

MANOR HEIGHTS PUBLIC IMPROVEMENT DISTRICT
FINANCING AND REIMBURSEMENT AGREEMENT

BETWEEN

FORESTAR (USA) REAL ESTATE GROUP, INC., A DELAWARE CORPORATION

AND

CITY OF MANOR, TEXAS

MANOR HEIGHTS PUBLIC IMPROVEMENT DISTRICT FINANCING AND REIMBURSEMENT AGREEMENT

This Manor Heights Public Improvement District Financing and Reimbursement Agreement (this “**Agreement**”), dated as of _____, 2021 (the “**Effective Date**”), is entered into between Forestar (USA) Real Estate Group, Inc., a Delaware corporation (including any Designated Successors and Assigns, the “**Owner**”), and the City of Manor, Texas (the “**City**”), acting by and through each’s duly authorized representative. The Consenting Party and the Owner and the City are sometimes collectively referenced in this Agreement as the “**Parties**”, or, each individually, as the “**Party**”. Capitalized terms not defined herein shall have the meanings ascribed thereto in Exhibit “A”, attached hereto.

Recitals:

WHEREAS, Owner, RHOF, LLC, a Texas limited liability company (“**RHOF**”) and Continental Homes of Texas, L.P., a Texas limited partnership (“**Horton**”) own a total of approximately 602 acres of land located within the City (the “**Property**”), which Property is more particularly described in Exhibit “B”, attached hereto;

WHEREAS, RHOF, Sky Village Kimbro Estates, LLC, and the City entered into a Development Agreement, effective November 7, 2018, which was amended by that certain First Amendment dated November 6, 2019 and that certain Second Amendment dated October 21, 2020 (as may be amended further, the “**Development Agreement**”) pertaining to development matters with respect to the Property;

WHEREAS, it is intended that the Property will be developed as a primarily residential development with approximately 24 acres intended to be developed for commercial use, in accordance with the Development Agreement, Ordinance No.481 which established the zoning for Manor Heights South, and the Planned Unit Development Zoning (as may be further amended, the “**PUD**”), adopted by the City Council of the City (the “**City Council**”) pursuant to Ordinance No. 534 on November 14, 2018 (the “**Project**”);

WHEREAS, the City Council authorized the formation of the Manor Heights Public Improvement District (as amended, the “**District**”) pursuant to a Resolution adopted by the City Council on November 7, 2018, in accordance with Chapter 372 of the Texas Local Government Code (the “**PID Act**”);

WHEREAS, the City Council authorized additional land to be added to the boundaries of the District pursuant to a Resolution No. 2020-11 adopted by the City Council on October 7, 2020.

WHEREAS, pursuant to a Resolution adopted by City Council on March 17, 2021, Owner and the City entered into that certain Manor Heights Public Improvement District Acquisition and Reimbursement Agreement (Improvement Area #1 and Improvement Area #2) as authorized by Section 372.023(d)(1) of the Act (the “**IA Acquisition and Reimbursement Agreement**”);

WHEREAS, pursuant to a Resolution adopted by City Council on April 21, 2021, Owner and the City entered into that certain Manor Heights Public Improvement District Acquisition and Reimbursement Agreement (Major Improvement Area) as authorized by Section 372.023(d)(1) of the Act (the “**Major Acquisition and Reimbursement Agreement**”);

WHEREAS, pursuant to the terms of this Agreement, the City has agreed to allow financing of certain Authorized Improvements conferring special benefits to the Property via a public improvement district;

WHEREAS, the Owner intends to construct certain Authorized Improvements over time to serve property located in the District (or portions thereof) and cause ownership of those improvements to vest with the City in accordance with the terms and provisions of this Agreement;

WHEREAS, the City intends to construct the Wastewater Facilities with a combination of proceeds from the PID Bonds and other funds provided by the Owner;

WHEREAS, from the proceeds of the PID Bonds, the City will, upon satisfaction of the conditions and in accordance with the terms set forth in this Agreement, acquire those certain Authorized Improvements provided for in this Agreement and the Owner will be paid or repaid or reimbursed for the costs of acquisition, construction and improvement of the Segments that are completed from time to time and operative, subject to the terms and limitations set forth herein;

WHEREAS, the City intends to (upon satisfaction of the conditions and in accordance with the terms set forth in this Agreement) adopt the Service and Assessment Plan, approve the Assessment Ordinance and levy Assessments on all or a portion of the property located within the District and issue bonds in one or more series for payment of costs associated with construction and/or acquisition of the Authorized Improvements included in the Service and Assessment Plan, as such plan may be amended from time to time; and

WHEREAS, the City has determined that it is in its best interests to build a portion of the Authorized Improvements (e.g. the Wastewater Facilities) and to contract with the Owner for the construction of the balance of the Authorized Improvements, which will result in the efficient and effective implementation of the Service and Assessment Plan.

NOW, THEREFORE, for and in consideration of the mutual agreements, covenants, and conditions contained herein, and other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I. SCOPE OF AGREEMENT

This Agreement establishes provisions for the apportionment, levying, and collection of Assessments on the Property (Article II), the construction of Authorized Improvements to be acquired by the City (Article III), funding of Authorized Improvements (Article IV), the issuance of bonds for the financing of the Authorized Improvements (Article V), representation and warranties (Article VI), default and remedies (Article VII), and general provisions (Article VIII).

ARTICLE II. APPORTIONMENT, LEVY AND COLLECTION OF ASSESSMENTS

Section 2.01. Preliminary Matters

(a) On November 7, 2018, the City authorized the formation of the District by Resolution No. 2018-10 and on October 7, 2020, the City authorized additional land be included within the District pursuant to Resolution No. 2020-11. The District includes all of the Property.

(b) The Property is intended to be developed in phases, with the District being divided, for development planning purposes, into the Major Improvement Area (as more particularly described in Exhibit “B-1” attached hereto), Improvement Area #1 (as more particularly described in Exhibit “B-2” attached hereto) and Improvement Area #2 (as more particularly described in Exhibit “B-2” attached hereto) (the Major Improvement Area, Improvement Area #1, and Improvement Area #2 may each be referred to as an **“Improvement Area”**). The Owner intends to further divide the Major Improvement Area into two or more Improvement Areas as development progresses to the Major Improvement Area. All Authorized Improvements are intended to benefit one or more specific Improvement Areas or the entire District. It is intended that the Assessments for the Major Improvement Area, Improvement Area #1 and Improvement Area #2 will be levied concurrently. Thereafter, it is expected that PID Bonds for both the Major Improvement Area (the **“Major Improvement Area PID Bonds”**) and Improvement Area #1 and Improvement Area #2 (the **“IA #1-2 PID Bonds”**) will be issued. The Major Improvement Area PID Bonds will finance the Major Improvement Area’s proportionate share of Actual Costs attributable to the construction of, acquisition of or reimbursement for the Major Improvements (as more particularly described in Exhibit “C-1” attached hereto). Likewise, the IA #1-2 PID Bonds will finance the Improvement Area #1 and Improvement Area #2’s Actual Costs attributable to the construction of, acquisition of or reimbursement for the Improvement Area #1 Improvements (as more particularly described in Exhibit “C-1” attached hereto) and the Improvement Area #2 Improvements (as more particularly described in Exhibit “C-1” attached hereto), respectively; and the IA #1-2 PID Bonds will finance the Improvement Area #1 and Improvement Area #2’s proportionate share of Actual Costs attributable to the construction of, acquisition of or reimbursement for the Major Improvements. The proportionate share of Actual Costs of Authorized Improvements will be allocated to each Improvement Area based on the benefit provided by the Authorized Improvements to that Improvement Area (as set forth in the Service and Assessment Plan) so that each Improvement Area’s allocated Actual Costs will be funded by the PID Bonds issued for and secured by the Assessments on the particular Improvement Area.

(c) Parity Bonds may be issued to pay for or reimburse Owner for any Actual Costs for Authorized Improvements benefiting an Improvement Area that remain unpaid or unreimbursed after issuance of the initial PID Bonds secured by that Improvement Area.

(d) The Parties hereby acknowledge and agree that any references in this Agreement to the Owner's obligation to construct any Authorized Improvement may be disregarded with respect to the Wastewater Facilities since the City is constructing the Wastewater Facilities.

(e) On the Effective Date, the City Council has also considered and approved the Preliminary Service and Assessment Plan for the Property which is attached hereto as Exhibit “C”.

The Owner acknowledges and agrees that the Service and Assessment Plan must meet the requirements of Texas Local Government Code Sections 372.013 and 372.014 and be presented to the City Council for review and approval prior to Assessments being levied and PID Bonds being issued. Subsequent to the City Council's approval of this Agreement, the City intends to approve the Service and Assessment Plan and levy Assessments on all benefited parcels in the District. Thereafter, the Service and Assessment Plan will be updated and amended by the City or its Administrator at least once per year, and submitted for the City Council's review and approval. Notwithstanding the above, it is hereby understood and acknowledged by the Parties that the Service and Assessment Plan may need to be amended over time if there are any changes to the Authorized Improvements or property within the District, in accordance with the terms set forth in this Agreement. Nevertheless, the basic terms and methodology described in the Service and Assessment Plan will generally apply to each series of PID Bonds.

(f) Assessments on any portion of the Property will bear a direct proportional relationship to and be less than or equal to the special benefit of the Authorized Improvements accruing to such portion of the Property.

(g) Assessments on any portion of the Property may be adjusted in connection with PID Bond issues or otherwise so long as the Assessments are determined in accordance with the Service and Assessment Plan and the PID Act.

(h) The Property may also be subject to an Owner's Association assessment.

(i) Promptly following submission to the City of the initial or an updated Service and Assessment Plan (or any subsequent amendment or supplement to the Service and Assessment Plan) acceptable in form and substance to the City and to the Owner with respect to the matters therein that require approval by the Owner as provided in this Agreement, the City Council shall consider, if applicable, an Assessment Ordinance relating to the applicable plan or amendment or supplement. If an Assessment Ordinance is adopted, the City shall use reasonable, good faith efforts to expeditiously initiate and approve all necessary documents and orders required to effectuate the Service and Assessment Plan and Assessment Ordinance.

(j) Prior to the issuance of any series of PID Bonds (except for Parity Bonds or any refunding bonds), the Owner shall provide an Appraisal to the City for the City's review and approval covering the portion of the Property that is subject to the Assessments. The City shall select the appraiser, in consultation with the Owner and the Underwriter, and all reasonable fees of the Appraisal shall be paid by the Owner.

Section 2.02. Apportionment and Levy of Assessments

The City will levy Assessments on the Property in accordance with the terms of this Agreement and with the Service and Assessment Plan at such time as an Assessment Ordinance is

approved by the City Council. The City's apportionment and levy of Assessments will be made in accordance with the PID Act.

Section 2.03. Collection of Assessments

(a) Subject to the terms and conditions of this Agreement, the City covenants and agrees that it shall, as authorized by the PID Act and other applicable law, continuously collect or cause to be collected Assessments levied pursuant to an Assessment Ordinance in accordance with the Service and Assessment Plan during the term of this Agreement in the manner and to the maximum extent permitted by applicable law. The City covenants and agrees that to the extent permitted by applicable law, it will not permit a reduction, abatement, or exemption in the Assessments due on any portion of the Property until (i) the PID Bonds related to that particular portion of the Property are no longer outstanding, whether as a result of payment in full, defeasance, or otherwise, or (ii) the Owner has been reimbursed for the unreimbursed Actual Costs eligible to be paid from the Assessment Revenues in accordance with the applicable Acquisition and 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.

(b) It is hereby acknowledged that Assessments can be used, to the extent any such Assessments are remaining after payments are made on the PID Bonds, to pay or reimburse Owner for any Actual Costs not paid or reimbursed under Section 4.02, Section 4.03, or Section 4.04 of this Agreement. Any reimbursement obligation to Owner under an Acquisition and Reimbursement Agreement or as provided above will be subordinate to payment of the applicable PID Bonds.

(c) Notwithstanding anything to the contrary contained herein or in the Service and Assessment Plan, once PID Bonds have been issued for an Improvement Area, the Assessment Revenues collected annually from the Property within such Improvement Area will be deposited in the applicable Pledged Revenue Fund and thereafter transferred in the priority as set forth in the applicable Indenture.

(d) Further notwithstanding anything to the contrary contained herein, the City covenants and agrees to use best efforts to contract with the Travis County Tax Assessor for the collection of the Assessments such that the Assessments will be included on the ad valorem tax bill(s) for the Property and will be collected as part of and in the same manner as ad valorem taxes.

Section 2.04. Approval and Recordation of Assessments through Landowner Agreement

Concurrently with the levy of the Assessments for any portion of the Property, the Owner and the Consenting Party shall execute a "**Landowner Agreement**" (herein so called) in which the Landowner shall (i) approve and accept the apportionment of the Assessments in the Service and Assessment Plan and the levy of the Assessments by the City and (ii) approve and accept the terms of the Home Buyer Disclosure Program. The Landowner Agreement further shall (a) evidence the Landowner's intent that the Assessments be covenants running with the land that (i) will bind any and all current and successor owners of the Property to the Assessments, including applicable interest thereon, as and when due and payable and (ii) provide that subsequent

purchasers of such land take their title subject to and expressly assume the terms and provisions of the Assessments; and (b) provide that the liens created by the levy of the Assessments are a first and prior lien on the Property, subject only to liens for ad valorem taxes of the State, County, City, or school district.

Section 2.05 Assignment of Right to Payment of Unreimbursed Actual Costs.

Owner's right, title and interest to the payments of unreimbursed Actual Costs shall be the sole and exclusive property of Owner (or its Transferee) and no other third party (including but not limited to the Consenting Party) shall have any claim or right to such funds unless Owner transfers its rights to its unreimbursed Actual Costs to a Transferee in writing and otherwise in accordance with the requirements set forth herein. Owner has the right to convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part without the consent of (but with notice to) the City, all or any portion of Owner's right, title, or interest under this Agreement to receive payment of its unreimbursed Actual Costs, including either Bond Proceeds or Assessment Revenues (a "Transfer," and the person or entity to whom the transfer is made, a "Transferee"). Notwithstanding the foregoing, no Transfer shall be effective until written notice of the Transfer, including the name and address of the Transferee, is provided to the City. The City may rely conclusively on any written notice of a Transfer provided by Owner without any obligation to investigate or confirm the Transfer. A Transferee shall be responsible for all continuing disclosure requirements and obligations as agreed to by the Owner and the City in the Disclosure Agreement of Owner.

Section 2.06. Obligations Secured by Pledged Revenues

THE PID BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY SECURED SOLELY BY ASSESSMENT REVENUES (AS PROVIDED IN THE INDENTURE) AND ANY OTHER FUNDS HELD UNDER THE INDENTURE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE PID BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE CITY AND ARE NOT SECURED EXCEPT AS PROVIDED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF ANY FUNDS OF THE CITY OTHER THAN THE ASSESSMENT REVENUES AND ANY OTHER FUNDS HELD UNDER THE INDENTURE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO THE OWNERS OF THE BONDS TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE ASSESSMENT REVENUES.

Section 2.07 PID True-Up

(a) If the subdivision of any Assessed Property by a recorded subdivision plat causes the Assessment per Lot included with that subdivision plat to exceed the Maximum Assessment, then prior to the City approving the plat, the Owner must partially prepay the Assessment for each Lot included with that subdivision plat that exceeds the Maximum Assessment in an amount sufficient to reduce the Assessment to the Maximum Assessment.

(b) At the time PID Bonds are issued, if the Assessment per Lot for any Lot classification identified in the Service and Assessment Plan exceeds the Maximum Assessment, then prior to the issuance of PID Bonds the Assessment on the applicable parcel shall be reduced until the Assessment equals the Maximum Assessment.

(c) Notwithstanding anything seemingly to the contrary herein, in the event of any conflict between this Agreement and the Service and Assessment Plan with respect to the calculation of the Maximum Assessment, the Service and Assessment Plan shall control.

ARTICLE III. CONSTRUCTION AND ACQUISITION

Section 3.01. Acquisition of Authorized Improvements

The Owner will dedicate the Authorized Improvements to the City upon completion of the Authorized Improvements, and the City will accept dedication of such Authorized Improvements after confirming that the Authorized Improvements (or such Segment thereof) have been completed in accordance with this Agreement and the Regulatory Requirements.

Section 3.02. Designation of Construction Manager, Construction Engineers

(a) Except for the Wastewater Facilities which will be constructed by the City, the City hereby designates the Owner, or its assignees, as the Construction Manager with full responsibility for the design, the designation of easement locations, facilities site designations and acquisitions, supervision of construction, and the bidding and letting of construction contracts for the construction of the Authorized Improvements in accordance with the provisions of this Article III and in accordance with any requirements of the City and, as applicable, City approved plans.

(b) Except as otherwise provided herein, inspection of the construction of any Authorized Improvement being conveyed to the City will be by the City Construction Representative or its designee. Any City inspection of an Authorized Improvement being conveyed to the City will be in accordance with any requirements of the City.

(c) The Owner shall be entitled to a separate Construction Management Fee for the construction of each Segment, unless Owner contracts with a third party to act as the Construction Manager with respect to construction of the Authorized Improvements. The Construction Management Fee is part of Actual Costs and will be paid as part of the Actual Costs.

(d) The City shall cooperate with the Owner in connection with its services as Construction Manager.

(e) The Owner shall designate the consulting engineers for the Authorized Improvements (save and except for the Wastewater Facilities) for the compensation specified by the Owner.

Section 3.03. Designation of Construction Manager Subcontractor

The City acknowledges and agrees that Owner may subcontract out all or some of the duties of Construction Manager to a third party. Owner may designate an individual, company, or

partnership or other entity as a subcontractor for construction management services for one or more Authorized Improvements or distinct Segments thereof; provided, however, that such designee has the technical capacity, experience, and expertise to perform such construction management duties or obligations.

Section 3.04. Maintenance of Project, Warranties

Unless otherwise provided for, the Owner (or the Owner's Association, as applicable) shall maintain each Authorized Improvement (or Segment thereof) in good and safe condition until such Authorized Improvement (or Segment thereof) is accepted by the City. The City's acceptance of Authorized Improvements shall be in accordance with the City's standard rules and procedures for the type of improvements being constructed. Prior to such acceptance, the Owner shall be responsible for performing any required maintenance on such Authorized Improvement. On or before the acceptance by the City of an Authorized Improvement (or Segment thereof), the Owner shall assign to the City all of the Owner's rights in any warranties, guarantees, maintenance obligations, or other evidences of contingent obligations of third persons with respect to such Authorized Improvement (or Segment thereof).

Section 3.05. Sales and Use Tax Exemptions

(a) The parties agree that, as municipally and publicly owned and acquired properties, all costs of materials, other properties and services used in constructing the Authorized Improvements to be acquired by the City are exempt under the Texas Tax Code from sales and use taxes levied by the State of Texas, or by any county, city, special district, or other political subdivision of the State, as set forth in Texas Tax Code Section 151.309.

(b) The City will provide such certifications to the Owner and/or to suppliers and contractors as may be required to assure the exemptions claimed herein.

(c) The City and the Owner shall cooperate in structuring the construction contracts for the Authorized Improvements to comply with requirements (including those set forth in Texas Tax Code Section 151.309) for exemption from sales and use taxes.

Section 3.06. Exemption from Public Bidding

It is agreed that the construction of Authorized Improvements will be exempt from any public bidding or other purchasing and procurement policies pursuant to Texas Local Government Code Section 252.022(a)(9), which states that a project is exempt from such policies if "paving drainage, street widening, and other Authorized Improvements, or related matters, if at least one-third of the cost is to be paid by or through special assessments levied on property that will benefit from the improvements."

Section 3.07. Completion Agreement

The Owner has executed a Completion Agreement (herein so called), a copy of which is attached hereto as Exhibit "H" prior to execution of this Agreement. The Completion Agreement, together with the payment and performance bonds being provided by the Owner pursuant to the terms of the Development Agreement, shall provide the City with adequate assurances that the

improvements described in the Completion Agreement will be completed by the Owner. Execution of the Completion Agreement alleviates any requirement for the Owner to provide a cash deposit to secure the completion of construction of any improvements within the Project.

ARTICLE IV. PAYMENT FOR AUTHORIZED IMPROVEMENTS

Section 4.01. Overall Requirements

(a) The City will, upon satisfaction of the conditions and in accordance with the terms set forth in this Agreement and the Development Agreement, pay or reimburse, as applicable, the Owner for the Actual Costs of the Authorized Improvements as provided further herein.

(b) Any payment obligation of the City hereunder shall be payable solely from Assessment Revenues or, if PID Bonds are issued, the proceeds of such PID Bonds. Unless approved by the City, no other funds, revenues, taxes, or income of any kind other than Assessment Revenues or, if PID Bonds are issued, the proceeds of such bonds shall be used to pay the City's obligations hereunder. The obligations of the City under this Agreement shall not, under any circumstances, give rise to or create a charge against the general credit or taxing power of the City or constitute a debt or other obligation of the City payable from any source other than Assessments Revenues or, if PID Bonds are issued, the proceeds of such bonds.

(c) The Parties anticipate that the Actual Costs to construct the Authorized Improvements will be greater than the Assessment Revenues or, if PID Bonds are issued, the net proceeds of such bonds available for Authorized Improvements. The Owner shall bear one hundred percent (100%) of the Actual Costs of constructing the Authorized Improvements not paid from the proceeds of the PID Bonds or Assessment Revenues.

(d) Upon completion of an Authorized Improvement (or Segment thereof), the Owner shall convey, and the City shall acquire, as more particularly described in Section 3.01, the given Authorized Improvement for the Actual Costs, after such Authorized Improvement (or Segment thereof) is completed and has been accepted by the City.

(e) Upon acceptance of an Authorized Improvement, and subject to any applicable maintenance-bond period, the City shall be responsible for all operation and maintenance of such Authorized Improvements.

Section 4.02. Payments for Authorized Improvements Prior the Issuance of PID Bonds

(a) Upon the approval of an Assessment Ordinance and prior to the issuance of PID Bonds, the City shall bill, collect, and immediately deposit the Assessment Revenues collected from the Assessed Property into the applicable Improvement Area Operating Account (excluding Annual Collection Costs and Delinquent Collection Costs). Funds in the Operating Accounts shall only be used to pay Actual Costs of the Authorized Improvements in accordance with this Agreement. Once PID Bonds are issued, the applicable Indenture shall control in the event of any conflicts with this Agreement.

(b) The general process to receive funds from the Pledged Revenue Fund to pay the

Actual Costs of the Authorized Improvements is as follows:

(1) the Owner shall deliver to the City Construction Representative and the City Engineer the following:

(A) a Certification for Payment substantially in the form attached hereto as Exhibit "D" executed by the Construction Manager and the Project Engineer evidencing the Actual Costs;

(B) evidence of the acceptance by the City of those Authorized Improvements to be funded by the PID Bond in question and the conveyance to the City of those Authorized Improvements to be funded by the PID Bonds as described in Section 2.03 above (for Completed Authorized Improvements only);

(C) waivers of liens for the work on the applicable Authorized Improvements through the previous Certification for Payment, receipts for payment and verification in form acceptable that any subcontractors have been paid;

(D) two-year maintenance bond; and

(E) an assignment of the warranties and guaranties in form reasonably acceptable to the City.

(2) After the Certification for Payment is submitted to the City Construction Representative, the City shall conduct a review to confirm those Authorized Improvements to be funded by the Assessment Revenues on deposit in the applicable Operating Account were constructed in accordance with the plans therefor (for Completed Authorized Improvements only) and to verify the Actual Costs of Authorized Improvements specified in such Certification for Payment. The City agrees to conduct such review in an expeditious manner after the Certification for Payment is submitted to the City Construction Representative and the Owner agrees to cooperate with the City in conducting each such review and to provide the City with such additional information and documentation as is reasonably necessary for the City to conclude each such review. Upon confirmation by the City that Authorized Improvements to be funded by the Assessment Revenues on deposit in the applicable Operating Account have been constructed in accordance with the plans therefor and this Agreement (for Completed Authorized Improvements only), verification and approval of the Actual Costs of those Authorized Improvements, the City shall within thirty (30) calendar days thereafter accept those Authorized Improvements not previously accepted by the City and the City Construction Representative shall sign the Certification for Payment and forward the same to the City Manager. The City Manager shall then have up to ten (10) business days to reimburse the Owner. Notwithstanding anything to the contrary stated herein, Owner shall not be required to complete construction of a particular Authorized Improvement in order to be reimbursed via a "progress payment" pursuant to this Section 4.02.

(c) The Owner shall be entitled to receive any unpaid amounts under a Certification for Payment approved under subsection (b) above (the "**Reimbursement Obligation Balance**"), plus simple interest on the Reimbursement Obligation Balance at the rate provided for in the applicable Acquisition and Reimbursement Agreement; provided, however, that the interest rate under this subsection (c) shall not exceed the maximum amount permissible under the PID Act. If any Actual Costs of the Authorized Improvements remain unreimbursed after the issuance of the PID Bonds, it is intended that Owner may request such Actual Costs to be reimbursed by a

subsequent issuance of Parity Bonds.

Section 4.03. Payments for Authorized Improvements Upon the Issuance of PID Bonds

(a) Upon receipt of a Bond Issuance Request, the City will consider the issuance of the PID Bonds, subject to meeting the requirements and conditions stated in the Development Agreement, Section 5.01 hereof, and State law, to reimburse the Owner for Actual Costs of those Authorized Improvements that are complete at the time of bond issue and to be completed by progress payments. The City will use diligent, reasonable and good faith efforts, subject to meeting the requirements and conditions stated herein and State law, to issue PID Bonds within four (4) to six (6) months after receiving a Bond Issuance Request from Owner.

(b) Once PID Bonds are issued pursuant to Article V hereof, the City shall bill, collect, and deposit into the Pledged Revenue Fund all Assessment Revenues constituting “pledged revenues” as defined in the Indenture. The City shall also deposit the proceeds of the PID Bonds and any other funds authorized by the applicable Indenture into the Project Fund. Funds in the Project Fund shall only be used to pay Actual Costs of the Authorized Improvements in accordance with the Indenture. When PID Bonds are issued, the proceeds of the PID Bonds shall be used to pay or reimburse the Owner for Actual Costs incurred in constructing the Authorized Improvements that are or will be dedicated and transferred to and accepted by the City. The Owner is responsible for Actual Costs of Authorized Improvements not paid from proceeds of the PID Bonds from the Pledged Revenue Fund, and any cost overruns (after applying cost savings). The lack of proceeds of the PID Bonds or the availability of other funds in the Pledged Revenue Fund or the Project Fund shall not diminish the obligation of the Owner to pay the Actual Costs of the Authorized Improvements.

(c) At least thirty (30) calendar days prior to the time of the closing of the PID Bonds, Owner may submit a Closing Disbursement Request (including any supporting documentation requested by the City) substantially in the form attached hereto in Exhibit “E” executed by the Construction Manager and the Project Engineer to the City Construction Representative to be reimbursed for those Owner Expended Funds accrued to date of such Closing Disbursement Request and not previously reimbursed. The City shall conduct a review to verify the Owner Expended Funds specified in such Closing Disbursement Request. Prior to disbursement of proceeds, City Construction Representative will sign the Closing Disbursement Request and deliver said Closing Disbursement Request to the Trustee. At the closing of the PID Bonds, Owner shall be reimbursed an amount equal to the applicable Owner Expended Funds.

(d) Any Authorized Improvements that have not been completed by Owner by the time the PID Bonds are issued, will be payable periodically as construction progresses. The procedures for such progress payments are contained in this Section 4.03 and the Indenture. Such payments shall be made by Trustee no more frequently than monthly and within five (5) business days of the Trustee’s receipt of the completed Certification for Payment from the City Construction Representative. If the City disapproves any Certification for Payment, the City shall provide a written explanation of the reasons for such disapproval so that if the Certification for Payment is revised in accordance with City’s comments, the Certification for Payment can be approved. Notwithstanding anything to the contrary contained herein, if the Quarterly Accounting provided by the Construction Manager for a particular Authorized Improvement shows there are not enough

funds in the segregated account to fund the remaining design and construction Actual Costs of that Authorized Improvement after taking into consideration any contingencies, the City Construction Representative shall not be obligated to authorize payments of a Certification for Payment until such time as Owner provides evidence satisfactory to the City Construction Representative that Owner has or will provide funds in an amount sufficient to fully fund the remaining design and construction Actual Costs of that Authorized Improvement. Furthermore, notwithstanding anything contained herein to the contrary, in the event a subcontractor supplying labor or materials for the Authorized Improvements claims that the subcontractor has not been paid for such labor or materials, the City Construction Representative shall not be obligated to authorize payment of a Certification for Payment until such claim is resolved.

(h) The general process for funding of Authorized Improvements from funds on deposit in the Project Fund is as follows:

(1) the Owner shall deliver to the City Construction Representative and the City Engineer the following:

(i) a Certification for Payment substantially in the form attached hereto as Exhibit "E" executed by the Construction Manager and the Project Engineer evidencing the Actual Costs,

(ii) evidence of the acceptance by the City of those Authorized Improvements to be funded by the PID Bond in question and the conveyance to the City (for Completed Authorized Improvements only), and

(iii) waivers of liens for the work on the applicable Authorized Improvements through the previous Certification for Payment, receipts for payment and verification in form acceptable that any subcontractors have been paid.

(2) After the Certification for Payment is submitted to the City Construction Representative, the City shall conduct a review to confirm those Authorized Improvements to be funded by proceeds of the PID Bonds were constructed in accordance with the plans therefor (for Completed Authorized Improvements only) and to verify the Actual Costs of Authorized Improvements specified in such Certification for Payment. The City agrees to conduct such review in an expeditious manner after the Certification for Payment is submitted to the City and the Owner agrees to cooperate with the City in conducting each such review and to provide the City with such additional information and documentation as is reasonably necessary for the City to conclude each such review. Upon confirmation by the City that Authorized Improvements to be funded by the PID Bonds have been constructed in accordance with the plans therefor and this Agreement (for Completed Authorized Improvements only), verification and approval of the Actual Costs of those Authorized Improvements, the City shall within thirty (30) calendar days thereafter accept those Authorized Improvements not previously accepted by the City and the City Construction Representative shall sign the Certification for Payment and forward the same to the City Manager. The City Manager shall then have up to ten (10) business days to forward the executed Certification for Payment to the Trustee for payment.

(i) In addition to the submitted items required in 4.03(e) above, in order to obtain the final progress payment for an Authorized Improvement funded by the PID Bonds pursuant to this Section 4.03, the Owner shall have provided to the City an assignment of the warranties and

guaranties, if applicable, and a two-year maintenance bond for such Authorized Improvement.

Section 4.04. Parity Bonds

(a) Any Actual Costs for Authorized Improvements for a given Improvement Area not paid or reimbursed from the proceeds of the initial series of PID Bonds for that Improvement Area or the proceeds from an Acquisition and Reimbursement Agreement may be paid or reimbursed from the proceeds of Parity Bonds for that Improvement Area. It is contemplated that Parity Bonds may be issued after issuance of the initial series of PID Bonds for an Improvement Area.

(b) The purpose of a Parity Bond issuance for an Improvement Area would be to fund (i) Authorized Improvements benefitting such Improvement Area that were not completed at the time the initial PID Bonds secured by that Improvement Area were issued; or (ii) the Actual Costs of Authorized Improvements that were completed at the time the initial PID Bonds secured by Assessments levied on such Improvement Area but that were not fully reimbursed by said initial PID Bonds or any applicable Acquisition and Reimbursement Agreement.

(c) There may be more than one series of Parity Bonds secured by Assessments levied on a specific Improvement Area. If the Parity Bonds secured by Assessments levied on a specific Improvement Area are sufficient to fully reimburse Owner for the unreimbursed Actual Costs for that Improvement Area, then Owner's right to receive any portion of the Assessments for such purposes shall automatically terminate. However, if the net proceeds of Parity Bonds are not sufficient to reimburse Owner for the unreimbursed Actual Costs eligible to be paid from Assessments for a given Improvement Area, or if the amount to be funded by such Parity Bonds is insufficient to justify issuance in the City's reasonable discretion, then Owner shall continue to receive the Assessments for that Improvement Area to the extent, and only to the extent, those funds remain available therefor after debt service is paid on the applicable PID Bonds until the date the Owner is fully repaid for the unreimbursed Actual Costs eligible to be paid from Assessments.

Section 4.05. Payment Pursuant to Acquisition and Reimbursement Agreement

(a) The City and Owner have previously entered into the Acquisition and Reimbursement Agreement(s), which will provide that any Assessment Revenues attributable to an Improvement Area remaining after payment of debt service on the PID Bonds will be used to reimburse the Owner for any Actual Costs attributable to the Authorized Improvements not paid pursuant to Section 4.02, Section 4.03 or Section 4.04 of this Agreement.

(b) Pursuant to the terms of the applicable Acquisition and Reimbursement Agreement, Owner shall convey, and the City shall acquire, the given Authorized Improvement or Segment thereof for the Actual Cost, after such Authorized Improvement is completed and has been accepted by the City.

Section 4.06 City Cooperation/Wastewater Facilities

The City shall cooperate with Owner and provide any and all documentation reasonably requested by Owner or the Administrator in a timely manner evidencing (i) the Actual Costs of the

Wastewater Facilities in order for Owner to include such information in payment requests (including Certification for Payments) and thereafter receive payments from the proceeds of the PID Bonds for the applicable Wastewater Facilities actually constructed by the City, and/or (ii) the timing and/or progress of the design and construction of the Wastewater Facilities in order for Owner to include such information in payment requests and/or the Owner Continuing Disclosure Agreement.

ARTICLE V. PID BONDS

Section 5.01. Issuance of PID Bonds

(a) Subject to the terms and conditions set forth in this Section V, the City intends to pay for the Authorized Improvements by issuing PID Bonds in one or more series. The City agrees to use diligent, reasonable and good faith efforts, subject to meeting the requirements and conditions stated herein and State law, to issue, within four to six months after receiving from Owner a Bond Issuance Request, the applicable PID Bonds, provided that Owner can reasonably demonstrate to the City and its financial advisors (i) that there is sufficient security for such PID Bonds, based upon the bond market conditions existing at the time of such proposed sale, (ii) that the Owner is current on all taxes, assessments, fees and obligations to the City, and (iii) by delivery to the City a certification or other evidence from an independent appraiser acceptable to the City confirming that the special benefits conferred on the properties being assessed for the Authorized Improvements increase the value of the property by an amount at least equal to the amount assessed against such property.

(b) The aggregate principal amount of PID Bonds required to be issued hereunder shall not exceed an amount sufficient to fund: (i) the Actual Costs of the Authorized Improvements, (ii) required reserves and capitalized interest of not more than 12 months after the completion of construction of the applicable Authorized Improvements funded by the PID Bond issue in question and in no event for a period greater than 12 months from the date of the initial delivery of the applicable PID Bonds and (iii) Bond Issuance Costs. Provided, however, that to the extent the law(s) which limit the period of capitalized interest to 12 months after completion of construction change, the foregoing limitation may be adjusted to reflect the law(s) in effect at the time of future PID Bond issuances.

(c) The final maturity for each series of PID Bonds shall occur no later than 30 years from the issuance of said PID Bonds.

(d) The maximum annual PID installment equivalent tax rate, calculated as of the date of the pricing of PID Bonds, shall be \$0.33 per \$100 of estimated buildout value. Assessments on any given portion of the Property may be adjusted in connection with subsequent PID Bond issues, as long as the maximum annual PID annual installment equivalent tax rate, as described in the foregoing sentence, is not exceeded, and the Assessments are determined in accordance with the Service and Assessment Plan. Assessments on any portion of the Property shall bear a direct proportionate relationship to the special benefit of the Authorized Improvements to that portion of the Property. Notwithstanding anything seemingly to the contrary herein, in the event of any conflict between this Agreement and the Service and Assessment Plan with respect to the calculation of the Maximum Assessment, the Service and Assessment Plan shall control.

(e) The minimum appraised value to lien ratio at the issuance date of each series of PID Bonds shall be 3 to 1.

(f) In addition to any other requirements of this Agreement, including but not limited to City Council approval, PID Bonds are not required to be issued under this Article V unless (i) the statutory requirements set forth in Chapter 372 of the Texas Local Government Code have been satisfied; (ii) the City receives at the time of issuance of such PID Bonds an opinion of counsel selected by the City stating in effect that the PID Bonds are legal and valid obligations under State law and that all preconditions to their issuance under State law have been satisfied; and (iii) the Attorney General has issued an opinion approving issuance of the bonds as required by the PID Act.

(g) The City will deliver a certificate relating to any PID Bonds authorized by the City Council (such certificate, as it may be amended and supplemented from time to time, being referred to herein as the “**Tax Certificate**”) containing covenants and agreements designed to satisfy the requirements of Sections 103 and 141 through 150, inclusive, of the Tax Code and the income tax regulations issued thereunder relating to the use of the proceeds of the PID Bonds or of any monies, securities or other obligations on deposit to the credit of any of the funds and accounts created by the Indenture or this Agreement or otherwise that may be deemed to be proceeds of the Bonds within the meaning of Section 148 of the Tax Code (collectively, “**Bond Proceeds**”).

(h) If the Owner is requesting Parity Bonds, the Owner must demonstrate that any applicable additional bonds test can be satisfied.

(i) The foregoing requirements apply to each series of PID Bonds issued.

Section 5.02. Project Fund

The City hereby covenants and agrees that when PID Bonds are issued, the Indenture will establish a Project Fund as a separate fund to be held by the Trustee under the Indenture. The portion of the proceeds of the PID Bonds issued to pay Actual Costs of Authorized Improvements and Bond Issuance Costs shall be deposited upon issuance into separate accounts within the Project Fund.

Section 5.03. Denomination, Maturity, Interest, and Security for Bonds

(a) Each series of PID Bonds is subject to authorization by the City Council. If authorized, the PID Bonds shall be issued in the denominations, shall mature and be prepaid, shall bear interest, and shall be secured by and payable solely from the PID Bond Security, all to be as described and provided in the PID Bond Ordinance or Indenture, as applicable.

(b) The final and adopted versions of each PID Bond Ordinance and Indenture (and all documents incorporated or approved therein) shall contain provisions relating to the withdrawal, application, and uses of the proceeds of the PID Bonds when and as issued and delivered and otherwise contain such terms and provisions as are mutually approved by the City and the Owner.

Section 5.04. Sale of PID Bonds

The PID Bonds, when issued by the City, shall be marketed and sold through a negotiated, competitive, or privately placed sale to an approved third party or parties with the cooperation and assistance of the Owner in all respects with respect to the preparation of marketing documents, such as preliminary and final official statements or in such other marketing and/or sales method mutually agreed upon by the City and the Owner.

Section 5.05. Phased Issuance of Debt

As previously stated, the proposed bond issuance program is anticipated to entail a minimum of one bond financing that will finance the Authorized Improvements required for the development of the Project. Following the issuance of the initial PID Bonds, Parity Bonds may be issued over the upcoming years as the value of the Property increases or additional Authorized Improvements are completed.

Section 5.06 Special Obligations

THE PID BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY SECURED SOLELY BY PLEDGED REVENUES (AS DEFINED IN THE INDENTURE) AND ANY OTHER FUNDS HELD UNDER THE INDENTURE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE PID BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE CITY AND ARE NOT SECURED EXCEPT AS PROVIDED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND ANY OTHER FUNDS HELD UNDER THE INDENTURE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO THE OWNERS OF THE BONDS TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES. NONE OF THE CITY OR ANY OF ITS ELECTED OR APPOINTED OFFICIALS OR ANY OF ITS OFFICERS, EMPLOYEES, CONSULTANTS OR REPRESENTATIVES SHALL INCUR ANY LIABILITY HEREUNDER TO THE OWNER OR ANY OTHER PARTY IN THEIR INDIVIDUAL CAPACITIES BY REASON OF THIS AGREEMENT OR THEIR ACTS OR OMISSIONS UNDER THIS AGREEMENT.

ARTICLE VI. REPRESENTATIONS, WARRANTIES, AND INDEMNIFICATION

Section 6.01. Representations and Warranties of City

The City makes the following covenant, representation and warranty for the benefit of the Owner:

The City is a political subdivision of the State of Texas, duly incorporated, organized and existing under the Constitution and general laws of the State, and has full legal right, power and authority under the PID Act and other applicable law (i) to enter into, execute and deliver this

Agreement, (ii) to adopt the Assessment Ordinance, and (iii) to carry out and consummate the transactions contemplated by this Agreement.

Section 6.02. Covenants, Representation, and Warranties of Owner

The Owner makes the following representations, warranties and covenants for the benefit of the City:

(a) Owner represents and warrants that it is a Delaware corporation, that it is in compliance with the laws of the State of Delaware, is qualified to do business in the State of Texas, and that it has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated.

(b) The Owner represents and warrants that the Owner has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered on behalf of the Owner.

(c) The Owner represents and warrants that this Agreement is valid and enforceable obligation of the Owner and is enforceable against the Owner in accordance with its terms, subject to bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

(d) The Owner covenants that once it commences construction of a Segment it will use its reasonable and diligent efforts to do all things which may be lawfully required of it in order to cause such Segment of the Authorized Improvements to be completed in accordance with this Agreement.

(e) The Owner represents and warrants that (i) it will not request payment from the City for the acquisition of any Authorized Improvements that are not part of the Project, and (ii) it will diligently follow all procedures set forth in this Agreement with respect to Payment Requests.

(f) For a period of two (2) years after the final Acceptance Date of each applicable Authorized Improvement, the Owner covenants to maintain proper books of record and account for the Authorized Improvements and all costs related thereto. The Owner covenants that such accounting books will be maintained in accordance with sound accounting practices, and will be available for inspection by the City or its agent at any reasonable time during regular business hours upon at least 72 hours' notice.

(g) The Owner agrees to provide the information required pursuant to the Owner Continuing Disclosure Agreement executed by the Owner in connection with the PID Bonds.

(h) The Owner covenants to provide, or cause to be provided, such facts and estimates as the City reasonably considers necessary to enable it to execute and deliver its Tax Certificate. The Owner further covenants that (i) such facts and estimates will be based on its reasonable expectations on the date of issuance of the PID Bonds and will be, to the best of the knowledge of the officers of the Owner providing such facts and estimates, true, correct and complete as of that date, and (ii) the Owner will make reasonable inquiries to ensure such truth, correctness and

completeness. The Owner covenants that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use or investment of the Bond Proceeds that would cause any of the covenants or agreements of the City contained in the Tax Certificate to be violated or that would otherwise have an adverse effect on the tax-exempt status of the interest payable on the PID Bonds for federal income tax purposes.

Section 6.03. Intentionally Deleted.

Section 6.04 Indemnification and Hold Harmless by Owner

THE OWNER WILL DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY, AND ITS OFFICIALS, EMPLOYEES, OFFICERS, REPRESENTATIVES, AND AGENTS (IN THIS SECTION, THE “CITY”) AGAINST AND FROM, AND WILL PAY TO THE CITY, THE AMOUNT OF, ALL ACTIONS, DAMAGES, CLAIMS, LOSSES, OR EXPENSE OF ANY TYPE, WHETHER OR NOT INVOLVING A THIRD-PARTY CLAIM (COLLECTIVELY, “DAMAGES”), ARISING DIRECTLY OR INDIRECTLY, FROM (i) THE BREACH OF ANY PROVISION OF THIS AGREEMENT BY THE OWNER; (ii) THE NEGLIGENT DESIGN, ENGINEERING, OR CONSTRUCTION BY THE OWNER OF ANY AUTHORIZED IMPROVEMENT ACQUIRED BY THE CITY; OR (iii) THE OWNER’S NONPAYMENT UNDER CONTRACTS WITH THE OWNER FOR ANY AUTHORIZED IMPROVEMENT UNDER THIS AGREEMENT. THE OWNER WILL DEFEND THE CITY AGAINST ALL SUCH CLAIMS AND THE CITY WILL REASONABLY COOPERATE AND ASSIST IN PROVIDING SUCH DEFENSE. THIS SECTION SURVIVES THE TERMINATION OF THIS AGREEMENT INDEFINITELY, SUBJECT TO APPROPRIATE STATUTES OF LIMITATIONS, AS THEY MAY BE TOLLED OR EXTENDED BY AGREEMENT OR OPERATION OF LAW.

ARTICLE VII. DEFAULT AND REMEDIES

(a) A Party shall be deemed in default under this Agreement (which shall be deemed a breach hereunder) if such Party fails to materially perform, observe or comply with any of its covenants, agreements or obligations hereunder or breaches or violates any of its representations contained in this Agreement.

(b) Before any failure of any Party to perform its obligations under this Agreement shall be deemed to be a breach of this Agreement, the Party claiming such failure shall notify, in writing, the Party alleged to have failed to perform of the alleged failure and shall demand performance. No breach of this Agreement may be found to have occurred if performance has commenced to the reasonable satisfaction of the complaining Party within 30 days of the receipt of such notice (or 5 days in the case of a monetary default), subject, however, in the case of non-monetary default, to the terms and provisions of subparagraph (c) in this Article VII. Upon a breach of this Agreement, the non-defaulting Party in any court of competent jurisdiction, by an action or proceeding at law or in equity, may secure the specific performance of the covenants and agreements herein contained (and/or an action for mandamus as and if appropriate). Except as otherwise set forth herein, no action taken by a Party pursuant to the provisions of this Article VII or pursuant to the provisions of any other Section of this Agreement shall be deemed to constitute an election of remedies and all remedies set forth in this Agreement shall be cumulative and non-

exclusive of any other remedy either set forth herein or available to any Party at law or in equity. Each of the Parties shall have the affirmative obligation to mitigate its damages in the event of a default by the other Party. Notwithstanding any provision contained herein to the contrary, the Owner shall not be required to construct any portion of the Authorized Improvements (or take any other action related to or in furtherance of same) while the City is in default under this Agreement.

(c) Notwithstanding any provision in this Agreement to the contrary, if the performance of any covenant or obligation to be performed hereunder by any Party is delayed as a result of circumstances which are beyond the reasonable control of such Party (which circumstances may include, without limitation, pending litigation, acts of God, war, acts of civil disobedience, widespread pestilence, fire or other casualty, shortage of materials, adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or tornadoes, labor action, strikes, changes in the law affecting the obligations of the Parties hereunder, or similar acts), the time for such performance shall be extended by the amount of time of the delay directly caused by and relating to such uncontrolled circumstances. The Party claiming delay of performance as a result of any of the foregoing Force Majeure events shall deliver written notice of the commencement of any such delay resulting from such Force Majeure event not later than seven (7) days after the claiming Party becomes aware of the same, and if the claiming Party fails to so notify the other Party of the occurrence of a “**Force Majeure**” event causing such delay, the claiming Party shall not be entitled to avail itself of the provisions for the extension of performance contained in this Article.

ARTICLE VIII. GENERAL PROVISIONS

Section 8.01. Notices

Any notice, communication, or disbursement required to be given or made hereunder shall be in writing and shall be given or made by facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses set forth below or at such other addresses as any be specified in writing by any Party hereto to the other parties hereto. Each notice which shall be mailed or delivered in the manner described above shall be deemed sufficiently given, served, sent, and received for all purpose at such time as it is received by the addressee (with return receipt, the delivery receipt or the affidavit of messenger being deemed conclusive evidence of such receipt) at the following addresses:

If to City: City of Manor
Attn: City Manager
105 East Eggleston Street
Manor, Texas 78653

With a copy to: The Knight Law Firm, LLP
Attn: Paige Saenz/Veronica Rivera
223 West Anderson Lane, Suite A-105
Austin, Texas 78752

If to Owner: Forestar (USA) Real Estate Group, Inc.

Attn: John Maberry
10700 Pecan Park Blvd., Suite 150
Austin, Texas 78750

With a copy to:

Metcalfe Wolff Stuart & Williams, LLP
Attn: Talley Williams
221 W. 6th, Suite 1300
Austin, Texas 78701

Section 8.02. Fee Arrangement /Administration of District

(a) The Owner agrees that it will pay all of the City's reasonable costs and expenses (including the City's third party advisors and consultants) related to the creation and administration of the District, as well as costs and expenses relating to the development and review of the Service and Assessment Plan (including legal fees and financial advisory fees) ("**City PID Costs**"). Prior to closing of the applicable PID Bonds, the City shall (i) submit to the Owner and the Trustee invoices and other supporting documentation evidencing the City PID Costs and (ii) direct the Trustee to pay these fees, as applicable, to the City or on behalf of the City from proceeds of the applicable PID Bonds. In addition to any City PID Costs pursuant to the preceding sentences, all fees of legal counsel related to the issuance of the applicable PID Bonds, including fees for the review of the District creation and District administration documentation, the preparation of customary bond documents and the obtaining of Attorney General approval for the applicable PID Bonds incurred by the Owner or otherwise, will be paid at closing from proceeds of the applicable PID Bonds.

Notwithstanding the foregoing, Owner and the City have entered into that certain Developer Deposit Agreement dated October 17, 2018 (as amended, the "**Deposit Agreement**") where Owner agreed to pay the City PID Costs. All City PID Costs paid by the Owner pursuant to the Deposit Agreement prior to the closing of the applicable PID Bonds shall be included in invoices paid at closing from proceeds of the PID Bonds.

(b) The Owner shall be solely responsible for the costs associated with the issuance of any Parity Bonds. The terms of subparagraph (a) above shall apply to the Owner in the event that any Parity Bonds are issued.

(c) The City has entered into a separate agreement with the Administrator to administer the District after closing. The Annual Collection Costs shall be collected as part of and in the same manner as Annual Installments in the amounts set forth in the Service and Assessment Plan.

Section 8.03. Assignment

(a) Owner may, in its sole and absolute discretion, transfer or assign its rights or obligations under this Agreement with respect to all or part of the Project from time to time to an Affiliate without the consent of the City. Prior to the issuance of the initial PID Bonds, however, Owner shall not transfer or assign its rights or obligations under this Agreement with respect to all or part of the Project to a non-affiliated entity without the prior consent of the City, not to be unreasonably withheld conditioned or delayed. After the issuance of the initial PID Bonds, the

Owner may transfer or assign its rights or obligations under this Agreement to any party without the City's consent. Owner shall provide the City thirty (30) days prior written notice of any such assignment. Upon such assignment or partial assignment, Owner shall be fully released from any and all future obligations under this Agreement and shall have no liability for such obligations with respect to this Agreement for the part of the Project so assigned.

(b) The City hereby acknowledges and agrees that Owner shall have the right to make a collateral assignment of any reimbursements and/or proceeds under this Agreement to any lender on the Project and the City shall execute any documentation reasonably requested by such lender evidencing such fact.

(c) 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.

(d) Any sale of a portion of the Property or assignment of any right hereunder shall not be deemed a Transfer unless the conveyance or transfer instrument effecting such sale or assignment expressly states that the sale or assignment is deemed to be a Transfer.

Section 8.04. Construction of Certain Terms

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction shall apply:

(a) Words importing a gender include either gender.

(b) Words importing the singular include the plural and vice versa.

(c) A reference to a document includes an amendment, supplement, or addition to, or replacement, substitution, or novation of, that document but, if applicable, only if such amendment, supplement, addition, replacement, substitution, or novation is permitted by and in accordance with that applicable document.

(d) Any term defined herein by reference to another instrument or document shall continue to have the meaning ascribed thereto whether or not such other instrument or document remains in effect.

(e) A reference to any Party includes, with respect to Owner, its Designated Successors and Assigns, and reference to any Party in a particular capacity excludes such Party in any other capacity or individually.

(f) All references in this Agreement to designated "Articles," "Sections," and other subdivisions are to the designated Articles, Sections, and other subdivisions of this Agreement. All references in this Agreement to "Exhibits" are to the designated Exhibits to this Agreement.

(g) The words "herein," "hereof," "hereto," "hereby," "hereunder," and other words of similar import refer to this Agreement as a whole and not to the specific Section or provision where such word appears.

(h) The words "including" and "includes," and words of similar import, are deemed to be followed by the phrase "without limitation."

(i) Unless the context otherwise requires, a reference to the "Property," the "Authorized Improvements," or the "District" is deemed to be followed by the phrase "or a portion thereof."

(j) Every "request," "order," "demand," "direction," "application," "appointment," "notice," "statement," "certificate," "consent," "approval," "waiver," "identification," or similar action under this Agreement by any Party shall, unless the form of such instrument is specifically provided, be in writing duly signed by a duly authorized representative of such Party.

(k) The Parties hereto acknowledge that each such party and their respective counsel have participated in the drafting and revision of this Agreement. Accordingly, the Parties agree that any rule of construction that disfavors the drafting party shall not apply in the interpretation of this Agreement.

Section 8.05. Table of Contents; Titles and Headings

The titles of the articles and the headings of the sections of this Agreement are solely for convenience of reference, are not a part of this Agreement, and shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

Section 8.06. Amendments

This Agreement may be amended, modified, revised or changed by written instrument executed by the Parties and approved by the City Council.

Section 8.07. Time

In computing the number of days for purposes of this Agreement, all days will be counted, including Saturdays, Sundays, and legal holidays; however, if the final day of any time period falls on a Saturday, Sunday, or legal holiday, then the final day will be deemed to be the next day that is not a Saturday, Sunday, or legal holiday.

Section 8.08. Counterparts

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, and all of which will together constitute the same instrument.

Section 8.09. Entire Agreement

This Agreement contains the entire agreement of the Parties.

Section 8.10. Severability; Waiver

If any provision of this Agreement is illegal, invalid, or unenforceable, under present or future laws, it is the intention of the parties that the remainder of this Agreement not be affected and, in lieu of each illegal, invalid, or unenforceable provision, a provision be added to this Agreement which is legal, valid, and enforceable and is as similar in terms to the illegal, invalid, or enforceable provision as is possible.

Any failure by a Party to insist upon strict performance by the other party of any material provision of this Agreement will not be deemed a waiver or of any other provision, and such Party may at any time thereafter insist upon strict performance of any and all of the provisions of this Agreement.

Section 8.11. Owner as Independent Contractor

In performing under this Agreement, it is mutually understood that the Owner is acting as an independent contractor, and not an agent of the City.

Section 8.12. Supplemental Agreements

Other agreements and details concerning the obligations of the Parties under and with respect to this Agreement are/or will be included in the Service and Assessment Plan, the Assessment Ordinance, PID Bond Ordinance and/or Indenture. The Owner will provide any continuing disclosures required under the Indenture and will execute a separate agreement outlining Owner's continuing disclosure obligations, if required.

Section 8.13. City's Acceptance of Authorized Improvements

The City hereby agrees that it will not unreasonably withhold the final acceptance of any of the Authorized Improvements and will work with the Owner in good faith to expedite review and acceptance of such Authorized Improvements.

Section 8.14. Boycotts and Foreign Business Engagements

(a) The Owner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 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. The Owner understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Owner and exists to make a profit.

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

Section 8.15. Exhibits

The following exhibits are attached to and incorporated into this Agreement for all purposes:

- Exhibit A - Definitions
- Exhibit B - Property Description
- Exhibit B-1 - Major Improvement Area Description
- Exhibit B-2 - Improvement Area #1 Description and Improvement Area #2 Description
- Exhibit C - Preliminary Service and Assessment Plan
- Exhibit C-1 - Authorized Improvements
- Exhibit D - Forms of Certification for Payment
- Exhibit E - Closing Disbursement Request
- Exhibit F - Intentionally Deleted
- Exhibit G - Home Buyer Disclosure Program
- Exhibit G-1 - Notice of Obligation to Pay
- Exhibit H - Completion Agreement

[Signature Pages Follow]

CITY:

CITY OF MANOR, TEXAS

By: _____
Name: _____
Title: _____

OWNER:

**FORESTAR (USA) REAL ESTATE GROUP,
INC., a Delaware corporation**

By: _____

Name: _____

Title: _____

It is hereby acknowledged that the undersigned Consenting Party is executing this Agreement solely due to the fact that it is an owner of a portion of the Property and, except for the obligations expressly set forth under the Landowner Agreement, the undersigned Consenting Party has no rights, duties or obligations under this Agreement.

CONSENTING PARTY:

RHOF, LLC,
a Texas limited liability company

By: _____
Name: _____
Title: _____

It is hereby acknowledged that the undersigned Consenting Party is executing this Agreement solely due to the fact that it is an owner of a portion of the Property and, except for the obligations expressly set forth under the Landowner Agreement, the undersigned Consenting Party has no rights, duties or obligations under this Agreement.

CONSENTING PARTY:

Continental Homes of Texas, L.P.
(a Texas limited partnership)

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

By: _____
Name: _____
Title: _____

EXHIBIT "A"
DEFINITIONS

Unless the context requires otherwise, and in addition to the terms defined above, each of the following terms and phrases used in this Agreement has the meaning ascribed thereto below:

"Acceptance Date" means, with respect to an Authorized Improvement or Segment, the date that the Actual Cost thereof is paid to the Owner pursuant to the terms hereof.

"Acquisition and Reimbursement Agreement" means collectively, the IA Acquisition and Reimbursement Agreement and the Major Acquisition and Reimbursement Agreement.

"Actual Cost(s)" means, with respect to the Authorized Improvements, the Owner's demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvement, as specified in a payment request in a form that has been reviewed and approved by the City and in an amount not to exceed the amount for each Authorized Improvements as set forth in the Service and Assessment Plan (subject to cost overruns). Actual Costs may include (a) the costs incurred by or on behalf of the Owner (either directly or through affiliates) for the design, planning, financing, administration/management, acquisition, installation, construction and/or implementation of such 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 Owner for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, (e) all labor, bonds and materials, including equipment and fixtures, by contractors, builders and materialmen in connection with the acquisition, construction or implementation of the Authorized Improvements, (f) all related permitting and public approval expenses, architectural, engineering, and consulting fees, financing charges, taxes, governmental fees and charges, insurance premiums, and all payments for Annual Collection Costs after the date of a resolution authorizing such reimbursement, plus Interest, if any, at the lower of (x) the maximum interest rate permitted by the PID Act or (y) the interest rate of the Bonds calculated from the respective dates of the expenditures until the date of reimbursement therefore. **"Actual Cost(s)"** with respect to the Wastewater Facilities constructed by the City means Owner's share of the cost thereof, to the extent and at the time required to be paid by the Owner to the City.

"Administrator" has shall mean P3Works, LLC, or any subsequent person or entity designated by the City.

"Affiliate" means an entity which is controlled by, controls, or is under common control with Owner.

"Agreement" has the meaning given in the recitals to this Agreement.

"Annual Collection Costs" means the administrative, organization, maintenance and operation costs and expenses associated with, or incident to, the administration, organization, maintenance and operation of the District, including, but not limited to, the costs of (i) legal

counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, (ii) creating and organizing the District and preparing the assessment roll, (iii) computing, levying, collecting and transmitting the Assessments or the installments thereof, (iv) maintaining the record of installments, payments and reallocations and/or cancellations of the Assessments, (v) issuing, paying and redeeming the PID Bonds, (vi) investing or depositing the Assessments, (vii) complying with the PID Act with respect to the PID Bonds, (viii) paying the paying agent/registrar's and trustee's fees and expenses (including the fees and expenses of its legal counsel), and (ix) administering the construction of the Authorized Improvements, in accordance with the terms of this Agreement.

“Annual Installment” shall have the meaning given in the Service and Assessment Plan.

“Appraisal” means each appraisal of the Property (or applicable component thereof, as required by Section 2.01(h) hereof.

“Assessed Property” shall have the meaning given in the Service and Assessment Plan.

“Assessment(s)” means the assessments levied against properties in the District, as provided for in an Assessment Ordinance, including any supplemental assessments or reallocation of assessments levied in accordance with Sections 372.019 and 372.020 of the PID Act.

“Assessment Ordinance” means each ordinance, resolution or order adopted by the City Council levying the Assessments on the Property, as required by Article II of this Agreement.

“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 parcel, 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 (as defined in the Indenture), and (iv) Foreclosure Proceeds (as defined in the Indenture).

“Attorney General” means the Texas Attorney General's Office.

“Authorized Improvements” means the improvements authorized by Section 372.003 of the PID Act, as further described in the Service and Assessment Plan. The Authorized Improvements contemplated for this Project are listed on Exhibit “C-1” attached hereto.

“Bond Counsel” means Bickerstaff Heath Delgado Acosta LLP.

“Bond Issuance Costs” means costs relating to the authorization, sale and issuance of the PID Bonds including, printing costs, costs of reproducing and binding documents, closing costs, filing and recording fees, initial fees, expenses and charges of the Trustee, including its first annual administration fee, expenses incurred by the City or Owners in connection with the issuance of the PID Bonds (provided such expenses are defined as “issuance costs” under the Tax Code), the SAP Consultant's fees, bond (underwriter's) discount or underwriting fee, legal fees and charges, including Bond Counsel, charges for execution, transportation and safekeeping of the PID Bonds and other costs, charges and fees in connection with the issuance of the PID Bonds.

“Bond Issuance Request” means written request made by Owner to the City in good faith as evidenced by Owner’s expenditure of necessary amounts for market studies, financial analysis, legal counsel, and other professional services and due diligence necessary to support the request.

“Bond Proceeds” shall have the meaning given to them in Section 5.01(i) hereof.

“Certification for Payment” means the certificate (whether one or more) in substantially the same form as Exhibit “D” attached hereto.

“City” means the City of Manor, Texas.

“City Construction Representative” means the City Engineer or such other person selected by the City to oversee the construction of the Authorized Improvements on behalf of the City.

“City Council” means the City Council of the City of Manor, Texas.

“City Manager” means the City Manager of the City of Manor, Texas.

“City PID Costs” shall have the meaning given in Section 8.02(a) of this Agreement.

“Closing Disbursement Request” means the request (whether one or more) in substantially the same form as Exhibit “E” attached hereto.

“Completed Authorized Improvements” means any Authorized Improvement that has been 100% completed, dedicated and conveyed by the Owner and accepted by the City.

“Completion Agreement” shall have the meaning given in Section 3.07 of this Agreement.

“Consenting Party” shall collectively mean RHOF and Horton.

“Construction Manager” means initially the Owner, and thereafter subject to change in accordance with Article III of this Agreement. The City acknowledges and agrees that (i) the Owner intends to subcontract out the duties of Construction Manager to a third party and (ii) Owner’s hiring of the initial subcontractor to serve as the Construction Manager shall not be deemed a change in the Construction Manager pursuant to the terms and conditions of Article III of this Agreement.

“Construction Management Fee” means 4% of the costs incurred by or on behalf of Owner for the construction of each Segment. The Construction Management Fee is part of the Actual Costs.

“County” means Travis County, Texas.

“Debt” means any bond, note, or other evidence of indebtedness incurred, entered into, or issued by the City related exclusively to the District.

“Delinquent Collection Costs” means interest, penalties and expenses incurred or imposed with respect to any delinquent installment of an Assessment, or an Annual Installment thereof, in accordance with the PID Act which includes the Actual Costs related to pursuing collection of such delinquent Assessment, or an Annual Installment thereof, and the Actual Costs related to foreclosing the lien against the Assessed Property, including attorney’s fees to the extent permitted under State law.

“Deposit Agreement” shall have the meaning given in Section 8.02(a) of this Agreement.

“Designated Successors and Assigns” shall mean (i) an entity to which Owner assigns (in writing) its rights and obligations contained in this Agreement pursuant to Section 8.03 related to all or a portion of the Property, (ii) any entity which is the successor by merger or otherwise to all or substantially all of Owner’s assets and liabilities including, but not limited to, any merger or acquisition pursuant to any public offering or reorganization to obtain financing and/or growth capital; or (iii) any entity which may have acquired all of the outstanding stock or ownership of assets of Owner.

“Development Agreement” has the meaning given in the recitals of this Agreement.

“District” has the meaning given in the recitals to this Agreement.

“End User” means any tenant, user, or owner of a fully developed and improved lot.

“Effective Date” has the meaning given in the recitals to this Agreement.

“Force Majeure” shall mean delays due to strikes, acts of God, inability to obtain labor or materials, litigation, enemy action, civil commotion, fire, rain or windstorm, governmental action or inaction, or similar causes, provided such similar causes are beyond the reasonable control of the party whose obligations are affected by such acts.

“Home Buyer Disclosure Program” means the disclosure program, administered by the Administrator as set forth in a document in substantially the same form as Exhibit “H” attached hereto, that establishes a mechanism to disclose to each End User the terms and conditions under which their lot is burdened by the District.

“IA #1-2 PID Bonds” has the meaning given in Section 2.01(b) of this Agreement.

“Improvement Area” has the meaning given in Section 2.01(b) of this Agreement.

“Improvement Area #1” has the meaning given in Section 2.01(b) of this Agreement.

“Improvement Area #2” has the meaning given in Section 2.01(b) of this Agreement.

“Indenture” means the applicable Indenture of Trust between the City and a trustee relating to the issuance of a series of PID Bonds for financing costs of Authorized Improvements, as it may be amended from time to time.

“Interest” shall mean the interest rate charged for the PID Bonds or such other interest rate as may be required by applicable law.

“**Landowner**” shall mean the owner(s) of the Property, which currently are Owner and the Consenting Party.

“**Lot**” means (i) for any portion of the Property for which a subdivision plat has been recorded in the official public records of the County, a tract of land described as a “lot” in such subdivision plat, and (ii) for any portion of the Property for which a subdivision plat has not been recorded in the official public records of the County, a tract of land anticipated to be described as a “lot” in a final recorded subdivision plat.

“**Major Improvement Area**” has the meaning given in Section 2.01(b) of this Agreement.

“**Major Improvement Area PID Bonds**” has the meaning given in Section 2.01(b) of this Agreement.

“**Maximum Assessment**” shall have the meaning given in the Service and Assessment Plan.

“**Maximum Equivalent Tax Rate**” means, for each lot classification identified in the Service and Assessment Plan, \$0.33 per \$100 of estimated buildout value. The estimated buildout value for a lot classification shall be determined by the Administrator and confirmed by the City Council by considering such factors as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, builder contracts, discussions with homebuilders, reports from third party consultants, information provided by the Owner, or any other information that may help determine buildout value.

“**Operating Account**” shall have the meaning given in the Acquisition and Reimbursement Agreement.

“**Owner**” has the meaning given in the recitals to this Agreement.

“**Owner’s Association**” means a homeowner’s association or property owner’s association.

“**Owner Continuing Disclosure Agreement**” shall have the meaning given in the Indenture or any purchase agreement relating to the sale of the PID Bonds.

“**Owner Expended Funds**” has the meaning given in Section 4.02(c) of this Agreement.

“**Party**” means the Owner or the City, as parties to this Agreement, and “**Parties**” means collectively, the Owner and the City.

“**Parity Bonds**” means any PID Bonds issued subsequent to the Improvement Area #1-2 PID Bonds or Major Improvement Area PID Bonds and secured on a parity basis therewith.

“**Payment Request**” means the document to be provided by the Owner to substantiate the Actual Cost of one or more Segments.

“**PID Act**” means Chapter 372, Local Government Code.

“PID Bonds” means the special assessment revenue bonds to be issued by the City, in one or more series, to finance the Authorized Improvements that confer special benefit on the land within the District, which may include funds for any required reserves and amounts necessary to pay the Bond Issuance Costs, and to be secured by the revenues and funds pledged under an Indenture, consisting primarily of the Assessments, pursuant to the authority granted in the PID Act, and as described by this Agreement for the purposes of (i) financing the costs of Authorized Improvements and related costs and (ii) reimbursing the Owner for Actual Costs paid prior to the issuance of the PID Bonds. This term is used to collectively refer to the Major Improvement Area PID Bonds, the Improvement Area #1-2 PID Bonds and any Parity Bonds throughout this Agreement.

“PID Bond Ordinance” means and refers to the order(s) or ordinances of the City Council that will authorize and approve the issuance and sale of the PID Bonds and provide for their security and payment, either under the terms of the bond order or a trust indenture related to the PID Bonds.

“PID Bond Security” means the funds that are to be pledged in or pursuant to the PID Bond Ordinance or the Indenture to the payment of the debt service requirements on the PID Bonds, consisting of the Assessments, including earnings and income derived from the investment or deposit of Assessments in the special funds or accounts created and established for the payment and security of the PID Bonds, unless such earnings are required to be deposited into a rebate fund for payment to the federal government.

“Pledged Revenue Fund” means the separate and unique fund established by the City under such name pursuant to the Indenture wherein the Special Assessment Revenues are deposited.

“Preliminary Service and Assessment Plan” means the Manor Heights Public Improvement District Preliminary Service and Assessment Plan, which is attached hereto as Exhibit “C”.

“Prepayment” means the payment of all or a portion of an Assessment before the due date thereof. Amounts received at the time of a Prepayment that represent a payment of principal, interest or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Assessment.

“Project” has the meaning given in the recitals to this Agreement.

“Project Engineer” means the civil engineer or firm of civil engineers selected by the Owner to perform the duties set forth herein, which is currently Kimley-Horn. Owner reserves the right to replace the Project Engineer at any time in Owner’s sole discretion.

“Project Fund” means the separate and unique fund established by the City under such name pursuant to the Indenture as described in Section 5.02 hereof.

“Property” has the meaning given in the recitals to this Agreement.

“Regulatory Requirements” means the requirements and provisions of the City over the Authorized Improvements, as adjusted by the PUD and Development Agreement.

“Reimbursement Obligation Balance” has the meaning given in Section 4.02(c) of this Agreement.

“SAP Consultant” means Development Planning & Financing Group, Inc.

“Segment” or “Segments” means the discrete portions of the Authorized Improvements identified as such.

“Service and Assessment Plan” means the Manor Heights Public Improvement District Service and Assessment Plan (as such plan is amended, supplemented, and updated from time to time), to be initially adopted by the City Council in the initial Assessment Ordinance for the purpose of assessing allocated costs against property located within the boundaries of the District having terms, provisions and findings approved and agreed to by the Owner, as required by Article II of this Agreement.

“State” means the State of Texas.

“Tax Certificate” shall have the meaning given in Section 5.01(g) hereof.

“Tax Code” means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings and court decisions.

“Transfer” shall have the meaning given in Section 2.05 hereof.

“Transferee” shall have the meaning given in Section 2.05 hereof.

“Trustee” means the trustee under the Indenture, and any successor thereto permitted under such Indenture and any other Trustee under a future Indenture.

“Underwriter” means FMSbonds, Inc., or its successor.

“Wastewater Facilities” means the wastewater facilities to be built by the City which are more particularly described on Exhibit “C-1” attached hereto.

Exhibit "B"

PROPERTY DESCRIPTION FOR PROJECT

90.089 ACRES OUT OF THE A.C. CALDWELL SURVEY, ABSTRACT NUMBER 154, TRAVIS COUNTY, TEXAS AND BEING THE TRACTS OF LAND CONVEYED TO RHOF, LLC, A TEXAS LIMITED LIABILITY COMPANY, PER DEED RECORDED AS DOCUMENT NO.2017194263 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS

44.0347 ACRES OF LAND LOCATED IN THE A.C. CALDWELL SURVEY, ABSTRACT NUMBER 154, TRAVIS COUNTY, TEXAS AND BEING A PORTION OF THAT CERTAIN CALLED 180.83 ACRES OF LAND CONVEYED TO ALMA JUANITA MEIER, AS DESCRIBED IN VOLUME 11376, PAGE 676, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS

267.972 ACRES OF LAND LOCATED IN THE LEMUEL KIMBRO SURVEY, ABSTRACT NUMBER 456 AND THE A.C. CALDWELL SURVEY, ABSTRACT NUMBER 154, TRAVIS COUNTY, TEXAS AND BEING THE SAME 267.972 ACRE TRACT OF LAND CONVEYED TO SKY VILLAGE KIMBRO ESTATES, LLC, AS DESCRIBED IN DOCUMENT NUMBER 2016214460, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.

(35.626 AC) LOT 2, J.F. NAGLE ESTATES, A SUBDIVISION IN TRAVIS COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN DOCUMENT NO. 199900207, OFFICIAL PUBLIC RECORDS, TRAVIS COUNTY, TEXAS, TOGETHER WITH A NON-EXCLUSIVE 60 FOOT WIDE ACCESS AND PUBLIC UTILITY EASEMENT AS CREATED AND MORE PARTICULARLY DESCRIBED IN THAT DECLARATION OF ACCESS AND PUBLIC UTILITY EASEMENT RECORDED IN DOCUMENT NO. 1999058184, OFFICIAL PUBLIC RECORDS, TRAVIS COUNTY, TEXAS, BEING THE SAME 35.626 ACRES CONVEYED TO SKY VILLAGE KIMBRO ESTATES, LLC, OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS

3.469 ACRES OF LAND LOCATED IN THE LEMUEL KIMBRO SURVEY, ABSTRACT NUMBER 456, TRAVIS COUNTY, TEXAS AND BEING A PORTION OF THAT CERTAIN TRACT OF LAND CONVEYED TO SKY VILLAGE KIMBRO ESTATES, LLC, AS RECORDED IN 2017157471 OF THE OFFICIAL RECORDS OF TRAVIS COUNTY, TEXAS

157.9603 ACRES OUT OF THE A.C. CALDWELL SURVEY NO.52, ABSTRACT 154 AND THE LEMUEL KIMBRO SURVEY NO.64, ABSTRACT 456, AND BEING THE TRACTS OF LAND CONVEYED TO KIMBRO ROAD ESTATES, LP PER DEED RECORDED AS DOCUMENT NO.201780865 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS

**A METES AND BOUNDS
DESCRIPTION OF A
3.700 ACRE RIGHT-OF-WAY OF LAND**

BEING a 3.700 acre (161,158 square feet) tract of land situated in the A.C. Caldwell Survey No. 52, Abstract No. 154, City of Manor, Travis County, Texas; and being a portion of Old Kimbro Road (80 feet wide); and being more particularly described as follows:

COMMENCING, at a 1/2-inch iron rod with a plastic cap stamped "KHA" found on the southerly right-of-way line of said Old Kimbro Road marking the northwest corner of a called 51.533 acre tract of land described in instrument to Chau Dinh and Kim Pham recorded in Document No. 2014139510 of the Official Public Records of Travis County, same being the northeast corner of a called 90.0886 acre tract of land described in instrument to RHOF, LLC recorded in Document No. 2017194263 of the Official Public Records of Travis County;

THENCE, North 85°48'57" West, 846.55 feet, along the southerly right-of-way line of Old Kimbro Road and the north line of said 90.0886 acre tract to the **POINT OF BEGINNING** of the herein described tract;

THENCE, continuing along the southerly right-of-way of said Old Kimbro Road and along the north line of said 90.0886 acre tract the following two (2) courses and distances:

1. North 85°48'57" West, 1629.02 feet to an iron rod with plastic cap stamped "KHA" found for a point of curvature;
2. in a southwesterly direction, along a tangent curve to the left, a central angle of 43°49'58", a radius of 533.10 feet, a chord bearing and distance of South 72°20'04" West, 397.96 feet, and a total arc length of 407.84 feet to a point for corner;

THENCE, departing the north line of said 90.0886 acre tract and crossing said Old Kimbro Road the following two (2) courses and distances:

1. North 40°17'42" West, 46.07 feet to a point for corner;
2. North 61°40'04" West, 35.46 feet to a 5/8-iron rod found on the northerly right-of-way line of said Old Kimbro Road marking the southwest corner of a called 157.9603 acre tract of land described in instrument to RHOF, LLC recorded in Document No. 2017180865 of the Official Public Records of Travis County;

THENCE, along the northerly right-of-way line of said Old Kimbro Road and along the south line of said 157.9603 acre tract the following three (3) courses and distances:

1. in a northeasterly direction, along a non-tangent curve to the right, a central angle of 36°32'19", a radius of 613.14 feet, a chord bearing and distance of North 68°23'46" East, 384.42 feet, and a total arc length of 391.01 feet to a 1/2-iron rod found for a point for corner;
2. in a northeasterly direction, along a non-tangent curve to the right, a central angle of 7°10'29", a radius of 1407.07 feet, a chord bearing and distance of South 89°23'14" East, 176.08 feet, and a total arc length of 176.20 feet to a concrete monument found for a point of tangency;
3. South 85°54'35" East, 1541.16 feet to a point for corner;

THENCE, South 4°11'03" West, 80.00 feet departing the south line of said 157.9603 acre tract and crossing said Old Kimbro Road to the **POINT OF BEGINNING**, and containing 3.700 acres of right-of-way in Travis County, Texas. The basis of bearing for this description is the Texas State Plane Coordinate System Grid, Central Zone (FIPS 4203) (NAD'83). All distances are on the surface and shown in U.S. Survey Feet. To convert grid distances to grid, apply the combined SURFACE to GRID scale factor of 0.99992097045. This document was prepared in the office of Kimley-Horn and Associates, Inc. in San Antonio, Texas.

ABEL P. STENDAHL
REGISTERED PROFESSIONAL
LAND SURVEYOR NO. 6754
601 NW LOOP 410, SUITE 350
SAN ANTONIO, TEXAS 78216
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abel.stendahl@kimley-horn.com



**EXHIBIT OF A 3.700 ACRE
RIGHT-OF-WAY
TO BE RELEASED**
A.A. CALDWELL SURVEY NO.52,
ABSTRACT NO. 154
TRAVIS COUNTY, TEXAS

Kimley»Horn

601 NW Loop 410, Suite 350 San Antonio, Texas 78216 FIRM # 10193973 Tel. No. (210) 541-9166 www.kimley-horn.com

| Scale | Drawn by | Checked by | Date | Project No. | Sheet No. |
|-------|----------|------------|----------|-------------|-----------|
| N/A | DJG | APS | 9/3/2020 | 069255703 | 1 OF 2 |

STENDAHL, ABEL 9/3/2020 10:57 AM K:\SNA_SURVEY\MANOR HEIGHTS DEVELOPMENT\069255703-MANOR HTS PHASE 2\DWG\EXHIBITS\3.700AC RIGHT OF WAY RELEASE.DWG

Exhibit "B-1"

MAJOR IMPROVEMENT AREA DESCRIPTION

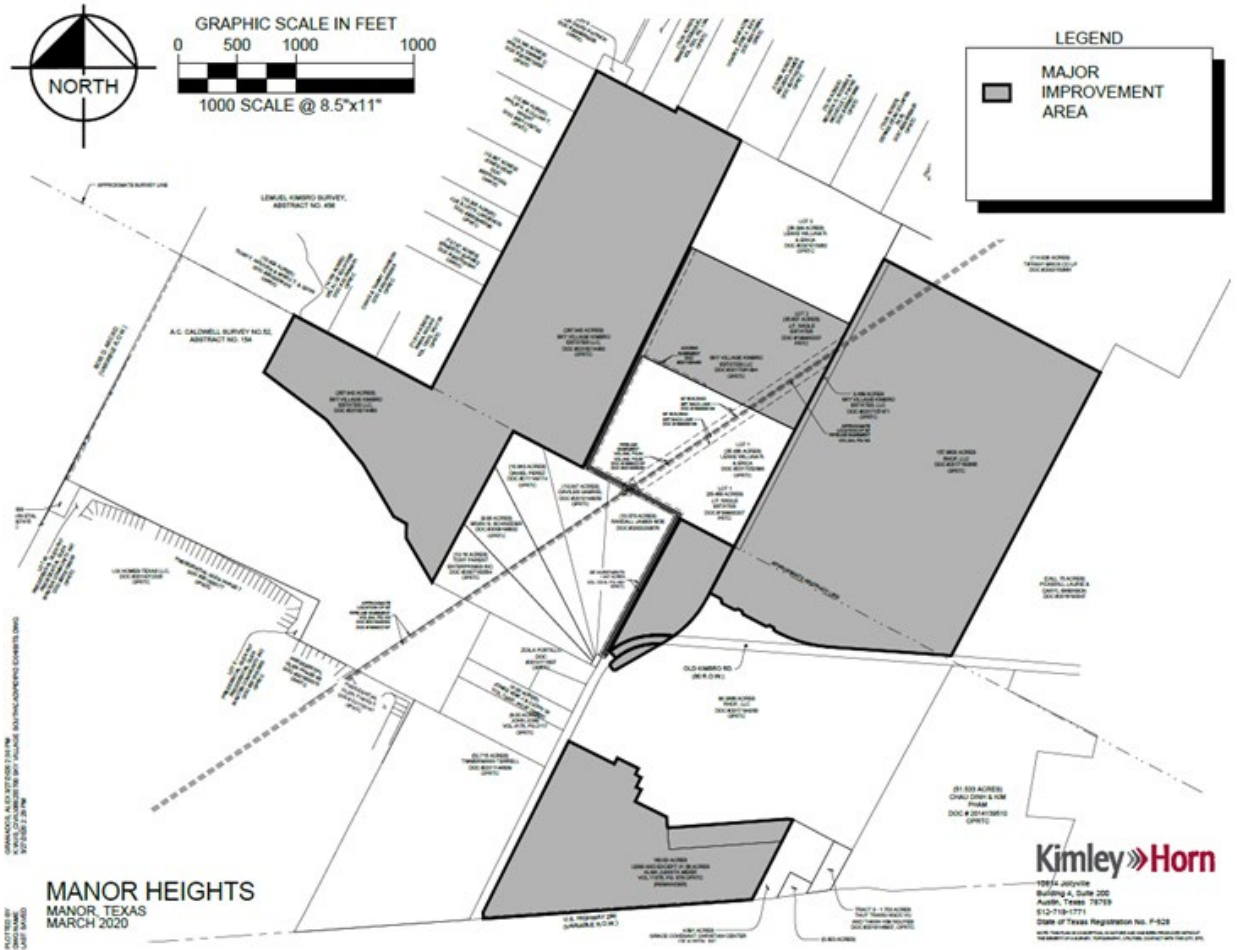


Exhibit "B-2"

IMPROVEMENT AREA #1 DESCRIPTION
IMPROVEMENT AREA #2 DESCRIPTION

LEGAL DESCRIPTION
127.220 ACRES OF LAND

127.220 acres of land located in the A.C. Caldwell Survey, Abstract Number 154, Travis County, Texas and being a portion of that certain called 267.942 acre tract of land conveyed to Sky Village Kimbro Estates, LLC, as described in Document Number 2016214460, Official Public Records of Travis County, Texas; said 127.220 acres being more particularly described as follows:

BEGINNING, at a found 60D nail located in the southeasterly right of way line of Bois D Arc Road and marking the most westerly southwest corner of the said 267.942 acres;

THENCE, along the southeasterly right of way line of Bois D Arc Road, the following courses:

North 26deg 34' 25" East, a distance of 97.95 feet, to a point;
North 27deg 29' 03" East, a distance of 2033.50 feet, to a found ½ inch iron rod;

THENCE, leaving the southeasterly right of way line of Bois D Arc and along the boundary lines of the said 267.942 acre tract, the following courses:

South 62deg 00' 08" East, a distance of 1087.10 feet, to a point;
South 27deg 59' 52" West, a distance of 546.56 feet, to a point;
South 52deg 43' 04" East, a distance of 667.78 feet, to a point;
South 39deg 17' 57" East, a distance of 485.70 feet, to a point;
South 30deg 19' 16" East, a distance of 1155.97 feet, to a point;
South 62deg 32' 46" East, a distance of 552.04 feet, to a found ½ inch iron rod;
South 26deg 28' 58" West, a distance of 604.34 feet, to a point;
South 26deg 46' 43" West, a distance of 346.69 feet, to a found 1" iron pipe;
North 62deg 59' 47" West, a distance of 238.66 feet, to a found 60D nail;
North 63deg 39' 43" West, a distance of 66.97 feet, to a found 1" iron pipe;
North 62deg 38' 12" West, a distance of 695.93 feet, to a point;
North 62deg 42' 20" West, a distance of 330.87 feet, to a point;
North 26deg 23' 28" East, a distance of 379.90 feet, to a found ½ inch iron rod;
North 64deg 58' 30" West, a distance of 812.74 feet, to a found 60D nail;
North 64deg 44' 31" West, a distance of 669.79 Feet, to a found 60D nail;
North 63deg 33' 33" West, a distance of 909.33 feet, to the **POINT OF BEGINNING** and containing 127.220 acres (5,541,696 square feet) of land, more or less.

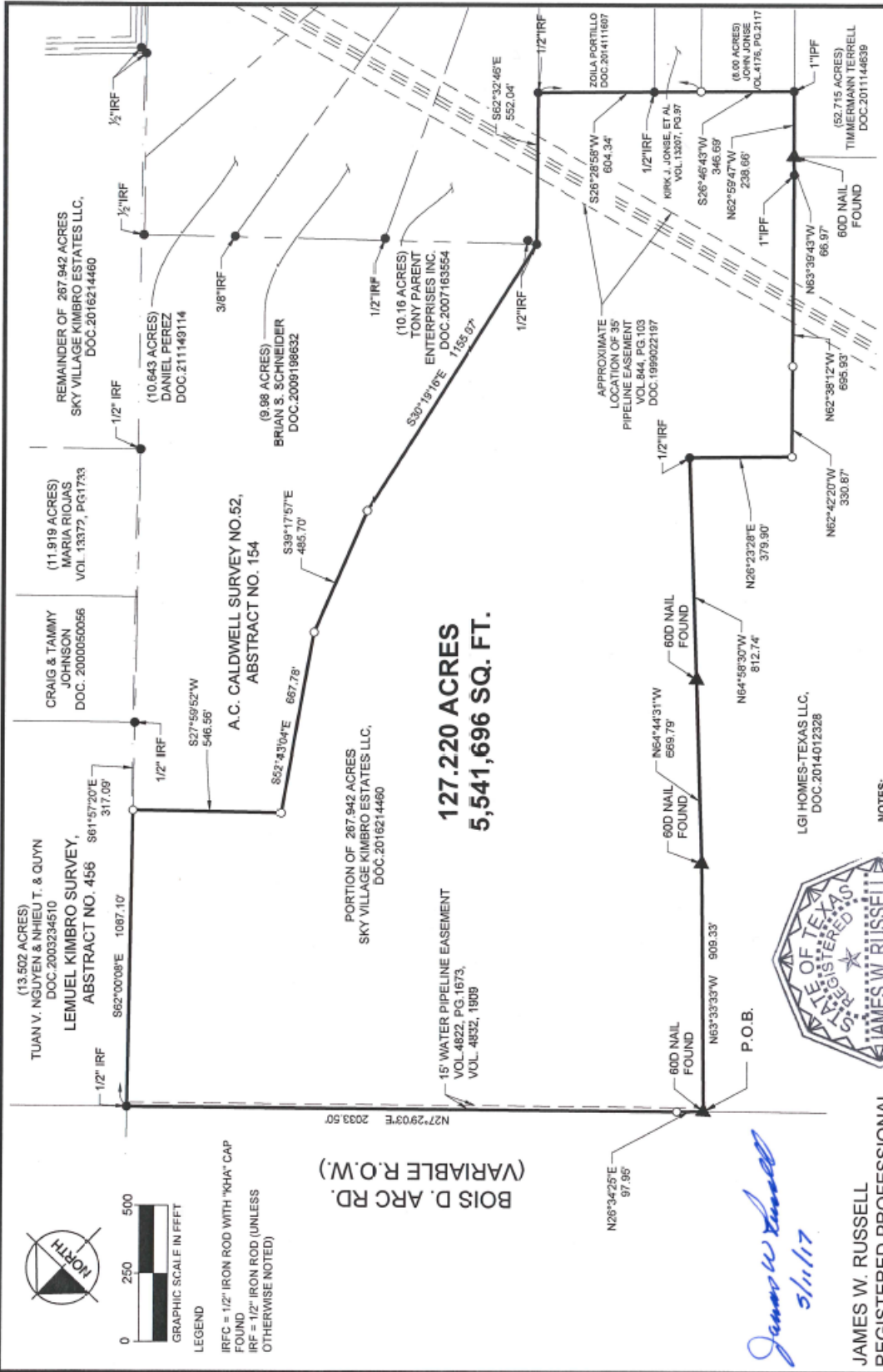
Bearing system based on the Texas Coordinate System of 1983, Central Zone (4203), North American Datum of 1983.

This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.

James W. Russell
5/11/17

James W. Russell
Registered Professional Land Surveyor No. 4230
Kimley-Horn and Associates, Inc.
601 NW Loop 410, Suite 350
San Antonio, Texas 78216
Ph. 210-541-9166
jim.russell@kimley-horn.com
TBPLS Firm No. 10193973





127.220 ACRES
5,541,696 SQ. FT.



0 250 500
 GRAPHIC SCALE IN FEET

LEGEND
 IRFC = 1/2" IRON ROD WITH "KH" CAP FOUND
 IRF = 1/2" IRON ROD (UNLESS OTHERWISE NOTED)

James W. Russell
 5/11/17

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 REGISTERED PROFESSIONAL
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NOTES:
 1. This document was prepared under 22 TAC 603.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.
 2. Bearing system based on the Texas Coordinate System of 1983, Central Zone (4203), North American Datum of 1983.

Kimley»Horn
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 www.kimley-horn.com

Scale: 1" = 500'
 Drawn by: RAAC
 Checked by: JWR
 Date: 05/11/2017
 Project No.: 069235700
 Sheet No.: 1 OF 1

Exhibit “C”

PRELIMINARY SERVICE AND ASSESSMENT PLAN

[See attached]

Manor Heights Public Improvement District

PRELIMINARY SERVICE AND ASSESSMENT PLAN
APRIL 21, 2021



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INTRODUCTION

Capitalized terms used in this Service and Assessment Plan shall have the meanings given to them in Section I unless otherwise defined in this Service and Assessment Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a “Section” or an “Exhibit” shall be a reference to a Section of this Service and Assessment Plan, or an Exhibit attached to and made a part of this Service and Assessment Plan for all purposes.

On November 7, 2018, the City passed and approved Resolution No. 2018-10 authorizing the creation of the District in accordance with the PID Act, which authorization was effective upon publication as required by the PID Act. On October 7, 2020, the City authorized additional land to be included within the District pursuant to Resolution No. 2020-11. The purpose of the District is to finance the Actual Costs of Authorized Improvements that confer a special benefit on approximately 602.9 acres located within the City, as described by metes and bounds on **Exhibit A-1** and depicted on **Exhibit B-1**.

The PID Act requires a Service Plan covering a period of at least five years and defining the annual indebtedness and projected cost of the Authorized Improvements. The Service Plan is contained in **Section IV**.

The PID Act requires that the Service Plan include an Assessment Plan that assesses the Actual Costs of the Authorized Improvements against the District based on the special benefits conferred on the District by the Authorized Improvements. The Assessment Plan is contained in **Section V**.

The PID Act requires an Assessment Roll that states the Assessment against each Parcel determined by the method chosen by the City. The Assessment against each Assessed Property must be sufficient to pay its share of the Actual Costs apportioned to the Assessed Property and cannot exceed the special benefit conferred on the Assessed Property by the Authorized Improvements. The Improvement Area #1 Assessment Roll is included as **Exhibit F**. The Improvement Area #2 Assessment Roll is included as **Exhibit H**. The Major Improvement Area Assessment Roll is included as **Exhibit J**.

SECTION I: DEFINITIONS

“Actual Costs” mean, with respect to Authorized Improvements, the actual costs paid or incurred by or on behalf of the Developer: (1) to plan, design, acquire, construct, install, and dedicate such improvements to the City; (2) to prepare plans, specifications (including bid packages), contracts, and as-built drawings; (3) to obtain zoning, licenses, plan approvals, permits, inspections, and other governmental approvals; (4) for third-party professional consulting services including but not limited to, engineering, surveying, geotechnical, land planning, architectural, landscaping, legal, accounting, and appraisals; (5) of labor, materials, equipment, fixtures, payment and performance bonds and other construction security, and insurance premiums; and (6) to implement, administer, and manage the above-described activities. Actual Costs shall not include general contractor’s fees in an amount that exceeds a percentage equal to the percentage of work completed or construction management fees in an amount that exceeds an amount equal to the construction management fee amortized in approximately equal monthly installments over the term of the applicable construction management contract. Amounts expended for costs described in subsection (3), (4), and (6) above shall be excluded from the amount upon which the general contractor and construction management fees are calculated.

“Additional Interest” means the amount collected by application of the Additional Interest Rate.

“Additional Interest Rate” means the 0.50% additional interest charged on Assessments securing PID Bonds pursuant to Section 372.018 of the PID Act.

“Administrator” means the City or the person or independent firm designated by the City who shall have the responsibility provided in this Service and Assessment Plan, an Indenture, or any other agreement or document approved by the City related to the duties and responsibility of the administration of the District.

“Annual Collection Costs” mean the actual or budgeted costs and expenses for: (1) the Administrator and City staff; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (4) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (5) issuing, paying, and redeeming PID Bonds; (6) investing or depositing Assessments and Annual Installments; (7) complying with this Service and Assessment Plan and the Act with respect to the issuance and sale of PID Bonds, including continuing disclosure requirements; and (8) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

“Annual Installment” means the annual installment payment of an Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest.

“Annual Service Plan Update” means an update to the Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the City Council.

“Appraisal District” means Travis Central Appraisal District.

“Assessed Property” means any Parcel within the District against which an Assessment is levied.

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

“Assessment Ordinance” means an ordinance adopted by the City Council in accordance with the PID Act that levies an Assessment.

“Assessment Plan” means the methodology employed to assess the Actual Costs of the Authorized Improvements against Assessed Property within the District based on the special benefits conferred on such property by the Authorized Improvements, more specifically described in **Section V**.

“Assessment Roll” means 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 procedures set forth herein, and in the PID Act, including any Annual Service Plan Updates. The Improvement Area #1 Assessment Roll is included as **Exhibit F**. The Improvement Area #2 Assessment Roll is included as **Exhibit H**. The Major Improvement Area Assessment Roll is included as **Exhibit J**.

“Authorized Improvements” means improvements authorized by Section 372.003 of the PID Act as described in **Section III** and **Exhibit C** and depicted on **Exhibit O**.

“Bond Issuance Costs” means the costs associated with issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, capitalized interest, reserve fund requirements, underwriter’s discount, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

“City” means the City of Manor, Texas.

“City Council” means the governing body of the City.

“County” means Travis County, Texas.

“Delinquent Collection Costs” mean, for a Parcel, interest, penalties, and other costs and expenses authorized by the PID Act that directly or indirectly relate to the collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under this Service and Assessment Plan, including costs and expenses to foreclose liens.

“Developer” means Forestar (USA) Real Estate Group Inc., and any successor and assigns.

“District” means the Manor Heights Public Improvement District containing approximately 602.9 acres located within the City and shown on **Exhibit B-1** and more specifically described in **Exhibit A-1**.

“District Formation Expenses” means the costs associated with forming the District, including but not limited to 1st year District administration reserves, and any other cost or expense directly associated with the establishment of the District.

“Estimated Buildout Value” means the estimated buildout value of an Assessed Property at the time Assessments are levied, and shall be determined by the Administrator and confirmed by the City Council by considering such factors as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, builder contracts, discussions with homebuilders, reports from third party consultants, or any other information that may impact value.

“Improvement Area #1” means approximately 127.37 acres located within the District, as shown on **Exhibit B-2** and more specifically described in **Exhibit A-2**.

“Improvement Area #1-2 Bonds” mean those certain “City of Manor, Texas, Special Assessment Revenue Bonds, Series 2021 (Manor Heights Public Improvement District Improvement Area #1-2 Project)”, that are secured by Improvement Area #1 Assessments and Improvement Area #2 Assessments.

“Improvement Area #1 Annual Installment” means the annual installment payment of the Improvement Area #1 Assessment as calculated by the Administrator and approved by the City Council that includes: (1) principal, (2) interest, (3) Annual Collection Costs, and (4) Additional Interest.

“Improvement Area #1 Assessed Property” means any Parcel within Improvement Area #1 against which an Improvement Area #1 Assessment is levied.

“Improvement Area #1 Assessment” means an Assessment levied against Improvement Area #1 Assessed Property and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #1 Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

“Improvement Area #1 Assessment Roll” means the Assessment Roll for the Improvement Area #1 Assessed Property and included in this Service and Assessment Plan as **Exhibit F**, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

“Improvement Area #1 Improvements” mean those Authorized Improvements that only benefit Improvement Area #1, more specifically described in **Section III.B**, and which are to be financed with the proceeds of the Improvement Area #1-2 Bonds.

“Improvement Area #1 Initial Parcel” means all of the area within Improvement Area #1, other than Non-Benefited Property, as generally described by metes and bounds in **Exhibit A-2** and shown on the map on **Exhibit B-2**, consisting of approximately 127.37 acres. Until a plat has been recorded and a Property ID has been assigned by the Appraisal District to each Lot within Improvement Area #1, the Improvement Area #1 Annual Installment will be allocated to each property ID within the Improvement Area #1 Initial Parcel based on the Travis Central Appraisal District acreage for billing purposes only.

“Improvement Area #1 Projects” mean Improvement Area #1 Improvements and Improvement Area #1’s allocable share of the Major Improvements.

“Improvement Area #2” means approximately 91.81 acres located within the District, as shown on **Exhibit B-3** and more specifically described in **Exhibit A-3**.

“Improvement Area #2 Annual Installment” means the annual installment payment of the Improvement Area #2 Assessment as calculated by the Administrator and approved by the City Council that includes: (1) principal, (2) interest, (3) Annual Collection Costs, and (4) Additional Interest.

“Improvement Area #2 Assessed Property” means any Parcel within Improvement Area #2 against which an Improvement Area #2 Assessment is levied.

“Improvement Area #2 Assessment” means an Assessment levied against Improvement Area #2 Assessed Property and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #2 Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

“Improvement Area #2 Assessment Roll” means the Assessment Roll for the Improvement Area #2 Assessed Property and included in this Service and Assessment Plan as **Exhibit H**, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and

in the PID Act, including updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

“Improvement Area #2 Improvements” mean those Authorized Improvements that only benefit Improvement Area #2, and more specifically described in **Section III.C**, and which are to be financed with the proceeds of the Improvement Area #1-2 Bonds.

“Improvement Area #2 Initial Parcel” means all of the area within Improvement Area #2, other than Non-Benefited Property, as generally described by metes and bounds in **Exhibit A-3** and shown on the map on **Exhibit B-3**, consisting of approximately 91.81 acres. Until a plat has been recorded and a Property ID has been assigned by the Appraisal District to each Lot within Improvement Area #2, the Improvement Area #2 Annual Installment will be allocated to each property ID within the Improvement Area #2 Initial Parcel based on the Travis Central Appraisal District acreage for billing purposes only.

“Improvement Area #2 Projects” mean Improvement Area #2 Improvements and Improvement Area #2’s allocable share of the Major Improvements.

“Indenture” means an Indenture of Trust entered into in connection with the issuance of PID Bonds, as amended or supplemented from time to time, between the City and a Trustee setting forth terms and conditions related to PID Bonds.

“Lot” means (1) for any portion of the District for which a subdivision plat has been recorded in the official public records of the County, a tract of land described as a “lot” in such subdivision plat, and (2) for any portion of the District for which a subdivision plat has not been recorded in the official public records of the County, a tract of land anticipated to be described as a “lot” in a final recorded subdivision plat.

“Lot Type” means a classification of final building Lots with similar characteristics (e.g. commercial, light industrial, multi-family, single-family residential, etc.), as determined by the Administrator and confirmed and approved by the City Council. In the case of single-family residential Lots, the Lot Type shall be further defined by classifying the residential Lots by the Estimated Buildout Value of the Lot as determined by the Administrator and confirmed and approved by the City Council.

“Lot Type 1” means a Lot within Improvement Area #1 designated as a 50’ single-family residential lot by the Owner, as shown on the map attached as **Exhibit N**.

“Lot Type 2” means a Lot within Improvement Area #2 designated as a 50’ single-family residential lot by the Owner, as shown on the map attached as **Exhibit N**.

“Lot Type 3” means a Lot within Improvement Area #2 designated as a 55’ single-family residential lot by the Owner, as shown on the map attached as **Exhibit N**.

“Major Improvement Area” means approximately 383.102 acres located within the District, as shown on **Exhibit B-4** and more specifically described in **Exhibit A-4**.

“Major Improvement Area Annual Installment” means the annual installment payment of the Major Improvement Area Assessment as calculated by the Administrator and approved by the City Council that includes: (1) principal, (2) interest, (3) Annual Collection Costs, and (4) Additional Interest.

“Major Improvement Area Assessed Property” means any Parcel within the Major Improvement Area against which a Major Improvement Area Assessment is levied.

“Major Improvement Area Assessment” means an Assessment levied against the Major Improvement Area Assessed Property and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Major Improvement Area Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

“Major Improvement Area Assessment Roll” means the Assessment Roll for the Major Improvement Area Assessed Property and included in this Service and Assessment Plan as **Exhibit J**, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

“Major Improvement Area Bonds” mean those certain “City of Manor, Texas, Special Assessment Revenue Bonds, Series 2021 (Manor Heights Public Improvement District Major Improvement Area Project).”

“Major Improvement Area Initial Parcel” means all of the area within Major Improvement Area, other than Non-Benefited Property, as generally described by metes and bounds in **Exhibit A-4** and shown on the map on **Exhibit B-4**, consisting of approximately 383.102 acres. Until a plat has been recorded on a property ID within Major Improvement Area, the Major Improvement Area Annual Installment will be allocated to each property ID within the Major Improvement Area Initial Parcel based on the Travis Central Appraisal District acreage for billing purposes only.

“Major Improvement Area Projects” mean Major Improvement Area’s allocable share of the Major Improvements and District Formation and Bond Issuance Costs.

“Major Improvements” mean the improvements and associated soft costs that benefit the entire District, and are more specifically described in **Section III.A**.

“Maximum Assessment” means, for each Lot within Improvement Area #1 and Improvement Area #2, the amount shown for each Lot Type on **Exhibit M**. The Maximum Assessment shall be reduced annually by the principal portion of the Annual Installment.

“Non-Benefited Property” means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements. Property is identified as Non-Benefited Property at the time the Assessments (1) are levied or (2) are reallocated pursuant to a subdivision of a Parcel that receives no benefit.

“Owner” means either Forestar (USA) Real Estate Group Inc., RHOF, LLC or Continental Homes of Texas, L.P. and any successor and assigns.

“Parcel(s)” means a property within the District, identified by either a tax map identification number assigned by the Travis Central Appraisal District for real property tax purposes, by metes and bounds description, or by lot and block number in a final subdivision plat recorded in the official public records of the County, or by any other means determined by the City.

“PID Act” means Chapter 372, Texas Local Government Code, as amended.

“PID Bonds” mean bonds issued by the City to finance the Actual Costs of the Authorized Improvements including the Improvement Area #1-2 Bonds and the Major Improvement Area Bonds.

“Prepayment” means the payment of all or a portion of an Assessment before the due date of the final installment thereof. Amounts received at the time of a Prepayment which represent a payment of principal, interest or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Annual Installment of the Assessment.

“Prepayment Costs” mean interest and Annual Collection Costs incurred up to the date of Prepayment.

“Property ID” mean a unique number assigned to each Parcel by the Appraisal District.

“Service and Assessment Plan” means this Service and Assessment Plan as amended, modified and updated from time to time.

“Service Plan” covers a period of at least five years and defines the annual indebtedness and projected costs of the Authorized Improvements, more specifically described in **Section IV**.

“Trustee” means a trustee (or successor trustee) under the applicable Indenture.

SECTION II: THE DISTRICT

The District includes approximately 602.9 contiguous acres located within the corporate limits of the City, as more particularly described by metes and bounds on **Exhibit A-1** and depicted on **Exhibit B-1**. Development of the District is anticipated to include approximately 1,250 single-family units, 370 condos, 68,999 square feet of office space, 17,250 square feet of restaurant space and 150,935 square feet of retail space.

Improvement Area #1 includes approximately 127.37 acres located within the District, as more particularly described by metes and bounds on **Exhibit A-2** and depicted on **Exhibit B-2**. Development of Improvement Area #1 is anticipated to include approximately 264 single-family units.

Improvement Area #2 includes approximately 91.81 acres located within the District, as more particularly described by metes and bounds on **Exhibit A-3** and depicted on **Exhibit B-3**. Development of Improvement Area #1 is anticipated to include approximately 251 single-family units.

The Major Improvement Area includes approximately 383.102 acres located within the District, as more particularly described by metes and bounds on **Exhibit A-4** and depicted on **Exhibit B-4**. Development of the Major Improvement Area is anticipated to include approximately 735 single-family units, 370 condos, 68,999 square feet of office space, 17,250 square feet of restaurant space and 150,935 square feet of retail space.

SECTION III: AUTHORIZED IMPROVEMENTS

The City Council, based on information provided by the Owner and their engineer and reviewed by the City staff and by third-party consultants retained by the City, has determined that the Major Improvements, the Improvement Area #1 Improvements, the Improvement Area #2 Improvements, and District Formation and Bond Issuance Costs are Authorized Improvements and confer a special benefit on the Assessed Property. The budget for the Authorized Improvements is shown on **Exhibit C**, and a map depicting the Authorized Improvements is shown on **Exhibit O**.

A. Major Improvements

- *Wastewater Treatment Plant Phase 1*

Improvements designed and constructed in accordance with 30 TAC Chapter 217 Rules with a nominal treatment capacity of 200,000 gallons per day.

- *Roadway*

Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways part of the MAD4 collector roads. All related earthwork, excavation, erosion control, demolition and paving are included.

- *Kimbrow ROW Acquisition*

Improvements including easements needed for relocating the existing Manville water line conflicting with Old Kimbro Road widening.

- *Soft Costs*

Estimated to be 15% of above-described hard costs, inclusive of a 4% construction management fee.

B. Improvement Area #1 Improvements

- *Water*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, erosion control and all other necessary appurtenances required to provide water service to each Lot within Improvement Area #1.

- *Wastewater*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, erosion control and all other necessary appurtenances required to provide wastewater service to each Lot within Improvement Area #1.

- *Drainage*

Improvements including trench excavation and embedment, trench safety, reinforced concrete pipe, manholes, storm outfalls, storm drain inlets, testing, related earthwork, excavation, erosion control and all other necessary appurtenances required to ensure proper drainage of the public roadways within Improvement Area #1.

- *Roadway*

Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, handicapped ramps, and street lights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included to provide roads to each Lot within Improvement Area #1.

- *Trails*

Improvements include approximately 5' wide crushed granite trails along the proposed public parkland to be dedicated to the City.

- *Soft Costs*

Include costs associated with engineering and design of Improvement Area #1 Improvements including permits, fees and fiscals.

C. Improvement Area #2 Improvements

- *Water*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, erosion control and all other necessary appurtenances required to provide water service to each Lot within Improvement Area #2.

- *Wastewater*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, erosion control and all other necessary appurtenances required to provide wastewater service to each Lot within Improvement Area #2.

- *Drainage*

Improvements including trench excavation and embedment, trench safety, reinforced concrete pipe, manholes, storm outfalls, storm drain inlets, testing, related earthwork, excavation, erosion control and all other necessary appurtenances required to ensure proper drainage of the public roadways within Improvement Area #2.

- *Roadway*

Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, handicapped ramps, and street lights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included to provide roads to each Lot within Improvement Area #2.

- *Soft Costs*

Include costs associated with engineering and design of Improvement Area #2 Improvements including permits, fees and fiscals.

D. Bond Issuance Costs

- *Debt Service Reserve Fund*

Equals the amount required to fund a reserve under an applicable Indenture.

- *Capitalized Interest*

Equals the amount of capitalized interest available for payment of interest on PID Bonds as reflected in an applicable Indenture.

- *Underwriter's Discount*

Equals a percentage of the par amount of a particular series of PID Bonds and includes a fee for underwriter's counsel.

- *Cost of Issuance*

Costs associated with issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

E. District Formation Expenses

Costs associated with forming the District, including but not limited to 1st year District administration reserves, and any other cost or expense directly associated with the establishment of the District.

SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan must be reviewed and updated, at least annually, and approved by the City Council. **Exhibit D** summarizes the Service Plan for the District.

Exhibit E summarizes the sources and uses of funds required to construct the Authorized Improvements and pay the District Formation and Bond Issuance Costs. The sources and uses of funds shown on **Exhibit E** shall be updated each year in the Annual Service Plan Update to reflect any budget revisions and Actual Costs.

SECTION V: ASSESSMENT PLAN

The PID Act allows the City Council to apportion the costs of the Authorized Improvements to the Assessed Property based on the special benefit received from the Authorized Improvements. The PID Act provides that such costs may be apportioned: (1) equally per front foot or square foot; (2) according to the value of property as determined by the City Council, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the City Council that results in imposing equal shares of such costs on property similarly benefited. The PID Act further provides that the governing body may establish by ordinance reasonable classifications and formulas for the apportionment of the cost between the municipality or the City and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

The determination by the City Council of the assessment methodologies set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Owner and all future owners and developers of the Assessed Property.

A. Assessment Methodology

The City Council, acting in its legislative capacity based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has determined that the Authorized Improvements shall be allocated as follows:

- Major Improvements shall be allocated between the Major Improvement Area, Improvement Area #1, and Improvement Area #2 pro rata based on estimated buildout value, as shown on **Exhibit Q**.
- The Improvement Area #1 Improvements are allocated entirely to the Improvement Area #1 Initial Parcel.
- The Improvement Area #2 Improvements are allocated entirely to the Improvement Area #2 Initial Parcel.

B. Assessments

Improvement Area #1 Assessments will be levied on the Improvement Area #1 Initial Parcel as shown on the Improvement Area #1 Assessment Roll, attached hereto as **Exhibit F**. The projected Improvement Area #1 Annual Installments are shown on **Exhibit G**, subject to revisions made during any Annual Service Plan Update.

Improvement Area #2 Assessments will be levied on the Improvement Area #2 Initial Parcel as shown on the Improvement Area #2 Assessment Roll, attached hereto as **Exhibit H**. The

projected Improvement Area #2 Annual Installments are shown on **Exhibit I**, subject to revisions made during any Annual Service Plan Update.

Major Improvement Area Assessments will be levied on the Major Improvement Area Initial Parcel as shown on the Major Improvement Area Assessment Roll, attached hereto as **Exhibit J**. The projected Major Improvement Area Annual Installments are shown on **Exhibit K**, subject to revisions made during any Annual Service Plan Update.

Upon subdivisions of the Improvement Area #1 Initial Parcel or the Improvement Area #2 Initial Parcel by final plat, the Maximum Assessment for each Lot Type is shown on **Exhibit M**. In no case will the Assessment for any Lot Type exceed the Maximum Assessment.

C. Findings of Special Benefit

The City Council, acting in its legislative capacity based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has found and determined:

- *Improvement Area #1*
 1. The costs of Improvement Area #1 Projects and District Formation Expenses and Bond Issuance Costs equal \$8,625,681, as shown on **Exhibit C**; and
 2. The Improvement Area #1 Assessed Property receives special benefit from Improvement Area #1 Projects and District Formation Expenses and Bond Issuance Costs equal to or greater than the Actual Costs of the Improvement Area #1 Projects and District Formation Expenses and Bond Issuance Costs; and
 3. The Improvement Area #1 Assessed Property will be allocated 100% of the Improvement Area #1 Assessments levied on the Improvement Area #1 Initial Parcel for Improvement Area #1 Projects and District Formation Expenses and Bond Issuance Costs, which equal \$3,070,446, as shown on the Improvement Area #1 Assessment Roll attached hereto as **Exhibit F**; and
 4. The special benefit (\geq \$8,625,681) received by the Improvement Area #1 Assessed Property from Improvement Area #1 Projects and District Formation Expenses and Bond Issuance Costs is equal to or greater than the amount of the Improvement Area #1 Assessments (\$3,070,446) levied on the Improvement Area #1 Initial Parcel; and
 5. At the time the City Council approved the Assessment Ordinance levying the Improvement Area #1 Assessments, the Owner owned 100% of the Improvement Area #1 Assessed Property. The Owner acknowledged that Improvement Area #1 Projects and District Formation Expenses and Bond Issuance Costs confer a special benefit on the Improvement Area #1 Assessed Property and consented to the imposition of the Improvement Area #1 Assessments to pay for Improvement Area #1

Projects and District Formation Expenses and Bond Issuance Costs associated therewith. The Owner ratified, confirmed, accepted, agreed to, and approved (1) the determinations and findings by the City Council as to the special benefits described herein and in the Assessment Ordinance, (2) the Service and Assessment Plan and the Assessment Ordinance, and (3) the levying of the Improvement Area #1 Assessments on the Improvement Area #1 Initial Parcel.

▪ *Improvement Area #2*

1. The costs of Improvement Area #2 Projects and District Formation Expenses and Bond Issuance Costs equal \$10,446,878, as shown on **Exhibit C**; and
2. The Improvement Area #2 Assessed Property receives special benefit from Improvement Area #2 Projects and District Formation Expenses and Bond Issuance Costs equal to or greater than the Actual Costs of the Improvement Area #2 Projects and District Formation Expenses and Bond Issuance Costs; and
3. The Improvement Area #2 Assessed Property will be allocated 100% of the Improvement Area #2 Assessments levied on the Improvement Area #2 Initial Parcel for Improvement Area #2 Projects and District Formation Expenses and Bond Issuance Costs, which equal \$2,934,554, as shown on the Improvement Area #2 Assessment Roll attached hereto as **Exhibit H**; and
4. The special benefit (\geq \$10,446,878) received by the Improvement Area #2 Assessed Property from Improvement Area #2 Projects and District Formation Expenses and Bond Issuance Costs is equal to or greater than the amount of the Improvement Area #2 Assessments (\$2,934,554) levied on the Improvement Area #2 Initial Parcel; and
5. At the time the City Council approved the Assessment Ordinance levying the Improvement Area #2 Assessments, the Owner owned 100% of the Improvement Area #2 Assessed Property. The Owner acknowledged that Improvement Area #2 Projects and District Formation Expenses and Bond Issuance Costs confer a special benefit on the Improvement Area #2 Assessed Property and consented to the imposition of the Improvement Area #2 Assessments to pay for Improvement Area #2 Projects and District Formation Expenses and Bond Issuance Costs associated therewith. The Owner ratified, confirmed, accepted, agreed to, and approved (1) the determinations and findings by the City Council as to the special benefits described herein and in the Assessment Ordinance, (2) the Service and Assessment Plan and the Assessment Ordinance, and (3) the levying of the Improvement Area #2 Assessments on the Improvement Area #2 Initial Parcel.

▪ *Major Improvement Area*

1. The costs of the Major Improvement Area Projects and District Formation Expenses and Bond Issuance Costs equal \$8,310,589, as shown on **Exhibit C**; and
2. The Major Improvement Area Assessed Property receives special benefit from the Major Improvement Projects and District Formation Expenses and Bond Issuance Costs equal to or greater than the Actual Costs of the Major Improvement Area Projects and District Formation Expenses and Bond Issuance Costs; and
3. The Major Improvement Area Assessed Property will be allocated 100% of the Major Improvement Area Assessments levied on the Major Improvement Area Initial Parcel for the Major Improvement Area Projects and District Formation Expenses and Bond Issuance Costs, which equal \$7,090,000, as shown on the Major Improvement Area Assessment Roll attached hereto as **Exhibit J**; and
4. The special benefit (\geq \$8,310,589) received by the Major Improvement Area Assessed Property from the Major Improvement Area Projects and District Formation Expenses and Bond Issuance Costs is equal to or greater than the amount of the Major Improvement Area Assessments (\$7,090,000) levied on the Major Improvement Area Initial Parcel; and
5. At the time the City Council approved the Assessment Ordinance levying the Major Improvement Area Assessments, the Owner owned 100% of the Major Improvement Area Assessed Property. The Owner acknowledged that the Major Improvement Area Projects and District Formation Expenses and Bond Issuance Costs confers a special benefit on the Major Improvement Area Assessed Property and consented to the imposition of the Major Improvement Area Assessments to pay for the Major Improvement Area Projects and District Formation Expenses and Bond Issuance Costs associated therewith. The Owner ratified, confirmed, accepted, agreed to, and approved (1) the determinations and findings by the City Council as to the special benefits described herein and in the Assessment Ordinance, (2) the Service and Assessment Plan and the Assessment Ordinance, and (3) the levying of the Major Improvement Area Assessments on the Major Improvement Area Initial Parcel.

D. Annual Collection Costs

The Annual Collection Costs shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Assessment remaining on the Assessed Property. The Annual Collection Costs shall be collected as part of and in the same manner as Annual Installments in the amounts shown on the Assessment Roll, which may be revised based on Actual Costs incurred in Annual Service Plan Updates.

E. Additional Interest

The interest rate on Assessments levied on the Assessed Property to pay the PID Bonds may exceed the interest rate on the PID Bonds by the Additional Interest Rate. Interest at the rate of the PID Bonds and the Additional Interest shall be collected as part of each Annual Installment and shall be deposited pursuant to the applicable Indenture.

SECTION VI: TERMS OF THE ASSESSMENTS

A. Reallocation of Assessments

1. Upon Division Prior to Recording of Subdivision Plat

Upon the division of any Assessed Property (without the recording of subdivision plat), the Administrator shall reallocate the Assessment for the Assessed Property prior to the division among the newly divided Assessed Properties according to the following formula:

$$A = B \times (C \div D)$$

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

C = the Estimated Buildout Value of the newly divided Assessed Property

D = the sum of the Estimated Buildout Value for all of the newly divided Assessed Properties

The sum of the Assessments for all newly divided Assessed Properties shall equal the Assessment for the Assessed Property prior to subdivision. The calculation shall be made separately for each newly divided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in an update to this Service and Assessment Plan approved by the City Council.

2. Upon Subdivision by a Recorded Subdivision Plat

Upon the subdivision of any Assessed Property based on a recorded subdivision plat and a Property ID has been assigned by the Appraisal District, the Administrator shall reallocate the Assessment for the Assessed Property prior to the subdivision among the new subdivided Lots based on Estimated Buildout Value according to the following formula:

$$A = [B \times (C \div D)]/E$$

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision

C = the sum of the Estimated Buildout Value of all newly subdivided Lots with same Lot Type

D = the sum of the Estimated Buildout Value for all of the newly subdivided Lots excluding Non-Benefited Property

E = the number of Lots with same Lot Type

Prior to the recording of a subdivision plat, the Owner shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat considering factors such as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, discussions with homebuilders, and any other factors that may impact value. The calculation of the estimated average buildout value for a Lot shall be performed by the Administrator and confirmed by the City Council based on information provided by the Owner, homebuilders, third party consultants, and/or the official public records of the County regarding the Lot.

The sum of the Assessments for all newly subdivided Lots shall not exceed the Assessment for the portion of the Assessed Property subdivided prior to subdivision. The calculation shall be made separately for each newly subdivided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in an update to this Service and Assessment Plan approved by the City Council.

3. Upon Consolidation

If two or more Lots or Parcels are consolidated, the Administrator shall allocate the Assessments against the Lots or Parcels before the consolidation to the consolidated Lot or Parcel, which allocation shall be approved by the City Council in the next Annual Service Plan Update.

B. True-Up of Assessments if Maximum Assessment Exceeded

Prior to the approval of a final subdivision plat, the Administrator shall certify that the final plat will not cause the Assessment for any Lot Type to exceed the Maximum Assessment. If the subdivision of any Assessed Property by a final subdivision plat causes the Assessment per Lot for any Lot Type to exceed the applicable Maximum Assessment for such Lot Type, the Owner must partially prepay the Assessment for each Assessed Property that exceeds the applicable Maximum Assessment for such Lot Type in an amount sufficient to reduce the Assessment to the applicable Maximum Assessment for such Lot Type. The City's approval of a final subdivision plat

without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such Assessments.

C. Mandatory Prepayment of Assessments

If Assessed Property is transferred to a person or entity that is exempt from payment of the Assessment, the owner transferring the Assessed Property shall pay to the Administrator the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the transfer. If the owner of the Assessed Property causes the Assessed Property to become Non-Benefited Property, the owner causing the change in status shall pay the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the change in status.

D. Reduction of Assessments

If as a result of cost savings or an Authorized Improvement not being constructed, the Actual Costs of completed Authorized Improvements are less than the Assessments, the City Council shall reduce each Assessment on a pro-rata basis such that the sum of the resulting reduced Assessments for all Assessed Properties equals the reduced Actual Costs. Excess PID Bond proceeds shall be applied to redeem outstanding PID Bonds. The Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds.

The Administrator shall update (and submit to the City Council for review and approval as part of the next Annual Service Plan Update) the Assessment Roll and corresponding Annual Installments to reflect the reduced Assessments.

E. Prepayment of Assessments

The owner of the Assessed Property may pay, at any time, all or any part of an Assessment in accordance with the PID Act. Interest costs from the date of prepayment to the date of redemption of the applicable PID Bonds, if any, may be paid from a reserve established under the applicable Indenture. If an Annual Installment has been billed prior to the Prepayment, the Annual Installment shall be due and payable and shall be credited against the Prepayment.

If an Assessment is paid in full, with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced to zero and the Assessment Roll to be revised accordingly; (2) the Administrator shall cause the revised Assessment Roll to be approved by the City Council as part of the next Annual Service Plan Update; (3) the obligation to pay the Assessment and corresponding Annual Installments shall terminate; and (4) the City shall provide the owner with a recordable "Notice of PID Assessment Termination," a form of which is attached hereto as **Exhibit P**.

If an Assessment is paid in part, with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced and the Assessment Roll revised accordingly; (2) the Administrator shall cause the revised Assessment Roll to be approved by the City Council as part of the next Annual Service Plan Update; and (3) the obligation to pay the Assessment and corresponding Annual Installments shall be reduced to the extent of the prepayment made.

F. Prepayment as a Result of Eminent Domain Proceeding or Taking

Subject to applicable law, if any portion of any Parcel of Assessed Property is taken from an owner as a result of eminent domain proceedings or if a transfer of any portion of any Parcel of Assessed Property is made to an entity with the authority to condemn all or a portion of the Assessed Property in lieu of or as a part of an eminent domain proceeding (a **“Taking”**), the portion of the Assessed Property that was taken or transferred (the **“Taken Property”**) shall be reclassified as Non-Benefited Property.

For the Assessed Property that is subject to the Taking as described in the preceding paragraph, the Assessment that was levied against the Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Assessed Property (the Assessed Property less the Taken Property) (the **“Remaining Property”**), following the reclassification of the Taken Property as Non-Benefited Property, subject to an adjustment of the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. The owner of the Remaining Property will remain liable to pay in Annual Installments, or payable as otherwise provided by this Service and Assessment Plan, as updated, or the PID Act, the Assessment that remains due on the Remaining Property, subject to an adjustment in the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Assessment that remains due on the Remaining Property exceeds the Maximum Assessment, the owner of the Remaining Property will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Remaining Property does not exceed the Maximum Assessment, in which case the Assessment applicable to the Remaining Property will be reduced by the amount of the partial Prepayment. If the City receives all or a portion of the eminent domain proceeds (or payment made in an agreed sale in lieu of condemnation), such amount shall be credited against the amount of prepayment, with any remainder credited against the assessment on the Remainder Property.

In all instances the Assessment remaining on the Remaining Property shall not exceed the Maximum Assessment.

By way of illustration, if an owner owns 100 acres of Assessed Property subject to a \$100 Assessment and 10 acres is taken through a Taking, the 10 acres of Taken Property shall be reclassified as Non-Benefited Property and the remaining 90 acres of Remaining Property shall

be subject to the \$100 Assessment, (provided that this \$100 Assessment does not exceed the Maximum Assessment on the Remaining Property). If the Administrator determines that the \$100 Assessment reallocated to the Remaining Property would exceed the Maximum Assessment on the Remaining Property by \$10, then the owner shall be required to pay \$10 as a Prepayment of the Assessment against the Remaining Property and the Assessment on the Remaining Property shall be adjusted to be \$90.

Notwithstanding the previous paragraphs in this subsection, if the owner of the Taken Property notifies the City and the Administrator that the Taking prevents the Remaining Property from being developed for any use which could support the Estimated Buildout Value requirement, the owner shall, upon receipt of the compensation for the Taken Property, be required to prepay the amount of the Assessment required to buy down the outstanding Assessment to the Maximum Assessment on the Remaining Property to support the Estimated Buildout Value requirement. Said owner will remain liable to pay the Annual Installments on both the Taken Property and the Remaining Property until such time that such Assessment has been prepaid in full.

Notwithstanding the previous paragraphs in this subsection, the Assessments shall never be reduced to an amount less than the amount required to pay all outstanding debt service requirement on all outstanding PID Bonds.

G. Payment of Assessment in Annual Installments

Exhibit G shows the projected Improvement Area #1 Annual Installments. **Exhibit I** shows the projected Improvement Area #2 Annual Installments. **Exhibit K** shows the projected Major Improvement Area Annual Installments. **Exhibit L-1** shows the projected Annual Installments for Lot Type 1. **Exhibit L-2** shows the projected Annual Installments for Lot Type 2. **Exhibit L-3** shows the projected Annual Installments for Lot Type 3.

Assessments that are not paid in full shall be due and payable in Annual Installments. Annual Installments are subject to adjustment in each Annual Service Plan Update. Until a plat has been recorded on a Parcel and a Property ID has been assigned by the Appraisal District within Improvement Area #1, Improvement Area #2, or the Major Improvement Area, the Annual Installment will be allocated to each Property ID within the Improvement Area #1 Initial Parcel, Improvement Area #2 Initial Parcel and Major Improvement Area Initial Parcel, respectively, based on the Travis Central Appraisal District acreage for billing purposes only.

The Administrator shall prepare and submit to the City Council for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and updated calculations of Annual Installments. Annual Collection Costs shall be allocated equally among Parcels for which the Assessments remain unpaid. Annual Installments shall be collected in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties,

procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act and in the same manner as ad valorem taxes for the City. The City Council may provide for other means of collecting Annual Installments. Assessments shall have the lien priority specified in the PID Act.

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

The City reserves the right to refund PID Bonds in accordance with the PID Act and the applicable Indenture. In the event of a refunding, the Administrator shall recalculate the Annual Installments so that total Annual Installments will be sufficient to pay the refunding bonds, and the refunding bonds shall constitute "PID Bonds."

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments shall be due when billed and shall be delinquent if not paid prior to February 1, 2022.

SECTION VII: ASSESSMENT ROLL

The Improvement Area #1 Assessment Roll is attached as **Exhibit F**. The Administrator shall prepare and submit to the City Council for review and approval, proposed revisions to the Improvement Area #1 Assessment Roll and Improvement Area #1 Annual Installments for each Parcel within the Improvement Area #1 Assessed Property as part of each Annual Service Plan Update.

The Improvement Area #2 Assessment Roll is attached as **Exhibit H**. The Administrator shall prepare and submit to the City Council for review and approval, proposed revisions to the Improvement Area #2 Assessment Roll and Improvement Area #2 Annual Installments for each Parcel within the Improvement Area #2 Assessed Property as part of each Annual Service Plan Update.

The Major Improvement Area Assessment Roll is attached as **Exhibit J**. The Administrator shall prepare and submit to the City Council for review and approval, proposed revisions to the Major Improvement Area Assessment Roll and Major Improvement Area Annual Installments for each Parcel within the Major Improvement Area Assessed Property as part of each Annual Service Plan Update.

SECTION VIII: ADDITIONAL PROVISIONS

A. Calculation Errors

If the owner of a Parcel claims that an error has been made in any calculation required by this Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the owner's sole and exclusive remedy shall be to submit a written notice of error to the Administrator by December 1st of each year following City Council approval of the calculation; otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. Upon receipt of a written notice of error from an owner the Administrator shall provide a written response to the City Council and the owner within 30 days of such referral. The City Council shall consider the owner's notice of error and the Administrator's response at a City Council meeting, and within 30 days after closing such meeting, the City Council shall make a final determination as to whether or not an error has been made. If the City Council determines that an error has been made, the City Council shall take such corrective action as is authorized by the PID Act, this Service and Assessment Plan, the applicable ordinance authorizing the PID Bonds, or the Indenture, or is otherwise authorized by the discretionary power of the City Council. The determination by the City Council as to whether an error has been made, and any corrective action taken by the City Council, shall be final and binding on the owner and the Administrator.

B. Amendments

Amendments to this Service and Assessment Plan must be made by the City Council in accordance with the PID Act. To the extent permitted by the PID Act, this Service and Assessment Plan may be amended without notice to owners of the Assessed Property: (1) to correct mistakes and clerical errors; (2) to clarify ambiguities; and (3) to provide procedures to collect Assessments, Annual Installments, and other charges imposed by this Service and Assessment Plan.

C. Administration and Interpretation

The Administrator shall: (1) perform the obligations of the Administrator as set forth in this Service and Assessment Plan; (2) administer the District for and on behalf of and at the direction of the City Council; and (3) interpret the provisions of this Service and Assessment Plan. Interpretations of this Service and Assessment Plan by the Administrator shall be in writing and shall be appealable to the City Council by owners or developers adversely affected by the interpretation. Appeals shall be decided at a meeting of the City Council during which all interested parties have an opportunity to be heard. Decisions by the City Council shall be final and binding on the owners and developers and their successors and assigns.

D. Severability

If any provision of this Service and Assessment Plan is determined by a governmental agency or court to be unenforceable, the unenforceable provision shall be deleted and, to the maximum extent possible, shall be rewritten to be enforceable. Every effort shall be made to enforce the remaining provisions.

LIST OF EXHIBITS

| | |
|--------------------|---|
| Exhibit A-1 | District Legal Description |
| Exhibit A-2 | Improvement Area #1 Legal Description |
| Exhibit A-3 | Improvement Area #2 Legal Description |
| Exhibit A-4 | Major Improvement Area Legal Description |
| Exhibit B-1 | District Boundary Map |
| Exhibit B-2 | Improvement Area #1 Boundary Map |
| Exhibit B-3 | Improvement Area #2 Boundary Map |
| Exhibit B-4 | Major Improvement Area Boundary Map |
| Exhibit C | Authorized Improvements |
| Exhibit D | Service Plan |
| Exhibit E | Sources and Uses |
| Exhibit F | Improvement Area #1 Assessment Roll |
| Exhibit G | Improvement Area #1 Annual Installments |
| Exhibit H | Improvement Area #2 Assessment Roll |
| Exhibit I | Improvement Area #2 Annual Installments |
| Exhibit J | Major Improvement Area Assessment Roll |
| Exhibit K | Major Improvement Area Annual Installments |
| Exhibit L-1 | Lot Type 1 Annual Installments |
| Exhibit L-2 | Lot Type 2 Annual Installments |
| Exhibit L-3 | Lot Type 3 Annual Installments |
| Exhibit M | Maximum Assessment Per Lot Type |
| Exhibit N | Lot Type Classification Map |
| Exhibit O | Map of Authorized Improvements |
| Exhibit P | Notice of PID Assessment Termination |
| Exhibit Q | Estimated Buildout Value for Major Improvement Area, Improvement Area #1, and Improvement Area #2 |
| Exhibit R | Improvement Area #1-2 Bond Debt Service Schedule |
| Exhibit S | Major Improvement Area Bond Debt Service Schedule |

EXHIBIT A-1 – DISTRICT LEGAL DESCRIPTION

Exhibit A The Property

90.089 ACRES OUT OF THE A.C. CALDWELL SURVEY, ABSTRACT NUMBER 154, TRAVIS COUNTY, TEXAS AND BEING THE TRACTS OF LAND CONVEYED TO RHOF, LLC, A TEXAS LIMITED LIABILITY COMPANY, PER DEED RECORDED AS DOCUMENT NO.2017194263 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS

44.0347 ACRES OF LAND LOCATED IN THE A.C. CALDWELL SURVEY, ABSTRACT NUMBER 154, TRAVIS COUNTY, TEXAS AND BEING A PORTION OF THAT CERTAIN CALLED 180.83 ACRES OF LAND CONVEYED TO ALMA JUANITA MEIER, AS DESCRIBED IN VOLUME 11376, PAGE 676, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS

267.972 ACRES OF LAND LOCATED IN THE LEMUEL KIMBRO SURVEY, ABSTRACT NUMBER 456 AND THE A.C. CALDWELL SURVEY, ABSTRACT NUMBER 154, TRAVIS COUNTY, TEXAS AND BEING THE SAME 267.972 ACRE TRACT OF LAND CONVEYED TO SKY VILLAGE KIMBRO ESTATES, LLC, AS DESCRIBED IN DOCUMENT NUMBER 2016214460, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.

(35.626 AC) LOT 2, J.F. NAGLE ESTATES, A SUBDIVISION IN TRAVIS COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN DOCUMENT NO. 199900207, OFFICIAL PUBLIC RECORDS, TRAVIS COUNTY, TEXAS, TOGETHER WITH A NON-EXCLUSIVE 60 FOOT WIDE ACCESS AND PUBLIC UTILITY EASEMENT AS CREATED AND MORE PARTICULARLY DESCRIBED IN THAT DECLARATION OF ACCESS AND PUBLIC UTILITY EASEMENT RECORDED IN DOCUMENT NO. 1999058184, OFFICIAL PUBLIC RECORDS, TRAVIS COUNTY, TEXAS, BEING THE SAME 35.626 ACRES CONVEYED TO SKY VILLAGE KIMBRO ESTATES, LLC, OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS

3.469 ACRES OF LAND LOCATED IN THE LEMUEL KIMBRO SURVEY, ABSTRACT NUMBER 456, TRAVIS COUNTY, TEXAS AND BEING A PORTION OF THAT CERTAIN TRACT OF LAND CONVEYED TO SKY VILLAGE KIMBRO ESTATES, LLC, AS RECORDED IN 2017157471 OF THE OFFICIAL RECORDS OF TRAVIS COUNTY, TEXAS

157.9603 ACRES OUT OF THE A.C. CALDWELL SURVEY NO.52, ABSTRACT 154 AND THE LEMUEL KIMBRO SURVEY NO.64, ABSTRACT 456, AND BEING THE TRACTS OF LAND CONVEYED TO KIMBRO ROAD ESTATES, LP PER DEED RECORDED AS DOCUMENT NO.201780865 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS

**A METES AND BOUNDS
DESCRIPTION OF A
3.700 ACRE RIGHT-OF-WAY OF LAND**

BEING a 3.700 acre (161,158 square feet) tract of land situated in the A.C. Caldwell Survey No. 52, Abstract No. 154, City of Manor, Travis County, Texas; and being a portion of Old Kimbro Road (80 feet wide); and being more particularly described as follows:

COMMENCING, at a 1/2-inch iron rod with a plastic cap stamped "KHA" found on the southerly right-of-way line of said Old Kimbro Road marking the northwest corner of a called 51.533 acre tract of land described in instrument to Chau Dinh and Kim Pham recorded in Document No. 2014139510 of the Official Public Records of Travis County, same being the northeast corner of a called 90.0886 acre tract of land described in instrument to RHOF, LLC recorded in Document No. 2017194263 of the Official Public Records of Travis County;

THENCE, North 85°48'57" West, 846.55 feet, along the southerly right-of-way line of Old Kimbro Road and the north line of said 90.0886 acre tract to the **POINT OF BEGINNING** of the herein described tract;

THENCE, continuing along the southerly right-of-way of said Old Kimbro Road and along the north line of said 90.0886 acre tract the following two (2) courses and distances:

1. North 85°48'57" West, 1629.02 feet to an iron rod with plastic cap stamped "KHA" found for a point of curvature;
2. in a southwesterly direction, along a tangent curve to the left, a central angle of 43°49'58", a radius of 533.10 feet, a chord bearing and distance of South 72°20'04" West, 397.96 feet, and a total arc length of 407.84 feet to a point for corner;

THENCE, departing the north line of said 90.0886 acre tract and crossing said Old Kimbro Road the following two (2) courses and distances:

1. North 40°17'42" West, 46.07 feet to a point for corner;
2. North 61°40'04" West, 35.46 feet to a 5/8-iron rod found on the northerly right-of-way line of said Old Kimbro Road marking the southwest corner of a called 157.9603 acre tract of land described in instrument to RHOF, LLC recorded in Document No. 2017180865 of the Official Public Records of Travis County;

THENCE, along the northerly right-of-way line of said Old Kimbro Road and along the south line of said 157.9603 acre tract the following three (3) courses and distances:

1. in a northeasterly direction, along a non-tangent curve to the right, a central angle of 36°32'19", a radius of 613.14 feet, a chord bearing and distance of North 68°23'46" East, 384.42 feet, and a total arc length of 391.01 feet to a 1/2-iron rod found for a point for corner;
2. in a northeasterly direction, along a non-tangent curve to the right, a central angle of 7°10'29", a radius of 1407.07 feet, a chord bearing and distance of South 89°23'14" East, 176.08 feet, and a total arc length of 176.20 feet to a concrete monument found for a point of tangency;
3. South 85°54'35" East, 1541.16 feet to a point for corner;

THENCE, South 4°11'03" West, 80.00 feet departing the south line of said 157.9603 acre tract and crossing said Old Kimbro Road to the **POINT OF BEGINNING**, and containing 3.700 acres of right-of-way in Travis County, Texas. The basis of bearing for this description is the Texas State Plane Coordinate System Grid, Central Zone (FIPS 4203) (NAD'83). All distances are on the surface and shown in U.S. Survey Feet. To convert grid distances to grid, apply the combined SURFACE to GRID scale factor of 0.99992097045. This document was prepared in the office of Kimley-Horn and Associates, Inc. in San Antonio, Texas.

ABEL P. STENDAHL
REGISTERED PROFESSIONAL
LAND SURVEYOR NO. 6754
601 NW LOOP 410, SUITE 350
SAN ANTONIO, TEXAS 78216
PH. 210-541-9166
abel.stendahl@kimley-horn.com



**EXHIBIT OF A 3.700 ACRE
RIGHT-OF-WAY
TO BE RELEASED**
A.A. CALDWELL SURVEY NO.52,
ABSTRACT NO. 154
TRAVIS COUNTY, TEXAS

Kimley»Horn

601 NW Loop 410, Suite 350 San Antonio, Texas 78216 FIRM # 10193973 Tel. No. (210) 541-9166 www.kimley-horn.com

| Scale | Drawn by | Checked by | Date | Project No. | Sheet No. |
|-------|----------|------------|----------|-------------|-----------|
| N/A | DJG | APS | 9/3/2020 | 069255703 | 1 OF 2 |

STENDAHL, ABEL 9/3/2020 10:57 AM K:\SNA_SURVEY\MANOR HEIGHTS DEVELOPMENT\069255703-MANOR HTS PHASE 2\DWG\EXHIBITS\3.700AC RIGHT OF WAY RELEASE.DWG

EXHIBIT A-2 – IMPROVEMENT AREA #1 LEGAL DESCRIPTION

Being 127.37 acres of land located in the A.C Caldwell Survey No. 52, Abstract No. 154, and being all of that 110.524 acre tract of land located in the A.C Caldwell Survey No. 52, Abstract No. 154, described in the Manor Heights South Phase 1 Section 1 Final Plat, recorded in Document No. 202100001 Official Public Records of Travis County, and being a portion of that certain 267.942 acre tract of land located in the A.C Caldwell Survey No. 52, Abstract No. 154, City of Manor, Travis County, Texas, conveyed to Forestar (USA) Real Estate Group Inc., as described in Document No. 2019171724, corrected in Document No. 2019176020, Official Public Records of Travis County, Texas.

EXHIBIT A-3 – IMPROVEMENT AREA #2 LEGAL DESCRIPTION

Being 91.81 acres of land located in the A.C Caldwell Survey No.52, Abstract No.154, and the Lemuel Kimbro Survey No.64, Abstract No.456, City of Manor, Travis County Texas, and being portion of that certain tract or parcel of land containing 90.089 acres located in the A.C. Caldwell Survey No.52 , Abstract No. 154, described in instrument to Forestar (USA) Real Estate Group Inc., recorded in Document No.2019171725, corrected in Document No.2019176021 Official Public Records of Travis County, and being a portion of that certain 157.9603 acre tract of land located in the A.C Caldwell Survey No.52, Abstract No.154, and the Lemuel Kimbro Survey No.64, Abstract No.456, City of Manor, Travis County Texas, described in instrument to Forestar (USA) Real Estate Group Inc., recorded in Document No.2019171725, corrected in Document No.2019176021 Official Public Records of Travis County , and a portion of that certain tract or parcel of land containing 3.7 acres situated in the A.C. Caldwell Survey No.52, Abstract 154, City of Manor, Travis County, Texas Conveyed to Forestar (USA) Real Estate Group Inc., as described in document 2021052193, official public records of Travis County, Texas.

EXHIBIT A-4 – MAJOR IMPROVEMENT AREA LEGAL DESCRIPTION

383.102 Acres Being Portions of a called 267.972 acre Tract of land Recorded in document No.2016214460, Official Public Records of Travis County, 157.9603 Acre Tract Recorded in document No.201718086, Official Public Records of Travis County, A called 90.0886 Acre Tract Recorded in Documents No.2017194263, Official Public Records of Travis County, and a portion of Old Kimbro Road A.C. Caldwell Survey No. 52, Abstract No 154 City of Manor, Travis County, Texas

EXHIBIT B-1 – DISTRICT BOUNDARY MAP

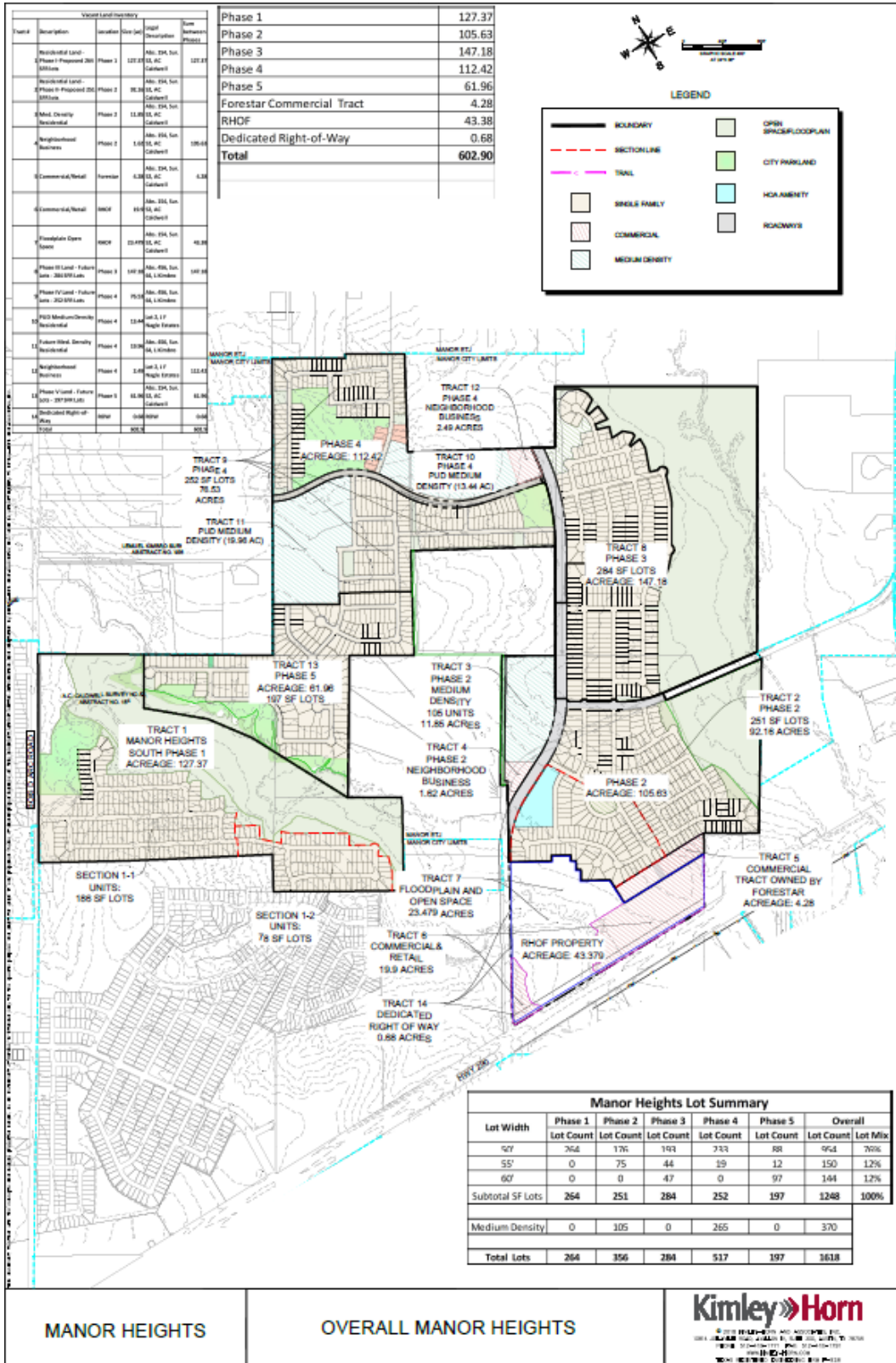
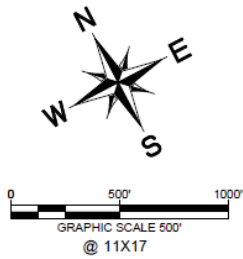





EXHIBIT B-2 – IMPROVEMENT AREA #1 BOUNDARY MAP

LEGEND



| | |
|--|---------------------|
|  | BOUNDARY |
|  | IA #1 |
|  | TAX PARCEL BOUNDARY |

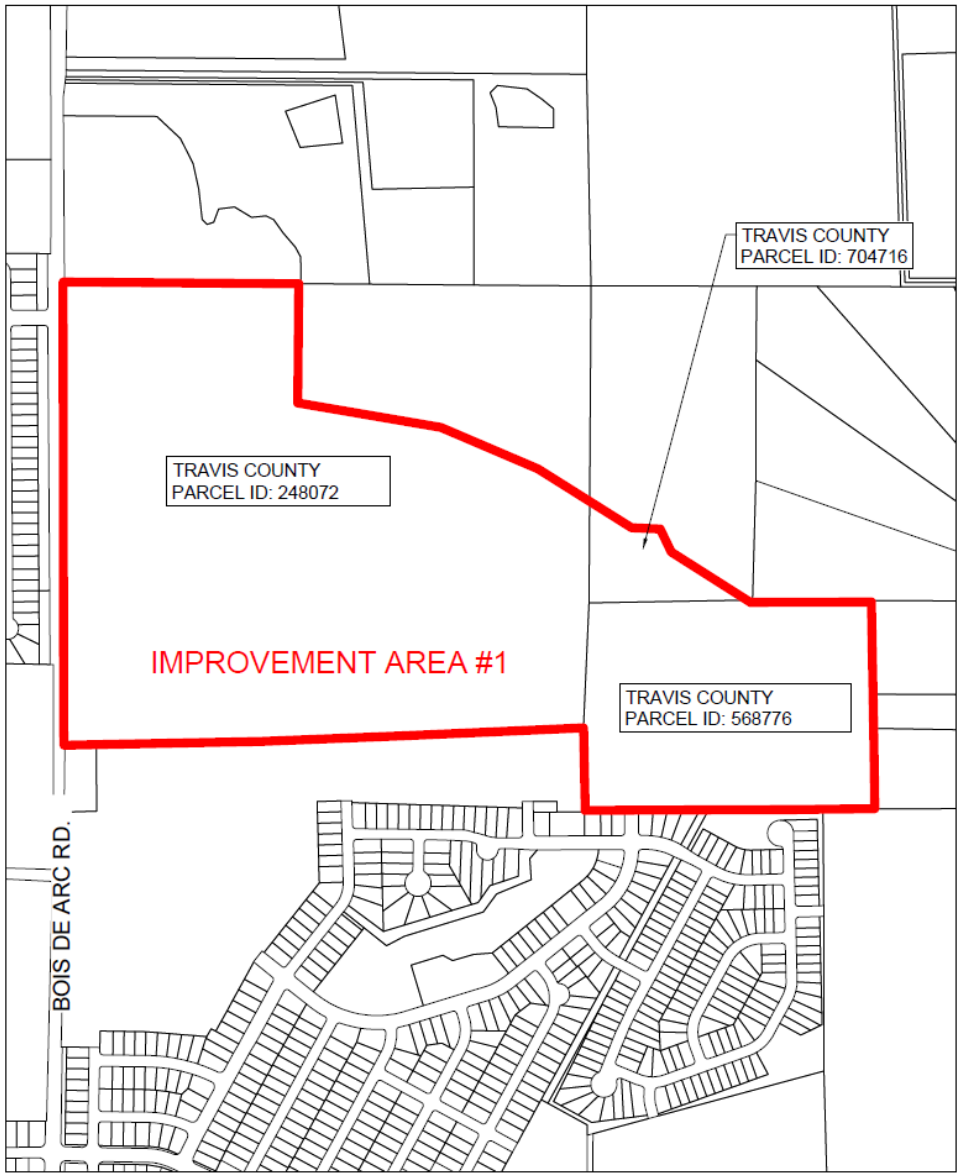


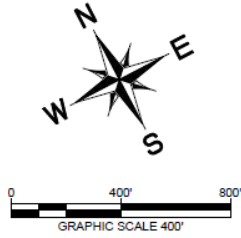
EXHIBIT F - IMPROVEMENT AREA #1

MANOR, TEXAS
FEBRUARY 2021

Kimley»Horn
10814 Jollyville
Building 4, Suite 200
Austin, Texas 78758
912-718-1771
State of Texas Registration No. F-4028
www.kimleyhorn.com

EXHIBIT B-3 – IMPROVEMENT AREA #2 BOUNDARY MAP

LEGEND



| | |
|--|---------------------|
| | BOUNDARY |
| | IA #2 |
| | TAX PARCEL BOUNDARY |

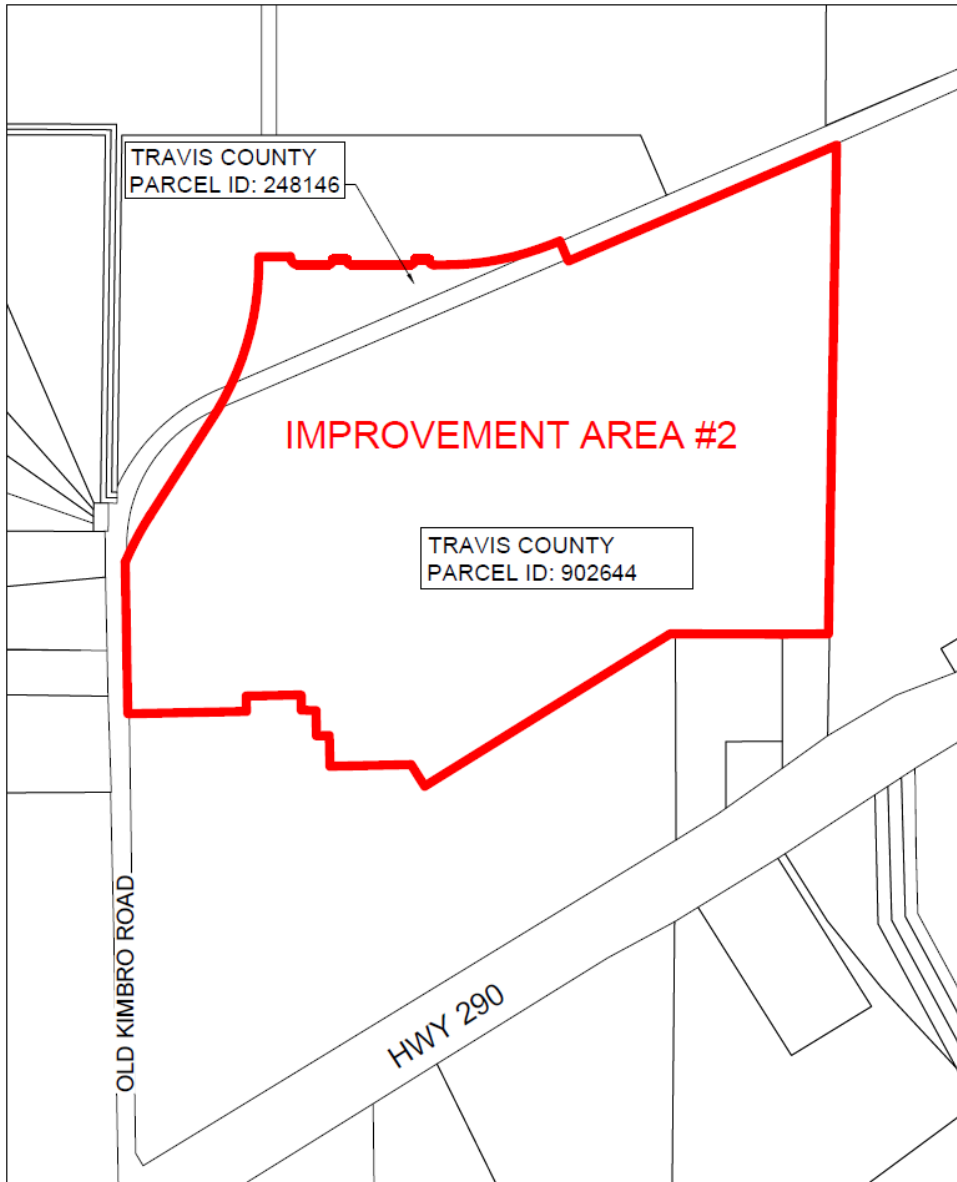


EXHIBIT H - IMPROVEMENT AREA #2

MANOR, TEXAS
FEBRUARY 2021



EXHIBIT B-4 – MAJOR IMPROVEMENT AREA BOUNDARY MAP

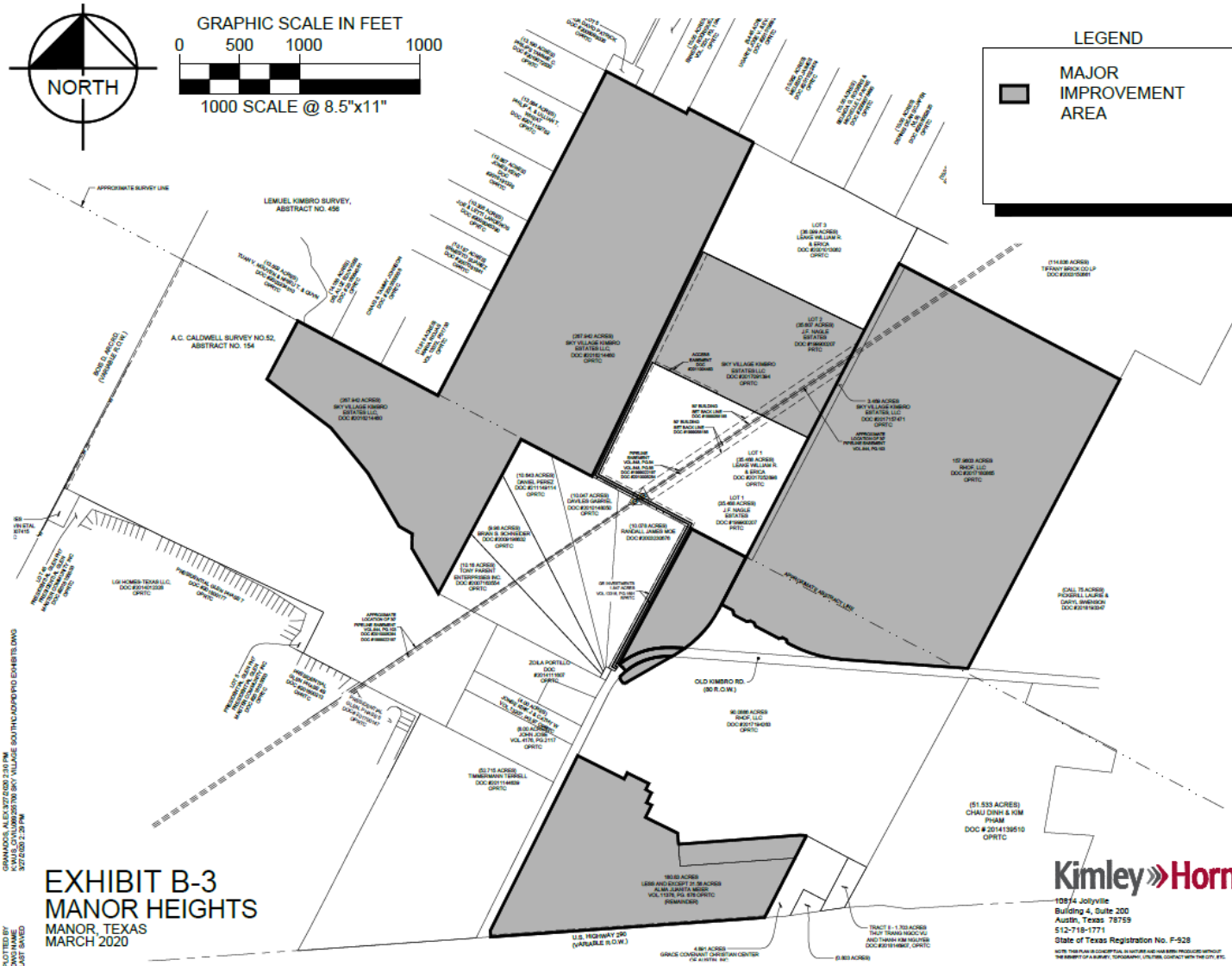


EXHIBIT C – AUTHORIZED IMPROVEMENTS

| | Total Costs | Improvement Area #1 [a] | Improvement Area #2 [a] | Major Improvement Area [b] |
|--|----------------------|-------------------------|-------------------------|----------------------------|
| <i>Major Improvements</i> | | | | |
| Wastewater Treatment Plant Phase 1 | \$ 5,119,898 | \$ 799,087 | \$ 763,720 | \$ 3,557,091 |
| Roadway | 3,115,626 | 486,270 | 464,749 | 2,164,607 |
| Kimbro ROW Acquisition | 47,348 | 7,390 | 7,063 | 32,895 |
| Soft Costs [c] | 1,242,431 | 193,912 | 185,330 | 863,189 |
| | \$ 9,525,302 | \$ 1,486,659 | \$ 1,420,862 | \$ 6,617,781 |
| <i>Improvement Area #1 Improvements</i> | | | | |
| Water | \$ 877,624 | \$ 877,624 | \$ - | \$ - |
| Wastewater | 761,450 | 761,450 | - | - |
| Drainage | 1,147,364 | 1,147,364 | - | - |
| Roadway | 3,462,805 | 3,462,805 | - | - |
| Trails | 59,850 | 59,850 | - | - |
| Soft Costs | 163,600 | 163,600 | - | - |
| | \$ 6,472,693 | \$ 6,472,693 | \$ - | \$ - |
| <i>Improvement Area #2 Improvements</i> | | | | |
| Water | \$ 895,023 | \$ - | \$ 895,023 | \$ - |
| Wastewater | 1,119,316.00 | - | 1,119,316 | - |
| Drainage | 1,164,737.00 | - | 1,164,737 | - |
| Roadway | 4,889,701.55 | - | 4,889,702 | - |
| Trails | - | - | - | - |
| Soft Costs | 320,400.00 | - | 320,400 | - |
| | \$ 8,389,178 | \$ - | \$ 8,389,178 | \$ - |
| <i>Bond Issuance Costs and District Formation Expenses</i> | | | | |
| Debt Service Reserve Fund [d] | \$ 882,950 | \$ 195,028 | \$ 186,397 | \$ 501,525 |
| Capitalized Interest [d] | 874,475 | 179,621 | 171,671 | 523,183 |
| Underwriter Discount [d] | 392,850 | 92,113 | 88,037 | 212,700 |
| Cost of Issuance [d] | 785,700 | 184,227 | 176,073 | 425,400 |
| First Year Annual Collection Costs [d] | 60,000 | 15,339 | 14,661 | 30,000 |
| | \$ 2,995,975 | \$ 666,329 | \$ 636,838 | \$ 1,692,808 |
| Total | \$ 27,383,147 | \$ 8,625,681 | \$ 10,446,878 | \$ 8,310,589 |

Notes:

[a] Costs were determined by construction contracts provided by Kimley-Horn and Associates dated 1/8/2021.

[b] Costs were determined by Excel Construction Services bid for Wastewater Treatment Plant Phase 1 Improvements dated 11/9/2020 and construction contract provided by Kimley-Horn and Associates dated 1/8/2021 for Roadways Improvements.

[c] Soft costs estimated at 15% of hard costs, inclusive of a 4% construction management fee.

[d] Costs associated with the issuance of Improvement Area #1 bonds were allocated between Improvement Area # 1 and Improvement Area #2 on a pro rata basis based on the amount of Assessments levied.

EXHIBIT D – SERVICE PLAN

| Improvement Area #1 | | | | | | |
|---------------------------------|------------------------------|-------------|------------------|-------------------|-------------------|-------------------|
| Installments Due | | 1/31/2021 | 1/31/2022 | 1/31/2023 | 1/31/2024 | 1/31/2025 |
| Principal | | \$ - | \$ - | \$ 53,688 | \$ 56,245 | \$ 58,801 |
| Interest | | 41,451 | 138,170 | 138,170 | 135,754 | 133,223 |
| Capitalized Interest | | (41,451) | (138,170) | - | - | - |
| | (1) | \$ - | \$ - | \$ 191,858 | \$ 191,999 | \$ 192,024 |
| Annual Collection Costs | (2) | \$ - | \$ 15,646 | \$ 15,959 | \$ 16,278 | \$ 16,604 |
| Additional Interest Reserve | (3) | \$ - | \$ 15,352 | \$ 15,352 | \$ 15,084 | \$ 14,803 |
| Total Annual Installment | (4) = (1) + (2) + (3) | \$ - | \$ 30,998 | \$ 223,170 | \$ 223,361 | \$ 223,431 |

| Improvement Area #2 | | | | | | |
|---------------------------------|------------------------------|-------------|------------------|-------------------|-------------------|-------------------|
| Installments Due | | 1/31/2021 | 1/31/2022 | 1/31/2023 | 1/31/2024 | 1/31/2025 |
| Principal | | \$ - | \$ - | \$ 51,312 | \$ 53,755 | \$ 56,199 |
| Interest | | 39,616 | 132,055 | 132,055 | 129,746 | 127,327 |
| Capitalized Interest | | (39,616) | (132,055) | - | - | - |
| | (1) | \$ - | \$ - | \$ 183,367 | \$ 183,501 | \$ 183,526 |
| Annual Collection Costs | (2) | \$ - | \$ 14,954 | \$ 15,253 | \$ 15,558 | \$ 15,869 |
| Additional Interest Reserve | (3) | \$ - | \$ 14,673 | \$ 14,673 | \$ 14,416 | \$ 14,147 |
| Total Annual Installment | (4) = (1) + (2) + (3) | \$ - | \$ 29,627 | \$ 213,292 | \$ 213,475 | \$ 213,542 |

| Major Improvement Area | | | | | | |
|---------------------------------|------------------------------|-------------|------------------|-------------------|-------------------|-------------------|
| Installments Due | | 1/31/2021 | 1/31/2022 | 1/31/2023 | 1/31/2024 | 1/31/2025 |
| Principal | | \$ - | \$ - | \$ 105,000 | \$ 110,000 | \$ 115,000 |
| Interest | | 133,233 | 389,950 | 389,950 | 384,175 | 378,125 |
| Capitalized Interest | | (133,233) | (389,950) | - | - | - |
| | (1) | \$ - | \$ - | \$ 494,950 | \$ 494,175 | \$ 493,125 |
| Annual Collection Costs | (2) | \$ - | \$ 30,600 | \$ 31,212 | \$ 31,836 | \$ 32,473 |
| Additional Interest Reserve | (3) | \$ - | \$ 35,450 | \$ 35,450 | \$ 34,925 | \$ 34,375 |
| Total Annual Installment | (4) = (1) + (2) + (3) | \$ - | \$ 66,050 | \$ 561,612 | \$ 560,936 | \$ 559,973 |

EXHIBIT E – SOURCES AND USES

| | Improvement Area #1 | Improvement Area #2 | Major Improvement Area |
|--|------------------------|------------------------|------------------------------|
| Sources of Funds | | | |
| Improvement Area #1-2 Bond Par | \$ 3,070,446 | \$ 2,934,554 | \$ - |
| Major Improvement Area Bond Par | - | - | 7,090,000 |
| Owner Contribution | 5,555,234 | 7,512,324 | 1,220,589 |
| Total Sources | \$ 8,625,681 | \$ 10,446,878 | \$ 8,310,589 |
| Uses of Funds | | | |
| Major Improvements | \$ 1,486,659 | \$ 1,420,862 | \$ 6,617,781 |
| Improvement Area #1 Improvements | 6,472,693 | - | - |
| Improvement Area #2 Improvements | - | 8,389,178 | - |
| | <u>\$ 7,959,352</u> | <u>\$ 9,810,039</u> | <u>\$ 6,617,781</u> |
| <i>Bond Issuance Costs and District Formation Expenses</i> | | | |
| Debt Service Reserve Fund | \$ 195,028 | \$ 186,397 | \$ 501,525 |
| Capitalized Interest | 179,621 | 171,671 | 523,183 |
| Underwriter Discount | 92,113 | 88,037 | 212,700 |
| Cost of Issuance | 184,227 | 176,073 | 425,400 |
| First Year Annual Collection Costs | 15,339 | 14,661 | 30,000 |
| | <u>\$ 666,329</u> | <u>\$ 636,838</u> | <u>\$ 1,692,808</u> |
| Total Uses | \$ 8,625,681 | \$ 10,446,878 | \$ 8,310,589 |

EXHIBIT F – IMPROVEMENT AREA #1 ASSESSMENT ROLL

| Property ID | Plat | Lot & Block | Lot Type | Improvement Area #1 | |
|-------------|------------------------------------|-----------------|------------|------------------------|----------------------------------|
| | | | | Outstanding Assessment | Annual Installment Due 1/31/2022 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 1 | Open Space | \$ - | \$ - |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 2 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 3 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 4 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 5 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 6 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 7 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 8 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 9 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 10 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 11 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 12 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 13 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 14 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 15 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 16 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 17 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 18 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 19 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 20 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 21 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 22 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 23 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 24 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 25 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 26 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 27 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 28 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 29 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 30 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 31 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 32 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 33 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 34 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 35 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 36 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 37 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 38 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 39 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 40 | 1 | 11,630.48 | 117.42 |

| Property ID | Plat | Lot & Block | Lot Type | Improvement Area #1 | |
|-------------|------------------------------------|-----------------|----------|------------------------|----------------------------------|
| | | | | Outstanding Assessment | Annual Installment Due 1/31/2022 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 41 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 42 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 43 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 44 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 45 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 46 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 47 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 48 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 49 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 50 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 51 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 52 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 53 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 54 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 55 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 56 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 57 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 58 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 59 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 60 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 61 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 62 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 63 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 64 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 65 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 66 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 67 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 68 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 69 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 70 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 71 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 72 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 73 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 74 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 75 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 76 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 77 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 78 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 79 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 80 | 1 | 11,630.48 | 117.42 |

| Property ID | Plat | Lot & Block | Lot Type | Improvement Area #1 | |
|-------------|------------------------------------|------------------|------------|------------------------|----------------------------------|
| | | | | Outstanding Assessment | Annual Installment Due 1/31/2022 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 81 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 82 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 83 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 84 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 85 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 86 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 87 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 88 | Open Space | - | - |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 89 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 90 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 91 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 92 | Open Space | - | - |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 93 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 94 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 95 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 96 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block A, Lot 97 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 98 | Open Space | - | - |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 99 | Open Space | - | - |
| | Manor Heights - Phase 1, Section 1 | Block A, Lot 100 | Open Space | - | - |
| | Manor Heights - Phase 1, Section 1 | Block B, Lot 1 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block B, Lot 2 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block B, Lot 3 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block B, Lot 4 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block B, Lot 5 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block B, Lot 6 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block B, Lot 7 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block B, Lot 8 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block B, Lot 9 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block B, Lot 10 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block B, Lot 11 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block B, Lot 12 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block B, Lot 13 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block B, Lot 14 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block B, Lot 15 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block B, Lot 16 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block B, Lot 17 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block B, Lot 18 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block B, Lot 19 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block B, Lot 20 | 1 | 11,630.48 | 117.42 |

| Property ID | Plat | Lot & Block | Lot Type | Improvement Area #1 | |
|-------------|------------------------------------|-----------------|------------|------------------------|----------------------------------|
| | | | | Outstanding Assessment | Annual Installment Due 1/31/2022 |
| | Manor Heights - Phase 1, Section 2 | Block B, Lot 21 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block B, Lot 22 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block B, Lot 23 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block B, Lot 24 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block B, Lot 25 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block B, Lot 26 | Open Space | - | - |
| | Manor Heights - Phase 1, Section 2 | Block B, Lot 27 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block B, Lot 28 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block B, Lot 29 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block B, Lot 30 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block B, Lot 31 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block B, Lot 32 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block B, Lot 33 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block B, Lot 34 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block C, Lot 1 | Open Space | - | - |
| | Manor Heights - Phase 1, Section 1 | Block C, Lot 2 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block C, Lot 3 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block C, Lot 4 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block C, Lot 5 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block C, Lot 6 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block C, Lot 7 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block C, Lot 8 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block C, Lot 9 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block C, Lot 10 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block C, Lot 11 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block C, Lot 12 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block C, Lot 13 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block C, Lot 14 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block C, Lot 15 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block C, Lot 16 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block C, Lot 17 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block C, Lot 18 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block C, Lot 19 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block C, Lot 20 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block C, Lot 21 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block C, Lot 1 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block C, Lot 2 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block C, Lot 3 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block C, Lot 4 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block C, Lot 5 | 1 | 11,630.48 | 117.42 |

| Property ID | Plat | Lot & Block | Lot Type | Improvement Area #1 | |
|-------------|------------------------------------|-----------------|------------|------------------------|----------------------------------|
| | | | | Outstanding Assessment | Annual Installment Due 1/31/2022 |
| | Manor Heights - Phase 1, Section 2 | Block C, Lot 6 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block C, Lot 7 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block C, Lot 8 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block C, Lot 9 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block C, Lot 10 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block C, Lot 11 | Open Space | - | - |
| | Manor Heights - Phase 1, Section 2 | Block C, Lot 12 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block C, Lot 13 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block C, Lot 14 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block C, Lot 15 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block C, Lot 16 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block C, Lot 17 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block C, Lot 18 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block C, Lot 19 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block C, Lot 20 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block C, Lot 21 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block C, Lot 22 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block C, Lot 23 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block C, Lot 24 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block C, Lot 25 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block C, Lot 26 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block C, Lot 27 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 2 | Block C, Lot 28 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block D, Lot 1 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block D, Lot 2 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block D, Lot 3 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block D, Lot 4 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block D, Lot 5 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block D, Lot 6 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block D, Lot 7 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block D, Lot 8 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block D, Lot 9 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block D, Lot 10 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block D, Lot 11 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block D, Lot 12 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block D, Lot 13 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block D, Lot 14 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block D, Lot 15 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block D, Lot 16 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block D, Lot 17 | 1 | 11,630.48 | 117.42 |

| Property ID | Plat | Lot & Block | Lot Type | Improvement Area #1 | |
|------------------------------------|------|-----------------|----------|------------------------|----------------------------------|
| | | | | Outstanding Assessment | Annual Installment Due 1/31/2022 |
| Manor Heights - Phase 1, Section 1 | | Block D, Lot 18 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block D, Lot 19 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block D, Lot 20 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block D, Lot 21 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block D, Lot 22 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block D, Lot 23 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block D, Lot 24 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block E, Lot 1 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block E, Lot 2 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block E, Lot 3 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block E, Lot 4 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block E, Lot 5 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block E, Lot 6 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block E, Lot 7 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block E, Lot 8 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block E, Lot 9 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block E, Lot 10 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block E, Lot 11 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block E, Lot 12 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block E, Lot 13 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block E, Lot 14 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block E, Lot 15 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block E, Lot 16 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block E, Lot 17 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block E, Lot 18 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block E, Lot 19 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block E, Lot 20 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block E, Lot 21 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block E, Lot 22 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block E, Lot 23 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block E, Lot 24 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block E, Lot 25 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block E, Lot 26 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block E, Lot 27 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block E, Lot 28 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block E, Lot 29 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block E, Lot 30 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block E, Lot 31 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block E, Lot 32 | 1 | 11,630.48 | 117.42 |
| Manor Heights - Phase 1, Section 1 | | Block E, Lot 33 | 1 | 11,630.48 | 117.42 |

| Property ID | Plat | Lot & Block | Lot Type | Improvement Area #1 | |
|--------------|------------------------------------|-----------------|----------|------------------------|----------------------------------|
| | | | | Outstanding Assessment | Annual Installment Due 1/31/2022 |
| | Manor Heights - Phase 1, Section 1 | Block E, Lot 34 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block F, Lot 1 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block F, Lot 2 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block F, Lot 3 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block F, Lot 4 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block F, Lot 5 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block F, Lot 6 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block F, Lot 7 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block F, Lot 8 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block F, Lot 9 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block F, Lot 10 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block F, Lot 11 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block F, Lot 12 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block F, Lot 13 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block F, Lot 14 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block F, Lot 15 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block F, Lot 16 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block F, Lot 17 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block F, Lot 18 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block F, Lot 19 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block F, Lot 20 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block F, Lot 21 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block F, Lot 22 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block F, Lot 23 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block F, Lot 24 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block F, Lot 25 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block F, Lot 26 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block F, Lot 27 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block F, Lot 28 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block F, Lot 29 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block F, Lot 30 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block F, Lot 31 | 1 | 11,630.48 | 117.42 |
| | Manor Heights - Phase 1, Section 1 | Block F, Lot 32 | 1 | 11,630.48 | 117.42 |
| Total | | | | \$ 3,070,446.48 | \$ 30,998.47 |

Note: For billing purposes only, until a plat has been recorded within the Improvement Area #1 Initial Parcel, the Annual Installment will be billed to each Tax Parcel within the Improvement Area #1 Initial Parcel based on the acreage of the Tax Parcel as calculated by the Travis Central Appraisal District.

EXHIBIT G – IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

| Installment Due 1/31 | Principal | Interest [a] | Annual Collection Costs | Additional Interest | Capitalized Interest | Total Annual Installment |
|-------------------------|------------------------|------------------------|----------------------------|------------------------|-------------------------|-----------------------------|
| 2021 | \$ - | \$ 41,451.03 | \$ - | \$ - | \$ (41,451.03) | \$ - |
| 2022 | - | 138,170.09 | 15,646.24 | 15,352.23 | (138,170.09) | 30,998.47 |
| 2023 | 53,688.07 | 138,170.09 | 15,959.16 | 15,352.23 | - | 223,169.56 |
| 2024 | 56,244.65 | 135,754.13 | 16,278.35 | 15,083.79 | - | 223,360.92 |
| 2025 | 58,801.22 | 133,223.12 | 16,603.91 | 14,802.57 | - | 223,430.82 |
| 2026 | 61,357.80 | 130,577.06 | 16,935.99 | 14,508.56 | - | 223,379.42 |
| 2027 | 63,914.37 | 127,815.96 | 17,274.71 | 14,201.77 | - | 223,206.82 |
| 2028 | 66,470.95 | 124,939.82 | 17,620.21 | 13,882.20 | - | 222,913.17 |
| 2029 | 69,027.52 | 121,948.62 | 17,972.61 | 13,549.85 | - | 222,498.60 |
| 2030 | 71,584.10 | 118,842.39 | 18,332.06 | 13,204.71 | - | 221,963.25 |
| 2031 | 76,697.25 | 115,621.10 | 18,698.70 | 12,846.79 | - | 223,863.84 |
| 2032 | 79,253.82 | 112,169.72 | 19,072.68 | 12,463.30 | - | 222,959.53 |
| 2033 | 81,810.40 | 108,603.30 | 19,454.13 | 12,067.03 | - | 221,934.86 |
| 2034 | 86,923.55 | 104,921.83 | 19,843.21 | 11,657.98 | - | 223,346.58 |
| 2035 | 89,480.12 | 101,010.28 | 20,240.08 | 11,223.36 | - | 221,953.84 |
| 2036 | 94,593.27 | 96,983.67 | 20,644.88 | 10,775.96 | - | 222,997.78 |
| 2037 | 99,706.42 | 92,726.97 | 21,057.78 | 10,303.00 | - | 223,794.17 |
| 2038 | 102,263.00 | 88,240.18 | 21,478.93 | 9,804.46 | - | 221,786.58 |
| 2039 | 107,376.15 | 83,638.35 | 21,908.51 | 9,293.15 | - | 222,216.16 |
| 2040 | 112,489.30 | 78,806.42 | 22,346.68 | 8,756.27 | - | 222,398.67 |
| 2041 | 117,602.45 | 73,744.40 | 22,793.62 | 8,193.82 | - | 222,334.29 |
| 2042 | 122,715.60 | 68,452.29 | 23,249.49 | 7,605.81 | - | 222,023.19 |
| 2043 | 127,828.75 | 62,930.09 | 23,714.48 | 6,992.23 | - | 221,465.55 |
| 2044 | 135,498.47 | 57,177.80 | 24,188.77 | 6,353.09 | - | 223,218.12 |
| 2045 | 140,611.62 | 51,080.37 | 24,672.54 | 5,675.60 | - | 222,040.13 |
| 2046 | 148,281.35 | 44,752.84 | 25,165.99 | 4,972.54 | - | 223,172.72 |
| 2047 | 153,394.50 | 38,080.18 | 25,669.31 | 4,231.13 | - | 221,375.12 |
| 2048 | 161,064.22 | 31,177.43 | 26,182.70 | 3,464.16 | - | 221,888.51 |
| 2049 | 168,733.94 | 23,929.54 | 26,706.35 | 2,658.84 | - | 222,028.68 |
| 2050 | 176,403.67 | 16,336.51 | 27,240.48 | 1,815.17 | - | 221,795.83 |
| 2051 | 186,629.97 | 8,398.35 | 27,785.29 | 933.15 | - | 223,746.76 |
| Total | \$ 3,070,446.48 | \$ 2,669,673.96 | \$ 634,737.84 | \$ 292,024.77 | \$ (179,621.12) | \$ 6,487,261.94 |

[a] Interest is calculated at a 4.50% rate.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT H – IMPROVEMENT AREA #2 ASSESSMENT ROLL

| Parcel ID | Legal Description | Improvement Area #2 | |
|--------------|------------------------------------|------------------------|----------------------------------|
| | | Outstanding Assessment | Annual Installment Due 1/31/2022 |
| 248146 | Improvement Area #2 Initial Parcel | \$ 732,948.00 | \$ 7,399.66 |
| 902644 | Improvement Area #2 Initial Parcel | \$ 2,201,605.51 | \$ 22,226.87 |
| Total | | \$ 2,934,553.52 | \$ 29,626.53 |

Note: For billing purposes only, until a plat has been recorded within the Improvement Area #2 Initial Parcel, the Annual Installment will be billed to each Tax Parcel within the Improvement Area #2 Initial Parcel based on the acreage of the Tax Parcel as calculated by the Travis Central Appraisal District.

EXHIBIT I – IMPROVEMENT AREA #2 ANNUAL INSTALLMENT

| Installment Due 1/31 | Principal | Interest [a] | Annual Collection Costs | Additional Interest | Capitalized Interest | Total Annual Installment |
|----------------------|------------------------|------------------------|-------------------------|----------------------|------------------------|--------------------------|
| 2021 | \$ - | \$ 39,616.47 | \$ - | \$ - | \$ (39,616.47) | \$ - |
| 2022 | - | 132,054.91 | 14,953.76 | 14,672.77 | (132,054.91) | 29,626.53 |
| 2023 | 51,311.93 | 132,054.91 | 15,252.84 | 14,672.77 | - | 213,292.44 |
| 2024 | 53,755.35 | 129,745.87 | 15,557.89 | 14,416.21 | - | 213,475.32 |
| 2025 | 56,198.78 | 127,326.88 | 15,869.05 | 14,147.43 | - | 213,542.14 |
| 2026 | 58,642.20 | 124,797.94 | 16,186.43 | 13,866.44 | - | 213,493.01 |
| 2027 | 61,085.63 | 122,159.04 | 16,510.16 | 13,573.23 | - | 213,328.05 |
| 2028 | 63,529.05 | 119,410.18 | 16,840.36 | 13,267.80 | - | 213,047.40 |
| 2029 | 65,972.48 | 116,551.38 | 17,177.17 | 12,950.15 | - | 212,651.18 |
| 2030 | 68,415.90 | 113,582.61 | 17,520.71 | 12,620.29 | - | 212,139.52 |
| 2031 | 73,302.75 | 110,503.90 | 17,871.13 | 12,278.21 | - | 213,955.99 |
| 2032 | 75,746.18 | 107,205.28 | 18,228.55 | 11,911.70 | - | 213,091.70 |
| 2033 | 78,189.60 | 103,796.70 | 18,593.12 | 11,532.97 | - | 212,112.39 |
| 2034 | 83,076.45 | 100,278.17 | 18,964.99 | 11,142.02 | - | 213,461.62 |
| 2035 | 85,519.88 | 96,539.72 | 19,344.28 | 10,726.64 | - | 212,130.52 |
| 2036 | 90,406.73 | 92,691.33 | 19,731.17 | 10,299.04 | - | 213,128.27 |
| 2037 | 95,293.58 | 88,623.03 | 20,125.79 | 9,847.00 | - | 213,889.40 |
| 2038 | 97,737.00 | 84,334.82 | 20,528.31 | 9,370.54 | - | 211,970.66 |
| 2039 | 102,623.85 | 79,936.65 | 20,938.88 | 8,881.85 | - | 212,381.23 |
| 2040 | 107,510.70 | 75,318.58 | 21,357.65 | 8,368.73 | - | 212,555.67 |
| 2041 | 112,397.55 | 70,480.60 | 21,784.81 | 7,831.18 | - | 212,494.13 |
| 2042 | 117,284.40 | 65,422.71 | 22,220.50 | 7,269.19 | - | 212,196.80 |
| 2043 | 122,171.25 | 60,144.91 | 22,664.91 | 6,682.77 | - | 211,663.84 |
| 2044 | 129,501.53 | 54,647.20 | 23,118.21 | 6,071.91 | - | 213,338.85 |
| 2045 | 134,388.38 | 48,819.63 | 23,580.58 | 5,424.40 | - | 212,212.99 |
| 2046 | 141,718.65 | 42,772.16 | 24,052.19 | 4,752.46 | - | 213,295.46 |
| 2047 | 146,605.50 | 36,394.82 | 24,533.23 | 4,043.87 | - | 211,577.42 |
| 2048 | 153,935.78 | 29,797.57 | 25,023.90 | 3,310.84 | - | 212,068.08 |
| 2049 | 161,266.06 | 22,870.46 | 25,524.37 | 2,541.16 | - | 212,202.05 |
| 2050 | 168,596.33 | 15,613.49 | 26,034.86 | 1,734.83 | - | 211,979.51 |
| 2051 | 178,370.03 | 8,026.65 | 26,555.56 | 891.85 | - | 213,844.09 |
| Total | \$ 2,934,553.52 | \$ 2,551,518.54 | \$ 606,645.38 | \$ 279,100.23 | \$ (171,671.38) | \$ 6,200,146.28 |

[a] Interest is calculated at a 4.50% rate.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT J – MAJOR IMPROVEMENT AREA ASSESSMENT ROLL

| Parcel ID | Legal Description | Major Improvement Area | |
|--------------|---------------------------------------|------------------------|----------------------------------|
| | | Outstanding Assessment | Annual Installment Due 1/31/2022 |
| 248072 | Major Improvement Area Initial Parcel | \$ 1,696,907.14 | \$ 15,808.28 |
| 248122 | Major Improvement Area Initial Parcel | 1,447,037.94 | 13,480.52 |
| 477399 | Major Improvement Area Initial Parcel | 525,863.99 | 4,898.92 |
| 704716 | Major Improvement Area Initial Parcel | 385,813.77 | 3,594.22 |
| 816122 | Major Improvement Area Initial Parcel | 51,232.12 | 477.28 |
| 236952 | Major Improvement Area Initial Parcel | 650,303.85 | 6,058.19 |
| 248120 | Major Improvement Area Initial Parcel | 1,889,902.64 | 17,606.22 |
| 248146 | Major Improvement Area Initial Parcel | 442,938.55 | 4,126.39 |
| Total | | \$ 7,090,000.00 | \$ 66,050.00 |

Note: For billing purposes only, until a plat has been recorded within the Major Improvement Area Initial Parcel, the Annual Installment will be billed to each Tax Parcel within the Major Improvement Area Initial Parcel based on the acreage of the Tax Parcel as calculated by the Travis Central Appraisal District.

EXHIBIT K – MAJOR IMPROVEMENT AREA ANNUAL INSTALLMENTS

| Installment Due 1/31 | Principal | Interest [a] | Annual Collection Costs | Additional Interest | Capitalized Interest | Total Annual Installment |
|-------------------------|------------------------|------------------------|----------------------------|------------------------|-------------------------|-----------------------------|
| 2021 | \$ - | \$ 133,232.92 | \$ - | | \$ (133,232.92) | \$ - |
| 2022 | - | 389,950.00 | 30,600.00 | 35,450.00 | (389,950.00) | 66,050.00 |
| 2023 | 105,000.00 | 389,950.00 | 31,212.00 | 35,450.00 | - | 561,612.00 |
| 2024 | 110,000.00 | 384,175.00 | 31,836.24 | 34,925.00 | - | 560,936.24 |
| 2025 | 115,000.00 | 378,125.00 | 32,472.96 | 34,375.00 | - | 559,972.96 |
| 2026 | 120,000.00 | 371,800.00 | 33,122.42 | 33,800.00 | - | 558,722.42 |
| 2027 | 130,000.00 | 365,200.00 | 33,784.87 | 33,200.00 | - | 562,184.87 |
| 2028 | 135,000.00 | 358,050.00 | 34,460.57 | 32,550.00 | - | 560,060.57 |
| 2029 | 145,000.00 | 350,625.00 | 35,149.78 | 31,875.00 | - | 562,649.78 |
| 2030 | 150,000.00 | 342,650.00 | 35,852.78 | 31,150.00 | - | 559,652.78 |
| 2031 | 160,000.00 | 334,400.00 | 36,569.83 | 30,400.00 | - | 561,369.83 |
| 2032 | 170,000.00 | 325,600.00 | 37,301.23 | 29,600.00 | - | 562,501.23 |
| 2033 | 175,000.00 | 316,250.00 | 38,047.25 | 28,750.00 | - | 558,047.25 |
| 2034 | 185,000.00 | 306,625.00 | 38,808.20 | 27,875.00 | - | 558,308.20 |
| 2035 | 195,000.00 | 296,450.00 | 39,584.36 | 26,950.00 | - | 557,984.36 |
| 2036 | 210,000.00 | 285,725.00 | 40,376.05 | 25,975.00 | - | 562,076.05 |
| 2037 | 220,000.00 | 274,175.00 | 41,183.57 | 24,925.00 | - | 560,283.57 |
| 2038 | 230,000.00 | 262,075.00 | 42,007.24 | 23,825.00 | - | 557,907.24 |
| 2039 | 245,000.00 | 249,425.00 | 42,847.39 | 22,675.00 | - | 559,947.39 |
| 2040 | 260,000.00 | 235,950.00 | 43,704.34 | 21,450.00 | - | 561,104.34 |
| 2041 | 275,000.00 | 221,650.00 | 44,578.42 | 20,150.00 | - | 561,378.42 |
| 2042 | 290,000.00 | 206,525.00 | 45,469.99 | 18,775.00 | - | 560,769.99 |
| 2043 | 305,000.00 | 190,575.00 | 46,379.39 | 17,325.00 | - | 559,279.39 |
| 2044 | 325,000.00 | 173,800.00 | 47,306.98 | 15,800.00 | - | 561,906.98 |
| 2045 | 340,000.00 | 155,925.00 | 48,253.12 | 14,175.00 | - | 558,353.12 |
| 2046 | 360,000.00 | 137,225.00 | 49,218.18 | 12,475.00 | - | 558,918.18 |
| 2047 | 380,000.00 | 117,425.00 | 50,202.54 | 10,675.00 | - | 558,302.54 |
| 2048 | 405,000.00 | 96,525.00 | 51,206.59 | 8,775.00 | - | 561,506.59 |
| 2049 | 425,000.00 | 74,250.00 | 52,230.73 | 6,750.00 | - | 558,230.73 |
| 2050 | 450,000.00 | 50,875.00 | 53,275.34 | 4,625.00 | - | 558,775.34 |
| 2051 | 475,000.00 | 26,125.00 | 54,340.85 | 2,375.00 | - | 557,840.85 |
| Total | \$ 7,090,000.00 | \$ 7,801,332.92 | \$ 1,241,383.22 | \$ 697,100.00 | \$ (523,182.92) | \$ 16,306,633.22 |

[a] Interest is calculated at a 5.50% rate.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT L-1 – LOT TYPE 1 ANNUAL INSTALLMENTS

| Installment Due 1/31 | Principal | Interest [a] | Annual Collection Costs | Additional Interest | Capitalized Interest | Total Annual Installment |
|-------------------------|---------------------|---------------------|----------------------------|------------------------|-------------------------|-----------------------------|
| 2021 | \$ - | \$ 157.01 | \$ - | \$ - | \$ (157.01) | \$ - |
| 2022 | - | 523.37 | 59.27 | 58.15 | (523.37) | 117.42 |
| 2023 | 203.36 | 523.37 | 60.45 | 58.15 | - | 845.34 |
| 2024 | 213.05 | 514.22 | 61.66 | 57.14 | - | 846.06 |
| 2025 | 222.73 | 504.63 | 62.89 | 56.07 | - | 846.33 |
| 2026 | 232.42 | 494.61 | 64.15 | 54.96 | - | 846.13 |
| 2027 | 242.10 | 484.15 | 65.43 | 53.79 | - | 845.48 |
| 2028 | 251.78 | 473.26 | 66.74 | 52.58 | - | 844.37 |
| 2029 | 261.47 | 461.93 | 68.08 | 51.33 | - | 842.80 |
| 2030 | 271.15 | 450.16 | 69.44 | 50.02 | - | 840.77 |
| 2031 | 290.52 | 437.96 | 70.83 | 48.66 | - | 847.97 |
| 2032 | 300.20 | 424.89 | 72.24 | 47.21 | - | 844.54 |
| 2033 | 309.89 | 411.38 | 73.69 | 45.71 | - | 840.66 |
| 2034 | 329.26 | 397.43 | 75.16 | 44.16 | - | 846.01 |
| 2035 | 338.94 | 382.61 | 76.67 | 42.51 | - | 840.73 |
| 2036 | 358.31 | 367.36 | 78.20 | 40.82 | - | 844.69 |
| 2037 | 377.68 | 351.24 | 79.76 | 39.03 | - | 847.71 |
| 2038 | 387.36 | 334.24 | 81.36 | 37.14 | - | 840.10 |
| 2039 | 406.73 | 316.81 | 82.99 | 35.20 | - | 841.73 |
| 2040 | 426.10 | 298.51 | 84.65 | 33.17 | - | 842.42 |
| 2041 | 445.46 | 279.33 | 86.34 | 31.04 | - | 842.18 |
| 2042 | 464.83 | 259.29 | 88.07 | 28.81 | - | 841.00 |
| 2043 | 484.20 | 238.37 | 89.83 | 26.49 | - | 838.88 |
| 2044 | 513.25 | 216.58 | 91.62 | 24.06 | - | 845.52 |
| 2045 | 532.62 | 193.49 | 93.46 | 21.50 | - | 841.06 |
| 2046 | 561.67 | 169.52 | 95.33 | 18.84 | - | 845.35 |
| 2047 | 581.04 | 144.24 | 97.23 | 16.03 | - | 838.54 |
| 2048 | 610.09 | 118.10 | 99.18 | 13.12 | - | 840.49 |
| 2049 | 639.14 | 90.64 | 101.16 | 10.07 | - | 841.02 |
| 2050 | 668.20 | 61.88 | 103.18 | 6.88 | - | 840.14 |
| 2051 | 706.93 | 31.81 | 105.25 | 3.53 | - | 847.53 |
| Total | \$ 11,630.48 | \$ 10,112.40 | \$ 2,404.31 | \$ 1,106.15 | \$ (680.38) | \$ 24,572.96 |

[a] Interest is calculated at a 4.50% rate.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT L-2 – LOT TYPE 2 ANNUAL INSTALLMENTS

| Installment Due 1/31 | Principal | Interest [a] | Annual Collection Costs | Additional Interest | Capitalized Interest | Total Annual Installment |
|-------------------------|---------------------|---------------------|----------------------------|------------------------|-------------------------|-----------------------------|
| 2021 | \$ - | \$ 157.01 | \$ - | \$ - | \$ (157.01) | \$ - |
| 2022 | - | 523.37 | 59.27 | 58.15 | (523.37) | 117.42 |
| 2023 | 203.36 | 523.37 | 60.45 | 58.15 | - | 845.34 |
| 2024 | 213.05 | 514.22 | 61.66 | 57.14 | - | 846.06 |
| 2025 | 222.73 | 504.63 | 62.89 | 56.07 | - | 846.33 |
| 2026 | 232.42 | 494.61 | 64.15 | 54.96 | - | 846.13 |
| 2027 | 242.10 | 484.15 | 65.43 | 53.79 | - | 845.48 |
| 2028 | 251.78 | 473.26 | 66.74 | 52.58 | - | 844.37 |
| 2029 | 261.47 | 461.93 | 68.08 | 51.33 | - | 842.80 |
| 2030 | 271.15 | 450.16 | 69.44 | 50.02 | - | 840.77 |
| 2031 | 290.52 | 437.96 | 70.83 | 48.66 | - | 847.97 |
| 2032 | 300.20 | 424.89 | 72.24 | 47.21 | - | 844.54 |
| 2033 | 309.89 | 411.38 | 73.69 | 45.71 | - | 840.66 |
| 2034 | 329.26 | 397.43 | 75.16 | 44.16 | - | 846.01 |
| 2035 | 338.94 | 382.61 | 76.67 | 42.51 | - | 840.73 |
| 2036 | 358.31 | 367.36 | 78.20 | 40.82 | - | 844.69 |
| 2037 | 377.68 | 351.24 | 79.76 | 39.03 | - | 847.71 |
| 2038 | 387.36 | 334.24 | 81.36 | 37.14 | - | 840.10 |
| 2039 | 406.73 | 316.81 | 82.99 | 35.20 | - | 841.73 |
| 2040 | 426.10 | 298.51 | 84.65 | 33.17 | - | 842.42 |
| 2041 | 445.46 | 279.33 | 86.34 | 31.04 | - | 842.18 |
| 2042 | 464.83 | 259.29 | 88.07 | 28.81 | - | 841.00 |
| 2043 | 484.20 | 238.37 | 89.83 | 26.49 | - | 838.88 |
| 2044 | 513.25 | 216.58 | 91.62 | 24.06 | - | 845.52 |
| 2045 | 532.62 | 193.49 | 93.46 | 21.50 | - | 841.06 |
| 2046 | 561.67 | 169.52 | 95.33 | 18.84 | - | 845.35 |
| 2047 | 581.04 | 144.24 | 97.23 | 16.03 | - | 838.54 |
| 2048 | 610.09 | 118.10 | 99.18 | 13.12 | - | 840.49 |
| 2049 | 639.14 | 90.64 | 101.16 | 10.07 | - | 841.02 |
| 2050 | 668.20 | 61.88 | 103.18 | 6.88 | - | 840.14 |
| 2051 | 706.93 | 31.81 | 105.25 | 3.53 | - | 847.53 |
| Total | \$ 11,630.48 | \$ 10,112.40 | \$ 2,404.31 | \$ 1,106.15 | \$ (680.38) | \$ 24,572.96 |

[a] Interest is calculated at a 4.50% rate.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT L-3 – LOT TYPE 3 ANNUAL INSTALLMENTS

| Installment Due 1/31 | Principal | Interest [a] | Annual Collection Costs | Additional Interest | Capitalized Interest | Total Annual Installment |
|-------------------------|---------------------|---------------------|----------------------------|------------------------|-------------------------|-----------------------------|
| 2021 | \$ - | \$ 159.77 | \$ - | \$ - | \$ (159.77) | \$ - |
| 2022 | - | 532.55 | 60.31 | 59.17 | (532.55) | 119.48 |
| 2023 | 206.93 | 532.55 | 61.51 | 59.17 | - | 860.17 |
| 2024 | 216.79 | 523.24 | 62.74 | 58.14 | - | 860.91 |
| 2025 | 226.64 | 513.49 | 64.00 | 57.05 | - | 861.18 |
| 2026 | 236.49 | 503.29 | 65.28 | 55.92 | - | 860.98 |
| 2027 | 246.35 | 492.65 | 66.58 | 54.74 | - | 860.31 |
| 2028 | 256.20 | 481.56 | 67.91 | 53.51 | - | 859.18 |
| 2029 | 266.06 | 470.03 | 69.27 | 52.23 | - | 857.58 |
| 2030 | 275.91 | 458.06 | 70.66 | 50.90 | - | 855.52 |
| 2031 | 295.62 | 445.64 | 72.07 | 49.52 | - | 862.85 |
| 2032 | 305.47 | 432.34 | 73.51 | 48.04 | - | 859.36 |
| 2033 | 315.32 | 418.59 | 74.98 | 46.51 | - | 855.41 |
| 2034 | 335.03 | 404.40 | 76.48 | 44.93 | - | 860.85 |
| 2035 | 344.89 | 389.33 | 78.01 | 43.26 | - | 855.48 |
| 2036 | 364.59 | 373.81 | 79.57 | 41.53 | - | 859.51 |
| 2037 | 384.30 | 357.40 | 81.16 | 39.71 | - | 862.58 |
| 2038 | 394.16 | 340.11 | 82.79 | 37.79 | - | 854.84 |
| 2039 | 413.86 | 322.37 | 84.44 | 35.82 | - | 856.50 |
| 2040 | 433.57 | 303.75 | 86.13 | 33.75 | - | 857.20 |
| 2041 | 453.28 | 284.24 | 87.85 | 31.58 | - | 856.95 |
| 2042 | 472.99 | 263.84 | 89.61 | 29.32 | - | 855.75 |
| 2043 | 492.69 | 242.55 | 91.40 | 26.95 | - | 853.60 |
| 2044 | 522.26 | 220.38 | 93.23 | 24.49 | - | 860.36 |
| 2045 | 541.96 | 196.88 | 95.10 | 21.88 | - | 855.82 |
| 2046 | 571.53 | 172.49 | 97.00 | 19.17 | - | 860.18 |
| 2047 | 591.23 | 146.77 | 98.94 | 16.31 | - | 853.25 |
| 2048 | 620.80 | 120.17 | 100.92 | 13.35 | - | 855.23 |
| 2049 | 650.36 | 92.23 | 102.94 | 10.25 | - | 855.77 |
| 2050 | 679.92 | 62.97 | 104.99 | 7.00 | - | 854.87 |
| 2051 | 719.33 | 32.37 | 107.09 | 3.60 | - | 862.39 |
| Total | \$ 11,834.52 | \$ 10,289.81 | \$ 2,446.49 | \$ 1,125.56 | \$ (692.32) | \$ 25,004.07 |

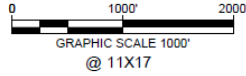
[a] Interest is calculated at a 4.50% rate.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT M – MAXIMUM ASSESSMENT PER LOT TYPE

| Lot Type | Units | Total Assessment | Maximum Assessment |
|-----------------|--------------|-------------------------|---------------------------|
| 1 | 264 | \$ 3,070,446.48 | \$11,630.48 per Unit |
| 2 | 176 | 2,046,964.32 | \$11,630.48 per Unit |
| 3 | 75 | 887,589.19 | \$11,834.52 per Unit |
| Total | | \$ 6,005,000.00 | |

EXHIBIT N – LOT TYPE CLASSIFICATION MAP



LEGEND

| | |
|--|--------------|
| | BOUNDARY |
| | SECTION LINE |
| | IA #1 |
| | IA #2 |
| | 50' LOT |
| | 55' LOT |

| Manor Heights Improvement Areas | | | |
|---------------------------------|------------|------------|------------|
| Lot Width | IA #1 | IA #2 | Overall |
| | Lot Count | Lot Count | Lot Count |
| 50' | 264 | 176 | 440 |
| 55' | 0 | 75 | 75 |
| Total Lots | 264 | 251 | 515 |

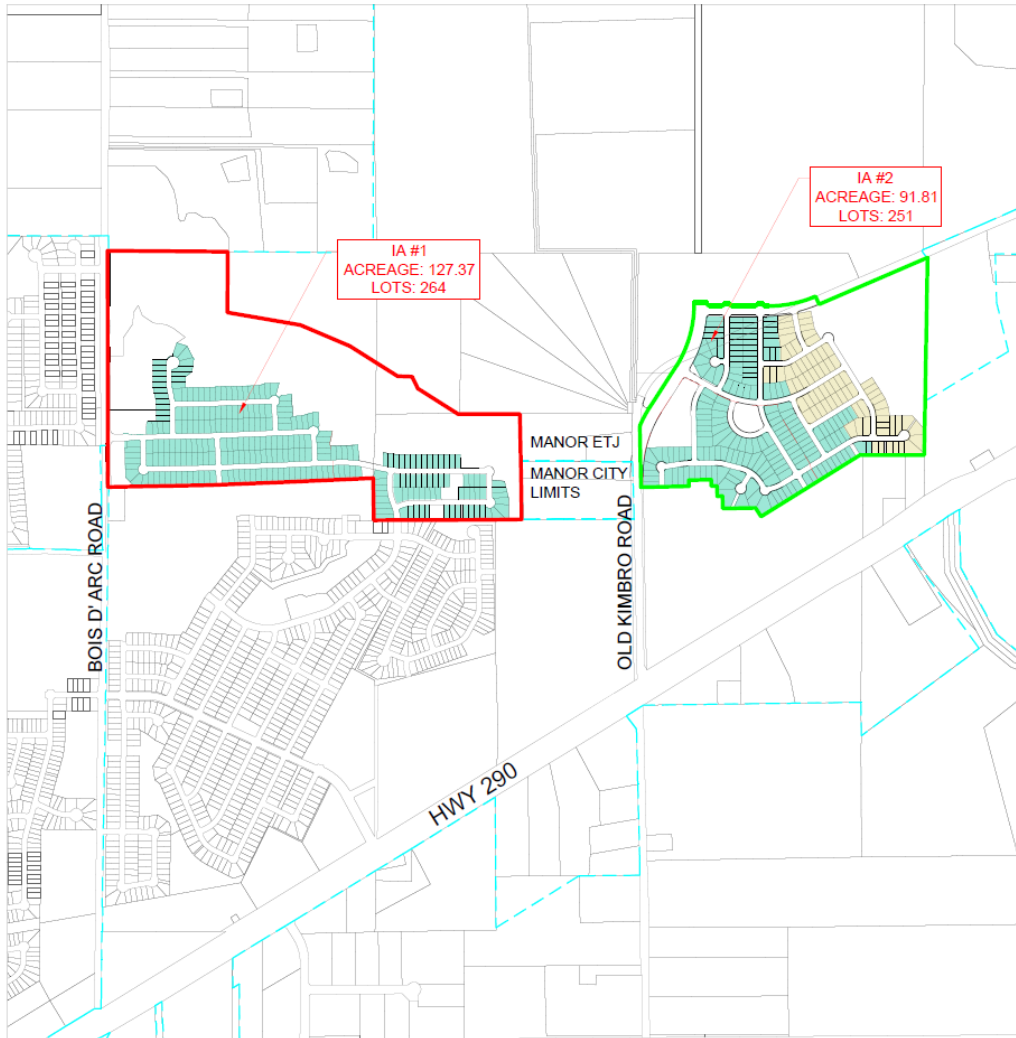


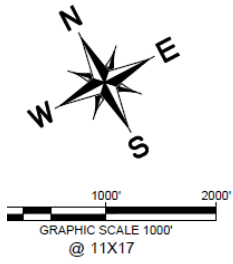
EXHIBIT N -LOT TYPE CLASSIFICATION

MANOR, TEXAS
FEBRUARY 2021

Kimley»Horn

10114 JOYVILLE
BULLHEAD, SUITE 200
AUSTIN, TEXAS 78719
512-798-1771
State of Texas Registration No. P-928
10/20/09 FOR PUBLIC INFORMATION ONLY

EXHIBIT O – MAP OF AUTHORIZED IMPROVEMENTS



LEGEND

| | | | |
|---|------------------------|---|--------------------------------------|
| | IA #1 | — ww — | WASTEWATER LINE (8" UNLESS NOTED) |
| | IA #2 | — w — | WATER LINE (8" UNLESS NOTED) |
| | MAJOR IMPROVEMENT AREA | — FM — | FORCE MAIN |
| | ROADWAY | — | STORM SEWER |
| | MAD4 | | |

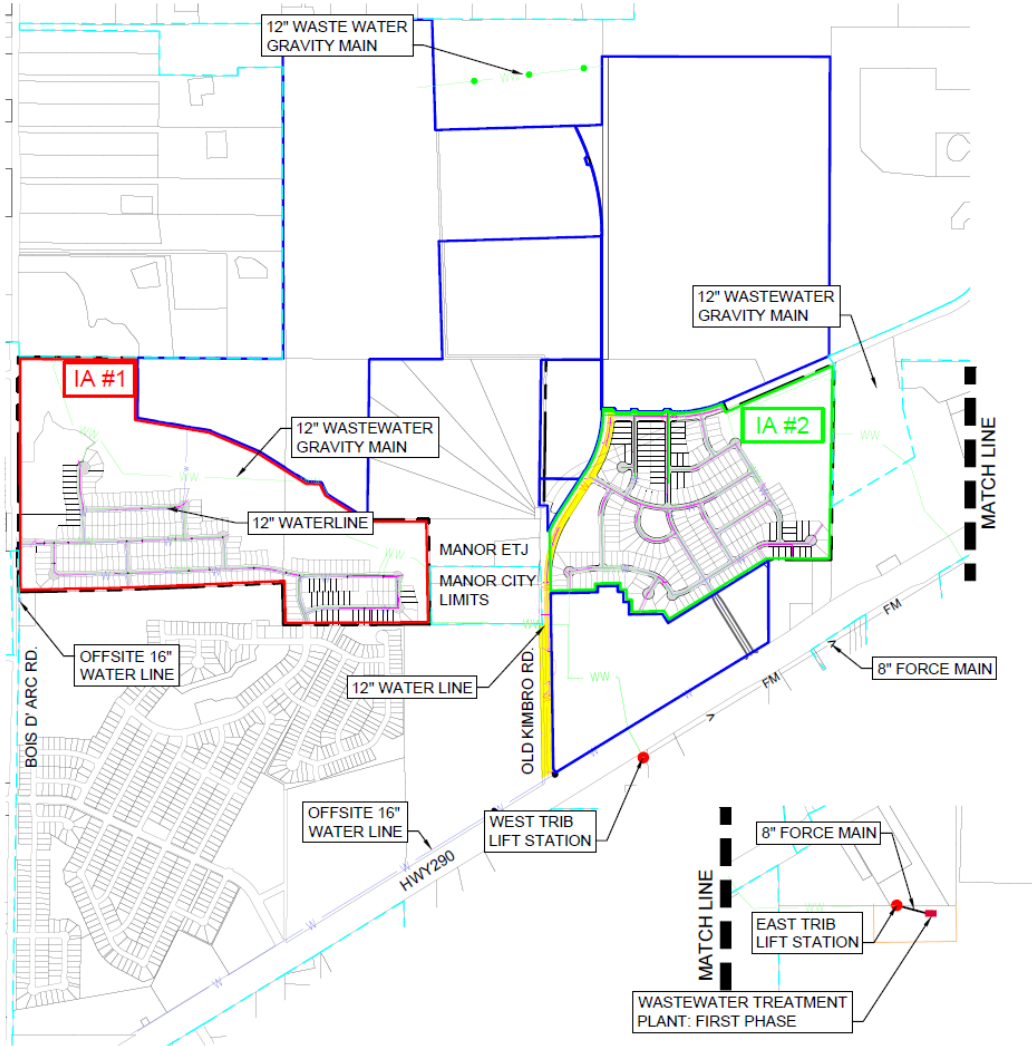


EXHIBIT O - MAP OF AUTHORIZED IMPROVEMENTS

MANOR, TEXAS
FEBRUARY 2021

Kimley»Horn

12814 Jollyville
Building 4, Suite 200
Austin, Texas 78759
512-719-1771
State of Texas Registration No. P-928
18726199.0000758.0007580202018758020

EXHIBIT P – NOTICE OF PID ASSESSMENT TERMINATION



P3Works, LLC
9284 Huntington Square, Suite 100
North Richland Hills, TX 76182

[Date]
Travis County Clerk's Office
Honorable [County Clerk Name]
5501 Airport Boulevard
Austin, Texas 78751

Re: City of Manor Lien Release documents for filing

Dear Ms./Mr. [County Clerk Name],

Enclosed is a lien release that the City of Manor is requesting to be filed in your office. Lien release for [insert legal description]. Recording Numbers: [Plat]. Please forward copies of the filed documents below:

City of Manor
Attn: [City Secretary]
105 E. Eggleston Street
Manor, TX 78653

Please contact me if you have any questions or need additional information.

Sincerely,
[Signature]

P3Works, LLC
P: (817) 393-0353
admin@p3-works.com

AFTER RECORDING RETURN TO:

[City Secretary Name]
105 E. Eggleston Street
Manor, TX 78653

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN

| | | |
|------------------|---|---------------------------------|
| STATE OF TEXAS | § | |
| | § | KNOW ALL MEN BY THESE PRESENTS: |
| COUNTY OF TRAVIS | § | |

THIS FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN (this "Full Release") is executed and delivered as of the Effective Date by the City of Manor, Texas.

RECITALS

WHEREAS, the governing body (hereinafter referred to as the "City Council") of the City of Manor, Texas (hereinafter referred to as the "City"), is authorized by Chapter 372, Texas Local Government Code, as amended (hereinafter referred to as the "Act"), to create public improvement districts within the corporate limits and extraterritorial jurisdiction of the City; and

WHEREAS, on or about November 7, 2018, the City Council for the City, approved Resolution No. 2018-10, creating the Manor Heights Public Improvement District; and

WHEREAS, the City Council authorized additional land to be added to the boundaries of the District pursuant to Resolution No. 2020-11 adopted by the City Council on October 7, 2020; and

WHEREAS, the Manor Heights Public Improvement District consists of approximately 602.9 contiguous acres located within the City; and

WHEREAS, on or about [REDACTED], the City Council, approved Ordinance No. [REDACTED], (hereinafter referred to as the "Assessment Ordinance") approving a service and assessment plan and assessment roll for the Property within the Manor Heights Public Improvement District; and

WHEREAS, the Assessment Ordinance imposed an assessment in the amount of \$ _____ (hereinafter referred to as the "Lien Amount") for the following property:

[legal description], a subdivision in Travis County, Texas, according to the map or plat of record in Document/Instrument No. _____ of the Plat Records of Travis County, Texas (hereinafter referred to as the "Property"); and

WHEREAS, the property owners of the Property have paid unto the City the Lien Amount.

RELEASE

NOW THEREFORE, the City, the owner and holder of the Lien, Instrument No. _____, in the Real Property Records of Travis County, Texas, in the amount of the Lien Amount against the Property releases and discharges, and by these presents does hereby release and discharge, the above-described Property from said lien held by the undersigned securing said indebtedness.

EXECUTED to be **EFFECTIVE** this the _____ day of _____, 20__.

CITY OF MANOR, TEXAS,

By: _____
[Manager Name], City Manager

ATTEST:

[Secretary Name], City Secretary

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the _____ day of _____, 20__, by [Manager Name], City Manager for the City of Manor, Texas, on behalf of said municipality.

Notary Public, State of Texas

**EXHIBIT Q – ESTIMATED BUILDOUT VALUE FOR MAJOR IMPROVEMENT AREA,
IMPROVEMENT AREA #1, AND IMPROVEMENT AREA #2**

| | Units | | Estimated Buildout Value | Total Buildout Value | % of Estimated Buildout Value |
|--------------------------------------|------------|-------|--------------------------|-----------------------|-------------------------------|
| <i>Improvement Area #1</i> | | | | | |
| 50' | 264 | lots | \$ 285,000 | \$ 75,240,000 | |
| | | | | \$ 75,240,000 | 15.61% |
| <i>Improvement Area #2</i> | | | | | |
| 50' | 176 | lots | \$ 285,000 | \$ 50,160,000 | |
| 55' | 75 | lots | \$ 290,000 | \$ 21,750,000 | |
| | 251 | | | \$ 71,910,000 | 14.92% |
| <i>Major Improvement Area</i> | | | | | |
| 50' | 516 | lots | \$ 285,000 | \$ 147,060,000 | |
| 55' | 75 | lots | \$ 290,000 | \$ 21,750,000 | |
| 60' | 144 | lots | \$ 300,000 | \$ 43,200,000 | |
| Condos | 370 | units | \$ 204,000 | \$ 75,480,000 | |
| Office | 68,999 | SqFt | \$ 200 | \$ 13,799,800 | |
| Restaurant | 17,250 | SqFt | \$ 200 | \$ 3,450,000 | |
| Retail | 150,935 | SqFt | \$ 200 | \$ 30,187,000 | |
| | | | | \$ 334,926,800 | 69.48% |
| | | | | \$ 482,076,800 | 100.00% |

EXHIBIT R – IMPROVEMENT AREA #1-2 BOND DEBT SERVICE SCHEDULE

EXHIBIT S – MAJOR IMPROVEMENT AREA BOND DEBT SERVICE SCHEDULE

Exhibit “C-1”

PROPOSED AUTHORIZED IMPROVEMENTS

A. Major Improvements

- *Wastewater Treatment Plant Phase 1*

Improvements designed and constructed in accordance with 30 TAC Chapter 217 Rules with a nominal treatment capacity of 200,000 gallons per day.

- *Roadway*

Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways part of the MAD4 collector roads. All related earthwork, excavation, erosion control, demolition and paving are included.

- *Kimbrow ROW Acquisition*

Improvements including easements needed for relocating the existing Manville water line conflicting with Old Kimbro Road widening.

- *Soft Costs*

Estimated to be 15% of above-described hard costs, inclusive of a 4% construction management fee.

B. Improvement Area #1 Improvements

- *Water*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, erosion control and all other necessary appurtenances required to provide water service to each Lot within Improvement Area #1.

- *Wastewater*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, erosion control and all other necessary appurtenances required to provide wastewater service to each Lot within Improvement Area #1.

- *Drainage*

Improvements including trench excavation and embedment, trench safety, reinforced concrete pipe, manholes, storm outfalls, storm drain inlets, testing, related earthwork,

excavation, erosion control and all other necessary appurtenances required to ensure proper drainage of the public roadways within Improvement Area #1.

- *Roadway*

Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, handicapped ramps, and street lights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included to provide roads to each Lot within Improvement Area #1.

- *Trails*

Improvements include approximately 5' wide crushed granite trails along the proposed public parkland to be dedicated to the City.

- *Soft Costs*

Include costs associated with engineering and design of Improvement Area #1 Improvements including permits, fees and fiscals.

C. Improvement Area #2 Improvements

- *Water*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, erosion control and all other necessary appurtenances required to provide water service to each Lot within Improvement Area #2.

- *Wastewater*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, erosion control and all other necessary appurtenances required to provide wastewater service to each Lot within Improvement Area #2.

- *Drainage*

Improvements including trench excavation and embedment, trench safety, reinforced concrete pipe, manholes, storm outfalls, storm drain inlets, testing, related earthwork, excavation, erosion control and all other necessary appurtenances required to ensure proper drainage of the public roadways within Improvement Area #2.

- *Roadway*

Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, handicapped ramps,

and street lights. All related earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting and re-vegetation of all disturbed areas within the right-of-way are included to provide roads to each Lot within Improvement Area #2.

- *Soft Costs*

Include costs associated with engineering and design of Improvement Area #2 Improvements including permits, fees and fiscals.

Exhibit “D”
FORM OF CERTIFICATION FOR PAYMENT
[IMPROVEMENT AREA # ____][MAJOR IMPROVEMENT AREA]
(Design – Manor Heights)

_____ (“Construction Manager”) hereby requests payment for the percentage of design costs completed (the “Design Costs”) described in Attachment A attached hereto. Capitalized undefined terms shall have the meanings ascribed thereto in the Manor Heights Public Improvement District Financing and Reimbursement Agreement between Forestar (USA) Real Estate Group Inc., a Delaware corporation, and the City of Manor (the “City”), dated as of _____ (the “Finance Agreement”). In connection with this Certification for Payment, the undersigned, in his or her capacity as the _____ of Construction Manager, to his or her knowledge, hereby represents and warrants to the City as follows:

1. He (she) is a duly authorized representative of Construction Manager, qualified to execute this request for payment on behalf of the Construction Manager and knowledgeable as to the matters forth herein.
2. The design work described in Attachment A has been completed in the percentages stated therein.
3. The true and correct Design Costs for which payment is requested is set forth in Attachment A and payment for such requested amounts and purposes has not been subject to any previously submitted request for payment.
4. Attached hereto as Attachment B is a true and correct copy of a bills-paid affidavit evidencing that any contractor or subcontractor having performed design work described in Attachment A has been paid in full for all work completed through the previous Certification for Payment.
5. Attached hereto as Attachment C are invoices, receipts, worksheets, and other evidence of costs which are in sufficient detail to allow the City to verify the Design Costs for which payment is requested.

[Signature Page Follows]

SIGNATURE PAGE TO
FORM OF CERTIFICATION FOR PAYMENT

Date : _____

[Construction Manager Signature Block to be
added]

APPROVAL BY THE CITY

The Design described in Attachment A has been reviewed, verified, and approved by the City Construction Representative. Payment of the Design Costs is hereby approved.

Date: _____

CITY OF MANOR, TEXAS

By: _____

ATTACHMENT A TO CERTIFICATION OF PAYMENT (DESIGN)

Jurisdiction Name: Travis County
 Bella Fortuna Public Improvement District
 Certification of Payment #:
 Date:

| Reimbursement Detail | | | | | | Required Documents (Completed By Administrator) | | | Allocation to Project Accounts | | |
|----------------------|---------------------|----------------|--------------|-----------|--------|--|-----------------|--|--------------------------------|---------------------|---------------------|
| Vendor | Description of Work | Invoice Number | Check Number | Date Paid | Amount | Invoice | Cancelled Check | Lien Release or All Bills Paid Affidavit | Project Category #1 | Project Category #2 | Project Category #3 |
| | | | | | \$ - | | | | \$ - | \$ - | \$ - |
| | | | | | \$ - | | | | \$ - | \$ - | \$ - |
| | | | | | \$ - | | | | \$ - | \$ - | \$ - |
| | | | | | \$ - | | | | \$ - | \$ - | \$ - |
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ATTACHMENT B TO CERTIFICATION OF PAYMENT (DESIGN)

[attached – bills paid affidavit]

ATTACHMENT C TO CERTIFICATION OF PAYMENT (DESIGN)

[attached – receipts]

FORM OF CERTIFICATION FOR PAYMENT
[IMPROVEMENT AREA # ____][MAJOR IMPROVEMENT AREA]
(Construction – Manor Heights)

_____ (“Construction Manager”) hereby requests payment of the Actual Cost of the work described in Attachment A attached hereto (the “Draw Actual Costs”). Capitalized undefined terms shall have the meanings ascribed thereto in the Manor Heights Public Improvement District Financing and Reimbursement Agreement between Forestar (USA) Real Estate Group Inc., a Delaware corporation, and the City of Manor (the “City”) dated as of _____. In connection with this Certification for Payment, the undersigned, in his or her capacity as the _____ of Construction Manager, to his or her knowledge, hereby represents and warrants to the City as follows:

1. He (she) is a duly authorized representative of Construction Manager, qualified to execute this request for payment on behalf of the Construction Manager and knowledgeable as to the matters forth herein.
2. The true and correct Draw Actual Costs for which payment is requested is set forth in Attachment A and payment for such requested amounts and purposes has not been subject to any previously submitted request for payment.
3. Attached hereto as Attachment B is a true and correct copy of a bills paid affidavit evidencing that any contractor or subcontractor having performed work on a Segment described in Attachment A has been paid in full for all work completed through the previous Certification for Payment.
4. Attached hereto as Attachment C are invoices, receipts, worksheets and other evidence of costs which are in sufficient detail to allow the City to verify the Draw Actual Costs of each Segment for which payment is requested.

[Signature Page Follows]

SIGNATURE PAGE TO
FORM OF CERTIFICATION FOR PAYMENT

Date : _____

[Construction Manager Signature Block to
Be inserted]

JOINDER OF PROJECT ENGINEER

The undersigned Project Engineer joins this Certification for Payment solely for the purposes of certifying that the representations made by Construction Manager in Paragraph 2 above are true and correct in all material respects.

Project Engineer

APPROVAL BY THE CITY

The Draw Actual Costs of each Segment described in Attachment A has been reviewed, verified and approved by the City Construction Representative of the City. Payment of the Draw Actual Costs of each such Segment is hereby approved.

Date: _____

CITY OF MANOR, TEXAS

By: _____

ATTACHMENT B TO CERTIFICATION OF PAYMENT (CONSTRUCTION)

[bills paid affidavit – attached]

ATTACHMENT C TO CERTIFICATION OF PAYMENT (CONSTRUCTION)

[receipts – attached]

Exhibit "E"

FORM OF CLOSING DISBURSEMENT REQUEST

The undersigned is a lawfully authorized representative for FORESTAR (USA) REAL ESTATE GROUP, INC., a Delaware corporation, (the "Owner") and requests payment from the [] Costs of Issuance Account of the Project Fund (as defined in the Manor Heights Public Improvement District Financing Agreement between Owner and the City of Manor, Texas (the "City")) from _____ (the "Trustee") in the amount of _____ (\$ _____) to be transferred from the [_____ Costs of Issuance Account of the Project Fund] upon the delivery of the [_____ Bonds] for costs incurred in the establishment, administration, and operation of the Manor Heights Public Improvement District (the "District"), as follows.

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

1. The undersigned is a duly authorized officer of the Owner, is qualified to execute this Closing Disbursement Request on behalf of the Owner, and is knowledgeable as to the matters set forth herein.

2. The payment requested for the below referenced establishment, administration, and operation of the District at the time of the delivery of the Bonds has not been the subject of any prior payment request submitted to the City.

3. The amount listed for the below itemized costs is a true and accurate representation of the Actual Costs incurred by Owner with the establishment of the District at the time of the delivery of the Bonds, and such costs are in compliance with the Service and Assessment Plan. The itemized costs are as follows:

[insert itemized list of costs here]

TOTAL REQUESTED: \$ _____

4. The Owner is in compliance with the terms and provisions of the Manor Heights Public Improvement District Financing and Reimbursement Agreement, the Indenture, and the Service and Assessment Plan.

5. All conditions set forth in the Indenture and [the Major Acquisition and Reimbursement Agreement or IA Acquisition and Reimbursement Agreement for _____] for the payment hereby requested have been satisfied.

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

Payments requested hereunder shall be made as directed below:

[Information regarding Payee, amount, and deposit instructions]

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

**FORESTAR (USA) REAL ESTATE GROUP,
INC.**

a Delaware corporation

By: _____

Name: _____

Title: _____

APPROVAL OF REQUEST BY CITY

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

CITY OF MANOR, TEXAS

By: _____
Name: _____
Title: _____

Exhibit “F”

Intentionally Deleted

Exhibit “G”

HOME BUYER DISCLOSURE PROGRAM

1. A Builder¹ for an Assessed Property shall provide each residential homebuyer with the “Notice of Obligation to Pay Public Improvement District Assessment to the City”, the form of which is attached hereto as Exhibit “G-1”.
2. A Builder for an Assessed Property shall provide evidence of compliance with 1 above, signed by such residential homebuyer, to the City upon receipt of written request by the City or the Builder which sets forth the County’s mailing address and other contact information.
3. A Builder for an Assessed Property shall prominently display signage provided by the Owner or the Administrator in the Builder’s model homes, if any, located within the Property.
4. If prepared and provided by the City and approved by Owner (such approval not to be unreasonably withheld), a Builder for an Assessed Property shall distribute informational brochures about the existence and effect of the District in prospective homebuyer sales packets.
5. A Builder shall include Assessments in estimated property taxes, if such Builder estimates monthly ownership Actual Costs for prospective homebuyers for an Assessed Property.
6. The Owner must post signage along the main entry/exits located at the boundaries of the District that identifies the area as a public improvement district. All signage shall be clearly visible to all motorists entering and exiting the District.

¹ Builder” means a commercial builder who is in the business of constructing and/or selling residences to individual home buyers.

Exhibit "G-1"

MANOR HEIGHTS PID – LOT TYPE []: HOMEBUYER DISCLOSURE

NOTICE OF OBLIGATION TO PAY
PUBLIC IMPROVEMENT DISTRICT ASSESSMENTS
TO THE CITY OF MANOR, TEXAS

CONCERNING THE PROPERTY AT:

STREET ADDRESS

OUTSTANDING PRINCIPAL OF ASSESSMENT FOR AUTHORIZED
IMPROVEMENT: \$[]

As the purchaser of the real property located at the street address set forth above, you are obligated to pay assessments to Travis County, Texas, for the Actual Costs of a portion of Authorized Improvements (the "Authorized Improvements"), undertaken for the benefit of the property within the "Manor Heights Public Improvement District" (the "District"), also known as "Manor Heights", created under Subchapter A, Chapter 372, Local Government Code, as amended.

THE OUTSTANDING PRINCIPAL OF THE ASSESSMENT AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS IS [\$] , WHICH MAY BE PAID IN FULL AT ANY TIME; HOWEVER, IF NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS WHICH MAY VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION ACTUAL COSTS, ADMINISTRATIVE ACTUAL COSTS, AND DELINQUENCY ACTUAL COSTS.

An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change.** The exact amount of the annual installments, including the annual installments thereof, will be approved each year by the City Council of the City of Manor, Texas in the Annual Service Plan Update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Manor, Texas.

You may ask your mortgage company to include the Annual Installments in your monthly escrow payment.

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

The undersigned purchaser acknowledges receipt of the foregoing notice prior to the effective date of a binding contract for the purchase of the real property at the street address set forth above.

IN WITNESS WHEREOF, I have signed this certificate on the date specified below my signature.

PURCHASER:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

STATE OF TEXAS §

§

TRAVIS COUNTY §

§

The foregoing instrument was acknowledged before me by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas

STATE OF TEXAS §

§

TRAVIS COUNTY §

§

The foregoing instrument was acknowledged before me by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas

PROJECTED ANNUAL INSTALLMENTS – LOT TYPE []

[WILL INSERT SCHEDULE OF PROJECTED ANNUAL INSTALLMENTS ONCE
FINALIZED]

Exhibit "H"

COMPLETION AGREEMENT

[See Attached]

COMPLETION AGREEMENT

THIS COMPLETION AGREEMENT (herein, this “*Agreement*”) is made effective [DATE], 2020, by and between FORESTAR (USA) REAL ESTATE GROUP, INC., a Delaware corporation (together with its successors, assigns, the “*Developer*”), and the CITY OF MANOR, TEXAS (the “*City*”).

RECITALS

WHEREAS, the Developer is the majority owner and developer of lands within the boundary of the Manor Heights Public Improvement District (the “*District*”) established by the City, as more particularly described in Exhibit A attached hereto and incorporated by referenced herein (the “*Property*”);

WHEREAS, the Property is subject to that certain *Development Agreement* dated as of November 7, 2018 (as amended, the “*Development Agreement*”);

WHEREAS, pursuant to the Development Agreement, the City and the Developer have agreed to certain terms relating to the construction and funding of certain infrastructure improvements, including but not limited to the MAD4 Roadway (the “*Designated Improvements*”);

WHEREAS, the Developer is a wholly-owned subsidiary of Forestar Group Inc. (“*Forestar Group*”), a publicly traded residential lot development company listed on the New York Stock Exchange under the ticker symbol “FOR”;

WHEREAS, in order to ensure that the Designated Improvements are completed and funding is available in a timely manner to provide for their completion, the Developer has agreed in the Second Amendment to the Development Agreement to enter into this Agreement to provide further assurances to the City that the Designated Improvements will be completed and Developer has the funds to complete the Designated Improvements; 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 Developer and the City, agree as follows:

1. **INCORPORATION OF RECITALS; CAPITALIZATION.** The recitals stated above are true and correct and are incorporated by reference as a material part of this Agreement. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Development Agreement.

2. **COMPLETION OF AUTHORIZED IMPROVEMENTS.**

(i) In addition to all of the other terms and conditions set forth in the Development Agreement, in order to assure the completion of the Designated Improvements, the Developer agrees, no later than ten (10) business days after written request of the City, to provide evidence to the City (“*Evidence of Available Funds*”) that sufficient funds are available to the Developer to fund the completion of the Designated Improvements. In response to any such request, the

Developer may provide Evidence of Available Funds by timely delivering a letter that directs the City to that portion of Forestar Group's most recent filing with the United States Securities and Exchange Commission (the "**SEC**") stating either that Forestar Group (a) is in compliance with the covenants, limitations and restrictions in its unsecured revolving credit facility, as described in Forestar Group's 2019 Form 10-K annual report filed with the SEC, or (b) maintains cash and equivalents in an amount that equals or exceeds the estimated amount to complete the Designated Improvements.

(ii) The City has no responsibility for and no duty to verify the accuracy of any Evidence of Available Funds submitted pursuant to this Section 2.

3. DEVELOPER DEFAULT; PROTECTION AGAINST THIRD PARTY INTERFERENCE.

In the event the Developer does not comply with the terms of this Agreement, the City or its designee shall have the right to seek specific performance from a court of competent jurisdiction in order to ensure the Designated Improvements are completed as soon thereafter as reasonably possible.

4. 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 both the City and the Developer.

5. AUTHORIZATION; CONSENT. The execution of this Agreement has been duly authorized by the City and the Developer, and both the City and the Developer have full power and authority to comply with the terms and provisions of this instrument.

6. 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, facsimile or, or mailed (airmail if international) by registered or certified (postage prepaid), return receipt requested with delivery via email confirming mailing thereof, to the following addresses:

City:

City of Manor
Attn: City Manager
105 East Eggleston Street
Manor, Texas 78653

With copy to:

The Knight Law Firm, LLP
Attn: Paige Saenz
223 West Anderson Lane, Suite A-105
Austin, Texas 78752

Developer:

Forestar (USA) Real Estate Group, Inc.
Attn: John Maberry & Matt Stark
10700 Pecan Park Blvd. Suite 150
Austin, Texas 78750

With a copy to:

Metcalf Wolff Stuart Williams, LLP
Attn: Talley J. Williams
221 West 6th Street, Suite 1300
Austin, Texas 78701

Except as otherwise provided in this Agreement, any mailed notice sent in the manner provided above shall be deemed received three (3) business days after delivery or mailing. Notices delivered after 5:00 PM (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 (5) days written notice to the parties and addressees set forth herein.

7. THIRD PARTY BENEFICIARIES. This Agreement is solely for the benefit of 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. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or corporation, other than 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 City and the Developer and their respective representatives, successors, and assigns.

8. SUCCESSORS. The rights and obligations created by this Agreement shall be binding upon and inure to the benefit of Developer, and its successors and assigns, subject to Section 15 below.

9. ASSIGNMENT. This Agreement may be assigned by Developer to a party who is acquiring all or a majority of the Property owned by Developer provided that the Developer first obtains the prior written approval of the City Council, such consent not to be unreasonably withheld.

10. CONSTRUCTION OF TERMS; CONFLICT WITH 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. To the extent there is a conflict between the terms of this Agreement and the Development Agreement, the Development

Agreement shall control. To the extent there is a conflict between the terms of this Agreement and the PID Financing Agreement to be entered into covering the District, the PID Financing Agreement shall control.

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

12. **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.

13. **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.

14. **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.

15. **COVENANT AND RECORDATION.** The Developer, as the developer and the majority owner of lands within the District 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 lands described in Exhibit A hereto, creating an obligation and one which is binding upon successor owners and assigns. The Developer shall record this Agreement in the Public Records of Travis County, Texas, against the lands owned by the Developer at the time of execution of this Agreement. Once the Developer has completed all the Designated Improvements pursuant to the terms of this Agreement and the Development Agreement, the Developer shall notify the City, the City shall record, in the public records, a release and satisfaction of its obligations under this Agreement (the "*Completion Agreement Release*"). The form of the Completion Agreement Release is attached hereto as Exhibit B. This Agreement, when recorded, shall be binding upon the Developer and the City 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 or unaffiliated homebuilder except for land use and development regulations that apply to such lots.**

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

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

CITY:

CITY OF MANOR, TEXAS

By: [Signature]
Name: Dr. Larry Wallace Jr.
Title: Mayor

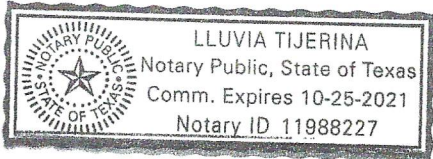
STATE OF TEXAS §

COUNTY OF Travis §
§

The foregoing instrument was acknowledged before me this October 21, 2020, by Dr. Larry Wallace Jr. as Mayor of the City of Manor, on behalf of the City.

[SEAL]

[Signature]
Notary Public
Commission Expires: 10-25-2021



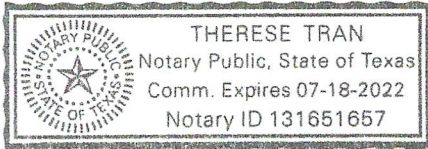
DEVELOPER:

**FORESTAR (USA) REAL ESTATE GROUP,
INC.,** a Delaware corporation

By: *John Maberry*
Name: John Maberry
Title: Vice President

STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

This instrument was acknowledged before me on OCTOBER 26, 2020 by JOHN MABERRY as VICE PRESIDENT of Forestar (USA) Real Estate Group, Inc., a Delaware corporation, on behalf of said corporation.



THERESE TRAN
Notary Public, State of Texas

AFTER RECORDING PLEASE RETURN TO:

City of Manor
Attn: City Secretary
105 E. Eggleston Street
Manor, Texas 78653

EXHIBIT A

METES AND BOUNDS DESCRIPTION OF THE PROPERTY

90.089 ACRES OUT OF THE A.C. CALDWELL SURVEY, ABSTRACT NUMBER 154, TRAVIS COUNTY, TEXAS AND BEING THE TRACTS OF LAND CONVEYED TO RHOF, LLC, A TEXAS LIMITED LIABILITY COMPANY, PER DEED RECORDED AS DOCUMENT NO.2017194263 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS

44.0347 ACRES OF LAND LOCATED IN THE A.C. CALDWELL SURVEY, ABSTRACT NUMBER 154, TRAVIS COUNTY, TEXAS AND BEING A PORTION OF THAT CERTAIN CALLED 180.83 ACRES OF LAND CONVEYED TO ALMA JUANITA MEIER, AS DESCRIBED IN VOLUME 11376, PAGE 676, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS

267.972 ACRES OF LAND LOCATED IN THE LEMUEL KIMBRO SURVEY, ABSTRACT NUMBER 456 AND THE A.C. CALDWELL SURVEY, ABSTRACT NUMBER 154, TRAVIS COUNTY, TEXAS AND BEING THE SAME 267.972 ACRE TRACT OF LAND CONVEYED TO SKY VILLAGE KIMBRO ESTATES, LLC, AS DESCRIBED IN DOCUMENT NUMBER 2016214460, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.

(35.626 AC) LOT 2, J.F. NAGLE ESTATES, A SUBDIVISION IN TRAVIS COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN DOCUMENT NO. 199900207, OFFICIAL PUBLIC RECORDS, TRAVIS COUNTY, TEXAS, TOGETHER WITH A NON-EXCLUSIVE 60 FOOT WIDE ACCESS AND PUBLIC UTILITY EASEMENT AS CREATED AND MORE PARTICULARLY DESCRIBED IN THAT DECLARATION OF ACCESS AND PUBLIC UTILITY EASEMENT RECORDED IN DOCUMENT NO. 1999058184, OFFICIAL PUBLIC RECORDS, TRAVIS COUNTY, TEXAS, BEING THE SAME 35.626 ACRES CONVEYED TO SKY VILLAGE KIMBRO ESTATES, LLC, OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS

3.469 ACRES OF LAND LOCATED IN THE LEMUEL KIMBRO SURVEY, ABSTRACT NUMBER 456, TRAVIS COUNTY, TEXAS AND BEING A PORTION OF THAT CERTAIN TRACT OF LAND CONVEYED TO SKY VILLAGE KIMBRO ESTATES, LLC, AS RECORDED IN 2017157471 OF THE OFFICIAL RECORDS OF TRAVIS COUNTY, TEXAS

157.9603 ACRES OUT OF THE A.C. CALDWELL SURVEY NO.52, ABSTRACT 154 AND THE LEMUEL KIMBRO SURVEY NO.64, ABSTRACT 456, AND BEING THE TRACTS OF LAND CONVEYED TO KIMBRO ROAD ESTATES, LP PER DEED RECORDED AS DOCUMENT NO.201780865 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS

**A METES AND BOUNDS
DESCRIPTION OF A
3.700 ACRE RIGHT-OF-WAY OF LAND**

BEING a 3.700 acre (161,158 square feet) tract of land situated in the A.C. Caldwell Survey No. 52, Abstract No. 154, City of Manor, Travis County, Texas; and being a portion of Old Kimbro Road (80 feet wide); and being more particularly described as follows:

COMMENCING, at a 1/2-inch iron rod with a plastic cap stamped "KHA" found on the southerly right-of-way line of said Old Kimbro Road marking the northwest corner of a called 51.533 acre tract of land described in instrument to Chau Dinh and Kim Pham recorded in Document No. 2014139510 of the Official Public Records of Travis County, same being the northeast corner of a called 90.0886 acre tract of land described in instrument to RHOF, LLC recorded in Document No. 2017194283 of the Official Public Records of Travis County;

THENCE, North 85°48'57" West, 846.55 feet, along the southerly right-of-way line of Old Kimbro Road and the north line of said 90.0886 acre tract to the POINT OF BEGINNING of the herein described tract;

THENCE, continuing along the southerly right-of-way of said Old Kimbro Road and along the north line of said 90.0886 acre tract the following two (2) courses and distances:

1. North 85°48'57" West, 1629.02 feet to an iron rod with plastic cap stamped "KHA" found for a point of curvature;
2. in a southwesterly direction, along a tangent curve to the left, a central angle of 43°49'58", a radius of 533.10 feet, a chord bearing and distance of South 72°20'04" West, 397.96 feet, and a total arc length of 407.84 feet to a point for corner;

THENCE, departing the north line of said 90.0886 acre tract and crossing said Old Kimbro Road the following two (2) courses and distances:

1. North 40°17'42" West, 46.07 feet to a point for corner;
2. North 01°40'04" West, 35.46 feet to a 5/8-iron rod found on the northerly right-of-way line of said Old Kimbro Road marking the southwest corner of a called 157.9803 acre tract of land described in instrument to RHOF, LLC recorded in Document No. 2017190865 of the Official Public Records of Travis County;

THENCE, along the northerly right-of-way line of said Old Kimbro Road and along the south line of said 157.9803 acre tract the following three (3) courses and distances:

1. in a northeasterly direction, along a non-tangent curve to the right, a central angle of 36°32'19", a radius of 613.14 feet, a chord bearing and distance of North 68°23'46" East, 384.42 feet, and a total arc length of 391.01 feet to a 1/2-iron rod found for a point for corner;
2. in a northeasterly direction, along a non-tangent curve to the right, a central angle of 7°10'29", a radius of 1407.07 feet, a chord bearing and distance of South 89°23'14" East, 176.08 feet, and a total arc length of 176.20 feet to a concrete monument found for a point of tangency;
3. South 85°54'35" East, 1541.16 feet to a point for corner;

THENCE, South 4°11'03" West, 80.00 feet departing the south line of said 157.9803 acre tract and crossing said Old Kimbro Road to the POINT OF BEGINNING, and containing 3.700 acres of right-of-way in Travis County, Texas. The basis of bearing for this description is the Texas State Plane Coordinate System Grid, Central Zone (FIPS 4203) (NAD'83). All distances are on the surface and shown in U.S. Survey Feet. To convert grid distances to grid, apply the combined SURFACE to GRID scale factor of 0.99992097045. This document was prepared in the office of Kimley-Horn and Associates, Inc. in San Antonio, Texas.

ABEL P. STENDAHL
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**EXHIBIT OF A 3.700 ACRE
RIGHT-OF-WAY
TO BE RELEASED**
A.A. CALDWELL SURVEY NO. 52,
ABSTRACT NO. 154
TRAVIS COUNTY, TEXAS

Kimley»Horn
601 NW Loop 410, Suite 350
San Antonio, Texas 78216
FIRM # 10103073
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www.kimley-horn.com

| Scale | Drawn by | Checked by | Date | Project No. | Sheet No. |
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| NA | DJG | APG | 03/2020 | 060255703 | 1 OF 2 |

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EXHIBIT B

COMPLETION AGREEMENT RELEASE

The **CITY OF MANOR, TEXAS** (the "*City*"), hereby acknowledges receipt of notification of the completion of the Designated Improvements in accordance with Sections _ and _ of the Completion Agreement (the "*Completion Agreement*") by and between the City and **FORESTAR (USA) REAL ESTATE GROUP, INC.**, a Delaware corporation (the "*Developer*").

The Completion Agreement was recorded in the Public Records of Travis County, Texas under Instrument No. _____ against the real property more particularly described therein and incorporated by referenced herein.

Developer and its successors and assigns shall have no further obligations, duties or liabilities under the Completion Agreement, the City 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]

CITY:

CITY OF MANOR, TEXAS

By: _____
Name: _____
Title: _____

STATE OF TEXAS

§
§
§

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____, 20__, by
_____, as _____ of the City of Manor, on behalf of the
City.

[SEAL]

Notary Public
Commission Expires: _____