

Surety Bond

Bond No. 9351188

KNOW ALL MEN BY THESE PRESENTS, That we TF Arrowhead Ranch, L.P.,
as Principal, and Fidelity and Deposit Company of Maryland of Schaumburg, IL,
authorized to do business in the State of Texas, as Surety, are held and firmly bound unto the
City of Dripping Springs, TX as Obligee, in the maximum penal sum of
One Million Four Hundred Twenty Three Thousand Four Hundred Eighty Eight Dollars and NO/100 (\$ 1,423,488.00),
lawful money of the United States of America, for which payment well and truly to be made we bind ourselves, our heirs, executors and assigns,
jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a written agreement dated _____, with the Obligee to perform services in accordance with the terms
and conditions of the ARROWHEAD RANCH PHASE 3 DRAINAGE, WATER, WASTEWATER AND ROADWAY IMPROVEMENTS
(hereinafter referred to as the Contract), said Contract is hereby referred to and made a part hereof;

NOW, THEREFORE, the condition of this obligation is such that if the above named Principal, its successors and assigns, shall well and truly
perform its obligations as set forth in the above mentioned Contract, then this Bond shall be void; otherwise to remain in full force and effect.

Notwithstanding anything to the contrary in the Contract, the Bond is subject to the following express conditions:

1. Whereas, the Obligee has agreed to accept a renewable bond, this Bond shall be effective for the period of 10/20/2020, to 10/20/2021,
and may be extended for additional one (1) year periods from the expiration date hereof, or any future expiration date, unless the
Surety provides to the Obligee not less than thirty (30) days advance written notice of its intent not to renew this Bond.
2. Neither nonrenewal by the Surety, nor the failure or inability of the Principal to file a replacement bond in the event the Surety exercises
its right to not renew this Bond, shall itself constitute a loss to the Obligee recoverable under this bond or any extension thereof.
3. This bond shall have final and definite expiration date of _____.
4. No claim, action, suit or proceeding, except as hereinafter set forth, shall be had or maintained against the Surety on this instrument unless
same be brought or instituted upon the Surety within one year from termination or expiration of the bond term.
5. Regardless of the number of years this Bond is in force, the liability of the Surety shall not be cumulative and shall in no event exceed the
amount set forth above, or as amended by rider.
6. Any notice, demand, certification or request for payment, made under this Bond shall be made in writing and addressed to the parties at the
addresses specified below. Any demand or request for payment must be made prior to the effective date of nonrenewal.

If to Surety: Fidelity and Deposit Company of Maryland
1299 Zurich Way, 5th Floor
Schaumburg, IL 60196
847-605-6000

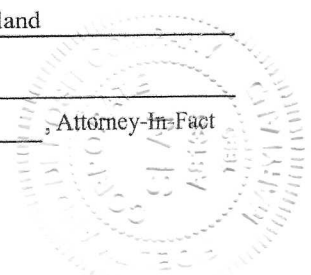
7. This Bond shall be void unless signed and acknowledged by the Obligee below.

SIGNED, SEALED AND DATED this 20TH day of October, 2020.

TF Arrowhead Ranch, L.P.
Principal

By: _____

Fidelity and Deposit Company of Maryland
By: [Signature]
Kathleen M. Coen, Attorney-in-Fact



Signed and acknowledged as to the Obligee, this _____ day of _____, _____.

By: _____

**ZURICH AMERICAN INSURANCE COMPANY
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY
FIDELITY AND DEPOSIT COMPANY OF MARYLAND
POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS: That the ZURICH AMERICAN INSURANCE COMPANY, a corporation of the State of New York, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, a corporation of the State of Illinois, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND a corporation of the State of Illinois (herein collectively called the "Companies"), by **Robert D. Murray, Vice President**, in pursuance of authority granted by Article V, Section 8, of the By-Laws of said Companies, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, do hereby nominate, constitute, and appoint, **Gary J. GIULIETTI, Holly L. LYNCH, Michelle G. HIGGINS, Holly TALLONE, Louis J. BENSINGER, Kathleen M. COEN and Tammy L. OREHEK, all of Farmington, Connecticut EACH**, its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: **any and all bonds and undertakings**, and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Companies, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the ZURICH AMERICAN INSURANCE COMPANY at its office in New York, New York., the regularly elected officers of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at its office in Owings Mills, Maryland., and the regularly elected officers of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at its office in Owings Mills, Maryland., in their own proper persons.

The said Vice President does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article V, Section 8, of the By-Laws of said Companies, and is now in force.

IN WITNESS WHEREOF, the said Vice-President has hereunto subscribed his/her names and affixed the Corporate Seals of the said **ZURICH AMERICAN INSURANCE COMPANY, COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and FIDELITY AND DEPOSIT COMPANY OF MARYLAND**, this 14th day of June, A.D. 2019.



**ZURICH AMERICAN INSURANCE COMPANY
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY
FIDELITY AND DEPOSIT COMPANY OF MARYLAND**

By: *Robert D. Murray*
Vice President

By: *Dawn E. Brown*
Secretary

**State of Maryland
County of Baltimore**

On this 14th day of June, A.D. 2019, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, **Robert D. Murray, Vice President and Dawn E. Brown, Secretary** of the Companies, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and acknowledged the execution of same, and being by me duly sworn, deposeth and saith, that he/she is the said officer of the Company aforesaid, and that the seals affixed to the preceding instrument are the Corporate Seals of said Companies, and that the said Corporate Seals and the signature as such officer were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporations.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.



Constance A. Dunn, Notary Public
My Commission Expires: July 9, 2023

EXTRACT FROM BY-LAWS OF THE COMPANIES

"Article V, Section 8, Attorneys-in-Fact. The Chief Executive Officer, the President, or any Executive Vice President or Vice President may, by written instrument under the attested corporate seal, appoint attorneys-in-fact with authority to execute bonds, policies, recognizances, stipulations, undertakings, or other like instruments on behalf of the Company, and may authorize any officer or any such attorney-in-fact to affix the corporate seal thereto; and may with or without cause modify or revoke any such appointment or authority at any time."

CERTIFICATE

I, the undersigned, Vice President of the ZURICH AMERICAN INSURANCE COMPANY, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the foregoing Power of Attorney is still in full force and effect on the date of this certificate; and I do further certify that Article V, Section 8, of the By-Laws of the Companies is still in force.

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the ZURICH AMERICAN INSURANCE COMPANY at a meeting duly called and held on the 15th day of December 1998.

RESOLVED: "That the signature of the President or a Vice President and the attesting signature of a Secretary or an Assistant Secretary and the Seal of the Company may be affixed by facsimile on any Power of Attorney...Any such Power or any certificate thereof bearing such facsimile signature and seal shall be valid and binding on the Company."

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at a meeting duly called and held on the 5th day of May, 1994, and the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 10th day of May, 1990.

RESOLVED: "That the facsimile or mechanically reproduced seal of the company and facsimile or mechanically reproduced signature of any Vice-President, Secretary, or Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seals of the said Companies, this 20th day of October, 2020.



Brian M. Hodges, Vice President

TO REPORT A CLAIM WITH REGARD TO A SURETY BOND, PLEASE SUBMIT A COMPLETE DESCRIPTION OF THE CLAIM INCLUDING THE PRINCIPAL ON THE BOND, THE BOND NUMBER, AND YOUR CONTACT INFORMATION TO:

Zurich Surety Claims
1299 Zurich Way Schaumburg, IL
60196-1056
www.reportsfclaims@zurichna.com
800-626-4577

THE FIDELITY AND DEPOSIT COMPANY

OF MARYLAND

1299 Zurich Way Schaumburg, IL 60196

Statement of Financial Condition

As Of December 31, 2019

ASSETS

| | |
|--------------------------------------|------------------------------|
| Bonds | \$ 255,279,821 |
| Stocks | 21,280,401 |
| Cash and Short Term Investments..... | 2,878,421 |
| Reinsurance Recoverable | 25,356,035 |
| Federal Income Tax Recoverable..... | 140,480 |
| Other Accounts Receivable..... | 20,383,843 |
| TOTAL ADMITTED ASSETS | \$ <u>325,319,001</u> |

LIABILITIES, SURPLUS AND OTHER FUNDS

| | |
|---|------------------------------|
| Reserve for Taxes and Expenses..... | \$ 795,381 |
| Ceded Reinsurance Premiums Payable | 43,024,327 |
| Remittances and Items Unallocated | 0 |
| Payable to parents, subs and affiliates..... | 0 |
| Securities Lending Collateral Liability | 0 |
| TOTAL LIABILITIES..... | \$ <u>43,819,708</u> |
| Capital Stock, Paid Up | \$ 5,000,000 |
| Surplus | <u>276,499,293</u> |
| Surplus as regards Policyholders..... | 281,499,293 |
| TOTAL | \$ <u>325,319,001</u> |

Securities carried at \$164,223,431 in the above statement are deposited with various states as required by law.

Securities carried on the basis prescribed by the National Association of Insurance Commissioners. On the basis of market quotations for all bonds and stocks owned, the Company's total admitted assets at December 31, 2019 would be \$322,248,132 and surplus as regards policyholders \$288,428,424.

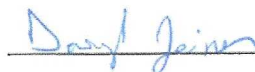
I, LAURA J. LAZARCZYK, Corporate Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the foregoing statement is a correct exhibit of the assets and liabilities of the said Company on the 31st day of December, 2019.



Corporate Secretary

State of Illinois }
City of Schaumburg } SS:

Subscribed and sworn to, before me, a Notary Public of the State of Illinois, in the City of Schaumburg, this 25th day of February, 2020.



Notary Public

