SECOND AMENDED AND RESTATED SEVEN OAKS PUBLIC IMPROVEMENT DISTRICT
REIMBURSEMENT AGREEMENT

This Second Amended and Restated Seven Oaks Public Improvement District Reimbursement Agreement (this "Reimbursement Agreement") is executed by and between the City of Tomball, Texas (the "City") and Clayton Properties Group, Inc., a Tennessee corporation dba Brohn Homes, (the "Developer") (individually referred to as a "Party" and collectively as the "Parties") to be effective as of _____, 2026 (the "Effective Date").

RECITALS

WHEREAS, capitalized terms used in this Reimbursement Agreement shall have the meanings given to them in this Reimbursement Agreement or in the *Seven Oaks Public Improvement District Service and Assessment Plan*, dated as of the date of its approval, as the same may be amended, supplemented, and updated from time to time (the "SAP"); and

WHEREAS, on August 15, 2022 the City Council passed and approved a resolution creating the Seven Oaks Public Improvement District (the "District") covering approximately 19.34 acres of land described by metes and bounds in said Resolution (the "District Property"); and

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

WHEREAS, the District Property has been developed in accordance with that certain "Seven Oaks Development Agreement," executed by and between the Developer, and the City effective August 15, 2022 (the "Development Agreement"); and

WHEREAS, the City and HMH Tomball Texas Townhomes, LLC, a Texas limited liability company ("HMH") previously entered into a Reimbursement Agreement dated October 17, 2022 (the "Original Reimbursement Agreement") and an Amended and Restated Reimbursement Agreement dated April 17, 2023 (together, the "Amended Reimbursement Agreement"); and

WHEREAS, pursuant to an Assignment of Seven Oaks Public Improvement District Reimbursement Agreement, dated March 11, 2025, HMH assigned to Developer all of its rights and obligations under the Amended Reimbursement Agreement; and

WHEREAS, the Developer and the City and now wish to amend and restate the Amended Reimbursement Agreement through the approval of this Second Amended and Restated Reimbursement Agreement (referred to herein as the "Reimbursement Agreement") to reflect the City's approval of the SAP and the total amount of reimbursement owed to the Developer pursuant to the SAP and the reimbursement to the Developer from assessments paid as set forth herein; and

WHEREAS, the District Property has been developed and special assessments have been levied against the Assessed Property (as defined in the SAP) within the District Property to pay the costs of certain authorized public improvements that confer a special benefit on the Assessed Property within the District; and

WHEREAS, certain public improvements identified in a SAP have been constructed within the District Property (the "Public Improvements") to serve the District Property; and

WHEREAS, the City Council, on April 17, 2023, passed and approved an ordinance (the "Assessment Ordinance") which, among other things, approved the final SAP, (including the "Assessment Roll"), and levied assessments on property within the District (the "Assessments") and established the date upon which interest on Assessments began accruing and collection of such Assessments began; and

WHEREAS, the SAP identifies the Actual Costs of the Public Improvements (plus financing costs as set forth in the SAP) (the "Public Improvement Costs") that are constructed to serve the Assessed Property; and

WHEREAS, the SAP allocates the Public Improvements Costs to the Assessed Property; and

WHEREAS, the Assessments are reflected on the Assessment Roll; and

WHEREAS, all revenue received and collected by the City from the collection of the Assessments (the "Assessment Revenue") shall be deposited first for the payment of debt service on assessment revenue bonds issued with a pledge of such Assessment Revenue ("Future Bonds") in accordance with a trust indenture relating to such Future Bonds (the "Bond Indenture') and to and second, into a separate account, that is separate from all other funds of the City (the "Reimbursement Account") and shall be used to reimburse Developer and its assigns for the Public Improvements Costs advanced in a total aggregate principal amount as set forth in the Service and Assessment Plan but not to exceed the total aggregate principal amount of $3,483,000; and

WHEREAS, the obligations of the City to use the Assessment Revenue hereunder is authorized by the PID Act; and

WHEREAS, this Reimbursement Agreement is a "reimbursement agreement" authorized by Section 372.023(d)(1) of the PID Act; and

WHEREAS, at the discretion of the City and Developer and in accordance with the Development Agreement, as amended, the Developer and City may amend this Reimbursement Agreement and the Development Agreement as determined necessary by City's bond counsel for issuance of any Future Bonds, for compliance with applicable law and for compliance with the obligations of the Parties under this Reimbursement Agreement.

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS OF THE PARTIES SET FORTH IN THIS REIMBURSEMENT

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

1. The recitals in the "WHEREAS" clauses of this Reimbursement Agreement are true and correct, create obligations of the Parties, and are incorporated as part of this Reimbursement Agreement for all purposes.

2. Strictly subject to the terms, conditions, and requirements and solely from the revenues as herein provided and in accordance with the Development Agreement, the City agrees to pay the Developer and its assigns, and the Developer and its assigns shall be entitled to receive from the City, the amount equal to that portion of the Public Improvement Costs paid by the Developer as set forth in the Service and Assessment Plan, plus interest on the unpaid balance as set forth in Section 2(a) below, in accordance with the terms of this Reimbursement Agreement for the term set forth herein, in principal amounts as set forth in the Service and Assessment Plan, such amount not to exceed the aggregate principal amount of $3,483,000 (the "Reimbursement Amount), plus interest accrued (from the date of acceptance of the Public Improvements pursuant to the recordation of a plat until paid or Future Bonds are issued (as defined herein)) as provided herein and in the Service and Assessment Plan. The City has created a separate account designated as the "Reimbursement Account." The Reimbursement Amount is payable from Assessment Revenue to be deposited in the Reimbursement Account as described below and in accordance with this Reimbursement Agreement and the Development Agreement.

    a. The Reimbursement Amount is payable solely from: (i) Assessment Revenue received and collected by the City and deposited into the Reimbursement Account; (ii) the net proceeds (after funding reserve funds, and the payment of costs of issuance, including the costs paid or incurred by the City and City Administrative Expenses) of one or more series of bonds (the "Future Bonds") that may be issued by the City in accordance with the terms of the Development Agreement and secured by the Assessment Revenue; or (iii) a combination of items (i) and (ii) immediately above.

    b. The Assessment Revenue shall be received, collected and deposited into the Reimbursement Account subject to the following limitations:

        i. Calculation of the Assessments and the first Annual Installment for a Lot or Parcel shall begin as provided for in the SAP.

        ii. The Assessments shall accrue interest at the rates set forth in this (iv) immediately below. Interest shall continue on the unpaid principal amount of the Assessments for a Lot until the earlier of (i) 30 years or the time period set forth in the SAP, or (ii) the issuance of any Future Improvement

Bonds, or (iii) in the event the Future Bonds are not issued, until the Reimbursement Amount is paid in full pursuant to this Reimbursement Agreement.

iii. The Developer shall be reimbursed in a Reimbursement Amount as set forth in the Service and Assessment Plan, such amount not to exceed the total aggregate principal amount of $3,483,000 plus interest at the rate of 6.25% as set forth in the SAP, for the time period as set forth in the SAP, from the Reimbursement Account and as allowed under this Section. The Reimbursement Amount as set forth in the Service and Assessment Plan shall control over any amount set forth in this Agreement.

iv. The unpaid Reimbursement Amount shall bear simple interest per annum beginning on the date the Public Improvements were accepted by the City by recordation of a plat, and at 6.25% as set forth in the SAP, as amended and updated, to reflect the Assessments which rate complies with Subsections 372.023(e)(1) and (e)(2) of the PID Act. Upon the issuance of Future Bonds for the payment of the Public Improvement Costs, the Assessments shall bear interest at the rate of the Bonds plus additional interest as set forth in the SAP, and interest on the Assessments pursuant to this section shall cease.

3. The Reimbursement Amount, plus the interest as described in Section 2(a)(iv) above, are collectively, the "Unpaid Balance." The Unpaid Balance is secured by and payable solely from the Assessment Revenue from time to time received and collected by the City and deposited into the Reimbursement Account subject to Section 4 herein. No other City funds, revenue, taxes, or income of any kind shall be used to pay the Unpaid Balance, even if the Unpaid Balance is not paid in full by the Maturity Date. This Reimbursement Agreement shall not, under any circumstances, give rise to or create a charge against the general credit or taxing power of the City or a debt or other obligation of the City payable from any source other than Assessment Revenue received, collected and deposited into Reimbursement Account The City covenants that it will comply with the provisions of this Reimbursement Agreement, the Development Agreement, and the PID Act, including provisions relating to the administration of the PID and the enforcement and collection of taxes and Assessments, and all other covenants provided therein. The City will take and pursue all actions permissible under the PID Act and all other laws or statutes, rules, or regulations of the State of Texas or the United States as the same may be amended, collectively the "Applicable Laws") to cause the Assessments to be collected and the liens related to such Assessments to be enforced continuously, in the manner and to the maximum extent permitted by the Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Assessments for so long as an Unpaid Balance remains outstanding under this Reimbursement Agreement.

Notwithstanding its collection efforts, if the City fails to receive all or any part of the Assessment Revenue and, as a result, is unable to make transfers from the Reimbursement Account for payments to the Developer as required under this Reimbursement Agreement, such failure and inability shall not constitute a Failure or Default by the City under this Reimbursement Agreement.

4. If Future Bonds are issued to reimburse the costs of the Public Improvements, the net proceeds of such Future Bonds shall be used, from time to time, first to pay the Unpaid Balance due to the Developer under this Reimbursement Agreement for the costs of Public Improvements and then to pay all or any portion of any Public Improvement Costs, as set forth in the SAP such that no Future Bonds issued to reimburse the costs of the Public Improvements are issued unless the funds necessary to complete the Public Improvements are deposited with the net proceeds of the Future Bonds issued to reimburse the costs of the Public Improvements on the closing date of the Future Bonds.

5. Notwithstanding the foregoing, the Developer shall only be entitled to repayment of the Public Improvement Costs as set forth in the SAP. If the Public Improvement Costs are less than the amounts set forth in SAP, the Developer shall not be entitled to such excess amounts. The Parties acknowledge that upon the issuance of Future Bonds, the payment of bond proceeds to the Developer for reimbursement of the costs of the Public Improvements, and for any costs incurred in the administration and operation of the PID, shall be as set forth in and subject to the terms and provisions of the applicable Indenture relating to the Future Bonds, including the form of a certification for payment (a "Certification for Payment") as provided in the applicable Indenture.

6. The Developer represents and warrants that it will not request payment with respect to any Public Improvement Costs that are not part of the Public Improvements identified in the SAP and it will follow all procedures set forth herein or in the applicable Indenture with respect to Certification for Payments (as defined in the applicable Indenture).

   Payment of amounts due pursuant to this Reimbursement Agreement shall be after the City's acceptance of the Public Improvements by recordation of a plat, and completion of the Amenities (as defined in the Development Agreement) and submittal of sufficient documentation as reasonably determined by the City's PID Administrator that reflect the Public Improvement Costs paid by Developer (a "Reimbursement Request") in substantially the form attached hereto as Exhibit A as may be modified by the City's PID administrator. Upon the issuance of Future Bonds, payment of the Public Improvement Costs shall be made pursuant to a Certificate for Payment as set forth in the applicable Indenture. Notwithstanding the preceding or anything contrary in the Development Agreement, reimbursement payments for the reimbursement of Public Improvement Costs incurred by the Developer, shall be paid from the proceeds of the Assessments collected from property owners in the PID (the "Paid Assessments") each year until payment of the Unpaid Balance or the issuance of Future Bonds. Such reimbursement payments shall be made

promptly after receipt by the City of such after the City receives, processes and approves a Reimbursement Request for such monies. Based on the most recent submitted and approved (or approved and processed) Reimburse Request, the principal and interest, if any, on the Paid Assessments may reduce the Reimbursement Amount in an amount to be set forth in the 2026 Annual Update to the SAP ($134,531.12)

7. The Developer has the right to convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part without the consent of (but with written notice to) the City, the Developer's right, title, or interest in the revenue streams identified in this Reimbursement Agreement including, but not limited to, any right, title, or interest of the Developer in and to payment of the Unpaid Balance (any of the foregoing, a "Transfer," and the person or entity to whom the Transfer is made, a "Transferee"). Notwithstanding the foregoing, however, no Transfer shall be effective until five (5) days after Developer's written notice of the Transfer is received by the City,. The City may rely on any notice of a Transfer received from the Developer without obligation to investigate or confirm the validity or occurrence of such Transfer. No conveyance, transfer, assignment, mortgage, pledge or other encumbrance shall be made by the Developer or any successor or assignee of the Developer that results in the City being an "obligated person" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission. The Developer waives all rights or claims against the City for any such funds provided to a third party as a result of a Transfer for which the City has received notice. The City shall not be required to make payments pursuant to this Reimbursement Agreement to more than two (2) parties. The City shall not make any representations or execute any consent to any assignment of this Reimbursement Agreement or any Assessment Revenues received hereunder.

8. The Developer represents that it is in compliance with all of its obligations required by the Development Agreement, and the City's ordinances and regulations.

9. The Developer represents that it has submitted and will obtain approval of the applicable construction plans for the Public Improvements from the appropriate departments of the City and from any other public entity or public utility from which such approval must be obtained. Nothing in this Reimbursement Agreement shall be construed as a grant of any development permit approval. The Developer further agrees that, subject to the terms hereof and of the Development Agreement, the Public Improvements constructed by the Developer have been or will be constructed in full compliance with approved construction plans and are or will be consistent with the Development Agreement and that the Developer shall supply the City with complete as-built plans upon final completion (meaning when the Public Improvements have been completed in accordance with the applicable City regulations and City approved plans and are ready for dedication to the City) of each Public Improvement constructed by the Developer.

10. The Developer shall not be relieved of its obligation to construct or cause to be constructed each Public Improvement and, upon completion, inspection and acceptance, convey each

such Public Improvement to the City in accordance with the terms of this Reimbursement Agreement and the Development Agreement, even if there are insufficient funds in the Project Fund of the applicable Indenture or in the Reimbursement Account to pay the costs thereof. In any event, this Reimbursement Agreement shall not affect any obligation of the Developer under any other agreement to which the Developer is a party or any governmental approval which the Developer or and land within the District is subject, with respect to the Public Improvements required in connection with the development of the land in the PID.

11. Within twenty (20) business days after receipt of any Reimbursement Request, the City's PID administrator shall either (i) approve and execute the Reimbursement Request and forward the same to the City for payment (from those funds available in the Reimbursement Account, as applicable), or (ii) in the event the City's PID administrator disapproves all or any portion of the Reimbursement Request, give written notification to the Developer of such disapproval, in whole or in part, of such Reimbursement Request, specifying the reasons for such disapproval and the additional requirements to be satisfied for approval of such Reimbursement Request. If a Reimbursement Request seeking reimbursement is approved only in part, the City shall specify the extent to which the Reimbursement Request is approved and shall deliver such partially approved Reimbursement Request for payment.

12. The obligations of the City under this Reimbursement Agreement are non-recourse and payable only from the Reimbursement Account and such obligations do not create a debt or other obligation payable from any other City revenues, taxes, income, or property. None of the City or any of its elected or appointed officials or any of its officers or employees shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of this Reimbursement Agreement or their acts or omissions under this Reimbursement Agreement.

13. Nothing in this Reimbursement Agreement is intended to constitute a waiver by the City of any remedy the City may otherwise have outside this Reimbursement Agreement against the Developer, any Transferee, or any other person or entity involved in the design, construction or installation of the Public Improvements. The obligations of Developer hereunder shall be those as a Party hereto and not solely as an owner of property in the PID. Nothing herein shall be constructed, nor is intended, to affect the City's or Developer's rights and duties to perform their respective obligations under other agreements, regulations and ordinances.

14. This Reimbursement Agreement is being executed and delivered and is intended to be performed in the State of Texas. Except to the extent that the laws of the United States may apply to the terms hereof, the substantive laws of the State of Texas shall govern the validity, construction, enforcement, and interpretation of this Reimbursement Agreement.

In the event of a dispute involving this Reimbursement Agreement, exclusive venue for such dispute shall lie in any court of competent jurisdiction in Harris County, Texas.

15. Any notice required or contemplated by this Reimbursement Agreement shall be signed by or on behalf of the Party giving the Notice, and shall be deemed effective as follows: (i) when delivered by a national company such as FedEx or UPS with evidence of delivery signed by any person at the delivery address regardless of whether such person was the named addressee; or (ii) 72 hours after the notice was deposited with the United States Postal Service, Certified Mail, Return Receipt Requested. Any Party may change its address by delivering written notice of such change in accordance with this section. All Notices given pursuant to this Section shall be addressed as follows:

To the City:	City Manager 401 Market Street Tomball, TX 77375
With a copy to:	Attn: City Attorney Olson & Olson, LLP 2727 Allen Parkway, Suite 600 Houston, TX 77019
To the Developer:	Attn: Chet Wignall Brohn Homes 7906 N. Sam Houston Parkway West, Suite 102 Houston, Texas 77064
With a copy to:	Attn: Timothy Green c/o Coats Rose, P.C. 9 Greenway Plaza, Suite 1000 Houston, Texas 77046

16. Notwithstanding anything herein to the contrary, nothing herein shall otherwise authorize or permit the use by the City of the Assessments contrary to the provisions of the PID Act.

17. Remedies:

    a. If either Party fails to perform an obligation imposed on such Party by this Reimbursement Agreement (a "Failure") and such Failure is not cured after written notice and the expiration of the cure periods provided in this section, then such Failure shall constitute a "Default." Upon the occurrence of a Failure by a non-performing Party, the other Party shall notify the non-performing Party and all Transferees of the non-performing Party in writing specifying in reasonable detail

the nature of the Failure. The non-performing Party to whom notice of a Failure is given shall have at least thirty (30) days from receipt of the notice within which to cure the Failure; however, if the Failure cannot reasonably be cured within thirty (30) days and the non-performing Party has diligently pursued a cure within such thirty (30) day period and has provided written notice to the other Party that additional time is needed, then the cure period shall be extended for an additional period of not to exceed thirty (30) days so long as the non-performing Party is diligently pursuing a cure. Any Transferee shall have the same rights as the Developer to enforce the obligations of the City under this Reimbursement Agreement and shall also have the right, but not the obligation, to cure any alleged Failure by the Developer within the same time periods that are provided to the Developer. The election by a Transferee to cure a Failure by the Developer shall constitute a cure by the Developer but shall not obligate the Transferee to be bound by this Reimbursement Agreement with respect to Developer obligations under this Reimbursement Agreement unless the Transferee agrees to be bound.

b. Notwithstanding the foregoing, the following are Events of Default under this Reimbursement Agreement:

    i. The Developer shall fail to pay to the City any monetary sum hereby required of it pursuant to this Reimbursement Agreement or the Development Agreement as and when the same shall become due and payable and shall not cure such default within thirty (30) days after the later of the date on which written notice thereof is given by the City to the Developer, as provided in this Reimbursement Agreement. The Developer shall fail in any material respect to maintain any of the insurance or bonds required by this Reimbursement Agreement or the Development Agreement.

    ii. The Developer shall fail to comply in any material respect with any term, provision or covenant of this Reimbursement Agreement (other than the payment of money to the City), and shall not cure such failure within sixty (60) days after written notice thereof is given by the City to the Developer;

    iii. The filing by Developer of a voluntary proceeding under present or future bankruptcy, insolvency, or other laws respecting debtors, rights;

    iv. The consent by Developer to an involuntary proceeding under present or future bankruptcy, insolvency, or other laws respecting debtor's rights;

    v. The entering of an order for relief against Developer or the appointment of a receiver, trustee, or custodian for all or a substantial part of the property or assets of Developer in any involuntary proceeding, and the continuation of such order, judgment or degree unstayed for any period of ninety (90) consecutive days; OR

vi. The failure by Developer or any Affiliate to pay Impositions, and Assessments on property owned by the Developer and/or any Affiliates within the PID (as defined in the Development Agreement), if such failure is not cured within thirty (30) days.

vii. The Developer is in default under the Development Agreement after the expiration of any applicable cure period following written notice, if such written notice is required under the terms of the Development Agreement.

viii. The Developer shall breach any material covenant or default in the performance of any material obligation hereunder.

c. If the City is in Default, the Developer's sole and exclusive remedies shall be to: (1) seek a writ of mandamus to compel performance by the City; or (2) seek specific enforcement of this Reimbursement Agreement.

d. If the Developer is in Default, the City may pursue any legal or equitable remedy or remedies, including, without limitation, actual damages, and termination of this Reimbursement Agreement. The City shall not terminate this Reimbursement Agreement unless it delivers to the Developer a second notice expressly providing that the City will terminate within thirty (30) additional days. Termination or non-termination of this Reimbursement Agreement upon a Developer Event of Default shall not prevent the City from suing the Developer for specific performance, actual damages, excluding punitive, special and consequential damages, injunctive relief or other available remedies with respect to obligations that expressly survive termination. In the event the Developer fails to pay any of the expenses or amounts or perform any obligation specified in this Reimbursement Agreement or the Development Agreement, then to the extent such failure constitutes an Event of Default hereunder, the City may, but shall not be obligated to do so, pay any such amount or perform any such obligations and the amount so paid and the reasonable out of pocket costs incurred by the City in said performance shall be due and payable by the Developer to the City within thirty (30) days after the Developer's receipt of an itemized list of such costs.

e. No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder now or hereafter existing at law or in equity.

f. The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

18. **THE DEVELOPER SHALL ASSUME THE DEFENSE OF, AND INDEMNIFY AND HOLD HARMLESS THE CITY'S INSPECTOR, THE CITY EMPLOYEES,**

OFFICIALS, OFFICERS, REPRESENTATIVE AND AGENTS OF THE CITY AND EACH OF THEM (EACH AN "INDEMNIFIED PARTY") FROM AND AGAINST, ALL ACTIONS, DAMAGES, CLAIMS, LOSES OR EXPENSE OF EVERY TYPE AND DESCRIPTION TO WHICH THEY MAY BE SUBJECT OR PUT, BY REASON OF, OR RESULTING FROM THE BREACH OF ANY PROVISIONS OF THIS REIMBURSEMENT AGREEMENT BY THE DEVELOPER, THE DEVELOPER'S NONPAYMENT UNDER CONTRACTS BETWEEN THE DEVELOPER AND ITS CONSULTANTS, ENGINEERS, ADVISORS, CONTRACTORS, SUBCONTRACTORS AND SUPPLIERS IN THE PROVISION OF THE PUBLIC IMPROVEMENTS CONSTRUCTED BY DEVELOPER, OR ANY CLAIMS BY PERSONS EMPLOYED BY THE DEVELOPER RELATING TO THE CONSTRUCTION OF SUCH PROJECTS. NOTWITHSTANDING THE FOREGOING, NO INDEMNIFICATION IS GIVEN HEREUNDER FOR ANY ACTION, DAMAGE, CLAIM, LOSS OR EXPENSE DIRECTLY ATTRIBUTABLE TO THE WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF ANY INDEMNIFIED PARTY. THE CITY DOES NOT WAIVE ITS DEFENSES AND IMMUNITIES, WHETHER GOVERNMENTAL, SOVEREIGN, OFFICIAL OR OTHERWISE AND NOTHING IN THIS REIMBURSEMENT AGREEMENT IS INTENDED TO OR SHALL CONFER ANY RIGHT OR INTEREST IN ANY PERSON NOT A PARTY HERETO.

19. To the extent there is a conflict between this Reimbursement Agreement and an Indenture securing the Future Bonds issued to reimburse the costs of the Public Improvements, the Indenture securing such Future Bonds shall control as the provisions relate to the Assessments. To the extent there is a conflict between this Reimbursement Agreement and the Development Agreement, this Reimbursement Agreement shall control.

20. The failure by a Party to insist upon the strict performance of any provision of this Reimbursement Agreement by the other Party, or the failure by a Party to exercise its rights upon a Default by the other Party shall not constitute a waiver of such Party's right to insist and demand strict compliance by such other Party with the provisions of this Reimbursement Agreement.

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

22. Nothing in this Reimbursement Agreement, express or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the City and the Developer and its assigns any rights, remedies, or claims under or by reason of this Reimbursement Agreement, and all covenants, conditions, promises, and agreements in

this Reimbursement Agreement shall be for the sole and exclusive benefit of the City and the Developer.

23. In this Reimbursement Agreement, time is of the essence and compliance with the times for performance herein is required.

24. The City represents and warrants that this Reimbursement Agreement has been approved by official action by the City Council of the City in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Reimbursement Agreement on behalf of the City has been duly authorized to do so. The Developer represents and warrants that this Reimbursement Agreement has been approved by appropriate action of the Developer, and that the individual executing this Reimbursement Agreement on behalf of the Developer has been duly authorized to do so. Each Party respectively acknowledges and agrees that this Reimbursement Agreement is binding upon such Party and is enforceable against such Party, in accordance with its terms and conditions and to the extent provided by law.

25. This Reimbursement Agreement represents the entire agreement of the Parties and no other agreement, statement or promise made by any Party or any employee, officer or agent of any Party with respect to any matters covered hereby that is not in writing and signed by all the Parties to this Agreement shall be binding. This Reimbursement Agreement shall not be modified or amended except in writing signed by the Parties. If any provision of this Reimbursement Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then: (a) such unenforceable provision shall be deleted from this Reimbursement Agreement; and (b) the remainder of this Reimbursement Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties.

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

27. The term of this Reimbursement Agreement is the earlier of (i) one year following the last Annual Installment of an Assessment is collected, (ii) the payment or redemption of the Reimbursement Amount, or (iii) termination pursuant to an Event of Default, whichever occurs first. If the Developer defaults under the Development Agreement or this Reimbursement Agreement, the Development Agreement nor this Reimbursement Agreement shall not terminate with respect to the costs of the Public Improvements that have been approved by the City pursuant to an approved Certification for Payment or Reimbursement Request prior to the date of default. Upon the expiration of the term of this Reimbursement Agreement pursuant to this Section, this Reimbursement Agreement shall terminate.

28. Any amounts or remedies due pursuant to this Reimbursement Agreement are not subject to acceleration.

29. Statutory Verifications. The Developer makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Reimbursement Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Reimbursement Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Reimbursement Agreement, notwithstanding anything in this Reimbursement Agreement to the contrary.

    a. *Not a Sanctioned Company.* The Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

    b. *No Boycott of Israel.* The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Reimbursement Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

    c. *No Discrimination Against Firearm Entities.* The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Reimbursement Agreement. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

    d. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Reimbursement Agreement. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

30. Form 1295. Unless the Developer represents in writing that it is exempt from filing of such form, the Developer will provide a completed and notarized Form 1295 generated by the Texas Ethics Commission's electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the Texas Ethics Commission (a "Form 1295"), in connection with entry into this Agreement. Upon receipt of the Developer's Form 1295, the City agrees to acknowledge the Developer's Form 1295 through its electronic filing application. The Developer and the City understand and agree that, with the exception of information identifying the City and the contract identification number, the City is not responsible for the information contained in the Developer's Form 1295 and the City has not verified such information.

31. Submitted herewith is a completed Form 1295 generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The City hereby confirms receipt of the Form 1295 from the Developer and the City agrees to acknowledge such form with the TEC through its electronic filing application system not later than the 30th day after receipt of such form. The Parties understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by Developer; and, neither the City nor its consultants have verified such information.

32. Choice of Law. This Agreement shall be governed by the laws of the State of Texas.

33. Out of State Issuer. This Agreement may not be assigned to an out-of-state issuer of debt and the City shall not participate in any third-party financing relating to the Assessment Revenues received by the Developer pursuant to this Agreement.

34. Standing Letter. If requested by the Texas Attorney General, the Developer will file a standing letter addressing the representations made in Section 29 of this Agreement in a form acceptable to the Texas Attorney General.

35. Submitted herewith is a completed Form 1295 generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The City hereby confirms receipt of the Form 1295 from the Developer and the City agrees to acknowledge such form with the TEC through its electronic filing application system not later than the 30th day after receipt of such form. The Parties understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295

has been provided solely by Developer; and, neither the City nor its consultants have verified such information.

[SIGNATURE PAGES TO FOLLOW]

Executed by Developer and City to be effective on the Effective Date.

ATTEST:	**CITY OF TOMBALL**
_____	_____
City Secretary	Mayor

DEVELOPER

CLAYTON PROPERTIES GROUP, INC., A TENNESSEE CORPORATION DBA BROHN HOMES

By:_____

Name: Roderick Flint

Title: Assistant Secretary

EXHIBIT A

REIMBURSEMENT REQUEST
(To be used if no Future Bonds are outstanding and as may be modified by the City's PID administrator)

Reference is made to that certain PID Reimbursement Agreement by and between the City and HMH Tomball Townhomes, LLC a Texas limited liability company (the "Developer") and requests payment to the Developer (or to the person designated by the Developer) from Phase __ Assessment Revenues in the amount of _____ ($_____) for labor, materials, fees, and/or other general costs related to the creation, acquisition, or construction of certain Public Improvements within the Seven Oaks Public Improvement District.

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

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

2. The itemized payment requested for the attached Public Improvements to be paid from Assessment Revenues has not been the subject of any prior payment request submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.

3. The itemized amounts listed for the Public Improvements in the attached spreadsheet and accurate representation of the Public Improvements associated with the creation, acquisition, or construction of said Public Improvements and such costs (i) are in compliance with the Development Agreement and the PID Reimbursement Agreement and (ii) are consistent with and within the cost identified for such Public Improvements as set forth in the Service and Assessment Plan.

4. The Developer is in compliance with the terms and provisions of the Development Agreement, the PID Reimbursement Agreement, and the Service and Assessment Plan.

5. The Developer has timely paid all ad valorem taxes and Annual Installments of Assessments it owes or an entity the Developer controls owes, located in the Seven Oaks Public Improvement District and has no outstanding delinquencies.

6. All conditions set forth in the Reimbursement Agreement and the Development Agreement for the payment hereby requested have been satisfied.

7. The work with respect to Public Improvements included herein has been completed, and the City has inspected such Public Improvements.

8. The Developer 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 said review.

9. No more than ninety percent (90%) of the budgeted or contracted costs for the Public Improvements identified may be paid until the work with respect to such Public Improvements (or segment) has been completed and the City has accepted such Public Improvements (or segment).

Attached hereto are receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments. Also attached hereto are **"bills paid" affidavits and supporting documentation** in the standard form for City construction projects.

Pursuant to the Development Agreement, after receiving this payment request, the City has inspected the Public Improvements and confirmed that said work has been completed in accordance with approved plans and all applicable governmental laws, rules, and regulations.

[ATTACH SPREADSHEET IN FORM APPROVED BY CITY'S PID ADMINISTRATOR]

APPROVAL OF REQUEST

The City is in receipt of the attached Reimbursement Request, acknowledges the Reimbursement Request, and finds the Reimbursement Request to be in order. After reviewing the Reimbursement Request, the City approves the Reimbursement Request and authorizes and directs payment of the amounts set forth below from the appropriate account. The City's approval of the Reimbursement Request shall not have the effect of estopping or preventing the City from asserting claims under the Development Agreement, the PID Reimbursement Agreement, the Service and Assessment Plan, or any other agreement between the parties or that there is a defect in Public Improvements.

CITY OF TOMBALL, TEXAS

By:_____
Name: _____
Title: _____

Date: _____