

**VALVERDE PUBLIC IMPROVEMENT DISTRICT  
REIMBURSEMENT AGREEMENT**

This Valverde Public Improvement District Reimbursement Agreement (this “**Reimbursement Agreement**”), related to the Valverde Public Improvement District, which was formerly known as the Viridan Public Improvement District, is executed between the City of Bastrop, Texas (“**City**”) and Continental Homes of Texas, L.P., a Texas limited partnership (the “**Developer**”) (each individually referred to as a “**Party**” and collectively as the “**Parties**”) effective as of \_\_\_\_\_, 2023.

**RECITALS**

**WHEREAS**, capitalized terms used herein shall have the meaning assigned to such term in Exhibit “A”, attached hereto, and capitalized terms not otherwise defined in this Reimbursement Agreement shall have the meanings given to them in the PID Financing Agreement; and

**WHEREAS**, on March 9, 2021, the City Council of the City (the “**City Council**”) authorized the formation of the Viridian Public Improvement District, which is hereby renamed the Valverde Public Improvement District and all agreements, documents or other items with the name Viridian Public Improvement District shall be understood to relate to the Valverde Public Improvement District, the “**District**” or “**PID**”) pursuant to Resolution No. R-2021-28 (the “**Creation Resolution**”) in accordance with Chapter 372, Texas Local Government Code (the “**PID Act**”), covering approximately 410 acres of land described in the Creation Resolution (the “**Property**”) which covers the Property, together with an approximately 10 acre tract of land located adjacent to the Property more particularly described in Exhibit “B” attached hereto (the “**10 acre Tract**”); and

**WHEREAS**, the purpose of the District is to finance certain public improvements authorized by the PID Act that promote the interests of the City and confer a special benefit on the assessed property located within the District; and

**WHEREAS**, pursuant to that certain Viridian Development Agreement entered into on July 13, 2021, by and between the City and the Developer, the Developer intends to develop the Property as a mixed-use development, consisting of residential, commercial, and civic uses, as well as parkland, open space, and other amenities (the “**Project**”); and

**WHEREAS**, on September 14, 2021, the City and the Developer entered into that certain Viridian Public Improvement District Financing and Reimbursement Agreement (the “**PID Financing Agreement**”), allowing for the financing of certain public improvements within the District; and

**WHEREAS**, the Developer desires and intends to design, construct and install and/or make financial contributions to certain on-site and off-site public improvements to serve the development of the Property, and pursuant to the terms of this Reimbursement Agreement, the City has agreed to accept and to pay or reimburse the Developer for a portion of certain public improvements that will serve the Property in the District, as generally described on Exhibit “C” attached hereto and made a part hereof (the “**Authorized Improvements**”); and

**WHEREAS**, the Developer anticipates developing the Project in phases, with the District being divided, for development planning purposes, into the “**Major Improvement Area**” (as more particularly described on Exhibit “D” attached hereto), “**Improvement Area #1**” (as more particularly described on Exhibit “E”), “**Improvement Area #2**”, “**Improvement Area #3**”, and “**Improvement Area #4**” (each an “**Improvement Area**” and collectively, the “**Improvement Areas**”), with the approximate boundaries of such Improvement Areas being reflected on Exhibit “F” attached hereto and made a part hereof; and

**WHEREAS**, although the 10-acre Tract was located within the District pursuant to the Creation Resolution, it is not intended that the 10-acre Tract will be developed by the Developer, nor will the 10-acre Tract be assessed, nor is it anticipated that the 10-acre Tract will benefit from any of the Authorized Improvements; and

**WHEREAS**, it is intended that the City Council shall pass and approve one or more assessment ordinances determining, among other things, the estimated costs of the Authorized Improvements that benefit the entire District (the “**Major Improvement Area Improvements**”, to be further defined in the Service and Assessment Plan (defined herein)), the estimated costs of the Authorized Improvements that benefit property located within Improvement Area #1 (the “**Improvement Area #1 Improvements**”, to be further defined in the Service and Assessment Plan), and levy assessments against certain property located within the Major Improvement Area (the “**Major Improvement Area Assessments**”) and levy assessments against certain property located within Improvement Area #1 (the “**Improvement Area #1 Assessments**” and collectively with the Major Improvement Area Assessments, the “**Assessments**”), each in accordance with the Assessment Roll (defined herein) attached to the Service and Assessment Plan or update or amendment thereto; and

**WHEREAS**, it is intended that the PID Bonds (defined herein) will be issued to finance a portion of the Actual Costs of, among other things: (i) the Major Improvement Area Improvements (the “**Major Improvement Area Improvements Cost**”), and (ii) the Improvement Area #1 Improvements (the “**Improvement Area #1 Improvements Cost**” and collectively with the Major Improvement Area Improvements Cost, the “**Improvements Cost**”); and

**WHEREAS**, it is anticipated that one or more series of PID Bonds will be issued pursuant to an Indenture of Trust (the “**Indenture**”) by and between the City and a legally qualified trustee selected by the City (the “**Bond Trustee**”); and

**WHEREAS**, it is anticipated that the City shall deposit the revenues received and collected by the City from the respective Assessments, including foreclosure sale proceeds, first into their respective segregated fund held by the City (each an “**Operating Account**”), and then further transferred pursuant to the respective Indenture when executed; and

**WHEREAS**, the Parties intend that all or a portion of the Improvements Cost shall be paid for with the applicable hereinafter-defined Major Improvement Area Reimbursement Obligation and Improvement Area #1 Reimbursement Obligation pursuant to the terms of this Reimbursement Agreement, and as further described in the PID Financing Agreement; and

**WHEREAS**, following the issuance of a series of PID Bonds, the Pledged Revenues (defined herein) will secure the PID Bonds, and then, on a subordinate basis, the applicable Major Improvement Area Reimbursement Obligation or Improvement Area #1 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. Until a series of PID Bonds are issued, the City shall cause the Pledged Revenues to be deposited into the respective Operating Account. After a series of PID Bonds are issued, the City shall cause the Pledged Revenues to be deposited pursuant to the respective Indenture once executed.
3. Payment of Improvements Cost. Prior to the execution of an Indenture, the City shall pay the Improvements Cost pursuant to executed and approved Certifications for Payment in the manner provided for in the PID Financing Agreement from the respective Operating Account. Following the execution of an Indenture, the Bond Trustee shall pay the Improvements Cost pursuant to executed and approved certifications for payment in the manner provided for in the PID Financing Agreement and the respective Indenture for a series of PID Bonds issued for the Major Improvement Area and Improvement Area #1.
4. Reimbursement Obligation. Subject to the terms, conditions, and requirements contained herein, the City agrees to reimburse the Developer, and the Developer shall be entitled to receive from the City, an amount not to exceed \$11,095,000 for the Actual Costs of the Major Improvement Area Improvements (the “**Major Improvement Area Reimbursement Obligation**”), and an amount not to exceed \$10,970,000 for the Actual Costs of the Improvement Area #1 Improvements (the “**Improvement Area #1 Reimbursement Obligation**” and collectively with the Major Improvement Area Reimbursement Obligation, the “**Improvement Area Reimbursement Obligations**”), in accordance with the terms of this Reimbursement Agreement, and subject to any

further limitations in the PID Financing Agreement, until July 31, 2053 (the “**Maturity Date**”). It is hereby acknowledged that the City is not responsible hereunder for any amount of Improvements Cost in excess of the amount of the Major Improvement Area Assessments and the Improvement Area #1 Assessments collected, as applicable. The Improvement Area Reimbursement Obligations, including accrued and unpaid interest, shall be payable to the Developer, solely from the Pledged Revenues deposited in the applicable Operating Account or the reimbursement fund created by an Indenture. The Improvement Area Reimbursement Obligations are authorized by the PID Act, are hereby approved by the City Council, and represent the total allowable costs to be assessed against property located within the boundaries of the Major Improvement Area for the Major Improvement Area Improvements, and Improvement Area #1 for the Improvement Area #1 Improvements. The interest rate paid to the Developer on the Improvement Area Reimbursement Obligations shall be the lesser of (a) 6.5%, or (b) 2% above the S&P Municipal Bond High Yield Index. The interest rate is hereby approved by the City Council and complies with the PID Act. Interest will accrue on the respective Improvement Area Reimbursement Obligations at the applicable interest rate stated above from the later to occur of: (i) the date that the applicable Assessment is levied by the City or (ii) the date a certificate for payment for the applicable Improvements Cost is approved by the City. Following the issuance of any series of PID Bonds, interest on the Improvement Area Reimbursement Obligations will accrue from the date of delivery of the applicable PID Bonds at the interest rate of such PID Bonds. Interest shall be calculated on the basis of a 360-day year, comprised of twelve 30-day months.

5. Obligated Payment Sources. The Improvement Area Reimbursement Obligations, plus accrued and unpaid interest as described above, are payable to the Developer and secured under this Reimbursement Agreement solely as described herein. The Improvement Area Reimbursement Obligations are not a debt of the City, within the meaning of Article XI, Section 5, of the Constitution of the State of Texas. As such, no other City funds, revenue, taxes, income, or property shall be used to pay the Improvement Area Reimbursement Obligations. The City acknowledges and agrees that until the applicable Improvement Area Reimbursement Obligations and accrued and unpaid interest are paid in full, the obligation of the City to use amounts on deposit in the applicable Operating Account or the reimbursement fund created by an Indenture to pay the applicable Improvement Area Reimbursement Obligations and accrued and unpaid interest to the Developer is absolute and unconditional and the City does not have, and will not assert, any defenses to such obligation.
6. City Collection Efforts. The City will use all reasonable efforts to receive and collect, or cause to be received and collected by the Bastrop County Tax Assessor-Collector, the Assessments (including the foreclosure of liens resulting from the nonpayment of the Assessments or other charges due and owing under the Service and Assessment

Plan) and shall not permit a reduction, abatement, or exemption in the Assessments due on any portion of the Improvement Areas until (i) any outstanding PID Bonds related to that particular portion of the Major Improvement Area or Improvement Area #1, as applicable, are no longer outstanding, whether as a result of payment in full, defeasance, or otherwise, or (ii) the Developer has been reimbursed for the remaining amount of unreimbursed Actual Costs in accordance with this Reimbursement Agreement. The City shall use best efforts to collect the Assessments consistent with the City's policies and standard practices applicable to the collection of City taxes and assessments.

7. Process for Payment for the Improvement Area #1 Reimbursement Obligation. The Developer may submit to the City a written request for payment in the form and manner to be provided for in the PID Financing Agreement (a “**Certification for Payment**”) of any funds then available in the reimbursement fund created by an Indenture following February 1<sup>st</sup> of each year. Upon receipt of a Certification for Payment for the Major Improvement Area Improvements or the Improvement Area #1 Improvements, as applicable, described in the Service and Assessment Plan with all required documentation attached, the City shall cause available funds within the appropriate account under the respective Indenture or the respective Operating Account to be disbursed to the Developer within thirty (30) days. This process will continue until the applicable Improvement Area Reimbursement Obligation and accrued and unpaid interest is paid in full, less any amounts required for reserves and any other costs or expenses associated with issuing the PID Bonds.
  
8. Termination. Once either (i) all payments paid to the Developer under this Reimbursement Agreement equal the Improvement Area Reimbursement Obligations plus any accrued and unpaid interest, (ii) the PID Bonds being issued for the Major Improvement Area that is equal to the Major Improvement Area Reimbursement Obligation, less any amounts required for reserves and any other costs or expenses associated with issuing the PID Bonds, less any payments made from the Bond Trustee pursuant to this Agreement, and the PID Bonds being issued for Improvement Area #1 that is equal to the Improvement Area #1 Reimbursement Obligation, less any amounts required for reserves and any other costs or expenses associated with issuing the PID Bonds, less any payments made from the Bond Trustee pursuant to this Agreement (iii) a combination of (i) and (ii) above that, collectively, is equal to the Improvement Area Reimbursement Obligations, or (iv) the Maturity Date is reached, this Reimbursement Agreement shall terminate; provided, however that if on the Maturity Date, any portion of the Improvement Area Reimbursement Obligations or accrued and unpaid interest remains unpaid, the Improvement Area Reimbursement Obligations shall be canceled and for all purposes of this Reimbursement Agreement shall be deemed to have been conclusively and irrevocably PAID IN FULL; provided further however that if any

Assessments remain due and payable and are uncollected on the Maturity Date, such Assessments, when, as, and if collected after such Maturity Date, shall be applied, first, to any amounts due in connection with the applicable Improvement Area for any outstanding PID Bonds for such Improvement Area, and then paid to the Developer and applied to the applicable Improvement Area Reimbursement Obligations. Under no circumstances will either payments made under this Reimbursement Agreement or a series of PID Bonds equal more than the Improvement Area Reimbursement Obligations.

9. Non-Recourse Obligation. The obligations of the City under this Reimbursement Agreement are non-recourse and payable only from Pledged Revenues and such obligations do not create a debt or other obligation payable from any other City revenues, taxes, income, or property. Neither the City nor any of its elected or appointed officials nor any of its employees shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of this Reimbursement Agreement or their acts or omission under this Reimbursement Agreement. Developer acknowledges that no appropriation of City funds has been or will be made to provide payments due under this Reimbursement Agreement. Further, Developer acknowledges that the only source of funds for payment under this Reimbursement Agreement is from an Operating Account or the reimbursement fund created by an Indenture to pay the applicable Improvement Area Reimbursement Obligation.
10. 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 due and owing pursuant to the provisions of a Service and Assessment Plan (including any requirement to provide notice to Developer pursuant to the provisions thereof) in effect as of the date of this Reimbursement Agreement and remains unpaid for ninety (90) days after such notice, the City, upon providing written notice to the Developer, may reduce the amount of the applicable Improvement Area Reimbursement Obligation by a corresponding amount, provided, however, any reduction shall never result in a reduction in the amount of the Improvement Area Reimbursement Obligation to be less than zero.
11. 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.
12. 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 Bastrop County, Texas.

13. Notice. Any notice required or contemplated by this Reimbursement Agreement shall be deemed given at the addresses shown below: (i) one (1) business day after deposit with a reputable overnight courier service for overnight delivery such as FedEx or UPS; or (ii) one (1) 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.

If to City:                   City of Bastrop  
                                  Attn: City Manager  
                                  P.O. Box 427  
                                  1311 Chestnut Street  
                                  Bastrop, Texas 78602

With a copy to:           Bojorquez Law Firm  
                                  Attn: Alan Bojorquez  
                                  11675 Jolleyville Road, Suite 300  
                                  Austin, Texas 78759

If to Developer:         Continental Homes of Texas, L.P.  
                                  Attn: Ryan Gray  
                                  10700 Pecan Park Blvd., Suite 400  
                                  Austin, Texas 78750

With a copy to:         Metcalf Wolff Stuart & Williams, LLP  
                                  Attn: Talley J. Williams  
                                  221 W. 6th, Suite 1300  
                                  Austin, Texas 78701

14. 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.

15. Exclusive Rights of Developer. Developer's right, title and interest into the payments of the Improvement Area Reimbursement Obligations (including any accrued and unpaid interest thereon), as described herein, shall be the sole and exclusive property of Developer (or its Transferee) and no other third party shall have any claim or right to such funds unless Developer transfers its rights to its Improvement Area Reimbursement Obligations (including any accrued and unpaid interest thereon) to a Transferee in writing and otherwise in accordance with the requirements set forth herein. Upon providing the City with 30 days prior written notice, the 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 its Improvement Area Reimbursement Obligations plus any accrued and unpaid interest thereon (a "Transfer," and the person or entity to whom the transfer is made, a "Transferee"). Provided, however, that no such conveyance, transfer, assignment, mortgage, pledge, or other encumbrance shall be made without the prior written approval of the City Council if such conveyance, transfer, assignment, mortgage, pledge, or other encumbrance would result in the payments hereunder being pledged to the payment of debt service on any security, including public securities issued by any other state of the United States or political subdivision thereof. Notwithstanding the foregoing, no Transfer shall be effective until written notice of the Transfer, including (A) the name and address of the Transferee and (B) a representation by the 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 is provided to the City. The 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 Transfer.

16. Assignment.

- a. Subject to subparagraph (b) below, Developer may, in its sole and absolute discretion, assign this Reimbursement Agreement with respect to all or part of the District from time to time to any party in connection with the sale of the District or any portion thereof and in connection with a corresponding assignment of the rights and obligations in the PID Financing Agreement entered into prior to the levy of Assessments to any party, so long as the assignee has demonstrated to the City's satisfaction, which shall be provided in writing to the Developer, that the assignee has the financial, technical, and managerial capacity, the experience, and expertise to perform any duties or obligations so assigned and so long as the assigned rights and obligations are assumed without modifications to this Reimbursement Agreement or the PID Financing Agreement. Developer shall provide the City thirty (30) days prior written notice of any such assignment. Upon such assignment or partial assignment, Developer shall be fully released from any and all obligations under this Reimbursement Agreement and shall have no further liability with respect to this Reimbursement Agreement for the part of the District so assigned.
- b. Any sale of a portion of the Property or assignment of any right hereunder shall not be deemed a sale or assignment to a Designated Successor or Assign unless the conveyance or transfer instrument effecting such sale or assignment expressly states that the sale or assignment is to a Designated Successor or Assign.
- c. Any sale of a portion of the Property or assignment of any right hereunder shall not be deemed a Transfer unless the conveyance or transfer instrument effecting such sale or assignment expressly states that the sale or assignment is deemed to be a Transfer.



- d. Provided, however, that no such conveyance, transfer, assignment, mortgage, pledge or other encumbrance shall be made without the prior written approval of the City Council if such conveyance, transfer, assignment, mortgage, pledge or other encumbrance would result in the payments hereunder being pledged to the payment of debt service on public securities issued by any other state of the United States or political subdivision thereof.
- e. Notwithstanding anything to the contrary contained herein, this Section 16 shall not apply to Transfers which shall be governed by Section 15 above.
- f. It is hereby acknowledged that the limitations on the ability to make a Transfer as described in Section 15 above or an assignment as described in this Section 16 shall also apply to the Designated Successors and Assigns.

17. 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 the Developer is in Default, the City’s sole and exclusive remedy shall be to seek specific enforcement of this Reimbursement Agreement. No Default by the Developer, however, shall: (1) affect the obligations of the City to use the Pledged Revenues on deposit in the reimbursement fund as provided in Section 6 of this Reimbursement Agreement; or (2) entitle the City to terminate this Reimbursement Agreement. In addition to specific enforcement, the City shall be entitled to attorney’s fees, court costs, and other costs of the City to obtain specific enforcement.
- c. If the City is in Default, the Developer’s sole and exclusive remedies shall be to: (1) seek a writ of mandamus to compel performance by the City; or (2) seek specific enforcement of this Reimbursement Agreement.

18. Estoppel Certificate. Within thirty (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 of any default to the best of the City’s knowledge; and (iv) such other factual matters that may be reasonably requested.

19. No Boycott Israel.

The Developer is a Company as defined in Section 808.001(2) of the Texas Government Code, which means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations that exist to make a profit, and which Developer (a) represents that it does not boycott Israel, and (b) subject to or as otherwise required by applicable federal law, including without limitation 50 U.S.C. Section 4607, agrees it will not boycott Israel during the term of this Reimbursement Agreement. As used in the immediately preceding sentence, “boycott Israel” shall have the meaning given such term in Section 2271.001, Texas Government Code.

20. No Foreign Terrorist Organization.

The Developer is a Company as defined in Section 2270.0001(2) of the Texas Government Code, which means a sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association whose securities are publicly traded, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations, that exists to make a profit. The Developer hereby represents that it is not identified on the lists prepared and maintained by the Comptroller of Public Accounts of the State of Texas under Sections 2252.151 and 2270.0201, Texas Government Code, as amended.

21. No Firearm Entity Boycott.

To the extent this Reimbursement Agreement constitutes a contract for the purchase of goods or services for which a written verification is required under Section 2274.002, Texas Government Code, (as added by Senate Bill 19, 87<sup>th</sup> Texas Legislature, Regular Session, “**SB 19**”), as amended, Developer hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any,

- (1) do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and
- (2) will not discriminate against a firearm entity or firearm trade association during the term of this Reimbursement Agreement.

The foregoing verification is made solely to enable the City to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or Federal law. As used in the

foregoing verification, “discriminate against a firearm entity or firearm trade association,” “firearm entity,” and “firearm trade association” shall have the meanings assigned to such terms in Section 2274.001(3), 2247.001(6) and 2274.001(7), Texas Government Code (as added by SB 19), respectively. The Developer understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405 and exists to make a profit.

22. No Energy Company Boycott.

To the extent this Reimbursement Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002, Texas Government Code, (as added by Senate Bill 13, 87<sup>th</sup> Texas Legislature, Regular Session) as amended, Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of this Reimbursement Agreement. The foregoing verification is made solely to enable the City to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or Federal law. As used in the foregoing verification, “boycott energy companies” shall have the meaning assigned to the term “boycott energy company” in Section 809.001, Texas Government Code. The Developer understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405 and exists to make a profit.

23. Form 1295.

Submitted herewith is a completed Form 1295 in connection with the 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**”). The City hereby confirms receipt of the Form 1295 from the Developer, and the City agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30<sup>th</sup> day after the receipt of such form. The Developer and the City understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Developer; and, neither the City nor its consultants have verified such information.

24. Miscellaneous.

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

- c. This Reimbursement Agreement may be amended only by written agreement of the Parties.
- d. This Reimbursement Agreement may be executed in counterparts, each of which shall be deemed an original.

*[Signature pages to follow]*

IN WITNESS WHEREOF, the Parties have executed this Reimbursement Agreement to be effective as of the date written on the first page of this Reimbursement Agreement.

CITY:

THE CITY OF BASTROP, TEXAS

By: \_\_\_\_\_  
\_\_\_\_\_, Mayor

STATE OF TEXAS            §  
  §  
COUNTY OF BASTROP    §

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2023 by \_\_\_\_\_, Mayor of the City of Bastrop, Texas, on behalf of said City.

(SEAL)

\_\_\_\_\_  
Notary Public, State of Texas

\_\_\_\_\_  
Name printed or typed  
Commission Expires: \_\_\_\_\_

*[Signatures Continue on Next Page]*

DEVELOPER:

**Continental Homes of Texas, L.P.**

(a Texas limited partnership)

By: CHTEX of Texas, Inc.  
(a Delaware corporation)  
*Its General Partner*

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF TEXAS §

§

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2023 by \_\_\_\_\_, \_\_\_\_\_ of CHTEX of Texas, Inc., a Delaware corporation, the general partner of Continental Homes of Texas, L.P., a Texas limited partnership, on behalf of said entities.

\_\_\_\_\_  
Notary Public, State of Texas

(SEAL)

\_\_\_\_\_  
Name printed or typed

Commission Expires: \_\_\_\_\_

## **Exhibit “A” Definitions**

Actual Costs – means the following with respect to the Authorized Improvements: (a) the costs incurred by or on behalf of the Developer (either directly or through affiliates) for the design, planning, financing, administration/management, acquisition, installation, construction and/or implementation of such Authorized Improvements, (b) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvements, (c) Construction Management Fee, (d) the costs incurred by or on behalf of the Developer for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, appraisals, legal, accounting and similar professional services, taxes (property and franchise) related to the Authorized Improvements; € all labor, bonds and materials, including equipment and fixtures, by contractors, builders and materialmen in connection with the acquisition, construction or implementation of the Authorized Improvements, (f) all related permitting, zoning and public approval expenses, architectural, engineering, and consulting fees, financing charges, taxes, governmental fees and charges, insurance premiums, and all payments for Administrative Expenses after the date of a resolution authorizing such reimbursement, plus Interest, if any, calculated from the respective dates of the expenditures until the date of reimbursement therefore. Actual Costs shall not include construction management fees in an amount that exceeds an amount equal to the construction management fee amortized in equal monthly installments over the term of the appropriate construction management agreement. The amounts expended on legal costs, taxes, governmental fees, insurance premiums, permits, financing costs, and appraisals shall be excluded from the base upon which the construction management fees are calculated.

Assessment Roll – shall mean one or more assessment rolls for the assessed property within the District, as updated, modified, or amended from time to time in accordance with the Service and Assessment Plan.

Authorized Improvements – is defined in the recitals.

Bond Trustee – is defined in the recitals.

City Council – is defined in the recitals.

Certification for Payment – is defined in Section 8.

Creation Resolution – is defined in the recitals.

Default – is defined in Section 18.

Designated Successors and Assigns – shall mean (i) an entity to which Developer assigns (in writing) its rights and obligations contained in the PID Financing Agreement related to all or a portion of the Property, (ii) any entity which is the successor by merger or otherwise to all or substantially all of Developer’s assets and liabilities including, but not limited to, any merger

or acquisition pursuant to any public offering or reorganization to obtain financing and/or growth capital, or (iii) any entity which may have acquired all of the outstanding stock or ownership of assets of Developer.

District – is defined in the recitals.

Failure – is defined in Section 18.

Form 1295 – is defined in Section 24.

Improvement Area(s) – is defined in the recitals.

Improvement Area #1 – is defined in the recitals.

Improvement Area #2 – is defined in the recitals.

Improvement Area #3 – is defined in the recitals.

Improvement Area #4 – is defined in the recitals.

Improvement Area #1 Assessments – is defined in the recitals.

Improvement Area #1 Improvements – is defined in the recitals.

Improvement Area #1 Improvements Cost – is defined in the recitals.

Improvement Area #1 Reimbursement Obligation – is defined in Section 5.

Improvement Area Reimbursement Obligations – is defined in Section 5.

Improvements Cost – is defined in the recitals.

Indenture – is defined in the recitals.

Major Improvement Area Assessments – is defined in the recitals.

Major Improvement Area Improvements – is defined in the recitals.

Major Improvement Area Improvements Cost – is defined in the recitals.

Major Improvement Area Reimbursement Obligation – is defined in Section 5.

Maturity Date – is defined in Section 5.

Operating Account – is defined in the recitals.

PID Act – is defined in the recitals.

PID Bonds – shall mean each series of special assessment revenue bonds issued by the City to finance the Actual Costs of the Improvement Area #1 Improvements, and any bonds issued to refund all or a portion of any outstanding PID Bonds.

PID Financing Agreement – is defined in the recitals.

Pledged Revenues – shall mean the sum of (i) revenues from special assessments (including the Major Improvement Area Assessments and the Improvement Area #1 Assessments) levied



on property located within the applicable Improvement Area, less (a) administrative expenses and (b) delinquent collection costs; and (ii) the moneys held in any of the funds held by the City pursuant to the Indenture pledged for payment of debt service for the applicable PID Bonds.

Property – is defined in the recitals.

SB 19 – is defined in Section 22.

Service and Assessment Plan – means the Viridian Public Improvement District Service and Assessment Plan (as such plan is amended, supplemented or updated from time to time), to be initially adopted by the City Council in one or more ordinances levying the Major Improvement Area Assessments and the Improvement Area #1 Assessments, for the purpose of assessing allocated costs against property located within the boundaries of an Improvement Area, having terms, provisions and findings approved and agreed to by the Developer. The Parties hereby acknowledge that the Service and Assessment Plan may be amended, supplemented or updated from time to time.

TEC – is defined in Section 24.

Transfer – is defined in Section 16.

Transferee – is defined in Section 16.

10-acre Tract – is defined in the recitals.

**Exhibit "B"**  
**10 acre Tract**

**Exhibit "C"**  
**Authorized Improvements**

**Exhibit "D"**  
**Major Improvement Area**

**Exhibit "E"**  
**Improvement Area #1**

**Exhibit "F"**  
**Improvement Area Boundaries**