reimbursement Agreement (this *Reimbursement Agreement*) is executed between the City of Castroville, Texas (the *City*) and _____, a Texas [limited liability company] (the *Developer*; the City and the Developer individually referred to as a *Party* and collectively as the *Parties*), effective _____, 202__. Unless specified otherwise, capitalized terms not defined herein shall have the meaning ascribed to them in the hereinafter-defined Service and Assessment Plan or the Development Agreement.

RECITALS

WHEREAS, by resolution adopted on [DATE], 202__ (the *Creation Resolution*), the City Council of the City (the *Council*) created and established the boundaries of [NAME] Public Improvement District (the *District*), covering approximately [___] acres of land described in the Creation Resolution (the *District Property*) to be developed by the Developer in phases as a mixed use, master-planned residential and commercial development; and

WHEREAS, the purpose of the District is to finance certain Authorized Improvements authorized by Chapter 372, as amended, Texas Local Government Code (the *PID Act*) that promote the interests of the City and confer a special benefit on the Assessed Property within the District; and

WHEREAS, in connection with its creation of the District, the City determined that it is in the best interests of the present and future landowners of, and is of special benefit to, the District Property to finance, construct and deliver certain Authorized Improvements, as more specifically described in the [NAME] Public Improvement District Service and Assessment Plan, adopted by the Council on [DATE], 202__ (as such plan may be updated and amended from time to time, the *Service and Assessment Plan*); and

WHEREAS, the Service and Assessment Plan describes the development of the District Property and related construction and acquisition of Authorized Improvements; and

WHEREAS, the City and the Developer have heretofore entered into that certain "Development Agreement", dated as of [DATE], 202__, and contemporaneously herewith, the Council approved the City's entering into that certain" Construction, Funding, and Acquisition Agreement" with the Developer (as amended from time to time, the *Financing Agreement*), which agreements, together, provide certain terms and provisions concerning the Developer's development of the Authorized Improvements and payment of the costs thereof; and

WHEREAS, in the Development Agreement and the Financing Agreement, the City and the Developer identify multiple sources of funds, including proceeds of PID Bonds to be issued pursuant to that certain Indenture of Trust, dated of even date herewith (the *Indenture*), by and between the City and _____ (the *Bond Trustee*), and the Developer's separate resources available and thereby committed pursuant to the terms of the "Completion Agreement" entered into contemporaneously herewith by and among the Developer, the City, and Trustee; and

WHEREAS, the Completion Agreement provides that the Developer's financial commitment thereunder to pay the Authorized Improvements Costs (plus interest thereon accruing at a rate of ____% (calculated on the basis of a 360-day year, comprised of twelve 30-day months) from the date of initial delivery of the initial series of PID Bonds) shall be reimbursable thereto pursuant to the terms of this Reimbursement Agreement (such commitment to reimburse, the *Reimbursement Obligation*); and

WHEREAS, contemporaneously herewith, the Council adopted an assessment ordinance determining the estimated costs of the Authorized Improvements and levying Special Assessments against the assessable property within District to generate revenues (such Special Assessments, the *Assessments*; revenues therefrom, the *Assessment Revenues*) to pay Authorized Improvements Costs (or repay obligations incurred in satisfaction thereof, including the PID Bonds and the Reimbursement Obligation); and

WHEREAS, under the Indenture, the City has covenanted to deliver to the Trustee upon receipt, and has pledged as security for the repayment of the PID Bonds, certain of the Assessment Revenues (though it is the intent and expectation of the Parties that a portion of the pledged Assessment Revenues, on a subordinate basis and subject to availability after payment of debt service and other financial obligations relative to the PID Bonds and amounts owed to the City in satisfaction of the Allocated Water Capacity Cost (as defined in the Development Agreement), will be used to repay the Developer for the Reimbursement Obligation, as described in the following recital and elsewhere herein); and

WHEREAS, the Financing Agreement provides that the Reimbursement Obligation shall be repaid solely from (i) excess Assessment Revenues deposited to and from time to time held in the Reimbursement Fund (as defined in the Indenture) on a cash-flow basis and (ii) proceeds realized from the issuance of future series of PID Bonds; and

WHEREAS, the Parties now desire to enter into this Reimbursement Agreement for the purpose of establishing terms and conditions relating to the Reimbursement Obligation; and

NOW THEREFORE, FOR VALUABLE CONSIDERATION THE RECEIPT AND ADEQUACY OF WHICH ARE ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:

1. Recitals. The recitals to this Reimbursement Agreement are true and correct and are incorporated as part of this Reimbursement Agreement for all purposes.

2. City Deposit of Revenue. The City shall cause the Assessment Revenues to be deposited as provided in the Development Agreement and the Indenture.

3. Payment of Authorized Improvement Costs. The City shall cause payment of the Authorized Improvements Costs, pursuant to executed and approved Certifications for Payment in and from the Available Sources of Payment (as defined in Section 2.02(a) of the Financing Agreement), all in accordance with the Financing Agreement and, as applicable, the Development.

4. Reimbursement Obligation. Subject to and in accordance with the terms, conditions, and requirements contained herein, the City agrees to reimburse Developer, and Developer shall be entitled to receive from the City, the Reimbursement Obligation. The effectiveness of the City's agreement to reimburse commences on the date of initial delivery of the initial series of PID Bonds and continues until the earlier of (i) the Reimbursement Obligation is fully satisfied and (ii) [DATE], 20__ (the *Maturity Date*).

The City's payment of the Reimbursement Obligation from available Assessment Revenues is authorized by the PID Act, and was approved by the City pursuant to the Council's adoption of an ordinance on [DATE], 202__. The Reimbursement Obligation shall be payable to Developer solely from (i) amounts from time to time on deposit in the Reimbursement Fund, on a cash-flow basis and pursuant to the payment terms specified in the Indenture and the Development Agreement and (ii) the proceeds of any future series of PID Bonds. The Parties acknowledge and agree that the City is not responsible for any portion of the Reimbursement Obligation that remains unsatisfied beyond the latest possible Maturity Date.

The Reimbursement Obligation is payable to Developer solely as described herein. No other City funds, revenue, taxes, income, or property shall be used, even if the Reimbursement Obligation is not paid in full by the latest possible Maturity Date. The Reimbursement Obligation is not a City debt within the meaning of Article XI, Section 5, of the Constitution of the State of Texas. Notwithstanding the foregoing, the City acknowledges and agrees that until the Reimbursement Obligation is paid in full, the obligation of the City to cause the use of amounts on deposit in the Reimbursement Fund to pay the Reimbursement Obligation, or the use of proceeds of future series of PID Bonds issued (in whole or in part) to satisfy any portion of the Reimbursement Obligation is absolute and unconditional. The City does not have, and will not assert, any defenses to such obligation.

5. City Collection Efforts. The City will use all reasonable efforts to receive and collect, or cause to be received and collected by the Medina County Appraisal District, Assessments (including the foreclosure of liens resulting from the nonpayment of Assessments), and other charges due and owing under the Service and Assessment Plan, in the manner described and required in Section 2.03 of the Financing Agreement.

6. Process for Payment for the Reimbursement Obligation. The Developer may submit to the City a written request for payment (a *Payment Request*) of any funds at such time available in the Reimbursement Fund following February 1st of each year. Upon receipt of the Payment Request, and its determination of the accuracy, adequacy, and sufficiency thereof, the City shall cause funds within the Reimbursement Fund to be disbursed to Developer within 30 days of such determination (subject and pursuant, however, to the applicable Indenture and project plan and financing plan provisions concerning disbursement funds on deposit in the Reimbursement Fund). This process will continue until the Maturity Date. Under no circumstances will payments made under this Reimbursement Agreement, whether by periodic reimbursement from amounts from time to time held in the Reimbursement Fund, from the proceeds of any future series of PID Bonds, or a combination of each of the foregoing equal more than the Reimbursement Obligation.

7. Termination. At the Maturity Date, this Reimbursement Agreement shall terminate. If the Maturity Date occurs on [DATE], 20__ and at such time any portion of the Reimbursement Obligation remains unsatisfied (the *Unsatisfied Reimbursement Obligation*), such Unsatisfied Reimbursement Obligation shall be canceled and for all purposes of this Reimbursement Agreement shall be deemed to have been conclusively and irrevocably PAID IN FULL; provided, however, that if any Assessments for such tax year remain due and payable and are uncollected on such Maturity Date, the resultant Assessment Revenues, when, as, and if collected after such Maturity Date, (1) if any series of PID Bonds at such time remain outstanding or Allocated Water Capacity Cost remains unsatisfied, shall be deposited with the Trustee for disposition in the manner specified in the Indenture and (2) if no PID Bonds at such time remain outstanding, all or a portion thereof not in excess of the Unsatisfied Reimbursement Obligation shall be paid directly to Developer and applied against the Unsatisfied Reimbursement Obligation.

8. Mandatory Prepayments. Notwithstanding any provision of this Reimbursement Agreement to the contrary, the Parties hereby acknowledge and agree that to the extent a prepayment of an Assessment is required pursuant to the provisions of Section VI.F.1 of the Service and Assessment Plan in effect as of the date of this Reimbursement Agreement and remains unpaid for 90 days after such notice, the City, upon providing prior written notice to Developer, may reduce the amount of the Reimbursement Obligation by a corresponding amount; provided, however, that any such reduction shall never cause a reduction in the amount of the Reimbursement Obligation to less than zero.

9. No Waiver. Nothing in this Reimbursement Agreement is intended to constitute a waiver by the City of any remedy the City may otherwise have outside this Reimbursement Agreement against any person or entity involved in the design, construction, or installation of the Authorized Improvements.

10. Governing Law, Venue. This Reimbursement Agreement is being executed and delivered, and is intended to be performed in, the State of Texas. Except to the extent that the laws of the United States may apply to the terms hereof, the substantive laws of the State of Texas shall govern the validity, construction, enforcement, and interpretation of this Reimbursement Agreement. In the event of a dispute involving this Reimbursement Agreement, venue for such dispute shall lie in any court of competent jurisdiction in Medina County, Texas.

11. Notice. Any notice required or contemplated by this Reimbursement Agreement shall be deemed given at the addresses shown below: (i) one business day after deposit with a reputable overnight courier service for overnight delivery such as FedEx or UPS; or (ii) one business day after deposit with the United States Postal Service, Certified Mail, Return Receipt Requested. Any Party may change its address by delivering written notice of such change in accordance with this section.

To the City:	Attn: City Administrator City of Castroville 1209 Fiorella Street Castroville, Texas 78009
With a copy to:	Attn: Clay Binford McCall, Parkhurst & Horton L.L.P. 112 E. Pecan Street, Suite 1310 San Antonio, Texas 78205
To the Developer:	[ADD CONTACT]
With a copy to:	[ADD CONTACT]

12. Invalid Provisions; Severability. If any provision of this Reimbursement Agreement is held invalid by any court, such holding shall not affect the validity of the remaining provisions, and the remainder of this Reimbursement Agreement shall remain in full force and effect. If any provision of this Reimbursement Agreement directly conflicts with the terms of the Indenture, the Indenture shall control regarding such conflicting provision.

13. Exclusive Rights of Developer. Developer's right, title and interest in and to the payments of Reimbursement Obligation, as described herein, shall be the sole and exclusive property of Developer (or its Transferee (defined herein)) and no other third party shall have any claim or right to such funds unless Developer transfers its rights to the Reimbursement Obligation to a Transferee in writing and otherwise in accordance with the requirements set forth herein and any applicable provisions of the Financing Agreement. Subject to the provisions of Section 10.01 of the Development Agreement, Developer has the right to convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part, all or any portion of Developer's right, title, or interest under this Reimbursement Agreement including (but not limited to) any right, title or interest of Developer in and to payment of the Reimbursement Obligation (a *Transfer*; the party or entity to whom the transfer is made, a *Transferee*). Notwithstanding the foregoing, no Transfer shall be effective until written notice of the Transfer, that includes the following, is provided to the City: (A) the name and address of the Transferee and (B) a representation by Developer that the Transfer does not and will not result in the issuance of municipal securities by any other state of the United States or political subdivision thereof. Developer agrees that the City may rely conclusively on any written notice of a Transfer provided by Developer without any obligation to investigate or confirm the accuracy or sufficiency of the notice of the Transfer. Any sale of a portion of the Property or assignment of any right hereunder shall not be deemed a Transfer unless the

conveyance or transfer instrument effecting such sale or assignment expressly states that the sale or assignment is deemed to be a Transfer.

14. Failure; Default; Remedies.

a. If either Party fails to perform an obligation imposed on such Party by this Reimbursement Agreement (a *Failure*) and such Failure is not cured after written notice and the expiration of the cure periods provided in this section, then such Failure shall constitute a *Default*. Upon the occurrence of a Failure by a non-performing Party, the other Party shall notify the non-performing Party in writing specifying in reasonable detail the nature of the Failure. The non-performing Party to whom notice of a Failure is given shall have at least 30 days from receipt of the notice within which to cure the Failure; however, if the Failure cannot reasonably be cured within 30 days and the non-performing Party has diligently pursued a cure within such 30-day period and has provided written notice to the other Party that additional time is needed, then the cure period shall be extended for an additional period (not to exceed 90 days) so long as the non-performing Party is diligently pursuing a cure.

b. If Developer is in Default, the City's sole and exclusive remedy shall be to seek specific performance of Developer's obligations under this Reimbursement Agreement. No Default by Developer, however, shall: (i) affect the obligations of the City to reimburse Developer from amounts from time to time on deposit in the Reimbursement Fund as provided in Section 6 of this Reimbursement Agreement; or (ii) entitle the City to terminate this Reimbursement Agreement. In addition to specific performance, the City shall be entitled to attorney's fees, court costs, and other costs incurred by the City in obtaining such remedy.

c. If the City is in Default, Developer's sole and exclusive remedies shall be to: (i) seek a writ of mandamus to compel the City's performance hereunder; or (ii) seek specific performance of the City's obligation hereunder.

15. No Personal Liability. None of the City, any of its elected or appointed officials, or any of its employees shall incur any liability hereunder to Developer or any other party in their individual capacities by reason of this Reimbursement Agreement or their acts or omission under this Reimbursement Agreement.

16. Estoppel Certificate. Within 30 days after the receipt of a written request by Developer or any Transferee, the City will certify in a written instrument duly executed and acknowledged to any person, firm or corporation specified in such request as to (i) the validity and force and effect of this Reimbursement Agreement in accordance with its terms, (ii) modifications or amendments to this Reimbursement Agreement and the substance of such modification or amendments; (iii) the existence, to the best of the City's knowledge, of any Default hereunder; and (iv) such other factual matters that may be reasonably requested (which may, at the City's discretion, be qualified with necessary and appropriate knowledge qualifications).

17. Anti-Boycott Verification, No business with Sanctioned Countries. Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Reimbursement Agreement is a contract for goods or services, will not boycott Israel during the term of this Reimbursement Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable State or federal law. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or

with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. Developer understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with Developer and exists to make a profit.

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

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

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

18. Form 1295. Submitted herewith is a completed Form 1295 in connection with Developer's participation in the execution of this Reimbursement Agreement generated by the Texas Ethics Commission's (the *TEC*) electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the *Form 1295*). Developer and the City understand and agree that, with the exception of information identifying the City and the contract identification number, none of the City or its officials, employees, or consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by Developer; and none of the City or its officials, employees, or consultants have verified such information.

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

To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Developer verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy,

guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of the applicable agreement. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law.

As used in the foregoing verification and the following definitions,

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

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

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

20. Miscellaneous.

a. The failure by a Party to insist upon the strict performance of any provision of this Reimbursement Agreement by the other Party, or the failure by a Party to exercise its rights upon

a Default by the other Party shall not constitute a waiver of such Party's right to insist and demand strict compliance by such other Party with the provisions of this Reimbursement Agreement.

b. The City does not waive or surrender any of its governmental powers, immunities, or rights except to the extent permitted by law and as necessary to allow Developer to enforce its remedies under this Reimbursement Agreement.

c. Nothing in this Reimbursement Agreement, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the City and Developer any rights, remedies, or claims under or by reason of this Reimbursement Agreement, and all covenants, conditions, promises, and agreements in this Reimbursement Agreement shall be for the sole and exclusive benefit of the City and Developer.

d. This Reimbursement Agreement may be amended only by written agreement of the Parties.

e. This Reimbursement Agreement may be executed in counterparts, each of which shall be deemed an original.

* * *

EXECUTED by the Parties hereto to be effective as of _____, 202__.

ADDRESSES OF PARTIES:

CITY OF CASTROVILLE, TEXAS

1209 Fiorella Street
Castroville, Texas 78009

By:_____
Name: _____
Title: _____

[DEVELOPER]

[ADDRESS]

By:_____
Name: _____
Title: _____

THE STATE OF TEXAS §
§
COUNTY OF MEDINA §

This instrument was acknowledged before me on the _____ day of _____, 202__, by _____, _____ of City of Castroville, Texas, a home rule city, body corporate and a political subdivision of the State of Texas, on behalf of the City of Castroville, Texas.

_____
Notary Public in and for
the State of Texas

_____
(Printed Name of Notary)

My Commission Expires:_____

THE STATE OF TEXAS §
§
COUNTY OF _____ §

This instrument was acknowledged before me on the ___ day of _____, 202__, by _____, _____ of [DEVELOPER].

_____
Notary Public in and for
the State of Texas

_____
(Printed Name of Notary)

My Commission Expires:_____

Exhibit N

RESIDENTIAL CONSTRUCTION STANDARDS

Except as specifically provided in the Development Agreement, all development of the Residential Project shall be governed by the Code (including the City Subdivision Ordinance). The Residential Plan shall minimally incorporate the elements hereafter described.

- Developer will meet or exceed the area requirement set for total pond and open space (not counting the amenity center).
- No single-family residential lot within the Residential Project shall be smaller than 8,000 square feet.
- Maximum Density: Overall single-family density will not exceed 5 units per acre.
- Minimum Building Setbacks:
  - Front Setback Line: twenty feet (20') and fifteen feet (15') on irregular shaped lots;
  - Side Setback Line: five feet (5'); and
  - Rear Setback Line: twenty feet (20').

- Residential Street and Walkway Construction:
  - Residential areas will be connected by walkable trails and sidewalks.

- Prohibited Elements applicable to single-family residences:
  - Flat roofs;
  - Stove pipe chimneys and metal chimney caps;
  - Random roof penetrations or skylights facing the street;
  - White skylights;
  - Mirrored glass or any reflective film or windows;
  - Red brick;
  - Wood siding; however, cedar wood siding accents may be permitted as defined below;
  - Stone which appears glued on (cultured stone accents may be permitted);
  - Vivid, strong, bright colors; and/or
  - More than three (3) materials on front elevation.

- Minimum House Size; Slab and Exterior Construction Standards
  - All single-family houses shall consist of a minimum of 1,400 square feet in gross floor area.
  - Site-built on engineered, concrete slabs.

- Design Elements:
  - Variation to roof or building lines are required.
  - Decorative window shutters are encouraged.
  - A minimum of two (2) of the following are required:
    - Windows and/or entries recessed into the façade by a minimum of one inch (1");
    - Pillar posts;

- Balconies, porches or patios;
- Window hoods/screens; and/or
- Use of varying building materials; however, the use of more than three (3) building materials is prohibited.

- Heights and Views:
  - No building or residential structure may exceed thirty-five feet (35') in height as measured from the average elevation of the finished grade of the portion of the Lot surrounding the structure to the highest point of the structure, exclusive of chimneys and ventilators.

- Masonry:
  - Defined as Stone, Stucco, Stucco Board, or Brick, excluding red brick.
  - Masonry accents are masonry materials to create diversity in the façade or emphasis of architectural features.
  - 75% Masonry on the front elevation.
  - All Lots that side a street, back up to a street or thoroughfare, or side or back up to an open space shall be 75% masonry on side and rear elevations.
  - Side elevations and rear elevations (if not required to be 100% masonry) shall have a two-foot (2') masonry wainscot.
  - Siding: Fiber Cement Siding is allowed. Masonite sheet or other sheet siding is not allowed.
  - Siding: Any siding shall be vertical board and batten.
  - Decorative Shakes or Decorative Siding such as shakes, scallops or other decorative siding facades shall be no more than 20% of the front elevation, 20% of each side, or 20% of the rear of the home.
  - Decorative Cedar shakes are allowed in the shapes of (Fish-scale, Diamond, Half Cove, Hexagon, Octagonal, Round, Arrow or Bell).

- Driveways:
  - Developer shall provide for two (2) parking spaces on the driveway (which are in addition to the two (2) garage spaces identified and described below).

- Roofing:
  - 30-year dimensional shingles, standing seam metal, tile or similar are allowable roofing materials.
  - Dimensional Shingles shall be either "weathered wood" or "weathered gray" in color.
  - Roof pitches shall be no less than 8:12.
  - Accent or decorative roof pitches shall be no less than 2:12.
  - Accent or Decorative Roofs include porches, dormers, shed roofs over windows, box or bay windows, etc.

- Architectural Features:
  - Porches, patios, and/or courtyards may protrude into the front or rear setback by no more than five feet (5').

- Eaves and roof extensions may protrude into setbacks by no more than two feet (2').
- Windowsills, belt courses, cornices, and other architectural features may protrude into setbacks by no more than twelve inches (12").

- Front Doors:
  - Front doors shall be a solid core door not less than six foot eight inches (6'8") in height.
  - Clear leaded glass or eight (8) panel distinguished by mullions are encouraged.
  - The use of double doors, enhanced by side lights or transoms is encouraged.

- Floorplan Restriction:
  - Homes with identical elevations shall be restricted from being built on adjacent lots or on lots directly across from each other on the same street and shall have two full lots separation between them on the i) same or ii) opposite side of the street.

- Garage Doors:
  - Must accommodate two cars.
  - Two (2) single garage doors, divided by an 8"-12" column, are encouraged.
  - Garage doors shall be of a non-warping, non-peeling material, design and color complimentary of the adjacent elevation of the residence and consistent with the overall architectural style of the residence.
  - Windows along the top of the garage doors are permitted.
  - Must not extend beyond the front of the home or front porch by ten feet (10').
  - A recessed garage is encouraged.

- Accessory Buildings:
  - Accessory buildings, if permitted, including pool cabanas, detached garages and guesthouses, shall be constructed of the same materials and with the same quality of construction as the principal residence.

- Address Markers
  - Address markers shall be centrally located on the residence and well-lit, so as to be visible from the street.

- Enclosures:
  - Air conditioning compressors and pool equipment shall be enclosed by a structural screening element constructed of the same masonry materials as the principal residence, lot fencing, or non-deciduous landscaping.
  - In the event non-deciduous landscaping is used to screen any air conditioning compressor, at the time of installation, the non-deciduous landscaping shall screen one-half (1/2) of the vertical height of the air conditioning compressor.

- Landscaping:
  - Minimum of 150 square foot mulched landscape bed in the front yard.
  - Front yard shall be fully sodded, except for landscape bed, and rear yard shall be fully sodded, except for any landscape bed(s).
  - Minimum of one (1) two-inch (2") caliper hardwood tree shall be planted within the rear yard inside of any fencing.
  - Minimum of two (2) two-inch (2") caliper hardwood tree shall be planted within the front yard or side yard in front of the any fencing.
  - Any Lots which are corner lots or side open space lots shall include the following:
    - Front yard and rear yard shall be fully sodded, except for landscape bed(s).
    - Minimum of three (3) two-inch (2") caliper hardwood trees in the front yard, planted not less than twelve feet (12') apart, one (1) of which shall be a side yard tree, and two (2) of which shall be front yard trees.
    - Minimum two (2) three-inch (3") caliper hardwood Street Trees, one (1) of which shall be in the Lot Front, and one of which shall be along the street which the lot's side abuts.
    - Landscape irrigation system for entire front yard, side yard and rear yard shall be installed.

- Fencing:
  - All fencing facing the front of a street shall be six-foot (6') fencing with two inch (2") galvanized metal posts with caps.
  - The fence facing the street shall have a 1x6 top trim flush with the top of the fence pickets. One foot below the 1x6 cedar trim shall be a 1x4 trim. A 1x6 trim shall be flush with the bottom of the pickets to create a 'kick plate'.
  - Fencing not facing the street but facing the interior of the lot shall have a total of three (3) – 2x4 cedar stringers for support.

Exhibit O

FORM OF UTILITY SERVICE AGREEMENT

UTILITY SERVICE AGREEMENT

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

This Utility Service Agreement (including the General Conditions, the Special Conditions, and the Attachments hereto, this *Agreement*) is entered into by and between the CITY OF CASTROVILLE, TEXAS (the *City*) and [DEVELOPER] (the *Developer*). The City and the Developer are herein referred to generally as a *Party* and, together, the *Parties*. Terms capitalized but not otherwise defined herein shall have the meanings ascribed to them in the hereinafter-defined Development Agreement, a copy of which is attached hereto as Attachment IV.

W I T N E S S E T H

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

WHEREAS, the Property development requires improvements to the City's water and wastewater utility systems (respectively, the *Water System* and the *Wastewater System* and, together, the *Systems*) that are outside the boundaries of the Property to extend Systems infrastructure to the Property's border for connection to necessary water and wastewater infrastructure improvements within the Property (such offsite improvements, the *Offsite Improvements*; such onsite improvements, as further defined and described herein, the *Onsite Improvements*; the Offsite Improvements and the Onsite Improvements, together, the *Improvements*); and

WHEREAS, the Governing Regulations, which (under the Development Agreement) control with respect to the Improvements, requires the Developer to design, construct, and finance all requisite Improvements, which includes all Improvements within and beyond the boundaries of the Property that are necessary for connection to the Systems to provide retail water and wastewater utility service (*Water Service* and *Wastewater Service*, respectively; together, *Service*) to the Development, and upon completion thereof, dedicate the same to the City; and

WHEREAS, the completion of the Offsite Improvements will allow for the Developer's connection of the Onsite Improvements to the Systems; and

WHEREAS, the Parties now desire to enter into this Agreement to memorialize the terms and conditions by which (i) the Improvements will be designed, constructed, financed and dedicated to the City and made a part of the Systems and (ii) Systems capacity is reserved for the purpose of providing Service to the Development; and

NOW, THEREFORE, in consideration of the foregoing Recitals, the covenants contained herein, and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Developer and the City hereby agree as follows.

1. Interpretation of Agreement.

a. The Parties acknowledge that the Service contemplated by this Agreement shall be provided in accordance with the applicable Governing Regulations identified in Section 3.01(b) of the Development Agreement. In the event the specific terms of this Agreement conflict with the Governing Regulations, the specific terms of this Agreement shall apply. The above notwithstanding, for the specific conflicting terms to prevail, the conflict must be expressly noted in this Agreement. The Parties further acknowledge that this Agreement is subject to future acts of the City Council with respect to the adoption or amendment of Impact Fees and City ordinances or resolutions specifying rates for Service.

b. The Parties agree that a purpose of this Agreement is the City's reservation and dedication of [NUMBER] of Water Service living unit equivalents (*LUEs*) and [NUMBER] of Wastewater Service LUEs (such dedicated capacity, *Water Capacity* and *Wastewater Capacity*, respectively, and *Guaranteed Capacity*, collectively) from available Systems capacity for provision of Service to the Development.

c. Any rights that the Developer claims arise under Chapter 245, as amended, Texas Local Government (*Chapter 245*) or Chapter 43, as amended, Texas Local Government Code, that are related to this Agreement shall be governed by the applicable provisions of the Development Agreement, particularly being Section 3.01(b) thereof.

2. Obligation Conditioned. The City's obligation to provide Service to the Property is conditioned upon present rules, regulations and statutes of the United States of America and the State of Texas and any court order that directly affects the City or its ownership and operation of the Systems. The Developer acknowledges that if the rules, regulations and statutes of the United States of America and/or the State of Texas that are in effect upon the Effective Date are repealed, revised or amended to such an extent that the City becomes incapable of, or is prevented from, providing the Service, then no liability of any nature is to be imposed upon the City as a result of the City's compliance with such legal or regulatory mandates. The City agrees that it will use its best efforts to prevent the enactment or to mitigate the impact of such legal or regulatory mandates.

3. Term.

a. The term of this Agreement shall be ten (10) years from the Effective Date, subject to extension in the same manner as extension of the Developer's obligations under the Development Agreement (which provisions are incorporated by reference as though herein reproduced), unless extended by mutual agreement, evidenced in writing, by the City and the Developer. Certain City obligations (described in Section 3.c below) may survive the expiration of the term of this Agreement if (i) all Impact Fees applicable to the Development have been paid and (ii) the Developer has complied with all requirements concerning the Improvements as are described, as applicable, in this Agreement and the Development Agreement. Notwithstanding the foregoing, Section 3.04 of the Development Agreement shall control with respect to the Developer's obligation to commence Development of the Property in order to preserve reservation of the Guaranteed Capacity.

b. To the extent that the City's obligations do not survive the expiration of this Agreement, the Developer understands and agrees that a new utility service agreement must be entered into with the City to receive Service to the Development.

c. Provided compliance with clauses (i) and (ii) of Section 3.a above has occurred, the following obligations shall survive expiration of this Agreement:

i. The City's recognition of the Guaranteed Capacity to be provided by the Systems to the Development in the form of Service, as specified in S.C. 1.00 hereof.

ii. The City's continued provision of Service to retail customers located in the Property, so long as such customers pay for the Service and comply with the regulations applicable to individual customers (including payment of rates for Service, as from time to time specified by City ordinance or resolution).

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

Attachment I:	General Conditions
Attachment II:	Special Conditions
Attachment III:	Engineering Report Regarding Improvements
Attachment IV:	Development Agreement

Any of the above attachments that are created and submitted by the Developer as an attachment to this Agreement shall be limited to providing relevant engineering, planning, or managing information for the purposes of setting aside or reserving the Guaranteed Capacity as specified in the body of this Agreement, the General Conditions, and the Special Conditions. The Developer agrees that it will not attempt to rely, and the City does not authorize reliance, on any of the contents of any attachments created and submitted by the Developer as a basis for claiming rights under Chapter 245, except as specifically provided by Section 1.c hereof.

The Developer understands that this Agreement, including the Attachments, is subject to the Texas Public Information Act. The Developer, therefore, agrees that it will not claim that any of the information contained herein is subject to any third-party exception under that Act.

5. The Developer's Obligations. The Developer acknowledges and agrees that the Guaranteed Capacity runs with the land and shall be an appurtenance to the Property. The Developer agrees to record this Agreement in the Real Property Records of Medina County, Texas as quickly as practicable (but not more than fifteen (15) days from the Effective Date); otherwise, this Agreement will automatically terminate. Delivery to the City of a recorded copy of this Agreement shall serve as a condition precedent to any transfer of any portion of the Property or any portion of the Guaranteed Capacity in accordance with G.C.14.00. To the extent not reflected in the Plat submitted by the Developer to and accepted by the City pursuant to the terms of the Development Agreement, the Developer shall maintain records of allocated and unallocated Water Capacity and Wastewater Capacity (by LUE) for use by the Development by developers thereof and therein and provide the City with copies of such records upon receipt of the City's written request for the same.

6. **INDEMNITY**. **TO THE EXTENT ALLOWED BY APPLICABLE LAW, THE DEVELOPER FURTHER AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS THE CITY AND ITS SUCCESSOR AND ASSIGNS FROM**

THE CLAIMS OF THIRD PARTIES ARISING OUT OF THE CITY'S RECOGNITION RESERVATION AND TRANSFER OF THE GUARANTEED CAPACITY UNDER THIS AGREEMENT TO THE DEVELOPER'S SUBSEQUENT PURCHASERS, SUCCESSORS AND ASSIGNS.

7. Notices. Any notice, request, demand, report, certificate, or other instrument which may be required or permitted to be furnished to or served upon the parties shall be delivered in accordance with the provisions for notice specified in Section 8.05 of the Development Agreement.

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

9. Effective Date. The Effective Date of this Agreement shall be the date signed by the later of an authorized City representative and an authorized Developer representative.

10. Ownership**.** By signing this Agreement, the Developer represents and warrants that it is the owner of the Property or has the authority of the Property owner to develop the Property. Any misrepresentation of authority or ownership by the Developer shall make this Agreement voidable by the City. If the Developer does not own the Property, then the Developer must provide documentation from the owner of the Property to show that the Developer has the proper authority to develop the Property.

* * *

ACCEPTED AND AGREED TO IN ALL THINGS:

CITY OF CASTROVILLE, TEXAS	**[DEVELOPER]**
By: _____	**By:** _____
Name: _____	**Name:** _____
Title: _____	**Title:** _____
Address: 1209 Fiorella Street **Castroville, Texas 78009**	**Address:** _____ _____
Date: _____	**Date:** _____

ACKNOWLEDGEMENTS

STATE OF TEXAS, COUNTY OF MEDINA §

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE this_____day of_____, 2023.

(seal) _____

Notary Public

STATE OF TEXAS, COUNTY OF _____ §

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE this_____day of_____, 2023.

(seal) _____

Notary Public

ATTACHEMENT I

GENERAL CONDITIONS OF THE UTILITY SERVICE AGREEMENT

G.C.1.00 Definition of Terms.

Unless defined in the Agreement, the terms used in this General Conditions of the Utility Service Agreement (the *General Conditions*) shall have the same definitions and meaning as those set out in the Development Agreement. In the event a term is specifically defined in the General Conditions, and the definition is in conflict with that found in the Development Agreement or the Code, and such conflict is acknowledged in the General Conditions, the definition set out in the General Conditions shall apply.

G.C.2.00 Required Submittals.

Plans and specifications for Improvements.

G.C.3.00 Developer Development and Dedication of Improvements.

Subject to the provisions of Section G.C.4.00 and G.C.5.00 below, the Improvements shall be designed and constructed by the Developer and, upon completion, dedicated to the City, who shall thereafter own, operate, and maintain the same as a part of the Systems. Offsite Improvements shall be constructed within easements and rights-of-way provided or identified by the City (who shall, to the extent necessary and legally able, assist the Developer in obtaining, at the Developer's cost and expense, such necessary easements or rights-of-way). With respect to Onsite Improvements, the Developer shall acquire all necessary easements and rights-of-way to accommodate the development of Onsite Improvements. The Developer recognizes that the approval of easement or right-of-way adequacy, location, size, grade, and invert elevation for construction of Improvements is reserved to the City

Upon respective completion of the Offsite Improvements and Onsite Improvements, the Developer shall dedicate, grant, and convey to the City, and the City (subject to Section G.C.6.00) shall accept the dedication, grant, and conveyance of, such Improvements, accompanied by all construction warranties and associated easements and rights-of-way, without lien or other encumbrance. As and after the City's acceptance of the same, the Improvements shall be made a part of the Systems and be owned, operated, and maintained by the City.

The responsibility for payment of the costs of the development and dedication of the Improvements as herein specified, unless specifically otherwise herein provided, shall be the sole and absolute responsibility of the Developer. Except as may otherwise be specified herein, the City shall have no payment obligation for the Improvements and the Developer shall have no right or claim for City financial contribution to the costs of the Improvements. The foregoing limitation does not impact the anticipated use of assessments levied on the property pursuant to Chapter 372, as amended, Texas Local Government Code to pay for certain public improvements (including Improvements), as contemplated under the Development Agreement.

G.C.4.00 Design and Construction Requirements.

The design and construction of all Improvements shall minimally comply with all applicable Governing Regulations, applicable rules and regulations of Medina County, Texas, the State of Texas, and any agency thereof with jurisdiction thereon (including, but not limited to, the Texas Commission on

Environmental Quality, the Public Utility Commission of Texas, and the Texas Department of Health). In addition, and except as specifically provided otherwise herein, design and construction of the Improvements shall comply with the provisions of Article VIII, Chapter 100 of the Code.

The Developer shall involve the City, as and to the extent requested or required by the City, with the Improvements' design. Prior to solicitating any bid or letting any contract for construction of any of the Improvements, the City shall have approved the final plans and specifications for such Improvements. Modifications to plans and specifications to accommodate change orders shall also be subject to City approval.

Notwithstanding any provision herein to the contrary, and unless during the design process the City approves a variance to the foregoing requirement, Improvements shall be designed to provide for the same diameter, pressure, and volume capacity as the component of the Systems to which the Improvements connect. In addition, Onsite Improvements shall be extended to one or more boundaries of the Property, as determined by the City during the design process, to allow for connection to the Systems by adjoining property owners.

G.C. 5.00 Oversizing.

The City, during the design process, may require the installation of oversized Improvements or components thereof. If such oversizing requirement results in incremental cost increases attributable to the oversized Improvements component when compared to the cost of the size or capacity of such Improvements component that is required to only provide Service to the Property (such increased cost, the *Incremental Cost*), then such City oversizing requirement shall be conditioned on the City's providing to the Developer (i) compensation equal to the Increased Cost or (ii) a method of Increased Cost recovery acceptable to the Developer. Any requisite oversizing component of Improvements shall be considered Improvements, with no distinction from any other component of the Improvements, for all other purposes of this Agreement.

G.C.6.00 City Inspection; Acceptance.

The City, or any consultant acting on its behalf, shall have the right to inspect Improvements during their construction for any reasonable and legitimate City purpose, including assurance of conformity to approved designs, the terms of the construction contracts, this Agreement, and any Governing Regulations and satisfaction of warranty requirements associated with such construction. The Developer shall be solely responsible for any necessary corrections or remedial actions required by the City that result from its findings during such inspections.

The City's acceptance of the Developer's dedication of completed Improvements shall be subject to the City's prior determination that the Improvements were constructed in accordance with approved plans and specifications, that associated construction warranties remain valid and in effect (and that the Developer has taken no action that would or could compromise such validity and effectiveness) without reduction in duration or scope, and that no liens or encumbrances associated with such Improvements shall transfer to the City as a result of the subject dedication.

G.C.7.00 Joint Venture Agreements.

In the event the Developer enters into a Joint Venture Agreement covering the costs of the Improvements, the Developer shall send a copy of such agreement to the City.

G.C.8.00 Assignment.

This Agreement may be assigned only in conjunction with an assignment of the Development Agreement; provided, however, the Developer may assign, convey, or transfer some or all of the Guaranteed Capacity to buyers of portions of the Property in accordance with the terms specified in G.C.14.00.

G.C.9.00 Event of Foreclosure.

In the event the Developer's interest in the Property is extinguished by an act of foreclosure, and the foreclosing party has supplied sufficient evidence to the City that it is the successor in interest to the Property as a result of such foreclosure, and that there are no lawsuits pending concerning the Property, the City shall consider the foreclosing party a Developer successor in interest if the foreclosing party executes a utility service agreement with the City (after the City Council determines that the execution of such an agreement will not be adverse to the City's interest).

G.C.10.00 Payment for Provision of Utility Service.

Customers within the Development receiving Service shall be charged the applicable rates for Service from time to time specified by ordinance or resolution adopted by the City Council. Billing and collection for charges for Service shall be the responsibility of the City.

G.C.11.00 Impact Fee Payment.

For the Wastewater Capacity, the Developer shall pay to the City the Impact Fees in the amounts from time to time and at the times specified in the Governing Regulations. In addition, and to the extent the Developer's development of the Property results in the City's providing to the Developer Systems capacity, in the form of Water Service LUEs, in excess of the Water Capacity, the Developer agrees to pay all applicable Impact Fees as provided and in accordance with the applicable provisions of the Code and implementing City ordinances or resolutions relating to such Systems capacity in excess of the Water Capacity. Any conveyance of any portion of the Property shall include a written statement to the transferee of such portion of the Property concerning the requirement to pay Impact Fees as previously described as a result of the development of such Property pursuant to and in accordance with the applicable provisions of the Code. Notwithstanding the foregoing, the City makes no representations or guarantees concerning the availability of Systems capacity in excess of the Guaranteed Capacity.

The Developer agrees that this Agreement does not constitute an assessment of Impact Fees on the Property or the Development regarding Water Capacity; however, because fees owed to the City hereunder by the Developer for Water Capacity are used by the City to pays costs of Systems expansion to make available the Water Capacity, such payment shall supersede and replace any Impact Fees that would otherwise be due and owing to the City for the Developer's accessing the Water Capacity. This provision shall control in case of any conflict with any other provision of this Agreement or any other provision of the Development Agreement.

G.C.12.00 City's Obligation to Provide Service.

Provision of Service to the Property shall not commence until (i) completion of (a) the Offsite Improvements and (b) the Onsite Improvements necessary to provide Service to the portion of the Property for which Service is requested and (ii) the City has approved and accepted the Offsite

Improvements and Onsite Improvements identified in Clause (i)(b) of this Section G.C.12.00.

To the extent that all applicable Impact Fees have been paid and all Offsite Improvements and the Onsite Improvements necessary to provide Service to the Property pursuant to an approved Plat have been completed and made a part of the Systems in accordance with the terms of this Agreement and the Development Agreement, such portion of the Property that is the subject of such approved Plat shall be entitled to Service by permanent use and benefit of Water Capacity and Wastewater Capacity from and up to the Guaranteed Capacity.

G.C.13.00 Conformance of Plans.

All water and wastewater facilities serving the Property other than and in addition to the Improvements shall be designed and constructed in conformance with this Agreement, the Development Agreement, and the Governing Regulations. Once initially approved by the City, changes in the water and wastewater system design shall be resubmitted to the City for written approval.

G.C.14.00 LUE Transfers.

The transfer of Guaranteed Capacity for use outside the boundaries of the Property shall not be allowed.

The City considers this Agreement to run with the Property; however, LUE transfers from Water Capacity and Wastewater Capacity, respectively, to subdivided tracts within the Property are the responsibility of the Developer and approval of such transfers is not required by the City. The Developer shall maintain a separate accounting of the Water Service LUEs and Wastewater Service LUEs derived from the Guaranteed Capacity that are used by the Developer and/or transferred after the Effective Date to portions of the Property. If the Developer sells a portion of the Property and transfers part of the Guaranteed Capacity that is provided under this Agreement, then that Guaranteed Capacity transfer must be included in the deed, bill of sale or instrument conveying the land and the Developer must require the buyer of the land who receives the allocated Water Service LUEs and Wastewater Service LUEs from Guaranteed Capacity to record the instrument effectuating the transfer.

If and as applicable, the City will recognize the LUE allocations within the Property site plan delivered to the City so long as those allocations are compliant and consistent with the provisions of this Agreement and do not, in the aggregate, exceed the Guaranteed Capacity. For portions of the Property that have areas of unplanned use, the demand will be calculated at four (4) Water Service LUEs and Wastewater Service LUEs per acre unless the engineering report specifies otherwise or there is not enough Guaranteed Capacity remaining for the Property to allocate four (4) LUEs per acre.

In no event will the City be responsible to third parties for providing Service beyond the total Guaranteed Capacity identified in this Agreement for the Property. The Developer expressly disclaims, releases, and holds harmless the City from any liability, damages, costs, or fees, and agrees to indemnify the City for any liability, including, costs and attorney's fees, associated with any dispute related to the transfer of all or a portion of Guaranteed Capacity approved for the Property in this Agreement.

* * *

ATTACHMENT II

SPECIAL CONDITIONS OF THE UTILITY SERVICE AGREEMENT

S.C.1.00 Tract Location; Ultimate Demand; and Cost.

The Property is described in the Development Agreement. The Property is not located over the Edwards Aquifer Recharge or Contributing Zone. The Property is located inside the City's water certificate for convenience and necessity (*CCN*), inside the City's wastewater CCN, and does not require the City's financial participation in the development of infrastructure.

Water Capacity. The Water Capacity shall not exceed [NUMBER] (__) Water Service LUEs. The Parties agree that the Water Capacity Capacity shall be subject to Impact Fees and that the timing and amount of payment shall be in accordance with the Code or City ordinance or resolution (as the same exists as the date hereof and may be updated, supplemented, or amended from time to time).

Wastewater Capacity. The Wastewater Capacity shall not exceed [NUMBER] (__) Wastewater Service LUEs. The Parties agree that the Wastewater Capacity shall be subject to Impact Fees and that the timing and amount of payment shall be in accordance with the Code or City ordinance or resolution (as the same exists as the date hereof and may be updated, supplemented, or amended from time to time).

S.C.2.00 Requirement for Utilization of Guaranteed Capacity.

The City's dedication of the Guaranteed Capacity to the Developer represents an allocation by the City of a scarce City resource. By entering into this Agreement, the Developer represents to the City that the Developer has a present intent to utilize the Guaranteed Capacity for the purpose of making Service available to the Property. If all of the Guaranteed Capacity has not been utilized by the tenth (10^{th}) anniversary of the Effective Date, the City shall have the ability, exercisable at its discretion upon prior delivery of written notice to the Developer, to reallocate to another user such unutilized portion the Guaranteed Capacity. Any such reallocation shall be conditioned on the City's reimbursement to the Developer of any amounts paid by the Developer to the City for such reallocated portion of the Guaranteed Capacity pursuant to this S.C.2.00. The City's obligation to reserve the Guaranteed Capacity beyond the 2023 calendar year shall additionally be conditioned on the Developer's compliance with Section 3.04(a) of the Development Agreement.

S.C.3.00 Time for Impact Fee Assessment and Payment.

Impact Fees owed pursuant to G.C.11.00, S.C.1.00, the Code, and applicable City ordinance or resolution, if any, will be assessed at the rates, and be payable at the times, as specified in the Code and ordinances or resolutions from time to time adopted by the City implementing or modifying the same.

* * *

ATTACHMENT III

ENGINEERING REPORT REGARDING IMPROVEMENTS

To be delivered to the City by the Developer with adequate time for the City's review, comment, and approval, pursuant to the terms of this Agreement. The Parties hereby agree that adequate time means sixty (60) days from the initial date of submission. Upon the City's approval, the Engineering Report (which includes Improvements plans and specifications) shall be appended to and become a part of this Agreement as Attachment III.

ATTACHMENT IV

DEVELOPMENT AGREEMENT

Exhibit P

PETITION FOR ANNEXATION OF LAND INTO THE CITY OF CASTROVILLE

TO THE HONORABLE CITY COUNCIL, CITY OF CASTROVILLE, TEXAS:

I or we, _____, owner(s) of the land described below by metes and bounds and, being contiguous and adjacent land and territory to the present corporate limits of the City of Castroville, Texas, hereby request annexation of the described land into the City of Castroville. I (we) understand that the request does not necessarily mean that the land will be annexed, but that the City will consider the request based upon requests received from other Developers and an evaluation of services to be provided.

Name: _____

Address: _____

City/State/Zip: _____

{INSERT LEGAL DESCRIPTION AND/OR ATTACH PLAT & METES AND BOUNDS DESCRIPTION}

Wherefore, petitioners respectfully request that the hereinabove described land be forthwith incorporated into and become a part of the territory of the municipal corporation of the City of Castroville, Medina County, Texas.

Respectfully Submitted,

[NAME OF LANDOWNER]

By: _____
[NAME, TITLE]

STATE OF TEXAS
COUNTY OF MEDINA
BEFORE ME, the undersigned authority, on this day personally appeared _____ as _____ of petitioner _____, who having knowledge of the facts contained herein acknowledged to me that he executed the same for the purposes and consideration therein expressed, on this _____ day of _____, 2023.

_____
Notary Public