AGENDA
MONDAY, SEPTEMBER 30, 2024
WORK SESSION - 6:00 PM
REGULAR CITY COUNCIL MEETING - 6:30 PM
CITY HALL COUNCIL CHAMBERS
209 S. WASHINGTON STREET
KAUFMAN, TEXAS 75142
AND VIA VIDEOCONFERENCE/TELECONFERENCE

This meeting will be held using videoconferencing/teleconferencing technology with public access via:
WWW.ZOOM.US/JOIN OR
(888)788-0099 (TOLL-FREE)
MEETING/WEBINAR ID: 833 6927 8412
PASSWORD: 562304

CALL WORK SESSION TO ORDER Mayor calls the Work Session to order, states the date and time, states Councilmembers present, and declares a quorum present.**

WORK SESSION A Work Session is used to explore matters of interest to one or more City Council Members or the City Manager for the purpose of giving staff direction on whether or not such matters should be placed on a future regular or special meeting of the Council for citizen's input, City Council deliberation and formal City action. Although Work Sessions are public meetings, and citizens have a legal right to attend, they are not public hearings, so citizens are not allowed to participate in the session.

1. Discussion and provide direction to staff regarding an update to the Job Classification & Step Pay Plan for fiscal year 2025.

2. Discussion regarding items on the Regular Session Agenda, including the consideration of Executive Session items

WORK SESSION ADJOURNMENT

PLEDGE OF ALLEGIANCE

CALL MEETING TO ORDER Mayor calls the Meeting to order, states the date and time, states Councilmembers present, and declares a quorum present.**

CITIZENS COMMENTS / REQUEST TO SPEAK ON AGENDA ITEMS (5 MINUTES) Comments about any of the Council agenda items may be taken into consideration at this time or during the agenda item. Comments are limited to five (5) minutes per individual unless additional time is otherwise required by law for translation. Speaking time is not transferable. Citizens may address the City Council on any subject but must first complete a Request to Speak Form so that the Mayor may call your name to speak at the appropriate time on the Agenda. Comments must be directed to the Council as a whole. **When addressing the Council, please step forward to the speaker's podium, state your name and address, and direct your comments to the Mayor and City Council.**

PROCLAMATION

3. National Night Out - October 1, 2024

4. Texas Teachers' Day - October 5, 2024

5. Community Planning Month - October 2024

RECOGNITION

6. Business of the Month - Latham Bakery

CONSENT AGENDA

7. Consider and take appropriate action on the minutes from the August 26, 2024, Work Session and Regular City Council Meeting.

8. Consider and take appropriate action to approve the transfer of aged bills to Collection of Delinquent Utility Billing Accounts Receivable Balances.

9. Consider and take appropriate action on Resolution R-21-24, a resolution of the City Council of the City of Kaufman, Texas, approving the annual review of the City of Kaufman Investment Policy pursuant to the Public Funds Investment Act; approving the adoption of an amended City of Kaufman Investment Policy; and providing for an effective date.

10. Consider and take appropriate action on a proposed Consumer Price Index and Brush Pick-up Rate adjustments by Republic Services as outlined in the Contract for Collection of Solid Waste Services between the City and Republic Services of Texas, LLC.

END OF CONSENT AGENDA

PUBLIC HEARING

11. Conduct a public hearing and consider and take appropriate action on Resolution R-22-24, a Resolution of the City Council of the City of Kaufman, Texas, approving an updated City of Kaufman Capital Improvements Plan for Fiscal Years 2025 through 2029.

    a. Presentation

    b. Public Hearing

    c. Consider and take appropriate action on Resolution R-22-24

12. Conduct a public hearing, consider and take appropriate action on Ordinance O-22-24, an Ordinance of the City Council of the City of Kaufman, Texas accepting and approving an Annual Service Plan Update and Assessment Roll 2024-2025 for the Kaufman Public Improvement District No. 3, in compliance with Chapter 372 of the Texas Local Government Code, as amended; accepting and approving the Annual Service Plan Update and Updated Assessment Roll for PID 3 as set forth in Exhibit "A" to the Ordinance providing for payment of the assessments in accordance with Chapter 372; providing for the method of assessment and the payment of the assessments, providing penalties and interest on delinquent assessments and compliance with all other legal requirements providing for severability, and

providing an effective date. ("Freeman Farm")

a. Presentation

b. Public Hearing

c. Consider and take appropriate action on Ordinance O-22-24

DISCUSSION/ACTION ITEMS

13. Consider and take appropriate action on Ordinance O-26-24, an ordinance of the City Council of the City of Kaufman, Texas, approving and authorizing the issuance and sale of the City of Kaufman, Texas Special Assessment Revenue Bonds, Series 2024 (Kaufman Public Improvement District No. 3); approving and authorizing an indenture of trust, a bond purchase agreement, limited offering memorandum, a continuing disclosure agreement, and other agreements and documents in connection therewith; making findings with respect to the issuance of such bonds; and providing an effective date. ("Freeman Farm")

14. Consider and take appropriate action regarding the First Amended Reimbursement Agreement between the City and EIS Development, LLC providing reimbursement of certain costs associated with Kaufman Public Improvement District No. 3, the Freeman Farms development, and authorizing the Mayor or designee to execute necessary documents.

15. Consider and take appropriate action on the **Site Plan of CiCi's Pizza**, situated on approximately 1.24 acres out of the D. Falcon Survey, Abstract No. 151, City of Kaufman, Kaufman County, Texas, said property being generally located at the southwest corner of S. Washington St. and Roundup Dr. on a portion of Block B of the Five Points Addition (Property ID 235266). The property is zoned Planned Development-22, Sub-District A ("PD-22-A") for "C" Commercial uses. (Case No. SP-02-24)

16. Consider and take appropriate action on the **Highland Meadows Phase I Facilities Agreement** between the City and Meritage Homes of Texas, LLC, for the installation of public improvements and facilities within Phase I of the Highland Meadows development, comprising 62.193 acres generally located on the south side of State Highway 243 at Ola Road; and authorizing the Mayor or designee to execute necessary documents.

17. Consider and take appropriate action on the **Professional Services Agreement** between the City and Hiller Health Inspection, LLC for **Food Health Inspection and Plan Review Services** and to authorize the Mayor or designee to execute the agreement.

18. Consider and take appropriate action regarding Ordinance O-23-24, an ordinance of the City Council of the City of Kaufman, amending the City of Kaufman Personnel Policies Manual, amending Subsection (b) "Adoption of city job classification, compensation plan and step schedule" of Section 2.03.001 "Personnel policies manual adopted; repeal of conflicting provisions", of Article 2.03, "Personnel Regulations" of Chapter 2, "Administration and Personnel" of the Code of Ordinances; and providing an effective date.

19. Consider and take appropriate action regarding Ordinance O-24-24, an ordinance of the City Council of the City of Kaufman, Texas, amending Ordinance No. O-17-23 adopting the City's and Kaufman Economic Development Corporation's 2023-2024 Fiscal Year Budget to balance Revenue Surplus, Expense Surplus, and Shortfall; and providing an effective date.

20. Consider and take appropriate action on Ordinance O-25-24, an Ordinance of the City Council of the City of Kaufman, Texas, amending Section A4.001, "Zoning/development fees", of Article A4.000, "Building and Development Fees"; amending Section A6.001, "Food service establishments", of Article A6.000 Health and Sanitation Related Fees"; amending and renaming Section A7.001 "City Lakes Park and Lake Kaufman"; and amending Section A7.003 "Park Usage Fees", of Article A7.000 "Park and Recreation Fees" of Appendix A, "Fee Schedule", of the Code of Ordinances of the City of Kaufman to adopt fees for new plat types, adjusted fees for building permit applications, adjusted fees for food service establishments, removal of language regarding Lake Kaufman, and adjusted fees for park usage; providing for the incorporation of premises; providing amendments; providing a severability clause; providing a cumulative repealer/savings clause; providing for a penaly; and providing for publication and an effective date.

21. Consider and take appropriate action on the award or rejection of bid and contract for motor fuel and oil for Fiscal Year 2025 and authorizing the Mayor or his designee to execute necessary documents.

22. Consider and take appropriate action on the award or rejection of a bid and contract for City Lakes Park Improvements and authorizing the Mayor or his designee to execute necessary documents.

23. Consider and take appropriate action on Resolution R-23-24, a resolution of the City Council of the City of Kaufman, Texas, nominating candidates for election to the Board of Directors of Kaufman Central Appraisal District; and providing for an effective date.

APPOINTMENT

24. Consider and take appropriate action on the appointment of three (3) members to the Keep Kaufman Beautiful Board for a two (2) year term to expire March 2025.

ANNOUNCEMENTS AND REPORTS FROM CITY MANAGER

25. Receive an update and discussion regarding the following:

    a. National Night Out - October 1, 2024

    b. TML Conference - Houston - October 9-11, 2024

    c. Kaufman Harvest Fest - October 12, 2024

    d. KISD Education Foundation Legacy Ball - October 26, 2024

    e. Discussion Items Report (DIR)

    f. STAR Transit Ridership Report - August 2024

    g. Careflite Compliance Report - August 2024

    h. Fire Department Monthly Report - August 2024

    i. Police Department Monthly Report - August 2024

j. Development Services Monthly Report - August 2024

k. Monthly Calendars Attached

EXECUTIVE SESSION

26. The City Council will recess into Executive Session pursuant to Texas Government Code for an executive session regarding the following:

a. Sec. 551.071(1) and (2); CONSULTATION WITH ATTORNEY: (1) To consult with City Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act and (2) for Council to seek the advice of its attorney about pending or contemplated litigation: South Pointe

b. Sec. 551.072. DELIBERATION REGARDING REAL PROPERTY; CLOSED MEETING. To deliberate the purchase, exchange, lease, or value of real property regarding: "Project Pie"; South Pointe

c. Sec. 551.074: PERSONNEL MATTERS. To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee: City Secretary Evaluation

RECONVENE INTO OPEN SESSION In accordance with Texas Government Code, Chapter 551, the City Council will reconvene into Regular Session.

27. Consider and take appropriate action, if any, on matters discussed in Executive Session.

ADJOURNMENT

I, JESSIE HANKS, CITY SECRETARY, DO HEREBY CERTIFY THAT THIS NOTICE OF MEETING WAS POSTED ON THE WINDOW AT KAUFMAN MUNICIPAL COMPLEX, 209 S. WASHINGTON, KAUFMAN, TEXAS, A PLACE CONVENIENT AND READILY ACCESSIBLE TO THE GENERAL PUBLIC AT ALL TIMES AND SAID NOTICE WAS POSTED AT THE KAUFMAN MUNICIPAL COMPLEX, 209 S. WASHINGTON, KAUFMAN, TEXAS AT 5:00 P.M. ON FRIDAY, SEPTEMBER 27, 2024, AND REMAINED SO POSTED CONTINUOUSLY FOR AT LEAST 72 HOURS PRECEDING THE SCHEDULE TIME OF SAID MEETING.

Jessie Hanks

JESSIE HANKS
CITY SECRETARY

THE CITY COUNCIL RESERVES THE RIGHT TO ADJOURN INTO EXECUTIVE SESSION AT ANY TIME DURING THE COURSE OF THIS MEETING TO DISCUSS ANY OF THE MATTERS LISTED ABOVE, AS AUTHORIZED BY THE TEXAS GOVERNMENT CODE. SECTION 551.071 (CONSULTATION WITH ATTORNEY).

****PURSUANT TO SECTION 551.127, TEXAS GOVERNMENT CODE, ONE OR MORE COUNCILMEMBERS OR EMPLOYEES MAY ATTEND THIS MEETING REMOTELY USING**

VIDEOCONFERENCING TECHNOLOGY. THE VIDEO AND AUDIO FEED OF THE VIDEOCONFERENCING EQUIPMENT CAN BE VIEWED AND HEARD BY THE PUBLIC BY ACCESSING WWW.ZOOM.US/JOIN OR (888)788-0099 (TOLL FREE) MEETING/WEBINAR ID: 833 6927 8412 PASSWORD: 562304

THE BUILDING IN WHICH THE ABOVE MEETING WILL BE CONDUCTED IS WHEELCHAIR ACCESSIBLE AND PARKING SPACES FOR THE MOBILITY IMPAIRED ARE AVAILABLE. PERSONS WITH DISABILITIES WHO PLAN TO ATTEND THIS MEETING AND WHO MAY NEED AUXILIARY AIDS OR SERVICES SUCH AS INTERPRETERS FOR PERSONS WHO ARE DEAF OR HEARING IMPAIRED, READERS, OR LARGE PRINT ARE REQUESTED TO CONTACT THE CITY SECRETARY'S OFFICE AT 972-932-2216 AT LEAST TWO (2) WORKING DAYS PRIOR TO THE TIME OF THE MEETING SO THAT APPROPRIATE ARRANGEMENTS CAN BE MADE.

City of Kaufman

Proclamation

WHEREAS, the National Association of Town Watch (NATW) is sponsoring a unique, nationwide crime, drug, and violence prevention program on October 1, 2024, entitled "National Night Out"; and

WHEREAS, "National Night Out" provides a unique opportunity for the City of Kaufman to join forces with thousands of other communities across the country in promoting cooperative, police-community crime prevention efforts; and

WHEREAS, the Kaufman Police Department and Other Law enforcement agencies play a vital role in assisting each other through joint crime, drug, and violence prevention efforts throughout Kaufman County and are supporting "National Night Out 2024" locally; and

WHEREAS, it is essential that all citizens of Kaufman, Texas, be aware of the importance of crime prevention programs and the impact that their participation can have on reducing crime, drugs, and violence in Kaufman County; and

WHEREAS, police-community partnerships, neighborhood safety, awareness, and cooperation are important themes of the "National Night Out" program;

NOW, THEREFORE, I, Jeff Jordan, Mayor of the City of Kaufman, do hereby call upon all citizens of Kaufman, to join the Kaufman Police Department, other Law enforcement agencies, and the National Association of Town Watch in supporting and proclaiming October 1, 2024, as the:

National Night Out

IN WITNESS WHEREOF, I have set my hand and caused the Seal of the City to be affixed this 30th day of September 2024.

_____

Jeff Jordan, Mayor, City of Kaufman

City of Kaufman

Proclamation

WHEREAS, the City of Kaufman's future strength depends on providing a high-quality education to all students; and

WHEREAS, the quality of teachers matters more to student achievement than any other school-related factors; and

WHEREAS, teachers spend countless hours preparing lesson plans and supporting students; and

WHEREAS, the teachers of Kaufman deserve our continued support, respect, and admiration; and

WHEREAS, we proudly lead in demonstrating to our community to recognize and support its teachers in educating the children of this community; and

WHEREAS, #TeachersCan is a statewide movement supported by more than 150 partnering businesses and organizations committed to elevating the teaching profession and honoring the critical role teachers play in the success of Texas; and

WHEREAS, the City of Kaufman joins #TeachersCan and its partnering entities across Texas in celebrating the inaugural Texas Teachers' Day;

NOW, THEREFORE, I, Jeff Jordan, Mayor of the City of Kaufman, and on behalf of the Kaufman City Council, do hereby proclaim October 5, 2024, as:

Texas Teacher's Day

IN WITNESS WHEREOF, I have set my hand and caused the Seal of the City to be affixed this 30th day of September, 2024.

Jeff Jordan, Mayor, City of Kaufman

Proclamation

WHEREAS, change is constant and affects all cities, towns, suburbs, counties, boroughs, townships, rural areas, and other places; and

WHEREAS, planners can help navigate this change with data-driven insights and expertise that provide better choices for how people work and live; and

WHEREAS, community planning provides an opportunity for all residents to be meaningfully involved in making choices that determine the future of their community; and

WHEREAS, the full benefits of planning require public officials and citizens who understand, support, and demand excellence in planning and plan implementation; and

WHEREAS, the month of October is designated as National Community Planning Month throughout the United States of America and its territories; and

WHEREAS, the American Planning Association endorses National Community Planning Month as an opportunity to highlight how planning is essential to recovery and how planners can lead communities to equitable, resilient, and long-lasting recovery; and

WHEREAS, the celebration of National Community Planning Month gives us the opportunity to publicly recognize the participation and dedication of the members of planning commissions and other citizen planners who have contributed their time and expertise to the improvement of the City of Kaufman; and

WHEREAS, we recognize the many valuable contributions made by the professional community and regional planners of the City of Kaufman and extend our heartfelt thanks for the continued commitment to public service by these professionals;

NOW, THEREFORE, I, Jeff Jordan, Mayor of the City of Kaufman, and on behalf of the Kaufman City Council, do hereby proclaim the month of October 2024, as:

Community Planning Month

IN WITNESS WHEREOF, I have set my hand and caused the Seal of the City to be affixed this 30th day of September 2024.

Jeff Jordan, Mayor, City of Kaufman

Meeting Date: 9/30/2024 **Date: 09/04/2024** **Item #: 7.** **Dept.: Administration**

Consent Agenda

SUBJECT:

Consider and take appropriate action on the minutes from the August 26, 2024, Work Session and Regular City Council Meeting.

BACKGROUND:

See the attached minutes.

Author:
Jessie Hanks, City Secretary

Reviewed:
Mike Holder, City Manager

Cost: **Funds Available:** **Source:**

Recommendation: Staff recommends approval of the minutes from the August 26, 2024, Work Session and Regular City Council Meeting as presented.

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☐	☐	☐	☐	☐

MINUTES OF THE
CITY COUNCIL MEETING
MONDAY, AUGUST 26, 2024
CITY HALL COUNCIL CHAMBERS
209 S. WASHINGTON STREET
KAUFMAN, TEXAS 75142

CALL WORK SESSION TO ORDER Mayor calls the Work Session to order, states the date and time, states Councilmembers present, and declares a quorum present.**

Mayor Jordan called the Work Session meeting to order at 6:00 p.m. Councilmembers present were Jeff Jordan, Ashlea Longenecker, Quattro Borders, Jason Nelson, Lisa Parker, and Charles Gillenwater. Mayor Pro-Tem Matt Phillips was absent. Mayor Jordan declared a quorum present. Also, present were City Manager Mike Holder, Assistant City Manager Rachel Balthrop Mendoza, City Attorney Julie Fort, City Secretary Jessie Hanks, Finance Director Mary Wennerstrom, Finance Manager LaJohnna Wells, Economic Development Director Stewart McGregor, Development Services Director Andrew Bogda, Streets Superintendent Cris Murrey, Fire Chief Ronnie Davis, Police Captain Colter Leftwich, and Police Chief Les Edwards.

WORK SESSION A Work Session is used to explore matters of interest to one or more City Council Members or the City Manager for the purpose of giving staff direction on whether or not such matters should be placed on a future regular or special meeting of the Council for citizen's input, City Council deliberation and formal City action. Although Work Sessions are public meetings, and citizens have a legal right to attend, they are not public hearings, so citizens are not allowed to participate in the session.

1. Discuss and provide direction to staff regarding the Proposed Fiscal Year 2024-2025 City of Kaufman Budget.

Mr. Holder reviewed the changes to the proposed budget from the Budget Work Session. He reviewed the impact on the general fund and utility fund. He outlined the proposed step pay plan and the capital requests and briefly summarized the revenues and expenditures for FY25.

2. Discussion regarding items on the Regular Session Agenda, including the consideration of Executive Session items

Mr. Holder highlighted items 9 and 10 on the consent agenda in regard to the purchases of a sewer crawler camera trailer and the Cat Mini 303.5 Excavator.

WORK SESSION ADJOURNMENT

There being no further business, Mayor Jordan adjourned the work session at 6:15 p.m.

PLEDGE OF ALLEGIANCE

CALL MEETING TO ORDER Mayor calls the Meeting to order, states the date and time, states Councilmembers present, and declares a quorum present.**

Mayor Jordan called the City Council meeting to order at 6:30 p.m. Councilmembers present were Jeff Jordan, Ashlea Longenecker, Quattro Borders, Jason Nelson, Lisa Parker, and Charles

Gillenwater. Mayor Pro-Tem Matt Phillips was absent. Mayor Jordan declared a quorum present. Also, present were City Manager Mike Holder, Assistant City Manager Rachel Balthrop Mendoza, City Attorney Julie Fort, City Secretary Jessie Hanks, Finance Director Mary Wennerstrom, Finance Manager LaJohnna Wells, Economic Development Director Stewart McGregor, Development Services Director Andrew Bogda, Fire Chief Ronnie Davis, Police Captain Colter Leftwich, and Police Chief Les Edwards.

CITIZENS COMMENTS / REQUEST TO SPEAK ON AGENDA ITEMS (5 MINUTES) Comments about any of the Council agenda items may be taken into consideration at this time or during the agenda item. Comments are limited to five (5) minutes per individual unless additional time is otherwise required by law for translation. Speaking time is not transferable. Citizens may address the City Council on any subject but must first complete a Request to Speak Form so that the Mayor may call your name to speak at the appropriate time on the Agenda. Comments must be directed to the Council as a whole. **When addressing the Council, please step forward to the speaker's podium, state your name and address, and direct your comments to the Mayor and City Council.**

No comments were given.

RECOGNITION

3. Business of the Month - HTeaO

Mayor Jordan and Mr. McGregor presented HTeaO as the August Business of the Month.

CONSENT AGENDA

4. Consider and take appropriate action on the minutes from the July 22, 2024, TIRZ #4 and Regular City Council Meeting.

5. Consider and take appropriate action on the minutes from the August 5, 2024, Budget Work Session and Special City Council Meeting.

6. Consider and take appropriate action to reschedule the Regular City Council Meeting set for Monday, September 23, 2024, to Monday, September 30, 2024.

7. Consider and take appropriate action on Resolution R-17-24, a Resolution of the City of Kaufman, Texas, approving a negotiated settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division regarding the company's 2024 rate review mechanism filing; declaring existing rates to be unreasonable; adopting tariffs that reflect rate adjustments consistent with the negotiated settlement; finding the rates to be set by the attached settlement tariffs to be just and reasonable and in the public interest; approving an attached exhibit establishing a benchmark for pensions and retiree medical benefits; approving an attached exhibit regarding amortization of regulatory liability; requiring the company to reimburse ACSC's reasonable rate-making expenses; determining that this Resolution was passed in accordance with the requirements of the Texas Open Meetings Act; adopting a savings clause; declaring an effective date; and requiring delivery of this resolution to the company and the ACSC's legal counsel.

8. Consider and take appropriate action on Resolution R-18-24, a resolution of the City of Kaufman, accepting the Hickory Street Elevated Water Tank Repair and Repaint Public Improvements and establishing the date for a two (2) year warranty period.

9. Consider and take appropriate action on the purchase of a sewer crawler camera trailer (LME) for an amount not to exceed $144,885.00; and authorize the City Manager to execute necessary documents.

10. Consider and take appropriate action on the purchase of a Cat Mini 303.5 Excavator for an amount not to exceed $81,679.00; and authorize the City Manager to execute necessary documents.

Councilmember Borders made a motion to approve consent agenda items 4-10 as presented. The motion was seconded by Councilmember Nelson and passed 6/0.

END OF CONSENT AGENDA

PUBLIC HEARING

11. Conduct a Public Hearing and receive comments regarding the adoption of the proposed City of Kaufman Fiscal Year 2024-2025 Budget, including the Budget for the City of Kaufman Economic Development Corporation. (Ordinance No. O-18-24).

Mr. Holder gave a summary of the proposed FY25 budget.

Mayor Jordan opened the public hearing at 6:50 p.m. There being no speakers present, Mayor Jordan closed the public hearing at 6:50 p.m.

12. Conduct a Public Hearing and receive comments regarding the adoption of the proposed 2024 property tax rate of $.7600000 per $100 of assessed valuation (Ordinance No. O-19-24).

Mr. Holder outlined the proposed tax rate and the changes to the rate from the 'not to exceed' rate previously set by the council.

Mayor Jordan opened the public hearing at 6:54 p.m. There being no speakers present, Mayor Jordan closed the public hearing at 6:54 p.m.

13. Conduct a public hearing, consider, and take appropriate action on Ordinance No. O-20-24, and ordinance of the City Council of the City of Kaufman, Texas, amending the City of Kaufman Comprehensive Zoning Ordinance O-02-07, as amended, and Chapter 118, "Zoning" of the City of Kaufman's Code of Ordinances, and the official Zoning Map to **rezone** an approximate **43.757-acre** tract of land (Property ID 16826) out of the Levi L. York Survey, Abstract No. 608, City of Kaufman, Kaufman County, Texas, from **Light Industrial District (LI)** and **Single-Family Residential-8 District (SF-8)** to **Planned Development-29 (PD-29)** for **light industrial uses**, said property being generally located at the northeast corner of State Highway 34 and Rand Road. (Case No: Z-07-24)

    a. Presentation

Mr. Bogda presented the requested zoning change from a single-family residential district to a Planned Development for a property generally located at the northeast corner of State Highway 34 and Rand Road. He reviewed the proposed development and the plans for the property.

b. Public Hearing

Mayor Jordan opened the public hearing at 7:04 p.m.

John Whiteside, 1898 Sandy Knoles Drive, Kaufman, Texas 75142, expressed his concerns about the drainage impact this development will have on the neighboring property.

There being no other speakers present, Mayor Jordan closed the public hearing at 7:10 p.m.

c. Consider and take appropriate action on Ordinance No. O-20-24

Councilmember Borders made a motion to approve Ordinance O-20-24 as presented. The motion was seconded by Councilmember Gillenwater and passed 6/0.

DISCUSSION/ACTION ITEMS

14. Consider and take appropriate action regarding Ordinance O-18-24, an ordinance of the City Council of the City of Kaufman, Texas, making appropriations for the support of the City; appropriating money to a sinking fund to pay interest and principal on the City's indebtedness; approving and adopting the annual budget of the City of Kaufman, Texas for the 2024-2025 Fiscal Year, including the Budget for the City of Kaufman Economic Development Corporation; providing for emergency expenditures and expenditures as otherwise allowed by law; providing for the filing of the budget in the Office of the City Secretary; and providing an effective date.

Mr. Holder briefly reviewed the budget summary from the presentation during the public hearing.

Councilmember Nelson made a motion to approve Ordinance O-18-24 adopting the FY25 budget for the City of Kaufman. The motion was seconded by Councilmember Parker. Ms. Hanks called for a record vote, at which point Councilmember Lisa Parker, Councilmember Charles Gillenwater, Councilmember Ashlea Longenecker, Councilmember Quattro Borders, Councilmember Jason Nelson, Mayor Jeff Jordan voted AYE, None voted NAY, and passed 6/0.

15. Consider and take appropriate action regarding Ordinance O-19-24, an ordinance of the City Council of the City of Kaufman, Texas, levying taxes and fixing and adopting the tax rate on all taxable property for the year 2024 within the corporate limits of the City of Kaufman, Texas as of January 1, 2025; the said tax rate having a maintenance and operations component and a debt service component; providing when taxes shall become due and when same shall become delinquent if not paid together with penalties and interest thereon; and providing an effective date.

Councilmember Longenecker made a motion that the property tax rate be increased by the adoption of a tax rate of $0.7595000, which is effectively a -4.83 percent increase in the tax rate. Approve Ordinance Number O-19-24 fixing and levying municipal ad valorem taxes for the fiscal year beginning October 1, 2024, and ending on September 30, 2025, and for each fiscal year thereafter

until otherwise provided. The motion was seconded by Councilmember Nelson. Ms. Hanks called for a record vote, at which point Councilmember Lisa Parker, Councilmember Charles Gillenwater, Councilmember Ashlea Longenecker, Councilmember Quattro Borders, Councilmember Jason Nelson, Mayor Jeff Jordan voted AYE, None voted NAY, and passed 6/0.

16. Consider and take appropriate action on Resolution R-19-24, a resolution of the City Council of the City of Kaufman, Texas, acknowledging and ratifying that the adoption of the Fiscal Year 2024-2025 Annual Budget will require raising more revenue from property taxes than in the previous Fiscal Year; and providing an effective date.

Councilmember Nelson made a motion to ratify the property tax increase reflected in the 2024-2025 (FY25) budget. The motion was seconded by Councilmember Parker. Ms. Hanks called for a record vote, at which point Councilmember Lisa Parker, Councilmember Charles Gillenwater, Councilmember Ashlea Longenecker, Councilmember Quattro Borders, Councilmember Jason Nelson, Mayor Jeff Jordan voted AYE, None voted NAY, and passed 6/0.

17. Consider and take appropriate action on Ordinance O-21-24, an Ordinance of the City Council of the City of Kaufman, Texas, repealing Ordinance No. O-22-23 and amending Section A8.002, “Water Rates”, Section A8.003, “Sewer Rates”, Section A8.004, “Water connection and transfer fees.”, Section A8.010, “Tap fees; maintenance of water lines”, Section A8.011, “Pavement cut and replacement charges”, A8.012, “Household hazardous waste collection service fee”, Section A8.013, “Recycling services fees.”, Section A8.014, “Stormwater utility fee”, of Article A8.000, “Utilities”, of Appendix A, “Fee Schedule”, of the Code of Ordinances of the City of Kaufman to adopt increased rates for water and sewer services; providing for the incorporation of premises; providing amendments; providing a severability clause; providing a cumulative repealer/savings clause; providing for enforcement; and providing for publication and an effective date.

Ms. Wennerstrom presented the proposed fee schedule amendments to include the amendment to the water rates, sewer rates, connection and transfer fees, placement cut and replacement fees, and removal of the household hazardous waste and recycling fees due to these services no longer being provided.

Councilmember Borders made a motion to approve Ordinance O-21-24 as presented. The motion was seconded by Councilmember Longenecker and passed 6/0.

18. Consider and take appropriate action on Resolution R-20-24, a resolution of the City Council of the City of Kaufman, Texas, accepting the preliminary service and assessment plan for authorized improvements within the Kaufman Public Improvement District No. 3; setting a date for a public hearing on the proposed levy of assessments; authorizing notice; and enacting other provisions relating thereto. (Freeman Farm)

Mr. Holder informed the council about the preliminary service and assessment plan for the Freeman Farm Development and the need to set a public hearing to consider action on the final service and assessment plan.

Councilmember Nelson made a motion to approve Resolution R-20-24, accepting the preliminary service and assessment plan for authorized improvements within the Kaufman Public Improvement District No. 3; setting a date for a public hearing on the proposed levy of assessments; authorizing

notice; and enacting other provisions relating thereto. (Freeman Farm) The motion was seconded by Councilmember Longenecker and passed 6/0.

19. Consider and take appropriate action regarding a Reimbursement Agreement between the City and EIS Development, LLC providing reimbursement of certain costs associated with Kaufman Public Improvement District No. 3, the Freeman Farms development, and authorizing the Mayor or designee to execute necessary documents.

Mr. Bogda presented the Reimbursement Agreement between the City and EIS Development for the Freeman Farm Development.

Councilmember Gillenwater made a motion to approve a Reimbursement Agreement between the City and EIS Development, LLC as presented. The motion was seconded by Councilmember Nelson and passed 6/0.

20. Consider and take appropriate action on the first amendment to the First Amended and Restated Development Agreement between Kaufman One WW, LLC and the City of Kaufman, Texas for the Highland Meadows development, assigning the First Amended and Restated Highland Meadows Development Agreement from Kaufman One WW, LLC to Meritage Homes of Texas, LLC; and authorizing the Mayor or designee to execute necessary documents.

Mr. Bogda outlined the purpose of the amendment to the development agreement regarding Highland Meadows.

Councilmember Borders made a motion to approve the first amendment to the First Amended and Restated Development Agreement between Kaufman One WW, LLC and the City of Kaufman, Texas for the Highland Meadows development, assigning the First Amended and Restated Highland Meadows Development Agreement from Kaufman One WW, LLC to Meritage Homes of Texas, LLC; and authorizing the Mayor or designee to execute necessary documents. The motion was seconded by Councilmember Nelson and passed 6/0.

21. Consider and take appropriate action to authorize the expenditure of an amount not to exceed $3,750.00 in matching grant funds for a mural application by Alexandra Kelly for the property located at 110 E. Grove St. (Property ID 28478), and authorizing the City Manager to execute necessary documents.

Ms. Balthrop Mendoza presented the proposed mural design and application.

Councilmember Parker made a motion to authorize the expenditure of an amount not to exceed $3,750.00 in matching grant funds for a mural application by Alexandra Kelly for the property located at 110 E. Grove St. (Property ID 28478) and authorizing the City Manager to execute necessary documents. The motion was seconded by Councilmember Longenecker and passed 6/0.

APPOINTMENT

22. Consider and take appropriate action on the appointment of three (3) members to the Kaufman Economic Development Corporation Board of Directors, each for a two (2) year term

to expire in August 2026.

Ms. Hanks informed the Council about the expired term for Charles Gillenwater, Barry Ratcliffe, and Tommy Henricks of the Kaufman Economic Development Corporation. She explained the need to reappoint members to the board and outlined the Council's procedural options for appointments.

Mayor Jordan made a motion to reappoint Charles Gillenwater, Barry Ratcliffe, and Tommy Henricks to the Kaufman Economic Development Corporation, each for a two (2) year term to expire in August 2026. The motion was seconded by Councilmember Borders and passed 6/0.

ANNOUNCEMENTS AND REPORTS FROM CITY MANAGER

23. Receive an update and discussion regarding the following:

    a. Kaufman Chamber of Commerce Auction - September 28, 2024

    b. National Night Out - October 1, 2024

    c. Discussion Items Report (DIR)

    d. STAR Transit Ridership Report - July 2024

    e. Careflite Compliance Report - July 2024

    f. Fire Department Monthly Report - July 2024

    g. Police Department Monthly Report - July 2024

    h. Development Services Monthly Report - July 2024

    i. Monthly Calendars Attached

Mr. Holder reviewed the above-stated items.

ADJOURNMENT

There being no further business, Mayor Jordan adjourned the meeting at 7:30 p.m.

JEFF JORDAN
MAYOR

ATTEST:

JESSIE HANKS
CITY SECRETARY

Meeting Date: 9/30/2024 **Date: 09/04/2024** **Item #: 8.** **Dept.: Finance**

Consent Agenda

SUBJECT:

Consider and take appropriate action to approve the transfer of aged bills to Collection of Delinquent Utility Billing Accounts Receivable Balances.

BACKGROUND:

The last date delinquent utility billing receivables were submitted for collection was 9/25/2023. The report sent to collections included delinquent accounts for the quarter ending 9/30/23. Staff requests the Council to approve the transfer of aged utility bills to the collection of delinquent utility billing accounts receivable balances (annual write-off of aged utility bills) for the period of 10/1/2022 to 9/30/2023, in the amount of $55,498.65.

Author:
Mary Wennerstrom, Finance Director

Reviewed:
Mike Holder, City Manager

Cost: **Funds Available:** **Source:**

Recommendation: Staff recommends approval of the transfer of aged utility bills to the collection of delinquent utility billing accounts receivable balances.

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☐	☐	☐	☐	☐

CITY OF KAUFMAN
Write Off Amounts
By Service

Serv Code	Service	Write Off Amount
AMB	AMB	-234.62
DF	Drainage Fee	-2,190.07
NSB	NSB	-520.49
NSF	NSF Check Fee	-30.00
PN	Penalty	-2,219.02
RC	Reconnect Srv	-3,127.59
RF	Solid Waste	-4,112.17
RFP	Polycart	-417.15
RSV	Recyclops	-60.00
SW	Sewer	-24,507.38
SWM	SWM	-95.21
TX	Tax	-641.70
WT	Water	-16,117.92
WTD	Wt Dep Billed	-625.00
WTO	Outside Access	-600.33
	Report Total :	-55,498.65

End of Report

Write Off Individual Account

Account number
Name
Service address description
Accounts status
Total amount due

Write Off Accounts Based on End Date and Balance

Select accounts that ended on or before	09/30/2023
Omit account balances less than (blank for all)	

Additional Parameters for Either Method

Print report only or update accounts	Print report only
Transaction date to use for write offs	09/25/2024
District(blank for all)	All

CITY OF KAUFMAN
Accounts to Write Off List

Account Number	Name	Service/Mailing Address	End Date	Total Due	Customer Type	Date of Last Bill	Billing Due Date
001-0003500-009	DENSON, ANNETTE	1315 CRESTVIEW DR	04/21/22	331.87	Owner	04/22/2022	05/10/2022
		2033 RIVER BROOK HEARTLAND TX 75126					
001-0004500-004	JULIO BANEGAS	1217 CRESTVIEW DR	09/01/23	89.71	Owner	09/21/2023	10/10/2023
		911 GREENWAY CR DUNCANVILLE TX 75137					
001-0005500-015	TIFFANIE R PARKS	1117 CRESTVIEW DR	07/12/23	520.68	Owner	07/21/2023	08/10/2023
		213 LUZON STREET TOOL TX 75143					
001-0007300-010	CHRISTY YATES	400 E NINTH ST	01/31/22	361.61	Renter	02/25/2022	03/10/2022
		400 E NINTH ST KAUFMAN TX 75142					
001-0009700-003	JENNIFER M JERNIGAN	526 E NINTH ST	01/26/23	611.00	Owner	02/23/2023	03/10/2023
		526 E NINTH ST KAUFMAN TX 75142					
001-0014701-007	CLARENCE L HERRINGTON	140 CIRCLE DR	07/10/23	144.51	Undetermined	07/21/2023	08/10/2023
		14447 N. ANDERSON CO. RD 404 PALESTINE TX 75803					
001-0016500-007	MOCHA LLC / FREDRICK BURRELL JR	1305 MAIN ST	05/23/22	351.96	Owner	05/24/2022	06/10/2022
		2030 N. ADAMS ST. ARLINGTON VA 22201					
001-0022000-014	SHANIQUA M LINDSEY	106 E ELEVENTH ST	02/08/22	21.62	Owner	02/25/2022	03/10/2022
		HAVERWOOD LN APT. 4201 DALLAS TX 75287					
001-0033400-010	RUSTY COBB	1705 S WASHINGTON ST #A	05/18/22	251.22	Renter	05/24/2022	06/10/2022
		1705 S. WASHINGTON ST #B KAUFMAN TX 75142					
001-0033900-027	DAKOTA RICE	104 E TENTH ST	03/02/22	295.86	Renter	03/23/2022	04/11/2022
		104 E TENTH ST KAUFMAN TX 75142					
001-0033900-028	VICTORIA SANCHEZ	104 E TENTH ST	08/29/23	9.88	Owner	09/21/2023	10/10/2023
		104 E TENTH ST KAUFMAN TX 75142					

Account Number	Name	Service/Mailing Address	End Date	Total Due	Customer Type	Date of Last Bill	Billing Due Date
001-0044500-019	SAMANTHA STRICKLAND	206 E TENTH ST	03/27/23	182.88	Renter	04/24/2023	05/10/2023
		206 E TENTH ST KAUFMAN TX 75142					
002-0000800-014	JAVIER TREJOS	309 CARVER ST	02/11/22	779.93	Renter	02/25/2022	03/10/2022
		309 CARVER ST KAUFMAN TX 75142					
002-0000800-015	REBECCA SAMPLES	309 CARVER ST	04/11/22	74.29	Renter	04/22/2022	05/10/2022
		309 CARVER ST KAUFMAN TX 75142					
002-0002500-000	JONES, NANCY	116 S SHANNON ST	10/21/21	520.08	Undetermined	11/23/2021	12/10/2021
		534 E SIXTH KAUFMAN TX 75142					
002-0002500-001	FREEDOM HOME SOLUTIONS/ REDA CHORFI	116 S SHANNON ST	12/20/21	164.01	Owner	12/21/2021	01/10/2022
		5000 ELDORADO PKWY #150 FRISCO TX 75033					
002-0011500-009	TASTY GATOR / JOAQUIN MARTINEZ	1500 S WASHINGTON ST	12/05/22	977.17	Renter	12/22/2022	01/10/2023
		17923 CR. 4075 SCURRY TX 75158					
002-0013500-008	GWINDA A ANDERSON	100 E EIGHTH ST	02/25/22	456.17	Undetermined	02/25/2022	03/10/2022
		100 EAST EIGHTH STREET KAUFMAN TX 75142					
002-0014400-007	STACY JOHNSON	307 E EIGHTH ST	08/24/22	1,234.68	Owner	09/23/2022	10/11/2022
		307 E EIGHTH ST KAUFMAN TX 75142					
002-0015600-027	SZCZEPKOWSKI,MONICA N.	206 E SIXTH ST	06/05/23	113.43	Renter	06/23/2023	07/10/2023
		2334 BRANDON ST MABANK TX 75147					
002-0015800-014	AMBER MANCILLAS	303 E SEVENTH ST	03/28/22	460.11	Renter	04/22/2022	05/10/2022
		303 E SEVENTH ST KAUFMAN TX 75142					
002-0016100-007	JOSE NERIO	307 E SEVENTH ST	07/26/22	218.66	Renter	08/23/2022	09/12/2022
		307 E SEVENTH ST KAUFMAN TX 75142					

Account Number	Name	Service/Mailing Address	End Date	Total Due	Customer Type	Date of Last Bill	Billing Due Date
002-0016400-008	RYAN ESTES	400 E SIXTH ST	09/28/22	248.76	Renter	10/24/2022	11/10/2022
		400 E. SIXTH ST KAUFMAN TX 75142					
002-0017400-019	GRISELDA PEDROZA	1007 S WILSON ST	03/10/22	284.41	Renter	03/23/2022	04/11/2022
		1592 ANTHONY STREET KAUFMAN TX 75142					
002-0017500-009	DAVID CARDENAS	407 E FOURTH ST	05/03/23	83.90	Renter	05/24/2023	06/12/2023
		407 E FOURTH ST KAUFMAN TX 75142					
002-0017800-010	JESSICA GENTRY	402 E FOURTH ST	06/06/23	51.19	Owner	06/23/2023	07/10/2023
		10571 FM 90 MABANK TX 75147					
002-0018400-018	CODY RIDDLE	206 E FIFTH ST	02/08/22	95.51	Renter	02/25/2022	03/10/2022
		206 E FIFTH ST KAUFMAN TX 75142					
002-0018400-019	PATRICIA R BRITTINGHAM	206 E FIFTH ST	12/06/22	185.09	Renter	12/22/2022	01/10/2023
		14315 SEMINOLE DR BALCH SPRINGS TX 75180					
002-0021200-010	NIDIA F FLORES GARCIA	1710 S JACKSON ST	03/28/22	150.26	Renter	04/22/2022	05/10/2022
		1710 S JACKSON ST KAUFMAN TX 75142					
002-0021200-011	JOCABETH BAILON	1710 S JACKSON ST	01/26/23	313.06	Renter	02/23/2023	03/10/2023
		1710 S JACKSON ST KAUFMAN TX 75142					
002-0021500-015	MARLA C CLARK	1900 S JACKSON ST	11/04/22	130.31	Renter	11/21/2022	12/12/2022
		5517 MEADOW OAK ST N RICHLAND HILL TX 76180					
003-0002100-005	MARVIN HAYES	404 S JEFFERSON ST	12/22/21	166.17	Renter	01/24/2022	02/10/2022
		RICHARDS, SHERRY 404 S. JEFFERSON KAUFMAN TX 75142					
003-0002600-003	CARLOS R SOLIS	504 S JEFFERSON ST	02/28/22	519.01	Undetermined	03/23/2022	04/11/2022
		504 SOUTH JEFFERSON STREET KAUFMAN TX 75142					

Account Number	Name	Service/Mailing Address	End Date	Total Due	Customer Type	Date of Last Bill	Billing Due Date
003-0007800-009	ANNA SOTO	905 S JEFFERSON ST	10/19/21	18.66	Renter	10/20/2021	11/10/2021
		907 PHILLIPS CIR KAUFMAN TX 75142					
003-0008400-020	MARTHA GALVAN	1007 S JEFFERSON ST	08/01/23	38.68	Renter	08/24/2023	09/10/2023
		1007 S JEFFERSON ST KAUFMAN TX 75142					
003-0009000-016	ERIC WREN	1106 S JACKSON ST	05/13/22	167.32	Renter	05/24/2022	06/10/2022
		1003 E. GROVE ST. KAUFMAN TX 75142					
003-0010200-014	SOPHIA CHAIRZ	1107 S JEFFERSON ST	11/05/21	81.61	Renter	11/23/2021	12/10/2021
		1107 S JEFFERSON ST KAUFMAN TX 75142					
003-0010200-015	MIRYSSA HAIRSTON	1107 S JEFFERSON ST	04/18/22	181.66	Renter	04/22/2022	05/10/2022
		1433 HILLCREST MESQUITE TX 75149					
003-0010600-018	JENNIFER CAMP	1101 S JEFFERSON ST	08/01/22	260.99	Renter	08/23/2022	09/12/2022
		1101 S JEFFERSON ST KAUFMAN TX 75142					
003-0011200-013	RANDY BAKER	402 W FOURTH ST	07/03/23	71.20	Renter	07/21/2023	08/10/2023
		1012 GLENBROOK WAXACHIE TX 75165					
003-0011200-014	MASSTOCK HOLDINGS, LLC	402 W FOURTH ST	09/07/23	81.89	Owner	09/21/2023	10/10/2023
		5900 BALCONES DRIVE SUITE 100 AUSTIN TX 78731					
003-0012000-006	BRIDGETTE LAVERGNE	1200 S CLAY ST	09/01/23	80.89	Owner	09/21/2023	10/10/2023
		15188 DELANEY LANE FORNEY TX 75126					
003-0015200-005	DOUGLAS MERROW	1409 S HOUSTON ST	08/17/23	359.24	Renter	08/24/2023	09/10/2023
		1409 S HOUSTON ST KAUFMAN TX 75142					
004-0002520-009	SARAH CERVANTES	605 PRIDMORE ST	06/27/22	264.45	Renter	07/22/2022	08/10/2022
		605 PRIDMORE ST KAUFMAN TX 75142					

Account Number	Name	Service/Mailing Address	End Date	Total Due	Customer Type	Date of Last Bill	Billing Due Date
004-0002520-011	CARMEN GONZALEZ	605 PRIDMORE ST	05/31/23	224.08	Renter	06/23/2023	07/10/2023
		1454 OAK CIRCLE SCURRY TX 75158					
004-0002800-003	DELOIS B STOLUSKY	600 S HOUSTON ST	01/24/22	66.05	Undetermined	01/24/2022	02/10/2022
		602 SOUTH HOUSTON STREET KAUFMAN TX 75142					
004-0005500-002	MATTHEW L SHELTON	1710 S HOUSTON ST	11/17/21	267.32	Renter	11/23/2021	12/10/2021
		9705 CR 114 KAUFMAN TX 75142					
004-0005500-004	JUDITH C BURGIN	1710 S HOUSTON ST	09/29/23	330.40	Owner	10/23/2023	11/13/2023
		221 PIERCE DR MABANK TX 75156					
004-0008300-014	RAY LAFITTE	1606 AUSTIN DR #B	10/06/21	95.48	Renter	10/20/2021	11/10/2021
		405 W EIGHTH ST KAUFMAN TX 75142					
004-0008350-012	WESLEY J BAILEY	1606 AUSTIN DR #A	08/11/22	39.38	Renter	08/23/2022	09/12/2022
		18091 BRIARWOOD DR KEMP TX 75143					
004-0008800-020	KAELYNNE MCALPIN	1703 S CLAY ST	07/06/22	28.98	Renter	07/22/2022	08/10/2022
		8779 S. FM 148 SCURRY TX 75158					
004-0009150-016	BMR INVESTING, LLC	1809 S CLAY ST	05/19/22	155.50	Owner	05/24/2022	06/10/2022
		235 VALTIE DAVIS RD COMBINE TX 75159					
004-0009500-016	DANIEL C YORK	1904 S CLAY ST	08/09/23	330.67	Renter	08/24/2023	09/10/2023
		1904 S CLAY ST KAUFMAN TX 75142					
004-0009905-021	MICHELLE K WALL	1907 S JEFFERSON ST	03/17/22	25.98	Renter	03/23/2022	04/11/2022
		1907 S JEFFERSON ST KAUFMAN TX 75142					
004-0010000-005	REECE HENLEY	1905 S JEFFERSON ST	02/27/23	23.16	Renter	03/23/2023	04/10/2023
		190 NELMS RD COMBINED TX 75159					

Account Number	Name	Service/Mailing Address	End Date	Total Due	Customer Type	Date of Last Bill	Billing Due Date
004-0010200-012	RODRIGUEZ, SIRIA TRIANA/LUIS	1904 S JEFFERSON ST	05/10/22	119.77	Renter	05/24/2022	06/10/2022
		1904 S JEFFERSON ST KAUFMAN TX 75142					
004-0012600-008	SOLITAIRE SHOEMAKE	401 W EIGHTH ST	08/29/23	485.21	Renter	09/21/2023	10/10/2023
		401 W EIGHTH ST KAUFMAN TX 75142					
004-0014800-004	BROOKS & BURKS LLC	1303 S JEFFERSON ST	10/03/22	628.56	Undetermined	10/24/2022	11/10/2022
		4940 SHORTHORN CT. #539 GRAND PRAIRIE TX 75052					
004-0015400-018	ELIZABETH GONZALEZ	904 S JACKSON ST	08/30/22	110.84	Renter	09/23/2022	10/11/2022
		1109 JOHN WAYNE RD. KAUFMAN TX 75142					
004-0015700-011	ALANAH LANDESS	201 W SECOND ST	05/30/23	84.45	Renter	06/23/2023	07/10/2023
		3063 BOIS D'ARC RD SEAGOVILLE TX 75159					
004-0016600-003	EAGLE QUICK LUBE	806 S WASHINGTON ST	12/28/21	134.82	Undetermined	01/24/2022	02/10/2022
		C/O TOMMY GENE MCCOY 806 SOUTH WASHINGTON STREET KAUFMAN TX 75142					
004-0016700-004	EAGLE CAR WASH	804 S WASHINGTON ST	12/28/21	142.85	Undetermined	01/24/2022	02/10/2022
		C/O TOMMY GENE MCCOY 804 SOUTH WASHINGTON STREET KAUFMAN TX 75142					
005-0001200-011	COLTON MILLIGAN	105 HILLCREST ST	09/18/23	385.18	Renter	09/21/2023	10/10/2023
		1218 SUMMERVILLE DR KAUFMAN TX 75142					
005-0001700-022	CHELSIE A TEEL	101 HILLCREST ST #A	06/08/22	50.60	Renter	06/23/2022	07/11/2022
		1216 WEDGEWOOD DR CLEBURNE TX 76033					
005-0002500-014	BRITTANY BYRAM	1509 E MULBERRY ST	08/03/23	158.98	Renter	08/24/2023	09/10/2023
		8472 FM 1388 KAUFMAN TX 75142					
005-0005000-010	FELIPE RENDON	1508 RAND RD	11/02/22	518.09	Renter	11/21/2022	12/12/2022
		1508 RAND RD KAUFMAN TX 75142					

Account Number	Name	Service/Mailing Address	End Date	Total Due	Customer Type	Date of Last Bill	Billing Due Date
005-0005900-004	PATRICIA R BRITTINGHAM	1408 RAND RD	04/04/23	202.59	Renter	04/24/2023	05/10/2023
		14315 SEMINOLE DR BALCH SPRINGS TX 75180					
005-0007400-007	MIGUEL SANCHEZ	1706 RAND RD	06/30/23	144.92	Undetermined	07/21/2023	08/10/2023
		1706 RAND RD KAUFMAN TX 75142					
005-0010100-017	EMMALIE KENNEDY	1607 LEON ST	03/11/22	31.18	Renter	03/23/2022	04/11/2022
		1607 LEON ST KAUFMAN TX 75142					
005-0010100-019	JOSH REYNOLDS	1607 LEON ST	02/06/23	244.82	Renter	02/23/2023	03/10/2023
		1605 LEON STREET KAUFMAN TX 75142					
005-0011100-002	MARY HAYNES	1588 ANTHONY ST	03/01/22	735.59	Undetermined	03/23/2022	04/11/2022
		1588 ANTHONY STREET KAUFMAN TX 75142					
005-0011100-004	EMPIRE CONTRACTORS	1588 ANTHONY ST	01/26/23	27.88	Undetermined	02/23/2023	03/10/2023
		4224 TREEHAVEN CT ARLINGTON TX 76016					
005-0012000-003	ANTHONY T CALDERON	1604 LEON ST	07/13/22	118.74	Renter	07/22/2022	08/10/2022
		800 HOLIDAY ST PLAINVIEW TX 79072					
005-0012200-010	FAITH SEWELL	1608 LEON ST	08/28/23	856.27	Renter	09/21/2023	10/10/2023
		7804 VAL VERDE DR FT WORTH TX 76133					
005-0012400-016	LARETT ANDERSON	1612 LEON ST	04/24/23	284.81	Renter	04/24/2023	05/10/2023
		1612 LEON ST KAUFMAN TX 75142					
005-0012400-018	AMANDA HEBISEN	1612 LEON ST	08/28/23	83.91	Renter	09/21/2023	10/10/2023
		1839 PECAN VALLEY DR KAUFMAN TX 75142					
005-0013300-014	LINDSEY WORKS	1623 LEE ST	05/01/23	229.75	Undetermined	05/24/2023	06/12/2023
		1623 LEE ST KAUFMAN TX 75142					

Account Number	Name	Service/Mailing Address	End Date	Total Due	Customer Type	Date of Last Bill	Billing Due Date
005-0013500-014	MELISSA WILLIAMS	1619 LEE ST	10/07/22	87.62	Renter	10/24/2022	11/10/2022
		211 FM 316 S. EUSTACE TX 75124					
005-0014300-005	ROSA A POSADA	1603 LEE ST	12/19/22	201.40	Renter	12/22/2022	01/10/2023
		8123 HORSESHOE DR KEMP TX 75143					
005-0014600-007	BRANDY HILL	1604 LEE ST	04/04/22	202.41	Renter	04/22/2022	05/10/2022
		1105 ALEXANDRA DR FORNEY TX 75126					
005-0015000-004	MICHAEL LEWIS	1612 LEE ST	06/29/23	199.73	Renter	07/21/2023	08/10/2023
		15889 COUNTY ROAD 109 KAUFMAN TX 75142					
005-0015600-012	CHRISTINA M STOUT	1624 LEE ST	12/06/22	101.36	Renter	12/22/2022	01/10/2023
		114 CIRCLE DRIVE KAUFMAN TX 75142					
005-0018400-007	TERI R KANNADY	3387 FM 1836	02/22/23	297.84	Renter	02/23/2023	03/10/2023
		6420 FM 2451 SCURRY TX 75158					
005-0018600-000	ROBERT S GREENWOOD	3331 FM 1836	04/29/22	267.90	Undetermined	05/24/2022	06/10/2022
		3331 FM 1836 KAUFMAN TX 75142					
005-0021100-006	PERRY W COLE	6238 RAYMOND RD	07/21/23	240.85	Owner	07/21/2023	08/10/2023
		6238 RAYMOND RD KAUFMAN TX 75142					
006-0002100-000	EMMETT COLLIER	1111 E 1ST N ST	02/28/22	674.93	Undetermined	03/23/2022	04/11/2022
		1111 EAST 1ST NORTH STREET KAUFMAN TX 75142					
006-0004200-000	NEW IMAGE	1200 E 1ST N ST	07/25/22	63.82	Undetermined	08/23/2022	09/12/2022
		C/O DONNA BROWN 1200 EAST 1ST NORTH STREET KAUFMAN TX 75142					
006-0006000-005	WILLEAN SALTERS	402 JENKINS ST	07/20/22	47.79	Owner	07/22/2022	08/10/2022
		1742 KANDY LANE KAUFMAN TX 75142					

Account Number	Name	Service/Mailing Address	End Date	Total Due	Customer Type	Date of Last Bill	Billing Due Date
006-0007700-007	ANTHONY SMITH	1101 E HICKORY ST	04/04/22	155.24	Undetermined	04/22/2022	05/10/2022
		807 DAKOTA LN SEAGOVILLE TX 75159					
006-0009000-004	CLAYTON CAMERON	506 W HICKORY ST	09/09/22	172.58	Renter	09/23/2022	10/11/2022
		506 W HICKORY ST KAUFMAN TX 75142					
006-0009000-005	DUSTY PEARSON	506 W HICKORY ST	09/05/23	50.45	Renter	09/21/2023	10/10/2023
		625 WOOD ST UNIT 4D SEVEN POINTS TX 75143					
006-0010200-010	JUAN MARTINEZ	250 N SHANNON ST	02/16/23	77.91	Owner	02/23/2023	03/10/2023
		1050 COUNTRY OAKS DR. KAUFMAN TX 75142					
006-0010200-011	JUAN MARTINEZ	250 N SHANNON ST	07/17/23	157.82	Owner	07/21/2023	08/10/2023
		1050 COUNTRY OAKS DR. KAUFMAN TX 75142					
006-0011600-008	AMY CARTER	610 N SHANNON ST	05/02/22	23.39	Renter	05/24/2022	06/10/2022
		610 N SHANNON ST KAUFMAN TX 75142					
006-0011700-008	MISTI KNOWLES	612 N SHANNON ST	03/07/23	172.96	Renter	03/23/2023	04/10/2023
		245 LONGHORN RD MABANK TX 75156					
006-0012000-003	TAYLOR GOODSON	610 W PYLE ST	08/05/22	261.01	Renter	08/23/2022	09/12/2022
		610 W PYLE ST KAUFMAN TX 75142					
006-0012300-000	JENKINS, ETTA LEE	706 W PYLE ST	11/01/21	61.42	Undetermined	11/23/2021	12/10/2021
		706 WEST PYLE STREET KAUFMAN TX 75142					
007-0002400-003	MERGERSON, EULA	300 TERRELL HWY	02/25/22	423.25	Undetermined	02/25/2022	03/10/2022
		300 TERRELL HIGHWAY KAUFMAN TX 75142					
007-0002400-004	ROBERT OMWERI	300 TERRELL HWY	09/02/22	79.40	Owner	09/23/2022	10/11/2022
		PO BOX 670354 DALLAS TX 75367					

Account Number	Name	Service/Mailing Address	End Date	Total Due	Customer Type	Date of Last Bill	Billing Due Date
007-0006000-013	IRENE C SARMEINTO	204 N 3RD ST	06/12/23	102.16	Undetermined	06/23/2023	07/10/2023
		4267 FM 1836 KAUFMAN TX 75142					
007-0006900-006	JACOB YVON	1606 DELLIS ST	07/12/22	100.00	Renter	07/22/2022	08/10/2022
		191 ALBANY DR MABANK TX 75156					
007-0009100-003	SAMANTHA GUERRERO	1801 PARK ST	07/20/23	96.31	Renter	07/21/2023	08/10/2023
		PO BOX 476 KAUFMAN TX 75142					
007-0009500-000	BERTHA G BONILLA	1811 PARK ST	02/25/22	789.11	Undetermined	02/25/2022	03/10/2022
		1811 PARK STREET KAUFMAN TX 75142					
007-0013500-008	BRENDA BROWN	2117 OLA RD	02/08/22	199.15	Renter	02/25/2022	03/10/2022
		2117 OLA RD KAUFMAN TX 75142					
007-0014200-011	CHEYENNE N MAYHEW	1899 FM 2727 #1	07/14/22	99.41	Undetermined	07/22/2022	08/10/2022
		6503 RAYMOND RD KAUFMAN TX 75142					
007-0015600-002	JOSE MARTINEZ	102 DEBRA ST	12/03/21	76.92	Owner	12/21/2021	01/10/2022
		6801 JEANELL LN ARLINGTON TX 76001					
007-0015600-004	JOSE MARTINEZ	102 DEBRA ST	07/07/23	212.91	Owner	07/21/2023	08/10/2023
		6801 JEANELL LN ARLINGTON TX 76001					
008-0000800-007	SANDRA MCDANIEL	500 S MADISON ST	03/10/23	690.92	Renter	03/23/2023	04/10/2023
		600 N WILSON KAUFMAN TX 75142					
008-0001700-012	KELSEY HAIRSTON	206 E TEMPLE ST	07/17/23	441.22	Renter	07/21/2023	08/10/2023
		1433 HILLCREST ST MESQUITE TX 75149					
008-0002300-022	DONALD R COX	303 E TEMPLE ST #C	09/01/23	96.02	Renter	09/21/2023	10/10/2023
		P.O. BOX 1664 TERRELL TX 75160					

Account Number	Name	Service/Mailing Address	End Date	Total Due	Customer Type	Date of Last Bill	Billing Due Date
008-0002300-023	RAND, DAVID	303 E TEMPLE ST #C	09/25/23	78.45	Owner	10/23/2023	11/13/2023
		8132 C.F. HAWN FRWY DALLAS TX 75217					
008-0002400-023	JEFFREY JOHNSON	303 E TEMPLE ST #D	09/27/22	303.35	Renter	10/24/2022	11/10/2022
		303 E TEMPLE ST #D KAUFMAN TX 75142					
008-0003100-000	RUBY TRUELOVE	203 E ANN ST	02/28/23	288.49	Undetermined	03/23/2023	04/10/2023
		4890 CR 2238 GREENVILLE TX 75402					
008-0003400-009	RACHEL A JONES	509 S MADISON ST	04/14/22	258.86	Renter	04/22/2022	05/10/2022
		509 S MADISON ST KAUFMAN TX 75142					
008-0003400-010	TALYR REEVES	509 S MADISON ST	05/08/23	102.71	Renter	05/24/2023	06/12/2023
		1321 COUNTY ROAD 139 TERRELL TX 75161					
008-0006500-007	HAYDN TIJERINA	201 E FIFTH ST	03/10/23	533.14	Renter	03/23/2023	04/10/2023
		201 E FIFTH STREET KAUFMAN TX 75142					
008-0006600-009	BRENT ERWIN	202 E FOURTH ST	11/22/22	234.86	Renter	12/22/2022	01/10/2023
		202 E FOURTH ST KAUFMAN TX 75142					
008-0006800-005	COLIN JONES	204 E FOURTH ST	06/14/22	123.05	Renter	06/23/2022	07/11/2022
		204 E. FOURTH ST. KAUFMAN TX 75142					
008-0007500-021	IRIS R MANASRA	212 E FOURTH ST	12/28/21	169.21	Renter	01/24/2022	02/10/2022
		8826 WIGFALL ST SCURRY TX 75158					
008-0009600-001	CHAD RAY	801 S WILSON	09/14/22	34.76	Renter	09/23/2022	10/11/2022
		801 S WILSON KAUFMAN TX 75142					
008-0009850-003	BECKY KEISLING	805 S WILSON	07/05/23	47.22	Renter	07/21/2023	08/10/2023
		5903 FM 2494 ATHENS TX 75751					

Account Number	Name	Service/Mailing Address	End Date	Total Due	Customer Type	Date of Last Bill	Billing Due Date
008-0009875-005	AMANDA COX	815 S WILSON ST	09/25/23	248.86	Renter	10/23/2023	11/13/2023
		400 E FIFTH ST KAUFMAN TX 75142					
008-0012500-006	PARGAS, ARMIDA	402 E TEMPLE ST	08/07/23	77.44	Owner	08/24/2023	09/10/2023
		518 JONELLE DALLAS TX 75217					
008-0013800-000	TERESA PEREZ	607 S DALLAS ST	08/17/22	239.44	Undetermined	08/23/2022	09/12/2022
		921 BENS DR ANNA TX 75409					
008-0016100-003	DUSTY SEARCY	703 S MONROE ST	11/01/21	170.93	Undetermined	11/23/2021	12/10/2021
		703 S MONROE ST KAUFMAN TX 75142					
008-0016100-004	JENNIFER ROYSE	703 S MONROE ST	03/29/22	634.52	Renter	04/22/2022	05/10/2022
		703 S MONROE ST KAUFMAN TX 75142					
008-0016100-005	CASSANDRA S PELLETIER	703 S MONROE ST	12/05/22	209.24	Renter	12/22/2022	01/10/2023
		703 S MONROE ST KAUFMAN TX 75142					
008-0016600-016	RYAN DILDAY	701 S MADISON ST	06/21/22	361.94	Renter	06/23/2022	07/11/2022
		701 S MADISON ST KAUFMAN TX 75142					
009-0000125-010	CASSANDRA SYKES	210 W MULBERRY ST STE A	10/20/22	576.90	Renter	10/24/2022	11/10/2022
		210 W MULBERRY ST STE A KAUFMAN TX 75142					
009-0006900-016	RICO MOBILE HOME / JORGE RICO	502 W GROVE ST	12/06/21	155.24	Undetermined	12/21/2021	01/10/2022
		2615 N W 20TH ST FORT WORTH TX 76106					
009-0007790-022	ABIGAIL COUCH	509 W GROVE ST	12/09/21	146.16	Renter	12/21/2021	01/10/2022
		509 W GROVE ST KAUFMAN TX 75142					
009-0007790-023	DIANA PONCE	509 W GROVE ST	09/28/22	478.10	Renter	10/24/2022	11/10/2022
		509 W GROVE ST KAUFMAN TX 75142					

Account Number	Name	Service/Mailing Address	End Date	Total Due	Customer Type	Date of Last Bill	Billing Due Date
009-0007790-025	GABRIELLA D WRENN	509 W GROVE ST	09/08/23	87.51	Renter	09/21/2023	10/10/2023
		303 MELODY CIRCLE KAUFMAN TX 75142					
009-0008100-015	STACY HUGHEY	607 W GROVE ST	02/16/23	1,802.32	Renter	02/23/2023	03/10/2023
		607 W GROVE ST KAUFMAN TX 75142					
009-0009100-018	GARY HALL	705 ED HALL DR	06/01/22	80.92	Renter	06/23/2022	07/11/2022
		705 ED HALL DR KAUFMAN TX 75142					
009-0009500-018	SAMANTHA PARKER	607 ED HALL DR	12/02/22	506.85	Renter	12/22/2022	01/10/2023
		607 ED HALL DR KAUFMAN TX 75142					
009-0012800-003	PRINT TO SUIT,INC DBA SWEET TEE	209 W MULBERRY ST	11/01/22	12.63	Renter	11/21/2022	12/12/2022
		101 N JACKSON KAUFMAN TX 75142					
009-0012900-026	NEKEYA WEBSTER	205 E GROVE ST	07/18/22	240.90	Owner	07/22/2022	08/10/2022
		1010 APRIL SHOWERS LANE LANCASTER TX 75134					
010-0001850-001	JORDAN A BERMUDEZ	506 E HICKORY ST	06/27/22	111.77	Owner	07/22/2022	08/10/2022
		100 MEADOWCREST DR TERRELL TX 75160					
010-0002400-017	MAKALA MILTON	501 N WILSON ST	04/06/22	258.67	Renter	04/22/2022	05/10/2022
		307 E EIGHTH ST KAUFMAN TX 75142					
010-0004300-014	RICKY R WREN	703 N WILSON ST	05/22/23	60.72	Renter	05/24/2023	06/12/2023
		703 N WILSON ST KAUFMAN TX 75142					
010-0005300-009	SOCORRO SILVA	301 E 1ST N ST	09/29/23	472.04	Renter	10/23/2023	11/13/2023
		301 E 1ST N ST KAUFMAN TX 75142					
010-0006600-003	THORN, CARL WAYNE	402 N WASHINGTON ST	04/29/22	213.69	Renter	05/24/2022	06/10/2022
		402 N WASHINGTON ST KAUFMAN TX 75142					

Account Number	Name	Service/Mailing Address	End Date	Total Due	Customer Type	Date of Last Bill	Billing Due Date
010-0006800-014	SOPHIA CHAIRZ	501 N MADISON ST	02/22/23	1,285.82	Renter	02/23/2023	03/10/2023
		501 N MADISON ST KAUFMAN TX 75142					
010-0008200-014	DENNIS C GRAY	702 N DALLAS ST	07/16/22	293.77	Renter	07/22/2022	08/10/2022
		702 N DALLAS ST KAUFMAN TX 75142					
010-0015200-025	SONYA A PINEDA	606 N JEFFERSON ST	10/31/22	29.88	Renter	11/21/2022	12/12/2022
		4529 RIPTIDE COURT FORT WORTH TX 76135					
010-0015300-014	KATHRYN L HOPKINS	700 N JEFFERSON ST	08/01/22	152.54	Renter	08/23/2022	09/12/2022
		1723 ELK RIVER RD TYLER TX 75703					
010-0017100-021	KALYN VILLANUEVA	402 N JEFFERSON ST	06/27/22	297.64	Renter	07/22/2022	08/10/2022
		110 PRIVATE ROAD 7136 CANTON TX 75103					
010-0017100-022	OSHRI ALKRIAF	402 N JEFFERSON ST	01/13/23	91.22	Owner	01/23/2023	02/10/2023
		1701 VERSAILLES RD FORT WORTH TX 76116					
011-0002400-009	COWABUNGA COFFEE	106 N WASHINGTON ST	07/18/22	253.62	Owner	07/22/2022	08/10/2022
		6825 CR 283 TERRELL TX 75160					
011-0004240-031	STEPHEN WILLETT	208 S DALLAS ST #C	02/01/22	119.96	Renter	02/25/2022	03/10/2022
		1448 OAK BEND DR KAUFMAN TX 75142					
011-0004250-009	DONALD J PARTRIDGE	208 S DALLAS ST #A	01/26/23	391.43	Undetermined	02/23/2023	03/10/2023
		P O BOX 237 KAUFMAN TX 75142					
011-0006100-024	KATELYNN SPOERL	204 E SOUTH ST	07/21/23	338.92	Renter	07/21/2023	08/10/2023
		204 E SOUTH ST KAUFMAN TX 75142					
011-0011800-027	RYAN WEBB	405 E OAK ST	05/19/23	235.18	Renter	05/24/2023	06/12/2023
		405 E OAK ST KAUFMAN TX 75142					

Account Number	Name	Service/Mailing Address	End Date	Total Due	Customer Type	Date of Last Bill	Billing Due Date
011-0012200-009	CHAMPION TOTAL RESTORATION	307 E GROVE ST	11/10/21	45.01	Owner	11/23/2021	12/10/2021
		8400 SUNSET BLVD #4409 ROWLETT TX 75088					
011-0012400-014	MISTY R LANE	305 E GROVE ST	08/31/22	357.98	Renter	09/23/2022	10/11/2022
		305 E GROVE ST KAUFMAN TX 75142					
011-0012600-011	JOAN RIVERA-MARTINEZ	400 E HICKORY ST	07/06/22	161.02	Undetermined	07/22/2022	08/10/2022
		400 E HICKORY ST KAUFMAN TX 75142					
011-0013530-010	AIMEE J MORALES	304 E HICKORY ST #A	05/10/22	156.83	Undetermined	05/24/2022	06/10/2022
		1190 COUNTRY OAKS DRIVE KAUFMAN TX 75142					
011-0013530-011	DAISY ROBLEDO	304 E HICKORY ST #A	01/17/23	225.66	Renter	01/23/2023	02/10/2023
		1217 LA VILLA DR KAUFMAN TX 75142					
011-0014300-023	TERESA M TITCHYWY	304 N MONROE ST	07/03/23	35.72	Renter	07/21/2023	08/10/2023
		217 RANGLER AVE FORNEY TX 75126					
011-0015600-005	MARIA SANDOVAL	302 N WASHINGTON ST	04/12/22	44.60	Renter	04/22/2022	05/10/2022
		302 N WASHINGTON ST KAUFMAN TX 75142					
012-0000700-003	APRIL Y HARRIS	1524 CROWELL RD	04/28/23	145.63	Undetermined	05/24/2023	06/12/2023
		1102 HELTON ST. DALTON GA 30720					
012-0001300-001	JOHN MORRISON	1750 CROWELL RD	12/28/21	24.34	Owner	01/24/2022	02/10/2022
		16746 COUNTY RD. 221 FORNEY TX 75126					
012-0003700-004	MARIA RAMIREZ	1654 FRIERSON RD	07/29/22	285.16	Renter	08/23/2022	09/12/2022
		1654 FRIERSON RD KAUFMAN TX 75142					
012-0004250-001	DEANNA G WILLIAMS	1164 FRIERSON RD	06/09/23	337.38	Renter	06/23/2023	07/10/2023
		1164 FRIERSON RD KAUFMAN TX 75142					

Account Number	Name	Service/Mailing Address	End Date	Total Due	Customer Type	Date of Last Bill	Billing Due Date
013-0000400-005	JORDAN L ROBBINS	103 MELODY CR	04/13/22	31.98	Owner	04/22/2022	05/10/2022
		103 MELODY CR KAUFMAN TX 75142					
013-0002400-013	PATRICIA ESPINOZA	405 MELODY CR	08/01/22	291.79	Renter	08/23/2022	09/12/2022
		405 MELODY CR KAUFMAN TX 75142					
013-0008500-004	CYNTHIA J SHEFKA	1705 MELODY CR	05/30/23	177.31	Owner	06/23/2023	07/10/2023
		408 E ELM STREET KEMP TX 75143					
013-0021200-002	TERRI L PETTWAY	2005 MELODY CR	07/21/22	201.34	Owner	07/22/2022	08/10/2022
		2005 MELODY CR KAUFMAN TX 75142-2006					
013-0023500-002	SHARI L WELCH	1409 CEDAR KNOLL DR	02/28/23	320.85	Undetermined	03/23/2023	04/10/2023
		1409 CEDAR KNOLL DRIVE KAUFMAN TX 75142					
013-0026850-001	KIM CHAUVIN	2025 CHAPEL CREEK DR	08/19/22	154.98	Owner	08/23/2022	09/12/2022
		2025 CHAPEL CREEK DR KAUFMAN TX 75142					
014-0003450-002	SWEVEN INVESTMENTS GROUP & DEAL OR NO DE	601 CATES DR	09/05/23	70.69	Owner	09/21/2023	10/10/2023
		1601 LAMAR BLVD SUITE 214 ARLINGTON TX 76011					
014-0003500-003	DON S LODOR	602 CATES DR	06/01/23	370.96	Undetermined	06/23/2023	07/10/2023
		602 CATES DR KAUFMAN TX 75142					
014-0004500-001	JESSICA SMITH	711 CATES DR	05/03/23	415.75	Owner	05/24/2023	06/12/2023
		711 CATES DR KAUFMAN TX 75142					
014-0005100-015	VERSATILE PROPERTIES / JEREMY WILLIS	607 CATES DR	10/31/22	83.91	Owner	11/21/2022	12/12/2022
		10861 RICHARD CIRCLE FORNEY TX 75126					
014-0005700-018	MAURICE WOODS	503 CATES DR	06/30/23	179.49	Owner	07/21/2023	08/10/2023
		P.O. BOX 121868 ARLINGTON TX 76012					

Account Number	Name	Service/Mailing Address	End Date	Total Due	Customer Type	Date of Last Bill	Billing Due Date
015-0001600-005	LANDON CAPEHART	1406 CHANCELLOR DR	02/28/22	157.80	Owner	03/23/2022	04/11/2022
		PO BOX 183 KAUFMAN TX 75142					
015-0020600-011	CASEY BROCKWAY	1621 BUCKINGHAM LN	01/25/23	121.59	Undetermined	02/23/2023	03/10/2023
		1621 BUCKINGHAM LN KAUFMAN TX 75142					
016-0001900-006	KRISTINA ASHTON	1100 PHILLIPS CR	12/29/22	446.48	Renter	01/23/2023	02/10/2023
		1100 PHILLIPS CR KAUFMAN TX 75142					
016-0001900-007	LINDA HANSEN	1100 PHILLIPS CR	03/27/23	83.91	Owner	04/24/2023	05/10/2023
		7030 SPRINGHILL RD MECHANICSVILLE VA 23116					
016-0005400-005	ZAMORA, JOEL JR	1606 PHILLIPS CR	07/27/23	674.09	Renter	08/24/2023	09/10/2023
		1606 PHILLIPS CR KAUFMAN TX 75142					
016-0005500-024	BRANSEN TAYLOR	1604 PHILLIPS CR	12/29/21	160.24	Renter	01/24/2022	02/10/2022
		1604 PHILLIPS CR KAUFMAN TX 75142					
016-0006000-002	MARIA DURAN	407 PHILLIPS CR	06/13/23	354.18	Undetermined	06/23/2023	07/10/2023
		DURAN, MARIA 407 PHILLIPS CIRCLE KAUFMAN TX 75142					
016-0006100-004	VALERIE SMITH	501 PHILLIPS CR	08/08/22	102.27	Undetermined	08/23/2022	09/12/2022
		13500 PLAIN LANE KEMP TX 75143					
016-0006900-002	RODRIGUEZ, SHIRLEY/TONY	607 PHILLIPS CR	09/11/23	302.12	Undetermined	09/21/2023	10/10/2023
		607 PHILLIPS CIRCLE KAUFMAN TX 75142					
017-0006800-000	GREENWOOD, ROBERT S.	FM 1836-TRASH	05/25/22	84.65	Undetermined	06/23/2022	07/11/2022
		3331 FM 1836 KAUFMAN TX 75142					
017-0006900-000	GREENWOOD, ROBERT S.	3331 FM 1836-TRASH ONLY	06/23/22	112.64	Undetermined	07/22/2022	08/10/2022
		3331 FM 1836 KAUFMAN TX 75142					

Account Number	Name	Service/Mailing Address	End Date	Total Due	Customer Type	Date of Last Bill	Billing Due Date
018-0002030-000	DANCE FACTORY	3260 E HWY 175/SWR ONLY	02/27/23	95.21	Undetermined	03/23/2023	04/10/2023
		1601 HIGHGLEN TRL KAUFMAN TX 75142					
018-0002800-008	CASEY BROTHERS CONSTRUCTION	5962 FAIR RD	04/06/22	145.45	Undetermined	04/22/2022	05/10/2022
		PO BOX 1323 RED OAK TX 75154					
018-0003400-002	ASTRO JOHNNY WASTE MANAGEMENT / CHRIS ST	2869 EAST US HWY 175	02/22/23	1,063.31	Renter	02/23/2023	03/10/2023
		P.O. BOX 789 JACKSONVILLE TX 75766					
019-0005350-001	CARSON JOHNSON	4851 LIONS DEN TRAIL	08/30/22	45.98	Renter	09/23/2022	10/11/2022
		7083 COUNTY RD. 4023 KEMP TX 75143					
019-0005375-001	AMANDA CARTER	4863 LIONS DEN TRAIL	02/28/22	71.90	Renter	03/23/2022	04/11/2022
		4863 LIONS DEN TRAIL KAUFMAN TX 75142					
019-0005385-001	CORTRINA PICKRON	4867 LIONS DEN TRAIL	08/14/23	20.09	Renter	08/24/2023	09/10/2023
		4867 LIONS DEN TRAIL KAUFMAN TX 75142-2006					
019-0005400-012	ROBERT ARROWOOD	4871 LIONS DEN TRAIL	08/31/23	60.81	Renter	09/21/2023	10/10/2023
		9200 BALD CYPRESS FORNEY TX 75126					
019-0005600-008	TAYLOR MAYFIELD	4815 LIONS DEN TRAIL	09/30/22	291.39	Renter	10/24/2022	11/10/2022
		4815 LIONS DEN TRAIL KAUFMAN TX 75142					
019-0056100-004	KRISTY GARNER	4823 LIONS DEN TRAIL	11/07/22	216.36	Renter	11/21/2022	12/12/2022
		4823 LIONS DEN TRAIL KAUFMAN TX 75142					
021-0000050-002	BRIDGEWOOD RANCH APARTMENTS	4100 VISTA LN BLDG B - 2" MTR	10/17/22	3,947.44	Undetermined	10/24/2022	11/10/2022
		C/O IVY AGOSTO 4100 VISTA LANE #1005 KAUFMAN TX 75142					
021-0000175-002	BRIDGEWOOD RANCH APARTMENTS	4100 VISTA LN BLDG D 2" MTR	10/17/22	15.00	Undetermined	10/24/2022	11/10/2022
		C/O IVY AGOSTO 4100 VISTA LANE #1005 KAUFMAN TX 75142					

Account Number	Name	Service/Mailing Address	End Date	Total Due	Customer Type	Date of Last Bill	Billing Due Date
021-0000200-002	BRIDGEWOOD RANCH APARTMENTS	4100 VISTA LN BLDG E - 2" MTR	10/17/22	1,258.52	Undetermined	10/24/2022	11/10/2022
		C/O IVY AGOSTO 4100 VISTA LANE #1005 KAUFMAN TX 75142					
021-0000225-002	BRIDGEWOOD RANCH APARTMENTS	4100 VISTA LN BLDG F - 2" MTR	10/17/22	881.01	Undetermined	10/24/2022	11/10/2022
		C/O IVY AGOSTO 4100 VISTA LANE #1005 KAUFMAN TX 75142					
021-0000250-002	BRIDGEWOOD RANCH APARTMENTS	4100 VISTA LN/SPK - 5/8"MTR	10/17/22	1,015.32	Undetermined	10/24/2022	11/10/2022
		PO BOX 4697 LOGAN UT 84323					
022-0000860-001	ASHLEY HINES	4107 FORTNER CIR	06/28/22	118.63	Owner	07/22/2022	08/10/2022
		1836 PURTIS CREEK DR FORNEY TX 75126					
050-0001220-000	KELLER NORTH AMERICA	KISD BUS BARN - F/H MTR	06/27/23	365.52	Undetermined	07/21/2023	08/10/2023
		PO BOX 5000 LITTLE ELM TX 75068					
999-0011000-000	ANDREA REINSMITH	1592 ANTHONY ST	12/16/21	59.88	Owner	12/21/2021	01/10/2022
		1592 ANTHONY ST KAUFMAN TX 75142					

Number of Accounts: 204 55,498.65

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*** These accounts have been selected to be written off. ***
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Meeting Date: 9/30/2024 **Date: 09/04/2024** **Item #: 9.** **Dept.: Finance**

Resolution

SUBJECT:

Consider and take appropriate action on Resolution R-21-24, a resolution of the City Council of the City of Kaufman, Texas, approving the annual review of the City of Kaufman Investment Policy pursuant to the Public Funds Investment Act; approving the adoption of an amended City of Kaufman Investment Policy; and providing for an effective date.

BACKGROUND:

The City's Investment Policy requires an annual review. City Staff recommends renewing this policy as written.

No further modifications are necessary at this time.

The investment policy is attached for review.

Author: Mary Wennerstrom, Finance Director

Reviewed: Mike Holder, City Manager

Cost: **Funds Available:** **Source:**

Recommendation: Staff recommends approval of Resolution R-21-24 as presented.

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☐	☐	☐	☐	☐

RESOLUTION NO. R-21-24

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS, APPROVING THE ANNUAL REVIEW OF THE CITY OF KAUFMAN INVESTMENT POLICY PURSUANT TO THE PUBLIC FUNDS INVESTMENT ACT, AS AMENDED; APPROVING THE ADOPTION OF AN AMENDED CITY OF KAUFMAN INVESTMENT POLICY; PROVIDING FOR THE INCORPORATION OF PREMISES; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the 1999 Legislature of the State of Texas enacted House Bill 3009 amending the Public Funds Investment Act; and

WHEREAS, the Public Funds Investment Act, as amended, requires the City to adopt an investment policy by rule, order, ordinance, or resolution and review that policy annually; and

WHEREAS, the attached investment policy was amended and approved by the City Council on July 18, 2005, by Resolution R-18-05, and further amended by Council action on January 24, 2011, and July 23, 2012; and

WHEREAS, furthermore, the Public Funds Investment Act, as amended, requires the Treasurer, or the Director of Finance if not the Treasurer, and the Investment Officer of the City to attend investment training; and

WHEREAS, the City of Kaufman approves of the investment training course sponsored by the University of North Texas Center for Public Management and the Government Treasurers' Organization of Texas (GTOT); and

WHEREAS, the Treasurer, or the Director of Finance if not the Treasurer, and the Investment Officer of the City have attended an investment training course sponsored by the University of North Texas Center for Public Management and the Government Treasurers' Organization of Texas (GTOT) and such training is in compliance with the Public Funds Investment Act; and

WHEREAS, the current City of Kaufman Investment Policy was reviewed on September 1, 2024; and

WHEREAS, based on that review, the City desires to amend its current investment policy; and

WHEREAS, the attached investment policy and incorporated revisions comply with the Public Funds Investment Act, as amended, and authorize the investment of City funds in safe and prudent investments.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS THAT:

SECTION 1. That the foregoing recitals are true and correct and are incorporated herein.

SECTION 2. That the City Council of the City of Kaufman has complied with the requirements of the Public Funds Investment Act, as amended, and the City of Kaufman Investment Policy, as amended, attached as "Exhibit A" and incorporated as if set forth fully herein, is hereby adopted as amended in its entirety to be the official investment policy of the City of Kaufman, effective September 30, 2024.

SECTION 3. This Resolution shall be cumulative of all other resolutions and shall not repeal any of the provisions of such resolutions except for those instances where there are direct conflicts with the provisions of this Resolution. Resolutions or parts thereof in force at the time this Resolution shall take effect and that are inconsistent with this Resolution are hereby repealed to the extent that they are inconsistent with this Resolution. Provided, however, that any complaint, action, claim, or lawsuit, which has been initiated or has arisen under or pursuant to such resolution on the date of adoption of this Resolution shall continue to be governed by the provisions of that resolution and for that purpose the resolution shall remain in full force and effect.

SECTION 4. This Resolution becomes effective immediately upon its passage and approval.

PASSED AND APPROVED this the 30th day of September, 2024.

CITY OF KAUFMAN

_____

JEFF JORDAN
MAYOR

ATTEST:

_____

JESSIE HANKS
CITY SECRETARY

APPROVED AS TO FORM:

_____

PATRICIA ADAMS
CITY ATTORNEY

EXHIBIT A
CITY OF KAUFMAN
INVESTMENT POLICY

I. POLICY

It is the policy of the City of Kaufman (City) that after allowing for the anticipated cash flow requirements of the City and giving due consideration to the safety and risk of investment, all available funds shall be invested in conformance with these legal and administrative guidelines and to the maximum extent possible, at the highest rates obtainable at the time of investment.

Effective cash management is recognized as essential to good fiscal management. Investment interest is a viable and material source of revenue to City funds. The City's investment portfolio shall be designed and managed in a manner designed to maximize this revenue source, to be responsive to public trust, and to be in compliance with legal requirements and limitations.

II. PURPOSE

The purpose of this investment policy is to comply with Public Funds Investment Act, Chapter 2256, Texas Local Government Code which requires each city to adopt a written investment policy regarding the investment of its funds and funds under its control. The Investment Policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of the City of Kaufman funds.

III. SCOPE

This Investment Policy shall govern the investment of all financial assets of the City of Kaufman. These funds are accounted for in the City's Comprehensive Annual Financial Report (CAFR) and include:

1. General Fund
2. Special Revenue Funds
3. Capital Projects Funds
4. Enterprise Funds
5. Trust and Agency Funds, to the extent not required by law or existing contract to be kept segregated and managed separately
6. Debt Service Funds, including reserves and sinking funds, to the extent not required by law or existing contract to be kept segregated and managed separately
7. Any new fund created by the City, unless specifically exempted from this Policy by the City Council or by law.

This policy shall also govern the investment of the financial assets of the Fire Pension Fund of the City of Kaufman, which is a separate legal and accounting entity, and is not accounted for in the City's CAFR.

This Investment Policy shall apply to all transactions involving the financial assets and related activity for all the foregoing funds.

This policy shall not govern funds that are managed under separate investment programs. Such funds currently include the City's participation in the Texas Municipal Retirement System and any deferred compensation programs administered for the benefit of the city by outside agencies. The City shall maintain responsibility for these funds only as required by State Law and the City Charter.

IV. PRUDENCE

The standard of prudence to be applied by the investment officer shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. This rule states that "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

In determining whether an investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

- The investment of all funds, or funds under the City's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment.
- Whether the investment decision was consistent with the written investment policy of the City.

Investment Officers shall seek to act responsibly as custodians of the public trust and should avoid any transaction that might impair public confidence in the City's ability to govern effectively.

V. INVESTMENT OBJECTIVES

The City of Kaufman shall manage and invest its cash with four primary objectives, listed in order of priority: **safety, liquidity, public trust and yield, expressed as optimization of interest earnings.** The safety of the principal invested always

remains the primary objective. All investments shall be designed and managed in a manner responsive to the public trust and consistent with state and local law.

The City shall maintain a comprehensive cash management program which includes collection of accounts receivable, vendor payments in accordance with invoice terms, and prudent investment of available cash. Cash management is defined as the process of managing monies in order to ensure maximum cash availability and maximum earnings on short-term investment of pooled idle cash.

Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit and interest rate risk.

- Credit Risk – The City will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:
  - Limiting investments to the safest types of securities
  - Pre-qualifying the financial institutions and broker/dealers with which the City will do business
  - Diversifying the investment portfolio so that potential losses on individual securities will be minimized.
- Interest Rate Risk – the City will minimize the risk that the interest earnings and the market value of investments in the portfolio will fall due to changes in general interest rates, by:
  - Structuring the investment portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to liquidate investments prior to maturity
  - Investing operating funds primarily in certificates of deposits, shorter-term securities, money market mutual funds, or local government investment pools functioning as money market mutual funds.
  - Diversifying maturities and staggering purchase dates to minimize the impact of market movements over time.

Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that investments mature concurrently with cash needs to meet anticipated demands. Because all possible cash demands cannot be anticipated, a portion of the portfolio will be invested in shares of money market mutual funds or local government investment pools that offer same-day liquidity.

Yield (Optimization of Interest Earnings)

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

VI. RESPONSIBILITY AND CONTROL

Delegation of Authority

Management responsibility for the Investment Program is assigned to the City Manager, with designation by him, as provided for in the City's Home Rule Charter. The Director of Finance is hereby designated as the primary Investment Officer and is responsible for establishing a system of controls to regulate the activities of investment.

Investment procedures should include reference to the following: safekeeping agreements, repurchase agreements, wire transfer agreements, collateral agreements, depository service contracts, and agreements, broker/dealer selection criteria, and security bidding and purchase processes. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions.

No person may engage in an investment transaction or the management of funds except as provided under the terms of this Investment Policy as approved by the City Council. The Director of Finance shall be responsible for routine authorization and accounting of investments, with approvals by either the City Manager or Assistant City Manager. The Director of Finance shall establish a system of controls to regulate the activities of subordinates. The investment authority granted to the investing officers is effective until rescinded by the governing body.

The City Council shall designate by resolution one or more officers or employees as members of the Investment Advisory Committee assigned to review investment policies and procedures, investment strategies, and investment performance. Members of the committee shall demonstrate knowledge and expertise in the area of finance, investments, or cash management. The Committee shall elect the Chairman, and meetings shall be called as needed.

Quality and Capability of Investment Management

The City shall provide periodic training in investments for the designated investment officers and other investment personnel through courses and seminars offered by professional organizations, associations, and other independent sources in order to insure the quality and capability of investment management in compliance with the Public Funds Investment Act.

Training Requirement

The Director of Finance and any other designated investment officers must attend ten

(10) hours of training not less than once in a two-year period that begins on the first day of the City's current fiscal year and ends two consecutive fiscal years after that date. The investment training session shall be provided by an independent source approved by the City Council. For purposes of this policy, an "independent source" from which investment training shall be obtained shall include a professional organization, an institute of higher learning or any other sponsor other than a business organization with whom the City of Kaufman may engage in an investment transaction. The Director of Finance and any other designated investment officers shall also comply with any continuing education or retraining requirement prescribed by law. Thereafter, ten hours of training must be completed every two years.

Internal Controls

The Director of Finance is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the Director of Finance shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points.

- Control of collusion.
- Separation of transactions authority from accounting and record keeping.
- Custodial safekeeping.
- Avoidance of physical delivery securities.
- Clear delegation of authority to subordinate staff members.

- Written confirmation for telephone (voice) transactions for investments and wire transfers.
- Development of a wire transfer agreement with the depository bank or third party custodian.

Indemnification

The investment officer, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported immediately and the appropriate action is taken to control adverse developments.

Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that would conflict with the proper execution and management of the investment program, or that would impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio.

An investment officer of the City who has a personal business relationship with an organization seeking to sell an investment to the City shall file a statement disclosing that personal business interest. An investment officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the governing body of the entity.

VII. SUITABLE AND AUTHORIZED INVESTMENTS

Portfolio Management

The City currently has a "buy and hold" portfolio strategy. Maturity dates are matched with cash flow requirements and investments are purchased with the intent to be held until maturity. However, investments may be liquidated before they mature if market conditions present an opportunity for the City to benefit from the trade. Investments may be liquidated for the following reasons:

- An investment with declining credit may be liquidated early to minimize loss of principal.

- An investment swap would improve the quality, yield, or target duration in the portfolio.
- Cash flow needs of the portfolio require that the investment be liquidated.

Investments

Assets of the City of Kaufman may be invested in the following instruments; provided, however, that at no time shall assets of the City be invested in any instrument or security not authorized for investment under the Act, as the Act may from time to time be amended.

I. **Authorized**

1. Obligations of the United States of America, its agencies and instrumentalities, rated not less than A or its equivalent by at least one nationally recognized investment rating firm.

2. Certificates of Deposit issued by a bank organized under Texas law, the laws of another state, or federal law, that has its main office or branch office in Texas, or by a savings and loan association or a savings bank organized under Texas, the laws of another state, or federal law, that has its main office or a branch office in Texas and that is guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or secured by obligations in a manner and amount provided by law for deposits of the City.

3. Fully collateralized direct repurchase agreements with a defined termination date secured by obligations of the United States or its agencies and instrumentalities. These shall be pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City. Repurchase agreements must be purchased through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in Texas. A Master Repurchase Agreement must be signed by the bank/dealer prior to investment in a repurchase agreement. All repurchase agreement transactions will be on a delivery vs. payment basis. Securities received for repurchase agreements must have a market value greater than or equal to 110 percent at the time funds are disbursed.

4. Money Market Mutual funds that are 1) registered and regulated by the Securities and Exchange Commission, 2) have a dollar weighted average stated maturity of 90 days or less, 3) maintain a net asset value of $1 for each share and 4) rated AAA by at least one nationally recognized rating service.

5. Local government investment pools which 1) meet the requirements of Chapter 2256.019 of the Public Funds Investment Act 2) are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service and 3) are authorized by resolution or ordinance by the City Council.

All prudent measures will be taken to liquidate an investment that is downgraded to less than the required minimum rating. The City is not required to liquidate investments that were authorized investments at the time of purchase. Credit rating monitoring procedures shall be performed on a monthly basis; liquidation of investments may be required under provisions of the PFIA should rating drop below minimum requirement.

II. **Not Authorized**

Under no circumstances shall investments be made in interest-only or principal-only strips of obligations with underlying mortgage-backed security collateral, or in collateralized mortgage obligations with an inverse floating interest rate or a final maturity date of over 2 years. Neither shall investments be made in obligations that are secured by these prohibited investments.

III. **Certification**

Investments shall only be made with business organizations that have provided the City with a written instrument, executed by a qualified representative of the firm, acknowledging that the organization has:

- Received and reviewed the City's Investment Policy, and
- Implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the City and the organization that are not authorized by the City's Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards.

VIII. INVESTMENT PARAMETERS

Maximum Maturities

The longer the maturity of investments is, the greater its price volatility. Therefore, it is the City's policy to concentrate its investment portfolio in shorter-term securities in order to limit principal risk caused by changes in interest rates.

The City attempts to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than twenty-four (24) months from the date of purchase. Because no secondary market exists for repurchase agreements, the maximum maturity shall be 120 days except in the case of a flexible repurchase agreement for bond proceeds. The maximum maturity for such an investment shall be determined in accordance with project cash flow projections and the requirements of the governing bond ordinance.

Each Fund portfolio will have a weighted average maturity of one (1) year or less. This dollar weighted average maturity will be calculated using the stated final maturity dates of each security.

Diversification

The City of Kaufman recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity. Risk is controlled through portfolio diversification that shall be achieved by the following general guidelines:

- Limiting investments to avoid overconcentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities and certificates of deposits that are fully insured and collateralized in accordance with state and federal law),
- Limiting investment in securities that have higher credit risks,
- Investing in securities with varying maturities, and
- Continuously investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPs), money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

The following maximum limits, by instrument, are established for the City's total portfolio:

1. U.S. Treasury Securities.....100%
2. Agencies and Instrumentalities 80%
3. Certificates of Deposit 50%
4. Repurchase Agreements 50%
5. Money Market Mutual Funds 50%
6. Authorized Pools .....……... 100%

IX. INVESTMENT STRATEGY BY FUND TYPE

Operating Funds and Commingled Funds Containing Operating Funds

Operating funds will have as their primary objective to support the goals of the investment policy on these funds for safety and assure that cash flows are matched with adequate liquidity while obtaining reasonable market yields. This will be accomplished by purchasing quality, short-term securities, liquid-securities in a laddered structure, or utilizing an investment pool. The dollar-weighted average will be 180 days or less to accomplish this goal. The portfolio shall be diversified to protect against credit and market risk in any one sector. Diversification requirements can be fully met through use of an authorized pool. Operating fund reserves or fund balances shall only be invested in securities that have a maximum maturity of 24 months or less, except when otherwise approved by council action.

Debt Service

Investment strategies for debt service funds shall have as the primary objective the guarantee of investment liquidity adequate to cover the debt service obligation on the required payment date. Investments will be made that will promise safety of principal and liquidity first and yield and diversification second. Securities purchased will not have maturity dates that exceed the next debt service payment date until the next debt service payment is fully funded, and in no instance will have a maximum weighted average maturity of six months.

Debt Service Reserves

Investments will have as the primary objective the ability to generate a dependable revenue stream to the appropriate debt service fund within the limits set forth by the bond ordinance or debt covenants specific to each individual bond issue.

Since this is one of the highest priorities of the City, securities will be chosen with the highest priorities of safety. Securities will be chosen for their maturity dates and not require the highest degree of diversification.

Securities purchased shall not have a stated final maturity date which exceeds the next debt service payment date until fully funded and shall be chosen secondarily with regard to yield and diversification.

Reserve funds will have the same primary objective but shall be further controlled with the purchase of securities carrying the highest yield available, within the desired maturity and quality range with a maximum weighted average maturity of six months.

Capital Project and Special Purpose Funds

These funds will have as their primary objective to ensure that anticipated cash outflows are matched with adequate investment liquidity. No funds will be invested longer than the related anticipated expenditures.

These portfolios should have liquid securities to allow for unanticipated project expenditures or accelerated project outlays due to a better than expected or changed construction schedule. The dollar weighted average life of the portfolio should match the weighted expenditures of the liabilities. Funds invested for capital projects may be from bond proceeds that are subject to arbitrage rebate regulations.

The City will have an arbitrage rebate calculation performed annually to determine the income, if any, that has exceeded the arbitrage yield of the bonds. Any positive arbitrage income will be averaged over a five-year period and rebated to the Federal Government according to arbitrage regulations. A secondary objective of these funds is to achieve a yield equal to or greater than the arbitrage yield of the applicable bond.

X. SELECTION OF BANKS AND DEALERS

Depository

At least every five years, as allowed by State Law, a Depository shall be selected through the City's banking services procurement process, which shall include a formal request for proposal (RFP). The term of said banking services shall be for a maximum of an initial three (3) year term, with options to renew for either one (1) two-year term, or two (2) one-year terms. The selection of a depository will be determined by competitive bid and evaluation of bids will be based on the following selection criteria:

- The ability to qualify as a depository for public funds in accordance with state and local laws.
- The ability to provide requested information or financial statements for the periods specified.
- The ability to meet all requirements in the banking RFP and the investment policy.
- Complete response to all required items on the bid form
- Lowest net banking service cost, consistent with the ability to provide an appropriate level of service.
- The credit worthiness and financial stability of the bank.

Authorized Brokers/Dealers

Authorized firms may include primary dealers, or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (Uniform Net Capital Rule.) and qualified depositories.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the following as appropriate:

- Audited financial statements
- Completed broker/dealer questionnaire
- Certification of having read and understood the City's investment policy and agreeing to comply with the policy

The governing body must annually review, revise and adopt a list of qualified broker/dealers and financial institutions authorized to engage in investment transactions with the City.

Competitive Bids

It is the policy of the City to require competitive bidding for any investment transaction, other than the investment of funds in a) an authorized pool, b) certificate of deposit through the depository bank, c) transactions with money market mutual funds, or d) treasury and agency securities purchased at issue through an approved broker/dealer or financial institution. The Director of Finance shall develop and maintain procedures for ensuring a competition in the investment of the City's funds. Investment transactions may be done orally, but followed by electronic or written confirmation. Funds will be authorized to be released after notification that the purchased security has been received. Written confirmation shall be received from the financial institution or broker/dealer. All investments purchased will be held in safekeeping at a third party custodial institution with a safekeeping receipt being sent to the City.

Delivery vs. Payment

Securities shall be purchased using the **delivery vs. payment** method with the exception of local government investment pools and mutual fund transactions. Funds shall not be wired or paid until verification has been made that the Trustee received the correct security. The security shall be held in the name of the City or held on behalf of the City. The Trustee's records shall assure the notation of the City's ownership of or explicit claim on the securities. The original copy of all safekeeping receipts shall be delivered to the City.

XI. SAFEKEEPING OF SECURITIES

Safekeeping Agreement

The City shall contract with a bank or banks for the safekeeping of securities either owned by the City as part of its investment portfolio or held as collateral to secure demand or time deposits.

Safekeeping

All securities owned by the City shall be held by its safekeeping agent, except the collateral for certificates of deposits in banks. The collateral for certificates of deposit in banks will be registered in the City's name in the bank's trust department or, alternatively, in a Federal Reserve Bank account in the City's name, or a third party bank in the City's name, at the City's discretion. Original safekeeping receipts shall be obtained.

Collateralization

Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the City to require full collateralization of all City investments and funds on deposit with a depository bank, other than investments which are obligations of the U.S. government and its agencies and instrumentalities. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 105% of market or par, whichever is lower. The market value of collateral will always equal or exceed the principal plus accrued interest of deposits at financial institutions. At its discretion, the City may require a higher level of collateralization for certain investment securities. Securities pledged as collateral shall be held by an independent third party with whom the City has a current custodial agreement. The Director of Finance is responsible for entering into collateralization agreements with third party custodians in compliance with this Policy. The agreements are to specify the acceptable investment securities for collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. Collateral shall be reviewed at least weekly to assure that the market value of the pledged securities is adequate. Financial institutions, with which the City invests or maintains other deposits, shall provide monthly, and as requested by the Investment Officer, a listing of the collateral pledged to the City, marked to current market prices. The listing shall include total pledged securities itemized by name, type, description, par value, current market value, maturity date, and Moody's or Standard & Poor's rating, if applicable. The City and the financial institution shall jointly assume the responsibility for ensuring that the collateral is sufficient by type,

description, par value, current market value, maturity date, and Moody's or Standard & Poor's rating.

Collateral Defined

The City of Kaufman shall accept only the following securities as collateral:

- FDIC insurance coverage.
- A bond, certificate of indebtedness, including Mortgage-Backed Agency Securities guaranteed or insured by the United States or its Agencies and Instrumentalities, Treasury Notes of the United States, or other evidence of indebtedness of the United States that is guaranteed as to principal and interest by the United States.
- Obligations, the principal and interest on which, are unconditionally guaranteed or insured by the State of Texas.
- A bond of the State of Texas or of a county, city or other political subdivision of the State of Texas having been rated as investment grade (investment rating no less than "A" or its equivalent) by a nationally recognized rating agency with a remaining maturity of two (2) years or less.
- Surety Bonds that meet the requirements of the Public Funds Investment Act; or
- Federal Home Loan Bank Letters of Credit as defined by Chapter 116, Subchapter C of the Local Government Code and by Chapter 726, Acts of the 67th Legislature, Regular Session, 1981 (Article 2529b-1, Vernon's Texas Civil Statutes).

Subject to Audit

All collateral shall be subject to inspection and audit by the Director of Finance or the City's independent auditors.

XII. PERFORMANCE

Performance Standards

The City's investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio shall be designed with the objective of obtaining a rate of return through budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow requirements of the City.

Performance Benchmark

It is the policy of the City to purchase investments with maturity dates coinciding with cash flow needs. Through this strategy, the City attempts to optimized interest earnings utilizing allowable investments available on the market at that time. Market

value will be calculated on a quarterly basis on all securities owned and compared to current book value of those securities to determine portfolio performance during that period of time. The City's portfolio shall be designed with the objective of regularly meeting or exceeding the average rate of return on U.S. Treasury Bills at a maturity level comparable to the City's weighted average maturity in days.

XIII. REPORTING

Methods

The Investment Officer shall prepare an investment report on no less than a quarterly basis that summarizes investment strategies employed in the most recent quarter and describes the portfolio in terms of investment securities, maturities, and shall explain the total investment return for the quarter.

The quarterly investment report shall include a summary statement of investment activity prepared in compliance with generally accepted accounting principals. This summary will be prepared in a manner which will allow the City to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. The report will be provided to the City Manager and City Council. The report will include the following:

- A listing of individual securities held at the end of the reporting period.
- Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period.
- Additions and changes to the market value during the period.
- Average weighted yield to maturity of portfolio as compared to applicable benchmark.
- Listing of investments by maturity date.
- Fully accrued interest for the reporting period
- The percentage of the total portfolio which each type of investment represents.
- Statement of compliance of the City's investment portfolio with state law and the investment strategy and policy approved by the City Council.

An independent auditor will perform a formal annual review of the quarterly reports with the results reported to the governing body.

Marking to Market

Market value of all securities in the portfolio will be determined on a quarterly basis. These values will be obtained from a reputable and independent source and disclosed to the governing body quarterly in a written report.

XIV. INVESTMENT POLICY ADOPTION

The City of Kaufman investment policy shall be adopted by resolution of the City Council. It is the City's intent to comply with state laws and regulations. The City's investments policies shall be subject to revisions to stay current with changing laws, regulations, and needs of the City. The policy shall be reviewed annually by the City Council and any changes or modifications must be approved by the City Council.

Meeting Date: 9/30/2024 | **Date: 09/27/2024** | **Item #: 10.** | **Dept.: Administration**

Consent Agenda

SUBJECT:

Consider and take appropriate action on a proposed Consumer Price Index and Brush Pick-up Rate adjustments by Republic Services as outlined in the Contract for Collection of Solid Waste Services between the City and Republic Services of Texas, LLC.

BACKGROUND:

Per the 2021 Contract for Collection of Solid Waste with Republic Services, they are requesting a 3% rate adjustment based on the Consumer Price Index and approval of an additional $0.77 per home per month fee to cover the cost for brush pick-up services.

Author:
Mike Holder, City Manager

Reviewed:
Mike Holder, City Manager

Cost: **Funds Available:** **Source:**

Recommendation: Staff recommends approval of the rate adjustment request by Republic Services.

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☐	☐	☐	☐	☐

Sustainability in Action

July 08, 2024

Mr. Mike Holder
City of Kaufman
209 S Washington
Kaufman, TX 75142

Dear Mr. Holder,

Republic Services would like to take this opportunity to thank you and the Kaufman City Council for allowing us to serve the solid waste needs of the City of Kaufman.

Per the 2021 Contract for Collection of Solid Waste, we formally request a rate adjustment of 3.0% to take effect on October 1, 2024.

The contract allows us to request the rolling 12-month average percentage change from March 1, year over year, of the U.S. Bureau of Labor Statistics Consumer Price Index (CPI) – Water, Sewer, Trash Collection Services. From March 2022 to February 2024, the CPI increased by 5.49%. The contract provides for a 3.0% maximum increase annually.

Additionally, per our discussion on May 10, I shared with you the costs of monthly brush service we are incurring. At the time we implemented the new system in February 2023, we did not know what the residential usage would be or the time it would take our Boom driver to complete the list each month; thus, we did not ask for additional fees for service. After 15 months of data, we know we have spent approximately $24,983.25 on this brush service. Divide this total by 15 months, and then by 2,154 homes in Kaufman, and we are requesting an additional $0.77 per home per month to help cover the costs of this service. We request this additional rate be started on October 1, 2024.

We truly appreciate your partnership and look forward to continuing to serve the City of Kaufman. Please contact me to discuss or with questions at (214) 460-0163, or via email at lferguson@republicservices.com.

Kind Regards,

Leigh Ferguson

Leigh Ferguson
Manager, Municipal Sales

Enc: CPI Water/Sewer/Trash Rolling 12-month average comparison
Brush Service Data
2024 Solid Waste Rate Sheet, Effective 10/1/24
2023 Solid Waste Rate Sheet

Solid Waste Contract Language:

G. MODIFICATION OF RATES:

- No rate adjustment of any kind shall be allowed during the first two (2) years of the term of this Contract. On or before June 1, 2023, and annually on or before June 1 of during the term of this Agreement, Contractor may petition the City Council for Consumer Price Index (CPI) adjustments to the Base Rates to be effective October 1 of the year of the request to reflect changes in the cost of operations. The rate request shall be based upon the change in the Customer Price Index (CPI) each February (U.S. City Average, All Urban Consumers, Water, Sewer, and Trash Collection Services) from March 1st of the previous year. If the index specified above is discontinued, the parties shall agree by April 1st of the then-current year to substitute another equally authoritative measure of change in the purchasing power of the U.S. dollar for CPI as may then be available so as to carry out the intent of this provision. If the Bureau of Labor Statistics (BLS) designates an index with a new title or code number or table number as being the continuation of the index cited herein, the new index shall be used. The City will not unreasonably withhold any such requested increase. The compensation may be adjusted for the ensuing twelve (12) month period by a percentage not to exceed eighty (80%) of the net percentage change based upon CPI in accordance with this section.

- If the calculations result in an increase, the City Council may grant the increase based on CPI changes, not to exceed three percent (3%) maximum increase during any year. Any increases shall become effective October 1 of the year the increase is granted.

- Commencing October 1, 2023 in the event diesel/gasoline prices increase by more than 15% in any quarter, the Contractor may request and the City Council may consider, approval of a fuel surcharge adjustment for rates. The amount of the fuel surcharge adjustment shall be applied subsequent to any applicable CPI adjustment. The City Manager shall review the surcharge and shall discontinue the surcharge when the conditions for the surcharge no longer exist. Extra cart fees are not subject to fuel surcharge adjustments. Increases shall be subject to Council approval.

- Any proposed rate adjustment shall be submitted to the City as soon as reasonably practicable and be accompanied by adequate cost justification and documentation to allow for consideration by the City Council.

Sustainability in Action

U.S. Bureau of Labor Statistics - Water and sewer and trash collection services in U.S. city average, all urban consumers, seasonally adjusted

Consumer Price Index for All Urban Consumers (CPI-U)
Original Data Value

Series Id:	CUSR0000SEHG
Seasonally Adjusted	
Series Title:	Water and sewer and trash collection services in
Area:	U.S. city average
Item:	Water and sewer and trash collection services
Base Period:	DECEMBER 1997=100
Years:	2014 to 2024

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	HALF1
2014	201.127	201.736	202.363	202.930	203.260	203.791	205.073	205.900	206.330	207.704	208.734	209.853	
2015	210.090	210.981	211.468	211.987	212.729	213.299	213.986	215.560	216.143	216.550	217.124	217.742	
2016	218.191	218.681	219.417	220.319	221.497	221.680	221.530	222.383	223.102	223.631	224.493	225.013	
2017	226.235	227.001	227.360	227.883	228.445	228.803	229.186	229.664	230.179	230.838	231.604	232.042	
2018	232.771	233.609	234.041	234.873	235.894	236.642	237.301	238.261	238.605	239.276	241.862	242.436	
2019	241.276	241.538	242.397	243.288	243.924	244.538	245.073	245.294	245.965	247.032	247.582	248.024	
2020	248.510	249.233	250.136	250.495	251.100	251.661	252.555	253.678	254.302	255.065	255.894	256.927	
2021	257.377	258.186	258.966	259.418	259.755	260.652	261.873	262.456	263.782	264.564	264.854	265.854	
2022	267.774	268.890	269.370	270.269	271.096	272.197	273.281	274.577	276.782	277.175	278.136	278.982	
2023	281.088	282.971	283.892	284.911	286.612	287.753	289.219	290.514	291.272	291.968	293.055	293.479	
2024	296.694	298.037	298.900	300.032	300.287								

	AVG
March 2022 - February 2023	275.494
March 2023 - February 2024	290.617
Percent Change	0.054896
	5.49%

An official website of the United States government Here is how you know

U.S. BUREAU OF LABOR STATISTICS

HOME | SUBJECTS | DATA TOOLS | PUBLICATIONS | ECONOMIC RELEASES | CLASSROOM | BETA

Databases, Tables & Calculators by Subject

Change Output Options: From: 2014 To: 2024 GO
include graphs include annual averages More Formatting Options

Data extracted on: July 8, 2024 (12:30:56 PM)

Consumer Price Index for All Urban Consumers (CPI-U)

Series Id: CUSR0000SEHG
Seasonally Adjusted
Series Title: Water and sewer and trash collection services in U.S. city average, all urban consumers, seasonally adjusted
Area: U.S. city average
Item: Water and sewer and trash collection services
Base Period: DECEMBER 1997=100

Download: xlsx

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	HALF1	HALF2
2014	201.127	201.736	202.363	202.930	203.260	203.791	205.073	205.900	206.330	207.704	208.734	209.853		
2015	210.090	210.981	211.468	211.987	212.729	213.299	213.986	215.560	216.143	216.550	217.124	217.742		
2016	218.191	218.681	219.417	220.319	221.497	221.680	221.530	222.383	223.102	223.631	224.493	225.013		
2017	226.235	227.001	227.360	227.883	228.445	228.803	229.186	229.664	230.179	230.838	231.604	232.042		
2018	232.771	233.609	234.041	234.873	235.894	236.642	237.301	238.261	238.605	239.276	241.862	242.436		
2019	241.276	241.538	242.397	243.288	243.924	244.538	245.073	245.294	245.965	247.032	247.582	248.024		
2020	248.510	249.233	250.136	250.495	251.100	251.661	252.555	253.678	254.302	255.065	255.894	256.927		
2021	257.377	258.186	258.966	259.418	259.755	260.652	261.873	262.456	263.782	264.564	264.854	265.854		
2022	267.774	268.890	269.370	270.269	271.096	272.197	273.281	274.577	276.782	277.175	278.136	278.982		
2023	281.088	282.971	283.892	284.911	286.612	287.753	289.219	290.514	291.272	291.968	293.055	293.479		
2024	296.694	298.037	298.900	300.032	300.287									

Sustainability in Action

MONTHLY BRUSH SERVICE HISTORICAL DATA

Month	# of Stops	Total Hours*	Total Loads
Feb-23		No Data	
Mar-23			
Apr-23		3.40	1.00
May-23		12.06	4.00
Jun-23		5.00	2.00
Jul-23		15.35	5.00
Aug-23		17.70	6.00
Sep-23		11.25	4.00
Oct-23		7.00	2.00
Nov-23		2.25	1.00
Dec-23		4.50	1.00
Jan-24	8	2.00	0.00
Feb-24	19	6.00	2.00
Mar-24	39	13.00	4.00
Apr-24	61	20.84	5.00
May-24	51	19.75	6.00
Jun-24	23	6.10	2.00
TOTAL		**146.20**	**45.00**

HOURS 146.20 x $150 = $21,930
DISPOSAL 45 loads x 2.95 avg tons/load = 132.75 tons x $23/ton = $3,053.25

TOTAL, 15 months $21,930 + $3,053.25 = $24,983.25

24,983.25 / 15 = $1,665.55 / 2,154 homes = $0.77/home/month

*Time starts when driver arrives in Kaufman
and ends when he gets to landfill
(not counting travel to and from yard)

Sustainability in Action

REPUBLIC SERVICES

FRANCHISED CITY RATES

CITY OF KAUFMAN

EFFECTIVE DATE 10/01/24

COMMERCIAL FRONT LOAD RATES (10% License Fee included)

Size	1xwk	2xwk	3xwk	4xwk	5xwk	6xwk	EX-PU	DEPOSIT
2 cubic yard	$ 83.63	$ 152.39	$ -	$ -	$ -	$ -	$ 66.27	Mthly Rate
3 cubic yard	$ 104.06	$ 182.12	$ -	$ -	$ -	$ -	$ 69.74	Mthly Rate
4 cubic yard	$ 122.65	$ 213.71	$ -	$ -	$ -	$ -	$ 73.24	Mthly Rate
6 cubic yard	$ 152.39	$ 273.18	$ 383.59	$ 499.99	$ -	$ -	$ 78.50	Mthly Rate
8 cubic yard	$ 183.98	$ 334.50	$ 518.58	$ 558.05	$ -	$ -	$ 83.71	Mthly Rate

Misc Front Load Charges

Delivery / Removal / Relocate	$ 64.19	Lockbar/Caster set up fee	$ 75.86	(one time charge)
Container Exchange / Burned	$ 246.18	Containers with Casters / Locks	$ 2.91	(per collection)
Overweight/Blocked/Trip Charges	$ 25.09	Containers with Gates or Enclosures	$ 1.64	(per collection)
Extra Yardage	$ 32.67			

COMMERCIAL ROLL-OFF RATES (10% License Fee included)

Size	Delivery	Rental	Disposal/Load	Haul Charge	Deposit
20-yd	$ 120.20	$ 186.36	$ 116.70	$ 350.10	$ 656.66
30-yd	$ 120.20	$ 186.36	$ 145.88	$ 379.28	$ 685.83
40-yd	$ 120.20	$ 212.97	$ 145.88	$ 408.45	$ 741.62
30 yard Pkr	Open	Open	$ 175.05	$ 437.63	Open
35 yard Pkr	Open	Open	$ 175.05	$ 466.80	Open
42 yard Pkr	Open	Open	$ 175.05	$ 495.98	Open

*Disposal rate includes 4 tons for open tops and 6 tons for compactors. $ 43.35 (per ton therafter)

Misc Roll-Off Charges

Relocate Blocked or		Container Washout:	
Not able to Service	$ 145.88	Open Top	$ 192.56
Liner	$ 58.35	Compactor	$ 233.40

==========

CITY SUMMARY INVOICED SERVICES

City invoiced rates do not have the license fee included

COMMERCIAL HAND-COLLECT (10% License Fee included)

Solid Waste Service: Weekly Collection	1X/Week	2X/Week
One Cart	$18.62	$ 29.61
Two Carts	$37.24	$ 59.21
Three Carts	$55.87	$ 88.83

RESIDENTIAL COLLECTION:

Residential Trash (Once per week collection, cart content)	$ 10.04
Residential Bulk / Brush (Weekly service of 3 cu-yards + On Call Brush)	$ 0.77
Total Residential	**$ 10.81**
Additional Cart	$ 4.30
Delivery/Removal of Additional Carts	$ 15.91
Replacement Cart	$ 58.47

Sustainability in Action

City of Kaufman

City Facilities

Rates effective 10/1/24

CONVENIENCE CENTER

INDUSTRIAL ROLL-OFF RATES

Size	Rental	Disposal per Load	Haul Charge
20-yard Recycle	$ 167.68	$ 107.64	$ 300.25
40-yard	$ 181.28	$ 141.63	$ 300.25
40-yd Compactor	$ 385.22	$ 169.95	$ 356.90
40-yard	$ 181.28	Included	$ 430.54
40-yd Compactor	$ 385.22	Included	$ 487.19

*Disposal rate includes 4-tons for open tops and 6-tons for compactors. $ 42.10 (per ton therafter)

SLUDGE ROLL-OFF RATES

Size	Liner	Rental	Disposal per Cu Yd	Haul Charge
20-yd Sludge	$ 33.00	$ 247.50	$ 19.83	$ 412.50

STORM DEBRIS MANAGEMENT

Service	Cost per Hour
Rear load service with driver & helper	$192.50
Claw truck with 35yd container	$165.00
Additional Trucks available (75-150yds) require 3-5 days' notice	$275-330
Roll-off containers as needed at the city container rates quoted above	$249.98

REPUBLIC SERVICES

Sustainability in Action

SOLID WASTE PRICING

REPUBLIC SERVICES
FRANCHISED CITY RATES
CITY OF KAUFMAN

EFFECTIVE DATE 10/01/23

COMMERCIAL FRONT LOAD RATES (10% License Fee included)

Size	1xwk	2xwk	3xwk	4xwk	5xwk	6xwk	EX-PU	DEPOSIT
2 cubic yard	$ 81.19	$ 147.95	$ -	$ -	$ -	$ -	$ 64.34	Mthly Rate
3 cubic yard	$ 101.03	$ 176.82	$ -	$ -	$ -	$ -	$ 67.71	Mthly Rate
4 cubic yard	$ 119.08	$ 207.49	$ -	$ -	$ -	$ -	$ 71.11	Mthly Rate
6 cubic yard	$ 147.95	$ 265.22	$ 372.42	$ 485.43	$ -	$ -	$ 76.21	Mthly Rate
8 cubic yard	$ 178.62	$ 324.76	$ 503.48	$ 541.80	$ -	$ -	$ 81.27	Mthly Rate

Misc Front Load Charges

Delivery / Removal / Relocate	$ 62.32		Lockbar/Caster set up fee	$ 73.65	(one time charge)
Container Exchange / Burned	$ 239.01		Containers with Casters / Locks	$ 2.83	(per collection)
Overweight/Blocked/Trip Charges	$ 24.36		Containers with Gates or Enclosuress	$ 1.59	(per collection)
Extra Yardage	$ 31.72				

COMMERCIAL ROLL-OFF RATES (10% License Fee included)

Size	Delivery	Rental	Disposal per Load	Haul Charge	Deposit
20-yd	$ 116.70	$ 180.93	$ 113.30	$ 339.90	$ 637.53
30-yd	$ 116.70	$ 180.93	$ 141.63	$ 368.23	$ 665.85
40-yd	$ 116.70	$ 206.77	$ 141.63	$ 396.55	$ 720.02
30 yard Pkr	Open	Open	$ 169.95	$ 424.88	Open
35 yard Pkr	Open	Open	$ 169.95	$ 453.20	Open
42 yard Pkr	Open	Open	$ 169.95	$ 481.53	Open

*Disposal rate includes 4 tons for open tops and 6 tons for compactors. $ 42.09 (per ton therafter)

Misc Roll-Off Charges

Relocate Blocked or Not able to Service	$ 141.63	Container Washout: Open Top	$ 186.95
Liner	$ 56.65	Compactor	$ 226.60

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CITY SUMMARY INVOICED SERVICES

City invoiced rates do not have the license fee included

COMMERCIAL HAND-COLLECT (10% License Fee included)

Solid Waste Service: Weekly Collection	1X/Week	2X/Week
One Cart	$18.08	$ 28.75
Two Carts	$36.15	$ 57.49
Three Carts	$54.23	$ 86.24

RESIDENTIAL COLLECTION:

Residential Trash (Once per week collection, cart content)	$ 9.75
Residential Bulk / Brush (Weekly service of 3 cu-yards + On Call Brush	Included
Total Residential	**$ 9.75**
Additional Cart	$ 4.17
Delivery/Removal of Additional Carts	$ 15.45
Replacement Cart	$ 56.77
~~Bulk/Brush Unusual Accumulation~~	
~~3-8 cubic yards~~	~~$ 12.50 Per yard~~
~~8+ cubic yards~~	~~Special Collection Quote*~~

~~*To be coordinated directly between Resident and Contractor~~

Sustainability in Action

City of Kaufman

City Facilities

Rates in place since 2/1/21

CONVENIENCE CENTER

INDUSTRIAL ROLL-OFF RATES

Size	Rental	Disposal per Load	Haul Charge
20-yard Recycle	$ 162.80	$ 104.50	$ 291.50
40-yard	$ 176.00	$ 137.50	$ 291.50
40-yd Compactor	$ 374.00	$ 165.00	$ 346.50
40-yard	$ 176.00	Included	$ 418.00
40-yd Compactor	$ 374.00	Included	$ 473.00

*Disposal rate includes 4-tons for open tops and 6-tons for compactors. $ 40.87 (per ton therafter)

SLUDGE ROLL-OFF RATES

Size	Liner	Rental	Disposal per Cu Yd	Haul Charge
20-yd Sludge	$ 33.00	$ 247.50	$ 19.25	$ 412.50

STORM DEBRIS MANAGEMENT

Service	Cost per Hour
Rear load service with driver & helper	$192.50
Claw truck with 35yd container	$165.00
Additional Trucks available (75-150yds) require 3-5 days' notice	$275-330
Roll-off containers as needed at the city container rates quoted above	$249.98

Meeting Date: 9/30/2024 | **Date: 09/04/2024** | **Item #: 11.** | **Dept.: Administration**

Resolution

SUBJECT:

Conduct a public hearing and consider and take appropriate action on Resolution R-22-24, a Resolution of the City Council of the City of Kaufman, Texas, approving an updated City of Kaufman Capital Improvements Plan for Fiscal Years 2025 through 2029.

BACKGROUND:

The City's 5-Year Capital Improvement Plan (CIP) serves as a strategic framework for identifying, prioritizing, and funding essential infrastructure projects that enhance community well-being and support sustainable growth. Each year, staff reviews the CIP to assess the status of ongoing projects and to incorporate new proposals based on emerging community needs and opportunities.

The proposed 2024-2029 CIP reflects a comprehensive evaluation of current projects and prioritizes initiatives that address critical infrastructure demands, improve public services, and enhance the quality of life for residents. The prioritization process emphasizes factors such as community impact, cost-effectiveness, and alignment with the City's long-term strategic goals.

Author:
Mike Holder, City Manager

Reviewed:
Mike Holder, City Manager

Cost: **Funds Available:** **Source:**

Recommendation: Staff recommends approval of Resolution R-22-24 as presented.

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☐	☐	☐	☐	☒

RESOLUTION NO. R-22-24

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS APPROVING THE CITY'S UPDATED CAPITAL IMPROVEMENTS PLAN FOR FISCAL YEARS 2025 THROUGH 2029; PROVIDING FOR THE INCORPORATION OF PREMISES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, in accordance with Chapter 395 of the Texas Local Government Code, as amended, the City Council of the City of Kaufman adopted land use assumptions, capital improvement plans, and established impact fees for fiscal years 2024-2028; and

WHEREAS, the City Council now desires to update the Capital Improvements Plan; and

WHEREAS, the City Council has investigated and determined that the City has fully complied with Chapter 395, Tex. Loc. Government Code ("Code"), concerning the publication of notices, adoption, promulgation, and methodology necessary to amend a Capital Improvements Plan establishing impact fees; and

WHEREAS, the City has set a public hearing to discuss and review the updated Capital Improvements Plan; and

WHEREAS, on or before the date of the first publication of the notice of the hearing, the updated Capital Improvements Plan was made available to the public; and

WHEREAS, the City Council held a public hearing to discuss the amendments to the Capital Improvements Plan; and

WHEREAS, the City Council has further investigated and determined and hereby finds that it is in the best interests of the citizens of Kaufman to adopt such amendments to the Capital Improvements Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS:

SECTION 1. The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

SECTION 2. The City Council hereby approves the updated Fiscal Year 2025-2029 City of Kaufman Capital Improvements Plan, attached hereto and incorporated as if set forth fully herein as Exhibit "A".

SECTION 3. If any section, subsection, clause, phrase, or provision of this Resolution, or any application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void, or unconstitutional, the

remaining sections, subsections, clauses, phrases and provisions of this Resolution, or any application thereof to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

SECTION 4. This Resolution shall become effective immediately upon its passage and adoption in accordance with state law and Charter.

PASSED AND APPROVED this 30th day of September, 2024.

_____
JEFF JORDAN
MAYOR

ATTEST:

_____
JESSIE HANKS
CITY SECRETARY

APPROVED AS TO LEGAL FORM:

_____
PATRICIA A. ADAMS
CITY ATTORNEY

Exhibit A
FY 2025-2029 City of Kaufman Capital Improvements Plan

CAPITAL IMPROVEMENT PROGRAM

PROJECT	PRELIMINARY COST	2025	FUNDING SOURCE	2026	FUNDING SOURCE	2027	FUNDING SOURCE	2028	FUNDING SOURCE	2029	FUNDING SOURCE
STREET OVERLAY/REHAB (SALES TAX)											
E. FIRST NORTH, EAST SECTION	**$ 945,000**										
CRESTVIEW & ROYAL	**$ 6,294,046**	$ 4,720,535	17	$ 1,573,512	17						
STREET CONSTRUCTION											
RAND/243 CONNECTOR	**$ 2,000,000**							$2,000,000	15		
S. DALLAS (MULBERRY TO 9TH)	**$ 6,000,000**			$6,000,000	23						
DRAINAGE IMPROVEMENTS											
PARK STREET	**$ 1,250,000**										
PHILLIPS STREET	**$ 1,501,033**	$ 1,501,033	17								
HOUSTON ST WIDENING	**$ 2,000,000**			$ 800,000	9	$ 1,200,000	9				
10TH/CLAY/AUSTIN	**$ 4,723,240**		16/17	$ 2,361,620		$ 2,361,620					
WATER IMPROVEMENTS											
EXISTING WATER TOWER REHAB x 2	**$ 1,000,000**										
34 BYPASS/HOUSTON ST ELEVATED WATER TOWER	**$ 1,870,000**					$ 500,000	9	$1,370,000	9		
34 BYPASS WATER LINE	**$ 75,000**	$ 75,000	14								
HWY 175 WATER LINE	**$ 50,000**		18	$ 50,000							
SEWER IMPROVEMENTS											
LIFT STATIONS/GENERATORS	**$ 1,447,905**		19/17	$ 361,975		$ 1,085,930	19/17				
WWTP IMPROVEMENTS	**$ 3,000,000**			$ 1,500,000		$ 1,500,000					
ADD COVER OVER FILTER	***$ 45,000***										
SLUDGE HOLDING PUMP TO SLUDGE BEDS	***$ 58,000***										
SLUDGE BED REHAB	***$ 55,000***										
SLUDGE HOLDING COARSE BUBBLE AERATION	***$ 195,000***										
WWTP IMPROVEMENTS 2A	**$ 2,055,000**										
WWTP IMPROVEMENTS 2B	**$ 15,000,000**							$7,500,000		$7,500,000	
WWTP IMPROVEMENTS 3A	**$ 15,000,000**										
FACILITIES											
FIRE STATION REMODEL	**$ 4,000,000**									$4,000,000	21
PUBLIC WORKS	**$ 8,000,000**			$2,000,000	21	$ 6,000,000	21				
PARKS											
HIKE/BIKE TRAIL	**$ 500,000**										
TOWNS PROPERTY DEMO	**$ 75,000**			$ 75,000							
KINGS FORT PARK	**$ 2,150,000**	$ 500,000	6	$ 750,000	6	$750,000	6/15				
CITY LAKES PARK	**$ 1,500,000**	$ 700,000	20	$ 800,000	20						
HICKORY ST LINEAR PARK	**$ 1,500,000**							$750,000	24	$750,000	24
APPARATUS											
LADDER TRUCK	**$ 2,500,000**							$2,500,000	21		
DEVELOPMENT PROJECTS											
NORTHEAST UTILITY PROJECT ($3,859,152)											
WATER	***$ 1,849,080***		17								
SEWER	***$ 81,405***		17								
ROAD IMPROVEMENTS	***$ 1,862,000***		22							$1,862,000	22
SIGNAL	***$ 66,667***		22							$66,667	22
FREEMAN FARM ($268,000)											
FREEMAN FARM THOROUGHFARE	***$ 100,000***	$ 100,000	15								
FREEMAN FARM WATER LINE UPSIZE	***$ 168,000***	$ 168,000	14								
TOTAL	**$ 103,934,836**	**$ 7,764,568**		**$16,272,107**							

FUNDING SOURCES:	AVAILABLE FUNDS
1-2018 CO (WWTP)	$ 115,740
2-2020 CO	$ 133,372
3-TxDOT OVERRUN REIMBURSEMENT	$ 814,000
4-STREET MAINT SALES TAX (5 year revenue forecast)	$ 1,537,500
5-TPWD PARK GRANT x2	$ 1,500,000
6-PID PARK Dev. Contribution (JWS - Kings fort Park)	$ 1,470,750
7-PARK DEDICATION FUNDS	$ 924,000
8-COUNTY ROAD BOND PROCEEDS	$ 800,000
9-TIRZ #2 REIMBURSEMENT	$ 19,192,865
10-2022 CO (PARK IMPROVEMENTS)	$ 2,060,216
11-CDBG (WATER TOWER IMPROVEMENTS)	$ 339,630
12-WATER FUND FB	$ 1,905,253
13-GENERAL FUND FB	$ 3,564,730
14-WATER IMPACT FEES	$ 436,062
15-STREET IMPACT FEES	1,356,113
16-FEMA DRAINAGE GRANT	$ 4,250,918
17-2023 C.O. (STREETS, UTILITIES, STORM DRAINAGE)	$ 9,005,000
18-Utility Fund Capital Fund (new FY2024)	$ 100,000
19-FEMA LIFT STATION & GENERATORS GRANT	$ 1,303,115
20-INCLUSIVE PARK SPONSORSHIPS & DONATIONS	$ 307,265
21-FUTURE BOND PACKAGE	
22-TIRZ #3 REIMBURSEMENT	
23-FUTURE ROAD BOND	
24-FUTURE PARK GRANT	
TOTAL	**$ 51,116,529**

Meeting Date: 9/30/2024 | **Date: 09/12/2024** | **Item #: 12.** | **Dept.: Administration**

Ordinance

SUBJECT:

Conduct a public hearing, consider and take appropriate action on Ordinance O-22-24, an Ordinance of the City Council of the City of Kaufman, Texas accepting and approving an Annual Service Plan Update and Assessment Roll 2024-2025 for the Kaufman Public Improvement District No. 3, in compliance with Chapter 372 of the Texas Local Government Code, as amended; accepting and approving the Annual Service Plan Update and Updated Assessment Roll for PID 3 as set forth in Exhibit “A” to the Ordinance providing for payment of the assessments in accordance with Chapter 372; providing for the method of assessment and the payment of the assessments, providing penalties and interest on delinquent assessments and compliance with all other legal requirements providing for severability, and providing an effective date. ("Freeman Farm")

BACKGROUND:

This is the annual update to the Freeman Farm Service & Assessment Plan. Each property owner is identified in this plan and its corresponding assessment for Tax Year 2024 in accordance with the Public Improvement District #3 enabling ordinance.

Author:
Mike Holder, City Manager

Reviewed:
Mike Holder, City Manager

Cost: **Funds Available:** **Source:**

Recommendation: Staff recommends approval of Ordinance O-22-24 as presented.

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☐	☐	☐	☐	☐

ORDINANCE NO. O-22-24

AN ORDINANCE OF THE CITY OF KAUFMAN, TEXAS APPROVING A SERVICE AND ASSESSMENT PLAN AND ASSESSMENT ROLL FOR THE KAUFMAN PUBLIC IMPROVEMENT DISTRICT NO. 3 (THE "DISTRICT"); MAKING A FINDING OF SPECIAL BENEFIT TO CERTAIN PROPERTY IN THE DISTRICT; LEVYING ASSESSMENTS AGAINST CERTAIN PROPERTY WITHIN THE DISTRICT AND ESTABLISHING A LIEN ON SUCH PROPERTY; PROVIDING FOR PAYMENT OF THE ASSESSMENT IN ACCORDANCE WITH CHAPTER 372, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED; PROVIDING FOR THE METHOD OF ASSESSMENT AND THE PAYMENT OF THE ASSESSMENTS; PROVIDING PENALTIES AND INTEREST ON DELINQUENT ASSESSMENTS; PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE. ("FREEMAN FARM")

WHEREAS, the City of Kaufman, Texas (the "City") received a petition meeting the requirements of Sec. 372.005 of the Public Improvement District Assessment Act (the "Act") requesting the creation of a public improvement district over a portion of the area within the corporate limits of the City to be known as the Kaufman Public Improvement District No. 3 (the "District"); and

WHEREAS, the petition contained the signatures of the owners of taxable property representing more than fifty percent of the appraised value of taxable real property liable for assessment within the boundaries of the proposed District, as determined by the then current ad valorem tax rolls of the Kaufman Central Appraisal District and the signatures of property owners who own taxable real property that constitutes more than fifty percent of the area of all taxable property that is liable for assessment by the City; and

WHEREAS, after notice of hearing was published in a newspaper of general circulation in the City and was mailed to the property owners in the PID as required by the Act, on January 24, 2022 the City Council held such public hearing on the creation of the District and heard any comments or objection thereto; and

WHEREAS on January 24, 2022, the City approved a resolution creating the Kaufman Public Improvement District No. 3; and

WHEREAS, pursuant to Sections 372.013, 372.014, and 372.016 of the Act, the City Council has directed the preparation of an amended and restated Service and Assessment Plan (the "Service and Assessment Plan") for the financing of certain public improvements within the District (the "Authorized Improvements") and an assessment roll for the District (the "Assessment Roll") that states the assessment against each parcel of land within the District (the "Assessments"); and

WHEREAS, the City called a public hearing regarding the proposed levy of Assessments pursuant to the Preliminary Plan and the proposed Assessment Roll on property within the District, pursuant to Section 372.016 of the Act; and

WHEREAS, the City, pursuant to Section 372.016(b) of the Act, published notice in a newspaper of general circulation within the City to consider the proposed Service and Assessment Plan for the District and the levy of the Assessments, as defined in the Service and Assessment Plan, on property in the District; and

WHEREAS, the City Council, pursuant to Section 372.016(c) of the Act, caused the mailing of notice of the public hearing to consider the proposed Service and Assessment Plan and the Assessment Roll attached to the Service and Assessment Plan and the levy of Assessments on property in the District to the last known address of the owners of the property liable for the Assessments; and

WHEREAS, the City Council convened the public hearing at 6:00 p.m. on the 30th day of September, 2024, at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Service and Assessment Plan, the Assessment Roll, and the proposed Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of the costs of the Authorized Improvements, the purposes of the Assessments, the special benefits of the Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the Assessments; and

WHEREAS, the City wishes to levy assessments on the property within the District for the Authorized Improvements as set forth in the Service and Assessment Plan; and

WHEREAS, the City Council finds and determines that the Service and Assessment Plan and Assessment Roll attached thereto should be approved and that the Assessments should be levied on property within the District as provided in this Ordinance and the Service and Assessment Plan and Assessment Roll; and

WHEREAS, the City Council further finds that there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of the costs of the Authorized Improvements, the Assessment Roll or the levy of Assessments; and

WHEREAS, the City Council closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the District, determined to proceed with the adoption of this Ordinance in conformity with the requirements of the Act.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS, THAT:

Section 1. Findings. The findings and determinations set forth in the preambles hereto are hereby incorporated by reference for all purposes.

Section 2. Terms. Terms not otherwise defined herein are defined in the Service and Assessment Plan attached hereto as **Exhibit A.**

Section 3. Findings. The City Council hereby finds, determined and orders, as follows:

a. The apportionment of the Costs of the Authorized Improvements, and the Administrative Expenses pursuant to the Service and Assessment Plan is fair and reasonable, reflects an accurate presentation of the special benefit each property will receive from the Authorized Improvements identified in the Service and Assessment Plan, and is hereby approved;

b. The Service and Assessment Plan covers a period of at least five years and defines the annual indebtedness and projected costs for the Authorized Improvements;

c. The Service and Assessment Plan apportions the costs of the Authorized Improvements to be assessed against each Assessed Property in the District and such apportionment is made on the basis of special benefits accruing to each Assessed Property because of the Authorized Improvements.

d. All of the real property in the District which is being assessed in the amounts shown in the Service and Assessment Plan and Assessment Roll will be benefited by the Authorized Improvements proposed to be provided through the District in the Service and Assessment Plan, and each parcel of real property in the District will receive special benefits during the term of the Assessments equal to or greater than the total amount assessed;

e. The method of apportionment of the costs of the Authorized Improvements and Administrative Expenses set forth in the Service and Assessment Plan results in imposing equal shares of the costs of the Authorized Improvements and Administrative Expenses on property similarly benefited, and results in a reasonable classification and formula for the apportionment of the costs;

f. The Service and Assessment Plan should be approved as the service plan and assessment plan for the District, as described in Sections 372.013 and 372.014 of the Act;

g. The Assessment Roll in the form attached to the Service and Assessment Plan should be approved as the assessment roll for the District;

h. The provisions of the Service and Assessment Plan relating to due and delinquency dates for the Assessments, interest on Annual Installments, interest and penalties on delinquent Assessments and delinquent Annual Installments, and procedures in connection with the imposition and collection of Assessments should be approved and will expedite collection of the Assessments in a timely manner in order to provide the improvements needed and required for the area within the District; and

i. A written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public for the time required by law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter hereof has been discussed, considered and formally acted upon.

Section 4. Assessment Plan. The Service and Assessment Plan is hereby accepted and approved pursuant to Sections 372.013 and 372.014 of the Act as a service plan and an assessment plan for the Authorized Improvements within the District.

Section 5. Assessment Roll. The Assessment Roll is hereby accepted and approved pursuant to Section 372.016 of the Act as the assessment roll for the Authorized Improvements within the District.

Section 6. Levy and Payment of Assessments for Costs of Authorized Improvements.

a. The City Council hereby levies Assessments on each Assessed Property located within the District, as shown and described in the Service and Assessment Plan and the Assessment Roll, in the respective amounts shown on the Assessment Roll, as special assessments on the properties within the District as set forth in the Service and Assessment Plan and the Assessment Roll.

b. The levy of the Assessments shall be effective on the date of execution of this Ordinance levying assessments and strictly in accordance with the terms of the Service and Assessment Plan.

c. The collection of the Assessments shall be as described in the Service and Assessment Plan.

d. Each Assessment may be pre-paid or paid in Annual Installments pursuant to the terms of the Service and Assessment Plan.

e. Each Assessment shall bear interest at the rate or rates specified in the Service and Assessment Plan.

f. Each Annual Installment shall be collected each year in the manner set forth in the Service and Assessment Plan.

g. The Administrative Expenses for Assessed Properties shall be calculated pursuant to the terms of the Service and Assessment Plan.

Section 7. Method of Assessment. The method of apportioning the costs of the Authorized Improvements is as set forth in the Service and Assessment Plan.

Section 8. Penalties and Interest on Delinquent Assessments. Delinquent Assessments shall be subject to the penalties, interest, procedures and foreclosure sales set forth in the Service and Assessment Plan. The Assessments shall have lien priority as specified in the Act and the Service and Assessment Plan.

Section 9. Prepayments of Assessments. As provided in Section 372.018(f) of the Act and in the Service and Assessment Plan, the owner (the "Owner") of any Assessed Property may prepay the Assessments levied by this Ordinance as set forth in the Service and Assessment Plan.

Section 10. Lien Priority. As provided in the Act, the City Council and owners of the Assessed Property intend for the obligations, covenants and burdens on the owners of Assessed Property, including without limitation such owner's obligations related to payment of the Assessments and the Annual Installments, to constitute a covenant running with the land. The Assessments and the Annual Installments levied hereby shall be binding upon the Assessed Property, and the owners of Assessed Properties, and their respective transferees, legal representatives, heirs, devisees, successors and assigns in the same manner and for the same period as such parties would be personally liable for the payment of ad valorem taxes under applicable law. Assessments shall have lien priority as specified in the Act.

Section 11. Administrator and Collector of Assessments.

a. Administrator. The City shall administer the Service and Assessment Plan and the Assessments levied by this Ordinance. The City has appointed a third-party administrator (the "Administrator") to administer the Service and Assessment Plan and the Assessments. The Administrator shall perform the duties of the Administrator described in the Service and Assessment Plan and in this Ordinance. The Administrator's fees, charges and expenses for providing such services shall constitute an Administrative Expense.

b. Collector. The City may collect the assessments or may, by future action, appoint a third-party collector of the Assessments. The City is hereby authorized to enter into an agreement with a third-party for the collection of the Assessments. The City may also contract with any other qualified collection agent selected by the City or may collect the Assessments on its own behalf. The costs of such collection contracts shall constitute an Administrative Expense.

Section 12. Applicability of Tax Code. To the extent not inconsistent with this Ordinance and the Act or other laws governing public improvement districts, the provisions of the Texas Tax Code shall be applicable to the imposition and collection of Assessments by the City.

Section 13. Severability. If any provision, section, subsection, sentence, clause or phrase of this Ordinance, or the application of same to any person or set of

circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Ordinance or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council that no portion hereof, or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other portion hereof, and all provisions of this Ordinance are declared to be severable for that purpose.

Section 14. Effective Date. This Ordinance shall take effect, and the levy of the Assessments, and the provisions and terms of the Service and Assessment Plan shall be and become effective upon passage and execution thereof.

PASSED AND APPROVED this 30th day of September, 2024.

[Remainder of Page left Intentionally Blank]

_____
Jeff Jordan
Mayor

ATTEST:

_____
Jessie Hanks
City Secretary

APPROVED AS TO FORM:

_____
Patricia A. Adams
City Attorney

THE STATE OF TEXAS §

COUNTY OF KAUFMAN §

Before me, the undersigned authority, on this day personally appeared Jeff Jordan, Mayor of the City of Kaufman, Texas, known to me to be such persons who signed the above and acknowledged to me that such persons executed the above and foregoing Ordinance in my presence for the purposes stated therein.

Given under my hand and seal of office this _____.

_____

Notary Public, State of Texas

[NOTARY STAMP]

EXHIBIT A

SERVICE AND ASSESSMENT PLAN
AND ASSESSMENT ROLL

KAUFMAN PUBLIC IMPROVEMENT DISTRICT NO. 3

CITY OF KAUFMAN, TEXAS

SERVICE AND ASSESSMENT PLAN

September 30, 2024

PREPARED BY:

MUNICAP, INC.
PUBLIC FINANCE

KAUFMAN PUBLIC IMPROVEMENT DISTRICT NO. 3

SERVICE AND ASSESSMENT PLAN

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I. PLAN DESCRIPTION AND DEFINED TERMS

A. INTRODUCTION

On January 24, 2022, the City Council of the City of Kaufman, Texas passed and approved Resolution No. R-03-22 approving and authorizing the creation of Kaufman Public Improvement District No. 3 (the "PID") to finance the costs of certain public improvements for the benefit of property in such public improvement district, all of which was located within the City limits.

The property in the PID is proposed to be developed in one phase. Assessments will be imposed on the property that receives a special benefit from the public improvements to be financed.

Chapter 372 of the Texas Local Government Code, the "Public Improvement District Assessment Act" (as amended, the "PID Act"), governs the creation and operation of public improvement districts within the State of Texas. This Kaufman Public Improvement District No. 3 Service and Assessment Plan (the "Service and Assessment Plan") has been prepared in accordance with the PID Act and specifically Sections 372.013, 372.014, 372.015 and 372.016, which address the requirements of a service and assessment plan and the assessment roll. According to Section 372.013 of the PID Act, a service plan "must (1) cover a period of at least five years; (2) define the annual indebtedness and the projected costs for improvements; and (3) include a copy of the notice form required by Section 5.014, Property Code." Additionally, the PID Act requires that "the governing body of the municipality or county shall review and update the service plan annually for the purpose of determining the annual budget for improvements." The service plan is described in Section IV of this Service and Assessment Plan. The copy of the notice form required by Section 5.014 of the Texas Property Code, as amended, is attached hereto as Appendix F.

Section 372.014 of the PID Act requires that "an assessment plan must be included in the annual service plan." The assessment plan is described in Section V of this Service and Assessment Plan.

Section 372.015 of the PID Act requires that "the governing body of the municipality or county shall apportion the cost of an improvement to be assessed against property in an improvement district." The method of assessing the costs of the Authorized Improvements and apportionment of such costs to the property in the PID is included in Section V of this Service and Assessment Plan.

Section 372.016 of the PID Act requires that "after the total cost of an improvement is determined, the governing body of the municipality or county shall prepare a proposed assessment roll. The roll must state the assessment against each parcel of land in the district, as determined by the method of assessment chosen by the municipality or county under this subchapter." The Assessment Roll for the PID is included as Appendix G of this Service and Assessment Plan. The Assessments as shown on the Assessment Roll are based on the method of assessment and apportionment of costs described in Section V of this Service and Assessment Plan.

B. DEFINITIONS

Capitalized terms used herein shall have the meanings ascribed to them as follows:

"Actual Cost(s)" means, with respect to an Authorized Improvement, the demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvement. Actual Cost may include: (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of such Authorized Improvement, including general contractor and construction management fees, if any, (b) the costs of preparing the construction plans for such Authorized Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (d) the costs for external professional costs associated with such Authorized Improvement, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, and taxes, (e) the costs of all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and material men in connection with the acquisition, construction or implementation of the Authorized Improvements, and (f) all related permitting, zoning and public approval expenses, architectural, engineering, legal, and consulting fees, financing charges, taxes, governmental fees and charges (including inspection fees, permit fees, development fees), insurance premiums and miscellaneous expenses.

Actual Costs may include general contractor's fees in an amount up to a percentage equal to the percentage of work completed and accepted by the City or construction management fees in an amount up to five percent of the eligible Actual Costs described in a Certification for Payment. The amounts expended on legal costs, taxes, governmental fees, insurance premiums, permits, financing costs, and appraisals shall be excluded from the base upon which the general contractor and construction management fees are calculated.

"Additional Interest" means the 0.50% additional interest rate charged on Assessments (if applicable) pursuant to Section 372.018 of the PID Act.

"Additional Interest Component" means the amount collected by application of the Additional Interest.

"Administrative Expenses" means the administrative, organization, maintenance and operation costs associated with, or incidental to, the administration, organization, maintenance and operation of the PID, including, but not limited to, the costs of: (i) creating and organizing the PID, including conducting hearings, preparing notices and petitions, and all costs incident thereto, including engineering fees, legal fees and consultant fees, (ii) the annual administrative, organization, maintenance, and operation costs and expenses associated with, or incident and allocable to, the administration, organization, maintenance, and operation of the PID and the Authorized Improvements, (iii) computing, levying, billing and collecting Assessments or the Annual Installments thereof, (iv) maintaining the record of installments of the Assessments and the system of registration and transfer of the Bonds, (v) issuing, paying and redeeming the Bonds, (vi) investing or depositing of monies, (vii) complying with the PID Act and other laws applicable to the Bonds, (viii) the Trustee's reasonable fees and expenses relating to the Bonds, (ix) legal

counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, and (x) administering the construction of the Authorized Improvements. Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on the Bonds or any costs of issuance associated with the Bonds. Administrative Expenses collected and not expended for actual Administrative Expenses shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of amounts to pay Administrative Expenses.

"Administrator" means the employee or designee of the City, identified in any indenture of trust relating to the Bonds or in any other agreement approved by the City Council, who shall have the responsibilities provided for herein.

"Annual Installment" means, with respect to each Parcel, each annual payment of: (i) the Assessments including both principal and interest, as shown on the Assessment Roll attached hereto as Appendix G, as applicable, or in an Annual Service Plan Update, and calculated as provided in Section VI of this Service and Assessment Plan, (ii) the Additional Interest Component designated for the Delinquency and Prepayment Reserve described in Section V of this Service and Assessment Plan, and (iii) the Administrative Expenses.

"Annual Service Plan Update" has the meaning set forth in the second paragraph of Section IV of this Service and Assessment Plan.

"Assessed Property" means the property that benefits from the Authorized Improvements to be provided by the PID on which Assessments have been imposed as shown in each Assessment Roll, as each Assessment Roll is updated each year by the Annual Service Plan Update. Assessed Property includes Parcels within the PID other than Non-Benefited Property.

"Assessment" means an assessment levied against a Parcel imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on any Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and the PID Act. An Assessment for a Parcel consists of the Annual Installments to be collected in all years including the portion of those Annual Installments collected to pay Administrative Expenses and interest on all Assessments.

"Assessment Ordinance" means an Assessment Ordinance adopted by the City Council approving the Service and Assessment Plan (including amendments or supplements to the Service and Assessment Plan) and levying the Assessments.

"Assessment Revenues" mean the revenues actually received by or on behalf of the City from the collection of Assessments.

"Assessment Roll" means the Assessment Roll included in this Service and Assessment Plan as Appendix G or any other Assessment Roll in an amendment or supplement to this Service and Assessment Plan or in an Annual Service Plan Update, as each may be updated, modified, or amended from time to time in accordance with the procedures set forth in this Service and Assessment Plan and in the PID Act.

"Authorized Improvements" mean those public improvements described in Appendix B of this Service and Assessment Plan and Section 372.003 of the PID Act, constructed and installed in accordance with this Service and Assessment Plan, and any future updates and/or amendments.

"Bonds" mean any bonds issued by the City in one or more series and secured in whole or in part by the Assessment Revenues.

"Budgeted Cost(s)" means the amounts budgeted to construct the Authorized Improvements as used in the preparation of this Service and Assessment Plan.

"Certification for Payment" means the certificate to be provided by the Developer, or his designee, to substantiate the Actual Cost of one or more Authorized Improvements.

"City" means the City of Kaufman, Texas.

"City Council" means the duly elected governing body of the City.

"County" means Kaufman County, Texas.

"Delinquency and Prepayment Reserve" has the meaning set forth in Section V.F of this Service and Assessment Plan.

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

"Developer" means Freeman Farm, a series of EIS Development II, LLC, a Texas limited liability company, and its respective successors and assigns

"Development Agreement" means the Freeman Farm Development Agreement, between the City and between the City and the Developer relating to the Bonds, effective February 16, 2022as amended from time to time.

"Equivalent Units" means, as to any Parcel the number of dwelling units by lot type expected to be built on the Parcel multiplied by the factors calculated and shown in Appendix E attached hereto.

"Homeowner Association" means a homeowner's association or property owners' association established for the benefit of property owners within the boundaries of the PID.

"Homeowner Association Property" means property within the boundaries of the PID that is owned by or irrevocably offered for dedication to, whether in fee simple or through an exclusive use easement, a homeowner's association.

"Lot" means a tract of land described as a "lot" in a subdivision plat recorded in the official public records of the County.

"Lot Type" means a classification of final building lots with similar characteristics (e.g. commercial, light industrial, multifamily residential, single family residential, etc.), as determined by the Administrator and confirmed by the City Council as described in Appendix E and shown in Appendix G. In the case of single family residential lots, the Lot Type shall be further defined by classifying the residential lots by the estimated average home value for each home at the time of assessment levy, considering factors such as density, lot size, proximity to amenities, view premiums, location, and any other factors that may impact the average home value on the lot, as determined by the Administrator and confirmed by the City Council.

"Maximum Assessment Per Unit" means an Assessment per unit for each applicable Lot Type as follows:

Lot Type 1 (60 Ft Lot)	$25,886.56
Lot Type 2 (50 Ft Lot)	$21,485.84

"Non-Benefited Property" means Parcels that accrue no special benefit from the Authorized Improvements, including Homeowner Association Property, Public Property and easements that create an exclusive use for a public utility provider to the extent they accrue no special benefit. Property identified as Non-Benefited Property at the time the Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel, is not assessed. Assessed Property converted to Non-Benefited Property, if the Assessments may not be reallocated pursuant to the provisions herein, remains subject to the Assessments and requires the Assessments to be prepaid as provided for in Section VI.C.

"Parcel" or **"Parcels"** means a parcel or parcels within the PID identified by either a tax map identification number assigned by the Kaufman Central Appraisal District for real property tax purposes or by lot and block number in a final subdivision plat recorded in the real property records of the County.

"PID" has the meaning set forth in Section I.A of this Service and Assessment Plan.

"PID Act" means Texas Local Government Code Chapter 372, Public Improvement District Assessment Act, Subchapter A, Public Improvement Districts, as amended.

"PID Bonds" mean the certain City of Kaufman, Texas, Special Assessment Revenue Bonds, Series 2024 (Kaufman Public Improvement District No. 3) are secured primarily by Assessment Revenues.

"Prepayment Costs" mean interest and expenses to the date of prepayment, plus any additional expenses related to the prepayment, reasonably expected to be incurred by or imposed upon the City as a result of any prepayment of an Assessment.

"Public Property" means property within the boundaries of the PID that is owned by or irrevocably offered for dedication to the federal government, the State of Texas, the County, the City, a school district or any other public agency, whether in fee simple or through an exclusive use easement.

"Service and Assessment Plan" or **"SAP"** means this Service and Assessment Plan prepared for the PID pursuant to the PID Act, as the same may be amended from time to time.

"Trust Indenture" means an indenture of trust, ordinance or similar document setting forth the terms and other provisions relating to the Bonds, as modified, amended, and/or supplemented from time to time.

"Trustee" means the fiscal agent or trustee as specified in the Trust Indenture, including a substitute fiscal agent or trustee.

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II. PROPERTY INCLUDED IN THE PID

A. PROPERTY INCLUDED IN THE PID

The PID is presently located within the City and contains approximately 25.402 acres of land. A map of the property within the PID is shown on Appendix A to this Service and Assessment Plan.

At completion, the PID is expected to consist of approximately 123 single family residential units, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities to the PID. The estimated number of lots and the classification of each lot are based upon the proposed development plan.

The property within the PID is proposed to be developed as follows:

Table II-A
Proposed Development within the PID

Proposed Development	Quantity	Measurement
Lot Type 1 (60 Ft)	58	Units
Lot Type 2 (50 Ft)	65	Units
Total	**123**	Units

The estimated number of units at the build-out of the PID is based on the land use approvals for the property, the anticipated subdivision of property in the PID, and the Developer's estimate of the highest and best use of the property within the PID.

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III. DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS

A. AUTHORIZED IMPROVEMENT OVERVIEW

Section 372.003 of the PID Act defines the improvements that may be undertaken by a municipality or county through the establishment of a public improvement district, as follows:

372.003. Authorized Improvements

(a) If the governing body of a municipality or county finds that it promotes the interests of the municipality or county, the governing body may undertake an improvement project that confers a special benefit on a definable part of the municipality or county or the municipality's extraterritorial jurisdiction. A project may be undertaken in the municipality or county or the municipality's extraterritorial jurisdiction.

(b) A public improvement may include:

(i) landscaping;

(ii) erection of fountains, distinctive lighting, and signs;

(iii) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of way;

(iv) construction or improvement of pedestrian malls;

(v) acquisition and installation of pieces of art;

(vi) acquisition, construction, or improvement of libraries;

(vii) acquisition, construction, or improvement of off-street parking facilities;

(viii) acquisition, construction, improvement, or rerouting of mass transportation facilities;

(ix) acquisition, construction, or improvement of water, wastewater, or drainage facilities or improvements;

(x) the establishment or improvement of parks;

(xi) projects similar to those listed in Subdivisions (i)-(x);

(xii) acquisition, by purchase or otherwise, of real property in connection with an authorized improvement;

(xiii) special supplemental services for improvement and promotion of the district, including services relating to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation, and cultural enhancement;

(xiv) payment of expenses incurred in the establishment, administration and operation of the district; and

(xv) the development, rehabilitation, or expansion of affordable housing

After analyzing the public improvement projects authorized by the PID Act, the City has determined at this time to undertake only Authorized Improvements listed in Section III.B and shown in the opinion of probable costs included as Appendix B and on the diagrams included as Appendix D for the benefit of the Assessed Property. Any change to the list of Authorized Improvements will require the approval of the City and an update to this Service and Assessment Plan.

B. DESCRIPTIONS OF THE AUTHORIZED IMPROVEMENTS

The Authorized Improvements benefit the entire PID. The costs of the Authorized Improvements are allocated proportionally throughout the entire PID, excluding Non-Benefited Property, in a manner that anticipates planned development of the PID based on the anticipated number of Equivalent Units.

The Authorized Improvements descriptions are presented below as provided by the project engineer. The Budgeted Costs are shown in Table III-A, and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

A description of the Authorized Improvements are as follows:

Roadway Improvements:

Onsite

The onsite roadway improvements within the PID include construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Offsite

The offsite roadway improvements within the PID include construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Wet Utilities:

Wet utilities include water improvements, sanitary sewer improvements, and storm drainage improvements are further described on the following page.

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Water Improvements:

Onsite

The onsite water distribution system improvements within the PID consist of construction and installation of water lines, mains, pipes, valves and appurtenances necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the Assessed Property. The onsite water distribution system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Offsite

The offsite water distribution system improvements within the PID consist of construction and installation of water lines, mains, pipes, valves and appurtenances necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the Assessed Property. The offsite water improvements are constructed exclusively for the benefit of the Assessed Property, are fully allocated to the PID, and will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Sanitary Sewer Improvements:

The sanitary sewer collection system improvements within the PID consist of construction and installation of pipes, service lines, manholes, encasements and appurtenances necessary to provide sanitary sewer service to the Assessed Property. The sanitary sewer improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Storm Drainage Improvements:

The storm drainage collection system improvements consist of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Landscaping and Open Space Improvements:

The landscaping improvements within the PID consist of grading, landscaping, irrigation, entry monumentation, and seeding. The landscaping improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Soft and Miscellaneous Costs

Soft and miscellaneous costs consist of costs related to designing, constructing, and installing the Authorized Improvements including land planning and design, city fees, legal fees, district formation costs, appraisal fees, engineering, soil testing, survey, construction staking, construction

management, and contingency, costs associated with financing the Authorized Improvements, and a portion of the costs incurred in the establishment, administration and operation of the PID.

Table III-A
Budgeted Authorized Improvement Costs

Authorized Improvements	Offsite	Onsite	Total
Hard Costs			
Roadway Improvements	$167,919	$1,390,722	$1,558,641
Wet Utilities:			
Water Improvements	$448,760	$463,850	$912,610
Sanitary Sewer Improvements	$0	$424,260	$424,260
Drainage Improvements	$0	$589,765	$589,765
Sub-total Wet Utilities	*$448,760*	*$1,477,875*	*$1,926,635*
Landscaping and Open Spaces	$219,875	$0	$219,875
Sub-total Hard Costs	*$836,554*	*$2,868,597*	*$3,705,151*
Soft and Miscellaneous Costs			
Other Soft and Miscellaneous Costs	$114,938	$636,361	$751,299
Sub-total Soft and Miscellaneous Costs	*$114,938*	*$636,361*	*$751,299*
Total Authorized Improvements	**$951,492**	**$3,504,958**	**$4,456,450**

[1]The above shown estimated costs are provided by the Developer. The figures shown in Table III-A may be revised in Annual Service Plan Updates and may be reallocated between line items. Amounts are rounded to the nearest dollar.

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IV. SERVICE PLAN

A. PROJECTED SOURCES AND USES OF FUNDS

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 PID during the five-year period. It is anticipated that the Authorized Improvements will be completed and accepted by the City in the fourth quarter of 2024.

The Budgeted Costs for Authorized Improvements plus costs related to the issuance of the PID Bonds and payment of expenses incurred in the establishment, administration, and operation of the PID are $5,195,094 as shown in Table IV-A. The service plan shall be reviewed and updated at least annually for the purpose of determining the annual budget for Administrative Expenses, updating the estimated Authorized Improvement costs, and updating the Assessment Roll(s). Any update to this Service and Assessment Plan is herein referred to as an "Annual Service Plan Update."

Table IV-A shows the projected sources and uses of funds for the Authorized Improvements.

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Table IV-A
Projected Sources and Uses

Sources of Funds	**Total**
Par Amount	$2,898,000
Other Funding Sources[1],	$2,297,094
Total Sources	**$5,195,094**
Uses of Funds	
Authorized Improvements:	
Roadway Improvements	$1,558,641
Wet Utilities:	
Water Improvements	$912,610
Sanitary Sewer Improvements	$424,260
Drainage Improvements	$589,765
Landscaping and Open Spaces	*$219,875*
Other Soft and Miscellaneous Costs	*$751,299*
Subtotal Authorized Improvements	***$4,456,450***
Bond Issuance Costs:	
Underwriter's Discount	$86,940
Cost of Issuance	$251,559
Deposit to Debt Service Reserve Fund	$206,765
Capitalized Interest	$138,890
Deposit to Administrative Fund	$40,000
Deposit to Prepayment and Delinquency Fund	$14,490
Subtotal Bond Issuance Costs	*$738,644*
Total Uses	**$5,195,094**

[1]Other funding sources are being funded by the Developer and are not anticipated to be reimbursed by the PID.

B. PROJECTED FIVE -YEAR SERVICE AND ASSESSMENT PLAN

The annual projected costs and annual projected indebtedness are shown in Table IV-B. The annual projected costs and indebtedness are subject to revision, and each shall be updated in the Annual Service Plan Update to reflect any changes in the costs or indebtedness expected for each year.

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Table IV-B
Annual Projected Costs and Annual Projected Indebtedness

Year	Annual Projected Cost	Annual Projected Indebtedness	Other Funding Sources[1]	Projected Annual Installments[2,3]
2024	$5,195,094	$2,898,000	$2,297,094	$0
2025	$0	$0	$0	$0
2026	$0	$0	$0	$262,055
2027	$0	$0	$0	$261,939
2028	$0	$0	$0	$261,723
2029	$0	$0	$0	$262,410
2030	$0	$0	$0	$261,941
Total	**$5,195,094**	**$2,898,000**	**$2,297,094**	**$1,310,067**

[1] Other funding sources are being funded by the Developer and are not anticipated to be reimbursed by the PID.
[2]Administrative Expenses for the fiscal year 2025 are being funded with PID Bond proceeds and interest on the PID Bonds for fiscal year 2025 is being funded with capitalized interest.
[3]Includes amounts to be paid from Assessments related to the PID Bonds.

The annual projected costs shown in Table IV-B are the annual expenditures relating to the Authorized Improvements shown in Table III-A, and the costs associated with setting up the PID and bond issuance costs including reserves shown in Table IV-A. The difference between the total projected cost and the total projected indebtedness, if any, is the amount contributed by the Developer.

C. PID Assessment Notice

The PID Act requires that this Service and Assessment Plan, and each Annual Service Plan Update, include a copy of the Notice form (required by Section 5.014 of the Texas Property Code). The PID assessment notice is attached hereto as Appendix F and may be updated in an Annual Service Plan Update.

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V. ASSESSMENT PLAN

A. INTRODUCTION

The PID Act requires the City Council to apportion the costs of the Authorized Improvements on the basis of special benefits conferred upon the property because of the Authorized Improvements. The PID Act provides that the costs of the Authorized Improvements may be assessed: (i) equally per front foot or square foot; (ii) according to the value of the property as determined by the governing body, with or without regard to improvements on the property; or (iii) in any other manner that results in imposing equal shares of the cost on property similarly benefited. The PID Act further provides that the governing body may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the municipality and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

For purposes of this Service and Assessment Plan, the City Council has determined that the Budgeted Costs of the Authorized Improvements shall be allocated as described below:

1. The Authorized Improvement costs shall be allocated on the basis of Equivalent Units once such property is developed, and that such method of allocation will result in the imposition of equal shares of the costs of the Authorized Improvements to Parcels similarly benefited.

2. The City Council has concluded that larger more expensive homes are likely to be built on the larger lots, and that larger more expensive homes are likely to make greater use of and receive greater benefit from the Authorized Improvements. In determining the relative values of Parcels, the City Council has taken into consideration (i) the type of development (i.e., residential, commercial, etc.), (ii) single-family lot sizes and the size of homes likely to be built on lots of different sizes, (iii) current and projected home prices provided by the Developer, (iv) the Authorized Improvements to be provided and the estimated costs, and (v) the ability of different property types to utilize and benefit from the Authorized Improvements.

3. The Assessed Property is classified into different Lot Types as described in Appendix E based on the type and size of proposed development on each Parcel.

4. Equivalent Units are calculated for each Lot Type based on the relative value of each Lot Type.

This section of this Service and Assessment Plan currently (i) describes the special benefit received by each Parcel within the PID as a result of the Authorized Improvements, (ii) provides the basis and justification for the determination that this special benefit equals or exceeds the amount of the Assessments to be levied on the Assessed Property for such Authorized Improvements, and (iii) establishes the methodologies by which the City Council allocates and reallocates the special benefit of the Authorized Improvements to Parcels in a manner that results in equal shares of the Actual Costs of the Authorized Improvements being apportioned to Parcels similarly benefited.

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 Developer and all future owners and developers of the Assessed Property.

B. Special Benefit

Assessed Property must receive a direct and special benefit from the Authorized Improvements, and this benefit must be equal to or greater than the amount of the Assessments. The Authorized Improvements are provided specifically for the benefit of the Assessed Property. The Authorized Improvements (more particularly described in line-item format in Appendix B to this Service and Assessment Plan) and the costs of issuance and payment of costs incurred in the establishment of the PID shown in Table IV-A are authorized by the PID Act. These Authorized Improvements are provided specifically for the benefit of the Assessed Property.

Each owner of the Assessed Property has acknowledged that the Authorized Improvements confer a special benefit on the Assessed Property and has consented to the imposition of the Assessments to pay for the Actual Costs associated therewith. Each of the owners is acting in its interest in consenting to this apportionment and levying of the Assessments because the special benefit conferred upon the Assessed Property by the Authorized Improvements exceeds the amount of the Assessments.

The Authorized Improvements provide a special benefit to the Assessed Property as a result of the close proximity of these improvements to the Assessed Property and the specific purpose of these improvements of providing infrastructure for the Assessed Property. In other words, the Assessed Property could not be used in the manner proposed without the construction of the Authorized Improvements. The Authorized Improvements are being provided specifically to meet the needs of the Assessed Property as required for the proposed use of the property.

The Assessments are being levied to provide the Authorized Improvements that are required for the highest and best use of the Assessed Property (i.e., the use of the property that is most valuable, including any costs associated with that use). Highest and best use can be defined as "the reasonably probable and legal use of property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value." (*Dictionary of Real Estate Appraisal, Third Edition*.) The Authorized Improvements are expected to be required for the proposed use of the Assessed Property to be physically possible, appropriately supported, financially feasible, and maximally productive.

The Developer has evaluated the potential use of the property and has determined that the highest and best use of the property is the use intended and the legal use for the property as described in Section II of this Service and Assessment Plan. The use of the Assessed Property as described herein will require the construction of the Authorized Improvements.

Each owner of the Assessed Property will ratify, confirm, accept, agree to and approve: (i) the determinations and finding by the City Council as to the special benefits described in this Service and Assessment Plan and the Assessment Ordinance; (ii) the Service and Assessment Plan and

the Assessment Ordinance; and (iii) the levying of Assessments on the Assessed Property. Use of the Assessed Property as described in this Service and Assessment Plan and as authorized by the PID Act requires that Authorized Improvements be acquired, constructed, installed, and/or improved. Funding the Actual Costs of the Authorized Improvements through the PID has been determined by the City Council to be the most beneficial means of doing so. This special benefit exceeds the amount of the Assessment. This conclusion is based on and supported by the evidence, information, and testimony provided to the City Council and reflected in Table VII-A.

In summary, the Authorized Improvements result in a special benefit to the Assessed Property for the following reasons:

1. The Authorized Improvements are being provided specifically for the use of the Assessed Property, are necessary for the proposed best use of the property and provide a special benefit to the Assessed Property as a result;

2. The Developer has consented to the imposition of the Assessments for the purpose of providing the Authorized Improvements and the Developer is acting in its interest by consenting to this imposition;

3. The highest and best use of the Assessed Property is the use of the Assessed Property that is most valuable (including any costs associated with the use of the Assessed Property);

4. As a result, the special benefit to the Assessed Property from the Authorized Improvements will be equal to or greater than the Assessments.

C. Assessment Methodology

The costs of the Authorized Improvements may be assessed by the City Council against the Assessed Property so long as the special benefit conferred upon the Assessed Property by the Authorized Improvements equals or exceeds the Assessments. The costs of the Authorized Improvements may be assessed using any methodology that results in the imposition of equal shares of the Actual Costs on Assessed Property similarly benefited.

1. Assessment Methodology for the Authorized Improvements

For purpose of this Service and Assessment Plan, the City Council has determined that the Budgeted Costs of the Authorized Improvements to be financed with the PID Bonds shall be allocated to the Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units anticipated to be developed on each Parcel within the PID.

Based on the Budgeted Costs of the Authorized Improvements, as set forth in Table III-A, the City Council has determined that the benefit to the Assessed Property of the Authorized Improvements is at least equal to the Assessments levied on the Assessed Property.

Upon subsequent divisions of any Parcel, the Assessment applicable to it will then be apportioned pro rata based on the estimated Equivalent Units of each newly created Parcel. For residential

Lots, when final residential building sites are platted, Assessments will be apportioned proportionately among each Parcel based on the ratio of the estimated Equivalent Units at the time residential Lots are platted to the total estimated Equivalent Units of all Lots in the platted Parcel, as calculated and shown in Appendix E using the types, number and average home value of Lots anticipated to be developed on each Parcel.

The Assessment and Annual Installments for each Parcel or Lot located within the PID is shown on the Assessment Roll, attached as Appendix G, and no Assessment shall be changed except as authorized by this Service and Assessment Plan or the PID Act.

D. ASSESSMENTS

The Assessments are levied on each Parcel according to the Assessment Roll, attached hereto as Appendix G. The Annual Installments will be collected at the time and in the amounts shown on the Assessment Roll subject to any revisions made during an Annual Service Plan Update.

E. ADMINISTRATIVE EXPENSES

The cost of administering the PID and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of Assessment levied against the Parcel. The Administrative Expenses shall be collected as part of and in the same manner as Annual Installments in the amounts shown on each Assessment Roll, attached as Appendix G, which may be revised based on Actual Costs incurred in Annual Service Plan Updates.

F. DELINQUENCY AND PREPAYMENT RESERVE

Pursuant to the PID Act, the interest rate for Assessments may exceed the actual interest rate per annum paid on the related Bonds by no more than one half of one percent (0.50%). The interest rate used to determine the Assessments is one half of one percent (0.50%) per annum higher than the actual rate paid on the PID Bonds, with the Additional Interest Component of the Annual Installments allocated to fund a reserve to be used for paying interest associated with a prepayment and to offset any possible delinquency related costs. The Delinquency and Prepayment Reserve shall be funded until it reaches 5.50% of the outstanding Bonds unless otherwise stipulated in the Trust Indenture. Once the Delinquency and Prepayment Reserve is funded in full, the City may allocate the Additional Interest Component of the Annual Installments as provided in the applicable Trust Indenture.

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VI. TERMS OF THE ASSESSMENTS

A. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN THE PID

The Assessment and Annual Installments for each Assessed Property located within the PID is shown on the Assessment Roll, attached as Appendix G, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected from the Assessed Property in an amount sufficient to pay (i) principal and interest on the PID Bonds, (ii) to fund the Delinquency and Prepayment Reserve described in Section V, and (iii) to pay Administrative Expenses related to the PID. The Annual Installment for each Parcel in the PID shall be calculated by taking into consideration any available capitalized interest applicable to the Parcel.

B. REALLOCATION OF ASSESSMENTS

1. Subdivision

Upon the subdivision of any Parcel, the Assessment for the Parcel prior to the subdivision shall be reallocated among the new subdivided Parcels according to the following formula:

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

Where the terms have the following meanings:

A = the Assessment for each new subdivided Parcel
B = the Assessment for the Parcel prior to subdivision
C = the estimated total Equivalent Units to be built on each new subdivided Parcel
D = the sum of the estimated total Equivalent Units to be built on all of the new subdivided Parcels

The calculation of the estimated Equivalent Units to be built on a Parcel shall be performed by the Administrator and confirmed by the City Council based on the information available regarding the use of the Parcel. The estimate as confirmed shall be conclusive. The number of Equivalent Units to be built on a Parcel may be estimated by net land area and reasonable density ratios.

The sum of the Assessments for all newly subdivided Parcels shall equal the Assessment for the Parcel prior to subdivision. The calculation shall be made separately for each newly subdivided Parcel. The reallocation of an Assessment for a Parcel that is a homestead under Texas law may not exceed the Assessment prior to the reallocation and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the subdivision of the Parcels. Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the City Council.

2. Consolidation

Upon the consolidation of two or more Parcels, the Assessment for the consolidated Parcel shall be the sum of the Assessments for the Parcels prior to consolidation. The reallocation of an Assessment for a Parcel that is a homestead under Texas law may not exceed the Assessment prior to the reallocation and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the consolidation of the Parcels. Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the City Council.

C. MANDATORY PREPAYMENT OF ASSESSMENTS

1. If a Parcel subject to Assessments is transferred to a party that is exempt from the payment of the Assessment under applicable law, or if an owner causes a Parcel subject to Assessments to become Non-Benefited Property, the owner of such Parcel shall pay to the City the full amount of the principal portion of the Assessment on such Parcel, plus all Prepayment Costs, prior to any such transfer or act.

2. If at any time the Assessment per unit on a Parcel exceeds the applicable Maximum Assessment Per Unit shown in this Service and Assessment Plan as a result of any changes in land use, subdivision, consolidation or reallocation of the Assessment authorized by this Service and Assessment Plan and initiated by the owner of the Parcel, then such owner shall pay to the City prior to the recordation of the document subdividing the Parcel the amount calculated by the Administrator by which the Assessment per unit for the Parcel exceeds the applicable Maximum Assessment Per Unit calculated in this Service and Assessment Plan. The City's approval of a final subdivision plat without payment of such amounts does not eliminate the obligation of the owner of the Parcel to pay each Assessment due, or alternately all of the Authorized Improvements are not completed, pursuant to this section.

3. The payments required above shall be treated the same as any Assessment that is due and owing under the PID Act, the Assessment Ordinance, and this Service and Assessment Plan, including the same lien priority, penalties, procedures, and foreclosure specified by the PID Act.

D. REDUCTION OF ASSESSMENTS

1. If after all Authorized Improvements to be funded with a series of Bonds have been completed, Actual Costs for such Authorized Improvements are less than the Budgeted Costs of the Authorized Improvements used to calculate the Assessments securing such series of Bonds, resulting in excess Bond proceeds such excess Bond proceeds shall be applied to redeem Bonds as provided in the Trust Indenture, then the Assessment securing such series of Bonds for each Parcel of Assessed Property shall be reduced by the City Council pro rata such that the sum of the resulting reduced Assessments for all Assessed Properties equals the actual reduced Actual Costs. The Assessments shall not be reduced to an amount less than the related outstanding series of Bonds. If all of the Authorized Improvements are not completed, the City may reduce the Assessments in any other method if it determines such method would better reflect the benefit received by the Parcels from the Authorized Improvements completed.

2. If all the Authorized Improvements are not undertaken, resulting in excess Bond proceeds, such excess Bond proceeds shall be applied to redeem Bonds as provided in the Trust Indenture, then the Assessments and Annual Installments for each Parcel shall be appropriately reduced by the City Council to reflect only the amounts required to repay the Bonds, including interest on the Bonds and Administrative Expenses. The City Council may reduce the Assessments and the Annual Installments for each Parcel (i) in an amount that represents the Authorized Improvements provided for each Parcel or (ii) by an equal percentage calculated based on number of units, if determined by the City Council to be the most fair and practical means of reducing the Assessments for each Parcel, such that the sum of the resulting reduced Assessments equals the amount required to repay the Bonds, including interest on the Bonds and Administrative Expenses. The principal portion of the Assessment for each Parcel shall be reduced pro rata to the reduction in the Assessments for each Parcel such that the sum of the resulting reduced principal portion of the Bonds is not less than the outstanding principal amount of the Bonds.

E. PAYMENT OF ASSESSMENTS

1. Payment in Full

(a) The Assessment for any Parcel may be paid in full at any time. Such payment shall include all Prepayment Costs. If prepayment in full will result in redemption of Bonds, the payment amount shall be reduced by the amount, if any, of interest from the date of prepayment through the date of redemption of Bonds and reserve funds applied to the redemption under the Trust Indenture, net of any other costs applicable to the redemption of Bonds.

(b) If an Annual Installment has been billed prior to payment in full of an Assessment, the Annual Installment shall be due and payable and shall be credited against the payment-in-full amount.

(c) Upon payment in full of the Assessment and all Prepayment Costs, the City shall deposit the payment in accordance with the Trust Indenture, if applicable, or other relevant PID documents; whereupon, the Assessment shall be reduced to zero and the Assessment Roll revised accordingly, and the owner's obligation to pay the Assessment and Annual Installments thereof shall automatically terminate. The Administrator shall cause the revised Assessment Roll to be approved by the City Council as part of the next Annual Service Plan update. The City shall provide the owner with a recordable notice of the termination of the Assessment. The City Manager or their designee is hereby authorized to execute any such notice or other lien release documents.

(d) At the option of the owner, the Assessment on any Parcel plus Prepayment Costs may be paid in part. Upon the payment of such amounts for a Parcel, the Assessment for the Parcel shall be reduced, the Assessment Roll shall be updated to reflect such partial payment, and the obligation to pay the Annual Installment for such Parcel shall be reduced to the extent the partial payment is made.

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2. Payment in Annual Installments

The PID Act provides that an Assessment for a Parcel may be paid in full at any time. If not paid in full, the PID Act authorizes the Assessment to be paid in installments and additionally allows the City to collect interest, administrative expenses and other authorized charges in installments. An Assessment for a Parcel that is not paid in full will be collected in Annual Installments each year in the amounts shown on the Assessment Roll, as updated as provided for herein, which include interest, Additional Interest, and Administrative Expenses. Payment of the first Annual Installments shall be due February 1, 2026.

Each Assessment Roll sets forth for each year the Annual Installment for each parcel based on an interest rate of 5.25% in years 1 through 20 (2025-2044) and 5.50% in years 21 through 30 (2045-2054 on the PID Bonds and Additional Interest at the rate of 0.5% for the Delinquency and Prepayment Reserve. Furthermore, the Annual Installments may not exceed the amounts shown on the Assessment Roll. The Assessment Roll is shown as Appendix G.

The Annual Installments shall equal the Actual Costs of repaying the PID Bonds, Additional Interest, and actual Administrative Expenses (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as interest income on account balances.

The City reserves and shall have the right and option to refund the Bonds in accordance with Section 372.027 of the PID Act, Chapter 1207 of the Texas Government Code or any other applicable authority provided by the laws of the State of Texas. In the event of such refunding, the Administrator, upon approval by the City, shall recalculate the Annual Installments, and if necessary, may adjust, or decrease, the amount of the Annual Installments so that total Annual Installments of Assessments will be produced in annual amounts that are required to pay the refunding bonds when due and payable as required by and established in the ordinance and/or the indenture authorizing and securing the refunding bonds, and such refunding bonds shall constitute Bonds for purposes of this Service and Assessment Plan.

F. COLLECTION OF ANNUAL INSTALLMENTS

No less frequently than annually, the Administrator shall prepare, and the City Council shall consider, an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include an updated Assessment Roll and a calculation of the Annual Installment for each Parcel. Administrative Expenses shall be allocated among Parcels in proportion to the amount of the Annual Installments for the Parcels. Each Annual Installment shall be reduced by any credits applied under the applicable Trust Indenture, such as capitalized interest, interest earnings on any account balances, and any other funds available to the Trustee for such purpose. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City. The City Council may provide for other means of collecting the Annual Installments to

the extent permitted under the PID Act. The Assessments shall have lien priority as specified in the PID Act.

Any sale of property for nonpayment of the Annual Installments shall be subject to the lien established for the remaining unpaid Annual Installments against such property and such property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent Annual Installments against such property as they become due and payable.

Each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be updated annually. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year. Collection of the initial Annual Installments relating to the Authorized Improvements that benefit the Assessed Property will be due when billed and will be delinquent if not paid prior to the first February 1, 2026.

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VII. THE ASSESSMENT ROLL

A. ASSESSMENT ROLL

The City Council has evaluated each Parcel in the PID based on numerous factors such as the applicable zoning for developable area, the use of proposed Homeowner Association Property, the Public Property, the types of Authorized Improvements, and other development factors deemed relevant to determine the amount of Assessed Property within the PID.

The Assessed Property has been assessed for the special benefits conferred upon the property resulting from the Authorized Improvements. Table VII-A summarizes the $5,195,094 in special benefit received by the Assessed Property from the Authorized Improvements. The par amount of the PID Bonds is $2,898,000 which is less than the benefit received by the Assessed Property. Accordingly, the total Assessment to be applied to all the Assessed Property is $2,898,000 plus annual Administrative Expenses. The Assessment for each Assessed Property is calculated based on the allocation methodologies described in Section V.C. The Assessment Roll is attached hereto as Appendix G.

Table VII-A
Special Benefit Summary

Special Benefit	Total Cost
Total Authorized Improvements[1]	$4,456,450
Bond Issuance Costs:	
Underwriter's Discount	$86,940
Cost of Issuance	$251,559
Deposit to Debt Service Reserve Fund	$206,765
Capitalized Interest	$138,890
Deposit to Administrative Fund	$40,000
Deposit to Prepayment and Delinquency Fund	$14,490
Subtotal Bond Issuance Costs	*$738,644*
Total Special Benefit	**$5,195,094**
Special Benefit:	
Total Special Benefit	$5,195,094
Projected Assessment	$2,898,000
Excess Benefit	**$2,297,094**

[1]See Table III-A for details.

(remainder of this page is intentionally left blank)

B. Annual Assessment Roll Updates

The Administrator shall prepare, and shall submit to the City Council for approval, annual updates to the Assessment Roll in conjunction with the Annual Service Plan Update to reflect the following matters, together with any other changes helpful to the Administrator or the City and permitted by the PID Act: (i) the identification of each Parcel; (ii) the Assessment for each Parcel of Assessed Property, including any adjustments authorized by this Service and Assessment Plan and in the PID Act; (iii) the Annual Installment for the Assessed Property for the year (if the Assessment is payable in installments); and (iv) payments of the Assessment, if any, as provided by Section VI.E. of this Service and Assessment Plan.

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VIII. MISCELLANEOUS PROVISIONS

A. ADMINISTRATIVE REVIEW

The City may elect to designate a third party to serve as Administrator. The City shall notify the Developer in writing at least thirty (30) days in advance before appointing a third-party Administrator.

To the extent consistent with the PID Act, an owner of an Assessed Property claiming that a calculation error has been made in the Assessment Roll(s), including the calculation of the Annual Installment, shall send a written notice describing the error to the City not later than thirty (30) days after the date any amount which is alleged to be incorrect is due prior to seeking any other remedy. If the owner fails to give such notice, such Owner shall be deemed to have accepted the calculation of the Assessment Roll (including the Annual Installments) and to have waived any objection to the calculation. The Administrator shall promptly review the notice, and if necessary, meet with the Assessed Property owner, consider written and oral evidence regarding the alleged error and decide whether, in fact, such a calculation error occurred.

If the Administrator determines that a calculation error has been made and the Assessment Roll should be modified or changed in favor of the Assessed Property owner, such change or modification shall be presented to the City Council for approval to the extent permitted by the PID Act. A cash refund may not be made for any amount previously paid by the Assessed Property owner (except for the final year during which the Annual Installment shall be collected or if it is determined there are sufficient funds to meet the expenses of the PID for the current year), but an adjustment may be made in the amount of the Annual Installment to be paid in the following year. The decision of the Administrator regarding a calculation error relating to the Assessment Roll may be appealed to the City Council. Any amendments made to the Assessment Roll(s) pursuant to calculation errors shall be made pursuant to the PID Act.

The decision of the Administrator, or if such decision is appealed to the City Council, the decision of the City Council shall be conclusive. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to any other appeal or legal action by such owner.

B. TERMINATION OF ASSESSMENTS

Each Assessment shall be extinguished on the date the Assessment is paid in full, including unpaid Annual Installments and Delinquent Collection Costs, if any. After the extinguishment of an Assessment and the collection of any delinquent Annual Installments and Delinquent Collection Costs, the City shall provide the owner of the affected Parcel a recordable "Notice of the PID Assessment Termination".

(remainder of this page is intentionally left blank)

C. AMENDMENTS

Amendments to the Service and Assessment Plan can be made as permitted or required by the PID Act and under Texas law.

The City Council reserves the right to the extent permitted by the PID Act to amend this Service and Assessment Plan without notice under the PID Act and without notice to property owners of Parcels:

> (i) to correct mistakes and clerical errors; (ii) to clarify ambiguities; and (iii) to provide procedures for the collection and enforcement of Assessments, Prepayment Costs, Collection Costs, and other charges imposed by the Service and Assessment Plan; and (iv) as may be required by the Attorney General of Texas in connection with the issuance of any series of Bonds.

D. ADMINISTRATION AND INTERPRETATION OF PROVISIONS

The City Council shall administer the PID, this Service and Assessment Plan, and all Annual Service Plan Updates consistent with the PID Act and shall make all interpretations and determinations related to the application of this Service and Assessment Plan unless stated otherwise herein or in the Trust Indenture, such determination shall be conclusive.

E. SEVERABILITY

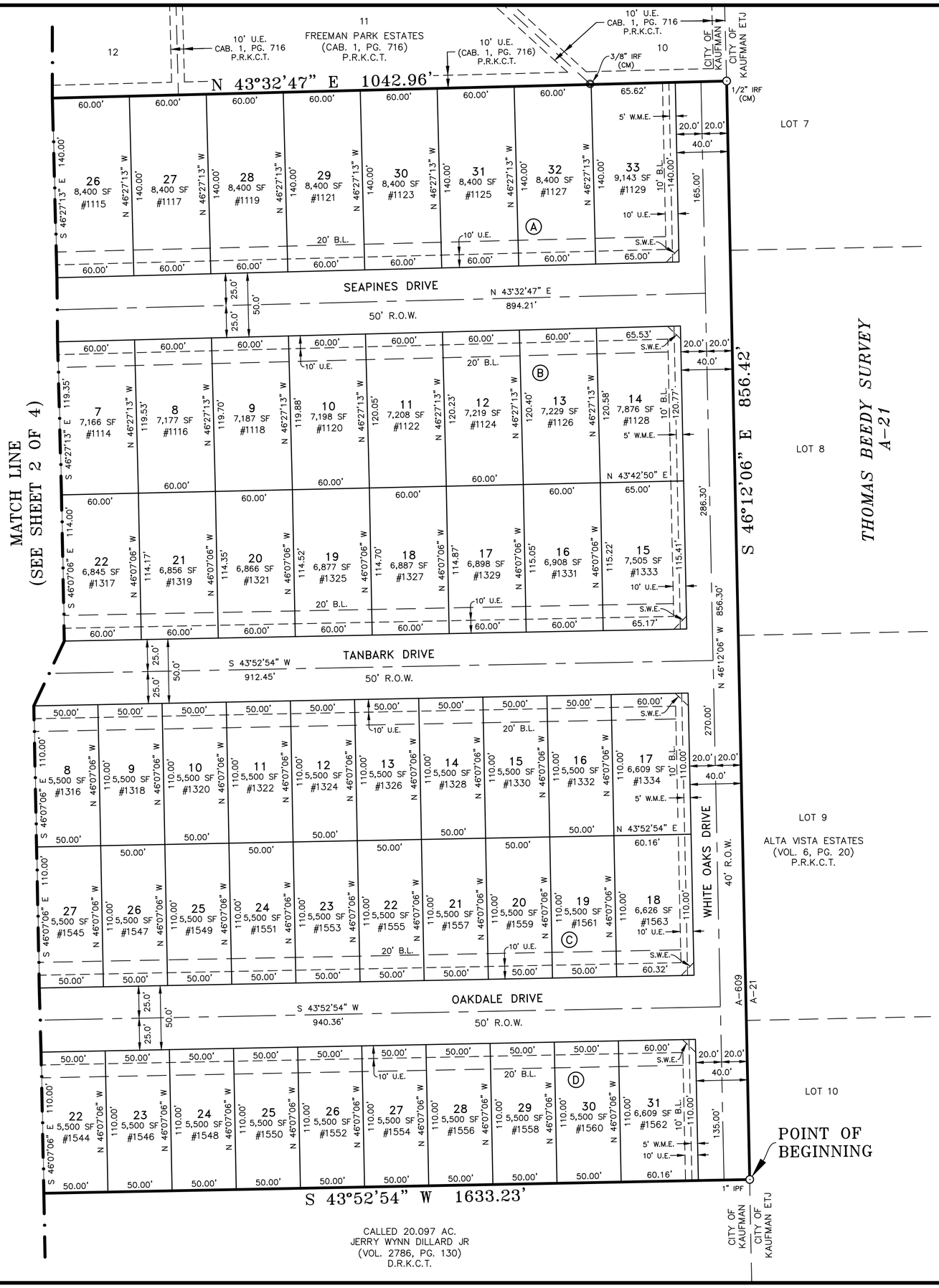
If any provision, section, subsection, sentence, clause or phrase of this Service and Assessment Plan or the application of same to an Assessed Property or any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Service and Assessment Plan or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Service and Assessment Plan that no part hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other part hereof, and all provisions of this Service and Assessment Plan are declared to be severable for that purpose.

If any provision of this Service and Assessment Plan is determined by a court to be unenforceable, the unenforceable provision shall be deleted from this Service and Assessment Plan and the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the City.

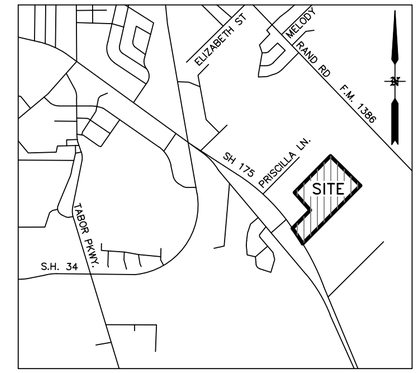
F. BUYER DISCLOSURE

Pursuant to Section 5.014 of the Texas Property Code, as amended, this Service and Assessment Plan, and any Annual Service Plan update shall include a form of the buyer disclosure, substantially in the form set forth in Appendix F, as described in Section IV.C.

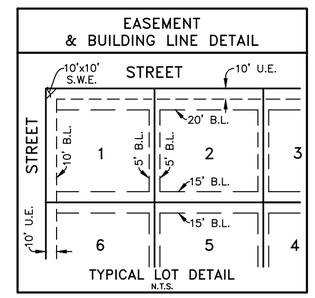
APPENDIX A
PID MAP

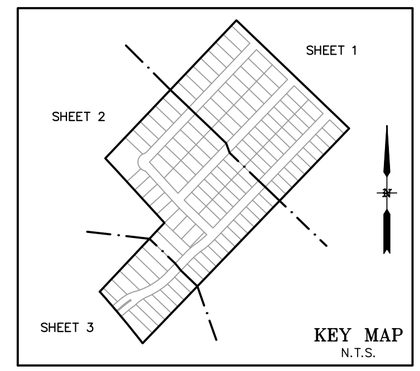


LEGEND	
CIRS	1/2" IRON ROD SET WITH RED CAP STAMPED "ONEAL 6570"
IRF	IRON ROD FOUND WITH CAP
P.R.K.C.T.	PLAT RECORDS KAUFMAN COUNTY, TEXAS
D.R.K.C.T.	DEED RECORDS KAUFMAN COUNTY, TEXAS
CM	CONTROL MONUMENT
B.L.	BUILDING SETBACK LINE
S.W.E.	10' X 10' SIDEWALK, VISIBILITY, ACCESS & MAINTENANCE EASEMENT
D.E.	DRAINAGE EASEMENT
U.E.	UTILITY EASEMENT
V.A.M.	VISIBILITY, ACCESS & MAINTENANCE EASEMENT
W.M.E.	WALL MAINTENANCE EASEMENT
	INDICATES STREET NAME CHANGE

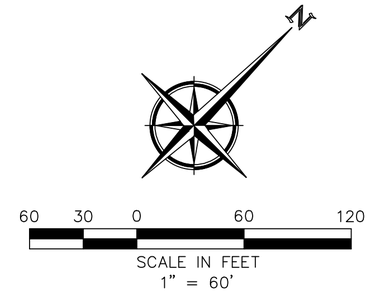


VICINITY MAP
N.T.S.





KEY MAP
N.T.S.



NOTICE:
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OWNER/DEVELOPER
KAUFMAN ONE WW, LLC
PO BOX 703397, DALLAS, TX 75370
CONTACT: MAHENDRA KANDEPU
(972) 937-8990

LAND SURVEYOR
O'NEAL SURVEYING COMPANY
205 WINDCO CIRCLE, SUITE 100
WYLIE, TX 75098
TBPLS Firm No. 10194132 JOB NO. 21031
daniel.oneal@onealsurveying.com
(903) 804-2891

FINAL PLAT

FREEMAN FARM

BEING

25.402 ACRES

123 RESIDENTIAL LOTS
4 COMMON AREA LOTS
EXISTING ZONING: PD-21

SITUATED IN THE

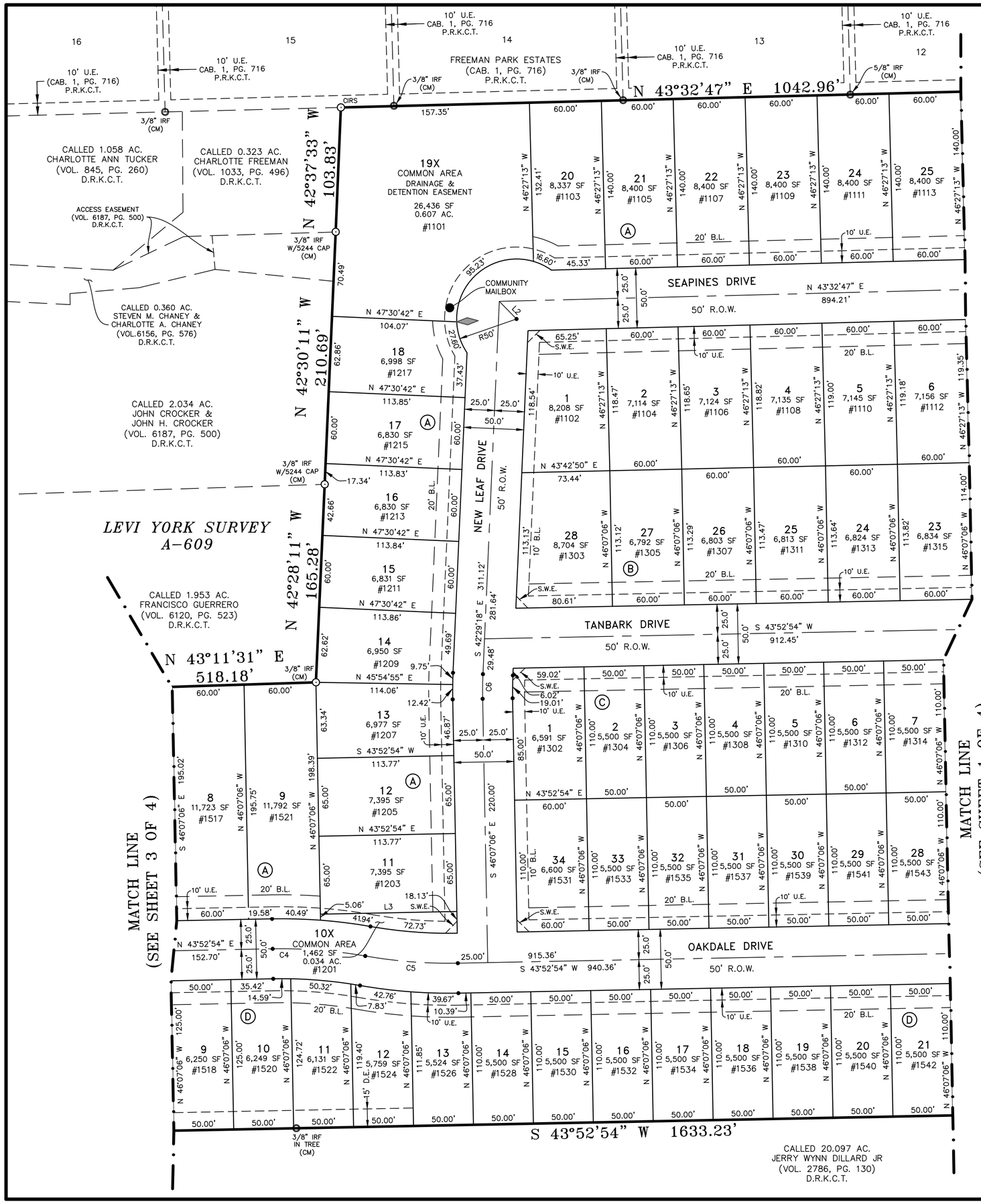
LEVI YORK SURVEY, A-609
CITY OF KAUFMAN, KAUFMAN COUNTY, TEXAS

ENGINEERING CONCEPTS & DESIGN, L.P.
ENGINEERING/PROJECT MANAGEMENT/CONSTRUCTION SERVICES
TEXAS FIRM REG. NO. 001145
201 WINDCO CIRCLE, SUITE 200, WYLIE TEXAS 75098
(972) 941-8400 FAX (972) 941-8401

REVISED: 7/11/2023
DATE: 2/17/2022

SHEET 1 OF 4

Z:\PROJECTS\00557 Kaufman- 21 AC on US175\dwg\Plats\557 Final Plat.dwg



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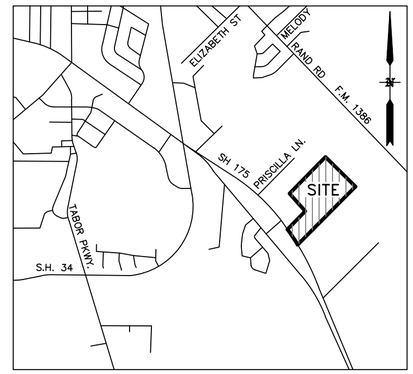

VICINITY MAP
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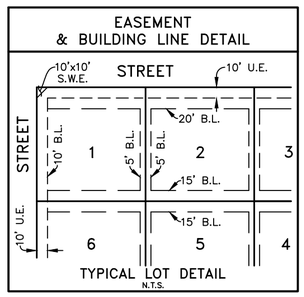

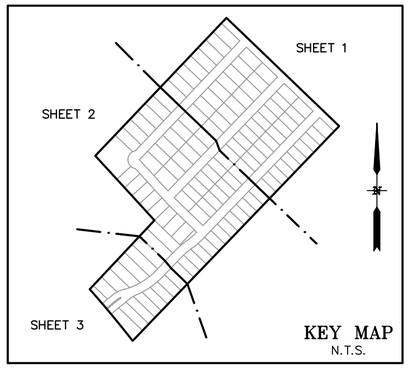

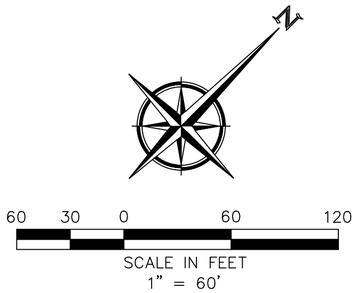

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SHEET 2 OF 4

Z:\PROJECTS\00557 Kaufman- 21 AC on US175\dwg\Plats\557 Final Plat.dwg

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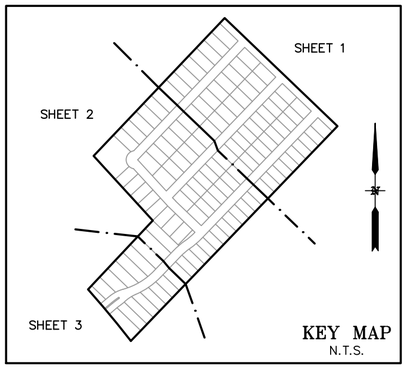
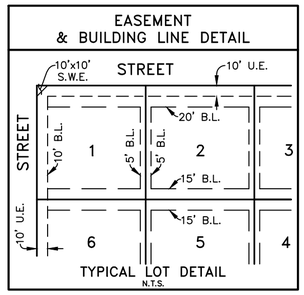


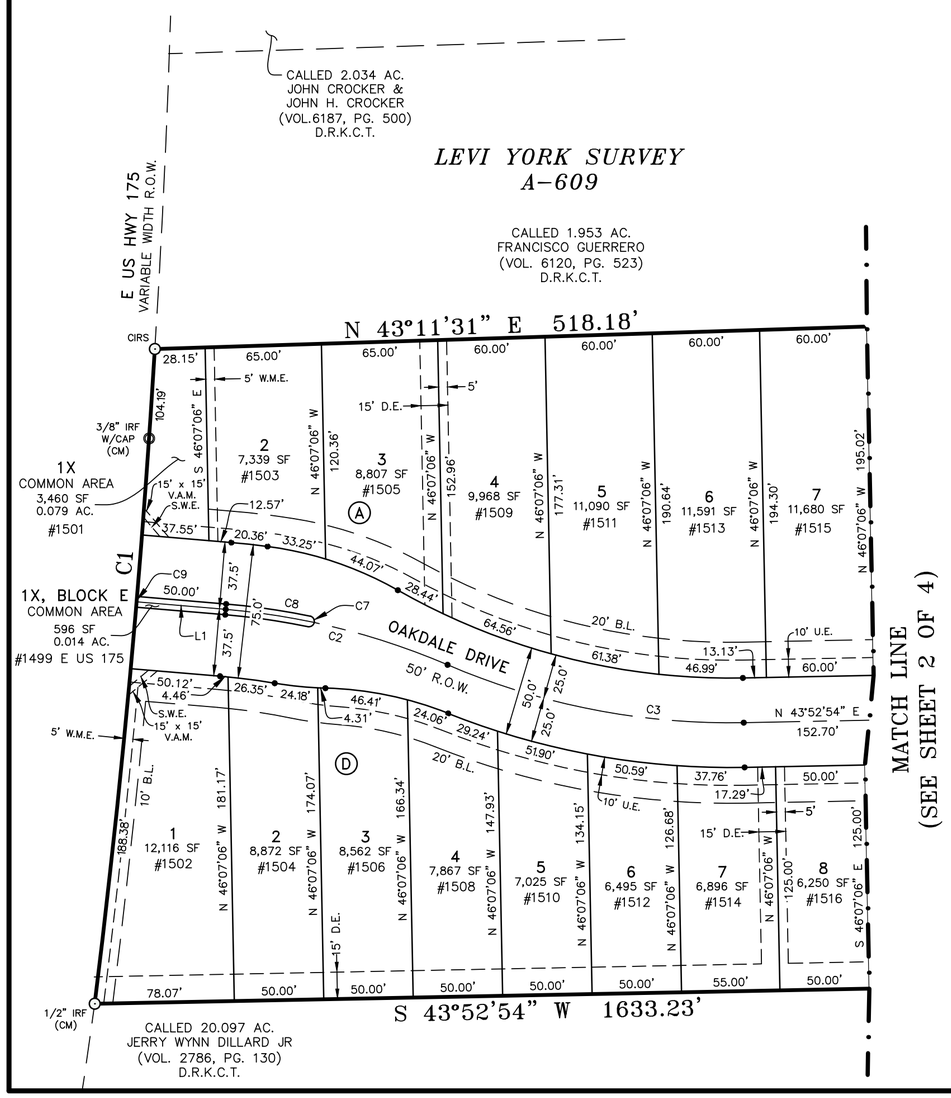


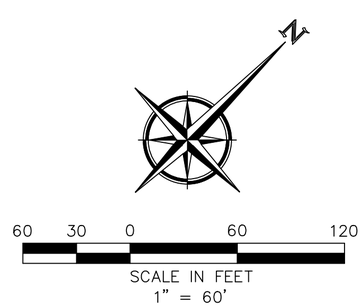
LINE TABLE		
NO.	DIRECTION	DISTANCE
L1	S 49°50'03" W	50.00'
L2	S 89°28'16" E	20.52'
L3	N 43°52'54" E	113.77'

CURVE TABLE						
CURVE	DELTA	RADIUS	TANGENT	LENGTH	CHORD BEARING	CHORD
C1	3°37'37"	5806.58'	183.84'	367.56'	N 39°45'02" W	367.50'
C2	18°23'21"	400.00'	64.75'	128.38'	S 59°01'43" W	127.83'
C3	24°20'30"	400.00'	86.27'	169.94'	N 56°03'09" E	168.66'
C4	11°06'46"	400.00'	38.91'	77.58'	S 49°26'16" W	77.46'
C5	11°06'46"	400.00'	38.91'	77.58'	N 49°26'16" E	77.46'
C6	3°37'48"	325.00'	10.30'	20.59'	S 44°18'12" E	20.59'
C7	180°00'00"	3.00'	INFINITY'	9.42'	N 33°26'01" W	6.00'
C8	6°43'56"	403.00'	23.70'	47.35'	S 53°12'01" W	47.33'
C9	0°03'33"	5806.58'	3.00'	6.00'	S 40°09'57" E	6.00'

NOTES:

1. All bearing shown here on are based on the Texas State Plane Coordinate System of 1983 (2011), North Central Zone (4202).
2. A 1/2-inch iron rod with red cap stamped "ONEAL 6570" will be set at all boundary corners, lot corners, points of curvature, points of tangency and angle points in public rights-of-way when possible unless otherwise shown or noted in this drawing, after all construction for this subdivision has been completed.
3. By graphical plotting, the parcel described hereon lies within Zone X (Area Of Minimal Flood Hazard), as delineated on the Kaufman County, Texas and Incorporated Areas, Flood Insurance Rate Map, Map Number 48257C0310D, dated July 3, 2012, published by the Federal Emergency Management Agency (FEMA). The Surveyor utilized the above referenced floodplain information for this determination and the Surveyor does not certify that revised floodplain information has or has not been published by FEMA or some other source. On occasion, greater floods can and will occur and flood heights may be increased by man-made or natural causes. The above flood statement shall not create liability on the part of the surveyor.
4. All walls, fences and Wall Maintenance Easements shall be owned and maintained by the Homeowners Association.
5. Lot 1X, and 10X, Block A and Lot 1X, Block E are common area Lots for Landscape and Access purposes which shall be owned and maintained by the Homeowners Association. In the event, the Homeowners Association fails to perform proper maintenance, the City has the authority to provide appropriate maintenance and repair, and to collect appropriate fees and reimbursements from Lot Owners.
6. 19X, Block A is a common area Lot for Drainage and Detention purposes which shall be owned and maintained by the Homeowners Association. In the event, the Homeowners Association fails to perform proper maintenance, the City has the authority to provide appropriate maintenance and repair, and to collect appropriate fees and reimbursements from Lot Owners.
7. This plat does not alter or remove existing deed restrictions, if any, on this property.
8. The area or areas shown on the plat as "VAM" (Visibility, Access and Maintenance) Easement(s) are hereby given and granted to the City, its successors and assigns, as an easement to provide visibility, right of access for maintenance upon and across said VAM Easement. The City shall have the right but not the obligation to maintain any and all landscaping within the VAM Easement. Should the City exercise this maintenance right, then it shall be permitted to remove and dispose of any and all landscaping improvements, including without limitation, any trees, shrubs, flowers, ground cover and fixtures. The City may withdraw maintenance of the VAM Easement at any time. The ultimate maintenance responsibility for the VAM Easement shall rest with the owners. No building, fence, shrub, tree or other improvements or growths, which in any way may endanger or interfere with the visibility, shall be constructed in, on, over or across the VAM Easement. The City shall also have the right but not the obligation to add any landscape improvements to the VAM Easement, to erect any traffic control devices or signs on the VAM Easement and to remove any obstruction thereon. The City, its successors, assigns, or agents shall have the right and privilege at all times to enter upon the VAM Easement or any part thereof for the purposes and with all rights and privileges set forth herein.
9. Blocking the flow of water in drainage easements and filling or obstruction of drainage facilities or floodways with fencing, trees, bushes, structures, trash, debris, etc. is prohibited. Maintenance of drainage easements and drainage facilities will be the responsibility of the individual lot owners and/or the Homeowners' Association. The City of Kaufman will not be responsible for the maintenance and operation of said drainage easements or facilities or for the control of erosion. The City of Kaufman will not be responsible for any damage, personal injury, or loss of life or property occasioned by flooding or flooding conditions.





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FINAL PLAT

FREEMAN FARM

BEING

25.402 ACRES

123 RESIDENTIAL LOTS
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REVISED: 7/11/2023
DATE: 2/17/2022

OWNER'S DEDICATION

WHEREAS, KAUFMAN ONE WW, LLC BEING THE OWNER OF A 25.402 ACRE TRACT OF LAND LOCATED IN THE LEVI YORK SURVEY, ABSTRACT NO. 609, CITY OF KAUFMAN, KAUFMAN COUNTY, TEXAS AND BEING ALL OF THAT CERTAIN CALLED 25.411 ACRE TRACT CONVEYED TO KAUFMAN ONE WW, LLC BY WILLIAMSBURG CONSTRUCTION SERVICES, LLC ON OCTOBER 10, 2022, RECORDED IN VOLUME 7845, PAGE 188, DEED RECORDS, KAUFMAN COUNTY, TEXAS (DRKCT) AND BEING MORE PARTICULARLY DESCRIBED, BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1–INCH IRON PIPE FOUND AT THE EAST CORNER OF THE ABOVE MENTIONED 25.411 ACRE TRACT, AT THE NORTH CORNER OF THE JERRY WYNN DILLARD, JR. CALLED 20.097 ACRE TRACT, RECORDED IN VOLUME 2786, PAGE 130, DRKCT, SAME BEING IN THE SOUTHWEST LINE OF LOT 10 OF ALTA VISTA ESTATES SUBDIVISION, RECORDED IN VOLUME 6, PAGE 20, PLAT RECORDS, KAUFMAN COUNTY, TEXAS (PRKCT);

THENCE SOUTH 43 DEGREES 52 MINUTES 54 SECONDS WEST, ALONG THE COMMON LINE OF SAID 20.097 ACRE TRACT AND SAID 25.411 ACRE TRACT, A DISTANCE OF 1633.23 FEET TO A 1/2–INCH IRON ROD FOUND AT THE WEST CORNER OF SAID 20.097 ACRE TRACT AND THE SOUTH CORNER OF SAID 25.411 ACRE TRACT, SAME BEING IN THE NORTHEAST RIGHT OF WAY LINE OF US HIGHWAY 175, A VARIABLE WIDTH RIGHT–OF–WAY AND BEING AT THE BEGINNING OF A NON–TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 5806.58 FEET WHOSE CHORD BEARS NORTH 39 DEGREES 45 MINUTES 02 SECONDS WEST, A DISTANCE OF 367.50 FEET;

THENCE, NORTHWESTERLY, ALONG SAID US HIGHWAY 175 AND SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 03 DEGREES 37 MINUTES 37 SECONDS, A DISTANCE OF 367.56 FEET TO A 1/2–INCH IRON ROD WITH CAP STAMPED "ONEAL 6570"SET AT THE SOUTH CORNER OF THE FRANCISCO GUERRERO 1.953 ACRE TRACT, RECORDED IN VOLUME 6120, PAGE 523, DRKCT, SAME BEING THE MOST SOUTHERLY WEST CORNER OF SAID 25.411 ACRE TRACT;

THENCE, ALONG THE COMMON LINE OF THE LAST MENTION TRACT, THE FOLLOWING TWO (2) COURSES:

1) NORTH 43 DEGREES 11 MINUTES 31 SECONDS EAST, A DISTANCE OF 518.18 FEET TO A 3/8–INCH IRON ROD FOUND;
2) NORTH 42 DEGREES 28 MINUTES 11 SECONDS WEST, A DISTANCE OF 165.28 FEET TO A 3/8–INCH IRON ROD WITH CAP STAMPED "5244"FOUND AT THE NORTH CORNER OF SAID 1.953 ACRE TRACT AND THE EAST CORNER Of THE JOHN CROCKER AND JOHN H. CROCKER 2.034 ACRE TRACT, RECORDED IN VOLUME 6187, PAGE 500, DRKCT;

THENCE NORTH 42 DEGREES 30 MINUTES 11 SECONDS WEST, ALONG THE NORTHERLY SOUTHWEST LINE OF SAID 25.411 ACRE TRACT AND THE NORTHEAST LINE OF SAID 2.034 ACRE TRACT, PASSING THE NORTH CORNER OF SAME AND CONTINUING ALONG THE NORTHEAST LINE OF THE STEVEN M. CHANEY AND CHARLOTTE A. CHANEY 0.360 ACRE TRACT, RECORDED IN VOL 6156, PAGE 576, DRKCT, A TOTAL DISTANCE OF 210.69 FEET TO A 3/8–INCH IRON ROD WITH CAP STAMPED "5244"FOUND AT THE EAST CORNER OF THE CHARLOTTE FREEMAN 0.323 ACRE TRACT, RECORDED IN VOL 1033, PAGE 496, DRKCT;

THENCE NORTH 42 DEGREES 37 MINUTES 33 SECONDS WEST, ALONG THE COMMON LINE OF SAID 0.323 ACRE TRACT AND SAID 25.411 ACRE TRACT, A DISTANCE OF 103.83 FEET TO A 1/2–INCH IRON ROD WITH CAP STAMPED "ONEAL 6570"SET AT THE NORTH CORNER OF 0.323 ACRE TRACT AND THE MOST NORTHERLY WEST CORNER OF SAID 25.411 ACRE TRACT, SAME BEING IN THE SOUTHEAST LINE OF LOT 15, FREEMAN PARK ESTATES, RECORDED IN CABINET 1, PAGE 716, PRKCT;

THENCE NORTH 43 DEGREES 32 MINUTES 47 SECONDS EAST, ALONG THE COMMON LINE OF SAID 25.411 ACRE TRACT AND SAID FREEMAN PARK ESTATES, A DISTANCE OF 1042.96 FEET TO A 1/2–INCH IRON ROD FOUND AT THE NORTH CORNER OF SAID 25.411 ACRE TRACT AND THE EAST CORNER OF LOT 10 OF SAID FREEMAN PARK ESTATES, SAME BEING IN THE SOUTHWEST LINE OF LOT 7 OF THE ABOVE MENTIONED ALTA VISTA ESTATES SUBDIVISION;

THENCE SOUTH 46 DEGREES 12 MINUTES 06 SECONDS EAST, ALONG THE COMMON LINE OF SAID ALTA VISTA ESTATES AND SAID 25.411 ACRE TRACT, A DISTANCE OF 856.42 FEET TO THE POINT OF BEGINNING, CONTAINING 25.402 ACRES OF LAND, MORE OR LESS.

OWNER'S CERTIFICATE

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

THAT KAUFMAN ONE WW, LLC. acting herein by and through its duly authorized officers, does hereby adopt this plat designating the hereinabove described property as FREEMAN FARM, an addition to the City of Kaufman, Texas, and does hereby dedicate, in fee simple, to the public use forever, the streets and alleys shown thereon. The streets and alleys are dedicated for street purposes. The Easements and public use areas, as shown, are dedicated, for the public use forever, for the purposes indicated on this plat. No buildings, fences, trees, shrubs or other improvements or growths shall be constructed or placed upon, over or across the Easements as shown, except that landscape improvements may be placed in Landscape Easements, if approved by the City of Kaufman. In addition, Utility Easements may also be used for the mutual use and accommodation of all public utilities desiring to use or using the same unless the easement limits the use to particular utilities, said use by public utilities being subordinate to the Public's and City of Kaufman's use thereof. The City of Kaufman and public utility entities shall have the right to remove and keep removed all or parts of any buildings, fences, trees, shrubs or other improvements or growths which may in any way endanger or interfere with the construction, maintenance, or efficiency of their respective systems in said Easements. The City of Kaufman and public utility entities shall at all times have the full right of Ingress and Egress to or from their respective easements for the purpose of constructing, reconstructing, inspecting, patrolling, maintaining, reading meters, and adding to or removing all or parts of their respective systems without the necessity at any time procuring permission from anyone.

The area or areas shown on the plat as "VAM" (Visibility, Access and Maintenance) Easement(s) are hereby given and granted to the City, its successors and assigns, as an easement to provide visibility, right of access for maintenance upon and across said VAM Easement. The City shall have the right but not the obligation to maintain any and all landscaping within the VAM Easement. Should the City exercise this maintenance right, then it shall be permitted to remove and dispose of any and all landscaping improvements, including without limitation, any trees, shrubs, flowers, ground cover and fixtures. The City may withdraw maintenance of the VAM Easement at any time. The ultimate maintenance responsibility for the VAM Easement shall rest with the owners. No building, fence, shrub, tree or other improvements or growths, which in any way may endanger or interfere with the visibility, shall be constructed in, on, over or across the VAM Easement. The City shall also have the right but not the obligation to add any landscape improvements to the VAM Easement, to erect any traffic control devices or signs on the VAM Easement and to remove any obstruction thereon. The City, its successors, assigns, or agents shall have the right and privilege at all times to enter upon the VAM Easement or any part thereof for the purposes and with all rights and privileges set forth herein.

This plat approved subject to all platting ordinances, rules, regulations and resolutions of the City of Kaufman, Texas.

WITNESS, my hand, this the _____ day of _____, 2023.

FOR: KAUFMAN ONE WW, LLC

BY:

_____
Authorized Signature of Owner

_____
Printed Name and Title

STATE OF TEXAS §
COUNTY OF KAUFMAN §

Before me, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that they each executed the same for the purpose and consideration therein expressed.

Given under my hand and seal of office, this _____ day of _____, 2023.

_____
Notary Public in and for the State of Texas

SURVEYOR'S CERTIFICATE

KNOW ALL MEN BY THESE PRESENTS:

That I, Daniel Chase O'Neal, do hereby certify that I prepared this plat from an actual and accurate survey of the land and that the corner monuments shown thereon as set were properly placed under my personal supervision in accordance with the Subdivision Ordinance of the City of Kaufman.

Preliminary, this document shall not be recorded for any purpose and shall not be used or viewed or relied upon as a final survey document.

_____
DANIEL CHASE O'NEAL
REGISTERED PROFESSIONAL LAND SURVEYOR
STATE OF TEXAS NO. 6570

STATE OF TEXAS §
COUNTY OF COLLIN §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this date personally appeared Daniel Chase O'Neal, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purpose and consideration therein expressed and in the capacity therein stated.

Given under my hand and seal of office this _____ day of _____, 2023.

_____
Notary public for the State of Texas
My commission expires:

APPROVAL CERTIFICATE

APPROVED BY: PLANNING AND ZONING COMMISSION

_____
CHAIRMAN

_____
DATE

APPROVED BY: CITY COUNCIL

_____
MAYOR

ATTEST:

_____
CITY SECRETARY

_____
DATE

NOTICE:
Selling a portion of this addition by metes and bounds is a violation of city ordinance and state law and is subject to fines and withholding of utilities and building permits.

OWNER/DEVELOPER
KAUFMAN ONE WW, LLC
PO BOX 703397, DALLAS, TX 75370
CONTACT: MAHENDRA KANDEPU
(972) 937–8990

LAND SURVEYOR
O'NEAL SURVEYING COMPANY
205 WINDCO CIRCLE, SUITE 100
WYLIE, TX 75098
TBPLS Firm No. 10194132 JOB NO. 21031
daniel.oneal@onealsurveying.com
(903) 804–2891

FINAL PLAT

FREEMAN FARM

BEING

25.402 ACRES

123 RESIDENTIAL LOTS
4 COMMON AREA LOTS
EXISTING ZONING: PD–21

SITUATED IN THE

LEVI YORK SURVEY, A–609
CITY OF KAUFMAN, KAUFMAN COUNTY, TEXAS

ENGINEERING CONCEPTS & DESIGN, L.P.
ENGINEERING/PROJECT MANAGEMENT/CONSTRUCTION SERVICES
TEXAS FIRM REG. NO. 001145
201 WINDCO CIRCLE, SUITE 200, WYLIE TEXAS 75098
(972) 941–8400 FAX (972) 941–8401

REVISED: 7/11/2023
DATE: 2/17/2022

APPENDIX B
ESTIMATED COSTS OF AUTHORIZED IMPROVEMENTS

PID Cost Summary

Opinion of Probable Construction Costs based on Contracts
Freeman Farm - Public Improvement District
Exhibit 'B'
Thursday, May 16, 2024

	Public				Public+Private
Contractor (Division)	Direct	Master	Public Total	Private	Total
J&K Excavation (Grading)	$152,933	$0	$152,933	$260,467	$413,400
J&K Excavation (Erosion Control)	$61,250	$0	$61,250	$0	$61,250
J&K Excavation - Offsite Erosion Total (TxDOT)	$0	$12,500	$12,500	$0	$12,500
J&K Excavation (Drainage)	$589,765	$0	$589,765	$0	$589,765
J&K Excavation (Water)	$463,850	$0	$463,850	$115,900	$579,750
J&K Excavation (Offsite Water)	$0	$448,760	$448,760	$7,200	$455,960
J&K Excavation (Sanitary Sewer)	$424,260	$0	$424,260	$123,424	$547,684
ERWS, Inc. (Retaining Walls)	$0	$0	$0	$239,163	$239,163
J&K Excavation (Paving)	$1,176,539	$0	$1,176,539	$0	$1,176,539
J&K Excavation - Offsite Paving Total (TxDOT)	$0	$155,419	$155,419		$155,419
Landscaping (Open Spaces) [Not Contracted]	$0	$219,875	$219,875	$219,875	$439,750
Sub Total	**$2,868,597**	**$836,554**	**$3,705,151**	**$966,029**	**$4,671,180**
Soft Costs (including Bonds)	$349,501	$53,270	$402,771	$529,092	$931,863
Contingency @ 10%	$286,860	$61,668	$348,528	$74,615	$423,143
Grand Totals	**$3,504,958**	**$951,492**	**$4,456,450**	**$1,569,737**	**$6,026,186**

Note: Engineering Concepts & Design (ECD) cannot guarantee that quantities, proposals , bids, or actual costs will not vary from this opinion of probable costs. ECD will NOT be resposible for any cost overruns and/or funding shortages.

Client Name:	**Lillian Custom Homes**
Project Name:	**Freeman Farm**
ECD Project No.:	**00557**
Estimate Date:	**16-May-24**
Lots:	**123**
Acres:	**25.40**
Density:	**4.84**

AutoCAD file Used/Date: Z:\PROJECTS\00557 Kaufman- 21 AC on US175\dwg\Cargill\Oakdale Base 081121-2.dwg

Engineers Opinion Of Probable Construction Cost for PID (Summary)

Summary

Description	Quantity	Unit	Unit Price	Item Amount
J&K Excavation - Grading Total				$413,400
J&K Excavation - Erosion Control Total				$61,250
J&K Excavation - Drainage Total				$589,765
J&K Excavation - Water Total				$579,750
J&K Excavation - Sanitary Sewer Total				$547,684
ERWS, Inc. - Retaining Walls Total				$239,163
J&K Excavation - Paving Total				$1,176,539
Construction Contingency - On-Site	10%			$360,755
Lab Testing	1	LS	$18,500	$18,500
Bonds	1	LS	$32,500	$32,500
Sub-Total On-Site Hard Costs				**$4,019,306**
J&K Excavation - Offsite Erosion Total (TxDOT)				$12,500
J&K Excavation - Offsite Water Total				$455,960
J&K Excavation - Offsite Paving Total (TxDOT)				$155,419
Construction Contingency - Off-Site	10%			$62,388
Bonds (Included as part of On-Site Costs)	1	LS		
Sub-Total Off-Site Hard Costs				**$686,267**
Total All Construction Hard Costs				**$4,705,573**
Reimbursable Expenses	1	LS	$2,500	$2,500
Final Plat & Lot Pinning (Task II)	123	LS	$174	$21,350
Engineering Design Total				**$23,850**
Material Testing	3.0%	LS	$3,546,301	$106,389
Material Testing (Offsite)	3.0%	LS	$611,379	$18,341
Inspection Fees	3.0%	LS	$2,893,738	$86,812
Inspection Fees (Off-Site)	3.0%	LS	$611,379	$13,679
Construction Staking (Task I)	123	Lot	$650	$79,950
As Built Plans (Task III)	1	EA	$1,500	$1,500
Construction Administration Total				**$306,671**

Client Name:	**Lillian Custom Homes**
Project Name:	**Freeman Farm**
ECD Project No.:	**00557**
Estimate Date:	**16-May-24**
Lots:	**123**
Acres:	**25.40**
Density:	**4.84**

AutoCAD file Used/Date: Z:\PROJECTS\00557 Kaufman- 21 AC on US175\dwg\Cargill\Oakdale Base 081121-2.dwg

Engineers Opinion Of Probable Construction Cost for PID (Summary)

Summary

Description	Quantity	Unit	Unit Price	Item Amount
Landscape/Screening/Planting along US 175	1188	LF	$250	$297,000
Entry Feature	1	LS	$100,000	$100,000
Wrought Iron Fence around Detention Area	570	LF	$75	$42,750
Street Lights	9	EA	$1,250	$11,250
City Park Impact Fees	123	Lot	$688	$84,567
Cluster Box Unit Mailboxes (CBU)	123	Lot	$175	$21,525
Easement Acquisition (documents only)	1	LS	$10,000	$10,000
PID District Formation	1	LS	$300,000	$300,000
Franchise Utility Installation	123	Lot	$1,000	$123,000
Miscellaneous Developer Costs				**$990,092**

Total Lots = **123**

Cost Per Lot = **$48,993**

PROJECT GRAND TOTAL **$6,026,186**

*** This estimate has been completed on limited information and should be used for project evaluation. Prior to making financial commitments based on this estimate, these numbers should be verified by Petitt-ECD L.P.

*** No assumptions have been made for the following items: Contractor Mobilization, Entry Features, Landscaping, Irrigation, Screening Walls, Land Cost, Impact Fees, or Franchise Utilities Including Electric, Cable, Phone, etc.

Due to the extreme market volatility that we are presently experiencing from a lack of cement production and resin shortages it is likely that market prices will be 10%-30% higher than shown in this estimate if construction occurs in 2024-2025. Petitt-ECD will NOT be resposible for any cost overruns and/or funding shortages.

In providing opinions of probable construction cost, the client understands that the design professional has no control over costs or the price of labor, equipment, materials, or over the contractor's method of pricing, and that the opinions or probable construction costs provided herein are to be made on the basis of the design professional's qualifications and experience. The client should also understand that quantities are based on available preliminary information and can and will change once engineering design is completed. The design professional makes no warranty, expressed or implied, as to the accuracy of such opinions as compared to bids or actual costs.

Contingency Items - Seperated on PID Summary

Landscape Items - Separate Hard Cost Line on PID Summary (Split 50% Master, 50% Private)

Public Direct - Soft Costs on PID Summary

Public Master - Soft Costs on PID Summary

Private - Soft Costs on PID Summary

J & K Excavation, LLC 2023

P O Box 886
Italy, TX 76651

Estimate

Date	Estimate #
10/10/2023	2023-160

Name / Address
Lillian Custom Homes 509 W. Ferris Ave Waxahachie, TX 75165

Public - Master

Public - Direct

Private

Soft Cost

Project

Description	Qty	Rate	Total
Freeman Farm - Kaufman, TX Org.4/12/23; REV 4/19/23; REV 9/12/23 # 2023-106: REV 9/26/23: REV 10/10/23			
EROSION ITEMS			
SWPP	1	750.00	750.00
NOI	1	1,750.00	1,750.00
Construction Entrance		3,500.00	3,500.00
Silt Fence (Installation only)	3,700	2.50	9,250.00
Rock Check Dams	6	2,250.00	13,500.00
Bi-Weekly Inspection & Rain Events - 18 month in bid	1	5,200.00	5,200.00
19800 SQ Ft Sod and Water TX Dot		27,300.00	27,300.00
GRADING ITEMS			
Dirt Work & Fill 55, 900 Yards 33% PRIVATE, 66% PUBLIC-DIRECT	1	353,800.00	353,800.00
Clearing & Grubbing	1	20,000.00	20,000.00
Back Fill Roads	1	15,000.00	15,000.00
Lot Benching	1	24,600.00	24,600.00
PAVING ITEMS			
Lime Stabilization	1	195,000.00	195,000.00
Concrete Streets 132,654 SQ Ft	1	919,089.00	919,089.00
Handi Cap Ramps 18		27,500.00	27,500.00
2 Barricades		3,600.00	3,600.00
Sidewalks	1,044	12.00	12,528.00
Traffic Control TX-DOT		15,000.00	15,000.00
Site Work		3,822.00	3,822.00
Bonding		32,500.00	32,500.00
Lab Testing on: Dirt work and Concrete only scope of work * includes utility backfill testing		18,500.00	18,500.00
Street Lights by Others - or Electrical Provider		0.00	0.00

Phone #	972-923-2250	Total

J & K Excavation, LLC 2023

P O Box 886
Italy, TX 76651

Estimate

Date	Estimate #
10/10/2023	2023-160

Name / Address
Lillian Custom Homes 509 W. Ferris Ave Waxahachie, TX 75165

Project

Description	Qty	Rate	Total
WATER ITEMS			
Water 8"			
8" C-900 - 4700'		272,600.00	272,600.00
Fire Hydrants- 11	11	8,500.00	93,500.00
2 - Flush Valves Auto		7,000.00	7,000.00
8 T=111		6,750.00	6,750.00
8 Valves = 16		56,000.00	56,000.00
12" - 8" TAP		4,500.00	4,500.00
* Water section included - concrete encasement			
2-Irrigation Hook up		2,000.00	2,000.00
3 - Lower Water Line		21,500.00	21,500.00
Services		115,900.00	115,900.00
OFFSITE WATER ITEMS (MASTER)			
12" Water Line			
12" C-900 3300		297,000.00	297,000.00
Repair Signs		1,500.00	1,500.00
18" Bore & Case 80 LF '		32,160.00	32,160.00
1-Line Lower for Crossing		10,000.00	10,000.00
2- Blow off vales		8,000.00	8,000.00
6- Driveway repairs and Fences		12,500.00	12,500.00
4 - 45%		9,000.00	9,000.00
25' 18" casing		3,500.00	3,500.00
Cut in 12"-12" T		3,500.00	3,500.00
5 Fire Hydrants		47,500.00	47,500.00
3 - 12" Valves 3- 4200		12,600.00	12,600.00
Remove Plug & cut in 90 % / 12-12 T		11,500.00	11,500.00
6 Services	6	1,200.00	7,200.00
Storm			
Line B DRAINAGE ITEMS			
38'x24" RCP & Remove CMP (4' x 4' Wye Inlet shown in line A below)		13,700.00	13,700.00
2- 10' Curb Inlets		15,000.00	15,000.00
60 - Bend		1,750.00	1,750.00
36" Pset		8,500.00	8,500.00
36" 229' RCP		54,960.00	54,960.00

Phone #	972-923-2250	Total

J & K Excavation, LLC 2023

P O Box 886
Italy, TX 76651

Estimate

Date	Estimate #
10/10/2023	2023-160

Name / Address
Lillian Custom Homes 509 W. Ferris Ave Waxahachie, TX 75165

Project

Description	Qty	Rate	Total
DRAINAGE ITEMS			
27" 187 RCP		43,945.00	43,945.00
24" 150 RCP		32,500.00	32,500.00
4 -4 Storm MH 18"-24" Junction		6,000.00	6,000.00
DRAINAGE ITEMS			
Line E & Line F 93 LF x 4'x3' RCBC BOX CULVERT IS LINE D PLAN		47,300.00	47,300.00
DRAINAGE ITEMS			
Line D			
8-10' Curb Inlets		52,000.00	52,000.00
18" RCP x 197 LF		21,867.00	21,867.00
351 LF x 24" RCP		43,875.00	43,875.00
30" 195		33,175.00	33,175.00
4-3 Junction Box		5,500.00	5,500.00
57 LF x 48" RCP		17,100.00	17,100.00
48 RCP Type C		7,000.00	7,000.00
5 -5 Storm M-H		7,000.00	7,000.00
DRAINAGE ITEMS			
Line A			
PSET		6,500.00	6,500.00
18" 75'		8,325.00	8,325.00
4x4 inlet box Drop		6,500.00	6,500.00
DRAINAGE ITEMS			
Line C			
PSET-SC		7,500.00	7,500.00
36" 135' ADS		16,200.00	16,200.00
30" 150' ADS		12,750.00	12,750.00
30' 150' ADS		12,750.00	12,750.00
30" 171 ADS		14,535.00	14,535.00
45% Bend		1,750.00	1,750.00
30% Bend		1,750.00	1,750.00
Rip Rap		6,000.00	6,000.00
DRAINAGE ITEMS			
Line G			
36" 41' RCP		9,840.00	9,840.00
2 - Pset		8,000.00	8,000.00
Remove CMP		500.00	500.00

Phone #	972-923-2250	Total

J & K Excavation, LLC 2023

P O Box 886
Italy, TX 76651

Estimate

Date	Estimate #
10/10/2023	2023-160

Name / Address
Lillian Custom Homes 509 W. Ferris Ave Waxahachie, TX 75165

Project

Description	Qty	Rate	Total
Line H DRAINAGE ITEMS			
36" 45'		13,095.00	13,095.00
2- PSet		8,000.00	8,000.00
Remove CMP		500.00	500.00
DRAINAGE ITEMS			
Flumes			
Flumes 240 SQ Ft		2,160.00	2,160.00
Sewer SEWER ITEMS			
8" SDR 35 2600'		169,000.00	169,000.00
12" SDR35 280'		23,800.00	23,800.00
12" SDR HW 1176'		99,960.00	99,960.00
11 Man Holes 4' 10'		104,500.00	104,500.00
1 Man Hole 5' 15'		9,500.00	9,500.00
SEWER ITEMS			
123 Sewer Services		123,424.00	123,424.00
OFFSITE PAVING ITEMS			
Turn Lane Striping Plan			
Grind Striping of lanes		9,040.00	9,040.00
Re-striping road way		22,490.00	22,490.00
Rumble Strip		12,500.00	12,500.00
Traffic control on US HWY 175		34,989.00	34,989.00
Ashphalt work if needed on road between HWYS 175 south and North bound		76,400.00	76,400.00
SWPP - Pyramat Turf Reinforce mat - TX DOT OFFSITE EROSION CONTROL (MASTER)		12,500.00	12,500.00
Outflow Structure Page 13 + Rip Rap INCLUDED IN STORM SUBTOTAL		23,989.00	23,989.00
SEWER ITEMS			
Sewer Removal of Ex Line 332' 12"		10,000.00	10,000.00
Cement Stabilized Sand		7,500.00	7,500.00
PoF 560' INCLUDED IN STORM SUBTOTAL		17,949.00	17,949.00

Phone #	972-923-2250	Total

J & K Excavation, LLC 2023

P O Box 886
Italy, TX 76651

Estimate

Date	Estimate #
10/10/2023	2023-160

Name / Address
Lillian Custom Homes 509 W. Ferris Ave Waxahachie, TX 75165

Project

Description	Qty	Rate	Total
Please note that the above bid proposal pricing does not include: Any staking, bonding, GEO , no SWPP maintenance after original installation, if any SWPP maintenance is required you will be charged on a separate invoice per maintenance, licenses/permits, striping, brick pavers, pavers installation, stained/scored concrete, landscape, irrigation. Also note that we are not responsible for any asbestos testing or removal. Customer is responsible for obtaining if any of the exclusions are required or needed. This bid is based on our initial inspection and does not cover any additional supplies, parts, or labor which may be required after the work has been started which was not evident on our first inspection. Naturally this bid cannot cover such contingencies. Any additional charges will be added upon approval or with change order. If bid proposal is acceptable please sign and return via Email as work cannot begin until bid quote is signed dated and returned. Signature 10/10/2023 Date		0.00	0.00

Phone #	972-923-2250	**Total**	$4,043,267.00

Date 04/29/24

WORK TO BE PERFORMED AT:

FREEMAN FARMS
KAUFMAN, TX

Lillian Custom Homes
DOP: ENGINEERING CONCEPTS GRADING PLANS DATED 04/26/2024
GEOTECH: TERRADYNE PROJECT NO. D211005 DATED 02/18/2021

WE HEREBY PROPOSE TO FURNISH THE MATERIALS AND PERFORM THE LABOR NECESSARY FOR THE COMPLETION OF:

GRAVITY RETAINING WALLS TO INCLUDE:

1. COMPLETE STRUCTURAL ENGINEERING DESIGN, BASED ON GEOTECHNICAL INFORMATION PROVIDED BY OTHERS.
2. RETAINING WALL PERMITS (IF REQUIRED).
3. EXCAVATION FOR STONE & MORTAR FOUNDATION BELOW SUBGRADE (ONLY).
4. MINOR BACKFILL & MINOR COMPACTION IMMEDIATLEY BEHIND STONE WALL SYSTEM WITH ON SITE MATERIAL PROVIDED BY CONTRACTOR
5. GRAY MORTAR.
6. 12" MULTI-PIECE STONE CAPS. STONE TYPE TO MATCH FACE STONE.
7. GENERAL CLEANUP AND ROUGH GRADE ADJACENT TO WALL.
8. PRICING CONTINGENT UPON REVIEW OF GEOTECHNICAL INVESTIGATION BY OUR STRUCTURAL ENGINEER.
9. PVC SLEEVES FOR WOOD PRIVACY FENCING OR METAL HANDRAIL
10. TOTAL SQUARE FOOTAGE INCLUDES: WALL FACE, WALL FOOTING & 1' CAP
11. FACE SQUARE FOOTAGE INCLUDES: WALL FACE ONLY (NO FOOTING OR CAP)
12. WALL PRICING AND WALL QUANTITIES ARE BASED SOLELY UPON OUR QUANTITY TAKEOFF OF THE PLANS AS SHOWN ABOVE.
13. PRICING CONTINGENT UPON REVIEW OF GEOTECHNICAL INVESTIGATION BY OUR STRUCTURAL ENGINEER.

BY OTHERS:

1. STAKING WITH TW/BW CALLOUTS WILL BE PROVIDED BY OTHERS
2. 95% COMPACTION AND TESTING OF FILL AREAS.
3. EXCAVATION (CUTBACK) TO ACCOMMODATE RETAINING WALL MASS & AGGREGATE DRAINAGE SYSTEM.
4. HAUL OFF OF ANY EXCESS SPOILS CREATED BY WALL INSTALLATION.
5. GLOBAL STABILITY ANALYSIS HAS NOT BEEN PERFORMED BY ERW SITE SOLUTIONS AND IS THE RESPONSIBILITY OF THE OWNER, GENERAL CONTRACTOR, AND/OR GEOTECHNICAL ENGINEER OF RECORD. ERW SITE SOLUTIONS (UNLESS OTHERWISE NOTED) SPECIFICALLY EXCLUDES RESPONSIBILITY FOR ADEQUACY OF DESIGN AS IT RELATES TO GLOBAL STABILITY.
6. ENGINEERING SERVICES COST BELOW IS FOR STANDARD RETAINING WALLS ONLY. IN THE EVENT OF GLOBAL STABILITY ISSUES, EXTRA ENGINEERING COSTS WILL BE REQUIRED.
7. ANY FENCES, HANDRAILS OR GUARDRAILS THAT MAY BE REQUIRED.
8. SONOTUBES FOR SCREENING WALLS OR VEHICULAR IMPACT RAILING
9. SOIL PREPARATION, MAJOR BACKFILL, COMPACTION AND TESTING FOR DRIVES, PAVING, PARKING LOTS, SIDEWALKS AND STRUCTURES.
10. BONDING IF REQUIRED IS NOT INCLUDED IN THIS PROPOSAL
11. STONE EXCAVATION OF ANY KIND

Note: Stone is a natural product. Color and texture will vary.

All material is guaranteed to be as specified. The above work is to be performed in accordance with the drawings and specifications submitted for the above work, and will be completed in a workmanlike manner for the sum of:

OPTION 1 - MOSAIC SANDSTONE	
$232,673.00	Approx. 5191 LF of 4' Max Height Retaining Site Walls (Total SF = 19707.6 & Total Face SF = 15931.6)
$6,990.00	Stamped Wall Design, Permit & Engineer's Site Inspections
$239,663.00	Option 1 Bid Total

OPTION 2 - COURSED SANDSTONE	
$261,618.00	Approx. 5191 LF of 4' Max Height Retaining Site Walls (Total SF = 19707.6 & Total Face SF = 15931.6)
$6,990.00	Stamped Wall Design, Permit & Engineer's Site Inspections
$268,608.00	Option 2 Bid Total

36 **EST. WORK DAYS**

NOTE: ENGINEERING SERVICES WILL BE INCLUDED IN THE CONTRACT PRICE, PAYABLE ON THE 1ST DRAW SCHEDULE AFTER CONTRACT ACCEPTANCE.

Respectfully Submitted by:

SHANE MCMILLIAN
ERW Site Solutions

This Proposal is good for 30 days from date shown above. We reserve the right to adjust our price as necessary after 30 days due to inflationary costs.

ACCEPTANCE OF PROPOSAL
The above price, specifications, and conditions are satisfactory and are hereby accepted.
You are authorized to perform the work as specified. Payment will be made as outlined above.

DATE: _____ **SIGNATURE:** _____

** ANY ALTERATION OR DEVIATION FROM SPECIFICATIONS INVOLVING EXTRA COST WILL BE EXECUTED ONLY UPON WRITTEN ORDERS, AND WILL BECOME AN EXTRA CHARGE OVER AND ABOVE THE ESTIMATE. ALL AGREEMENTS ARE CONTINGENT UPON STRIKES, ACCIDENTS, AND DELAYS BEYOND OUR CONTROL. OWNER TO CARRY FIRE, TORNADO, AND OTHER NECESSARY INSURANCE UPON ABOVE WORK. WORKERS' COMPENSATION AND PUBLIC LIABILITY INSURANCE ON ABOVE WORK TO BE OBTAINED BY ERW Site Solutions.

APPENDIX C
LEGAL DESCRIPTION

Metes and Bounds Description

25.411 ACRE

WHEREAS, WILLIAMSBURG CONSTRUCTION SERVICES, LLC BEING THE OWNER OF A 25.402 ACRE TRACT OF LAND LOCATED IN THE LEVI YORK SURVEY, ABSTRACT NO. 609, CITY OF KAUFMAN, KAUFMAN COUNTY, TEXAS AND BEING ALL OF THAT CERTAIN CALLED 25.411 ACRE TRACT CONVEYED TO WILLIAMSBURG CONSTRUCTION SERVICES, LLC BY LANDMARK CHURCH OF CHRIST ON JUNE 18, 2021, RECORDED IN VOLUME 7062, PAGE 431, DEED RECORDS, KAUFMAN COUNTY, TEXAS (DRKCT) AND BEING MORE PARTICULARLY DESCRIBED, BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1-INCH IRON PIPE FOUND AT THE EAST CORNER OF THE ABOVE MENTIONED 25.411 ACRE TRACT, AT THE NORTH CORNER OF THE JERRY WYNN DILLARD, JR. CALLED 20.097 ACRE TRACT, RECORDED IN VOLUME 2786, PAGE 130, DRKCT, SAME BEING IN THE SOUTHWEST LINE OF LOT 10 OF ALTA VISTA ESTATES SUBDIVISION, RECORDED IN VOLUME 6, PAGE 20, PLAT RECORDS, KAUFMAN COUNTY, TEXAS (PRKCT);

THENCE SOUTH 43 DEGREES 52 MINUTES 54 SECONDS WEST, ALONG THE COMMON LINE OF SAID 20.097 ACRE TRACT AND SAID 25.411 ACRE TRACT, A DISTANCE OF 1633.23 FEET TO A 1/2-INCH IRON ROD FOUND AT THE WEST CORNER OF SAID 20.097 ACRE TRACT AND THE SOUTH CORNER OF SAID 25.411 ACRE TRACT, SAME BEING IN THE NORTHEAST RIGHT OF WAY LINE OF US HIGHWAY 175, A VARIABLE WIDTH RIGHT-OF-WAY AND BEING AT THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 5806.58 FEET WHOSE CHORD BEARS NORTH 39 DEGREES 45 MINUTES 02 SECONDS WEST, A DISTANCE OF 367.50 FEET;

THENCE, NORTHWESTERLY, ALONG SAID US HIGHWAY 175 AND SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 03 DEGREES 37 MINUTES 37 SECONDS, A DISTANCE OF 367.56 FEET TO A 1/2-INCH IRON ROD WITH CAP STAMPED "ONEAL 6570" SET AT THE SOUTH CORNER OF THE FRANCISCO GUERRERO 1.953 ACRE TRACT, RECORDED IN VOLUME 6120, PAGE 523, DRKCT, SAME BEING THE MOST SOUTHERLY WEST CORNER OF SAID 25.411 ACRE TRACT;

THENCE, ALONG THE COMMON LINE OF THE LAST MENTION TRACT, THE FOLLOWING TWO (2) COURSES:

1) NORTH 43 DEGREES 11 MINUTES 31 SECONDS EAST, A DISTANCE OF 518.18 FEET TO A 3/8-INCH IRON ROD FOUND;

2) NORTH 42 DEGREES 28 MINUTES 11 SECONDS WEST, A DISTANCE OF 165.28 FEET TO A 3/8-INCH IRON ROD WITH CAP STAMPED "5244" FOUND AT THE NORTH CORNER OF SAID 1.953 ACRE TRACT AND THE EAST CORNER Of THE

JOHN CROCKER AND JOHN H. CROCKER 2.034 ACRE TRACT, RECORDED IN VOLUME 6187, PAGE 500, DRKCT;

THENCE NORTH 42 DEGREES 30 MINUTES 11 SECONDS WEST, ALONG THE NORTHERLY SOUTHWEST LINE OF SAID 25.411 ACRE TRACT AND THE NORTHEAST LINE OF SAID 2.034 ACRE TRACT, PASSING THE NORTH CORNER OF SAME AND CONTINUING ALONG THE NORTHEAST LINE OF THE STEVEN M. CHANEY AND CHARLOTTE A. CHANEY 0.360 ACRE TRACT, RECORDED IN VOL 6156, PAGE 576, DRKCT, A TOTAL DISTANCE OF 210.69 FEET TO A 3/8-INCH IRON ROD WITH CAP STAMPED "5244" FOUND AT THE EAST CORNER OF THE CHARLOTTE FREEMAN 0.323 ACRE TRACT, RECORDED IN VOL 1033, PAGE 496, DRKCT;

THENCE NORTH 42 DEGREES 37 MINUTES 33 SECONDS WEST, ALONG THE COMMON LINE OF SAID 0.323 ACRE TRACT AND SAID 25.411 ACRE TRACT, A DISTANCE OF 103.83 FEET TO A 1/2-INCH IRON ROD WITH CAP STAMPED "ONEAL 6570" SET AT THE NORTH CORNER OF 0.323 ACRE TRACT AND THE MOST NORTHERLY WEST CORNER OF SAID 25.411 ACRE TRACT, SAME BEING IN THE SOUTHEAST LINE OF LOT 15, FREEMAN PARK ESTATES, RECORDED IN CABINET 1, PAGE 716, PRKCT;

THENCE NORTH 43 DEGREES 32 MINUTES 47 SECONDS EAST, ALONG THE COMMON LINE OF SAID 25.411 ACRE TRACT AND SAID FREEMAN PARK ESTATES, A DISTANCE OF 1042.96 FEET TO A 1/2-INCH IRON ROD FOUND AT THE NORTH CORNER OF SAID 25.411 ACRE TRACT AND THE EAST CORNER OF LOT 10 OF SAID FREEMAN PARK ESTATES, SAME BEING IN THE SOUTHWEST LINE OF LOT 7 OF THE ABOVE MENTIONED ALTA VISTA ESTATES SUBDIVISION;

THENCE SOUTH 46 DEGREES 12 MINUTES 06 SECONDS EAST, ALONG THE COMMON LINE OF SAID ALTA VISTA ESTATES AND SAID 25.411 ACRE TRACT, A DISTANCE OF 856.42 FEET TO THE POINT OF BEGINNING, CONTAINING 25.402 ACRES OF LAND, MORE OR LESS.

APPENDIX D
DIAGRAMS OF THE AUTHORIZED IMPROVEMENTS

DIRECT PUBLIC INFRASTRUCTURE PAVING

FREEMAN FARM

BEING

25.402 ACRES

SITUATED IN THE

LEVI YORK SURVEY, A-609
CITY OF KAUFMAN, KAUFMAN COUNTY, TEXAS

PETITT - ECD

CIVIL ENGINEERING/SURVEYING/CONSTRUCTION ADMINISTRATION

TBPELS FIRM REGISTRATION
ENGINEERING FIRM #001145 SURVEYING FIRM #10194792

1600 N. COLLINS BLVD.
SUITE 3300
RICHARDSON, TX 75080

201 WINDCO CIR.
SUITE 100
WYLIE, TX 75098
(972) 941-8400

DATE: 07/03/2024

SHEET 1 OF 5

Z:\PROJECTS\00557 Kaufman- 21 AC on US175\dwg\Exhibits\PID Exhibits\00557 PID Exhibits.dwg

DIRECT PUBLIC INFRASTRUCTURE SEWER

FREEMAN FARM

BEING

25.402 ACRES

SITUATED IN THE

LEVI YORK SURVEY, A-609
CITY OF KAUFMAN, KAUFMAN COUNTY, TEXAS

PETITT - ECD

CIVIL ENGINEERING/SURVEYING/CONSTRUCTION ADMINISTRATION

TBPELS FIRM REGISTRATION
ENGINEERING FIRM #001145 SURVEYING FIRM #10194792

1600 N. COLLINS BLVD.
SUITE 3300
RICHARDSON, TX 75080

201 WINDCO CIR.
SUITE 100
WYLIE, TX 75098
(972) 941-8400

DATE: 07/03/2024

SHEET 4 OF 5

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DIRECT PUBLIC INFRASTRUCTURE STORM SEWER/DRAINAGE

FREEMAN FARM

BEING

25.402 ACRES

SITUATED IN THE

LEVI YORK SURVEY, A-609
CITY OF KAUFMAN, KAUFMAN COUNTY, TEXAS

PETITT - ECD
CIVIL ENGINEERING/SURVEYING/CONSTRUCTION ADMINISTRATION
TBPELS FIRM REGISTRATION
ENGINEERING FIRM #001145 SURVEYING FIRM #10194792

1600 N. COLLINS BLVD.
SUITE 3300
RICHARDSON, TX 75080

201 WINDCO CIR.
SUITE 100
WYLIE, TX 75098
(972) 941-8400

DATE: 07/03/2024

SHEET 2 OF 5

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DIRECT PUBLIC INFRASTRUCTURE WATER

FREEMAN FARM

BEING

25.402 ACRES

SITUATED IN THE

LEVI YORK SURVEY, A-609
CITY OF KAUFMAN, KAUFMAN COUNTY, TEXAS

PETITT - ECD

CIVIL ENGINEERING/SURVEYING/CONSTRUCTION ADMINISTRATION

TBPELS FIRM REGISTRATION
ENGINEERING FIRM #001145 SURVEYING FIRM #10194792

1600 N. COLLINS BLVD.
SUITE 3300
RICHARDSON, TX 75080

201 WINDCO CIR.
SUITE 100
WYLIE, TX 75098
(972) 941-8400

DATE: 07/03/2024

SHEET 3 OF 5

Z:\PROJECTS\00557 Kaufman- 21 AC on US175\dwg\Exhibits\PID Exhibits\00557 PID Exhibits.dwg

MASTER PUBLIC INFRASTRUCTURE WATER

FREEMAN FARM

BEING

25.402 ACRES

SITUATED IN THE

LEVI YORK SURVEY, A-609
CITY OF KAUFMAN, KAUFMAN COUNTY, TEXAS

PETITT - ECD

CIVIL ENGINEERING/SURVEYING/CONSTRUCTION ADMINISTRATION

TBPELS FIRM REGISTRATION
ENGINEERING FIRM #001145 SURVEYING FIRM #10194792

1600 N. COLLINS BLVD.
SUITE 3300
RICHARDSON, TX 75080

201 WINDCO CIR.
SUITE 100
WYLIE, TX 75098
(972) 941-8400

DATE: 07/03/2024

SHEET 5 OF 5

Z:\PROJECTS\00557 Kaufman- 21 AC on US175\dwg\Exhibits\PID Exhibits\00557 PID Exhibits.dwg

APPENDIX E
ASSESSMENT PER UNIT, PROJECTED LEVERAGE AND PROJECTED TAX RATE EQUIVALENTS

Appendix E

For purposes of calculating and allocating the Assessments, the Assessed Property has been classified in one of two Lot Types.

"Lot Type 1" means lots identified as such on the Assessment Roll, being lots typically with a Lot width of approximately 60 feet.

"Lot Type 2" means lots identified as such on the Assessment Roll, being lots typically with a Lot width of approximately 50 feet.

A) Proposed Development

The following table shows the proposed residential units to be developed within the PID.

Table E-1
Proposed Development within the PID

Description	Proposed Development	
Lot Type 1 (60 Ft)	58	Units
Lot Type 2 (50 Ft)	65	Units
Total	**123**	**Units**

B) Calculation of Equivalent Units

As explained under Section V, for purpose of this Service and Assessment Plan, the City Council has determined that the Budgeted Costs of the Authorized Improvements to be financed with the Bonds shall be allocated to the Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units.

For purposes of this Plan, the City Council has determined that the Assessments shall be allocated to the Assessed Property on the basis of the average home value of each Lot Type, and that such method of allocation will result in the imposition of equal shares of the Assessments on Parcels similarly benefited. In determining the average home value of each Lot Type, the City Council has taken into consideration (i) the type of lots (i.e., 60 Ft lots, 50 Ft lots, etc.); (ii) current and projected home prices; (iii) the costs of the Authorized Improvements; and (iv) the ability of different property types to utilize and benefit from the Authorized Improvements.

Having taken into consideration the matters described above, the City Council has determined that allocating the Assessments among Parcels based on average home value is best accomplished by creating classifications of benefited Parcels based on the "Lot Types" defined above. These classifications (from Lot Type 1 (60 Ft Lots) representing the highest value to Lot Type 2 (50 Ft Lot) representing the lowest value for residential lots are set forth in Table E-1. Assessments are allocated to each Lot Type on the basis of the average home value for each class of lots. This is accomplished by giving each Lot Type an Equivalent Unit factor. Equivalent Units are the ratio of the average value of lots within each assessment class, setting the Equivalent Unit factor for Lot Type 1 (60 Ft Lots) to 1.0.

Table E-2
Equivalent Unit Factors

Lot Type	Estimated Average Home Value per Unit[1]	Equivalent Unit Factor	
Lot Type 1 (60 Ft)	$395,000	1.00	per dwelling unit
Lot Type 2 (50 Ft)	$328,000	0.83	per dwelling unit

[1]As provided by the Developer. Lot Type 2 estimated average home value per unit is rounded down.

The total Equivalent Units for the PID are shown in Table E-3 as calculated based on the Equivalent Unit factors shown in Table E-3, estimated Lot Types and number of units estimated to be built within the PID.

Table E-3
Equivalent Units – PID

Description	Planned No. of Units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (60 Ft)	58	1.00	58.00
Lot Type 2 (50 Ft)	65	0.83	53.95
Total	**123**		**111.95**

C) Allocation of Assessments to Lots within the PID

The total amount of the PID Bonds, which represents the total Assessment to be allocated on all Parcels within the PID, is $2,898,000. As shown above, there are a total of 111.95 equivalent units, resulting in an Assessment per Unit of $25,886.56 (i.e. $2,898,000 ÷ 111.95 = $25,886.56).

Table E-4 sets forth the Assessment per dwelling unit within the PID.

Table E-4
Assessment Per Unit – PID

Description	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor	Assessment per Unit		Total Assessments
Lot Type 1 (60 Ft)	58	$25,886.56	1.00	$25,886.56	per dwelling unit	$1,501,420.28
Lot Type 2 (50 Ft)	65	$25,886.56	0.83	$21,485.84	per dwelling unit	$1,396,579.72
Total	**123**					**$2,898,000.00**

The projected leverage calculated based on the estimated land values, finished lot values and home values for each unit is shown in Table E-5 below.

Table E-5
Projected Leverage – PID

Description	Planned No. of Units	Estimated Finished Lot Value per Unit[1]	Estimated Average Home Value per Unit[1,2]	Assessment per Unit	Leverage (Lot Value)	Leverage (Home Value)
Lot Type 1 (60 Ft)	58	$75,500	$395,000	$25,886.56	2.92	15.26
Lot Type 2 (50 Ft)	65	$75,500	$328,000	$21,485.84	3.51	15.27

[1]As provided by the Developer.
[2]Lot Type 2 estimated average home value per unit is rounded down.

The projected tax rate equivalent per unit based on the estimated finished lot values and home values for each unit is shown in Table E-6.

Table E-6
Estimated Tax Rate Equivalent per Unit – PID

Description	Planned No. of Units	Estimated Finished Lot Value per Unit[1]	Estimated Average Home Value per Unit[1,2]	Projected Average Annual Installment per unit	Tax Rate Equivalent (per $100 Lot Value)	Tax Rate Equivalent (per $100 Home Value)
Lot Type 1 (60 Ft)	58	$75,500	$395,000	$2,336	$3.09	$0.59
Lot Type 2 (50 Ft)	65	$75,500	$328,000	$1,939	$2.57	$0.59

[1]As provided by the Developer.
[2]Lot Type 2 estimated average home value per unit is rounded down.

The Assessment and Annual Installments for each Parcel or Lot located within the PID is shown on the Assessment Roll, attached as Appendix G, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

APPENDIX F
PID ASSESSMENT NOTICE

AFTER RECORDING RETURN TO:

_____

_____

_____

_____

_____][1]

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF KAUFMAN, TEXAS
CONCERNING THE FOLLOWING PROPERTY

_____

STREET ADDRESS

LOT TYPE _____ PRINCIPAL ASSESSMENT: $_____

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Kaufman, Texas (the "City"), for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Kaufman Public Improvement District No. 3*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

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

The exact amount of the assessment may be obtained from the County. The exact amount of each annual installment will be approved each year by the City Council 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 County.

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

[1] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Kaufman County.

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

DATE: DATE:

SIGNATURE OF PURCHASER

SIGNATURE OF PURCHASER

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

DATE: DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER][2]

[2] To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE: DATE:

_____ _____

SIGNATURE OF PURCHASER SIGNATURE OF PURCHASER

STATE OF TEXAS §
§
COUNTY OF KAUFMAN §

The foregoing instrument was acknowledged before me by_____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument and acknowledged to me that he or she executed the same for the purposes therein expressed.

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

Notary Public, State of Texas][3]

[3] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Kaufman County.

The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE: DATE:

_____ _____

SIGNATURE OF SELLER SIGNATURE OF SELLER

STATE OF TEXAS §
§
COUNTY OF KAUFMAN §

The foregoing instrument was acknowledged before me by _____and _____ , known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument and acknowledged to me that he or she executed the same for the purposes therein expressed.

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

Notary Public, State of Texas][4]

[4] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Kaufman County.

APPENDIX G
PID ASSESSMENT ROLL

Appendix G-1
Assessment Roll

Parcel	**See Summary Roll**
Equivalent Units	**111.95**
Assessment	**$2,898,000**

Year [1]	Principal	Interest[2]	Administrative Expenses[3]	Additional Interest	Capitalized Interest	Total Annual Installment
9/1/2025	$0	$138,890	$0	$0	($138,890)	$0
9/1/2026	$51,000	$155,765	$40,800	$14,490	$0	$262,055
9/1/2027	$53,000	$153,088	$41,616	$14,235	$0	$261,939
9/1/2028	$55,000	$150,305	$42,448	$13,970	$0	$261,723
9/1/2029	$58,000	$147,418	$43,297	$13,695	$0	$262,410
9/1/2030	$60,000	$144,373	$44,163	$13,405	$0	$261,941
9/1/2031	$62,000	$141,223	$45,046	$13,105	$0	$261,374
9/1/2032	$65,000	$137,968	$45,947	$12,795	$0	$261,710
9/1/2033	$68,000	$134,555	$46,866	$12,470	$0	$261,891
9/1/2034	$71,000	$130,985	$47,804	$12,130	$0	$261,919
9/1/2035	$74,000	$127,258	$48,760	$11,775	$0	$261,792
9/1/2036	$77,000	$123,373	$49,735	$11,405	$0	$261,512
9/1/2037	$81,000	$119,330	$50,730	$11,020	$0	$262,080
9/1/2038	$84,000	$115,078	$51,744	$10,615	$0	$261,437
9/1/2039	$88,000	$110,668	$52,779	$10,195	$0	$261,642
9/1/2040	$92,000	$106,048	$53,835	$9,755	$0	$261,637
9/1/2041	$96,000	$101,218	$54,911	$9,295	$0	$261,424
9/1/2042	$100,000	$96,178	$56,010	$8,815	$0	$261,002
9/1/2043	$105,000	$90,928	$57,130	$8,315	$0	$261,372
9/1/2044	$110,000	$85,415	$58,272	$7,790	$0	$261,477
9/1/2045	$115,000	$79,640	$59,438	$7,240	$0	$261,318
9/1/2046	$121,000	$73,315	$60,627	$6,665	$0	$261,607
9/1/2047	$127,000	$66,660	$61,839	$6,060	$0	$261,559
9/1/2048	$133,000	$59,675	$63,076	$5,425	$0	$261,176
9/1/2049	$140,000	$52,360	$64,337	$4,760	$0	$261,457
9/1/2050	$147,000	$44,660	$65,624	$4,060	$0	$261,344
9/1/2051	$154,000	$36,575	$66,937	$3,325	$0	$260,837
9/1/2052	$162,000	$28,105	$68,275	$2,555	$0	$260,935
9/1/2053	$170,000	$19,195	$69,641	$1,745	$0	$260,581
9/1/2054	$179,000	$9,845	$71,034	$895	$0	$260,774
Total	**$2,898,000**	**$2,980,088**	**$1,582,723**	**$262,005**	**($138,890)**	**$7,583,926**

[1]The 9/1/XX dates represent the fiscal year end for the PID Bonds.
[2] The interest is calculated using an 5.25% interest rate for years 1 through 20 and 5.50% interest rate for years 21 through 30 to match the interest rate on the PID Bonds for the Authorized Improvements.
[3]Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

Appendix G-2
Assessment Roll by Lot Type

Parcel	**Lot Type 1 (60 Ft)**
Equivalent Units	**1.00**
Assessment	**$25,887**

Year [1]	Principal	Interest[2]	Administrative Expenses[3]	Additional Interest	Capitalized Interest	Total Annual Installment
9/1/2025	$0	$1,241	$0	$0	($1,241)	$0
9/1/2026	$456	$1,391	$364	$129	$0	$2,341
9/1/2027	$473	$1,367	$372	$127	$0	$2,340
9/1/2028	$491	$1,343	$379	$125	$0	$2,338
9/1/2029	$518	$1,317	$387	$122	$0	$2,344
9/1/2030	$536	$1,290	$394	$120	$0	$2,340
9/1/2031	$554	$1,261	$402	$117	$0	$2,335
9/1/2032	$581	$1,232	$410	$114	$0	$2,338
9/1/2033	$607	$1,202	$419	$111	$0	$2,339
9/1/2034	$634	$1,170	$427	$108	$0	$2,340
9/1/2035	$661	$1,137	$436	$105	$0	$2,338
9/1/2036	$688	$1,102	$444	$102	$0	$2,336
9/1/2037	$724	$1,066	$453	$98	$0	$2,341
9/1/2038	$750	$1,028	$462	$95	$0	$2,335
9/1/2039	$786	$989	$471	$91	$0	$2,337
9/1/2040	$822	$947	$481	$87	$0	$2,337
9/1/2041	$858	$904	$490	$83	$0	$2,335
9/1/2042	$893	$859	$500	$79	$0	$2,331
9/1/2043	$938	$812	$510	$74	$0	$2,335
9/1/2044	$983	$763	$521	$70	$0	$2,336
9/1/2045	$1,027	$711	$531	$65	$0	$2,334
9/1/2046	$1,081	$655	$542	$60	$0	$2,337
9/1/2047	$1,134	$595	$552	$54	$0	$2,336
9/1/2048	$1,188	$533	$563	$48	$0	$2,333
9/1/2049	$1,251	$468	$575	$43	$0	$2,335
9/1/2050	$1,313	$399	$586	$36	$0	$2,334
9/1/2051	$1,376	$327	$598	$30	$0	$2,330
9/1/2052	$1,447	$251	$610	$23	$0	$2,331
9/1/2053	$1,519	$171	$622	$16	$0	$2,328
9/1/2054	$1,599	$88	$635	$8	$0	$2,329
Total	**$25,887**	**$26,620**	**$14,138**	**$2,340**	**($1,241)**	**$67,744**

[1]The 9/1/XX dates represent the fiscal year end for the PID Bonds.
[2] The interest is calculated using an 5.25% interest rate for years 1 through 20 and 5.50% interest rate for years 21 through 30 to match the interest rate on the PID Bonds for the Authorized Improvements.
[3]Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

Appendix G-3
Assessment Roll by Lot Type

Parcel	**Lot type 2 (50 Ft)**
Equivalent Units	**0.83**
Assessment	**$21,486**

Year [1]	Principal	Interest[2]	Administrative Expenses[3]	Additional Interest	Capitalized Interest	Total Annual Installment
9/1/2025	$0	$1,030	$0	$0	($1,030)	$0
9/1/2026	$378	$1,155	$302	$107	$0	$1,943
9/1/2027	$393	$1,135	$309	$106	$0	$1,942
9/1/2028	$408	$1,114	$315	$104	$0	$1,940
9/1/2029	$430	$1,093	$321	$102	$0	$1,946
9/1/2030	$445	$1,070	$327	$99	$0	$1,942
9/1/2031	$460	$1,047	$334	$97	$0	$1,938
9/1/2032	$482	$1,023	$341	$95	$0	$1,940
9/1/2033	$504	$998	$347	$92	$0	$1,942
9/1/2034	$526	$971	$354	$90	$0	$1,942
9/1/2035	$549	$943	$362	$87	$0	$1,941
9/1/2036	$571	$915	$369	$85	$0	$1,939
9/1/2037	$601	$885	$376	$82	$0	$1,943
9/1/2038	$623	$853	$384	$79	$0	$1,938
9/1/2039	$652	$820	$391	$76	$0	$1,940
9/1/2040	$682	$786	$399	$72	$0	$1,940
9/1/2041	$712	$750	$407	$69	$0	$1,938
9/1/2042	$741	$713	$415	$65	$0	$1,935
9/1/2043	$778	$674	$424	$62	$0	$1,938
9/1/2044	$816	$633	$432	$58	$0	$1,939
9/1/2045	$853	$590	$441	$54	$0	$1,937
9/1/2046	$897	$544	$449	$49	$0	$1,940
9/1/2047	$942	$494	$458	$45	$0	$1,939
9/1/2048	$986	$442	$468	$40	$0	$1,936
9/1/2049	$1,038	$388	$477	$35	$0	$1,938
9/1/2050	$1,090	$331	$487	$30	$0	$1,938
9/1/2051	$1,142	$271	$496	$25	$0	$1,934
9/1/2052	$1,201	$208	$506	$19	$0	$1,935
9/1/2053	$1,260	$142	$516	$13	$0	$1,932
9/1/2054	$1,327	$73	$527	$7	$0	$1,933
Total	**$21,486**	**$22,094**	**$11,734**	**$1,943**	**($1,030)**	**$56,227**

[1]The 9/1/XX dates represent the fiscal year end for the PID Bonds.
[2] The interest is calculated using an 5.25% interest rate for years 1 through 20 and 5.50% interest rate for years 21 through 30 to match the interest rate on the PID Bonds for the Authorized Improvements.
[3]Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

Appendix G-4
Assessment Roll Summary

Parcel ID	Block #	Lot #	Lot Size	Equivalent Units	Outstanding Assessment
231314	A	1X	Common Area	0.00	$0.00
231315	A	2	60'	1.00	$25,886.56
231316	A	3	60'	1.00	$25,886.56
231317	A	4	60'	1.00	$25,886.56
231318	A	5	60'	1.00	$25,886.56
231319	A	6	50'	0.83	$21,485.84
231320	A	7	60'	1.00	$25,886.56
231321	A	8	60'	1.00	$25,886.56
231322	A	9	60'	1.00	$25,886.56
231324	D	1	50'	0.83	$21,485.84
231325	D	2	50'	0.83	$21,485.84
231326	D	3	50'	0.83	$21,485.84
231327	D	4	50'	0.83	$21,485.84
231328	D	5	50'	0.83	$21,485.84
231329	D	6	50'	0.83	$21,485.84
231330	D	7	50'	0.83	$21,485.84
231331	D	8	50'	0.83	$21,485.84
231332	D	9	50'	0.83	$21,485.84
231333	D	10	50'	0.83	$21,485.84
231336	A	10X	Common Area	0.00	$0.00
231337	A	11	60'	1.00	$25,886.56
231338	A	12	60'	1.00	$25,886.56
231339	A	13	50'	0.83	$21,485.84
231340	A	14	50'	0.83	$21,485.84
231341	A	15	60'	1.00	$25,886.56
231342	A	16	60'	1.00	$25,886.56
231343	A	17	60'	1.00	$25,886.56
231344	A	18	60'	1.00	$25,886.56
231347	A	19X	Common Area	0.00	$0.00
231348	A	20	60'	1.00	$25,886.56
231349	A	21	60'	1.00	$25,886.56
231350	A	22	60'	1.00	$25,886.56
231351	A	23	60'	1.00	$25,886.56
231352	A	24	60'	1.00	$25,886.56
231353	A	25	60'	1.00	$25,886.56
231354	A	26	60'	1.00	$25,886.56
231355	A	27	60'	1.00	$25,886.56
231356	A	28	60'	1.00	$25,886.56
231357	A	29	60'	1.00	$25,886.56

Appendix G-4
Assessment Roll Summary

Parcel ID	Block #	Lot #	Lot Size	Equivalent Units	Outstanding Assessment
231358	A	30	60'	1.00	$25,886.56
231359	A	31	60'	1.00	$25,886.56
231360	A	32	60'	1.00	$25,886.56
231361	A	33	60'	1.00	$25,886.56
231362	B	1	60'	1.00	$25,886.56
231363	B	2	60'	1.00	$25,886.56
231364	B	3	60'	1.00	$25,886.56
231365	B	4	60'	1.00	$25,886.56
231366	B	5	60'	1.00	$25,886.56
231367	B	6	60'	1.00	$25,886.56
231368	B	7	60'	1.00	$25,886.56
231369	B	8	60'	1.00	$25,886.56
231370	B	9	60'	1.00	$25,886.56
231371	B	10	60'	1.00	$25,886.56
231372	B	11	60'	1.00	$25,886.56
231373	B	12	60'	1.00	$25,886.56
231374	B	13	60'	1.00	$25,886.56
231375	B	14	60'	1.00	$25,886.56
231376	B	15	60'	1.00	$25,886.56
231377	B	16	60'	1.00	$25,886.56
231378	B	17	60'	1.00	$25,886.56
231379	B	18	60'	1.00	$25,886.56
231380	B	19	60'	1.00	$25,886.56
231381	B	20	60'	1.00	$25,886.56
231382	B	21	60'	1.00	$25,886.56
231383	B	22	60'	1.00	$25,886.56
231384	B	23	60'	1.00	$25,886.56
231385	B	24	60'	1.00	$25,886.56
231386	B	25	60'	1.00	$25,886.56
231387	B	26	60'	1.00	$25,886.56
231388	B	27	60'	1.00	$25,886.56
231389	B	28	60'	1.00	$25,886.56
231390	C	1	50'	0.83	$21,485.84
231391	C	2	50'	0.83	$21,485.84
231392	C	3	50'	0.83	$21,485.84
231393	C	4	50'	0.83	$21,485.84
231394	C	5	50'	0.83	$21,485.84
231395	C	6	50'	0.83	$21,485.84
231396	C	7	50'	0.83	$21,485.84

Appendix G-4
Assessment Roll Summary

Parcel ID	Block #	Lot #	Lot Size	Equivalent Units	Outstanding Assessment
231397	C	8	50'	0.83	$21,485.84
231398	C	9	50'	0.83	$21,485.84
231399	C	10	50'	0.83	$21,485.84
231400	C	11	50'	0.83	$21,485.84
231401	C	12	50'	0.83	$21,485.84
231402	C	13	50'	0.83	$21,485.84
231403	C	14	50'	0.83	$21,485.84
231404	C	15	50'	0.83	$21,485.84
231405	C	16	50'	0.83	$21,485.84
231406	C	17	60'	1.00	$25,886.56
231407	C	18	60'	1.00	$25,886.56
231408	C	19	50'	0.83	$21,485.84
231409	C	20	50'	0.83	$21,485.84
231410	C	21	50'	0.83	$21,485.84
231411	C	22	50'	0.83	$21,485.84
231412	C	23	50'	0.83	$21,485.84
231413	C	24	50'	0.83	$21,485.84
231414	C	25	50'	0.83	$21,485.84
231415	C	26	50'	0.83	$21,485.84
231416	C	27	50'	0.83	$21,485.84
231417	C	28	50'	0.83	$21,485.84
231418	C	29	50'	0.83	$21,485.84
231419	C	30	50'	0.83	$21,485.84
231420	C	31	50'	0.83	$21,485.84
231421	C	32	50'	0.83	$21,485.84
231422	C	33	50'	0.83	$21,485.84
231423	C	34	60'	1.00	$25,886.56
231424	D	11	50'	0.83	$21,485.84
231425	D	12	50'	0.83	$21,485.84
231426	D	13	50'	0.83	$21,485.84
231427	D	14	50'	0.83	$21,485.84
231428	D	15	50'	0.83	$21,485.84
231429	D	16	50'	0.83	$21,485.84
231430	D	17	50'	0.83	$21,485.84
231431	D	18	50'	0.83	$21,485.84
231432	D	19	50'	0.83	$21,485.84
231433	D	20	50'	0.83	$21,485.84
231434	D	21	50'	0.83	$21,485.84
231435	D	22	50'	0.83	$21,485.84

Appendix G-4
Assessment Roll Summary

Parcel ID	Block #	Lot #	Lot Size	Equivalent Units	Outstanding Assessment
231436	D	23	50'	0.83	$21,485.84
231437	D	24	50'	0.83	$21,485.84
231438	D	25	50'	0.83	$21,485.84
231439	D	26	50'	0.83	$21,485.84
231440	D	27	50'	0.83	$21,485.84
231441	D	28	50'	0.83	$21,485.84
231442	D	29	50'	0.83	$21,485.84
231443	D	30	50'	0.83	$21,485.84
231444	D	31	50'	0.83	$21,485.84
231846	E	1X	Common Area	0.00	$0.00
Total		**123**		**111.95**	**$2,898,000.00**

Meeting Date: 9/30/2024 | **Date: 09/23/2024** | **Item #: 13.** | **Dept.: Administration**

Ordinance

SUBJECT:

Consider and take appropriate action on Ordinance O-26-24, an ordinance of the City Council of the City of Kaufman, Texas, approving and authorizing the issuance and sale of the City of Kaufman, Texas Special Assessment Revenue Bonds, Series 2024 (Kaufman Public Improvement District No. 3); approving and authorizing an indenture of trust, a bond purchase agreement, limited offering memorandum, a continuing disclosure agreement, and other agreements and documents in connection therewith; making findings with respect to the issuance of such bonds; and providing an effective date. ("Freeman Farm")

BACKGROUND:

Ordinance O-26-24 is the formal action to issue PID bonds for the public improvements for Freeman Farms and approving all the necessary agreements to codify Council action.

Author:
Mike Holder, City Manager

Reviewed:
Mike Holder, City Manager

Cost: **Funds Available:** **Source:**

Recommendation: Staff recommends approval of Ordinance O-26-24 as presented.

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☐	☐	☐	☐	☐

ORDINANCE NO. O-26-24

AN ORDINANCE APPROVING AND AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF KAUFMAN, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024 (KAUFMAN PUBLIC IMPROVEMENT DISTRICT NO. 3); APPROVING AND AUTHORIZING AN INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT, LIMITED OFFERING MEMORANDUM, A CONTINUING DISCLOSURE AGREEMENT, AND OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION THEREWITH; MAKING FINDINGS WITH RESPECT TO THE ISSUANCE OF SUCH BONDS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Kaufman, Texas (the "City"), pursuant to and in accordance with the terms, provisions and requirements of the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code (the "PID Act"), has previously established the Kaufman Public Improvement District No. 3 (the "District"), pursuant to a Resolution adopted by the City Council of the City (the "City Council") on January 24, 2022; and

WHEREAS, the City is authorized by the PID Act to issue its revenue bonds payable from assessments levied on property within the District (the "Assessments") for the purposes of (i) paying or reimbursing the costs of certain public improvements within the District (the "Authorized Improvements") identified in a service and assessment plan (the "Service and Assessment Plan"), (ii) paying capitalized interest on Bonds, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) funding a portion of the Delinquency and Prepayment Reserve Account, and (v) paying the costs of issuing the Bonds; and

WHEREAS, the City Council has found and determined that it is in the best interests of the citizens of the City to issue its bonds in a single series to be designated "City of Kaufman Special Assessment Revenue Bonds, Series 2024 (Kaufman Public Improvement District No. 3)" (the "Bonds"), such series to be payable solely from and secured by Assessments levied on property within the District (the "Assessed Property") as set forth in the Service and Assessment Plan; and

WHEREAS, the City Council has found and determined to (i) approve the issuance of the Bonds to finance the Authorized Improvements benefitting the District identified in the Service and Assessment Plan on the terms described herein, (ii) approve the form, terms and provisions of the Indenture (as defined herein) securing the City's Bonds authorized hereby, (iii) approve the form, terms, and provisions of a Bond Purchase Agreement between the City and the purchasers of the Bonds, (iv) approve a Limited Offering Memorandum, (iv) approve an Amended Reimbursement Agreement, and (v) approve a Continuing Disclosure Agreement relating to the Bonds; and

WHEREAS, the meeting at which this Ordinance is considered is open to the public as required by law, and the public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended;

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS, THAT:

Section 1. **Findings**. The findings and determinations set forth in the preamble hereof are hereby incorporated by reference for all purposes as if set forth in full herein. Terms not otherwise defined in Sections 2 through 6 herein shall have the definitions as set forth in the Indenture (defined herein).

Section 2. **Approval of Issuance of Bonds and Indenture of Trust.** (a) The issuance of the Bonds in the principal amount of $_____ for the purpose of providing funds for (i) paying or reimbursing a portion of the costs of the Authorized Improvements, (ii) paying capitalized interest on the Bonds, (iii) funding the Bond Reserve Account of the Reserve Fund (and defined in the Indenture), (iv) funding a portion of the Delinquency and Prepayment Reserve Account (as defined in the Indenture), (v) paying capitalized interest on the Bonds, and (vi) paying the costs of issuance of the Bonds, are hereby authorized and approved.

(b) The Bonds shall be issued and secured under an indenture of trust, the form, terms and provisions of which are hereby approved in the substantially final form presented at this meeting of that certain Indenture of Trust (the "Indenture"), dated as of September 15, 2024, between the City and Wilmington Trust, National Association, as trustee (the "Trustee"), with such changes as may be necessary or desirable to carry out the intent of this Ordinance and as approved by the Mayor of the City, such approval to be evidenced by the execution and delivery of the Indenture. The Mayor of the City is hereby authorized and directed to execute the Indenture and the City Secretary is hereby authorized and directed to attest such signature of the Mayor.

(c) The Bonds shall be dated, shall mature on the date or dates and in the principal amounts, shall bear interest, shall be subject to redemption and shall have such other terms and provisions as set forth in the Indenture. The Bonds shall be in substantially the form set forth in the Indenture with such insertions, omissions and modifications as may be required to conform the form of bond to the actual terms of the Bonds. The Bonds shall be payable from and secured solely by the Assessments levied on the Assessed Property for the Authorized Improvements, as set forth in the Service and Assessment Plan and other assets of the "Trust Estate" (as defined in the Indenture) pledged to such Bonds, and shall never be payable from ad valorem taxes.

Section 3. Sale of Bonds: Approval of Bond Purchase Agreement. The Bonds shall be sold to FMSbonds, Inc. (the "Underwriter") at the price and on the terms and provisions set forth in that certain Bond Purchase Agreement (the "Bond Purchase Agreement"), dated the date hereof, between the City and the Underwriter. The form, terms and provisions of the Bond Purchase Agreement are hereby authorized and approved and the Mayor of the City is hereby authorized and directed to execute and deliver the Bond Purchase Agreement. It is hereby officially found, determined and declared that the terms of this sale are the most advantageous reasonably obtainable.

Section 4. **Limited Offering Memorandum.** The form and substance of the Preliminary Limited Offering Memorandum for the Bonds and any addenda, supplement or amendment thereto presented to and considered by the City Council are hereby in all respects approved and adopted. The City hereby authorizes the preparation of a final Limited Offering Memorandum reflecting the terms of the Bond Purchase Agreement and other relevant information. The Limited Offering Memorandum as thus approved and delivered, with such appropriate variations as shall be approved by the City Manager and the Underwriter, may be used by the Underwriter in the offering and sale of the Bonds, and the Preliminary Limited Offering Memorandum is hereby deemed final as of its date (except for the omission of pricing and related information) within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. The City Secretary is hereby authorized and directed to include and maintain a copy of the Preliminary Limited Offering Memorandum and Limited Offering Memorandum and any addenda, supplement or amendment thereto thus approved among the permanent records of this meeting. The use and distribution of the Preliminary Limited Offering Memorandum in the offering of the Bonds is hereby ratified, approved and continued. Notwithstanding the execution, approval and delivery of such Preliminary Limited Offering Memorandum and Limited Offering Memorandum by the Mayor, the Mayor and this City Council are not responsible for and proclaim no specific knowledge of the information contained in the Preliminary Limited Offering Memorandum and Limited Offering Memorandum pertaining to development, the Developer (as defined in the Limited Offering Memorandum) or its financial ability, the homebuilders, the landowners, or the appraisal of the property in the District performed by Integra Realty.

Section 5. **Continuing Disclosure Agreement.** The form, terms and provisions of that certain Continuing Disclosure Agreement (the "Continuing Disclosure Agreement" dated as of September 15, 2024 among the City, HTS Continuing Disclosure Services, a Division of Hilltop Securities, Inc. and MuniCap, Inc. is hereby authorized and approved in substantially final form presented at this meeting and the Mayor of the City is hereby authorized and directed to execute and deliver such Continuing Disclosure Agreement with such changes as may be required to carry out the purpose of this Ordinance and approved by the Mayor, such approval to be evidenced by the execution thereof, the Mayor's signature on the Agreement may be attested by the City Secretary.

Section 6. **Additional Actions.** The Mayor, the City Manager and each other officer, employee and agent of the City are hereby authorized and directed to take any and all actions on behalf of the City necessary or desirable to carry out the intent and purposes of this Ordinance and to issue the Bonds in accordance with the terms of this Ordinance, including the making of modifications to this Ordinance and the Indenture as necessary to obtain approval of the Bonds by the Attorney General of the State, the Mayor, the City Manager and each other officer, employee and agent of the City are hereby authorized and directed to execute and deliver any and all certificates, agreements, notices, instruction letters, requisitions, and other documents which may be necessary or advisable in connection with the sale, issuance and delivery of the Bonds and the carrying out of the purposes and intent of this Ordinance. Further, in connection with the submission of the record of proceedings for the Bonds to the Attorney General of the State of Texas for examination and approval of such Bonds, the appropriate officer of the City is hereby authorized and directed to issue a check of the City payable to the Attorney General of the State of Texas as a nonrefundable examination fee in the amount required by Chapter 1202, Texas Government Code (such amount not to exceed $9,500).

Section 7. Effective Date. This Ordinance shall take effect immediately upon its adoption by the City Council of the City.

FINALLY PASSED, APPROVED AND EFFECTIVE this 30th day of September, 2024.

[Signature Page Follows]

BY:

_____
MAYOR,
CITY OF KAUFMAN, TEXAS

ATTEST:

_____
CITY SECRETARY,
CITY OF KAUFMAN, TEXAS

INDENTURE OF TRUST

By and Between

CITY OF KAUFMAN, TEXAS

and

Wilmington Trust, National Association

as Trustee

DATED AS OF SEPTEMBER 15, 2024

SECURING

CITY OF KAUFMAN, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(KAUFMAN PUBLIC IMPROVEMENT DISTRICT NO. 3)

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INDENTURE OF TRUST

This Indenture of Trust, dated as of September 15, 2024 is by and between the City of Kaufman, Texas (the "City"), and Wilmington Trust, National Association, a national banking association, as trustee (together with its successors, the "Trustee"). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article 1.

WHEREAS a petition (the "Petition") was submitted and filed with the City Secretary requesting the establishment of a public improvement district pursuant to Chapter 372, Texas Local Government Code, as amended, (the "PID Act") to be known as the Kaufman Public Improvement District No. 3 (the "District" or "PID"); and

WHEREAS the Petition was submitted by the record owners of taxable real property representing more than fifty percent ("50%") of the appraised value of the real property liable for assessment (as determined by the most recent certified appraisal roll for Kaufman County) in the proposed PID and the record owners of taxable real property that constitute more than 50% of all of the area of all taxable real property that is liable for assessment in the proposed PID; and

WHEREAS, on December 20, 2021, the City Council accepted the Petition and called a public hearing for January 24, 2022, on the creation of Kaufman Public Improvement District No. 3 (the "District") and the advisability of the improvements; and

WHEREAS, after notice of hearing was published in a newspaper of general circulation in the City and was mailed to the property owners in the PID as required by the Act, on January 24, 2022 the City Council held such public hearing on the creation of the District and heard any comments or objection thereto; and

WHEREAS on January 24, 2022, the City approved a resolution creating the Kaufman Public Improvement District No. 3; and

WHEREAS, the City approved a Resolution calling a public hearing for September 30, 2024 (the "Assessment Hearing") on the levy of Assessments (as defined herein) within the District; and

WHEREAS, notice of such public hearing was published in a newspaper of general circulation and mailed to the owners of 100% of the property subject to assessment in the District; and

WHEREAS, on August 26, 2024, the City Council approved a resolution accepting the Preliminary Service and Assessment Plan for the District and called a public hearing for September 30, 2024; and

WHEREAS the City published notice of the public hearing in a newspaper of general circulation in the City and mailed notice to the property owners in the District, pursuant to the Act; and

WHEREAS, the City Council convened the Assessment Hearing on September 30, 2024 and at such public hearing all persons who appeared, or requested to appear, in person or through a representative acting on their behalf, were given the opportunity to contend for or contest the proposed Assessment Roll for the District and the Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of the costs of the Authorized Improvements (the "Improvement Costs"), the purposes of the Assessments, the special benefits of the Assessments, and the penalties and interest on Annual Installments and on delinquent Annual Installments of the Assessments; and

WHEREAS, at the Assessment Hearing, there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of Improvement Costs, the Assessment Roll, and the levy of the Assessments; and

WHEREAS, on September 30, 2024, the City Council closed the Assessment Hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the City, and approved and accepted the Service and Assessment Plan in conformity with the requirements of the PID Act and adopted the Assessment Ordinance and therein approved the Assessment Roll and levied the Assessments; and

WHEREAS, the City Council is authorized by the PID Act to issue its revenue bonds payable from the Assessments for the purpose of (i) paying or reimbursing a portion of the costs of the Improvement Costs, (ii) funding a reserve fund for payment of principal and interest on the revenue bonds, (iii) funding a portion of the Delinquency and Prepayment Reserve Account, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying costs of issuance; and

WHEREAS, the City Council now desires to issue revenue bonds, in accordance with the PID Act, such bonds to be entitled "City of Kaufman, Texas, Special Assessment Revenue Bonds, Series 2024 (Kaufman Public Improvement District No. 3) (the "Bonds"), such Bonds being payable solely from the Pledged Revenues (defined herein) and other funds pledged under this Indenture to the payment of the Bonds and for the purposes set forth in the preamble of this Indenture; and

WHEREAS, the Trustee has agreed to accept the trusts herein created upon the terms set forth in this Indenture;

NOW, THEREFORE, the City, in consideration of the foregoing premises and acceptance by the Trustee of the trusts herein created, of the purchase and acceptance of the Bonds by the Owners thereof, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby GRANT, CONVEY, PLEDGE, TRANSFER, ASSIGN, and DELIVER to the Trustee for the benefit of the Owners, a security interest in all of the moneys, rights and properties described in the Granting Clauses hereof, as follows (collectively, the "Trust Estate"):

FIRST GRANTING CLAUSE

The Pledged Revenues and all moneys and investments held in the Pledged Funds and Accounts including any contract or any evidence of indebtedness related thereto or other rights of

the City to receive any of such moneys or investments, whether now existing or hereafter coming into existence, and whether now or hereafter acquired; and,

SECOND GRANTING CLAUSE

Any and all other property or money of every name and nature which is, from time to time hereafter by delivery or by writing of any kind, conveyed, pledged, assigned or transferred, to the Trustee as additional security hereunder by the City or by anyone on its behalf or with its written consent, and the Trustee is hereby authorized to receive any and all such property or money at any and all times and to hold and apply the same subject to the terms thereof;

TO HAVE AND TO HOLD the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its successors or assigns;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the benefit of all present and future Owners of the Bonds from time to time issued under and secured by this Indenture, and for enforcement of the payment of the Bonds in accordance with their terms, and for the performance of and compliance with the obligations, covenants, and conditions of this Indenture;

PROVIDED, HOWEVER, that if and to the extent Assessments have been prepaid, the lien on real property associated with such Assessment prepayment shall be released from the Trust Estate and shall no longer constitute a part of the Trust Estate;

PROVIDED, FURTHER, HOWEVER, if the City or its assigns shall well and truly pay, or cause to be paid, the principal or Redemption Price of and the interest on all the Bonds at the times and in the manner stated in the Bonds, according to the true intent and meaning thereof, then this Indenture and the rights hereby granted shall cease, terminate and be void; otherwise this Indenture is to be and remain in full force and effect;

IN ADDITION, the Bonds are special obligations of the City payable solely from the Trust Estate, as and to the extent provided in this Indenture. The Bonds do not give rise to a charge against the general credit or taxing powers of the City and are not payable except as provided in this Indenture. Notwithstanding anything to the contrary herein, the Owners of the Bonds shall never have the right to demand payment thereof out of any funds of the City other than the Trust Estate. The City shall have no legal or moral obligation to pay for the Bonds out of any funds of the City other than the Pledged Revenues.

NOW, THEREFORE, the City, in consideration of the foregoing premises and acceptance by the Trustee of the trusts herein created, of the purchase and acceptance of the Bonds by the Owners thereof, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby GRANT, CONVEY, PLEDGE, TRANSFER, ASSIGN, and DELIVER to the Trustee for the benefit of the Owners, a security interest in all of the moneys, rights and properties described in the Granting Clauses hereof, as follows (collectively, the "Trust Estate"):

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated, and delivered and the Trust

Estate hereby created, assigned, and pledged is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses, and purposes as hereinafter expressed, and the City has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners from time to time of the Bonds as follows:

ARTICLE 1

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1 Definitions.

Unless otherwise expressly provided or unless the context clearly requires otherwise in this Indenture, the following terms shall have the meanings specified below:

"Account" means any of the accounts established pursuant to Section 5.1 of this Indenture.

"Actual Costs" shall have the meaning assigned to it in the Service and Assessment Plan.

"Additional Interest" means the 0.50% additional interest charged on the Assessments pursuant to Section 372.018 of the PID Act and described in Section VI of the Service and Assessment Plan.

"Additional Interest Revenues" means the revenues generated from the collection of the Additional Interest.

"Additional Obligations" means any bonds or obligations, including specifically, any installment contracts, reimbursement agreements, temporary note or time warrant secured in whole or in part by an assessment, other than the Assessments securing the Bonds, levied against property within the District in accordance with the PID Act.

"Administrative Fund" means that Fund established by Section 6.1 and administered pursuant to Section 5.10 hereof.

"Administrator" means an officer or employee of the City or third party designee of the City who is not an officer or employee thereof, who shall have the responsibilities provided in the Service and Assessment Plan, this Indenture, or any other agreement or document approved by the City related to the duties and responsibilities of the administration of the District.

"Administrative Expenses" means the administrative, organization, maintenance and operation costs associated with, or incidental to, the administration, organization, maintenance and operation of the PID, including, but not limited to, the costs of: (i) creating and organizing the PID, including conducting hearings, preparing notices and petitions, and all costs incident thereto, including engineering fees, legal fees and consultant fees, (ii) the annual administrative, organization, maintenance, and operation costs and expenses associated with, or incident and allocable to, the administration, organization, maintenance, and operation of the PID and the Authorized Improvements, (iii) computing, levying, billing and collecting Assessments or the Annual Installments thereof, (iv) maintaining the record of installments of the Assessments and

the system of registration and transfer of the Bonds, (v) issuing, paying and redeeming the Bonds, (vi) investing or depositing of monies, (vii) complying with the PID Act and other laws applicable to the Bonds, (viii) the Trustee's reasonable fees and expenses relating to the Bonds, (ix) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, and (x) administering the construction of the Authorized Improvements. Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on the Bonds or any costs of issuance associated with the Bonds. Administrative Expenses collected and not expended for actual Administrative Expenses shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of amounts to pay Administrative Expenses.

"Annual Debt Service" means, for each Bond Year, the sum of (i) the interest due on the Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled (including by reason of Sinking Fund Installments), and (ii) the principal amount of the Outstanding Bonds due in such Bond Year (including any Sinking Fund Installments due in such Bond Year).

"Annual Installment" means, with respect to each Parcel, each annual payment of: (i) the Assessments including both principal and interest, as shown on the Assessment Roll attached as Appendix G to the Service and Assessment Plan, or in an Annual Service Plan Update, and calculated as provided in Section VI the Service and Assessment Plan, (ii) the Additional Interest collected pursuant to Section V of the Service and Assessment Plan and deposited to the Delinquency and Prepayment Reserve Account as described in Section 6.8 herein, and (iii) the Administrative Expenses

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

"Applicable Laws" means the PID Act, and all other laws or statutes, rules, or regulations, and any amendments thereto, of the State of Texas or of the United States, by which the City and its powers, securities, operations, and procedures are, or may be, governed or from which its powers may be derived.

"Assessment" means an assessment levied against a Parcel imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on any Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and the PID Act. An Assessment for a Parcel consists of the Annual Installments to be collected in all years including the portion of those Annual Installments collected to pay Administrative Expenses and interest on all Assessments.

"Assessment Hearing" has the meaning set forth in the recitals.

"Assessment Ordinance" means that certain ordinance adopted by the City Council on September 30, 2024, that levied the Assessments on each Assessed Property.

"Assessed Property" means the property that benefits from the Authorized Improvements to be provided by the PID on which Assessments have been imposed as shown in each Assessment Roll, as each Assessment Roll is updated each year by the Annual Service Plan Update. Assessed Property includes Parcels within the PID other than Non-Benefited Property

"Assessment Roll" means the Assessment Roll included in the Service and Assessment Plan as Appendix G or any other Assessment Roll in an amendment or supplement to this Service and Assessment Plan or in an Annual Service Plan Update, as each may be updated, modified, or amended from time to time in accordance with the procedures set forth in the Service and Assessment Plan and in the PID Act..

"Authorized Denomination" means $100,000 and any integral multiple of $1,000 in excess of $100,000, or a smaller denomination, if any, resulting from a partial redemption of Bonds as determined in accordance with Section 4.5 hereof or as a result of any partial defeasance of the Bonds.

"Authorized Improvements" means the public improvements authorized by Section 372.003 of the PID Act, as set forth in Article III of the Service and Assessment Plan.

"Authorized Improvement Account" means the Account by such name established within the Project Fund pursuant to Section 6.1.

"Bonds" means the City of Kaufman, Texas Special Assessment Revenue Bonds, Series 2024 (Kaufman Public Improvement District No. 3) issued by the City pursuant to this Indenture and payable from and secured in whole or in part by the Assessments including any Refunding Bonds and any Bonds issued in exchange or replacement thereof as permitted by this Indenture.

"Bond Counsel" means Bracewell LLP or any other attorney or firm of attorneys designated by the City that are nationally recognized for expertise in rendering opinions as to the legality and federal income tax status of securities issued by public entities.

"Bond Fund" means the Fund by such name established pursuant to Section 6.1 and administered as provided in Section 6.4.

"Bond Ordinance" means the ordinance adopted by the City Council on September 30, 2024 authorizing the Indenture.

"Bond Reserve Account" means the Account by such name established within the Reserve Fund pursuant to Section 6.1 and administered as provided in Section 6.7.

"Bond Reserve Account Requirement" means the least of: (i) Maximum Annual Debt Service on the Bonds as of the Closing Date, (ii) 125% of average Annual Debt Service on the Bonds as of the Closing Date, or (iii) 10% of the stated principal amount of the Bonds as of the Closing Date; provided, however that subsequent to the Closing Date of the Bonds, such Bond Reserve Account Requirement shall be recalculated for compliance with the above upon (a) any transfers made pursuant to Section 6.7(c), (b) a mandatory sinking fund redemption pursuant to the terms of this Indenture, (c) an optional redemption pursuant to the terms of this Indenture or (d) an extraordinary optional redemption pursuant to the terms of a this Indenture

"Bond Year" or "Fiscal Year" means the one-year period beginning on October 1 in each year and ending on September 30 in the following year.

"Business Day" means any day other than a Saturday, Sunday or legal holiday in the State of Texas observed as such by the City or the Trustee, or any national holiday observed by the Trustee.

"Certificate for Payment" means a certificate substantially in the form of Exhibit B attached hereto approved by the Developer and the City Representative executed by a Person approved by the City Representative, delivered to the City Representative and the Trustee specifying the amount of work performed with respect to the Authorized Improvements and the Actual Costs thereof, and requesting payment for such costs from money on deposit in the Project Fund as further described in Section 6.5 herein.

"City Certificate" means a certificate or written instructions signed by the City Representative and delivered to the Trustee.

"City Representative" means any official or agent of the City authorized by the City Council to undertake the action referenced herein. As of the date hereof, the Director of Finance, the City Manager, and/or their designees are the authorized City Representatives.

"Closing Date" means the date of the initial delivery of and payment for the Bonds.

"Code" means the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

"Costs of Issuance Account" means the Account by such name established within the Project Fund pursuant to Section 6.1.

"Defeasance Securities" means Investment Securities then authorized by applicable law for the investment of funds to defease public securities.

"Delinquency and Prepayment Reserve Account" means the reserve account established in accordance with Section 6.1 and administered as provided in Section 6.8.

"Delinquency and Prepayment Reserve Requirement" means an amount equal to 5.5% of the principal amount of the Outstanding Bonds which may be funded from Bond proceeds and revenues received from the payment of Assessments deposited to the Pledged Revenue Fund.

"Delinquent Collection Costs" means the costs related to the foreclosure on an Assessed Property and the costs of collection of a delinquent Assessment, including penalties and reasonable attorney's fees actually paid, but excluding amounts representing Delinquent Penalties and Interest.

"Delinquent Penalties and Interest" means any delinquent interest and delinquent penalty interest collected on a delinquent Assessment.

"Designated Payment/Transfer Office" means (i) with respect to the initial Paying Agent/Registrar named in this Indenture, the transfer/payment office located in Dallas, Texas, or such other location designated by the Paying Agent/Registrar and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

"Developer" means Freeman Farm a Series of EIS Development II, LLC, a Texas limited liability company, and its respective successors and assigns.

"Development Agreement" means the Freeman Farms Development Agreement, between the City and the Developer relating to the Bonds, effective as of February 16, 2022, as amended from time to time.

"DTC" shall mean The Depository Trust Company of New York, New York, or any successor securities depository.

"DTC Participant" shall mean brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

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

"Fund" means any of the funds established pursuant to Section 6.1 of this Indenture.

"Improvement Costs" means costs of the Authorized Improvements as set forth in the Service and Assessment Plan.

"Indenture" means this Indenture of Trust as originally executed or as it may be from time to time supplemented or amended by one or more indentures supplemental hereto and entered into pursuant to the applicable provisions hereof.

"Independent Financial Consultant" means any consultant or firm of such consultants appointed by the City who, or each of whom: (i) is judged by the City, as the case may be, to have experience in matters relating to the issuance and/or administration of the Bonds; (ii) is in fact independent and not under the domination of the City; (iii) does not have any substantial interest, direct or indirect, with or in the City, or any owner of real property in the District, or any real property in the District; and (iv) is not connected with the City as an officer or employee of the City, but who may be regularly retained to make reports to the City.

"Initial Bond" means the Initial Bond as set forth in Exhibit A attached hereto.

"Interest Payment Date" means the date or dates upon which interest on the Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being March 15 and September 15 of each year, commencing September 15, 2025.

"Investment Securities" means those authorized investments described in the City's official investment policy as approved by the City Council from time to time, and eligible for the investment of public funds by the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended.

"Maximum Annual Debt Service" means the largest amount of Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds.

"Non-Benefited Property" means Parcels that accrue no special benefit from the Authorized Improvements, including Homeowner Association Property, Public Property and easements that create an exclusive use for a public utility provider to the extent they accrue no special benefit. Property identified as Non-Benefited Property at the time the Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel, is not assessed. Assessed Property converted to Non-Benefited Property, if the Assessments may not be reallocated pursuant to the provisions herein, remains subject to the Assessments and requires the Assessments to be prepaid as provided for in Section VI.C of the Service and Assessment Plan.

"Outstanding" means, as of any particular date when used with reference to the Bonds, all Bonds authenticated and delivered under this Indenture except (i) any Bond that has been canceled by the Trustee (or has been delivered to the Trustee for cancellation) at or before such date, (ii) any Bond for which the payment of the principal or Redemption Price of and interest on such Bond shall have been made as provided in Article 4, and (iii) any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered pursuant to Section 3.10 herein.

"Owner" means the Person who is the registered owner of a Bond or Bonds, as shown in the Register, which shall be Cede & Co., as nominee for DTC, so long as the Bonds are in book-entry only form and held by DTC as securities depository in accordance with Section 3.11 herein.

"Parcel" has the meaning given such term in the Service and Assessment Plan.

"Paying Agent/Registrar" means initially the Trustee, or any successor thereto as provided in this Indenture.

"Person" or "Persons" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"PID Act" means Texas Local Government Code, Chapter 372, Improvement Districts in Municipalities and Counties, Subchapter A, Public Improvement Districts, as amended.

"Pledged Funds and Accounts" means the following funds and the accounts therein: the Pledged Revenue Fund, the Bond Fund, the Project Fund), the Reserve Fund, and the Redemption Fund.

"Pledged Revenue Fund" means the Fund by such name established pursuant to Section 6.1 and administered pursuant to Section 6.3 hereof.

"Pledged Revenues" means the sum of (i) Annual Installments (excluding the portion of the Annual Installments collected for the payment of Administrative Expenses and Delinquent Collection Costs), (ii) the moneys held in any of the Pledged Funds and Accounts, and (iii) any additional revenues that the City may pledge to the payment of Bonds.

"Prepayment" means the payment of all or a portion of an Assessment before the due date thereof.

"Principal and Interest Account" means the Account by such name established within the Bond Fund established pursuant to Section 6.1.

"Project Fund" means that Fund by such name established pursuant to Section 6.1 and administered pursuant to Section 6.5 herein.

"Purchaser" means the initial purchaser of the Bonds.

"Rebate Fund" means that Fund by such name established pursuant to Section 6.1 and administered pursuant to Section 6.9 herein.

"Record Date" means the close of business on the last calendar day (whether or not a Business Day) of the month next preceding an Interest Payment Date.

"Redemption Fund" means that Fund by such name established in Section 6.1 and administered pursuant to Section 6.6 of this Indenture.

"Redemption Price" means, when used with respect to any Bonds or portion thereof, the principal amount of such Bonds or such portion thereof plus the applicable premium, if any, plus accrued and unpaid interest on such Bonds to the date fixed for redemption payable upon redemption.

"Refunding Bonds" means Bonds security by a parity lien, with the Outstanding Bonds, on the Trust Estate, as more specifically described in the applicable indenture, authorizing the refunding of all or any portion of the Outstanding Bonds.

"Register" means the register specified in Article 3 of this Indenture.

"Regulations" means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

Service and Assessment Plan" means the document, including the Assessment Roll, which is attached as Exhibit A to the Assessment Ordinance, as may be updated, amended, and supplemented from time to time.

"Sinking Fund Installment" means the amount of money to redeem or pay at maturity the principal of the Bonds payable from such installments at the times and in the amounts provided in Section 4.2 herein.

"Stated Maturity" means the date the Bonds, or any portion of the Bonds, as applicable are scheduled to mature without regard to any redemption or prepayment.

"Supplemental Indenture" means an indenture which has been duly executed by the Trustee and the City Representative pursuant to an ordinance adopted by the City Council and which indenture amends or supplements this Indenture, but only if and to the extent that such indenture is specifically authorized hereunder.

"Tax Certificate" means the Federal Tax Certificate delivered by the City on the Closing Date for the Bonds setting forth the facts, estimates and circumstances in existence on the Closing Date relating to the tax-exempt status of the Bonds.

"Trustee" means Wilmington Trust, National Association, a national banking association, and its successors, and any other corporation or association that may at any time be substituted in its place, as provided in Article 8 hereof, such entity to serve as Trustee and Paying Agent/Registrar for the Bonds.

"Trust Estate" means the Trust Estate described in the granting clauses of this Indenture.

Section 1.2 Findings.

The declarations, determinations and findings declared, made and found in the preamble to this Indenture are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.3 Table of Contents, Titles and Headings.

The table of contents, titles, and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Indenture or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.4 Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) Words importing persons include any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or agency or political subdivision thereof.

(c) Any reference to a particular Article or Section shall be to such Article or Section of this Indenture unless the context shall require otherwise.

(d) This Indenture and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Indenture.

ARTICLE 2

THE BONDS

Section 2.1 Security for the Bonds.

The Bonds, as to both principal and interest, are and shall be equally and ratably secured by and payable from a first lien on and pledge of the Trust Estate.

The lien on and pledge of the Trust Estate shall be valid and binding and fully perfected from and after the Closing Date, without physical delivery or transfer of control of the Trust Estate, the filing of this Indenture or any other act; all as provided in Texas Government Code, Chapter 1208, as amended, which applies to the issuance of the Bonds and the pledge of the Trust Estate granted by the City under this Indenture, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bonds are Outstanding such that the pledge of the Trust Estate granted by the City under this Indenture is to be subject to the filing requirements of Texas Business and Commerce Code, Chapter 9, as amended, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Texas Business and Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in said pledge to occur.

Section 2.2 Limited Obligations.

The Bonds are special and limited obligations of the City, payable solely from and secured solely by the Trust Estate, including the Pledged Revenues and the Pledged Funds and Accounts; and the Bonds and any other obligations incurred by the City under the terms of this Indenture shall never be payable out of funds raised or to be raised by taxation or from any other revenues, properties or income of the City.

Section 2.3 Authorization for Indenture.

The terms and provisions of this Indenture and the execution and delivery hereof by the City to the Trustee have been duly authorized by the Bond Ordinance. The City has ascertained and it is hereby determined and declared that the execution and delivery of this Indenture is necessary to carry out and effectuate the purposes set forth in the preambles of this Indenture and that each and every covenant or agreement herein contained and made is necessary, useful or convenient in order to better secure the Bonds and is a contract or agreement necessary, useful and convenient to carry out and effectuate the purposes herein described.

Section 2.4 Contract with Owners and Trustee.

(a) The purposes of this Indenture are to establish a lien and the security for, and to prescribe the minimum standards for the authorization, issuance, execution and delivery of, the Bonds and to prescribe the rights of the Owners, and the rights and duties of the City and the Trustee.

(b) In consideration of the purchase and acceptance of any or all of the Bonds by those who shall purchase and hold the same from time to time, the provisions of this Indenture shall be a part of the contract of the City with the Owners, and shall be deemed to be and shall constitute a contract among the City, the Owners, and the Trustee.

ARTICLE 3

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1 Authorization.

The Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, including particularly the PID Act. The Bonds shall be issued in the aggregate principal amount of $2,898,000 for the purpose of (i) paying or reimbursing a portion of the costs of the Authorized Improvements, (ii) funding the Bond Reserve Account of the Reserve Fund, (iii) funding a portion of the Delinquency and Prepayment Reserve Account, (iv) paying capitalized interest on the Bonds, and (v) paying the costs of issuance of the Bonds.

Section 3.2 Date, Denomination, Maturities, Numbers and Interest.

(a) The Bonds shall be dated September 15, 2024 (the "Bond Date") and shall be issued in Authorized Denominations. The Bonds shall be in fully registered form, without coupons, and shall be numbered separately from R-1 upward, except the Initial Bond, which shall be numbered T-1.

(b) Interest shall accrue and be paid on each Bond from the later of the date of initial delivery of the Bonds or the most recent Interest Payment Date to which interest has been paid or provided for, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below or otherwise provided for. Such interest shall be payable semiannually on March 15 and September 15 of each year, commencing March 15, 2025 computed on the basis of a 360-day year of twelve 30-day months.

(c) The Bonds shall mature on September 15 in the years and in the principal amounts and shall bear interest as set forth below:

Year	Term Bonds	
(9-15)	Principal Amount	Interest Rate
2044	$1,450,000	5.250%
2054	1,448,000	5.500

(d) The Bonds shall be subject to mandatory sinking fund redemption, optional redemption, and extraordinary optional redemption prior to maturity as provided in Article 4

herein, and shall otherwise have the terms, tenor, denominations, details, and specifications as set forth in the form of Bond set forth in Exhibit A to this Indenture.

Section 3.3 Conditions Precedent to Delivery of Bonds.

The Bonds shall be executed by the City and delivered to the Trustee, whereupon the Trustee shall authenticate the Bonds and, upon payment of the purchase price of the Bonds, shall deliver the Bonds upon the order of the City, but only upon delivery to the Trustee of:

(a) a copy of the executed Assessment Ordinance;

(b) a copy of the executed Bond Ordinance;

(c) a copy of this Indenture executed by the Trustee and the City;

(d) an executed General Certificate;

(e) an executed opinion of Bond Counsel; and

(f) the approving opinion of the Attorney General of the State and the State Comptroller's registration certificate.

Section 3.4 Medium, Method and Place of Payment.

(a) Principal of and interest on the Bonds shall be paid in lawful money of the United States of America, as provided in this Section.

(b) Interest on the Bonds shall be payable to the Owners thereof as shown in the Register at the close of business on the relevant Record Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

(c) Interest on the Bonds shall be paid by check, dated as of the Interest Payment Date, and sent, first class United States mail, postage prepaid, by the Paying Agent/Registrar to each Owner at the address of each as such appears in the Register or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, the Owner shall bear all risk and expense of such other banking arrangement.

(d) The principal of each Bond shall be paid to the Owner of such Bond on the due date thereof, whether at the maturity date or the date of prior redemption thereof, upon presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

(e) If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in Section 3.2 of this Indenture.

(f) Unclaimed payments of amounts due hereunder shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds to which such unclaimed payments pertain. Subject to any escheat, abandoned property, or similar law of the State of Texas, any such payments remaining unclaimed by the Owners entitled thereto for two (2) years after the applicable payment or redemption date shall be applied to the next payment or payments on such Bonds thereafter coming due and, to the extent any such money remains after the retirement of all Outstanding Bonds, shall be paid to the City to be used for any lawful purpose. Thereafter, none of the City, the Paying Agent/Registrar, or any other Person shall be liable or responsible to any holders of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds, subject to any applicable escheat law or similar law of the State of Texas, including the provisions of Title 6 of the Texas Property Code, as amended.

Section 3.5 Execution and Registration of Bonds.

(a) The Bonds shall be executed on behalf of the City by the Mayor and City Secretary, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds.

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Indenture unless and until there appears thereon the Certificate of Trustee substantially in the form provided herein (the "Certificate of Trustee" included in the Form of Bond attached hereto as Exhibit A), duly authenticated by manual execution by an officer or duly authorized signatory of the Trustee. It shall not be required that the same officer or authorized signatory of the Trustee sign the Certificate of Trustee on all of the Bonds. In lieu of the executed Certificate of Trustee described above, the Initial Bond delivered at the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein (the "Comptroller's Registration Certificate"), included in the Form of Bond attached hereto as Exhibit A, manually executed by the Comptroller of Public Accounts of the State of Texas, or by her duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General of the State of Texas, is a

valid and binding obligation of the City, and has been registered by the Comptroller of Public Accounts of the State of Texas, including the provisions of Title 6 of the Texas Property Code, as amended.

(d) On the Closing Date, one Initial Bond representing the entire principal amount of all Bonds, payable in stated installments to the Purchaser, or its designee, executed with the manual or facsimile signatures of the Mayor and the City Secretary, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts, will be delivered to the Purchaser or its designee. Upon payment for the Initial Bond, the Trustee shall cancel the Initial Bond and deliver to DTC on behalf of the Purchaser one registered definitive Bond for each year of maturity of the Bonds, in the aggregate principal amount of all Bonds for such maturity, registered in the name of Cede & Co., as nominee of DTC.

Section 3.6 Ownership.

(a) The City, the Trustee, the Paying Agent/Registrar and any other Person may treat the Person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment as provided herein (except interest shall be paid to the Person in whose name such Bond is registered on the relevant Record Date) and for all other purposes, whether or not such Bond is overdue, and neither the City nor the Trustee, nor the Paying Agent/Registrar, shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of any Bond shall be valid and effectual and shall discharge the liability of the City, the Trustee and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 3.7 Registration, Transfer and Exchange.

(a) So long as any Bond remains Outstanding, the City shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a Register in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds as is acceptable to the Paying Agent/Registrar, in accordance with this Indenture. The Paying Agent/Registrar represents and warrants that it will maintain a copy of the Register and shall cause the Register to be current with all registration and transfer information as from time to time may be applicable.

(b) A Bond shall be transferable only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer. No transfer of any Bond shall be effective until entered in the Register.

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any Authorized Denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond presented for exchange. The Trustee is hereby authorized to authenticate and deliver Bonds exchanged for other Bonds in accordance with this Section.

(d) The Trustee is hereby authorized to authenticate and deliver Bonds transferred or exchanged in accordance with this Section. A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bond being transferred or exchanged, at the Designated Payment/Transfer Office, or sent by United States mail, first class, postage prepaid, to the Owner or his designee. Each transferred Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such transferred Bond is delivered.

(e) Each exchange Bond delivered in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such exchange Bond is delivered.

(f) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for a different Authorized Denomination of any of the Bonds. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer, or exchange of a Bond.

(g) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Bond or portion thereof called for redemption prior to maturity within forty-five (45) days prior to the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Bond.

Section 3.8 Cancellation.

All Bonds paid or redeemed before scheduled maturity in accordance with this Indenture, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Indenture, shall be cancelled, and proper records shall be made regarding such payment, redemption, exchange, or replacement. The Paying Agent/Registrar shall dispose of cancelled Bonds in accordance with the records retention requirements of the Trustee.

Section 3.9 Temporary Bonds.

(a) Following the delivery and registration of the Initial Bond and pending the preparation of definitive Bonds, the proper officers of the City may execute and, upon the City's written request, the Trustee shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any Authorized Denominations, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the City executing such temporary Bonds may determine, as evidenced by their signing of such temporary Bonds.

(b) Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the benefit and security of this Indenture.

(c) The City, without unreasonable delay, shall prepare, execute and deliver to the Trustee the Bonds in definitive form; thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds in temporary form and the Trustee shall authenticate and deliver in exchange therefor a Bond or Bonds of the same maturity and series, in definitive form, in the Authorized Denomination, and in the same aggregate principal amount, as the Bond or Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.10 Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Trustee shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Trustee, pursuant to the applicable laws of the State of Texas and in the absence of written notice that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount bearing a number not contemporaneously outstanding, provided that the Owner first complies with the following requirements:

(1) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond;

(2) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the Trustee to save them and the City harmless;

(3) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Trustee and the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(4) satisfies any other reasonable requirements imposed by the City and the Trustee.

(c) After the delivery of such replacement Bond, if a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the Person to whom it was delivered or any Person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expense incurred by the City, the Paying Agent/Registrar or the Trustee in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, instead of

issuing a replacement Bond, may pay such Bond if it has become due and payable or may pay such Bond when it becomes due and payable.

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 3.11 Book-Entry Only System.

(a) The Bonds shall initially be issued in book-entry-only form and shall be deposited with DTC, which is hereby appointed to act as the securities depository therefor, in accordance with the letter of representations from the City to DTC. On the Closing Date the definitive Bonds shall be issued in the form of a single typewritten certificate for each maturity thereof registered in the name of Cede & Co., as nominee for DTC.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any Person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other Person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other Person, other than an Owner, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Indenture to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the Person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners as shown in the Register, as provided in this Indenture, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the Register, shall receive a Bond certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Indenture. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks or drafts being mailed to the registered owner at the close of business on the relevant Record Date, the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

Section 3.12 Successor Securities Depository: Transfer Outside Book-Entry-Only System.

In the event that the City determines that DTC is incapable of discharging its responsibilities described herein and in the letter of representations from the City to DTC, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Bonds and cause the Paying Agent/Registrar to transfer one or more separate registered Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Indenture.

Section 3.13 Payments to Cede & Co.

Notwithstanding any other provision of this Indenture to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds shall be made and given, respectively, in the manner provided in the blanket letter of representations from the City to DTC.

ARTICLE 4

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1 Limitation on Redemption.

The Bonds shall be subject to redemption before their scheduled maturity only as provided in this Article 4.

Section 4.2 Mandatory Sinking Fund Redemption.

(a) The Bonds are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at a Redemption Price equal to the principal amount thereof plus accrued and unpaid interest thereon to the date set for redemption from moneys available for such purpose in the Principal and Interest Account pursuant to Article 6 of the Indenture, on the dates and in the Sinking Fund Installment amounts as set forth in the following schedule:

$1,450,000 Term Bonds maturing September 15, 2044

Redemption Date	Sinking Fund Installment Amount
September 15, 2026	$51,000
September 15, 2027	53,000
September 15, 2028	55,000
September 15, 2029	58,000
September 15, 2030	60,000
September 15, 2031	62,000
September 15, 2032	65,000
September 15, 2033	68,000
September 15, 2034	71,000
September 15, 2035	74,000
September 15, 2036	77,000
September 15, 2037	81,000
September 15, 2038	84,000
September 15, 2039	88,000
September 15, 2040	92,000
September 15, 2041	96,000
September 15, 2042	100,000
September 15, 2043	105,000
September 15, 2044*	110,000

*maturity

$1,448,000 Term Bonds maturing September 15, 2054

Redemption Date	Sinking Fund Installment Amount
September 15, 2045	$115,000
September 15, 2046	121,000
September 15, 2047	127,000
September 15, 2048	133,000
September 15, 2049	140,000
September 15, 2050	147,000
September 15, 2051	154,000
September 15, 2052	162,000
September 15, 2053	170,000
September 15, 2054*	179,000

*maturity

(b) At least forty-five (45) days prior to each scheduled mandatory redemption date, the Paying Agent/Registrar shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Term Bonds equal to the aggregate principal amount of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 4.6.

(c) The principal amount of the Term Bonds required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced, at the option of the City, by the principal amount of any Term Bonds which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the City and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.3 Optional Redemption.

(a) The City reserves the option to redeem Bonds maturing on or after September 15, 2035 in whole or any part, before their respective scheduled maturity dates, on September 15, 2034, or on any date thereafter such redemption date or dates to be fixed by the City, at a Redemption Price equal to the principal amount of the Bonds called for redemption plus accrued and unpaid interest to the date fixed for redemption.

(b) The City, at least 45 days before the redemption date (unless a shorter period shall be satisfactory to the Paying Agent/Registrar), shall notify the Paying Agent/Registrar of such redemption date and of the principal amount of Bonds to be redeemed either in writing or by delivery of an ordinance or resolution by the City calling Bonds for redemption.

Section 4.4 Extraordinary Optional Redemption.

(e) Notwithstanding any provision in this Indenture to the contrary, but subject to the provisions of Section 4.6(d), the City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, on any Business Day, at a Redemption Price of 100% of the principal amount of such Bonds, or portions thereof, to be redeemed plus accrued and unpaid interest to the date of redemption from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund as provided in Section 6.7(h)) or any other transfers to the Redemption Fund under the terms of this Indenture, including from transfers of Foreclosure Proceeds and transfers pursuant to Section 6.5(e), 6.5(f), 6.5(h) and section 6.3. The City direction for such redemption shall include details with regard to a corresponding reduction in the Bond Reserve Account Requirement, as contemplated by the definition thereof.

(f) Notwithstanding the foregoing, the Trustee will not be required to make an extraordinary optional redemption pursuant to this Section 4.4 unless it has at least $1,000 available in the Redemption Fund with which to redeem the Bonds.

Section 4.5 Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to Sections 4.2, 4.3, or 4.4, Bonds shall be redeemed in minimum principal amounts of $1,000 or any integral thereof. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by $1,000. No redemption shall result in a Bond in a denomination of less than the Authorized Denomination in effect at that time; provided, however, if the amount of the Outstanding Bond is less than an Authorized Denomination after giving effect to such partial redemption, a Bond in the principal amount equal to the unredeemed portion, but not less than $1,000, may be issued.

(b) If less than all of the Bonds are to be redeemed pursuant to optional or extraordinary optional redemption, such redemption shall be effected by redeeming Bonds in such manner as may be specified by the City in a City Certificate; provided, however that in the absence of such instruction from the City by the date required for the sending of notice of redemption pursuant to Section 4.6, the Bonds shall be redeemed by any method selected by the Trustee that results in a pro rata reduction of the Outstanding maturities, treating each date on which a Sinking Fund Installment is due as a separate maturity for such purpose.

(c) Upon surrender of any Bond for redemption in part, the Trustee in accordance with Section 3.7 of this Indenture, shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, such exchange being without charge.

Section 4.6 Notice of Redemption to Owners.

(a) The Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register.

(b) The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, and subject to Section 4.5 hereof, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond shall become due and payable.

(c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

(d) The City reserves the right, in the case of an optional or extraordinary optional redemption pursuant to Sections 4.3 or 4.4 herein, to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the City retains the right to rescind such notice at any time on or prior to the scheduled redemption

date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption and such redemption has been rescinded shall remain Outstanding and the rescission of such redemption shall not constitute an event of default. Further, in the case of a conditional redemption, the failure of the City to make moneys and or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

Section 4.7 Payment Upon Redemption.

(a) The Trustee shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust an amount from the Redemption Fund or otherwise received by the Trustee from the City and shall use such funds solely for the purpose of paying the Redemption Price on the Bonds being redeemed.

(b) Upon presentation and surrender of any Bond called for redemption at the designated corporate trust office of the Trustee on or after the date fixed for redemption, the Trustee shall pay the Redemption Price on such Bond to the date of redemption from the moneys set aside for such purpose.

Section 4.8 Effect of Redemption.

Notice of redemption having been given as provided in, and not otherwise rescinded as provided by, Section 4.6 of this Indenture, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption provided that funds for the payment of the Redemption Price of such Bonds or the principal of and interest on such Bonds, as applicable, to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

ARTICLE 5

FORM OF THE BONDS

Section 5.1 Form Generally.

(a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas to appear on the Initial Bond, and the Certificate of the Trustee and the Assignment to appear on each of the Bonds, (i) shall be substantially in the form set forth in Exhibit A to this Indenture with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Indenture, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the City or by the officers executing such Bonds, as evidenced by their execution thereof.

(b) Any portion of the text of any Bonds may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds.

(c) The definitive Bonds shall be typewritten, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof.

(d) The Initial Bond submitted to the Attorney General of the State of Texas may be typewritten and photocopied or otherwise reproduced.

Section 5.2 CUSIP Registration.

The City may secure identification numbers through the CUSIP Global Services, managed by CUSIP Global Services on behalf of the American Bankers Association, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof; and, none of the City, the Trustee, or the attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds. The City prohibits any Bond to be issued in a denomination of less than an Authorized Denomination and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than an Authorized Denomination and any attempt to accomplish either of the foregoing shall be void and of no effect. The Trustee may include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Owners of the Bonds and that neither the City nor the Trustee shall be liable for any inaccuracies of such numbers.

Section 5.3 Legal Opinion.

The approving legal opinion of Bond Counsel may be printed on or attached to each Bond over the certification of the City Secretary of the City, which may be executed in facsimile.

ARTICLE 6

FUNDS AND ACCOUNTS

Section 6.1 Establishment of Funds and Accounts.

(a) Creation of Funds. The following Funds are hereby created and established under this Indenture:

(1) Pledged Revenue Fund;

(2) Bond Fund;

(3) Project Fund;

(4) Reserve Fund;

(5) Redemption Fund;

(6) Rebate Fund; and

(7) Administrative Fund.

(b) Creation of Accounts.

(1) The following Accounts are hereby created within the Pledged Revenue Fund:

(A) Bond Pledged Revenue Account; and

(2) The following Accounts are hereby created and established within the Bond Fund:

(A) Principal and Interest Account.

(3) The following Accounts are hereby created and established within the Project Fund:

(A) Authorized Improvement Account;

(B) Capitalized Interest Account; and

(C) Costs of Issuance Account.

(4) The following Accounts are hereby created and established within the Reserve Fund:

(A) Bond Reserve Account; and

(B) Delinquency and Prepayment Reserve Account.

(c) Each Fund and Account created within such Fund shall be only established as needed and maintained by the Trustee separate and apart from all other funds and accounts of the City. The Pledged Funds and Accounts shall constitute trust funds which shall be held in trust by the Trustee as part of the Trust Estate solely for the benefit of the Owners of the Bonds. Amounts on deposit in the Funds and Accounts shall be used solely for the purposes set forth herein.

(d) Interest earnings and profit on each respective Fund and Account established by this Indenture shall be applied or withdrawn for the purposes of such Fund or Account as specified below.

Section 6.2 Initial Deposits to Funds and Accounts.

(a) The proceeds from the sale of the Bonds shall be paid to the Trustee and deposited or transferred by the Trustee as follows:

(1) to the Bond Reserve Account: $206,765.

(2) to the Costs of Issuance Account: $251,558.50.

(3) to the Administrative Fund: $40,000.

(4) to the Delinquency and Prepayment Reserve Account $14,490.

(5) to the Capitalized Interest Account $138,890.46.

(6) to the Authorized Improvement Account: $2,159,356.04.

Section 6.3 Pledged Revenue Fund.

(a) On or before February 1 (provided that Pledged Revenues have been received by the City, or if not, then as soon available) while the Bonds are Outstanding, beginning February 1, 2025 (or the first February 1 when such Pledged Revenues are available), the City shall deposit or cause to be deposited the Pledged Revenues (which excludes, for the avoidance of doubt that portion of the Annual Installments collected for the payment of Administrative Expenses and Delinquent Collection Costs, which shall be deposited pursuant to Section 6.10 hereof) into the Pledged Revenue Fund which deposit shall be directed by the City to the Trustee pursuant to a City Certificate. Specifically, except as set forth in Section 6.3(e), the Pledged Revenues shall be deposited to the Pledged Revenue Fund to be used in the following order of priority:

(1) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund amounts sufficient to pay debt service on the Bonds coming due on each Interest Payment Date in the current Bond Year.

(2) second, to the Bond Reserve Account in an amount to cause the amount in the Bond Reserve Account to equal the Bond Reserve Account Requirement as described in Section 6.7(a) and Section 6.7(e),

(3) third, amounts representing Additional Interest to the Delinquency and Prepayment Reserve Account in an amount equal to the Delinquency and Prepayment Reserve Requirement, and

(4) fourth, in accordance with the written direction of the City, to pay other costs permitted by the PID Act.

(b) Notwithstanding the foregoing, if any funds remain on deposit in the Pledged Revenue Fund after the transfers required by clauses (1) through (3) above are made, the City shall have the option, in its sole and absolute discretion, to transfer such excess funds into the Redemption Fund to redeem Bonds as provided in Article 4.

(c) The City or the Administrator on behalf of the City shall direct the Trustee in writing with respect to the portions of the Pledged Revenues to be deposited pursuant to Section 6.3(e) as Additional Interest, Prepayments or Foreclosure Proceeds. For the avoidance of doubt,

all portions of the Annual Installment collected as Additional Interest shall be deposited pursuant only to (1), (2) and (3) above.

(d) From time to time as needed to pay the obligations relating to the Bonds, but no later than five (5) Business Days before each Interest Payment Date, the Trustee shall withdraw from the Bond Pledged Revenue Account of the Pledged Revenue Fund and transfer to the Principal and Interest Account, an amount, taking into account any amounts then on deposit in such Principal and Interest Account, such that the amount on deposit in the Principal and Interest Account equals the principal (including any Sinking Fund Installments) and interest due on the Bonds on the next Interest Payment Date.

(e) If, after the foregoing transfers and any transfer from the Reserve Fund as provided in Section 6.7 herein, there are insufficient funds to make the payments provided in paragraph (b) above, the Trustee shall apply the available funds in the Principal and Interest Account first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Bonds.

(f) Notwithstanding Section 6.3(a) above:

(1) the Trustee shall deposit Additional Interest to the Pledged Revenue Fund and shall transfer all or a portion of such Additional Interest to the Delinquency and Prepayment Reserve Account as set forth in 6.3(a) above and as otherwise directed by Section 6.8(a) hereof.

(2) the Trustee shall deposit Prepayments to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer such Prepayments to the Redemption Fund; and

(3) the Trustee shall deposit Foreclosure Proceeds to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer Foreclosure Proceeds first to the Reserve Fund, to restore any transfers from the applicable account of the Reserve Fund made with respect to the Assessed Property to which the Foreclosure Proceeds relate, and second, to the Redemption Fund. Notwithstanding the foregoing, any portion of Foreclosure Proceeds that are attributable to Administrative Expenses (as identified to the Trustee in writing) shall be deposited to the Administrative Fund, and any portion of Foreclosure Proceeds attributable to Delinquent Penalties and Interest (as identified to the Trustee in writing) shall be deposited to the Delinquency and Prepayment Reserve Account of the Reserve Fund until the Delinquency and Prepayment Reserve Requirement is met and then to the Administrative Fund.

(g) After satisfaction of the requirements to (i) provide for the payment of the principal and interest on the Bonds and (ii) to fund any deficiency that may exist in the Reserve Fund (including the funding of the Delinquency and Prepayment Reserve Account), the City may direct the Trustee by City Certificate to apply Assessments for any lawful purposes permitted by the PID Act for which Assessments may be paid.

(h) Assessments representing Delinquent Penalties and Interest (as identified to the Trustee in writing) shall be deposited first to the Delinquency and Prepayment Reserve Account

until the Delinquency and Prepayment Reserve Account Reserve Requirement is met and then to the Administrative Fund.

(i) Any Assessments remaining after satisfying the foregoing payments may be used for any lawful purpose for which Assessments may be used under the PID Act and such payments shall be applied in accordance with written direction from a City Representative to the Trustee.

Section 6.4 Bond Fund.

(a) No later than on each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account and transfer to the Paying Agent/Registrar the principal (including any Sinking Fund Installments) and interest then due and payable on the Bonds.

(b) If amounts in the Principal and Interest Account are insufficient for the purposes set forth in paragraph (a) above, the Trustee shall withdraw first from the Delinquency and Prepayment Reserve Account of the Reserve Fund and second from the Bond Reserve Account of the Reserve Fund amounts to cover the amount of such insufficiency. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the Paying Agent/Registrar.

(c) Moneys in the Capitalized Interest Account shall be used for the payment of interest on the Bonds on the following dates and in the following amounts:

Date	**Amount**
March 15, 2025	
September 15, 2025	

(d) Any amounts on deposit in the Capitalized Interest Account after the payment of interest on the dates and in the amounts listed above shall be transferred shall be transferred, at the direction of the City, to (i) the Authorized Improvement Account of the Project Fund, or (ii) to the Redemption Fund to be used to redeem Bonds, and the Capitalized Interest Account shall be closed.

Section 6.5 Project Fund.

(a) Money on deposit in the Authorized Improvement Account, and Costs of Issuance Account shall be used for the purposes specified in Section 3.1 hereof.

(b) Disbursements from the Costs of Issuance Account shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more City Certificates.

(c) Except as otherwise provided herein, money on deposit in the Authorized Improvement Account, of the Project Fund shall be used solely to pay the costs of the Authorized Improvements. Upon receipt of a reviewed and approved Certificate for Payment for any Improvement Costs, the Trustee shall make payment for the costs set forth therein, from the Authorized Improvement Account of the Project Fund Except as provided in Sections 6.5(d),

6.5(f), and 6.5(g), money on deposit in the Authorized Improvement Account shall be used solely to pay the Improvement Costs as set forth in the applicable Certificate for Payment.

(d) If the City Representative determines in his or her sole discretion that amounts then on deposit in the Authorized Improvement Account are not expected to be expended for purposes thereof due to the abandonment, or constructive abandonment, of the Authorized Improvements, such that, in the opinion of the City Representative, it is unlikely that the amounts in the Authorized Improvement Account will ever be expended for the purposes thereof, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Authorized Improvement Account that are not expected to be used for purposes thereof. If such City Certificate is so filed, the amounts identified on the City Certificate currently on deposit in the Authorized Improvement Account shall be transferred to the Redemption Fund to redeem Bonds on the earliest practicable date after notice of redemption has been provided in accordance with this Indenture and the Authorized Improvement Account shall be closed.

(e) In making any determination pursuant to this Section, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

(f) Upon the filing of a City Certificate stating that all Authorized Improvements have been completed and that all Improvement Costs have been paid, or that any such costs are not required to be paid from the Authorized Improvement Account pursuant to a Certificate for Payment, the Trustee shall transfer the amount, if any, remaining within the Authorized Improvement Account to the Principal and Interest Account or to the Redemption Fund as directed by the City Representative in a City Certificate filed with the Trustee and shall close the Authorized Improvement Account of the Project Fund.

(g) Upon a determination by the City Representative that all costs of issuance of the Bonds have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to the Bond Fund and used to pay interest on the Bonds, as directed by the City in a City Certificate filed with the Trustee, and the Costs of Issuance Account shall be closed

Section 6.6 Redemption Fund.

(a) Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds as provided in Article 4.

(b) The Trustee shall cause to be deposited to the Redemption Fund from Prepayments and Foreclosure Proceeds, an amount sufficient to redeem Bonds as provided in Section 4.4 on the dates specified for redemption as provided in Section 4.4. If after such transfer, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption of the Bonds to be redeemed as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall from the Delinquency and Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

(c) The Trustee shall cause to be deposited to the Redemption Fund from Pledged Revenues and pursuant to any transfers made pursuant to Section 6.7, an amount sufficient to redeem Bonds as provided in Sections 4.2, 4.3 and 4.4 at the written direction of the City.

Section 6.7 Bond Reserve Account.

(a) A portion of the Bond Reserve Account Requirement will be funded with proceeds of the Bonds at closing. The City agrees with the Owners of the Bonds to accumulate, and when accumulated, maintain in the Bond Reserve Account, an amount equal to not less than the Bond Reserve Account Requirement. Subject to subsection (c) below, all amounts deposited in the Bond Reserve Account of the Reserve Fund shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account in the event of any deficiency in such Principal and Interest Account on any Interest Payment Date or any date on which principal of the Bonds is due.

(b) Whenever a transfer is made from the Bond Reserve Account to the Principal and Interest Account due to a deficiency in the Principal and Interest Account, the Trustee shall provide written notice thereof to the City, specifying the amount withdrawn.

(c) Whenever, on any Interest Payment Date, or on any other date at the request of a City Representative, the amount in the Bond Reserve Account exceeds the Bond Reserve Account Requirement, the Trustee shall provide written notice to the City Representative and the Administrator of the amount of the excess. Upon receipt of a City Certificate, the Trustee shall transfer such excess to (i) the Principal and Interest Account, (ii) the Redemption Fund or (iii) the Administrative Fund (in compliance with Section 6.13(d) herein), as set forth in the City Certificate. The excess amounts transferred from the Bond Reserve Account to the Administrative Fund will be presumed to have been transferred, first, from sources other than Bond proceeds (including investment earnings on such proceeds) and, second, from amounts that are Bond proceeds (including investment earnings on such proceeds).

(d) At the final maturity of the Bonds, the amount on deposit in the Bond Reserve Account shall be transferred to the Redemption Fund and applied to the payment of the principal of the Bonds.

(e) If, after a Bond Reserve Account withdrawal, the amount on deposit in the Bond Reserve Account is less than the Bond Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Bond Reserve Account the amount of such deficiency, in accordance with Section 6.3, but only to the extent that such amount is not required for the timely payment of principal, interest, or Sinking Fund Installments.

(f) At the final maturity of the Bonds, the amount on deposit in the Bond Reserve Account and the Delinquency and Prepayment Reserve Account shall be transferred to the Principal and Interest Account and applied to the payment of the principal of the Bonds.

(g) If the amount held in the Bond Reserve Account, together with the amounts held in the Pledged Revenue Fund and the Principal and Interest Account and Redemption Fund, is sufficient to pay the principal amount of all Outstanding Bonds on the next Interest Payment Date, together with the unpaid interest accrued on such Bonds as of such Interest Payment Date, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds as of such Interest Payment Date.

(h) Whenever Bonds are to be redeemed with the proceeds of Prepayments pursuant to Section 4.4, a proportionate amount in the Bond Reserve Account shall be transferred on the Business Day prior to the redemption date by the Trustee to the Redemption Fund to be applied to the redemption of the Bonds as detailed in a City Certificate. The amount so transferred from the Bond Reserve Account shall be a proportional amount equal to a percentage of the amount of the Bonds redeemed with such percentage equal to the lesser of: (i) the amount required to be in the Bond Reserve Account, as a percentage of the Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Bond Reserve Account, as a percentage of the Outstanding Bonds prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayment toward payment of accrued interest on the Bonds, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption of the Bonds to be redeemed as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall from the Delinquency and Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

(i) If the amount held in the Bond Reserve Account, together with the amounts held in the Pledged Revenue Fund, Principal and Interest Account and Redemption Fund, is sufficient to pay the principal amount of all Outstanding Bonds on the next Interest Payment Date, together with the unpaid interest accrued on such Bonds as of such Interest Payment Date, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds as of such Interest Payment Date.

(j) The cumulative amount of any Bond proceeds (including investment earnings on such proceeds) that are transferred to the Administrative Fund pursuant to the provisions of 6.7(c) and subsequently used for the payment of operating costs directly relating to the Authorized Improvements will not exceed 5% of sale proceeds of the Bonds. The Trustee shall have no liability or responsibility for compliance with this section so long as it follows the written instructions from the City.

Section 6.8 Delinquency and Prepayment Reserve Account.

(a) In addition to the initial deposit to the Delinquency and Prepayment Reserve Account pursuant to Section 6.2, Additional Interest shall be deposited to the Delinquency and Prepayment Reserve Account pursuant to Section 6.3 herein until such time that the amount on deposit in the Delinquency and Prepayment Reserve Account is at least equal to the Delinquency and Prepayment Reserve Requirement. Whenever, at the written request of the City Representative, on any Interest Payment Date or on any other date, the amount in the Delinquency and Prepayment Reserve Account exceeds the Delinquency and Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess. The City shall direct the Trustee in writing to transfer the amounts of such excess in the Delinquency and Prepayment Reserve Account to (i) the Bond Reserve Account to restore any deficiency in the Bond Reserve Account up to the Bond Reserve Account Requirement, (ii) the Administrative Fund for payment of Administrative Expenses (in compliance with Section 6.13(d) herein), or (iii) to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.3. The excess amounts transferred from the Delinquency and Prepayment Reserve Account of the Reserve Fund to the Administrative Fund will be presumed to have been transferred, first, from sources other than Bond proceeds (including investment earnings on such proceeds) and, second, from amounts that are

Bond proceeds (including investment earnings on such proceeds). In the event that the Trustee does not receive a City Certificate directing the transfer of the excess Delinquency and Prepayment Reserve funds within forty-five (45) days of providing notice to the City of such excess Delinquency and Prepayment Reserve amount, the Trustee shall transfer the excess Delinquency and Prepayment Reserve amount to the Redemption Fund and provide the City with written notification of the transfer. The Trustee shall incur no liability for the accuracy or validity of the transfer if compliant with this section.

(b) Whenever Bonds are to be redeemed with the proceeds of Prepayments pursuant to Section 4.4, if there are insufficient funds in the Redemption Fund from such Prepayments to redeem the Bonds on their redemption date, the Trustee shall transfer funds from the Delinquency and Prepayment Reserve Account to the Redemption Fund in the amount of the deficiency and such funds shall be used to redeem Bonds pursuant to Section 4.4.

Section 6.9 Rebate Fund.

(a) Amounts on deposit in the Rebate Fund shall be used solely for the purpose of paying amounts due the United States Government in accordance with the Code. The Rebate Fund shall not be part of the Trust Estate and is not security for the Bonds.

(b) In order to assure that the amount required to be rebated to the federal government is paid to the United States rather than to a third party, investments of funds on deposit in the Rebate Fund shall be made as directed by the City in a written direction and in accordance with the Code and Tax Certificate. The Trustee may conclusively rely on such written instructions as set forth in this section and shall not be responsible for any loss or liability resulting from the investment of funds hereunder.

(c) The Trustee conclusively shall be deemed to have complied with the provisions of this Section and Section 8.6 and shall not be liable or responsible if it follows the written instructions of the City and shall not be required to take any action under this Section and Section 8.6 in the absence of written instructions from the City.

(d) If, after the payment to the federal government of any amounts required to be paid in compliance with section 8.6, the amount on deposit in the Rebate Fund exceeds the amount required to be rebated to the federal government, the City may direct the Trustee, pursuant to a City Certificate, to transfer the amount in excess of the amount required to be rebated to the federal government to the Bond Fund.

Section 6.10 Administrative Fund.

(a) The City shall deposit or cause to be deposited to the Administrative Fund the amounts collected each year to pay Administrative Expenses and Delinquent Collection Costs. The City or the Administrator, on behalf of the City, shall direct the Trustee pursuant to the City Certificate with respect to the portions of the Annual Installments collected for the payment of Administrative Expenses and Delinquent Collection Costs to be deposited pursuant to this section.

(b) Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered hereunder and used as directed by a City Certificate

solely for the purposes set forth in the Service and Assessment Plan, including payment of Administrative Expenses and Delinquent Collection Costs. The Administrative Fund shall not be part of the Trust Estate and is not security for the Bonds.

(c) In accordance with Section 10.6 hereof, the Trustee shall transfer its authorized fees and expenses from the Administrative Fund to pay the foregoing unless the Trustee receives written objection from the City within 10 Business Days of its delivery of notice of such costs to the City. No City Certificate is necessary for the Trustee to receive compensation for the services rendered hereunder.

Section 6.11 Investment of Funds.

(a) Money in any Fund established pursuant to this Indenture shall be invested by the Trustee as directed by the City pursuant to a City Certificate filed with the Trustee at least two (2) Business Days in advance of the making of such investment in time deposits, other bank deposit products, or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the Public Funds Investment Act Chapter 2256 Texas Government Code, as amended, or any successor law, as in effect from time to time; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investment with any primary dealer of such agreements) that the money required to be expended from any Fund will be available at the proper time or times set forth in this Indenture. Such investments shall be valued each year in terms of current market value as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in such Funds may be invested in common investments of the kind described above, or in a common pool of such investments which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund are held by or on behalf of each such Fund. If necessary, such investments shall be promptly sold to prevent any default. In the absence of investment instructions from the City, the Trustee shall hold monies held by it uninvested and shall have no obligation to invest or reinvest such monies.

(b) Obligations purchased as an investment of moneys in any Fund shall be deemed to be part of such Fund or Account, subject, however, to the requirements of this Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds and Accounts. Whenever in this Indenture any moneys are required to be transferred by the City to the Trustee, such transfer may be accomplished by transferring a like amount of Investment Securities.

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment and may receive compensation in connection with any investment if authorized by the City Representative in writing. The Trustee shall not incur any liability for losses arising from any investments made pursuant to this Section. The Trustee shall not be required to determine the suitability or legality of any investments, shall

have no discretion for investment of funds or advising any parties on investing funds, and may conclusively rely on the City's written instructions as to the directed investments. The parties acknowledge that the Trustee is not providing investment supervision, recommendations, or advice.

(d) Investments in any and all Funds and Accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular Funds or Accounts of amounts received or held by the Trustee hereunder, provided that the Trustee shall at all times account for such investments strictly in accordance with the Funds and Accounts to which they are credited and otherwise as provided in this Indenture.

(e) The Trustee will furnish the City, upon the City's written request, periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder. Upon the City's election, such statements will be delivered via the Trustee's online service and, upon electing such service, paper statements will be provided only upon request. The Trustee is not required to provide brokerage confirmations unless the Trustee receives a written request from the City. No monthly cash transaction statement need be furnished if no activity occurred during such month.

(f) The Trustee may conclusively rely on City Certificates pursuant to Section 6.11(a) that such an investment will comply with the City's investment policy and with the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended.

Section 6.12 Investment Income.

(a) Interest and income derived from investment of the Project Fund shall be deposited to the credit of the Principal and Interest Account.

(b) Interest and income derived from investment of the Bond Fund shall be credited to the Principal and Interest Account.

(c) Interest and income derived from investment of the Bond Reserve Account and Delinquency and Prepayment Reserve Account shall be credited to such Accounts.

Section 6.13 Security of Funds.

All Funds heretofore created or reaffirmed, to the extent not invested as herein permitted, shall be secured in the manner and to the fullest extent required by law for the security of public funds, and such Funds shall be used only for the purposes and in the manner permitted or required by this Indenture.

ARTICLE 7

COVENANTS

Section 7.1 Confirmation of Assessments.

The City hereby confirms, covenants, and agrees that, in the Assessment Ordinance, it has levied the Assessments against each Assessed Property from which the Pledged Revenues will be collected and received.

Section 7.2 Collection and Enforcement of Assessments.

(a) For so long as any Bonds are Outstanding, the City covenants, agrees and warrants that it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Assessments.

(b) The City will determine or cause to be determined, no later than April 1 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessment or the corresponding Assessed Property.

Section 7.3 Against Encumbrances.

(a) Other than bonds issued to refund all or a portion of the Bonds, the City shall not create and, to the extent Pledged Revenues are received, shall not suffer to remain, any lien, encumbrance or charge upon the Pledged Revenues, or upon any other property pledged under this Indenture, except the pledge created for the security of the Bonds, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

(b) So long as Bonds are Outstanding hereunder, the City shall not issue any bonds, notes or other evidences of indebtedness, other than the Bonds and Refunding Bonds issued to refund all or a portion of the Bonds, secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under this Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

Section 7.4 Records, Accounts, Accounting Reports.

The City hereby covenants and agrees that so long as any of the Bonds or Outstanding Bonds or any interest thereon remain outstanding and unpaid and the obligation to the Developer to reimburse it for funds it has contributed to pay Improvement Costs remain outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts pertaining to the Assessments. The Trustee and holder or holders of any Bonds or any duly authorized agent

or agents of such holders shall have the right at all reasonable times to inspect all such records, accounts, and data relating thereto, upon written request to the City by the Trustee or duly authorized representative, as applicable. The City shall provide the Trustee or duly authorized representative, as applicable, an opportunity to inspect such books and records relating to the Bonds during the City's regular business hours and on a mutually agreeable date not later than thirty (30) days after the City receives such request.

ARTICLE 8

FEDERAL INCOME TAX MATTERS

Section 8.1 General.

The City covenants not to take any action or omit to take any action that, if taken or omitted, would cause the interest the Bonds to be includable in gross income for federal income tax purposes. In furtherance thereof, the City covenants to comply with sections 103 and 141 through 150 of the Code and the provisions set forth in the Tax Certificate.

Section 8.2 No Private Activity Bonds.

The City covenants that it will use the proceeds of the Bonds (including investment income) and the property financed, directly or indirectly, with such proceeds so that the Bonds will not be "private activity bonds" within the meaning of section 141 of the Code. Furthermore, the City will not take a deliberate action (as defined in section 1.141-2(d)(3) of the Regulations) that causes the Bonds to be "private activity bonds" unless it takes a remedial action permitted by section 1.141-12 of the Regulations. The City covenants and agrees that the levied Assessments will meet the requirements for the "tax assessment loan exception" within the meaning of Section 1.141-5(d) of the Regulations on the date the Bonds are delivered and will ensure that the Assessments continue to meet such requirements until final payment of the Bonds.

Section 8.3 No Federal Guarantee.

The City covenants not to take any action or omit to take any action that, if taken or omitted, would cause the Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code, except as permitted by section 149(b)(3) of the Code.

Section 8.4 No Hedge Bonds.

The City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would cause an issue of Bonds to be "hedge bonds" within the meaning of Section 149(g) of the Code.

Section 8.5 No-Arbitrage Bonds.

The City covenants that it will make use of the proceeds of the Bonds (including investment income) and regulate the investment of such proceeds of the Bonds so that such issue will not be "arbitrage bonds" within the meaning of section 148(a) of the Code.

Section 8.6 Required Rebate.

The City covenants that, if the City does not qualify for an exception to the requirements of section 148(f) of the Code, the City will comply with the requirement that certain amounts earned by the City on the investment of the gross proceeds the Bonds, be rebated to the United States.

Section 8.7 Information Reporting.

The City covenants to file or cause to be filed with the Secretary of the Treasury an information statement concerning the Bonds in accordance with section 149(e) of the Code.

Section 8.8 Record Retention.

The City covenants to retain all material records relating to the expenditure of the proceeds (including investment income) of the Bonds and the use of the property financed, directly or indirectly, thereby until three years after the last Bond is redeemed or paid at maturity (or such other period as provided by subsequent guidance issued by the Department of the Treasury) in a manner that ensures their complete access throughout such retention period.

Section 8.9 Registration.

The Bonds will be issued in registered form.

Section 8.10 Favorable Opinion of Bond Counsel.

Notwithstanding the foregoing, the City will not be required to comply with any of the federal tax covenants set forth above if the City has received an opinion of Bond Counsel that noncompliance with such covenant will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes.

Section 8.11 Continuing Obligation.

Notwithstanding any other provision of this Indenture, the City's obligations under the federal tax covenants set forth above will survive the defeasance and discharge of the Bonds for as long as such matters are relevant to the excludability of interest the Bonds from gross income for federal income tax purposes.

ARTICLE 9

LIABILITY OF CITY

The City shall not incur any responsibility in respect of the Bonds or this Indenture other than in connection with the duties or obligations explicitly herein or in the Bonds assigned to or imposed upon it. The City shall not be liable in connection with the performance of its duties hereunder, except for its own willful default or act of bad faith. The City shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants

or agreements of the Trustee herein or of any of the documents executed by the Trustee in connection with the Bonds, or as to the existence of a default or event of default thereunder.

In the absence of bad faith, the City may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the City and conforming to the requirements of this Indenture. The City shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

No provision of this Indenture, the Bonds, the Assessment Ordinance, or any agreement, document, instrument, or certificate executed, delivered or approved by the City in connection with the issuance, sale, delivery, or administration of the Bonds (collectively, the "Bond Documents"), shall require the City to expend or risk its own general funds or revenues or other funds or otherwise incur any financial liability in the performance of any of its obligations hereunder, the sole source of payment of obligations incurred by the City under the Bond Documents being limited to the Pledged Revenues.

Neither the Owners nor any other Person shall have any claim against the City or any of its officers, officials, agents, or employees for damages suffered as a result of the City's failure to perform in any respect any covenant, undertaking, or obligation under any Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent that any such claim relates to an obligation, undertaking, representation, or covenant of the City, in accordance with the Bond Documents and the PID Act. Any such claim shall be payable only from Pledged Revenues. Nothing contained in any of the Bond Documents shall be construed to preclude any action or proceeding in any court or before any governmental body, agency, or instrumentality against the City or any of its officers, officials, agents, or employees to enforce the provisions of any of the Bond Documents or to enforce all rights of the Owners of the Bonds by mandamus or other proceeding at law or in equity.

The City may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The City may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Indenture the City shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the City, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector or City Manager or other person designated by the City Council to so act on behalf of the City, and such certificate shall be full warrant to the City for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the City may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

In order to perform its duties and obligations hereunder, the City may employ such persons or entities as it deems necessary or advisable. The City shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations, and directions of such persons or entities.

ARTICLE 10

THE TRUSTEE

Section 10.1 Trustee as Registrar and Paying Agent.

The Trustee is hereby designated and agrees to act as Paying Agent/Registrar for and with respect to the Bonds.

Section 10.2 Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to spend its own funds, institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified pursuant to a written instrument by the Owners of the Bonds to its satisfaction against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or exercise any such rights and powers as Trustee, without indemnity, and in such case the Trustee may make transfers from the Pledged Revenue Fund or the Administrative Fund to pay all costs and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall be entitled to a preference therefor over any Bonds Outstanding hereunder. To the extent permitted by law, the Owners agree to indemnify the Trustee for, and to hold it harmless against, any loss, liability, or expense incurred without negligence or willful misconduct on its part, arising out of or in connection with the acceptance or administration of this Indenture or the Trust Estate, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its rights or duties hereunder.

Section 10.3 Responsibilities of the Trustee.

The Trustee accepts the trusts imposed upon it by this Indenture, and agrees to observe and perform those trusts, but only upon and subject to the terms and conditions set forth in this Article, to all of which the parties hereto and the Owners agree.

(a) Prior to the occurrence of an Event of Default of which the Trustee has been notified, and after the cure or waiver of all defaults or Events of Default which may have occurred,

(1) the Trustee undertakes to perform only those duties and obligations which are set forth specifically and expressly in this Indenture, and no duties or obligations shall be implied to the Trustee, these duties shall be deemed purely ministerial in nature, and the

Trustee shall not be liable except for the performance of such duties, and no implied covenants shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may rely conclusively, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are required specifically to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform on their face to the requirements of this Indenture.

(b) In case an Event of Default has occurred and is continuing hereunder (of which the Trustee has been notified in writing, or is deemed to have notice pursuant to subparagraph (i) below), the Trustee shall, subject to the rights and limitations of liabilities contained herein, exercise those rights and powers vested in it by this Indenture and shall, subject to the rights and limitations of liabilities contained herein, use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

(1) this subparagraph shall not be construed to affect the limitation of the Trustee's duties and obligations provided in subparagraph (a)(1) of this Section or the Trustee's right to rely on the truth of statements and the correctness of opinions as provided in subparagraph (a)(2) of this Section;

(2) the Trustee shall not be liable for any action taken or error of judgment made in good faith by any one of its officers employees or agents, unless it shall be established that the Trustee was negligent in ascertaining the pertinent facts;

(3) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the written direction of the controlling Owners relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(4) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(5) This subparagraph shall not be construed to affect Trustee's immunities and protections from liability and its right to indemnification as otherwise provided for in this Indenture.

Whether or not therein expressly so provided, every provision of this Indenture or any other Bond Document relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article 10.

(d) The recitals contained in this Indenture and in the Bonds shall be taken as the statements of the City and the Trustee assumes no responsibility and undertakes no duty to verify the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or the Bonds or with respect to the security afforded by this Indenture, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to the City or others in accordance with this Indenture, except as to the application of any moneys paid to it in its capacity as Trustee; (iv) any calculation of arbitrage or rebate under the Code, or (v) to undertake any other action unless specifically authorized pursuant to a written direction provided by the City or pursuant to this Indenture.

(e) The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture.

(f) The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture, except for its own negligence or willful misconduct. In no event shall the Trustee be responsible or liable for incidental, indirect, punitive, special or consequential losses or damages in connection with or arising from this Indenture for the existence, furnishing or use of the Authorized Improvements irrespective of whether the Trustee has been advised of the likelihood of such losses or damages and regardless of the form of action.

(g) The Trustee shall have no responsibility or liability for any action taken, or errors in judgment made in good faith by it or any of its officers, agents or employees unless it shall have been negligent in employing such agent or in ascertaining the pertinent facts and may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees, and shall be entitled to the advice of counsel concerning all matters of trusts hereof and duties hereunder

(h) Reserved.

(i) Except for its certificate of authentication on the Bonds, the Trustee shall not be responsible for:

(1) the validity, priority, recording, re-recording, filing or re-filing of this Indenture or any Supplemental Indenture,

(2) any instrument or document of further assurance or collateral assignment,

(3) the filing, execution, delivery, recording or authorization of any financing statements, amendments thereto or continuation statements,

(4) insurance of the Authorized Improvements or collection of insurance money,

(5) the validity of the execution by the City of this Indenture, any Supplemental Indenture or instruments or documents of further assurance, or

(6) the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby.

(j) The Trustee shall not be accountable for the application by any Person of the proceeds of any Bonds authenticated or delivered hereunder.

(k) The Trustee may request, conclusively rely on and shall be protected, in the absence of bad faith or negligence on its part, in acting upon any notice, request, direction, consent, certificate, order, affidavit, letter, telegram or other paper or document reasonably believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons. Any action taken by the Trustee pursuant to this Indenture upon the written direction, request, authority or consent of any Person who is the Owner of any Bonds at the time of making the request or giving the authority or consent, shall be conclusive and binding upon all future Owners of the same Bond and of Bonds issued in exchange therefor or in place thereof.

(l) The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default, except Events of Default described in Section 12.1(1), unless the Trustee shall be notified specifically of the default or Event of Default in a written instrument or document delivered to it by the City or by the Owners of more than 50% of the aggregate outstanding principal amount of Bonds referring to this Indenture, describing such Event of Default and stating that such notice is a "notice of default". In the absence of delivery of a notice satisfying those requirements, the Trustee may assume conclusively that there is no Event of Default, except as noted above.

(m) The Trustee shall not be required to give any bond or surety with respect to the execution of these trusts and powers or otherwise in respect of the premises.

(n) Any resolution by the City, and any opinions, certificates and other instruments and documents for which provision is made in this Indenture, may be accepted by the Trustee, in the absence of bad faith on its part, as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for its actions taken hereunder.

(o) The Trustee shall be entitled to file proofs of claim in bankruptcy. Ordinary trustee and paying agent/registrar fees and expenses and extraordinary fees and expenses of the Trustee and the Paying Agent/Registrar incurred hereunder are intended to constitute Administrative Expenses in bankruptcy.

(p) The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and rights to indemnification, together with the Trustee's right to compensation for

trustee and paying agent/registrar services shall survive the Trustee's resignation or removal, the discharge of this Indenture, and final payment of the Bonds.

(q) In no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit), irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(r) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds, except for any information provided by the Trustee, and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

(s) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and, with respect to such permissive rights, the Trustee shall not be answerable for other than its negligence or willful misconduct.

(t) The Trustee shall not be responsible or liable for the environmental condition or any contamination of the Authorized Improvements or any real property or improvements related thereto or for any diminution in value of the same as a result of any contamination by any hazardous substance, hazardous material, pollutant or contaminant. The Trustee shall not be liable for any claims by or on behalf of the Owners or any other person or entity arising from contamination by any hazardous substance, hazardous material, pollutant or contaminant, and shall have no duty or obligation to assess the environmental condition of the Authorized Improvements or any real property or improvements related thereto or with respect to compliance thereof under state or federal laws pertaining to the transport, storage, treatment or disposal of, hazardous substances, hazardous materials, pollutants, or contaminants or regulations, permits or licenses issued under such laws.

(u) Neither the Trustee nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor the performance or any action of the City, or any of its directors, members, officers, agents, affiliates or employee, nor shall it have any liability in connection with the malfeasance or nonfeasance by such party. The Trustee may assume performance by all other persons or entities of their respective obligations. The Trustee shall have no enforcement or notification obligations relating to breaches of representations or warranties of any other party.

(v) In the event that any of the Trust Estate shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting such assets, the Trustee is hereby expressly authorized, to respond or to comply with all writs, orders or decrees so entered or issued, or which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction. In the event that the Trustee obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties or to any other person, firm or corporation, should, by reason of such compliance notwithstanding, such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

(w) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its control, including without limitation, any act or provision of any present or future law or regulation or governmental authority that prohibits the required actions of the Trustee pursuant to this Indenture; acts of God; earthquakes; fires; floods; wars; terrorism; civil or military disturbances; sabotage of computer systems by outside actors; new epidemics not in effect on the date of this Indenture; riots; loss or malfunctions of utilities, computer (hardware or software) communications service, or interruptions or accidents that are not caused by the Trustee's actions or inactions, including failure to maintain or upgrade equipment or software; acts of civil or military authority or governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility on the date a transfer of funds is required.

Section 10.4 Property Held in Trust.

All moneys and securities held by the Trustee at any time pursuant to the terms of this Indenture shall be held by the Trustee in trust for the purposes and under the terms and conditions of this Indenture.

Section 10.5 Trustee Protected in Relying on Certain Documents.

The Trustee may, at the expense of the Owners, request, conclusively rely on and shall be protected in acting or refraining from acting upon any resolution, instrument, report, direction, order, judgment, notice, opinion, request, consent, waiver, certificate, statement, affidavit, requisition, bond, debenture, note or other document provided to the Trustee in accordance with the terms of this Indenture that it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or Person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, not only as to due execution, validity and effectiveness, but also as to the truth and accuracy of any information contained therein, or upon the written opinion of any counsel, architect, engineer, insurance consultant, management consultant, or accountant to be qualified in relation to the subject matter or selected by the City in accordance with this Indenture, and the Trustee shall be under no duty to make any investigation or inquiry into any statements contained or matters referred to in any such instrument. The Trustee may consult with counsel, who may or may not be Bond Counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of, and the Trustee shall not be liable for, any action taken, suffered, or omitted to be taken by it in good faith and in accordance therewith.

Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter may be deemed to be conclusively proved and established by a City Certificate, unless other evidence in respect thereof be hereby specifically prescribed. Such City Certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice, or other direction required or permitted to be furnished pursuant to any provision hereof by the

City to the Trustee shall be sufficiently executed if executed in the name of the City by the City Representative.

The Trustee shall not be under any obligation to see to the recording or filing of this Indenture, or otherwise to the giving to any Person of notice of the provisions hereof except as expressly required in Section 10.13 herein.

Section 10.6 Compensation.

From time to time, the Trustee shall determine and the Trustee shall provide the City Representative with an invoice setting forth the reasonable compensation for all services rendered by it hereunder, including its services as Paying Agent/Registrar, together with all its reasonable expenses, charges, and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by a specific agreement, if any, and the Trustee shall have a lien therefor on any and all funds at any time held by it hereunder prior to any Bonds Outstanding. Unless written objection is made invoice received by the City within ten (10) days of its delivery to the City, the Trustee shall transfer from the Administrative Fund the amount set forth thereon. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it. If the City shall fail to make any payment required by this Section, the Trustee may make such payment from lawfully available funds under the Indenture (other than funds designated by the City for arbitrage rebate purposes) in its possession under the provisions of this Indenture and shall be entitled to a preference therefor over any Bonds Outstanding hereunder.

In the event that the Trustee renders any service not contemplated in this Indenture, or if any material controversy arises hereunder, or the Trustee is made a party to any litigation pertaining to this Indenture or the subject matter hereof, then the Trustee shall be compensated for such extraordinary services and any services or work performed by Trustee in connection with any delay, controversy, litigation or event, and reimbursed for all costs and expenses, including reasonable attorneys' fees, costs and expenses, occasioned by any such delay, controversy, litigation or event; provided that all such payments to the Trustee shall be only from funds available in the Administrative Fund.

Section 10.7 Permitted Acts.

The Trustee and its directors, officers, employees, or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds and may join in any action that any Owner of Bonds may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the City or any committee formed to protect the rights of holders of Bonds or to effect or aid in any reorganization growing out of the enforcement of the

Bonds or this Indenture, whether or not such committee shall represent the holders of a majority in aggregate outstanding principal amount of the Bonds.

Section 10.8 Resignation of Trustee.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than thirty (30) days' written notice, specifying the date when such resignation shall take effect, to the City and each Owner of any Outstanding Bond. Such resignation shall take effect upon the earlier of the appointment of a successor as provided in Section 9.10 or the appointment of a successor trustee by a court of competent jurisdiction pursuant to Section 9.10 hereof and the acceptance of such appointment by such successor.

Section 10.9 Removal of Trustee.

The Trustee may be removed at any time upon at least thirty (30) days' prior written notice by (i) the Owners of at least a majority of the aggregate outstanding principal of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to the City, or (ii) so long as the City is not in default under this Indenture, the City. Copies of each such instrument shall be delivered by the City to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the City or the Owners of not less than 10% of the aggregate outstanding principal of the Bonds.

Section 10.10 Successor Trustee.

If the Trustee shall resign, be removed, be dissolved, or become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator, or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the position of the Trustee hereunder shall thereupon become vacant.

If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor trustee may be appointed within one year after any such vacancy shall have occurred by the Owners of at least twenty-five percent (25%) of the aggregate outstanding principal of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor trustee, with notification thereof being given to the predecessor Trustee and the City.

Until such successor trustee shall have been appointed by the Owners of the Bonds, the City shall forthwith (and in no event in excess of thirty (30) days after such vacancy occurs) appoint a trustee to act hereunder. Copies of any instrument of the City providing for any such appointment shall be delivered by the City to the trustee so appointed. The City shall mail notice of any such appointment to each Owner of any Outstanding Bonds within thirty (30) days after such appointment. Any appointment of a successor trustee made by the City immediately and without further act shall be superseded and revoked by an appointment subsequently made by the requisite Owners of Bonds.

If in a proper case no appointment of a successor trustee shall be made within thirty (30) days after the giving by any Trustee of any notice of resignation in accordance with Section 9.8 herein or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner of Bonds may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor and the City shall be responsible for the costs of such appointment process.

Any successor trustee appointed under the provisions of this Section shall be a commercial bank or trust company or national banking association (i) having a capital and surplus and undivided profits aggregating at least $50,000,000, if there be such a commercial bank or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms, and (ii) authorized by law to perform all the duties of the Trustee required by this Indenture.

Each successor trustee shall mail, in accordance with the provisions of the Bonds, notice of its appointment to the Trustee, any rating agency which, at the time of such appointment, is providing a rating on the Bonds, and each of the Owners of the Bonds.

Section 10.11 Transfer of Rights and Property to Successor Trustee.

Any successor trustee appointed under the provisions of Section 10.10 shall execute, acknowledge, and deliver to its predecessor and the City an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations, and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the City or of such successor, execute, acknowledge, and deliver such instruments of conveyance and further assurance (without representation or warranty, express, implied or statutory) and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers, and trusts of such Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and, upon the receipt of payment of any outstanding charges, shall pay over, assign, and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing from the City be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties, or obligations, any and all such deeds, conveyances, and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged, and delivered by the City.

Section 10.12 Merger, Conversion or Consolidation of Trustee.

Any corporation or association into which the Trustee may be merged or with which it may be consolidated or any corporation or association resulting from any merger, conversion or consolidation to which it shall be a party or any corporation or association to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Trustee hereunder, and will have and succeed to the rights, powers, duties, immunities and privileges as predecessor, without any further act, deed or conveyance, provided that such

corporation or association shall be a commercial bank or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 10.10, or a trust company that is a wholly-owned subsidiary of any of the foregoing.

Section 10.13 Trustee to File Continuation Statements.

If necessary, the Trustee shall file or cause to be filed, at the City's expense, such continuation statements as are delivered to the Trustee by the City, or on behalf of the City, and which may be required by the Texas Uniform Commercial Code, as from time to time in effect (the "UCC"), in order to continue perfection of the security interest of the Trustee in such items of tangible or intangible personal property and any fixtures as may have been granted to the Trustee pursuant to this Indenture in the time, place and manner required by the UCC. The Trustee shall only be responsible for making such filings upon written direction from the City. The Trustee shall have no responsibility to file financing statements or continuation statements other than to file continuation statements that are delivered to it.

Section 10.14 Accounts, Periodic Reports and Certificates.

The Trustee shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Funds and Accounts established by this Indenture and which shall at all times be subject to inspection by the City, and the Owner or Owners of not less than 10% in aggregate outstanding principal amount of any Bonds then Outstanding or their representatives duly authorized in writing.

Section 10.15 Construction of Indenture.

The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Owners of the Bonds.

ARTICLE 11

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 11.1 Amendments Permitted.

This Indenture and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture, except as provided below, pursuant to the affirmative vote at a meeting of Owners of the Bonds, or with the written consent without a meeting, of the Owners of at a majority of the aggregate principal amount of the Bonds then Outstanding. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation by the City of any pledge or lien upon the Pledged

Revenues superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by Applicable Laws or this Indenture), or reduce the percentage of Bonds required for the amendment hereof. Any such amendment may not modify any of the rights or obligations of the Trustee without its prior written consent.

This Indenture and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

(1) to add to the covenants and agreements of the City in this Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the City;

(2) to make modifications not adversely affecting any Outstanding Bonds in any material respect;

(3) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in regard to questions arising under this Indenture, as the City and the Trustee may deem necessary or desirable and not inconsistent with this Indenture, and that shall not adversely affect the rights of the Owners of the Bonds; and

(4) to make such additions, deletions or modifications as may be necessary or desirable to assure of the excludability of interest on the Bonds for federal income tax purposes.

Section 11.2 Owners' Meetings.

The City may at any time call a meeting of the Owners of the Bonds. In such event the City is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof, and to fix and adopt rules and regulations for the conduct of said meeting.

Section 11.3 Procedure for Amendment with Written Consent of Owners.

The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds or of this Indenture, to the extent that such amendment is permitted by Section 11.1 herein, to take effect when and as provided in this Section. The City shall provide written direction to the Trustee to provide a copy of such Supplemental Indenture, together with a request to Owners for their consent thereto, be mailed by the Trustee first class mail to each Owner of Bonds from whom consent is required under this Indenture, but failure to mail copies of such Supplemental Indenture and request shall not affect the validity of the Supplemental Indenture when assented to as in this Section provided.

Such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the written consents of the Owners as required by this Indenture and a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 12.6 herein. Any such consent shall be binding upon the

Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof), unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Indenture, the City shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Indenture, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Indenture or consents thereto). Proof of the mailing of such notice shall be filed with the Trustee. A record, consisting of the papers required by this Section 11.3 to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Indenture shall become effective upon the filing with the Trustee of the proof of mailing of such notice, and the Supplemental Indenture shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the City and the Owners of all Bonds at the expiration of ninety (90) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such ninety-day period.

Section 11.4 Effect of Supplemental Indenture.

From and after the time any Supplemental Indenture becomes effective pursuant to this Article 10, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties, and obligations under this Indenture of the City, the Trustee and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 11.5 Endorsement or Replacement of Bonds Issued After Amendments.

The City may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article 11 shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the Designated Payment/Transfer Office of the Trustee, a suitable notation shall be made on such Bond. The City may determine that new Bonds, so modified as in the opinion of the City is necessary to conform to such Owners' action, shall be prepared, executed, and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the designated office of the Trustee without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 11.6 Amendatory Endorsement of Bonds.

The provisions of this Article 11 shall not prevent any Owner from accepting any amendment as to the particular Bonds held by such Owner, provided that due notation thereof is made on such Bonds.

Section 11.7 Execution of Supplemental Indenture.

In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel addressed and delivered to the Trustee and the City stating that the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture and any Applicable Laws. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties and immunities under this Indenture or otherwise.

ARTICLE 12

DEFAULT AND REMEDIES

Section 12.1 Events of Default.

Each of the following occurrences or events shall be and is hereby declared to be an "Event of Default," to wit:

(1) The failure of the City to deposit the Pledged Revenues to the Pledged Revenue Fund;

(2) The failure of the City to enforce the collection of the Assessments including the prosecution of foreclosure proceedings;

(3) The failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable and such failure is not remedied within thirty (30) days; and

(4) Default in the performance or observance of any covenant, agreement or obligation of the City under this Indenture and the continuation thereof for a period of ninety (90) days after written notice to the City by the Trustee, or by the Owners of at least 25% of the aggregate outstanding principal of the Bonds with a copy to the Trustee, specifying such default by the Owners of at least 25% of the aggregate outstanding principal amount of the Bonds at the time Outstanding requesting that the failure be remedied.

Section 12.2 Immediate Remedies for Default.

(a) Subject to Article 8, upon the happening and continuance of any of the Events of Default described in Section 12.1, the Owners of at least 25% aggregate outstanding principal amount of the Bonds then Outstanding, may proceed against the City for the purpose of protecting

and enforcing the rights of the Owners under this Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted.

(b) THE PRINCIPAL OF THE BONDS SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

(c) If the assets of the Trust Estate are sufficient to pay all amounts due with respect to all Outstanding Bonds, in the selection of Trust Estate assets to be used in the payment of Bonds due under this Article, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Certificate, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Certificate, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale.

(d) Whenever moneys are to be applied pursuant to this Article 12, irrespective of and whether other remedies authorized under this Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms, as the Trustee may deem appropriate, and as may be required by Applicable Laws and apply the proceeds thereof in accordance with the provisions of this Section. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or proper for the purpose which may be designated in such request.

Section 12.3 Restriction on Owner's Action.

(a) No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust thereof or any other remedy hereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing, (ii) such default has become an Event of Default and the Owners of 25% of the aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee written evidence of indemnity as provided in Section 9.2 herein, (iv) the Trustee has for ninety (90) days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no

direction inconsistent with such written request has been given to the Trustee during such 90-day period by the registered owners of a majority of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner provided herein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the registered owners of all Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy hereunder.

(b) Subject to Article 9, nothing in this Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond issued hereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed herein and in the Bonds.

(c) In case the Trustee or any Owners shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owners, then and in every such case the City, the Trustee and the Owners shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 12.4 Application of Revenues and Other Moneys After Default.

(a) All moneys, securities, funds and Pledged Revenues and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out this Indenture, during the continuance of an Event of Default, notwithstanding Section 12.2 hereof, shall be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds, as follows:

FIRST: To the payment to the registered owners entitled thereto all installments of interest then due in the direct order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the registered owners entitled thereto, without any discrimination or preference; and

SECOND: To the payment to the registered owners entitled thereto of the unpaid principal of Outstanding Bonds, or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment

thereof ratably, according to the amounts of principal due and to the registered owners entitled thereto, without any discrimination or preference.

Within ten (10) days of receipt of such good and available funds, the Trustee may fix a record and payment date for any payment to be made to Owners pursuant to this Section 12.4.

(b) In the event funds are not adequate to cure any of the Events of Default described in Section 12.1, the available funds shall be allocated to the Bonds that are Outstanding in proportion to the quantity of Bonds that are currently due and in default under the terms of this Indenture.

(c) The restoration of the City to its prior position after any and all defaults have been cured, as provided in Section 12.3, shall not extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 12.5 Effect of Waiver.

No delay or omission of the Trustee, or any Owner, to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 12.6 Evidence of Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners of Bonds may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, or the holding by any Person of the Bonds shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

(1) The fact and date of the execution of such instruments by any Owner of Bonds or the duly appointed attorney authorized to act on behalf of such Owner may be provided by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate, or affidavit shall also constitute sufficient proof of his authority.

(2) The ownership of Bonds and the amount, numbers and other identification and date of holding the same shall be proved by the Register.

(b) Except as otherwise provided in this Indenture with respect to revocation of a consent, any request or consent by an Owner of Bonds shall bind all future Owners of the same Bonds in respect of anything done or suffered to be done by the City or the Trustee in accordance therewith.

Section 12.7 Waiver of Default.

With the written consent of at least a majority in aggregate principal amount of the Bonds then Outstanding, the Owners may waive compliance by the City with certain past defaults under the Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners.

Section 12.8 No Acceleration.

In the event of the occurrence of an Event of Default under Section 12.1 hereof, the right of acceleration of any Stated Maturity is not granted as a remedy hereunder and the right of acceleration under this Indenture is expressly denied.

Section 12.9 Mailing of Notice.

Any provision in this Article for the mailing of a notice or other document to Owners shall be fully complied with if it is mailed, first class postage prepaid, only to each Owner at the address appearing upon the Register.

Section 12.10 Exclusion of Bonds.

Bonds owned or held by or for the account of the City will not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Indenture, and the City shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Indenture.

ARTICLE 13

GENERAL COVENANTS AND REPRESENTATIONS

Section 13.1 Representations as to Pledged Revenues.

(a) The City represents and warrants that Applicable Laws authorize the City to issue the Bonds, to execute and deliver this Indenture and to pledge the Pledged Revenues in the manner and to the extent provided in this Indenture, and that the Pledged Revenues are and will be and remain free and clear of any pledge, lien, charge, or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by this Indenture except as expressly provided herein.

(b) The City shall at all times, to the extent permitted by Applicable Laws, defend, preserve and protect the pledge of the Pledged Revenues and all the rights of the Owners and the Trustee, under this Indenture against all claims and demands of all Persons whomsoever.

(c) Subject to available funds, the City will take all steps reasonably necessary and appropriate, to collect all delinquencies in the collection of the Assessments and any other amounts pledged to the payment of the Bonds to the fullest extent permitted by the PID Act and other Applicable Laws.

(d) To the extent permitted by law, notice of the Annual Installments shall be sent by, or on behalf of the City and to the extent reasonably practical, to the affected property owners on the same statement or such other mechanism that is used by the City, so that such Annual Installments are collected simultaneously with ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City. Notwithstanding the foregoing, if the City is unable in every year to send notice of the Annual Installment on the same statement as ad valorem taxes, the City shall send or shall cause to be sent, a separate notice of the Annual Installment in a timely fashion such that the Annual Installment can be collected in the same time frame as ad valorem taxes.

Section 13.2 General.

The City shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under the provisions of this Indenture.

ARTICLE 14

SPECIAL COVENANTS

Section 14.1 Further Assurances; Due Performance.

(a) At any and all times the City will duly execute, acknowledge and deliver, or will cause to be done, executed and delivered, all and every such further acts, conveyances, transfers, and assurances in a manner as the Trustee shall reasonably require for better conveying, transferring, pledging, and confirming unto the Trustee, all and singular, the revenues, Funds, Accounts and properties constituting the Pledged Revenues, and the Trust Estate hereby transferred and pledged, or intended so to be transferred and pledged.

(b) The City will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, contained in this Indenture.

Section 14.2 Additional Obligations; Other Obligations or Other Liens.

(a) The City reserves the right, subject to the provisions contained in this Section 14.2, to issue Additional Obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from Pledged Revenues.

(b) So long as Bonds are Outstanding hereunder, the City shall not issue any bonds, notes or other evidences of indebtedness, other than the Bonds, secured by any pledge of or other lien or change on the Pledged Revenues or other property pledged under this Indenture other than (i) a lien or pledge subordinate to the lien and pledge of such property related to the Bonds, and (ii) Refunding Bonds.

(c) Other than Refunding Bonds issued to refund all or a portion of the Bonds, the City will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, and will not do or omit to do or suffer to be or omitted to be done any matter or things whatsoever whereby the lien of this Indenture or the priority hereof might or could be lost or impaired; and further covenants that it will pay or cause to be paid or will make adequate provisions for the satisfaction and discharge of all lawful claims and demands which if unpaid might by law be given precedence over or any equality with this Indenture as a lien or charge upon the Pledged Revenues or Pledged Funds and Accounts; provided, however, that nothing in this Section shall require the City to apply, discharge, or make provision for any such lien, charge, claim, or demand so long as the validity thereof shall be contested by it in good faith, unless thereby, in the opinion of Bond Counsel or counsel to the Trustee, the same would adversely affect the ability of the City to timely pay the debt service due and owing on the Bonds.

Section 14.3 Books of Record.

(a) The City shall cause to be kept full and proper books of record and accounts, in which full, true and proper entries will be made of all dealing, business and affairs of the City, which relate to the Pledged Revenues, the Pledged Funds and Accounts, and the Bonds.

(b) The Trustee shall have no responsibility with respect to the financial and other information received by it pursuant to this Section 14.3 except to receive and retain same, subject to the Trustee's document retention policies, and to distribute the same in accordance with the provisions of this Indenture. Specifically, but without limitation, the Trustee shall have no duty to review such information, is not considered to have notice of the contents of such information or a default based on such contents, and has no duty to verify the accuracy of such information.

ARTICLE 15

PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE

Section 15.1 Trust Irrevocable.

The trust created by the terms and provisions of this Indenture is irrevocable until the Bonds secured hereby are fully paid or provision is made for their payment as provided in this Article 14.

Section 15.2 Satisfaction of Indenture.

If the City shall pay or cause to be paid, or there shall otherwise be paid to the Owners, principal of and interest on all of the Bonds, at the times and in the manner stipulated in this Indenture, and all amounts due and owing with respect to the Bonds have been paid or provided for, then the pledge of the Trust Estate and all covenants, agreements, and other obligations of the City to the Owners of such Bonds, shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the City copies of all such documents as it may have evidencing that principal of and interest on all of the Bonds has been paid so that the City may determine if the Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the in Funds and Accounts held hereunder to the Person

entitled to receive such amounts, or, if no Person is entitled to receive such amounts, then to the City.

Section 15.3 Bonds Deemed Paid.

All Outstanding Bonds shall prior to the Stated Maturity or redemption date thereof be deemed to have been paid and to no longer be deemed Outstanding if (i) in case any such Bonds are to be redeemed on any date prior to their Stated Maturity, the Trustee shall have given notice of redemption on said date as provided herein, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with any moneys deposited with the Trustee at the same time, shall be sufficient to pay when due the principal of and interest on of the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (iii) the Trustee shall have received a report by an independent certified public accountant selected by the City verifying the sufficiency of the moneys or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest on of the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (iv) if the Bonds are then rated, the Trustee shall have received written confirmation from each rating agency that such deposit will not result in the reduction or withdrawal of the rating on the Bonds. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, be reinvested in Defeasance Securities as directed in writing by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds on and prior to such redemption date or maturity date thereof, as the case may be, only upon receipt by the Trustee of (i) a report by an independent certified public accountant selected by the City, after giving effect to such request, verifying the sufficiency of the moneys or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest on the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be and (ii) an opinion of Bond Counsel stating that that no adverse federal tax consequences will result from reinvesting such cash. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

ARTICLE 16

MISCELLANEOUS

Section 16.1 Benefits of Indenture Limited to Parties.

Nothing in this Indenture, expressed or implied, is intended to give to any Person other than the City, the Trustee and the Owners, any right, remedy, or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Trustee. This Indenture

and the exhibits hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written.

Section 16.2 Successor is Deemed Included in All References to Predecessor.

Whenever in this Indenture or any Supplemental Indenture either the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 16.3 Execution of Documents and Proof of Ownership by Owners.

Any request, declaration, or other instrument which this Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys duly appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration, or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the Person signing such request, declaration, or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number, and date of holding the same shall be proved by the Register.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the City or the Trustee in good faith and in accordance therewith.

Section 16.4 Waiver of Personal Liability.

No member of the City Council of the City, or any officer, agent, or employee of the City, shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

Section 16.5 Notices to and Demands on City and Trustee.

(a) Except as otherwise expressly provided in this Indenture, all notices or other instruments required or permitted under this Indenture, including any City Certificate or Certificate for payment shall be in writing and shall be delivered by hand, mailed by first class mail, postage prepaid, or transmitted by facsimile or e-mail and addressed as follows:

If to the City:	City of Kaufman, Texas 709 S. Washington Kaufman, Texas 75142 Attn: City Manager Telephone: (830) 598-8741
With a copy to:	
And:	Bracewell LLP Attn: Julie Partain 1445 Ross Ave. Suite 3800 Dallas, Texas 75202 Email: julie.partain@bracewell.com (214) 758-1606
If to the Trustee, also acting in the capacity of Paying Agent/Registrar:	Wilmington Trust, National Association Attention: Parker Merritt 15950 North Dallas Parkway, Suite 200 Dallas, TX 75248 (714)384-4174 pmerritt@wilmingtontrust.com

Any such notice, demand, or request may also be transmitted to the appropriate party by telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change given to the other party by the party effecting the change. Notices and consents given by mail in accordance with this Section shall be deemed to have been given five (5) Business Days after the date of dispatch; notices and consents given by any other means shall be deemed to have been given when received.

(b) The Trustee shall mail to each Owner of a Bond notice of (i) any substitution of the Trustee; or (ii) the redemption or defeasance of all Bonds Outstanding.

(c) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to the Indenture and delivered using Electronic Means ("Electronic Means" means the following communications methods: email, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the City shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such

Authorized Officers, which incumbency certificate shall be amended by the City whenever a person is to be added or deleted from the listing. If the City elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The City understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and the City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the City. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 16.6 Partial Invalidity.

If any Section, paragraph, sentence, clause, or phrase of this Indenture shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The City hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause, or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

Section 16.7 Applicable Laws.

This Indenture shall be governed by and enforced in accordance with the laws of the State of Texas applicable to contracts made and performed in the State of Texas. The parties hereby (i) irrevocably submit to the exclusive jurisdiction of any federal or state court sitting in Texas, (ii) waive any objection to laying of venue in any such action or proceeding in such courts, and (iii) waive any objection that such courts are an inconvenient forum or do not have jurisdiction over any party.

Section 16.8 Payment on Business Day.

In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to this Indenture is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day that is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 16.9 Counterparts.

This Indenture may be executed in counterparts, each of which shall be deemed an original.

Section 16.10 Statutory Verifications. The Trustee 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 Indenture. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Trustee 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 Indenture shall survive until barred by the applicable statute of limitations and shall not be liquidated or otherwise limited by any provision of this Indenture, notwithstanding anything in this Indenture to the contrary.

(a) *Not a Sanctioned Company*. The Trustee 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 Trustee 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 Trustee 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 Indenture. 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 Trustee 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 Indenture. 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) No Boycott of Energy Companies. The Trustee 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 Indenture. As

used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code

Section 16.11 Form 1295 Exemption. The Trustee represents that it is a wholly owned subsidiary of M&T Bank Corporation, a publicly traded business entity, and therefore this Indenture is exempt from Section 2252.908, Texas Government Code, as amended.

[remainder of page left blank intentionally]

IN WITNESS WHEREOF, the City and the Trustee have caused this Indenture of Trust to be executed all as of the date hereof.

CITY OF KAUFMAN, TEXAS

By: _____
Mayor

ATTEST:

_____
City Secretary

[CITY SEAL]

WILMINGTON TRUST, NATIONAL ASSOCIATION, AS TRUSTEE

By: _____
Authorized Officer

EXHIBIT A

(a) Form of Bond.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE CITY, OR ANY OTHER POLITICAL CORPORATION, SUBDIVISION OR AGENCY THEREOF, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND.

THE TRANSFER OF THIS BOND IS SUBJECT TO THE TERMS AND RESTRICTIONS DESCRIBED HEREIN.

REGISTERED
No. _____

REGISTERED
$_____

United States of America
State of Texas

CITY OF KAUFMAN, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
KAUFMAN PUBLIC IMPROVEMENT DISTRICT NO. 3

INTEREST RATE	MATURITY DATE	DATE OF DELIVERY	CUSIP NUMBER
_____%	September 15, ____	October 24, 2024	_____ ___

The City of Kaufman, Texas (the "City"), for value received, hereby promises to pay, solely from the Trust Estate, to

_____

or registered assigns, on the Maturity Date, as specified above, the sum of

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Date of Delivery, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually commencing on March 15, 2025, and on each March 15 and September 15 thereafter until maturity or prior redemption.

Capitalized terms appearing herein that are defined terms in the Indenture defined below, have the meanings assigned to them in the Indenture. Reference is made to the Indenture for such definitions and for all other purposes.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas (the "Designated Payment/Transfer Office"), of Wilmington Trust, National Association, a national banking association, as trustee and paying agent/registrar (the "Trustee," which term includes any successor trustee under the Indenture), or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last calendar day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five (5) Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of a duly authorized issue of assessment revenue bonds of the City having the designation specified in its title (herein referred to as the "Bonds"), dated September 15, 2024 and issued in the aggregate principal amount of $2,898,000 and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of September 15, 2024 (the "Indenture"), by and between the City and the Trustee, to which Indenture reference is hereby made for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder to the holders of the Bonds, the Trustee, and the City, and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each holder of this Bond hereby consents. All Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The Bonds are being issued for the purpose of (i) paying a portion of the costs of the Authorized Improvements, (ii) funding a debt service reserve fund for payment of principal and interest on the Bonds, (iii) funding a portion of the Delinquency and Prepayment Reserve Account, (iv) paying capitalized interest on the Bonds, and (v) paying the costs of issuance of the Bonds.

The Bonds are limited obligations of the City payable solely from the Trust Estate as defined in the Indenture. Reference is hereby made to the Indenture, copies of which are on file with and available upon request from the Trustee, for the provisions, among others, with respect to the nature and extent of the duties and obligations of the City, the Trustee and the Owners. The Owner of this Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms, conditions and provisions of the Indenture.

Notwithstanding any provision hereof, the Indenture may be released and the obligation of the City to make money available to pay this Bond may be defeased by the deposit of money and/or certain direct or indirect Defeasance Securities sufficient for such purpose as described in the Indenture.

The Bonds are issuable as fully registered bonds only in denominations of $100,000, or any integral multiple of $1,000 in excess thereof ("Authorized Denominations"), subject to the partial redemption provisions of the Indenture authorizing redemptions of less than $100,000 in denominations of $1,000 and any multiple of $1,000 in excess thereof.

The Bonds are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at a Redemption Price equal to the principal amount thereof plus accrued and unpaid interest thereon to the date set for redemption from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article 6 of the Indenture, on the dates and in the Sinking Fund Installment amounts as set forth in the following schedule:

$1,450,000 Term Bonds maturing September 15, 2044

Redemption Date	Sinking Fund Installment Amount
September 15, 2026	$51,000
September 15, 2027	53,000
September 15, 2028	55,000
September 15, 2029	58,000
September 15, 2030	60,000
September 15, 2031	62,000
September 15, 2032	65,000
September 15, 2033	68,000
September 15, 2034	71,000
September 15, 2035	74,000
September 15, 2036	77,000
September 15, 2037	81,000
September 15, 2038	84,000
September 15, 2039	88,000
September 15, 2040	92,000
September 15, 2041	96,000
September 15, 2042	100,000
September 15, 2043	105,000

September 15, 2044*	110,000

*maturity

$1,448,000 Term Bonds maturing September 15, 2054

Redemption Date	Sinking Fund Installment Amount
September 15, 2045	$115,000
September 15, 2046	121,000
September 15, 2047	127,000
September 15, 2048	133,000
September 15, 2049	140,000
September 15, 2050	147,000
September 15, 2051	154,000
September 15, 2052	162,000
September 15, 2053	170,000
September 15, 2054*	179,000

*maturity

At least forty-five (45) days prior to each sinking fund redemption date, the Trustee shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Bonds of such maturity equal to the Sinking Fund Installments of such Bonds to be redeemed, shall call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in the Indenture.

The principal amount of Bonds required to be redeemed on any sinking fund redemption date shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least forty-five (45) days prior to the sinking fund redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption and not previously credited to a sinking fund redemption.

The City reserves the right and option to redeem Bonds maturing on or after September 15, 2035 before their scheduled maturity dates, in whole or in part, on any date, on or after September 15, 2034, such redemption date or dates to be fixed by the City, at a price of par plus accrued and unpaid interest to the date of redemption:

Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, on any Business Day, at a Redemption Price equal to the principal amount of the Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption from amounts on deposit in the Redemption Fund as a result of Prepayments, other transfers to the Redemption Fund pursuant to the Indenture, or any other transfers to the Redemption Fund permitted in the Indenture.

The Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown on the Register. The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed. Any notice so given shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

The City reserves the right, in the case of an optional or extraordinary optional redemption, to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the City retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption and such redemption has been rescinded shall remain Outstanding and the rescission of such redemption shall not constitute an event of default. Further, in the case of a conditional redemption, the failure of the City to make moneys and or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the City and the rights of the holders of the Bonds under the Indenture at any time Outstanding affected by such modification. The Indenture also contains provisions permitting the holders of specified percentages in aggregate principal amount of the Bonds at the time Outstanding, on behalf of the holders of all the Bonds, to waive compliance by the City with certain past defaults under the Bond Ordinance or the Indenture and their consequences. Any such consent or waiver by the holder of this Bond or any predecessor Bond evidencing the same debt shall be conclusive and binding upon such holder and upon all future holders thereof and of any Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such consent or waiver is made upon this Bond.

As provided in the Indenture, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer, and upon delivery to the Trustee of such certifications and/or opinion of counsel as may be required under the Indenture for the transfer of this Bond. Upon satisfaction of such requirements, one or more new fully registered Bonds of the same Stated Maturity, of Authorized Denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the City nor the Trustee shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within forty-five (45) calendar

days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond.

The City, the Trustee, and any other Person may treat the Person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the Person in whose name this Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond be overdue, and neither the City nor the Trustee shall be affected by notice to the contrary.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF TOMBALL, TEXAS; KAUFMAN COUNTY, TEXAS; THE STATE OF TEXAS; OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that the total indebtedness of the City, including the Bonds, does not exceed any Constitutional or statutory limitation.

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be executed under the official seal of the City.

City Secretary, City of Kaufman, Texas	Mayor, City of Kaufman, Texas

[City Seal]

(b) Form of Comptroller's Registration Certificate.

The following Registration Certificate of Comptroller of Public Accounts shall appear on each Initial Bond:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO._____
THE STATE OF TEXAS	§	

I HEREBY CERTIFY THAT there is on file and of record in my office an opinion to the effect that the Attorney General of the State of Texas has approved this Bond, and that this Bond has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____.

_____
Comptroller of Public Accounts of the
State of Texas

[SEAL]

(c) Form of Certificate of Trustee.

CERTIFICATE OF TRUSTEE

It is hereby certified that this is one of the Bonds of the series of Bonds referred to in the within mentioned Indenture.

Wilmington Trust, National Association, as
Trustee

By: _____
Authorized Signatory

DATED: _____

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and Zip Code of transferee): _____

_____

_____

(Social Security or other identifying number: _____) the within Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed By:

_____

_____
Authorized Signatory

_____
NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Trustee.

(e) The Initial Bond shall be in the form set forth in paragraphs (a), (b) and (d) of this section, except for the following alterations:

(i) immediately under the name of the Bond the heading "INTEREST RATE" and "MATURITY DATE" shall both be completed with the expression "As Shown Below," and the reference to the "CUSIP NUMBER" shall be deleted;

(ii) in the first paragraph of the Bond, the words "on the Maturity Date specified above" shall be deleted and the following will be inserted: "on September 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Years	Principal Installments	Interest Rates"
	b.	(Information to be inserted from Section 3.2(c) hereof); and

(iii) the Initial Bond shall be numbered T-1.

EXHIBIT B

FORM OF PAYMENT CERTIFICATE

PAYMENT CERTIFICATE NO. ___

Reference is made to that certain Indenture of Trust by and between the City and the Trustee dated as of September 15, 2024 (the "Indenture") relating to the "City of Kaufman, Texas, Special Assessment Revenue Bonds, Series 2024 (Kaufman Public Improvement District No. 3) (the "Bonds"). Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Indenture.

The undersigned is an agent for Freeman Farm a Series of EIS Development II, LLC a Texas limited liability company (the "Developer") and requests payment to the Developer (or to the person designated by the Developer) from:

_____ the Authorized Improvement Account of the Project Fund from Wilmington Trust, National Association, (the "Trustee"), in the amount of _____ ($_____) for labor, materials, fees, and/or other general costs related to the creation, acquisition, or construction of certain Authorized providing a special benefit to property within the Kaufman Public Improvement District No. 3.

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 Certificate for Payment Form on behalf of the Developer and is knowledgeable as to the matters set forth herein.

2. The itemized payment requested for the below referenced Authorized Improvements 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 Authorized Improvements below is a true and accurate representation of the Authorized Improvements associated with the creation, acquisition, or construction of said Authorized Improvements and such costs (i) are in compliance with the Development Agreement, and (ii) are consistent with and within the cost identified for such Authorized 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 Indenture, 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 Kaufman Public Improvement District No. 3 and has no outstanding delinquencies for such Assessments.

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

The work with respect to Authorized Improvements referenced below (or its completed segment) has been completed, and the City has inspected such Amount requested be paid.

7. 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.

8. [The amount of this request when combined with all previous Certificates for Payment submitted by the Developer, [check one] (i) _____ does not exceed an amount that would leave $_____ remaining in the Authorized Improvement Account of the Project Fund or (ii) _____ the Developer hereby certifies the following:

(1) All of the Authorized Improvements have been construction or installed and accepted by the City;

(2) All of the ____lots are under contract with a third-party builders; and

(3) __ single family homes have been constructed.]

Payments requested are as follows:

Amount to be Paid by Trustee from Authorized Improvement Account

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 Authorized Improvements (or completed segment) and confirmed that said work has been completed in accordance with approved plans and all applicable governmental laws, rules, and regulations.

Developer has submitted or is attached hereto any documents or schedules required by the City's PID administrator.

Payments requested hereunder shall be made as directed below:

a. X amount to Person or Account Y for Z goods or services.

b. Payment instructions

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

Freeman Farm a Series of EIS Development, LLC a Texas limited liability company

By: _____

Name: _____

Title: _____

APPROVAL OF REQUEST

The City is in receipt of the attached Certificate for Payment, acknowledges the Certificate for Payment, and finds the Certificate for Payment to be in order. After reviewing the Certificate for Payment, the City approves the Certificate for Payment and authorizes and directs payment of the amounts set forth below by Trustee from the Project Fund to the Developer or other person designated by the Developer as listed and directed on such Certificate for Payment. The City's approval of the Certificate for Payment shall not have the effect of estopping or preventing the City from asserting claims under the Development Agreement, the Indenture, the Service and Assessment Plan, or any other agreement between the parties or that there is a defect in the Authorized Improvements.

Amount of Payment Certificate Request	Amount to be Paid by Trustee from Authorized Improvement Account
$_____	$_____

CITY OF KAUFMAN, TEXAS

By:_____
Name: _____
Title: _____

Date: _____

CITY OF KAUFMAN, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(KAUFMAN PUBLIC IMPROVEMENT DISTRICT NO. 3 PROJECT)

CONTINUING DISCLOSURE AGREEMENT OF ISSUER

This Continuing Disclosure Agreement of Issuer, dated as of [INDENTURE DATE], 2024 (this "Disclosure Agreement"), is executed and delivered by and among the City of Kaufman, Texas (the "Issuer"), MuniCap, Inc. (the "Administrator"), and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., acting solely in its capacity as dissemination agent (the "Dissemination Agent"), with respect to the Issuer's "Special Assessment Revenue Bonds, Series 2024 (Kaufman Public Improvement District No. 3 Project)" (the "Bonds"). The Issuer, the Administrator, and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer, the Administrator, and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of [INDENTURE DATE], 2024, relating to the Bonds (the "Indenture"), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, the following capitalized terms shall have the following meanings:

"Administrator" shall have the meaning assigned to such term in the Indenture. The initial Administrator is MuniCap, Inc..

"Administrative Expenses" shall have the meaning assigned to such term in the Indenture.

"Annual Collections Report" shall mean any Annual Collections Report provided by the Issuer pursuant to, and as described in, Section 5 of this Disclosure Agreement.

"Annual Collections Report Filing Date" shall mean, for each Fiscal Year succeeding the reporting Fiscal Year, the date that is three (3) months after the Final Assessment Payment Date, which Annual Collections Report Filing Date is currently April 30.

"Annual Financial Information" shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in subsection 4(a) of this Disclosure Agreement.

"Annual Installment" shall have the meaning assigned to such term in the Indenture.

"Annual Issuer Report" shall mean any Annual Issuer Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Annual Issuer Report Filing Date" shall mean, for each Fiscal Year, the date that is six (6) months after the end of the Issuer's Fiscal Year, which Annual Issuer Report Filing Date is currently March 31.

"Annual Service Plan Update" shall have the meaning assigned to such term in the Indenture.

"Assessments" shall have the meaning assigned to such term in the Indenture.

"Business Day" shall have the meaning assigned to such term in the Indenture.

"Collections Reporting Date" shall mean, for each Tax Year, the date that is one (1) month after the Delinquency Date, which Collections Reporting Date is currently March 1.

"Delinquency Date" shall mean February 1 of the year following the year in which the Assessments were billed or as may be otherwise defined in Section 31.02 of the Texas Tax Code, as amended.

"Developer" shall mean Freeman Farm a Series of EIS Development II, LLC, a Texas series limited liability company.

"Disclosure Agreement of Developer" shall mean the Continuing Disclosure Agreement of Developer relating to the Bonds, dated as of [INDENTURE DATE], 2024, executed and delivered by the Developer, the Administrator, and the Dissemination Agent.

"Disclosure Representative" shall mean the City Administrator or Mayor of the Issuer or his or her designee or such other officer or employee as the Issuer may designate in writing to the Dissemination Agent from time to time.

"Dissemination Agent" shall mean HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

"District" shall mean Kaufman Public Improvement District No. 3.

"EMMA" shall mean the Electronic Municipal Market Access System currently available on the internet at http://emma.msrb.org.

"Final Assessment Payment Date" shall mean the calendar day preceding the Delinquency Date.

"Financial Obligation" shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"Fiscal Year" shall mean the Issuer's fiscal year, currently the twelve-month period from October 1 through September 30.

"Listed Events" shall mean any of the events listed in subsection 6(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reports pursuant to the Rule.

"Outstanding" shall have the meaning assigned to such term in the Indenture.

"Owner" shall have the meaning assigned to such term in the Indenture.

"Participating Underwriter" shall mean FMSbonds, Inc., and its successors and assigns.

"PID Act" shall mean Chapter 372, Texas Local Government Code, as amended.

"Prepayment" shall have the meaning assigned to such term in the Indenture.

"Rule" shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SAP Update" shall have the meaning assigned to such term in subsection 4(a)(iii) of this Disclosure Agreement.

"SEC" shall mean the United States Securities and Exchange Commission.

"Service and Assessment Plan" shall have the meaning assigned to such term in the Indenture.

"Tax Year" means the calendar year, or as may be otherwise defined in Section 1.04 of the Texas Tax Code, as amended.

"Trust Estate" shall have the meaning assigned to such term in the Indenture.

"Trustee" shall have the meaning assigned to such term in the Indenture.

SECTION 3. Provision of Annual Issuer Reports.

(a) For each Fiscal Year, commencing with the Fiscal Year ending September 30, 2025, the Issuer shall cause, pursuant to written direction, and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, not later than the Annual Issuer Report Filing Date, an Annual Issuer Report provided to the Dissemination Agent which is consistent with the requirements of and within the time periods specified in Section 4 of this Disclosure Agreement. The Annual Issuer Report may, but is not required to, include the audited financial statements and the failure to include the audited financial statements as a part of the Annual Issuer Report shall not violate the Issuer's obligations under this Disclosure Agreement provided the Issuer provides its audited financial statements within twelve (12) months of the most recently ended Fiscal Year or, if the audited financial statements are not available within such twelve-month period, the Issuer provides unaudited financial statements within such twelve-month period, and provides audited

financial statements, when and if available. In each case, the Annual Issuer Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the Issuer's Fiscal Year changes, it shall file notice of such change (including the date of the new Fiscal Year) with the MSRB prior to the next Annual Issuer Report Filing Date. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Not later than ten (10) days prior to the Annual Issuer Report Filing Date, the Issuer shall provide the Annual Issuer Report to the Dissemination Agent together with written direction to file such Annual Issuer Report with the MSRB. The Dissemination Agent shall provide such Annual Issuer Report to the MSRB not later than ten (10) days from receipt of such Annual Issuer Report from the Issuer, but in no event later than the Annual Issuer Report Filing Date for such Fiscal Year.

If by the fifth (5th) day before the Annual Issuer Report Filing Date the Dissemination Agent has not received a copy of the Annual Issuer Report, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Issuer Report pursuant to this subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Issuer Report no later than two (2) Business Days prior to the Annual Issuer Report Filing Date, or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Issuer Report by the Annual Issuer Report Filing Date, state the date by which the Annual Issuer Report for such year will be provided, and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Issuer Report or the notice of failure to file, as applicable, to the MSRB no later than the Annual Issuer Report Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than the last Business Day prior to the Annual Issuer Report Filing Date.

(b) The Issuer shall or shall cause the Dissemination Agent pursuant to written direction to:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Issuer Report; and

(ii) file the Annual Issuer Report containing or incorporating by reference the information set forth in Section 4 hereof.

(c) If the Issuer has provided the Dissemination Agent with the completed Annual Issuer Report and the Dissemination Agent has filed such Annual Issuer Report with the MSRB, then the Dissemination Agent shall provide written confirmation to the Issuer verifying that the Annual Issuer Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB, which report shall include a filing receipt from the MSRB.

SECTION 4. Content and Timing of Annual Issuer Reports. The Annual Issuer Report for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Issuer Report Filing Date, the following:

(a) *Annual Financial Information*. The following Annual Financial Information (any or all of which may be unaudited):

(i) Tables setting forth the following information, as of the end of such Fiscal Year:

(A) For the Bonds, the maturity date(s), the interest rate(s), the original aggregate principal amount(s), the principal amount(s) remaining Outstanding, and the total interest amount due on the aggregate principal amount Outstanding;

(B) The amounts in the funds and accounts securing the Bonds and a description of the related investments;

(C) The assets and liabilities of the Trust Estate.

(ii) Financial information and operating data with respect to the Issuer of the general type and in substantially similar form to that shown in the tables provided under Sections 4(a)(ii) of Exhibit B attached hereto. Such information shall be provided as of the end of the reporting Fiscal Year;

(iii) Any updates to the Service and Assessment Plan, including the Annual Service Plan Update (together, a "SAP Update");

(iv) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer's audited financial statements during such Fiscal Year.

(b) *Audited Financial Statements*. The audited financial statements of the Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer and that have been audited by an independent certified public accountant, *but only if* available by the Annual Issuer Report Filing Date. If the audited financial statements of the Issuer are not available within twelve months after the end of the Fiscal Year, the Issuer shall provide notice that the audited financial statements are not available, file unaudited financial statements within such twelve-month period, and file audited financial statements when prepared and available.

(c) A form for submitting the information described in subsection 4(a) above is attached as Exhibit B hereto. Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Financial Information. In all cases, the Issuer shall have the sole responsibility for the content, design, and other elements comprising substantive contents of the Annual Issuer Reports under this Section 4.

SECTION 5. Annual Collections Report.

(a) For each Fiscal Year succeeding the reporting Fiscal Year, the Issuer shall cause, pursuant to written direction, and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, not later than the Annual Collections Report Filing Date, an Annual Collections Report provided to the Dissemination Agent which complies with the requirements specified in this Section 5; provided that the Issuer may provide the Annual Collections Report as part of the Annual Issuer Report, if such Annual Collections Report is available when the Annual Issuer Report is provided to the MSRB. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Not later than ten (10) days prior to the Annual Collections Report Filing Date, the Issuer shall provide the Annual Collections Report to the Dissemination Agent together with written direction to file such Annual Collections Report with the MSRB. The Dissemination Agent shall provide such Annual Collections Report to the MSRB not later than ten (10) days from receipt of such Annual Collections Report from the Issuer, but in no event later than the Annual Collections Report Filing Date.

If by the fifth (5th) day before the Annual Collections Report Filing Date the Dissemination Agent has not received a copy of the Annual Collections Report, the Dissemination Agent shall contact the Disclosure Representative in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Collections Report pursuant to this subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Collections Report no later than two (2) Business Days prior to the Annual Collections Report Filing Date, or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Collections Report by the Annual Collections Report Filing Date, state the date by which the Annual Collections Report for such year will be provided, and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A hereto; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Collections Report or the notice of failure to file, as applicable, to the MSRB no later than the Annual Collections Report Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than the last Business Day prior to the Annual Collections Report Filing Date.

(b) The Annual Collections Report for the Bonds shall contain, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Collections Report Filing Date, certain financial information and operating data with respect to collection of the Assessments of the general type and in substantially similar form to that shown in the tables provided in Exhibit C attached hereto. Such information shall cover the period beginning the first (1st) day of the Fiscal Year succeeding the reporting Fiscal Year through the Collections Reporting Date. If the State Legislature amends the definition of Delinquency Date or Tax Year, the City shall file notice of such change or changes with the MSRB prior to the next Annual Collections Report Filing Date. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Collections Report. In all cases, the Issuer shall have the sole responsibility for the content, design, and other elements comprising substantive contents of the Annual Collections Report under this Section 5.

SECTION 6. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 6, each of the following is a Listed Event with respect to the Bonds:

1. Principal and interest payment delinquencies.

2. Non-payment related defaults, if material.

3. Unscheduled draws on debt service reserves reflecting financial difficulties.

4. Unscheduled draws on credit enhancements reflecting financial difficulties.

5. Substitution of credit or liquidity providers, or their failure to perform.

6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

7. Modifications to rights of Owners, if material.

8. Bond calls, if material, and tender offers.

9. Defeasances.

10. Release, substitution, or sale of property securing repayment of the Bonds, if material.

11. Rating changes.

12. Bankruptcy, insolvency, receivership or similar event of the Issuer.

13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

Any sale by the Developer of real property within the District in the ordinary course of the Developer's business will not constitute a Listed Event for the purposes of paragraph (10) above.

For these purposes, any event described in paragraph (12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer intends the words used in paragraphs (15) and (16) above and the definition of Financial Obligation to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

Upon the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than three (3) Business Days immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information.

In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures made under this Section 6. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 6 is filed within ten (10) Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative in writing of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. If the Dissemination Agent has been instructed in writing by the Disclosure Representative on behalf of the Issuer to report the occurrence of a Listed Event under this subsection (b), the Dissemination Agent shall file a notice of such occurrence with the MSRB no later than two (2) Business Days following the day on which it receives such written instructions. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing,

without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer, the Participating Underwriter, the Trustee, any Owner or beneficial owner of any interests in the Bonds, or any other party as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8 (as to bond calls only), 10, 13, 14, or 15 of subparagraph (a) above is not material under applicable federal securities laws, the Issuer shall promptly, but in no case more than five (5) Business Days after the occurrence of the event, notify the Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (b).

SECTION 7. Termination of Reporting Obligations. The obligations of the Issuer, the Administrator, and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Dissemination Agent and the Administrator of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. So long as any of the Bonds remain Outstanding, the Administrator and the Dissemination Agent may assume that the Issuer is an obligated person with respect to the Bonds until they receive written notice from the Disclosure Representative stating that the Issuer is no longer an obligated person with respect to the Bonds, and the Dissemination Agent and the Administrator may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to the Bonds under Section 6(a).

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the Issuer discharges the Dissemination Agent without appointing a successor Dissemination Agent, the Issuer shall use best efforts to appoint a successor Dissemination Agent within 30 days of such discharge. The Dissemination Agent may resign at any time with 30 days' written notice to the Issuer. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer, the Administrator, and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Issuer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5, or 6(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related Annual Financial Information, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6(a), and (ii) the Annual Financial Information for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Issuer Report, Annual Collections Report, or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Issuer Report, Annual Collections Report, or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Issuer Report, Annual Collections Report, or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and the Dissemination Agent (at the written request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction) shall, take such actions as may be necessary and appropriate to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action for mandamus or specific performance. A default under this Disclosure Agreement shall not be deemed a default under the Disclosure Agreement of Developer and a default under the Disclosure Agreement of Developer shall not be deemed a default under this Disclosure Agreement.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only from Administrative Expenses collected from the property owners in the District, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Dissemination Agent for losses, expenses or liabilities arising from information provided to the Dissemination Agent by the Developer or the failure of the Developer to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive termination of this Disclosure Agreement, resignation or removal of the Dissemination Agent, and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. If the Issuer does not provide the Dissemination Agent with the Annual Issuer Report in accordance with subsection 3(a) or the Annual Collections Report in accordance with subsection 5(a), the Dissemination Agent shall not be responsible for the failure to submit an Annual Issuer Report or an Annual Collections Report, as applicable, to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(b) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Issuer agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only from Administrative Expenses collected from the property owners in the District, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Administrator for losses, expenses or liabilities arising from information provided to the Administrator by third parties, or the failure of any third party to provide information to the Administrator as and when required under this Disclosure Agreement, or the failure of the Developer to provide information to the Administrator as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary

capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(c) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY PARTY TO THIS DISCLOSURE AGREEMENT, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 13. Assessment Timeline. The basic expected timeline for the collection of Assessments and the anticipated procedures for pursuing the collection of delinquent Assessments is set forth in Exhibit D which is intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Assessments. Failure to adhere to such expected timeline shall not constitute a default by the Issuer under this Disclosure Agreement, the Indenture, the Bonds, or any other document related to the Bonds.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer, the Administrator, or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent or employee of the Issuer, the Administrator, or the Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision,

covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 16. Sovereign Immunity. The Dissemination Agent and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 17. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 18. Dissemination Agent and Administrator Compensation. The fees and expenses incurred by the Dissemination Agent and the Administrator for their respective services rendered in accordance with this Disclosure Agreement constitute Administrative Expenses and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent and the Administrator, but only with funds to be provided from the Administrative Expenses component of the Annual Installments collected from the property owners in the District, for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement; provided, however, notwithstanding anything herein to the contrary, the aggregate value of this Disclosure Agreement to the Dissemination Agent shall not exceed the dollar limitation set forth in Section 2274.002(a)(2) of the Texas Government Code, as amended. The Dissemination Agent hereby agrees that the fees it is to be paid for each fiscal year will not cause the aggregate compensation received by the Dissemination Agent to the terms of this Disclosure Agreement to exceed the limitation set forth in Section 2274.002(a)(2), as amended.

The Administrator has entered into the Agreement for Administrative Services (the "Administrative Services Agreement") with the Issuer, which Administrative Services Agreement governs the administration of the District, including the payment of the fees and expenses (including expenses related to the consultation of legal counsel pursuant to Section 12(b) hereof) of the Administrator for its services rendered in regard to this Disclosure Agreement. Services provided under this Disclosure Agreement are pursuant to said Administrative Services Agreement with the Issuer.

SECTION 19. Statutory Verifications. The Dissemination Agent and Administrator each respectively 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 Disclosure Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Dissemination Agent or Administrator, as applicable, 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 Disclosure Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Disclosure Agreement, notwithstanding anything in this Disclosure Agreement to the contrary.

a. Not a Sanctioned Company. The Dissemination Agent and Administrator each respectively 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 Dissemination Agent, Administrator and each of their respective 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 Dissemination Agent and Administrator each respectively 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 Disclosure 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 Dissemination Agent and Administrator each respectively 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 Disclosure 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. No Boycott of Energy Companies. The Dissemination Agent and Administrator each respectively 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 Disclosure Agreement. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

SECTION 20. Disclosure of Interested Parties. Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Dissemination Agent hereby certifies it is a publicly traded business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Disclosure Agreement.

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

SECTION 21. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 22. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The Issuer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

[Signatures to follow]

CITY OF KAUFMAN, TEXAS

By: _____
Mayor

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF ISSUER

HTS Continuing Disclosure Services, a division of
Hilltop Securities Inc.
(as Dissemination Agent)

By: _____
Authorized Officer

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF ISSUER

MUNICAP, INC.
(as Administrator)

By: _____
Authorized Officer

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF ISSUER

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE
[ANNUAL ISSUER REPORT][ANNUAL COLLECTIONS REPORT]
[AUDITED/UNAUDITED FINANCIAL STATEMENTS]

Name of Issuer:	City of Kaufman, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2024 (Kaufman Public Improvement District No. 3 Project) (the "Bonds")
CUSIP Nos.	[insert CUSIP NOs.]
Date of Delivery:	_____, 20__

NOTICE IS HEREBY GIVEN that the City of Kaufman, Texas (the "Issuer"), has not provided [an Annual Issuer Report][an Annual Collections Report][audited/unaudited financial statements] with respect to the Bonds as required by the Continuing Disclosure Agreement of Issuer dated as of [INDENTURE DATE], 2024, by and among the Issuer, MuniCap, Inc., as "Administrator," and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as "Dissemination Agent." The Issuer anticipates that [the Annual Issuer Report][the Annual Collections Report][audited/unaudited financial statements] will be filed by _____.

Dated: HTS Continuing Disclosure Services, a division of Hilltop Securities Inc._____

HTS Continuing Disclosure Services, a division of
Hilltop Securities Inc.,
on behalf of the City of Kaufman, Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: City of Kaufman, Texas

EXHIBIT B

CITY OF KAUFMAN, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(KAUFMAN PUBLIC IMPROVEMENT DISTRICT NO. 3 PROJECT)

ANNUAL FINANCIAL INFORMATION*

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.
Address: [_____]
City: [_]
Telephone: (___) ___-____
Contact Person: Attn: _____

Section 4(a)(i)(A)

BONDS OUTSTANDING

Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount
				_
				_
			Total	

Section 4(a)(i)(B)

INVESTMENTS

Fund/ Account Name	Investment Description	Par Value(1)	Book Value(1)	Market Value(1)

(1) As such information is provided by the Trustee.

*Excluding audited financial statements of the Issuer

Section 4(a)(i)(C)

ASSETS AND LIABILITIES OF TRUST ESTATE

Cash Position of Trust Estate for statements dated September 30, 20[__]		
[List of Funds/Accounts Held Under Indenture]	Amount In the Fund	
Total		A
Bond Principal Amount Outstanding		B
Outstanding Assessment Amount to be collected		C
Net Position of Trust Estate and Outstanding Bonds and Assessments		A-B+C

September 30, 20[__] Trust Statements: ☐ Audited ☐ Unaudited

Accounting Type: ☐ Cash ☐ Accrual ☐ Modified Accrual

Section 4(a)(ii)

FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AND IN SUBSTANTIALLY SIMILAR FORM PROVIDED IN THE FOLLOWING TABLES AS OF THE END OF THE FISCAL YEAR

Debt Service Requirements on the Bonds

Year Ending (September 30)	Principal	Interest	Total

Top [Five] Assessment Payers in the District [1]

Property Owner	No. of Parcels/Lots	Percentage of Parcels/Lots	Outstanding Assessments	Percentage of Total Assessments

[1] Does not include those owing less than one percent (1%) of total Assessments.

Assessed Value of the District

The [YEAR] certified total assessed value for the Assessed Property in the District is approximately $[AMOUNT] according to the Kaufman Central Appraisal District.

Foreclosure History Related to the Assessments for the Past Five Fiscal Years

Fiscal Year Ended (9/30)	Delinquent Assessment Amount not in Foreclosure Proceedings	Parcels in Foreclosure Proceedings	Delinquent Assessment Amount in Foreclosure Proceedings	Foreclosure Sales	Foreclosure Proceeds Received
20__	$		$		$
20__					
20__					
20__					
20__					

[insert any necessary footnotes]

Collection and Delinquency History of Annual Installments for the Past Five Fiscal Years

Fiscal Year Ended (9/30)	Total Annual Installment Billed	Parcels Levied[1]	Delinquent Amount as of 3/1	Delinquent % as of 3/1	Delinquent Amount as of [9/1]	Delinquent % as of [9/1]	Total Assessments Collected[2]
20__	$		$	%	$	%	$
20__							
20__							
20__							
20__							

[1] Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.
[2] [Does/does not] include interest and penalties.

Parcel Numbers for Delinquencies Equaling or Exceeding 10% of Annual Installments Due

For the past five Fiscal Years, if the total amount of delinquencies as of September 1 equals or exceeds ten percent (10%) of the amount of Annual Installments due, a list of parcel numbers for which the Annual Installments are delinquent.

Fiscal Year Ended (9/30)	Delinquent % as of 9/1	Parcel Numbers
20__	%	
20__		

History of Prepayment of Assessments for the Past Five Fiscal Years

Fiscal Year Ended (9/30)	Number of Prepayments	Amount of Prepayments	Bond Call Date	Amount of Bonds Redeemed
20__		$		$
20__				
20__				
20__				
20__				

[insert any necessary footnotes]

ITEMS REQUIRED BY SECTION 4(a)(iii) - (iv)

[Insert a line item for each applicable listing]

EXHIBIT C

CITY OF KAUFMAN, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(KAUFMAN PUBLIC IMPROVEMENT DISTRICT NO. 3 PROJECT)

ANNUAL COLLECTIONS REPORT

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: HTS Continuing Disclosure Services, a division of Hilltop Securities Inc.
Address: [_____]
City: [_____, Texas _____]
Telephone: (___) ___-____
Contact Person: Attn: _____

SELECT FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE COLLECTION OF ASSESSMENTS COVERING THE PERIOD BEGINNING WITH THE FIRST DAY OF THE FISCAL YEAR SUCCEEDING THE REPORTING FISCAL YEAR THROUGH THE COLLECTIONS REPORTING DATE PROVIDED IN COMPLIANCE WITH SUBSECTION 5(A) OF THE ISSUER'S DISCLOSURE AGREEMENT

Foreclosure History Related To The Annual Installments(1)

Succeeding Fiscal Year 20__	Delinquent Annual Installment Amount not in Foreclosure Proceedings $	Parcels in Foreclosure Proceedings	Delinquent Annual Installment Amount in Foreclosure Proceedings $	Foreclosure Sales	Foreclosure Proceeds Received $

(i) Period covered includes December 1, 20__ through March 1, 20__.

Collection and Delinquency of Annual Installments [1]

Succeeding Fiscal Year	Total Annual Installments Levied	Parcels Levied[2]	Delinquent Amount as of 3/1	Delinquent % as of 3/1	Total Annual Installments Collected[3]
20__	$		$	%	$

[1] Period covered includes December 1, 20__ through March 1, 20__.
[2] Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.
[3] [Does/does not] include interest and penalties.

Prepayment of Assessments[1]

Succeeding Fiscal Year	Number of Prepayments	Amount of Prepayments	Bond Call Date	Amount of Bonds Redeemed
		$		$

[1] Period covered includes December 1, 20__ through March 1, 20__.

EXHIBIT D

BASIC EXPECTED TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES[1]

Date	Delinquency Clock (Days)	Activity
January 31		Assessments are due.
February 1	1	Assessments delinquent if not received.
	15	Immediately upon receipt, but in no event later than February 15, Issuer forwards payment to Trustee for all collections received, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter. Issuer and/or Administrator should be aware of actual and specific delinquencies. Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year. Issuer and Administrator should determine if previously collected surplus funds, if any, plus actual Annual Installment collections will be fully adequate for debt service in the corresponding March and September.
March 15	43/44	Trustee pays bond interest payments to Owners.
April 1	59/60	At this point, if total delinquencies are under 5% and if there is adequate funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account for full September payments, no further action is anticipated for collection of Assessments except that the Issuer or Administrator, working with the City Attorney or an appropriate designee, will begin process to cure deficiency. Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent in writing of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw or the Reserve Fund.

[1] Illustrates anticipated dates and procedures for pursuing the collection of delinquent Annual Installments of Assessments, which dates and procedures shall be in accordance with Chapters 31, 32, 33, and 34, Texas Tax Code, as amended (the "Code"), and the Tax/Assessor Collector's procedures, and are subject to adjustment by the Issuer. If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas, an amendment to the Code, or otherwise, such modifications shall control.

July 1	**152/153**	**If there are over 5% delinquencies or if there is insufficient funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account of such amounts as shall be required for the full September payment, Issuer and/or Administrator to notify Dissemination Agent in writing for inclusion in the next Annual Report.** **Preliminary Foreclosure activity commences in accordance with Tax Assessor/Collector's procedures.** If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer. If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.
August 15	197/198	The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent and the Trustee. The goal for the foreclosure actions is a filing by no later than August 15 (day 197/198). **Foreclosure action to be filed with the court as soon as practicable, in accordance with the Tax Assessor/Collector's procedures**. **Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing for inclusion in next Annual Report**.

A committee of not less than twenty-five percent (25%) of the Owners may request a meeting with the Issuer to discuss the Issuer's actions in pursuing the repayment of any delinquencies. This would also occur after day thirty (30) if it is apparent that a Reserve Fund draw is required. Further, if delinquencies exceed five percent (5%), Owners may also request a meeting with the Issuer at any time to discuss the Issuer's plan and progress on collection and foreclosure activity. If the Issuer is not diligently proceeding with the foreclosure process, the Owners may seek an action for mandamus or specific performance to direct the Issuer to pursue the collections of delinquent Annual Installments of Assessments.

NEW ISSUE **NOT RATED**

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED [PLOM DATE], 2024

PROSPECTIVE PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED TO "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND "ACCREDITED INVESTORS" AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT. SEE "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS" HEREIN. THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT IN RELIANCE UPON THE EXEMPTION PROVIDED BY SECTION 3(A)(2) THEREIN. NO ACTION HAS BEEN TAKEN TO QUALIFY THE BONDS FOR SALE UNDER THE SECURITIES LAWS OF ANY STATE. SEE "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS" HEREIN.

In the opinion of Bond Counsel, defined below, under existing law, interest on the Bonds (i) is excludable from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended, and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals. See "TAX MATTERS" herein, including information regarding potential alternative minimum tax consequences for corporations.

$3,815,000*
CITY OF KAUFMAN, TEXAS,
(a municipal corporation of the State of Texas located in Kaufman County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(KAUFMAN PUBLIC IMPROVEMENT DISTRICT NO. 3 PROJECT)

Interest to Accrue from Date of Delivery **Due: September 15, as shown on the inside cover**

The City of Kaufman, Texas, Special Assessment Revenue Bonds, Series 2024 (Kaufman Public Improvement District No. 3 Project) (the "Bonds"), are being issued by the City of Kaufman, Texas (the "City"). The Bonds will be issued in fully registered form, without coupons, in authorized denominations of $100,000 of principal amount and any integral multiple of $1,000 in excess thereof. The Bonds will bear interest at the rates set forth on the inside cover page hereof, and such interest will be calculated on the basis of a 360-day year of twelve 30-day months, and will be payable on each March 15 and September 15, commencing March 15, 2025, until maturity or earlier redemption. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. No physical delivery of the Bonds will be made to the beneficial owners thereof. For so long as the book-entry only system is maintained, the principal of and interest on the Bonds will be paid from the sources described herein by Wilmington Trust, National Association, Dallas, Texas, as trustee (the "Trustee"), to DTC as the registered owner thereof. See "BOOK-ENTRY ONLY SYSTEM."

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "PID Act"), an ordinance (the "Bond Ordinance") expected to be adopted by the City Council of the City (the "City Council") on September 30, 2024, and an Indenture of Trust (the "Indenture"), entered into by and between the City and the Trustee. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

Proceeds of the Bonds will be used to provide funds for (i) paying or reimbursing a portion of the costs of the "Authorized Improvements," which consist of certain public improvements benefitting the Kaufman Public Improvement District No. 3 (the "District"), (ii) funding the Bond Reserve Account of the Reserve Fund, (iii) funding a portion of the Delinquency and Prepayment Reserve Account, (iv) paying capitalized interest on the Bonds, and (v) paying the costs of issuance of the Bonds. See "THE AUTHORIZED IMPROVEMENTS" and "APPENDIX A — Form of Indenture."

The Bonds, when issued and delivered, will constitute valid and binding special, limited obligations of the City payable solely from and secured by the Pledged Revenues, consisting primarily of Assessments (as defined herein) levied against assessable property in the District in accordance with the Assessment Ordinance (as defined herein) and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein. The Bonds are not payable from funds raised or to be raised from taxation. See "SECURITY FOR THE BONDS."

The Bonds are subject to redemption at the times, in the amounts, and at the redemption price more fully described herein under the subcaption "DESCRIPTION OF THE BONDS — Redemption Provisions."

The Bonds involve a significant degree of risk, are speculative in nature and are not suitable for all investors. See "BONDHOLDERS RISKS" and "SUITABILITY FOR INVESTMENT." Prospective purchasers should carefully evaluate the risks and merits of an investment in the Bonds, should consult with their legal and financial advisors before considering a purchase of the Bonds, and should be willing to bear the risks of loss of their investment in the Bonds. The Bonds are not credit enhanced or rated and no application has been made for a rating on the Bonds.

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE. SEE "SECURITY FOR THE BONDS."

This cover page contains certain information for quick reference only. It is not a summary of the Bonds. Investors must read this entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

The Bonds are offered for delivery when, as, and if issued by the City and accepted by the Underwriter, subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of Bracewell LLP, Bond Counsel, as to the validity of the Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See "APPENDIX C — Form of Opinion of Bond Counsel." Certain legal matters will be passed upon for the Underwriter by its counsel, Locke Lord LLP, and for the Developer (as defined herein) by its counsel, Ferguson Braswell Fraser Kubasta PC. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about [CLOSING DATE], 2024.

FMSbonds, Inc.

* *Preliminary; subject to change.*

This Preliminary Limited Offering Memorandum and the information contained herein are subject to completion and amendment without notice. Under no circumstances shall this Preliminary Limited Offering Memorandum constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws hereunder.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS, AND CUSIP NUMBERS

CUSIP Prefix: _____[a]

$3,815,000*
CITY OF KAUFMAN, TEXAS,
(a municipal corporation of the State of Texas located in Kaufman County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(KAUFMAN PUBLIC IMPROVEMENT DISTRICT NO. 3 PROJECT)

$_____ ____% Term Bonds, Due September 15, 20__, Priced to Yield ____%; CUSIP Suffix: ____ [a] [c]

$_____ ____% Term Bonds, Due September 15, 20__, Priced to Yield ____%; CUSIP Suffix: ____ [a] [c]

$_____ ____% Term Bonds, Due September 15, 20__, Priced to Yield ____%; CUSIP Suffix: ____ [a] [b] [c]

---

* *Preliminary; subject to change.*

(a) CUSIP numbers are included solely for the convenience of owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS"), managed by FactSet Research Systems, Inc., on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the Services provided by CGS. CUSIP numbers are provided for convenience of reference only. The City, the City's Financial Advisor and the Underwriter do not take any responsibility for the accuracy of such numbers.

(b) The Bonds maturing on September 15, 20__ are subject to redemption, in whole or in part, prior to stated maturity, at the option of the City, on any date on or after September 15, 20__, at a Redemption price equal to the principal amount of Bonds or portion thereof to be called for redemption plus accrued and unpaid interest to the date of redemption as described herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."

(c) The Bonds are also subject to mandatory sinking fund redemption and extraordinary optional redemption as described herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."

CITY OF KAUFMAN, TEXAS
CITY COUNCIL

Name	Position	Term Expires
Jeff Jordan	Mayor	May 2025
Matthew Phillips	Mayor Pro-Tem	May 2025
Jason Nelson	Councilmember	May 2025
Ashley Longenecker	Councilmember	May 2025
Charles Gillenwater	Councilmember	May 2026
Lisa Parker	Councilmember	May 2026
Quattro Borders	Councilmember	May 2026

CITY MANAGER
Michael Holder

SECRETARY
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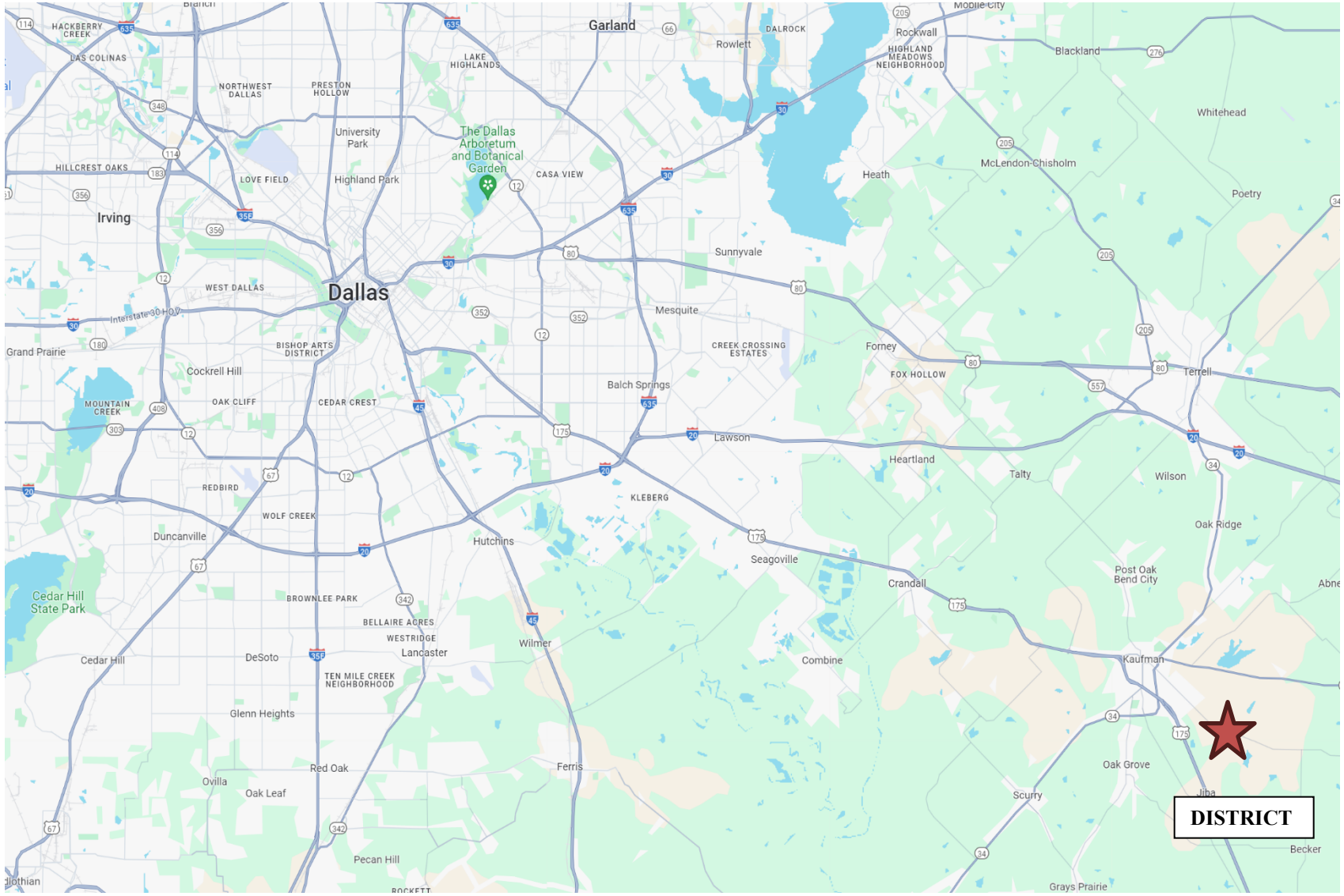
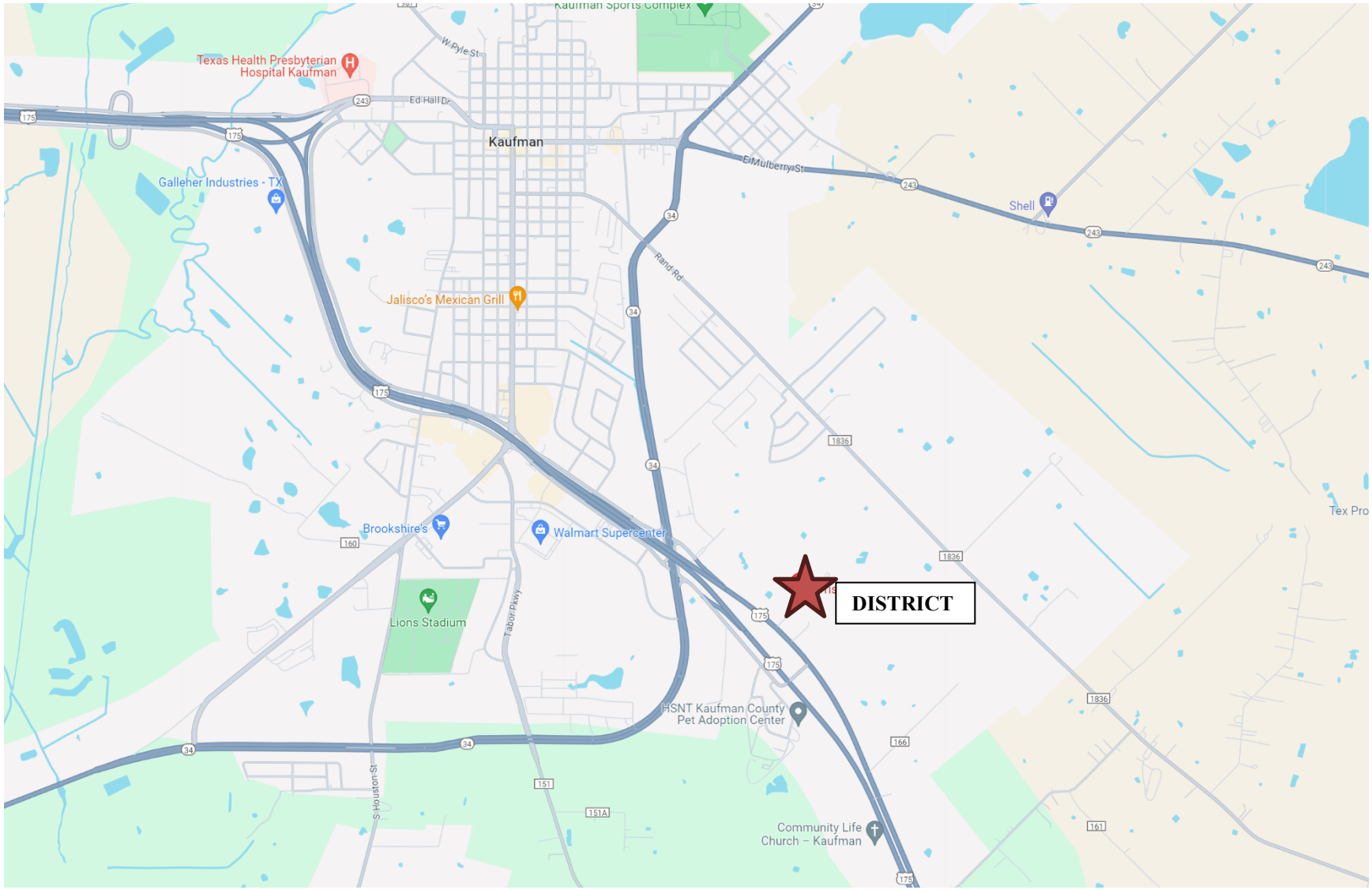
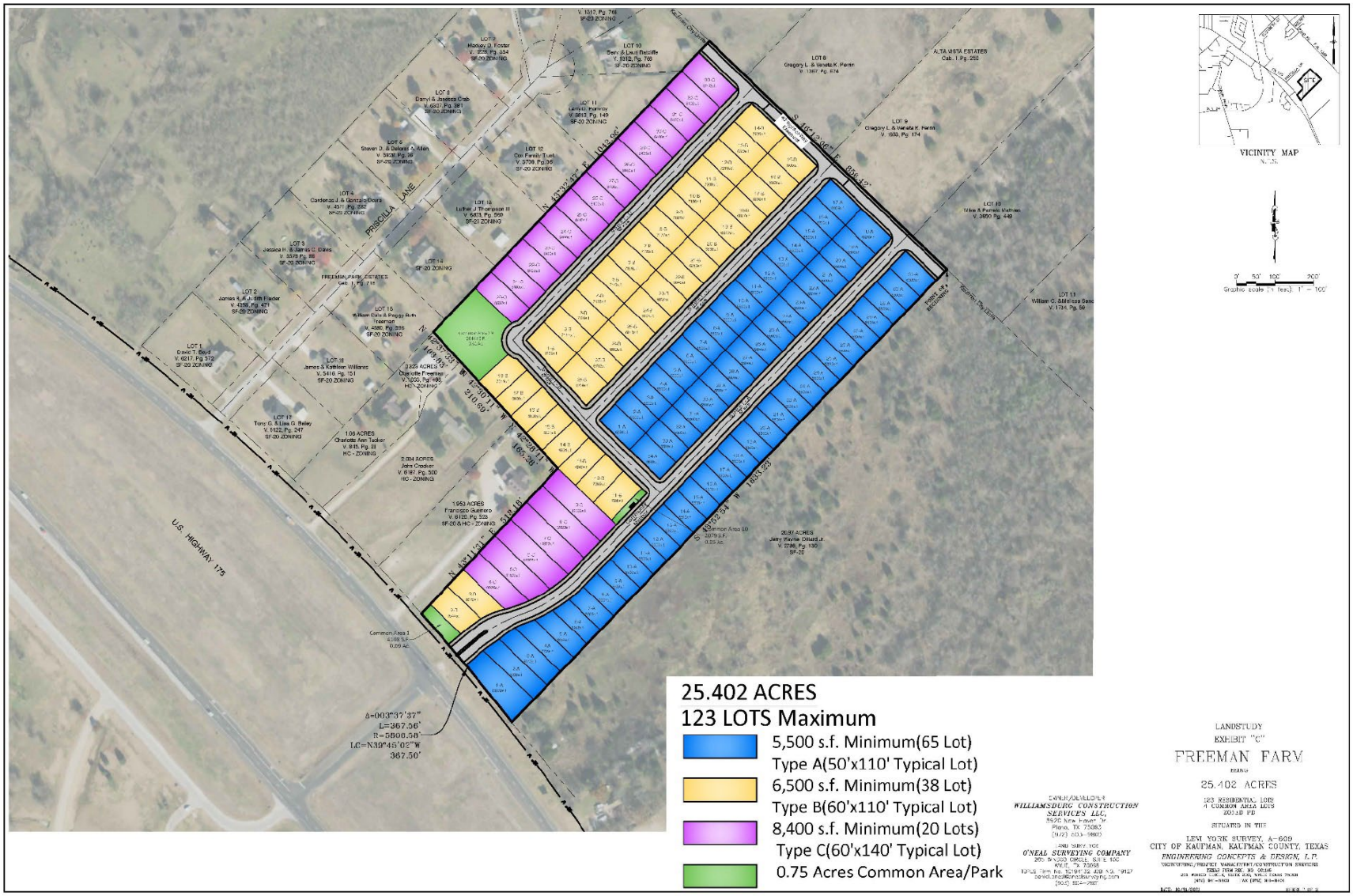
REGIONAL LOCATION MAP OF THE DISTRICT



AREA LOCATION MAP



MAP SHOWING BOUNDARIES OF THE DISTRICT



FOR PURPOSES OF COMPLIANCE WITH RULE 15C2-12 OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, AS AMENDED ("RULE 15C2-12") AND IN EFFECT ON THE DATE OF THIS PRELIMINARY LIMITED OFFERING MEMORANDUM, THIS DOCUMENT CONSTITUTES AN OFFICIAL STATEMENT OF THE CITY WITH RESPECT TO THE BONDS THAT HAS BEEN "DEEMED FINAL" BY THE CITY AS OF ITS DATE EXCEPT FOR THE OMISSION OF NO MORE THAN THE INFORMATION PERMITTED BY RULE 15C2-12.

THE INITIAL PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED AND SOLD ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT OF 1933") AND "ACCREDITED INVESTORS" AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933. SEE "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS" HEREIN. EACH PROSPECTIVE PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT IN THE BONDS, MUST BE ABLE TO BEAR THE ECONOMIC AND FINANCIAL RISK OF SUCH INVESTMENT IN THE BONDS, AND MUST BE ABLE TO AFFORD A COMPLETE LOSS OF SUCH INVESTMENT. CERTAIN RISKS ASSOCIATED WITH THE PURCHASE OF THE BONDS ARE SET FORTH UNDER "BONDHOLDERS' RISKS" HEREIN. EACH PURCHASER, BY ACCEPTING THE BONDS, AGREES THAT IT WILL BE DEEMED TO HAVE MADE THE ACKNOWLEDGMENTS AND REPRESENTATIONS DESCRIBED UNDER THE HEADING "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS."

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE CITY OR THE UNDERWRITER TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY EITHER OF THE FOREGOING. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY AND THERE SHALL BE NO OFFER, SOLICITATION OR SALE OF THE BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE UNITED STATES FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION. THE INFORMATION SET FORTH HEREIN HAS BEEN FURNISHED BY THE CITY AND HAS BEEN OBTAINED FROM SOURCES, INCLUDING THE DEVELOPER, WHICH ARE BELIEVED BY THE CITY AND THE UNDERWRITER TO BE RELIABLE, BUT IT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF THE UNDERWRITER. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS LIMITED OFFERING MEMORANDUM, NOR ANY SALE MADE HEREUNDER, SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY OR THE DEVELOPER SINCE THE DATE HEREOF.

NEITHER THE CITY, THE CITY'S FINANCIAL ADVISOR NOR THE UNDERWRITER MAKE ANY REPRESENTATION AS TO THE ACCURACY, COMPLETENESS, OR ADEQUACY OF THE INFORMATION SUPPLIED BY THE DEPOSITORY TRUST COMPANY FOR USE IN THIS LIMITED OFFERING MEMORANDUM.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH LAWS. THE REGISTRATION OR QUALIFICATION OF THE BONDS UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THEY MAY HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NONE OF SUCH JURISDICTIONS, OR ANY OF THEIR AGENCIES, HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS LIMITED OFFERING MEMORANDUM.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE UNITED STATES SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE SECURITIES ACT OF 1933. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED SUCH AS "PLAN," "EXPECT," "ESTIMATE," "PROJECT," "ANTICIPATE," "BUDGET" OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS

EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE" HEREIN.

THE TRUSTEE HAS NOT PARTICIPATED IN THE PREPARATION OF THIS LIMITED OFFERING MEMORANDUM AND ASSUMES NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS LIMITED OFFERING MEMORANDUM OR THE RELATED TRANSACTIONS AND DOCUMENTS OR FOR ANY FAILURE BY ANY PARTY TO DISCLOSE EVENTS THAT MAY HAVE OCCURRED AND MAY AFFECT THE SIGNIFICANCE OR ACCURACY OF SUCH INFORMATION.

REFERENCES TO WEBSITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER'S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEBSITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS LIMITED OFFERING MEMORANDUM FOR PURPOSES OF, AND AS THAT TERM IS DEFINED IN, RULE 15C2-12.

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PRELIMINARY LIMITED OFFERING MEMORANDUM

$3,815,000*
CITY OF KAUFMAN, TEXAS,
(a municipal corporation of the State of Texas located in Kaufman County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(KAUFMAN PUBLIC IMPROVEMENT DISTRICT NO. 3 PROJECT)

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page, inside cover and appendices hereto, is to provide certain information in connection with the issuance and sale by the City of Kaufman, Texas (the "City"), of its $3,815,000* aggregate principal amount of Special Assessment Revenue Bonds, Series 2024 (Kaufman Public Improvement District No. 3 Project) (the "Bonds").

INITIAL PURCHASERS ARE ADVISED THAT THE BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED INITIALLY TO AND ARE BEING SOLD ONLY TO "ACCREDITED INVESTORS" AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT OF 1933") AND "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933. PROSPECTIVE INVESTORS SHOULD BE AWARE OF CERTAIN RISK FACTORS, ANY OF WHICH, IF MATERIALIZED TO A SUFFICIENT DEGREE, COULD DELAY OR PREVENT PAYMENT OF PRINCIPAL OF, REDEMPTION PREMIUM, IF ANY, AND/OR INTEREST ON THE BONDS. THE BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. SEE "SUITABILITY FOR INVESTMENT" AND "BONDHOLDERS' RISKS."

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "PID Act"), the ordinance authorizing the issuance of the Bonds expected to be enacted by the City Council of the City (the "City Council") on September 30, 2024 (the "Bond Ordinance"), and an Indenture of Trust (the "Indenture"), to be entered into by and between the City and Wilmington Trust, National Association, Dallas, Texas, as trustee (the "Trustee"). The Bonds will be secured by a pledge and lien upon the Trust Estate (as defined in the Indenture) consisting primarily of revenues from special assessments (the "Assessments") levied against assessable property (the "Assessed Property") located within Kaufman Public Improvement District No. 3 (the "District") for the Authorized Improvements (as defined herein) pursuant to a separate ordinance adopted by the City Council on September 30, 2024 (the "Assessment Ordinance"). The City created the District pursuant to a resolution adopted by the City Council on January 24, 2022 (the "Creation Resolution").

Reference is made to the Indenture for a full statement of the authority for, and the terms and provisions of, the Bonds. All capitalized terms used in this Limited Offering Memorandum that are not otherwise defined herein shall have the meanings set forth in the Indenture. See "APPENDIX A — Form of Indenture."

Set forth herein are brief descriptions of the City, Freeman Farm a Series of EIS Development II, LLC (the "Developer"), the District, the Assessment Ordinance, the Bond Ordinance, the Service and Assessment Plan (as defined herein), the Development Agreement (as defined herein), and MuniCap, Inc. (the "Administrator"), together with summaries of terms of the Bonds and the Indenture and certain provisions of the PID Act. All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID Act and all references to the Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. Copies of these documents may be obtained during the period of the offering of the Bonds from the Underwriter, FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Frisco, Texas, 75034, Phone: (214) 302-2245. The Form of Indenture appears in APPENDIX A and the Form of Service and Assessment Plan appears in APPENDIX B. The information provided under this caption "INTRODUCTION" is intended to provide a brief

* *Preliminary; subject to change.*

overview of the information provided in the other captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed hereunder.

PLAN OF FINANCE

The District

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries and extraterritorial jurisdiction, and to impose assessments within the public improvement district to pay for certain improvements. The District was created for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Authorized Improvements, authorized by the PID Act and approved by the City Council, that confer a special benefit on the Assessed Property within the District. The District is not a separate political entity from the City but rather reflects an area within the City that City Council has designated and within which the City is authorized to levy assessments for public improvements. The District is located entirely within the corporate limits of the City. See "THE DISTRICT — Powers and Authority of the City."

Development Plan and Plan of Finance

The District is composed of approximately 25.4 acres which are being developed as a master-planned single family residential development. The Developer expects to develop the District in a single phase with 123 single family residential units in a mix of 50' and 60' lots. See "THE DEVELOPMENT — Development Plan and Status of Development." The City will use the proceeds of the Bonds to fund a portion of the costs of improvements consisting of certain roadway improvements, water improvements, sanitary sewer improvements, storm drainage improvements, and landscaping and open space improvements that will benefit the District (the "Authorized Improvements"). See "THE AUTHORIZED IMPROVEMENTS."

The Developer purchased the land comprising the District on September 13, 2023, from LCH Holdings, LLC (the "Seller") at a purchase price of $1,500,000. The purchase of the land was financed with cash. Development within the district is being funded with a loan (the "Development Loan") from Prosperity Bank (the "Lender") in an amount up to $5,441,670. As of August 1, 2024, the outstanding balance of the Development Loan is $1,521,158.22. The Development Loan is secured by all property in the District. The Developer is the owner of all the property within the District. See "THE DEVELOPER — History and Financing of the District."

The Developer began construction of the Authorized Improvements in February 2024 and expects to complete construction of the Authorized Improvements in November 2024. As of September 1, 2024, the Developer has expended approximately $1,684,255.50 on the costs of the Authorized Improvements, which was funded by the Development Loan. See "THE DEVELOPER — History and Financing of the District." The total expected costs of the Authorized Improvements (including costs of issuance related to the Bonds) are approximately $5,393,750*.

The City will pay a portion of the project costs for the Authorized Improvements from proceeds of the Bonds. The Developer will submit reimbursement requests on a monthly basis for costs actually incurred in developing and constructing the Authorized Improvements and be reimbursed in accordance with the Indenture and the Development Agreement. See "THE AUHTHORIZED IMPROVEMENTS – General," "THE DEVELOPMENT – Development Plan and Status of Development," and "SOURCES AND USES OF FUNDS." The Developer will pay the balance of the costs of the Authorized Improvements without reimbursement from the City.

The Bonds

Proceeds of the Bonds will be used primarily to finance (i) a portion of the costs of the Authorized Improvements, (ii) funding the Bond Reserve Account of the Reserve Fund, (iii) funding a portion of the Delinquency and Prepayment Reserve Account, (iv) paying capitalized interest on the Bonds, and (v) paying the costs of issuance of the Bonds. To the extent that a portion of the proceeds of the Bonds is allocated for the payment of the costs of issuance of the Bonds and less than all of such amount is used to pay such costs, the excess amount shall be transferred

* Preliminary, subject to change

to the Bond Principal and Interest Account of the Bond Fund (as defined herein) to pay interest on the Bonds. See "THE AUTHORIZED IMPROVEMENTS," "APPENDIX A – Form of Indenture" and "SOURCES AND USES OF FUNDS."

Payment of the Bonds is secured by a pledge of and a lien upon the Pledged Revenues (as defined herein) and other funds comprising the Trust Estate, consisting primarily of the Assessments levied against the Assessed Property within the District, all to the extent and upon the conditions described herein and in the Indenture. See "SECURITY FOR THE BONDS," "ASSESSMENT PROCEDURES," "APPENDIX A - Form of Indenture" and "APPENDIX B - Form of Service and Assessment Plan."

The Bonds shall never constitute an indebtedness or general obligation of the City, the State of Texas (the "State") or any other political subdivision of the State, within the meaning of any constitutional provision or statutory limitation whatsoever, but the Bonds are limited and special obligations of the City payable solely from the Trust Estate as provided in the Indenture. Neither the faith and credit nor the taxing power of the City, the State or any other political subdivision of the State is pledged to the payment of the Bonds.

DESCRIPTION OF THE BONDS

General Description

The Bonds will mature on the dates and in the amounts set forth in the inside cover page of this Limited Offering Memorandum. Interest on the Bonds will accrue from their date of delivery to the Underwriter and will be computed on the basis of a 360-day year of twelve 30-day months. Interest on the Bonds will be payable on each March 15 and September 15, commencing March 15, 2025 (each an "Interest Payment Date"), until maturity or prior redemption. Wilmington Trust, National Association, Dallas, Texas, is the initial Trustee, Paying Agent and Registrar for the Bonds.

The Bonds will be issued in fully registered form, without coupons, in authorized denominations of $100,000 of principal and any integral multiple of $1,000 in excess thereof ("Authorized Denominations"). No physical delivery of the Bonds will be made to the beneficial owners thereof. Upon initial issuance, the ownership of the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), and purchases of beneficial interests in the Bonds will be made in book-entry only form. Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to beneficial owners of the Bonds. See "BOOK-ENTRY ONLY SYSTEM" and "SUITABILITY FOR INVESTMENT."

Redemption Provisions

Optional Redemption. The City reserves the right and option to redeem Bonds maturing on or after September 15, 20__ in whole or in part, before their respective scheduled maturity dates, on September 15, 20__ or on any date thereafter, such redemption date or dates to be fixed by the City, at a Redemption Price equal to the principal amount of the Bonds called for redemption plus accrued and unpaid interest to the date fixed for redemption.

The City, at least 45 days before the redemption date (unless a shorter period shall be satisfactory to the Paying Agent/Registrar), shall notify the Paying Agent/Registrar of such redemption date and of the principal amount of Bonds to be redeemed.

Extraordinary Optional Redemption. Pursuant to the Indenture, the City reserves the right and option to redeem Bonds before their respective scheduled maturity date, in whole or in part, on any business day, at a redemption price of 100% of the principal amount of such Bonds, or portions thereof, to be redeemed plus accrued and unpaid interest to the date of redemption, from amounts on deposit in the Redemption Fund as a result of Prepayments, or any other transfers to the Redemption Fund, as set forth in the Indenture. The City direction for such redemption shall include details with regard to a corresponding reduction in the Bond Reserve Account Requirement, as contemplated by the definition thereof. See "ASSESSMENT PROCEDURES — Prepayment of Assessments" for the definition and description of Prepayments. See "APPENDIX A – Form of Indenture."

Mandatory Sinking Fund Redemption. The Bonds are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at a redemption price equal to the principal amount thereof plus accrued and unpaid interest thereon to the date set for redemption, from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to the Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedules:

$_____ Term Bonds Maturing September 15, 20__

Redemption Date	Sinking Fund Installment
September 15, 20__	$
September 15, 20__	
September 15, 20__†	

$_____ Term Bonds Maturing September 15, 20__

Redemption Date	Sinking Fund Installment
September 15, 20__	$
September 15, 20__	
September 15, 20__†	

† Stated maturity.

At least forty-five (45) days prior to each scheduled mandatory redemption date, the Trustee will select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Term Bonds equal to the aggregate principal amount of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in the Indenture.

The principal amount of the Term Bonds required to be redeemed on any redemption date shall be reduced, at the option of the City, by the principal amount of any Term Bonds which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the City, and delivered to the Trustee for cancellation, or (ii) shall have been redeemed pursuant to the optional or extraordinary optional redemption provisions in the Indenture and not previously credited to a mandatory sinking fund redemption .

Notice of Redemption. The Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register.

The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, and subject to the provisions of the Indenture with respect to partial redemption, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond shall become due and payable.

Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

The City reserves the right, in the case of an optional or extraordinary optional redemption pursuant to the Indenture, to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the City retains the right

to rescind such notice at any time on or prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption and such redemption has been rescinded shall remain Outstanding and the rescission of such redemption shall not constitute an event of default. Further, in the case of a conditional redemption, the failure of the City to make moneys and or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

The Paying Agent/Registrar and the City, so long as a book-entry-only system is used for the Bonds, will send any notice of redemption relating to the Bonds only to DTC. Any failure by DTC to advise any DTC participant, or of any DTC participant or indirect participant to notify the Beneficial Owner, will not affect the validity of the redemption of the Bonds called for redemption or any other action premised on any such notice. Redemptions of portions of the Bonds by the City will reduce the outstanding principal amount of such Bonds held by DTC. In such event, DTC may implement, through its book-entry-only system, a redemption of such Bonds held for the account of DTC participants in accordance with its rules or other agreements with DTC participants and then DTC participants and indirect participants may implement a redemption of such Bonds from the Beneficial Owners. Any such selection of Bonds within a maturity to be redeemed will not be governed by the Bond Ordinance and will not be conducted by the City or the Paying Agent/Registrar. Neither the City nor the Paying Agent/Registrar will have any responsibility to DTC participants, indirect participants or the persons for whom DTC participants act as nominees, with respect to the payments on the Bonds or the providing of notice to DTC participants, indirect participants, or Beneficial Owners of the selection of portions of the Bonds for redemption (see "BOOK-ENTRY ONLY SYSTEM" herein).

Additional Provisions with Respect to Redemption.

If less than all of the Bonds are to be redeemed pursuant to a mandatory sinking fund redemption, optional redemption, or extraordinary optional redemption, Bonds shall be redeemed in minimum principal amounts of $1,000 or any integral thereof. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by $1,000. No redemption shall result in a Bond in a denomination of less than the Authorized Denomination in effect at that time; provided, however, if the amount of the Outstanding Bond is less than an Authorized Denomination after giving effect to such partial redemption, a Bond in the principal amount equal to the unredeemed portion, but not less than $1,000, may be issued.

If less than all of the Bonds are to be redeemed pursuant to optional or extraordinary optional redemption, such redemption shall be effected by redeeming Bonds in such manner as may be specified by the City in a City Certificate; provided, however that in the absence of such instruction from the City by the date required for the sending of notice of redemption pursuant to the Indenture, the Bonds shall be redeemed by any method selected by the Trustee that results in a pro rata reduction of the Outstanding maturities, treating each date on which a Sinking Fund Installment is due as a separate maturity for such purpose.

Upon surrender of any Bond for redemption in part, the Trustee in accordance with the Indenture, shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, such exchange being without charge.

BOOK-ENTRY ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by DTC, while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Limited Offering Memorandum. The City and the Underwriter believe the source of such information to be reliable, but neither the City nor the Underwriter takes responsibility for the accuracy or completeness thereof.

The City cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices,

to the Beneficial Owners, or that they will do so on a timely basis or (3) DTC will serve and act in the manner described in this Limited Offering Memorandum. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all Bonds of the same maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant of such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and all other payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Paying Agent/Registrar, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, the Paying Agent/Registrar, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, the Paying Agent/Registrar or the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered. Thereafter, Bond certificates may be transferred and exchanged as described in the Indenture.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but none of the City, the City's Financial Advisor or the Underwriter take any responsibility for the accuracy thereof.

NONE OF THE CITY, THE TRUSTEE, THE PAYING AGENT, THE CITY'S FINANCIAL ADVISOR OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE BONDS. THE CITY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE DTC PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR PROVIDE ANY NOTICES TO THE BENEFICIAL OWNERS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS LIMITED OFFERING MEMORANDUM. THE CURRENT RULES APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION, AND THE CURRENT PROCEDURES OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

LIMITATIONS APPLICABLE TO INITIAL PURCHASERS

Each initial purchaser is advised that the Bonds being offered pursuant to this Limited Offering Memorandum are being offered and sold only to "accredited investors" as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act of 1933") and "qualified institutional buyers" as defined in Rule 144A promulgated under the Securities Act of 1933. Each initial purchaser of the Bonds (each, an "Investor") will be deemed to have acknowledged, represented and warranted to the City as follows:

1) The Investor has authority and is duly authorized to purchase the Bonds and to execute any instruments and documents required to be executed by the Investor in connection with the purchase of the Bonds.

2) The Investor is an "accredited investor" under Rule 501 of Regulation D of the Securities Act of 1933 or a "qualified institutional buyer" under Rule 144A of the Securities Act of 1933, and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Bonds.

3) The Bonds are being acquired by the Investor for investment and not with a view to, or for resale in connection with, any distribution of the Bonds, and the Investor intends to hold the Bonds solely for its own account for investment purposes and for an indefinite period of time, and does not intend at this time to dispose of all or any part of the Bonds. However, the Investor may sell the Bonds at any time the Investor deems appropriate. The Investor understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible.

4) The Investor understands that the Bonds are not registered under the Securities Act of 1933 and that such registration is not legally required as of the date hereof; and further understands that the Bonds (a) are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, and (c) will not carry a rating from any rating service.

5) The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the Authorized Improvements, the Bonds, the security therefor, and such other information as the Investor has deemed necessary or desirable in connection with its decision to purchase the Bonds (collectively, the "Investor Information"). The Investor has received a copy of this Limited Offering Memorandum relating to the Bonds. The Investor acknowledges that it has assumed responsibility for its review of the Investor Information and it has not relied upon any advice, counsel, representation or information from the City in connection with the Investor's purchase of the Bonds. The Investor agrees that none of the City, its councilmembers, officers, or employees shall have any liability to the Investor whatsoever for, or in connection with the Investor's decision to purchase the Bonds except for fraud or willful misconduct, to the extent permitted by law. For the avoidance of doubt, it is acknowledged that the Underwriter is not deemed an officer or employee of the City.

6) The Investor acknowledges that the obligations of the City under the Indenture are special, limited obligations payable solely from amounts paid to the City pursuant to the terms of the Indenture and the City shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of the City for amounts due under the Indenture. The Investor understands that the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the City, the State or any political subdivision or taxing district thereof; that the Bonds will never represent or constitute a general obligation or a pledge of the faith and credit of the City, the State or any political subdivision thereof; that no right will exist to have taxes levied by the State or any political subdivision thereof for the payment of principal and interest on the Bonds; and that the liability of the City and the State with respect to the Bonds is subject to further limitations as set forth in the Bonds and the Indenture.

7) The Investor has made its own inquiry and analysis with respect to the Bonds and the security therefor. The Investor is aware that the development of the District involves certain economic and regulatory variables and risks that could adversely affect the security for the Bonds.

8) The Investor acknowledges that the sale of the Bonds to the Investor is made in reliance upon the certifications, representations and warranties described in items 1-7 above.

SECURITY FOR THE BONDS

The following is a summary of certain provisions contained in the Indenture. Reference is made to the Indenture for a full statement of the terms and provisions of the Bonds. Investors must read the entire Indenture to

obtain information essential to the making of an informed investment decision. See "APPENDIX A — Form of Indenture."

General

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE. AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE. SEE "APPENDIX A — FORM OF INDENTURE."

The principal of, premium, if any, and interest on the Bonds are secured by a pledge of and a lien upon the pledged revenues (the "Pledged Revenues"), consisting primarily of Assessments levied against the Assessed Property within the District and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. In accordance with the PID Act, the City has caused the preparation of a Service and Assessment Plan (as may be amended and supplemented, the "Service and Assessment Plan"), which describes the special benefit received by the property within the District, provides the basis and justification for the determination of special benefit on such property, establishes the methodology for the levy of Assessments and provides for the allocation of Pledged Revenues for payment of principal of, premium, if any, and interest on the Bonds. The Service and Assessment Plan is reviewed and updated annually for the purpose of determining the annual budget for improvements and the Annual Installments (as defined below) of Assessments due in a given year. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future landowners within the District. See "APPENDIX B — Form of Service and Assessment Plan."

Pledged Revenues

The City is authorized by the PID Act, the Assessment Ordinance and other provisions of law to finance the Authorized Improvements by levying Assessments upon properties in the District benefitted thereby. For a description of the assessment methodology and the amounts of Assessments expected to be levied in the District. See "ASSESSMENT PROCEDURES" and "APPENDIX B — Form of Service and Assessment Plan."

Pursuant to the Indenture, Pledged Revenues are the sum (i) Annual Installments (excluding the portion of the Annual Installments collected for the payment of Administrative Expenses and Delinquent Collection Costs), (ii) the moneys held in any of the Pledged Funds and Accounts, and (iii) any additional revenues that the City may pledge to the payment of Bonds. "Annual Installments" means, (i) the Assessments including both principal and interest, as shown on the Assessment Roll attached as Appendix G to the Service and Assessment Plan, or in an Annual Service Plan Update, and calculated as provided in Section VI the Service and Assessment Plan; (ii) the 0.50% additional interest rate (the "Additional Interest") collected pursuant to the Service and Assessment Plan and deposited to the Delinquency and Prepayment Reserve Account interest; and (iii) Administrative Expenses. The City will covenant in the Indenture that it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof to be enforced continuously. See "SECURITY FOR THE BONDS — Pledged Revenue Fund," "APPENDIX A — Form of Indenture" and "APPENDIX B — Form of Service and Assessment Plan."

The PID Act provides that the Assessments (including any reassessment, with interest, the expense of collection and reasonable attorney's fees, if incurred) are a first and prior lien (the "Assessment Lien") against the

property assessed, superior to all other liens or claims, except liens and claims for State, county, school district, or municipality ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named, and runs with the land. Pursuant to the PID Act, the Assessment Lien is effective from the date of the Assessment Ordinance until the Assessments are paid (or otherwise discharged), and is enforceable by the City Council in the same manner that an ad valorem property tax levied against real property may be enforced by the City Council. See "ASSESSMENT PROCEDURES" herein. The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Ordinance. However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinance ("Pre-existing Homestead Rights") for as long as such rights are maintained on the property. See "BONDHOLDERS RISKS – Assessment Limitations."

Collection and Deposit of Assessments

The Assessments shown on the Assessment Roll, together with the interest thereon, shall be applied to, and are set at a sufficient level to fund (i) the payment of the principal of and interest on the Bonds, including Additional Interest (ii) the reserve funds and accounts related to the Bonds, as set forth in the Indenture, and (iii) payment of Administrative Expenses, all as and to the extent provided in the Service and Assessment Plan and the Indenture.

The Assessments assessed to pay debt service on the Bonds, together with interest thereon, are payable in Annual Installments established by the Assessment Ordinance and the Service and Assessment Plan to correspond, as nearly as practicable, to the debt service requirements for the Bonds. An Annual Installment of a Special Assessment has been made payable in the Assessment Ordinance in each fiscal year of the City preceding the date of final maturity of the Bonds which, if collected, will be sufficient to first pay debt service requirements attributable to Assessments in the Service and Assessment Plan. Each Annual Installment is payable as provided in the Service and Assessment Plan and the Assessment Ordinance.

A record of the Assessments on each parcel, tract or lot which are to be collected in each year during the term of the Bonds is shown on the Assessment Roll. Sums received from the collection of the Assessments to pay the debt service requirements (including Foreclosure Proceeds (as defined in the Indenture)) and of the interest thereon shall be deposited into the Pledged Revenue Fund. Notwithstanding the foregoing, the Trustee shall deposit Foreclosure Proceeds to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer Foreclosure Proceeds first to the Reserve Fund to restore any transfers from the Reserve Fund made with respect to the Assessed Property to which the Foreclosure Proceeds relate, and second, to the Redemption Fund. Any portion of the Foreclosure Proceeds attributable to Administrative Expenses shall be deposited in the Administrative Fund. Any portion of the Foreclosure Proceeds attributable to Delinquent Penalties and Interest shall be deposited to the Delinquency and Prepayment Reserve Account of the Reserve Fund until the Delinquency and Prepayment Reserve Requirement is met and then to the Administrative Fund. See "SECURITY FOR THE BONDS — Pledged Revenue Fund" and APPENDIX A — Form of Indenture.

The portions of the Annual Installments of Assessments collected to pay Administrative Expenses and Delinquent Collection Costs shall be deposited in the Administrative Fund and shall not constitute Pledged Revenues.

Unconditional Levy of Assessments

The City will impose Assessments on the property within the District as described in the Service and Assessment Plan and such Assessments shall pay the principal of and interest on the Bonds coming due during each Fiscal Year as described in the Indenture and in the Service and Assessment Plan. The Assessments shall be effective on the date of, and strictly in accordance with the terms of, the Assessment Ordinance. Each Assessment may be paid in full at any time or in periodic Annual Installments over a period of time equal to the term of the Bonds, which installments shall include interest on the Assessments, Additional Interest and Administrative Expenses. Pursuant to the Assessment Ordinance, interest on the Assessments for each lot within the District will begin to accrue on the date specified in the Service and Assessment Plan and shall bear interest at the rate of the Bonds, plus Additional Interest. Each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be invoiced by the City or the County Tax Assessor/Collector or another collection entity engaged by the City at approximately the same time as the City's annual property tax bill and shall be billed each year. Each Annual Installment together with interest

thereon shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments will be delinquent if not paid prior to February 1, 2026. Currently the City bills its own taxes and assessments.

As authorized by Section 372.018(b) of the PID Act, the City will calculate and collect each year while the Bonds are Outstanding and unpaid, commencing with bills mailed on or about October 1 of each year, a portion of each Annual Installment to pay the annual costs incurred by the City in the administration and operation of the District. The portion of each Annual Installment used to pay such annual costs shall remain in effect from year to year until all Bonds are finally paid or until the City adjusts the amount of the levy after an annual review in any year pursuant to Section 372.013 of the PID Act. The portion of each Annual Installment to pay Administrative Expenses shall be due in the manner set forth in the Assessment Ordinance and Service and Assessment Plan and shall be delinquent if not paid by February 1 of the following year. Such portion of each Annual Installment to pay Administrative Expenses does not secure repayment of the Bonds.

There will be no discount for the early payment of Assessments.

Assessments, together with interest, penalties, and expense of collection and reasonable attorneys' fees, as permitted by the Texas Tax Code, shall be a first and prior lien against the property assessed, superior to all other liens and claims, except liens or claims for State, county, school district or municipality ad valorem taxes and shall be a personal liability of and charge against the owner of the property regardless of whether the owners are named and such lien runs with the land. The lien for Assessments and penalties and interest begins on the effective date of the Assessment Ordinance and continues until the Assessments are paid or until all Bonds are finally paid.

Failure to pay an Annual Installment when due will not accelerate the payment of the remaining Annual Installments of the Assessments and such remaining Annual Installments (including interest) shall continue to be due and payable at the same time and in the same amount and manner as if such default had not occurred.

Perfected Security Interest

The lien on and pledge of the Trust Estate shall be valid and binding and fully perfected from and after the Closing Date, without physical delivery or transfer of control of the Trust Estate, the filing of this Indenture or any other act; all as provided in Texas Government Code, Chapter 1208, as amended, which applies to the issuance of the Bonds and the pledge of the Trust Estate granted by the City under this Indenture, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bonds are Outstanding such that the pledge of the Trust Estate granted by the City under this Indenture is to be subject to the filing requirements of Texas Business and Commerce Code, Chapter 9, as amended, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Texas Business and Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in said pledge to occur. See "APPENDIX A — Form of Indenture."

Pledged Revenue Fund

On or before February 1 (provided that Pledged Revenues have been received by the City, or if not, then as soon available) while the Bonds are Outstanding, beginning February 1, 2025, the City shall deposit or cause to be deposited the Pledged Revenues (which excludes, for the avoidance of doubt that portion of the Annual Installments collected for the payment of Administrative Expenses and Delinquent Collection Costs, which shall be deposited pursuant to as described under "— Administrative Fund" below)) into the Pledged Revenue Fund which deposit shall be directed by the City to the Trustee pursuant to a City Certificate. Specifically, except as set forth in the Indenture, the Pledged Revenues shall be deposited to the Pledged Revenue Fund to be used in the following order of priority:

1) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund amounts sufficient to pay debt service on the Bonds coming due on each Interest Payment Date in the next Bond Year.

2) second, to the Bond Reserve Account in an amount to cause the amount in the Bond Reserve Account to equal the Bond Reserve Account Requirement as described under "—Bond Reserve Account of Reserve Fund" and "— Delinquency and Prepayment Account of the Reserve Fund,"

3) third, amounts representing Additional Interest to the Delinquency and Prepayment Reserve Account in an amount equal to the Delinquency and Prepayment Reserve Requirement, and

4) fourth, in accordance with the written direction of the City, to pay other costs permitted by the PID Act.

Notwithstanding the foregoing, if any funds remain on deposit in the Pledged Revenue Fund after the transfers required by clauses (1) through (3) above are made, the City shall have the option, in its sole and absolute discretion, to transfer such excess funds into the Redemption Fund to redeem Bonds as provided in Article 4.

The City or the Administrator on behalf of the City shall direct the Trustee in writing with respect to the portions of the Pledged Revenues to be deposited pursuant to the Indenture as Additional Interest, Prepayments or Foreclosure Proceeds. For the avoidance of doubt, all portions of the Annual Installment collected as Additional Interest shall be deposited pursuant only to (1), (2) and (3) above.

From time to time as needed to pay the obligations relating to the Bonds, but no later than five (5) Business Days before each Interest Payment Date, the Trustee shall withdraw from the Bond Pledged Revenue Account of the Pledged Revenue Fund and transfer to the Principal and Interest Account, an amount, taking into account any amounts then on deposit in such Principal and Interest Account, such that the amount on deposit in the Principal and Interest Account equals the principal (including any Sinking Fund Installments) and interest due on the Bonds on the next Interest Payment Date.

If, after the foregoing transfers and any transfer from the Reserve Fund as provided in the Indenture herein, there are insufficient funds to make the payments provided in paragraph (b) above, the Trustee shall apply the available funds in the Principal and Interest Account first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Bonds.

Notwithstanding the paragraphs above:

1) the Trustee shall deposit Additional Interest to the Pledged Revenue Fund and shall transfer all or a portion of such Additional Interest to the Delinquency and Prepayment Reserve Account as set forth in the Indenture and as otherwise directed by the Indenture with respect to provisions relating to Rebatable Arbitrage;

2) the Trustee shall deposit Prepayments to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer such Prepayments to the Redemption Fund; and

3) the Trustee shall deposit Foreclosure Proceeds to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer Foreclosure Proceeds first to the Reserve Fund, to restore any transfers from the applicable account of the Reserve Fund made with respect to the Assessed Property to which the Foreclosure Proceeds relate, and second, to the Redemption Fund. Notwithstanding the foregoing, any portion of Foreclosure Proceeds that are attributable to Administrative Expenses (as identified to the Trustee in writing) shall be deposited to the Administrative Fund, and any portion of Foreclosure Proceeds attributable to Delinquent Penalties and Interest (as identified to the Trustee in writing) shall be deposited to the Delinquency and Prepayment Reserve Account of the Reserve Fund until the Delinquency and Prepayment Reserve Requirement is met and then to the Administrative Fund.

After satisfaction of the requirements to (i) provide for the payment of the principal and interest on the Bonds and (ii) to fund any deficiency that may exist in the Reserve Fund (including the funding of the Delinquency and Prepayment Reserve Account), the City may direct the Trustee by City Certificate to apply Assessments for any lawful purposes permitted by the PID Act for which Assessments may be paid.

Assessments representing Delinquent Penalties and Interest shall be deposited first to the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Account Reserve Requirement is met and then to the Administrative Fund.

Any Assessments remaining after satisfying the foregoing payments may be used for any lawful purpose for which Assessments may be used under the PID Act and such payments shall be applied in accordance with written direction from a City Representative to the Trustee.

Bond Fund

No later than on each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account and transfer to the Paying Agent/Registrar the principal (including any Sinking Fund Installments) and/or interest then due and payable on the Bonds.

If amounts in the Principal and Interest Account are insufficient for the payment of principal of and interest due on the Bonds, the Trustee shall withdraw first from the Delinquency and Prepayment Reserve Account of the Reserve Fund and second from the Bond Reserve Account of the Reserve Fund amounts to cover the amount of such insufficiency. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the Paying Agent/Registrar.

Moneys in the Capitalized Interest Account shall be used for the payment of interest on the Bonds on the following dates and in the following amounts:

Date	Amount
March 15, 2025	
September 15, 2025	

Any amounts on deposit in the Capitalized Interest Account after they payment of interest on the dates and in the amounts listed above shall be transferred, at the direction of the City to the Authorized Improvement Account of the Project Fund, or to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

Project Fund

The Project Fund under the Indenture contains the Authorized Improvements Account and the Costs of Issuance Account. Money on deposit in the Authorized Improvements Account and the Costs of Issuance Account of the Project Fund shall be used for the payment of the costs of the Authorized Improvements.

Disbursements from the Costs of Issuance Account shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more City Certificates.

Except as otherwise provided in the Indenture, money on deposit in the Authorized Improvements Account of the Project Fund, shall be used solely to pay the costs of the Authorized Improvements. Upon receipt of a reviewed and approved Certificate for Payment for any Improvement Costs (as defined in the Indenture), the Trustee shall make payment from the Authorized Improvements Account of the Project Fund. Except as provided in in the next succeeding paragraphs below, money on deposit in the Authorized Improvements Account shall be used solely to pay the Improvement Costs as set forth in the applicable Certificate for Payment.

If the City Representative determines in his or her sole discretion that amounts then on deposit in the Authorized Improvements Account are not expected to be expended for purposes thereof due to the abandonment, or constructive abandonment, of the Authorized Improvements, such that, in the opinion of the City Representative, it is unlikely that the amounts in the Authorized Improvement Account will ever be expended for the purposes thereof, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Authorized Improvements Account that are not expected to be used for purposes thereof. If such City Certificate is so filed, the amounts identified on the City Certificate currently on deposit in the Authorized Improvements Account shall be transferred to the Redemption Fund to redeem Bonds on the earliest practicable date after notice of redemption has been provided in accordance with the Indenture and the Authorized Improvement Account shall be closed.

Upon the filing of a City Certificate stating that all Authorized Improvements have been completed and that all Authorized Improvements Costs have been paid, or that any such costs are not required to be paid from the

Authorized Improvements Account pursuant to a Certificate for Payment, the Trustee shall transfer the amount, if any, remaining within the Authorized Improvements Account to the Principal and Interest Account or to the Redemption Fund as directed by the City Representative in a City Certificate filed with the Trustee, and shall close the Authorized Improvements Account of the Project Fund.

Upon a determination by the City Representative that all costs of issuance of the Bonds have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to the Bond Fund and used to pay interest on the Bonds, and the Costs of Issuance Account shall be closed.

Bond Reserve Account of the Reserve Fund

Pursuant to the Indenture, a Bond Reserve Account will be created within the Reserve Fund for the benefit of the Bonds and held by the Trustee and will be funded with proceeds of the Bonds in the amount of the Bond Reserve Account Requirement. Pursuant to the Indenture, the "Bond Reserve Account Requirement" for the Bonds shall be an amount equal to the least of (i) Maximum Annual Debt Service on the Bonds as of their date of issuance, (ii) 125% of average Annual Debt Service on the Bonds as of their date of issuance, or (iii) 10% of the stated principal amount of the Bonds as of the date of issuance; provided, however, that subsequent to the date of issuance of the Bonds, such Bond Reserve Account Requirement shall be recalculated for compliance with the above upon (a) any transfers made pursuant to the Indenture, (b) a mandatory sinking fund redemption pursuant to the terms of the Indenture, (c) an optional redemption pursuant to the terms of the Indenture, or (d) an extraordinary optional redemption pursuant to the terms of the Indenture. As of the date of delivery of the Bonds, the Bond Reserve Account Requirement is $_____.

The City agrees with the Owners of the Bonds to accumulate, and when accumulated, maintain in the Bond Reserve Account, an amount equal to not less than the Bond Reserve Account Requirement. Subject to the paragraphs below, all amounts deposited in the Bond Reserve Account of the Reserve Fund shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund in the event of any deficiency in such Principal and Interest Account on any Interest Payment Date or any date on which principal of the Bonds is due.

Whenever a transfer is made from the Bond Reserve Account to the Principal and Interest Account of the Bond Fund due to a deficiency in the Principal and Interest Account, the Trustee shall provide written notice thereof to the City, specifying the amount withdrawn.

Whenever, on any Interest Payment Date, or on any other date at the request of a City Representative, the amount in the Bond Reserve Account exceeds the Bond Reserve Account Requirement, the Trustee shall provide written notice to the City Representative and the Administrator of the amount of the excess. Upon receipt of a City Certificate, the Trustee shall transfer such excess to (i) the Principal and Interest Account, (ii) the Redemption Fund or (iii) the Administrative Expense Fund in compliance with the Indenture, as set forth in the City Certificate. The excess amounts transferred from the Bond Reserve Account to the Administrative Expense Fund will be presumed to have been transferred, first, from sources other than Bond proceeds (including investment earnings on such proceeds) and, second, from amounts that are Bond proceeds (including investment earnings on such proceeds).

At the final maturity of the Bonds, the amount on deposit in the Bond Reserve Account shall be transferred to the Redemption Fund and applied to the payment of the principal of the Bonds. If, after a Bond Reserve Account withdrawal, the amount on deposit in the Bond Reserve Account is less than the Bond Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Bond Reserve Account the amount of such deficiency, in accordance with the Indenture, but only to the extent that such amount is not required for the timely payment of principal, interest, or Sinking Fund Installments.

At the final maturity of the Bonds, the amount on deposit in the Bond Reserve Account and the Delinquency and Prepayment Reserve Account shall be transferred to the Principal and Interest Account and applied to the payment of the principal of the Bonds.

If the amount held in the Bond Reserve Account, together with the amounts held in the Pledged Revenue Fund and the Principal and Interest Account and Redemption Fund, is sufficient to pay the principal amount of all

Outstanding Bonds on the next Interest Payment Date, together with the unpaid interest accrued on such Bonds as of such Interest Payment Date, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds as of such Interest Payment Date.

Whenever Bonds are to be redeemed with the proceeds of Prepayments pursuant to an extraordinary optional redemption, a proportionate amount in the Bond Reserve Account shall be transferred on the Business Day prior to the redemption date by the Trustee to the Redemption Fund to be applied to the redemption of the Bonds as detailed in a City Certificate. The amount so transferred from the Bond Reserve Account shall be a proportional amount equal to a percentage of the amount of the Bonds redeemed with such percentage equal to the lesser of: (i) the amount required to be in the Bond Reserve Account, as a percentage of the Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Bond Reserve Account, as a percentage of the Outstanding Bonds prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayment toward payment of accrued interest on the Bonds, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption of the Bonds to be redeemed as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall from the Delinquency and Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.

The cumulative amount of any Bond proceeds (including investment earnings on such proceeds) that are transferred to the Administrative Fund pursuant to the provisions above under this subheading and subsequently used for the payment of operating costs directly relating to the Authorized Improvements will not exceed 5% of sale proceeds of the Bonds. The Trustee shall have no liability or responsibility for compliance with this section so long as it follows the written instructions from the City.

Delinquency and Prepayment Reserve Account of the Reserve Fund

Pursuant to the Indenture, a Delinquency and Prepayment Reserve Account will be created within the Reserve Fund and held by the Trustee for the benefit of the Bonds. In addition to the initial deposit to the Delinquency and Prepayment Reserve Account of the Reserve Fund pursuant to the Indenture, Additional Interest shall be deposited to the Delinquency and Prepayment Reserve Account of the Reserve Fund pursuant to the Indenture until such time that the amount on deposit in the Delinquency and Prepayment Reserve Account is at least equal to the Delinquency and Prepayment Reserve Requirement. Whenever, at the written request of the City Representative, on any Interest Payment Date or on any other date, the amount in the Delinquency and Prepayment Reserve Account exceeds the Delinquency and Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess. The City shall direct the Trustee in writing to transfer the amounts of such excess in the Delinquency and Prepayment Reserve Account to (i) the Bond Reserve Account to restore any deficiency in the Bond Reserve Account up to the Bond Reserve Account Requirement, (ii) the Administrative Fund for payment of Administrative Expenses (in compliance with the Indenture), or (iii) to the Redemption Fund to be used to redeem Bonds pursuant to an optional redemption. The excess amounts transferred from the Delinquency and Prepayment Reserve Account of the Reserve Fund to the Administrative Fund will be presumed to have been transferred, first, from sources other than Bond proceeds (including investment earnings on such proceeds) and, second, from amounts that are Bond proceeds (including investment earnings on such proceeds). In the event that the Trustee does not receive a City Certificate directing the transfer of the excess Delinquency and Prepayment Reserve funds within forty-five (45) days of providing notice to the City of such excess Delinquency and Prepayment Reserve amount, the Trustee shall transfer the excess Delinquency and Prepayment Reserve amount to the Redemption Fund and provide the City with written notification of the transfer. The Trustee shall incur no liability for the accuracy or validity of the transfer if compliant with the Indenture.

Whenever Bonds are to be redeemed with the proceeds of Prepayments pursuant to an extraordinary optional redemption, if there are insufficient funds in the Redemption Fund from such Prepayments to redeem the Bonds on their redemption date, the Trustee shall transfer funds from the Delinquency and Prepayment Reserve Account to the Redemption Fund in the amount of the deficiency and such funds shall be used to redeem Bonds pursuant to an extraordinary optional redemption.

Administrative Fund

The City will create an Administrative Fund under the Indenture held by the Trustee. The City shall deposit or cause to be deposited to the Administrative Fund the amounts collected each year to pay Administrative Expenses and Delinquent Collection Costs. The City or the Administrator on behalf of the City shall direct the Trustee pursuant to the City Certificate with respect to the portions of the Annual Installments collected for the payment of Administrative Expenses and Delinquent Collection Costs to be deposited pursuant to the Indenture.

Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered under the Indenture and used as directed by a City Certificate solely for the purposes set forth in the Service and Assessment Plan, including payment of Administrative Expenses and Delinquent Collection Costs. See "APPENDIX B — Form of Service and Assessment Plan."

THE ADMINISTRATIVE FUND IS NOT PART OF THE TRUST ESTATE AND IS NOT SECURITY FOR THE BONDS.

Defeasance

All Outstanding Bonds shall prior to the Stated Maturity or redemption date thereof be deemed to have been paid and to no longer be deemed Outstanding if (i) in case any such Bonds are to be redeemed on any date prior to their Stated Maturity, the Trustee shall have given notice of redemption on said date as provided in the Indenture, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with any moneys deposited with the Trustee at the same time, shall be sufficient to pay when due the principal of and interest on of the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (iii) the Trustee shall have received a report by an independent certified public accountant selected by the City verifying the sufficiency of the moneys or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest on of the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (iv) if the Bonds are then rated, the Trustee shall have received written confirmation from each rating agency then rating the Bonds that such deposit will not result in the reduction or withdrawal of the rating on the Bonds. Neither Defeasance Securities nor moneys so deposited with the Trustee nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall be reinvested in Defeasance Securities as directed by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds on and prior to such redemption date or maturity date thereof, as the case may be as the case may be, only upon receipt by the Trustee of (i) a report by an independent certified public accountant selected by the City, after giving effect to such request, verifying the sufficiency of the moneys or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest on the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be and (ii) an opinion of Bond Counsel stating that that no adverse federal tax consequences will result from reinvesting such cash. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

"Defeasance Securities" means Investment Securities then authorized by applicable law for the investment of funds to defease public securities. "Investment Securities" means those authorized investments described in the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended (the "PFIA"); and provided further such investments and are, at the time made, included in and authorized by the City's official investment policy as approved by the City Council from time to time. Under current State law, Investment Securities that are authorized for the investment of funds to defease public securities are (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America; (b) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality, and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent; and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and

that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Indenture does not contractually limit such investments, Owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Defeasance Securities or that for any other Defeasance Security will be maintained at any particular rating category.

Events of Default

Each of the following occurrences or events constitutes an "Event of Default" under the Indenture:

(i) the failure of the City to deposit the Pledged Revenues to the Pledged Revenue Fund;

(ii) the failure of the City to enforce the collection of the Assessments including the prosecution of foreclosure proceedings;

(iii) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable and such failure is not remedied within thirty (30) days; and

(iv) default in the performance or observance of any covenant, agreement or obligation of the City under the Indenture and the continuation thereof for a period of ninety (90) days after written notice to the City by the Trustee, or by the Owners of at least 25% of the aggregate outstanding principal amount of the Bonds with a copy to the Trustee, specifying such default by the Owners of at least 25% of the Bonds at the time Outstanding requesting that the failure be remedied.

Immediate Remedies in Event of Default

Upon the happening and continuance of any Event of Default, the Owners of at least 25% the aggregate outstanding principal of the Bonds, may proceed against the City for the purpose of protecting and enforcing the rights of the Owners under the Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained in the Indenture, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted.

THE PRINCIPAL OF THE BONDS SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

If the assets of the Trust Estate are sufficient to pay all amounts due with respect to all Outstanding Bonds, in the selection of Trust Estate assets to be used in the payment of Bonds due under this Article, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Certificate, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Certificate, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale.

Whenever moneys are to be applied pursuant to the Indenture, irrespective of and whether other remedies authorized under the Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms, as the Trustee may deem appropriate, and as may be required by Applicable Laws and apply the proceeds thereof in accordance with the provisions of the Indenture. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the

application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or proper for the purpose which may be designated in such request.

Restriction on Owner's Actions

(a) No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereof or any other remedy thereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing, (ii) such default has become an Event of Default and the Owners of 25% of the aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers granted under the Indenture or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee written evidence of indemnity as provided in the Indenture, (iv) the Trustee has for ninety (90) days after such notice failed or refused to exercise the powers granted under the Indenture, or to institute such action, suit, or proceeding in its own name, (v) no direction inconsistent with such written request has been given to the Trustee during such 90-day period by the registered owners of a majority of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the Indenture by its, his or their action or to enforce any right thereunder except in the manner provided in the Indenture, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided in the Indenture and for the equal benefit of the registered owners of all Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall be conditions precedent to the execution of the powers and trusts of the Indenture and to any action or cause of action for the enforcement of the Indenture or for any other remedy thereunder.

Subject to provisions of the Indenture with respect to certain liabilities of the City, nothing in the Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond issued thereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed therein and in the Bonds.

In case the Trustee or any Owners shall have proceeded to enforce any right under the Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owners, then and in every such case the City, the Trustee and the Owners shall be restored to their former positions and rights thereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Application of Revenues and Other Moneys After Event of Default

All moneys, securities, funds and Pledged Revenues and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture with respect to Events of Default shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out the Indenture, during the continuance of an Event of Default, notwithstanding certain provisions of the Indenture, shall be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds, as follows:

FIRST: To the payment to the registered owners entitled thereto all installments of interest then due in the direct order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the registered owners entitled thereto, without any discrimination or preference; and

SECOND: To the payment to the registered owners entitled thereto of the unpaid principal of Outstanding Bonds, or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal due and to the registered owners entitled thereto, without any discrimination or preference.

Within ten (10) days of receipt of such good and available funds, the Trustee may fix a record and payment date for any payment to be made to Owners.

In the event funds are not adequate to cure any of the Events of Default described in above, the available funds shall be allocated to the Bonds that are Outstanding in proportion to the quantity of Bonds that are currently due and in default under the terms of the Indenture.

The restoration of the City to its prior position after any and all defaults have been cured, as provided above, shall not extend to or affect any subsequent default under the Indenture or impair any right consequent thereon.

Investment or Deposit of Funds

Money in any Fund established pursuant to the Indenture shall be invested by the Trustee as directed by the City pursuant to a City Order filed with the Trustee at least two (2) days in advance of the making of such investment in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the PFIA, or any successor law, as in effect from time to time; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investment with any primary dealer of such agreements) that the money required to be expended from any Fund will be available at the proper time or times as set forth in the Indenture. Such investments shall be valued each year in terms of current market value as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in such Funds may be invested in common investments of the kind described above, or in a common pool of such investments which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund are held by or on behalf of each such Fund. If necessary, such investments shall be promptly sold to prevent any default. In the absence of investment instructions from the City, the Trustee shall hold monies held by it uninvested and shall have no obligation to invest or reinvest such monies.

Obligations purchased as an investment of moneys in any Fund shall be deemed to be part of such Fund or Account, subject, however, to the requirements of the Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds and Accounts. Whenever in the Indenture any moneys are required to be transferred by the City to the Trustee, such transfer may be accomplished by transferring a like amount of Investment Securities.

Against Encumbrances

In the Indenture the City will covenant that other than the Bonds, the City will not create and, to the extent Pledged Revenues are received, shall not suffer to remain, any lien, encumbrance or charge upon the Pledged Revenues, other than that specified in the Indenture, or upon any other property pledged under the Indenture.

So long as Bonds are Outstanding under the Indenture, the City shall not issue any bonds, notes or other evidences of indebtedness, other than the Bonds and Refunding Bonds issued to refund all or apportion of the Bonds, secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under the Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

Additional Obligations; Other Obligations or Other Liens

The City reserves the right, subject to the provisions contained in the Indenture, to issue Additional Obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from Pledged Revenues.

So long as Bonds are Outstanding under the Indenture, the City shall not issue any bonds, notes or other evidences of indebtedness, other than the Bonds, secured by any pledged of or other lien or change on the Pledged

Revenues or other property pledged under the Indenture other than (i) a lien or pledge subordinate to the lien and pledge of such property related to the Bonds, and (ii) Refunding Bonds.

Other than Refunding Bonds issued to refund all or a portion of the Bonds, the City will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, and will not do or omit to do or suffer to be or omitted to be done any matter or things whatsoever whereby the lien of the Indenture or the priority hereof might or could be lost or impaired; and further covenants that it will pay or cause to be paid or will make adequate provisions for the satisfaction and discharge of all lawful claims and demands which if unpaid might by law be given precedence over or any equality with this Indenture as a lien or charge upon the Pledged Revenues or Pledged Funds and Accounts; provided, however, that nothing in the Indenture shall require the City to apply, discharge, or make provision for any such lien, charge, claim, or demand so long as the validity thereof shall be contested by it in good faith, unless thereby, in the opinion of Bond Counsel or counsel to the Trustee, the same would adversely affect the ability of the City to timely pay the debt service due and owing on the Bonds.

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SOURCES AND USES OF FUNDS

The following table summarizes the expected sources and uses of proceeds of the Bonds:

Sources of Funds:	
Principal Amount	$
Total Sources	**$**
Uses of Funds:	
Deposit to the Authorized Improvements Account of the Project Fund	$
Deposit to Bond Reserve Account of the Reserve Fund	
Deposit to Capital Interest Account of the Bond Fund	
Deposit to Prepayment and Delinquency Reserve Account	
Deposit to Administrative Expense Fund	
Costs of Issuance	
Underwriter's Discount[(1)]	
Total Uses	**$**

[(1)] Includes Underwriter's Counsel's fee of $_____.

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DEBT SERVICE REQUIREMENTS

The following table sets forth the anticipated debt service requirements for the Bonds:

Year Ending (September 15)	Principal	Interest	Total
2025	$	$	$
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054			
Total	**$**	**$**	**$**

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OVERLAPPING TAXES AND DEBT

Overlapping Taxes and Debt

The land within the District has been, and is expected to continue to be, subject to taxes and assessments imposed by taxing entities other than the City. Such taxes are payable in addition to the Assessments levied by the City.

The District is located within the corporate limits of the City, and primarily within the Kaufman Independent School District, and within Kaufman County, Texas. In addition to the City, Kaufman County Trinity Valley Community College, and the Kaufman Independent School District may each levy ad valorem taxes upon land in the District for payment of debt incurred by such governmental entities and/or for payment of maintenance and operations expenses. The City has no control over the level of ad valorem taxes or special assessments levied by such other taxing authorities.

The following table reflects the overlapping ad valorem tax rates currently levied on property located in the District.

OVERLAPPING TAX RATES

Taxing Entity	Tax Year 2023 Ad Valorem Tax Rate[1]
The City	0.7600000
Kaufman County, Texas[2]	0.4114580
Kaufman Independent School District	1.0848000
Trinity Valley Community College	0.1109900
Total Existing Tax Rate	$2.3672480
Estimated Average Annual Assessment in the District as tax rate equivalent per Lot[3]	$0.7817965
Estimated Total Tax Rate and Average Annual Installment in the District as tax rate equivalent per Lot	**$3.1490445**

(1) As reported by the taxing entities. Per $100 in taxable assessed value.

(2) Includes Tax Year 2023 $0.0825 County Road & Bridge tax levy.

(3) Source: The Administrator. Derived from information in the Service and Assessment Plan. See "APPENDIX B — Service and Assessment Plan." *Preliminary; subject to change.*

Source: Kaufman Central Appraisal District, the Administrator, and the City.

As noted above, the District includes territory located in other governmental entities that may issue or incur debt secured by the levy and collection of ad valorem taxes or assessments. Set forth below is an overlapping debt table showing the outstanding indebtedness payable from ad valorem taxes with respect to property within the District and City debt secured by the Assessments:

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OVERLAPPING DEBT

Taxing or Assessing Entity[1]	Gross Outstanding Debt as of 8/1/2024	Estimated Percentage Applicable[2]	Direct and Estimated Overlapping Debt
The City (Assessments - The Bonds)[3]	$ 3,815,000	100.000%	$3,815,000
The City (Ad Valorem Taxes)	43,405,000	0.978%	424,310
Kaufman County, Texas	175,490,000	0.032%	56,287
Kaufman Independent School District	161,695,000	0.466%	753,447
TOTAL	$384,405,000		$5,049,044

(1) Trinity Valley Community College does not have outstanding debt.

(2) Based on the Appraisal for the District and on the Tax Year 2024 Taxable Assessed Valuations for the taxing entities.

(3) *Preliminary, subject to change.*

Sources: Municipal Advisory Council of Texas

Homeowner's Association

In addition to the Assessments described above, the Developer anticipates that each lot owner in the District will pay a maintenance and operation fee and/or a property owner's association fee annually to a homeowner's association (the "HOA"), which HOA has been formed by the Developer.

ASSESSMENT PROCEDURES

General

Capitalized terms used under this caption and not otherwise defined in this Limited Offering Memorandum shall have the meanings given to such terms in the Service and Assessment Plan. As required by the PID Act, when the City determines to defray a portion of the costs of the Authorized Improvements through Assessments, it must adopt a resolution generally describing the Authorized Improvements and the land within the District to be subject to Assessments to pay the cost therefor. The City has caused an assessment roll to be prepared (the "Assessment Roll"), and attached to the Service and Assessment Plan, which Assessment Roll will show the land within the District to be assessed, the amount of the benefit to and the Assessment against each lot or parcel of land and the number of Annual Installments in which the Assessment is divided. The Assessment Roll has been filed with the City Secretary and made available for public inspection. Statutory notice was given to the owners of the property to be assessed and a public hearing was conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Authorized Improvements and funding a portion of the same with Assessments. The City expects to levy the Assessments and adopt the Assessment Ordinance immediately prior to adopting the Bond Ordinance and, after the adoption of the Assessment Ordinance, the Assessments will become legal, valid and binding liens upon the property against which the Assessments are made.

Under the PID Act, the costs of the Authorized Improvements may be assessed by the City against the Assessed Property in the District so long as the special benefit conferred upon the assessed property on the Assessed Property by the Authorized Improvements equals or exceeds the Assessments. The costs of the Authorized Improvements may be assessed using any methodology that results in the imposition of equal shares of cost on Assessed Property similarly benefited. The allocation of benefits and assessments to the benefitted land within the District, is set forth in the Service and Assessment Plan, which should be read in its entirety. See "APPENDIX B — Form of Service and Assessment Plan."

Assessment Methodology

The Service and Assessment Plan describes the special benefit to be received by each lot or parcel of Assessed Property as a result of the Authorized Improvements, provides the basis and justification for the determination that such special benefit exceeds the Assessments being levied, and establishes the methodology by which the City allocates the special benefit of the Authorized Improvements to lots in a manner that results in equal shares of costs

being apportioned to lots similarly benefited. A portion of the costs of the Authorized Improvements are being funded with proceeds of the Bonds, which are payable from and secured by Pledged Revenues, including the Assessment Revenues. As set forth in the Service and Assessment Plan, the City Council has determined that the Actual Costs (as defined in the Service and Assessment Plan) associated with the Authorized Improvements will be allocated to the Assessed Property against which the Assessments are levied by spreading the entire Assessment across the parcels based on the estimated Equivalent Units as set forth in the Service and Assessment Plan. Upon subsequent divisions of any parcel, the Assessment applicable to it will then be apportioned pro rata based on the Equivalent Unit of each newly created lot. For residential Lots, when final residential building sites are platted, Assessments will be apportioned proportionately among each Lot Type based on the ratio of the Equivalent Units applicable to each Lot Type at the time residential Lots are platted to the total Equivalent Units of all Lots in the platted Parcel up to the Maximum Assessment Per Unit, as determined by the Administrator and confirmed by the City Council in an annual update to the Service and Assessment Plan.

For further explanation of the Assessment methodology, see "APPENDIX B — Form of Service and Assessment Plan."

The City has determined that the foregoing method of allocation will result in the imposition of equal shares of the Assessments on lots similarly situated within the District. The Assessments and interest thereon are expected to be paid in Annual Installments as described above. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan 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 Developer and all future owners and developers within the District. See "APPENDIX B — Form of Service and Assessment Plan."

The following table provides additional analysis with respect to special assessment methodology, including the value to assessment burden ratio per unit (lot) and equivalent tax rate per unit. The information in the tables was obtained from and calculated using information provided in the Service and Assessment Plan and the Appraisal. See "APPENDIX B — Form of Service and Assessment Plan" and "APPENDIX E — Appraisal."

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LIEN TO VALUE ANALYSIS, ASSESSMENT ALLOCATION, EQUIVALENT TAX RATE AND ASSESSMENT RATIO PER UNIT IN THE DISTRICT*

Lot Type	Planned No. of Units	Estimated Finished Lot Value per unit[1]	Projected Average Home Value per unit[1]	Assessment per unit	Average Annual Installment per unit	Tax Rate Equivalent of Average Annual Installment (per $100 Lot Value)	Tax Rate Equivalent of Average Annual Installment (per $100 Home Value)	Ratio of Assessment to Lot Value	Ratio of Assessment to Average Home Value
60’	58	$75,500	$395,000	$34,077.71	$3,088	$4.09	$0.78	2.22	11.59
50’	65	$75,500	$328,000	$28,284.50	$2,563	$3.39	$0.78	2.67	11.60

Source: The Administrator and information presented in the Service and Assessment Plan
[1] Developer estimate.

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* *Preliminary; subject to change.*

The estimated aggregate retail value of the Assessed Property in the District, subject to the limiting conditions described in the Appraisal, is approximately $7,520,000. See "APPRAISAL." See "THE DEVELOPMENT — Development Plan and Status of Development" for further information regarding the expected completion of development in the District.

Collection and Enforcement of Assessment Amounts

Under the PID Act, the Annual Installments may be collected in the same manner and at the same time as ad valorem taxes of the City. The Assessments may be enforced by the City in the same manner that an ad valorem tax lien against real property is enforced. Delinquent installments of the Assessments incur interest, penalties and attorney's fees in the same manner as delinquent ad valorem taxes. Under the PID Act, the Assessment Lien is a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for State, county, school district or municipality ad valorem taxes. See "BONDHOLDERS' RISKS — Assessment Limitations" herein.

In the Indenture, the City will covenant to collect, or cause to be collected, Assessments as provided in the Assessment Ordinance. No less frequently than annually, City staff or a designee of the City shall prepare, and the City Council shall approve, an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include an updated Assessment Roll and a calculation of the Annual Installment for each Lot. Administrative Expenses shall be allocated among all Lots in proportion to the amount of the Annual Installments for the Lots as described in the Service and Assessment Plan.

In the Indenture, the City will covenant, agree and warrant that, for so long as any Bonds are Outstanding, that it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Assessments.

To the extent permitted by law and to the extent the City is able to do so, notice of the Annual Installments will be sent by, or on behalf of the City, to the affected property owners on the same statement or such other mechanism that is used by the City, so that such Annual Installments are collected simultaneously with ad valorem taxes. The Annual Installments shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City.

The City will determine or cause to be determined, no later than April 1 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessment or the corresponding Assessed Property.

The City will implement, to the extent reasonably practical and possible, the basic timeline and procedures for Assessment collections and pursuit of delinquencies set forth in Exhibit C of the City's Continuing Disclosure Agreement set forth in APPENDIX D-1 and to comply therewith to the extent that the City reasonably determines that such compliance is the most appropriate timeline and procedures for enforcing the payment of delinquent Assessments.

The City shall not be required under any circumstances to expend any funds for delinquent collection costs in connection with its covenants and agreements under the Indenture or otherwise other than funds on deposit in the Administrative Fund.

Annual Installments will be paid to the City or its agent. Annual Installments are due when billed each year, and become delinquent on February 1 of the following year. In the event Assessments are not timely paid, there are penalties and interest as set forth below:

Date Payment Received	Cumulative Penalty	Cumulative Interest	Total
February	6%	1%	7%
March	7%	2%	9%
April	8%	3%	11%
May	9%	4%	13%
June	10%	5%	15%
July	12%	6%	18%

After July, the penalty remains at 12%, and interest accrues at the rate of 1% each month. In addition, if an account is delinquent in July, a 20% attorney's collection fee may be added to the total penalty and interest charge. In general, property subject to lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts due. An automatic stay by creditors or other entities, including governmental units, could prevent governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In most cases, post-petition Assessments are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

Assessment Amounts

Assessment Amounts. The maximum amounts of the Assessments will be established by the methodology described in the Service and Assessment Plan. The Assessment Roll sets forth for each year the Annual Installment for each Assessed Property which shall, upon issuance of the Bonds consist of (i) the annual payment allocable to the Bonds, including the Additional Interest, for the Authorized Improvements for each Assessed Property and (ii) the annual payment allocable to Administrative Expenses. The Annual Installments for the Assessments may not exceed the amounts shown on the Assessment Roll. The Assessments will be levied against the parcels comprising the Assessed Property as indicated on the Assessment Roll. See "APPENDIX B — Form of Service and Assessment Plan."

The Annual Installments shown on the Assessment Roll will be reduced to equal the actual costs of repaying the Bonds (which amount will include Additional Interest) and actual Administrative Expenses (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as interest income on account balances if allowed by the Indenture.

Method of Apportionment of Assessments. For purpose of the Service and Assessment Plan, the City Council has determined that the estimated costs of the Authorized Improvements shall be allocated to the Assessed Property by spreading the entire Assessment across the Assessed Property to be developed based on the estimated buildout value for each Lot Type as set forth in the Service and Assessment Plan. See "APPENDIX B — Form of Service and Assessment Plan." See "ASSESSMENT PROCEDURES — Assessment Methodology."

Upon the subdivision of any Parcel, the Assessment for the Parcel prior to the subdivision shall be reallocated among the new subdivided Parcels according to the following formula:

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

Where the terms have the following meanings:

A = the Assessment for each new subdivided Parcel

B = the Assessment for the Parcel prior to subdivision

C = the estimated total Equivalent Units to be built on each new subdivision Parcel

D = the sum of the estimated total Equivalent Units to be built on all of the new subdivided Parcels

The calculation of the estimated Equivalent Units to be built on a Parcel shall be performed by the Administrator and confirmed by the City Council based on the information available regarding the use of the Parcel. The estimate as confirmed shall be conclusive. The number of Equivalent Units to be built on a Parcel may be estimated by net land area and reasonable density ratios.

The sum of the Assessments for all newly subdivided Parcels shall equal the Assessment for the Parcel prior to subdivision. The calculation shall be made separately for each newly subdivided Parcel. The reallocation of an Assessment for a Parcel that is a homestead under State law may not exceed the Assessment prior to the reallocation and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the subdivision of the Parcels. Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the City Council.

Upon the consolidation of two or more Parcels, the Assessment for the consolidated Parcel shall be the sum of the Assessments for the Parcels prior to consolidation. The reallocation of an Assessment for a Parcel that is a homestead under State law may not exceed the Assessment prior to the reallocation and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the consolidation of the Parcels. Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the City Council.

Maximum Assessment. The Service and Assessment Plan establishes that the Maximum Assessment is $28,284.50* for 50' lots and $34,077.71* for 60' lots. The Bonds are secured by a first lien on and pledge of Pledged Revenues, including the Assessments. See "SECURITY FOR THE BONDS" and "APPENDIX B — Form of Service and Assessment Plan."

Prepayment of Assessments

Voluntary Prepayment. Pursuant to the PID Act and the Indenture, the owner of any property assessed may voluntarily prepay (a "Prepayment") all or part of any Assessment levied against any Assessed Property, together with accrued interest to the date of payment, at any time. Upon receipt of such Prepayment, such amounts will be applied towards the redemption or payment of the Bonds. 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 payment of regularly scheduled Assessments.

Mandatory Prepayment—Exceedance of Maximum Assessment Amount per Unit. If at any time the Assessment per unit on a Parcel exceeds the applicable Maximum Assessment Per Unit shown in the Service and Assessment Plan as a result of any changes in land use, subdivision, consolidation or reallocation of the Assessment authorized by the Service and Assessment Plan and initiated by the owner of the Parcel, then such owner shall pay to the City prior to the recordation of the document subdividing the Parcel the amount calculated by the Administrator by which the Assessment per unit for the Parcel exceeds the applicable Maximum Assessment Per Unit calculated in the Service and Assessment Plan.

Mandatory Prepayment—Transfer to Exempt Assessment Payer. If a Parcel subject to Assessments is transferred to a party that is exempt from the payment of the Assessment under applicable law, or if an owner causes a Parcel subject to Assessments to become Non-Benefited Property, the owner of such Parcel shall pay to the City the full amount of the principal portion of the Assessment on such Parcel, plus all Prepayment Costs, prior to any such transfer or act.

Reduction of Assessments. If after all Authorized Improvements to be funded with the Bonds have been completed, Actual Costs for such Authorized Improvements are less than the Budgeted Costs of the Authorized Improvements used to calculate the Assessments securing the Bonds, resulting in excess Bond proceeds such excess Bond proceeds shall be applied to redeem Bonds as provided in the Indenture, then the Assessment securing the Bonds for each Parcel of Assessed Property shall be reduced by the City Council pro rata such that the sum of the resulting reduced Assessments for all Assessed Property equals the actual reduced Actual Costs. The Assessments shall not be

* *Preliminary; subject to change.*

reduced to an amount less than the outstanding Bonds. If all of the Authorized Improvements are not completed, the City may reduce the Assessments in another method if it determines such method would better reflect the benefit received by the Parcels from the Authorized Improvements completed.

If all the Authorized Improvements are not undertaken, resulting in excess Bond proceeds, such excess Bond proceeds shall be applied to redeem the Bonds as provided in the Indenture, then the Assessments and Annual Installments for each Parcel shall be appropriately reduced by the City Council to reflect only the amounts required to repay the Bonds, including interest on the Bonds and Administrative Expenses. The City Council may reduce the Assessments and the Annual Installments for each Parcel (i) in an amount that represents the Authorized Improvements provided for each Parcel or (ii) by an equal percentage calculated based on number of units, if determined by the City Council to be the most fair and practical means of reducing the Assessments for each Parcel, such that the sum of the resulting reduced Assessments equals the amount required to repay the Bonds, including interest on the Bonds and Administrative Expenses. The principal portion of the Assessment for each Parcel shall be reduced pro rata to the reduction in the Assessments for each Parcel such that the sum of the resulting reduced principal portion of the Bonds is equal to the outstanding principal amount of the Bonds.

Priority of Lien

The Assessments or any reassessment, the expense of collection, and reasonable attorney's fees, if incurred, constitute a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for the State, county, school district or municipality ad valorem taxes, and are a personal liability of and charge against the owners of the property regardless of whether the owners are named. The lien is effective from the date of the Assessment Ordinance until the Assessment is paid, and may be enforced by the City in the same manner as an ad valorem tax levied against real property may be enforced by the City. The owner of any property assessed may pay the entire Assessment levied against any lot, together with accrued interest to the date of payment, at any time.

Foreclosure Proceedings

In the event of delinquency in the payment of any Annual Installment, except for unpaid Assessments on homestead property (unless the lien associated with the assessment attached prior to the date the property became a homestead), the City is empowered to order institution of an action in state district court to foreclose the lien of such delinquent Annual Installment. In such action the real property subject to the delinquent Annual Installments may be sold at judicial foreclosure sale for the amount of such delinquent Annual Installments, plus penalties and interest.

Any sale of property for nonpayment of an installment or installments of an Assessment will be subject to the lien established for remaining unpaid installments of the Assessment against such property and such property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent installments of the Assessments against such property as they become due and payable. Judicial foreclosure proceedings are not mandatory. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and in such event there could be an additional delay in payment of the principal of and interest on Bonds or such payment may not be made in full. The City is not required under any circumstance to purchase the property or to pay the delinquent Assessment on the corresponding Assessed Property.

In the Indenture, the City will covenant to take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement or exemption in the Assessments, provided that the City is not required to expend any funds for collection and enforcement of Assessments other than funds on deposit in the Administrative Fund. Pursuant to the Indenture, Foreclosure Proceeds (excluding Delinquent Collection Costs) constitute Pledged Revenues to be deposited into the Pledged Revenue Fund upon receipt by the City and are then distributed to the Redemption Fund in accordance with the Indenture. See "APPENDIX A – Form of Indenture." See also "APPENDIX D-1 – Form of City Disclosure Agreement" for a description of the expected timing of certain events with respect to collection of the delinquent Assessments.

In the Indenture, the City will create the Delinquency and Prepayment Reserve Account under the Reserve Fund and will fund such account as provided in the Indenture. The City will not be obligated to fund foreclosure proceedings out of any funds other than in the Administrative Fund. If funds in the Administrative Fund are insufficient to pay foreclosure costs, the owners of the Bonds may be required to pay amounts necessary to continue foreclosure proceedings. See "SECURITY FOR THE BONDS – Delinquency and Prepayment Reserve Account of the Reserve Fund," "APPENDIX A – Form of Indenture" and "APPENDIX B – Form of Service and Assessment Plan."

THE CITY

Background

The City is located in central Kaufman County, approximately 30 miles southeast of Dallas. Access to the City is provided by Highway 34, Highway 175 and Highway 243. The City covers approximately 9.2 square miles. The City's location as part of the growing Dallas-Fort Worth Metroplex has resulted in rapid growth over the last several years. The 2020 Census population for the City was 6,797, while the current estimated population is _____. **[CITY TO CONFIRM]**

City Government

The City is a political subdivision and municipal corporation of the State, duly organized and existing under the laws of the State, including the City's Home Rule Charter. The City was incorporated in 1853, and first adopted its Home Rule Charter on November 3, 1987. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and six Councilmembers. The term of office is two years with the terms of the Mayor and three of the Councilmembers' terms expiring in odd-numbered years and the other terms of the three Councilmembers expiring in even-numbered years. The City Manager is the chief administrative officer for the City.

The current members of the City Council and their respective expiration of terms of office are set forth on page ii hereof.

City Water and Wastewater System

The City owns and maintains its own water distribution system. The City entered into an agreement with North Texas Municipal Water District (the "NTMWD") to purchase at minimum 459,989,000 gallons of water annually. NTMWD obtains its water supply from Lavon Lake located in Collin County and is treated at the Wylie Water Treatment Plant. The City has one underground water storage facility and two overhead storage tanks, and entered into an agreement with the Greater Texoma Utility Authority ("GTUA") for additional water supply and certain water supply facilities for the storage and transport of water to the City.

The City maintains its own wastewater collection system, which includes a wastewater treatment plant. The City receives wastewater treatment services from the GTUA.

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Major Employers

Employer	Product or Service	Employees
Kaufman County	Government	629
Kaufman Independent School District	Education	533
Walmart	Retail	295
Texas Health Presbyterian	Hospital	204
Numo Manufacturing	Food Service	183
Trinity Valley Electric Cooperative	Electric Utility	178
Advanced Tabco	Manufacturing	175
Brookshire's Grocery Company	Retail	102
Falcon Steel	Manufacturing	100
City of Kaufman	Government	74

Historical Employment in Kaufman County

	Average Annual[1]				
	2024[2]	2023	2022	2021	2020
Civilian Labor Force	79,241	77,440	75,163	72,056	69,207
Total Employed	75,610	74,279	72,313	68,507	64,784
Total Unemployed	3,631	3,161	2,850	3,549	4,423
Unemployment Rate	4.6%	4.1%	3.8%	4.9%	6.4%

[1] Source: Texas Workforce Commission.

[2] Data through July 2024.

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Surrounding Economic Activity

The major employers of municipalities surrounding the City are set forth in the table below.

City of Dallas	
Approximately 30 miles from the City	
Employer	**Employees**
UT Southwestern Medical Center	23,817
Dallas ISD	23,271
City of Dallas	16,000
Southwest Airlines Co.	14,618
Parkland Health & Hosp. System	13,000
Medical City Dallas	10,974
Dallas County Community College	8,230
Texas Instruments	7,722
Dallas County	6,500
Methodist Dallas Medical Center	6,452

City of Mesquite	
Approximately 20 miles from the City	
Employer	**Employees**
Mesquite ISD	5,487
Town East Mall	2,750
United Parcel Service Inc.	2,300
Baker Triangle	1,900
City of Mesquite	1,251
Eastfield College	950
Dallas Regional Medical Center	900
Walmart Supercenter	850
Pepsi Beverages Co.	800
Ashley Furniture	785

City of Lancaster	
Approximately 23 miles from the City	
Employer	**Employees**
Lancaster ISD	970
Walmart	714
United National Foods Inc.	415
Oak Creek Homes/American Homestar	322
City of Lancaster	337
Cedar Valley College	305
AT&T	279
Frozen Foods Express	261
Ollie's Bargain Outlet Warehouse	245
Veteran's CMOP	217

City of Terrell	
Approximately 9 miles from the City	
Employer	**Employees**
Madix Inc.	827
Auto Zone Distribution Center	800
Terrell State Hospital	750
Terrell ISD	658
Oldcastle Building Envelope	600
Walmart Distribution	575
J.S. Helwig & Son LLC	460
NUCOR Building Systems	366
Buc-ee's	315
American National Bank	250

City of Waxahachie	
Approximately 33 miles from the City	
Employer	**Employees**
Waxahachie ISD	1,600
Baylor Medical Center at Waxahachie	1,400
Walgreens Co.	850
Dart Container Corp	800
Ellis County	600
City of Waxahachie	415
Cardinal IG	350
Owens Corning Fiberglass	325
Berry Plastics	250
Kinro (Lippert Components)	250

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THE DISTRICT

General

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries or extraterritorial jurisdiction, and to impose assessments within the public improvement district to pay for certain improvements. The District was created by the Creation Resolution for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Authorized Improvements, authorized by the PID Act and approved by the City Council that confer a special benefit on the District property being developed. The District is not a separate political subdivision of the State and is governed by the City Council. A map of the property within the District is included on page v hereof.

Powers and Authority

Pursuant to the PID Act, the City may establish and create the District and undertake, or reimburse a developer for the costs of improvement projects that confer a special benefit on property located within the District, whether located within the City limits or the City's extraterritorial jurisdiction. The District is located within the corporate limits of the City. The PID Act provides that the City may levy and collect assessments on property in the District, or portions thereof, payable in periodic installments based on the benefit conferred by an improvement project to pay all or part of its cost.

Pursuant to the PID Act and the Creation Resolution, the City has the power to undertake, or reimburse a developer for the costs of, the financing, acquisition, construction or improvement of the Authorized Improvements. See "THE AUTHORIZED IMPROVEMENTS." Pursuant to the authority granted by the PID Act and the Creation Resolution, the City has determined to undertake the construction, acquisition or purchase of certain road, water, wastewater, sanitary sewer, and drainage public improvements that benefit the District comprising the Authorized Improvements and to finance a portion of the costs thereof through the issuance of the Bonds. The City has further determined to provide for the payment of debt service on the Bonds through Pledged Revenues. See "ASSESSMENT PROCEDURES" herein and "APPENDIX B — Form of Service and Assessment Plan."

THE AUTHORIZED IMPROVEMENTS

General

The Authorized Improvements consist of the infrastructure benefitting the District. The balance of the costs of the Authorized Improvements will be paid by the Developer. The Authorized Improvements will be dedicated to the City. The Developer is responsible for the completion of the construction, acquisition or purchase of the Authorized Improvements, and the Developer or its designee will act as construction manager. The City will pay a portion of the project costs for the Authorized Improvements from proceeds of the Bonds. To the extent that the proceeds of the Bonds are insufficient to fund the Authorized Improvements, the balance of the costs of the Authorized Improvements, if any, will be paid by the Developer. The Developer will submit payment requests on a monthly basis for costs actually incurred in developing and constructing the Authorized Improvements and be paid or reimbursed in accordance with the Indenture and the Development Agreement. See "THE DEVELOPMENT – Development Plan and Status of Development."

Authorized Improvements. The Authorized Improvements, a portion of which are being financed with proceeds of the Bonds, include road, water, sanitary sewer, storm drainage, and landscaping and open space improvements benefitting the District.

Roadway improvements:

Onsite. The onsite roadway improvements within the District include construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Offsite. The offsite roadway improvements within the District include construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water improvements:

Onsite. The onsite water distribution system improvements within the District consist of construction and installation of water lines, mains, pipes, valves and appurtenances necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the Assessed Property. The onsite water distribution system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Offsite. The offsite water distribution system improvements within the District consist of construction and installation of water lines, mains, pipes, valves and appurtenances necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the Assessed Property. The offsite water improvements are constructed exclusively for the benefit of the Assessed Property, are fully allocated to the District, and will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Sanitary sewer improvements: The sanitary sewer collection system improvements within the PID consist of construction and installation of pipes, service lines, manholes, encasements and appurtenances necessary to provide sanitary sewer service to the Assessed Property. The sanitary sewer improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Storm drainage improvements: The storm drainage collection system improvements consist of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Landscaping and Open Space Improvements: The landscaping improvements within the District consist of grading, landscaping, irrigation, entry monumentation, and seeding. The landscaping improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Soft and Miscellaneous Costs: Soft and miscellaneous costs consist of costs related to designing, constructing, and installing the Authorized Improvements including land planning and design, city fees, legal fees, district formation costs, appraisal fees, engineering, soil testing, survey, construction staking, construction management, and contingency, costs associated with financing the Authorized Improvements, and a portion of the costs incurred in the establishment, administration and operation of the District.

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The following table reflects the total expected costs of the Authorized Improvements.

Type of Improvement	Costs
Roadway Improvements	$1,558,641
Water Improvements	912,610
Sanitary Sewer Improvements	424,260
Drainage Improvements	589,765
Landscaping and Open Space	219,875
Soft Costs	751,299
	$4,456,450
Bond Issuance Costs	$937,300
Total Cost	$5,393,750

The cost of the Authorized Improvements is expected to be approximately $5,393,750*. A portion of such costs in the amount of $3,815,000* is expected to be paid with proceeds of the Bonds. The balance of such costs is expected to be paid by the Developer without reimbursement by the City. As of September 1, 2024, the Developer has expended approximately $1,684,255.50 on the costs of the Authorized Improvements, which was funded by the Development Loan. See "THE DEVELOPER—History and Financing of the District."

Ownership and Maintenance of the Authorized Improvements

The Authorized Improvements will be dedicated to and accepted by the City and will constitute a portion of the City's infrastructure improvements. The City will provide for the ongoing operation, maintenance and repair of the Authorized Improvements constructed and conveyed, as outlined in the Service and Assessment Plan.

THE DEVELOPMENT

The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the City, the City's Financial Advisor and the Underwriter, and none of the City, the City's Financial Advisor or the Underwriter have any way of guaranteeing the accuracy of such information.

Overview

The District encompasses approximately 25.4 acres to be developed into a master planned residential community known as "Freeman Farm" (the "Development") located within the corporate limits of the City, near the intersection of East Highway 175 and Priscilla Lane. The District is approximately 30 miles southeast of the city of Dallas, Texas, 23 miles east of Lancaster, Texas, and 20 miles southeast of Mesquite, Texas. The District is approximately 53 miles southeast of Dallas-Fort Worth International Airport and 42 miles southeast of Dallas Love Field. The Development is primarily located within the Kaufman Independent School District. The City, located in the southeastern portion of the Dallas-Fort Worth-Arlington, Texas Metropolitan Statistical Area (the "DFW MSA"), is poised for significant growth as the overall DFW MSA continues its growth trajectory. The Development Agreement

Concept Plan

Set forth below is the concept plan for the District.

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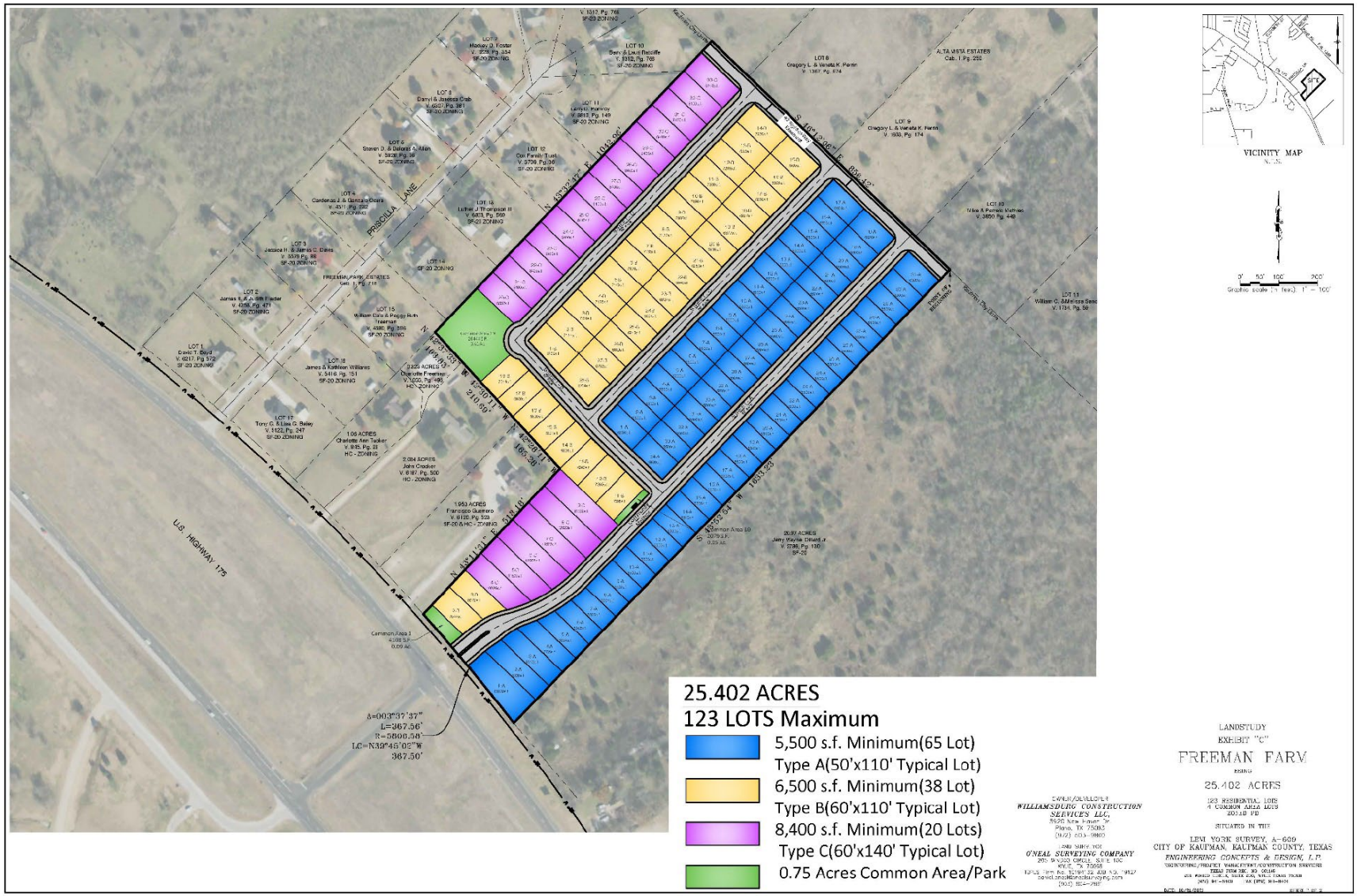
* *Preliminary; subject to change.*


25.402 ACRES
123 LOTS Maximum
5,500 s.f. Minimum(65 Lot)
Type A(50'x110' Typical Lot)
6,500 s.f. Minimum(38 Lot)
Type B(60'x110' Typical Lot)
8,400 s.f. Minimum(20 Lots)
Type C(60'x140' Typical Lot)
0.75 Acres Common Area/Park
VICINITY MAP
LANDSTUDY
EXHIBIT "C"
FREEMAN FARM
25.402 ACRES
123 RESIDENTIAL LOTS
4 COMMON AREA LOTS
SURVEY IN THE
LEM YORK SURVEY, A-609
CITY OF KAUFMAN, KAUFMAN COUNTY, TEXAS
WILLIAMSBURG CONSTRUCTION SERVICES LLC.
O'NEAL SURVEYING COMPANY
ENGINEERING CONCEPTS & DESIGN, L.P.
U.S. HIGHWAY 175
PRISCILLA LANE
Δ=003°37'37"
L=367.56'
R=5800.58'
LC=N39°46'02"W
367.56'

Development Plan and Status of Development

The Development is expected to consist of 123 single family residential units comprised of 50' and 60' lots. The development plan consists of the development of the Authorized Improvements to serve the entire District in one phase. The Developer began construction of the Authorized Improvements in February 2022 and expects to complete construction of the Authorized Improvements in November 2024. As of September 1, 2024, the Developer has expended approximately $1,684,255.50 on the costs of the Authorized Improvements, which was funded by the Development Loan. See "THE DEVELOPER—History and Financing of the District."

Lot Purchase and Sale Agreement in the District

The Developer has entered into a purchase and sale contract (the "LCH PSA") with Lillian Custom Homes, LLC ("LCH") for all 123 lots in the District. LCH deposited $50,000 in earnest money pursuant to the LCH PSA, which earnest money was deposited and released to the Developer.

The following table provides a summary of the price per lot and takedown for the LCH PSA.

LOT PURCHASE AND SALE AGREEMENTS

Homebuilder	Total Lots	Lot Size	Base Price per lot*	Lots per Takedown
LCH	65	50'	$75,500	22 x 60' lots and 28 x 50' lots at initial closing including one model home lot at Initial Closing (within 15 days of substantial completion) All remaining lots 6 months thereafter
	58	60'		
Total	123			

* Excludes additional consideration accruing at a rate of 9.5%

Expected Home Prices and Absorption in the District

The following tables provide the Developer's estimated home prices in the District and an absorption schedule for lots in the District.

ESTIMATED HOME PRICES

Lot Size (Width in Ft.)	Quantity	Average Base Home Price*
50'	65	$328,000
60'	58	$395,000
Total	123	

* Developer estimates

EXPECTED ABSORPTION OF LOTS IN THE DISTRICT

Expected Final Sale Date	Total Lots
Q4 2024	50
Q2 2025	73
TOTAL	123

Zoning

The property within the District is currently zoned as Planned Development #21 pursuant to ordinance O-38-21 enacted on August 23, 2021 (the "PD Ordinance"). The PD Ordinance allows certain residential uses and establishes guidelines pertaining to purpose, height, area, and setbacks for specific single-family residential lots. The PD Ordinance also regulates design and development standards. Because the District lies within the city limits of the City, the City's zoning and subdivision regulations control all aspects of development not specifically set forth in the PD Ordinance.

The Development Agreement

The City and the Developer (as assignee of Kaufman One WW, LLC) have entered into a Development Agreement which sets forth certain agreements of the City relating to the creation of the District, the issuance of the Bonds and other bonds to finance the Authorized Improvements within the District, and other agreements of the City relating to the District and the construction of the Authorized Improvements.

Pursuant to the Development Agreement, the City has agreed to issue bonds, in one or more series, in an amount up to $4,000,000 to finance the costs of the Authorized Improvements within the District. In addition to the Authorized Improvements, the City has agreed to pay the Developer $203,104 for the cost of oversizing a water line with water impact fees. In the Development Agreement, the City also agrees to pay the Developer $100,000 as a grant pursuant to a future economic development agreement, for the construction of a connecting road to a future thoroughfare on the north side of the District.

Amenities

The Developer will dedicate approximately 0.68 acres of land to the City for a park. The Developer expects to begin construction of the park in October 2024 and complete the park in November 2024. The expected cost of the park is $139,750.00, which will be paid from the Development Loan.

The Developer has also constructed a fenced pond and expects an additional retaining wall at a total cost collective of $1,612,487. The pond has been completed and was funded with funds from the Development Loan.

Education

The Kaufman Independent School District ("KISD") serves the District and encompasses approximately 166.43 square miles in Kaufman County. KISD enrolls over 4,000 students in two high schools, one junior high schools, and four elementary schools. Students in the District will attend Monday Elementary (approximately 1 mile from the Development), O.P. Norman Junior High School (approximately 1 mile from the Development) and Kaufman High School (approximately 1 mile from the Development). According to the Texas Education Agency ("TEA"), KISD, Monday Elementary, O.P. Norman Junior High School, and Kaufman High School all received a "District Accountability Rating" of "B" from the TEA. Greatschools.org rates Monday Elementary, Norman Junior High, and Kaufman High School a 6/10.

Existing Mineral Rights, Easements and Other Third Party Property Rights

Third parties hold title to certain rights applicable to real property within and around the District (the "Mineral Owners"), including reservations of mineral rights and royalty interests and easements (collectively, the "Third Party Property Rights") pursuant to various instruments in the chain of title for various tracts of land within and immediately adjacent to the District. Some of these reservations of mineral rights include a waiver by the Mineral Owners of their right to enter onto the surface of the property to explore, develop, drill, produce or extract minerals within the District. If the waiver is applicable, such Mineral Owners may only develop such mineral interests by means of wells drilled on land outside of the property of the District.

The Developer is not aware of any ongoing mineral rights development or exploration on or adjacent to the property within the District. The Developer is not aware of any interest in real property (including mineral rights) owned by the Mineral Owners adjacent to the District. Certain rules and regulations of the Texas Railroad

Commission may also restrict the ability of the Mineral Owners to explore or develop the property due to well density, acreage, or location issues.

Although the Developer does not expect the above-described Third Party Property Rights, or the exercise of such rights or any other third party real property rights in or around the District, to have a material adverse effect on the Development, the property within the District, or the ability of landowners within the District to pay Assessments, the Developer makes no guarantee as to such expectation. See "BONDHOLDERS' RISKS — Exercise of Third Party Property Rights."

Environmental

A Phase One Environmental Site Assessment (a "Phase One ESA") of the land within the District was completed in July 2023 by American Energy and Environmental Engineering, Inc. Based on the information presented in the Phase One ESA, there was no evidence that there were recognized environmental conditions on property in the District.

According to the website for the United States Fish and Wildlife Service, the whooping crane and least tern are endangered species in Kaufman Counties and the golden-cheeked warbler is an endangered species in Kaufman County. The Developer is not aware of any endangered species located on District property.

Flood Designation

According to the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM) Community Panel Number 48257C0310D dated July 3, 2012, no property within the District lies within a special flood hazard designation.

Utilities

The City expects to provide both water and wastewater service to the District through its systems. The City purchases its water wholesale from NTMWD. The City maintains its own water distribution system and wastewater collection system and such system currently has sufficient capacity to provide water and wastewater service to the District. The City's wastewater treatment services are provided by GTUA. See "THE CITY — City Water and Wastewater System."

The Developer expects additional utilities to be provided by: (1) Phone/Data/Cable – Optimum and (2) Electric – Trinity Valley Electric Co-Op.

THE DEVELOPER

The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the City, the City's Financial Advisor and the Underwriter, and none of the City, the City's Financial Advisor or the Underwriter have any way of guaranteeing the accuracy of such information.

General

In general, the activities of a developer in a development such as the District include purchasing the land, designing the subdivision, including the utilities and streets to be installed and any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, sewer, and drainage facilities, as well as telephone and electric service) and selling improved lots and commercial reserves to builders, developers, or other third parties. The relative success or failure of a developer to perform such activities within a development may have a material effect on the security of revenue bonds, such as the Bonds, issued by a municipality for a public improvement district. A developer is generally under no obligation to a public improvement district, such as the District, to develop the property which it owns in a development. Furthermore, there is no restriction on the developer's right to sell any or all of the land which the developer owns within a development. In addition, a developer is ordinarily the major tax and assessment payer within a district during its development.

Description of the Developer

EIS Development II, LLC (the "Parent LLC") is a Texas limited liability which is 100% owned by Salvador Family Holdings and managed by George Salvador. The Developer is a series limited liability company formed under the Parent LLC. The Parent LLC has formed nine series limited liability companies under the Parent LLC, each of which, like the Developer, was formed for the purpose of owning and developing a single purpose real estate development project. George Salvador serves as President and CEO of the Developer and the homebuilder in the District, LCH.

The Parent LLC's past and current development projects include:

- Oak Creek Ranch: 102 lots, Waxahachie ETJ
- Falcon's Landing: 24 lots, Waxahachie, Texas
- The Village Estates: 121 lots, Krum ETJ
- Harlan Village: 77.7 acres, Waxahachie, Texas
- Montclair Heights: 383 lots, Waxahachie, Texas
- Belmont Farms: 65.27 acres, Waxahachie, Texas
- Dominion Park: 206 Lots, Waxahachie, Texas
- Sunset Meadows: 73 lots, Waxahachie ETJ

Executive Biographies

George Salvador, President/CEO, Developer and President, Lillian Custom Homes. Mr. Salvador is the President of the Developer and of Lillian Custom Homes and is a member of the Dallas Home Builders Association and a member of the National Home Builders Association. Mr. Salvador has over 26 years' experience in design and management of various aspects related to construction projects. Previously, Mr. Salvador was the president of Eagle Irrigation and was responsible for managing 35 employees and responsible for lead generation, customer relationship management, and all sales functions. Mr. Salvador has negotiated and acquired over $50 million dollars of real estate throughout north Texas.

Patty Byone, CFO, Developer and Lillian Custom Homes. Patty Byone has over 25 years' experience in finance, accounting, and operations across a wide array of industries. Ms. Byone's experience includes obtaining public and private financing, reducing costs, and achieving operational goals while building effective relationships with business partners. Ms. Byone has been with Lillian Custom Homes since 2017 and her responsibilities include, but are not limited to, managing finance and accounting, human resources, and information technology for a multi-company structure including homebuilding, land acquisition and development, investment property, and realty.

Mahendra Kandepu, Project Manager, Lillian Custom Homes. Mr. Kandepu has over 11 years of experience in construction and development. Mr. Kandepu's experience includes design and planning of various residential and commercial projects, with some exceeding $40 million dollars to design and construct. Mr. Kandepu has a master's degree in construction management from Eastern Michigan University and is a registered architect. He has been with Lillian Custom Homes since 2022.

History and Financing of the District

The Developer purchased the land comprising the District on September 13, 2023, from the Seller for a purchase price of $1,500,000. The purchase of the land was funded with cash. Development within the District is being funded with the Development Loan from the Lender in an amount up to $5,441,670. As of September 1, 2024, the outstanding balance of the Development Loan is $2,179,933.00.

The Development Loan bears interest equal to the lesser of (i) the maximum rate authorized by law or (ii) a variable rate of interest equal to 50% in excess of the Wall Street Journal Prime Rate, with a floor of 5.00%. Interest

payments are due monthly, with the full principal of the Development Loan payable at maturity. The Developer shall pay $59,150 from the sale of each lot upon the sale of such lot, with such amount applied to the outstanding principal balance of the Development Loan. In addition, commencing as of December 13, 2024, and in each calendar quarter thereafter, the Developer shall make a principal payment in the amount of $778,000 (which the Developer expects to pay from the proceeds of the initial takedown of lots), less the aggregate sum of all principal payments previously made during the immediately preceding 3 month period, which shall be applied to the outstanding principal balance of the Development Loan. The Development Loan matures on September 13, 2026. The Developer may also extend the maturity date of the Development Loan, so long as no event of default has occurred, for a period not to exceed 12 months. The Development Loan is secured, inter alia, by a lien on all property within the District, and is guaranteed by George Salvador, Gravity Homes, LLC, and Lillian Custom Homes, LLC.

The Development Loan Agreement requires the Developer to complete the Authorized Improvements by December 13, 2024. The Developer expects to complete the improvements within such time frame.

The PID Act provides that the Assessment Lien is first and prior liens against the assessed property within the District, and is superior to all other liens and claims except liens or claims for State, county, school district, or municipality ad valorem taxes. Additionally, at or prior to delivery of the Bonds, the Lender shall consent to and acknowledge the creation of the District, the levy of the Assessments and the subordination of the lien securing the Development Loan to the assessment lien on property within the District securing payment of the Assessments. As a result, the lien on the property within the District securing the Assessments will have priority over the liens on the property within the District securing the Development Loan and the lien securing the earnest money deed of trusts.

THE ADMINISTRATOR

The following information has been provided by MuniCap, Inc., as the Administrator. Certain of the following information is beyond the direct knowledge of the City and the Underwriter, and neither the City nor the Underwriter have any way of guaranteeing the accuracy of such information.

The City has entered into an agreement for administration of the District (the "MuniCap Agreement") with MuniCap to provide specialized services related to the administration of the District needed to support the issuance of the Bonds. The MuniCap Agreement includes seven general types of services provided by MuniCap: (i) administrative support services related to the Assessments, (ii) delinquency management, (iii) prepayment of the Assessments, (iv) arbitrage rebate services, (v) continuing disclosure services, (vi) accounting and audit coordination and (vii) IRS compliance monitoring.

MuniCap, Inc., is a public finance consulting firm with a specialized consulting practice providing services related to the formation and administration of special tax and special assessment districts. MuniCap, Inc., currently acts as the administrator for over 300 special assessment and taxing districts in 30 states, including Texas. MuniCap, Inc., periodically donates to certain charitable or public events hosted by the City.

APPRAISAL

The Appraisal

General. Peyco Southwest Realty Inc. (the "Appraiser") prepared an appraisal report for the City effective as of January 1, 2025, based upon a physical inspection of the District conducted on June 24, 2024 (the "Appraisal"). The Appraisal was prepared at the request of the City. The description herein of the Appraisal is intended to be a brief summary only of the Appraisal as it relates to the District. The Appraisal is attached hereto as APPENDIX E and should be read in its entirety. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions and qualifications, which are set forth therein. See "APPENDIX E — Appraisal."

Value Estimates. The Appraiser estimated the aggregate market value of the fee simple interest in various tracts of land comprising the District under the extraordinary assumption that Authorized Improvements are completed. See "THE AUTHORIZED IMPROVEMENTS." The Appraisal does not reflect the as-is condition of the District as the Authorized Improvements have not yet been constructed. Moreover, the Appraisal does not reflect the

value of the District as if sold to a single purchaser in a single transaction. The Appraisal provides the fee simple estate values for the District. See "APPENDIX E — Appraisal."

The value estimate for the assessable property within the District using the "Income/Subdivision" methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal, as of January 1, 2025 is $7,520,000.

None of the City, the Developer, the Financial Advisor, or the Underwriter makes any representation as to the accuracy, completeness assumptions or information contained in the Appraisal. The assumptions and qualifications with respect to the Appraisal are contained therein. There can be no assurance that any such assumptions will be realized and the City, the Developer and the Underwriter make no representation as to the reasonableness of such assumptions.

BONDHOLDERS' RISKS

Before purchasing any of the Bonds, prospective investors and their professional advisors should carefully consider all of the risk factors described below which may create possibilities wherein interest may not be paid when due or that the Bonds may not be paid at maturity or otherwise as scheduled, or, if paid, without premium, if applicable. The following risk factors (which are not intended to be an exhaustive listing of all possible risks associated with an investment in the Bonds) should be carefully considered prior to purchasing any of the Bonds. Moreover, the order of presentation of the risks summarized below does not necessarily reflect the significance of such investment risks.

General

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO OWNER OF THE BONDS SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES, AND OTHER FUNDS COMPRISING THE TRUST ESTATE.

The ability of the City to pay debt service on the Bonds as due is subject to various factors that are beyond the City's control. These factors include, among others, (a) the ability or willingness of property owners within the District to pay Assessments levied by the City, (b) cash flow delays associated with the institution of foreclosure and enforcement proceedings against property within the District, (c) general and local economic conditions which may impact real property values, the ability to liquidate real property holdings and the overall value of real property development projects, and (d) general economic conditions which may impact the general ability to market and sell the lots within the District, it being understood that poor economic conditions within the City, State and region may slow the assumed pace of sales of such lots.

The rate of development of the property in the District is directly related to the vitality of the residential housing industry. In the event that the sale of the lands within the District should proceed more slowly than expected and the Developer is unable to pay the Assessments, only the value of the lands, with improvements, will be available for payment of the debt service on the Bonds, and such value can only be realized through the foreclosure or expeditious liquidation of the lands within the District. There is no assurance that the value of such lands will be sufficient for that purpose and the expeditious liquidation of real property through foreclosure or similar means is generally considered to yield sales proceeds in a lesser sum than might otherwise be received through the orderly marketing of such real property.

The Underwriter is not obligated to make a market in or repurchase any of the Bonds, and no representation is made by the Underwriter, the City or the City's Financial Advisor that a market for the Bonds will develop and be maintained in the future. If a market does develop, no assurance can be given regarding future price maintenance of the Bonds.

The City has not applied for or received a rating on the Bonds. The absence of a rating could affect the future marketability of the Bonds. There is no assurance that a secondary market for the Bonds will develop or that holders who desire to sell their Bonds prior to the stated maturity will be able to do so.

Deemed Representations and Acknowledgment by Investors

Each Investor will be deemed to have acknowledged and represented to the City the matters set forth under the heading "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS" which include, among others, a representation and acknowledgment that the purchase of the Bonds involves investment risks, certain of which are set forth under this heading "BONDHOLDERS' RISKS" and elsewhere herein, and such Investor, either alone or with its purchaser representative(s) (as defined in Rule 501(h) of Regulation D under the Securities Act of 1933), has sophisticated knowledge and experience in financial and business matters and the capacity to evaluate such risks in making an informed investment decision to purchase the Bonds, and the Investor can afford a complete loss of its investment in the Bonds.

Assessment Limitations

Annual Installments of Assessments are billed to property owners in the District. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as for ad valorem taxes as described under "ASSESSMENT PROCEDURES" herein. Additionally, Annual Installments established by the Service and Assessment Plan correspond in number and proportionate amount to the number of installments and principal amounts of Bonds maturing in each year, interest and the Administrative Expenses for such year. See "ASSESSMENT PROCEDURES" herein. The unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Annual Installments of Assessment payments in the future.

In order to pay debt service on the Bonds, it is necessary that Annual Installments are paid in a timely manner. Due to the lack of predictability in the collection of Annual Installments in the District, the City has established a Reserve Account in the Reserve Fund, to be funded from the proceeds of the Bonds, to cover delinquencies. The Annual Installments are secured by the Assessment Lien. However, there can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid depletion of the Reserve Account and delay in payments of debt service on the Bonds. See "BONDHOLDERS' RISKS — Bondholders' Remedies and Bankruptcy" herein.

Upon an ad valorem tax lien foreclosure event of a property within the District, any lien securing an Assessment that is delinquent will be foreclosed upon in the same manner as the ad valorem tax lien (assuming all necessary conditions and procedures for foreclosure are duly satisfied). To the extent that a foreclosure sale results in insufficient funds to pay in full both the delinquent ad valorem taxes and the delinquent Assessments, the liens securing such delinquent ad valorem taxes and delinquent Assessments would likely be extinguished. Any remaining unpaid balance of the delinquent Assessments would then be an unsecured personal liability of the original property owner.

Based upon the language of Texas Local Government Code, §372.017(b), case law relating to other types of assessment liens and opinions of the Texas Attorney General, the Assessment Lien as it relates to installment payments that are not yet due should remain in effect following an ad valorem tax lien foreclosure, with future installment payments not being accelerated. Texas Local Government Code §372.018(d) supports this position, stating that an Assessment Lien runs with the land and the portion of an assessment payment that has not yet come due is not eliminated by foreclosure of an ad valorem tax lien.

The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Ordinance. However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinance for as long as such Pre-existing Homestead Rights are maintained on the property. It is unclear under Texas law whether or

not Pre-existing Homestead Rights would prevent the Assessment Lien from attaching to such homestead property or instead cause the Assessment Lien to attach, but remain subject to, the Pre-existing Homestead Rights.

Under Texas law, in order to establish homestead rights, the claimant must show a combination of both overt acts of homestead usage and intention on the part of the owner to claim the land as a homestead. Mere ownership of the property alone is insufficient and the intent to use the property as a homestead must be a present one, not an intention to make the property a homestead at some indefinite time in the future. As of the date of adoption of the Assessment Ordinance, no such homestead rights will have been claimed. Furthermore, the Developer is not eligible to claim homestead rights and the Developer has represented that it will own all property within the District as of the date of the Assessment Ordinance. Consequently, there are and can be no homestead rights on the Assessed Property superior to the Assessment Lien and, therefore, the Assessment Lien may be foreclosed upon by the City.

Failure by owners of the parcels to pay Annual Installments when due, depletion of the Reserve Fund, delay in foreclosure proceedings, or inability of the City to sell parcels which have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent installments of Assessments levied against such parcels may result in the inability of the City to make full or punctual payments of debt service on the Bonds.

THE ASSESSMENTS WILL CONSTITUTE A FIRST AND PRIOR LIEN AGAINST THE PROPERTY ASSESSED, SUPERIOR TO ALL OTHER LIENS AND CLAIMS EXCEPT LIENS AND CLAIMS FOR STATE, COUNTY, SCHOOL DISTRICT OR MUNICIPALITY AD VALOREM TAXES AND WILL BE PERSONAL OBLIGATIONS OF AND CHARGES AGAINST THE OWNERS OF PROPERTY LOCATED WITHIN THE DISTRICT.

Exceedance of Maximum Assessment Could Trigger Assessment Prepayment and Optional Redemption

The Service and Assessment Plan establishes a "Maximum Assessment" for each lot type in the District, which Maximum Assessment is currently calculated at $28,284.50* for the 50' lots and at $34,077.71* for the 60' lots. See "APPENDIX B — Form of Service and Assessment Plan."

Prior to the City approving a final subdivision plat, the Administrator will certify that such plat will not result in the Assessment per lot for any lot type exceeding the Maximum Assessment. If the Administrator determines that the resulting Assessment per lot for any lot type will exceed the Maximum Assessment, the Service and Assessment Plan provides that the person or entity filing the plat shall make a mandatory prepayment of the Assessments. See "ASSESSMENT PROCEDURES – Assessment Amounts – Maximum Assessment."

No plat has been filed for lots in the District. In the event that the combined tax rate for entities taxing the District rises or the estimated build out value of lots in the District falls prior to the filing of a plat for the District, a mandatory prepayment of the Assessments could be triggered at the time of filing of the plat. Any mandatory prepayment of the Assessments related to the exceedance of the Maximum Assessment may trigger an optional redemption of the Bonds by the City. See "DESCRIPTION OF THE BONDS – Redemption Provisions."

Competition

The housing industry in the Dallas-Fort Worth area is very competitive, and none of the Developer, the City, the City's Financial Advisor or the Underwriter can give any assurance that the building programs which are planned will be completed in accordance with the Developer's expectations. The competitive position of the Developer in the sale of developed lots or of any other homebuilder in the construction and sale of single-family residential units is affected by most of the factors discussed in this section, and such competitive position is directly related to maintenance of market values in the District. There can be no assurances that other similar projects will not be developed in the future or that existing projects will not be upgraded or otherwise be able to compete with the Development. A sample of competitive projects near the Development is below.

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* *Preliminary; subject to change.*

Project Name	# of Units	Proximity to District (Miles)	Developer	Prices
Georgetown at Kings Fort	305	1	Bloomfield	$328,990 - $551,990
Highland Meadows	447	1	Meritage	TBD
Prairie Creek	63	1	DR Horton	$269,990 - $378,990
River Ridge	1006	10	Taylor-Morrison	$280,000-$304,000

Recent Changes in State Law Regarding Public Improvement Districts; Failure of Developer to Deliver Required Notice Pursuant to Texas Property Code May Affect Absorption Schedule and Provide for Prepayments Causing Partial Redemptions of Bonds

The 87th Legislature passed HB 1543, which became effective September 1, 2021, and requires a person who proposes to sell or otherwise convey real property within a public improvement district to provide to the purchaser of the property, before the execution of a binding contract of purchase and sale, written notice of the obligation to pay public improvement district assessments, in accordance with Section 5.014, Texas Property Code, as amended. In the event a contract of purchase and sale is entered into without the seller providing the notice, the intended purchaser is entitled to terminate the contract or purchase and sale. If the Developer or homebuilders within the District do not provide the required notice and prospective purchasers of property within the District terminate a purchase and sale contract, the anticipated absorption schedule may be affected. In addition to the right to terminate the purchase contract, a property owner who did not receive the required notice is entitled, after sale, to sue for damages for (i) all costs relative to the purchase, plus interest and reasonable attorney's fees, or (ii) an amount not to exceed $5,000, plus reasonable attorney's fees. In a suit filed pursuant to clause (i), any damages awarded must go first to pay any outstanding liens on the property. In such an event, the outstanding Assessments on such property may be prepaid. In the event of such prepayment, a partial redemption of the Bonds could occur. See "DESCRIPTION OF THE BONDS – Redemption Provisions." On payment of all damages respectively to the lienholders and purchaser pursuant to clause (i), the purchaser is required to reconvey the property to the seller. Further however, if the Developer or homebuilders within the District do not provide the required notice and become liable for monetary damages, the anticipated buildout and absorption schedule may be affected. No assurances can be given that the projected buildout and absorption schedules presented in this Limited Offering Memorandum will be realized. The form of notice to be provided to homebuyers is attached to the Service and Assessment Plan. See "APPENDIX B – Form of Service and Assessment Plan."

Failure or Inability to Complete Proposed Development

Proposed development within the District may be affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, changes in the income tax treatment of real property ownership, unexpected increases in development costs and other similar factors as well as availability of utilities and the development or existence of environmental concerns with such land. See "– Hazardous Substances" below. There can be no assurances that other similar projects will not be developed in the future or that existing projects will not be upgraded or otherwise able to compete with the Development. A slowdown of the development process and the related absorption rate within the Development because of any or all of the foregoing could affect adversely land values. THE TIMELY PAYMENT OF THE BONDS DEPENDS UPON THE WILLINGNESS AND ABILITY OF THE DEVELOPER AND ANY SUBSEQUENT OWNERS TO PAY THE ASSESSMENTS WHEN DUE. ANY OR ALL OF THE FOREGOING COULD REDUCE THE WILLINGNESS AND THE ABILITY OF SUCH OWNERS TO PAY THE ASSESSMENTS AND COULD GREATLY REDUCE THE VALUE OF PROPERTY WITHIN THE DISTRICT IN THE EVENT SUCH PROPERTY HAS TO BE FORECLOSED. In that event, there could be a default in the payment of the Bonds.

Completion of Homes

The cost and time for completion of homes by the homebuilders in the District is uncertain and may be affected by changes in national, regional and local and economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; changes in local, regional and national market and economic conditions; unanticipated development costs, market

preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes yet to be built in the District, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; force majeure (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; subcontractor defaults; and other unknown contingencies and factors beyond the control of the Developer.

Absorption Rate

There can be no assurance that the Developer will be able to achieve its anticipated absorption rates. Failure to achieve the absorption rate estimates will adversely affect the estimated value of the District, could impair the economic viability of the District and could reduce the ability or desire of property owners in the District to pay the Assessments.

Risks Related to Current Increase in Costs of Building Materials

There have been substantial increases in the cost of materials, causing many homebuilders and general contractors to experience budget overruns. If the construction costs associated with completing homes in the District are substantially higher than the estimated costs or if the homebuilders within the District are unable to access building materials in a timely manner, it may affect the ability of such homebuilders in the District to complete the construction of homes or pay the Assessments when due. There is no way to predict whether such cost increases or low supply of building materials will continue or if such continuance will affect the development of the District.

Bankruptcy

The payment of Assessments and the ability of the City to foreclose on the lien of a delinquent unpaid Assessment may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. Although bankruptcy proceedings would not cause the Assessments to become extinguished, bankruptcy of a property owner in all likelihood would result in a delay in prosecuting foreclosure proceedings. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds, and the possibility that delinquent Assessments might not be paid in full.

Direct and Overlapping Indebtedness, Assessments and Taxes

The ability of an owner of property within the District to pay the Assessments could be affected by the existence of other taxes and assessments imposed upon the property. Public entities whose boundaries overlap those of the District currently impose ad valorem taxes on the property within the District and will likely do so in the future. Such entities could also impose assessment liens on the property within the District. The imposition of additional liens, or for private financing, may reduce the ability or willingness of the landowners to pay the Assessments. See "OVERLAPPING TAXES AND DEBT."

Depletion of Reserve Account of the Reserve Fund

Failure of the owners of property within the District to pay the Assessments when due could result in the rapid, total depletion of the Bond Reserve Account of the Reserve Fund prior to replenishment from the resale of property upon a foreclosure or otherwise or delinquency redemptions after a foreclosure sale, if any. There could be a default in payments of the principal of and interest on the Bonds if sufficient amounts are not available in the Bond Reserve Account of the Reserve Fund. The Indenture provides that if, after a withdrawal from the Bond Reserve Account of the Reserve Fund, the amount in the Bond Reserve Account of the Reserve Fund is less than the Bond Reserve Account Requirement, the Trustee shall transfer an amount from the Pledged Revenue Fund to the Bond Reserve Account of the Reserve Fund sufficient to cure such deficiency, as described under "SECURITY FOR THE BONDS — Bond Reserve Account of the Reserve Fund" herein.

Hazardous Substances

While governmental taxes, assessments and charges are a common claim against the value of a parcel, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized to the assessment is a claim with regard to a hazardous substance. In general, the owners and operators of a parcel may be required by law to remedy conditions relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or "Superfund Act," is the most well-known and widely applicable of these laws. It is likely that, should any of the parcels of land located in the District be affected by a hazardous substance, the marketability and value of such parcels would be reduced by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The value of the land within the District does not take into account the possible liability of the Developer for the remediation of a hazardous substance condition on the property in the District. The City has not independently verified, and is not aware, that the Developer has such a current liability with respect to its property; however, it is possible that such liabilities do currently exist and that the City is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the land within the District resulting from the existence, currently, of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. The actual occurrence of any of these possibilities could significantly negatively affect the value of a parcel that is realizable upon a foreclosure.

See "THE DEVELOPMENT – Environmental" for discussion of the Phase One ESA performed on property within the District.

Exercise of Third Party Property Rights

As described herein under "THE DEVELOPMENT – Existing Mineral Rights, Easements and Other Third Party Property Rights," there are certain Third Party Property Rights. reservations located within the District and not owned by the Developer. There may also be additional mineral rights and related real property rights reflected in the chain of title for the real property within the District recorded in the real property records of Kaufman County.

The Developer does not expect the existence or exercise of any Third Party Property Rights, mineral rights or related real property rights in or around the District to have a material adverse effect on the District, the property within the District, or the ability of landowners within the District to pay Assessments. However, none of the City, the Financial Advisor, or the Underwriter, provide any assurances as to such Developer expectations.

Regulation

Development within the District may be subject to future federal, state and local regulations. Approval may be required from various agencies from time to time in connection with the layout and design of development in the District, the nature and extent of public improvements, land use, zoning and other matters. Failure to meet any such regulations or obtain any such approvals in a timely manner could delay or adversely affect development in the District and property values.

Bondholders' Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds or the occurrence of any other Event of Default under the Indenture, the Trustee may, and upon the written request of at least 25% of the owners of the Bonds then Outstanding, the Trustee shall proceed to protect and enforce its rights and the rights of the owners of the Bonds under the Indenture by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for mandamus or the specific performance of any covenant or agreement contained therein or in aid or execution of any power granted or for the enforcement of any proper legal

or equitable remedy, as the Trustee shall deem most effectual to protect and enforce such rights provided that no action for money damages against the City may be sought or shall be permitted. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the City's obligations under the Bonds or the Indenture and such obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The owners of the Bonds cannot themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the owners of the Bonds further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. In this regard, should the City file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the City to seek judicial foreclosure of its Assessment Lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "BONDHOLDERS' RISKS — Bankruptcy Limitation to Bondholders' Rights" herein.

Any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a property owner within the District pursuant to the Federal Bankruptcy Code could, subject to its discretion, delay or limit any attempt by the City to collect delinquent Assessments, or delinquent ad valorem taxes, against such property owner.

In addition, in 2006, the Texas Supreme Court ruled in *Tooke v. City of Mexia*, 197 S.W.3d 325 (Tex. 2006) ("Tooke") that a waiver of sovereign immunity must be provided for by statute in "clear and unambiguous" language. In so ruling, the Court declared that statutory language such as "sue and be sued", in and of itself, did not constitute a clear and unambiguous waiver of sovereign immunity. In Tooke, the Court noted the enactment in 2005 of sections 271.151-.160, Texas Local Government Code (the "Local Government Immunity Waiver Act"), which, according to the Court, waives "immunity from suit for contract claims against most local governmental entities in certain circumstances." The Local Government Immunity Waiver Act covers cities and relates to contracts entered into by cities for providing goods or services to cities.

In *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W.3d 427 (Tex. 2016) ("Wasson"), the Texas Supreme Court (the "Court") addressed whether the distinction between governmental and proprietary acts (as found in tort-based causes of action) applies to breach of contract claims against municipalities. The Court analyzed the rationale behind the Proprietary-Governmental Dichotomy to determine that "a city's proprietary functions are not done pursuant to the 'will of the people'" and protecting such municipalities "via the [S]tate's immunity is not an efficient way to ensure efficient allocation of [S]tate resources." While the Court recognized that the distinction between governmental and proprietary functions is not clear, the Wasson opinion held that the Proprietary-Governmental Dichotomy applies in a contract-claims context. The Court reviewed Wasson for a second time and issued an opinion on October 5, 2018 clarifying that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function when it entered into the contract, not at the time of the alleged breach. Therefore, in regard to municipal contract cases (as in tort claims), it is incumbent on the courts to determine whether a function was proprietary or governmental based upon the statutory and common law guidance at the time of inception of the contractual relationship. Texas jurisprudence has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under authority or for the benefit of the State; these are usually activities that can be, and often are, provided by private persons, and therefore are not done as a branch of the State, and do not implicate the state's immunity since they are not performed under the authority, or for the benefit, of the State as sovereign. Notwithstanding the foregoing new case law issued by the Court, such sovereign immunity issues have not been adjudicated in relation to bond matters (specifically, in regard to the issuance of municipal debt). Each situation will be prospectively evaluated based on the facts and circumstances surrounding the contract in question to determine if a suit, and subsequently, a judgement, is justiciable against a municipality.

The City is not aware of any State court construing the Local Government Immunity Waiver Act in the context of whether contractual undertakings of local governments that relate to their borrowing powers are contracts covered by such act. Because it is unclear whether the Texas legislature has effectively waived the City's sovereign immunity from a suit for money damages in the absence of City action, the Trustee or the owners of the Bonds may not be able to bring such a suit against the City for breach of the Bonds or the Indenture covenants. As noted above, the Indenture provides that owners of the Bonds may exercise the remedy of mandamus to enforce the obligations of

the City under the Indenture. Neither the remedy of mandamus nor any other type of injunctive relief was at issue in Tooke, and it is unclear whether Tooke will be construed to have any effect with respect to the exercise of mandamus, as such remedy has been interpreted by State courts. In general, State courts have held that a writ of mandamus may be issued to require public officials to perform ministerial acts that clearly pertain to their duties. State courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, mandamus may be used to require a public officer to perform legally-imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party (including the payment of moneys due under a contract).

No Acceleration

The Indenture expressly denies the right of acceleration in the event of a payment default or other default under the terms of the Bonds or the Indenture.

Bankruptcy Limitation to Bondholders' Rights

The enforceability of the rights and remedies of the owners of the Bonds may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. The City is authorized under Texas law to voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. 901-946. The City may proceed under Chapter 9 if it (1) is generally not paying its debts, or unable to meet its debts, as they become due, (2) desires to effect a plan to adjust such debts, and (3) has either obtained the agreement of or negotiated in good faith with its creditors, is unable to negotiate with its creditors because negotiation is impracticable, or reasonably believes that a creditor may attempt to obtain a preferential transfer.

If the City decides in the future to proceed voluntarily under the Federal Bankruptcy Code, the City would develop and file a plan for the adjustment of its debts, and the Bankruptcy Court would confirm the plan if (1) the plan complies with the applicable provisions of the Federal Bankruptcy Code, (2) all payments to be made in connection with the plan are fully disclosed and reasonable, (3) the City is not prohibited by law from taking any action necessary to carry out the plan, (4) administrative expenses are paid in full, (5) all regulatory or electoral approvals required under Texas law are obtained and (6) the plan is in the best interests of creditors and is feasible. The rights and remedies of the owners of the Bonds would be adjusted in accordance with the confirmed plan of adjustment of the City's debt. The City cannot predict a Bankruptcy Court's treatment of the Bondholders' creditor claim and whether a Bondholder would be repaid in full.

Loss of Tax Exemption

The Indenture contains covenants by the City intended to preserve the exclusion from gross income of interest on the Bonds for federal income tax purposes. As discussed under the caption "TAX MATTERS" herein, interest on the Bonds could become includable in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the City in violation of its covenants in the Indenture.

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

Tax-Exempt Status of the Bonds

As further described in "TAX MATTERS" below, failure of the City to comply with the requirements of the Internal Revenue Code of 1986 (the "Code") and the related legal authorities, or changes in the federal tax law or its application, could cause interest on the Bonds to be included in the gross income of owners of the Bonds for federal income tax purposes, possibly from the date of original issuance of the Bonds. Further, the opinion of Bond Counsel

is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of interest on the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. The IRS has an ongoing program of auditing obligations that are issued and sold as bearing tax-exempt interest to determine whether, in the view of the IRS, interest on such obligations is included in the gross income of the owners thereof for federal income tax purposes. If an audit of the Bonds is commenced, under current procedures parties other than the City would have little, if any, right to participate in the audit process. Moreover, because achieving judicial review in connection with an audit of tax-exempt obligations is difficult, obtaining an independent review of IRS positions with which the City legitimately disagrees, may not be practicable. Any action of the IRS, regardless of the outcome, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of obligations presenting similar tax issues, may affect the market price for, or the marketability of, the Bonds. Finally, if the IRS ultimately determines that the interest on the Bonds is not excluded from the gross income of Bondholders for federal income tax purposes, the City may not have the resources to settle with the IRS, the Bonds are not required to be redeemed, and the interest rate on the Bonds will not increase.

Management and Ownership

The management and ownership of the Developer and related property owners could change in the future. Purchasers of the Bonds should not rely on the management experience of such entities. There are no assurances that such entities will not sell the subject property or that officers will not resign or be replaced. In such circumstances, a new developer or new officers in management positions may not have comparable experience in development projects comparable to that of the District.

General Risks of Real Estate Investment and Development

Investments in undeveloped or developing real estate are generally considered to be speculative in nature and to involve a high degree of risk. Development in the District will be subject to the risks generally incident to real estate investments and development. Many factors that may affect the District, as well as the operating revenues of the Developer, including those derived from the District, are not within the control of the Developer. Such factors include changes in national, regional and local economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; changes in local, regional and national market and economic conditions; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes to be built in the District, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; acts of God (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; contractor or subcontractor defaults; and other unknown contingencies and factors beyond the control of the Developer.

Furthermore, the operating revenues of the Developer may be materially adversely affected if specific conditions in the lot purchase contracts are not met. Contracts that the Developer may have with individual homebuilders are subject to a myriad of contractual conditions and contingencies, all or some of which if not complied with, could precipitate a termination or winding up of such contractual arrangement for the sale of lots, causing the Developer to possibly need to execute a different strategy for the development and sale of lots and residential units within the District. As described herein, the Assessments are an imposition against the land only. Neither the Developer nor any other subsequent landowner is a guarantor of the Assessments and the recourse for the failure of the Developer or any other landowner to pay the Assessments is limited to the collection proceedings against the land as described herein. Failure to meet any lot purchase contract's conditions may allow the applicable lot purchaser to terminate its obligation to purchase lots from the Developer and obtain its earnest money deposit back. See "THE DEVELOPMENT – Lot Purchase and Sale Agreement in the District" herein.

The Developer has the right to modify or change their plan for development of the District from time to time, including, without limitation, land use changes, changes in the overall land and phasing plans, and changes to the type, mix, size, and number of units to be developed. No defined "true-up" agreement has been entered into between the City and Developer, nor is there a requirement that future developers enter into such an agreement. There can be no

assurance, in the event the Developer or subsequent developers modify or change plans for development that the necessary revisions to the Service and Assessment Plan will be made. Nor can there be an assurance that the eventual assessment burden on the property will be marketable.

The ability of the Developer and homebuilders to develop lots and sell single-family residential homes within the District may be affected by unforeseen changes in the general economic conditions, fluctuations in the real estate market and other factors beyond the control of the owner of the single-family residential lots. In the event that a large number of single-family projects are constructed outside of the District, and compete with the Development, the demand for residential housing within the District could be reduced, thereby adversely affecting the continued development of the Development, or its attraction to businesses and residents.

The Development cannot be initiated or completed without the Developer obtaining a variety of governmental approvals and permits, some of which have already been obtained. Certain permits are necessary to initiate construction of the Development and to allow the occupancy of residences and to satisfy conditions included in the approvals and permits. There can be no assurance that all of these permits and approvals can be obtained or that the conditions to the approvals and permits can be fulfilled. The failure to obtain any of the required approvals or fulfill any one of the conditions could cause materially adverse financial results for the Developer.

A slowdown of the development process and the related absorption rate within the Development because of any or all of the foregoing could affect adversely land values. The timely payment of the Bonds depends on the willingness and ability of the Developer, its homebuilding affiliates and any subsequent owners to pay the Assessments when due. Any or all of the foregoing could reduce the willingness and ability of such owners to pay the Assessments and could greatly reduce the value of the property within the District in the event such property has to be foreclosed. If Annual Installments of Assessments are not timely paid and there are insufficient funds in the accounts of the Reserve Fund, a nonpayment could result in a payment default under the Indenture.

Availability of Utilities

The progress of development within the District is also dependent upon the City providing an adequate supply of water and sufficient capacity for the collection and treatment of wastewater. If the City fails to supply water and wastewater services to the property in the District, the Development of the land in the District could be adversely affected. See "THE DEVELOPMENT — Utilities" and "THE CITY – City Water and Wastewater System."

Dependence Upon Developer

The Developer, as the owner of the Assessed Property in the District, currently has the obligation for payment of the Assessments. The ability of the Developer to make full and timely payment of the Assessments will directly affect the ability of the City to meet its debt service obligations with respect to the Bonds. The only assets of the Developer are land within the District, related permits and development rights, and minor operating accounts. The source of funding for future land development activities and infrastructure construction to develop the lots proposed for the District also consists of proceeds of the Bonds and proceeds of lot sales, as well as possible bank financing and equity contributions by the Developer. There can be no assurances given as to the financial ability of the Developer to advance any funds to the City to supplement revenues from the Assessments if necessary, or as to whether the Developer will advance such funds.

Moreover, the City will pay the Developer, or the Developer's designee, from proceeds of the Bonds for project costs actually incurred in developing and constructing the Authorized Improvements within the District. See "THE AUTHORIZED IMPROVEMENTS – General" and "THE DEVELOPMENT – Development Plan and Status of Development." There can be no assurances given as to the financial ability of the Developer to complete such improvements.

The Developer will not guarantee or otherwise be obligated to pay debt service on the Bonds.

Potential Future Changes in State Law Regarding Public Improvement Districts

During Texas legislative sessions and interim business of the Texas legislature, various proposals and reports have been presented by committees of Texas Senate and Texas House of Representative which suggest or recommend changes to the PID Act relating to oversight of bonds secured by special assessments including adopting requirements relating to levels of build out or adding State level oversight in connection with the issuance of bonds secured by special assessments under the PID Act. The 88th Legislative Session of the State (the "88th Regular Session") concluded on May 29, 2023. When the regular Legislature is not in session, the Governor of Texas may call one or more special sessions, at the Governor's direction, each lasting no more than 30 days, and for which the Governor sets the agenda. Upon conclusion of the 88th Regular Session, the Governor called four special sessions all of which have ended without any legislation being passed by either chamber of the Texas legislature recommending oversight of bonds secured by assessments. It is impossible to predict what new proposals may be presented regarding the PID Act and the issuance of special assessment bonds during any upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Texas Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. It is impossible to predict with certainty the impact that any such future legislation will or may have on the security for the Bonds.

Use of Appraisal

Caution should be exercised in the evaluation and use of valuations included in the Appraisal. The Appraisal is an estimate of market value as of a specified date based upon assumptions and limiting conditions and any extraordinary assumptions specific to the relevant valuation and specified therein. The estimated market value specified in the Appraisal is not a precise measure of value, but is based on a subjective comparison of related activity taking place in the real estate market. The valuation set forth in the Appraisal is based on various assumptions of future expectations and while the Appraiser's forecasts for properties in the District is considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future. The Bonds will not necessarily trade at values determined solely by reference to the underlying value of the properties in the District.

In performing its analysis, the Appraiser makes numerous assumptions with respect to general business, economic and regulatory conditions and other matters, many of which are beyond the Appraiser's, Underwriter's and City's control, as well as certain factual matters. Furthermore, the Appraiser's analysis, opinions and conclusions are necessarily based upon market, economic, financial and other circumstances and conditions existing prior to the valuation and date of the Appraisal.

The intended use and user of the Appraisal are specifically identified in the Appraisal as agreed upon in the contract for services and/or reliance language found in the Appraisal. The Appraiser has consented to the use of the Appraisal in this Limited Offering Memorandum in connection with the issuance of the Bonds. No other use or user of the Appraisal is permitted by any other party for any other purpose.

Risk from Weather Events

All of the State, including the City and the District, is subject to extreme weather events that can cause loss of life and damage to property through strong winds, flooding, heavy rains, extreme heat and freezes, including events similar to the severe winter storm that the continental United States experienced in February 2021, which resulted in disruptions in the Electric Reliability Council of Texas power grid and prolonged blackouts throughout the State. It is impossible to predict whether similar events will occur in the future and the impact they may have on the City or the District, including land within the District.

100-Year Flood Plain

According to FEMA FIRM Community Panel Number 48257C0310D dated July 3, 2012, no property within the District lies within a special flood hazard designation.

FEMA will from time to time revise its Flood Insurance Rate Maps. None of the City, the Underwriter, or the Developer make any representation as to whether FEMA may revise its Flood Insurance Rate Maps, whether such

revisions may result in homes that are currently outside of the 100-year flood plain from being included in the 100-year flood plain in the future, or whether extreme flooding events may occur more often than assumed in creating the 100-year flood plain.

Judicial Foreclosures

Judicial foreclosure proceedings are not mandatory; however, the City will covenant (subject to provisions set forth in the Indenture) to order and cause such actions to be commenced. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and, in such event, there could be an additional delay in payment of the principal of and interest on the Bonds or such payment may not be made in full. Moreover, in filing a suit to foreclose, the City must join other taxing units that have claims for delinquent taxes against all or part of the same property; the proceeds of any sale of property within the District available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property. See "OVERLAPPING TAXES AND DEBT." Collection of delinquent taxes, assessments and the Assessments may be adversely affected by the effects of market conditions on the foreclosure sale price, and by other factors, including taxpayers' right to redeem property within two years of foreclosure for residential and agricultural use property and six months for other property, and by a time-consuming and expensive collection procedure.

No Credit Rating

The City has not applied for or received a rating on the Bonds. Even if a credit rating had been sought for the Bonds, it is not anticipated that such a rating would have been investment grade. The absence of a rating could affect the future marketability of the Bonds. There is no assurance that a secondary market for the Bonds will develop or that holders who desire to sell their Bonds prior to the stated maturity will be able to do so. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary market trading in connection with a particular issue is suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then generally prevailing circumstances. Such prices could be substantially different from the original purchase price.

Limited Secondary Market for the Bonds

The Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Bonds in the event an Owner thereof determines to solicit purchasers for the Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Bonds may be sold. Such price may be lower than that paid by the current Owners of the Bonds, depending on the progress of development of the District subject to the Assessments, existing real estate and financial market conditions and other factors.

TAX MATTERS

The following discussion of certain federal income tax considerations is for general information only and is not tax advice. Each prospective purchaser of the Bonds should consult its own tax advisor as to the tax consequences of the acquisition, ownership and disposition of the Bonds.

Tax Exemption

In the opinion of Bond Counsel, under existing law, interest on the Bonds (i) is excludable from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals.

The Code imposes a number of requirements that must be satisfied for interest on state or local obligations, such as the Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of bond proceeds and the source of repayment of bonds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of bond proceeds be paid periodically to the United States and a requirement that the issuer file an information report with the Internal Revenue Service (the "Service"). The City will covenant in the Indenture that it will comply with these requirements.

Bond Counsel's opinion will assume continuing compliance with the covenants of the Indenture pertaining to those sections of the Code that affect the excludability of interest on the Bonds from gross income for federal income tax purposes and, in addition, will rely on representations by the City and other parties involved with the issuance of the Bonds, with respect to matters solely within the knowledge of the City and such parties, which Bond Counsel has not independently verified. If the City fails to comply with the covenants in the Indenture or if such representations are determined to be inaccurate or incomplete, interest on the Bonds could become includable in gross income from the date of delivery of the Bonds, regardless of the date on which the event causing such inclusion occurs.

Bond Counsel will express no opinion as to the amount or timing of interest on the Bonds or, except as stated above, any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership or disposition of, the Bonds. Certain actions may be taken or omitted subject to the terms and conditions set forth in the Indenture upon the advice or with the approving opinion of Bond Counsel. Bond Counsel will express no opinion with respect to Bond Counsel's ability to render an opinion that such actions, if taken or omitted, will not adversely affect the excludability of interest of the Bonds from gross income for federal income tax purposes.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on Bond Counsel's knowledge of facts as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent Bond Counsel's legal judgment based upon its review of existing law and in reliance upon the representations and covenants referenced above that it deems relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given as to whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the City as the taxpayer, and the Owners may not have a right to participate in such audit. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds regardless of the ultimate outcome of the audit.

Additional Federal Income Tax Consequences

Collateral Tax Consequences. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences, including but not limited to those noted below. Therefore, prospective purchasers of the Bonds should consult their own tax advisors as to the tax consequences of the acquisition, ownership and disposition of the Bonds.

An "applicable corporation" (as defined in section 59(k) of the Code) may be subject to a 15% alternative minimum tax imposed under section 55 of the Code on its "adjusted financial statement income" (as defined in section 56A of the Code) for such taxable year. Because interest on tax-exempt obligations, such as the Bonds, is included in a corporation's "adjusted financial statement income," ownership of the Bonds could subject certain corporations to alternative minimum tax consequences.

Ownership of tax-exempt obligations also may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle income taxpayers otherwise qualifying for the health insurance premium assistance credit and individuals otherwise qualifying for the earned income tax credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively connected earnings and profits, including tax-exempt interest such as interest on the Bonds.

Prospective purchasers of the Bonds should also be aware that, under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Bonds, received or accrued during the year.

Tax Accounting Treatment of Original Issue Premium. If the issue price of a maturity of the Bonds exceeds the stated redemption price payable at maturity of such Bonds, such Bonds (the "Premium Bonds") are considered for

federal income tax purposes to have "bond premium" equal to the amount of such excess. The basis of a Premium Bond in the hands of an initial owner is reduced by the amount of such excess that is amortized during the period such initial owner holds such Premium Bond in determining gain or loss for federal income tax purposes. This reduction in basis will increase the amount of any gain or decrease the amount of any loss recognized for federal income tax purposes on the sale or other taxable disposition of a Premium Bond by the initial owner. No corresponding deduction is allowed for federal income tax purposes for the reduction in basis resulting from amortizable bond premium. The amount of bond premium on a Premium Bond that is amortizable each year (or shorter period in the event of a sale or disposition of a Premium Bond) is determined using the yield to maturity on the Premium Bond based on the initial offering price of such Premium Bond.

The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Premium Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of Premium Bonds should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of amortized bond premium upon the redemption, sale or other disposition of a Premium Bond and with respect to the federal, state, local, and foreign tax consequences of the purchase, ownership, and sale, redemption or other disposition of such Premium Bonds.

Tax Accounting Treatment of Original Issue Discount. If the issue price of a maturity of the Bonds is less than the stated redemption price payable at maturity of such Bonds (the "OID Bonds"), the difference between (i) the amount payable at the maturity of each OID Bond, and (ii) the initial offering price to the public of such OID Bond constitutes original issue discount with respect to such OID Bond in the hands of any owner who has purchased such OID Bond in the initial public offering of the Bonds. Generally, such initial owner is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such OID Bond equal to that portion of the amount of such original issue discount allocable to the period that such OID Bond continues to be owned by such owner. Because original issue discount is treated as interest for federal income tax purposes, the discussions regarding interest on the Bonds under the captions "TAX MATTERS – Tax Exemption" and "TAX MATTERS – Additional Federal Income Tax Considerations – Collateral Tax Consequences" and "—Tax Legislative Changes" generally apply and should be considered in connection with the discussion in this portion of the Limited Offering Memorandum.

In the event of the redemption, sale or other taxable disposition of such OID Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such OID Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such OID Bond was held by such initial owner) is includable in gross income.

The foregoing discussion assumes that (i) the Underwriter has purchased the Bonds for contemporaneous sale to the public and (ii) all of the OID Bonds have been initially offered, and a substantial amount of each maturity thereof has been sold, to the general public in arm's-length transactions for a price (and with no other consideration being included) not more than the initial offering prices thereof stated on the inside cover page of this Limited Offering Memorandum. Neither the City nor Bond Counsel has made any investigation or offers any comfort that the OID Bonds will be offered and sold in accordance with such assumptions.

Under existing law, the original issue discount on each OID Bond accrues daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such OID Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (i) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less the amounts payable as current interest during such accrual period on such Bond.

The federal income tax consequences of the purchase, ownership, and redemption, sale or other disposition of OID Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of OID Bonds should consult their own tax advisors with

respect to the determination for federal, state, and local income tax purposes of interest accrued upon redemption, sale or other disposition of such OID Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such OID Bonds.

Tax Legislative Changes. Current law may change so as to directly or indirectly reduce or eliminate the benefit of the excludability of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could also affect the value and liquidity of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any recently-enacted, proposed, or future legislation.

LEGAL MATTERS

Legal Proceedings

Delivery of the Bonds will be accompanied by the unqualified approving legal opinion of the Attorney General to the effect that the Bonds are valid and legally binding obligations of the City under the Constitution and laws of the State, payable from the Trust Estate and, based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds, the legal opinion of Bond Counsel, to a like effect.

Bracewell LLP serves as Bond Counsel to the City. Locke Lord LLP serves as Underwriter's Counsel. The legal fees paid to Bond Counsel and Underwriter's Counsel are contingent upon the sale and delivery of the Bonds.

Legal Opinions

The City will furnish the Underwriter a transcript of certain certified proceedings incident to the authorization and issuance of the Bonds. Such transcript will include a certified copy of the approving opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State, to the effect that the Bonds are valid and binding special obligations of the City. The City will also furnish the legal opinion of Bond Counsel, to the effect that, based upon an examination of such transcript, the Bonds are valid and binding special obligations of the City under the Constitution and laws of the State. The legal opinion of Bond Counsel will further state that the Bonds, including principal thereof and interest thereon, are payable from and secured by a pledge of and lien on the Pledged Revenues. Bond Counsel will also provide a legal opinion to the effect that interest on the Bonds is excludable from gross income for federal income tax purposes, subject to the matters described above under the caption "TAX MATTERS." A copy of the opinion of Bond Counsel is attached hereto as "APPENDIX C —Form of Opinion of Bond Counsel."

Except as noted below, Bond Counsel did not take part in the preparation of the Limited Offering Memorandum, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Bonds in the Limited Offering Memorandum under the captions or subcaptions "PLAN OF FINANCE — The Bonds," "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS," "ASSESSMENT PROCEDURES" (except for the subcaptions "Assessment Methodology" and "Assessment Amounts"), "THE DISTRICT," "TAX MATTERS," "LEGAL MATTERS — Legal Proceedings," "LEGAL MATTERS — Legal Opinions," "CONTINUING DISCLOSURE" (except for the subcaptions "— The Developer" and "— The Developer's Compliance with Prior Undertakings"), "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE," "LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS," "INVESTMENTS," and APPENDIX A and such firm is of the opinion that the information relating to the Bonds, the Bond Ordinance, the Assessment Ordinance and the Indenture contained therein fairly and accurately describes the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Bond Ordinance, the Assessment Ordinance and the Indenture.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Litigation — The City

At the time of delivery and payment for the Bonds, the City will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or overtly threatened against the City affecting the existence of the District, or seeking to restrain or to enjoin the sale or delivery of the Bonds, the application of the proceeds thereof, in accordance with the Indenture, or the collection or application of Assessments securing the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Assessment Ordinance, the Indenture, any action of the City contemplated by any of the said documents, or the collection or application of the Pledged Revenues, or in any way contesting the completeness or accuracy of this Limited Offering Memorandum or any amendment or supplement thereto, or contesting the powers of the City or its authority with respect to the Bonds or any action of the City contemplated by any documents relating to the Bonds.

Litigation — The Developer

At the time of delivery and payment for the Bonds, the Developer will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the knowledge of the Developer, threatened against or affecting the Developer wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Developer or its members or would adversely affect (i) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Bond Ordinance, the Service and Assessment Plan, the Development Agreement, or the Bond Purchase Agreement, or otherwise described in this Limited Offering Memorandum, or (ii) the tax-exempt status of interest on the Bonds (individually or in the aggregate, a "Material Adverse Effect").

SUITABILITY FOR INVESTMENT

Investment in the Bonds poses certain economic risks. See "BONDHOLDERS' RISKS." The Bonds are not rated by any nationally recognized municipal securities rating service. No dealer, broker, salesman or other person has been authorized by the City or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. Additional information will be made available to each prospective investor, including the benefit of a site visit to the City and the opportunity to ask questions of the Developer, as such prospective investor deems necessary in order to make an informed decision with respect to the purchase of the Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay. See "BONDHOLDERS' RISKS — Bondholders' Remedies and Bankruptcy." Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Indenture and the Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors and enacted before or after such delivery.

NO RATING

No application for a rating on the Bonds has been made to any rating agency, nor is there any reason to believe that the City would have been successful in obtaining an investment grade rating for the Bonds had application been made.

CONTINUING DISCLOSURE

The City

Pursuant to Rule 15c2-12 of the United States Securities and Exchange Commission (the "Rule"), the City, the Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc. (in such capacity, the "Dissemination Agent") expect to enter into a Continuing Disclosure Agreement (the "City Disclosure Agreement") for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the City Disclosure Agreement, certain financial information and operating data relating to the City (collectively, the "City Reports"). The specific nature of the information to be contained in the City Reports is set forth in "APPENDIX D-1 — Form of City Disclosure Agreement." Under certain circumstances, the failure of the City to comply with its obligations under the City Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the City Disclosure Agreement would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

The City has agreed to update information and to provide notices of certain specified events only as provided in the City Disclosure Agreement. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Limited Offering Memorandum, except as provided in the City Disclosure Agreement. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the City Disclosure Agreement or from any statement made pursuant to the City Disclosure Agreement.

The City's Compliance with Prior Undertakings

During the last five years, the City believes it has complied in all material respects with all continuing disclosure agreements made by it in accordance with SEC Rule 15c2-12 except that on September 10, 2021, the City incurred a financial obligation, and due to an administrative oversight, a notice of event filing was not timely filed. The City has since filed a material event disclosing the financial obligation, and the City has incorporated a process to evaluate possible incurrences of future financial obligations.

The Developer

The Developer, the Administrator, and the Dissemination Agent expect to enter into a Continuing Disclosure Agreement (the "Developer Disclosure Agreement") for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Developer Disclosure Agreement, certain information regarding the District and the Authorized Improvements (collectively, the "Developer Reports"). The specific nature of the information to be contained in the Developer Reports is set forth in "APPENDIX D-2 — Form of Developer Disclosure Agreement." Under certain circumstances, the failure of the Developer or the Administrator to comply with its obligations under the Developer Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Developer Disclosure Agreement would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance. The Developer Disclosure Agreement is a voluntary agreement made for the benefit of the holders of the Bonds and is not entered into pursuant to the Rule.

The Developer has agreed to provide (i) certain updated information to the Administrator, which consultant will prepare and provide such updated information in report form and (ii) notices of certain specified events, only as provided in the Developer Disclosure Agreement. The Developer has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Limited Offering Memorandum, except as provided in the Developer Disclosure Agreement. The Developer makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. The Developer disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Developer Disclosure Agreement or from any statement made pursuant to the Developer Disclosure Agreement.

Pursuant to the Developer Disclosure Agreement, the Developer is only responsible for providing the Developer Reports for so long as the Developer is responsible for the payment of Annual Installments of Assessments equal to at least 20% of the total Annual Installment of Assessments for any year. In addition, in the event of foreclosure of any mortgage lien deed of trust or bankruptcy foreclosure sale with respect to the Developer's property within the District, the Developer's continuing disclosure obligation pursuant to the Developer Disclosure Agreement may be discharged and no Developer Reports would be filed thereafter.

The Developer's Compliance with Prior Undertakings

The Developer has not previously entered into an agreement to provide continuing disclosure.

UNDERWRITING

FMSbonds, Inc. (the "Underwriter") has agreed to purchase the Bonds from the City at a purchase price of $_____ (the par amount of the Bonds less an underwriting discount of $_____, which includes Underwriter's Counsel's fee of $_____). The Underwriter's obligations are subject to certain conditions precedent and if obligated to purchase any of the Bonds the Underwriter will be obligated to purchase all of the Bonds. The Bonds may be offered and sold by the Underwriter at prices lower than the initial offering prices stated on the inside cover page hereof, and such initial offering prices may be changed from time to time by the Underwriter.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

The sale of the Bonds has not been registered under the federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any other jurisdiction. The City assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

The PID Act and Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code, as amended) provide that the Bonds are negotiable instruments and investment securities governed by Chapter 8, Texas Business and Commerce Code, as amended, and are legal and authorized investments for insurance companies, fiduciaries, trustees, or for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State, the PFIA requires that the Bonds be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency. See "NO RATING" above. In addition, the PID Act and various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Bonds are eligible to secure deposits to the extent of their market value. No review by the City has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states. No representation is made that the Bonds will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes.

The City made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Bonds for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Bonds for such purposes.

INVESTMENTS

The City invests its funds in investments authorized by State law in accordance with investment policies approved by the City Council. Both State law and the City's investment policies are subject to change.

Under State law, the City is authorized to invest in (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor, (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this State that the City selects from a list the governing body or designated investment committee of the entity adopts as required by Section 2256.025, Texas Government Code; or (ii) a depository institution with a main office or branch office in the State that the City selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the investing entity's account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the City appoints as its custodian of the banking deposits issued for its account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the SEC and operating under Securities and Exchange Commission Rule 15c3-3; (9) certificates of deposit and share certificates (i) issued by or through an institution that either has its main office or a branch office in the State, and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Insurance Fund, or are secured as to principal by obligations described in the clauses (1) through (6) or in any other manner and amount provided by law for City deposits, or (ii) where (a) the funds are invested by the City through (I) a broker that has its main office or a branch office in the State and is selected from a list adopted by the City as required by law or (II) a depository institution that has its main office or a branch office in the State that is selected by the City; (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City; (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1) which are pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent or (c) cash invested in obligations described in clauses (1) through (6) above, clauses (13) through (15) below, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City's name and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less, (12) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency, (13) commercial paper with a stated maturity of 365 days or less that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank, (14) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that provide the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of

1940 and comply with federal Securities and Exchange Commission Rule 2a-7, and (15) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, and have a duration of one year or more and are invested exclusively in obligations described in this paragraph or have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than "AAA" or "AAA-m" or an equivalent by at least one nationally recognized rating service. The City may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the City retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the City must do so by order, ordinance, or resolution. The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Political subdivisions such as the City are authorized to implement securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) of the first paragraph under this subcaption, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm not less than "A" or its equivalent, or (c) cash invested in obligations that are described in clauses (1) through (6) and (10) through (12) of the first paragraph under this subcaption, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the governmental body, held in the name of the governmental body and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less.

Under Texas law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for City funds, the maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All City funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, City investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." At least quarterly the investment officers of the City shall submit an investment report detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest for the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset and fund type invested at the beginning and end of the reporting period by the type of asset and fund type invested, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the

compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) state law. No person may invest City funds without express written authority from the City Council.

Under Texas law the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers' with personal business relationships or relatives with firms seeking to sell securities to the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the registered principal of firms seeking to sell securities to the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the officers of the City; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse repurchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the entity's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

INFORMATION RELATING TO THE TRUSTEE

The City has appointed Wilmington Trust, National Association, Dallas, Texas, a national banking association organized under the laws of the United States, to serve as Trustee. The Trustee is to carry out those duties assignable to it under the Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Limited Offering Memorandum and assumes no responsibility for the contents, accuracy, fairness or completeness of the information set forth in this Limited Offering Memorandum or for the recitals contained in the Indenture or the Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the City of any of the Bonds authenticated or delivered pursuant to the Indenture or for the use or application of the proceeds of such Bonds by the City. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Bonds, the technical or financial feasibility of the project, or the investment quality of the Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

Additional information about the Trustee may be found at its website at www.wilmingtontrust.com. Neither the information on the Trustee's website, nor any links from that website, is a part of this Limited Offering Memorandum, nor should any such information be relied upon to make investment decisions regarding the Bonds.

SOURCES OF INFORMATION

General

The information contained in this Limited Offering Memorandum has been obtained primarily from the City's records, the Developer and its representatives and other sources believed to be reliable. In accordance with its responsibilities under the federal securities law, the Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of the transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum or any sale hereunder will create any implication that there has been no change in the financial condition or operations of the City or the Developer described

herein since the date hereof. This Limited Offering Memorandum contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized. The summaries of the statutes, resolutions, ordinances, indentures and engineering and other related reports set forth herein are included subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

Source of Certain Information

The information contained in this Limited Offering Memorandum relating to the description of the Authorized Improvements, the Development and the Developer generally and, in particular, the information included in the sections captioned "THE AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Authorized Improvements and the Development) and "LEGAL MATTERS — Litigation — The Developer" has been provided by the Developer, and the Developer warrants and represents that the information contained herein is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they were made, not misleading. At the time of delivery of the Bonds to the Underwriter, the Developer will deliver a certificate to this effect to the City and the Underwriter.

Experts

The information regarding the Service and Assessment Plan in this Limited Offering Memorandum has been provided by the Administrator and has been included in reliance upon the authority of such firm as experts in the field of development planning and finance.

The information regarding the Appraisal in this Limited Offering Memorandum has been provided by the Appraiser, and has been included in reliance upon the authority of such firm as experts in the field of the appraisal of real property.

Updating of Limited Offering Memorandum

If, subsequent to the date of the Limited Offering Memorandum, the City learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Underwriter, of any adverse event which causes the Limited Offering Memorandum to be materially misleading, and unless the Underwriter elects to terminate its obligation to purchase the Bonds, the City will promptly prepare and supply to the Underwriter an appropriate amendment or supplement to the Limited Offering Memorandum satisfactory to the Underwriter; provided, however, that the obligation of the City to so amend or supplement the Limited Offering Memorandum will terminate when the City delivers the Bonds to the Underwriter, unless the Underwriter notifies the City on or before such date that less than all of the Bonds have been sold to ultimate customers; in which case the City's obligations hereunder will extend for an additional period of time (but not more than 90 days after the date the City delivers the Bonds) until all of the Bonds have been sold to ultimate customers.

FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Limited Offering Memorandum constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21e of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "anticipate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED HEREIN TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE

CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE" HEREIN.

AUTHORIZATION AND APPROVAL

In the Bond Ordinance, the City Council is expected to approve the form and content of this preliminary Limited Offering Memorandum and authorize and ratify the use of this preliminary Limited Offering Memorandum by the Underwriter in connection with the marketing and sale of the Bonds, and approve the form and content of the final Limited Offering Memorandum.

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APPENDIX A

FORM OF INDENTURE

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APPENDIX B

FORM OF SERVICE AND ASSESSMENT PLAN

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APPENDIX C

FORM OF OPINION OF BOND COUNSEL

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APPENDIX D-1

FORM OF CITY DISCLOSURE AGREEMENT

(THIS PAGE IS INTENTIONALLY LEFT BLANK)

APPENDIX D-2

FORM OF DEVELOPER DISCLOSURE AGREEMENT

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APPENDIX E

APPRAISAL

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$[PAR AMOUNT]
CITY OF KAUFMAN, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(KAUFMAN PUBLIC IMPROVEMENT DISTRICT NO. 3 PROJECT)

BOND PURCHASE AGREEMENT

[BPA DATE], 2024

City of Kaufman, Texas
209 S. Washington Street
Kaufman, Texas 75142

Ladies and Gentlemen:

The undersigned, FMSbonds, Inc. (the "Underwriter"), offers to enter into this Bond Purchase Agreement (this "Agreement") with the City of Kaufman, Texas (the "City"), which will be binding upon the City and the Underwriter upon the acceptance of this Agreement by the City. This offer is made subject to its acceptance by the City by execution of this Agreement and its delivery to the Underwriter on or before 10:00 p.m., Central Time, on the date hereof and, if not so accepted, will be subject to withdrawal by the Underwriter upon written notice delivered to the City at any time prior to the acceptance hereof by the City. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Indenture (defined herein) between the City and Wilmington Trust, National Association as trustee (the "Trustee"), authorizing the issuance of the Bonds (defined herein), and in the Limited Offering Memorandum (defined herein).

1. Purchase and Sale of Bonds. Upon the terms and conditions and upon the basis of representations, warranties, and agreements hereinafter set forth, the Underwriter hereby agrees to purchase from the City, and the City hereby agrees to sell to the Underwriter, all (but not less than all) of the $[PAR AMOUNT] aggregate principal amount of the "City of Kaufman, Texas, Special Assessment Revenue Bonds, Series 2024 (Kaufman Public Improvement District No. 3 Project)" (the "Bonds"), at a purchase price of $_____ (representing the aggregate principal amount of the Bonds, less an original issue discount of $_____ and an Underwriter's discount of $_____).

Inasmuch as this purchase and sale represents a negotiated transaction, the City understands, and hereby confirms, that the Underwriter is not acting as a municipal advisor or fiduciary of the City (including, without limitation, a Municipal Advisor (as such term is defined in Section 975(e) of the Dodd Frank Wall Street Reform and Consumer Protection Act)), but rather is acting solely in its capacity as Underwriter for its own account. The City acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm's length

commercial transaction between the City and the Underwriter and the Underwriter has financial and other interests that differ from any other party to this Agreement, (ii) in connection therewith and with the discussions, undertakings, and procedures leading up to the consummation of this transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent, municipal advisor, financial advisor, or fiduciary of the City, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City with respect to the offering described herein or the discussions, undertakings, and procedures leading thereto (regardless of whether the Underwriter has provided other services or is currently providing other services to the City on other matters) and the Underwriter has no obligation to the City with respect to the offering described herein except the obligations expressly set forth in this Agreement, (iv) the City has consulted its own legal, financial and other advisors to the extent it has deemed appropriate, (v) the Underwriter has financial and other interests that differ from those of the City, and (vi) the Underwriter has provided to the City prior disclosures under Rule G-17 of the Municipal Securities Rulemaking Board (MSRB), which have been received by the City. The City further acknowledges that following the issuance and delivery of the Bonds, the Underwriter has indicated that it may have periodic discussions with the City regarding the expenditure of Bond proceeds and the construction of the Authorized Improvements (as defined herein) financed with the Bonds and, in connection with such discussions, the Underwriter shall be acting solely as a principal and will not be acting as the agent or fiduciary of, and will not be assuming an advisory or fiduciary responsibility in favor of, the City.

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

The Bonds shall be dated [INDENTURE DATE], 2024, and shall have the maturities and redemption features, if any, and bear interest at the rates per annum shown on Schedule I hereto. Payment for and delivery of the Bonds, and the other actions described herein, shall take place on [CLOSING DATE], 2024 (or such other date as may be agreed to by the City and the Underwriter) (the "Closing Date").

2. Authorization Instruments and Law. The Bonds were authorized by an ordinance enacted by the City Council of the City (the "City Council") on [BPA DATE], 2024 (the "Bond Ordinance") and shall be issued pursuant to the provisions of Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "Act"), and the Indenture of Trust, dated as of [INDENTURE DATE], 2024, between the City and the Trustee, authorizing the issuance of the Bonds (the "Indenture"). The Bonds shall be substantially in the form described in, and shall be secured under the provisions of, the Indenture.

The Bonds and interest thereon shall be secured by the proceeds of special assessments (the "Assessments") levied on the assessable parcels within the Kaufman Public Improvement District No. 3 (the "District"). The District was established by a resolution enacted by the City Council on January 24, 2022 (the "Creation Resolution"), in accordance with the Act. A Service and Assessment Plan, as amended, restated and supplemented from time to time (the "Service and Assessment Plan"), which sets forth the costs of the Authorized Improvements and the method of payment of the Assessments was adopted by the City Council pursuant to an ordinance of the City adopted on [BPA DATE], 2024 (the "Assessment Ordinance" and, together with the Creation Resolution, the Indenture and the Bond Ordinance, the "Authorizing Documents"). The Bonds shall be further secured by certain applicable funds and accounts created under the Indenture. Other than the sources pledged under the Indenture, no other funds of the City will be available to pay debt service on the Bonds.

The Bonds shall be as described in Schedule I, the Indenture, and the Limited Offering Memorandum. The proceeds of the Bonds shall be used for (i) paying or reimbursing a portion of the costs of the "Authorized Improvements" which consist of certain public improvements benefitting the District, (ii) funding a debt service reserve fund for the payment of principal and interest on the Bonds, (iii) funding a portion of a Delinquency and Prepayment Reserve Account, (iv) paying a portion of the costs incidental to the organization of the District, and (v) paying the costs of issuance of the Bonds.

3. Limited Public Offering. The Underwriter agrees to make a bona fide limited public offering of all of the Bonds. On or before the fifth (5th) business day prior to Closing, the Underwriter shall execute and deliver to Bond Counsel the Issue Price Certificate as defined and described in Section 4(b) hereof.

4. Establishment of Issue Price. Notwithstanding any provision of this Agreement to the contrary, the following provisions related to the establishment of the issue price of the Bonds apply.

(a) Definitions. For purposes of this Section 4, the following definitions apply:

(i) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than a Tax Law Underwriter or a Related Party to a Tax Law Underwriter.

(ii) "Related Party" means any two or more persons who are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profits interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(iii) "Sale Date" means the date of execution of this Agreement by all parties.

(iv) "Tax Law Underwriter " means (A) any person that agrees pursuant to a written contract with the City to participate in the initial sale of the Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

(b) Issue Price Certificate. The Underwriter agrees to assist the City in establishing the issue price of the Bonds and to execute and deliver to the City at least three (3) days prior to the Closing Date an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the City and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the Public of the Bonds (the "Issue Price Certificate"). All actions to be taken by the City under this Section 4 to establish the issue price of the Bonds may be taken on behalf of the City by the City's Financial Advisor identified herein and any notice or report to be provided to the City may be provided to the City's Financial Advisor.

(c) Public Offering. The Underwriter confirms that, on or before the Sale Date, the Underwriter offered the Bonds to the Public at the offering price or prices (each, an "Initial Offering Price"), or at the corresponding yield or yields, set forth in Schedule I attached hereto.

(d) 10% Test. Except as otherwise set forth in the Issue Price Certificate, the City will determine the issue price of the Bonds based on the first price at which 10% of each maturity of the Bonds is sold to the Public (the "10% Test"). The Issue Price Certificate will set forth the maturities, if any, of the Bonds for which the issue price will be the applicable Initial Offering Price because the 10% Test was satisfied as of the Sale Date. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(e) Hold-The-Offering-Price Rule. The Issue Price Certificate will set forth the maturities, if any, of the Bonds for which the 10% Test was not satisfied as of the Sale Date and for which the City and the Underwriter agree that the restrictions in the next sentence will apply (each such maturity of the Bonds being referred to as a "Held Maturity"), which will allow the City to treat the Initial Offering Price to the Public of each such Held Maturity as the issue price of that Held Maturity (the "Hold-the-Offering-Price Rule"). For any maturity identified as a Held Maturity, the Underwriter will neither offer nor sell unsold Bonds of such Held Maturity to any person at a price that is higher than the applicable Initial Offering Price of such Held Maturity during the period starting on the Sale Date and ending on the earlier of the following:

(i) the close of the fifth business day after the Sale Date; or

(ii) the date on which the Tax Law Underwriters have sold at least 10% of such Held Maturity to the Public at a price that is no higher than the Initial Offering Price of such Held Maturity.

The Underwriter will advise the City promptly after the close of the fifth business day after the Sale Date whether Tax Law Underwriters have sold 10% of each such Held Maturity to the Public at a price that is no higher than the applicable Initial Offering Price of such Held Maturity.

The City acknowledges that, in making the representations set forth in this Section, the Underwriter will rely on (A) in the event a selling group has been created in connection with the initial sale of the Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing the issue price of the Bonds, including its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (B) in the event that the Underwriter is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds of the Public, the agreement of each broker-dealer that is a party to such agreement to comply requirements for establishing the issue price of the Bonds, including its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each Tax Law Underwriter will be solely liable for its failure to comply with its agreement regarding the Hold-the-Offering Price Rule and that no Tax Law Underwriter will be liable for the failure of any other Tax Law Underwriter to comply with its corresponding agreement requirements for establishing the issue price of the Bonds, including its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds.

(f) Matters Relating to Certain Agreements. The Underwriter confirms that:

(i) any selling group agreement and each third-party distribution agreement to which the Underwriter is a party relating to the initial sale of the Bonds to the Public, together with related pricing wires, contains or will contain language obligating the Underwriter, each dealer who is a member of any selling group, and each broker-dealer that is a party to any such third-party distribution agreement, as applicable:

(1) (i) to report the prices at which it sells to the Public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% Test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request by the Underwriter and (ii) comply with the Hold-the-Offering Price Rule, if applicable, for so long as directed by the Underwriter and as set forth in the related pricing wires.

(2) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a Related Party to a Tax Law Underwriter participating in the initial sale of the Bonds to the Public; and

(3) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter will assume that each order submitted by the dealer or broker-dealer is a sale to the Public.

(ii) any selling group agreement relating to the initial sale of the Bonds to the Public, together with related pricing wires, contains or will contain language obligating each dealer that is a party to any third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (1) report the prices at which it sells to the Public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until it is notified by the Underwriter or the dealer that the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity that allocated to it have been sold to the Public, provided that, the reporting obligation after the Closing date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or dealer and (2) comply with the Hold-the-Offering Price Rule, if applicable, in each case if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(g) Sale to Related Party not a Sale to the Public. The Underwriter acknowledges that sales of any Bonds to any person that is a Related Party to a Tax Law Underwriter do not constitute sales to the Public for purposes of this Section 4.

5. Limited Offering Memorandum.

(a) Delivery of Limited Offering Memorandum. The City previously has delivered, or caused to be delivered, to the Underwriter the Preliminary Limited Offering Memorandum for the Bonds dated [PLOM DATE], 2024, (the "Preliminary Limited Offering Memorandum"), in a "designated electronic format," as defined in the Municipal Securities Rulemaking Board ("MSRB") Rule G-32 ("Rule G-32"). The City will prepare, or cause to be prepared, a final Limited Offering Memorandum relating to the Bonds (the "Limited Offering Memorandum") which will be (i) dated the date of this Agreement, (ii) complete within the meaning of the United States Securities and Exchange Commission's Rule 15c2-12, as amended ("Rule 15c2-12"), (iii) in a "designated electronic format," and (iv) substantially in the form of the most recent version of the Preliminary Limited Offering Memorandum provided to the Underwriter before the execution hereof. The Limited Offering Memorandum, including the cover page thereto, all exhibits, schedules, appendices, maps, charts, pictures, diagrams, reports, and statements included or incorporated therein or attached thereto, and all amendments and supplements thereto that may be authorized for use with respect to the Bonds are collectively referred to herein as the "Limited Offering Memorandum." Until the Limited Offering Memorandum has been prepared and is available for distribution, the City shall

provide to the Underwriter sufficient quantities (which may be in electronic format) of the Preliminary Limited Offering Memorandum as the Underwriter deems necessary to satisfy the obligation of the Underwriter under Rule 15c2-12 with respect to distribution to each potential customer, upon request, of a copy of the Preliminary Limited Offering Memorandum.

(b) Preliminary Limited Offering Memorandum Deemed Final. The Preliminary Limited Offering Memorandum has been prepared for use by the Underwriter in connection with the public offering, sale, and distribution of the Bonds. The City hereby represents and warrants that the Preliminary Limited Offering Memorandum has been deemed final by the City as of its date, except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of Rule 15c2-12.

(c) Use of Limited Offering Memorandum in Offering and Sale. The City hereby authorizes the Limited Offering Memorandum and the information therein contained to be used by the Underwriter in connection with the public offering and the sale of the Bonds. The City consents to the use by the Underwriter prior to the date hereof of the Preliminary Limited Offering Memorandum in connection with the public offering of the Bonds. The City shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the City's acceptance of this Agreement (but, in any event, not later than the earlier of the Closing Date or seven (7) business days after the City's acceptance of this Agreement), a reasonable number of copies of the Limited Offering Memorandum which is complete as of the date of its delivery to the Underwriter. The City shall provide the Limited Offering Memorandum, or cause the Limited Offering Memorandum to be provided, (i) in a "designated electronic format" consistent with the requirements of Rule G-32 and (ii) in a printed format in such quantity as the Underwriter shall request in order for the Underwriter to comply with Section (b)(4) of Rule 15c2-12 and the rules of the MSRB.

(d) Updating of Limited Offering Memorandum. If, after the date of this Agreement, up to and including the date the Underwriter is no longer required to provide a Limited Offering Memorandum to potential customers who request the same pursuant to Rule 15c2-12 (the earlier of (i) ninety (90) days from the "end of the underwriting period" (as defined in Rule 15c2-12) and (ii) the time when the Limited Offering Memorandum is available to any person from the MSRB, but in no case less than the 25th day after the "end of the underwriting period" for the Bonds), the City becomes aware of any fact or event which might or would cause the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or if it is necessary to amend or supplement the Limited Offering Memorandum to comply with law, the City will notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time request), and if, in the reasonable judgment of the Underwriter, such fact or event requires preparation and publication of a supplement or amendment to the Limited Offering Memorandum, the City will forthwith prepare and furnish, at no expense to the Underwriter (in a form and manner approved by the

Underwriter), either an amendment or a supplement to the Limited Offering Memorandum so that the statements therein as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading or so that the Limited Offering Memorandum will comply with law; provided, however, that for all purposes of this Agreement and any certificate delivered by the City in accordance herewith, (i) the City makes no representations with respect to the descriptions in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum of The Depository Trust Company, New York, New York ("DTC"), or its book-entry-only system, and (ii) the City makes no representation with respect to the information in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum under the captions and subcaptions "PLAN OF FINANCE — Development Plan and Plan of Finance," "THE AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "THE ADMINISTRATOR," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Authorized Improvements and the Development, as defined in the Limited Offering Memorandum), "CONTINUING DISCLOSURE — The Developer," "LEGAL MATTERS — Litigation – The Developer" and "INFORMATION RELATING TO THE TRUSTEE," "APPENDIX D-2 – Form of Developer Disclosure Agreement," the information provided by the Developer and included in "APPENDIX B – Form of Service and Assessment Plan," and "APPENDIX E – Appraisal" (items (i) and (ii) above are collectively referred to herein as the "Non-City Disclosures"). If such notification shall be subsequent to the Closing, the City, at no expense to the Underwriter, shall furnish such legal opinions, certificates, instruments, and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Limited Offering Memorandum. The City shall provide any such amendment or supplement, or cause any such amendment or supplement to be provided, (i) in a "designated electronic format" consistent with the requirements of Rule G-32 and (ii) in a printed format in such quantity as the Underwriter shall request in order for the Underwriter to comply with Section (b)(4) of Rule 15c2-12 and the rules of the MSRB.

(e) Filing with MSRB. The Underwriter hereby agrees to timely file, in a format prescribed by the MSRB, the Limited Offering Memorandum (and any amendment or supplement to the Limited Offering Memorandum prepared in accordance with Section 5(d) above) with the MSRB through its Electronic Municipal Market Access ("EMMA") system within one business day after receipt but no later than the Closing Date. Unless otherwise notified in writing by the Underwriter, the City can assume that the "end of the underwriting period" for purposes of Rule 15c2-12 is the Closing Date.

6. City Representations, Warranties and Covenants. The City represents, warrants and covenants that:

(a) Due Organization, Existence and Authority. The City is a municipal corporation and a political subdivision of the State of Texas (the "State"), and has, and at the Closing Date will have, full legal right, power and authority:

(i) to enter into:

(1) this Agreement;

(2) the Indenture;

(3) the Freeman Farm Kaufman Development Agreement (the "Development Agreement"), as assigned, between the City and Freeman Farm a Series of EIS Development II, LLC (the "Developer"); and

(4) the Continuing Disclosure Agreement of Issuer with respect to the Bonds, dated as of [INDENTURE DATE], 2024 (the "Continuing Disclosure Agreement of Issuer"), executed and delivered by the City, MuniCap, Inc. ("MuniCap"), as the "Administrator," and HTS Continuing Disclosure Services, a Division of Hilltop Securities Inc., as dissemination agent; and

(5) The Kaufman Public Improvement District No. 3 Construction, Funding and Acquisition Agreement effective [BPA DATE], 2024, executed by the City and the Developer (the "CFA Agreement"); and

(6) The Freeman Farm Facilities Agreement, effective September 20, 2023, between the City and the Developer (the "Facilities Agreement"); and

(7) The Kaufman Public Improvement District No. 3 Reimbursement Agreement, effective [BPA DATE], 2024, executed by and the City and the Developer (the "Reimbursement Agreement").

(ii) to issue, sell, and deliver the Bonds to the Underwriter as provided herein; and

(iii) to carry out and consummate the transactions on its part described in (1) the Authorizing Documents, (2) this Agreement, (3) the Development Agreement, (4) the Continuing Disclosure Agreement of Issuer, (5) the CFA Agreement, (6) the Facilities Agreement, (7) the Reimbursement Agreement, (8) the Limited Offering Memorandum, and (9) any other documents and certificates described in any of the foregoing (the documents described by subclauses (1) through (7) being referred to collectively herein as, the "City Documents").

(b) Due Authorization and Approval of City. By all necessary official action of the City, the City has duly authorized and approved the adoption or execution and delivery by the City of, and the performance by the City of the obligations on its part contained in, the City Documents and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded, except as may have been approved by the Underwriter. When validly executed and delivered by the other parties thereto, the City Documents will constitute the legally valid and binding obligations of the City enforceable upon the City in accordance with their respective terms, except insofar as enforcement may be limited by principles of sovereign immunity, bankruptcy, insolvency, reorganization, moratorium, or similar laws or equitable principles relating to

or affecting creditors' rights generally. The City has complied, and will at the Closing (as defined herein) be in compliance, in all material respects, with the obligations on its part to be performed on or prior to the Closing Date pursuant to the City Documents.

(c) Due Authorization for Issuance of the Bonds. The City has duly authorized the issuance and sale of the Bonds pursuant to the Bond Ordinance, the Indenture, and the Act. The City has, and at the Closing Date will have, full legal right, power and authority (i) to enter into, execute, deliver, and perform its obligations under this Agreement and the other City Documents, (ii) to issue, sell and, deliver the Bonds to the Underwriter pursuant to the Indenture, the Bond Ordinance, the Act, and as provided herein, and (iii) to carry out, give effect to and consummate the transactions on the part of the City described by the City Documents and the Bond Ordinance.

(d) No Breach or Default. As of the time of acceptance hereof, and to its knowledge, the City is not, and as of the Closing Date the City will not be, in breach of or in default in any material respect under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument related to the Bonds and to which the City is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument which breach, default or event could have a material adverse effect on the City's ability to perform its obligations under the Bonds or the City Documents; and, as of such times, the authorization, execution and delivery of the Bonds and the City Documents and compliance by the City with obligations on its part to be performed in each of such agreements or instruments does not and will not conflict with or constitute a material breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the City (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties are bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be permitted by the Bonds and the City Documents.

(e) No Litigation. Other than as described in the Preliminary Limited Offering Memorandum, at the time of acceptance hereof there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body (collectively and individually, an "Action") pending against the City with respect to which the City has been served with process, nor to the knowledge of the City is any Action threatened against the City, in which any such Action (i) in any way questions the existence of the City or the rights of the members of the City Council to hold their respective positions, (ii) in any way questions the formation or existence of the District, (iii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contests or affects the validity of

the City Documents or the consummation of the transactions on the part of the City described therein, or contests the exclusion of the interest on the Bonds from federal income taxation, or (iv) which may result in any material adverse change in the financial condition of the City; and, as of the time of acceptance hereof, to the City's knowledge, there is no basis for any action, suit, proceeding, inquiry, or investigation of the nature described in clauses (i) through (iv) of this sentence.

(f) Bonds Issued Pursuant to Indenture. The City represents that the Bonds, when issued, executed, and delivered in accordance with the Indenture and delivered to the Underwriter as provided herein, will be validly issued and outstanding obligations of the City subject to the terms of the Indenture, entitled to the benefits of the Indenture and the security of the pledge of the proceeds of the levy of the Assessments received by the City, all to the extent provided for in the Indenture. The Indenture creates a valid pledge of the monies in certain funds and accounts established pursuant to the Indenture to the extent provided for in the Indenture, including the investments thereof, subject in all cases to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.

(g) Assessments. The Assessments constituting the security for the Bonds have been levied by the City in accordance with the Act on those parcels of land identified in the Assessment Roll (as defined in the Service and Assessment Plan) for the District. According to the Act, such Assessments run with the land and constitute a valid and legally binding first and prior lien against the properties assessed, superior to all other liens and claims, except liens or claims for state, county, school district, or municipality ad valorem taxes.

(h) Consents and Approvals. All authorizations, approvals, licenses, permits, consents, elections, and orders of or filings with any governmental authority, legislative body, board, agency, or commission having jurisdiction in the matters which are required by the Closing Date for the due authorization of, which would constitute a condition precedent to or the absence of which would adversely affect the due performance by the City of its obligations in connection with the City Documents have been duly obtained or made and are in full force and effect, except the approval of the Bonds by the Attorney General of the State, registration of the Bonds by the Comptroller of Public Accounts of the State, and the approvals, consents and orders as may be required under Blue Sky or securities laws of any jurisdiction.

(i) Public Debt. Prior to the Closing, the City will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by a pledge of the Assessments which secure the Bonds without the prior approval of the Underwriter.

(j) Preliminary Limited Offering Memorandum. The information contained in the Preliminary Limited Offering Memorandum is true and correct in all material respects, and such information does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein,

in the light of the circumstances under which they were made, not misleading; provided, however, that the City makes no representations with respect to the Non-City Disclosures.

(k) Limited Offering Memorandum. At the time of the City's acceptance hereof and (unless the Limited Offering Memorandum is amended or supplemented pursuant to paragraph (d) of Section 5 of this Agreement) at all times subsequent thereto during the period up to and including the 25th day subsequent to the "end of the underwriting period," the information contained in the Limited Offering Memorandum does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the City makes no representations with respect to the Non-City Disclosures, and further provided however, that if the City notifies the Underwriter of any fact or event as required by Section 5(d) hereof, and the Underwriter determines that such fact or event does not require preparation and publication of a supplement or amendment to the Limited Offering Memorandum, then the Limited Offering Memorandum in its then current form shall be conclusively deemed to be complete and correct in all material respects.

(l) Supplements or Amendments to Limited Offering Memorandum. If the Limited Offering Memorandum is supplemented or amended pursuant to paragraph (d) of Section 5 of this Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the 25th day subsequent to the "end of the underwriting period," the Limited Offering Memorandum as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that if the City notifies the Underwriter of any fact or event as required by Section 5(d) hereof, and the Underwriter determines that such fact or event does not require preparation and publication of a supplement or amendment to the Limited Offering Memorandum, then the Limited Offering Memorandum in its then-current form shall be conclusively deemed to be complete and correct in all material respects.

(m) Compliance with Rule 15c2-12. During the past five years, the City has complied in all material respects with its previous continuing disclosure undertaking made by it in accordance with Rule 15c2-12. The Underwriter acknowledges that it has reviewed the continuing disclosure undertaking made by the City in the Continuing Disclosure Agreement of the Issuer.

(n) Use of Bond Proceeds. The City will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Indenture and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

(o) Blue Sky and Securities Laws and Regulations. The City will furnish such information and execute such instruments and take such action in cooperation with the

Underwriter as the Underwriter may reasonably request, at no expense to the City, (i) to (a) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and (b) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and (ii) to continue such qualifications in effect so long as required for the initial distribution of the Bonds by the Underwriter (provided, however, that the City will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Underwriter immediately of receipt by the City of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose.

(p) Certificates of the City. Any certificate signed by any official of the City authorized to do so in connection with the transactions described in this Agreement shall be deemed a representation and warranty by the City to the Underwriter as to the statements made therein and can be relied upon by the Underwriter as to the statements made therein.

(q) Intentional Actions Regarding Representations and Warranties. The City covenants that between the date hereof and the Closing it will not intentionally take actions which will cause the representations and warranties made in this Section to be untrue as of the Closing.

(r) Financial Advisor and Administrator. The City has engaged (i) Hilltop Securities Inc. as its financial advisor, (ii) HTS Continuing Disclosure Services, a Division of Hilltop Securities Inc., as its dissemination agent, and (iii) MuniCap as its Administrator, in each case in connection with its offering and issuance of the Bonds.

By delivering the Limited Offering Memorandum to the Underwriter, the City shall be deemed to have reaffirmed, with respect to the Limited Offering Memorandum, the representations, warranties and covenants set forth above with respect to the Preliminary Limited Offering Memorandum.

7. Developer Letter of Representations. At the signing of this Agreement, the City, Underwriter and counsel to the Underwriter shall receive from the Developer, an executed Developer Letter of Representations (the "Developer Letter of Representations") in the form of Appendix A hereto, and at the Closing, a certificate signed by the Developer as set forth in Section 10(e) hereof.

8. The Closing. At 10:00 a.m., Central time, on the Closing Date, or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the City and the Underwriter, (i) the City will deliver or cause to be delivered to DTC through its "FAST" System, the Bonds in the form of one fully registered Bond for each maturity, registered in the name of Cede & Co., as nominee for DTC, duly executed by the City and authenticated by the Trustee as provided in the Indenture, and (ii) the City will deliver the closing documents hereinafter mentioned to Bracewell LLP ("Bond Counsel"), or a place to be mutually agreed upon by the City and the Underwriter. Settlement will be through the facilities of DTC. The Underwriter will accept delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by

wire transfer in federal funds payable to the order of the City or its designee. These payments and deliveries, together with the delivery of the aforementioned documents, are herein called the "Closing." The Bonds will be made available to the Underwriter for inspection not less than twenty-four (24) hours prior to the Closing.

9. Underwriter's Closing Conditions. The Underwriter has entered into this Agreement in reliance upon the representations and covenants herein and the performance by the City of its obligations under this Agreement, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriter's obligations under this Agreement to purchase, accept delivery of, and pay for the Bonds shall be conditioned upon the performance by the City of its obligations to be performed hereunder at or prior to Closing and shall also be subject to the following additional conditions:

(a) Bring-Down Representations of the City. The representations and covenants of the City contained in this Agreement shall be true and correct in all material respects as of the date hereof and at the time of the Closing, as if made on the Closing Date.

(b) Executed Agreements and Performance Thereunder. At the time of the Closing (i) the City Documents shall be in full force and effect, and shall not have been amended, modified, or supplemented except with the written consent of the Underwriter; (ii) the Authorizing Documents shall be in full force and effect; (iii) there shall be in full force and effect such other resolutions or actions of the City as, in the opinion of Bond Counsel and Counsel to the Underwriter, shall be necessary on or prior to the Closing Date in connection with the transactions on the part of the City described in this Agreement and the City Documents; (iv) there shall be in full force and effect such other resolutions or actions of the Developer as, in the opinion of Ferguson Braswell Fraser Kubasta PC, as counsel to the Developer, ("Developer's Counsel"), shall be necessary on or prior to the Closing Date in connection with the transactions on the part of the Developer described in the Developer Letter of Representations, the Development Agreement, the CFA Agreement, the Facilities Agreement, the Consent and Agreement of Landowners, dated as of [BPA DATE], 2024 by the Developer (the "Landowner Consent"), the Reimbursement Agreement, and the Continuing Disclosure Agreement of the Developer with respect to the Bonds, dated as of [INDENTURE DATE], 2024 executed and delivered by and between the Developer, MuniCap, Inc. as Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., as dissemination agent (the "Continuing Disclosure Agreement of the Developer," and together with the Developer Letter of Representations, the Development Agreement, the CFA Agreement, the Facilities Agreement, and the Landowner Consent, the "Developer Documents"), executed and delivered by the Developer, MuniCap, as Administrator, and HTS Continuing Disclosure Services, a Division of Hilltop Securities Inc., as dissemination agent; and (v) the City shall perform or have performed its obligations required or specified in the City Documents to be performed at or prior to Closing.

(c) No Default. At the time of the Closing, no default shall have occurred or be existing and no circumstances or occurrences that, with the passage of time or giving of notice, shall constitute an event of default under this Agreement, the Indenture, the City Documents or other documents relating to the financing and construction of the Authorized

Improvements and the Development, and the Developer shall not be in default in the payment of principal or interest on any of its indebtedness which default shall materially adversely impact the ability of such Developer to pay the Assessments when due.

(d) Closing Documents. At or prior to the Closing, the Underwriter shall have received each of the documents required under Section 10 below.

(e) Termination Events. The Underwriter shall have the right to cancel its obligation to purchase the Bonds and to terminate this Agreement without liability therefor by written notification to the City if, between the date of this Agreement and the Closing, in the Underwriter's sole and reasonable judgment, any of the following shall have occurred:

(i) the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall be materially adversely affected by the occurrence of any of the following:

(1) legislation shall have been introduced in or enacted by the Congress of the United States or adopted by either House thereof, or legislation pending in the Congress of the United States shall have been amended, or legislation shall have been recommended to the Congress of the United States or otherwise endorsed for passage (by press release, other form of notice, or otherwise) by the President of the United States, the Treasury Department of the United States, or the Internal Revenue Service or legislation shall have been proposed for consideration by either the U.S. Senate Committee on Finance or the U.S. House of Representatives Committee on Ways and Means or legislation shall have been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision by a court of the United States or the Tax Court of the United States shall be rendered or a ruling, regulation, or Limited Offering Memorandum (final, temporary, or proposed) by or on behalf of the Treasury Department of the United States, the Internal Revenue Service, or other federal agency shall be made, which would result in federal taxation of revenues or other income of the general character expected to be derived by the City or upon interest on securities of the general character of the Bonds or which would have the effect of changing, directly or indirectly, the federal income tax consequences of receipt of interest on securities of the general character of the Bonds in the hands of the holders thereof, and which in either case, makes it, in the reasonable judgment of the Underwriter, impracticable or inadvisable to proceed with the offer, sale, or delivery of the Bonds on the terms and in the manner described in the Limited Offering Memorandum; or

(2) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or Limited Offering Memorandum by, or on

behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as described herein or by the Limited Offering Memorandum, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect (the "Securities Act"), or that the Indenture need to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect (the "Trust Indenture Act"); or

(3) a general suspension of trading in securities on the New York Stock Exchange shall be in effect as of closing, the establishment of minimum prices on such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so; or

(4) there shall have occurred any outbreak of hostilities (including, without limitation, an act of terrorism) or other national or international calamity or crisis, including, but not limited to, an escalation of hostilities that existed prior to the date hereof, and the effect of any such event on the financial markets of the United States shall be such as would make it impracticable, in the reasonable judgment of the Underwriter, for it to sell the Bonds on the terms and in the manner contemplated by the Limited Offering Memorandum; or

(5) there shall have occurred since the date of this Agreement any materially adverse change in the affairs or financial condition of the City, except as disclosed in or contemplated by the Limited Offering Memorandum; or

(6) any state blue sky or securities commission or other governmental agency or body in any state in which more than 10% of the Bonds have been offered and sold shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto, provided that such withholding or stop order is not related to the misfeasance, malfeasance, or nonfeasance of the Underwriter, which change occurs subsequent to the date hereof and is not due to the malfeasance of the Underwriter; or

(7) any amendment to the federal or state Constitution or action by any federal or state court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the City, its

property, income, securities (or interest thereon), or the validity or enforceability of the Assessments to pay principal of and interest on the Bonds; or

(ii) the New York Stock Exchange or other national securities exchange or any governmental authority shall impose, as to the Bonds or as to obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter; or

(iii) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Limited Offering Memorandum, or has the effect that the Limited Offering Memorandum contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, which change shall occur subsequent to the date of this Agreement and shall not be due to the malfeasance, misfeasance or nonfeasance of the Underwriter; or

(iv) any fact or event shall exist or have existed that, in the Underwriter's reasonable judgment, requires or has required an amendment of or supplement to Limited Offering Memorandum (other than any amendment to the information contained under the caption "UNDERWRITING"); or

(v) a general banking moratorium shall have been declared by federal or State authorities having jurisdiction and be in force as of Closing; or

(vi) a material disruption in securities settlement, payment or clearance services shall have occurred and shall be continuing as of two (2) business' days prior to Closing; or

(vii) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Agreement or by the Limited Offering Memorandum, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws on the date of Closing, including the Securities Act, the Securities Exchange Act of 1934 (the "Securities Exchange Act") and the Trust Indenture Act; or

(viii) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission, which prohibition shall occur subsequent to the date hereof and shall not be due to the malfeasance, misfeasance, or nonfeasance of the Underwriter.

With respect to the conditions described in subparagraphs (ii), (vii) and (viii) above, the Underwriter is not aware of any current, pending or proposed law or government inquiry or investigation as of the date of execution of this Agreement which would permit the Underwriter to invoke its termination rights hereunder.

10. Closing Documents. At or prior to the Closing, the Underwriter shall receive the following documents:

(a) Bond Opinion. The approving opinion of Bond Counsel, dated the Closing Date and substantially in the form included as Appendix C to the Limited Offering Memorandum, together with a reliance letter from Bond Counsel, dated the date of the Closing and addressed to the Underwriter, which may be included in the supplemental opinion required by Section 10(b), to the effect that the foregoing opinion may be relied upon by the Underwriter to the same extent as if such opinion were addressed to it.

(b) Supplemental Opinion. A supplemental opinion of Bond Counsel dated the Closing Date and addressed to the City and the Underwriter, in form and substance acceptable to counsel for the Underwriter, to the following effect:

(i) Except to the extent noted therein, Bond Counsel has not verified and is not passing upon, and does not assume any responsibility for, the accuracy, completeness or fairness of the statements and information contained in the Limited Offering Memorandum but that Bond Counsel has reviewed the statements and information appearing under the captions and subcaptions "PLAN OF FINANCE — The Bonds", "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS," "ASSESSMENT PROCEDURES" (except for the subcaptions "Assessment Methodology" and "Assessment Amounts"), "THE DISTRICT," "TAX MATTERS," "LEGAL MATTERS — Legal Proceedings," "LEGAL MATTERS — Legal Opinions," "CONTINUING DISCLOSURE" (except for the subcaptions "— The Developer" and "— The Developer's Compliance with Prior Undertakings"), "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE," "LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS," "INVESTMENTS," and APPENDIX A, and Bond Counsel is of the opinion that the information relating to the Bonds, the Bond Ordinance, the Assessment Ordinance and the Indenture contained under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Bond Ordinance, the Assessment Ordinance and Indenture;

(ii) The Bonds are not subject to the registration requirements of the Securities Act, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act;

(iii) On the dates thereof, the City had full power and authority to adopt the Creation Resolution, the Assessment Ordinance, and the Bond Ordinance (collectively, the foregoing documents are referred to herein as the "City Actions")

and perform its obligations thereunder and the City Actions have been duly adopted, are in full force and effect and have not been modified, amended or rescinded; and

(iv) The Indenture, the CFA Agreement, the Continuing Disclosure Agreement of Issuer, the Facilities Agreement, and this Agreement have been duly authorized, executed and delivered by the City and, assuming the due authorization, execution and delivery of such instruments, documents, and agreements by the other parties thereto, constitute the legal, valid, and binding agreements of the City, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, or other laws affecting enforcement of creditors' rights, or by the application of equitable principles if equitable remedies are sought and to the application of Texas law relating to governmental immunity applicable to governmental entities.

(c) City Legal Opinion. An opinion of an attorney for the City, dated the Closing Date and addressed to the Underwriter, counsel to the Underwriter, the City and the Trustee, with respect to matters relating to the City, substantially in the form of Appendix C hereto or in form otherwise agreed upon by the Underwriter.

(d) Opinion of Developer's Counsel. An opinion of Developer's Counsel, substantially in the form of Appendix D hereto, dated the Closing Date.

(e) Developer Certificate. The certificate of the Developer dated as of the Closing Date, signed by an authorized officer of the Developer in substantially the form of Appendix E hereto.

(f) City Certificate. A certificate of the City, dated the Closing Date, to the effect that, to an authorized City official's knowledge:

(i) the representations and warranties of the City contained herein and in the City Documents are true and correct in all material respects on and as of the Closing Date as if made on the date thereof;

(ii) the Authorizing Documents and City Documents are in full force and effect and have not been amended, modified, or supplemented;

(iii) except as disclosed in the Limited Offering Memorandum, no litigation or proceeding against the City is pending or, to the knowledge of such persons, threatened in any court or administrative body nor is there a basis for litigation which would (a) contest the right of the members or officials of the City to hold and exercise their respective positions, (b) contest the due organization and valid existence of the City or the establishment of the District, (c) contest the validity, due authorization and execution of the Bonds or the City Documents, or (d) attempt to limit, enjoin or otherwise restrict or prevent the City from levying and collecting the Assessments pledged to pay the principal of and interest on the Bonds, or the pledge thereof; and

(iv) the City has, to such person's knowledge, complied with all agreements and covenants and satisfied all conditions set forth in the City Documents, on its part to be complied with or satisfied hereunder at or prior to the Closing.

(g) Trustee's Counsel Opinion. An opinion, dated the date of Closing and addressed to the Underwriter, counsel to the Underwriter, the City and Bond Counsel, in form and substance acceptable to counsel for the Underwriter, the City and Bond Counsel to the following effect:

(i) The Trustee is a national banking association formed under the laws of the United States of America, having the full power and authority to transact business of banking and to exercise fiduciary powers under the Indenture; and

(ii) No consent, approval, authorization or other action by any governmental authority having jurisdiction over the Trustee that has not been obtained is or will be required for the authentication of the Bonds or the consummation by the Trustee of the other transactions contemplated to be performed by the Trustee in connection with the authentication of the Bonds and the acceptance and performance of the obligations created by the Indenture.

(h) Trustee's Certificate. A customary authorization and incumbency certificate dated as of Closing, signed by authorized officers of the Trustee in form and substance acceptable to the Underwriter and Underwriter's Counsel.

(i) Underwriter Counsel's Opinion. An opinion, dated the Closing Date and addressed to the Underwriter, of Locke Lord LLP, counsel to the Underwriter, to the effect that:

(i) based on (A) such counsel's review of the Bond Ordinance, the Indenture, and the Limited Offering Memorandum; (B) its discussions with Bond Counsel and with the Underwriter; (C) its review of the documents, certificates, opinions and other instruments delivered at the closing of the sale of the Bonds on the date hereof; and (D) such other matters as it deems relevant, such counsel is of the opinion that the Bonds are exempt securities under the Securities Act, and the Trust Indenture Act, and it is not necessary, in connection with the offering and sale of the Bonds, to register the Bonds under the Securities Act and the Indenture is not required to be qualified under the Trust Indenture Act;

(ii) based upon (A) such counsel's review of Rule 15c2-12 and interpretive guidance published by the United States Securities and Exchange Commission relating thereto; (B) its review of the continuing disclosure undertaking of the City contained in the Continuing Disclosure Agreement of the Issuer; and (C) the inclusion in the Limited Offering Memorandum of a description of the specifics of such undertaking, and assuming that the Bond Ordinance, the Indenture, and the Continuing Disclosure Agreement of the Issuer have been duly adopted by the City and are in full force and effect, such undertaking provides a suitable basis for the

Underwriter, to make a reasonable determination that the City has met the qualifications of paragraph (b)(5)(i) of Rule 15c2-12; and

(iii) although such counsel has not verified and is not passing upon, and does not assume any responsibility for, the accuracy, completeness or fairness of the information contained in the Limited Offering Memorandum, it has participated in the preparation of the Limited Offering Memorandum and without independent verification, no facts came to its attention that caused it to believe that the Limited Offering Memorandum (except for the Appendices as well as any other financial, engineering and statistical data contained therein or included therein by reference or any litigation disclosed therein, as to which it expresses no view) as of its date contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(j) Limited Offering Memorandum. The Limited Offering Memorandum and each supplement or amendment, if any, thereto.

(k) Delivery of City Documents and Developer Documents. The City Documents and Developer Documents shall have been executed and delivered in form and content reasonably satisfactory to the Underwriter.

(l) Form 8038-G. Evidence that the federal tax information form 8038-G has been prepared by Bond Counsel for filing.

(m) Federal Tax Certificate. A certificate of the City in form and substance satisfactory to Bond Counsel and counsel to the Underwriter setting forth the facts, estimates and circumstances in existence on the date of the Closing, which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and any applicable regulations (whether final, temporary or proposed), issued pursuant to the Code.

(n) Attorney General Opinion and Comptroller Registration. The approving opinion of the Attorney General of the State regarding the Bonds and the Comptroller of the State's Certificate of Registration for the Initial Bond.

(o) Continuing Disclosure Agreements. The Continuing Disclosure Agreement of the Issuer and the Continuing Disclosure Agreement of the Developer, shall have been executed by the parties thereto in substantially the forms attached to the Preliminary Limited Offering Memorandum as Appendix D-1 and Appendix D-2.

(p) Letter of Representation of the Appraiser. (i) Letter of Representation of the Appraiser, substantially in the form of Appendix F hereto, or in form otherwise agreed upon by the Underwriter, and (ii) a copy of the real estate appraisal of the property in the District.

(q) Letter of Representation of Administrator. Letter of Representation of Administrator, substantially in the form of Appendix G hereto, or in form otherwise agreed upon by the Underwriter.

(r) Evidence of Filing of Creation Resolution and Assessment Ordinance. Evidence that (i) the Creation Resolution, including legal description of the District by metes and bounds and (ii) the Assessment Ordinance and a statement indicating the contact for and address of where a copy of the Service and Assessment Plan, and any updates thereto may be obtained or viewed have been filed of record in the real property records of Kaufman County, Texas.

(s) Lender Consent Certificates. Lender Consent Certificate of Prosperity Bank, and any development lender in the District which has not previously consented consenting to and acknowledging the creation of the District, the adoption of the Assessment Ordinance, the levy of the Assessments, and the subordination of its lien to the lien create by the Assessments in a form acceptable to the Underwriter.

(t) Rule 15c2-12 Certification. A certification by the City (which may be included in the Bond Ordinance) whereby the City has deemed the Preliminary Limited Offering Memorandum final as of its date, except for permitted omissions, as contemplated by Rule 15c2-12 in connection with the offering of the Bonds.

(u) Dissemination Agent. Evidence acceptable to the Underwriter in its sole discretion that the City has engaged a dissemination agent acceptable to the Underwriter for the Bonds, with the execution of the Continuing Disclosure Agreement of the Issuer and the Continuing Disclosure Agreement of the Developer by other parties thereto being conclusive evidence of such acceptance by the Underwriter.

(v) Additional Documents. Such additional legal opinions, certificates, instruments, and other documents as the Underwriter or their counsel may reasonably deem necessary.

11. City's Closing Conditions. The obligation of the City hereunder to deliver the Bonds shall be subject to receipt on or before the date of the Closing of the purchase price set forth in Section 1 hereof, and the opinion of Bond Counsel described in Section 10(a) hereof.

12. Consequences of Termination. If the City shall be unable to satisfy the conditions contained in this Agreement or if the obligations of the Underwriter shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and the Underwriter and the City shall have no further obligation hereunder, except as further set forth in Sections 14, 16 and 17 hereof.

13. Costs and Expenses.

(a) The Underwriter shall be under no obligation to pay, and the City shall cause to be paid from proceeds of the Bonds the following expenses incident to the issuance of the Bonds and performance of the City's obligations hereunder: (i) the costs of the preparation and printing of the Bonds; (ii) the cost of preparation, printing, and mailing of

the Preliminary Limited Offering Memorandum, the final Limited Offering Memorandum and any supplements and amendments thereto; (iii) the fees and disbursements of the City's financial advisor, the Trustee's counsel, Bond Counsel, Developer's Counsel, to the extent set forth in the closing memorandum for the Bonds prepared by the City's financial advisor, and the Trustee relating to the issuance of the Bonds; (iv) the Attorney General's review fees; (v) the fees and disbursements of accountants, advisers and any other experts or consultants retained by the City or the Developer (but only to the extent set forth in the closing memorandum for the Bonds prepared by the City's financial advisor), including but not limited to the fees and expenses of the Appraiser, the Administrator; and (vi) the expenses incurred by or on behalf of City employees and representatives that are incidental to the issuance of the Bonds and the performance by the City of its obligations under this Agreement.

(b) The Underwriter shall pay the following expenses: (i) all advertising expenses in connection with the limited offering of the Bonds; (ii) fees of Underwriter's Counsel; and (iii) all other expenses, (including out-of-pocket expenses and related regulatory expenses), incurred by it in connection with its public offering and distribution of the Bonds, except as noted in Subsection 13(a) above.

(c) The City acknowledges that the Underwriter will pay from the Underwriter's expense allocation of the underwriting discount the applicable per bond assessment charged by the Municipal Advisory Council of Texas, a nonprofit corporation ("Texas MAC") whose purpose is to collect, maintain and distribute information relating to issuing entities of municipal securities.

14. Notice. Any notice or other communication to be given to the City under this Agreement may be given by delivering the same in writing to: City of Kaufman, Texas, 209 S. Washington Street, Kaufman, Texas 75142, Attention: City Manager.

Any notice or other communication to be given to the Underwriter under this Agreement may be given by delivering the same in writing to: FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Frisco, Texas 75034, Attention: Tripp Davenport, Director.

15. Entire Agreement. This Agreement is made solely for the benefit of the City and the Underwriter (including their respective successors and assigns), and no other person shall acquire or have any right hereunder or by virtue hereof. All of the City's representations, warranties, and agreements contained in this Agreement shall remain operative and in full force and effect regardless of: (i) any investigations made by or on behalf of the Underwriter, provided the City shall have no liability with respect to any matter of which the Underwriter has actual knowledge prior to the purchase of the Bonds; or (ii) delivery of any payment for the Bonds pursuant to this Agreement. The agreements contained in this Section and in Section 16 shall survive any termination of this Agreement.

16. Survival of Representations and Warranties. All representations and warranties of the parties made in, pursuant to or in connection with this Agreement shall survive the execution and delivery of this Agreement, notwithstanding any investigation by the parties. All statements contained in any certificate, instrument, or other writing delivered by a party to this Agreement or

in connection with the transactions described in by this Agreement constitute representations and warranties by such party under this Agreement to the extent such statement is set forth as a representation and warranty in the instrument in question.

17. Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

18. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof.

19. State Law Governs. The validity, interpretation, and performance of this Agreement shall be governed by the laws of the State of Texas.

20. No Assignment. The rights and obligations created by this Agreement shall not be subject to assignment by the Underwriter or the City without the prior written consent of the other parties hereto.

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

22. Form 1295. Submitted herewith or on a date prior hereto is a completed Form 1295 in connection with the Underwriter's participation in the execution of this Agreement generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The City hereby confirms receipt of the Form 1295 from the Underwriter. The Underwriter and the City understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Underwriter; and, neither the City nor its consultants have verified such information.

23. Statutory Verifications. The Underwriter 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 Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Underwriter 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 Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

(a) Not a Sanctioned Company. The Underwriter 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 Underwriter 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 Underwriter 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 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 Underwriter 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 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) No Boycott of Energy Companies. The Underwriter 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 Agreement. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

24. Attorney General Standing Letter. The Underwriter represents that it has on file with the Texas Attorney General a standing letter addressing the representations and verifications contained in Section 23 of this Agreement in a form accepted by the Texas Attorney General. In addition, upon request of the City or Bond Counsel to the City, the Underwriter agrees to provide written verification to the effect that its standing letter described in the preceding sentence remains in effect and may be relied upon by the City and the Texas Attorney General (the "Bringdown Verification"). The Bringdown Verification may be in the form of an e-mail.

25. Term of this Agreement. Except for the representations and warranties designated as surviving the term of the Agreement, the term of this Agreement shall end on the 25th day after the end of the underwriting period.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first set forth above.

FMSbonds, Inc.,
as Underwriter

By: _____
Name: Theodore A. Swinarski
Title: Senior Vice President, Trading

Accepted at _____ a.m./p.m. central time on the date first stated above.

CITY OF KAUFMAN, TEXAS

By: _____
Jeff Jordan, Mayor

SCHEDULE I

$[PAR AMOUNT]
CITY OF KAUFMAN, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(KAUFMAN PUBLIC IMPROVEMENT DISTRICT NO. 3 PROJECT)

Interest Accrues From: Date of Delivery

$_____ _____% Term Bonds, Due September __, 20__, Priced to Yield _____% [(a) (c)]

$_____ _____% Term Bonds, Due September __, 20__, Priced to Yield _____% [(a) (b) (c)]

$_____ _____% Term Bonds, Due September __, 20__, Priced to Yield _____% [(a) (b) (c) (d)]

(a) The initial prices or yields of the Bonds are furnished by the Underwriter, have been determined in accordance with the 10% test, and represent the initial offering prices or yields to the public, which may be changed by the Underwriter at any time.

(b) The Bonds maturing on or after September __, 20__ are subject to redemption, in whole or in part, prior to stated maturity, at the option of the City, on any date on or after September __, 20__, at the redemption price of 100% of the principal amount plus accrued and unpaid interest to the date of redemption as set forth in the Limited Offering Memorandum under the caption "DESCRIPTION OF THE BONDS – Redemption Provisions."

(c) The Bonds are also subject to mandatory sinking fund redemption and extraordinary optional redemption as described in the Limited Offering Memorandum under the caption "DESCRIPTION OF THE BONDS – Redemption Provisions."

The Bonds are subject to mandatory sinking fund redemption on the dates and in the respective Sinking Fund Installments as set forth in the following schedule.

$ Term Bonds Maturing September __, 20__

Redemption Date	Sinking Fund Installment
September __, 20__	$
September __, 20__	
September __, 20__	
September __, 20__	
September __, 20__†	

$ Term Bonds Maturing September __, 20__

Redemption Date	Sinking Fund Installment
September __, 20__	$
September __, 20__	
September __, 20__	
September __, 20__	
September __, 20__	
September __, 20__	
September __, 20__	

September __, 20__
September __, 20__
September __, 20__
September __, 20__†

$ Term Bonds Maturing September __, 20__

Redemption Date	Sinking Fund Installment
September __, 20__	$
September __, 20__	
September __, 20__	
September __, 20__	
September __, 20__	
September __, 20__	
September __, 20__	
September __, 20__	
September __, 20__	
September __, 20__†	

† Stated maturity.

APPENDIX A

FORM OF DEVELOPER LETTER OF REPRESENTATIONS

$[PAR AMOUNT]
CITY OF KAUFMAN, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(KAUFMAN PUBLIC IMPROVEMENT DISTRICT NO. 3 PROJECT)

DEVELOPER LETTER OF REPRESENTATIONS

[BPA DATE], 2024

City of Kaufman, Texas
209 S. Washington Street
Kaufman, Texas 75142

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Ladies and Gentlemen:

This letter is being delivered to the City of Kaufman, Texas (the "City") and FMSbonds, Inc. (the "Underwriter"), in consideration for your entering into the Bond Purchase Agreement dated the date hereof (the "Bond Purchase Agreement") for the sale and purchase of the $[PAR AMOUNT] "City of Kaufman, Texas, Special Assessment Revenue Bonds, Series 2024 (Kaufman Public Improvement District No. 3 Project)" (the "Bonds"). Pursuant to the Bond Purchase Agreement, the Underwriter has agreed to purchase from the City, and the City has agreed to sell to the Underwriter the Bonds. In order to induce the City to enter into the Bond Purchase Agreement and as consideration for the execution, delivery, and sale of the Bonds by the City and the purchase of them by the Underwriter, the undersigned, Freeman Farm a Series of EIS Development II, LLC, a Texas limited liability company (the "Developer"), makes the representations, warranties, and covenants contained in this Developer Letter of Representations. Unless the context clearly indicates otherwise, each capitalized term used in this Developer Letter of Representations will have the meaning set forth in the Bond Purchase Agreement.

1. Purchase and Sale of Bonds. Inasmuch as the purchase and sale of the Bonds represents a negotiated transaction, the Developer understands, and hereby confirms, that the Underwriter is not acting as a fiduciary of the Developer, but rather is acting solely in its capacity as Underwriter of the Bonds for its own account.

2. Updating of the Limited Offering Memorandum. If, after the date of this Developer Letter of Representations, up to and including the date the Underwriter is no longer required to provide a Limited Offering Memorandum to potential customers who request the same pursuant to Rule 15c2-12 (the earlier of (i) ninety (90) days from the "end of the underwriting period" (as defined in Rule 15c2-12) and (ii) the time when the Limited Offering Memorandum is available to any person from the MSRB, but in no case less than twenty-five (25) days after the "end of the underwriting period" for the Bonds), the Developer becomes aware of any fact or event which might or would cause the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or if it is necessary to amend or supplement the Limited Offering Memorandum to comply with law, the Developer will notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time request); however, that for the purposes of this Developer Letter of Representations and any certificate delivered by the Developer in accordance with the Bond Purchase Agreement, the Developer makes no representations with respect to (i) the descriptions in the preliminary Limited Offering Memorandum related to the Bonds (together with any supplement, the "Preliminary Limited Offering Memorandum") or the Limited Offering Memorandum of The Depository Trust Company, New York, New York, or its book-entry-only system and (ii) the information in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum under the captions "THE CITY," "THE DISTRICT," "BONDHOLDERS' RISKS" (except as it pertains to the Developer, the Authorized Improvements and the Development, as defined in the Limited Offering Memorandum), "TAX MATTERS," "LEGAL MATTERS — Litigation — The City," "CONTINUING DISCLOSURE — The City," "CONTINUING DISCLOSURE — The City's Compliance with Prior Undertakings," and "INFORMATION RELATING TO THE TRUSTEE."

3. Developer Documents. Developer has executed and delivered each of the below listed documents (individually, a "Developer Document" and collectively, the "Developer Documents") in the capacity provided for in each such Developer Document, and each such Developer Document constitutes a valid and binding obligation of Developer, enforceable against Developer in accordance with its terms:

a. this Developer Letter of Representation;

b. the Development Agreement;

c. the CFA Agreement;

d. the Continuing Disclosure Agreement of the Developer;

e. the Facilities Agreement; and

f. the Landowner Consent.

The Developer has complied in all material respects with all of the Developer's agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Developer under the Developer Documents on or prior to the date hereof.

4. Developer Representations, Warranties and Covenants. The Developer represents, warrants, and covenants to the City and the Underwriter that:

a. Due Organization, Existence and Authority. The Developer is duly formed and validly existing as a limited liability company under the laws of the State of Texas with the right, power and authority to execute, deliver and perform its obligations under the Developer Documents and any other documents and certificates of the Developer described within the Developer Documents.

b. Organizational Documents. To the extent provided, the copies of the organizational documents of the Developer provided by the Developer (the "Developer Organizational Documents") to the City and the Underwriter are fully executed, true, correct, and complete copies of such documents and such documents have not been amended or supplemented and are in full force and effect as of the date hereof.

c. Due Authorization and Approval. By all necessary action, the Developer has duly authorized and approved its execution and delivery of the Developer Documents and the performance by the Developer of its obligations contained in the Developer Documents and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded.

d. No Breach or Default. The execution and delivery of the Developer Documents by the Developer and compliance by the Developer with the provisions thereof under the circumstances described therein do not and will not in any material respect conflict with or constitute on the part of the Developer a breach or default under (i) any order, writ, judgment, injunction, decree, determination or award of any governmental authority against or with respect to the Developer, or (ii) any agreement or instrument to which the Developer is a party or by which it is bound, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would, in any material respect, constitute a default or an event of default by the Developer under the Developer Documents.

e. No Litigation. Other than as described in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the knowledge of the Developer, threatened by or against the Developer: (i) in any way questioning the due formation and valid existence of the Developer; (ii) in any way challenging the titles of its officers executing the Developer Documents, (iii) in any way contesting or affecting the validity or enforceability or the execution and delivery by it of the Developer Documents or the consummation of the transactions described therein; (iv) in any way questioning or contesting the validity of any governmental approval of the District or any aspect thereof; (v) in any way questioning or contesting the construction and development of the Authorized Improvements, or (vi) which would have a material adverse effect upon the financial condition of the Developer or its ability to own or develop property within the District.

f. Information. The information prepared and submitted by the Developer to the City or the Underwriter in connection with the preparation of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum was, and is, as of this date, true and correct in all material respects.

g. Preliminary Limited Offering Memorandum. The Developer represents and warrants that the information set forth in the Preliminary Limited Offering Memorandum including all of the maps included therein and under the captions "PLAN OF FINANCE — Development Plan and Plan of Finance," "THE AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER" and "CONTINUING DISCLOSURE — The Developer" and "— The Developer's Compliance with Prior Undertakings" and, to the best of the Developer's knowledge after due inquiry, under the captions "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Authorized Improvements and the Development, as defined in the Limited Offering Memorandum,) the information provided by the Developer in "APPENDIX B – Form of Service and Assessment Plan," "LEGAL MATTERS — Litigation — The Developer" and "APPENDIX D-2" (collectively, the "Developer Disclosures"), is true and correct and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Developer agrees to provide a certificate dated the Closing Date affirming, as of such date, the representations contained in this subsection (g) with respect to the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

h. Agreement. The Developer covenants that, while the Bonds are outstanding, it will not bring any action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body which in any way seeks to challenge or overturn the District, the validity of the Developer Documents, the levy or collection of the Assessments or the validity of the Bonds or the proceedings relating to their issuance.

i. Financing. Other than the Bonds, no additional debt will be issued nor will any additional liens be placed on the property within the District in order to complete the construction of the Authorized Improvements, and the City will not otherwise be responsible for any shortfalls in the funds available to pay the costs of the Authorized Improvements.

j. Taxes and Assessments. All ad valorem taxes and assessments are current on the property which the Developer or any of its affiliates owns within the District.

5. Indemnification.

(a) The Developer, including any successors or assigns, will indemnify and hold harmless the City and the Underwriter and each of their elected or appointed officials, officers, directors, employees and agents against any losses, claims, damages or liabilities to which any of them may become subject, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or

are based upon an untrue statement or alleged untrue statement of a material fact contained or incorporated by reference in the Developer Disclosures in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum or any amendment or supplement to the Limited Offering Memorandum amending or supplementing the information contained under the aforementioned captions (as qualified above), or arise out of or are based upon the omission or alleged untrue statement or omission to state therein a material fact necessary to make the statements under the aforementioned captions (as qualified above) not misleading under the circumstances under which they were made or a breach by the Developer or its representations, warranties and covenants set forth herein, and will reimburse any indemnified party for any reasonable legal or other expenses reasonably incurred by them in connection with investigating or defending any such action or claim as such expenses are incurred.

(b) Promptly after receipt by an indemnified party under subsection (a) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve the indemnifying party from any liability which it may have to the indemnified party otherwise than under such subsection, unless such indemnifying party was prejudiced by such delay or lack of notice. In case any such action shall be brought against an indemnified party, it shall promptly notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. The indemnifying party shall not be liable for any settlement of any such action effected without its consent, but if settled with the consent of the indemnifying party or if there is a final judgment for the plaintiff in any such action, the indemnifying party will indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment. The indemnity herein shall survive delivery of the Bonds and shall survive any investigation made by or on behalf of the City, the Developer or the Underwriter.

6. Survival of Representations, Warranties and Covenants. All representations, warranties, and agreements in this Developer Letter of Representations will survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of any payment by the Underwriter for the Bonds hereunder, and (c) any termination of the Bond Purchase Agreement.

7. Binding on Successors and Assigns. This Developer Letter of Representations will be binding upon the Developer and its successors and assigns and inure solely to the benefit of the Underwriter and the City, and no other person or firm or entity will acquire or have any right under or by virtue of this Developer Letter of Representations.

FREEMAN FARM, A SERIES OF EIS DEVELOPMENT II, LLC,
a Texas limited liability company

By:_____
Name:_____
Title:_____

APPENDIX B

CITY OF KAUFMAN, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(KAUFMAN PUBLIC IMPROVEMENT DISTRICT NO. 3 PROJECT)

ISSUE PRICE CERTIFICATE

I, the undersigned officer of FMSbonds, Inc. ("FMS"), make this certification in connection with the $[PAR AMOUNT] City of Kaufman, Texas, Special Assessment Revenue Bonds, Series 2024 (Kaufman Public Improvement District No. 3 Project) ("the "Bonds"). Each capitalized term used but not defined herein has the meaning or is the amount, as the case may be, specified for such term in the Federal Tax Certificate prepared in connection with the Bonds (the "Federal Tax Certificate").

1. I hereby certify as follows in good faith as of the Issue Date of the Bonds:

   (a) I am the duly chose, qualified and acting officer of FMS for the office shown below my signature; as such, I am familiar with the facts herein certified and I am duly authorized to execute and deliver this certificate on behalf of FMS. I am the officer of FMS charged, along with other officers of FMS, with responsibility for the Bonds.

   (b) [**IF 10% OF MATURITY SOLD**] [Except for the maturities of the Bonds listed in paragraph 1(c) below,] the first price at which at least 10% of each maturity was sold to the Public is the price for each such maturity set forth on the inside cover of the Limited Offering Memorandum prepared in connection with the Bonds (each, an "Actual Sales Price").

   (c) **[IF FEWER THAN 10% OF MATURITY SOLD ON SALE DATE**] For the Bonds maturing in [_____] (each, a "Held Maturity"), FMS on or before the Sale Date offered for purchase each such maturity to the Public at the applicable initial offering price set forth on the inside cover of the Limited Offering Memorandum prepared in connection with the Bonds (each, an "Initial Offering Price"). A copy of the pricing wire evidencing the Initial Offering Prices is attached hereto as Attachment I. In connection with the offering of the Bonds, FMS agreed in writing that (i) during the Hold Period, it would neither offer nor sell any Held Maturity to any person at a price higher than the applicable Initial Offering Price (the "Hold-the-Offering-Price Rule") and (ii) any selling group agreement would contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement would contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, that, during the Hold Period, such party would comply with the Hold-the-Offering-Price Rule. In accordance with such agreements, no Underwriter offered or sold any of the Held Maturities at a price higher than the applicable Initial Offering Price for such Held Maturity during the Hold Period.

(d) The aggregate of the Actual Sales Prices and the Initial Offering Prices is $[_____]. [The Bonds were sold with Pre-Issuance Accrued Interest in the amount of $[_____]. The sum of these two amounts is $_____.]

2. For purposes of this Issue Price Certificate, the following definitions apply:

(a) "Hold Period" means, with respect to a Held Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date or (ii) the date on which the Underwriters have sold at least 10% of such Held Maturity to the Public at a price no higher than the applicable Initial Offering Price.

(b) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

(c) "Related Party" means any two or more persons who are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interest or profits interest of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(d) "Sale Date" means the first day on which there is a binding contract in writing for the sale or exchange of the Bonds. The Sale Date of the Bonds is [_____], 20[___].

(e) "Underwriter" means (i) any person that agrees pursuant to a written contract with the City to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents FMS's interpretation of any laws, including specifically sections 103 and 148 of the Internal Revenue Code. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bracewell LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the City from time to time relating to the Bonds.

EXECUTED and DELIVERED this _____, 2024.

FMSbonds, Inc.

By:_____

Name:_____

Title:_____

ATTACHMENT I

PRICING WIRE OR EQUIVALENT COMMUNICATION

(*Attached*)

APPENDIX C

[LETTERHEAD OF CITY ATTORNEY]

[CLOSING DATE], 2024

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Wilmington Trust, National Association
15950 North Dallas Parkway, Suite 550
Dallas, Texas 75248

City of Kaufman, Texas
209 S. Washington Street
Kaufman, Texas 75142

Locke Lord LLP
2200 Ross Avenue, Suite 2800
Dallas, Texas 75201

$[PAR AMOUNT]
CITY OF KAUFMAN, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(KAUFMAN PUBLIC IMPROVEMENT DISTRICT NO. 3 PROJECT)

Ladies and Gentlemen:

This firm has acted as special counsel to the City of Kaufman, Texas (the "City") and are rendering this opinion for limited purposes in connection with the issuance and sale of $[PAR AMOUNT] "City of Kaufman, Texas, Special Assessment Revenue Bonds, Series 2024 (Kaufman Public Improvement District No. 3 Project)" (the "Bonds"), by the City, a political subdivision of the State of Texas.

The Bonds are authorized pursuant to Ordinance No. [_____] and enacted by the City Council of the City (the "City Council") on [BPA DATE], 2024 (the "Bond Ordinance") and shall be issued pursuant to the provisions of Chapter 1207, Texas Government Code, and as amended Subchapter A of the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "Act") and the Indenture of Trust dated as of [INDENTURE DATE], 2024 (the "Indenture") by and between the City and Wilmington Trust, National Association, as trustee (the "Trustee"). The Bonds are being sold to FMSbonds, Inc., pursuant to the Bond Purchase Agreement dated [BPA DATE], 2024 between the City and FMSbonds, Inc. (the "Bond Purchase Agreement"). This opinion is being delivered pursuant to Section 10(c) of the Bond Purchase Agreement. Capitalized terms not defined herein shall have the same meanings as in the Bond Purchase Agreement, unless otherwise stated herein.

In connection with rendering this opinion, we have reviewed the following (collectively, the "Reviewed Documents"):

(a) Resolution No. _____ (the "Creation Resolution"), enacted by the City Council on January 24, 2022.

(b) The Assessment Ordinance.

(c) The Bond Ordinance.

(d) The Indenture.

(e) The Development Agreement.

(f) The Continuing Disclosure Agreement of the City.

(g) The CFA Agreement.

(h) The Facilities Agreement.

(i) The Reimbursement Agreement.

In rendering the opinions expressed below, we have, with your concurrence and without any inquiry or other investigation, made and relied upon the following assumptions: (a) the due authorization, execution and delivery of each of the Reviewed Documents by all parties thereto other than the City; (b) the genuineness of all signatures to the Reviewed Documents; (c) the correctness and truthfulness of all the statements of fact contained in the Reviewed Documents; (d) the authenticity of the Reviewed Documents; (e) the conformity to original documents of the Reviewed Documents submitted to us as copies; and (f) the additional assumptions set forth on **Exhibit A** attached to this letter and the exclusions set forth on **Exhibit B** attached to this letter. Our opinions are limited to matters expressly stated herein and no opinion is to be inferred or may be implied beyond the matters expressly stated.

In rendering the opinions set forth below, we have also relied upon: (a) the representations and warranties contained in the Reviewed Documents; (b) the resolutions and other documents of the parties to the Reviewed Documents authorizing or approving the Reviewed Documents; and (c) the Administrator Letter of Representations delivered pursuant to the Bond Purchase Agreement (collectively, the "Reliance Materials"). We have not made any independent or other investigation, review, analysis, or inquiry as to any of the facts, matters, circumstances or legal opinions or conclusions contained in the Reviewed Documents or Reliance Materials or the accuracy or completeness thereof. Additionally, we have assumed that none of the Reviewed Documents or Reliance Materials contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements made, in the light of the circumstances in which they are made, not misleading. We have not made any examination of any accounting or financial matters, and we express no opinion with respect thereto.

The opinions expressed herein are subject to the correctness in understanding that no beneficiary to this opinion letter may rely on this opinion letter to the extent that such beneficiary or its counsel has actual knowledge of any (a) applicable laws, facts, or circumstances which would make any opinion expressed herein incorrect, subject to question, or require further investigation of any laws, facts or circumstances and (b) judicial decisions which would make the opinions set forth herein incorrect.

Whenever our opinion or advice with respect to the existence or absence of facts is indicated to be based on our knowledge, we are referring to the actual knowledge of the Messer Fort, PLLC attorneys who have given attention to matters concerning the City during the course of our representation of the City in connection with the Reviewed Documents, which knowledge has been obtained by such attorneys in their capacity as such. In particular, our response does not include matters known to any attorney of our firm in a capacity other than as City Attorney for the City. In basing the opinions and other matters set forth herein on "our knowledge," the words "our knowledge," "actual knowledge" and similar expressions involved in the current actual transaction do not have actual knowledge or actual notice that any such opinions or other matters are not accurate or that any of the documents, certificates, reports and information on which we have read are not accurate and complete. Further, the words "our knowledge," "our actual knowledge" and similar expressions used in this opinion letter are intended to be limited to the actual knowledge of our firm who have been directly involved in representing the City. We have not undertaken any independent investigation to determine the existence or absence of such facts, and no inference as to our knowledge concerning such facts should be drawn from the fact that such limited representation has been undertaken by us.

Based upon and subject to the foregoing and the additional qualifications and assumptions set forth herein, we are of the opinion that:

1. The City is a Texas political subdivision and has all necessary power and authority to enter into and perform its obligations under the Reviewed Documents. The City has taken or obtained all actions, approvals, consents and authorizations required of it by applicable laws in connection with the execution of the Reviewed Documents and the performance of its obligations thereunder.

2. To the best of our knowledge, there is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, public board or body, pending, or threatened against the City: (a) affecting the existence of the City or the titles of its officers to their respective offices, (b) in any way questioning the formation or existence of the District, (c) affecting, contesting or seeking to prohibit, restrain or enjoin the delivery of any of the Bonds, or the payment, collection or application of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, including the Assessments in the District pursuant to the provisions of the Assessment Ordinance and the Service and Assessment Plan referenced therein, (d) contesting or affecting the validity or enforceability or the City's performance of the Reviewed Documents, (e) contesting the exclusion of the interest on the Bonds from federal income taxation, or (f) which may result in any material adverse change relating to the financial condition of the City.

3. The Reviewed Documents have been duly authorized, executed and delivered by the City and remain legal, valid and binding obligations of the City enforceable against the City in accordance with their terms. However, the enforceability of the obligations of the City under such Reviewed Documents may be limited or otherwise affected by (a) bankruptcy, insolvency, reorganization, moratorium and other laws affecting the rights of creditors generally, (b) principles of equity, whether considered at law or in equity, or (c) the application of Texas law relating to action by future councils and relating to governmental immunity applicable to governmental entities.

4. The performance by the City of the obligations under the Reviewed Documents will not violate any provision of any Federal or Texas constitutional or statutory provision.

5. No further consent, approval, authorization, or order of any court or governmental agency or body or official is required to be obtained by the City as a condition precedent to the performance by the City of its obligations under the Reviewed Documents.

6. Based upon our limited participation in the preparation of the Preliminary Official Statement and the Official Statement (collectively, the "Official Statement"), the statements and information contained in the Preliminary Official Statement and the Official Statement with respect to the City under the captions and subcaptions "ASSESSMENT PROCEDURES — Assessment Methodology" and "—Assessment Amounts," "THE CITY," "THE DISTRICT," "LEGAL MATTERS — Litigation – The City," "CONTINUING DISCLOSURE — The City" and " — The City's Compliance with Prior Undertakings", and "APPENDIX A" are a fair and accurate summary of the laws and the documents and facts summarized therein.

7. The execution and delivery of the Reviewed Documents and the compliance with the provisions of the Reviewed Documents under the circumstances contemplated thereby, to the best of our knowledge: (a) do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement to which the City is a party or by which it is bound, and (b) do not and will not in any material respect conflict with or constitute on the part of the City a violation, breach of or default under any existing law, regulation, court order or consent decree to which the City is subject.

The foregoing opinions are, with your concurrence, predicated on, limited by and qualified in their entirety by the following:

(a) The foregoing opinions are based on and limited to the laws of the State of Texas, and we render no opinion with respect to the federal laws of the United States or to the laws of any other jurisdiction.

(b) We express no opinion with respect to the enforceability of provisions of the Reviewed Documents that relate to (i) mediation or arbitration; (ii) limitations or restrictions on, or waiver of, legal or equitable remedies; (iii) indemnity or release; (iv) limitations or restrictions on assignment or transfer of rights, interests or property; (v) the rights or obligations of third parties; (vi) evidentiary standards; (vii) waiver of rights to notice or the obligations of good faith, fair, dealing, diligence or reasonableness; (viii) self-help, subrogation, delay or omission to enforce rights or remedies, contribution or severability; (ix) the availability of specific performance, injunctive relief or any other equitable remedy (regardless of whether such question is considered in a proceeding in equity or at law); (x) fixed, stipulated or liquidated damages; (xi) the making of determinations in the sole and absolute (or similarly described) discretion of a party to the Reviewed Documents; (xii) authorizing any party to exercise any rights other than in accordance with applicable law; (xiii) liability of any party for payment of any amount payable under the Reviewed Documents to the extent such amounts (A) accrue, or are attributable to any period of time, after the termination of any of the Reviewed Documents, (B) allow any other party to recover more than the "benefit of its bargain" or (C) exceed the amount of any party's actual damages; (xiv) rendering inapplicable any otherwise applicable law (other than those laws which by their terms may be rendered inapplicable); (xv) requiring all amendments, waivers and

terminations be in writing or requiring disregard of any course of dealing between the parties; (xvi) establishing any obligation of the parties as absolute or unconditional regardless of the occurrence or non-occurrence or existence or non-existence of any event or other state of facts; (xvii) obligations of the parties by reference to and/or incorporation of any provision of any agreement other than the Reviewed Documents, or that consist of or employ provisions (whether operative or definitional) contained in any such other agreement; (xviii) obligating any party to take action it has no legal right to take, or to take or not take an action if taking or failing to take the same would constitute, or aid or abet, a violation of applicable law; (xix) certain agreements of non-signatories, or obligations of signatories with respect to non-signatories or other persons or entities, whether or not signatories, not under the control of such signatories; (xx) selection of venue; (xxi) modifying the time at which any applicable statute of limitation begins to run or at which any cause of action begins to accrue; (xxii) an exemption from any sales or other taxes; (xiii) disclaiming or limiting warranties implied by or required pursuant to law; (xxiv) waiving the defense that an adequate remedy at law exists; and (xxv) waiving any suretyship defenses.

(c) The validity, binding effect, and enforceability of the Reviewed Documents may be limited by (i) applicable bankruptcy, insolvency, reorganization, receivership, moratorium, liquidation, redemption, conservatorship, rearrangement, fraudulent conveyance, or other similar statutes, regulations or laws affecting creditor's rights and remedies generally; (ii) general principles of equity; (iii) judicial discretion; (iv) the exercise by political subdivisions or governmental authorities or corporations acting on their behalf of sovereign or governmental immunity, legislative or governmental powers, police powers, taxing powers, or rights of appropriation; and (v) applicable court decisions relating to a duty or obligation to mitigate damages.

(d) We express no opinion regarding the effect of the laws of usury or similar laws regarding interest rate limitations on the provisions of the Reviewed Documents.

(e) We express no opinion with respect to the matters described on Exhibit B attached to this letter.

(f) The opinions set forth herein are also subject to the qualification that enforceability of the Reviewed Documents may be limited by (i) the provisions of Section 130.002 of the Texas Civil Practice and Remedies Code regarding limitations on indemnifications; (ii) Section 28 of the Texas Property Code regarding prompt payment to contractors and subcontractors; (iii) Section 16.071 of the Texas Civil Practice and Remedies Code regarding the time period for a claimant to give notice of a claim for damages as a condition precedent to the right to sue on a contract; (iv) Section 16.070 of the Texas Civil Practice and Remedies Code regarding permitted contractual limitations on when a claimant may bring suit on a contract; (v) Section 38.02 of the Texas Civil Practice and Remedies Code providing for the notice time period in order for a claimant to recover attorneys' fees; (vi) the "express negligence" and "clear and conspicuous" rules adopted by the Texas Supreme Court, as applied to any indemnity or release provisions in the Reviewed Documents; (vii) Section 35.52 of the Texas Business and Commerce Code; (viii) Section 162.001 et seq. of the Texas Property Code; (ix) Section 302.002 of the Texas Finance Code; (x) Section 28.009 of the Texas Property Code; and (xi) claims of sovereign or governmental immunity by political subdivisions or governmental authorities or corporations acting on their behalf.

We express no opinion as to the laws of any jurisdiction other than the laws of Texas and the laws of the United States of America. The opinions expressed above concern only the effect of the laws (excluding the principles of conflict of laws) of Texas and the United States of America as currently in effect.

We assume there are no material misstatements in the legal opinions delivered by the other parties and entities to this transaction; and further specifically rely upon Bond Counsel to the City with regard to the Bond Ordinance, the Indenture, bond purchase agreement or other documents prepared, delivered or executed in connection with the Bonds and Bond documents, and the Attorney General's review and approval of the transaction.

This opinion letter has been rendered solely for the benefit of the addressees named above in connection with the transactions described therein, and may not be used, circulated, quoted, relied upon or otherwise referred to for any other purpose or by any other person without our prior written consent. This opinion letter does not constitute a warranty or guarantee or an opinion as to matters of fact and should not be construed or relied upon as such. This opinion letter is as of the date hereof only, and we undertake no, and hereby disclaim any, obligation to advise you of any change in any matter set forth herein.

Very truly yours,

_____

MESSER FORT, PLLC
ATTORNEY FOR THE CITY

EXHIBIT A TO OPINION LETTER

ADDITIONAL ASSUMPTIONS

In addition to the assumptions contained in the letter to which this Exhibit A is attached, we have, with your concurrence and without any inquiry or other investigation, made and relied upon the following additional assumptions:

1. The legal capacity of all natural persons executing the Reviewed Documents;

2. No undue influence, duress, fraud, or deceit exists with respect to the transactions described in the Reviewed Documents, and there has not been any mutual mistake of fact or misunderstanding with respect to the same;

3. The conduct of the parties to the Reviewed Documents has complied, and will comply, with any requirement of good faith, fair dealing, and conscionability;

4. There are no agreements or understandings, written or oral, among the parties to the Reviewed Documents, and there is no usage or trade or course of prior dealing among the parties to the Reviewed Documents that would, in either case, define, supplement, or qualify the terms of the Reviewed Documents;

5. All statutes and ordinances enacted by an official legislative body were validly enacted and are constitutional, and all rules and regulations promulgated or issued by an official administrative body and not adjudicated invalid or unenforceable are valid and enforceable;

6. All parties to the Reviewed Documents have complied with all legal requirements that are applicable to them to the extent necessary to authorize such parties to enter into the Reviewed Documents and the Reviewed Documents are enforceable against the other parties thereto;

7. There has been no modification of any provision of the Reviewed Documents, and no waiver or release of any right or remedy thereunder;

8. All parties to the Reviewed Documents will act in accordance with, and will refrain from taking any action that is forbidden by, the terms and conditions of the Reviewed Documents; and

9. All parties to the Reviewed Documents will obtain all permits and governmental approvals required in the future, and take all actions similarly required, relevant to subsequent consummation of the transactions evidenced by the Reviewed Documents or performance of the Reviewed Documents;

10. There are no material misstatements in the legal opinions delivered pursuant to the Bond Purchase Agreement by: (i) Bracewell LLP, Bond Counsel to the City; and (ii) Locke Lord LLP, counsel to the Underwriter.

11. There are no material misstatements in the Letter of Representations delivered pursuant to the Bond Purchase Agreement by Municap, Inc., the Administrator.

12. None of the parties to the Reviewed Documents (other than the City) is a party to any court or regulatory proceeding relating to or otherwise affecting the Reviewed Documents or is subject to any order, writ, injunction, or decree of any court or federal, state, or local government agency or commission that would prohibit the execution and delivery of the Reviewed Documents, or the consummation of the transactions therein contemplated in the manner therein provided, or impair the validity or enforceability thereof.

EXHIBIT B TO OPINION LETTER

ADDITIONAL EXCLUSIONS

None of the opinions expressed in the letter to which this Exhibit B is attached include any implied opinion unless such implied opinion is both (a) essential to the legal conclusion reached by the express opinions set forth in this letter and (b) based upon prevailing norms and expectations among experienced lawyers in the State of Texas, reasonable in the circumstances. Moreover, unless explicitly addressed in the letter to which this Exhibit B is attached, our opinions specifically do not address any of the following legal issues or the effects thereof on the transactions evidenced by the Bond Purchase Agreement or any other documents prepared, delivered, or executed in connection with the Bonds (the "***Bond Documents***"), and we specifically express no opinion with respect to the Bond Document:

1. Federal and State securities laws and regulations administered by the Securities and Exchange Commission and state "***Blue Sky***" laws and regulations.

2. The compliance or noncompliance by the Underwriter, the Trustee, the City, any party to the Bond Documents, or the purchasers of the Bonds with any federal and state laws or regulations applicable to the transactions evidenced by the Bond Documents;

3. Compliance with fiduciary duty requirements;

4. Decisions, orders, rules, policies, and regulations of any political subdivision, department, agency, organization, or entity of any kind created under or pursuant to federal law and judicial decisions to the extent they deal with any of the foregoing.

5. Title to any asset or property described or referred to in the Bond Documents or the accuracy or sufficiency of its description;

6. The creation, attachment, perfection, priority or enforcement of any lien, security interest or right of offset purported to be granted under the Bond Documents or created by operation of law;

7. The recordation or filing of any Bond Documents or related documents;

8. Federal and state environmental laws and regulations;

9. Federal and state land use and subdivision laws and regulations;

10. Federal and state tax laws and regulations;

11. Federal patent, copyright and trademark, state trademark, and other federal and state intellectual property laws and regulations;

12. Federal and state racketeering laws and regulations (e.g., RICO);

13. Federal and state health and safety laws and regulations (e.g., OSHA);

14. Federal and state labor laws and regulations;

15. Federal and state laws, regulations and policies concerning (i) national and local emergency, (ii) possible judicial deference to acts of sovereign states, and (iii) criminal and civil forfeiture laws; and

16. Other federal and state statutes of general application to the extent they provide for criminal prosecution (e.g., mail fraud and wire fraud statutes).

APPENDIX D

[LETTERHEAD OF FERGUSON BRASWELL FRASER KUBASTA PC]

[CLOSING DATE], 2024

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Wilmington Trust, National Association
15950 North Dallas Parkway, Suite 550
Dallas, Texas 75248

Bracewell LLP
1445 Ross Avenue Suite 3800
Dallas, Texas 75202

Locke Lord LLP
2200 Ross Ave., Suite 2800
Dallas, Texas 75201

$[PAR AMOUNT]
CITY OF KAUFMAN, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(KAUFMAN PUBLIC IMPROVEMENT DISTRICT NO. 3 PROJECT)

Ladies and Gentlemen:

We have acted as counsel to Freeman Farm a Series of EIS Development II, LLC, a Texas limited liability company (the "Developer") in connection with the issuance and sale by the City of Kaufman, Texas (the "City"), of $[PAR AMOUNT] City of Kaufman, Texas, Special Assessment Revenue Bonds, Series 2024 (Kaufman Public Improvement District No. 3 Project), (the "Bonds"), pursuant to the Indenture of Trust dated as of [INDENTURE DATE], 2024 (the "Indenture"), by and between the City and Wilmington Trust, National Association, as trustee (the "Trustee"). Proceeds from the sale of the Bonds will be used, in part, to fund certain improvements in the development known as "Freeman Farm" (the "Development") located in the corporate limits of the City.

The Bonds are being sold by FMSbonds, Inc. (the "Underwriter"), pursuant to that certain Bond Purchase Agreement dated [BPA DATE], 2024 (the "Bond Purchase Agreement"), between the City and the Underwriter.

All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Bond Purchase Agreement.

In our capacity as counsel to the Developer, and for purposes of rendering the opinions set forth herein, we have examined originals or copies, certified or otherwise identified to our satisfaction, of:

(a) The following documents (collectively, the "Material Documents"):

(1) The Development Agreement;

(2) The CFA Agreement;

(3) The Continuing Disclosure Agreement of the Developer;

(4) The Landowner Consent;

(5) The Facilities Agreement;

(6) The Reimbursement Agreement;

(7) The Developer Letter of Representations.

(b) General Certificate of the Developer and the Closing Certificate of the Developer, each dated as of the date hereof (together, the "Developer Certificate");

(c) The Preliminary Limited Offering Memorandum, dated [PLOM DATE], 2024, relating to the issuance of the Bonds (the "Preliminary Limited Offering Memorandum");

(d) The final Limited Offering Memorandum, dated [BPA DATE], 2024, relating to the issuance of the Bonds (collectively with the Preliminary Limited Offering Memorandum, the "Limited Offering Memorandum"); and

(e) Such other documents, records, agreements and certificates of the Developer as we have deemed necessary or appropriate to render the opinions expressed below.

In basing the opinions and other matters set forth herein on "our knowledge," the words "our knowledge" signify that, in the course of our representation of the Developer the principal attorneys in this firm involved in the current actual transaction do not have actual knowledge or actual notice that any such opinions or other matters are not accurate or that any of the documents, certificates, reports and information on which we have relied are not accurate and complete. Except as otherwise stated herein, we have undertaken no independent investigation or certification of such matters. The words "our knowledge" and similar language used herein are intended to be limited to the knowledge of the attorneys within our firm who have worked on the matters contemplated by our representation as special counsel.

In rendering the opinions set forth herein, we have assumed, without independent investigation (other than the Developer), that: (i) the due authorization, execution, and delivery of each of the documents referred to in this opinion letter by all parties thereto and that each such document constitutes a valid, binding, and enforceable obligation of each party thereto, (ii) all of the parties to the documents referred to in this opinion letter are duly organized, validly existing, in good standing and have the requisite power, authority (corporate, limited liability company, partnership or other) and legal right to execute, deliver, and perform its obligations under such documents (except to the extent set forth in our opinions set forth herein regarding valid existence and power and authority of the Developer to execute, deliver, and perform its obligations under the Material Documents), (iii) each certificate from governmental officials reviewed by us is accurate, complete, and authentic, and all official public records are accurate and complete, (iv) the legal capacity of all natural persons, (v) the genuineness of all signatures (other than those of the Developer in respect of the Material Documents), (vi) the authenticity and accuracy of all documents submitted to us as originals, (vii) the conformity to original documents of all documents

submitted to us as photostatic or certified copies, (viii) that no laws or judicial, administrative, or other action of any governmental authority of any jurisdiction not expressly opined to herein would adversely affect the opinions set forth herein, and (ix) that the execution and delivery by each party of, and performance of its agreements in, the Material Documents do not breach or result in a default under any existing obligation of such party under any agreements, contracts or instruments to which such party is a party to or otherwise subject to or any order, writ, injunction or decree of any court applicable to such party.

In addition, we have assumed that the Material Documents accurately reflect the complete understanding of the parties with respect to the transactions contemplated thereby and the rights and obligations of the parties thereunder. We have also assumed that the terms and conditions of the transaction as reflected in the Material Documents have not been amended, modified or supplemented, directly or indirectly, by any other agreement or understanding of the parties or waiver of any of the material provisions of the Material Documents.

We assume that none of the parties to the Material Documents (other than Developer) is a party to any court or regulatory proceeding relating to or otherwise affecting the Material Documents or is subject to any order, writ, injunction or decree of any court or federal, state or local governmental agency or commission that would prohibit the execution and delivery of the Material Documents, or the consummation of the transactions therein contemplated in the manner therein provided, or impair the validity or enforceability thereof. We assume that each of the parties to the Material Documents (other than Developer) has full authority to close this transaction in accordance with the terms and provisions of the Material Documents.

We assume that neither the Underwriter nor the City nor their respective counsel has any current actual knowledge of any facts not known to us or any law or judicial decision which would make the opinions set forth herein incorrect, and that no party upon whom we have relied for purposes of this opinion letter has perpetrated a fraud.

We have only been engaged by our clients in connection with the Material Documents (and the transactions contemplated in the Material Documents) and do not represent these clients generally.

Opinions and Assurances

Based solely upon the foregoing, and subject to the assumptions and limitations set forth herein, we are of the opinion that:

1. The execution and delivery by the Developer of the Material Documents and the performance by the Developer of its obligations under the Material Documents will not (i) violate any applicable law; or (ii) conflict with or result in the breach of any court decree or order of any governmental body identified in the Developer Certificate or otherwise actually known to the lawyers who have provided substantive attention to the representation reflected in this opinion binding upon or affecting the Developer, the conflict with which or breach of which would have a material, adverse effect on the ability of the Developer to perform its obligations under the Material Documents to which it is a party.

2. To our knowledge, no governmental approval which has not been obtained or taken is required to be obtained or taken by the Developer on or before the date hereof as a

condition to the performance by the Developer of its obligations under the Material Documents to which it is a party, except for governmental approvals that may be required to comply with certain covenants contained in the Material Documents (including, without limitation, covenants to comply with applicable laws).

3. The Developer has duly executed and delivered each of the Material Documents to which it is a party, and each of the Material Documents constitute the legal, valid, and binding obligations of the Developer, enforceable against the Developer in accordance with their respective terms, subject to the following qualifications: (i) the effect of applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, and (ii) the effect of the exercise of judicial discretion in accordance with general principles of equity (whether applied by a court of law or of equity), and (iii) the effect that enforceability of the indemnification provisions therein may be limited, in whole or in part. The execution, delivery, and performance by the Developer of its obligations under the Material Documents do not violate any existing laws of the State of Texas applicable to the Developer.

4. To our knowledge after reasonable inquiry, there are no actions, suits or proceedings pending or threatened against the Developer identified in the Developer Certificate or otherwise actually known to the lawyers who have provided substantive attention to the representation reflected in this opinion in any court of law or equity, or before or by any governmental instrumentality with respect to (i) Developer's qualification to do business in the State of Texas; (ii) Developer's authority to execute or deliver the Material Documents to which it is a party; (iii) the validity or enforceability against Developer of such Material Documents or the transactions described therein; (iv) the titles of the parties executing the Material Documents; (v) the execution and delivery of the Material Documents on behalf of the Developer; (vi) the operations or financial condition of the Developer that would materially adversely affect those operations or the financial condition of the Developer; or (vii) the acquisition and construction of the property and improvements identified in the Limited Offering Memorandum the cost of which is to be funded or reimbursed, in whole or in part, by proceeds of the Bonds.

5. The execution and delivery of the Material Documents do not, and the transactions described therein may be consummated and the terms and conditions thereof may be observed and performed in a manner that does not, conflict with or constitute a breach of or default under any loan agreement, trust agreement, bond note, resolution, agreement or other instrument to which the Developer is a party or is otherwise subject and which have been identified in the Developer Certificate which violation, breach or default would materially adversely affect the Developer or its performance of its obligations under the transactions described in the Material Documents; nor will any such execution, delivery, adoption, fulfillment, or compliance result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Developer, except as expressly described in the Material Documents (a) under applicable law or (b) under any such loan agreement, indenture, bond note, resolution, agreement, or other instrument.

6. The information set forth in the Limited Offering Memorandum under the captions "PLAN OF FINANCE — Development Plan and Plan of Finance," "THE AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "CONTINUING DISCLOSURE — The Developer" and "—The Developer's Compliance with Prior Undertakings" and, to the best of the Developer's knowledge after due inquiry, under the captions

"BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Authorized Improvements and the Development, as defined in the Limited Offering Memorandum) the information provided by the Developer in "APPENDIX B – Form of Service and Assessment Plan," and "LEGAL MATTERS — Litigation — The Developer" adequately and fairly describe the information summarized under such captions and are correct as to matters of law.

7. Subject to the below qualifications and based upon our participation in the preparation of the Limited Offering Memorandum and our participation at conferences with representatives of the Underwriter and its counsel, of the City and its counsel, and with representatives of the Developer at which the Limited Offering Memorandum and related matters were discussed, and although we have not independently verified the information in the Limited Offering Memorandum and are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Limited Offering Memorandum and any amendment or supplement thereto, no facts have come to our attention that lead us to believe that the information set forth under the captions referenced in the preceding paragraph as of the date of the Limited Offering Memorandum and the date hereof, contained or contains any untrue statement of a material fact, or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Qualifications

In addition to any assumptions, qualifications and other matters set forth elsewhere herein, the opinions set forth above are subject to the following assumptions and qualifications:

(a) We have not examined any court dockets, agency files or other public records regarding the entry of any judgments, writs, decrees or orders or the pendency of any actions, proceedings, investigations or litigation.

(b) We have relied upon the Developer Certificates, as well as the representations of the Developer contained in the Material Documents, with respect to certain facts material to our opinion. Except as otherwise specifically indicated herein, we have made no independent investigation regarding any of the foregoing documents or the representations contained therein.

(c) Our opinion delivered pursuant to Section 3 above is subject to the effect of any applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other laws affecting creditors' rights generally and to the effect of general principles of equity, including (without limitation) remedies of specific performance and injunctive relief and concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law).

(d) Except for the Material Documents, we have not reviewed, and express no opinion as to, any other contracts or agreements to which the Developer is a party or by which the Developer is or may be bound.

(e) The opinions expressed herein are based upon and limited to the applicable laws of the State of Texas and the laws of the United States of America, excluding the principles of conflicts of laws thereof, as in effect as of the date hereof, and our knowledge of the facts relevant

to such opinions on such date. In this regard, we note that we are members of the Bar of the State of Texas, we do not express any opinion herein as to matters governed by the laws of any other jurisdiction, except the United States of America, we do not purport to be experts in any other laws and we can accept no responsibility for the applicability or effect of any such laws. In addition, we assume no obligation to supplement the opinions expressed herein if any applicable laws change after the date hereof, or if we become aware of any facts or circumstances that affect the opinions expressed herein.

(f) This letter is strictly limited to the matters expressly set forth herein and no statements or opinions should be inferred beyond such matters.

(g) Notwithstanding anything contained herein to the contrary, we express no opinion whatsoever concerning the status of title to any real or personal property.

(h) The opinions expressed herein regarding the enforceability of the Material Documents are subject to the qualification that certain of the remedial, waiver or other provisions thereof may not be enforceable; but such unenforceability will not, in our judgment, render the Material Documents invalid as a whole or substantially interfere with the practical realization of the principal legal benefits provided in the Material Documents, except to the extent of any economic consequences of any procedural delays which may result therefrom.

(i) The opinion expressed herein as to the enforceability of the Material Documents is specifically subject to the qualification that enforceability of the Material Documents is limited by the following: (i) the rights of the United States under the Federal Tax Lien Act of 1966, as amended; (ii) principles of equity, public policy and unconscionability which may limit the availability of certain remedies; (iii) bankruptcy, insolvency, reorganization, fraudulent conveyance, liquidation, probate, conservatorship and other laws applicable to creditors' rights or the collection of debtors' obligations generally; and (iv) requirements of due process under the United States Constitution, the Constitution of the State of Texas and other laws or court decisions limiting the rights of creditors to repossess, foreclose or otherwise realize upon the property of a debtor without appropriate notice or hearing or both.

(j) We express no opinion as to whether a court would grant specific performance or any other equitable remedy with respect to the enforcement of the Material Documents.

(k) We express no opinion as to the validity, binding effect, or enforceability of: (i) provisions which purport to waive rights or notices, including rights to trial by jury, counterclaims or defenses, jurisdiction or venue; (ii) provisions relating to consent judgments, waivers of defenses or the benefits of statutes of limitations, marshaling of assets, the transferability of any assets which by their nature are nontransferable, sales in inverse order of alienation, or severance; (iii) provisions purporting to waive the benefits of present or of future laws relating to exemptions, appraisement, valuation, stay of execution, redemption, extension of time for payment, setoff and similar debtor protection laws; or (iv) provisions requiring a party to pay fees and expenses regardless of the circumstances giving rise to such fees or expenses or the reasonableness thereof.

(l) The opinions expressed herein are subject to the effect of generally applicable rules of law that provide that forum selection clauses in contracts are not necessarily binding on the court(s) in the forum selected.

(m) We express no opinion as to the enforceability of any provisions in the Material Documents purporting to entitle a party to indemnification in respect of any matters arising in whole or in part by reason of any negligent, illegal or wrongful act or omission of such party.

This opinion is furnished to those parties addressed in this letter solely in connection with the transactions, for the purposes and on the terms described above and may not be relied upon for any other purpose or by any other person in any manner or for any purpose.

Very truly yours,

_____

Ferguson Braswell Fraser Kubasta PC

APPENDIX E

CLOSING CERTIFICATE OF DEVELOPER

Freeman Farm a Series of EIS Development II, LLC, a Texas limited liability partnership (the "Developer"), DOES HEREBY CERTIFY the following as of the date hereof. All capitalized terms not otherwise defined herein shall have the meaning given to such term in the Limited Offering Memorandum.

1. The Developer is a limited liability company organized, validly existing and in good standing under the laws of the State of Texas.

2. Representatives of Developer have provided information to the City of Kaufman, Texas (the " City") and FMSbonds, Inc. (the "Underwriter"), to be used in connection with the offering by the City of its $[PAR AMOUNT] aggregate principal amount of Special Assessment Revenue Bonds, Series 2024 (Kaufman Public Improvement District No. 3 Project) (the "Bonds"), pursuant to the City's Preliminary Limited Offering Memorandum, dated [PLOM DATE], 2024, and Limited Offering Memorandum dated [BPA DATE], 2024 (together, the "Limited Offering Memorandum").

3. The Developer has delivered to the Underwriter and the City true, correct, complete and fully executed copies of the Developer's organizational documents, and such documents have not been amended or supplemented and are in full force and effect as of the date hereof. To the extent such organizational documents were not so provided, the Developer represents and warrants that the Developer has the power and authority under its organizational documents to execute and deliver the Developer Documents (as defined herein) and to perform the obligations of the Developer therein.

4. The Developer has delivered to the Underwriter and the City a (i) Certificate of Status from the Texas Secretary of State and (ii) verification of franchise tax account status from the Texas Comptroller of Public Accounts for the Developer.

5. The Developer has executed and delivered each of the below listed documents (individually, a "Developer Document" and collectively, the "Developer Documents") in the capacity provided for in each such Developer Document, and each such Developer Document constitutes a valid and binding obligation of Developer, enforceable against the Developer in accordance with its terms:

(a) that certain Developer Letter of Representation dated [BPA DATE], 2024;

(b) that certain Freeman Farm Kaufman Development Agreement, as assigned, between the City and the Developer (the "Development Agreement");

(c) that certain Kaufman Public Improvement District No. 3 Construction, Funding and Acquisition Agreement, effective [BPA DATE], 2024, executed by the City and the Developer (the "CFA Agreement");

(d) that certain Continuing Disclosure Agreement of the Developer, dated as of [INDENTURE DATE], 2024 made by and among the Developer, HTS Continuing Disclosure Services, a Division of Hilltop Securities Inc., as dissemination agent, and MuniCap, Inc., as administrator;

(e) that certain Freeman Farm Facilities Agreement, effective September 20, 2023, between the City and the Developer (the "Facilities Agreement");

(f) that certain Consent and Agreement of Landowners executed as of [BPA DATE], 2024 by the Developer (the "Landowner Consent"); and

(g) that certain Kaufman Public Improvement District No. 3 Reimbursement Agreement, effective [BPA DATE], 2024, executed by the City and the Developer (the "Reimbursement Agreement").

6. The Developer has complied in all material respects with all of the Developer's agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Developer under the Developer Documents on or prior to the date hereof.

7. The execution and delivery of the Developer Documents by Developer does not violate any judgment, order, writ, injunction or decree binding on Developer or any indenture, agreement, or other instrument to which Developer is a party. To the Developer's knowledge, after due inquiry, there are no proceedings pending or threatened in writing before any court or administrative agency against Developer that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of Developer to perform its obligations under the Developer Documents in all material respects or that would reasonably be expected to prevent or prohibit the development of the Development in accordance with the description thereof in the Limited Offering Memorandum.

8. The Developer has reviewed and approved the information contained in the Limited Offering Memorandum under the captions all of the maps included therein and under the captions "PLAN OF FINANCE — Development Plan and Plan of Finance," "THE AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "CONTINUING DISCLOSURE — The Developer" and "— The Developer's Compliance with Prior Undertakings" and, to the best of the Developer's knowledge after due inquiry, under the captions "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Authorized Improvements and the Development, as defined in the Limited Offering Memorandum,) the information provided by the Developer in "APPENDIX B," "LEGAL MATTERS — Litigation — The Developer" and "APPENDIX D-2" (collectively, the "Developer Disclosures") and certifies that the same does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading respecting such Developer and the portion of the Development owned by such Developer, provided, however, that the foregoing certification is not a certification as to the accuracy, completeness or fairness of any of the other statements contained in the Limited Offering Memorandum.

9. The Developer is in compliance in all material respects with all provisions of applicable law in all material respects relating to Developer in connection with the Development. Except as otherwise described in the Limited Offering Memorandum: (a) there is no default of any zoning condition, land use permit or development agreement binding upon Developer or any portion of the Development that would materially and adversely affect Developer's ability to complete or cause to be completed the development of such portion of the Development as described in the Limited Offering Memorandum; and (b) we have no reason to believe that any additional permits, consents and licenses required to complete the Development as and in the manner described in the Limited Offering Memorandum will not be reasonably obtainable in due course.

10. The Developer is not insolvent and has not made an assignment for the benefit of creditors, filed or consented to a petition in bankruptcy, petitioned or applied (or consented to any third party petition or application) to any tribunal for the appointment of a custodian, receiver or any trustee or commenced any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction.

11. The levy of the Assessments (as defined in the Limited Offering Memorandum) on property in the District owned by Developer will not conflict with or constitute a breach of or default under any agreement, indenture or other instrument to which Developer is a party or to which Developer or any of its property or assets is subject.

12. On the date of the Assessment Ordinance (as defined in the Limited Offering Memorandum), all of the Assessed Property in the District was owned by the Developer or other development entities and such landowners are not entities that may claim a homestead right under Texas law.

13. The Developer is not in default under any mortgage, trust indenture, lease or other instrument to which it or any of its assets is subject, which default would have a material and adverse effect on the Bonds or the development of the Development.

14. The Developer has no knowledge of any physical condition of the Development owned or to be developed by Developer that currently requires, or currently is reasonably expected to require in the process of development investigation or remediation under any applicable federal, state or local governmental laws or regulations relating to the environment in any material and adverse respect.

[*Signature page follows*]

Dated: [CLOSING DATE], 2024

DEVELOPER:

FREEMAN FARM, A SERIES OF EIS DEVELOPMENT II, LLC,
a Texas limited liability company

By:_____
Name:_____
Title:_____

APPENDIX F

[LETTERHEAD OF INTEGRA REALTY RESOURCES]

[CLOSING DATE], 2024

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Wilmington Trust, National Association
15950 North Dallas Parkway, Suite 550
Dallas, Texas 75248

City of Kaufman, Texas
209 S. Washington Street
Kaufman, Texas 75142

Locke Lord LLP
2200 Ross Avenue, Suite 2800
Dallas, Texas 75201

Bracewell LLP
1445 Ross Avenue Suite 3800
Dallas, Texas 75202

Re: City of Kaufman, Texas, Special Assessment Revenue Bonds, Series 2024 (Kaufman Public Improvement District No. 3 Project) (the "Bonds")

Ladies and Gentlemen:

The undersigned, _____, appraiser of (i) the property contained in Kaufman Public Improvement District (the "District"), does hereby represent the following:

1. On behalf of Integra Realty Resources DFW, I have supplied certain information contained in the Preliminary Limited Offering Memorandum for the Bonds, dated [PLOM DATE], 2024, and the Limited Offering Memorandum for the Bonds, dated on or about [BPA DATE], 2024 (together, the "Limited Offering Memorandum"), relating to the issuance of the Bonds by the City of Kaufman, Texas, as described above. The information I have provided is the real estate appraisal of the property in the District, located in APPENDIX E to the Limited Offering Memorandum, and the description thereof, set forth under the caption "APPRAISAL — The Appraisal."

2. To the best of my professional knowledge and belief, as of the date of my appraisal report, the portion of the Limited Offering Memorandum described above does not contain an untrue statement of a material fact as to the information and data set forth therein, and does not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

3. I agree to the inclusion of the Appraisal in the Limited Offering Memorandum and the use of the name of my firm in the Limited Offering Memorandum for the Bonds.

4. I agree that, to the best of my ability, I will inform you immediately should I learn of any event(s) or information of which you are not aware subsequent to the date of this letter and

prior to the actual time of delivery of the Bonds (anticipated to occur on or about [CLOSING DATE], 2024 which would render any such information in the Limited Offering Memorandum untrue, incomplete, or incorrect, in any material fact or render any statement in the appraisal materially misleading.

5. The undersigned hereby represents that he has been duly authorized to execute this letter of representations.

Sincerely yours,

INTEGRA REALTY RESOURCES – DFW

_____

By: _____

Its: _____

APPENDIX G

[LETTERHEAD OF MUNICAP, INC.]

[CLOSING DATE], 2024

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 74034

Wilmington Trust, National Association
15950 North Dallas Parkway, Suite 550
Dallas, Texas 75248

City of Kaufman, Texas
209 S. Washington Street
Kaufman, Texas 75142

Locke Lord LLP
2200 Ross Avenue, Suite 2800
Dallas, Texas 75201

Bracewell LLP
1445 Ross Avenue Suite 3800
Dallas, Texas 75202

Re: City of Kaufman, Texas, Special Assessment Revenue Bonds, Series 2024 (Kaufman Public Improvement District No. 3 Project) (the "Bonds")

Ladies and Gentlemen:

The undersigned, an authorized representative of MuniCap, Inc. ("MuniCap"), consultant in connection with the creation by the City of Kaufman, Texas (the "City"), of the Kaufman Public Improvement District No. 3 (the "District"), does hereby represent the following:

1. MuniCap has supplied certain information contained in the Preliminary Limited Offering Memorandum, dated [PLOM DATE], 2024 (the "Preliminary Limited Offering Memorandum"), and the final Limited Offering Memorandum, dated on or about [BPA DATE] , 2024 (together with the Preliminary Limited Offering Memorandum, the "Limited Offering Memorandum"), both in connection with the Bonds, relating to the issuance of the Bonds by the City, as described above. The information MuniCap provided for the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum is located (a) under the captions "ASSESSMENT PROCEDURES — Assessment Methodology" and "— Assessment Amounts," "OVERLAPPING TAXES AND DEBT," and "THE ADMINISTRATOR," and (b) in the Service and Assessment Plan (the "SAP") for the City located in APPENDIX B to the Limited Offering Memorandum.

2. To our professional knowledge and belief, the portions of the Limited Offering Memorandum described above do not contain an untrue statement of a material fact as to the information and data set forth therein, and do not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

3. We agree to the inclusion of the SAP in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and to the use of the name of our firm in

the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum for the Bonds.

4. We agree that, to the best of our ability, we will inform you immediately should we learn of any event(s) or information of which you are not aware subsequent to the date of this letter and prior to the actual time of delivery of the Bonds (anticipated to occur on or about December 21, 2022) which would render any such information in the Limited Offering Memorandum untrue, incomplete, or incorrect, in any material fact or render any such information materially misleading.

5. The undersigned hereby represents that he or she has been duly authorized to execute this letter of representation

Sincerely yours,

MUNICAP, INC.

_____

By: _____

Its: _____

CITY OF KAUFMAN, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(KAUFMAN PUBLIC IMPROVEMENT DISTRICT NO. 3 PROJECT)

CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

This Continuing Disclosure Agreement of Developer dated as of [INDENTURE DATE], 2024 (this "Disclosure Agreement"), is executed and delivered by and among Freeman Farm a series of EIS Development II, LLC, a Texas limited liability company (the "Developer"), MuniCap, Inc. (the "Administrator"), and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., acting solely in its capacity as dissemination agent (the "Dissemination Agent") with respect to the captioned bonds (the "Bonds"). The Developer, the Administrator, and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Developer, the Administrator, and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust, dated as of [INDENTURE DATE], 2024, relating to the Bonds (the "Indenture"), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, the following capitalized terms shall have the following meanings:

"Administrative Expenses" shall have the meaning assigned to such term in the Indenture.

"Administrator" shall have the meaning assigned to such term in the Indenture. The Issuer has selected MuniCap, Inc., as the initial Administrator.

"Affiliate" shall mean an entity that owns property within the District and is controlled by, controls, or is under common control with the Developer, including any Homebuilder.

"Annual Installment" shall have the meaning assigned to such term in the Indenture.

"Assessments" shall have the meaning assigned to such term in the Indenture.

"Authorized Improvements" shall have the meaning assigned to such term in the Indenture.

"Business Day" shall have the meaning assigned to such term in the Indenture.

"Certification Letter" shall mean a certification letter provided by the Developer or Homebuilder, if any, pursuant to Section 3, in substantially the form attached as Exhibit D.

"Developer" shall mean Freeman Farm a series of EIS Development II, LLC, a Texas limited liability company, its successors and assigns, including any Affiliate of the Developer.

"Developer Listed Events" shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

"Disclosure Agreement of Issuer" shall mean the Continuing Disclosure Agreement of Issuer with respect to the Bonds dated as of even date herewith executed and delivered by the Issuer, the Administrator, and the Dissemination Agent.

"Dissemination Agent" shall mean HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer, and which has filed with the Trustee a written acceptance of such designation.

"District" shall mean the Kaufman Public Improvement District No. 3.

"EMMA" shall mean the Electronic Municipal Market Access System administered by the MSRB which, as of the date of this Disclosure Agreement, is available on the internet at http://emma.msrb.org.

"Homebuilder(s)" shall mean any merchant homebuilder who enters into an Lot Purchase Agreement with the Developer, and the successors and assigns of such homebuilder under such Lot Purchase Agreement.

"Issuer" shall mean the City of Kaufman, Texas.

"Listed Events" shall mean, collectively, Developer Listed Events and Significant Homebuilder Listed Events.

"Lot Purchase Agreement" shall mean, with respect to lots or land within the District, any agreement between a Homebuilder and the Developer to purchase lots or to purchase land.

"MSRB" shall mean the Municipal Securities Rulemaking Board, or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule.

"Outstanding" shall have the meaning assigned to such term in the Indenture.

"Owner" shall have the meaning assigned to such term in the Indenture.

"Parcel" shall have the meaning assigned to such term in the Indenture.

"Participating Underwriter" shall mean FMSbonds, Inc., and its successors and assigns.

"Person" shall have the meaning assigned to such term in the Indenture.

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

Quarterly Ending Date" shall mean each March 31, June 30, September 30 and December 31, beginning March 31, 2025.

"Quarterly Filing Date" shall mean for each Quarterly Ending Date, the fifteenth calendar day of the second month following such Quarterly Ending Date being February 15, May 15, August 15, November 15.

"Quarterly Information" shall have the meaning assigned to such term in Section 3 of this Disclosure Agreement.

"Quarterly Report" shall mean any Quarterly Report described in Section 3 of this Disclosure Agreement and substantially similar to that attached as Exhibit A hereto.

"Reporting Party" shall mean, collectively, the Developer and any Significant Homebuilder who has acknowledged and assumed reporting obligations in accordance with Section 6 of this Disclosure Agreement.

"Rule" shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

"Service and Assessment Plan" shall have the meaning assigned to such term in the Indenture.

"Significant Homebuilder" shall mean a Homebuilder that then owns 12 or more of the single family residential lots within the District.

"Significant Homebuilder Listed Events" shall mean any of the events listed in Section 4(b) of this Disclosure Agreement.

"Trustee" shall have the meaning assigned to such term in the Indenture.

SECTION 3. Quarterly Reports.

(a) The Developer and any Significant Homebuilder that is a Reporting Party, with respect to its acquired real property, shall, at its cost and expense, provide, or cause to be provided, to the Administrator, not more than ten (10) days after each Quarterly Ending Date, the information in the Quarterly Report required to be provided by such Reporting Party pursuant to Section 3(d) (with respect to each Reporting Party, the "Quarterly Information"). The Reporting Party shall provide, or cause to be provided, such Quarterly Information until such party's obligations terminate pursuant to Section 7 of this Disclosure Agreement. For the avoidance of doubt, (i) if the Developer elects, the Developer may, but shall not be obligated to, provide any Quarterly Information on behalf of any Significant Homebuilder and (ii) the Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until a Significant Homebuilder Acknowledgement (as defined herein) with respect to such real property is delivered in accordance with Section 6 of this Disclosure Agreement, at which time the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred.

(b) The Administrator shall (i) review each Quarterly Report containing the Quarterly Information provided by each Reporting Party pursuant to subsection (a) above and (ii) no later than twenty (20) days after each Quarterly Ending Date, either (1) advise the applicable Reporting Party as

to any necessary changes to the applicable Quarterly Information or (2) provide to the Dissemination Agent the Quarterly Report in accordance with subsection (c) below. If the Administrator advises a Reporting Party as to any necessary changes to their respective Quarterly Information, such Reporting Party shall provide, or cause to be provided, to the Administrator, not more than thirty (30) days after each Quarterly Ending Date, the revised Quarterly Information. The Administrator shall review the revised Quarterly Information within the Quarterly Report and provide the Quarterly Report to the Dissemination Agent in accordance with subsection (c) below.

If Reporting Parties provide the Quarterly information in more than one report to the Administrator, the Administrator shall (i) prepare each Quarterly Report with the Quarterly Information provided by the Reporting Parties pursuant to subsection (a) above, and (ii) provide the Quarterly Report to the Reporting Parties for review no later than twenty (20) days after each Quarterly Ending Date. The Reporting Parties shall review and revise, as necessary, the Quarterly Report and, upon such review, shall promptly, but no later than thirty (30) days after each Quarterly Ending Date, provide the Quarterly Report and Certification Letter(s) to the Administrator and direct the Administrator to provide such Quarterly Report and Certification Letter(s) to the Issuer and the Dissemination Agent pursuant to subsection (c) below.

In all cases, each Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all of the Quarterly Information provided by such Reporting Party contained in the Quarterly Report.

(c) The Administrator shall provide to the Dissemination Agent, with a copy to each Reporting Party, no later than thirty-five (35) days after each Quarterly Ending Date, the Quarterly Report containing the information described in Section 3(d), the Certification Letter(s), if applicable, and written direction to the Dissemination Agent to file such report with the MSRB. The Dissemination Agent shall file the Quarterly Report and the Certification Letter(s), if applicable, with the MSRB and provide a copy of such report to the Issuer and the Participating Underwriter within ten (10) days of the Dissemination Agent's receipt thereof pursuant to this subsection 3(c); provided, however, that the Quarterly Report must be submitted to the MSRB not later than each Quarterly Filing Date. In the event that any Reporting Party or the Administrator does not provide the information required by subsection (a) or (b) of this Section 3, as applicable, in a timely manner and, as a result, either an incomplete Quarterly Report is filed with the MSRB, or a Quarterly Report is not filed with the MSRB by each Quarterly Filing Date, the Dissemination Agent shall, upon written direction from the applicable Reporting Party file a notice of failure to provide Quarterly Information or failure to file a Quarterly Report with the MSRB in substantially the form attached as Exhibit B, as soon as practicable. If incomplete Quarterly Information or no Quarterly Information is provided by any Reporting Party, the Dissemination Agent and any other Reporting Party who provided complete Quarterly Information shall not be responsible for the failure to submit a complete Quarterly Report to the MSRB. If each Reporting Party timely provides the required Quarterly Information to the Administrator as described in this Section 3, the failure of the Administrator to provide the Quarterly Report to the Dissemination Agent, or the failure of the Dissemination Agent to provide such report to the Participating Underwriter in a timely manner, shall not be deemed a default by the Reporting Parties under this Disclosure Agreement.

(d) Each Quarterly Report shall consist of the information listed in Exhibit A attached hereof.

SECTION 4. Event Reporting Obligations.

(a) Pursuant to the provisions of this Section 4, each of the following is a Developer Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within the District on a parcel owned by the Developer; provided, however, that the exercise of any right of the Developer as a landowner within the District to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Developer Listed Event under this Section nor a breach or default of this Disclosure Agreement;

(ii) Material damage to or destruction of any development or improvements within the District, including the Authorized Improvements;

(iii) Material default by the Developer or any of the Developer's affiliates on any loan with respect to the acquisition, development, or permanent financing of the District undertaken by the Developer or any of the Developer's Affiliates;

(iv) Material default by the Developer or any of Developer's Affiliates on any loan secured by property within the District owned by the Developer or any of the Developer's Affiliates;

(v) The bankruptcy, insolvency, or similar filing of the Developer or any of the Developer's Affiliates or any determination that the Developer or any of the Developer's Affiliates is unable to pay its debts as they become due;

(vi) The consummation of a merger, consolidation, or acquisition of the Developer, or the sale of all or substantially all of the assets of the Developer or any of the Developer's Affiliates, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(vii) The filing of any lawsuit with a claim for damages in excess of $1,000,000 against the Developer or any of the Developer's Affiliates that may adversely affect the completion of development of the District, or litigation that may materially adversely affect the financial condition of the Developer or any of the Developer's Affiliates;

(viii) Any change in the legal structure, chief executive officer, or controlling ownership of the Developer; and

(ix) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Sections 5 or 6 hereof.

(b) Pursuant to the provisions of this Section 4, each of the following occurrences related to any Significant Homebuilder is a Significant Homebuilder Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Assessments levied within the District on a lot or parcel owned by such Significant Homebuilder; provided, however, that the exercise of any right of such Significant Homebuilder as a landowner within the District to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Significant Homebuilder Listed Event under this Section nor a breach or default of this Disclosure Agreement;

(ii) The bankruptcy, insolvency, or similar filing of such Significant Homebuilder or any determination that such Significant Homebuilder is unable to pay its debts as they become due;

(iii) The consummation of a merger, consolidation, or acquisition involving such Significant Homebuilder or the sale of all or substantially all of the assets of the Significant Homebuilder, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(iv) Any change in the type of legal entity, chief executive officer, or controlling ownership of such Significant Homebuilder;

(v) Early termination of or material default by such Significant Homebuilder under a Lot Purchase Agreement; and

(vi) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 6 herein.

(c) Whenever a Reporting Party obtains knowledge of the occurrence of a Listed Event applicable to such Reporting Party, such Reporting Party shall promptly, and not more than five (5) Business Days after such Reporting Party obtains such knowledge, notify the Issuer, the Administrator and the Dissemination Agent in writing and the Reporting Party shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB, in the manner hereinafter described, and provide a copy of such notice to the Issuer and the Participating Underwriter. Any such notice is required to be filed within ten (10) Business Days after the Reporting Party becomes aware of the occurrence of such Listed Event. If the Reporting Party timely notifies the Dissemination Agent of the occurrence of a Listed Event, as described in this Section 4, the failure of the Dissemination Agent to provide such notice to the Participating Underwriter in a timely manner shall not be deemed a default by such Reporting Party under this Disclosure Agreement.

The Developer and each other Reporting Party, if any, shall only be responsible for reporting the occurrence of a Listed Event applicable to such Reporting Party and shall not be responsible for reporting the occurrence of a Listed Event applicable to any other Reporting Party or Significant Homebuilder, regardless of if a Reporting Party is providing Quarterly Information on behalf of any other Significant Homebuilder.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the applicable Reporting Party desires to make, the written authorization of such Reporting Party for the Dissemination Agent to disseminate such information as provided herein, and the date the Reporting Party desires for the Dissemination Agent to disseminate the information.

In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures. In addition, the applicable Reporting Party shall have the sole responsibility to ensure that any notice required to be filed with the MSRB under this Section 4 is actually filed within ten (10) Business Days after such Reporting Party becomes aware of the Listed Event applicable to such Reporting Party.

(d) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event, notify in writing the Administrator and the applicable Reporting Party of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the applicable Reporting Party to do so. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Reporting Party and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the applicable Reporting Party as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Participating Underwriter, the Administrator, the Issuer, any Reporting Party or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(e) If the Dissemination Agent has been notified in writing by a Reporting Party to report the occurrence of a Listed Event in accordance with subsections (c) or (d) of this Section 4, the Dissemination Agent shall file a notice of such occurrence with the MSRB promptly after its receipt of such written instructions from such Reporting Party; provided that all such notices must be filed no later than the date specified in subsection (c) of this Section 4 for such Listed Event.

SECTION 5. Assumption of Reporting Obligations of Developer.

The Developer shall cause each Person who, through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Authorized Improvements to assume and comply with the disclosure obligations of the Developer under this Disclosure Agreement. The Developer shall deliver to the Dissemination Agent, the Administrator, and the Issuer a written acknowledgement from each Person who assumes the obligations, requirements, or covenants to construct one or more of the Authorized Improvements in substantially the form attached as Exhibit E (the "Developer Acknowledgment"), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Developer shall direct the Dissemination Agent to file a copy of each Developer Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above. Upon any such transfer to a Person, and such Person's delivery of written acknowledgement of assumption of Developer's obligations under this Disclosure Agreement as to the property transferred, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership and delivery of written acknowledgement to the MSRB, the Developer shall not be liable for the acts or omissions of such Person arising from or in connection with such disclosure obligations under this Disclosure Agreement.

SECTION 6. Assumption of Reporting Obligations by Significant Homebuilder.

(a) If a Homebuilder acquires ownership of real property in the District resulting in such Homebuilder becoming a Significant Homebuilder, the Developer may (i) cause such Significant Homebuilder to comply with the Developer's disclosure obligations under Section 3 and Section 4(b) hereof, with respect to such acquired real property, until such party's disclosure obligations terminate pursuant to Section 7 of this Disclosure Agreement or (ii) elect to provide any or all Quarterly Information on behalf of such Significant Homebuilder; provided, however, that if the Developer initially elects to provide any or all Quarterly Information on behalf of such Significant Homebuilder, the Developer may elect in the future to cause such Significant Homebuilder to comply with the Developer's disclosure obligations, as described in (i) above.

(b) If the Developer elects to cause a Significant Homebuilder to comply with the Developer's disclosure obligations, as described in (i) above, the Developer shall deliver to the Dissemination Agent, Administrator and the Issuer a written acknowledgement from each Significant Homebuilder, in substantially the form attached as Exhibit E (the "Significant Homebuilder Acknowledgment"), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Developer shall direct the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Sections 4(c) above. Upon any such transfer to a Significant Homebuilder, and such Significant Homebuilder's delivery of written acknowledgement of assumption of the Developer's obligations under this Disclosure Agreement as to the property transferred, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. The Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until an acknowledgment of assignment with respect to such real property is delivered to the Dissemination Agent, Administrator, the Issuer and the MSRB, in accordance with this Section 6(b).

(c) Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership and delivery of written acknowledgement to the MSRB, the Developer shall not be liable for the acts or omissions of such Significant Homebuilder arising from or in connection with such disclosure obligations under this Disclosure Agreement.

SECTION 7. Termination of Reporting Obligations.

(a) The reporting obligations of the Developer or any Significant Homebuilder that is a Reporting Party under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when the Developer or such Significant Homebuilder, including their respective affiliates and/or successors and assigns, no longer owns 12 or more single family residential lots within the District, as of each Quarterly Ending Date, or (iii) the Issuer's issuance of the certificate of occupancy for the last single family residential lot or Parcel owned by the Developer or such Significant Homebuilder, including their respective Affiliates and/or successors and assigns, respectively; provided, however, if the Developer elects to provide any or all Quarterly Information on behalf of a Significant Homebuilder in accordance with Section 6(a) above, the reporting obligations of the Developer under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when the Developer and such Significant Homebuilder(s) (on behalf of whom the Developer is reporting), including their respective affiliates and/or successors and assigns, collectively no longer own 12 or more single family residential lots within the District, as of each Quarterly Ending Date, or (iii) the Issuer's issuance of the certificate of occupancy for the last

single family residential lot or Parcel owned by the Developer and such Significant Homebuilder(s) (on behalf of whom the Developer is reporting), including their respective affiliates and/or successors and assigns.

(b) Upon receipt of written notice from a Reporting Party or the Dissemination Agent that the reporting obligations of a Reporting Party have terminated in accordance with subsection (a) of this Section 7, the Administrator shall provide written notice to the applicable Reporting Party, the Participating Underwriter, the Issuer, and the Dissemination Agent in substantially the form attached as Exhibit C, thereby terminating such Reporting Party's reporting obligations under this Disclosure Agreement (the "Termination Notice"). If such Termination Notice with respect to a Reporting Party occurs while any of the Bonds remain Outstanding, the Administrator shall immediately provide, or cause to be provided, the Termination Notice to the Dissemination Agent, and the Dissemination Agent shall provide such Termination Notice to the MSRB, the Issuer, the Trustee, the applicable Reporting Party and the Participating Underwriter on or before the next succeeding Quarterly Filing Date.

(c) The obligations of the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) termination of all Reporting Parties' reporting obligations in accordance with subsection (a) of this Section 7 and any Termination Notice required by subsection (b) of this Section 7 has been provided to the MSRB, the Issuer, the Trustee, the Dissemination Agent, the Reporting Parties, and the Participating Underwriter, as applicable.

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist the Developer and any other Reporting Party in carrying out their obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign at any time with thirty (30) days' notice to the Issuer, the Developer, and the Administrator; provided, however, that if the Dissemination Agent is serving in the same capacity under the Disclosure Agreement of Issuer, the Dissemination Agent shall resign under the Disclosure Agreement of Issuer simultaneously with its resignation hereunder; provided, further, that if the Issuer is the Dissemination Agent, the Issuer may not resign without first appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. Pursuant to the Disclosure Agreement of Issuer, the Issuer has agreed to provide written notice to each Reporting Party of any change in the identity of the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Developer, the Administrator, and the Dissemination Agent may jointly amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Developer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3 or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements,

change in law, or change in the identity, nature or status of the Developer or any Significant Homebuilder, or the type of business conducted; and

(b) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Administrator shall describe such amendment in the next related Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Developer. The Developer shall provide, or cause to be provided, at its cost and expense, an executed copy of any amendment or waiver entered into in accordance with this Section 9 to the Issuer, the Administrator, the Dissemination Agent, and the Participating Underwriter.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Developer or any Significant Homebuilder from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in addition to that which is required by this Disclosure Agreement. If the Developer or Significant Homebuilder chooses to include any information in any Quarterly Report or notice of occurrence of a Developer Listed Event or Significant Homebuilder Listed Event, as applicable, in addition to that which is specifically required by this Disclosure Agreement, the Developer or the Significant Homebuilder, as applicable, shall have no obligation under this Disclosure Agreement to update such information or include it in any future Quarterly Report or notice of occurrence of a Developer Listed Event or Significant Homebuilder Listed Event.

SECTION 11. Content of Disclosures. In all cases, the Developer or Significant Homebuilder, as applicable, shall have the sole responsibility for the content, design, and other elements comprising substantive contents of all disclosures provided hereunder.

SECTION 12. Default. In the event of a failure of the Developer, any Significant Homebuilder, or the Administrator to comply with any provision of this Disclosure Agreement, (i) the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and (ii) at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction, the Dissemination Agent shall take such actions as may be necessary and appropriate to cause the Developer, Significant Homebuilder, and/or the Administrator to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Developer, Significant Homebuilder, or the Administrator to comply with this Disclosure Agreement shall be an action to mandamus or specific performance. A default under this Disclosure Agreement by the Developer or any Significant Homebuilder, as applicable, shall not be deemed a default under the Disclosure Agreement of Issuer by the Issuer, and a default under the Disclosure Agreement of Issuer by the Issuer shall not be deemed a default under this Disclosure Agreement by the Developer, any Significant Homebuilder, or the Administrator. Additionally, a default by the Developer of its obligations under this Disclosure Agreement shall not be deemed a default by any Significant

Homebuilder of such Significant Homebuilder's obligations under this Disclosure Agreement; and, likewise, a default by any Significant Homebuilder of such Significant Homebuilder's obligations under this Disclosure Agreement shall not be deemed a default of the Developer of the Developer's obligations under this Disclosure Agreement.

SECTION 13. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Quarterly Report) prepared by the Developer, Significant Homebuilder, and/or the Administrator pursuant to this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. The Developer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees, and agents against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Developer under this Section shall survive termination of this Disclosure Agreement, resignation or removal of the Dissemination Agent, and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.

(b) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. The Developer agrees to hold harmless the Administrator, its officers, directors, employees, and agents against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's breach, negligence, or willful misconduct. The obligations of the Developer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

(c) The Dissemination Agent or the Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent and Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(d) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, THE DEVELOPER, OR ANY SIGNIFICANT HOMEBUILDER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY OTHER PARTY TO THIS DISCLOSURE AGREEMENT OR A SIGNIFICANT HOMEBUILDER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION, EXCEPT AS DESCRIBED IN SECTION 12 WITH RESPECT TO THE DISSEMINATION AGENT.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation, or agreement of the Developer, any Significant Homebuilder, the Administrator, or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation, or agreement of any present or future officer, agent, or employee of the Developer, any Significant Homebuilder, the Administrator, or the Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act, or action, or part thereof, made, assumed, entered into, or taken thereunder, or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act, or action, or part thereof, made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act, or action, or part thereof, is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act, or action, or part thereof, shall be deemed to be effective, operative, made, entered into, or taken in the manner and to the full extent permitted by law.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Developer, the Administrator, the Dissemination Agent, the Issuer, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. Dissemination Agent Compensation. The fees and expenses incurred by the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement constitute

Administrative Expenses and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent, but only with funds to be provided from the Administrative Expenses component of the Annual Installments collected from the property owners in the District, for the fees and expenses for its services rendered in accordance with this Disclosure Agreement.

SECTION 18. Administrator Compensation. The fees and expenses incurred by the Administrator for its services rendered in accordance with this Disclosure Agreement constitute Administrative Expenses and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Administrator has entered into a separate agreement with the Issuer, which agreement governs the administration of the District, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

SECTION 19. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 20. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The Developer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

Signature pages follow.

HTS Continuing Disclosure Services, a division of
Hilltop Securities, Inc.,
Dissemination Agent

By: _____
Authorized Officer

DEVELOPER:

Freeman Farm a series of EIS Development II, LLC, a Texas limited liability company

By: _____
Name: _____
Title: _____

MuniCap, Inc.,
Administrator

By:_____
Name:_____
Title:_____

EXHIBIT A

CITY OF KAUFMAN, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(KAUFMAN PUBLIC IMPROVEMENT DISTRICT NO. 3 PROJECT)

DEVELOPER QUARTERLY REPORT
[*INSERT QUARTERLY ENDING DATE*]

Delivery Date: _____, 20__

CUSIP Numbers: [Insert CUSIP Numbers]

DISSEMINATION AGENT

Name: HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc.
Address:
City:
Telephone:
Contact Person: Attn:

I. Expenditures Paid from Accounts under Indenture

TOTAL BUDGETED COSTS REQUIRED TO COMPLETE AUTHORIZED IMPROVEMENTS: $_____

Of the budgeted costs for Authorized Improvements shown in the Service and Assessment Plan:

1. Actual costs drawn from the Authorized Improvements Account: $_____

II. Status of Authorized Improvements

Projected/actual completion date of the Authorized Improvements

1. [Actual/Expected] date of completion of the Authorized Improvements: [_____]
2. Explanation of any delay/change in projected completion date since last Quarterly Report was filed: [_____]

III. Unit Mix in the District

Product Type	**Number of Units**
Single Family __'	
Single Family __'	

IV. Lot Status in the District

Of the 123 lots in the District, what is the status:

1. Planned lots as of the date of issuance of the Bonds: 123
2. Planned lots as of the date of this Quarterly Report: _____
3. Lots developed: _____
4. Lots platted: _____
5. Expected completion date of all lots in the District (if incomplete): _____

V. Ownership of Lots/Units in the District

PLANNED LOTS IN THE DISTRICT: 123

Of the 123 lots in the District:

1. Number of lots owned by the Developer: _____
2. Number of lots under contract but not closed to Homebuilder(s): _____
3. Number of lots owned by all Homebuilder(s): _____[1]
   a. Number of lots owned by [*insert name of Homebuilder*]: _____[2]
   b. Number of lots owned by [*insert name of Homebuilder*]: _____
4. Number of units owned by homeowners: _____

VI. Home Sales Information in the District

PLANNED HOMES IN THE DISTRICT: 123

Of the 123 homes planned for the District:

1. How many total building permits were issued **during the current quarter**? _____
   a. Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: _____[2]
   b. Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: _____[2]
2. How many total homes have closed with homebuyers **during the current quarter**? _____
   a. Number of homes closed with homebuyers during the current quarter for [*insert name of Homebuilder*]: _____[2]
   b. Number of homes closed with homebuyers during the current quarter for [*insert name of Homebuilder*]: _____][3]
3. How many total homes have closed with homebuyers **cumulatively**? _____
   a. Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: _____[3]
   b. Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: _____[3]

VIII. Material Changes

---

[1] If Developer is using EMMA filing assistance software, a chart containing the Quarterly Information provided under this item will be generated. If Developer is not using EMMA filing assistance software, Developer shall prepare a chart containing such Quarterly Information.

[2] Include a line item for each individual Homebuilder.

[3] Include a line item for each individual Homebuilder.

Describe any material changes, if applicable:

1. **Permits and Approvals** - Since the issuance of the Bonds, have there been any material changes to permits or development approvals (including any zoning) impacting the development of the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

2. **Mortgage Loans** - Since the issuance of the Bonds, have there been any material changes to mortgage loans (whether changes to an existing loan or incurrence of a new mortgage loan), if applicable, for the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

3. **Builder Contracts** - Since the issuance of the Bonds, have there been any material changes to builder contracts (including but not limited to changes to price, substantial completion dates, number of lots, or other terms) with respect to the land subject to the Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

4. **Ownership** - Since the issuance of the Bonds, other than a sale to a homebuilder pursuant to a Lot Purchase Agreement, has there been any sale, assignment or transfer of ownership of lands subject to the Assessments securing the Bonds by the Developer to any third-party developer/land bank, which was not disclosed in a previously filed Quarterly Report? If so, provide the name of the third-party and indicate whether this third-party developer/land bank has executed a Developer Acknowledgement pursuant to the Disclosure Agreement?

5. **Amendments** – Since the issuance of the Bonds and except as otherwise disclosed in a previously filed Quarterly Report, (i) describe any amendments or waivers to any provision of the Disclosure Agreement, including a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Reporting Parties and (ii) include a copy of the amendment, as applicable.

6. **Other** – Provide any other material information that should be disclosed.

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO
[PROVIDE QUARTERLY INFORMATION][FILE QUARTERLY REPORT]

[DATE]

Name of Issuer:	City of Kaufman, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2024 (Kaufman Public Improvement District No. 3 Project) (the "Bonds")
CUSIP Numbers:	[insert CUSIP Numbers]
Date of Delivery:	_____, 20__

NOTICE IS HEREBY GIVEN that _____, a _____ (the ["Developer[4]"] ["Significant Homebuilder"]) has not provided the [Quarterly Information][Quarterly Report] [the [Quarterly Information][Quarterly Report] was not filed in a timely manner due to [_____]] for the period ending on [*Insert Quarterly Ending Date*] with respect to the Bonds as required by the Continuing Disclosure Agreement of Developer related to such Bonds, by and among Freeman Farm a series of EIS Development II, LLC, a Texas limited liability company (the "Developer"), MuniCap, Inc., as Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., as Dissemination Agent. The [Developer][Homebuilder] anticipates that the [Quarterly Information][Quarterly Report] will be [provided][filed] by _____.

Dated: _____

HTS Continuing Disclosure Services, a division of
Hilltop Securities, Inc.,
on behalf of the Developer,
as Dissemination Agent

By: _____

Title: _____

cc: City of Kaufman, Texas

[4] If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT C

TERMINATION NOTICE

[DATE]

Name of Issuer:	City of Kaufman, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2024 (Kaufman Public Improvement District No. 3
CUSIP Numbers.	[insert CUSIP Numbers]
Date of Delivery:	_____, 20__

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc.
_____
_____

City of Kaufman, Texas
209 S. Washington Street
Kaufman, Texas 75142

Freeman Farm a series of EIS Development II, LLC
_____
_____, Texas _____

[Significant Homebuilder]

NOTICE IS HEREBY GIVEN that that _____, a _____ (the ["Developer[1]"] ["Significant Homebuilder"]) is no longer responsible for providing [any Quarterly Information][the Quarterly Report] with respect to the Bonds, thereby terminating such party's reporting obligations under the Continuing Disclosure Agreement of Developer related to such Bonds, by and among Freeman Farm a series of EIS Development II, LLC, a Texas limited liability company (the "Developer"), MuniCap, Inc., as Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., as Dissemination Agent.

Dated: _____

MuniCap, Inc.
on behalf of the [Developer] [Significant Homebuilder],
as Administrator)

By: _____

Title: _____

[1] If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT D

CERTIFICATION LETTER

[DATE]

Name of Issuer:	City of Kaufman, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2024 (Kaufman Public Improvement District No. 3 Project)
CUSIP Numbers:	[insert CUSIP Numbers]
Quarterly Ending Date:	_____, 20__

Re: Quarterly Report for Kaufman Public Improvement District No. 3

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of Developer related to the captioned Bonds by and among Freeman Farm a series of EIS Development II, LLC, a Texas limited liability company[1] (the "Developer"), MuniCap, Inc., as Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., as Dissemination Agent, this letter constitutes the certificate stating that the Quarterly Information, provided by [Developer][_____, as a "Significant Homebuilder"], contained in this Quarterly Report herein submitted by the Administrator, on behalf of the [Developer][Significant Homebuilder], constitutes the [portion of the] Quarterly Report required to be furnished by the [Developer][Significant Homebuilder]. Any and all Quarterly Information, provided by the [Developer][Significant Homebuilder], contained in this Quarterly Report for the three month period ending on [*Insert Quarterly Ending Date*], to the best of my knowledge, is true and correct, as of [insert date].

Please do not hesitate to contact our office if you have and questions or comments.

Freeman Farm a series of EIS Development II, LLC, a Texas limited liability company

By: [CORPORATE MEMBER], a Texas _____, its _____

By: _____

_____

[OR

SIGNIFICANT HOMEBUILDER
(as Significant Homebuilder)
By:_____
Title: _____]

[1] If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT E

FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT OF DEVELOPER REPORTING OBLIGATIONS

[DATE]

[INSERT ASSIGNEE CONTACT INFORMATION]

Re: Kaufman Public Improvement District No. 3 – Continuing Disclosure Obligation

Dear _____,

Per [*Insert name of applicable agreement*], as of _____, 20__, you have been assigned and have assumed the obligations, requirements, or covenants to construct one or more of the Authorized Improvements (as those terms are defined in the Disclosure Agreement of Developer (as defined herein) within Kaufman Public Improvement District No. 3 (the "District").

Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer (the "Disclosure Agreement of Developer") by and among Freeman Farm a series of EIS Development II, LLC, a Texas limited liability company (the "Developer"), MuniCap, Inc. (the "Administrator"), and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc. (the "Dissemination Agent"), with respect to the "City of Kaufman, Texas, Special Assessment Revenue Bonds, Series 2024 (Kaufman Public Improvement District No. 3 Project)," any person that, through assignment, assumes the obligations, requirements, or covenants to construct one or more of the Authorized Improvements is defined as a Developer.

As a Developer, pursuant to Section 5 of the Disclosure Agreement of Developer, you acknowledge and assume the reporting obligations of the Disclosure Agreement of Developer for the property which is owned as detailed in the Disclosure Agreement of Developer, which is included herewith.

Sincerely,

Freeman Farm a series of EIS Development II, LLC, a Texas limited liability company

By: _____
Name: _____
Title: _____

Acknowledged by:

[INSERT ASSIGNEE NAME]

By:_____
Title:_____

EXHIBIT F

FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT OF SIGNIFICANT HOMEBUILDER REPORTING OBLIGATIONS

[DATE]

[INSERT SIGNIFICANT HOMEBUILDER CONTACT INFORMATION]

Re: Kaufman Public Improvement District No. 3 – Continuing Disclosure Obligation

Dear _____,

As of _____, 20__, you own ____ lots within Kaufman Public Improvement District No. 3 (the "District"). Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer related to the captioned Bonds (the "Disclosure Agreement of Developer") by and among Freeman Farm a series of EIS Development II, LLC, a Texas limited liability company (the "Developer"), MuniCap, Inc. (the "Administrator"), and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc. (the "Dissemination Agent"), with respect to the "City of Kaufman, Texas, Special Assessment Revenue Bonds, Series 2024 (Kaufman Public Improvement District No. 3 Project)," any entity that owns 12 or more of the single family residential lots within the District of the District is defined as a Significant Homebuilder.

As a Significant Homebuilder, pursuant to Section 6 of the Disclosure Agreement of Developer, you acknowledge and assume the reporting obligations under Sections 3(d)(iv) and 4(b) of the Disclosure Agreement of Developer for the property which is owned as detailed in the Disclosure Agreement of Developer, which is included herewith.

Sincerely,

Freeman Farm a series of EIS Development II, LLC, a Texas limited liability company

By: _____
Name: _____
Title: _____

Acknowledged by:
[INSERT ASSIGNEE NAME]

By:_____
Title:_____

Meeting Date: 9/30/2024 | **Date: 09/27/2024** | **Item #: 14.** | **Dept.: Administration**

Action Item

SUBJECT:

Consider and take appropriate action regarding the First Amended Reimbursement Agreement between the City and EIS Development, LLC providing reimbursement of certain costs associated with Kaufman Public Improvement District No. 3, the Freeman Farms development, and authorizing the Mayor or designee to execute necessary documents.

BACKGROUND:

The City and Developer entered into a reimbursement agreement on August 26, 2024, to reflect the amount of reimbursement due to the Developer for the costs of the authorized improvements pursuant to the proposed Service and Assessment Plan (SAP) and to express the City's intent to reimburse the Developer for certain costs of the authorized improvements for Public Improvement District (PID) No. 3 (Freeman Farm). This document has since been amended since the original agreement and the new document has been attached for review.

Author:
Mike Holder, City Manager

Reviewed:
Mike Holder, City Manager

Cost: **Funds Available:** **Source:**

Recommendation: Staff recommends approval of the First Amended Reimbursement Agreement.

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☐	☐	☐	☐	☐

FIRST AMENDED KAUFMAN PUBLIC IMPROVEMENT DISTRICT No. 3 REIMBURSEMENT AGREEMENT

This First Amended Kaufman Public Improvement District No. 3 Reimbursement Agreement (this "Reimbursement Agreement") is executed by and between the City of Kaufman, Texas (the "City") and Freeman Farm a series of EIS Development II, LLC a Texas limited liability company, (the "Developer") (individually referred to as a "Party" and collectively as the "Parties") to be effective as of September 30, 2024 (the "Effective Date").

RECITALS

WHEREAS, on January 24, 2022, the City Council passed and approved a resolution creating the Kaufman Public Improvement District No. 3 (the "District") covering approximately 50 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 Subchapter A of 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 City intends to levy special assessments against the Assessed Property within the District to pay the costs of Authorized Improvements that confer a special benefit on the Assessed Property within the District; and

WHEREAS, the Developer has begun construction of the Authorized Improvements within the District (the "Authorized Improvements") and the City intends to approve an ordinance (the "Assessment Ordinance") levying assessments in the District (the "Assessments") and to approve a service and assessment plan for the District which sets forth the Assessments against all property within the District (the "SAP"), the City and the Developer desire to enter into this reimbursement agreement (the "Reimbursement Agreement") to reflect the amount of reimbursement due to the Developer for the costs of the Authorized Improvements pursuant to the approved SAP and to express the City's intent to reimburse the Developer for certain costs of the Authorized Improvements; and

WHEREAS, all revenue received and collected by the City from the collection of the Assessments and Annual Installments (excluding Delinquent Collection Costs and Administrative Expenses) (the "Assessment Revenue") shall be deposited first for the payment of debt service on any bonds issued by the City to finance the Authorized Improvements (the "Future Bonds") and second, into an assessment fund and accounts therein for the District, that is segregated from all other funds of the City (the "Reimbursement Fund"); and

WHEREAS, the Assessment Revenue deposited into the Reimbursement Fund shall be used to reimburse Developer and its assigns for the cost of the Authorized Improvements advanced in a principal amount to be set forth in the SAP, plus interest as set forth herein; and

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

WHEREAS, on August 26, 2024, the City Council approved the Kaufman Public Improvement District No. 3 Reimbursement Agreement between City and Developer (the "Original Reimbursement Agreement"); however, subsequent to that date, City and Developer determined it necessary to amend the Original Reimbursement Agreement to provide certain terms related to Certification for Payment as set forth in Section 4 of this Reimbursement Agreement; and

WHEREAS, this First Amended Kaufman Public Improvement District No. 3 Reimbursement Agreement amends and supersedes the Original Reimbursement Agreement; and

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. The City intends to levy Assessments to finance the cost of the Authorized Improvements and to reimburse the Developer for the costs of such Authorized Improvements incurred by Developer prior to the levy and/or to pay directly the costs of the Authorized Improvements.

3. Strictly subject to the terms, conditions, and requirements and solely from the revenues as herein provided and in accordance with the SAP, the City agrees to pay the Developer and the Developer shall be entitled to receive from the City, the amount equal to the actual costs of the Authorized Improvements paid by the Developer as set forth in the SAP, in accordance with the terms of this Reimbursement Agreement, in a principal amount not to exceed the amount hereafter set forth in the SAP (the "Reimbursement Obligation"), plus interest accrued, as provided in Section 2(a) below. The City hereby covenants to create, concurrently with the execution of this Reimbursement Agreement, a separate fund to be designated the "Reimbursement Fund" containing accounts therein for each Improvement Area of development. The Reimbursement Obligation is payable from Assessment Revenue to be deposited in the Reimbursement Fund as described below and in accordance with the Development Agreement and the SAP:

    a. The Reimbursement Obligation is payable solely from: (i) Assessment Revenue received and collected by the City from Assessments deposited an account within the Reimbursement Fund after the payment of debt service on Future Bonds (ii) the

net proceeds (after funding reserve funds, payment of costs of issuance, including the costs paid or incurred by the City and City Administrative Expenses) of one or more series of Future Bonds issued by the City to fund all or a portion of the Reimbursement Obligation in accordance with the terms of the Development Agreement and the SAP and secured by the Assessment Revenue; or (iii) a combination of items (i) and (ii) immediately above. The Assessment Revenue shall be received, collected and deposited into the applicable account of the Reimbursement Fund subject to the following limitations:

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

ii. Assessments collected for the Reimbursement Obligation listed above shall accrue simple interest annually at the rate set forth in the SAP, such rate to be in compliance with Subsections 372.023(e)(1) and (e)(2) of the PID Act. Such interest shall accrue upon levy of the Assessments only for the portion of the Assessment that is not allocated to outstanding Future Bonds. If accrued, interest shall begin and continue on the unpaid principal amount of the Assessments as set forth in the SAP until the earlier of (i) the expiration of the term set forth in the SAP, or (ii) the issuance of Future Bonds to fund a portion of the Reimbursement Obligation, as reduced by annual payments made pursuant to (iv) below.

iii. Assessment Revenue dedicated to the payment of all or a portion of the Reimbursement Obligation and interest thereon, shall be deposited into the Reimbursement Fund after the payment of debt service on the outstanding Future Bonds.

iv. The Developer shall receive the Unpaid Balance in annual installments as set forth in the SAP and in Section 4 below from the applicable account of the Reimbursement Fund, for the time period set forth in the SAP or until Future Bonds are issued to fund such Reimbursement Obligation, and as allowed under Section 2(a) above.

4. The Reimbursement Obligation, as set forth in the SAP, plus the interest as described above, if accruing, are collectively, the "Unpaid Balance." The Unpaid Balance is secured by and payable solely from Assessment Revenue received and collected for such purpose and deposited into the Reimbursement Fund subject to Section 4(a)(iii), and Section 6 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 term of this Agreement, as set forth herein. Payment of Assessment Revenue from the applicable account of the Reimbursement Fund after the payment of debt service on outstanding Future Bonds, shall be made annually to the Developer subject to the term of this

Reimbursement Agreement as set forth in Section 22. The outstanding Unpaid Balance and the Reimbursement Obligation shall be reduced by the amount of each annual payment to the Developer from the applicable account of the Reimbursement Fund. Payments to the Developer upon the issuance of Future Bonds shall be substantially as follows;

a. Within fifteen (15) business days of receipt of any Certification for Payment, the City shall either (i) approve and execute the Certification for Payment (as defined in the indenture of trust relating to the PID Bonds (the "Indenture")) and forward the same to the Administrator for approval and delivery to the City or to the trustee for the Future Fonds for payment to the Developer, or (ii) in the event the City disapproves the Certification for Payment, give written notification to the Developer of the City's disapproval, in whole or in part, of such Certification for Payment, specifying the reasons for such disapproval and the additional requirements to be satisfied for approval of such Certification for Payment. If a Certification for Payment seeking reimbursement is approved only in part, the City shall specify the extent to which the Certification for Payment is approved and shall deliver such partially approved Certification for Payment to the Administrator for approval in accordance with this Reimbursement Agreement and the Indenture and any such partial work shall be processed for payment under this Reimbursement Agreement or the Indenture, notwithstanding such partial disapproval.

b. If the City disapproves the Certification for Payment, the disapproval must be in writing, stating the reason(s) for disapproval. The disapproval may be appealed to the City Council by the Developer in writing within thirty (30) days after Developer's receipt of the City's disapproval pursuant to section (b) of this Agreement. Disapproval of the Certification for Payment by the City Council shall be attempted to be resolved by half-day mediation between the parties in the event an agreement is not otherwise reached by the parties, with the mediator's fee being paid by Developer. The Certification for Payment shall not be forwarded to the trustee for the Future Bonds for payment until the dispute is resolved by the City and the Developer.

c. The Developer or the Administrator shall deliver the approved or partially approved Certification for payment to the trustee for the Future Bonds for payment and the Trustee shall make such payment from the Project Fund in accordance with the terms of the Indenture.

5. 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 the Reimbursement Fund. 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 District and the

enforcement and collection of assessments, and all other covenants provided therein. Notwithstanding its collection efforts, if the City fails to receive all or any part of the Assessment Revenue or does not receive an amount in excess of the annual debt service due on the outstanding Future Bonds, and, as a result, is unable to make transfers from the Reimbursement Fund for payments to the Developer as required under this Reimbursement Agreement, such failure and inability shall not constitute a Failure or Event of Default (both defined below) by the City under this Reimbursement Agreement.

6. Future Bonds may be issued to fund the cost of Authorized Improvements as set forth in the SAP. If Assessments are levied concurrently with the issuance of Future Bonds, such Future Bond proceeds shall reimburse or pay directly the costs of the Authorized Improvements, as set forth in an indenture. If Future Bonds are issued to fund all or a portion of the Reimbursement Obligation after the levy of the Assessments, the net proceeds of such Future Bonds shall be used to pay the outstanding Reimbursement Obligation, as reduced by payments made pursuant to Section 4 herein, due to the Developer under this Reimbursement Agreement for the costs of the Authorized Improvements as set forth in the SAP. However, no Future Bonds shall be issued unless the funds necessary to complete the Authorized Improvements are deposited with the net proceeds of the applicable series of Future Bonds on the closing date of such Future Bonds, or alternately, the Developer has expended funds (verified by the City) for construction of the Authorized Improvements to be financed with the Future Bonds in an amount that is greater than the deposit that would have otherwise been required at the time such Future Bonds are issued. This Reimbursement Agreement shall terminate on the earlier of (i) the issuance of Future Bonds to fund the Reimbursement Obligation as reduced by payments made pursuant to Section 4 herein, (ii) the date that collection of the final Annual Installment as set forth in the SAP has occurred and such amounts have been disbursed pursuant to the SAP and this Reimbursement Agreement, or (iii) termination of this Agreement pursuant to an Event of Default or termination event herein or under the Development Agreement. Notwithstanding the foregoing, the Developer shall only be entitled to repayment of the costs of the Authorized Improvements in the amounts set forth in the SAP. The Developer represents and warrants that it will not request payment with respect to any Authorized Improvement that is not part of the Authorized Improvements identified in the SAP and it will follow all procedures set forth in the Development Agreement with respect to certification for payments, including for payments of the Unpaid Balance from the Reimbursement Fund.

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, including for each Transferee the information required by Section 25 below. 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 parties, nor shall it be required to execute any consent or make any representations or covenants relating to such assignment.

8. The obligations of the City under this Reimbursement Agreement are non-recourse and payable only from the Reimbursement Fund 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.

9. 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 Authorized Improvements. The obligations of Developer hereunder shall be those as a Party hereto and not solely as an owner of property in the District. 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.

10. 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 Kaufman County, Texas.

11. 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
209 S. Washington
Kaufman, TX 75142

With a copy to: Attn: City Attorney
Patricia Adams
Messer Fort, PLLC
6371 Preston Road Suite 200
Frisco Texas 75034

To the Developer: Mahendra Kendepu
Freeman Farm, a Series of EIS Development II, LLC a Texas limited liability company
6350 N I-35E, Service Road, Waxahachie, TX 75165

With a copy to: Robert Miklos
Ferguson Braswell Fraser Kubasta, PC
2500 Dallas Parkway, Suite 600
Plano Texas 75093

12. 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.

13. 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 an "Event of 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 30 days from receipt of the notice within which to cure the Failure; however, if the Failure cannot reasonably be cured within 30 days and the non-performing Party has diligently pursued a cure within such 30-day period and has provided written notice to the other Party that additional time is needed, then the cure period shall be extended for an additional 30 day period so

long as the non-performing Party cures such default within 90 days. 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.

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

   i. The Developer shall fail to pay to the City any monetary sum hereby required of it 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 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 ninety (90) 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 District, if such failure is not cured within thirty (30) days.

   vii. A Developer event of default under 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 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, 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.

14. 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 Authorized 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.

15. To the extent there is a conflict between this Reimbursement Agreement and an indenture securing the Future Bonds issued to fund the Reimbursement Obligation or the SAP, the indenture securing such Future Bonds or the SAP shall control as the provisions relate to the Assessments.

16. 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.

17. 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.

18. 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.

19. 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.

20. 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.

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

22. The term of this Reimbursement Agreement is the earlier of (i) the expiration of the Assessments as set forth in the SAP, (ii) until the Unpaid Balance is paid in full in accordance herewith, (iii) the issuance of one or more series of Future Bonds to fund, Reimbursement Obligation, as reduced by payments made pursuant to Section 4 herein, or (iv) termination pursuant to an Event of Default under this Agreement or under the Development Agreement, whichever occurs first. If a series of Future Bonds does not fully fund the Reimbursement Obligation as set forth in the SAP, the remaining amount of the Reimbursement Obligation remains outstanding and subject to annual payments and/or an additional series of Future Bonds. If the Developer defaults under this Reimbursement Agreement or the Development Agreement, the Development Agreement shall not terminate with respect to the costs of the Authorized Improvements that have been previously been approved by the City pursuant to a Certification for Payment (as defined in the Development Agreement) prior to the date of default.

23. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Reimbursement Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to Force Majeure, to perform its obligations under this Reimbursement Agreement, then the obligations affected by the Force Majeure shall be temporarily suspended. Within fifteen (15) business days after the occurrence of a Force Majeure, the Party claiming the right to temporarily suspend its performance, shall give Notice to all the Parties, including a detailed explanation of the Force Majeure and a description of the action that will be taken to remedy the Force Majeure and resume full performance at the earliest possible time. For purposes of this Reimbursement Agreement, "Force Majeure" means any act that (i) materially and adversely affects the affected Party's ability to perform the relevant obligations under this Reimbursement Agreement or delays such affected Party's ability to do so, (ii) is beyond the reasonable control of the affected Party, (iii) is not due to the affected Party's fault or negligence and (iv) could not be avoided, by the Party who suffers it, by the exercise of commercially reasonable efforts. "Force Majeure" shall include: (a) natural phenomena, such as storms, floods, lightning and earthquakes; (b) wars, civil disturbances, revolts, insurrections, terrorism, sabotage and threats of sabotage or terrorism; (c) transportation disasters, whether by ocean, rail, land or air; (d) strikes or other labor disputes that are not due to the breach of any labor agreement by the affected Party; (e) fires; (f) epidemics or pandemics that result in a governmental action that stops or delays construction or halts, impedes or delays the operations of the City; and (g) actions or omissions of a governmental authority (including the actions of the City in its capacity as

a governmental authority) that were not caused by, voluntarily induced or promoted by the affected Party (including the submission of incomplete or erroneous information to the City), or brought about by the breach of its obligations under this Reimbursement Agreement or any applicable law or failure to comply with City regulations; provided, however, that under no circumstances shall Force Majeure include any of the following events: (u) changes in market condition; (v) any strike or labor dispute involving the employees of the Developer or any affiliate of the Developer, other than industry or nationwide strikes or labor disputes; or (w) the occurrence of any manpower, material or equipment shortages.

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

25. Notice of Assignment. Notwithstanding anything to the contrary in this Agreement, the following requirements shall apply in the event that the Developer effectuates a Transfer of its rights to the Unpaid Balance pursuant to Section 7 herein to a Transferee:

    i. within 30 days after the effective date of any such Transfer, the Developer must provide written notice of same to the City;

    ii. the notice must describe the extent to which any rights or benefits under this Agreement have been Transferred;

    iii. the notice must state the name, mailing address, and telephone contact information of the Transferee;

    iv. the notice must be signed by a duly authorized person representing the Developer

26. 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.

    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.

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.

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.

No Boycott of Energy Companies. 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.

27. Form 1295. 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.

28. The Developer agrees to either (i) file a Texas Ethics Commission Disclosure of Interested Parties form to the City or (ii) represent in writing that it is exempt from filing of such form, no later than the date upon which the City Council approves this Reimbursement Agreement.

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

30. 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.

31. Standing Letter. If requested by the Texas Attorney General, the Developer will file a standing letter addressing the representations made in Section 26 of this Agreement in a form acceptable to the Texas Attorney General.

[SIGNATURE PAGES TO FOLLOW]

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

ATTEST:	CITY OF KAUFMAN
_____	_____
City Secretary	Mayor

Freeman Farm, a Series of EIS Development II, LLC a Texas limited liability company

By: _____

Name: _____

Its: Manager

Meeting Date: 9/30/2024 | **Date: 09/04/2024** | **Item #: 15.** | **Dept.: Development Services**

PZ Item

SUBJECT:

Consider and take appropriate action on the **Site Plan of CiCi's Pizza**, situated on approximately 1.24 acres out of the D. Falcon Survey, Abstract No. 151, City of Kaufman, Kaufman County, Texas, said property being generally located at the southwest corner of S. Washington St. and Roundup Dr. on a portion of Block B of the Five Points Addition (Property ID 235266). The property is zoned Planned Development-22, Sub-District A ("PD-22-A") for "C" Commercial uses. (Case No. SP-02-24)

BACKGROUND:

See the attached September 3, 2024 Planning and Zoning Commission report and attachments.

Author: Andrew Bogda, Director of Development Services

Reviewed: Mike Holder, City Manager

Cost: **Funds Available:** **Source:**

Recommendation: On September 3, 2024, the Planning and Zoning Commission recommended approval, by a vote of 7-0, of the Site Plan of CiCi's Pizza at the southwest corner of S. Washington St. and Roundup Dr.

Since the Commission took action, the applicant has prepared revised plans, which correct the label of S. Washington St. and show the planned location of the monument sign. A tree needed to be removed to accommodate the monument sign. The revised plans are attached.

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☐	■	☐	■	☐

Planning and Zoning Commission Report

Meeting Date: September 3, 2024

SUBJECT: Consider and make a recommendation to City Council on the **Site Plan of CiCi's Pizza,** situated on approximately 1.24 acres out of the D. Falcon Survey, Abstract No. 151, City of Kaufman, Kaufman County, Texas, said property being generally located at the southwest corner of S. Washington St. & Roundup Dr. on a portion of Block B of the Five Points Addition (Property ID 235266). The property is zoned Planned Development-22, Sub-District A ("PD-22-A") for "C" Commercial uses. (Case No. SP-02-24)

BACKGROUND/SUMMARY:
The subject property consists of 1.24 acres located at the southwest corner of S. Washington St. and Roundup Dr., backing up to Five Points Drive, within the Five Points planned development. The 99.5-acre Five Points development received zoning and preliminary plat approval in 2022, while the site plan and final plat for The Rivers at Five Points apartment development and the right-of-way for the spine road were approved in 2023. The spine road has been completed and the construction of the apartments is ongoing.

This proposed site plan for CiCi's Pizza represents the initial commercial development within Five Points and comprises 1.24 acres of a larger 9.821-acre commercial tract. Among other commercial uses, Sub-District A of PD-22 (in which this property is located) authorizes the proposed restaurant use.

Site Plan
Two access points, one on Roundup Dr. and one on Five Points Dr., provide the primary access into the site, both of which are served by a shared access easement and fire lane which wraps around the front and west sides of the building. 61 parking spaces (3 of which are ADA-accessible) are provided, which exceeds the 50 spaces that are required. Direct pedestrian access is provided via crosswalk connections to the existing sidewalks along Roundup Dr. and Five Points Dr., and a sidewalk wraps around the entire building.

The building is 5,000 sq. ft. in size, with the main public entrances and exits located on the front of the building and maintenance, emergency, and delivery entrances located on the side and rear of the building. The trash enclosure is located behind the building. No monument signage is currently planned due to the presence of utility easements along the main street frontages. Notes have been added to the plans requiring concrete paving, prohibiting the outside storage of materials or merchandise, requiring a masonry trash enclosure with opaque metal gates, requiring the screening of all rooftop and ground equipment, requiring lighting to adhere to the Zoning Ordinance, and requiring signage to adhere to the PD or Zoning Ordinance (as applicable).

Some of the parking spaces, the eastern driveway, and the perimeter shrubs and ornamental trees along Roundup Dr. partially encroach a water easement along the front of the property; the applicant has provided a note indicating they will be responsible for the cost of removing and replacing any pavement, landscaping, or other improvements due to any easement-related work.

The property generally drains to the east. An underground storm drainage system has been provided, which will tie into a detention area across Roundup Dr.

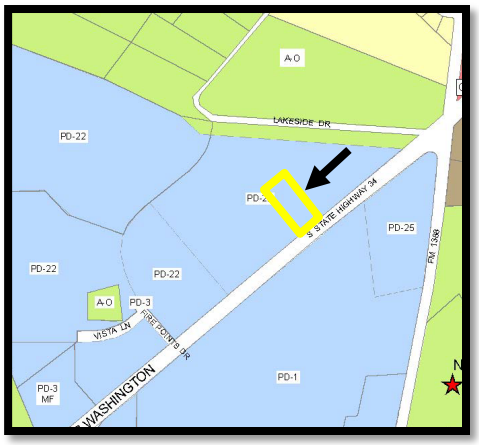
Building Elevations, Floor Plan, and Roof Plan
The building includes predominantly cement stucco materials, with a masonry base around the entire building, and additional masonry on the southwest corner of the building near the main entrance, which also projects above the height of the remainder of the building. The building ranges in height from 21' to 25'-8". Abundant windows and metal awnings are provided on the front and sides of the building, while a metal coping finish accentuates the top of the building. The building will predominantly include a mix of cream and gray colors, with black and aluminum accents, and a natural stone color for the masonry materials. Wall signs will be provided on the south and east elevations (facing S. Washington St. and Roundup Dr., respectively).

A floor plan has been provided, which shows a large dining area in the central and eastern portions of the building, the kitchen and serving area in the western portion of the building, and a game room and restrooms in the rear of the building. A roof plan has also been provided, which shows the location of the rooftop equipment relative to the building parapets, as well as the different roof slopes.

Landscaping
Landscaping will include shrubs around the perimeter of the parking lot and driving aisles, shade trees in the parking lot islands, ornamental trees along Roundup Drive and in the parking lot islands facing Washington Street, shrubs and groundcover around the building, and ornamental trees in the parking lot islands near the building. Due to the presence of water lines, the applicant has requested relief from the requirement to plant trees along S. Washington St. and Five Points Dr. In exchange, the applicant has exceeded the shrub requirements, the parking lot tree requirements, and has planted double the amount of trees along Roundup Dr. (since they are ornamental trees instead of shade trees), which also partially wrap around the intersection with Five Points Dr.

SURROUNDING ZONING AND EXISITNG LAND USES:

	Zoning	Existing Land Use
East:	**PD-22-A**	**Roundup Dr.; detention pond and vacant land (future commercial) across street**
West:	**PD-22-A**	**Vacant land (future commercial)**
South:	**PD-1**	**S. Washington St.; Kaufman County Courthouse annex (across street)**
North:	**PD-22-D**	**Five Points Dr.; vacant land (future townhomes) across street**



COMPREHENSIVE PLAN:

Land Use Plan:

The 2014 Future Land Use Plan designated the land use of the overall 99.5-acre Five Points property as a mixture of high-density multi-family and commercial uses. The Planned Development zoning approved for the property in 2022 allowed for commercial uses on the 1.24-acre subject property. The proposed site plan is consistent with the zoning and the overall mixture of uses envisioned for the larger tract by the Future Land Use Plan.

Thoroughfare Plan:

S. Washington St. is classified as a major arterial (Type A; 4 – 6 lanes), with an ultimate right-of-way of 120'. Roundup Dr. is classified as a major collector (Type C; 3-4 lanes), with an ultimate right-of-way of 80'. Five Points Dr. is not identified on the Thoroughfare Plan, but functions as a minor collector (Type D; 2-3 lanes) with a right-of-way of 60'. All the necessary right-of-way for the surrounding roads has already been dedicated.

RECOMMENDATION:

Staff recommends approval of the Site Plan of CiCi's Pizza at the southwest corner of S. Washington St. and Roundup Dr.

ATTACHMENTS:

- Location Map
- PD-22 Sub-District "A" Regulations
- Approved Preliminary Plat
- Exhibit A – Property Description/Survey
- Exhibit B – Site Plan
- Exhibit C – Floor Plan, Building Elevations, Roof Plan
- Exhibit D – Landscape Plan

Andrew Bogda, AICP
Director of Development Services
972-932-2216 ext. 117
abogda@kaufmantx.org

Location Map

Exhibit "B-1"
Subdistrict PD 22-A Standards
(commercial)

1) **Base Zoning**: Subdistrict PD 22-A is established with the base zoning district **Commercial (C)** as established by the City of Kaufman Zoning Ordinance. Unless specified herein, all development located within this subdistrict shall be governed by city codes and regulations applicable to this base zoning district.

2) **Land Uses Permitted**: All of the following land uses shall be permitted within Subdistrict PD 22-A, by right. Where indicated below, or with respect to other allowable land uses permitted in Commercial (C) districts, such use shall require a specific use permit or authorization from city.

   A. Retail stores, general merchandise, or services
   B. Food stores
   C. Convenience stores without gasoline sales
   D. Convenience stores with gasoline sales – subject to SUP approval
   E. Dry cleaners
   F. Donut, bakery or confectionery shop
   G. Consignment shop (indoors)
   H. Antiques (indoors)
   I. Appliance sales and repair (no outside storage) – subject to SUP approval
   J. Appliance, tool or furniture rental (indoors)
   K. Building materials, hardware/home improvement (indoor only)
   L. Building materials, hardware/home improvement (outdoor storage) – subject to SUP approval
   M. Laundromat/washateria self-service
   N. Personal service uses (barber/beauty shop, tailor, shoe repair, seamstress, etc.)
   O. Massage therapist (state-licensed) – subject to SUP approval
   P. Pet shop and grooming (no outside kenneling, no overnight boarding)
   Q. Pharmacy/drug store
   R. Restaurant with or without drive-through service
   S. Alcoholic beverage sales in conjunction with a restaurant – subject to SUP approval
   T. Private club (restaurant alcohol sales) – subject to SUP approval
   U. Studio for decorator, artist, or photographer
   V. Studio for music, dance, or drama

Exhibit "B-1"
Subdistrict PD 22-A Standards
(commercial)

W. Used merchandise or secondhand thrift store (inside)

X. General business and professional office use

Y. Medical, dental, or optician clinic, laboratory, or office

Z. Financial institution with or without drive-through service

AA. Telemarketing agency

BB. Day care center (childcare for 7+ unrelated children) or day camp for children

CC. School (business or commercial trade) – subject to SUP approval

DD. School (private, public, or parochial)

EE. Church, rectory or temple

FF. Civic/community center (public)

GG. Theater or playhouse (indoor)

HH. Commercial amusement (indoor) or amusement arcade

II. Health, fitness, sports club (indoors only)

JJ. Auto parts or accessory sales (indoor)

KK. Car Washes. – subject to SUP approval

3) **Development Standards of Subdistrict PD 22-A:**

	Base Zoning District	**Subdistrict PD 22-A**
Minimum Lot Area	10,000 sf	10,000 sf
Minimum Dwelling Size	Not applicable	- Not applicable
Minimum Lot Width	100 ft	100 ft
Minimum Lot Depth	100 ft	100 ft
Minimum Front Yard	25 ft	25 ft
Minimum Rear Yard	20 ft	20 ft
Minimum Side Yard	15 ft	15 ft
Maximum Height	3 Stories/45 feet	3 Stories/45 feet
Maximum Lot Coverage	50%	55%

4) **Special District Development Standards and Requirements:**

A. Required Off-Street Parking:

1. The number off-street parking spaces required for a particular use shall be the lesser of: (a) 1 space per 200 sf, *or* (b) the parking space requirement set forth in Section 35.6 of the zoning code. Shared parking spaces may be permitted subject to City review and approval to accommodate multiple uses that may operate at different peak parking times. Up to ten percent (10%) of parking spaces may be compact parking spaces in this Subdistrict.

Exhibit "B-1"
Subdistrict PD 22-A Standards
(commercial)

B. Landscaping: Landscaping in this Subdistrict shall conform to the requirements of landscaping for the commercial ("C") zoning district.

C. Building Materials Permitted: Up ten percent (10%) of each building façade within the Subdistrict may be constructed with, or be accentuated by, exterior insulation and finishing system (EIFS) materials.

D. Screening:

1. A living screen or living screen with berm at least 6 feet in height is expressly permitted as a substitute method of screening commercial loading docks and delivery areas from public streets, provided that planting material conforms to city permitted plant list and meets the applicable requirements of Section 35.4 of the zoning code.
2. Refuse dumpsters shall be enclosed by a 6' high masonry screen wall with finishes consistent with the primary building(s) on the lot. Painted steel framed gates shall be installed to provide access to the dumpsters.

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Approved Preliminary Plat

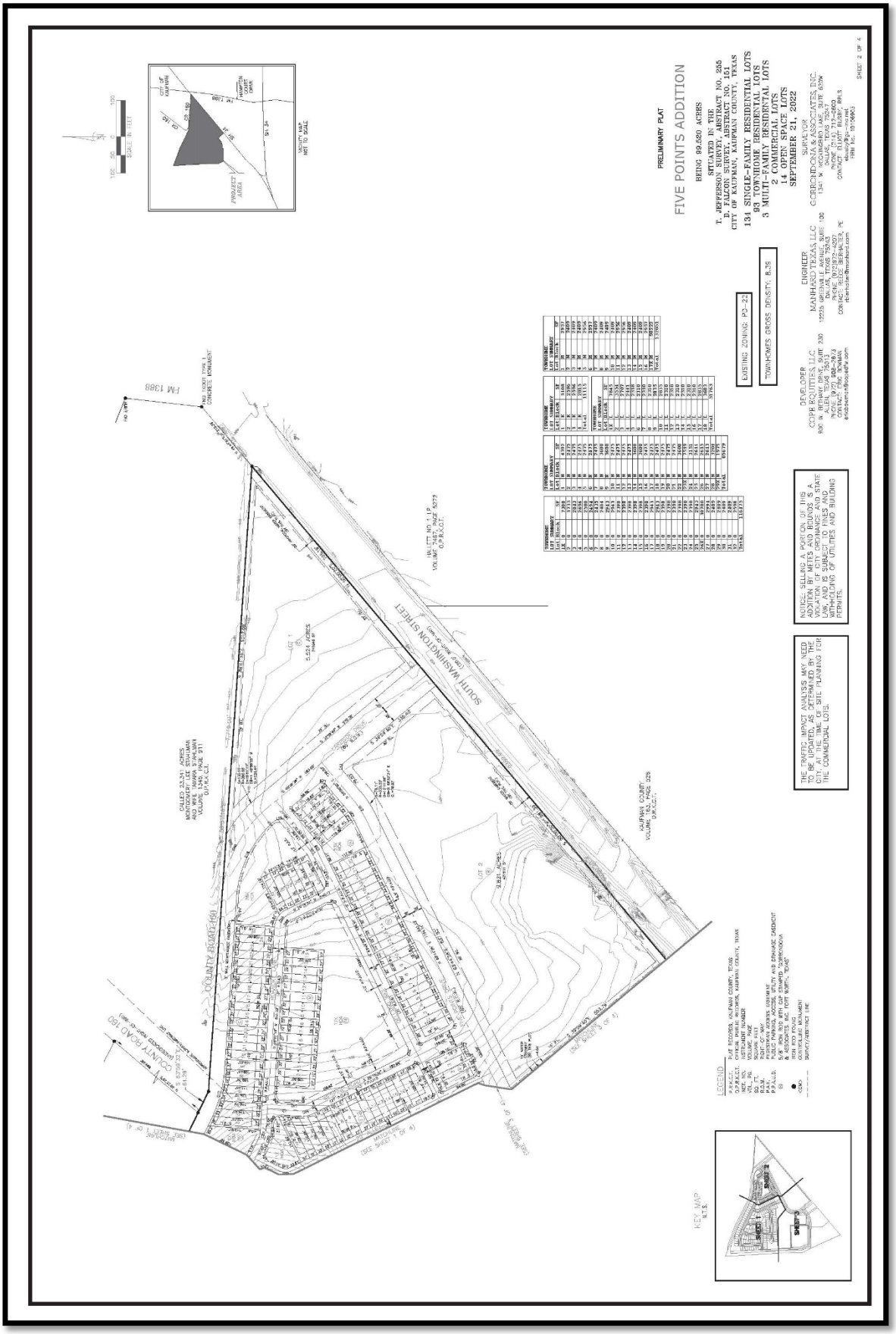


Exhibit A – Property Description/Survey

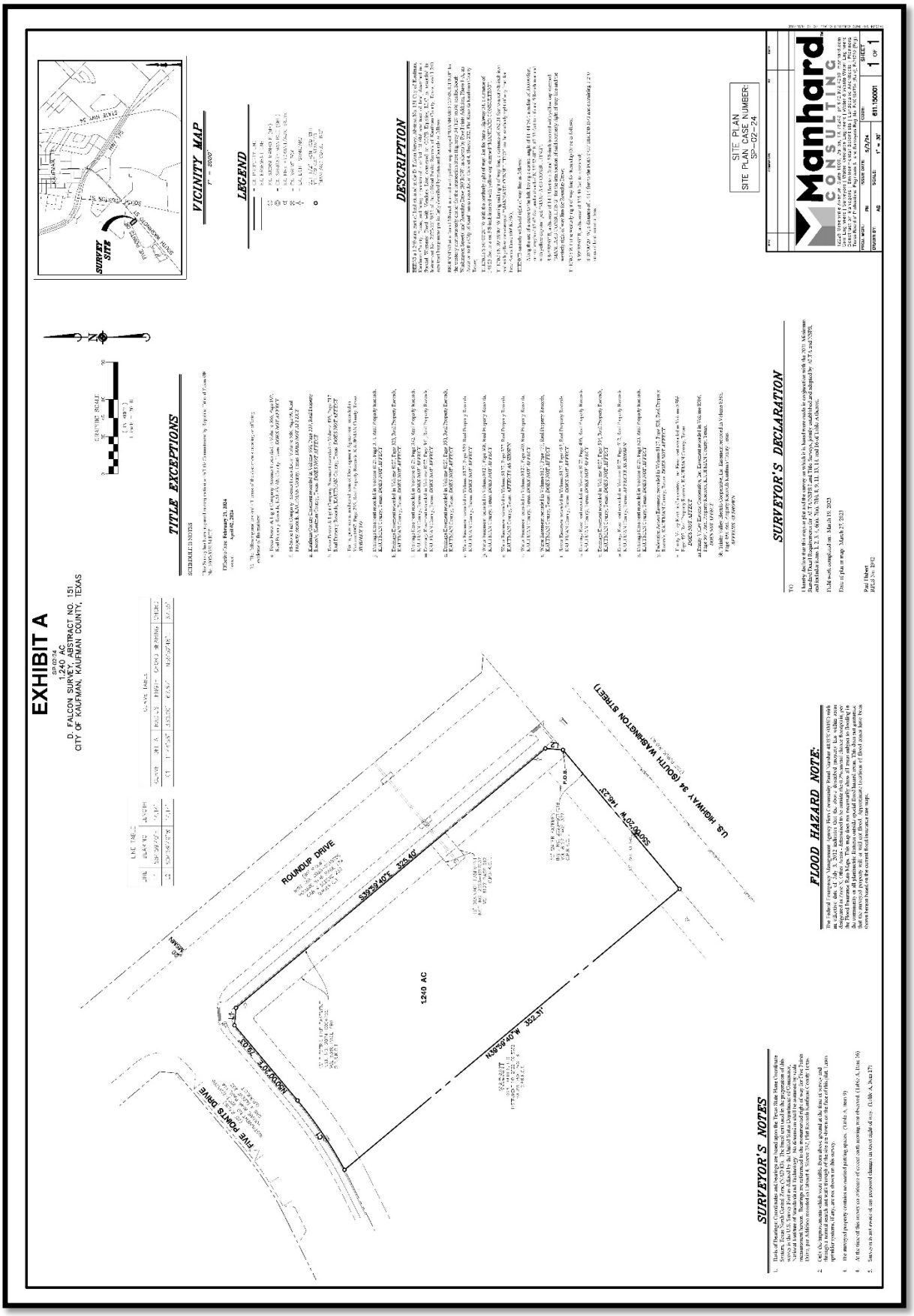


Exhibit B – Site Plan

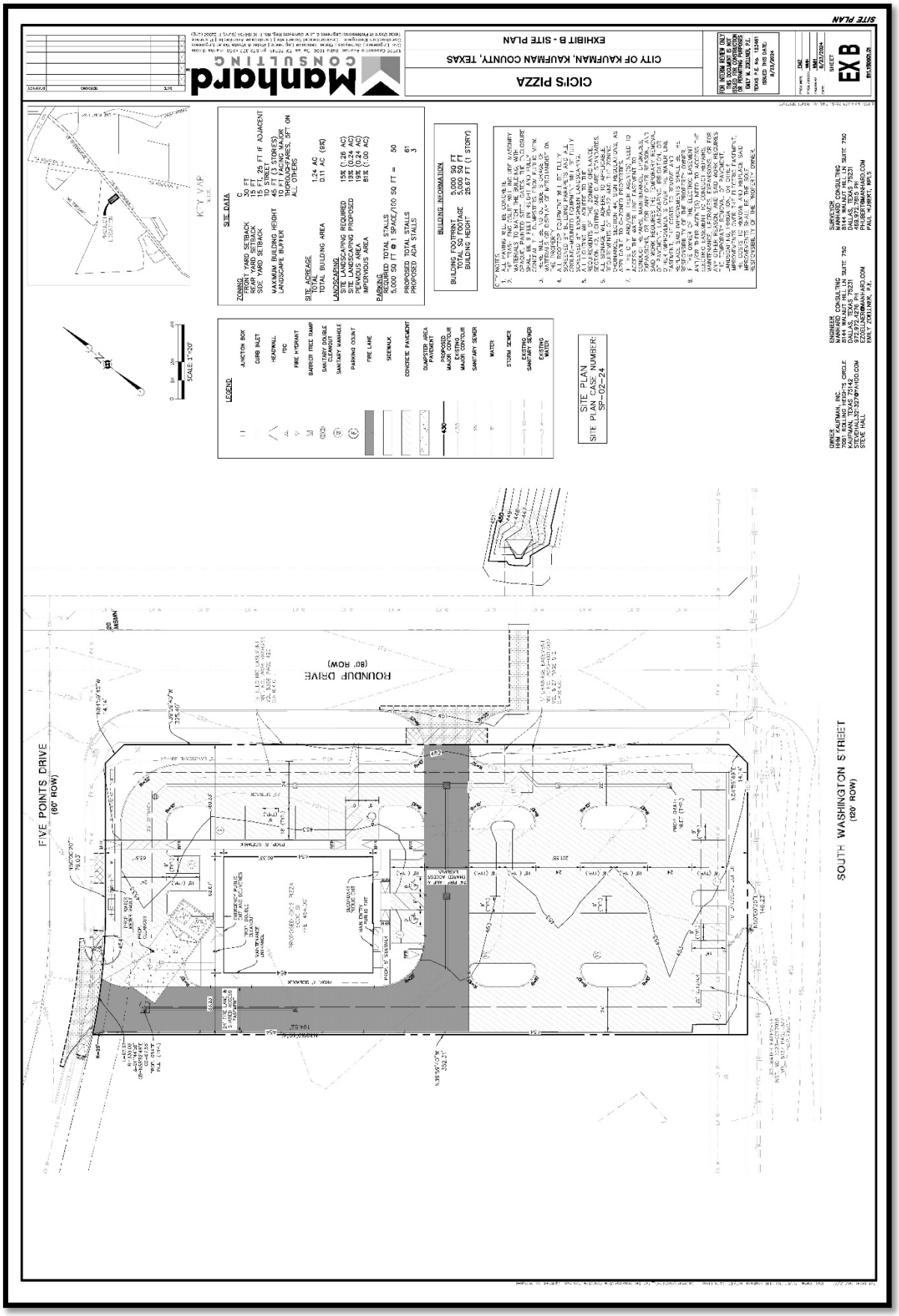


Exhibit C – Floor Plan

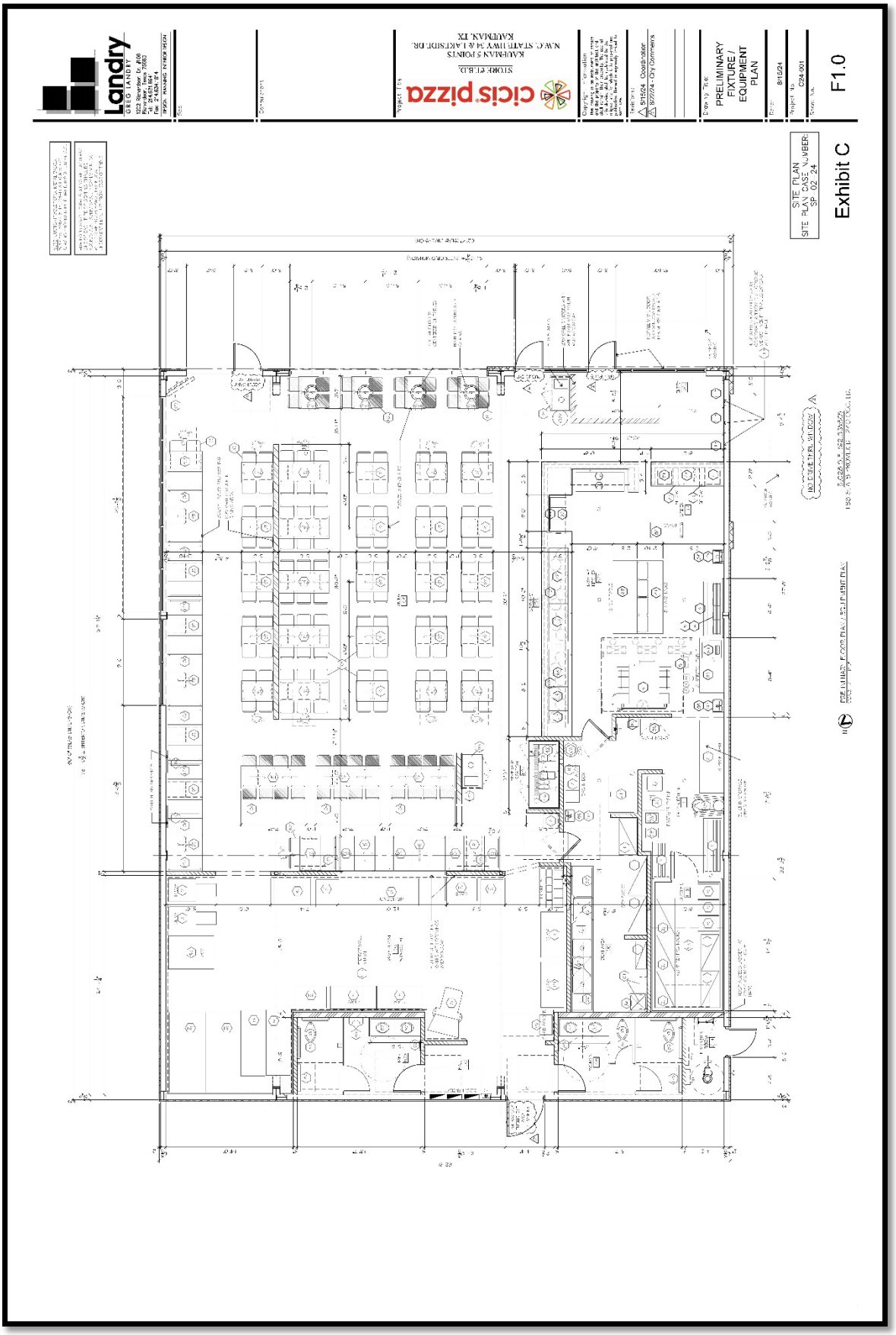


Exhibit C – Building Elevations

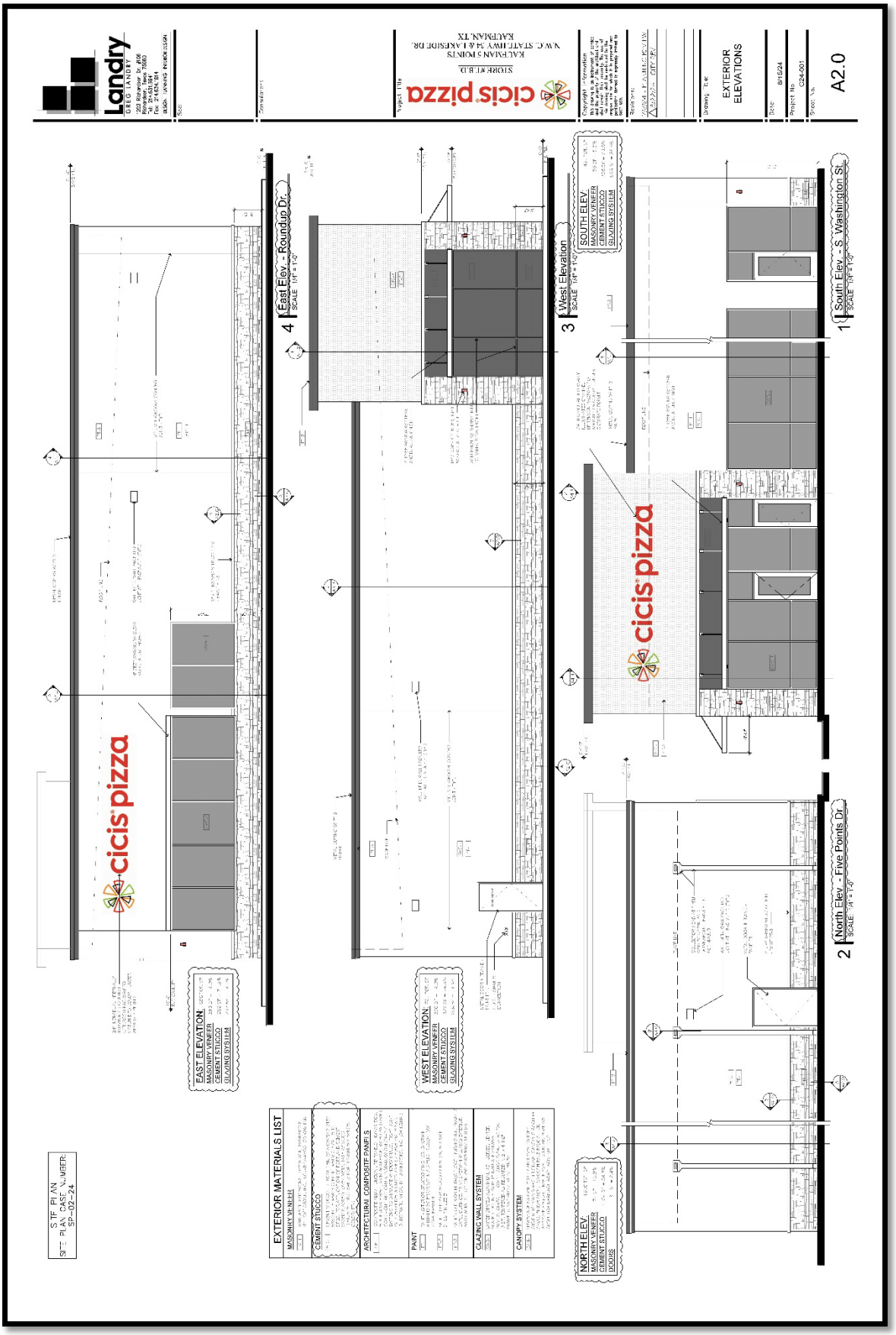


Exhibit C – Roof Plan

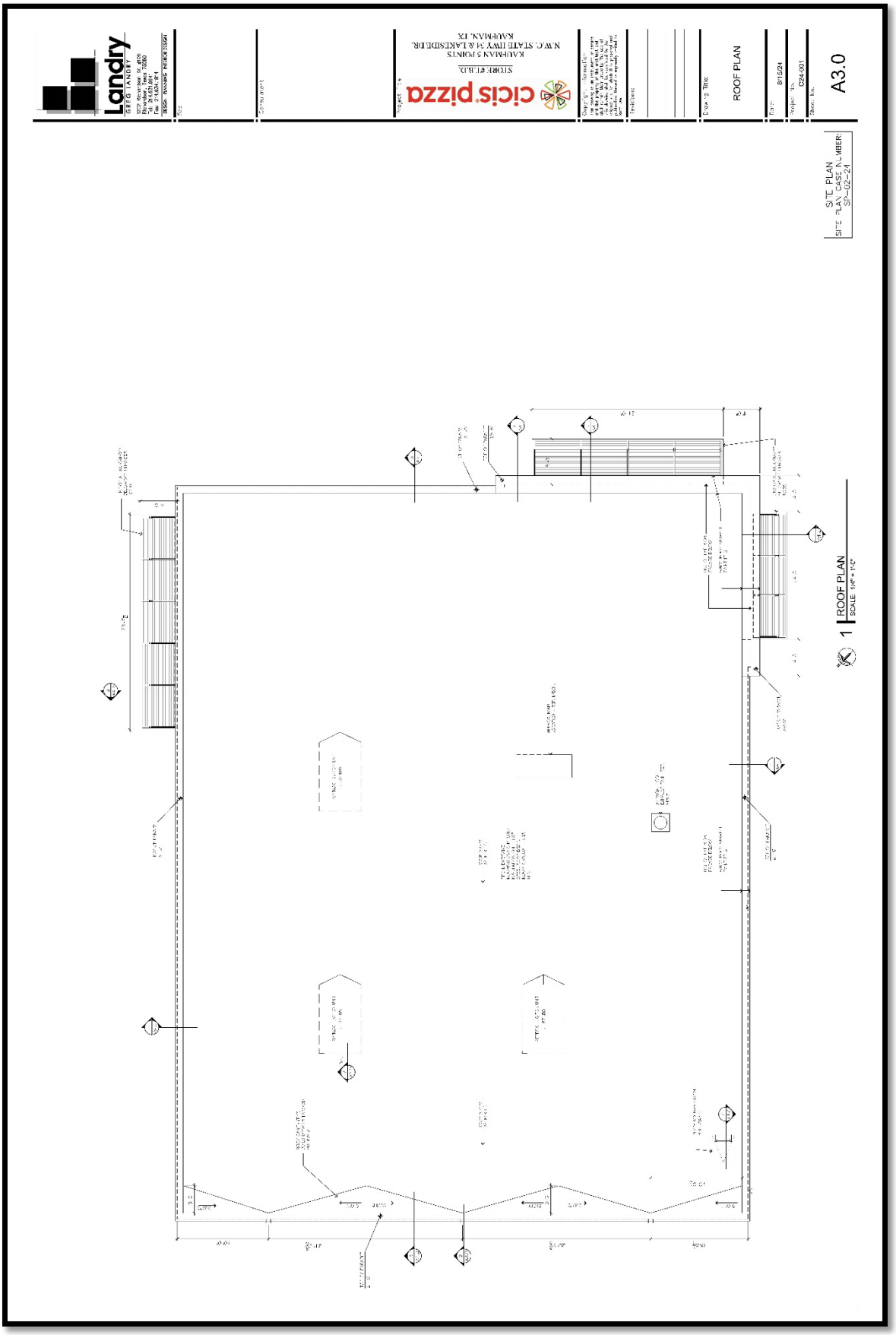


Exhibit D – Landscape Plan

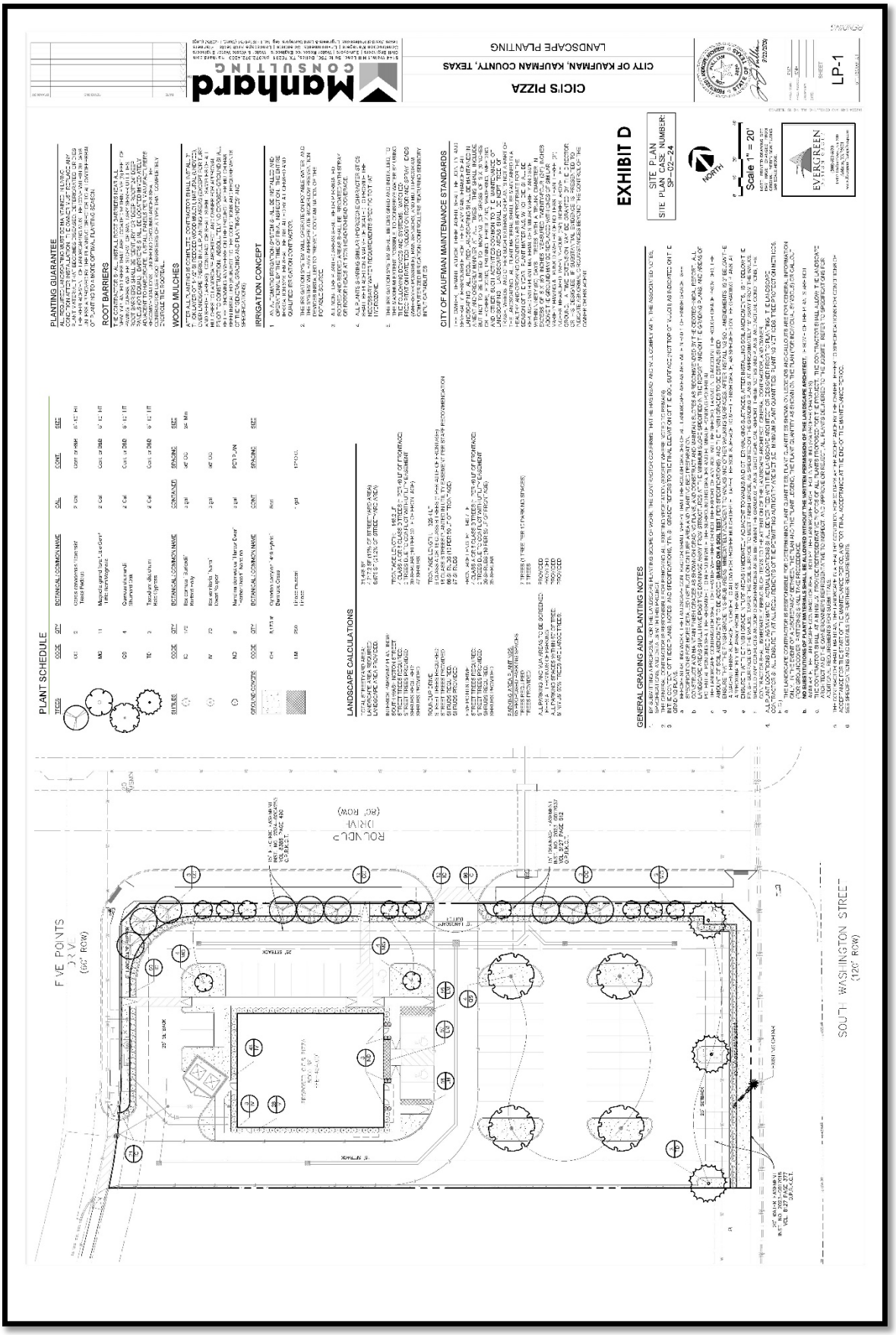


Exhibit D – Landscape Plan

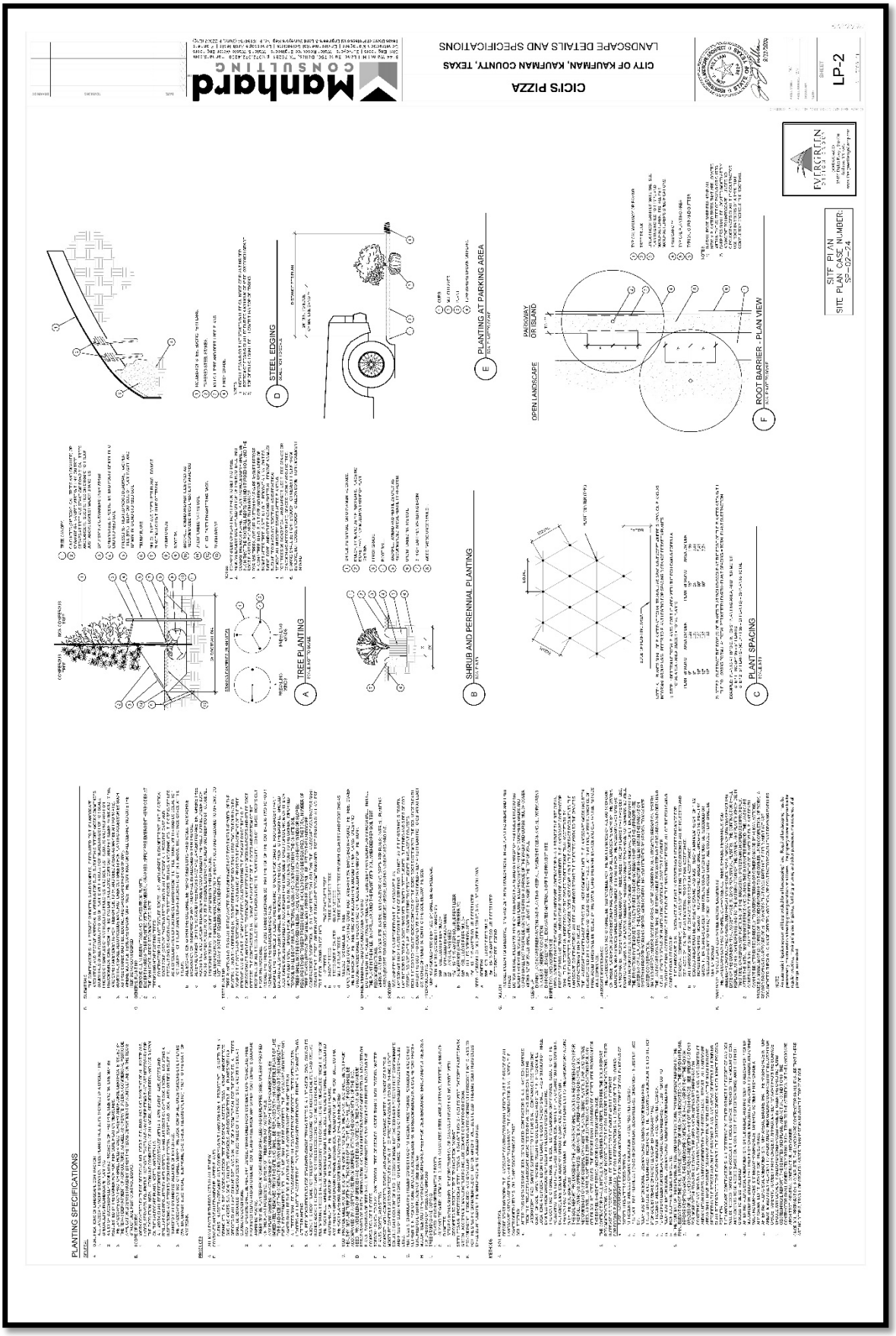


EXHIBIT A

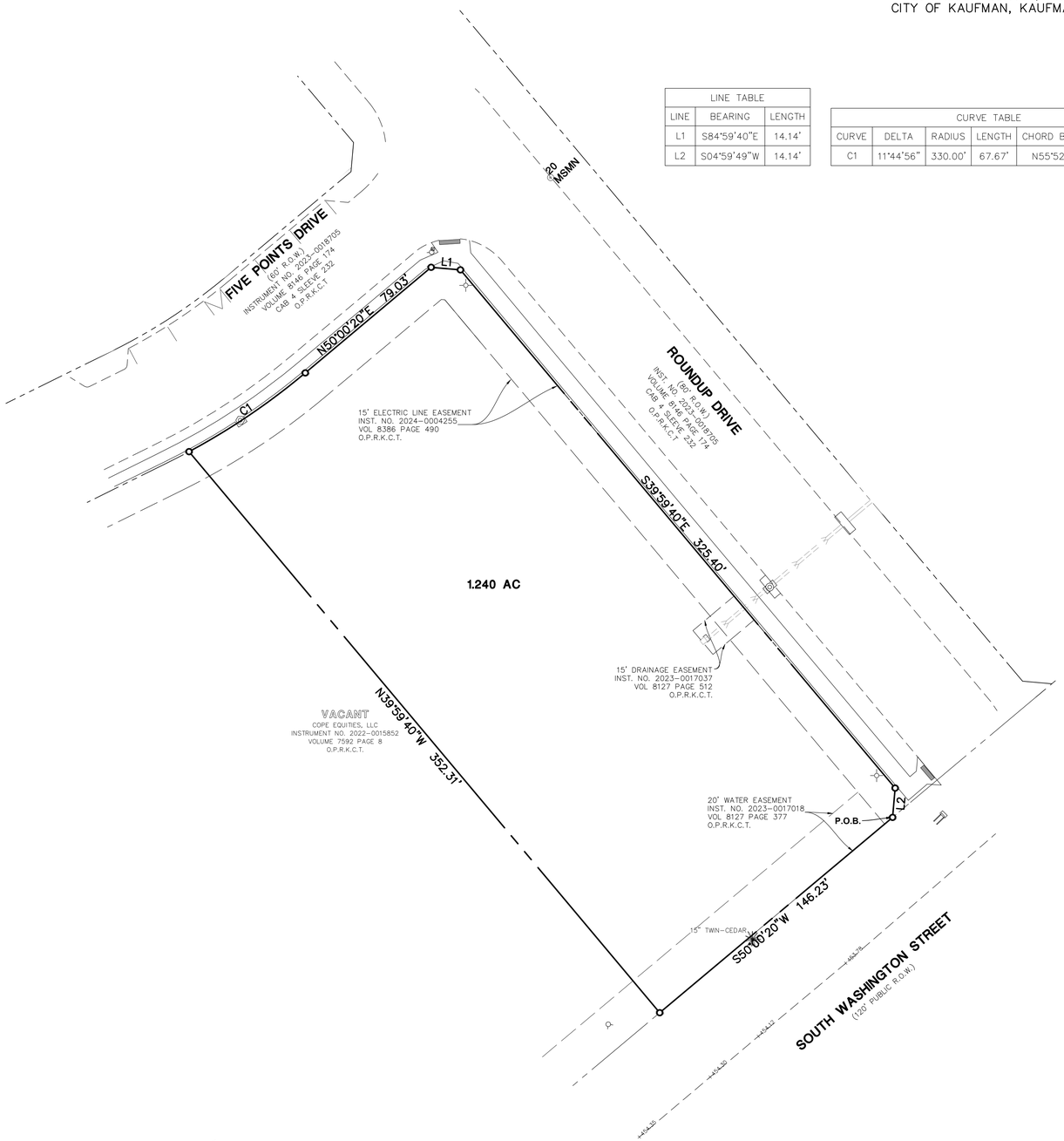
SP–02–24
1.240 AC
D. FALCON SURVEY, ABSTRACT NO. 151
CITY OF KAUFMAN, KAUFMAN COUNTY, TEXAS

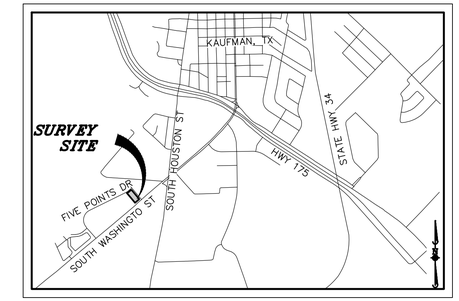
GRAPHIC SCALE
0 30 45 60 90
(IN FEET)
1 inch = 30 ft.

N

LINE TABLE		
LINE	BEARING	LENGTH
L1	S84°59'40"E	14.14'
L2	S04°59'49"W	14.14'

CURVE TABLE					
CURVE	DELTA	RADIUS	LENGTH	CHORD BEARING	CHORD
C1	11°44'56"	330.00'	67.67'	N55°52'48"E	67.55'





VICINITY MAP

1" = 2000'

LEGEND

= EX. PROPERTY LINE
= EX. EASEMENT LINE
= EX. STORM MANHOLE (MH)
= EX. SANITARY MANHOLE (SMH)
= EX. FIRE HYDRANT/AUX. VALVE
= EX. VALVE BOX
= EX. LIGHT STANDARD
= SET 1/2" IRON ROD WITH YELLOW CAP STAMPED "MANHARD CONSULTING"

TITLE EXCEPTIONS

SCHEDULE B NOTES

This Survey has been prepared in conjunction with Title Commitment by Republic Title of Texas GF No. 1002-395154 RTT

Effective Date: **February 21, 2024**
Issued: **April 02, 2024**

10. The following matters and all terms of the documents creating or offering evidence of the matters:

e. Texas Power & Light Company Easement recorded in Volume 366, Page 197, Real Property Records, KAUFMAN County, Texas. ***DOES NOT AFFECT***

f. BI-Stone Fuel Company Easement recorded in Volume 588, Page 99, Real Property Records, KAUFMAN County, Texas. ***DOES NOT AFFECT***

g. Kaufman County Easement recorded in Volume 666, Page 339, Real Property Records, Kaufman County, Texas. ***DOES NOT AFFECT***

h. Texas Power & Light Company Easement recorded in Volume 493, Page 717, Real Property Records, KAUFMAN County, Texas. ***DOES NOT AFFECT***

i. Terms, provisions, and conditions of Development Agreement recorded in Volume 8067, Page 255, Real Property Records, KAUFMAN County, Texas. ***SUBJECT TO***

j. Drainage Easement recorded in Volume 8127, Page 314, Real Property Records, KAUFMAN County, Texas. ***DOES NOT AFFECT***

k. Drainage Easement recorded in Volume 8127, Page 323, Real Property Records, KAUFMAN County, Texas. ***DOES NOT AFFECT***

l. Drainage Easement recorded in Volume 8127, Page 332, Real Property Records, KAUFMAN County, Texas. ***DOES NOT AFFECT***

m. Drainage Easement recorded in Volume 8127, Page 341, Real Property Records, KAUFMAN County, Texas. ***DOES NOT AFFECT***

n. Drainage Easement recorded in Volume 8127, Page 350, Real Property Records, KAUFMAN County, Texas. ***DOES NOT AFFECT***

o. Water Easement recorded in Volume 8127, Page 359, Real Property Records, KAUFMAN County, Texas. ***DOES NOT AFFECT***

p. Water Easement recorded in Volume 8127, Page 368, Real Property Records, KAUFMAN County, Texas. ***DOES NOT AFFECT***

q. Water Easement recorded in Volume 8127, Page 377, Real Property Records, KAUFMAN County, Texas. ***AFFECTS AS SHOWN***

r. Water Easement recorded in Volume 8127, Page 469, Real Property Records, KAUFMAN County, Texas. ***DOES NOT AFFECT***

s. Water Easement recorded in Volume 8127, Page 477, Real Property Records, KAUFMAN County, Texas. ***DOES NOT AFFECT***

t. Sewer Easement recorded in Volume 8127, Page 485, Real Property Records, KAUFMAN County, Texas. ***DOES NOT AFFECT***

u. Drainage Easement recorded in Volume 8127, Page 496, Real Property Records, KAUFMAN County, Texas. ***DOES NOT AFFECT***

v. Drainage Easement recorded in Volume 8127, Page 504, Real Property Records, KAUFMAN County, Texas. ***DOES NOT AFFECT***

w. Drainage Easement recorded in Volume 8127, Page 512, Real Property Records, KAUFMAN County, Texas. ***AFFECTS AS SHOWN***

x. Drainage Easement recorded in Volume 8127, Page 520, Real Property Records, KAUFMAN County, Texas. ***DOES NOT AFFECT***

y. Pedestrian Access Easement recorded in Volume 8127, Page 528, Real Property Records, KAUFMAN County, Texas. ***DOES NOT AFFECT***

z. Trinity Valley Electric Cooperative, Inc. Easement recorded in Volume 8386, Page 497, Real Property Records, KAUFMAN County, Texas. ***DOES NOT AFFECT***

aa. Trinity Valley Electric Cooperative, Inc. Easement recorded in Volume 8386, Page 504, Real Property Records, KAUFMAN County, Texas. ***DOES NOT AFFECT***

bb. Trinity Valley Electric Cooperative, Inc. Easement recorded in Volume 8386, Page 490, Real Property Recordds Kaufman County Texas. ***AFFECTS AS SHOWN***

DESCRIPTION

BEING a 1.240 acre tract of land situated in the D. Falcon Survey, Abstract No. 151 City of Kaufman, Kaufman County, Texas, and being a portion of a called 101.016 acre tract of land, described in a Special Warranty Deed with Vendor's Lien conveyed to COPE Equities, LLC as recorded in Instrument No. 2022-0015852 of the Official Public Records of Kaufman County, Texas, said 1.240 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at a found 5/8-inch iron rod with yellow cap stamped "MANHARD CONSULTING" for the westerly northwesterly corner for the intersection State Highway 34 (120' ROW (called South Washington Street)) and Roundup Drive (80' ROW) as shown by Five Points Addition, Phase 1-A, an Addition to the City of Kaufman as recorded in Cabinet 4, Sleeve 232, Plat Records Kaufman County Texas;

THENCE S 50°00'20" W with the northerly right of way line for State Highway 34, a distance of 146.23 feet to a set 5/8-inch iron rod with yellow cap stamped "MANHARD CONSULTING";

THENCE N 39°59'40" W leaving said right of way line, a distance of 352.31 feet to a set 5/8-inch iron rod with yellow cap stamped "MANHARD CONSULTING" on the southerly right of way line for Five Points Drive (60' ROW);

THENCE easterly with said right of way line as follows:

Along the arc of a curve to the left, having a central angle of 11°44"56", a radius of 330.00 feet, an arc length of 67.67 feet, and a chord of N 55°52'48" E, 67.55 feet to a found 5/8-inch iron rod with yellow cap stamped "MANHARD CONSULTING";

S 84°59'40" E, a distance of 14.14 feet to a found 5/8-inch iron rod with yellow cap stamped "MANHARD CONSULTING" for the intersection of said southerly right of way line and the westerly right of way line for Roundup Drive;

THENCE With the westerly right of way line for Roundup Drive as follows:

S 39°59'40" E, a distance of 325.40 feet to a iron rod;

S 05°00'20" W, a distance of 14.14 feet to the POINT OF BEGINNING and containing 1.240 acres of land, more or less.

SURVEYOR'S NOTES

1. Basis of Bearings: Coordinates and bearings are based upon the Texas State Plane Coordinate System, Texas North Central Zone (NAD 83). The lineal unit used in the preparation of this survey is the U.S. Survey Foot as defined by the United States Department of Commerce, National Institute of Standards and Technology. No dimension shall be assumed by scale measurement hereon. Bearings are referenced to the monumented right of way for Five Points Drive, per Addition recorded in Cabinet 4, Sleeve 232, Plat Records Kaufman County Texas.
2. Only the improvements which were visible from above ground at the time of survey and through a normal search and walk through of the site are shown on the face of this plat. Lawn sprinkler systems, if any, are not shown on this survey.
3. The surveyed property contains no marked parking spaces. (Table A, Item 9)
4. At the time of this survey no evidence of recent earth moving was observed. (Table A, Item 16)
5. Surveyor is not aware of any proposed changes in street right of way. (Table A, Item 17)

FLOOD HAZARD NOTE:

The Federal Emergency Management Agency Firm Community Panel Number 48257C0305D with an effective date of July 3, 2012 indicates that the above described property lies within areas designated as Zone X, Other Areas - determined to be outside the 0.2% annual chance floodplain, per the Flood Insurance Rate Maps. This map does not necessarily show all areas subject to flooding in the community or all planimetric features outside special flood hazard areas. This does not guarantee that the surveyed property will or will not flood. Approximate locations of flood zones have been shown hereon based on the current flood insurance rate maps.

SURVEYOR'S DECLARATION

TO

I hereby declare that this map or plat and the survey on which it is based were made in conjunction with the 2021 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes items 1, 2, 3, 4, 6(a), 7(a), 7(b), 8, 9, 11, 13, 14, and 16 of Table A thereof.

Field work completed on: March 19, 2023

Date of plat or map: March 27, 2023

Paul Hubert
RPLS No. 1942

REV.	COMMENTS	BY	DATE

Manhard CONSULTING™
12225 Greenville Avenue, Suite 1000, Dallas, TX 75243 ph:972.972.4250 manhard.com
Civil Engineers | Surveyors | Water Resource Engineers | Water & Waste Water Engineers
Construction Managers | Environmental Scientists | Landscape Architects | Planners
Texas Board of Professional Engineers & Land Surveyors Reg. No. F-10194754 (Surv), F-21732 (Eng)

PROJ. MGR.: PH	ISSUE DATE: 5/3/24	CODE: 611.150001	SHEET 1 OF 1
DRAWN BY: AG	SCALE: 1" = 30'		

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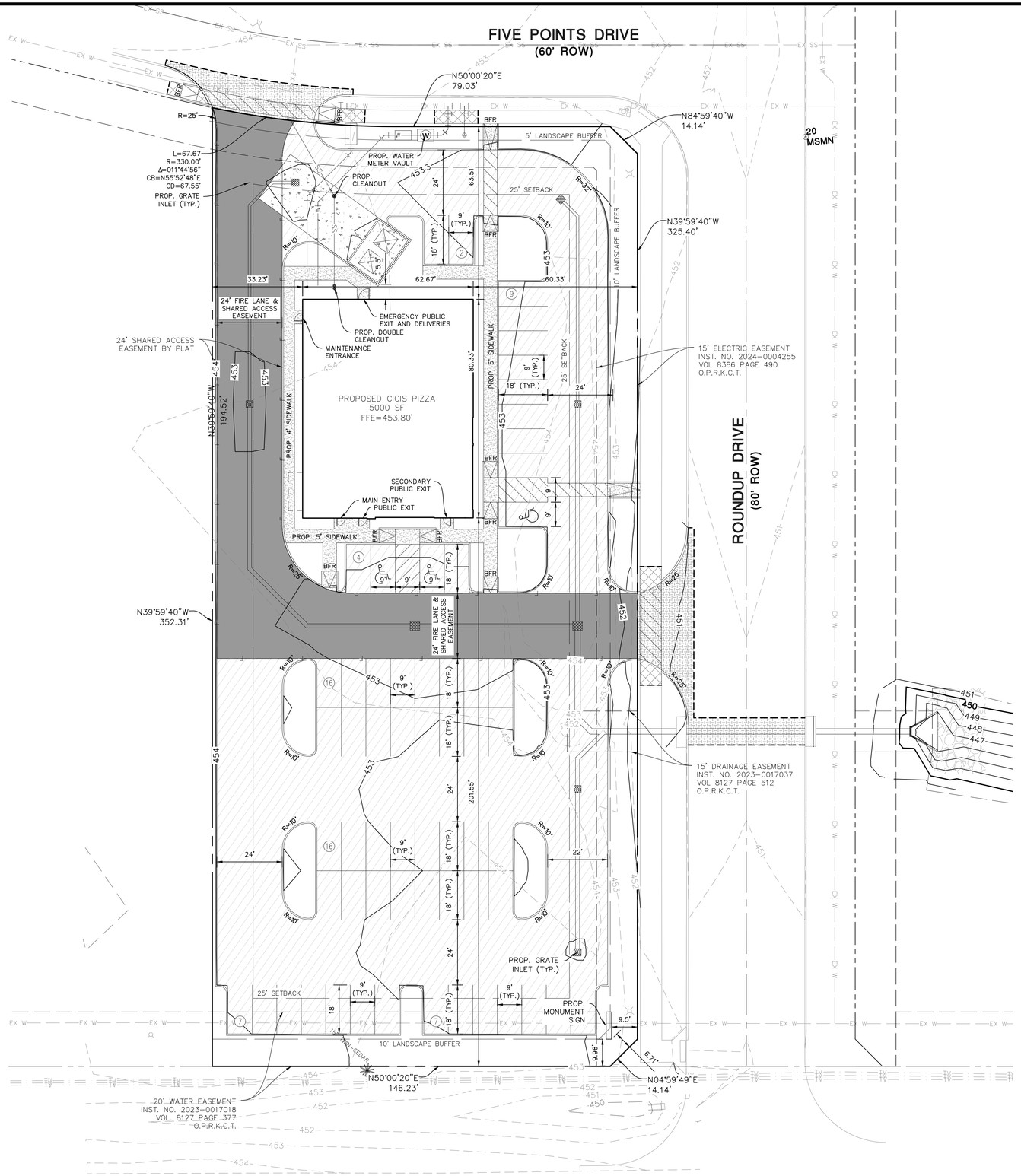

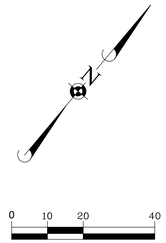

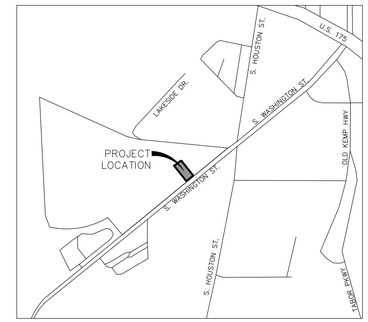

KEY MAP
N.T.S.

LEGEND

	JUNCTION BOX
	CURB INLET
	HEADWALL
	FDC
	FIRE HYDRANT
	BARRIER FREE RAMP
	SANITARY DOUBLE CLEANOUT
	SANITARY MANHOLE
#	PARKING COUNT
	FIRE LANE
	SIDEWALK
	CONCRETE PAVEMENT
	DUMPSTER AREA PAVEMENT
430	PROPOSED MAJOR CONTOUR
430	EXISTING MAJOR CONTOUR
SS	SANITARY SEWER
W	WATER
	STORM SEWER
EX SS	EXISTING SANITARY SEWER
EX W	EXISTING WATER

SITE PLAN
SITE PLAN CASE NUMBER:
SP-02-24

SITE DATA

ZONING	C
FRONT YARD SETBACK	30 FT
REAR YARD SETBACK	15 FT
SIDE YARD SETBACK	15 FT, 25 FT IF ADJACENT TO STREET
MAXIMUM BUILDING HEIGHT	45 FT (3 STORIES)
LANDSCAPE BUFFER	10 FT FACING MAJOR THOROUGHFARES, 5FT ON ALL OTHERS
SITE ACREAGE	
TOTAL	1.24 AC
TOTAL BUILDING AREA	0.11 AC (9%)
LANDSCAPING	
SITE LANDSCAPING REQUIRED	15% (1.26 AC)
SITE LANDSCAPING PROPOSED	19% (0.24 AC)
PERVIOUS AREA	19% (0.24 AC)
IMPERVIOUS AREA	81% (1.00 AC)
PARKING	
REQUIRED TOTAL STALLS	
5,000 SQ FT @ 1 SPACE/100 SQ FT =	50
PROPOSED TOTAL STALLS	61
PROPOSED ADA STALLS	3

BUILDING INFORMATION

BUILDING FOOTPRINT	5,000 SQ FT
TOTAL SQ FOOTAGE	5,000 SQ FT
BUILDING HEIGHT	25.67 FT (1 STORY)

CITY NOTES

1. ALL PAVING WILL BE CONCRETE
2. THE TRASH ENCLOSURE WILL INCLUDE MASONRY MATERIALS TO MATCH THE BUILDING, WITH OPAQUE, PAINTED STEEL GATES. THE ENCLOSURE SHALL BE 8 FEET IN HEIGHT AND FULLY CONCEAL THE DUMPSTERS FROM PUBLIC VIEW.
3. THERE WILL BE NO OUTSIDE STORAGE OF MATERIALS OR DISPLAY OF MERCHANDISE ON THE PROPERTY
4. ALL ROOFTOP EQUIPMENT WILL BE FULLY SCREENED BY BUILDING PARAPETS AND ALL GROUND-MOUNTED EQUIPMENT WILL BE FULLY SCREENED BY EVERGREEN LANDSCAPING.
5. ALL LIGHTING WILL ADHERE TO THE REQUIREMENTS OF THE ZONING ORDINANCE, SECTION 42, LIGHTING AND GLARE STANDARDS.
6. ALL SIGNAGE WILL ADHERE TO APPLICABLE REQUIREMENTS OF PD-22 AND THE ZONING ORDINANCE, SECTION 44, SIGN REGULATIONS, AS APPLICABLE TO C-ZONED PROPERTIES.
7. IF THE CITY AND/OR THEIR AGENT(S) NEED TO ACCESS THE WATER LINE EASEMENT TO CONDUCT REPAIRS, MAINTENANCE, UPGRADES, EXPANSIONS, OR FOR ANY OTHER REASON, AND SAID WORK REQUIRES THE TEMPORARY REMOVAL OF PAVEMENT, LANDSCAPING, IRRIGATION, SIGNAGE, OR OTHER Iimprovements OVER THE WATER LINE EASEMENT, THE COSTS TO REMOVE AND REPLACE SAID IMPROVEMENTS SHALL BE THE RESPONSIBILITY OF THE PROPERTY OWNER.
8. IF THE OWNER OF THE ELECTRIC EASEMENT AND/OR THEIR AGENT(S) NEED TO ACCESS THE ELECTRIC EASEMENT TO CONDUCT REPAIRS, MAINTENANCE, UPGRADES, EXPANSIONS, OR FOR ANY OTHER REASON, AND SAID WORK REQUIRES THE TEMPORARY REMOVAL OF PAVEMENT, LANDSCAPING, IRRIGATION, SIGNAGE, OR OTHER IMPROVEMENTS OVER THE ELECTRIC EASEMENT, THE COSTS TO REMOVE AND REPLACE SAID IMPROVEMENTS SHALL BE THE SOLE RESPONSIBILITY OF THE PROPERTY OWNER.

OWNER
HHM KAUFMAN, INC.
7061 ROLLING HEIGHTS CIRCLE
KAUFMAN, TEXAS 75142
STEVEHALL321327@YAHOO.COM
STEVE HALL

ENGINEER
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DALLAS, TEXAS 75231
972.972.4276 PH
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PAUL HUBERT, RPLS

DATE	REVISIONS	DRAWN BY

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Civil Engineers | Water Resource Engineers | Water & Wastewater Engineers
Construction Managers | Environmental Scientists | Landscape Architects | Planners
Texas Board of Professional Engineers & Land Surveyors Reg. No. F-10194754 (Surv), F-22053 (Eng)

CICI'S PIZZA

CITY OF KAUFMAN, KAUFMAN COUNTY, TEXAS

EXHIBIT B - SITE PLAN

FOR INTERIM REVIEW ONLY
THIS DOCUMENT IS NOT ISSUED FOR CONSTRUCTION OR PERMITTING PURPOSES
EMILY M. ZOELLNER, P.E.
TEXAS P.E. No. 123461
ISSUED THIS DATE:
9/23/2024

PROJ. MGR.:	EMZ
PROJ. ASSOC.:	WMH
DRAWN BY:	WMH
DATE:	9/23/2024

SHEET
EX B
611.150001.01

SITE PLAN

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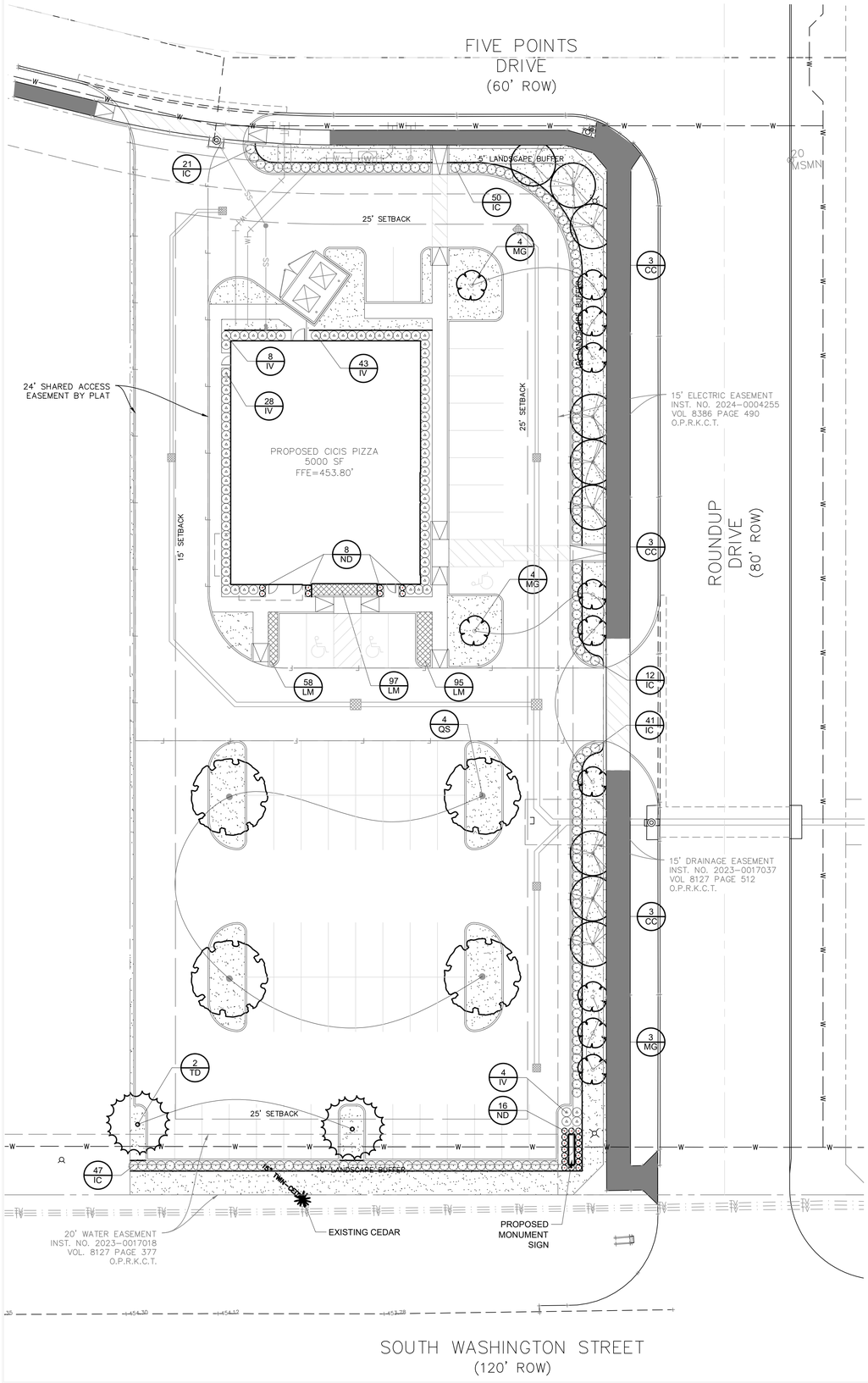
Plot Date: 09/23/24 Dwg Name: P:\611150 HHM Kaufman Inc\001 CiCi's Pizza - Kaufman\dwg\Dwg_Plan Set Drawings\Site Plan\Site Plan.dwg Updated By: Wilgynes



PLANT SCHEDULE

TREES	CODE	QTY	BOTANICAL / COMMON NAME	CAL.	CONT.	SIZE
	CC	9	Cercis canadensis 'Texensis' Texas Redbud	2" Cal.	Cont. or B&B	8`-10` HT
	MG	11	Magnolia grandiflora 'Little Gem' `Little Gem'Magnolia	2" Cal.	Cont. or B&B	8`-10` HT
	QS	4	Quercus shumardii Shumard Oak	2" Cal.	Cont. or B&B	8`-10` HT
	TD	2	Taxodium distichum Bald Cypress	2" Cal.	Cont. or B&B	8`-10` HT

SHRUBS	CODE	QTY	BOTANICAL / COMMON NAME	CONTAINER	SPACING	SIZE
	IC	171	Ilex cornuta `Burfordii` Burford Holly	5 gal	36" OC	24" Min
	IV	83	Ilex vomitoria `Nana` Dwarf Yaupon	5 gal	36" OC	
	ND	24	Nandina domestica `Harbor Dwarf` `Harbor Dwarf` Nandina	5 gal	PER PLAN	

GROUND COVERS	CODE	QTY	BOTANICAL / COMMON NAME	CONT	SPACING	SIZE
	CH	8,095 sf	Cynodon dactylon `419 Hybrid` Bermuda Grass	Sod		
	LM	250	Liriope muscari Liriope	1 gal	12" O.C.	

LANDSCAPE CALCULATIONS

TOTAL STREETYARD AREA: 31,448 SF
LANDSCAPE AREA REQUIRED: 4,717.2 SF (15% OF STREETYARD AREA)
LANDSCAPE AREA PROVIDED: 6,676 SF (21.2% OF STREETYARD AREA)

INTERIOR PARKWAY PLANTINGS:

SOUTH WASHINGTON STREET: FRONTAGE LENGTH: 146.2 LF
STREET TREES REQUIRED: 4 CLASS A OR 8 CLASS B TREES (1 PER 40 LF OF FRONTAGE)
STREET TREES PROVIDED: 0 TREES DUE TO CONFLICT WITH UTILITY EASEMENT
SHRUBS REQUIRED: 30 SHRUBS (10 PER 50 LF OF FRONTAGE)
SHRUBS PROVIDED: 47 SHRUBS

ROUNDUP DRIVE: FRONTAGE LENGTH: 325.4 LF
STREET TREES REQUIRED: 9 CLASS A OR 18 CLASS B TREES (1 PER 40 LF OF FRONTAGE)
STREET TREES PROVIDED: 18 CLASS B TREES PLANTED IN UTILITY EASEMENT PER STAFF RECOMMENDATION
SHRUBS REQUIRED: 66 SHRUBS (10 PER 50 LF OF FRONTAGE)
SHRUBS PROVIDED: 97 SHRUBS

FIVE POINTS DRIVE: FRONTAGE LENGTH: 146.7 LF
STREET TREES REQUIRED: 4 CLASS A OR 8 CLASS B TREES (1 PER 40 LF OF FRONTAGE)
STREET TREES PROVIDED: 0 TREES DUE TO CONFLICT WITH UTILITY EASEMENT
SHRUBS REQUIRED: 30 SHRUBS (10 PER 50 LF OF FRONTAGE)
SHRUBS PROVIDED: 35 SHRUBS

PARKING AREA PLANTINGS:
65 PROPOSED PARKING SPACES
TREES REQUIRED: 7 TREES (1 TREE PER 10 PARKING SPACES)
TREES PROVIDED: 8 TREES

ALL PARKING AND VUA AREAS TO BE SCREENED: PROVIDED
TREES AT TERMINUS OF PARKING: PROVIDED
ALL PARKING SPACES WITHIN 60' OF TREE: PROVIDED
MINIMUM 50% TREES ARE LARGE TREES: PROVIDED

GENERAL GRADING AND PLANTING NOTES

1. BY SUBMITTING A PROPOSAL FOR THE LANDSCAPE PLANTING SCOPE OF WORK, THE CONTRACTOR CONFIRMS THAT HE HAS READ, AND WILL COMPLY WITH, THE ASSOCIATED NOTES, SPECIFICATIONS, AND DETAILS WITH THIS PROJECT.
2. THE GENERAL CONTRACTOR IS RESPONSIBLE FOR REMOVING ALL EXISTING VEGETATION (EXCEPT WHERE NOTED TO REMAIN).
3. IN THE CONTEXT OF THESE PLANS, NOTES, AND SPECIFICATIONS, "FINISH GRADE" REFERS TO THE FINAL ELEVATION OF THE SOIL SURFACE (NOT TOP OF MULCH) AS INDICATED ON THE GRADING PLANS.
   a. BEFORE STARTING WORK, THE LANDSCAPE CONTRACTOR SHALL VERIFY THAT THE ROUGH GRADES OF ALL LANDSCAPE AREAS ARE WITHIN +/-0.1' OF FINISH GRADE. SEE SPECIFICATIONS FOR MORE DETAILED INSTRUCTION ON TURF AREA AND PLANTING BED PREPARATION.
   b. CONSTRUCT AND MAINTAIN FINISH GRADES AS SHOWN ON GRADING PLANS, AND CONSTRUCT AND MAINTAIN SLOPES AS RECOMMENDED BY THE GEOTECHNICAL REPORT. ALL LANDSCAPE AREAS SHALL HAVE POSITIVE DRAINAGE AWAY FROM STRUCTURES AT THE MINIMUM SLOPE SPECIFIED IN THE REPORT AND ON THE GRADING PLANS, AND AREAS OF POTENTIAL PONDING SHALL BE REGRADED TO BLEND IN WITH THE SURROUNDING GRADES AND ELIMINATE PONDING POTENTIAL.
   c. THE LANDSCAPE CONTRACTOR SHALL DETERMINE WHETHER OR NOT THE EXPORT OF ANY SOIL WILL BE NEEDED, TAKING INTO ACCOUNT THE ROUGH GRADE PROVIDED, THE AMOUNT OF SOIL AMENDMENTS TO BE ADDED (**BASED ON A SOIL TEST**, PER SPECIFICATIONS), AND THE FINISH GRADES TO BE ESTABLISHED.
   d. ENSURE THAT THE FINISH GRADE IN SHRUB AREAS IMMEDIATELY ADJACENT TO WALKS AND OTHER WALKING SURFACES, AFTER INSTALLING SOIL AMENDMENTS, IS 3" BELOW THE ADJACENT FINISH SURFACE, IN ORDER TO ALLOW FOR PROPER MULCH DEPTH. TAPER THE SOIL SURFACE TO MEET FINISH GRADE, AS SPECIFIED ON THE GRADING PLANS, AT APPROXIMATELY 18" AWAY FROM THE WALKS.
   e. ENSURE THAT THE FINISH GRADE IN TURF AREAS IMMEDIATELY ADJACENT TO WALKS AND OTHER WALKING SURFACES, AFTER INSTALLING SOIL AMENDMENTS, IS 1" BELOW THE FINISH SURFACE OF THE WALKS. TAPER THE SOIL SURFACE TO MEET FINISH GRADE, AS SPECIFIED ON THE GRADING PLANS, AT APPROXIMATELY 18" AWAY FROM THE WALKS.
   f. SHOULD ANY CONFLICTS AND/OR DISCREPANCIES ARISE BETWEEN THE GRADING PLANS, GEOTECHNICAL REPORT, THESE NOTES AND PLANS, AND ACTUAL CONDITIONS, THE CONTRACTOR SHALL IMMEDIATELY BRING SUCH ITEMS TO THE ATTENTION OF THE LANDSCAPE ARCHITECT, GENERAL CONTRACTOR, AND OWNER.
4. ALL PLANT LOCATIONS ARE DIAGRAMMATIC. ACTUAL LOCATIONS SHALL BE VERIFIED WITH THE LANDSCAPE ARCHITECT OR DESIGNER PRIOR TO PLANTING. THE LANDSCAPE CONTRACTOR SHALL ENSURE THAT ALL REQUIREMENTS OF THE PERMITTING AUTHORITY ARE MET (I.E., MINIMUM PLANT QUANTITIES, PLANTING METHODS, TREE PROTECTION METHODS, ETC.).
   a. THE LANDSCAPE CONTRACTOR IS RESPONSIBLE FOR DETERMINING PLANT QUANTITIES; PLANT QUANTITIES SHOWN ON LEGENDS AND CALLOUTS ARE FOR GENERAL INFORMATION ONLY. IN THE EVENT OF A DISCREPANCY BETWEEN THE PLAN AND THE PLANT LEGEND, THE PLANT QUANTITY AS SHOWN ON THE PLAN (FOR INDIVIDUAL SYMBOLS) OR CALLOUT (FOR GROUNDCOVER PATTERNS) SHALL TAKE PRECEDENCE.
   b. NO SUBSTITUTIONS OF PLANT MATERIALS SHALL BE ALLOWED WITHOUT THE WRITTEN PERMISSION OF THE LANDSCAPE ARCHITECT. IF SOME OF THE PLANTS ARE NOT AVAILABLE, THE LANDSCAPE CONTRACTOR SHALL NOTIFY THE LANDSCAPE ARCHITECT IN WRITING (VIA PROPER CHANNELS).
   c. THE CONTRACTOR SHALL, AT A MINIMUM, PROVIDE REPRESENTATIVE PHOTOS OF ALL PLANTS PROPOSED FOR THE PROJECT. THE CONTRACTOR SHALL ALLOW THE LANDSCAPE ARCHITECT AND THE OWNER/OWNER'S REPRESENTATIVE TO INSPECT, AND APPROVE OR REJECT, ALL PLANTS DELIVERED TO THE JOBSITE. REFER TO SPECIFICATIONS FOR ADDITIONAL REQUIREMENTS FOR SUBMITTALS.
5. THE CONTRACTOR SHALL MAINTAIN THE LANDSCAPE IN A HEALTHY CONDITION FOR 90 DAYS AFTER ACCEPTANCE BY THE OWNER. REFER TO SPECIFICATIONS FOR CONDITIONS OF ACCEPTANCE FOR THE START OF THE MAINTENANCE PERIOD, AND FOR FINAL ACCEPTANCE AT THE END OF THE MAINTENANCE PERIOD.
6. SEE SPECIFICATIONS AND DETAILS FOR FURTHER REQUIREMENTS.

PLANTING GUARANTEE

ALL REQUIRED LANDSCAPING MUST BE MAINTAINED IN LIVING CONDITION AFTER INSTALLATION. THE OWNER MUST REPLACE ANY PLANT MATERIAL THAT BECOMES DISEASED, DETERIORATED OR DIES. THE REPLACEMENT OF LANDSCAPING MUST BE DONE WITHIN 30 DAYS UNLESS APPROVED BY THE PLANNING DIRECTOR TO ALLOW DEFERRAL OF PLANTING TO A MORE OPTIMAL PLANTING SEASON.

ROOT BARRIERS

THE CONTRACTOR SHALL INSTALL ROOT BARRIERS NEAR ALL NEWLY-PLANTED TREES THAT ARE LOCATED WITHIN FIVE (5) FEET OF PAVING, CURBS, WATER, STORM, OR SANITARY SEWER UTILITIES. ROOT BARRIERS SHALL BE "CENTURY" OR "DEEP-ROOT" 24" DEEP PANELS (OR EQUAL). BARRIERS SHALL BE LOCATED IMMEDIATELY ADJACENT TO HARDSCAPE. INSTALL PANELS PER MANUFACTURER'S RECOMMENDATIONS. UNDER NO CIRCUMSTANCES SHALL THE CONTRACTOR USE ROOT BARRIERS OF A TYPE THAT COMPLETELY ENCIRCLE THE ROOTBALL.

WOOD MULCHES

AFTER ALL PLANTING IS COMPLETE, CONTRACTOR SHALL INSTALL 3" THICK LAYER OF 1-1/2" SHREDDED WOOD MULCH, NATURAL (UNDYED), OVER LANDSCAPE FABRIC IN ALL PLANTING AREAS (EXCEPT FOR TURF AND SEEDED AREAS). CONTRACTOR SHALL SUBMIT SAMPLES OF ALL MULCHES TO LANDSCAPE ARCHITECT AND OWNER FOR APPROVAL PRIOR TO CONSTRUCTION. ABSOLUTELY NO EXPOSED GROUND SHALL BE LEFT SHOWING ANYWHERE ON THE PROJECT AFTER MULCH HAS BEEN INSTALLED (SUBJECT TO THE CONDITIONS AND REQUIREMENTS OF THE "GENERAL GRADING AND PLANTING NOTES" AND SPECIFICATIONS).

IRRIGATION CONCEPT

1. AN AUTOMATIC IRRIGATION SYSTEM SHALL BE INSTALLED AND OPERATIONAL BY THE TIME OF FINAL INSPECTION. THE ENTIRE IRRIGATION SYSTEM SHALL BE INSTALLED BY A LICENSED AND QUALIFIED IRRIGATION CONTRACTOR.
2. THE IRRIGATION SYSTEM WILL OPERATE ON POTABLE WATER, AND THE SYSTEM WILL HAVE APPROPRIATE BACKFLOW PREVENTION DEVICES INSTALLED TO PREVENT CONTAMINATION OF THE POTABLE SOURCE.
3. ALL NON-TURF PLANTED AREAS SHALL BE DRIP IRRIGATED. SODDED AND SEEDED AREAS SHALL BE IRRIGATED WITH SPRAY OR ROTOR HEADS AT 100% HEAD-TO-HEAD COVERAGE.
4. ALL PLANTS SHARING SIMILAR HYDROZONE CHARACTERISTICS SHALL BE PLACED ON A VALVE DEDICATED TO PROVIDE THE NECESSARY WATER REQUIREMENTS SPECIFIC TO THAT HYDROZONE.
5. THE IRRIGATION SYSTEM SHALL BE DESIGNED AND INSTALLED, TO THE MAXIMUM EXTENT POSSIBLE, TO CONSERVE WATER BY USING THE FOLLOWING DEVICES AND SYSTEMS: MATCHED PRECIPITATION RATE TECHNOLOGY ON ROTOR AND SPRAY HEADS (WHEREVER POSSIBLE), RAIN SENSORS, AND MULTI-PROGRAM COMPUTERIZED IRRIGATION CONTROLLERS FEATURING SENSORY INPUT CAPABILITIES.

CITY OF KAUFMAN MAINTENANCE STANDARDS

THE OWNER, TENANT AND/OR THEIR AGENT, SHALL BE JOINTLY AND SEVERALLY RESPONSIBLE FOR THE OF ANY MAINTENANCE OF ALL LANDSCAPING. ALL REQUIRED LANDSCAPING SHALL BE MAINTAINED IN A NEAT AND ORDERLY MANNER AT ALL TIMES. THIS SHALL INCLUDE, BUT NOT TO BE LIMITED TO, MOWING (OF GRASS OF SIX (6INCHES OR HIGHER), EDGING, PRUNING, FERTILIZING, WATERING, WEEDING, AND OTHER SUCH ACTIVITIES COMMON TO THE MAINTENANCE OF LANDSCAPING. LANDSCAPED AREAS SHALL BE KEPT FREE OF TRASH, WEEDS, AND OTHER SUCH MATERIAL OR PLANTS NOT A PART OF THE LANDSCAPING. ALL PLANT MATERIAL SHALL BE MAINTAINED IN A HEALTHY AND GROWING CONDITION AS IS APPROPRIATE FOR THE SEASON OF THE YEAR. PLANT MATERIALS, WHICH DIE, SHALL BE REPLACED WITH PLANT MATERIAL OF SIMILAR VARIETY AND SIZE, WITHIN NINETY (90) DAYS. TREES WITH A TRUNK DIAMETER IN EXCESS OF SIX (6") INCHES MEASURED TWENTY-FOUR (24") INCHES ABOVE THE GROUND MAY BE REPLACED WITH ONES OF SIMILAR VARIETY HAVING A TRUNK DIAMETER OF NO LESS THAN THREE (3") INCHES MEASURED TWENTY-FOUR (24") INCHES ABOVE THE GROUND. A TIME EXTENSION MAY BE GRANTED BY THE DIRECTOR, OR HIS DESIGNEE, IF SUBSTANTIAL EVIDENCE IS PRESENTED TO INDICATE ABNORMAL CIRCUMSTANCES BEYOND THE CONTROL OF THE OWNER OR HIS AGENT.

EXHIBIT D

SITE PLAN
SITE PLAN CASE NUMBER:
SP-02-24

NORTH

0' 10' 20' 40'
Scale 1" = 20'

NOTE: PRINTED DRAWING SIZE MAY HAVE CHANGED FROM ORIGINAL. VERIFY SCALE USING BAR SCALE ABOVE.

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CICI'S PIZZA
CITY OF KAUFMAN, KAUFMAN COUNTY, TEXAS
LANDSCAPE PLANTING

REGISTERED LANDSCAPE ARCHITECT
JON J. PULLAM
3824
STATE OF TEXAS
9/24/2024

PROJ. MGR.: EMZ
PROJ. ASSOC.: WMH
DRAWN BY:
DATE:

SHEET
LP-1

611.150001.01

PENDING

PLANTING SPECIFICATIONS

GENERAL

A. QUALIFICATIONS OF LANDSCAPE CONTRACTOR
   1. ALL LANDSCAPE WORK SHOWN ON THESE PLANS SHALL BE PERFORMED BY A SINGLE FIRM SPECIALIZING IN LANDSCAPE PLANTING.
   2. A LIST OF SUCCESSFULLY COMPLETED PROJECTS OF THIS TYPE, SIZE AND NATURE MAY BE REQUESTED BY THE OWNER FOR FURTHER QUALIFICATION MEASURES.
   3. THE LANDSCAPE CONTRACTOR SHALL HOLD A VALID NURSERY AND FLORAL CERTIFICATE ISSUED BY THE TEXAS DEPARTMENT OF AGRICULTURE, AS WELL AS OPERATE UNDER A COMMERCIAL PESTICIDE APPLICATOR LICENSE ISSUED BY EITHER THE TEXAS DEPARTMENT OF AGRICULTURE OR THE TEXAS STRUCTURAL PEST CONTROL BOARD.

B. SCOPE OF WORK
   1. WORK COVERED BY THESE SECTIONS INCLUDES THE FURNISHING AND PAYMENT OF ALL MATERIALS, LABOR, SERVICES, EQUIPMENT, LICENSES, TAXES AND ANY OTHER ITEMS THAT ARE NECESSARY FOR THE EXECUTION, INSTALLATION AND COMPLETION OF ALL WORK, SPECIFIED HEREIN AND / OR SHOWN ON THE LANDSCAPE PLANS, NOTES, AND DETAILS.
   2. ALL WORK SHALL BE PERFORMED IN ACCORDANCE WITH ALL APPLICABLE LAWS, CODES AND REGULATIONS REQUIRED BY AUTHORITIES HAVING JURISDICTION OVER SUCH WORK, INCLUDING ALL INSPECTIONS AND PERMITS REQUIRED BY FEDERAL, STATE AND LOCAL AUTHORITIES IN SUPPLY, TRANSPORTATION AND INSTALLATION OF MATERIALS.
   3. THE LANDSCAPE CONTRACTOR SHALL VERIFY THE LOCATION OF ALL UNDERGROUND UTILITY LINES (WATER, SEWER, ELECTRICAL, TELEPHONE, GAS, CABLE, TELEVISION, ETC.) PRIOR TO THE START OF ANY WORK.

PRODUCTS

A. ALL MANUFACTURED PRODUCTS SHALL BE NEW.

B. CONTAINER AND BALLED-AND-BURLAPPED PLANTS:
   1. FURNISH NURSERY-GROWN PLANTS COMPLYING WITH ANSI Z60.1-2014. PROVIDE WELL-SHAPED, FULLY BRANCHED, HEALTHY, VIGOROUS STOCK FREE OF DISEASE, INSECTS, EGGS, LARVAE, AND DEFECTS SUCH AS KNOTS, SUN SCALD, INJURIES, ABRASIONS, AND DISFIGUREMENT. ALL PLANTS WITHIN A SPECIES SHALL HAVE SIMILAR SIZE, AND SHALL BE OF A FORM TYPICAL FOR THE SPECIES. ALL TREES SHALL BE OBTAINED FROM SOURCES WITHIN 200 MILES OF THE PROJECT SITE, AND WITH SIMILAR CLIMACTIC CONDITIONS.
   2. ROOT SYSTEMS SHALL BE HEALTHY, DENSELY BRANCHED ROOT SYSTEMS, NON-POT-BOUND, FREE FROM ENCIRCLING AND/OR GIRDLING ROOTS, AND FREE FROM ANY OTHER ROOT DEFECTS (SUCH AS J-SHAPED ROOTS).
   3. TREES MAY BE PLANTED FROM CONTAINERS OR BALLED-AND-BURLAPPED (B&B), UNLESS SPECIFIED ON THE PLANTING LEGEND. BARE-ROOT TREES ARE NOT ACCEPTABLE.
   4. ANY PLANT DEEMED UNACCEPTABLE BY THE LANDSCAPE ARCHITECT OR OWNER SHALL BE IMMEDIATELY REMOVED FROM THE SITE AND SHALL BE REPLACED WITH AN ACCEPTBLE PLANT OF LIKE TYPE AND SIZE AT THE CONTRACTOR'S OWN EXPENSE. ANY PLANTS APPEARING TO BE UNHEALTHY, EVEN IF DETERMINED TO STILL BE ALIVE, SHALL NOT BE ACCEPTED. THE LANDSCAPE ARCHITECT AND OWNER SHALL BE THE SOLE JUDGES AS TO THE ACCEPTABILITY OF PLANT MATERIAL.
   5. ALL TREES SHALL BE STANDARD IN FORM, UNLESS OTHERWISE SPECIFIED. TREES WITH CENTRAL LEADERS WILL NOT BE ACCEPTED IF LEADER IS DAMAGED OR REMOVED. PRUNE ALL DAMAGED TWIGS AFTER PLANTING.
   6. CALIPER MEASUREMENTS FOR STANDARD (SINGLE TRUNK) TREES SHALL BE AS FOLLOWS: SIX INCHES ABOVE THE ROOT FLARE FOR TREES UP TO AND INCLUDING FOUR INCHES IN CALIPER, AND TWELVE INCHES ABOVE THE ROOT FLARE FOR TREES EXCEEDING FOUR INCHES IN CALIPER.
   7. MULTI-TRUNK TREES SHALL BE MEASURED BY THEIR OVERALL HEIGHT, MEASURED FROM THE TOP OF THE ROOT BALL. WHERE CALIPER MEASUREMENTS ARE USED, THE CALIPER SHALL BE CALCULATED AS ONE-HALF OF THE SUM OF THE CALIPER OF THE THREE LARGEST TRUNKS.
   8. ANY TREE OR SHRUB SHOWN TO HAVE EXCESS SOIL PLACED ON TOP OF THE ROOT BALL, SO THAT THE ROOT FLARE HAS BEEN COMPLETELY COVERED, SHALL BE REJECTED.

C. SOD: PROVIDE WELL-ROOTED SOD OF THE VARIETY NOTED ON THE PLANS. SOD SHALL BE CUT FROM HEALTHY, MATURE TURF WITH SOIL THICKNESS OF 3/4" TO 1". EACH PALLET OF SOD SHALL BE ACCOMPANIED BY A CERTIFICATE FROM SUPPLIER STATING THE COMPOSITION OF THE SOD.

D. SEED: PROVIDE BLEND OF SPECIES AND VARIETIES AS NOTED ON THE PLANS, WITH MAXIMUM PERCENTAGES OF PURITY, GERMINATION, AND MINIMUM PERCENTAGE OF WEED SEED AS INDICATED ON PLANS. EACH BAG OF SEED SHALL BE ACCOMPANIED BY A TAG FROM THE SUPPLIER INDICATING THE COMPOSITION OF THE SEED.

E. TOPSOIL: SANDY TO CLAY LOAM TOPSOIL, FREE OF STONES LARGER THAN ½ INCH, FOREIGN MATTER, PLANTS, ROOTS, AND SEEDS.

F. COMPOST: WELL-COMPOSTED, STABLE, AND WEED-FREE ORGANIC MATTER, pH RANGE OF 5.5 TO 8; MOISTURE CONTENT 35 TO 55 PERCENT BY WEIGHT; 100 PERCENT PASSING THROUGH 3/4-INCH SIEVE; SOLUBLE SALT CONTENT OF 5 TO 10 DECISIEMENS/M; NOT EXCEEDING 0.5 PERCENT INERT CONTAMINANTS AND FREE OF SUBSTANCES TOXIC TO PLANTINGS. NO MANURE OR ANIMAL-BASED PRODUCTS SHALL BE USED.

G. FERTILIZER: GRANULAR FERTILIZER CONSISTING OF NITROGEN, PHOSPHORUS, POTASSIUM, AND OTHER NUTRIENTS IN PROPORTIONS, AMOUNTS, AND RELEASE RATES RECOMMENDED IN A SOIL REPORT FROM A QUALIFIED SOIL-TESTING AGENCY (SEE BELOW).

H. MULCH: SIZE AND TYPE AS INDICATED ON PLANS, FREE FROM DELETERIOUS MATERIALS AND SUITABLE AS A TOP DRESSING OF TREES AND SHRUBS.

I. TREE STAKING AND GUYING
   1. STAKES: 6' LONG GREEN METAL T-POSTS.
   2. GUY AND TIE WIRE: ASTM A 641, CLASS 1, GALVANIZED-STEEL WIRE, 2-STRAND, TWISTED, 0.106 INCH DIAMETER.
   3. STRAP CHAFING GUARD: REINFORCED NYLON OR CANVAS AT LEAST 1-1/2 INCH WIDE, WITH GROMMETS TO PROTECT TREE TRUNKS FROM DAMAGE.

J. STEEL EDGING: PROFESSIONAL STEEL EDGING, 14 GAUGE THICK X 4 INCHES WIDE, FACTORY PAINTED DARK GREEN. ACCEPTABLE MANUFACTURERS INCLUDE COL-MET OR APPROVED EQUAL.

K. PRE-EMERGENT HERBICIDES: ANY GRANULAR, NON-STAINING PRE-EMERGENT HERBICIDE THAT IS LABELED FOR THE SPECIFIC ORNAMENTALS OR TURF ON WHICH IT WILL BE UTILIZED. PRE-EMERGENT HERBICIDES SHALL BE APPLIED PER THE MANUFACTURER'S LABELED RATES.

METHODS

A. SOIL PREPARATION
   1. BEFORE STARTING WORK, THE LANDSCAPE CONTRACTOR SHALL VERIFY THAT THE GRADE OF ALL LANDSCAPE AREAS ARE WITHIN +/-0.1' OF FINISH GRADE. THE CONTRACTOR SHALL NOTIFY THE OWNER IMMEDIATELY SHOULD ANY DISCREPANCIES EXIST.
   2. SOIL TESTING:
      a. AFTER FINISH GRADES HAVE BEEN ESTABLISHED, CONTRACTOR SHALL HAVE SOIL SAMPLES FROM THE PROJECT'S LANDSCAPE AREAS TESTED BY AN ESTABLISHED SOIL TESTING LABORATORY. EACH SAMPLE SUBMITTED TO THE LAB SHALL CONTAIN NO LESS THAN ONE QUART OF SOIL, TAKEN FROM BETWEEN THE SOIL SURFACE AND 6" DEPTH. IF NO SAMPLE LOCATIONS ARE INDICATED ON THE PLANS, THE CONTRACTOR SHALL TAKE A MINIMUM OF THREE SAMPLES FROM VARIOUS REPRESENTATIVE LOCATIONS FOR TESTING.
      b. THE CONTRACTOR SHALL HAVE THE SOIL TESTING LABORATORY PROVIDE RESULTS FOR THE FOLLOWING: SOIL TEXTURAL CLASS, GENERAL SOIL FERTILITY, pH, ORGANIC MATTER CONTENT, SALT (CEC), LIME, SODIUM ADSORPTION RATIO (SAR) AND BORON CONTENT.
      c. THE CONTRACTOR SHALL ALSO SUBMIT THE PROJECT'S PLANT LIST TO THE LABORATORY ALONG WITH THE SOIL SAMPLES.
      d. THE SOIL REPORT PRODUCED BY THE LABORATORY SHALL CONTAIN RECOMMENDATIONS FOR THE FOLLOWING (AS APPROPRIATE): SEPARATE SOIL PREPARATION AND BACKFILL MIX RECOMMENDATIONS FOR GENERAL ORNAMENTAL PLANTS, XERIC PLANTS, TURF, AND NATIVE SEED, AS WELL AS PRE-PLANT FERTILIZER APPLICATIONS AND RECOMMENDATIONS FOR ANY OTHER SOIL RELATED ISSUES. THE REPORT SHALL ALSO PROVIDE A FERTILIZER PROGRAM FOR THE ESTABLISHMENT PERIOD AND FOR LONG-TERM MAINTENANCE.
   3. THE CONTRACTOR SHALL INSTALL SOIL AMENDMENTS AND FERTILIZERS PER THE SOILS REPORT RECOMMENDATIONS. ANY CHANGE IN COST DUE TO THE SOIL REPORT RECOMMENDATIONS, EITHER INCREASE OR DECREASE, SHALL BE SUBMITTED TO THE OWNER WITH THE REPORT.
   4. FOR BIDDING PURPOSES ONLY, THE SOIL PREPARATION SHALL CONSIST OF THE FOLLOWING:
      a. TURF: INCORPORATE THE FOLLOWING AMENDMENTS INTO THE TOP 8" OF SOIL BY MEANS OF ROTOTILLING AFTER CROSS-RIPPING:
         i. NITROGEN STABILIZED ORGANIC AMENDMENT - 4 CU. YDS. PER 1,000 S.F.
         ii. PREPLANT TURF FERTILIZER (10-20-10 OR SIMILAR, SLOW RELEASE, ORGANIC) - 15 LBS PER 1,000 S.F.
         iii. "CLAY BUSTER" OR EQUAL - USE MANUFACTURER'S RECOMMENDED RATE
      b. TREES, SHRUBS, AND PERENNIALS: INCORPORATE THE FOLLOWING AMENDMENTS INTO THE TOP 8" OF SOIL BY MEANS OF ROTOTILLING AFTER CROSS-RIPPING:
         i. NITROGEN STABILIZED ORGANIC AMENDMENT - 4 CU. YDS. PER 1,000 S.F.
         ii. 12-12-12 FERTILIZER (OR SIMILAR, ORGANIC, SLOW RELEASE) - 10 LBS. PER CU. YD.
         iii. "CLAY BUSTER" OR EQUAL - USE MANUFACTURER'S RECOMMENDED RATE
         iv. IRON SULPHATE - 2 LBS. PER CU. YD.
   5. IN THE CONTEXT OF THESE PLANS, NOTES, AND SPECIFICATIONS, "FINISH GRADE" REFERS TO THE FINAL ELEVATION OF THE SOIL SURFACE (NOT TOP OF MULCH) AS INDICATED ON THE GRADING PLANS.
      a. BEFORE STARTING WORK, THE LANDSCAPE CONTRACTOR SHALL VERIFY THAT THE ROUGH GRADES OF ALL LANDSCAPE AREAS ARE WITHIN +/-0.1' OF FINISH GRADE. SEE SPECIFICATIONS FOR MORE DETAILED INSTRUCTION ON TURF AREA AND PLANTING BED PREPARATION.
      b. CONSTRUCT AND MAINTAIN FINISH GRADES AS SHOWN ON GRADING PLANS, AND CONSTRUCT AND MAINTAIN SLOPES AS RECOMMENDED BY THE GEOTECHNICAL REPORT. ALL LANDSCAPE AREAS SHALL HAVE POSITIVE DRAINAGE AWAY FROM STRUCTURES AT THE MINIMUM SLOPE SPECIFIED IN THE REPORT AND ON THE GRADING PLANS, AND AREAS OF POTENTIAL PONDING SHALL BE REGRADED TO BLEND IN WITH THE SURROUNDING GRADES AND ELIMINATE PONDING POTENTIAL.
      c. THE LANDSCAPE CONTRACTOR SHALL DETERMINE WHETHER OR NOT THE EXPORT OF ANY SOIL WILL BE NEEDED, TAKING INTO ACCOUNT THE ROUGH GRADE PROVIDED, THE AMOUNT OF SOIL AMENDMENTS TO BE ADDED (BASED ON A SOIL TEST, PER SPECIFICATIONS), AND THE FINISH GRADES TO BE ESTABLISHED.
      d. AFTER INSTALLING SOIL AMENDMENTS IN SHRUB AREAS, AND IN ORDER TO ALLOW FOR PROPER MULCH DEPTH, ENSURE THAT THE FINISH GRADE IMMEDIATELY ADJACENT TO WALKS AND OTHER WALKING SURFACES IS 3" BELOW FINISH GRADE, TAPERING TO MEET FINISH GRADE AT APPROXIMATELY 18" AWAY FROM THE SURFACE.
      e. AFTER INSTALLING SOIL AMENDMENTS IN TURF AREAS, ENSURE THAT THE FINISH GRADE IN TURF AREAS IMMEDIATELY ADJACENT TO WALKS AND OTHER WALKING SURFACES IS 1" BELOW FINISH GRADE, TAPERING TO MEET FINISH GRADE AT APPROXIMATELY 18" AWAY FROM THE SURFACE.
      f. SHOULD ANY CONFLICTS AND/OR DISCREPANCIES ARISE BETWEEN THE GRADING PLANS, GEOTECHNICAL REPORT, THESE NOTES AND PLANS, AND ACTUAL CONDITIONS, THE CONTRACTOR SHALL IMMEDIATELY BRING SUCH ITEMS TO THE ATTENTION OF THE LANDSCAPE ARCHITECT, GENERAL CONTRACTOR, AND OWNER.
   6. ONCE SOIL PREPARATION IS COMPLETE, THE LANDSCAPE CONTRACTOR SHALL ENSURE THAT THERE ARE NO DEBRIS, TRASH, OR STONES LARGER THAN 1" REMAINING IN THE TOP 6" OF SOIL.

B. SUBMITTALS
   1. THE CONTRACTOR SHALL PROVIDE SUBMITTALS AND SAMPLES, IF REQUIRED, TO THE LANDSCAPE ARCHITECT, AND RECEIVE APPROVAL IN WRITING FOR SUCH SUBMITTALS BEFORE WORK COMMENCES.
   2. SUBMITTALS SHALL INCLUDE PHOTOS OF PLANTS WITH A RULER OR MEASURING STICK FOR SCALE, PHOTOS OR SAMPLES OF ANY REQUIRED MULCHES, AND SOIL TEST RESULTS AND PREPARATION RECOMMENDATIONS FROM THE TESTING LAB (INCLUDING COMPOST AND FERTILIZER RATES AND TYPES, AND OTHER AMENDMENTS FOR TREE/SHRUB, TURF, AND SEED AREAS AS MAY BE APPROPRIATE).
   3. SUBMITTALS SHALL ALSO INCLUDE MANUFACTURER CUT SHEETS FOR PLANTING ACCESSORIES SUCH AS TREE STAKES AND TIES, EDGING, AND LANDSCAPE FABRICS (IF ANY).
   4. WHERE MULTIPLE ITEMS ARE SHOWN ON A PAGE, THE CONTRACTOR SHALL CLEARLY INDICATE THE ITEM BEING CONSIDERED.

C. GENERAL PLANTING
   1. REMOVE ALL NURSERY TAGS AND STAKES FROM PLANTS.
   2. EXCEPT IN AREAS TO BE PLANTED WITH ORNAMENTAL GRASSES, APPLY PRE-EMERGENT HERBICIDES AT THE MANUFACTURER'S RECOMMENDED RATE.
   3. TRENCHING NEAR EXISTING TREES:
      a. CONTRACTOR SHALL NOT DISTURB ROOTS 1-1/2" AND LARGER IN DIAMETER WITHIN THE CRITICAL ROOT ZONE (CRZ) OF EXISTING TREES, AND SHALL EXERCISE ALL POSSIBLE CARE AND PRECAUTIONS TO AVOID INJURY TO TREE ROOTS, TRUNKS, AND BRANCHES. THE CRZ IS DEFINED AS A CIRCULAR AREA EXTENDING OUTWARD FROM THE TREE TRUNK, WITH A RADIUS EQUAL TO 1' FOR EVERY 1" OF TRUNK DIAMETER-AT-BREAST-HEIGHT (4.5' ABOVE THE AVERAGE GRADE AT THE TRUNK).
      b. ALL EXCAVATION WITHIN THE CRZ SHALL BE PERFORMED USING HAND TOOLS. NO MACHINE EXCAVATION OR TRENCHING OF ANY KIND SHALL BE ALLOWED WITHIN THE CRZ.
      c. ALTER ALIGNMENT OF PIPE TO AVOID TREE ROOTS 1-1/2" AND LARGER IN DIAMETER. WHERE TREE ROOTS 1-1/2" AND LARGER IN DIAMETER ARE ENCOUNTERED IN THE FIELD, TUNNEL UNDER SUCH ROOTS. WRAP EXPOSED ROOTS WITH SEVERAL LAYERS OF BURLAP AND KEEP MOIST. CLOSE ALL TRENCHES WITHIN THE CANOPY DRIP LINES WITHIN 24 HOURS.
      d. ALL SEVERED ROOTS SHALL BE HAND PRUNED WITH SHARP TOOLS AND ALLOWED TO AIR-DRY. DO NOT USE ANY SORT OF SEALERS OR WOUND PAINTS.

C. TREE PLANTING
   1. TREE PLANTING HOLES SHALL BE EXCAVATED TO MINIMUM WIDTH OF TWO TIMES THE WIDTH OF THE ROOTBALL, AND TO A DEPTH EQUAL TO THE DEPTH OF THE ROOTBALL LESS TWO TO FOUR INCHES.
   2. SCARIFY THE SIDES AND BOTTOM OF THE PLANTING HOLE PRIOR TO THE PLACEMENT OF THE TREE. REMOVE ANY GLAZING THAT MAY HAVE BEEN CAUSED DURING THE EXCAVATION OF THE HOLE.
   3. FOR CONTAINER AND BOX TREES, TO REMOVE ANY POTENTIALLY GIRDLING ROOTS AND OTHER ROOT DEFECTS, THE CONTRACTOR SHALL SHAVE A 1" LAYER OFF OF THE SIDES AND BOTTOM OF THE ROOTBALL OF ALL TREES JUST BEFORE PLACING INTO THE PLANTING PIT. DO NOT "TEASE" ROOTS OUT FROM THE ROOTBALL.
   4. INSTALL THE TREE ON UNDISTURBED SUBGRADE SO THAT THE TOP OF THE ROOTBALL IS TWO TO FOUR INCHES ABOVE THE SURROUNDING GRADE.
   5. BACKFILL THE TREE HOLE UTILIZING THE EXISTING TOPSOIL FROM ON-SITE. ROCKS LARGER THAN 1" DIA. AND ALL OTHER DEBRIS SHALL BE REMOVED FROM THE SOIL PRIOR TO THE BACKFILL. SHOULD ADDITIONAL SOIL BE REQUIRED TO ACCOMPLISH THIS TASK, USE STORED TOPSOIL FROM ON-SITE OR IMPORT ADDITIONAL TOPSOIL FROM OFF-SITE AT NO ADDITIONAL COST TO THE OWNER. IMPORTED TOPSOIL SHALL BE OF SIMILAR TEXTURAL CLASS AND COMPOSITION IN THE ON-SITE SOIL.
   6. TREES SHALL NOT BE STAKED UNLESS LOCAL CONDITIONS (SUCH AS HEAVY WINDS OR SLOPES) REQUIRE STAKES TO KEEP TREES UPRIGHT. SHOULD STAKING BE REQUIRED, THE TOTAL NUMBER OF TREE STAKES (BEYOND THE MINIMUMS LISTED BELOW) WILL BE LEFT TO THE LANDSCAPE CONTRACTOR'S DISCRETION. SHOULD ANY TREES FALL OR LEAN, THE LANDSCAPE CONTRACTOR SHALL STRAIGHTEN THE TREE, OR REPLACE IT SHOULD IT BECOME DAMAGED. TREE STAKING SHALL ADHERE TO THE FOLLOWING GUIDELINES:
      a. 1"-2" TREES — TWO STAKES PER TREE
      b. 2-1/2"-4" TREES — THREE STAKES PER TREE
      c. TREES OVER 4" CALIPER — GUY AS NEEDED
      d. MULTI-TRUNK TREES — THREE STAKES PER TREE MINIMUM, QUANTITY AND POSITIONS AS NEEDED TO STABILIZE THE TREE
   7. UPON COMPLETION OF PLANTING, CONSTRUCT AN EARTH WATERING BASIN AROUND THE TREE. COVER THE INTERIOR OF THE TREE RING WITH MULCH (TYPE AND DEPTH PER PLANS). UNDER NO CIRCUMSTANCES SHALL THE CONTRACTOR PLACE MULCH WITHIN 6" OF THE TRUNK.

D. SHRUB, PERENNIAL, AND GROUNDCOVER PLANTING
   1. DIG THE PLANTING HOLES TWICE AS WIDE AND 2" LESS DEEP THAN EACH PLANT'S ROOTBALL. INSTALL THE PLANT IN THE HOLE. BACKFILL AROUND THE PLANT WITH SOIL AMENDED PER SOIL TEST RECOMMENDATIONS.
   2. WHEN PLANTING IS COMPLETE, INSTALL MULCH (TYPE AND DEPTH PER PLANS) OVER ALL PLANTING AREAS (EXCEPT FOR SODDED AND SEEDED AREAS), LEAVING NO EXPOSED GROUND.

E. SODDING
   1. SOD VARIETY TO BE AS SPECIFIED ON THE LANDSCAPE PLAN.
   2. LAY SOD WITHIN 24 HOURS FROM THE TIME OF STRIPPING. DO NOT LAY IF THE GROUND IS FROZEN.
   3. LAY THE SOD TO FORM A SOLID MASS WITH TIGHTLY FITTED JOINTS. BUTT ENDS AND SIDES OF SOD STRIPS - DO NOT OVERLAP. STAGGER STRIPS TO OFFSET JOINTS IN ADJACENT COURSES.
   4. ROLL THE SOD TO ENSURE GOOD CONTACT OF THE SOD'S ROOT SYSTEM WITH THE SOIL UNDERNEATH.
   5. WATER THE SOD THOROUGHLY WITH A FINE SPRAY IMMEDIATELY AFTER PLANTING TO OBTAIN AT LEAST SIX INCHES OF PENETRATION INTO THE SOIL BELOW THE SOD.

F. HYDROMULCHING
   1. TURF HYDROMULCH MIX (PER 1,000 SF) SHALL BE AS FOLLOWS:
      a. WINTER MIX (OCTOBER 1 - MARCH 31)
         50# CELLULOSE FIBER MULCH
         2# UNHULLED BERMUDA SEED
         2# ANNUAL RYE SEED
         15# 15-15-15 WATER SOLUBLE FERTILIZER
      b. SUMMER MIX (APRIL 1 - SEPTEMBER 30)
         50# CELLULOSE FIBER MULCH
         2# HULLED BERMUDA SEED
         15# 15-15-15 WATER SOLUBLE FERTILIZER
   2. SEED HYDROMULCH MIX (PER 1,000 SF) SHALL BE AS FOLLOWS:
      a. GENERAL
         50# CELLULOSE FIBER MULCH
         15# 15-15-15 WATER SOLUBLE FERTILIZER
         SEED RATE PER LEGEND

G. MULCH
   1. INSTALL MULCH TOPDRESSING, TYPE AND DEPTH PER MULCH NOTE, IN ALL PLANTING AREAS AND TREE RINGS.
   2. DO NOT INSTALL MULCH WITHIN 6" OF TREE ROOT FLARE AND WITHIN 24" OF HABITABLE STRUCTURES, EXCEPT AS MAY BE NOTED ON THESE PLANS. MULCH COVER WITHIN 6" OF CONCRETE WALKS AND CURBS SHALL NOT PROTRUDE ABOVE THE FINISH SURFACE OF THE WALKS AND CURBS. MULCH COVER WITHIN 12" OF WALLS SHALL BE AT LEAST 3" LOWER THAN THE TOP OF WALL.

H. CLEAN UP
   1. DURING LANDSCAPE PREPARATION AND PLANTING, KEEP ALL PAVEMENT CLEAN AND ALL WORK AREAS IN A NEAT, ORDERLY CONDITION.
   2. DISPOSED LEGALLY OF ALL EXCAVATED MATERIALS OFF THE PROJECT SITE.

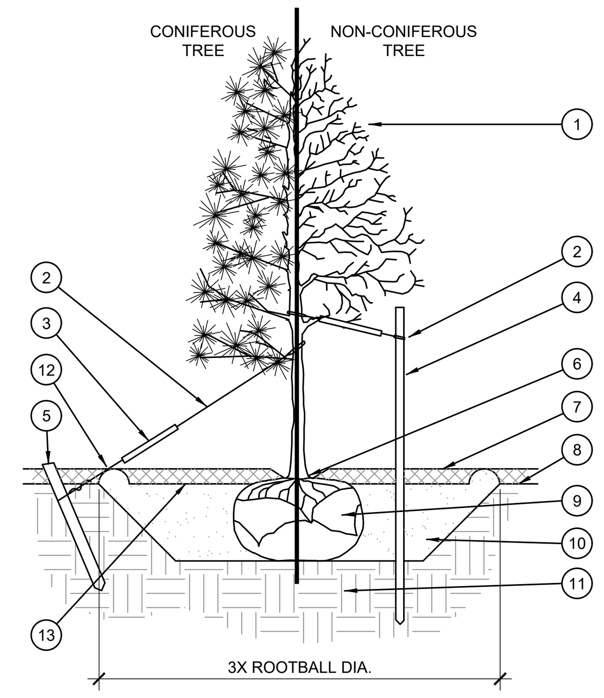
I. INSPECTION AND ACCEPTANCE
   1. UPON COMPLETION OF THE WORK, THE LANDSCAPE CONTRACTOR SHALL PROVIDE THE SITE CLEAN, FREE OF DEBRIS AND TRASH, AND SUITABLE FOR USE AS INTENDED. THE LANDSCAPE CONTRACTOR SHALL THEN REQUEST AN INSPECTION BY THE OWNER TO DETERMINE FINAL ACCEPTABILITY.
   2. WHEN THE INSPECTED PLANTING WORK DOES NOT COMPLY WITH THE CONTRACT DOCUMENTS, THE LANDSCAPE CONTRACTOR SHALL REPLACE AND/OR REPAIR THE REJECTED WORK TO THE OWNER'S SATISFACTION WITHIN 24 HOURS.
   3. THE LANDSCAPE MAINTENANCE PERIOD WILL NOT COMMENCE UNTIL THE LANDSCAPE WORK HAS BEEN RE-INSPECTED BY THE OWNER AND FOUND TO BE ACCEPTABLE. AT THAT TIME, A WRITTEN NOTICE OF FINAL ACCEPTANCE WILL BE ISSUED BY THE OWNER, AND THE MAINTENANCE AND GUARANTEE PERIODS WILL COMMENCE.

J. LANDSCAPE MAINTENANCE
   1. THE LANDSCAPE CONTRACTOR SHALL BE RESPONSIBLE FOR THE MAINTENANCE OF ALL WORK SHOWN ON THESE PLANS FOR 90 DAYS BEYOND FINAL ACCEPTANCE OF ALL LANDSCAPE WORK BY THE OWNER. LANDSCAPE MAINTENANCE SHALL INCLUDE WEEKLY SITE VISITS FOR THE FOLLOWING ACTIONS (AS APPROPRIATE): PROPER PRUNING, RESTAKING OF TREES, RESETTING OF PLANTS THAT HAVE SETTLED, MOWING AND AERATION OF LAWNS, WEEDING, RESEEDING AREAS WHICH HAVE NOT GERMINATED WELL, TREATING FOR INSECTS AND DISEASES,REPLACEMENT OF MULCH, REMOVAL OF LITTER, REPAIRS TO THE IRRIGATION SYSTEM DUE TO FAULTY PARTS AND/OR WORKMANSHIP, AND THE APPROPRIATE WATERING OF ALL PLANTINGS. THE LANDSCAPE CONTRACTOR SHALL MAINTAIN THE IRRIGATION SYSTEM IN PROPER WORKING ORDER, WITH SCHEDULING ADJUSTMENTS BY SEASON TO MAXIMIZE WATER CONSERVATION.
   2. SHOULD SEEDED AND/OR SODDED AREAS NOT BE COVERED BY AN AUTOMATIC IRRIGATION SYSTEM, THE LANDSCAPE CONTRACTOR SHALL BE RESPONSIBLE FOR WATERING THESE AREAS AND OBTAINING A FULL, HEALTHY STAND OF PLANTS AT NO ADDITIONAL COST TO THE OWNER.
   3. TO ACHIEVE FINAL ACCEPTANCE AT THE END OF THE MAINTENANCE PERIOD, ALL OF THE FOLLOWING CONDITIONS MUST OCCUR:
      a. THE LANDSCAPE SHALL SHOW ACTIVE, HEALTHY GROWTH (WITH EXCEPTIONS MADE FOR SEASONAL DORMANCY). ALL PLANTS NOT MEETING THIS CONDITION SHALL BE REJECTED AND REPLACED BY HEALTHY PLANT MATERIAL PRIOR TO FINAL ACCEPTANCE.
      b. ALL HARDSCAPE SHALL BE CLEANED PRIOR TO FINAL ACCEPTANCE.
      c. SODDED AREAS MUST BE ACTIVELY GROWING AND MUST REACH A MINIMUM HEIGHT OF 1 1/2 INCHES BEFORE FIRST MOWING. HYDROMULCHED AREAS SHALL SHOW ACTIVE, HEALTHY GROWTH. BARE AREAS LARGER THAN TWELVE SQUARE INCHES MUST BE RESODDED OR RESEEDED (AS APPROPRIATE) PRIOR TO FINAL ACCEPTANCE. ALL SODDED TURF SHALL BE NEATLY MOWED.

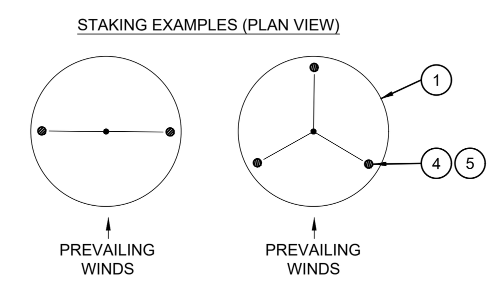
K. WARRANTY PERIOD, PLANT GUARANTEE AND REPLACEMENTS
   1. THE LANDSCAPE CONTRACTOR SHALL GUARANTEE ALL TREES, SHRUBS, PERENNIALS, SOD, SEEDED/HYDROMULCHED AREAS, AND IRRIGATION SYSTEMS FOR A PERIOD OF ONE YEAR FROM THE DATE OF THE OWNER'S FINAL ACCEPTANCE (90 DAYS FOR ANNUAL PLANTS). THE CONTRACTOR SHALL REPLACE, AT HIS OWN EXPENSE AND TO THE SATISFACTION OF THE OWNER, ANY PLANTS WHICH DIE IN THAT TIME, OR REPAIR ANY PORTIONS OF THE IRRIGATION SYSTEM WHICH OPERATE IMPROPERLY.
   2. AFTER THE INITIAL MAINTENANCE PERIOD AND DURING THE GUARANTEE PERIOD, THE LANDSCAPE CONTRACTOR SHALL ONLY BE RESPONSIBLE FOR REPLACEMENT OF PLANTS WHEN PLANT DEATH CANNOT BE ATTRIBUTED DIRECTLY TO OVERWATERING OR OTHER DAMAGE BY HUMAN ACTIONS.

L. PROVIDE A MINIMUM OF (2) COPIES OF RECORD DRAWINGS TO THE OWNER UPON COMPLETION OF WORK. A RECORD DRAWING IS A RECORD OF ALL CHANGES THAT OCCURRED IN THE FIELD AND THAT ARE DOCUMENTED THROUGH CHANGE ORDERS, ADDENDA, OR CONTRACTOR/CONSULTANT DRAWING MARKUPS.

NOTE:
An automatic irrigation system will be provided for all landscaping." and "Required landscaping must be permanently maintained in a healthy growing condition at all times. The property owner is responsible for regular weeding, mowing of grass, irrigating, fertilizing, pruning and other permanent maintenance of all plantings, as needed.

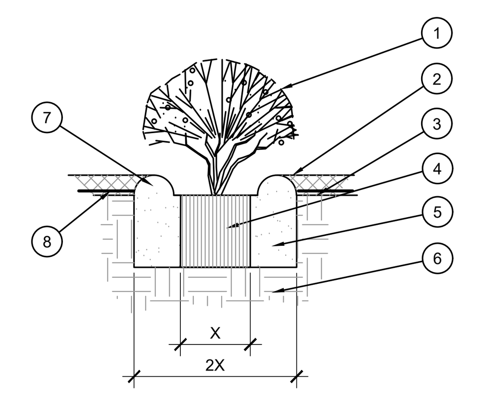


1. TREE CANOPY.
2. CINCH-TIES (24" BOX/2" CAL. TREES AND SMALLER) OR 12 GAUGE GALVANIZED WIRE WITH NYLON TREE STRAPS AT TREE AND STAKE (36" BOX/2.5" CAL. TREES AND LARGER). SECURE TIES OR STRAPS TO TRUNK JUST ABOVE LOWEST MAJOR BRANCHES.
3. 24" X 3/4" P.V.C. MARKERS OVER WIRES.
4. GREEN STEEL T-POSTS. EXTEND POSTS 12" MIN. INTO UNDISTURBED SOIL.
5. PRESSURE-TREATED WOOD DEADMAN, TWO PER TREE (MIN.). BURY OUTSIDE OF PLANTING PIT AND 18" MIN. INTO UNDISTURBED SOIL.
6. TRUNK FLARE.
7. MULCH, TYPE AND DEPTH PER PLANS. DO NOT PLACE MULCH WITHIN 6" OF TRUNK.
8. FINISH GRADE.
9. ROOT BALL.
10. BACKFILL. AMEND AND FERTILIZE ONLY AS RECOMMENDED IN SOIL FERTILITY ANALYSIS.
11. UNDISTURBED NATIVE SOIL.
12. 4" HIGH EARTHEN WATERING BASIN.
13. FINISH GRADE.



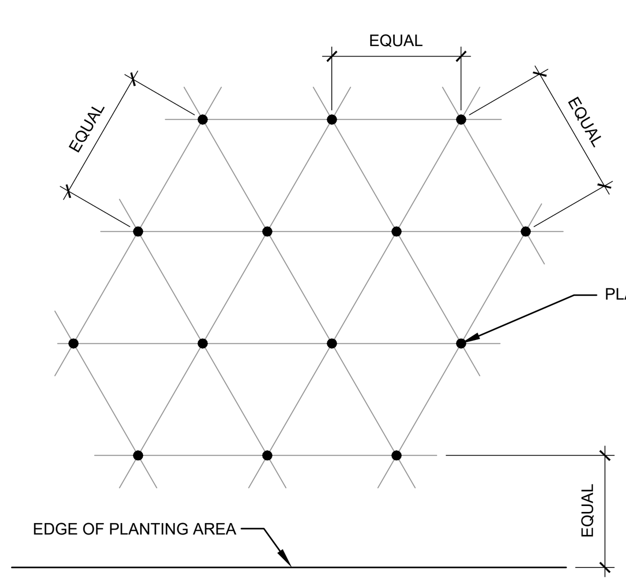
NOTES:
1. SCARIFY SIDES OF PLANTING PIT PRIOR TO SETTING TREE.
2. REMOVE EXCESS SOIL APPLIED ON TOP OF THE ROOTBALL THAT COVERS THE ROOT FLARE. THE PLANTING HOLE DEPTH SHALL BE SUCH THAT THE ROOTBALL RESTS ON UNDISTURBED SOIL, AND THE ROOT FLARE IS 2"-4" ABOVE FINISH GRADE.
3. FOR B&B TREES, CUT OFF BOTTOM 1/3 OF WIRE BASKET BEFORE PLACING TREE IN HOLE, CUT OFF AND REMOVE REMAINDER OF BASKET AFTER TREE IS SET IN HOLE, REMOVE ALL NYLON TIES, TWINE, ROPE, AND OTHER PACKING MATERIAL. REMOVE AS MUCH BURLAP FROM AROUND ROOTBALL AS IS PRACTICAL.
4. REMOVE ALL NURSERY STAKES AFTER PLANTING.
5. FOR TREES 36" BOX/2.5" CAL. AND LARGER, USE THREE STAKES OR DEADMEN (AS APPROPRIATE), SPACED EVENLY AROUND TREE.
6. STAKING SHALL BE TIGHT ENOUGH TO PREVENT TRUNK FROM BENDING, BUT LOOSE ENOUGH TO ALLOW SOME TRUNK MOVEMENT IN WIND.

A — TREE PLANTING
SCALE: NOT TO SCALE



1. SHRUB, PERENNIAL, OR ORNAMENTAL GRASS.
2. MULCH, TYPE AND DEPTH PER PLANS. PLACE NO MORE THAN 1" OF MULCH WITHIN 6" OF PLANT CENTER.
3. FINISH GRADE.
4. ROOT BALL.
5. BACKFILL. AMEND AND FERTILIZE ONLY AS RECOMMENDED IN SOIL FERTILITY ANALYSIS.
6. UNDISTURBED NATIVE SOIL.
7. 3" HIGH EARTHEN WATERING BASIN.
8. WEED FABRIC UNDER MULCH.

B — SHRUB AND PERENNIAL PLANTING
SCALE: NTS



NOTE: ALL PLANTS SHALL BE PLANTED AT EQUAL TRIANGULAR SPACING (EXCEPT WHERE SHOWN ON PLANS AS INFORMAL GROUPINGS). REFER TO PLANT LEGEND FOR SPACING DISTANCE BETWEEN PLANTS.

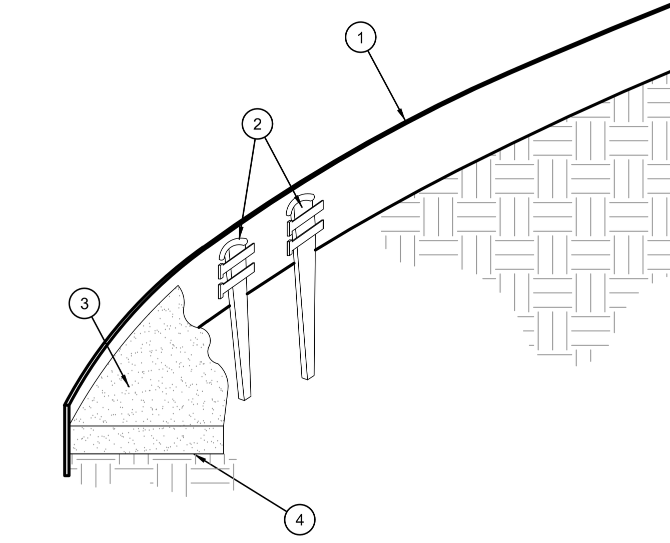
1) STEP 1: DETERMINE TOTAL PLANTS FOR THE AREA WITH THE FOLLOWING FORMULA:
TOTAL AREA / AREA DIVIDER = TOTAL PLANTS

PLANT SPACING	AREA DIVIDER	PLANT SPACING	AREA DIVIDER
6"	0.22	18"	1.95
8"	0.39	24"	3.46
10"	0.60	30"	5.41
12"	0.87	36"	7.79
15"	1.35		

2) STEP 2: SUBTRACT THE ROW (S) OF PLANTS THAT WOULD OCCUR AT THE EDGE OF THE PLANTED AREA WITH THE FOLLOWING FORMULA: TOTAL PERIMETER LENGTH / PLANT SPACING = TOTAL PLANT SUBTRACTION

EXAMPLE: PLANTS AT 18" O.C. IN 100 SF PLANTING AREA, 40 LF PERIMETER
STEP 1: 100 SF/1.95 = 51 PLANTS
STEP 2: 51 PLANTS - (40 LF / 1.95 = 21 PLANTS) = 30 PLANTS TOTAL

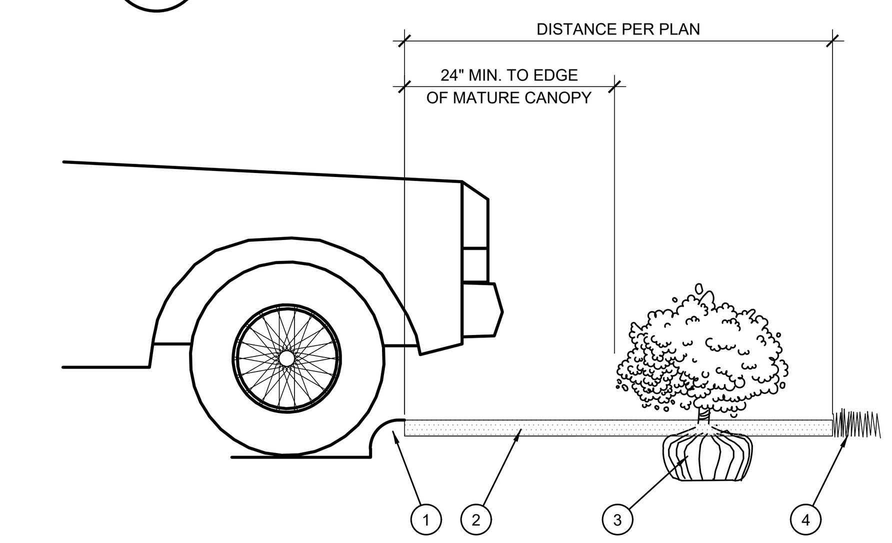
C — PLANT SPACING
SCALE: NTS



1. ROLLED-TOP STEEL EDGING PER PLANS.
2. TAPERED STEEL STAKES.
3. MULCH, TYPE AND DEPTH PER PLANS.
4. FINISH GRADE.

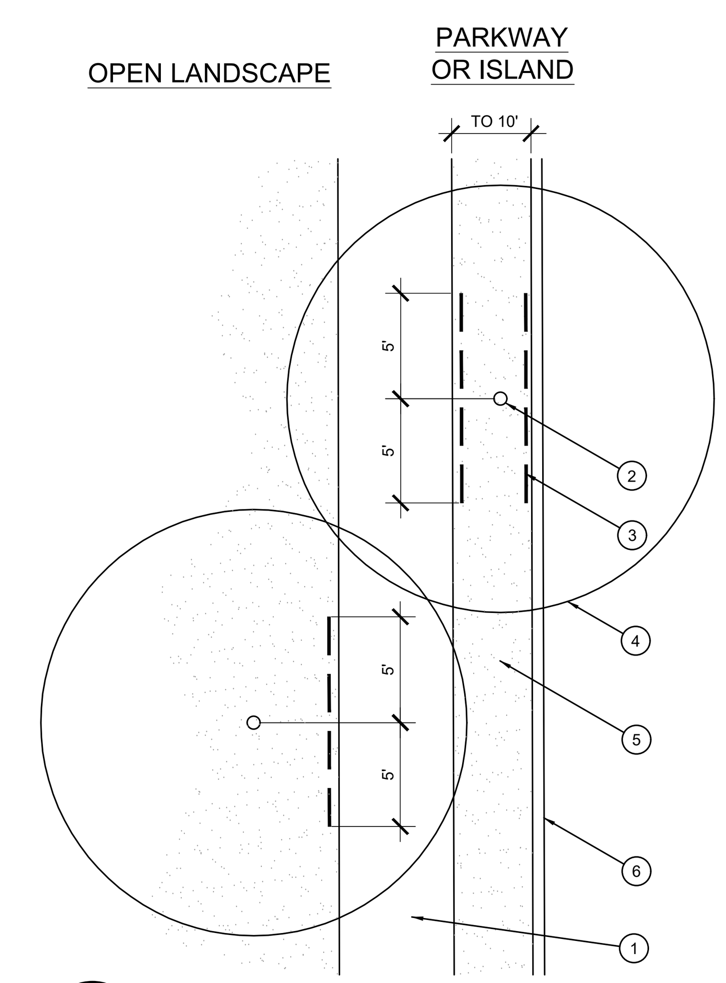
NOTES:
1) INSTALL EDGING SO THAT STAKES WILL BE ON INSIDE OF PLANTING BED.
2) BOTTOM OF EDGING SHALL BE BURIED A MINIMUM OF 1" BELOW FINISH GRADE.
3) TOP OF MULCH SHALL BE 1" LOWER THAN TOP OF EDGING.

D — STEEL EDGING
SCALE: NOT TO SCALE



1. CURB.
2. MULCH LAYER.
3. PLANT.
4. TURF (WHERE SHOWN ON PLAN).

E — PLANTING AT PARKING AREA
SCALE: NOT TO SCALE



1. TYPICAL WALKWAY OR PAVING
2. TREE TRUNK
3. LINEAR ROOT BARRIER MATERIAL. SEE PLANTING NOTES FOR TYPE AND MANUFACTURER. INSTALL PER MANUFACTURER'S SPECIFICATIONS.
4. TREE CANOPY
5. TYPICAL PLANTING AREA
6. TYPICAL CURB AND GUTTER

NOTES:
1) INSTALL ROOT BARRIERS NEAR ALL NEWLY-PLANTED TREES THAT ARE LOCATED WITHIN FIVE (5) FEET OF PAVING OR CURBS.
2) BARRIERS SHALL BE LOCATED IMMEDIATELY ADJACENT TO HARDSCAPE. UNDER NO CIRCUMSTANCES SHALL THE CONTRACTOR USE ROOT BARRIERS OF A TYPE THAT COMPLETELY ENCIRCLE THE ROOTBALL.

F — ROOT BARRIER - PLAN VIEW
SCALE: NOT TO SCALE

SITE PLAN
SITE PLAN CASE NUMBER:
SP-02-24

EVERGREEN DESIGN GROUP
(800) 680-6630
15455 Dallas Pkwy., Ste 600
Addison, TX 75001
www.EvergreenDesignGroup.com

DATE	REVISIONS	DRAWN BY

Manhard CONSULTING
8144 Walnut Hill Lane, Suite 750, Dallas, TX 75231 ph:972.972.4250 manhard.com
Civil Engineers | Surveyors | Water Resource Engineers | Water & Waste Water Engineers
Construction Managers | Environmental Scientists | Landscape Architects | Planners
Texas Board of Professional Engineers & Land Surveyors Reg. No. F-10194754 (Surv), F-22053 (Eng)

CICI'S PIZZA
CITY OF KAUFMAN, KAUFMAN COUNTY, TEXAS
LANDSCAPE DETAILS AND SPECIFICATIONS

REGISTERED LANDSCAPE ARCHITECT
JON J. PULLIAM
3824
STATE OF TEXAS
9/24/2024

PROJ. MGR.: EMZ
PROJ. ASSOC.: WMH
DRAWN BY:
DATE:

SHEET
LP-2
611.150001.01

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PENDING

Meeting Date: 9/30/2024	Date: 09/05/2024	Item #: 16.	Dept.: Development Services

Action Item

SUBJECT:

Consider and take appropriate action on the **Highland Meadows Phase I Facilities Agreement** between the City and Meritage Homes of Texas, LLC, for the installation of public improvements and facilities within Phase I of the Highland Meadows development, comprising 62.193 acres generally located on the south side of State Highway 243 at Ola Road; and authorizing the Mayor or designee to execute necessary documents.

BACKGROUND:

The development agreement for Highland Meadows was approved in July 2022 and amended in January 2023; this development agreement set the framework for the development of the property and associated off-site improvements. In August 2024, this development agreement was assigned to Meritage Homes of Texas, LLC, the homebuilder and new owner/developer of the property. From March–August 2023, the entire Highland Meadows property was annexed, zoned, and preliminary platted for 435 residential lots, a fire station lot, and several open space lots. In December 2023, Phase I was final platted as 224 residential lots, 1 fire station lot, 12 open space lots, and right-of-way. In the spring and summer of 2024, the off-site utilities ("the Northeast Utilities Project") were installed and Phase I was graded and cleared under an early grading permit.

Consistent with City policy and regulations, a Facilities Agreement is required prior to moving forward with payment of fees, bonding, and the construction of public improvements. This Facilities Agreement documents the public and private improvements associated with Phase I of the project, the requirements related to public infrastructure construction and bonding, and the estimated cost of the public infrastructure and associated fees. The Facilities Agreement also allows for an early release of new residential home permits at the time of substantial completion of the improvements, while providing for a credit on the park fees based on the cost of on-site and off-site open space amenities that will be installed by the developer and made available to the public.

Author: Andrew Bogda, Director of Development Services

Reviewed: Mike Holder, City Manager

Cost: **Funds Available:** **Source:**

Recommendation: Staff recommends approval of the Highland Meadows Phase I Facilities Agreement between the City and Meritage Homes of Texas, LLC.

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☐	■	☐	■	■

HIGHLAND MEADOWS PHASE 1
FACILITIES AGREEMENT

An AGREEMENT between the City of Kaufman, Texas (hereinafter referred to as the "CITY") and Meritage Homes of Texas LLC, an Arizona limited liability company, acting by and through its duly authorized representative (hereinafter referred to as the "DEVELOPER"), for the installation of public improvements and facilities within the City limits of Kaufman, Texas, for Highland Meadows Phase 1, more particularly described as a tract of land consisting of approximately 62.193 acres of land, hereinafter being referred to collectively as the "PROJECT," and such public improvements being more particularly described in Section II of this AGREEMENT. It is understood by and between the parties that this AGREEMENT is applicable to the lot(s) and right-of-way contained within the Final Plat for the PROJECT, as presented to and approved by Planning & Zoning Commission on December 5, 2023 and the City Council on December 18, 2023 and to the offsite improvements necessary to support the PROJECT, more particularly described in Section II of this AGREEMENT. It is further agreed that this AGREEMENT, when properly signed and executed, shall satisfy the requirements of the CITY's Subdivision Regulations.

I. GENERAL REQUIREMENTS

A. It is agreed and understood by the parties hereto that the DEVELOPER has employed a registered public surveyor licensed to practice in the State of Texas to prepare a final plat of the PROJECT.

The PROJECT is planned to be platted for Right of Way Dedication together with infrastructure improvements with allowed incidental and accessory uses.

B. It is agreed and understood by the parties hereto that the DEVELOPER has employed a civil engineer licensed to practice in the State of Texas for the design and preparation of the plans and specifications for the construction of all public improvements and facilities described in Section II and covered by this AGREEMENT. Unless otherwise specified herein, such plans and specifications shall be in accordance with the City's "Standards of Design and Construction" and the North Central Texas Council of Governments' (NCTCOG) Standard Specifications for Public Works Construction, as applicable and as presently adopted.

C. The DEVELOPER and its Contractor (as defined below) shall award its own construction contract for the construction of all streets, sidewalks and trails, water, sanitary sewer, and drainage public improvements and facilities for the completion of the PROJECT. The DEVELOPER agrees to employ a construction contractor (the "Contractor"), who shall meet CITY and statutory requirements for being insured, licensed and bonded to perform work in public

rights-of-way and to be qualified in all respects to bid on public streets and public projects of a similar nature and who shall require its subcontractors to comply with those same requirements. The DEVELOPER agrees to submit or cause to be submitted contract documents to the CITY and participate in a pre-construction meeting with the CITY and all DEVELOPER contractors.

D. Prior to the execution of this AGREEMENT and the commencement of construction for the PROJECT, the filing of the final Plat or the issuance of any building permits, the DEVELOPER shall or DEVELOPER shall cause each Contractor(s) doing work on the Project to present to the CITY a performance bond(s), payment bond(s) and maintenance bond(s), meeting the requirements of Chapter 2253 of the Texas Government Code. Each bond shall individually guarantee and agree to pay an amount equal to one hundred percent (100%) of the value of the construction costs (as determined by the City Engineer) for all public improvements and facilities to be constructed by or on behalf of the DEVELOPER for the Project. Any surety company through which a bond is written shall be a surety company duly authorized to do business in the State of Texas, provided that the CITY, through the City Attorney, shall retain the right to reject any surety company as a surety for any work under this AGREEMENT or the DEVELOPMENT AGREEMENT (defined below) regardless of such Company's authorization to do business in Texas. Approvals by the CITY shall not be unreasonably withheld or delayed.

1) As an alternative to DEVELOPER or its Contractor(s) providing or causing the providing of a surety bond for performance, a surety bond for payment and a surety bond for maintenance as specified hereinabove, DEVELOPER may provide or require its Contractor(s) to provide financial assurances for performance, payment, and maintenance in the form of a cash deposit, a certificate of deposit, or irrevocable letter of credit. Provided however, that such alternative financial assurances shall only be allowed if each meets all requirements specified in Section 02.03.045 of the City of Kaufman Subdivision Regulations. All such alternative financial assurances must be on forms approved by the City Attorney.

2) As an alternative to the DEVELOPER or its Contractor(s) providing or causing the providing of a performance bond, payment bond, and maintenance bond, as specified above, DEVELOPER may provide or require each of its Contractor(s) to provide financial assurances for performance, payment and maintenance for each item it provides work within the PROJECT, provided that such assurances meet all other requirements specified hereinabove and the CITY is named as a dual obligee on each such bond. Additionally, such alternative financial assurances shall only be allowed if each meets all requirements specified in Section 02.03.045 of the City of Kaufman Subdivision Regulations. All such alternative financial assurances must be on forms approved by the City Attorney.

E. The performance bond(s) shall be submitted in statutory form guaranteeing the full and faithful completion of the facilities and improvements required under this AGREEMENT for completion of the PROJECT to the CITY and provide for payment to the CITY of such amounts up to the total remaining amounts required for the completion of the PROJECT if the work is not completed as required hereunder.

F. The payment bond(s) shall be submitted in statutory form guaranteeing payment of all labor and material costs of the Project and shall be furnished solely for the protection of all claimants supplying labor and material in the performance of the work provided for under this AGREEMENT. The maintenance bond(s) shall guarantee the payment of any and all necessary maintenance of the Project for a period of two (2) years following acceptance of the public improvements and facilities by the CITY, in an amount equal to one hundred (100%) percent of the value of the construction costs of all the public improvements and facilities to be constructed under this AGREEMENT in respect to the PROJECT.

G. Any guarantee of performance, maintenance, or payment instrument (e.g., performance bond, payment bond, maintenance bond, letters of credit, and/or cash deposit or the like) (individually a “Guarantee” or collectively the “Guarantees”) submitted by, through, or caused by the DEVELOPER to be submitted by its Contractor(s) on a form other than the one which has been previously approved by the CITY as "acceptable" shall be submitted to the City Attorney at the submitter’s expense, and construction of the item in the PROJECT shall not commence until the City Attorney has approved such Guarantees. Approval by the CITY (and the City Attorney) shall not be unreasonably withheld or delayed. All such Guarantees shall be maintained in full force and effect until such time as the DEVELOPER and/or Contractor(s), as applicable, has fully complied with the terms and conditions of this AGREEMENT as agreed to in writing by the CITY, and failure to keep same in force and effect shall constitute a breach of this AGREEMENT. Failure to maintain performance and payment Guarantees meeting the requirements of this AGREEMENT shall result in a stop work order being issued by the CITY for that item in the PROJECT. Additionally, all Guarantees furnished hereunder which expire prior to the completion of construction or applicable warranty periods shall be renewed in amounts designated by the CITY and shall be delivered to the CITY and approved by the CITY on or before the tenth (10th) banking day before the date of expiration of any than existing Guarantee. If the DEVELOPER fails to deliver or to cause the Contractor(s) to deliver any Guarantee to the CITY within the time prescribed herein, such failure shall constitute a breach of this AGREEMENT and shall be a basis for the CITY to draw on all or any portion of any existing Guarantee for that item in addition to any or all other remedies available to the CITY. **The DEVELOPER further agrees to release and forever hold the CITY**

harmless from any losses, damages and/or expenses incurred by the DEVELOPER for any delays due to the CITY's review of any Guarantee which is in a form other than one which has been previously approved by the CITY. The CITY requires all Guarantee forms approved prior to the commencement of work and construction of improvements.

H. It is further agreed and understood by the parties hereto that upon acceptance thereof by the CITY of all public improvements and facilities as described in Section II of this Agreement, title to all such improvements and facilities shall be vested in the CITY, and the DEVELOPER and Contractor(s) shall hereby relinquish any right, title, or interest in and to such improvements and facilities or any part thereof. It is further understood and agreed that until the CITY accepts such improvements and facilities, the CITY shall have no liability or responsibility with respect thereto. Acceptance of the improvements and facilities shall occur at such time as the CITY provides the DEVELOPER with a written acknowledgment that all improvements and facilities are complete, have been inspected and approved, and are being accepted by the CITY.

I. The DEVELOPER'S Engineer has prepared detailed estimates of **Twenty Nine Million Eight Hundred Sixty Thousand Eight Hundred Forty Dollars and Seventy Three Cents ($29,860,840.73)** for the cost of public and private improvements and facilities for this Project. The CITY shall not accept any construction improvements outside of the Project and the two (2) year warranty for such improvements shall not commence until all construction activities are completed and accepted by the CITY. The Payment, Performance and Maintenance Bonds provided by the DEVELOPER shall cover only the public improvements and facilities for this Project at a cost of **Seven Million Four Hundred Sixteen Thousand Five Hundred Eighty Dollars and Twenty Eight Cents ($7,416,580.28).** The detailed cost estimates for the public improvements only are a part of this AGREEMENT and are attached hereto as **"Attachment A"** and incorporated herein.

J. Upon CITY'S approval and acceptance of the final plat and the engineering plans, the final plat shall be recorded with the County Clerk of Kaufman County. Except as specifically provided herein, no building permits shall be issued for any lots in the Project until the final plat is filed and the public improvements and facilities specified herein are completed and accepted by the CITY. Upon substantial completion of the public improvements, the CITY in its discretion, may grant an early release on the residential development for the first twelve (12) lots.

K. The DEVELOPER, DEVELOPER'S contractors (prime, general and major subcontractors) and CITY, as well as any other third party deemed necessary by the CITY, shall participate in a pre-construction conference prior to the initiation of any work. At or prior to the pre-construction meeting and no later than prior to the commencement of the construction of infrastructure for the

Project, DEVELOPER or its Contractor shall provide the CITY with the following documents: 1) One (1) copy of all executed construction contracts; 2) List of all contractors/subcontractors and their project assignments; 3) Five (5) sets (and additional sets as necessary for any contractors) of approved construction plans and specifications; 4) Project Schedule; 5) Stormwater Pollution Prevention Plan, as approved by the CITY; 6) Trench Safety Plan, as approved by the CITY; 7) Erosion Control Plan/Fencing Plan, as approved by the CITY; 8) the financial assurances referenced in Section I.D of this AGREEMENT, as approved by the CITY; and 9) Inspection Fee payment and reimbursement to the CITY for any third-party reviews associated with the PROJECT. The list of contractors/subcontractors shall be updated within seven days of any changes. The DEVELOPER agrees to cause its Contractor to give the CITY at least twenty-four (24) hours prior written notice of his/her intent to commence construction of all public improvements and facilities, so that the CITY, if it so desires, may have its representatives available to inspect the beginning and continuing progress of all work. DEVELOPER or its Contractor shall submit all documentation evidencing that each of the Guarantees required under this AGREEMENT have been provided and all required insurance has been obtained prior to the pre-construction meeting.

L. The DEVELOPER agrees to notify its Contractor(s) working on the PROJECT that all their work is subject to inspection by a CITY Inspector at any time, and that such inspection may require a certification by the contractors of the type, kind, and quality of materials used on the PROJECT.

M. Should any work or construction of improvements or facilities on the PROJECT which has not been contemplated in the current construction documents (plans and specifications), the plat, or this AGREEMENT, become necessary due to site conditions, then the DEVELOPER shall be required to contact in writing (with a copy to the City of Kaufman), with the City Engineer to determine how such work or construction should progress. The DEVELOPER further agrees to follow all reasonable recommendations and requirements imposed by the City Engineer in such instance. (Addresses for points of contact are as follows:)

City of Kaufman	Teague Nall & Perkins (TNP)–City Engineer
Mike Holder, City Manager	Philip C. Varughese, P.E.
209 S. Washington St.	5237 N. Riverside Drive, Suite 100
Kaufman, TX 75142	Fort Worth, Texas 76137
Phone: 972-932-2216	Phone: 817-336-5773
Fax: 972-932-0636	Fax: 817-336-2813
Email: mholder@kaufmantx.org	Email: pvarughese@tnpinc.com

N. The DEVELOPER agrees to cause all work and construction of improvements and facilities to be stopped upon twenty-four (24) hour notification from the City Engineer or Director of Public Works or their designee of nonconforming improvements, including the materials used and the methods of installation. The DEVELOPER further agrees to correct all nonconformities in accordance with the City Engineer's instructions.

O. The DEVELOPER is encouraged not to convey title of any lots within or adjacent to the PROJECT area, until all construction in respect to the PROJECT required in Section II is complete and the CITY has approved and accepted the work and improvements in respect thereof. The DEVELOPER understands that, except as specifically provided herein, the CITY shall issue no building permits for improvements on any lot within or adjacent to the PROJECT area until all public improvements and facilities in respect to the PROJECT are completed in accordance with this AGREEMENT. Further, DEVELOPER agrees to inform all persons or entities purchasing the lots or any interest in the lots that, except as specifically provided herein, CITY shall not issue any building permits until all public improvements and facilities are completed in accordance with this AGREEMENT.

P. After completion and prior to acceptance of all work, the DEVELOPER shall furnish to the CITY an affidavit of all bills paid.

II. PUBLIC AND PRIVATE IMPROVEMENTS AND FACILITIES TO BE CONSTRUCTED

A. The following public and private improvements and facilities are to be constructed and completed in accordance with the approved plans and specifications as described in **Attachment "A".** Except as expressly provided otherwise, DEVELOPER shall be responsible for the construction and maintenance of all improvements and facilities for the PROJECT until such improvements and facilities are approved and accepted by the CITY to be maintained by the CITY:

1) Water Distribution System.
2) Sanitary Sewer System.
3) Drainage and Storm Sewer System. (detention ponds to be maintained by the DEVELOPER and/or Homeowners' Association)
4) Street Paving – Streets shall be built to City standards.
5) Landscaping (private improvements to be maintained by the DEVELOPER and/or Homeowners' Association)
6) Fences/Walls/Retaining Walls/Monument Signage (private improvements to be maintained by the DEVELOPER and/or Homeowners' Association)

7) Amenity Center, Trailhead, and other improvements on open space lots (private improvements to be maintained by the DEVELOPER and/or Homeowners' Association)

8) Signs – Shall be in accordance with the specifications in the Standards of Design and Construction in the City's Subdivision Ordinance. Signage design and location shall be subject to City approval.

9) Driveways and Walkways – The DEVELOPER shall be responsible for the construction of sidewalks, on-site and off-site trails and appurtenances (as specified in the DEVELOPMENT AGREEMENT (defined below) and as designed in the approved Civil/Construction Plans), and handicap-accessible ramps and pathways as required in the City's Subdivision Ordinance and Standards of Design and Construction. Sidewalks and trails on open space lots shall be maintained by the DEVELOPER and/or Homeowners' Association.

10) Lights – Street lights shall be as designated on street light layout plan approved by City and submitted to TVEC. Street light design and location shall be subject to City approval.

11) Common Areas and Open Space Lots – All common areas and open space lots inside the PROJECT AREA will be maintained by the DEVELOPER, and/or subsequent property or homeowner's association, as applicable. Responsibility for mowing shall be to the edge of curb, including the parkway area adjacent to all sidewalks and trails.

B. Other.

1. Bench marks to be located as shown on the approved plans.

2. Upon completion, three (3) sets of as-builts/record drawings, Electronic copies in both PDF and DWG format (in a CD or Removable Drive) shall be submitted to the CITY before the acceptance of the public improvements and facilities.

3. Testing

   The DEVELOPER shall provide all geotechnical and materials tests required by the City Engineer and City Inspector at the DEVELOPER'S cost. Such tests shall be conducted by an independent laboratory acceptable to the CITY. All test results must be submitted and approved by the City Engineer prior to the acceptance of the Public Improvements and facilities.

4. Permits

   The DEVELOPER shall pay a Community Facilities inspection fee in the

amount of **Two Hundred Twenty Two Thousand Four Hundred Ninety Seven DOLLARS and Forty One Cents ($222,497.41) (Three percent of the Public Infrastructure Cost)** to cover the cost of the City's work in inspecting the public infrastructure associated with the Project. DEVELOPER has voluntarily provided cost estimates to CITY in an effort to arrive at a fair cost estimate for inspection services provided by CITY for the PROJECT. This fee calculation reflects the minimum actual cost incurred by CITY for inspection services provided to DEVELOPER based upon the nature and scope of the public infrastructure improvements being constructed by DEVELOPER to support the PROJECT. As applicable, DEVELOPER shall be obligated to pay other CITY fees as set forth in the City's Schedule of Fees, as may be amended from time to time. The DEVELOPER shall be responsible for obtaining any other permits which may be required by other federal, state or local authorities.

5. Park Fees.

   For the entire 435-lot Highland Meadows development (including Phase I (the "PROJECT") and Phase II), the DEVELOPER would ordinarily be required to pay park fees estimated to be $647,784.60, but based on the estimated $650,000.00 value of the open space improvements, the DEVELOPER shall receive full credit for the park fees by constructing these open space improvements and making the facilities available to the public in accordance with the terms of the approved First Amended Development Agreement dated March 9, 2023 (the "DEVELOPMENT AGREEMENT"). Therefore, no additional park fees shall be due for Phase I ("the PROJECT") or Phase II.

6. Offsite Public Improvements.

   DEVELOPERS' obligations for the construction of off-site public improvements, including the off-site water and off-site sanitary sewer improvements, are set forth in the DEVELOPMENT AGREEMENT.

III. GENERAL PROVISIONS

A. The DEVELOPER agrees to furnish and maintain at all times prior to the City's final acceptance of the public improvements and community facilities for the Project, an owners protective liability insurance policy naming the CITY as insured for property damage and bodily injury in the following amounts: Coverage shall be on an "occurrence" basis and shall be issued with a combined bodily injury and property damage minimum limit of $600,000 per occurrence and $1,000,000 aggregate.

B. Exclusive venue of any action brought hereunder shall be in Kaufman, Kaufman County, Texas.

C. **Approval by the City Engineer of any plans, designs, or specifications submitted by the DEVELOPER or its Contractor(s) pursuant to this AGREEMENT shall not constitute or be deemed to be a release of the responsibility and liability of the DEVELOPER, its Contractor(s), its engineer, employees, officers, or agents with respect to the construction of any of the PROJECT'S improvements or facilities, or for the accuracy and competency of the PROJECT'S improvements and facilities design and specifications prepared by the DEVELOPER'S, or its Contractor(s), engineers, or its officers, agents, servants or employees, it being the intent of the parties that the approval by the City Engineer signifies the CITY's approval on only the general design concept of the improvements and facilities to be constructed. The DEVELOPER shall release, indemnify, defend and hold harmless the CITY, its officers, agents, and employees, from any demands, actions, causes of action, obligations, loss, damage, liability or expense, including attorneys' fees and expenses, on account of or with respect to damage to property and injuries, including death, to any and all persons which may arise out of or result from any defect, deficiency, or negligence in the construction of the PROJECT'S public improvements and facilities, or with respect to the DEVELOPER'S, or its Contractor's, or its Engineer's designs and specifications incorporated into any improvements and facilities constructed in accordance therewith, and the DEVELOPER shall defend at his own expense any suits or other proceedings brought against the CITY , its officers, agents, servants or employees, or any of them, on account thereof, and pay all expenses and satisfy all judgments which may be incurred or rendered against them or any of them in connection herewith. All responsibility and liability for drainage to adjacent and downstream properties from development of this PROJECT shall accrue to the DEVELOPER.**

D. **Liability for construction. The DEVELOPER, its successors, permittees, permitted assigns, vendors, grantees, and/or trustees do hereby fully release and agree to indemnify, hold harmless and defend the CITY, its officers, agents, servants and employees from all losses, damage liabilities, claims, obligations, penalties, charges, costs, or expenses of any nature whatsoever, for property damage, personal injury, or death, resulting from or in any way connected with this contract or the construction of the improvements or facilities or the failure to safeguard construction work, or any other act or omission of the DEVELOPER or its Contractor(s), their officers, agents, servants or employees related thereto.**

E. Final Acceptance of Infrastructure. The CITY will not issue a Letter of Acceptance until all public facilities and improvements are completely constructed (Final Completion) to the satisfaction of the City Engineer, Director

of Public Works, or such person's respective agent. However, upon Substantial Completion, a "punch list" of outstanding items shall be presented to the Developer's and its Contractor(s) indicating those outstanding items and their deficiencies that need to be addressed for Final Completion of the Improvements.

F. Neither this AGREEMENT nor any part hereof or any interests, rights, or obligations herein, shall be assigned by the DEVELOPER without the express prior written consent of the City Council of the City of Kaufman.

G. All work performed under this AGREEMENT shall be completed within 18 months from the date hereof. In the event the work is not completed within the eighteen (18) month period, the CITY may, at its sole election, draw down or otherwise exercise its rights under or with respect to any Guarantee provided by the DEVELOPER or its Contractor(s) and complete such work at the expense of the DEVELOPER or its Contractor(s); provided, however, that if the construction under this AGREEMENT shall have started within the eighteen (18) month period, the CITY may agree to renew the AGREEMENT with such renewed AGREEMENT to be in writing and in compliance with the CITY policies in effect at that time. Notwithstanding the foregoing, in the event that the performance by either party of any of its' obligations or undertakings hereunder shall be interrupted or delayed by any occurrence and not occasioned by the conduct of either party hereto, whether such occurrence be an act of God or the common enemy, or the result of war, riot, civil commotion, or sovereign conduct, then upon written notice of such occurrence, such party shall be excused from performance for a period of time as is reasonably necessary after such occurrence to remedy the effects thereof, and each party shall bear the cost of any expense it may incur due to the occurrence.

H. This Facilities AGREEMENT shall be construed in accordance with the City of Kaufman, Texas Subdivision Regulations and all other applicable ordinances. Any conflicts between the provisions of this FACILITIES AGREEMENT, the City's Subdivision Regulations, City Ordinances, and State and Federal law, shall be construed in favor of the City's ordinance(s) as allowed by law, subject to Chapter 245 of the Local Government Code. To the extent that any such conflict exists, only that portion of the Facilities AGREEMENT which is in conflict shall be severable from the other provisions of the AGREEMENT, and such conflict shall in no manner affect the validity or enforceability of the remaining provisions.

I. All rights, remedies and privileges permitted or available to the CITY under this AGREEMENT or at law or equity shall be cumulative and not alternative, and election of any such right, remedy, or privilege shall not constitute a waiver or exclusive election of rights, remedies, or privileges with respect to any other permitted or available right, remedy, or privilege. Additionally, one instance of forbearance by the CITY in the enforcement of any such right, remedy or

privilege, shall not constitute a waiver of such right, remedy, or privilege by the CITY. A default under this Agreement by the CITY shall not result in a forfeiture of any rights, remedies, or privileges under this Agreement by the CITY.

SIGNED AND EFFECTIVE on the date last set forth below.

DEVELOPER:
MERITAGE HOMES OF TEXAS LLC,
An Arizona limited liability company

By:

Date: _____

_____
Name: _____
Title: _____
Meritage Homes of Texas, an Arizona limited liability company

CITY OF KAUFMAN, TEXAS

By:

Date: _____

_____
Jeff Jordan, Mayor
City of Kaufman, Texas

ATTEST:

_____
Jessie Hanks, City Secretary
City of Kaufman, Texas

APPROVED AS TO FORM:

_____
Patricia A. Adams, City Attorney
City of Kaufman, Texas

"Attachment A"
Detailed Cost Estimates of Public and Private Improvements and Facilities

GM CONSTRUCTIONTX

Submitted to:

Meritage Homes of TX, LLC
Attn: Steven M. Cook

Submitted by:

Glenn Midkiff
214-629-8035

Project:

Highland Meadows, Phase 1
Kaufman, TX.

Proposal Date:
11/29/2023-**REVISED # 4- 8.8.24**

Plans Dated:
1/12/2024 ON-SITE REVISED 1.16.24
11/01/2023 OFF-SITE REVISED 2.8.24

Bid No.	Description	Bid Quantity	Units	Unit Price	Total
	PAVING IMPROVEMENTS ON-SITE				
1	6" LIME STABILIZED SUBGRADE	38,873	SY	$ 5.00	$ 194,365.00
2	HYDRATED LIME (45 lbs/sy)	875	TN	$ 319.00	$ 279,125.00
3	6" 4000 PSI CONCRETE PAVEMENT(#3(	36,517	SY	$ 45.75	$ 1,670,652.75
4	4" X 5' CONCRETE SIDEWALK	6261	SF	$ 7.55	$ 47,270.55
5	4" X 10' PEDESTRAIN TRIAL	6865	SF	$ 7.55	$ 51,830.75
6	4" X 6' PEDESTRAIN TRIAL	6010	SF	$ 7.55	$ 45,375.50
7	STEEL PLATE FOR FLUME	1	EA	$ 2,225.00	$ 2,225.00
8	CONCRETE HEADER	2	EA	$ 450.00	$ 900.00
9	BFR - (CORNER PARALLEL)	30	EA	$ 2,160.00	$ 64,800.00
10	BFR - (STREET PARALLEL)	16	EA	$ 3,040.00	$ 48,640.00
11	BFR - (CORNER LANDSCAPE)	10	EA	$ 3,700.00	$ 37,000.00
12	END OF ROAD GUARDRAIL ON TIMBER	3	EA	$ 3,930.00	$ 11,790.00
13	~~PERFORMANCE BOND~~	~~1~~	~~LS~~	~~$ 12,200.00~~	~~$ 12,200.00~~
14	~~PAYMENT BOND~~	~~1~~	~~LS~~	~~$ 12,200.00~~	~~$ 12,200.00~~
15	~~MAINTENANCE BOND-TWO YR 100%~~	~~1~~	~~LS~~	~~$ 6,600.00~~	~~$ 6,600.00~~
	SUBTOTAL ON-SITE AMOUNT				**$ 2,484,974.55**
	PAVING IMPROVMENTS OFF-SITE				
1	6" LIME STABILIZED SUBGRADE	2581	SY	$ 5.00	$ 12,905.00
2	8" LIME STABILIZED SUBGRADE	3340	SY	$ 5.50	$ 18,370.00
3	HYDRATED LIME (60 lbs/sy)	100	TN	$ 319.00	$ 31,900.00
4	8" 4000 PSI CONCRETE PAVEMENT(#3(	3195	SY	$ 55.30	$ 176,683.50
5	REM EDGE OF ASPHALT - SAW CUT	1203	LF	$ 13.50	$ 16,240.50
6	2" SP -C SAC B PG70-22	251	TN	$ 216.00	$ 54,216.00
7	4" SUPERPAVE MIXTURE SP-B PG 64	562	TN	$ 166.00	$ 93,292.00

(CONTINUE PAGE 2)

(see page two for inclusions/exclusions)

www.gmconstructiontx.com
214-629-8035 - gmidkiff@gmconstructiontx.com
PO Box 851, Prosper, TX 75078

"Attachment A"
Detailed Cost Estimates of Public and Private Improvements and Facilities

GM CONSTRUCTION TX

Submitted to:

Meritage Homes of TX, LLC
Attn: Steven M. Cook

Submitted by:

Glenn Midkiff
214-629-8035

Project:

Highland Meadows, Phase 1
Kaufman, TX.

Proposal Date:
11/29/2023-REVISED #4- 8.8.24

Plans Dated:
1/12/2024 ON-SITE REVISED 1.16.24

Bid No.	Description	Bid Quantity	Units	Unit Price	Total
	PAVING IMPROV OFF-SITE CONT.				
8	12" FLEX BASE	2581	SY	$ 44.10	$ 113,822.10
9	ASPHALT TACK COAT (.1 GAL/SY)	199	GAL	$ 14.40	$ 2,865.60
10	ASPHALT PRIME COAT (.35 GAL/SY)	715	GAL	$ 7.45	$ 5,326.75
10.5	6" FLEX BASE DRIVEWAY EXIST HOUSE	130	SY	$ 40.00	$ 5,200.00
11	6' X 4" CONCRETE SIDEWALK	3697	SF	$ 7.55	$ 27,912.35
12	RIGHT TURN ONLY SIGN R3-5R	3	EA	$ 900.00	$ 2,700.00
13	STOP SIGN ((R1-1)	2	EA	$ 900.00	$ 1,800.00
14	BFR (CORNER PARALLEL)	2	EA	$ 2,160.00	$ 4,320.00
15	BFR (STREET PARALLEL)	1	EA	$ 3,040.00	$ 3,040.00
16	PAINT - 4" WIDE, SOLID, REFL TY I	1872	LF	$ 1.85	$ 3,463.20
17	PAINT-TY I-4200 REFL TURN MARK	3	EA	$ 300.00	$ 900.00
18	NON-REFL TRAFFIC BUTTONS	31	EA	$ 5.50	$ 170.50
19	PAINT - STOP BAR	2	EA	$ 330.00	$ 660.00
15	TRAFFIC CONTROL	1	EA	$ 14,400.00	$ 14,400.00
~~14~~	~~PERFORMANCE BOND~~	~~1~~	~~LS~~	~~$ 4,000.00~~	~~$ 4,000.00~~
~~15~~	~~PAYMENT BOND~~	~~1~~	~~LS~~	~~$ 4,000.00~~	~~$ 4,000.00~~
	~~MAINTENANCE BOND-TWO YR 100%~~	~~1~~	~~LS~~	~~$ 1,800.00~~	~~$ 1,800.00~~
	SUBTOTAL OFF-SITE AMOUNT				**$ 599,987.50**
	SIGN SUMMARY				
1	STREET LUMINAIRE	30	EA		NO BID
2	SIGN - STOP	1	EA	$ 490.00	$ 490.00
3	SIGN - STREET	3	EA	$ 580.00	$ 1,740.00
4	SIGN - STOP & STREET	22	EA	$ 580.00	$ 12,760.00
	SUBTOTAL - SIGNS				$ 14,990.00
	TOTAL AMOUNT BID				**$ 3,099,952.00**

NOTES:

QUANTITIES HAVE DISCREPANCIES FOR SIDEWALKS & TRAIL: COULD NOT MATCH ENGINEER QTY

GM EXCLUDES REMOVAL ITEMS ALONG TXDOT ROW,
***RUMBLE STRIPS, ENGINEER COULD NOT CLARIFY IF NEEDED, ALTERNATE IF NEEDED $ 17,795.00

OFF-SITE PRICES EXCLUDE CLEARING ROW, EXCVATION/FILL FOR THE TURN LANE & BAR DITCH.
(see proposal page for inclusions/exclusions)

www.gmconstructiontx.com
214-629-8035 - gmidkiff@gmconstructiontx.com
PO Box 851, Prosper, TX 75078

Paving Hard Cost total (minus bonding):
$3,059,152

"Attachment A"
Detailed Cost Estimates of Public and Private Improvements and Facilities

DATE : November 27, 2023

210 S. Sixth Street
Mansfield, Texas 76063
(817)-477-1414
(817) -473-6077 fax

TO : **Meritage Homes**
8840 Cypress Waters Blvd
Suite 100
Coppell, TX 76092

Project : **Highland Meadows Ph. 1**
Specs : Kaufman
Engineer: Manhard Consulting
Scope : *Installation of Water, Sanitary Sewer & Storm Drain*

As Bid

Line Item	Description	Unit	Quantity	Unit Price	Extended Price
WATER					
1	8" PVC (DR-18)(Include Fittings)(B3 EMBEDMENT)	LF	10,005.	53.98	540,069.90
2	8" Gate Valve & Box	EA	45.	2,479.16	111,562.20
3	8" Plug & Cap	EA	2.	1,000.00	2,000.00
4	Fire Hydrant Assembly (Include Valves & All Detail Items)	EA	15.	6,370.82	95,562.30
5	Auto Flushing Assembly	EA	2.	8,268.58	16,537.16
6	1" Water Service (Short), Including Meter Box (Residential)	EA	227.	727.69	165,185.63
7	4" Water Service, Valve (Excludes Meter Vault)	EA	1.	3,916.13	3,916.13
8	8" Fire Service (Stub to Prop. Line Only)	EA	2.	1,500.00	3,000.00
9	Irrigation Service	EA	5.	938.40	4,692.00
10	Irrigation Sleeving (35' EA: 2-6" Sch 40 PVC, 1-4" Sch 40 PVC)	EA	41.	78.68	3,225.88
11	Water/Sanitary Sewer Crossing	EA	19.	250.00	4,750.00
12	12" x 8" Tapping Sleeve and Valve	EA	1.	4,930.29	4,930.29
13	Trench Safety	LF	10,005.	0.25	2,501.25
14	Pressure Test & Disinfection	LF	10,005.	2.00	20,010.00
		SUB-TOTAL:	***WATER***		**$ 977,942.74**
WATER OFFSITE					
18	12" PVC (DR-18)(Includes Fittings)(B3 EMBEDMENT)	LF	605.	87.58	52,985.90
19	12" Gate Valve & Box	EA	4.	4,100.66	16,402.64
20	12" Blow Off Valve	EA	1.	3,782.83	3,782.83
21	Fire Hydrant Assembly (Includes Valves & All Detail Items)	EA	1.	6,570.82	6,570.82
22	Auto Flushing Assembly	EA	1.	8,268.58	8,268.58
23	12" Cut in Tee and Valve	EA	1.	4,500.00	4,500.00
24	Trench Safety	LF	605.	0.25	151.25
25	Pressure Test & Disinfection	LF	605.	2.00	1,210.00
		SUB-TOTAL:	***OFFSITE WATER***		**$ 93,872.02**

"Attachment A"
Detailed Cost Estimates of Public and Private Improvements and Facilities

SEWER

1	8" PVC (SDR 35)(B EMBEDMENT)	LF	3,944.	54.50	214,948.00
2	10" PVC (SDR 35)(B EMBEDMENT)	LF	310.	63.00	19,530.00
3	8" PVC (SDR 26)(B EMBEDMENT)	LF	2,972.	65.00	193,180.00
4	10" PVC (SDR 26)(B EMBEDMENT)	LF	1,146.	70.50	80,793.00
5	Sanitary Sewer Concrete Encasement - 12"	LF	80.	60.00	4,800.00
6	Sanitary Service Lead - 4" (Includes Double Cleanout)	EA	210.	1,101.42	231,298.20
7	Sanitary Service Lead - 4" (Connect to Future Existing Main)	EA	16.	1,962.95	31,407.20
8	Sanitary Service - Lead 8"	EA	1.	1,464.59	1,464.59
9	Standard Manhole - 4' (All Depths)(NO INTERNAL OR EXTERNAL COATING)	EA	20.	5,731.03	114,620.60
10	Standard Manhole - 5' (All Depths)(NO INTERNAL OR EXTERNAL COATING)	EA	14.	9,061.03	126,854.42
11	Internal Drop Manhole - 5' Diameter (NO INTERNAL OR EXTERNAL COATING)	EA	1.	10,447.53	10,447.53
12	Connection to Existing Sanitary Sewer	EA	7.	800.00	5,600.00
13	Manhole RIM Adjustment on Existing Sanitary Sewer Manhole	EA	5.	1,300.00	6,500.00
14	Trench Safety	LF	8,371.	0.25	2,092.75
15	Testing - Pressure, Vacuum, & Mandrel	LF	8,371.	1.03	8,622.13
		SUB-TOTAL:	***SEWER***	**$**	**1,052,158.42**

STORM DRAIN

1	18" RCP (CLASS III)(B EMBEDMENT)	LF	846.	78.98	66,817.08
2	21" RCP (CLASS III)(B EMBEDMENT)	LF	881.	83.53	73,589.93
3	24" RCP (CLASS III)(B EMBEDMENT)	LF	152.	94.72	14,397.44
4	27" RCP (CLASS III)(B EMBEDMENT)	LF	143.	108.78	15,555.54
5	30" RCP (CLASS III)(B EMBEDMENT)	LF	513.	115.04	59,015.52
6	36" RCP (CLASS III)(B EMBEDMENT)	LF	1,079.	143.74	155,095.46
7	42" RCP (CLASS III)(B EMBEDMENT)	LF	160.	179.52	28,723.20
8	48" RCP (CLASS III)(B EMBEDMENT)	LF	1,346.	209.36	281,798.56
9	54" RCP (CLASS III)(B EMBEDMENT)	LF	1,269.	262.23	332,769.87
10	60" RCP (CLASS III)(B EMBEDMENT)	LF	454.	304.16	138,088.64
11	RCB - 5' x 3' (B EMBEDMENT)	LF	425.	348.58	148,146.50
12	RCB - 5' x 4' (B EMBEDMENT)	LF	384.	374.20	143,692.80
13	RCB - 6' x 3' (B EMBEDMENT)	LF	138.	418.46	57,747.48
14	Junction Box - 4' x 4'	EA	3.	5,995.00	17,985.00
15	Junction Box - 5' x 5'	EA	4.	6,995.00	27,980.00
16	Junction Box - 6' x 6'	EA	9.	8,995.00	80,955.00
17	Junction Box - 7' x 7'	EA	3.	10,950.00	32,850.00
18	Curb Inlet - 10'	EA	39.	6,700.00	261,300.00
19	Curb Inlet - 15'	EA	1.	8,400.00	8,400.00
20	Wye Inlet - 4' x 4'	EA	1.	5,000.00	5,000.00
21	Wye Inlet - 5' x 5'	EA	2.	5,500.00	11,000.00
22	4" Thick 10' Pilot Channel	SF	1,733.	17.00	29,461.00
23	4" Thick 6' Wide Concrete Flume	SF	747.	17.00	12,699.00
24	TxDOT SETP-CD Headwall (6' x 3')	EA	1.	13,500.00	13,500.00
25	TxDOT SETP-CD Dual Headwall (5' x 4' & 6' x 3')	EA	1.	26,500.00	26,500.00
26	6" Rip Rap	SF	642.	15.00	9,630.00
27	Trench Safety	LF	7,790.	0.25	1,947.50
28	Pipe Size Change	EA	5.	1,500.00	7,500.00
		SUB-TOTAL:	***STORM DRAIN***	**$**	**2,062,145.52**

"Attachment A"

Detailed Cost Estimates of Public and Private Improvements and Facilities

OFFSITE STORM SEWER

1	2 - 36" RCP (Class III)(B EMBEDMENT)	LF	90.	253.48	22,813.20
2	42" RCP (Class III)(B EMBEDMENT)	LF	18.	183.88	3,309.84
3	2 - 48" RCP (Class III)(B EMBEDMENT)	LF	74.	388.44	28,744.56
4	RCB - 7' x 2'	LF	16.	474.53	7,592.48
5	TxDOT Concrete Wingwall FW-S Headwall (7' x 2')	EA	1.	9,800.00	9,800.00
6	TxDOT PSET-SC Headwall (42")	EA	2.	9,900.00	19,800.00
7	TxDOT PSET-CD Headwall (36")	EA	4.	9,400.00	37,600.00
8	TxDOT PSET-CD Headwall (48")	EA	4.	10,400.00	41,600.00
9	Trench Safety	LF	198.	0.25	49.50
		SUB-TOTAL:	***OFFSITE STORM SEW***	**$**	**171,309.58**

	ALTERNATE STORM ITEMS				
1	18" HP Storm	LF	846.	90.00	76,140.00
2	24" HP Storm (21" Upsized)	LF	994.	110.50	109,837.00
3	30" HP Storm (27" Upsized)	LF	656.	134.50	88,232.00
4	36" HP Storm	LF	1,079.	153.50	165,626.50
5	42" HP Storm	LF	160.	160.00	25,600.00
6	48" HP Storm	LF	1,346.	198.00	266,508.00
7	60" HP Storm (54" Upsized)	LF	1,723.	273.00	470,379.00
		SUB-TOTAL:	***ALTERNATE STORM I***	**$**	**1,202,322.50**

MISCELLANEOUS

	~~Payment & Performance Bond w/ 2 Year 100% Maintenance Included~~	~~LS~~	~~1~~	~~$55,932.00~~	~~$55,932.00~~
		SUB-TOTAL:	***MISCELLANEOUS***	**$**	**55,932.00**

TOTALS:	***WATER***	**$ 977,942.74**
	OFFSITE WATER	**$ 93,872.02**
	SEWER	**$ 1,052,158.42**
	STORM DRAIN	**$ 2,062,145.52**
	OFFSITE STORM SEWER	**$ 171,309.58**
	ALTERNATE STORM ITEMS	**$ 1,202,322.50**
	MISCELLANEOUS	**$ 55,932.00**

TOTAL UTILITY IMPROVEMENTS	**$ 4,413,360.28**

TIME:

80 Working days will be required for substantial completion. Substantial completion defined as all lines tested, backfilled, and awaiting paving stakes.

25 Working days will be required for city acceptance.

Utilities Hard Cost total (minus bonding):
$4,357,428.28

"Attachment A"
Detailed Cost Estimates of Public and Private Improvements and Facilities

BID QUALIFICATIONS:

- ***These prices are firm for a period not to exceed 30 days, unless the project has been awarded to contractor prior to 30 days after the proposal has been submitted in which case the prices can be extended beyond 30 days as market conditions will allow.***
- ***Pricing based on a mutually agreeable start date.***
- ***Utility spoils to be moved from streets and piled on lots adjacent from where it was excavated. Hauling of utility spoils is NOT included in the utility installation pricing.***
- Contract pricing includes all costs associated for two mobilizations (one for substantial completion & another for final completion post paving), additional costs will apply if three or more mobilizations are required.
- The owner / developer shall be considered the operator for the purposes of the TCEQ Storm Water Pollution Prevention Plan.
- All inspection fees, city / TxDot permits, staking and geotechnical testing to include density & concrete to be provided by the developer with a lab of their choosing.
- **Grade verification of Connection points will be done at time of Project Mobilization. For bidding purposes, it is assumed that existing grades of all connection points are accurate per engineering plans / as builts. If existing lines are not found in location as shown on plans, additional costs will be required to cover time, methods and expenses in locating lines.**
- The clearing, excavation and grade to drains for all utilities and outfall structures (both onsite & offsite) to be done by the excavation contractor.
- If a Geotechnical Report was not provided at time of bid, additional charges may be required should rock be encountered which is not able to be dug using a traditional excavator and requires a hydro-hammer and/or trencher for excavation.
- Backfill is native, nonprocessed material (except for adding moisture as needed for compaction) and will be returned to approximately the same location from which it is removed.
- Seeding, sodding or hydro mulching of disturbed areas shall be provided by the developer as needed for city acceptance. NO installation or removal of erosion control included other than stage 1 inlet protection.
- It is assumed that water testing will be done by the traditional method by adding a valve to an existing connection point and testing against that valve. No additional backflow preventers and/or bypasses are included in the proposal.
- Geotechnical testing (density & concrete) is NOT included.
- Sewer T.V. Testing does NOT include Retesting AFTER Franchise installation or at the end of the maintenance period.
- T.V. Test of Storm Lines is NOT included.
- Vacuum cleaning of storm drain lines after paving (if required) is NOT included.
- Excludes stone facia / veneer or form liner or colored or stained concrete on all structures.
- Installation or removal of erosion control devices is NOT Included (other than stage 1 inlet protection).

CONTRACT TERMS:

- Final contract quantities to be determined using city approved construction plans.
- This proposal, including all qualifications, shall be included as part of the contract, and the terms will supersede any conflicting language in the contract.
- Monthly pay estimates will be submitted by the 25th of each month. Payment of monthly invoices are to be received no later than the 15th of the following month.
- Should payment be more than 30 days past due, owner shall pay fifteen (15) percent interest per annum in addition to the sum of the past due invoice.
- If work is stopped for issues that are beyond the contractors control for a period of more than 14 days, an invoice for all money due including retainage will be sent and be due within 30 days of receipt.

Meeting Date: 9/30/2024	Date: 09/05/2024	Item #: 17.	Dept.: Development Services

Action Item

SUBJECT:

Consider and take appropriate action on the **Professional Services Agreement** between the City and Hiller Health Inspection, LLC for **Food Health Inspection and Plan Review Services** and to authorize the Mayor or designee to execute the agreement.

BACKGROUND:

The City has contracted with Tony Hiller for food health inspection services since 2001. The City's current contract for food health inspection services with Mr. Hiller was approved in 2019. In advance of requested fee increases, the City requested bids for food health inspection services from multiple service providers. Out of the five bids received, City Staff found that the one submitted by Hiller Health Inspection, LLC best meets the needs of the City, based on the combination of competitive fees, the full range of services offered, and Mr. Hiller's credentials and experience in health inspections and code enforcement. To that end, City staff and Mr. Hiller prepared a new professional services agreement for food health inspection and plan review services that, subject to approval, would be in effect through 2026, with two 2-year automatic renewal periods that would extend the agreement through 2030. The new agreement includes additional detail to provide clarity regarding service and process expectations, as well as the following revised fee schedule:

- Routine inspection of a food establishment or mobile food unit, with each store department, kitchen, bar, etc. counting as a separate inspection: $70 (current); $100 (proposed)
- Follow-up inspection of a violation (w/ documentation): $35 (current); $50 (proposed)
- Pre-operational inspection of a new establishment prior to opening, with each storage department, kitchen, bar, etc. counting as a separate inspection: $70 (current); $100 (proposed)
- Follow-up pre-operational inspection: $100 (proposed)
- Plans examination review (w written review comments and/or markup) of a new or remodeled food establishment: $70 (current); $100 (proposed)
- Complaint investigation (w/documentation): $35 (current); $70 (proposed)
- Inspection of a temporary food establishment (vendor) at a special event: $35 (current); $70 (proposed)
- Instructional fee for food handler classes (per class): $150 (remaining the same)
- Consultations, reports, or presentations to Staff or City Council: No fee (remaining the same)

City staff has recommended adjustments to the food permit fee schedule to cover these fee adjustments.

Author:	Reviewed:
Andrew Bogda, Director of Development Services	Mike Holder, City Manager

Cost:	**Funds Available:**	**Source:**

Recommendation: Staff recommends approval of the professional services agreement for food health inspection and plan review services between the City and Hiller Health Inspection, LLC.

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
■	■	□	■	■

FOOD HEALTH INSPECTION & PLAN REVIEW SERVICES
PROFESSIONAL SERVICES AGREEMENT

This PROFESSIONAL SERVICES AGREEMENT (the "Agreement") is entered into on the ___ day of _____, 2024 (the "Effective Date") between the City of Kaufman, Texas (hereinafter referred to as the "City") and Hiller Health Inspection, LLC**,** a Texas limited liability company (hereinafter referred to as the "Contractor") (each entity individually referred to as a "Party" and collectively as the "Parties"), for food health inspection and plan review services for the City of Kaufman, Texas.

I. EFFECTIVE DATE

The Effective Date shall be the date the final Party has executed the Agreement.

II. SERVICES

Contractor shall perform the services set forth in **Exhibit A, "Food Establishment Inspection and Plan Review Scope of Services"**, a copy of which is attached hereto and incorporated herein for all purposes (hereinafter referred to as the "Services").

III. COMPENSATION AND REIMBURSEMENT

A. City shall reimburse Contractor for all Services rendered and invoiced based on the fee schedule set forth in **Exhibit B, "Fee Schedule"**, a copy of which is attached hereto and incorporated herein for all purposes (hereinafter referred to as the "Fee Schedule").

B. Contractor shall submit invoices as Services are performed in accordance with current City policies and procedures. The City shall then pay the Contractor the total amount of the statement which is validly due within thirty (30) days of receipt. All payments made under this Agreement shall be made from currently available funds.

C. In the event the City should request additional services not set forth in Exhibit A, Contractor and City shall agree on the terms of providing those services and the compensation for those services prior to performance by the Contractor. Under no circumstances shall Contractor perform additional services not specified under this Agreement without prior written authorization by the City.

D. City shall make every reasonable effort to budget the appropriate anticipated funding needed to provide the Services and to reimburse the Contractor accordingly. In the event the City does not have available funding, City reserves the right to temporarily suspend the Services, either wholly or individually. In the event of this, the City shall notify the Contractor in writing regarding the temporary suspension of Services, the details and terms related to the temporary suspension, and shall notify the Contractor when Services can resume.

IV. TERMS

A. This Agreement shall commence on the Effective Date and shall continue in effect until September 30, 2026 (the "Initial Term") unless terminated earlier as provided herein.

B. Upon expiration of the Initial Term, this Agreement shall automatically renew for two (2) additional terms of two (2) years each, until September 30, 2030 ("Renewal Term"), unless either Party provides the other Party written notice of intent to terminate this Agreement within ninety (90 days) prior to the expiration of the then-current term, whether Initial Term or Renewal Term.

C. Notwithstanding the foregoing, this Agreement may be terminated at any time by either Party giving ninety (90) days written notice of its intent to terminate this Agreement to the other Party.

V. USE OF AGENTS OR ASSISTANTS

To the extent reasonably necessary for Contractor to provide the Services, Contractor shall be authorized to engage the services of any agents or assistants which Contractor may deem property, and they may further employ, engage, or retain the services of such other persons or corporations to aid or assist them in the proper performance of their duties. The cost of the services of such agents or assistants shall be solely borne by the Contractor.

VI. ASSISTANCE BY AND COORDINATION WITH CITY STAFF

A. City will provide Contractor the assistance of the Development Services Department staff in providing clarification and direction in carrying out the Services, coordination in conducting plan reviews and inspections, processing and recording the City's copies of inspection reports, processing invoices for payment by the Finance Department, and communicating regarding any changes in policies and procedures.

B. City will provide Contractor the assistance of the Fire Department, as authorized by the City Manager, in the coordination of providing access to an establishment to provide Services after an establishment has been damaged by fire.

C. City will provide Contractor the assistance of the Police Department, as authorized by the City Manager, in the enforcement of actions taken by the Contractor (such as a food establishment business being ordered to shut down operations).

D. As requested by the City, Contractor shall meet with City staff, provide updates or reports to City staff, or provide updates or reports to the City Council.

VI. EQUIPMENT

A. Contractor shall furnish their own transportation (including fuel, service, and all other related expenses), inspection tools, operating equipment, office supplies, and other items necessary to perform the Services.

B. Contractor may make use of shared City copy/scanner machine, paper, paper shredder, shared workspace (as available), Development Services file systems (as needed and in coordination with Development Services staff), and other common shared office supplies as authorized by City staff while at City Hall.

C. City shall provide Contractor with a badge or other means of identification that identifies the Contractor as authorized to conduct food health inspection services for the City. Contractor shall use/wear this identification while performing Services hereunder.

D. City may provide Contractor with a keycard for entering City Hall to meet with City staff and perform some of their Services, such as conducting plan reviews, recording inspection results, and preparing and issuing invoices.

VII. USAGE OF ONLINE PERMITTING AND INSPECTIONS SYSTEM

Subject to City policies and procedures, City may provide Contractor with credentials for its online permitting and inspections system for Contractor to enter and record plan review comments and inspection results. With agreement of the Contractor, City reserves the right to amend policies for entering and recording plan review comments and inspection results and City shall provide Contractor with the appropriate direction, clarification, and training for doing so.

VIII. DEVOTION OF TIME

Contractor shall devote such time to the performance of the Services under this Agreement as is reasonably necessary for a satisfactory performance of the Services under this Agreement.

IX. INDEPENDENT CONTRACTOR STATUS AND DIRECTION OF WORK

A. Contractor shall perform all Services as an independent contractor and shall not be considered an employee of the City for any purpose whatsoever, including, but not limited to, entitlement to City employee benefits. Contractor hereby expressly waives any claim or entitlement to such benefits.

B. City will not withhold taxes from payments to Contractor for Services provided unless as directed by law. Contractor shall be responsible for payment of all taxes and assessments of any nature arising from the performance of the Services under this Agreement. Payment of taxes and assessments shall be the sole responsibility of the Contractor.

C. In the execution of Services under this Agreement, Contractor shall generally report to the Director of Development Services or their designee. Contractor may appeal a decision of the Director of Development Services to the Assistant City Manager and/or City Manager, whose decision shall be final.

X. CERTIFICATION

At all times for the duration of this Agreement, Contractor shall maintain their credentials as a Registered Professional Sanitarian by the Texas Department of Licensing and Regulation and/or as a Registered Environmental Health Specialist/Sanitarian or Food Safety Professional through the National Environmental Health Association, as required by City and/or by State law. Contractor shall furnish to City copies of their active credentials as obtained and/or renewed. Contractor shall be solely responsible for all costs in obtaining and maintaining their credentials.

XI. INSURANCE

Within ten (10) business days of the Effective Date of this Agreement, Contractor shall provide City with written documentation evidencing automobile and general liability insurance providing coverage for Contractor. Any updates or changes to Contractor's insurance coverages or policies shall be documented with the City within ten (10) business days of such updates. Contractor's insurance coverages shall comply with the City's standard insurance coverage requirements and policies as currently in effect and as may be amended. City shall be named as an additional insured on Contractor's insurance policies and Contractor's coverage under such insurance policies shall be primary.

XII. INDEMNIFICATION

A. To the extent allowed by law, City agrees to indemnify, defend, release and hold harmless the Contractor, including its officers, employees, agents, representatives, insurers, and attorneys for any and all claims for damages, personal injury and/or death that may be asserted against the Contractor arising from or related to the negligence or misconduct, in whole or in part, of City in City's performance hereunder.

B. To the extent allowed by law, Contractor agrees to indemnify, defend, release and hold harmless the City, including its officials, officers, employees, agents, assistants, representatives, insurers, and attorneys for any and all claims for damages, personal injury and/or death that may be asserted against the City arising from or related to the negligence or misconduct, whether in whole or in part, of Contractor in Contractor's performance hereunder.

C. The foregoing notwithstanding, the Parties hereto reserve the right to all available legal defenses and all protections, immunities, and limitation of liability provided by the Texas Tort Claims Act, the Texas and United States Constitutions, common law, or otherwise relative to these Parties. The provisions of this indemnification are solely for the benefit of the Parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity.

XIII. FORCE MAJEURE

A delay in, or failure of, performance of either Party hereto shall not constitute a default hereunder or give rise to any claim for damage if and to the extent such delay or failure is caused by (an) occurrence(s) beyond the reasonable control of the Party affected, including, but not limited to, act(s) of God, or the public enemy, expropriation or confiscation of facilities or compliance with any order or request of governmental authority or person(s) purporting to act therefore affecting to a degree not presently existing the supply, availability, or use of engineering personnel or equipment, act(s) of war, public disorder(s), insurrection(s), rebellion(s), or sabotage, flood(s), riot(s), strike(s), or any cause(s), whether or not of the class or kind of those specifically named above, not within the reasonable control of the Party affected, and which, by the exercise of reasonable diligence, said Party is unable to prevent. A Party who is prevented from performing for any reason shall immediately notify the other Party in writing of the cause of such non-performance and the anticipated extent of the delay.

XIV. ENTIRE AGREEMENT

This Agreement supersedes any and all other agreements, either oral or in writing, between the Parties hereto with respect to the subject matter hereof, and no other agreement shall be valid or binding.

XV. NOTICES

All notices shall be in writing and sent to the following addresses:

To City: City of Kaufman, Texas
Attn: Development Services Director
209 S. Washington St.
Kaufman, TX 75142

To Contractor: Hiller Health Inspection, LLC
Attn: Tony Hiller
553 Crystal Springs Dr.
Fort Worth, TX 76108

XVI. ASSIGNMENT

Neither this Agreement, the Services, nor any rights or obligations hereunder shall be assignable by the Contractor without the prior written consent of the City. In the event of an assignment by the Contractor to which the City has consented, the assignee or their legal representative shall agree in writing with the City to personally assume, perform, and be bound by the covenants, obligations, and agreements contained herein.

XVII. SUCCESSORS AND ASSIGNS

Subject to the provision regarding assignment, this Agreement shall be binding

upon the heirs, executors, administrators, legal representatives, successor, and assigns of the respective parties.

XVIII. ATTORNEY'S FEE

If any action of law or inequity is brought to enforce or interpret the provision of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees in addition to any other relief to which the Party may be entitled.

XIX. GOVERNING LAW

The validity of this Agreement and of any of its terms or provisions, as well as the rights and duties of the Parties hereunder, shall be governed by the laws of the State of Texas and exclusive venue shall lie in Kaufman County, Texas.

XX. AMENDMENT

This Agreement may be amended by the mutual agreement of the Parties hereto in writing to be attached to and incorporated into this Agreement.

XXI. SEVERABILITY

In case any one or more of the provisions contained in this Agreement shall be held to be invalid, illegal, or unenforceable in any respect under any applicable statute, court decision, or rule of law, such invalidity, illegality, or unenforceability shall be deemed omitted and shall not affect any other provision thereof, and the remainder of this Agreement shall be valid and enforceable to the maximum extent possible and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

SIGNED AND EFFECTIVE on the date last set forth below.

CONTRACTOR:
Hiller Health Inspection, LLC
a Texas limited liability company

By: Anthony S. Hiller
Its: _____

Date: _____ _____

CITY OF KAUFMAN, TEXAS

Date: _____ _____
Jeff Jordan, Mayor
City of Kaufman, Texas

ATTEST:

_____
Jessie Hanks, City Secretary
City of Kaufman, Texas

APPROVED AS TO FORM:

_____
Patricia A. Adams, City Attorney
City of Kaufman, Texas

"Exhibit A"
Food Establishment Inspection and Plan Review Scope of Services

1. Contractor will be responsible for providing the following Services for the City:
    a. Bi-annual (two times per calendar year) routine inspections of all food establishments and mobile food units permitted through the City, with each store department, kitchen, bar, etc. counting as a separate inspection in accordance with the City's current permitting policies.
    b. Inspections of all temporary food establishments (vendors) registered with City at City-sponsored special events.
    c. Follow-up inspections of violations (with documentation).
    d. Timely on-site investigations (preferably within 24 hours and no later than 48 hours) of all complaints received regarding businesses or institutions selling or serving food in the City.
    e. Plan reviews for all new or remodeled businesses selling food in the City.
    f. Pre-operational inspections and follow-up inspections (as needed) for all new or remodeled businesses selling food in the City.
    g. Food handler classes to individuals or businesses requesting them.

2. Contractor shall comply with the following policies related to inspections:
    a. Routine inspections are encouraged to be randomly staggered and spread throughout the year, as needed, to complete the Services stated within this Agreement.
    b. Routine inspections shall be conducted Monday – Saturday between the hours of 7:00am – 6:00pm Non-routine inspections may be conducted at any time.
    c. Inspections of temporary food vendors at City-sponsored special events shall be conducted by the Contractor during the time of the event and/or coordinated in advance of the event as approved by the Director of Development Services or their designee. City shall provide Contractor with as much advance notice as possible regarding the dates and times of special events.
    d. Complaint investigations shall be conducted as soon as practicable once received by the Contractor either directly or from City staff. Investigations shall be made within 24 hours and no later than 48 hours. Contractor shall keep the Director of Development Services or their designee notified of complaints the Contractor has received directly. Contractor shall keep the Director of Development Services or their designee promptly notified regarding the results of each complaint investigation.
    e. Contractor shall keep the Director of Development Services or their designee informed each day that inspections are being conducted.
    f. Inspections shall be conducted in a friendly and professional manner, carrying out the City's "Business Friendly" priority.
    g. Each establishment will receive a quality inspection and will include the technical report and exit interview with the business operator, manager, or

other person in charge. Contractor is solely responsible for how inspections are conducted.

h. Contractor shall upload each inspection report and record the inspection results into the City's online permitting system and/or leave original copies of the inspection report and results with City staff to upload and enter into the system, as directed by City staff in accordance with current City policy. City staff shall provide Contractor with login credentials for the system and train Contractor on usage of the system as necessary.
i. Contractor shall issue violations, citations, and orders for businesses to shut down, as may be necessary, to protect public health and safety and to ensure the City's priority of "Safe & Secure". Such actions shall be taken in a firm yet professional manner. Contractor may reach out to the Code Enforcement Officer and/or Police Department for assistance in enforcement of actions, as authorized by the City Manager.
j. Contractor shall work with the City's Building Official and Fire Department in the coordination of inspections of businesses seeking to re-open after a fire or other disaster.
k. Inspections shall be conducted on-site, in-person. Virtual inspections may only be conducted on a case-by-case basis under special circumstances with prior written approval by the Director of Development Services.
l. Contractor shall provide inspection services in English and/or Spanish, as requested by the establishment's business operator.

3. City and Contractor shall comply with the following policies related to plan reviews:
   a. City staff shall inform the Contractor when plan reviews are needed for a new or remodeled food establishment. Upon receipt of this notice, Contractor shall provide plan review comments in the form of typed comments entered into the City's online permitting system, a written memo provided to City staff, and/or a plan markup provided to City staff.
   b. As requested by City staff, Contractor shall collaborate with other plan reviewers to discuss the plans and the various requirements, either in-person, via phone, via email, or via virtual meeting.

4. City staff will be responsible for the collection of permit fees, the issuance of food permits, and contractor/business registration. City staff will notify Contractor of new or remodeled businesses that require pre-operational inspections, pre-operational plan reviews, and routine inspections going forward.

5. Contractor shall issue invoices to the City as Services are performed in accordance with current City policy. City shall fully reimburse Contractor within 30 days of receipt of all valid invoices.

6. Contractor shall be responsible for furnishing their own transportation (including fuel, service, and all other related expenses), inspection tools, operating equipment, office supplies, and other items necessary to perform the Services. Contractor may make use of shared City copy/scanner machine, paper, paper shredder, shared workspace (as available), Development Services file systems (as needed and in coordination with Development Services staff), and other common shared office supplies as authorized by City staff while at City Hall. City may provide Contractor with a keycard for entering City Hall to meet with City staff and perform some of their Services, such as conducting plan reviews, recording inspection results, and preparing and issuing invoices.

7. City shall provide Contractor with a badge or other means of identification that identifies the Contractor as authorized to conduct food health inspection services for the City. Contractor shall use/wear this identification while performing Services hereunder. Contractor is authorized by City ordinance to enforce the **Texas Food Establishment Rules**.

8. At all times during the duration of this Agreement, Contractor shall maintain their credentials as a Registered Professional Sanitarian by the Texas Department of Licensing and Regulation and/or as a Registered Environmental Health Specialist/Sanitarian or Food Safety Professional through the National Environmental Health Association, as required by City and/or by State law. Contractor shall furnish to City copies of their active credentials as obtained and/or renewed. Contractor shall be solely responsible for all costs in obtaining and maintaining their credentials.

9. As often as requested, Contractor shall consult with Development Services staff and provide written and/or verbal reports to the Director of Development Services, Assistant City Manager, City Manager, and/or City Council regarding any of the Services stated in this Agreement, including locations inspected and conditions found.

"Exhibit B"
Fee Schedule

Food Health Inspection Services **BID SHEET**	Business Name:	Hiller Health Inspection, LLC
	Contact Name:	Tony Hiller
	Email:	bigfoothiller@gmail.com
	Phone:	(682) 365-3592
	City/State/Zip:	Fort Worth, TX 76108

	DESCRIPTION	QTY	UOM	UNIT PRICE
1	Routine Inspection (w/ documentaion) of a food establishment or mobile food unit, w/ each store department, kitchen, bar, etc. counting as a separate inspection	1	Each	$ 100.00
2	Follow-up inspection of a violation (w/ documentation)	1	Each	$ 50.00
3	Pre-Operational Inspection of a new establishment prior to opening, with each store department, kitchen, bar, etc. counting as a separate inspection	1	Each	$ 100.00
4	Follow-up pre-operational inspection	1	Each	$ 100.00
5	Plans examination review (w/ written review comments and/or markup) of a new or remodeled food establishment	1	Each	$ 100.00
6	Complaint investigation (w/ documentation) within 24 hours	1	Each	$ 50.00
7	Complaint investigation (w/ documentation) within 48 hours	1	Each	$ 50.00
8	Complaint investigation (w/ documentation) outside 48 hours	1	Each	$ 50.00
9	Inspection of a temporary food establishment (vendor) at a special event	1	Each	$ 50.00
10	Instructional fee for food handler classes (per class)	1	Each	$ 150.00
11	Reports or presentations to City Council	1	Each	NO FEE

The Food Health Inspector is generally expected to provide their own transporation, equipment, tools, etc., and/or incorporate those costs into the inspection rates. If additional fees are to be charged to the City in order to provide the expected services, please include those as separate line items.

Meeting Date: 9/30/2024 | **Date: 09/04/2024** | **Item #: 18.** | **Dept.: Administration**

Ordinance

SUBJECT:

Consider and take appropriate action regarding Ordinance O-23-24, an ordinance of the City Council of the City of Kaufman, amending the City of Kaufman Personnel Policies Manual, amending Subsection (b) “Adoption of city job classification, compensation plan and step schedule” of Section 2.03.001 “Personnel policies manual adopted; repeal of conflicting provisions”, of Article 2.03, “Personnel Regulations” of Chapter 2, “Administration and Personnel” of the Code of Ordinances; and providing an effective date.

BACKGROUND:

This item proposes an update and amendment to the Job Classification Plan to incorporate new job titles that were approved during the recent budget process. In addition to introducing these titles, all pay ranges will be adjusted to align with the new amounts specified in the FY25 Budget and the Step Pay Plan. This update aims to ensure that the classification system accurately reflects the City’s current staffing needs and compensation structure, fostering equitable pay and supporting recruitment and retention efforts. The proposed changes are essential for maintaining a competitive workforce and enhancing overall organizational effectiveness.

Author:
Mike Holder, City Manager

Reviewed:
Mike Holder, City Manager

Cost: **Funds Available:** **Source:**

Recommendation: Staff recommends approval of Ordinance O-23-24 as presented

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☐	☐	☐	☐	☐

ORDINANCE NO. O-23-24

AN ORDINANCE OF THE CITY OF KAUFMAN, TEXAS AMENDING SUBSECTION (B) "ADOPTION OF CITY JOB CLASSIFICATION, COMPENSATION PLAN AND STEP SCHEDULE," OF SECTION 2.03.001 "PERSONNEL POLICIES MANUAL ADOPTED; REPEAL OF CONFLICTING PROVISIONS" OF ARTICLE 2.03 "PERSONNEL REGULATIONS" OF CHAPTER 2 "ADMINISTRATION AND PERSONNEL" OF THE CODE OF ORDINANCES OF THE CITY OF KAUFMAN, TEXAS TO ADOPT AN AMENDED JOB GRADE CLASSIFICATION AND COMPENSATION PLAN, AND STEP PAY SCHEDULE; PROVIDING FOR THE INCORPORATION OF PREMISES; PROVING AN AMENDMENT: PROVIDING FOR CUMULATIVE REPEALER, SAVINGS, AND SEVERABILITY CLAUSES; PROVIDING FOR READINGS AND PUBLICATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Section 4.06 of the City of Kaufman Home Rule Charter provides that the City Manager shall prepare personnel rules and the Council may, by ordinance, adopt them without amendment; and

WHEREAS, Section 4.06 further provides that the rules shall provide for the classification of all City positions, based upon duties, authority, and responsibility of each position, provision for reclassification of any position and a pay plan for all City positions; and

WHEREAS, Section 2.03.001, entitled "Personnel Policies Manual Adopted; Repeal of Conflicting Provisions", of Article 2.03 "Personnel Regulations", of Chapter 2 "Administration and Personnel" of the Code of Ordinances of the City currently provides for the adoption of the City of Kaufman Job Classification and Compensation Plan (Subsection 2.03.001(b)); and

WHEREAS, the City Manager has reviewed the Job Classification Plan for all City positions which are adopted in Section 2.03.001(b); therefore it is necessary to amend Subsection (b) "Adoption of City Job Grade Classification, Compensation Plan, and Step Schedule" of Section 2.03.001, "Personnel Policies Manual Adopted; Repeal of Conflicting Provisions", of Article 2.03 "Personnel Regulations", of Chapter 2 "Administration and Personnel" of the Code of Ordinances; and

WHEREAS, the City Council having reviewed the proposed amendments to the Job Classification Plan and the Step Schedule, finds that the Job Classification Plan and Step Schedule should be adopted as set forth in their entirety as **Exhibit "A"** to this Ordinance attached hereto and incorporated herein, and that the Job Classification Plan and Step Schedule shall remain on file in the office of the City Secretary of the City of Kaufman, Texas.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS:

Section 1: Incorporation of Premises. That all of the above premises are found to be true and correct and are incorporated into the body of this Ordinance as if copied in their entirety.

Section 2: Amendment.

2.1. Subsection (b) "Adoption of City Job Grade Classifications, Compensation Plan, and Step Schedule," of Section 2.03.001, "Personnel Policies Manual Adopted; Repeal of Conflicting Provisions", of Article 2.03 "Personnel Regulations", of Chapter 2 "Administration and Personnel" of the Code of Ordinances and is hereby amended to be and read as follows:

"2.03.001 Personnel Policies Manual Adopted; Repeal of Conflicting Provisions.

…

(b) Adoption of City Job Grade Classifications, Compensation Plan, and Step Schedule. The City Council hereby adopts the Job Grade Classifications, Compensation Plan, and Step Schedule as set forth in Exhibit "A" to Ordinance No. O-23-24, a copy of which is incorporated herein in its entirety by reference and shall be maintained on file in the office of the City Secretary. The Job Grade Classification, Compensation Plan and Step Schedule set forth in **Exhibit "A"** thereto supersedes all previously adopted Job Grade Classifications, Compensation Plan and Step Schedule."

Section 3. Cumulative Repealer. This Ordinance shall be cumulative of all other Ordinances of the City of Kaufman and shall not repeal any of the provisions of such Ordinances except for those instances where there are direct conflicts with the provisions of this Ordinance. Ordinances or parts thereof in force at the time this Ordinance shall take effect and that are inconsistent with this Ordinance are hereby repealed to the extent that they are inconsistent with this Ordinance. Provided; however, that any complaint, action, claim, or lawsuit which has been initiated or has arisen under or pursuant to such Ordinance on the date of adoption of this Ordinance is saved and shall continue to be governed by the provisions of that Ordinance and for that purpose the Ordinance shall remain in full force and effect.

Section 4. Severability. If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance or application thereof to any person or circumstance is held invalid or unconstitutional by a Court of competent jurisdiction, such holdings shall not affect the validity of the remaining portions of this Ordinance, and the City Council hereby declares it would have passed such remaining portions of this Ordinance despite such invalidity, which remaining portions shall remain in full force and effect.

Section 5. Readings and Publication. In accordance with the City Charter, this Ordinance has been read at a City Council meeting properly noticed and open to the public as required by law. The City Secretary of the City of Kaufman is hereby directed to publish

the Caption of this Ordinance or to publish this Ordinance or a summary as required by state law and Charter.

Section 6. Effective Date. That this Ordinance shall become effective on and after its passage and adoption.

PASSED AND APPROVED this 30th day of September, 2024.

_____
JEFF JORDAN
MAYOR

ATTEST:

_____
JESSIE HANKS
CITY SECRETARY

APPROVED AS TO FORM:

_____
PATRICIA A. ADAMS
CITY ATTORNEY

EXHIBIT A
JOB GRADE CLASSIFICATION, COMPENSATION PLAN AND STEP SCHEDULE

CITY OF KAUFMAN
JOB CLASSIFICATION PLAN (GRADE ORDER)
FISCAL YEAR 2025
Effective 10/01/2024

GRADE	ANNUAL SALARY RANGE			TITLE
	MINIMUM	MID-POINT	MAXIMUM	
11	34344	39432	48336	Maintenance Technician - Public Works
12	36888	41976	53424	Civic Center/Event Coordinator
				Customer Relations Clerk
				Equipment Operator - Public Works
				Municipal Court Clerk
				Permit Technician
				Utility Billing Clerk
13	38478	44838	57558	Administrative Assistant
				Animal Services Officer
				Asst Wastewater Plant Operator
				Community Compliance Officer
				Finance Technician
				Planning Technician
				Public Service Officer
14	51660	61740	77490	Reserve for future use
15	54285	64995	80745	Accountant
				Building Inspector
				Chief Wastewater Plant Operator
				Construction Inspector
				Human Resources Coordinator
				Marketing and Community Relations
				Planner
				Superintendent - Public Works

16	55440	66780	82530	Fire Fighter
				Police Officer
16B		49875		Police Training
16C		47250		Police Cadet
17	58548	70176	88536	Fire Lieutenant/Fire Marshal
				Police Sergeant
18	67320	80580	100980	Building Official
				Finance Manager
				Fire Captain
				Planning Manager
				Police Captain
19	89760	106080	126480	City Secretary
				City Engineer
				Director of Development Services
				Director of Economic Development
				Director of Finance
				Director of Public Works
				Fire Chief
				Police Chief
20	96900	113220	133620	Assistant City Manager

STEP PAY PLAN WITH FTE'S AS OF 10/1/2024

	1	2	3	4	5	6	7	8	9	10
11	$34,344	$35,616	$36,888	$38,160	$39,432	$40,704	$41,976	$43,248	$45,792	$48,336
12	$36,888	$38,160	$39,432	$40,704	$41,976	$43,248	$45,792	$48,336	$50,880	$53,424
13	$38,478	$39,750	$41,022	$42,294	$44,838	$47,382	$49,926	$52,470	$55,014	$57,558
14	$51,660	$54,180	$56,700	$59,220	$61,740	$64,890	$68,040	$71,190	$74,340	$77,490
15	$54,285	$56,805	$59,325	$61,845	$64,995	$68,145	$71,295	$74,445	$77,595	$80,745
16	$55,440	$57,960	$60,480	$63,633	$66,780	$69,930	$73,080	$76,230	$79,380	$82,530
17	$58,548	$60,996	$64,056	$67,116	$70,176	$73,236	$76,296	$80,376	$84,456	$88,536
18	$67,320	$70,380	$73,440	$76,500	$80,580	$84,660	$88,740	$92,820	$96,900	$100,980
19	$89,760	$93,840	$97,920	$102,000	$106,080	$110,160	$114,240	$118,320	$122,400	$126,480
20	$96,900	$100,980	$105,060	$109,140	$113,220	$117,300	$121,380	$125,460	$129,540	$133,620

Meeting Date: 9/30/2024 | **Date: 09/04/2024** | **Item #: 19.** | **Dept.: Finance**

Ordinance

SUBJECT:

Consider and take appropriate action regarding Ordinance O-24-24, an ordinance of the City Council of the City of Kaufman, Texas, amending Ordinance No. O-17-23 adopting the City's and Kaufman Economic Development Corporation's 2023-2024 Fiscal Year Budget to balance Revenue Surplus, Expense Surplus, and Shortfall; and providing an effective date.

BACKGROUND:

Upon a recent review, staff indicated the need to amend several significant and unexpected revenue and expense line items within the budget that were incurred throughout the year. The attached chart details those recommendations and explanations for each suggested line item amendment. Additional funds are not being requested.

Author: Mary Wennerstrom, Finance Director

Reviewed: Mike Holder, City Manager

Cost: **Funds Available:** **Source:**

Recommendation: Staff recommends approval of Ordinance O-24-24 as presented.

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☐	☐	☐	☐	☐

CITY OF KAUFMAN, TEXAS

ORDINANCE NO. O-24-24

AN ORDINANCE OF THE CITY OF KAUFMAN, TEXAS AMENDING ORDINANCE NO. O-17-23, ADOPTING THE 2023-2024 FISCAL YEAR BUDGET, TO BALANCE REVENUE SURPLUS, EXPENSE SURPLUS, AND SHORTFALL; PROVIDING FOR THE INCORPORATION OF PREMISES; PROVIDING FOR AMENDMENT TO THE 2023-2024 FISCAL YEAR BUDGET IN ACCORDANCE WITH EXHIBIT "A" HERETO; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Section 7.09 of the Home Rule City Charter of the City of Kaufman, Texas authorizes the City Council to amend or change the budget for any additional expense; and

WHEREAS, Section 7.07 of the Home Rule City Charter of the City of Kaufman, Texas authorizes the City Council to transfer unused appropriations to any item for the same general purpose; and

WHEREAS, the City Council adopted Ordinance No. O-17-23 adopting the 2023-2024 Fiscal Year Budget of the City of Kaufman, Texas (the "2023-2024 Budget") and the City has been making expenditures and operating under the 2023-2024 Budget as required by law; and

WHEREAS, City Staff has submitted various amendments to the 2023-2024 Budget set forth in **Exhibit "A",** "FY 2024 Budget Amendments", a copy of which is attached hereto and incorporated herein; and

WHEREAS, the City Council has reviewed the proposed FY 2024 Budget Amendments and has determined that the proposed amendments are necessary and appropriate in order to accurately reflect revenue surplus, expense surplus, shortfalls and expenditures and should therefore be adopted;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS:

SECTION 1. That all of the above premises are found to be true and correct and are incorporated into the body of this Ordinance as if copied in their entirety.

SECTION 2. That the 2023-2024 Budget adopted by Ordinance No. O-17-23 is hereby amended as set forth more specifically in **Exhibit "A"** hereto, and all line items, expenditures and revenues not expressly amended as set forth in Exhibit "A" shall remain in full force and effect without amendment.

<u>SECTION 3</u>. That this Ordinance shall become effective on and after its passage and adoption in accordance with state law and Charter.

PASSED AND ADOPTED this 30th day of September, 2024.

_____
JEFF JORDAN
MAYOR

ATTEST:

_____
JESSIE HANKS
CITY SECRETARY

APPROVED AS TO FORM:

_____
PATRICIA A. ADAMS
CITY ATTORNEY

Exhibit "A"
FY 2024 Budget Amendments

Meeting Date: 9/30/2024 **Date: 09/05/2024** **Item #: 20.** **Dept.: Administration**

Ordinance

SUBJECT:

Consider and take appropriate action on Ordinance O-25-24, an Ordinance of the City Council of the City of Kaufman, Texas, amending Section A4.001, “Zoning/development fees”, of Article A4.000, “Building and Development Fees”; amending Section A6.001, "Food service establishments", of Article A6.000 Health and Sanitation Related Fees"; amending and renaming Section A7.001 "City Lakes Park and Lake Kaufman"; and amending Section A7.003 "Park Usage Fees", of Article A7.000 "Park and Recreation Fees" of Appendix A, “Fee Schedule”, of the Code of Ordinances of the City of Kaufman to adopt fees for new plat types, adjusted fees for building permit applications, adjusted fees for food service establishments, removal of language regarding Lake Kaufman, and adjusted fees for park usage; providing for the incorporation of premises; providing amendments; providing a severability clause; providing a cumulative repealer/savings clause; providing for a penaly; and providing for publication and an effective date.

BACKGROUND:

This item seeks to amend several sections of the City of Kaufman’s Code of Ordinances related to the Fee Schedule. Specifically, it addresses Section A4.001, "Zoning/Development Fees," within Article A4.000; Section A6.001, "Food Service Establishments," within Article A6.000; and Sections A7.001, "City Lakes Park and Lake Kaufman," and A7.003, "Park Usage Fees," within Article A7.000.

The proposed amendments aim to adopt fees to adjust fees for zoning/development, plat application, building permit applications, and inspection fees, and revise fees for food service establishments to reflect current market conditions and the proposed Health Inspector contract. Additionally, the amendments include the removal of outdated language regarding Lake Kaufman and adjustments to park usage fees to enhance recreational access and sustainability. These updates are designed to ensure that the fee structure remains relevant, equitable, and supportive of the City’s development and public health goals.

Author:
Mike Holder, City Manager

Reviewed:
Mike Holder, City Manager

Cost: **Funds Available:** **Source:**

Recommendation: Staff recommends approval of Ordinance O-25-24 as presented.

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☐	■	☐	■	■

ARTICLE A4.000
BUILDING AND DEVELOPMENT FEES

§ A4.001. Zoning/development fees.

Zoning Applications	0-5 acres	5-20 acres	Over 20 acres
Zoning change	$300 + $20 per acre	$400 + $20 per acre	$500 + $20 per acre
Planned development	$300 + $20 per acre	$500 + $20 per acre	$600 + $20 per acre
Land use plan amendment	$300 + $20 per lot	$400 + $20 per lot	$500 + $20 per lot
Site plan	$300	$400	$500
Specific use permit	$300 + $20 per acre		
Code amendments	$250		
Board of adjustment	$250		
Zoning verification letter	$25 each		

Platting Applications		0-5 acres	5-20 acres	Over 20 acres
Preliminary plat	Residential	$150 + $10 per lot	$200 + $10 per lot	$300 + $10 per lot
	Commercial	$150 + $10 per acre	$200 + $10 per acre	$300 + $10 per acre
Final plat	Residential	$200 + $10 per lot	$300 + $10 per lot	$400 + $10 per lot
	Commercial	$200 + $10 per acre	$300 + $10 per acre	$400 + $10 per acre
Conveyance Plat		$150 + $10 per lot		
Development plat		$200.00 ~~$100~~ + $10 per lot		
Minor plat		$150 ~~$100~~ + $10 per lot		
Replat		$300 + $10 per lot		
Amended plat		$150 + $10 per lot		
~~Vacating plat~~ Plat Vacation		$150~~100~~ + $10 per lot		
Traffic impact analysis		Actual cost of the review by the city contracted engineering company		

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~~Traffic impact analysis~~	~~$1,000 1st review and $500 for each additional review (as required under sections 3.1(e)(3) and 3.1(f) of the city subdivision ordinance (O-24-99) as amended)~~

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Platting Applications			
	0-5 acres	**5-20 acres**	**Over 20 acres**
Civil construction plans	Actual cost of the review by the city contracted engineering company		
Flood study review	Actual cost of the review by the city contracted engineering company		
Street name change after plat recording	$200 plus cost of signage		
Subdivision name change after plat recording	$500		
Subdivision regulations waiver	$250		

Building Permit Applications (reviews are based on the current adopted codes at the time of plan review) Residential fees only apply to single-family homes, duplexes, triplexes and quadraplexes.

Descriptions	**0 to 1,500 square feet**	**Over 1,501 square feet to 10,000 square feet**	**Over 10,000 square feet**
New residential building permit and inspections ~~(resubmittal and re-inspections included)~~	$925 per unit	$925 per unit + $0.30 per SF over 1,500 SF	$3,475 + $0.10 per SF over 10,000 SF
New residential building plan review	$800 per unit		
Remodeling/addition permit and inspections	$620 per unit (whole house or addition to a house)		
Remodeling/addition plan review	$496 (80% of residential remodeling building permit and inspection fee)		
Minor remodeling/repair permit and inspections	$155 per unit + $155 per trade (plumbing, electrical and/or mechanical)		
Minor remodeling/repair plan review	80% of total minor remodeling/repair permit and inspection fee		
Commercial permit and inspections ~~(use category is based on use charts in comprehensive zoning ordinance)~~			
~~Industrial~~	~~$0.27 per square foot~~		
~~Institutional~~	~~$0.32 per square foot~~		
~~Retail/commercial~~	~~$0.34 per square foot~~		
~~Apartments~~	~~$0.40 per square foot (do not include carports)~~		
~~Restaurant~~	~~$1.50 per square foot~~		
~~Medical~~	~~$1.40 per square foot~~		
~~Commercial plan review~~	~~80% of commercial building permit and inspection~~		
~~Tenant finish out building permit~~	~~80% of commercial building permit and inspection fee~~		
~~Tenant finish out plan review~~	~~80% of commercial plan review fee~~		

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Descriptions	0 to 1,500 square feet	Over 1,501 square feet to 10,000 square feet	Over 10,000 square feet
*Commercial permit, ~~plan review~~ and inspections for new buildings, additions, remodels, alterations, repairs, accessory buildings, demolition, fire sprinkler systems, fire suppression systems, foundation, ~~minor additions, minor alterations, minor repairs,~~ retaining walls, roof, screening walls, sidewalk and all others that are not residential structures. (see * below)	$1.00 - $2,000.00 = $80.00		
	~~$2,000.01 - $10,000.00 = $100.00~~		
	$~~10~~2,000.0~~1~~0 - $25,000.00 = $100.00 for the first $10,000 and $14.00 for each additional $1000.00, or fraction thereof, to and including $25,000.		
	$25,000.01 - $50,000.00 = $391.25 for the first $25,000 and $10.10 for each additional $1000.00, or fraction thereof, to and including $50,000.		
	$50,000.01 - $100,000.00 = $643.75 for the first $50,000 and $7.00 for each additional $1000.00, or fraction thereof, to and including $100,000.		
	$100,000.01 - $500,000.00 = $993.75 for the first $100,000 and $5.60 for each additional $1000.00, or fraction thereof, to and including $500,000.		
	$500,000.01 - $1,000,000.00 = $3,233.75 for the first $500,000 and $4.75 for each additional $1,000.00, or fraction thereof, to and including $1,000,000.00		
	$1,000,000.01 and up = $5,608.75 for the first $1,000,001.00 and $3.15 for each additional $1,000.00, or fraction thereof		
Commercial plan review	20% of commercial building permit and inspection		
Tenant finish out building permit	80% of commercial building permit and inspection fee		
Tenant finish out plan review	20% of commercial plan review fee		
Mechanical	$100 + $0.03 per square foot		
Electrical	$100 + $0.03 per square foot		
Plumbing	$100 + $0.03 per square feet		
Grading permit	$100 per lot (must submit a tree survey along with a grading plan)		

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Engineering/infrastructure inspection fee	3% of actual contract costs of public improvements, to be paid prior to release of engineering plans and/or site plans. The project engineer must submit a sealed document indicating the cost of public improvements. Upon final inspection and acceptance by the city of all improvements installed, the city will reconcile accounts and issue a refund of the unexpended 3% fee, (the difference between the 3% fee and actual cost, if any). Should the actual costs exceed 3% no refund shall be due. The inspection fee shall be charged in addition to any impact fees, security. Alternatively, Fees of City's third-party consulting engineer, third-party inspectors, and other third-party vendors (collectively "Third Party Vendors") providing services related to the acceptance, review or processing of engineering or construction plans or for the inspection of improvements for the construction of a lot, subdivision, or related improvements associated with or required in conjunction with such improvement shall be paid by the owner/developer of a property for which those services are provided in accordance with procedures and requirements for the specific permit application. City Staff time will be charged at the same rate that would be paid to a qualified independent Third-Party Vendor for the service provided by City Staff. Fees shall be based on size of the project, amount of materials, linear footage, and other parameters identified by the City's engineer, City Staff, including but not limited to the Development Services Director, Building Official, Inspectors, and Third Party Vendors. An estimate of charges will be provided to the applicant, but actual charges shall be based upon actual charges incurred by the City and charges assessed for Staff time based on the rate that would be paid to a qualified independent Third-Party Vendor. All fees shall be paid prior to release of engineering plans and/or site plans, and/or the issuance of permits.
Landscape/irrigation plans	$0.00
Contractor registration	$0.00
Temporary use permit	$100.00 (bona fide nonprofit organizations fee waived)
Temporary sign (banner) permit	$100.00
Sign investigation fee	$35.00 (see section 44.4, Sign Regulations, of the city zoning ordinance)

Commented [AB1]: Modifying language based on O-23-23

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Descriptions	0 to 1,500 square feet	Over 1,501 square feet to 10,000 square feet	Over 10,000 square feet
Building moving permit	$~~80~~100.00		
Life safety inspection - residential	$35.00 for initial inspection and 1st re-inspection $35.00 for 2nd re-inspection and $35 for each re-inspection thereafter		
Life safety inspection - commercial	$100.00 for initial inspection and 1st re-inspection $100.00 for 2nd re-inspection and $100 for each re-inspection thereafter		
Inspections Only - Small Commercial and Residential Each re-inspection or follow up inspection will be charged $~~80~~100.00. The additional fee must be paid prior to scheduling the re-inspection or follow up inspection.			
Certificate of occupancy	$~~80~~100.00 for initial inspection and 1st re-inspection $~~80~~100.00 for 2nd re-inspection and $~~80~~100.00 for each re-inspection thereafter		
Water heater	$~~80.00~~100.00		
Backflow devices	$~~80.00~~100.00		
Electric service	$~~80.00~~ 100.00(includes temporary electric pole)		
Residential roof permit	$~~80.00~~ 100.00(repair or replace)		
Residential foundation permit	$~~80.00~~ 100.00		
Residential door replacement	$~~80.00~~100.00		
Residential window replacement	$~~80.00~~100.00		
Construction trailer	$~~80.00~~100.00		
Drive approach	$~~80.00~~ 100.00 per approach		
Residential sidewalk	$~~80.00~~ 100.00per lot		
Lawn sprinkler	$~~80.00~~ 100.00		
Tent	$~~80.00~~ 100.00		
Solar panels	$~~530.00~~ 550.00 (Includes permit fee $250.00, plan review $200.00 and electrical permit $~~8~~100.00)		
Fence inspection	$~~80.00~~100.00		
Residential demolition	$~~80.00~~100.00		
Above-ground pool	$~~80.00~~100.00		
Spa	$~~280~~320.00 (fees include permit $120.00, electrical $~~8~~100.00, and plumbing $~~8~~100.00)		
Below-ground pool	$~~510~~550.00 (fees include permit $350, electrical $~~8~~100.00, and plumbing $~~8~~100)		
Gas inspection	$~~80.00~~ 100.00		
Residential accessory building	$144.00		

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Descriptions	0 to 1,500 square feet	Over 1,501 square feet to 10,000 square feet	Over 10,000 square feet
Residential carport building	$144.00		
Re-inspection fees	$~~80.00~~100.00		
Miscellaneous fees	Other applicable fees adopted by separate ordinances shall also apply, including without limitation, fees such as water and street impact fees, sewer pro-rata fees, sewer tap, water tap, meter and box fees, driveway/curb cut fee, certificates of occupancy (fire-safety inspection), etc. Except as otherwise expressly provided in an ordinance of the city or in an agreement approved by the city, the fees imposed herein shall be due when the building permit is issued (except fire-safety inspection) and will be calculated and added to the building permit fees if applicable. All fees shall be collected on each permit within the corporate city limits and ETJ, as applicable and in accordance with the law. If permit fees are paid by check and the check is returned for insufficient funds, the permit will be considered invalid and void.		

*The following fees shall be charged for small construction jobs involving additions, alterations and repairs. Larger projects that involve substantial work shall be charged as new construction at the discretion of the building official. This fee will not include any MEP fees or re-inspection fees.

(Ordinance O-29-03 adopted 12/8/03; Ordinance O-11-05 adopted 7/18/05; Ordinance O-21-11 adopted 12/12/11; Ordinance O-19-18 adopted 9/24/18; Ordinance O-11-19 adopted 6/17/19)

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ARTICLE A6.000
HEALTH AND SANITATION RELATED FEES

§ A6.001. Food service establishments.

The permit fee schedule for food service establishments is as follows:

Category	Fee
Application fee	$100.00 ~~$50.00~~
Plan review by health official (new or remodel)	$150.00 ~~$100.00~~
Pre-operational inspection or follow-up inspection of a new or remodeled food establishment	$100.00
Annual food service permit	$250.00 ~~$200.00~~ per food establishment - add $200.00 ~~$150.00~~ per catering unit, bar, or additional kitchen, plus $5.00 per employee (up to a maximum 100 employees)
Annual grocery stores and convenience stores	$250.00 ~~$200.00~~ per store - add $200.00 ~~$150.00~~ per department (bakery, per catering unit, deli, meat market, processed produce, seafood, sushi, etc.), plus 5.00 per employee (up to a maximum 100 employees)
General and full mobile food establishment permit	$250.00 ~~$200.00~~ per mobile unit
General and full mobile food public park permit	$200.00 per mobile unit (must have a general and full mobile food establishment permit in conjunction with the public park permit)
Limited mobile food establishment	$150.00 ~~$100.00~~ per mobile unit - catering unit fees are under "Annual food service permit" and "Annual grocery stores"
Limited mobile food public park permit	$100.00 per mobile unit (must have a limited mobile food establishment permit in conjunction with the public park permit)
~~Seasonal food service permit and snow cone stands~~	~~$100.00 - permit is only valid from April 1st to September 31st~~
Temporary food service permit	$50.00 per booth 1st day, and $15.00 for each additional day
Day-cares, schools (public or private), and jails with food service permit	$250.00 ~~$200.00~~

(Ordinance O-35-99, sec. 3, adopted 8/23/99; 2000 Code, sec. 50-33; Ordinance O-17-17 adopted 7/24/17; Ordinance O-03-18 adopted 4/23/18)

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ARTICLE A7.000
PARK AND RECREATION FEES

§ A7.001. City Lakes Park ~~and Lake Kaufman~~.

The following fees shall be charged by the city for purposes of granting a license to use City Lake Park ~~and Lake Kaufman~~ for fishing and related boating activities:

(1) Per licensee (lives within the corporate city limits): $10.00 per year.

(2) Per licensee (lives out of corporate city limits): $25.00 per year.

(3) Per licensee (lives within the corporate limits): $2.00 per day.

(4) Per licensee (lives out of corporate city limits): $5.00 per day.

(5) No fee shall be charged to children 12 years of age or younger nor to individuals 65 years of age or older.

(1974 Code, sec. 18-2(a)–(f); Ordinance O-27-99, sec. 1, adopted 6/28/99; Ordinance O-01-10, sec. 1, adopted 3/23/10; Ordinance O-28-15, sec. 1, adopted 12/28/15; 2000 Code, sec. 114-8)

§ A7.003. Park usage fees.

Pavilion	
Resident	$30.00
Nonresident	$60.00

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Group reservation fee (refundable)	$~~100.00~~125.00
Electricity	$~~15.00~~25.00
Water	Min. per 1,000 gallons
Practice and general ball field use (Non-league teams)	
Field Usage Fee	$20 per field per hour
Refundable deposit	$100.00 per field
Light usage fee	$~~35~~40.00 per field ~~/~~per night
Adult leagues	
Adult team fee/per team	$75.00 per field per night
Refundable field deposit	$100.00 per field
Light usage fee	$~~35~~40.00 per field per night
Tournaments	
Youth per team fee (Kaufman teams)	$125.00 per field per day
Youth per team fee (Non-Kaufman teams)	$125.00 per field per day
Light usage fee	~~No charge~~$40.00 per field per night
Refundable field deposit	$100.00 per field
Sports camps	
Nonrefundable reservation fee	$100.00
Refundable deposit	$100.00 per field
Per field usage fee	$50.00 per field per hour~~25.00 1–3 hours~~
Light usage fee	$~~35.00~~40.00 per field ~~/~~per night
Associations, Youth Sports, Leagues (Baseball, Soccer, Football)	
Residential player fee	$5.00 per person
Nonresidential player fee	$10.00 per person
~~Tournaments~~	~~$125.00 per field per day~~
~~Refundable deposit~~	~~$100.00~~
~~Light usage fee~~	~~No charge $40.00 per field per night~~
~~Practice no charge~~	~~No charge~~
Tennis	
Light usage fee	$10.00 per night
~~**Keys**~~	
~~All key deposits~~	~~$20.00~~

(Ordinance O-06-22 adopted 3/21/2022; Ordinance O-34-22 adopted 9/26/2022)

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CITY OF KAUFMAN, TEXAS
ORDINANCE NO. O-25-24

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS, AMENDING APPENDIX A "FEE SCHEDULE" OF THE CITY OF KAUFMAN'S CODE OF ORDINANCE TO AMEND SECTION A.4001 OF ARTICLE A4.000 "BUILDING AND DEVELOPMENT FEES"; TO AMEND SECTION A6.001 OF ARTICLE A6.000 "HEALTH AND SANITATION RELATED FEES"; AND TO AMEND SECTIONS A7.001 AND A7.003 OF ARTICLE A7.000 "PARK AND RECREATION FEES"; PROVIDING FOR THE INCORPORATION OF PREMISES; PROVIDING FOR REPEAL AND ADOPTION; PROVIDING A PENALTY; PROVIDING A CUMULATIVE REPEALER AND SAVINGS CLAUSE; PROVIDING SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Kaufman, Texas, has the authority to adopt and amend fees; and

WHEREAS, the City Council finds that a consistent and ongoing review of the City's fee schedule is necessary; and

WHEREAS, upon review of the City's current fees and increased costs incurred by the City, the City Council determined it appropriate to amend building and development fees, park usage fees, and utility fees; and

WHEREAS, the City Council finds that the fees proposed herein are not excessive; rather, the fees are determined to be reasonable and necessary to fairly reimburse the City for costs incurred; and

WHEREAS, the City Council finds it to be in the best interest of the citizens of Kaufman to adopt this Ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS:

Section 1. The above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

Section 2. That Sections A4.001 of Article A4.000 "Building and Development Fees", of Appendix A "Fee Schedule", of the City's Code of Ordinances is hereby repealed and replaced to be and read as follows:

“A4.001 Zoning/Development Fees.

Zoning Applications			
	0-5 acres	**5-20 acres**	**Over 20 acres**
Zoning change	$400 + $20 per acre		
Planned development	$500 + $20 per acre		
Specific use permit	$500 + $20 per acre		
Site plan	$300	$400	$500
Land use plan amendment	$300 + $20 per lot	$400 + $20 per lot	$500 + $20 per lot
Code amendments	$250		
Board of adjustment	$250		
Zoning verification letter	$25 each		

Platting Applications				
		0-5 acres	5-20 acres	Over 20 acres
Preliminary plat	Residential	$150 + $10 per lot	$200 + $10 per lot	$300 + $10 per lot
	Commercial	$150 + $10 per acre	$200 + $10 per acre	$300 + $10 per acre
Final plat	Residential	$200 + $10 per lot	$300 + $10 per lot	$400 + $10 per lot
	Commercial	$200 + $10 per acre	$300 + $10 per acre	$400 + $10 per acre
Conveyance plat		$150 + $10 per lot		
Development plat		$200 + $10 per lot		
Minor plat		$150 + $10 per lot		
Replat		$300 + $10 per lot		
Amending plat		$150 + $10 per lot		
Plat vacation		$150 + $10 per lot		
Traffic impact analysis		Actual cost of the review by the city contracted engineering company		
Civil construction plans		Actual cost of the review by the city contracted engineering company		
Flood study review		Actual cost of the review by the city contracted engineering company		
Street name change after plat recording		$200 plus cost of signage		
Subdivision name change after plat recording		$500		
Subdivision regulations waiver		$250		

Building Permit Applications (reviews are based on the current adopted codes at the time of plan review) Residential fees only apply to single-family homes, duplexes, triplexes and quadraplexes.

Descriptions	0 to 1,500 square feet	Over 1,501 square feet to 10,000 square feet	Over 10,000 square feet
New residential building permit and inspections	$925 per unit	$925 per unit + $0.30 per SF over 1,500 SF	$3,475 + $0.10 per SF over 10,000 SF
New residential building plan review	$800 per unit		
Remodeling/addition permit and inspections	$620 per unit (whole house or addition to a house)		
Remodeling/addition plan review	$496 (80% of residential remodeling building permit and inspection fee)		
Minor remodeling/repair permit and inspections	$155 per unit + $155 per trade (plumbing, electrical and/or mechanical)		
Minor remodeling/repair plan review	80% of total minor remodeling/repair permit and inspection fee		
Commercial permit and inspections			
*Commercial permit and inspections for new buildings, additions, remodels, alterations, repairs, accessory buildings, demolition, fire sprinkler systems, fire suppression systems, foundation, retaining walls, roof, screening walls, sidewalk and all others that are not residential structures. (see * below)	$1.00 - $2,000.00 = $80.00		
	$2,000.01 - $25,000.00 = $100.00 for the first $10,000 and $14.00 for each additional $1,000.00, or fraction thereof, to and including $25,000.00		
	$25,000.01 - $50,000.00 = $391.25 for the first $25,000 and $10.10 for each additional $1,000.00, or fraction thereof, to and including $50,000.00		
	$50,000.01 - $100,000.00 = $643.75 for the first $50,000 and $7.00 for each additional $1,000.00, or fraction thereof, to and		

	including $100,000.00
	$100,000.01 - $500,000.00 = $993.75 for the first $100,000 and $5.60 for each additional $1,000.00, or fraction thereof, to and including $500,000.00
	$500,000.01 - $1,000,000.00 = $3,233.75 for the first $500,000 and $4.75 for each additional $1,000.00, or fraction thereof, to and including $1,000,000.00
	$1,000,000.01 and up = $5,608.75 for the first $1,000,001.00 and $3.15 for each additional $1,000.00, or fraction thereof
Commercial plan review	20% of commercial building permit and inspection
Tenant finish out building permit	80% of commercial building permit and inspection fee
Tenant finish out plan review	20% of commercial plan review fee
Mechanical	$100 + $0.03 per square foot
Electrical	$100 + $0.03 per square foot
Plumbing	$100 + $0.03 per square feet
Grading permit	$100 per lot (must submit a tree survey along with a grading plan)
Engineering/infrastructure inspection fee	3% of actual contract costs of public improvements, to be paid prior to release of engineering plans and/or site plans. The project engineer must submit a sealed document indicating the cost of public improvements. Upon final inspection and acceptance by the city of all improvements installed, the city will reconcile accounts and issue a refund of the unexpended 3% fee, (the difference between the 3% fee and actual cost, if any). Should the actual costs exceed 3% no refund shall be due. The inspection fee shall be charged in addition to any impact fees, security.

	Alternatively, Fees of City's third-party consulting engineer, third-party inspectors, and other third-party vendors (collectively "Third Party Vendors") providing services related to the acceptance, review or processing of engineering or construction plans or for the inspection of improvements for the construction of a lot, subdivision, or related improvements associated with or required in conjunction with such improvement shall be paid by the owner/developer of a property for which those services are provided in accordance with procedures and requirements for the specific permit application. City Staff time will be charged at the same rate that would be paid to a qualified independent Third-Party Vendor for the service provided by City Staff. Fees shall be based on size of the project, amount of materials, linear footage, and other parameters identified by the City's engineer, City Staff, including but not limited to the Development Services Director, Building Official, Inspectors, and Third Party Vendors. An estimate of charges will be provided to the applicant, but actual charges shall be based upon actual charges incurred by the City and charges assessed for Staff time based on the rate that would be paid to a qualified independent Third-Party Vendor. All fees shall be paid prior to release of engineering plans and/or site plans, and/or the issuance of permits.
Landscape/irrigation plans	$0.00

Contractor registration	$0.00
Temporary use permit	$100.00 (bona fide nonprofit organizations fee waived)
Temporary sign (banner) permit	$100.00
Sign investigation fee	$35.00 (see section 44.4, Sign Regulations, of the city zoning ordinance)
Building moving permit	$100.00
Life safety inspection - residential	$35.00 for initial inspection and 1st re-inspection $35.00 for 2nd re-inspection and $35 for each re-inspection thereafter
Life safety inspection - commercial	$100.00 for initial inspection and 1st re-inspection $100.00 for 2nd re-inspection and $100 for each re-inspection thereafter
Inspections Only - Small Commercial and Residential Each re-inspection or follow up inspection will be charged $100. The additional fee must be paid prior to scheduling the re-inspection or follow up inspection.	
Certificate of occupancy	$100.00 for initial inspection and 1st re-inspection $100.00 for 2nd re-inspection and $100 for each re-inspection thereafter
Water heater	$100.00
Backflow devices	$100.00
Electric service	$100.00 (includes temporary electric pole)
Residential roof permit	$100.00 (repair or replace)
Residential foundation permit	$100.00
Residential door replacement	$100.00
Residential window replacement	$100.00
Construction trailer	$100.00

Drive approach	$100.00 per approach
Residential sidewalk	$100.00 per lot
Lawn sprinkler	$100.00
Tent	$100.00
Solar panels	$550.00 (Includes permit fee $250.00, plan review $200.00, and electrical permit $100.00)
Fence inspection	$100.00
Residential demolition	$100.00
Above-ground pool	$100.00
Spa	$280.00 (fees include permit $120.00, electrical $100.00, and plumbing $100.00)
Below-ground pool	$510.00 (fees include permit $350.00, electrical $100.00, and plumbing $100.00)
Gas inspection	$100.00
Residential accessory building	$144.00
Residential carport building	$144.00
Re-inspection fees	$100.00
Miscellaneous fees	Other applicable fees adopted by separate ordinances shall also apply, including without limitation, fees such as water and street impact fees, sewer pro-rata fees, sewer tap, water tap, meter and box fees, driveway/curb cut fee, certificates of occupancy (fire-safety inspection), etc. Except as otherwise expressly provided in an ordinance of the city or in an agreement approved by the city, the fees imposed herein shall be due when the building permit is issued (except fire-safety inspection) and will be calculated and added to the building permit fees if applicable. All fees shall be collected on each

permit within the corporate city limits and ETJ, as applicable and in accordance with the law. If permit fees are paid by check and the check is returned for insufficient funds, the permit will be considered invalid and void.

*The following fees shall be charged for small construction jobs involving additions, alterations and repairs. Larger projects that involve substantial work shall be charged as new construction at the discretion of the building official. This fee will not include any MEP fees or re-inspection fees."

Section 3. That Section A6.001, "Food service establishments", of Article A6.000 "Health and Sanitation Related Fees", of Appendix A "Fee Schedule", of the City's Code of Ordinances is hereby repealed and replaced to be and read as follows:

"**A6.001. Food Service Establishments.**

The permit fee schedule for food service establishments is as follows:

Category	Fee
Application Fee	$100.00
Plan review by health official (new or remodel)	$150.00
Pre-operational inspection or follow-up inspection of a new or remodeled food establishment	$100.00
Annual food service permit	$250.00 per food establishment – add $200.00 per catering unit, bar, or additional kitchen, plus $5.00 per employee (up to a maximum of 100 employees)
Annual grocery stores and convenience stores	$250.00 per store – add $200.00 per department (bakery, per catering unit, deli, meat market, processed produce, seafood, sushi, etc.), plus $5.00 per employee (up to a maximum of 100 employees)
General and full mobile food establishment permit	$250.00 per mobile unit
General and full mobile food public park permit	$200.00 per mobile unit (must have a general and full mobile food establishment permit in conjunction with the public park permit)
Limited mobile food establishment	$150.00 per mobile unit – catering unit fees are under "Annual food service permit" and "Annual grocery stores"
Limited mobile food public park permit	$100.00 per mobile unit (must have a limited mobile food establishment permit in conjunction with the public park permit)
Temporary food service permit	$50.00 per booth 1st day and $15.00 for each additional day
Daycares, schools (public or private), and jails with food service permit	$250.00

Section 4. That Section A7.001, "City Lakes Park and Lake Kaufman", of Article A7.000 "Park and Recreation Fees", of Appendix A "Fee Schedule", of the City's Code of Ordinances is hereby repealed and replaced to be and read as follows:

"A7.001. City Lakes Park.

The following fees shall be charged by the city for purposes of granting a license to use City Lake Park for fishing and related boating activities:

(1) Per licensee (lives within the corporate city limits): $10.00 per year.
(2) Per licensee (lives out of corporate city limits): $25.00 per year.
(3) Per licensee (lives within the corporate limits): $2.00 per day.
(4) Per licensee (lives out of corporate city limits): $5.00 per day.
(5) No fee shall be charged to children 12 years of age or younger nor to individuals 65 years of age or older."

Section 5. That Section A7.003, "Park Usage Fees", of Article A7.000 "Park and Recreation Fees", of Appendix A "Fee Schedule", of the City's Code of Ordinances is hereby repealed and replaced to be and read as follows:

"A7.003 PARK USAGE FEES

PAVILION		
Resident		$ 30
Nonresident		$ 60
Group Reservation Fee (Refundable)		$125
Electricity		$ 25
Water		Min. per 1000 gallons
PRACTICE AND GENERAL BALL FIELD USE(NON-LEAGUE TEAMS)		
Field Usage Fee		$20 per field per hour
Refundable Deposit		$100 per field
Light Usage Fee		$40 per field per night
ADULT LEAGUES		
Adult team fee / per Team		$20 per field per night
Refundable field Deposit		$100 per field
Light Usage Fee		$40 per field per night
TOURNAMENTS		
Youth per team fee (Kaufman Teams)		$125 per field per day
Refundable Field Deposit		$100 per field
Light Usage Fee		$40 per field per night
SPORTS CAMPS		
Non-Refundable Reservation Fee		$100

Refundable Deposit		$100 per field
Per Field Usage Fee		$50 per field per hour
Light Usage Fee		$40 per field per night
ASSOCIATIONS, YOUTH SPORTS, LEAGUES (BASEBALL, SOCCER, FOOTBALL)		
Residential Player Fee		$5 per person
Non-residential Player Fee		$10 per person
TENNIS		
Light Usage Fee		$10 per night

Section 6. The City Secretary is hereby directed to include the new fees adopted by this Ordinance within Appendix A "Fee Schedule" of the City of Kaufman's Code of Ordinances, to be on file in the Office of the City Secretary.

Section 7. Penalty. Any person who intentionally, knowingly, recklessly, or negligently violates any provision of this Ordinance, upon conviction, shall be deemed guilty of a Class C Misdemeanor and shall be fined a sum not to exceed Five Hundred Dollars ($500.00) for each offense, and a separate offense shall be deemed committed upon each day during or on which a violation occurs or continues.

Section 8. Severability. It is hereby declared to be the intention of the City Council of Kaufman, Texas that the sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable, and if any section, paragraph, sentence, clause, or phrase of this Ordinance shall be declared unconstitutional or invalid by the judgment or decree of any court of competent jurisdiction, such constitutionality or invalidity shall not affect any of the remaining sections, paragraphs, sentences, clauses or phrases of this Ordinance, since they would have been entered by the City Council without the incorporation of this Ordinance of unconstitutional or invalid sections, paragraphs, sentences, clauses or phrases.

Section 9. Cumulative Repealer/Savings. This Ordinance shall be cumulative of all other Ordinances, except as provided within, and shall not repeal any of the provisions of such Ordinances except for those instances where there are direct conflicts with the provisions of this Ordinance. Ordinances or parts thereof in force at the time this Ordinance shall take effect and that are inconsistent with this Ordinance are hereby repealed to the extent that they are inconsistent with this Ordinance. Provided however, that any complaint, action, claim, or lawsuit which has been initiated or has arisen under or pursuant to such Ordinance on the date of adoption of this Ordinance shall continue to be governed by the provisions of that Ordinance and for that purpose the Ordinance shall remain in full force and effect.

Section 10. If any section, subsection, clause, phrase, or provision of this Ordinance, or any application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void, or unconstitutional, the remaining sections, subsections, clauses, phrases, and provisions of this Ordinance, or any application thereof to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

Section 11. Effective Date. This Ordinance shall become effective immediately upon its passage and publication of its caption as required by law and Charter.

PASSED AND APPROVED this 30th day of September, 2024.

_____
JEFF JORDAN
MAYOR

ATTEST:

_____
JESSIE HANKS
CITY SECRETARY

APPROVED AS TO FORM:

_____
PATRICIA A. ADAMS
CITY ATTORNEY

Meeting Date: 9/30/2024 **Date: 09/04/2024** **Item #: 21.** **Dept.: Public Works**

Consent Agenda

SUBJECT:

Consider and take appropriate action on the award or rejection of bid and contract for motor fuel and oil for Fiscal Year 2025 and authorizing the Mayor or his designee to execute necessary documents.

BACKGROUND:

Staff prepared and requested bids for the Annual Motor Fuel and Oil Bid, mailed to six vendors. Staff received two completed bid packets from Borders and Long Oil, Inc., Kaufman, TX, and Safety-Kleen Systems, Inc., Norwell, MA.

City Staff reviewed the bids received and concluded that Borders & Long, Inc., in Kaufman, Texas submitted the most responsible bid. Borders & Long, Inc. submitted a total bid amount based on the City's estimated amounts of fuel and oil usage of $120,597.88 based on the quantities as the FY 2023-2024 usage. The FY 2023-2024 estimated annual fuel and oil amounts were $151,340.91. The overall dollar amount may change due to constant changes in fuel rack rates and actual gallons used. A cost savings difference of ($30,743.03) from the last budget year.

The FY 2024-2025, Bid tabulation to include the annual usage quantities attached for the CC review.

Author:
Tim Hopwood, Public Works Director

Reviewed:
Mike Holder, City Manager

Cost: $120,597.88 **Funds Available:** FY25 Budget **Source:** PW, PD, FD, DS

Recommendation: Staff recommends that the Council award the bid for the FY 2024-2025 Annual Motor Fuel and Oil to Borders & Long, Inc., in Kaufman, Texas for the estimated amount of $120,597.88. This bid becomes effective October 1, 2024, and ends September 30, 2025.

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☐	☐	☐	☐	☒

2024-2025 Motor Fuel and Oil Bid Tabulation
Bid Opening: Thursday, August 29, 2024 @ 2:00 p.m.

VENDOR #1

Borders & Long Oil
P.O. Box 657
Kaufman, TX 75142

	Rack Rate	Freight	UPA	Mark-Up	Price	Estimated Annual Quantity	Estimated Annual Total Cost	Delivery
Mid Grade Unleaded Gasoline	$ 2.0961	$ 0.0542	0.007	$ 0.05	$ 2.2073	40,000	$ 88,292.00	12-18 hours
Low Sulfur Diesel Fuel	$ 2.2554	$ 0.0623	0.007	$ 0.05	$ 2.3747	10,000	$ 23,747.00	12-18 hours
30 Weight Motor Oil (THD)	$ 11.2727			15%	$ 12.9636	330	$ 4,278.00	12-18 hours
Hydraulic Oil (Supertrac)(TDH)	$ 7.25			15%	$ 8.3375	330	$ 2,751.38	12-18 hours
Motor Oil 15w40 (TDH)	$ 12.0909			15%	$ 13.9045	110	$ 1,529.50	12-18 hours
						TOTAL:	**120,597.88**	

VENDOR #2

Safety-Kleen Systems, Inc.
42 Longwater Dive
Norwell MA, 02061

Shaynn Mahan

	Rack Rate	Freight	UPA	Mark-Up	Price	Estimated Annual Quantity	Estimated Annual Total Cost	Delivery
Mid Grade Unleaded Gasoline					NO BID			
Low Sulfur Diesel Fuel					NO BID			
30 Weight Motor Oil (drum)					NO BID			
Hydraulic Oil (drum)	N/A	N/A	N/A	N/A	$ 9.2000	330	$ 3,036.0000	120 HRS
Mobil Delvac MX 15W40	N/A	N/A	N/A	N/A	$ 9.8500	110	$ 1,083.5000	120 HRS
						TOTAL:	**4,119.50**	

Note:

Meeting Date: 9/30/2024 | **Date: 09/12/2024** | **Item #: 22.** | **Dept.: Administration**

Action Item

SUBJECT:

Consider and take appropriate action on the award or rejection of a bid and contract for City Lakes Park Improvements and authorizing the Mayor or his designee to execute necessary documents.

BACKGROUND:

On September 5, competitive sealed proposals were opened for Paving, Hardscape, and Landscape Improvements for City Lakes Park. Four bids were received and the bid results and bid tabs are attached to this item. Based on the selection criteria, Home Run Construction LLC submitted the proposal that offers the best value to the City and is thereby recommended for award.

Author:
Rachel Balthrop Mendoza, Assistant City Manager

Reviewed:
Mike Holder, City Manager

Cost: **Funds Available:** **Source:**

Recommendation: Staff recommends awarding the bid and contract for City Lakes Park Improvements to Home Run Construction LLC.

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☐	☐	☐	☐	☐

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HEATH
KATY

September 23, 2024

Mike Holder, City Manager
City of Kaufman
209 S. Washington St.
Kaufman, Texas 75142

Re: Bid Proposal Evaluation for Paving, Hardscape & Landscape Improvements for Kaufman City Lakes Parks

Dear Mike:

On September 5, 2024, competitive sealed proposal (CSP) were opened for the above referenced City project. Four bids were received and a bid tabulation report has been prepared and attached for record. The following are the bid results for the total project bid (base):

Contractor	Total Project Bid	Total Calendar Days
Home Run Construction LLC	$2,246,840.54	230
Ratliff Hardscape, Ltd.	$2,272,723.20	154
Wall Contractors, LLC	$2,556,612.85	250
ALCC, LLC dba Perfect Finish Landscaping	$2,785,087.00	240

The project was bid as a CSP (Competitive Sealed Proposal) in which the published selection criteria was used. The selection criteria is as follows:

1. Cost – 50%
2. Bid Time – 20%
3. Qualifications & Experience – 15%
4. Reputation/References – 15%

A panel consisting of representatives from City of Kaufman scored the four respective bidders based on the selection criteria above. Information for Items 3 & 4 of the selection criteria were provided by the bidders for the scoring evaluation. The scores were tabulated and are attached for record.

Based on the scores, Home Run Construction LLC submitted the proposal that offers the best value to the City.
If you have any questions or need any additional information, please do not hesitate to contact us.

Sincerely,
tnp
teague nall & perkins

Philip C. Varughese, PE, CFM
Team Leader, Associate Principal

Attachments

cc: Rachel Balthrop Mendoza, Assistant City Manager (via email)
Tim Hopwood, Director of Public Works (via email)
Jeremy Nelson, RLA, TNP (via email)
KAU 23336 File

IMPROVEMENTS FOR KAUFMAN CITY LAKE PARK

Rating Category Scoring System

	Bid Amount		**Bid Time***		**Qualifications & Experience**	**Reputation & References**	
Contractor	**Total Project Bid**	**(50 pts)**	**Total Time**	**(20 pts)**	**(15 pts)**	**(15 pts)**	**Total**
Home Run Construction, LLC	$2,246,840.54	50.0	230	13.4	15.0	15.0	**93.39**
Ratilff Hardscape	$2,272,723.20	49.4	154	20.0	11.9	10.3	**91.63**
Wall Contractors, LLC	$2,556,612.85	43.9	250	12.3	11.3	9.5	**77.06**
Perfect Finish, LLC	$2,785,087.00	40.3	240	12.8	11.3	11.3	**75.77**

* Bid Time based on final acceptance of all improvements

BID TABULATION REPORT

TEAGUE NALL AND PERKINS, INC.
CONSULTING ENGINEERS

CLIENT: CITY OF KAUFMAN
DESCRIPTION: Paving, Hardscape and Landscape Improvements for Kaufman City Lake Park

TNP JOB NO: KAU 23336
BID DATE: THURSDAY, SEPTEMBER 5th, 2024
BID TIME: 2:00 PM CST
ENGINEER'S ESTIMATE: $1.65 M

				BIDDERS				BIDDERS			
				Home Run Construction, LLC		Ratliff Hardscape		Wall Contractors, LLC		Perfect Finish Landscaping, LLC	
ITEM NO.	DESCRIPTION OF ITEMS	QUANTITY	UNIT	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL
	DEMOLITION										
1	Mobilization	1	LS	$125,940.00	$125,940.00	$85,920.00	$85,920.00	$112,000.00	$112,000.00	$139,040.00	$139,040.00
2	Concrete Removal and Haul-off - Existing Sidewalks	534	SY	$28.86	$15,411.24	$32.50	$17,355.00	$24.00	$12,816.00	$19.01	$10,150.00
3	Removal and Haul-off of Existing Playscape and Surfacing	1	LS	$7,700.00	$7,700.00	$18,000.00	$18,000.00	$6,000.00	$6,000.00	$5,100.00	$5,100.00
4	Removal and Haul-off of Existing Pavillion & Concrete Paving	1	LS	$8,500.00	$8,500.00	$12,000.00	$12,000.00	$10,000.00	$10,000.00	$5,140.00	$5,140.00
5	Tree Protection	1	LS	$6,500.00	$6,500.00	$36,000.00	$36,000.00	$16,000.00	$16,000.00	$11,975.00	$11,975.00
6	Tree Removal	2	EA	$1,500.00	$3,000.00	$1,200.00	$2,400.00	$1,625.00	$3,250.00	$910.00	$1,820.00
7	Vegetation Cleanup, Thinning, & Removal (Non-Frisbee Golf)	1	LS	$19,000.00	$19,000.00	$10,800.00	$10,800.00	$43,000.00	$43,000.00	$9,200.00	$9,200.00
	DEMOLITION SUBTOTAL				**$186,051.24**		**$182,475.00**		**$203,066.00**		**$182,425.00**
	HARDSCAPE IMPROVEMENTS										
1	Grading	1	LS	$46,600.00	$46,600.00	$63,000.00	$63,000.00	$155,500.00	$155,500.00	$101,820.00	$101,820.00
2	6" Thick Concrete Paving	2504	SY	$80.10	$200,570.40	$67.00	$167,768.00	$78.00	$195,312.00	$119.81	$300,000.00
3	5" Concrete Picnic Pad	260	SY	$146.54	$38,100.40	$57.00	$14,820.00	$139.00	$36,140.00	$61.54	$16,000.00
4	Mill & Overlay HMAC @ Accessible Parking	80	SY	$108.00	$8,640.00	$55.80	$4,464.00	$75.00	$6,000.00	$297.63	$23,810.00
5	ADA Parking Lot Striping	1	LS	$1,000.00	$1,000.00	$600.00	$600.00	$1,200.00	$1,200.00	$3,575.00	$3,575.00
6	ADA Parking Signage in Concrete Bollard	2	EA	$1,000.00	$2,000.00	$1,320.00	$2,640.00	$1,000.00	$2,000.00	$895.00	$1,790.00
7	Parking Lot Lighting	1	LS	$14,403.00	$14,403.00	$23,094.00	$23,094.00	$14,650.00	$14,650.00	$23,800.00	$23,800.00
8	12' Wide Crushed Limestone Trail	7270	SY	$21.00	$152,670.00	$65.00	$472,550.00	$47.00	$341,690.00	$53.31	$387,600.00
9	Replace & Finish Wood Planks on Existing Pedestrian Bridge to Remain	1	LS	$49,000.00	$49,000.00	$6,716.00	$6,716.00	$5,900.00	$5,900.00	$6,000.00	$6,000.00
10	Fishing Dock (EZ Dock) w/ Aluminum Gangway	1	LS	$18,950.00	$18,950.00	$55,101.00	$55,101.00	$54,750.00	$54,750.00	$59,600.00	$59,600.00
11	Concrete Abutment Construction for Fishing Dock	1	EA	$7,950.00	$7,950.00	$9,918.00	$9,918.00	$5,000.00	$5,000.00	$15,000.00	$15,000.00
12	Pavillion	1	LS	$154,271.00	$154,271.00	$176,570.00	$176,570.00	$196,500.00	$196,500.00	$203,670.00	$203,670.00
13	Charoal Grills	5	EA	$1,527.00	$7,635.00	$1,649.00	$8,245.00	$1,900.00	$9,500.00	$1,755.00	$8,775.00
14	Large Park Monument	1	LS	$120,000.00	$120,000.00	$98,916.00	$98,916.00	$92,500.00	$92,500.00	$128,000.00	$128,000.00
15	Permanent TPWD Signage	1	LS	$2,900.00	$2,900.00	$4,200.00	$4,200.00	$5,900.00	$5,900.00	$12,000.00	$12,000.00
16	Poly Coated Chain Link Fence with 3 Gates	336	LF	$50.00	$16,800.00	$50.00	$16,800.00	$75.00	$25,200.00	$51.19	$17,200.00
17	8' Contour Poly Bench w/ Back - No Armrests (of Recycled Material)	14	EA	$1,572.00	$22,008.00	$1,901.00	$26,614.00	$1,800.00	$25,200.00	$1,535.71	$21,500.00
18	7' Poly ADA Outdoor Picnic Table of Recycled Material	13	EA	$2,231.00	$29,003.00	$2,692.00	$34,996.00	$2,600.00	$33,800.00	$2,517.31	$32,725.00
19	Trash Receptacles	10	EA	$1,900.00	$19,000.00	$2,029.20	$20,292.00	$1,300.00	$13,000.00	$1,583.00	$15,830.00
20	Pet Waste Station	1	EA	$1,600.00	$1,600.00	$902.00	$902.00	$1,000.00	$1,000.00	$600.00	$600.00
21	Playground Equipment	1	LS	$301,771.00	$301,771.00	$203,476.00	$203,476.00	$323,700.00	$323,700.00	$326,600.00	$326,600.00
22	Poured-in-Place Playground Fall Zone Material	1	LS	$218,671.00	$218,671.00	$204,540.00	$204,540.00	$233,300.00	$233,300.00	$236,660.00	$236,660.00
23	Drainage for Playscape	1	LS	$16,750.00	$16,750.00	$12,978.00	$12,978.00	$24,000.00	$24,000.00	$4,150.00	$4,150.00
24	9" Mow Curb Playscape Perimeter	336	LF	$75.00	$25,200.00	$36.00	$12,096.00	$66.00	$22,176.00	$31.62	$10,625.00
25	Frisbee Golf Tee Box	9	EA	$3,170.00	$28,530.00	$780.00	$7,020.00	$2,200.00	$19,800.00	$1,097.22	$9,875.00
26	Frisbee Golf Target	9	EA	$3,000.00	$27,000.00	$900.00	$8,100.00	$850.00	$7,650.00	$1,157.78	$10,420.00
27	Flexmat Crossing	2	EA	$10,750.00	$21,500.00	$10,500.00	$21,000.00	$11,400.00	$22,800.00	$10,687.50	$21,375.00
28	Boulders (Labor Only)	124	EA	$150.00	$18,600.00	$60.00	$7,440.00	$135.00	$16,740.00	$33.87	$4,200.00
29	Boulder Fractional Mile Markers	6	EA	$2,200.00	$13,200.00	$570.00	$3,420.00	$400.00	$2,400.00	$13,095.00	$78,570.00
30	Trail Drainage Crossing w/ Natural Stacked Stone Headwalls	4	EA	$7,000.00	$28,000.00	$13,268.00	$53,072.00	$12,500.00	$50,000.00	$6,252.50	$25,010.00
31	Large Drainage Crossing @ South End of Lake	1	EA	$68,000.00	$68,000.00	$16,200.00	$16,200.00	$48,900.00	$48,900.00	$56,145.00	$56,145.00
32	Playground Sponsors Permanent Signage	1	LS	$5,900.00	$5,900.00	$6,600.00	$6,600.00	$2,400.00	$2,400.00	$2,385.00	$2,385.00
	HARDSCAPE SUBTOTAL				**$1,686,222.80**		**$1,764,148.00**		**$1,994,608.00**		**$2,165,310.00**
	LANDSCAPE IMPROVEMENTS										
1	30 Gal. Texas Redbud	4	EA	$1,225.00	$4,900.00	$638.00	$2,552.00	$650.00	$2,600.00	$305.00	$1,220.00
2	2.5" Bur Oak	1	EA	$1,200.00	$1,200.00	$565.00	$565.00	$650.00	$650.00	$410.00	$410.00
3	3" Live Oak	1	EA	$1,300.00	$1,300.00	$622.00	$622.00	$650.00	$650.00	$475.00	$475.00
4	2" Texas Red Oak	3	EA	$1,030.00	$3,090.00	$451.00	$1,353.00	$650.00	$1,950.00	$305.00	$915.00
5	1.5" Mexican Sycamore	3	EA	$900.00	$2,700.00	$1,276.00	$3,828.00	$650.00	$1,950.00	$370.00	$1,110.00
6	Common Bermuda Sod	7403	SY	$6.40	$47,379.20	$7.00	$51,821.00	$6.50	$48,119.50	$14.77	$109,350.00
7	Wildflower Seed	6	AC	$5,600.00	$33,600.00	$3,692.00	$22,152.00	$7,100.00	$42,600.00	$4,600.83	$27,605.00
8	Enhanced Natural Area	3.5	AC	$21,780.00	$76,230.00	$10,456.00	$36,596.00	$8,000.00	$28,000.00	$12,028.57	$42,100.00
	LANDSCAPE SUBTOTAL				**$170,399.20**		**$119,489.00**		**$126,519.50**		**$183,185.00**
	PROJECT SUBTOTAL				**$2,042,673.24**		**$2,066,112.00**		**$2,324,193.50**		**$2,530,920.00**
	OWNER'S CONTINGENCY										
1	Owner's Contingency	1	LS	$204,167.30	$204,167.30	$206,611.20	$206,611.20	$232,419.35	$232,419.35	$254,167.00	$254,167.00
	10% OWNER'S CONTINGENCY				**$204,167.30**		**$206,611.20**		**$232,419.35**		**$254,167.00**
	TOTAL				**$2,246,840.54**		**$2,272,723.20**		**$2,556,612.85**		**$2,785,087.00**
	CALENDAR DAYS (SUBSTANTIAL / FINAL)				**200 / 30**		**120 / 34**		**210 / 40**		**210 / 30**

Meeting Date: 9/30/2024 | **Date: 09/12/2024** | **Item #: 23.** | **Dept.: Administration**

Resolution

SUBJECT:

Consider and take appropriate action on Resolution R-23-24, a resolution of the City Council of the City of Kaufman, Texas, nominating candidates for election to the Board of Directors of Kaufman Central Appraisal District; and providing for an effective date.

BACKGROUND:

It is time to select the Board of Directors for the Kaufman Central Appraisal District. The directors will serve terms as indicated in the attached election cycle timeline beginning January 1, 2025. Each taxing entity may nominate one candidate for each position. Therefore, each entity may nominate from one to five candidates. The Mayor submits the names and addresses of the nominees by written resolution to the Chief Appraiser.

Author:
Mike Holder, City Manager

Reviewed:
Mike Holder, City Manager

Cost: **Funds Available:** **Source:**

Recommendation: Staff recommends approval of Resolution R-23-24 as presented.

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☐	☐	☐	☐	☐

RESOLUTION NO. R-23-24

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS, NOMINATING CANDIDATES FOR ELECTION TO THE BOARD OF DIRECTOS OF KAUFMAN CENTRAL APPRAISAL DISTRCIT; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Chief Appraiser of the Kaufman Central Appraisal District has been charged with the responsibility of conducting the election process to determine the membership of the Board of Directors of the Kaufman Central Appraisal District, according to the Property Tax Code of Texas; and

WHEREAS, Texas Property Tax Code Sections 6.03(e) and 6.03(g) provides that each taxing unit entitled to vote may nominate by resolution up to five (5) candidates to become a member of the Board of Directors to be submitted to the Chief Appraiser before October 15, 2024;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KAUFMAN, TEXAS THAT:

SECTION 1. That the City Council of the City of Kaufman does hereby nominates the following persons as a candidate for election to the Board of Directors of the Kaufman Central Appraisal District:

1.
2.
3.
4.
5.

SECTION 2. This Resolution becomes effective immediately upon its passage and approval.

PASSED AND APPROVED this the 30th day of September, 2024.

CITY OF KAUFMAN

_____

JEFF JORDAN
MAYOR

ATTEST:

_____

JESSIE HANKS
CITY SECRETARY

APPROVED AS TO FORM:

_____

PATRICIA ADAMS
CITY ATTORNEY

Meeting Date: 9/30/2024 **Date: 09/04/2024** **Item #: 24.** **Dept.: Administration**

Action Item

SUBJECT:

Consider and take appropriate action on the appointment of three (3) members to the Keep Kaufman Beautiful Board for a two (2) year term to expire March 2025.

BACKGROUND:

Three (3) members of the Keep Kaufman Beautiful Board—Beth Ray, Emilee Martin, and ShannAn Jaisen—have reached the end of their terms and have opted not to continue their service. In response, staff has actively solicited applications to fill these three vacancies. We received seven (7) applications for consideration, and the details of these candidates are attached for your review.

Therefore, the procedure for considering the appointment of a member of the Keep Kaufman Beautiful Board is as follows: A simple majority of the Council, four votes, is necessary to make a nomination for the appointment of a prospective member. Any member of the Council may make a nomination for appointment.

Procedurally, the Council should adhere to the process as outlined below:

• Council will vote for the appointment of a member to the Keep Kaufman Beautiful Board for an unexpired term to expire in March 2026.
• If the nominee does not attain a simple majority of the Council (four votes), they will not serve as a member.
• Any Council Member can make a nomination for consideration.
• If the nominee then receives a simple majority of the votes by the Council (four votes), that individual will be appointed to serve as a member.

Author:
Jessie Hanks, City Secretary

Reviewed:
Mike Holder, City Manager

Cost: **Funds Available:** **Source:**

Recommendation: Staff is seeking direct for the Council on the appointment of three (3) members to the Keep Kaufman Beautiful Board for a two (2) year term to expire March 2026.

Safe & Secure	Business Friendly/Economic Development	Partnership & Community Involvement	Healthy & Environmentally Cons. Comm.	Financial & OPS Stewardship
☐	☐	☒	☐	☐

City of Kaufman

BOARD OR COMMISSION
CANDIDATE APPLICATION FOR APPOINTMENT

Which of the City's Boards/Commissions are you interested in serving on?

- [ ] Kaufman Economic Development Corp.
- [ ] Planning and Zoning Commission
- [ ] Board of Adjustment
- [ ] Parks and Recreation Board
- [ ] Downtown Development Advisory Board
- [x] Keep Kaufman Beautiful Board
- [ ] Other (Please specify in space below.)

_____

Name: Holly Collins
Home Address: 201 W. Mulberry
Home Phone #: 214.566.4043
*E-mail Address: holly@tonycollinsart.com

Date Submitted: 8/16/24
Occupation: design/fabrication
Employer: Tony Collins Art
Work Phone #: 214.566.4043

(property owner)

Kaufman resident for 1 years.

Qualified Voter: Yes [x] No [ ]

Are you related to any of the City Council members or the City Manager? Yes [ ] No [x]
If so, please give the name of the person you are related to and your relation to that person.

Name _____ Relationship _____

Highest Education Level Completed, School Attended and Year Graduated: (High School/College)
Okla. State Univ - BS - Journalism. 1986, Ada, OK High School 1982

Boards/Commissions/Committees you have previously served on:	Dates
Trinity Strand Trail (Dallas)	2007-2009
Corinthian Sailing Club	2010-2012
Cedars Open Studio Tour	2007-2022

Professional and/or Community (Civic) Activities:
art + nature promotion

Skills, Hobbies, or Talents:
organization + strategic planning, project management

Signature

City of Kaufman

BOARD OR COMMISSION
CANDIDATE APPLICATION FOR APPOINTMENT

Which of the City's Boards/Commissions are you interested in serving on?

- [ ] Kaufman Economic Development Corp.
- [ ] Planning and Zoning Commission
- [ ] Board of Adjustment
- [ ] Parks and Recreation Board
- [ ] Downtown Development Advisory Board
- [x] Keep Kaufman Beautiful Board
- [ ] Other (Please specify in space below.)

Name: Alejandra Hernandez
Home Address: 1303 S. Clay St
Home Phone #: 469-774-4487
*E-mail Address: alejandracolunga97@gmail.com

Date Submitted: 08/15/24
Occupation: District Manager
Employer: Jack In The Box
Work Phone #: 214-213-3543

Kaufman resident for 11 years.

Qualified Voter: Yes [x] No [ ]

Are you related to any of the City Council members or the City Manager? Yes [ ] No [x]
If so, please give the name of the person you are related to and your relation to that person.

Name _____ Relationship _____

Highest Education Level Completed, School Attended and Year Graduated: (High School/College)
High school, Eduardo J. Correa (Mex, City) graduated 2012

Boards/Commissions/Committees you have previously served on: Dates

Professional and/or Community (Civic) Activities:

Skills, Hobbies, or Talents:
Soccer, Gardening and Cooking

Signature

City of Kaufman

BOARD OR COMMISSION
CANDIDATE APPLICATION FOR APPOINTMENT

Which of the City's Boards/Commissions are you interested in serving on?

- ☐ Kaufman Economic Development Corp.
- ☐ Planning and Zoning Commission
- ☐ Board of Adjustment
- ☐ Parks and Recreation Board
- ☐ Downtown Development Advisory Board
- ☑ Keep Kaufman Beautiful Board
- ☐ Other (Please specify in space below.)

Name: Stephanie Rodriguez
Home Address: 11582 Willis Ln
Home Phone #: 713-539-4677
*E-mail Address: Stephanie.summerall@gmail.com

Date Submitted: 8/20/2024
Occupation: Vice President Sales
Employer: Vero Side Marketing
Work Phone #:

Kaufman resident for 2 months ~~years~~.

Qualified Voter: Yes ☑ No ☐ In process.

Are you related to any of the City Council members or the City Manager? Yes ☐ No ☑
If so, please give the name of the person you are related to and your relation to that person.

Name: _____ Relationship: _____

Highest Education Level Completed, School Attended and Year Graduated: (High School/College)
Majored in Communications at SMU, Completed 2 yrs

Boards/Commissions/Committees you have previously served on:	Dates
Marketing Board, Houston First	2016 - 2021
London Olympic Committee	2007 - 2008
Greenwich Hospital, Fundraising	2009 - 2011

Professional and/or Community (Civic) Activities:
New York Jr. League, Houston CVB, Hotel Lodging Association, Monday Elementary PTO

Skills, Hobbies, or Talents:
Creative Services, branding, marketing, tourism, PR.

Signature

City of Kaufman

BOARD OR COMMISSION
CANDIDATE APPLICATION FOR APPOINTMENT

Which of the City's Boards/Commissions are you interested in serving on?

- ☐ Kaufman Economic Development Corp.
- ☐ Planning and Zoning Commission
- ☐ Board of Adjustment
- ☐ Parks and Recreation Board
- ☐ Downtown Development Advisory Board
- ☒ Keep Kaufman Beautiful Board
- ☐ Other (Please specify in space below.)

_____

Name: Rachel Rossler	Date Submitted: 8/16/2024
Home Address: 1350 CR 280 Kaufman, TX 75142	Occupation: Business Owner
Home Phone #: 972-989-3965	Employer: Circle M Trailers on Hwy 175 Kaufman
*E-mail Address: RachelRossler@hotmail.com	Work Phone #: 972-932-0591

Kaufman resident for 5 years.	Qualified Voter: Yes ☒ No ☐

Are you related to any of the City Council members or the City Manager? Yes ☐ No ☒
If so, please give the name of the person you are related to and your relation to that person.

Name	Relationship

Highest Education Level Completed, School Attended and Year Graduated: (High School/College)
Lakeridge HS, Lake Oswego, OR 1987 / B.A. Univ. Of Louisiana, Lafayette, LA 1995

Boards/Commissions/Committees you have previously served on:	Dates
School Board Member - Diocese of Lafayette - Our Lady of Fatima	2005-2007
Lafayette Chamber of Commerce Board Member	2000-2005
Various PTO Organizations FISD, Forney, TX	2007-2019

Professional and/or Community (Civic) Activities:
St. Martin of Tours parishoner 2007-2019, CLife Kaufman Campus 2019-2024, various professional boards

Skills, Hobbies, or Talents:
Marketing & design experience, event/party planning, web design, dragon boat paddler, and pickelball for hobbies

Rachel Rossler
Signature

lenice63@yahoo.com

BOARD OR COMMISSION
CANDIDATE APPLICATION FOR APPOINTMENT

Which of the City's Boards/Commissions are you interested in serving on?

- ☐ Kaufman Economic Development Corp.
- ☐ Planning and Zoning Commission
- ☐ Board of Adjustment
- ☐ Parks and Recreation Board
- ☐ Downtown Development Advisory Board
- ☑ Keep Kaufman Beautiful Board
- ☐ Other (Please specify in space below.)

_____

Name: Lowell L Smith
Home Address: 401 Jenkins St
Home Phone #: 214-460-3785
*E-mail Address: lenice63@yahoo.com

Date Submitted: _____
Occupation: Retired
Employer: _____
Work Phone #: _____

Kaufman resident for 24 years. Born + Raised

Qualified Voter: Yes ☐ No ☐

Are you related to any of the City Council members or the City Manager? Yes ☐ No ☑
If so, please give the name of the person you are related to and your relation to that person.

Name	Relationship

Highest Education Level Completed, School Attended and Year Graduated: (High School/College)

Boards/Commissions/Committees you have previously served on:	Dates

Professional and/or Community (Civic) Activities:

Skills, Hobbies, or Talents:

Lowell L Smith
Signature

City of Kaufman

BOARD OR COMMISSION
CANDIDATE APPLICATION FOR APPOINTMENT

Which of the City's Boards/Commissions are you interested in serving on?

- [ ] Kaufman Economic Development Corp.
- [ ] Planning and Zoning Commission
- [ ] Board of Adjustment
- [ ] Parks and Recreation Board
- [ ] Downtown Development Advisory Board
- [x] Keep Kaufman Beautiful Board
- [ ] Other (Please specify in space below.)

_____

Name: Lloyd Timms	Date Submitted: 08/16/2024
Home Address: 4706 CR 103	Occupation: Talent Development Specialist
Home Phone #: 480-901-2357	Employer: Equus Workforce Solutions
*E-mail Address: Lloyd.timms89@icloud.com	Work Phone #: 4695072175

Kaufman resident for 20 years.

Qualified Voter: Yes [x] No [ ]

Are you related to any of the City Council members or the City Manager? Yes [ ] No [x]
If so, please give the name of the person you are related to and your relation to that person.

Name _____ Relationship _____

Highest Education Level Completed, School Attended and Year Graduated: (High School/College)
Bachelors degree - Texas Tech 2014

Boards/Commissions/Committees you have previously served on:	Dates

Professional and/or Community (Civic) Activities:

Skills, Hobbies, or Talents:

Signature

City of Kaufman

BOARD OR COMMISSION
CANDIDATE APPLICATION FOR APPOINTMENT

Which of the City's Boards/Commissions are you interested in serving on?

- ☐ Kaufman Economic Development Corp.
- ☐ Planning and Zoning Commission
- ☐ Board of Adjustment
- ☐ Parks and Recreation Board
- ☐ Downtown Development Advisory Board
- ☒ Keep Kaufman Beautiful Board
- ☐ Other (Please specify in space below.)

Name: Kelli Walker
Home Address: 6175 Ellis Lane Kaufman, TX
Home Phone #: 972-932-8953
*E-mail Address: jkjawalker@yahoo.com

Date Submitted: 8/19/2024
Occupation: Claims Consultant
Employer: Worldwide Resources, Inc.
Work Phone #: 214-356-5979

Kaufman resident for 39 years.

Qualified Voter: Yes ☒ No ☐

Are you related to any of the City Council members or the City Manager? Yes ☐ No ☒
If so, please give the name of the person you are related to and your relation to that person.

Name _____ Relationship _____

Highest Education Level Completed, School Attended and Year Graduated: (High School/College)
Some College

Boards/Commissions/Committees you have previously served on:	Dates
None	

Professional and/or Community (Civic) Activities:

Skills, Hobbies, or Talents:
Reading and Traveling

Kelli Walker
Signature

NATIONAL NIGHT OUT 2024

Tuesday ★ October 1

6:00 to 9:00 PM

Shannon Park ★ 150 Ebo St.

Join us for free food, educational information, emergency vehicles, law enforcement personnel, music, & goodies.

City of Kaufman presents

HARVEST FESTIVAL

12 OCT 2024

SATURDAY

9:00AM TO 5:00PM

- Live Music
- Food
- Drinks
- Family Fun
- Games

Kaufman Downtown Square

www.kaufmantx.org

Save the Date

LEGACY BALL

Jockeys & Juleps

10.26.2024

KAUFMAN ISD
EDUCATION FOUNDATION

Alysheba Room
Lonestar Park at
Grand Prairie

Doors open
at
5:30 PM

DISCUSSION ITEMS REPORT (DIR)

Project Title	Department	Agenda Date	Entered Date	Status/Notes	Strategy Map
Thoroughfare Plan Update	Development Serv	TBD	10/23/2018	Comp Plan	2,5
Bldg Standards Commission Ordinance	Development Serv	9/1/2019	10/23/2018	BSC to review	4
South Pointe	Development Serv		2/3/2021	Ground breaking occurred 10/22	2,3,4
Public Works Facility	Admin		7/16/2024	Working on needs assessment	5
Fire Department Facility Improvements	Admin/Public Safety			Drainage improvements completed/Doors Painted	1,2,5
City Lakes Emer Action Plan	Public Works	TBD	8/7/2019		5
Film Friendly Designation	Admin/KEDC	TBD	9/1/2023	Working w/ Chamber of Commerce	2,3
Washington Street Utility Relocation	Admin/PW	TBD	10/1/2019	SUE forwarded to TxDOT	2,5
TPW Grant for City Lake Park	Parks &Rec	TBD	12/10/2019	TPWD Grant Awarded	4,5
Comprehensive Plan	Admin		8/26/2020	Pusuing Grant Opportunities	2,3,4,5
Street Maintenance Program	Public Works		1/29/2021	Budget Approved, Phase 1 & 2 complete. Start Phase 3.	2,4,5
Storm Drainage Projects	Public Works		1/29/2021	Phase 2 Under Construction	2,4,5
WWTP	PW/Admin		7/16/2024	Schneider IGA approved June 2024	2,4,5
Crestview/Royal Reconstruction	Public Works		9/1/2023	Bid award July 22, 2024	5
Connector Road	Admin		4/29/2021	County project underway	2,3,5
Phillip's Drainage	Public Works		9/1/2023	Bid award July 22, 2024	5
Northeast Utility Project	Admin/PW		9/17/2021	Under Construction	1,2,3,4,5
City Lakes Park/Lower Lake Improvements	Admin/PW		9/23/2021	Working on Cost Estimate and Scope	4
E. 1st North	Public Works		9/1/2023	Curb and Gutter underway	5
Kings Fort Park	PW/Admin		7/27/2022	On hold	3,4,5
Hike & Bike Trail	Admin		7/27/2022	Master Concept Plan & First Segment complete	3,4,5
Arts Council	Admin	TBD	3/15/2023	Public Private Partnership	3,4
City Hall Front Plaza	Admin	TBD	5/15/2023	CM Contingency	4,5
HWY 34 Property	Admin		1/30/2024	Need Demo Quote	4
Impact Fees	Admin		7/16/2024	Scope and Fee Proposal from TNP	2,4,5
TxDOT Property	Admin/EDC		1/30/2024	Closing scheduled for April 2024	2,5

DISCUSSION ITEMS REPORT (DIR)

COMPLETED

Project Title	Project Lead	Agenda Date	Entered Date	Status/Notes	
PID Creation Resolution	Dev Svc/Admin	11/13/2018	10/24/2018	Complete	
TIRZ Creation Ordinance Amendment	Dev Svc/Admin	11/13/2018	10/24/2018	Complete	
TIRZ Project Reprioritization Resolution	Dev Svc/Admin	11/13/2018	10/24/2018	Complete	
Home Improvement Incentive Program	Development Serv	11/13/2018	10/23/2018	Complete	
Budget Book Submission to GFOA	Finance		10/23/2018	Complete	
Interlocal Agreement w/County for PID	Finance		10/30/2018	PID Assessment for Georgetown in 2020	
WWTP Priority Project List	Public Works	11/13/2018	10/23/2018	Mark Hill - Consultant	
2600 Commerce Way Permit Ready	Development Serv	NA	11/6/2018	Complete Permit Issued 11/26/2018	
600 N Nash KC Street Barn Permit Issued	Development Serv	NA	11/6/2018	Complete Finaled 01/04/2019	
Rev Ch 22 & 46 7500SF F Sprinkler Req	elopment Serv	01/28/2019 02/25/201	1/21/2019	Complete 02/25/2019	
Realtor PID Training	Admin	NA		Complete 4/23/2019	
Fee Schedule Update	Development Serv		6/4/2019	Approved by Council	
Bureau Veritas Contract Update	Development Serv		6/4/2019	Approved by Council	
Park Master Plan Update	Parks &Rec	8/5/2019	10/23/2018	Aproved by Council	
34/243 Signal Installation	Public Works		10/23/2018	Complete	
HR Coordinator	Admin		12/17/2018	Admin/HR Assistant Full-Time Sept. 30	
Agenda Software Installation/Training	Admin		10/23/2018	Complete	
5 Year CIP	Admin	11/25/2019	11/25/2019	Work Session 12/16/19	
Water & Street Impact Fee Update	Development Serv		6/10/2019	Council approved 12/16/19	
Intern Program	HR	TBD	12/10/2019	Policy to Council 3/30/20	3,5
WWTP Finance Application	Finance	11/13/2018	10/23/2018	GTUA Approval	5
PD/FD Safety Equipment Grant	Public Safety	TBD	3/3/2020	Application Submitted	1
Street Maintenance Priorities	PW/Admin		2/27/2019	List Presented to Council/Incorporated into 5 Year CIP	5
Traffic Signal 1388@34 ByPass	Admin		1/28/2020	Final Construction Underway	1
Solid Waste RFP	Admin	TBD	5/18/2020	Contract Finanlized and Approved	4,5
PD Body Camera Grant	PD	4/27/2020	5/19/2020	Grant not awarded	1,5
Civic Center	Admin	7/22/2019		Accepted 01/25/21	2,3
Phase II - Street Bond	Public Works	10/28/2019	10/23/2018	Accepted 01/25/21	5
TxDOT Turnback	Admin	12/17/2018	11/6/2018	Accepted 01/25/21	2,3,5
City Lakes Park Fence	Public Works		1/26/2021	Complete	
Building Official	Development Serv		12/10/2020	Hired	
54-Acre Development	Development Serv	5/18/2020	10/23/2018	PD to Council 05/18/2020	2,3,4
Building Code Update	Development Serv	10/28/2019	6/4/2019	Approved O-28-19	5
Park Dedication Ordinance	Development Serv	1/25/2021	10/23/2018	PH continued to 2/22/2021	4,5
Police Department Server	PD		1/29/2021	Ordered thru TSM	1,5
Tree Mitigation Ordinance	Development Serv		2/24/2021	Approved	4,5
Kaufman Lake	Admin/PW		1/8/2019	Sold April 2021	2,4,5
Downtown Parking	Admin		1/16/2019	2 Hour Parking Signs going up	2
Fire Engine Replacement	FD	1/25/2021	1/25/2021	Lease Approved	1,5
Greenlight City/EDC Marketing	Admin/EDC		6/16/2020	Greenlight Retainer	1,2
Kaufman Square Speakers	Admin/PW	TBD	10/22/2019	Installation Complete	2,3
Fire Department 5 Year Plan	FD		8/26/2020	Presented at Council Retreat 4/2021	2,5
TIRZ #2	Admin		8/6/2020	PPFP Approved 082420	2,3,4
Tabor Parkway Expansion	PW/Admin			Complete	2,3,5
IT Services RFP	Admin		1/6/2022	Contract award 2/28/22	1,5
Marlow Development	Development Serv	4/22/2019	10/23/2018	Construction Underway	2
Recodification of City Ordinances	Admin	11/13/2018	10/23/2018	Franklin Review	5
Kaufman Estates	PW/Admin	10/28/2019		No Action	5
Sports Complex Parking Lot Paving	PW/Admin	4/25/2022	4/26/2022	Completed	4
Digital Gateway Signage	Admin	TBD	8/17/2020	Could not get an approved site	2,3
Former Senior Center Demo	Development Serv		11/8/2021	Property sold and closed 12/29/22	4
Sports Complex Football Fields/Lighting/S	PW/Admin		9/23/2022	Complete	3,4
High Speed Internet	Admin			Suddenlink live/CIP installing	2,3,5
COVID - 19	Admin/Public Safety	TBD	3/11/2020	Action Plan in Place	4,5
Splash Pad	Parks &Rec	TBD	10/23/2018	Completed	2,3,4
Body Cameras	PD		2/2/2021	Completed	1,3,5
Shannon Park Updates	Admin/PW	4/26/2021	4/26/2021	Completed	3,4,5
AMI	Admin/PW		4/29/2021	Installation complete	4,5
Website Update	Admin		1/26/2021	Planning Phase- kick off meeting on 1/30/2023	2,3
City Hall Front Plaza	Admin	TBD	5/15/2023	CM Contingency	4,5

Subdivision Ordinance Update	Development Serv	1/27/2020	10/23/2018	Completed	5
North & South Water Tower Rehab	Public Works		1/29/2021	Completed	4,5
Becker-Jiba Water Contract	Admin		1/30/2024	Approved	3,5

Phone: 877-631-5278 | **Fax:** 972-563-0048 | **Website:** STARtransit.org
PO Box 703 | Terrell | TX 75160

DATE: September 6, 2024

TO: Kaufman County

FROM: Teresa Elliott; Project Manager

RE: **August 2024 Ridership Report**

Demand Reponse	September	October	November	December	January	February	March	April	May	June	July	August	YTD
Total Trips	3,005	3,226	2,993	2,489	2,448	2,647	2,458	2,638	2,488	2,242	2,566	2,703	**31,903**
Days of Service	20	22	20	19	20	20	20	22	22	19	22	22	**248**
Avg. Daily Trips	150	147	150	131	122	132	123	120	113	118	117	123	**129**
Elderly & Disabled Trips	2,541	2,731	2,495	2,078	2,013	2,160	2,010	2,207	2,121	1,901	2,204	2,283	**26,744**
E&D Percentage	85%	85%	83%	83%	82%	82%	82%	84%	85%	85%	86%	84%	**84%**

Trips By City	September	October	November	December	January	February	March	April	May	June	July	August	YTD
Crandall	33	45	38	43	39	48	58	60	61	71	73	51	**620**
Forney	767	880	886	685	664	798	711	767	751	655	721	760	**9,045**
Kaufman	465	407	355	287	304	391	406	451	408	366	417	386	**4,643**
Kemp	12	8	7	17	20	22	14	6	18	14	34	59	**231**
Mabank	22	21	13	16	16	19	18	19	15	17	19	12	**207**
Scurry	35	35	35	22	7	9	10	19	10	7	19	11	**219**
Terrell	1,671	1,830	1,659	1,419	1,398	1,360	1,241	1,316	1,225	1,112	1283	1424	**16,938**

STARNow	September	October	November	December	January	February	March	April	May	June	July	August	YTD
Total Trips	634	641	575	658	749	828	854	955	943	806	1,188	1,562	**10,393**
Days of Service	20	22	20	19	20	20	20	22	22	19	22	22	**248**
Avg. Daily Trips	32	29	29	35	37	41	43	43	43	42	54	71	**42**
Median Wait Time (mins)	52.42	29.00	23.70	24.59	22.35	18.47	28.31	24.08	39.40	26.93	20.58	34.15	**28.67**

Total Requested Boardings	Completed Boardings	Avg. Boardings Per Service Hr.	Boarding Cancellations	Boarding Cancellations (No-Show)	Cancellation Percentage	Cancellation Percentage (No Show)	Total Requests
1923	1562	1.78	356	44	18.56 %	2.29 %	1687

Completed Requests	No Drivers Available Requests	Request Cancellations	Request Cancellations (No Show)	Avg. # of Requests per Rider	Avg. Travel Duration	Avg. Travel Distance	Mean Wait Time	Median Wait Time
1373	4	310	39	8.54	13.7 min	4.36 mi	34.15 min	19.48 min

Bookings from Admin Panel	Bookings from Rider Mobile App	Bookings from Rider Web	Flag Down Bookings	Bookings from IVR	Avg. # Riders per Request
54.29 %	45.71 %	0 %	0 %	0 %	1.14

STARNow Trips By City	September	October	November	December	January	February	March	April	May	June	July	August	YTD
Terrell	634	641	575	562	571	611	592	606	579	576	647	759	**7,353**

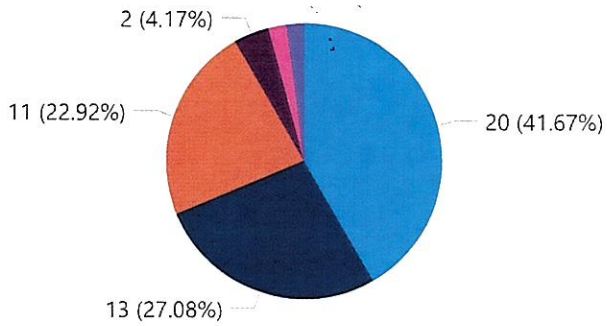
City of Kaufman Compliance

911 Response Plan (groups)	Request	Transports	Exceptions	Compliance %	Capture Rate
City of Kaufman P1	28	21	4	86%	75.00%
City of Kaufman P2	93	52	4	96%	55.91%
City of Kaufman P3	29	24	2	93%	82.76%
Total	**150**	**97**	**10**	**93%**	**64.67%**

CareFlite

August 2024

Non Transports



Cancel Reason

- Cancelled by FD
- AMA Refused Treatment or Transp...
- Cancelled by LE
- Public Assist
- Dead at Scene
- Patient Gone on Arrival

Destination

Dropoff Fac	Transports	Cumulative %
Texas Health Kaufman (KAUF)	59	63.44%
William P. Clements University Hospital (DWPC)	1	16.67%
Baylor Scott & White - Dallas (DBMC)	10	11.49%
Baylor Scott & White - Sunnyvale (SUNV)	6	10.00%
Dallas Regional Medical Center (MDR1)	7	9.21%
Children's Medical Ctr (DCMC)	3	4.62%
Texas Health Rockwall (RKPH)	2	3.17%
Medical City Dallas (DMCD)	2	2.70%
Texas Health Dallas (DPMC)	2	2.17%
Methodist Dallas Medical Center (DMMC)	1	1.92%
Total	**93**	**100.00%**

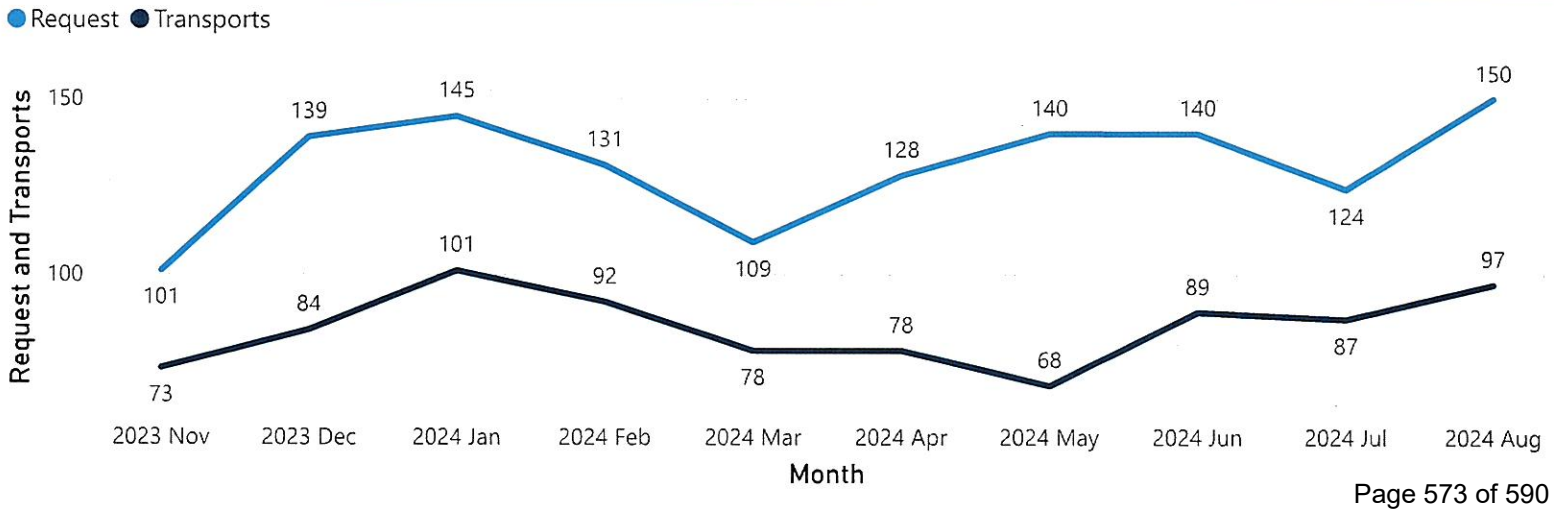
Fractile Response

Fractile Response Groups	Request	Cum Response %
0	102	0.68
300	37	0.25
600	5	0.06
900	3	0.03
2700	2	0.02
Total	**150**	**1.00**

Average Response Time

00:08:05

Request and Transports by Month



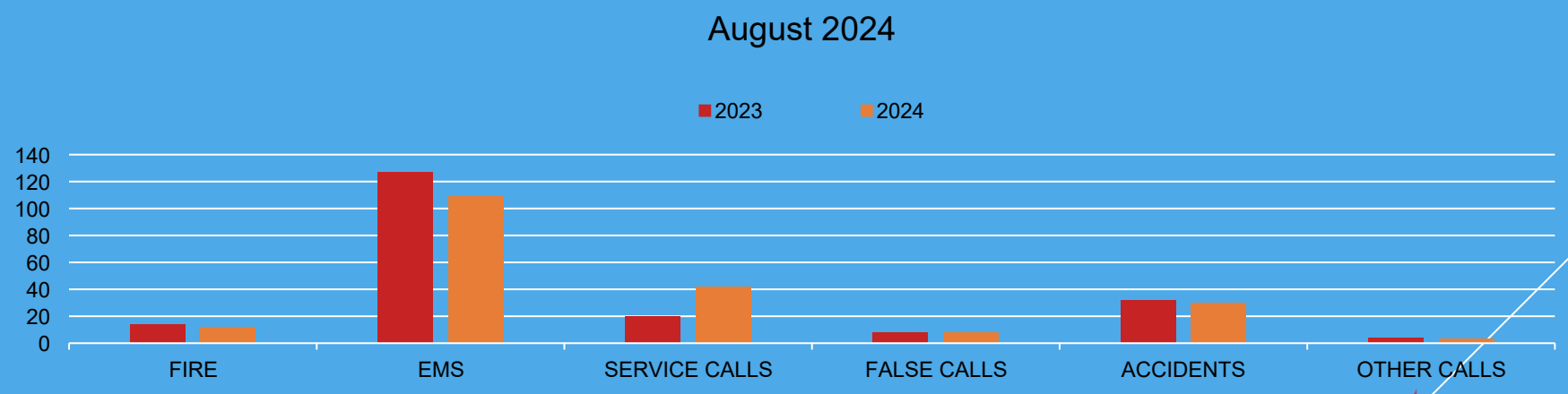
KAUFMAN FIRE DEPARTMENT

MONTHLY DASHBOARD REPORT

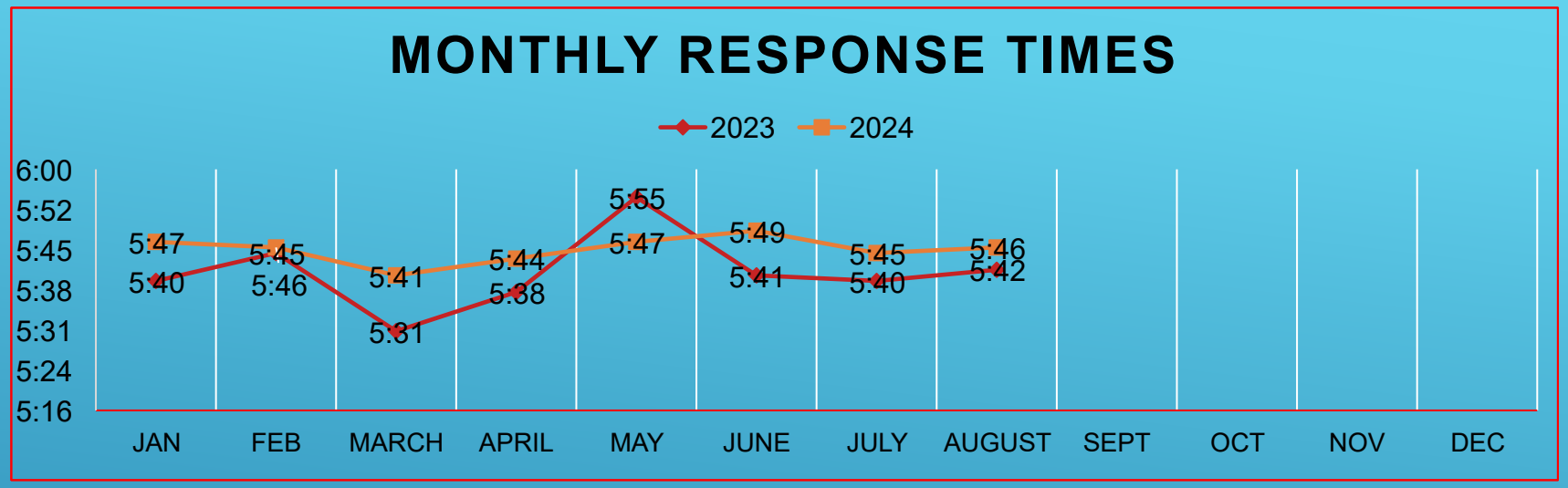
August 2024

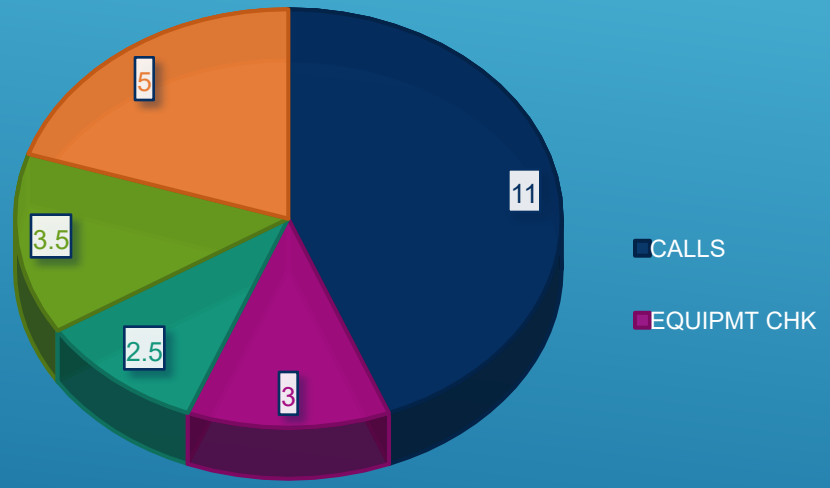
KAUFMAN FIRE DEPARTMENT
MONTHLY DASHBOARD REPORT
AUGUST 2024

	2023 AUGUST	2024 AUGUST	FISCAL YTD OCT. 22 TO JULY 23	FISCAL YTD OCT. 23 TO JULY 24
FIRE CALLS	14	12	171	210
RESCUE & EMERGENCY MEDICAL SERVICES	127	109	1397	1120
HAZARDOUS CONDITIONS	26	20	167	237
SERVICE /INSP/ GOOD INTENT CALLS	20	42	184	330
FALSE ALARMS & FALSE CALLS	8	8	90	89
ACCIDENTS	32	30	365	362
OTHER INCIDENTS	4	3	74	52
TOTAL CALLS	231	224	2448	2400



KAUFMAN FIRE DEPARTMENT
AUGUST 2024





SHIFT HOURLY UTILIZATION 43 %

NFPA NATIONAL STANDARDS 25% TO 30% MAXIMUM

KAUFMAN FIRE DEPARTMENT
MONTHLY DASHBOARD REPORT
AUGUST 2024

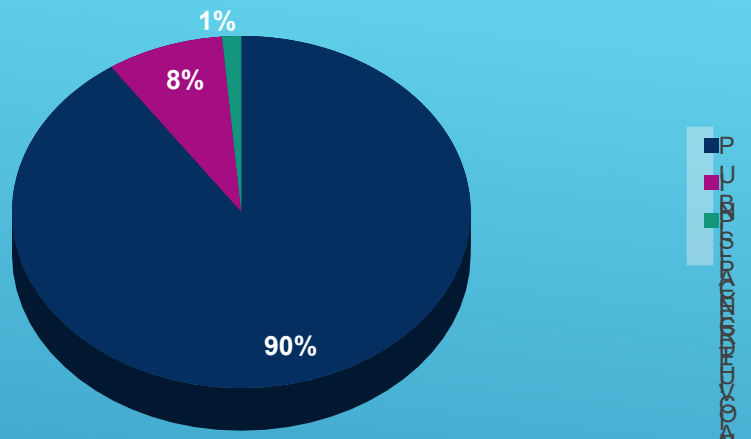
AUGUST PREVENTION REVIEW

2 DEVELOPMENT PLANS REVIEWED

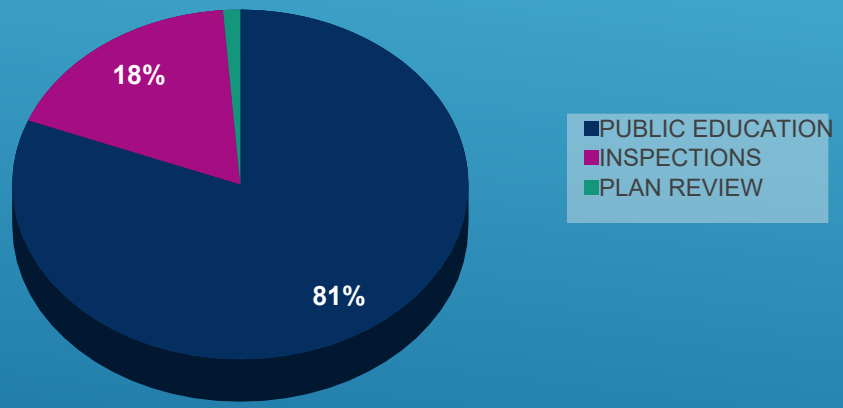
CONDUCTED 44 FIRE SAFETY INSPECTIONS

CONDUCTED FIRE PREVENTION PRESENTATIONS FOR 220 KIDS AND CITIZENS

YEARLY 2023



AUGUST 2024



PERSONNEL CONTINUING EDUCATION

FIRE

ROPES AND KNOTS AND TRENCH RESCUE

EMS

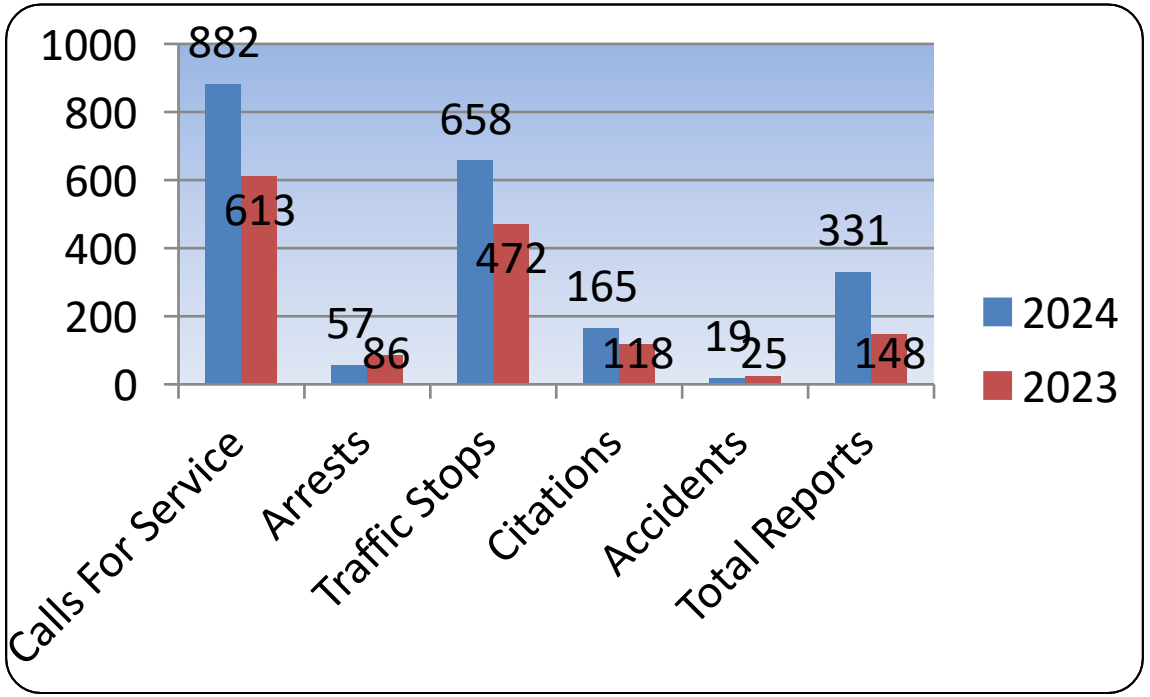
MEDICAL ISSUES SCENARIOS INJURIES AND TREATMENT

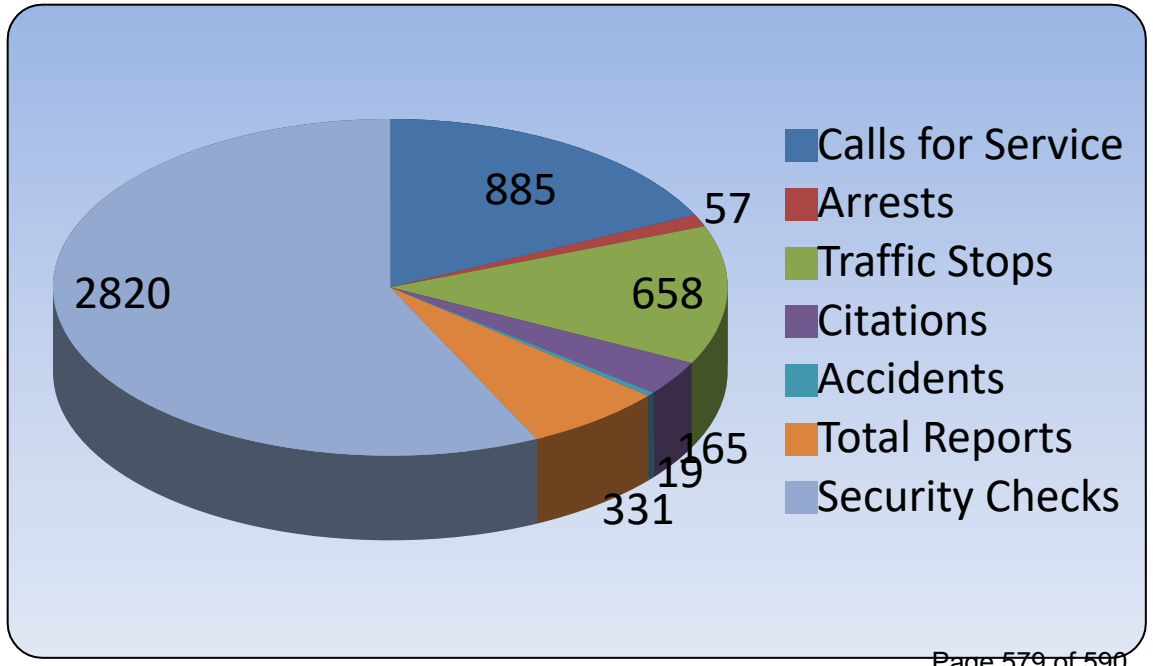
KAUFMAN FIRE DEPARTMENT
MONTHLY DASHBOARD REPORT
AUGUST 2024

KAUFMAN POLICE DEPARTMENT
PATROL ACTIVITY AUGUST 2024

AUGUST 2024, Kaufman Police Department's Patrol Division Activity:

- **882** Calls For Service, Including Accidents
- **19** Traffic Accidents
- Completed **2,820** Homes, Parks, & Business Checks
- Completed **658** Traffic Stops
- Completed **58** Offense Reports
- Completed **273** Incident Reports
- Completed **331** Reports
- Made **57** Arrests
- Average monthly response time to calls is **4:20** minutes.





KAUFMAN POLICE DEPARTMENT
SUMMARY AUGUST 2024

Community Engagement AUGUST 2024

Social Media Posts 20, Facebook Followers 13K.

Events attended by Kaufman Police Department employees:

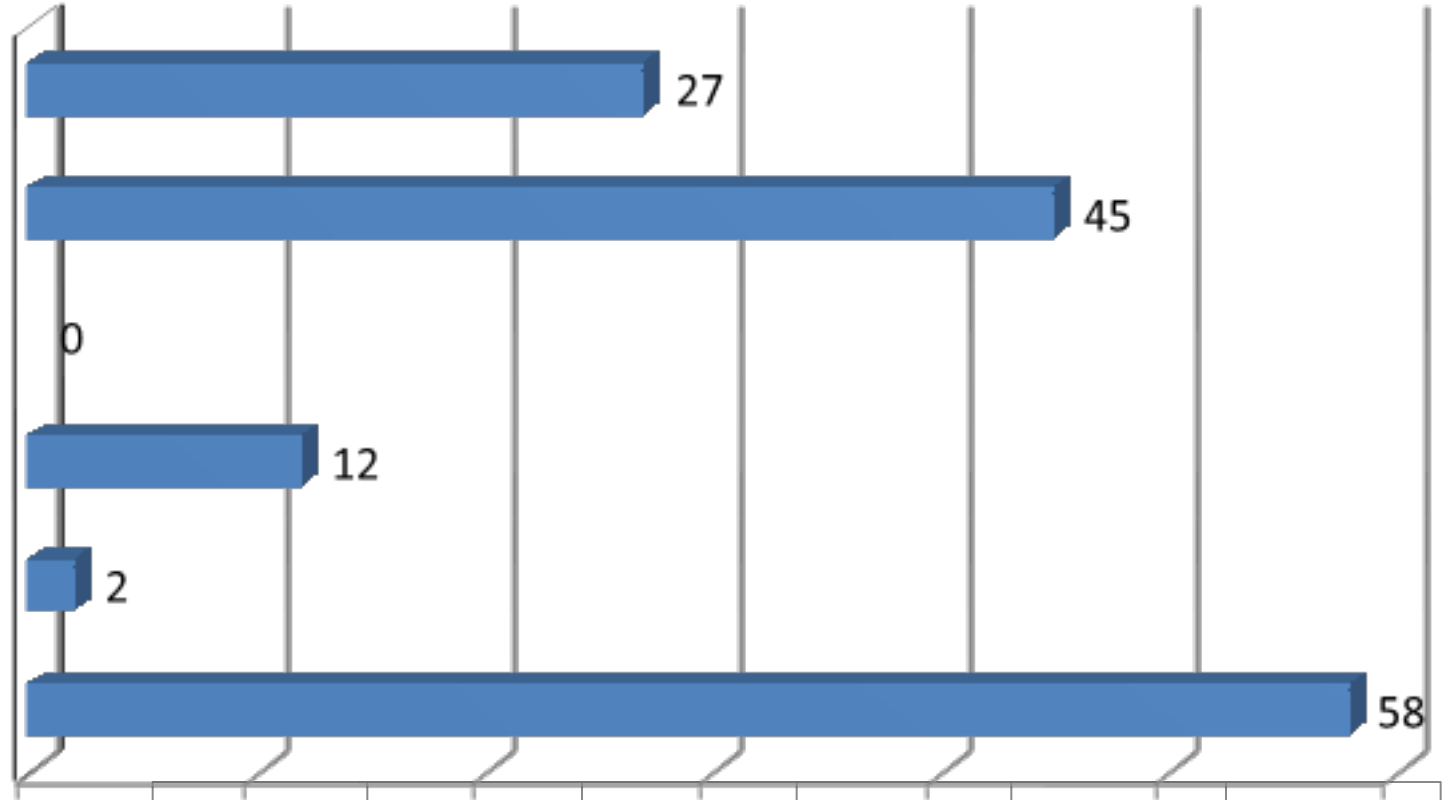
- Chief Edwards attended Lions Club meetings.
- Chief Edwards attended the Economic Summit.
- Captain Leftwich attended the World Series Trophy Tour at the Civic Center.

Training:

- Kaufman Police Department Captain Leftwich, Sergeant Stastny and Sergeant Wagner assisted in ALERRT training for officers.
- Sergeant Rice, Sergeant Huddle and Officer Wall attended Intermediate Crime Scene for their TCOLE licensing.

KAUFMAN CRIMINAL INVESTIGATIONS
ACTIVITY AUGUST 2024

Kaufman Criminal Investigations Division
AUGUST 2024



	Cases Assigned	Search Warrants	Arrest Warrants	Case Unfounded	Cases filed with D.A.	Cases filed with City Court
August	58	2	12	0	45	27

KAUFMAN POLICE DEPARTMENT
AUGUST 2024

Year to Date Comparison Report

Printed On: 09/09/2024

Beginning Date: 01/01/2024 **Ending Date:** 08/31/2024

Offenses Known to Police

Agency: KAUFMAN PD

Classification of Offenses	Offenses Reported	Offenses Cleared	Projected Rate/1000	Last YTD Reported	Percent Change
Animal Cruelty, Total	0	0	0.00	0	-
Arson, Total	0	0	0.00	0	-
Assault Offenses, Total	59	54	6.60	48	22.92%
Aggravated Assault	8	8	0.90	5	60.00%
Intimidation	0	0	0.00	4	-100.00%
Simple Assault	51	46	5.71	39	30.77%
Bribery, Total	0	0	0.00	0	-
Burglary/Breaking and Entering, Total	30	2	3.36	9	233.33%
Counterfeiting/Forgery, Total	2	1	0.22	12	-83.33%
Destruction/Damage/Vandalism of Property, Total	15	4	1.68	19	-21.05%
Drug/Narcotic Offenses, Total	196	188	21.94	216	-9.26%
Drug Equipment Violations	55	52	6.16	73	-24.66%
Drug/Narcotic Violations	141	136	15.78	143	-1.40%
Embezzlement, Total	0	0	0.00	7	-100.00%
Extortion/Blackmail, Total	1	0	0.11	0	-
Fraud Offenses, Total	14	11	1.57	7	100.00%
False Pretense/Swindle/Confidence Game	3	3	0.34	1	200.00%
Credit Card/Automatic Teller Machine Fraud	3	2	0.34	1	200.00%
Welfare Fraud	0	0	0.00	0	-
Wire Fraud	0	0	0.00	0	-
Hacking/Computer Invasion	0	0	0.00	0	-
Identity Theft	0	0	0.00	0	-
Impersonation	8	6	0.90	5	60.00%
Gambling Offenses, Total	0	0	0.00	1	-100.00%
Betting/Wagering	0	0	0.00	0	-
Operating/Promoting/Assisting Gambling	0	0	0.00	1	-100.00%
Sports Tampering	0	0	0.00	0	-

KAUFMAN POLICE DEPARTMENT
AUGUST 2024

Year to Date Comparison Report

Printed On: 09/09/2024

Beginning Date: 01/01/2024 **Ending Date:** 08/31/2024

Offenses Known to Police

Agency: KAUFMAN PD

Classification of Offenses	Offenses Reported	Offenses Cleared	Projected Rate/1000	Last YTD Reported	Percent Change
Gambling Equipment Violations	0	0	0.00	0	-
Homicide Offenses, Total	0	0	0.00	0	-
Murder and Nonnegligent Manslaughter	0	0	0.00	0	-
Negligent Manslaughter	0	0	0.00	0	-
Human Trafficking, Total	0	0	0.00	0	-
Human Trafficking, Commercial Sex Acts	0	0	0.00	0	-
Human Trafficking, Involuntary Servitude	0	0	0.00	0	-
Kidnapping/Abduction, Total	0	0	0.00	0	-
Larceny/Theft Offenses, Total	80	41	8.95	68	17.65%
Motor Vehicle Theft, Total	8	1	0.90	16	-50.00%
Pornography/Obscene Material, Total	1	1	0.11	1	0.00%
Prostitution Offenses, Total	0	0	0.00	0	-
Assisting or Promoting Prostitution	0	0	0.00	0	-
Prostitution	0	0	0.00	0	-
Purchasing Prostitution	0	0	0.00	0	-
Robbery, Total	1	0	0.11	0	-
Sex Offenses, Total	4	1	0.45	4	0.00%
Fondling	1	0	0.11	4	-75.00%
Rape	2	1	0.22	0	-
Sexual Assault with an Object	1	0	0.11	0	-
Sodomy	0	0	0.00	0	-
Sex Offenses, Non-Forcible, Total	0	0	0.00	0	-
Statutory Rape	0	0	0.00	0	-
Incest	0	0	0.00	0	-
Stolen Property Offenses, Total	2	2	0.22	1	100.00%
Weapons Law Violations, Total	15	15	1.68	14	7.14%
Group A Offense, Total	428	321	47.90	423	1.18%

KAUFMAN POLICE DEPARTMENT
AUGUST 2024

Year to Date Comparison Report

Printed On: 09/09/2024

Beginning Date: 01/01/2024 Ending Date: 08/31/2024

Offenses Known to Police

Agency: KAUFMAN PD

Classification of Offenses	Offenses Reported	Offenses Cleared	Projected Rate/1000	Last YTD Reported	Percent Change
Crimes Against Person, Total	63	55	7.05	52	21.15%
Crimes Against Property, Total	153	62	17.12	139	10.07%
Crimes Against Society, Total	212	204	23.73	232	-8.62%
Officers Killed or Assaulted YTD	0			4	-100.00%

KAUFMAN POLICE DEPARTMENT
CODE COMPLIANCE AUGUST 2024

AUGUST 2024, Kaufman Code Compliance Located or Responded To-

- Total Violations – 134
- Cases Opened/First Notice Sent – 69
- Second Notice of Violation Sent – 3
- Cases Sent To Court – 1
- Cases Closed – 75
- Current Active Cases - 51

KAUFMAN POLICE DEPARTMENT
ANIMAL SERVICES REPORT AUGUST 2024

AUGUST 2024, Kaufman Animal Services Responded To-

- Calls For Service - 51
- Follow-up Calls - 1
- Warnings Issued – 6
- Citations Issued – 4
- Traps Set – 0

Animals Captured	Animals Turned Over
On Calls – 7	To Owner – 2
On View – 0	To Humane Society – 4

Dead Animals Recovered: - 1
Non-Domestic Animals Captured – 4

Development Services August 2024 Monthly Report

Permits Issued: 8/01/2024 - 8/31/2024

Permit Title	Project Address	Credential Contacts	Permit Issued Date	Project Fees Paid	Project Valuation	Project Square Feet
Commercial Minor Addition, Remodel or Repair	601 S Madison	Gordon Rowe Lonestar Electric (Electrical Contractor), justin munden JBolt Constr	08/27/2024	$1,380.85	$45,000.00	7100
Commercial Minor Addition, Remodel or Repair	2300 Old Kemp Hwy.	Rodney Gardner Artisian Concepts (General Contractor)	08/01/2024	$100.00	$6,000.00	1600
Commercial Minor Addition, Remodel or Repair	400 N Highway 34	Clayton Hatcher High Performance Heating and Air (Mechanical Contractor), Jesus	08/28/2024	$1,095.79	$86,000.00	0.537
Commercial Minor Addition, Remodel or Repair	11 Oak Creek Dr., C	Keith Aiken Ferrandino & Son Inc. (General Contractor), Ricardo Conejo RJ's Electr	08/22/2024	$1,771.75	$74,000.00	5300
Commercial Minor Addition, Remodel or Repair	113 W Mulberry St.	Jason Raiburn (General Contractor)	08/02/2024	$1,650.15	$89,000.00	0
Concrete (R)	409 Cates Dr.		08/01/2024	$80.00	$2,500.00	0
Driveway, Parking Lot or Sidewalk Permit (C)	1401 S Washington	Hunter Chelette (General Contractor)	08/14/2024	$210.12	$4,500.00	0
Electrical Permit (R)	1884 Nottingham Dr.	George Taylor Lumpys Electric LLC (Electrical Contractor)	08/07/2024	$82.40	$2,000.00	0
Electrical Permit (R)	1607 Leon St.	jason ballard rental properties (Applicant)	08/09/2024	$82.40	$1.00	0
Fence Permit (C)	600 N Washington St.	Beau White Circle W Exterior Solutions, LLC (Fence Contractor)	08/21/2024	$82.40	$6,000.00	0
Fence Permit (R)	1200 Melody Cir.		08/26/2024	$82.40	$2,500.00	0
Fence Permit (R)	3744 Brookgreen Ln.	Bryan Mendez BLM Fence LLC (Fence Contractor), Bryan Mendez BLM Fence LLC (	08/09/2024	$82.40	$700.00	0
Fence Permit (R)	3617 Jordan Way	Bryan Mendez BLM Fence LLC (Fence Contractor), Bryan Mendez BLM Fence LLC (	08/26/2024	$82.40	$700.00	0
Fence Permit (R)	405 S Houston St.		08/27/2024	$82.40	$1.00	0
Fire Alarm	905 S Madison St.	Chris Butler Statewide Fire Protection (Fire Alarm Systems)	08/21/2024	$764.00	$64,000.00	0
Fire Alarm	112 N Washington St.	Michael Brooks Blaze X Sprinkler Corporation (Fire Alarm Systems)	08/23/2024	$185.40	$8,000.00	0
Fire Alarm, Fire Lane, Fire Sprinkler, Fire Suppression (Vent-a-Hood)	3900 Five Points Dr.	Matthew Claxton Ranger Fire, Inc. (Fire Sprinkler Systems)	08/27/2024	$1,852.79	$112,800.00	0
Foundation Repair (R)	801 N Hwy 34	William Benitez Williams Foundation Repair (Foundation Contractor)	08/01/2024	$80.00	$1,300.00	0
Irrigation Permit (R)	3621 Jordan Way	Kenneth Cartwright Land Pro Creations (Irrigation Contractor)	08/02/2024	$82.40	$3,000.00	0
Plumbing Permit (C)	1605 Rand Rd.	Xayphaeng Sivong Reliable Drain Services (Plumbing Contractor)	08/08/2024	$82.40	$8,090.00	0
Plumbing Permit (C)	701 E Mulberry	Daniel Morgan Plumb Unique, Inc. (Plumbing Contractor)	08/08/2024	$82.40	$5,000.00	0
Plumbing Permit (R)	107 Love St.	Jawad Dashti Precision Plumbing (Plumbing Contractor)	08/21/2024	$82.40	$364.50	0
Plumbing Permit (R)	803 N Wilson St.	Steven Harris Harris Plumbing (Plumbing Contractor)	08/22/2024	$82.40	$350.00	0
Plumbing Permit (R)	1411 Royal Dr.	Jose Trejo BT Plumbing LLC (Plumbing Contractor)	08/28/2024	$80.00	$120,000.00	0
Plumbing Permit (R)	1609 Ola Rd.	Juan Reyna Reyna PLumbing LLC (Plumbing Contractor)	08/08/2024	$82.40	$950.00	0
Residential Accessory Buildings/Carport Permit	1704 S Houston St.	Chad Arrington (General Contractor), Randall Gardner (Electrical Contractor)	08/09/2024	$408.00	$25,000.00	520
Residential Addition, Remodel or Repair	801 N Hwy 34	Daniel Castillo Daniel's Plumbing Service (Plumbing Contractor), Efrain Martinez T	08/16/2024	$1,116.00	$0.00	0
Residential Addition, Remodel or Repair	8 CLIMBING TREE Ln.	Kyle Wilson Renewal by Andersen (General Contractor)	08/15/2024	$234.01	$0.00	0
Residential Addition, Remodel or Repair	2004 Melody Cir.	Wayne Tanksley Wayne Tanksley Electric Inc. (Electrical Contractor)	08/27/2024	$574.74	$0.00	0
Residential New Permit	805 Melody Cir.	Alejandro Compian Alejandro Compian RMP (Plumbing Contractor), ALEJANDRO H	08/02/2024	$9,524.27	$150,000.00	2517
Roofing (R)	1714 Ola Rd.		08/15/2024	$80.00	$10,000.00	0
Roofing (R)	1605 Ola Rd.	Socorro Aragonez Najera Sky's General Contractors LLC (General Contractor)	08/16/2024	$80.00	$4,700.00	0
Roofing (R)	1606 Still Meadow Dr.	Rodney Lawson Tiger Roofing (Roof Contractor)	08/08/2024	$82.40	$21,500.00	0
Roofing (R)	1801 Park St.	Rodney Lawson Tiger Roofing (Roof Contractor)	08/27/2024	$82.40	$9,750.00	0
Roofing (R)	2107 Melody Cir.	Hussain Fayad Patriot Roofing & Staining (Roof Contractor)	08/27/2024	$82.40	$9,200.00	0
Roofing (R)	1412 Ridgebriar Dr.	Hussain Fayad Patriot Roofing & Staining (Roof Contractor)	08/27/2024	$82.40	$20,500.00	0
				$22,668.67	$893,406.50	17037.537

◄ September

October 2024

November ►

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1 National Night Out	2	3	4	5
6	7	8 **KEDC**	9 TML Conference	10 TML Conference	11 TML Conference	12 Kaufman Harvest Fest
13	14 City Hall Closed-Columbus Day	15	16	17 **Parks & Rec Meeting**	18	19
20	21	22	23	24	25	26
27	28 **Regular City Council Meeting**	29	30	31		

November 2024

◄ October | December ►

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4 **Planning & Zoning Meeting**	5 Election Day	6	7	8	9
10	11 City Hall Closed- Veteran's Day	12 **KEDC**	13	14	15	16
17	18	19	20 Employee Thanksgiving Luncheon	21 **Parks & Rec Meeting**	22	23
24	25 **Regular City Council Meeting**	26	27	28 City Hall Closed- Thanksgiving Day	29 City Hall Closed- Thanksgiving Day	30

December 2024

◄ November | January ►

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3 **Planning & Zoning Meeting**	4	5	6	7 Christmas on the Square
8	9	10 **KEDC**	11	12	13	14
15	16 **Regular City Council Meeting**	17	18 Employee Christmas Luncheon & Awards Banquet	19 **Parks & Rec Meeting**	20	21
22	23	24 City Hall Closed-Christmas	25 City Hall Closed-Christmas	26	27	28
29	30	31				