

PUBLIC NOTICE
AGENDA
LOCKHART CITY COUNCIL
March 3, 2026
CLARK LIBRARY ANNEX-COUNCIL CHAMBERS
217 SOUTH MAIN STREET, 3RD FLOOR
LOCKHART, TEXAS

6:30 P.M. WORK SESSION (No Action)

Work session will be held to receive briefings and to initially discuss all items contained on the Agenda posted for 7:30 p.m. Generally, this work session is to simplify issues as it relates to the agenda items. No vote will be taken on any issues discussed or reviewed during the work session except to the extent specifically authorized under the Texas Open Meetings Act.

DISCUSSION ONLY

- A. Presentation of a proclamation declaring February 22, 2026 as President George Washington Day. 6
- B. Presentation of a proclamation declaring March 4-5, 2026 as Amplify Day. 7
- C. Discuss authorizing the approval of a Texas A&M Forest Service Rural Volunteer Fire Department Assistance Program cost-share reimbursement grant for Personal Protective Equipment (PPE) and Training Aids. 8-12
- D. Discuss an Amended Interlocal Agreement (ILA) for a renewed term with the Plum Creek Watershed Partnership and authorize the City Manager to execute the agreement, if approved. 13-28
- E. Discuss the purchase of a new 2026 Vermeer Trailer-Mounted Hydro-Excavator from Vermeer Texas-Louisiana through the BuyBoard Purchasing Cooperative (Contract #785-25) in the amount of \$71,784.49 for the Public Works and Electric Departments. 29-33
- F. Discuss the appointment of Ron Faulstich to the Downtown Redevelopment Selection Committee. 34-35
- G. Discussion regarding Ordinance 2026-10, approving a final project and finance plan for Reinvestment Zone Number One, City of Lockhart, Texas providing a severability clause and providing an effective date. 36-68
- H. Discuss Ordinance 2026-09, amending Sections 28-10(d), 28-10(e)(3), and 28-11(b)(3) of Article I, "Historic Districts and Landmarks Regulations and Procedures" of Chapter 28 "Historic Districts and Landmarks" to expand those repainting activities 69-75

qualifying as ordinary maintenance in the Historic District and on City-designated Historic Landmarks, to remove an existing inconsistency indicating that any form of repainting is considered ordinary maintenance, and to change the allowance for replacement of painted exterior wood surfaces from a durable cementitious wood material to composite, wood-like materials as exempt from the requirements for a Certificate for Alteration.

- I. Presentation and discussion regarding the City's Sign Code in the 76-81 downtown area and direction to staff on potential options to enhance visibility and wayfinding for downtown businesses, as well as policy guidance on the placement of sidewalk furnishings within the public right-of-way in the downtown area.
- J. Discuss contract for Election Services with the Caldwell County Elections Administrator to conduct the City of Lockhart's Special Election on March 31, 2026. 82-100
- K. Discussion regarding nomination of Patricia Belote to the Animal Shelter Advisory Board by Mayor Lew White for a term to expire in November 2026. 101-106
- L. Discussion regarding nomination of Erica Saucedo to the Planning and Zoning Commission by Councilmember Juan Mendoza for a term to expire in November 2028. 107-111
- M. Announcement of nomination of Julia Haug to the Planning and Zoning Commission by Councilmember Taylor Burge for a term to expire in November 2028. 112-117
- N. Announcement of nomination of Philip Ruiz to the Planning and Zoning Commission by Councilmember John Castillo for a term to expire in November 2028. 118-120

7:30 P.M. REGULAR MEETING

1. CALL TO ORDER

Mayor Lew White

2. INVOCATION, PLEDGE OF ALLEGIANCE

Invocation. Pledge of Allegiance to the United States and Texas flags.

3. PUBLIC COMMENT

The purpose of this item is to allow the public an opportunity to address the City Council on issues that are or are not on the agenda. No discussion can be carried out on the citizen/visitor comment about items not on the agenda. Comments are limited to three minutes per speaker.

4. PUBLIC HEARING/COUNCIL ACTION

- A. Hold a public hearing, consider, and take possible action with respect to Ordinance 2026-05, Levying Special Assessments For, And Apportioning The Costs Of, Certain Improvements To Property In And For The Seawillow Public Improvement District Improvement Area #1; Fixing A Charge And Lien Against Properties Within Improvement Area #1 Of The District, And The Owners Thereof; Providing For The Manner And Method Of Collection Of Such Assessments; Providing For Penalties And Interest On Delinquent Assessments; Making A Finding Of Special Benefit To Property In The District And The Real And True Owners Thereof; Approving A Service And Assessment Plan; Providing A Severability Clause; And Providing An Effective Date. 121-204
- B. Hold a public hearing, consider and take possible action with respect to Ordinance 2026-06, Authorizing The Issuance Of The City Of Lockhart, Texas Special Assessment Revenue Bonds, Series 2026 (Seawillow Public Improvement District Improvement Area #1); Approving And Authorizing An Indenture Of Trust, A Bond Purchase Agreement, A Limited Offering Memorandum, A Continuing Disclosure Agreement, A Construction, Funding, And Acquisition Agreement, A Landowner Agreement And Other Agreements And Documents In Connection Therewith; Making Findings With Respect To The Issuance Of Such Bonds; And Providing An Effective Date 205-436
- C. Hold a public hearing, consider and take possible action with respect to Ordinance 2026-07, Levying Special Assessments For, And Apportioning The Costs Of, Certain Improvements To Property In And For The Seawillow Public Improvement District Major Improvement Area; Fixing A Charge And Lien Against Properties Within The Major Improvement Area Of The District, And The Owners Thereof; Providing For The Manner And Method Of Collection Of Such Assessments; Providing For Penalties And Interest On Delinquent Assessments; Making A Finding Of Special Benefit To Property In The District And The Real And True Owners Thereof; Approving A Service And Assessment Plan; Providing A Severability Clause; And Providing An Effective Date. 437-520
- D. Hold a public hearing, Consider and take possible action with respect to Ordinance 2026-08 Authorizing the Issuance Of The City Of Lockhart, Texas Special Assessment Revenue Bonds, Series 2026 (Seawillow Public Improvement District Major Improvement Area); Approving And Authorizing An Indenture Of Trust, A Bond Purchase Agreement, A Limited Offering Memorandum, A Continuing Disclosure Agreement, A Construction, Funding, And Acquisition Agreement, And Other Agreements And Documents In Connection Therewith; Making Findings With Respect To The Issuance Of Such Bonds; And Providing An Effective Date. 521-752

5. CONSENT AGENDA

- A. Approve Texas A&M Forest Service Rural Volunteer Fire Department Assistance Program cost-share reimbursement grant for Personal Protective Equipment (PPE) and Training Aids. 753-757
- B. Approve Amended Interlocal Agreement (ILA) for a renewed term with the Plum Creek Watershed Partnership and authorize the City Manager to execute the agreement, if approved. 758-773
- C. Approve the purchase of a new 2026 Vermeer Trailer-Mounted Hydro-Excavator from Vermeer Texas-Louisiana through the BuyBoard Purchasing Cooperative (Contract #785-25) in the amount of \$71,784.49 for the Public Works and Electric Departments. 774-778

6. DISCUSSION/ACTION ITEMS

- A. Discussion and/or action regarding the appointment of Ron Faulstich to the Downtown Redevelopment Selection Committee. 779-780
- B. Consideration and possible action on Ordinance 2026-10, approving a final project and finance plan for Reinvestment Zone Number One, City of Lockhart, Texas providing a severability clause and providing an effective date. 781-813
- C. Discussion and/or action regarding Ordinance 2026-09, amending Sections 28-10(d), 28-10(e)(3), and 28-11(b)(3) of Article I, "Historic Districts and Landmarks Regulations and Procedures" of Chapter 28 "Historic Districts and Landmarks" to expand those repainting activities qualifying as ordinary maintenance in the Historic District and on City-designated Historic Landmarks, to remove an existing inconsistency indicating that any form of repainting is considered ordinary maintenance, and to change the allowance for replacement of painted exterior wood surfaces from a durable cementitious wood material to composite, wood-like materials as exempt from the requirements for a Certificate for Alteration. 814-820
- D. Discussion and/or action regarding contract for Election Services with the Caldwell County Elections Administrator to conduct the City of Lockhart's Special Election on March 31, 2026. 821-839
- E. Discussion and/or action regarding nomination of Patricia Belote to the Animal Shelter Advisory Board by Mayor Lew White for a term to expire in November 2026. 840-845
- F. Discussion and/or action regarding nomination of Erica Saucedo to the Planning and Zoning Commission by Councilmember Juan Mendoza for a term to expire in November 2028. 846-850

7. CITY MANAGER'S REPORT, PRESENTATION AND POSSIBLE ACTION

- TxDOT Lockhart Maintenance Facility, located at 600 N. Cesar Chavez Parkway, is now fully operational.
- Caldwell County Local Emergency Planning Committee (LEPC) conducts first meeting.
- Update on the 2026 Hotel Occupancy Tax (HOT) application process and funding cycle.
- Update on the Electric Distribution System Improvement Project No. 7 along E. Live Oak, Neches, San Saba, and Sabine Streets.
- Citywide Spring Clean Up Program on Saturday, March 21, 2026.
- KidFish at City Park on Saturday, March 14th.

8. COUNCIL AND STAFF COMMENTS - ITEMS OF COMMUNITY INTEREST

9. EXECUTIVE SESSION IN ACCORDANCE WITH THE PROVISIONS OF THE GOVERNMENT CODE, TITLE 5, SUBCHAPTER D, SECTION 551.071, PRIVATE CONSULTATION WITH ITS ATTORNEY TO SEEK ADVICE ABOUT LEGAL MATTERS SUBJECT TO ATTORNEY/CLIENT PRIVILEGE.

- A. Receipt of legal advice from City Attorney regarding the election process of the special election ordered for March 31, 2026 to elect one member of the City Council (Councilmember District 2).

10. OPEN SESSION

- A. Discussion and/or action regarding the election process of the special election ordered for March 31, 2026 to elect one member of the City Council (Councilmember District 2).

11. ADJOURNMENT

City Council shall have the right at anytime to seek legal advice in Executive Session from its Attorney on any agenda item, whether posted for Executive Session or not.

Posted on the bulletin board in the Municipal Building, 308 West San Antonio Street, Lockhart, Texas, on February 25, 2026 at 5:00 p.m.

PROCLAMATION

WHEREAS, the United States of America was established following the War of Revolution from 1776 to 1783, a war won through the brilliant and courageous leadership of George Washington, revered Father of our Nation; and

WHEREAS, George Washington, who lived from 1732 to 1799, mobilized the Continental Army and led the American colonies against the most powerful country in the world, finally defeating the British at the famous battle of Yorktown, Virginia; and

WHEREAS, this revered founder of our nation resisted the efforts of many supporters to make him a king or dictator, instead using his influence and power to support the creation and adoption of the Constitution of the United States; and

WHEREAS, George Washington was elected as the first President of the United States, serving two terms of office from 1789 to 1797, and through his devotion, wisdom, and vision, became the exemplar of distinguished leadership for all future presidents; and

WHEREAS, the William Hightower Chapter of the Sons of the American Revolution wishes to encourage all citizens to recognize the epochal contributions of George Washington to our nation by celebrating his birth on Sunday, February 22, 2026.

NOW THEREFORE I, Mayor Lew White, by virtue of the authority vested in me as Mayor of Lockhart, do hereby proclaim

February 22, 2026

as

“PRESIDENT GEORGE WASHINGTON DAY”

and call upon all citizens to recognize and honor the brilliance, courage, and vision of the Father of our Nation and the relevance of his life to the preservation of our democracy in today’s complex world.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused to be affixed the Seal of the City of Lockhart, Texas, this March 3, 2026.

ATTEST:

Julie Bowermon
City Secretary



Lew White
Mayor

Proclamation

Whereas, the spirit of community engagement and philanthropy is a cherished value in the City of Lockhart; and

Whereas, Amplify Day, the biggest giving event in Central Texas, has emerged as a powerful platform for local nonprofits to connect with donors and amplify their impact in the community through a 24-hour online giving event; and

Whereas, the citizens of Lockhart, TX, recognize the importance of supporting organizations that diligently address the diverse needs of our community, spanning education, health, the arts, and the environment; and

Whereas, Amplify Day unites businesses, individuals, and organizations to create a collective force for positive change, fostering a culture of giving and making a lasting difference in the lives of our fellow residents; and

Whereas, the City of Lockhart proudly endorses and participates in Amplify Day, encouraging residents to support the causes that matter most to them and contribute to the vibrancy and well-being of our city; and

NOW, THEREFORE, I Lew White, Mayor of the City of Lockhart, Texas, do hereby proclaim

March 4-5, 2026

as

“Amplify Day”

in our City. I call upon all residents to embrace the spirit of giving, amplifying the impact of our local nonprofits, and showcasing the generosity and compassion that define Lockhart. I urge businesses, organizations, and individuals to participate in Amplify Day, either by donating to their favorite causes or by volunteering their time and talents to support the incredible work of our local nonprofits.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Lockhart to be affixed this 3rd day of March, in the year of 2026.

ATTEST:

Julie Bowermon
City Secretary



CITY OF LOCKHART

Lew White
Mayor

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 3, 2026

AGENDA ITEM CAPTION: Discuss authorizing the approval of a Texas A&M Forest Service Rural Volunteer Fire Department Assistance Program cost-share reimbursement grant for Personal Protective Equipment (PPE) and Training Aids.

ORIGINATING DEPARTMENT AND CONTACT: Fire - Randy Jenkins

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: The Rural Volunteer Fire Department Assistance Program was established in 2001 (HB 2604) to assist small volunteer/combination fire departments with the purchase of equipment, and/or training.

The cost-share reimbursement grant is for 95% of the actual cost of grant eligible Personal Protective Equipment (structural and wildland PPE) not to exceed \$25,000. Once the PPE is delivered to Lockhart, and proof of purchase is provided, the reimbursement will occur. The grant expires on August 13, 2026.

Funds in the current FY 25/26 budget, in line item 100-5318-322 (Safety & Regulatory), will be used for the city's cost-share portion of the grant.

Secondly, a no-cost-share reimbursement grant for 100% of the actual cost of grant-eligible Training Aids not to exceed \$10,000 was awarded. Once the Training Aid is delivered to Lockhart, and proof of purchase is provided, the reimbursement will occur. The grant expires on August 13, 2026.

Previously, a Texas A&M Forest Service grant of \$165,000 for a small brush truck was accepted by City Council on November 6, 2025, and a \$25,000 fire and rescue equipment grant was accepted on January 6, 2026.

PROJECT SCHEDULE (if applicable): The Personal Protective Equipment (PPE) and Training Aid grant expires on August 13, 2026.

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION: Previously, a Texas A&M Forest Service grant of \$165,000 for a small brush truck was accepted by City Council on November 6, 2025, and a \$25,000 fire and rescue equipment grant was accepted on January 6, 2026.

COMMITTEE/BOARD/COMMISSION ACTION: N/A

City of Lockhart, Texas

Council Agenda Item Cover Sheet

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends approving the Texas A&M Forest Service Rural Volunteer Fire Department Assistance Program cost-share reimbursement grant for Personal Protective Equipment and Training Aids.

LIST OF SUPPORTING DOCUMENTS: Personal Protective Equipment & Training Aids Grant Guidelines

Training Aids Guidelines

Rural Volunteer Fire Department Assistance Program

Responsibilities of the Fire Department Following Notice of Grant Approval:

1. Purchase the approved item(s).
2. Submit for Reimbursement via [FireConnect](#), and upload the following supporting documents:
 - Proof of Payment
 - Copies of Signed Check(s)
 - Credit Card Receipt(s)
 - Paid Vendor Invoice(s) showing the last 4 digits of credit card used
 - Bank/Credit Card Statement(s) Showing the Purchase
3. Grants for fire/rescue equipment will expire **6 months** from the approval date. Extensions may be available upon request via [FireConnect](#).

Please Note:

- Equipment or services purchased prior to the award date are ineligible for grant assistance under this program.
- The purchase of pre-owned vehicles and equipment requires advance evaluation and approval by the Texas A&M Forest Service. An applicant must contact the Capacity Building Department before purchasing a used vehicle or used equipment. Failure to receive this special advance clearance may void your grant approval.

Eligible Items:

- | | |
|--------------------------------|--|
| • Rescue Mannequins | • Subscription Training Services |
| • Smoke Machines | • Training Manuals |
| • Practice Fire Shelters | • Training Videos |
| • Equipment Simulation Devices | • Ready-made Forcible Entry or Ventilation Cut Props |
| • Electronic Projectors | • Television (one per award) |
| • Computer (one per award) | |

Ineligible Items:

- | | |
|--------------------------------------|---|
| • Training Buildings or Drill Towers | • Equipment that can be placed into service |
| • Conex Containers | |

If there is an item you wish to purchase that is not found on the list of eligible items, please complete the attached form to request consideration of the specific item.

Grant recipients are encouraged to share training resources locally/regionally to benefit the greatest number of trainees.

Training publications and videos may be purchased through the State Firefighters' and Fire Marshals' Association and other providers.

The Program will reimburse for the establishment of a fire publications and video training library. Fire publications and videos should be kept at a location that is accessible by county or regional fire departments.



Updated 11/26/2024

*Required form field

Request for Approval of Training Aid Item/Equipment

Rural Volunteer Fire Department Assistance Program

Submit this form only to request approval of an item that is not currently on the approved list.

Eligible Items:

- Rescue Mannequins
- Smoke Machines
- Practice Fire Shelters
- Equipment Simulation Devices
- Electronic Projectors
- Computer (one per award)
- Subscription Training Services
- Training Manuals
- Training Videos
- Ready-made Forcible Entry or Ventilation Cut Props
- Television (one per award)

*Fire Department:

*County:

List the item(s) for review:

*Internal Use
Only*

Item Description	Estimated Cost	Eligible	Ineligible
		☐	☐
		☐	☐
		☐	☐
		☐	☐
		☐	☐

Please attach supporting documents, such as a brochure or other material describing the item(s).

(This section must be certified by authorized Chief Officer or President)

☐
(Required)

APPLICANT CERTIFICATION: I certify that the information contained in this application is true and accurate to the best of my knowledge and that I am duly authorized to certify this application on behalf of the fire department. I understand that knowingly making false or fraudulent statements or representations may result in program sanctions and/or criminal penalties.

*Name: (print)

*Title:

*Date:

Chief Officer or President

For Internal Use Only

Request for approval of Training Aid item/equipment has been reviewed and an eligibility determination notated above.

Program Leader Signature: _____ Date: _____

Personal Protective Equipment Guidelines

Rural Volunteer Fire Department Assistance Program

Responsibilities of the Fire Department Following Notice of Grant Approval:

1. Purchase approved item(s).
2. Submit for Reimbursement via [FireConnect](#), and upload the following supporting documents:
 - Proof of Payment
 - Copies of Signed Check(s)
 - Credit Card Receipt(s)
 - Paid Vendor Invoice(s) showing the last 4 digits of credit card used
 - Bank/Credit Card Statement(s) Showing the Purchase
3. Texas A&M Forest Service will then issue a reimbursement check or direct deposit of 90% of the cost, up to the specified amount shown on the approval notice.
4. Grants for PPE will expire **6 months** from the approval date. Extensions may be available upon request via [FireConnect](#).

Complete List of Eligible Items

Structural Gear

- Bunker Coat
- Bunker Pants
- Structural Boots
- Structural Helmet
- Structural Goggles
- Structural Hood
- Structural Gloves
- Structural Suspenders
- Ear/Neck/Face Protectors (Shrouds)
- Visors
- Gear Bags

Other Equipment

- PPE Extractors and Dryers

Wildland Gear

- Aramid Coveralls
- Aramid Pants
- Aramid Shirt
- Aramid Jacket
- Wildland Suspenders
- Wildland Gloves
- Wildland Hardhat
- Wildland Goggles
- Wildland Boots
- Ear/Neck/Face Protectors (Shrouds)
- Reflective Trim
- Fire Shelter
- Gear Bags

Note:

- Only the items listed above are eligible for cost-share reimbursement
- Wildland PPE must be certified to the most current edition of NFPA 1977 for wildland gear
- Structural PPE must be certified to the most current edition of NFPA 1971 for structural gear
- The purchase of pre-owned vehicles and equipment requires advance evaluation and approval by the Texas A&M Forest Service. An applicant must contact the Capacity Building Department before purchasing a used vehicle or used equipment. Failure to receive this special advance clearance may void your grant approval.



Updated 7/2/2025

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 3, 2026

AGENDA ITEM CAPTION: Discuss an Amended Interlocal Agreement (ILA) for a renewed term with the Plum Creek Watershed Partnership and authorize the City Manager to execute the agreement, if approved.

ORIGINATING DEPARTMENT AND CONTACT: Public Works - Sean Kelley

ACTION REQUESTED: Agreement

BACKGROUND/SUMMARY/DISCUSSION: The Plum Creek Watershed Partnership was established in 2006 to restore and protect water quality in Plum Creek. In 2011, the City of Lockhart, along with other governmental agencies and utilities, entered into an Interlocal Agreement (ILA) to formalize participation in the partnership. The agreement has been renewed periodically, most recently on August 20, 2024.

The Plum Creek Watershed Coordinator position is currently funded primarily through a federal grant administered by the Texas State Soil and Water Conservation Board (TSSWCB). The current grant term expires November 30, 2026. Due to uncertainty in federal funding, TSSWCB has transitioned the program to a state-funded nonpoint source grant to prevent any lapse in funding. This state grant will provide two years of funding, through 2028, while the partnership re-applies for federal funding.

The primary responsibilities for the position and tasks of the Plum Creek Watershed Coordinator, outlined in Attachments A & B, remain unchanged since the last renewal. Primary duties of the Watershed Coordinator include:

- Water quality monitoring
- Public education and outreach
- Agricultural, stormwater, and wastewater management initiatives
- Grant writing and tracking progress on pollutant reduction measures

The amendment also formalizes that the Guadalupe-Blanco River Authority (GBRA) will serve as the Managing Partner and employer of the Watershed Coordinator.

The City's annual financial commitment remains unchanged at \$2,686 per year. The agreement term is one year and automatically renews annually for the duration of grant funding unless terminated.

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:

City of Lockhart, Texas

Council Agenda Item Cover Sheet

Funds Required: \$2,686.00

Account Number: 275-5199-299-00

Funds Available: \$2,686.00

Account Name: Other Contracts and Services

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

July 2011- Entered ILA with Plum Creek Partnership

December 2015- Approved ILA Renewal

December 2017- Approved ILA Renewal

June 2023- Approved ILA Renewal

August 20, 2024- Approved Amended ILA

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Staff respectfully recommends approval of the ILA to continue participating in the Plum Creek Watershed Protection Plan.

LIST OF SUPPORTING DOCUMENTS: 2026 PLUM CREEK INTERLOCAL AGREEMENT AMENDMENT

**INTERLOCAL AGREEMENT AMENDMENT AMONG
HAYS COUNTY, CALDWELL COUNTY, CITY OF LULING, CITY OF KYLE,
CITY OF BUDA, CITY OF LOCKHART, CITY OF UHLAND,
GUADALUPE-BLANCO RIVER AUTHORITY, PLUM CREEK CONSERVATION DISTRICT,
AQUA WATER SUPPLY CORPORATION, CALDWELL-TRAVIS SOIL AND WATER
CONSERVATION DISTRICT #304, AND HAYS COUNTY SOIL AND WATER
CONSERVATION DISTRICT #351, REGARDING IMPLEMENTATION OF THE PLUM CREEK
WATERSHED PROTECTION PLAN**

This Interlocal Agreement Amendment (“Amendment”) is made and entered into, effective the ____ day of _____, 2026 (“Effective Date”) by and among Hays County, Texas (“Hays County”); Caldwell County, Texas (“Caldwell County”); City of Luling (“Luling”); City of Kyle (“Kyle”); City of Buda (“Buda”); City of Lockhart (“Lockhart”); City of Uhland (“Uhland”); Guadalupe-Blanco River Authority (“GBRA”); Plum Creek Conservation District (“PCCD”); Aqua Water Supply Corporation (“Aqua Water”); Caldwell-Travis Soil and Water Conservation District #304 (“Caldwell-Travis SWCD”); and Hays County Soil and Water Conservation District #351 (“Hays County SWCD”); jointly known as the “Financing Parties.” This Amendment is entered into by the Financing Parties pursuant to the authority granted and in compliance with the provisions of the “Interlocal Cooperation Act,” as amended, Chapter 791, Texas Government Code. This Amendment is intended to further the purpose of the Interlocal Cooperation Act, which is to increase the efficiency and effectiveness of local governments.

WHEREAS in 2006, the Plum Creek Watershed Partnership (“PCWP”) was established to restore and protect the water quality in Plum Creek, a tributary of the San Marcos River in the Guadalupe River Basin of Texas, and each Financing Party named above has representatives on the PCWP Steering Committee that is described in and operates under the PCWP Ground Rules originally dated May 5, 2006 and updated in 2023 (“Ground Rules”), throughout that time; and

WHEREAS since that time several million dollars have been dedicated to the development and implementation of the highly recognized Plum Creek Watershed Protection Plan (“WPP”); and

WHEREAS the Plum Creek WPP is a roadmap to restore water quality in Plum Creek and includes recommendations on data collection and water quality monitoring, implementation of best management practices to address pollution from agriculture and urban sources, and outreach and education; and

WHEREAS the Plum Creek WPP satisfies the U.S. Environmental Protection Agency’s (“EPA”) guidelines and expectations for a WPP; and

WHEREAS the Plum Creek Watershed Coordinator (“PCWP Watershed Coordinator”), through an existing grant from the Texas State Soil and Water Conservation Board (“TSSWCB”), and the Financing Parties, payable and available to the PCWP Watershed Coordinator, facilitates the PCWP; secures additional funding through writing grants; tracks the progress of implementing the Plum Creek WPP; and reports water quality trends resulting from implementation of the Plum Creek WPP; and

WHEREAS on July 11, 2011, the Financing Parties entered into the Interlocal Agreement Among Hays County, Caldwell County, Luling, Kyle, Buda, Lockhart, Uhland, GBRA, PCCD, Aqua Water, Caldwell-

Travis SWCD, and Hays County SWCD for the protection of the Plum Creek Watershed (“Interlocal Agreement”); and

WHEREAS on October 22, 2024, the Financing Parties entered into the Amendment and Renewal of the Interlocal Agreement Among Hays County, Caldwell County, Luling, Kyle, Buda, Lockhart, Uhland, GBRA, PCCD, Aqua Water, Caldwell-Travis SWCD, and Hays County SWCD, regarding implementation of the Plum Creek Watershed Protection Plan (“Renewal and Extension”); and

WHEREAS, GBRA and the other parties now intend to classify the PCWP Watershed Coordinator as an employee of GBRA. GBRA will provide health and retirement benefits via its annual budget and the existing grants and interlocal funding will provide annual compensation; and,

WHEREAS the Financing Parties desire to ensure continued implementation of the Plum Creek WPP;

NOW THEREFORE, the Financing Parties have mutually agreed to amend the Interlocal Agreement and to proceed as follows:

ARTICLE I PCWP WATERSHED COORDINATOR

The Financing Parties agree to continue their support for the funding of a PCWP Watershed Coordinator for implementation of the Plum Creek WPP. Such program will continue to be the responsibility of the PCWP.

ARTICLE II MANAGING PARTNER

GBRA was designated as Managing Partner by the PCWP Steering Committee, following the execution of the Interlocal Agreement in 2011, and will continue to serve in this role. The Managing Partner will be responsible for updating the job description and responsibilities of the PCWP Watershed Coordinator, as needed, with input from the PCWP Steering Committee when requested by GBRA. The PCWP Steering Committee will continue to follow the Ground Rules.

The Managing Partner will employ the PCWP Watershed Coordinator. The Managing Partner will hire any subsequent PCWP Watershed Coordinators in the event that the position becomes vacant. The PCWP Watershed Coordinator will be housed at the GBRA office located in Seguin, Texas..

ARTICLE III PLUM CREEK WATERSHED COORDINATOR

The primary responsibilities of the PCWP Watershed Coordinator are stated and listed in Attachment A to this Amendment. Additionally, various other tasks of the PCWP Watershed Coordinator are stated and listed on Attachment B.

ARTICLE IV FUNDING

Any payments made by or financial obligations of any Financing Party relating to this Amendment shall be made from current revenues available to the Financing Party and shall be made to the Managing Partner. The Managing Partner is authorized to deposit all funds received from Financing Partners pursuant to this Amendment in applicable bank accounts and is authorized to spend such funds to implement this Amendment in accordance with the approved budget. The Financing Parties agree that the estimated annual budget balance, not including a grant reward, is approximately \$48,000.00 with said amount being allocated among several Financing Parties in accordance with Attachment C to this Amendment.

The Financing Parties further agree that other opportunities for funding shall be actively pursued by the PCWP Steering Committee, the Managing Partner, and PCWP Watershed Coordinator throughout the term of this Amendment. Other sources of funding which shall be pursued include, but are not limited to, federal, state, non-profit, non-government affiliated private or public grants, and other state and federal funding opportunities.

ARTICLE V STATISTICS AND DOCUMENTS

The Managing Partner shall properly, accurately, and completely maintain all documents, papers, records, and other evidence regarding implementation of this Amendment. To further the purpose of cooperative administration of the activities described within this Amendment, the Managing Partner agrees, if requested, to make documents and record materials associated with expenditures under this Amendment available to each Financing Party, upon reasonable notice, and as often as each Financing Party may require for purpose of inspection, examination, and/or copying of same.

The Managing Partner shall maintain and retain a complete set of any and all documents, papers, records, and other evidence produced as a result of this Amendment and ensure that this Amendment is publicly available in the form of a PDF version of this Amendment on the PCWP website. If necessary, a reproduction of a document may be submitted and it shall be so marked.

ARTICLE VI DISPUTES

The Financing Parties agree to use due diligence to cooperate and communicate with each other to resolve any and all disputes which may arise under this Amendment. The Financing Parties agree that before they exercise the termination rights described in Article VIII, they will attempt to resolve the dispute and will allow the non-disputing Financing Parties the opportunity to cure the alleged dispute. In the event they are unable to do so, the Financing Parties agree to mediate the dispute prior to exercising their termination rights.

ARTICLE VII TERM

This Amendment shall be effective on the date the last of the Financing Parties signs this Agreement (the "Effective Date") with the financing obligation described commencing for a period of one year beginning on the Effective Date. The term of this Amendment shall be automatically renewed each year for the duration

of the grant funding provided through the TSSWCB, unless terminated earlier, as provided in Article VIII or amended as provided in Article IX.

ARTICLE VIII TERMINATION

Termination of this Amendment may coincide with the termination of grant funding provided through the TSSWCB, at the discretion of the Financing Parties. In the event a Financing Party to this Amendment determines it is in the best interest of that Financing Party to withdraw from this Amendment, the Financing Party may withdraw by giving written notice of such intent to the remaining Financing Parties at the addresses provided in Section X of this Amendment no later than May 31 of the calendar year.

The withdrawing Financing Party shall cooperate with the remaining Financing Parties to achieve a proper transition time period to allow the remaining Financing Parties to restructure the contributions provided by the remaining Financing Parties. The withdrawing Financing Party shall remain liable for such Financing Party's allocated share of the budget for and including the entire PCWP fiscal year prior to such Financing Party's withdrawal.

ARTICLE IX AMENDMENT

No amendment, modification, or alteration of the terms of this Amendment shall be binding unless it is in writing, dated subsequent to the date hereof, and be agreed to and duly executed by each of the Financing Parties after official action by each of the respective governing bodies of the Financing Parties.

ARTICLE X NOTICES

Notices to any Financing Party required or appropriate under this Amendment shall be deemed sufficient if in writing and mailed to the following addresses, USPS postage prepaid.

To Hays County. Notices to Hays County shall be addressed to:

Hays County Judge
Hays County
111 East San Antonio Street, Suite 300
San Marcos, TX 78666

and to such other addresses as may hereafter be designated in writing by the Hays County Judge.

To Caldwell County. Notices to Caldwell County shall be addressed to:

Caldwell County Judge
Caldwell County
110 South Main Street
Lockhart, TX 78644

and to other such addresses as may herein be designated in writing by the Caldwell County Judge.

To Luling. Notices to Luling shall be addressed to:

City Manager
City of Luling
509 East Crockett
Luling, TX 78648

and to other such addresses as may herein be designated in writing by the City Manager of Luling.

To Kyle. Notices to Kyle shall be addressed to:

City Manager
City of Kyle
100 West Center Street
Kyle, TX 78640

and to other such addresses as may herein be designated in writing by the City Manager of Kyle.

To Buda. Notices to Buda shall be addressed to:

City Manager
City of Buda
405 E. Loop Street, Building 100
Buda, TX 78610

and to other such addresses as may herein be designated in writing by the City Manager of Buda.

To Lockhart. Notices to Lockhart shall be addressed to:

City Manager
City of Lockhart
P.O. Box 239
Lockhart, TX 78644

and to other such addresses as may herein be designated in writing by the City Manager of Lockhart.

To Uhland. Notices to Uhland shall be addressed to:

City Secretary
City of Uhland
15 N. Old Spanish Trail
Uhland, TX 78640

and to other such addresses as may herein be designated in writing by the City Secretary of Uhland.

To GBRA. Notices to GBRA shall be addressed to:

General Manager
Guadalupe-Blanco River Authority
2225 E. Common St.
New Braunfels, TX 78130

and to such other addresses as may herein be designated in writing by the General Manager of GBRA.

To Plum Creek Conservation District. Notices to Plum Creek Conservation District shall be addressed to:

Executive Manager
Plum Creek Conservation District
1101 W. San Antonio Street
Lockhart, TX 78644

To Aqua Water Supply Corporation. Notices to Aqua Water Supply Corporation shall be addressed to:

General Manager
Aqua WSC
415 Old Austin Hwy
Drawer P
Bastrop, TX 78602

To Caldwell-Travis SWCD. Notices to Caldwell-Travis SWCD shall be addressed to:

Chairman
Caldwell-Travis SWCD #304
111 E Martin Luther King Jr Industrial Blvd, Suite B
Lockhart, TX 78644

and to other such addresses as may herein be designated in writing by the Chairman of Caldwell-Travis SWCD.

To Hays County SWCD. Notices to Hays County SWCD shall be addressed to:

Chairman
Hays County SWCD #351
326 Cheatham Street
San Marcos, TX 78666-6912

and to other such addresses as may herein be designated in writing by the Chairman of Hays County SWCD.

ARTICLE XI RELATIONSHIP OF FINANCING PARTIES

Nothing contained herein shall be deemed or construed by the Financing Parties, or by any third party, as creating the relationship of principal and agent, joint venture, or any other similar relationship among the Financing Parties. It is understood and agreed that no provisions contained herein nor any acts of the Financing Parties hereto create a relationship among the Financing Parties other than that of independent contractor. In keeping with the provision of its services as an independent contractor, each Financing Party shall be responsible for its respective acts or omissions. No Financing Party has the authority to bind the other Financing Parties or to hold out to third parties that it has the authority to bind the other Financing Parties separately or collectively.

ARTICLE XII APPLICABLE LAW

This Amendment shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the Financing Parties created hereunder are performable in the counties of Guadalupe, Hays, Travis, or Caldwell, Texas.

ARTICLE XIII LEGAL CONSTRUCTION

In case any one or more of the provisions contained in this Amendment shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such shall not affect any other provisions hereof and this Amendment shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

ARTICLE XIV COMPLIANCE WITH LAWS AND ORDINANCES

The Financing Parties hereby agree to comply with all federal, state, and local laws and ordinances applicable to the work or services to be performed under this Amendment. The Financing Parties acknowledge that they are each subject to the Texas Public Information Act and the exceptions stated in such Act.

ARTICLE XV PARTIES BOUND

This Amendment shall be binding upon and inure only to the benefit of the Financing Parties hereto and their respective successors and assigns where permitted by this Amendment.

ARTICLE XVI DEFINITIONS

The “Financing Parties” means the entities that have executed this Amendment in their separate capacities.

The “Plum Creek Watershed Partnership” or “PCWP” means an unincorporated entity operating under the “PCWP Ground Rules.”

The “PCWP Steering Committee” is the group of individuals listed in the Ground Rules document, that directs the actions of the “Plum Creek Watershed Partnership” in accordance with the “PCWP Ground Rules” and with the terms of this Amendment.

The “Managing Partner” is the person or entity selected by the PCWP Steering Committee to be, and operates as, the managing partner of the PCWP and has the duties and responsibilities described in both the “PCWP Ground Rules” and in this Amendment.

In Witness Whereof, the Financing Parties have executed in multiple originals, each of which shall have the full force and effect of an original, this Amendment.

Hays County

By: _____

Date: _____

City of Luling

By: _____

Date: _____

City of Buda

By: _____

Date: _____

City of Uhland

By: _____

Date: _____

Plum Creek Conservation District

By: _____

Date: _____

Caldwell-Travis SWCD #304

By: _____

Date: _____

Caldwell County

By: _____

Date: _____

City of Kyle

By: _____

Date: _____

City of Lockhart

By: _____

Date: _____

Guadalupe-Blanco River Authority

By: _____

Date: _____

Aqua Water Supply Corporation

By: _____

Date: _____

Hays County SWCD #351

By: _____

Date: _____

ATTACHMENT A
PRIMARY RESPONSIBILITIES OF PLUM CREEK WATERSHED COORDINATOR

- Work with counties, cities, local boards and businesses to implement management measures identified in the Plum Creek WPP to improve water quality and develop funding mechanisms for putting them in place.
- Work with state and federal agencies and organizations, as appropriate, to bring technical and financial resources to the watershed.
- Pursue external funding to reduce or cover costs for the project (salary and operating).
- Track and document implementation efforts to assess progress toward established goals in the WPP.
- Evaluate water quality data to monitor progress and determine the need for new approaches.
- Coordinate and conduct water resources and related environmental outreach education efforts across the watershed, including organizing training programs and participating in local community clean-up events.
- Develop publications (e.g., newspaper, newsletter, factsheets), and website content to promote and communicate watershed efforts.
- Conduct regular stakeholder meetings, including PCWP Steering Committee and Work Group, throughout the watershed to gather and incorporate local input and encourage citizen participation.
- Provide Counties, Cities and other partners with regular updates on progress, and seek their input and recommendations on needed activities.

ATTACHMENT B PLUM CREEK WATERSHED COORDINATOR TASKS

Agriculture

- Coordinate with Soil and Water Conservation District Technician
- Secure funding to support financial incentive programs
- Organize, promote and participate in Texas AgriLife Extension Service education workshops and training events
- Develop and deliver educational programs on agriculture nonpoint source best management practices
- Develop and disseminate factsheets and other education materials (e.g., videos, slide sets) to promote adoption and proper management of best management practices
- Facilitate soil and water testing campaigns; conduct interpretive educational events
- Coordinate development of grant proposals
- Monitor and report progress of conservation practice program implementation
- Identify and implement innovative strategies to facilitate practice adoption and sustained management

Feral Hogs

- Coordinate with Wildlife Extension Feral Hog Education Specialist
- Monitor and facilitate citizen use of the online reporting system to track feral hogs sightings and damage
- Facilitate delivery of updates on progress to County officials and other stakeholders
- Deliver education programs at workshops and other events
- Facilitate and assist with development and distribution of educational resources (e.g., factsheets, videos, etc.)
- Coordinate with Texas Wildlife Services to facilitate hog control efforts
- Monitor and report progress of feral hog programs and identify proactive strategies

Urban Stormwater

- Work with city officials to identify programs and projects to mitigate stormwater nonpoint source
- Assist cities with development of grant proposals
- Assist city personnel with existing TCEQ CWA §319(h) nonpoint source projects in Kyle and Lockhart
- Facilitate stormwater management practice demonstrations
- Secure, develop and/or assist with the preparation and distribution of educational resources including factsheets, videos, slide sets, etc.
- Coordinate Sports Athletic Field Education (SAFE) workshops
- Coordinate community cleanup events and participate in environmental fairs in Kyle, Lockhart, and Luling

- Facilitate pet waste management outreach
- Monitor and report progress of urban nonpoint source programs and identify proactive strategies

Wastewater

- Coordinate septic system management workshops for homeowners and installer/ maintenance providers
- Assist cities and counties with Texas Water Development Board applications for wastewater infrastructure projects; including State Revolving Fund
- Facilitate fats, oils, and grease (FOG) workshops
- Interact with wastewater treatment facilities (WWTFs) to pursue voluntary permit upgrades
- Promote and assist with research efforts to determine and mitigate contributions from WWTF
- Pursue implementation of an unannounced inspection program for WWTFs
- Assist counties with expansion of inspection/enforcement programs for septic systems
- Develop and deliver educational resources and programs regarding the need for and methods of septic system management

General Partnership Duties

- Coordinate and conduct quarterly PCWP Steering Committee meetings and Work Group meetings as needed
- Actively promote widespread awareness and involvement in project implementation by stakeholders across the watershed
- Conduct regular communication with the PCWP and respond to stakeholder questions and concerns
- Facilitate communication and coordination among team members from all agencies and organizations
- Identify funding opportunities and develop and submit grant proposals to support implementation
- Perform quarterly analysis of targeted and routine water quality monitoring data
- Track management practice implementation across the watershed, both as a result of the project and external efforts
- Manage implementation grants; generate quarterly progress reports for grants and other funding sources
- Prepare the biennial update of the Plum Creek WPP including progress in implementation and needed modifications to goals and milestones
- Produce and distribute publications highlighting watershed implementation activities and specific best management practices
- Produce and distribute a quarterly newsletter
- Manage and update PCWP website content
- Manage and update Facebook site and Instagram page

- Produce and distribute press releases regarding key issues, programs and project efforts in the watershed
- Provide radio interviews regarding watershed developments; pursue a weekly radio program to discuss project efforts and public action
- Provide regular updates to city councils, county commissioner's courts, PCCD, soil and water conservation districts, TSSWCB, TCEQ, and other partner agencies, groups and organizations
- Develop material for inclusion in the TCEQ-TSSWCB Annual Report on Managing NPS Pollution in Texas and the GBRA CRP Basin Highlights Report and Basin Summary Report
- Facilitate adoption of appropriate city and county ordinances
- Perform advisory role in Central Texas Green Printing, regional water and wastewater studies, and other regional planning efforts on behalf of the PCWP
- Interact with ongoing local school water quality monitoring projects
- Participate in annual community events and festivals (Luling Foundation Field Day, Great Texas River Cleanup, Luling Watermelon Thump, etc.) to promote citizen interaction to implement the WPP
- Facilitate special household hazardous waste and agricultural waste pesticide collection events
- Facilitate ongoing illegal dumping management programs
- Coordinate periodic tours/field days in the watershed for stakeholders and agency partners to demonstrate project efforts
- Pursue opportunities for increased public awareness including roadway signs, billboards, special events, etc.

ATTACHMENT C
FINANCING PARTIES ANNUAL COST BREAKDOWN

Entities	Total
Caldwell County*	\$6,000.00
Hays County	\$2,698.00
Kyle	\$5,148.00
Lockhart	\$2,686.00
Luling	\$1,017.00
Buda	\$1,391.00
GBRA	\$15,241.00
PCCD	\$12,287.00
Uhland	\$116.00
Aqua Water	\$1,416.00
Total	\$48,000.00

*In-kind contribution

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 3, 2026

AGENDA ITEM CAPTION: Discuss the purchase of a new 2026 Vermeer Trailer-Mounted Hydro-Excavator from Vermeer Texas-Louisiana through the BuyBoard Purchasing Cooperative (Contract #785-25) in the amount of \$71,784.49 for the Public Works and Electric Departments.

ORIGINATING DEPARTMENT AND CONTACT: Public Works - Sean Kelley

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION:

The Public Works Department currently relies on traditional backhoe excavation and manual labor for utility repairs and infrastructure maintenance. The acquisition of a hydro-excavator, which uses pressurized water and a high-powered vacuum system, will significantly modernize city operations.

Key operational enhancements of the hydro-excavator include:

- **Utility Protection:** Hydro excavation, or “soft digging,” significantly reduces the risk of damaging underground utilities such as fiber, gas, and water lines. By exposing utilities with pressurized water and vacuum extraction rather than mechanical equipment, the City can prevent costly service disruptions, emergency repairs, and third-party damage claims.
- **Safety and Operational Efficiency:** Minimizes the need for repetitive manual digging and heavy lifting.
- **Operational Versatility:** The unit will be utilized for slot trenching, potholing for utility verification, and rapid debris removal from catch basins, lift stations and spill responses.
- **Precision:** Allows for smaller, more precise excavation footprints, which reduces the cost of surface restoration (asphalt, concrete, and landscaping).

The equipment will be a shared piece of equipment between the Water, Wastewater, and Electric Departments. Funding for the equipment will be split between the departments. The BuyBoard Purchasing Cooperative's total cost for the equipment is \$71,784.49.

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:

City of Lockhart, Texas

Council Agenda Item Cover Sheet

Funds Required: \$71,784.49

Account Number: 520-5750-912-00, 540-5760-912-00, 500-5745-912-00

Funds Available: \$80,000

Account Name: Machinery & Equipment

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION: The hydro-excavator purchase is a planned purchase in the FY 25-26 budget.

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Staff respectfully recommends approving the purchase of the trailer-mounted hydro-excavator.

LIST OF SUPPORTING DOCUMENTS: Vermeer Hydro-Excavator Quote, 2026 Vermeer LP573XDT Images



Vermeer Texas-Louisiana
162 Commercial Dr
Buda, TX 78610
Ph: (512) 884-5522
vermeertexas.com

Please remit to:
Vermeer Texas-Louisiana
PO Box 227283
Dallas, TX 75222-7283

Ship To: IN STORE PICKUP

Invoice To: CITY OF LOCKHART
308 W SAN ANTONIO ST
LOCKART TX 78644-2656

Attention: JOE CHAVIRA

Branch 19 - VT BUDA		
Date 02/13/2026	Time 10:49:41 (O)	Page 1
Account No LOCKA001	Phone No 5123983461	Est No 02 Q00364
Ship Via		Purchase Order
Tax ID No		
SCOTT SHUFFIELD		Salesperson 137

EQUIPMENT QUOTE - NOT AN INVOICE

Description ** Q U O T E ** EXPIRY DATE: 03/05/2026 Amount

Stock #: 1072012 Serial #: 7NWH16A88TK051157 71784.49

New 2026 VE LP XD Traile

New 2026 VERMEER LP XD Traile LP573XDT, 12K GVWR, 2X100 GAL

****INCLUDING THE FOLLOWING OPTIONS****

LPXDT1005 LP573XDT, 12K GVWR, 2X100 GAL WTR TANKS

LPXDT3510 MANUAL JACK

LPXDT4489 NON-SHT TRAILER

LPXDT2045 KOHLER 24HP DIESEL ENGINE STANDARD

-

** SALE PRICE \$75,562.62

BUY BOARD DISCOUNT -\$3,778.13

-

** BUY BOARD CONTRACT# 785-25

Subtotal: 71784.49

Authorization: _____

Quote Total: 71784.49

2026 Vermeer LP573XDT
Trailer-Mounted Hydro-Excavator





City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 3, 2026

AGENDA ITEM CAPTION: Discuss the appointment of Ron Faulstich to the Downtown Redevelopment Selection Committee.

ORIGINATING DEPARTMENT AND CONTACT: Administration - Joseph Resendez

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: At the February 10, 2026 Special City Council Meeting, Council received a presentation from TBA Douglas Architects, consultant to the Lockhart Economic Development Corporation (LEDC), regarding the proposed Downtown Redevelopment Project located immediately southwest of the Courthouse Square

The presentation summarized public engagement efforts, community input from three public meetings, and the proposed next steps for advancing the project.

During the same meeting, Council also discussed the composition and general structure of a Downtown Redevelopment Selection Committee to assist in guiding the planning, solicitation (RFQ/RFP), and developer selection process for the project. The committee is intended to provide representation from key stakeholder groups and provide continued transparency and community engagement as the project moves forward. The current committee members, in addition to representation from the First Lockhart Baptist Church, include the following:

- Daisy Wellcome
- Nicole Stephens
- Matt Johnson
- Levi Garrett
- Len Gabay
- Frank Gomillion (Historical Preservation Commission)
- Brad Lingvai (Planning & Zoning Commission)
- Yolanda Strey (Lockhart EDC)
- Councilmember John Lairsen
- Councilmember Taylor Burge
- Councilmember Brad Westmoreland

Since the February 10th meeting, Mr. Matt Johnson has requested to be removed from the committee. City Council directed staff to present Ron Faulstich for appointment to fill the vacancy on the Selection Committee to support the Downtown Redevelopment Project.

City staff and TBA Douglas Architects are finalizing updates to the project schedule and will

City of Lockhart, Texas

Council Agenda Item Cover Sheet

schedule an initial meeting with the Selection Committee in the coming weeks to discuss next steps.

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:

Funds Required:

Account Number:

Funds Available:

Account Name:

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION:

LIST OF SUPPORTING DOCUMENTS:

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 3, 2026

AGENDA ITEM CAPTION: Discussion regarding Ordinance 2026-10, approving a final project and finance plan for Reinvestment Zone Number One, City of Lockhart, Texas providing a severability clause and providing an effective date.

ORIGINATING DEPARTMENT AND CONTACT: Development Services - David Fowler

ACTION REQUESTED: Ordinance

BACKGROUND/SUMMARY/DISCUSSION: Creation of a tax increment reinvestment zone in Texas requires approval of a Project and Finance Plan that describes the projects to be funded by the TIRZ and the costs associated with them. This Ordinance approves such plan to comply with State law. The fiscal impact of this action is limited to the extent that the increment in tax receipts increases over the base value of the TIRZ in future years, which is a result of the future development and increased valuation within the TIRZ and does not affect current general funds or tax receipts.

PROJECT SCHEDULE (if applicable): None

AMOUNT & SOURCE OF FUNDING:

Funds Required:

Account Number:

Funds Available:

Account Name:

FISCAL NOTE (if applicable): As covered in previous TIRZ-related City Council items, TIRZ #1 will capture 23 percent of incremental value from 2026-2035 and 28.5 percent from 2036-2065.

PREVIOUS COUNCIL ACTION: Approval of Ordinance 2026-03 designating the area as Reinvestment Zone Number One.

COMMITTEE/BOARD/COMMISSION ACTION: None

STAFF RECOMMENDATION/REQUESTED MOTION: Approval of Ordinance 2026-10, approving a final project and finance plan for reinvestment zone number one, City of Lockhart

LIST OF SUPPORTING DOCUMENTS: Ordinance 2026-10 SeaWillow _TIRZ#1_Final PFP_03.03.26 (005), 2026-02-03_LKHT_TIRZ_Final PFP

**CITY OF LOCKHART, TEXAS
ORDINANCE NO. 2026-10**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY
OF LOCKHART, TEXAS, APPROVING A FINAL PROJECT
AND FINANCE PLAN FOR REINVESTMENT ZONE
NUMBER ONE, CITY OF LOCKHART, TEXAS;
PROVIDING A SEVERABILITY CLAUSE; AND
PROVIDING AN EFFECTIVE DATE.**

WHEREAS, by Ordinance No. 2026, the City of Lockhart, Texas (the "City"), pursuant to Chapter 311 of the Texas Tax Code, as amended (the "Act"), created Reinvestment Zone Number One, City of Lockhart, Texas; and

WHEREAS, on March 3, 2026, the Board for Reinvestment Zone Number One, City of Lockhart, Texas, (the "Board") as appointed by the City Council, was seated, approved the Final Project and Finance Plan ("Plan"), and recommended approval of the Plan to the City Council; and

WHEREAS, Section 311.011 of the Act provides that the City Council must approve a Final Project and Finance Plan after its adoption by the Board; and

WHEREAS, pursuant to Section 311.011 of the Act, the City Council finds that the Plan is feasible,

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

SECTION 1. FINDINGS. The recitals, findings, and determinations contained in the preamble to this Ordinance are incorporated into the body of this Ordinance as if fully set forth in this Section and are hereby found and declared to be true and correct legislative findings and are adopted as part of this Ordinance for all purposes.

SECTION 2. APPROVAL OF THE PLAN. Pursuant to the authority of and in accordance with the requirements of the Act, the City Council hereby approves the Final Project and Finance Plan for Reinvestment Zone Number One, City of Lockhart, Texas, a copy of which is attached as Exhibit A.

SECTION 3. 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 invalid, the validity of the remaining provisions of this Ordinance or their application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no provision of this Ordinance shall become inoperative because of the invalidity of another provision; and, therefore, all provisions of this Ordinance are declared severable for that purpose.

SECTION 4. OPEN MEETINGS. It is hereby found, determined, and declared that sufficient written notice of the date, hour, place and subject of the meeting of the City Council at which this Ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at the City Hall of the City for the time required by law preceding its meeting, as required by the Texas Open Meetings Act, Chapter 551 of the 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. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

SECTION 5. EFFECTIVE DATE. This Ordinance shall take effect immediately upon its passage as provided by law.

PASSED, APPROVED, AND ADOPTED ON THIS 3RD DAY OF FEBRUARY 2026 BY THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS.

Lew White, Mayor

ATTEST:

Julie Bowermon, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Bradford E. Bullock, City Attorney

EXHIBIT A

FINAL PROJECT AND FINANCE PLAN



REINVESTMENT ZONE NUMBER 1,
CITY OF LOCKHART, TEXAS
PRELIMINARY PROJECT AND FINANCE PLAN
FEBRUARY 3, 2026

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SECTION 1: DEFINITIONS

Capitalized terms used in this Preliminary Plan shall have the meanings given to them in **Section 1** below unless otherwise defined in this Preliminary Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a “Section,” or an “Exhibit,” shall be a reference to a Section of this Preliminary Plan or an Exhibit or Appendix attached to and made a part of this Preliminary Plan for all purposes.

“**Act**” means Chapter 311, Texas Tax Code, as amended, “Tax Increment Financing Act”.

“**Administrative Costs**” means the actual, direct costs paid or incurred by or on behalf of the City to administer the Zone, including planning, engineering, legal services, organizational costs, publicizing costs, or implementations costs paid by or on behalf of the City that are directly related to the administration of the Zone.

“**Appraisal District**” means the Caldwell County Appraisal District.

“**Board**” means the Board of Directors for the Zone.

“**Captured Appraised Value**” means the new taxable value generated in addition to the Tax Increment Base on a parcel-by-parcel basis for each year during the term of the Zone, as calculated and confirmed annually by the Appraisal District.

“**City**” means the City of Lockhart, Texas.

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

“**City TIRZ Increment**” means twenty-three percent (23.0%) of the City’s ad valorem real property taxes collected and received by the City on the Captured Appraised Value in the Zone in years 2026-2035 and twenty-eight and one half percent (28.50%) of the City’s ad valorem real property taxes collected and received by the City on the Captured Appraised Value in the Zone in years 2036-2065 deposited into the TIRZ Fund.

“**County**” means Caldwell County, Texas.

“**County Participation Agreement**” means that certain agreement to be entered into by the City and the County pursuant to which the County agrees to participate in the Zone.

“**County TIRZ Increment**” means twenty-three percent (23.0%) of the County’s maintenance and operation portion of the real property taxes collected and received by the County on the Captured Appraised Value in the Zone in years 2026-2035 and twenty-eight and one half percent (28.50%) of the County’s maintenance and operation portion of the real property taxes collected and received by the County on the Captured Appraised Value in the Zone in years 2036-2065 deposited into the TIRZ Fund.

“Creation Ordinance” means Ordinance No. _____ adopted by the City Council on February 3, 2026.

“Developer” means, ROED Prop Co, LLC, a Texas limited liability company and its successors and assigns.

“Development Agreement” means that certain Seawillow Ranch Development and Public Improvement Agreement between the City and RODG DT Seawillow Propco LLC, effective as of June 18, 2024, as first amended on January 6, 2026.

“Feasibility Study” means the economic feasibility study as evaluated over the term of the Zone and focused only on direct financial benefits, as shown on **Exhibit E**.

“First Amendment” means that certain First Amendment to Seawillow Ranch Development Agreement between the City and RODG DT Seawillow Propco LLC, effective as of January 6, 2026.

“Final Plan” means the *Reinvestment Zone Number 1, City of Lockhart Final Project and Finance Plan* expected to be adopted in the future.

“Non-Project Costs” means those certain costs that will be spent to develop in the Zone, but will not be financed by the Zone, and will be financed by private funds, as described in **Section 6**, and shown on **Exhibit B**.

“PID” means the Seawillow Public Improvement District, which includes all of the Property, created by Resolution No. 2024-26 of the City adopted by the City Council on October 15, 2024 .

“Preliminary Plan” means this *Reinvestment Zone Number 1, City of Lockhart Preliminary Project and Finance Plan*.

“Project Costs” means the total costs for projects in the Zone authorized by the Act, including the actual costs of the Public Improvements, and the Administrative Costs.

“Property” means 89.775 acres of land as depicted on **Exhibit A** and identified on **Exhibit G**.

“Public Improvements” means the proposed public improvements to be financed by the Zone, which include water, wastewater, streets, drainage, contingency, and associated financing and interest costs related thereto, as detailed on **Exhibit C**.

“Service and Assessment Plan” means that certain Seawillow Public Improvement District Service and Assessment Plan, to be adopted by the City in calendar year 2026 and updated and amended from time to time.

“TIRZ Credit” means the TIRZ Number 1 Annual Credit Amount designated for credit against the principal and interest portion of the Annual Installment of Assessments levied against Assessed

Property, which amount shall not exceed the TIRZ Maximum Annual Credit Amount, all as further defined and described in the Service and Assessment Plan.

“Tax Increment Base” means total appraised value of taxable real property in the Zone (i) as of January 1 of the year in which the Zone is created or, (ii) for any real property added to the Zone, the year in which such additional real property is added to the Zone, each as calculated and certified by the Appraisal District.

“TIRZ Fund” means the tax increment fund for the Zone created by the City and segregated from all other funds of the City.

“Zone” means Reinvestment Zone Number 1, City of Lockhart, Texas (Seawillow Project), as depicted on **Exhibit A**, and described on **Exhibit G**.

SECTION 2: INTRODUCTION

2.1 Authority and Purpose

The City has the authority under the Act to designate a contiguous or noncontiguous geographic area within the corporate limits or extraterritorial jurisdiction of the City as a tax increment reinvestment zone to promote development or redevelopment of the area because the City Council determines that development or redevelopment would not occur solely through private investment in the reasonably foreseeable future, that the Zone is economically feasible, and that creation of the Zone is in the best interest of the City and the property in the Zone. The purpose of the Zone is to facilitate such development or redevelopment by financing the costs of public works, public improvements, programs, and other projects benefiting the Zone, plus other costs incidental to those expenditures, all of which costs are authorized by the Act.

2.2 Eligibility Requirements

An area is eligible under the Act to be designated as a tax increment reinvestment zone if the area:

- 1) substantially arrests or impairs the sound growth of the municipality designating the zone, retards the provision of housing accommodations, or constitutes an economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition; or
- 2) is predominantly open or undeveloped and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impairs or arrests the sound growth of the City; or
- 3) is in a federally assisted new community located in the City or in an area immediately adjacent to a federally assisted new community; or
- 4) is in an area described in a petition requesting that the area be designated as a reinvestment zone, if the petition is submitted to the governing body of the City by the owners of property constituting at least fifty percent (50%) of the appraised value of the property in the area according to the most recent certified appraisal roll for the county in which the area is located.

The City cannot, however, designate a zone if more than thirty percent (30%) of the property in the proposed zone, excluding property that is publicly owned, is used for residential purposes, or if the total appraised value of taxable real property in the proposed zone and in existing reinvestment zones exceeds fifty percent (50%) of the total appraised value of taxable real property in the City and in industrial districts created by the City.

2.3 Proposed Zone

The Property is located within the corporate limits of the City. The Property is predominantly open, undeveloped or underdeveloped, and substantially impairs and arrests the sound growth of the City. Due to its size, location, and physical characteristics development would not occur solely through private investment in the foreseeable future. The Property lacks public infrastructure and requires economic incentive to attract development for the purpose of providing long-term economic benefits including, but not limited to, increased real property tax base for all taxing units in the Zone. If the Public Improvements are financed as contemplated by this Preliminary Plan, the City envisions that the Property will be developed to take full advantage of the opportunity to bring to the City a quality development.

2.4 Preliminary Plan and Hearing

Before the City Council adopts the Creation Ordinance, the City Council must prepare a preliminary reinvestment zone project and finance plan in accordance with the Act and hold a public hearing on the creation of the Zone and its benefits to the City and to the Property, at which public hearing interested persons shall be given the opportunity to speak for and against the creation of the Zone, the boundaries of the Zone and the concept of tax increment financing, and at which hearing the owners of the Property shall be given a reasonable opportunity to protest the inclusion of their Property in the Zone. The requirement of the Act for a preliminary reinvestment zone project and finance plan will be satisfied by this Preliminary Plan, the purpose of which is to describe, in general terms, the Public Improvements that will be undertaken and financed by the Zone. A description of how such Public Improvements and projects will be undertaken and financed shall be determined by the Final Plan, which requires approval by the Board and City Council.

2.5 Creation of the Zone

Upon the closing of the above referenced public hearing, the City Council shall consider the Creation Ordinance and the following findings:

- 1) that development or redevelopment of the Property would not occur solely through private investment in the reasonably foreseeable future,
- 2) that the Zone is feasible,
- 3) that improvements in the Zone will significantly enhance the value of all the taxable real property in the Zone and will be of general benefit to the City, and
- 4) that the Zone meets the eligibility requirements of the Act.

Among other provisions required by the Act, the Creation Ordinance shall appoint the Board.

2.6 Board Recommendations

After the creation of the Zone, the Board shall review the Final Plan and recommend its approval to the City Council, pursuant to which the City shall contribute the City TIRZ Increment to the TIRZ Fund to pay a portion of the Project Costs benefiting the Zone. If the County participates in the Zone, then pursuant to the County Participation Agreement, the County shall contribute the County TIRZ Increment for deposit by the City into the TIRZ No. 1 Fund to pay a portion of the Project Costs benefiting the Zone. Additionally, the Board shall consider a TIRZ Agreement among the City, the Board and the Developer and recommend its approval to the City Council.

2.7 Council Action

On June 18, 2024, the City Council approved the Development Agreement regarding the Property. On January 6, 2026 the City Council approved the First Amendment to the Development Agreement. On February 3, 2026, the City Council shall consider approval of the Creation Ordinance. It is anticipated that the Final Plan shall be updated in the future to identify additional improvements within the Zone.

SECTION 3: DESCRIPTION AND MAPS

3.1 Existing Uses and Conditions

The Property is currently zoned residential and is intended to be developed with residential uses. The Property is undeveloped or underdeveloped, and there is limited public infrastructure to support development. Development requires extensive public infrastructure that: (1) the City cannot provide, and (2) would not be provided solely through private investment in the foreseeable future. The existing uses of the Property in the City are shown on **Exhibit I**.

3.2 Proposed Uses

The proposed uses of the Property in the City include residential as shown on **Exhibit F**.

SECTION 4: PROPOSED CHANGES TO ORDINANCES, PLANS, CODES, RULES, AND REGULATIONS

The Property is located within the City and is zoned as residential. The Property is currently zoned as Residential. The City has exclusive jurisdiction over the subdivision and platting of the Property and the design, construction, installation, and inspection of water, sewer, drainage, roadway, and other public infrastructure. No proposed changes to zoning ordinances, comprehensive plan, building codes, subdivision rules, or other municipal ordinances are planned.

SECTION 5: RELOCATION OF DISPLACED PERSONS

No person shall be displaced and in need of relocation due to the creation of the Zone or implementation of the Final Plan.

SECTION 6: ESTIMATED NON-PROJECT COSTS

Non-Project Costs are costs that will be spent to develop in the Zone but will not be financed by the Zone, and will be financed by private funds. The list of Non-Project Costs is shown on **Exhibit B**, the costs of which are estimated to be approximately \$105,156,000.

SECTION 7: PROPOSED PUBLIC IMPROVEMENTS

All Public Improvements shall be designed and constructed in accordance with all applicable City standards and shall otherwise be inspected, approved, and accepted by the City. At the City's option, the Public Improvements may be expanded to include any other category of improvements authorized by the Act.

SECTION 8: ESTIMATED PROJECT COSTS

8.1 Project Costs

The total Project Costs are estimated to be \$22,284,027 as shown on **Exhibit C**. The costs of Public Improvements are estimated to be \$21,878,346 and the Administrative Costs are estimated to be \$405,681.

8.2 Administrative Costs

The Administrative Costs are estimated to be \$10,000 per year beginning 2026 and escalating at two percent (2%) thereafter. The Administrative Costs shall be paid each year from the TIRZ Fund before any other Project Costs are paid.

8.3 Estimated Timeline of Incurred Costs

The Administrative Costs will be incurred annually through the duration of the Zone. It is estimated the costs of constructing the Public Improvements will be incurred between 2025 and 2029, as shown on **Exhibit D**.

SECTION 9: ECONOMIC FEASIBILITY

9.1 Feasibility Study

The Feasibility Study, as shown on **Exhibit E**, focuses on only direct financial benefits (i.e. ad valorem tax revenues from the development of Public Improvements in the Zone). Based on the Feasibility Study, during the term of the Zone, new development (which would not have occurred but for the Zone) will generate approximately \$138,830,450 in total new real property tax revenue for the City over the remaining term of the Zone. The Feasibility Study shows the cumulative City TIRZ Increment is estimated to be \$6,626,238, which will be available to pay a portion of the Project Costs, until the Zone expires or is otherwise terminated. The remainder of the new City real property tax revenue generated within the Zone and retained by the City is estimated to be \$17,701,783 over the remaining term. Based on the foregoing, the feasibility of the Zone has been demonstrated.

The Feasibility Study shows the cumulative County TIRZ Increment, if applicable, is estimated to be \$4,675,967, which will be available to pay a portion of the Project Costs, until the term expires or is otherwise terminated, pursuant to the County Participation Agreement. The remainder of the new County real property tax revenue generated within the Zone and retained by the County is estimated to be \$12,491,696 over the term.

One hundred percent (100%) of all taxing revenues generated for other taxing entities by the new development within the Zone will be retained by the respective taxing entities, unless the taxing entity participates in the Zone. Based on the foregoing, the feasibility of the Zone has been demonstrated.

It is anticipated that the Final Plan shall be amended in the future to reflect additional development within the Zone.

SECTION 10: ESTIMATED BONDED INDEBTEDNESS

No TIRZ bonds are anticipated to be issued by the City pursuant to the Act.

SECTION 11: APPRAISED VALUE

11.1 Tax Increment Base

The Tax Increment Base is estimated to be \$1,611,120 as confirmed by the Appraisal District. Each year, the Appraisal District shall confirm the Captured Appraised Value of the Zone.

11.2 Estimated Captured Appraised Value

It is estimated that upon expiration of the term of the Zone, the total Captured Appraised Value of taxable real property in the Zone will be approximately \$214,763,181 as shown on **Exhibit E**. The actual Captured Appraised Value, as certified by the Appraisal District each year, will be used to calculate annual payment by the City into the TIRZ Fund pursuant to the Final Plan. It is anticipated that the Final Plan shall be amended in the future to reflect additional development within the Zone, which would increase the estimated total Captured Appraised Value.

SECTION 12: METHOD OF FINANCING

12.1 TIRZ Fund Contributions

The Final Plan shall obligate the City to deposit into the TIRZ Fund each year the City TIRZ Increment. For example, in FY 2025, the City's ad valorem tax rate is \$0.5093 per \$100 of taxable value, therefore the City would contribute \$0.1171 per \$100 of the Captured Appraised Value in the Zone levied and collected to the TIRZ Fund.

The funds deposited into the TIRZ Fund shall be prioritized and allocated on a parcel by parcel basis as follows:

1. For the reasonable Administrative Costs of the Zone; then
2. For the payment of the TIRZ Credit, as shall be further described in the Service and Assessment Plan; then
3. To the extent there are TIRZ Fund revenues remaining after such TIRZ Credit, any excess City TIRZ Increment in the TIRZ Fund revenue may be utilized in any other manner as authorized by the Participation Agreement, TIRZ Board, City Council and allowed pursuant to the Act.

All payments of Project Costs shall be made solely from the TIRZ Fund and from no other funds of the City, unless otherwise approved by the City. The City may amend the Final Plan in compliance with the Development Agreement and TIRZ Agreement, including but not limited to what is considered a Project Cost.

The Final Plan shall obligate the County to deposit into the TIRZ Fund each year the County TIRZ Increment. For example, in FY 2025, the County's M&O portion of the ad valorem tax rate is \$0.3594 per \$100 of taxable value, therefore the County would contribute \$0.0827 per \$100 of the Captured Appraised Value in the Zone levied and collected to the TIRZ Fund.

The funds deposited into the TIRZ Fund shall be prioritized and allocated on a parcel by parcel basis as follows:

1. For the reasonable Administrative Costs of the Zone; then

2. For the payment of the TIRZ Credit, as shall be further described in the Service and Assessment Plan; then
3. To the extent there are TIRZ Fund revenues remaining after such TIRZ Credit, any excess County TIRZ Increment in TIRZ Fund revenue may be returned to the County pursuant to the Act.

All payments of Project Costs shall be made solely from the TIRZ Fund and from no other funds of the County, unless otherwise approved by the County.

SECTION 13: DURATION OF THE ZONE, TERMINATION

13.1 Duration

The stated term of the Zone shall commence upon the execution of the Creation Ordinance and shall continue until December 31, 2065, with the last payment being due by January 31, 2066, unless otherwise terminated in accordance with the Creation Ordinance.

13.2 Termination

The Zone shall terminate on the earlier of (i) December 31, 2065, or (ii) at such time that the obligations of the Zone, including all Project Costs, have been paid in full. If upon expiration of the stated term of the Zone, the obligations of the Zone have not been fully funded by the TIRZ Fund, the City shall have no obligation to pay the shortfall and the term shall not be extended. Nothing in this Section is intended to prevent the City from extending the term of the Zone in accordance with the Act.

LIST OF EXHIBITS

Unless otherwise stated, all references to "Exhibits" contained in this Preliminary Plan shall mean and refer to the following exhibits, all of which are attached to and made a part of this Preliminary Plan for all purposes.

Exhibit A	Map of the Zone
Exhibit B	Non-Project Costs
Exhibit C	Project Costs
Exhibit D	Estimated Timeline of Incurred Costs
Exhibit E	Feasibility Study
Exhibit F	Proposed Uses of the Property
Exhibit G	Legal Description of the Zone
Exhibit H	Maps of the Public Improvements
Exhibit I	Existing Use of the Property

EXHIBIT A – MAP OF THE ZONE

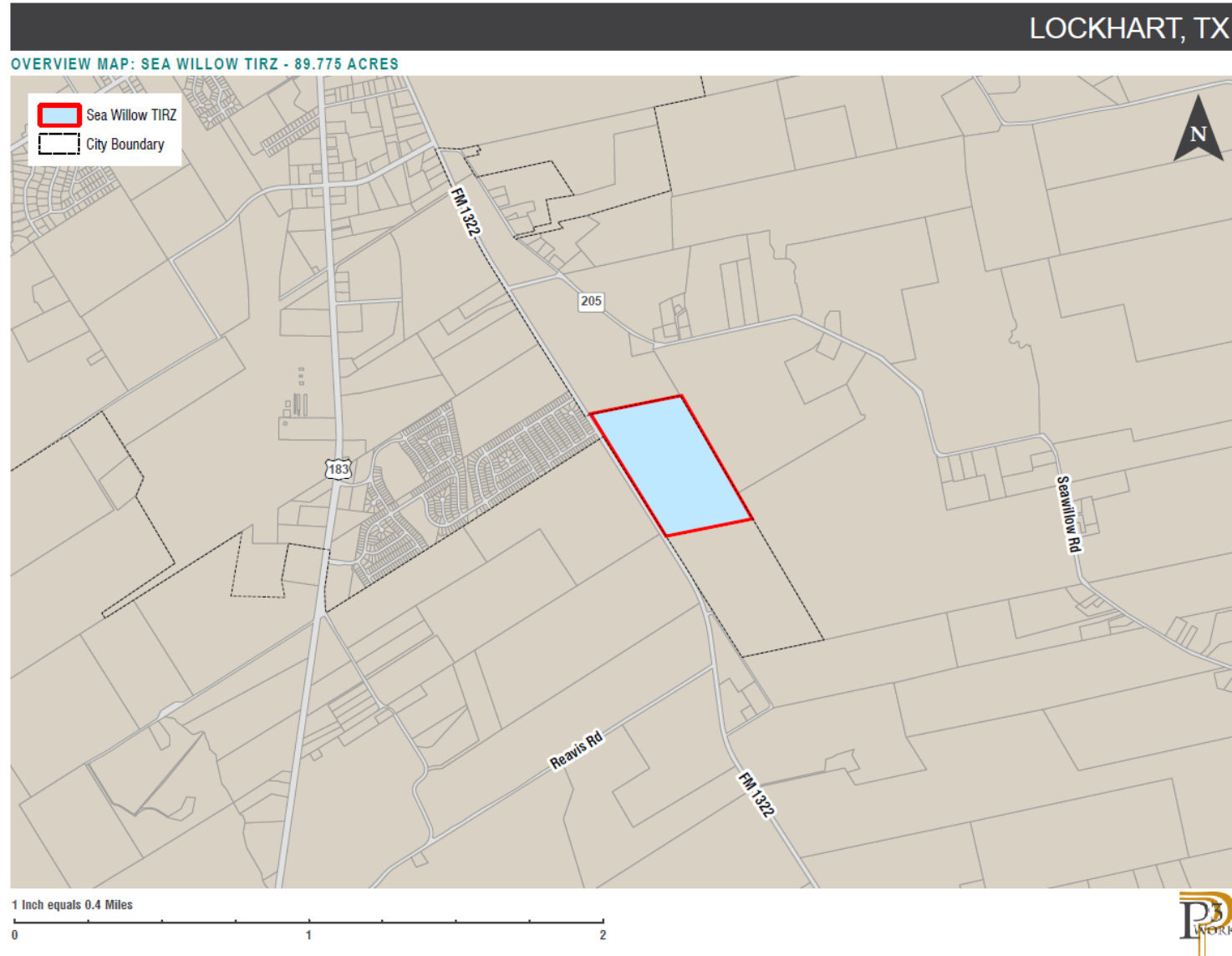


EXHIBIT B – NON-PROJECT COSTS

Lot Type	Units/ Sq. Ft.	Lot Value ^[a]		Buildout Value ^[b]		Non-Project Costs ^[c]
		Per Unit	Total	Per Unit	Total	
1	414	\$ 71,000	\$ 29,394,000	\$ 325,000	\$ 134,550,000	\$ 105,156,000
Total						\$ 105,156,000

Footnotes

[a] Values provided by Developer.

[b] Values provided by Developer.

[c] It is anticipated that the Final Plan shall be amended in the future to identify additional Non-Project Costs within the Zone.

EXHIBIT C – PROJECT COSTS

Reinvestment Zone Number 1, City of Lockhart, Texas	
Project Costs	
Item	Cost
Public Improvements^[a]	
Roadway	\$ 5,068,913
Water	\$ 1,597,092
Wastewater	\$ 1,905,972
Drainage	\$ 5,682,350
District Formation	\$ 291,702
Contingency	\$ 682,341
Soft Costs	\$ 1,860,289
Interest & Financing Costs	\$ 4,789,687
Subtotal	\$ 21,878,346
Administrative Costs	\$ 405,681
Total Project Costs^[b]	\$ 22,284,027
Footnotes	
^[a] Based on Engineer's Opinion of Probable Cost dated provided by the Developer for the Service and Assessment Plan. ^[b] It is anticipated that the Final Plan shall be amended in the future to identify additional Project Costs.	

EXHIBIT D – ESTIMATED TIMELINE OF INCURRED COSTS

Reinvestment Zone Number 1, City of Lockhart, Texas Timeline to Incur Project Costs			
Zone Year	Calendar Year	Total Project Costs ^{[a],[b],[c]}	
		Annual	Cumulative
Base	2026	\$ 512,169	512,169
1	2027	\$ 9,507,902	10,020,070
2	2028	\$ 10,390,778	20,410,849
3	2029	\$ 1,467,498	21,878,346
4	2030	\$ -	21,878,346
Total		\$ 21,878,346	

Footnotes
[a] Estimate provided for illustrative purposes only.
[b] Does not illustrate Administrative Costs, which shall be incurred annually for the duration of the Zone.
[c] It is anticipated that the Final Plan shall be amended in the future to identify additional development within the Zone.

EXHIBIT E – FEASIBILITY STUDY

Zone Year	Tax Year	Growth/ Year ^[a]	IA#1		Added Development Value ^[b]	New Taxable Value ^[c]	Incremental Value	City TIRZ Increment ^[d]			City Retained New Revenue		County TIRZ Increment ^[d]			County Retained New Revenue		Total TIRZ Increment	
			Lot Type 1					%	Annual	Cumulative	Annual	Cumulative	%	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
			Units	\$															
Base	2026		-	\$ -		\$ 1,611,120													
1	2026	2.0%	10	\$ 325,000	\$ 3,250,000	\$ 4,893,342	\$ 3,282,222	23.0%	\$ -	\$ -	\$ -	\$ -	23.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	2027	2.0%	182	\$ 331,500	\$ 60,333,000	\$ 65,324,209	\$ 63,713,089	23.0%	\$ 3,845	\$ 3,845	\$ 12,872	\$ 12,872	23.0%	\$ 2,713	\$ 2,713	\$ 9,083	\$ 9,083	\$ 6,558	\$ 6,558
3	2028	2.0%	195	\$ 338,130	\$ 65,935,350	\$ 132,566,043	\$ 130,954,923	23.0%	\$ 74,633	\$ 78,478	\$ 249,858	\$ 262,729	23.0%	\$ 52,667	\$ 55,380	\$ 176,318	\$ 185,401	\$ 127,299	\$ 133,857
4	2029	2.0%	27	\$ 344,893	\$ 9,312,100	\$ 144,529,465	\$ 142,918,345	23.0%	\$ 153,399	\$ 231,877	\$ 513,554	\$ 776,284	23.0%	\$ 108,250	\$ 163,630	\$ 362,402	\$ 547,804	\$ 261,649	\$ 395,507
5	2030	2.0%	-	\$ 351,790	\$ -	\$ 147,420,054	\$ 145,808,934	23.0%	\$ 167,413	\$ 399,290	\$ 560,470	\$ 1,336,754	23.0%	\$ 118,139	\$ 281,769	\$ 395,509	\$ 943,313	\$ 285,552	\$ 681,059
6	2031	2.0%	-	\$ 358,826	\$ -	\$ 150,368,455	\$ 148,757,335	23.0%	\$ 170,799	\$ 570,089	\$ 571,806	\$ 1,908,559	23.0%	\$ 120,529	\$ 402,297	\$ 403,509	\$ 1,346,822	\$ 291,328	\$ 972,387
7	2032	2.0%	-	\$ 366,003	\$ -	\$ 153,375,824	\$ 151,764,704	23.0%	\$ 174,253	\$ 744,342	\$ 583,368	\$ 2,491,928	23.0%	\$ 122,966	\$ 525,263	\$ 411,668	\$ 1,758,490	\$ 297,219	\$ 1,269,605
8	2033	2.0%	-	\$ 373,323	\$ -	\$ 156,443,340	\$ 154,832,220	23.0%	\$ 177,776	\$ 922,118	\$ 595,162	\$ 3,087,090	23.0%	\$ 125,452	\$ 650,715	\$ 419,991	\$ 2,178,480	\$ 303,227	\$ 1,572,833
9	2034	0%	-	\$ 373,323	\$ -	\$ 156,443,340	\$ 154,832,220	23.0%	\$ 181,369	\$ 1,103,487	\$ 607,192	\$ 3,694,281	23.0%	\$ 127,987	\$ 778,702	\$ 428,480	\$ 2,606,960	\$ 309,356	\$ 1,882,189
10	2035	0%	-	\$ 373,323	\$ -	\$ 156,443,340	\$ 154,832,220	23.0%	\$ 181,369	\$ 1,284,856	\$ 607,192	\$ 4,301,473	23.0%	\$ 127,987	\$ 906,690	\$ 428,480	\$ 3,035,439	\$ 309,356	\$ 2,191,545
11	2036	2.0%	-	\$ 380,789	\$ -	\$ 159,572,207	\$ 157,961,087	28.5%	\$ 224,740	\$ 1,509,595	\$ 563,821	\$ 4,865,294	28.5%	\$ 158,593	\$ 1,065,283	\$ 397,874	\$ 3,433,313	\$ 383,333	\$ 2,574,878
12	2037	2.0%	-	\$ 388,405	\$ -	\$ 162,763,651	\$ 161,152,531	28.5%	\$ 229,281	\$ 1,738,877	\$ 575,215	\$ 5,440,508	28.5%	\$ 161,798	\$ 1,227,081	\$ 405,914	\$ 3,839,228	\$ 391,079	\$ 2,965,957
13	2038	2.0%	-	\$ 396,173	\$ -	\$ 166,018,924	\$ 164,407,804	28.5%	\$ 233,914	\$ 1,972,790	\$ 586,836	\$ 6,027,344	28.5%	\$ 165,067	\$ 1,392,148	\$ 414,115	\$ 4,253,343	\$ 398,981	\$ 3,364,938
14	2039	2.0%	-	\$ 404,097	\$ -	\$ 169,339,303	\$ 167,728,183	28.5%	\$ 238,639	\$ 2,211,429	\$ 598,690	\$ 6,626,034	28.5%	\$ 168,401	\$ 1,560,549	\$ 422,480	\$ 4,675,823	\$ 407,040	\$ 3,771,978
15	2040	2.0%	-	\$ 412,179	\$ -	\$ 172,726,089	\$ 171,114,969	28.5%	\$ 243,458	\$ 2,454,887	\$ 610,781	\$ 7,236,816	28.5%	\$ 171,802	\$ 1,732,351	\$ 431,013	\$ 5,106,836	\$ 415,261	\$ 4,187,239
16	2041	2.0%	-	\$ 420,422	\$ -	\$ 176,180,611	\$ 174,569,491	28.5%	\$ 248,374	\$ 2,703,262	\$ 623,114	\$ 7,859,930	28.5%	\$ 175,271	\$ 1,907,623	\$ 439,716	\$ 5,546,552	\$ 423,646	\$ 4,610,884
17	2042	2.0%	-	\$ 428,831	\$ -	\$ 179,704,223	\$ 178,093,103	28.5%	\$ 253,388	\$ 2,956,650	\$ 635,694	\$ 8,495,624	28.5%	\$ 178,810	\$ 2,086,432	\$ 448,593	\$ 5,995,145	\$ 432,198	\$ 5,043,082
18	2043	2.0%	-	\$ 437,407	\$ -	\$ 183,298,307	\$ 181,687,187	28.5%	\$ 258,503	\$ 3,215,153	\$ 648,525	\$ 9,144,149	28.5%	\$ 182,419	\$ 2,268,851	\$ 457,648	\$ 6,452,792	\$ 440,922	\$ 5,484,004
19	2044	0%	-	\$ 437,407	\$ -	\$ 183,298,307	\$ 181,687,187	28.5%	\$ 263,720	\$ 3,478,873	\$ 661,613	\$ 9,805,762	28.5%	\$ 186,100	\$ 2,454,952	\$ 466,883	\$ 6,919,676	\$ 449,820	\$ 5,933,825
20	2045	0%	-	\$ 437,407	\$ -	\$ 183,298,307	\$ 181,687,187	28.5%	\$ 263,720	\$ 3,742,593	\$ 661,613	\$ 10,467,375	28.5%	\$ 186,100	\$ 2,641,052	\$ 466,883	\$ 7,386,559	\$ 449,820	\$ 6,383,645
21	2046	2.0%	-	\$ 446,155	\$ -	\$ 186,964,274	\$ 185,353,154	28.5%	\$ 263,720	\$ 4,006,313	\$ 661,613	\$ 11,128,988	28.5%	\$ 186,100	\$ 2,827,152	\$ 466,883	\$ 7,853,443	\$ 449,820	\$ 6,833,465
22	2047	2.0%	-	\$ 455,078	\$ -	\$ 190,703,559	\$ 189,092,439	28.5%	\$ 269,041	\$ 4,275,354	\$ 674,963	\$ 11,803,951	28.5%	\$ 189,855	\$ 3,017,008	\$ 476,304	\$ 8,329,746	\$ 458,896	\$ 7,292,362
23	2048	2.0%	-	\$ 464,180	\$ -	\$ 194,517,630	\$ 192,906,510	28.5%	\$ 274,469	\$ 4,549,822	\$ 688,579	\$ 12,492,530	28.5%	\$ 193,685	\$ 3,210,693	\$ 485,913	\$ 8,815,659	\$ 468,154	\$ 7,760,516
24	2049	2.0%	-	\$ 473,464	\$ -	\$ 198,407,983	\$ 196,796,863	28.5%	\$ 280,005	\$ 4,829,827	\$ 702,468	\$ 13,194,998	28.5%	\$ 197,592	\$ 3,408,286	\$ 495,714	\$ 9,311,373	\$ 477,597	\$ 8,238,113
25	2050	2.0%	-	\$ 482,933	\$ -	\$ 202,376,142	\$ 200,765,022	28.5%	\$ 285,652	\$ 5,115,479	\$ 716,635	\$ 13,911,633	28.5%	\$ 201,577	\$ 3,609,863	\$ 505,711	\$ 9,817,084	\$ 487,229	\$ 8,725,341
26	2051	2.0%	-	\$ 492,592	\$ -	\$ 206,423,665	\$ 204,812,545	28.5%	\$ 291,411	\$ 5,406,890	\$ 731,085	\$ 14,642,718	28.5%	\$ 205,642	\$ 3,815,504	\$ 515,908	\$ 10,332,992	\$ 497,053	\$ 9,222,394
27	2052	2.0%	-	\$ 502,443	\$ -	\$ 210,552,139	\$ 208,941,019	28.5%	\$ 297,286	\$ 5,704,177	\$ 745,824	\$ 15,388,541	28.5%	\$ 209,787	\$ 4,025,292	\$ 526,309	\$ 10,859,301	\$ 507,074	\$ 9,729,468
28	2053	2.0%	-	\$ 512,492	\$ -	\$ 214,763,181	\$ 213,152,061	28.5%	\$ 303,279	\$ 6,007,455	\$ 760,858	\$ 16,149,399	28.5%	\$ 214,016	\$ 4,239,308	\$ 536,918	\$ 11,396,218	\$ 517,295	\$ 10,246,763
29	2054	0%	-	\$ 512,492	\$ -	\$ 214,763,181	\$ 213,152,061	28.5%	\$ 309,391	\$ 6,316,847	\$ 776,192	\$ 16,925,591	28.5%	\$ 218,330	\$ 4,457,637	\$ 547,739	\$ 11,943,957	\$ 527,721	\$ 10,774,484
30	2055	0%	-	\$ 512,492	\$ -	\$ 214,763,181	\$ 213,152,061	28.5%	\$ 309,391	\$ 6,626,238	\$ 776,192	\$ 17,701,783	28.5%	\$ 218,330	\$ 4,675,967	\$ 547,739	\$ 12,491,696	\$ 527,721	\$ 11,302,205
Total			414		\$ 138,830,450				\$ 6,626,238		\$ 17,701,783			\$ 4,675,967		\$ 12,491,696		\$ 11,302,205	

Assumptions	
Base Taxable Value ^[c]	\$ 1,611,120.00
County AV Rate ^[e]	0.3594
City AV Rate	0.5093

Footnotes
[a] Values increased at 2% annually, with two years of no growth each decade to simulate an economic downturn.
[b] Based on project development data as provided by the Developer's model dated .
[c] Base Taxable Value is subject to confirmation by Appraisal District.
[d] The City TIRZ Increment and the County TIRZ Increment are each subject to the TIRZ Maximum Annual Credit Amount as set forth in the Service and Assessment Plan. The annual and cumulative amounts of City TIRZ Increment and County TIRZ Increment shown in this Feasibility Study are prior to the application of the TIRZ Maximum Annual Credit Amount. Amounts paid may be less than amounts reflected herein.
[e] County O&M Rate, excludes County Debt Rate.

EXHIBIT F – PROPOSED USES OF THE PROPERTY

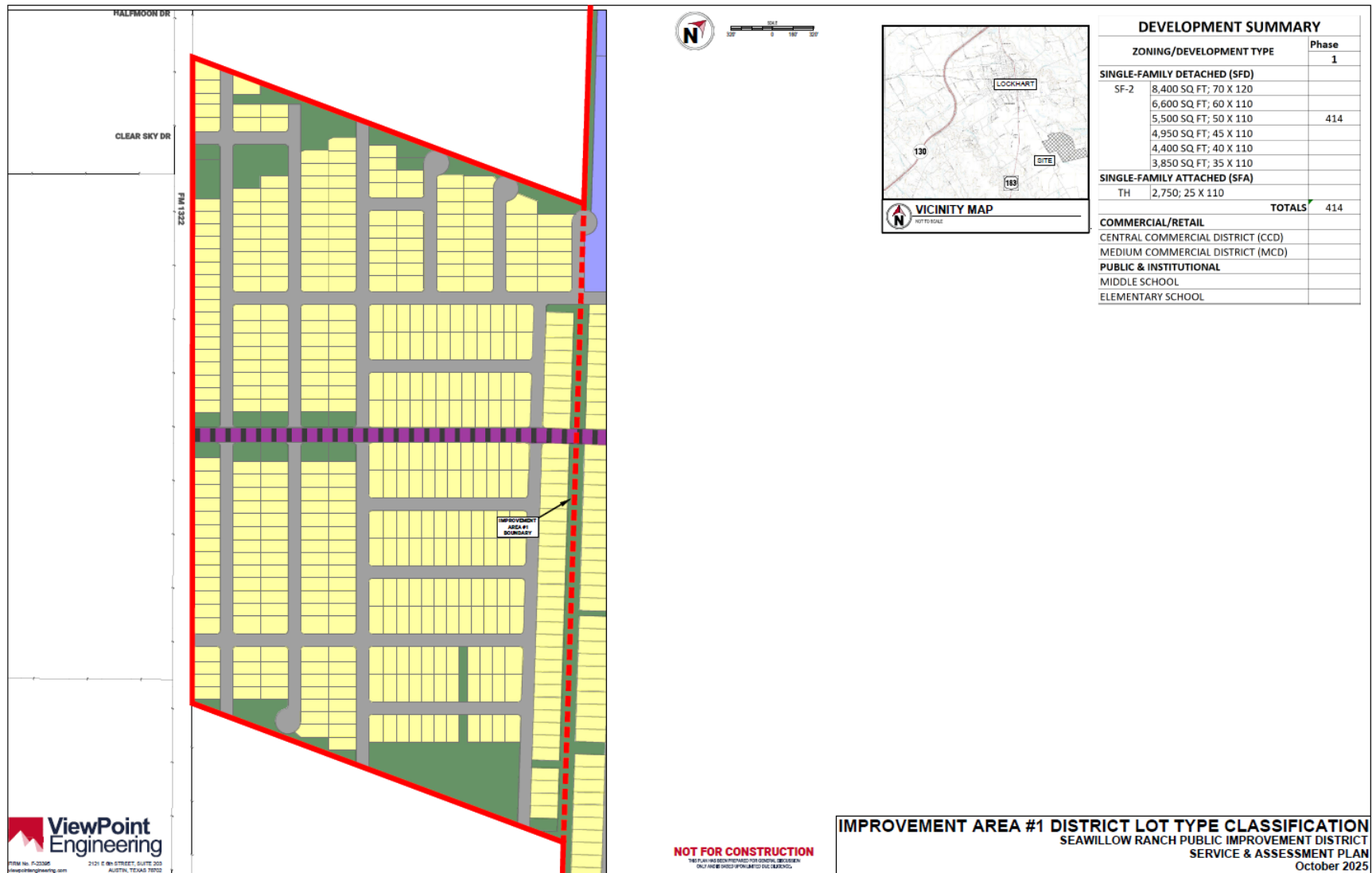


EXHIBIT G – LEGAL DESCRIPTION OF THE ZONE

LEGAL DESCRIPTION

BEING 89.775 acres of land situated in the J.A. NEILL SURVEY, ABSTRACT NO. 20, Caldwell County, Texas, and being a portion of and part of a called 169.811 acres of land described in deed to SVAG Investments, LLC, a Texas Limited Liability Company, as recorded in Document Number 2021-006881 of the Official Public Records of Caldwell County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch capped iron rod found, marked Hinkle Surveying, on the Northeast Right-of-Way line of Farm to Market Road 1322, an 80 foot Right-of-Way, and for the Northwest corner of a called 85.00 acre tract of land as described in a deed to Charles D. Spillmann and Jane Spillmann as recorded in Document Number 2016-005533 of said Official Public Records, same being the Southwest corner of said 169.811 acre tract and the of this herein described tract;

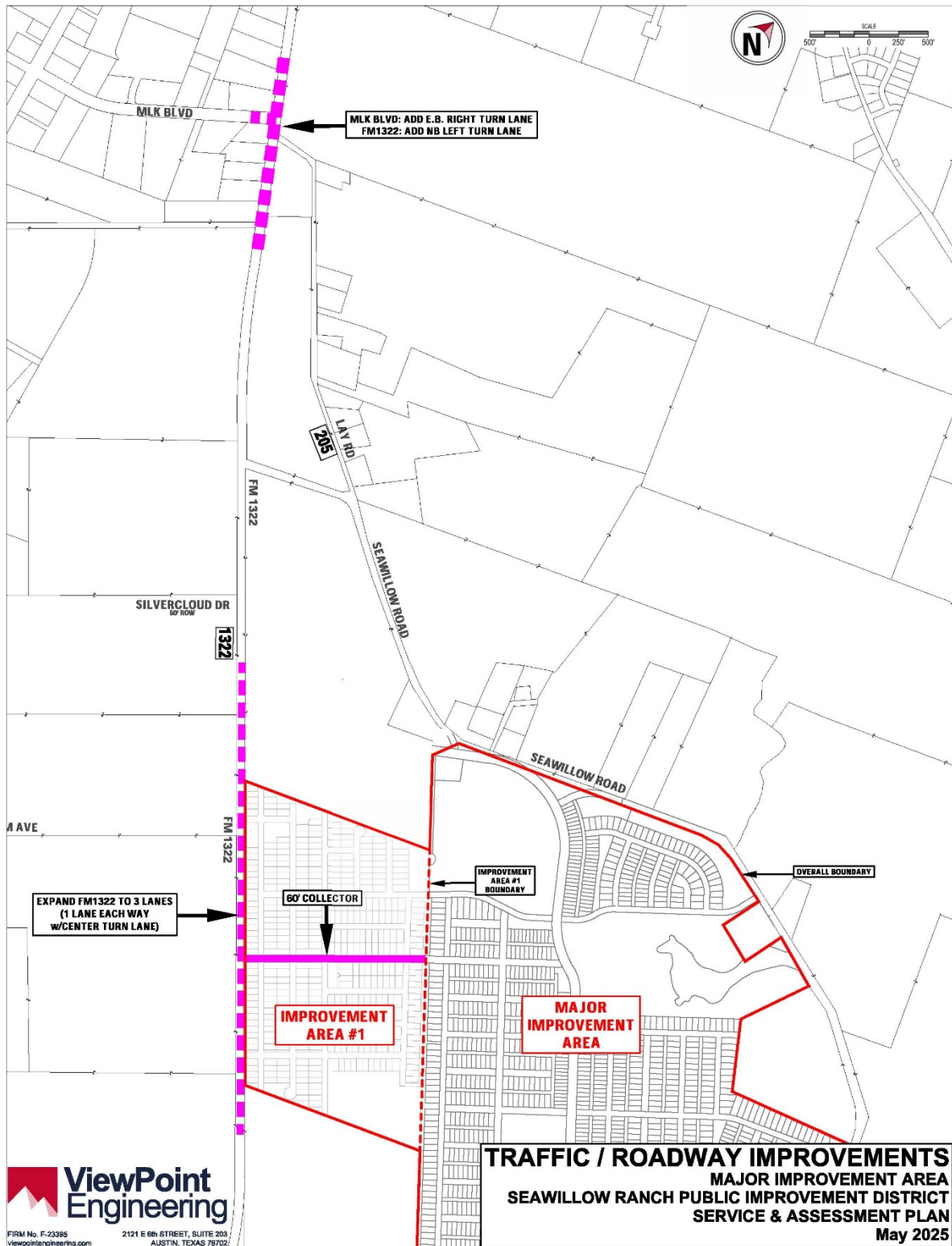
THENCE North 31 degrees 43 minutes 06 seconds West, along said Right-of-Way and the Southwest line of this tract, a distance of 2,572.95 feet to a 1/2 inch capped iron rod found, marked Jones Carter Prop Corner, for the Northwest corner of this herein described tract;

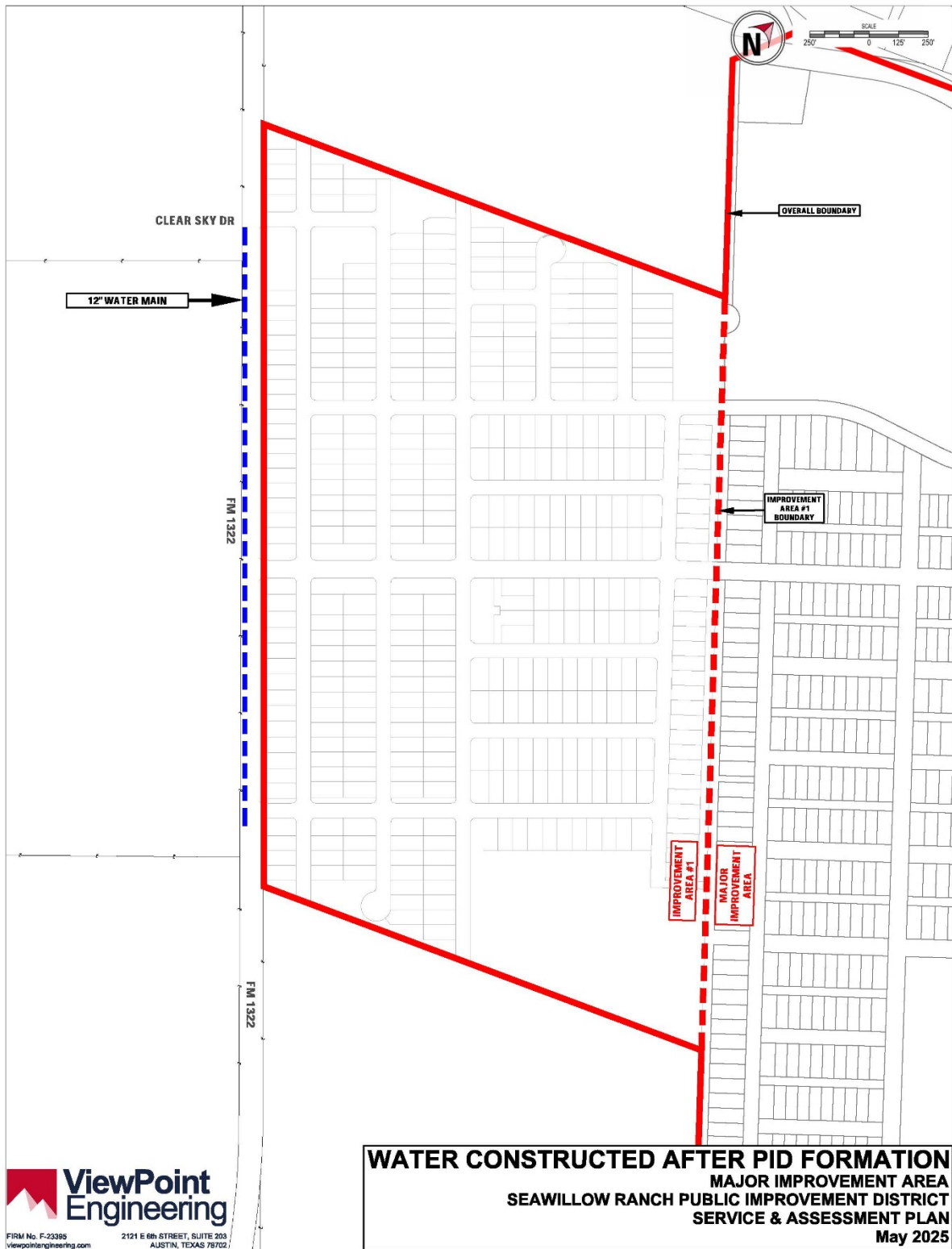
THENCE North 78 degrees 46 minutes 11 seconds East, crossing said 169.811 acre tract, a distance of 1,665.32 feet to a 1/2 inch iron rod found on the Southwest line of a called 358.536 acre tract of land as described in a deed to David V. Acevedo and Marge Margarita Acevedo as recorded in Volume 209, Page 425 of said Official Public Records, same being the Northeast line of said 169.811 acre tract, and being the Northeast corner of this herein described tract;

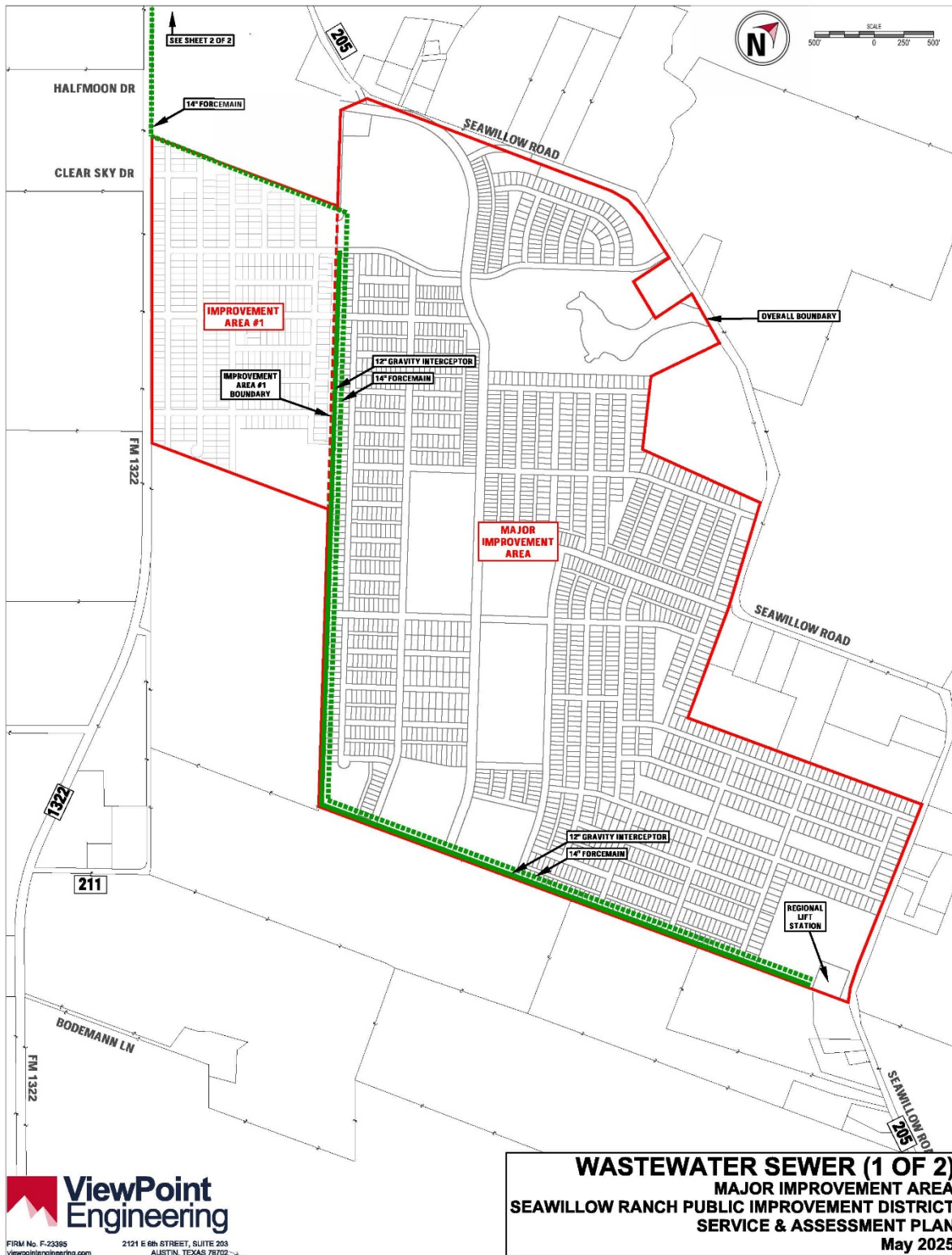
THENCE South 29 degrees 54 minutes 41 seconds East, along the common line of said 358.536 acre tract, a distance of 2,544.30 feet to a 1/2 inch capped iron rod found, marked Hinkle Surveying, for the Northeast corner of said 85.00 acre tract, and being the Southeast corner of this tract;

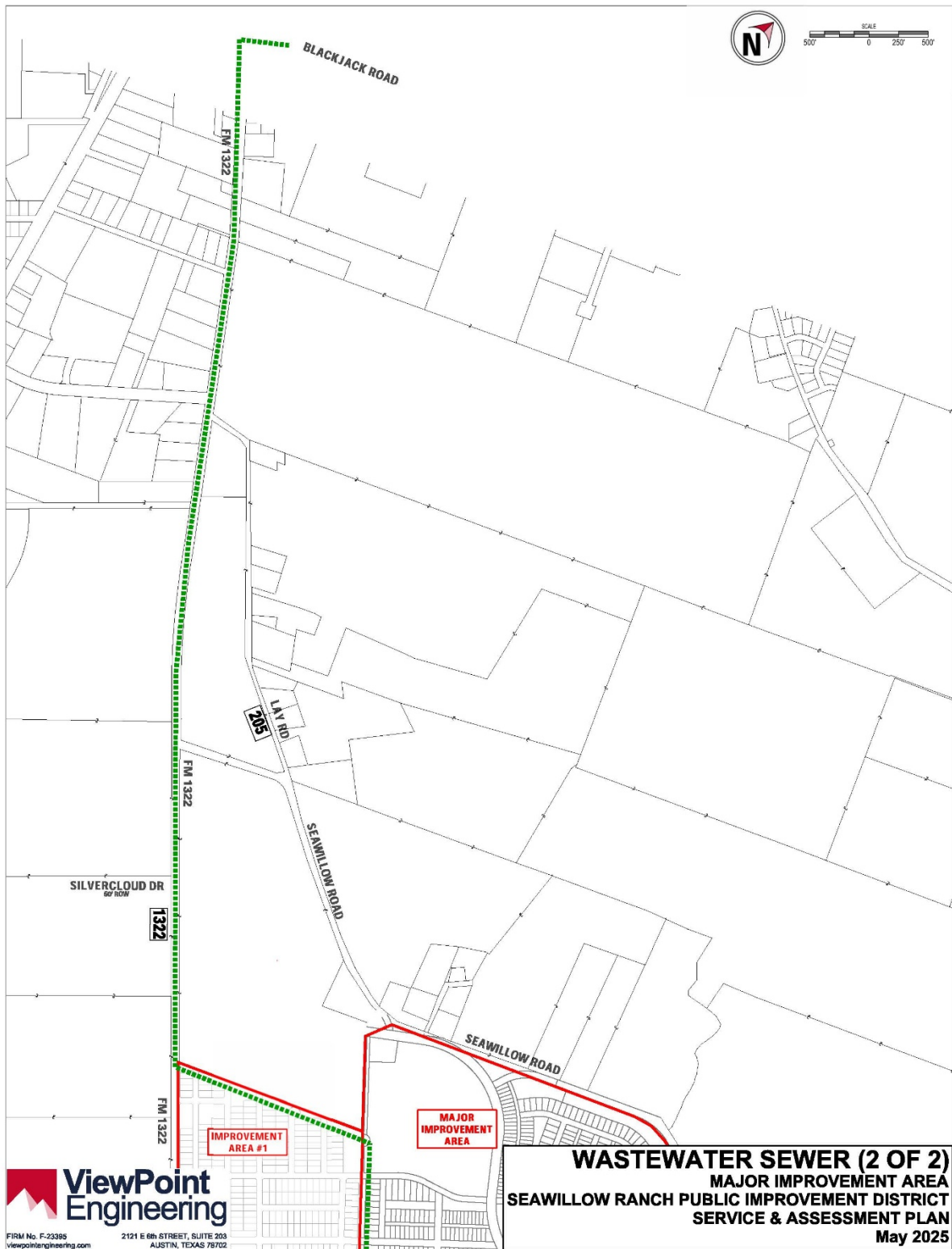
THENCE South 78 degrees 46 minutes 18 seconds West, along the common line of said 85.00 acre tract, a distance of 1,579.70 feet to the **POINT OF BEGINNING**, containing 3,910,599 square feet and/or 89.775 acres of land, more or less.

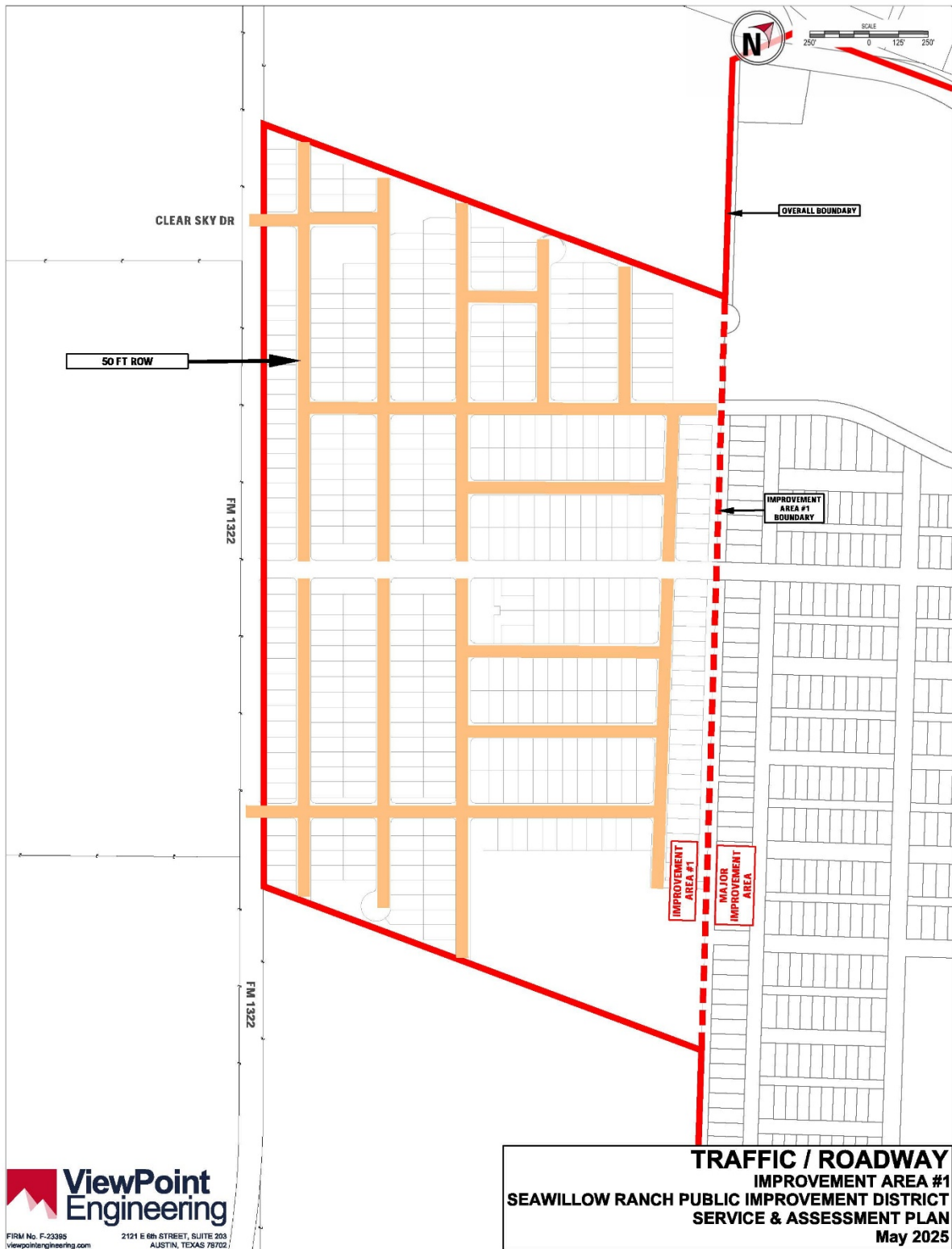
EXHIBIT H – MAPS OF PUBLIC IMPROVEMENTS

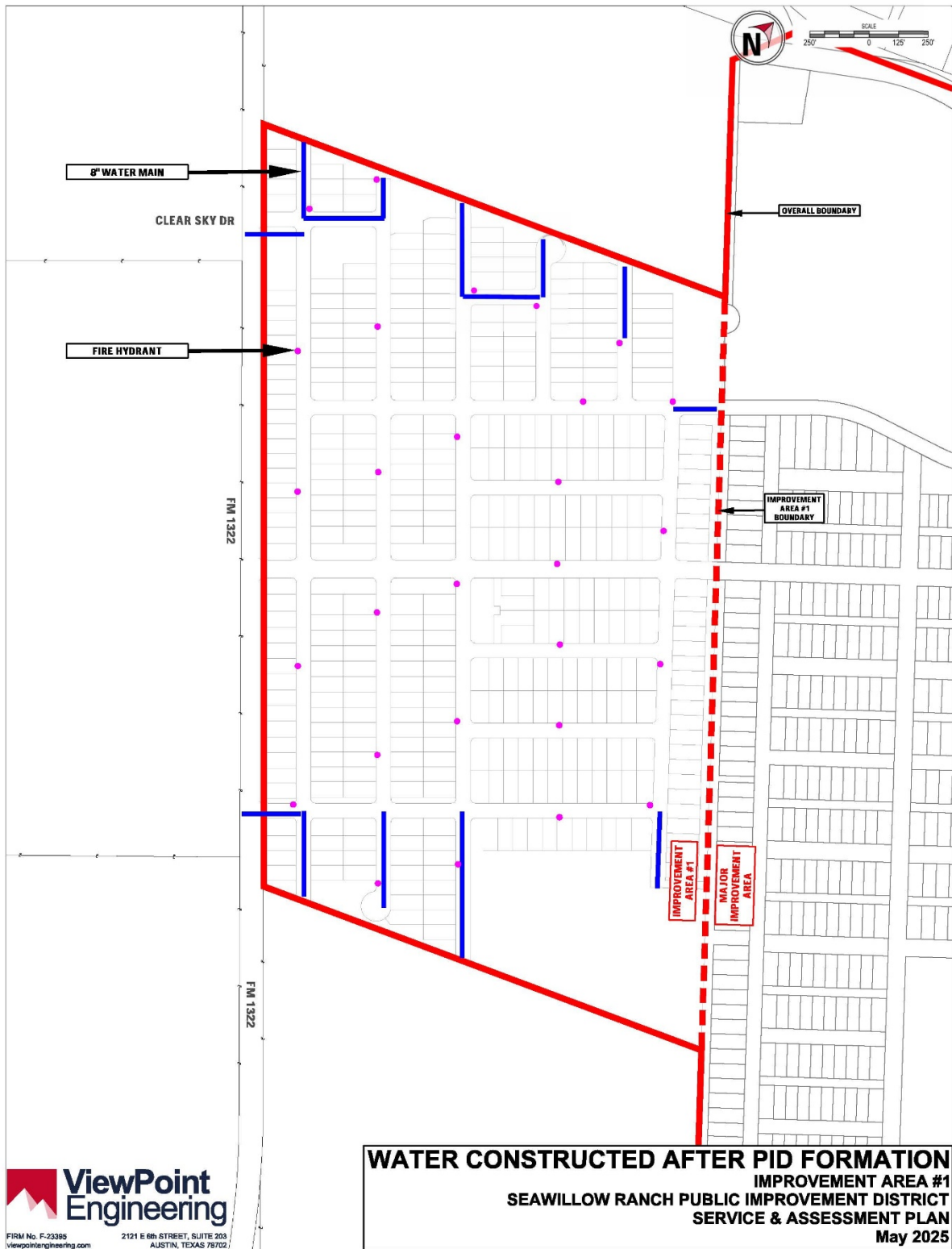












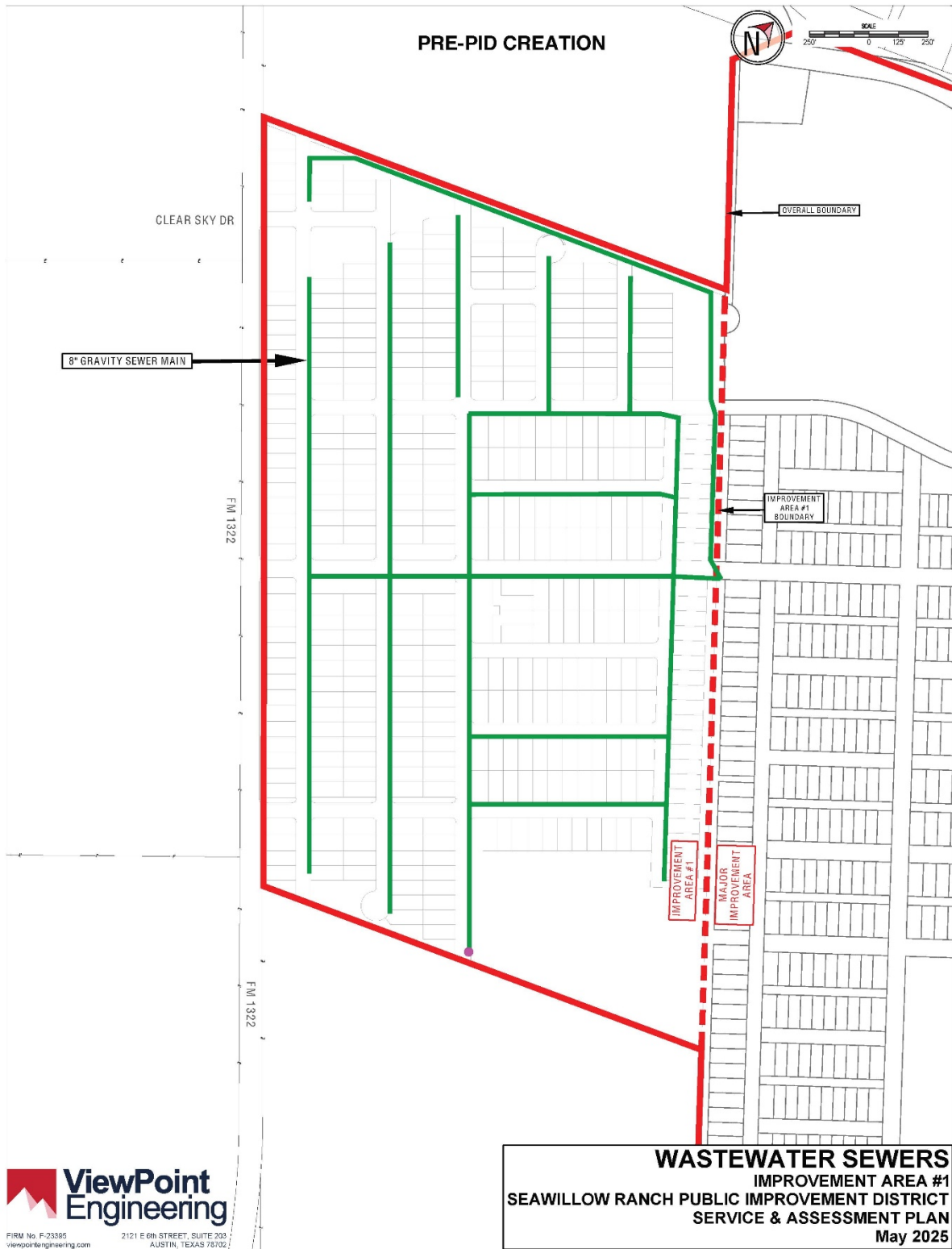
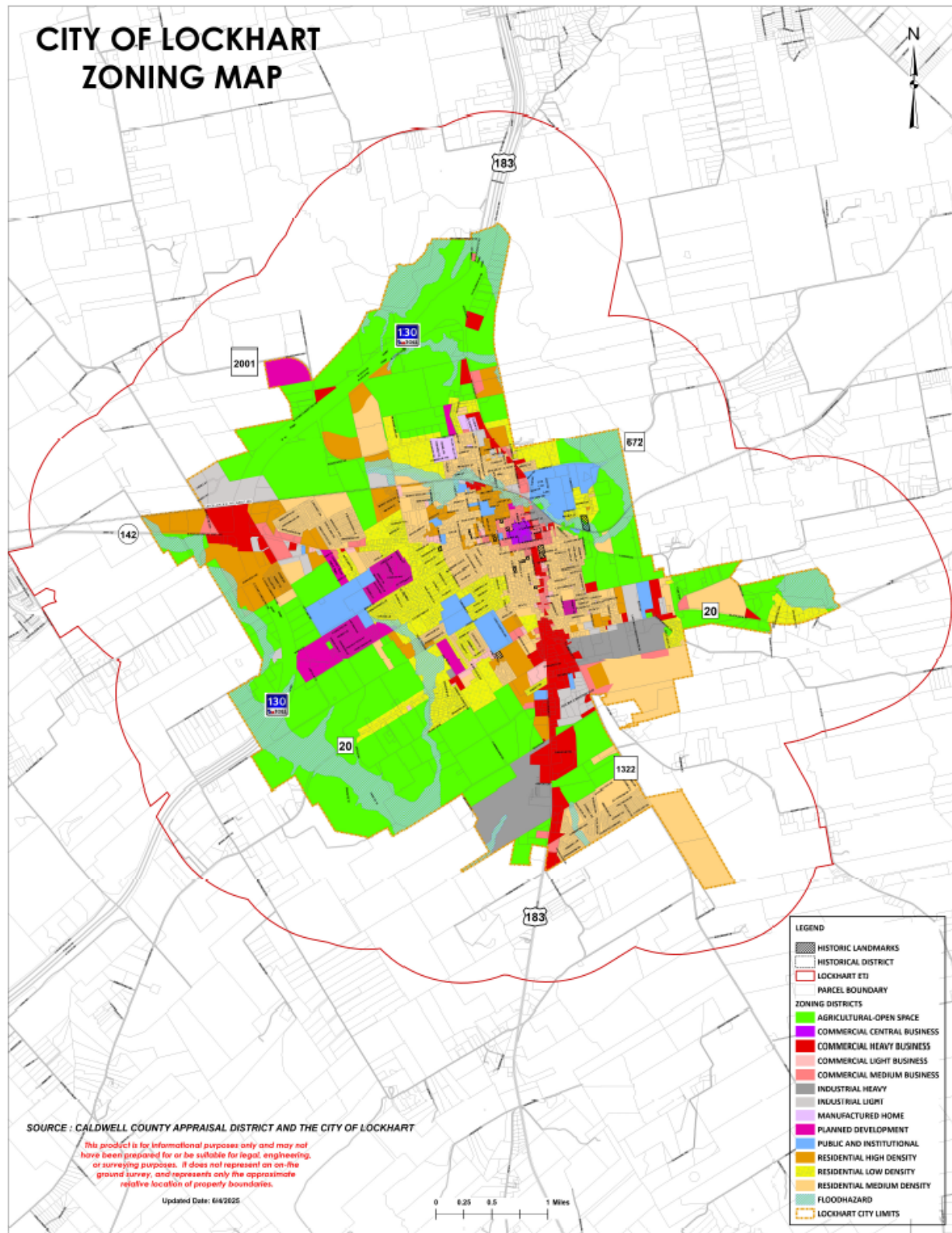




EXHIBIT I – EXISTING USES OF THE PROPERTY



City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 3, 2026

AGENDA ITEM CAPTION: Discuss Ordinance 2026-09, amending Sections 28-10(d), 28-10(e)(3), and 28-11(b)(3) of Article I, “Historic Districts and Landmarks Regulations and Procedures” of Chapter 28 “Historic Districts and Landmarks” to expand those repainting activities qualifying as ordinary maintenance in the Historic District and on City-designated Historic Landmarks, to remove an existing inconsistency indicating that any form of repainting is considered ordinary maintenance, and to change the allowance for replacement of painted exterior wood surfaces from a durable cementitious wood material to composite, wood-like materials as exempt from the requirements for a Certificate for Alteration.

ORIGINATING DEPARTMENT AND CONTACT: Development Services - Kevin Waller

ACTION REQUESTED: Ordinance

BACKGROUND/SUMMARY/DISCUSSION: During recent meetings of the Historical Preservation Commission, certain members requested amendments to the Ordinary Maintenance section of the Historic Districts and Landmarks Ordinance with regard to the repainting of previously painted exterior surfaces in the Historic District and on City-designated Historic Landmarks. The amendments would expand the ordinary maintenance element in Sections 28-10(d) and 28-10(e)(3) to include a change in color shade, such as from a light gray shade to a dark gray, in addition to the existing provision to allow same-color-only repainting as ordinary maintenance. The amendments would also remove the inconsistency between the above-referenced sections, in which Section 28-10(d) presently states that repainting may include a change in color as ordinary maintenance. The repainting to a different color entirely, such as from green to red, would continue to be subject to the requirement for a Certificate for Alteration. According to Staff’s research of the ordinances of seven peer cities, repainting is considered ordinary maintenance, with no distinction made between new or original colors. The proposed amendments to these two sections, enclosed with your packet materials, would also specify that a city permit is not required for either the initial painting or repainting in any form.

It was also recently requested by the Commission that composite, wood-like materials that replace painted exterior wood surfaces be allowed as an exemption from the requirements for a Certificate for Alteration in Section 28-11(b)(3). This would broaden the scope of the current provision that only allows for wood replacement with a durable cementitious wood material as an exemption from a Certificate for Alteration. Staff’s research of the seven peer cities yielded no specific exemptions for the replacement of wood materials with other materials of a similar appearance. The proposed amendment, enclosed, also stipulates that the new material be painted, or imbedded, with a color that is similar to the original paint color.

PROJECT SCHEDULE (if applicable): None

City of Lockhart, Texas

Council Agenda Item Cover Sheet

AMOUNT & SOURCE OF FUNDING:

Funds Required:

Account Number:

Funds Available:

Account Name:

FISCAL NOTE (if applicable): None

PREVIOUS COUNCIL ACTION: Section 28-10 was last revised with the passage of Ordinance No. 2022-54 on October 18, 2022, and Section 28-11 was last revised with the passage of Ordinance No. 2023-20 on September 19, 2023.

COMMITTEE/BOARD/COMMISSION ACTION: The Historical Preservation Commission voted 5-0 to recommend approval of the proposed text amendments at its February 4, 2026 meeting.

STAFF RECOMMENDATION/REQUESTED MOTION: Approval of Ordinance 2026-09, Amending Sections 28-10(d), 28-10(e)(3), and 28-11(b)(3) of Article I, "Historic Districts and Landmarks Regulations and Procedures" of Chapter 28

LIST OF SUPPORTING DOCUMENTS: Historical Preservation Amendments Ordinance 2026-09, 02-17-2026 Repainting and Wood Replacement Memo to City Council

ORDINANCE 2026-09

AN ORDINANCE OF THE CITY OF LOCKHART, TEXAS, AMENDING CHAPTER 28 “HISTORIC DISTRICTS AND LANDMARKS” OF THE CODE OF ORDINANCES, SECTION 28-10 “ORDINARY MAINTENANCE”, AND SECTION 28-11 “CERTIFICATE FOR ALTERATION FOR HISTORIC LANDMARKS OR HISTORIC DISTRICTS”; PROVIDING FOR SEVERABILITY; PROVIDING A REPEALER; PROVIDING FOR PENALTY; PROVIDING FOR PUBLICATION; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the Lockhart Historical Preservation Commission has identified changes needed to expand those repainting activities qualifying as ordinary maintenance in the Historic District and on City-designated Historic Landmarks, to remove an existing inconsistency indicating that any form of repainting is considered ordinary maintenance, and to change the allowance for replacement of painted exterior wood surfaces from a durable cementitious wood material to composite, wood-like materials as exempt from the requirements for a Certificate for Alteration; and,

WHEREAS, such changes would clarify and correct existing inconsistencies as to when repainting does or does not require a Certificate for Alteration, would broaden the allowances for repainting as ordinary maintenance, and would allow a wider variety of wood-like materials to replace actual wood without the need for a Certificate for Alteration; and,

WHEREAS, the Lockhart Historical Preservation Commission held a meeting on February 4, 2026, and voted to recommend amending Sections 28-10(d), 28-10(e)(3), and 28-11(b)(3); and,

WHEREAS, the City Council has determined that such amendment serves a public purpose and the Council desires to amend the Code of Ordinances accordingly;

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

I. Chapter 28 “Historic Districts and Landmarks” is hereby amended as follows, with all existing provisions not shown remaining unchanged:

Sec. 28-10. Ordinary maintenance.

- (d) Repainting to the same color, including a change in color shade, such as from a light gray shade to a dark gray, shall be considered ordinary maintenance. Repainting to a different color, such as a change from green to red, will require a certificate for alteration. A city permit is not required for repainting in any form.
- (e) Ordinary maintenance does not include the following and will require a certificate for alteration and a city building permit prior to beginning work, except as exempted in subsection 28-11(b):

- ...(3) Painting a previously unpainted brick, stone or other masonry surface or changing the color of any previously painted surface, including trim. Repainting to the same color, including a change in color shade, such as from a light gray shade to a dark gray, shall be considered ordinary maintenance. A city permit is not required for either the initial painting or repainting in any form.

Sec. 28-11. Certificate for alteration for historic landmarks or historic districts.

- (b) A certificate for alteration (CFA) is not required for the following construction activities and work. However, no exempted construction shall involve the drilling, cutting, covering or painting of virgin or unpainted masonry and/or removal of same:

- ...(3) Exterior wood. Replacement of existing painted wood on the exterior of a building with a durable composite wood-like material is exempt if the material is painted or the color is imbedded and does not make a physical change to the exterior elements, design features, or appearance of the property, and is similar in color to the original paint color.

II. Severability: If any provision, section, clause, sentence, or phrase of this ordinance is for any reason held to be unconstitutional, void, invalid, or un-enforced, the validity of the remainder of this ordinance or its application shall not be affected, it being the intent of the City Council in adopting and of the Mayor in approving this ordinance that no portion, provision, or regulation contained herein shall become inoperative or fail by way of reasons of any unconstitutionality or invalidity of any other portion, provision or regulation.

III. Repealer: That all other ordinances, sections, or parts of ordinances heretofore adopted by the City of Lockhart in conflict with the provisions set out above in this ordinance are hereby repealed or amended as indicated.

IV. Penalty: Any person who violates any provision of this ordinance shall be guilty of a misdemeanor, and upon conviction shall be fined as provided in Section 1-8 of the City Code.

V. Publication: That the City Secretary is directed to cause the caption of this ordinance to be published in a newspaper of general circulation according to law.

VI. Effective Date. That this ordinance shall become effective and be in full force ten days from the date of its passage.

**PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS,
ON THIS THE 3rd DAY OF MARCH, 2026.**

CITY OF LOCKHART

Lew White
Mayor

ATTEST:

APPROVED AS TO FORM:

Julie Bowermon
City Secretary

Brad Bullock
City Attorney

TO: Lockhart City Council

FROM: Kevin Waller, Historical Preservation Officer / Senior Planner

SUBJECT: Repainting and wood material replacement (Ordinance 2026-09)

DATE: February 17, 2026

During recent meetings of the Historical Preservation Commission, certain members requested amendments to the Ordinary Maintenance section of the Historic Districts and Landmarks Ordinance with regard to the repainting of previously painted exterior surfaces in the Historic District and on City-designated Historic Landmarks. The amendments would expand the ordinary maintenance element in Sections 28-10(d) and 28-10(e)(3) to include a change in color shade, such as from a light gray shade to a dark gray, in addition to the existing provision to allow same-color-only repainting as ordinary maintenance. The amendments would also remove the inconsistency between the above-referenced sections, in which Section 28-10(d) presently states that repainting may include a change in color as ordinary maintenance. The repainting to a different color entirely, such as from green to red, would continue to be subject to the requirement for a Certificate for Alteration. According to Staff's research of the ordinances of 7 peer cities, repainting is considered ordinary maintenance, with no distinction made between new or original colors. The proposed amendments to these two sections, enclosed with your packet materials, would also specify that a city permit is not required for either the initial painting or repainting in any form.

It was also recently requested by the Commission that composite, wood-like materials that replace painted exterior wood surfaces be allowed as an exemption from the requirements for a Certificate for Alteration in Section 28-11(b)(3). This would broaden the scope of the current provision that only allows for wood replacement with a durable cementitious wood material as an exemption from a Certificate for Alteration. Staff's research of the 7 peer cities yielded no specific exemptions for the replacement of wood materials with other materials of a similar appearance. The proposed amendment, enclosed, also stipulates that the new material be painted, or imbedded, with a color that is similar to the original paint color.

Following consideration of the text amendments at the February 4, 2026 Commission meeting, the Commission made a formal recommendation at that meeting to approve the amendments to City Council.

CHAPTER 28. HISTORIC DISTRICTS AND LANDMARKS

DIVISION 1. GENERALLY

Sec. 28-10. Ordinary maintenance.

- (d) Repainting to the same color, including a change in color shade, such as from a light gray shade to a dark gray, shall be considered ordinary maintenance, and may include a change in color of painted surfaces. Repainting to a different color, such as a change from green to red, will require a certificate for alteration. A city permit is not required for repainting in any form.
- (e) Ordinary maintenance does not include the following and will require a certificate for alteration and a city building permit prior to beginning work, except as exempted in subsection 28-11(b):

...(3) Painting a previously unpainted brick, stone or other masonry surface or changing the color of any previously painted surface, including trim. Repainting to the same color, including a change in color shade, such as from a light gray shade to a dark gray, shall be considered ordinary maintenance. A city permit is not required for either the initial painting or repainting in any form.

Sec. 28-11. Certificate for alteration for historic landmarks or historic districts.

- (b) A certificate for alteration (CFA) is not required for the following construction activities and work. However, no exempted construction shall involve the drilling, cutting, covering or painting of virgin or unpainted masonry and/or removal of same:

...(3) Exterior wood. Replacement of existing painted wood on the exterior of a building with a durable composite wood-like ~~cementitious-wood~~ material is exempt if the material is painted or the color is imbedded and does not make a physical change to the exterior elements, design features, ~~finishes~~ or appearance of the property, and is similar in color to the original paint color.

[Existing subsections not shown are unchanged.]

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 3, 2026

AGENDA ITEM CAPTION: Presentation and discussion regarding the City's Sign Code in the downtown area and direction to staff on potential options to enhance visibility and wayfinding for downtown businesses, as well as policy guidance on the placement of sidewalk furnishings within the public right-of-way in the downtown area.

ORIGINATING DEPARTMENT AND CONTACT: Development Services - David Fowler

ACTION REQUESTED: Direction

BACKGROUND/SUMMARY/DISCUSSION: During the extended construction period associated with the Downtown Revitalization Project, including street and sidewalk closures, City planning and code enforcement staff exercised relaxed discretion in enforcing certain provisions of the City's Sign Code, particularly those related to portable and off-premises signs in the downtown area. With major street and sidewalk improvements now substantially complete, staff will notify businesses that are currently in noncompliance that consistent enforcement of the City's adopted sign regulations will resume.

Since enforcement was relaxed during the construction period, additional nonconforming portable signs have appeared in the downtown area, including signs placed within the public right-of-way and at locations not directly associated with the business being advertised. While these signs are often intended to increase visibility, particularly for businesses located off the Courthouse Square, they present several challenges.

Improperly placed signs and sidewalk obstructions can limit ADA accessibility and diminish the ability of residents and visitors to enjoy safe and unimpeded access throughout downtown. They may also detract from the visual appeal and historic character of downtown, and result in inconsistent application of the City's sign regulations among businesses.

The purpose of this item is to present current sign regulations to City Council and receive direction regarding:

- Potential options to improve visibility and wayfinding for downtown businesses, particularly those not located directly on the Courthouse Square; and
- Policy guidance regarding the placement and regulation of sidewalk furnishings such as seating, dining tables, planters, and related items within the public right-of-way.

Staff seeks Council input on potential wayfinding signage and/or potential ordinance amendments regarding signs and sidewalk furnishings to support downtown businesses while maintaining compliance and accessibility standards.

PROJECT SCHEDULE (if applicable): None

City of Lockhart, Texas

Council Agenda Item Cover Sheet

AMOUNT & SOURCE OF FUNDING:

Funds Required:

Account Number:

Funds Available:

Account Name:

FISCAL NOTE (if applicable): None

PREVIOUS COUNCIL ACTION: The section of the sign ordinance pertaining to portable signs was last revised with Ordinance 2016-23, approved September 20, 2016.

COMMITTEE/BOARD/COMMISSION ACTION: None

STAFF RECOMMENDATION/REQUESTED MOTION: Staff requests input from City Council regarding potential options for visibility of businesses not directly located on the Courthouse Square and policy guidance concerning the placement and regulation of sidewalk furnishings in the downtown area.

LIST OF SUPPORTING DOCUMENTS: Portble sign flyer, Lockhart, TX Code of Ordinances-exempt signs (includes portable)

ATTENTION BUSINESS OWNERS

The Lockhart City Council recently amended the sign ordinance to expand the options for using certain types of temporary advertising by businesses. The sign ordinance regulates all types of signs, including temporary signs such as banners, portable signs, and balloons. *A sign permit is not required for temporary signs except as noted below.* Banners, portable signs, and balloons *not meeting* the following standards, as well as signs in the form of placards attached to buildings, fences, permanent freestanding sign structures, or fuel pump canopies, are subject to all provisions applicable to permanent signs, including the requirement for a sign permit. Following are the rules for the most popular types of temporary signs.

BANNERS

A banner is a sign made of non-rigid material with no enclosing framework.

Banner signs must be limited to advertising special promotions, grand openings, or other events of a specific duration. *They are not to be used in the place of permanent signage.*

Banner signs must be attached to an existing *permanent* structure, although one banner per lot may be attached to posts installed specifically for that purpose according to specifications listed in Section 46-10(g) of the Sign Ordinance for permanent posts and removable posts.

A maximum of four sail banner structures no more than 14 feet in height, at least ten feet apart, and at least five feet from any street right-of-way line, may be installed for sails having a width not exceeding three feet.

Each business is limited to one or more banner signs not exceeding a total of 48 square feet per street frontage of each business or agency occupant, calculated separately for each business in a multi-tenant building.

Banners in the downtown historic district, banner posts, and sail banner structures require a permit. Banners in the downtown historic district are limited to advertising grand openings and business anniversaries, and may be displayed for no more than 30 calendar days.

PORTABLE SIGNS

A portable sign is one which is constructed of rigid, durable materials not permanently affixed to the ground or another structure, and is designed to be moved to various locations without disassembly of major components.

No more than one portable sign may be displayed per street frontage of the property on which it is located, and shall not be placed in the public right-of-way or in such a manner that creates a traffic safety hazard.

Portable signs shall be no larger than 16 square feet in size per side (if double-faced), and shall not be connected to any source of electrical power when located outdoors unless approved by the building official.

Portable signs may be displayed only during normal business hours of the business it advertises, and must be removed daily at the close of business.

BALLOONS

Tethered balloons shall have an anchor point such that no part of the tether or object crosses a property line or utility easement when laid horizontally, and may be displayed for not more than four consecutive days for any one special event.

QUESTIONS MAY BE DIRECTED TO THE PLANNING DIRECTOR AT 512-398-3461, EXTENSION 2510.

The following signs shall be exempt from the requirements of subsection 46-11(b), except as otherwise noted:

- (1) Any public notice or warning required by any federal, state or local law, regulation or ordinance.
- (2) Signs erected by or for a governmental body to direct or regulate pedestrian or vehicular traffic, identify public property, convey public information, advertise community events, or promote local economic development, provided that such signs which are permanent freestanding signs, other than those directing or regulating pedestrian or vehicular traffic, shall not exceed six feet in height.
- (3) Traffic control signs, not exceeding 12 square feet per driveway entrance, on private property, containing no commercial message other than the name or logo of a business or facility on the property.
- (4) Informational signs of utility and pipeline companies primarily providing for location, caution and warning concerning lines, facilities and appurtenances.
- (5) Memorial signs or tablets and building markers displayed on public or private buildings and lands, which do not exceed the limits allowed in that zoning district and which conform to the requirements of chapter 28, "Historic Districts" of this Code.
- (6) Bus stop signs that contain no commercial message.
- (7) Street and mail box addresses related to the referenced structure or appurtenances and which contain no commercial message.
- (8) Temporary construction site signs not exceeding six square feet per street frontage of each lot, or 32 square feet per entrance to a new subdivision containing more than ten lots, for single-family or duplex construction, and 32 square feet for all other uses, per street frontage of each lot. All such signs shall be removed within seven days following completion of the construction.
- (9) Signs that contain primarily a political message may be erected, maintained, and displayed only on private property with the consent of the property owner. Such signs shall not:
 - a. Exceed 36 square feet per sign.
 - b. Exceed eight feet in height.
 - c. Be illuminated by any light fixture within or attached to the sign.
 - d. Have any moving elements.
 - e. Be placed within any street right-of-way.
 - f. Create a safety hazard by blocking the view of traffic approaching on intersecting streets.
- (10) Real estate or open house signs not exceeding six square feet for single-family, manufactured home, or duplex dwellings, or 32 square feet for all other uses, per street frontage of each lot or structure, or portion of structure for sale or lease. Such signs shall be removed within 15 days after the sale or lease is completed.
- (11) One or more temporary attached and/or low profile freestanding signs, including banner signs, not exceeding a total of 32 square feet aggregate sign area on the premises of a homebuilder's sales office within a new residential subdivision. Such signs shall be removed upon disconnection of electric service for the building, or upon discontinued occupancy of the building as a sales office for 30 consecutive calendar days, whichever occurs first.
- (12) Garage sale signs that do not exceed a total area of six square feet, are on the site of such sale, and are displayed only during actual sale hours.
- (13) No trespassing or "posted" signs on private property not exceeding one square foot in area and including the telephone number of the responsible individual. There shall not exceed one such sign per 100 linear feet of property line.
- (14) Works of art which do not include any commercial message.
- (15) Temporary lights and decorations containing no commercial message and customarily associated with any national, state, local or religious holiday, and strings of lights affixed or suspended from a building or other structural support that eliminates load stresses from any electrical element.
- (16)

Banners suspended over streets or temporary signs on public rights-of-way or public property advertising noncommercial special events and festivities of general public interest and sponsored by governmental, educational, civic or nonprofit groups for limited time periods, subject to approval by the city manager in a written memorandum to the building official.

- (17) Portable signs designed to be moved to various locations without disassembly of major components and not permanently affixed to the ground or a structure, subject to the following limitations:
 - a. Allowed only in nonresidential districts.
 - b. No more than one portable sign to be displayed per street frontage of the property on which it is located.
 - c. No sign exceeding 16 square feet in sign area, or six feet in height.
 - d. No connection to any source of electrical power when located outdoors, unless approved by the building official.
 - e. Must be constructed of rigid, durable materials.
 - f. May be displayed only during normal business hours of a business enterprise on the premises, and must be removed daily at the close of business, except for portable signs advertising the sale of agricultural products grown on the premises in the AO agricultural open space district, where such signs do are not required to be removed daily.
- (18) Estate sale signs erected by an entity normally in the business of liquidating estates, under the following limitations:
 - a. No more than four signs directing the public to the sale site.
 - b. No sign exceeding six square feet.
 - c. No sign to remain on display to the public for more than 72 continuous hours.
 - d. No sign to be placed on any public right-of-way.
- (19) One permanent nonilluminated sign not exceeding two square feet per residential dwelling unit or business occupancy.
- (20) One temporary sign not connected to any source of electrical power, not exceeding six square feet per residential dwelling unit or business occupancy, and displayed for no more than 120 days in any calendar year, that contains only a noncommercial message.
- (21) Signs on vending machines, automated teller machines, gasoline pumps, and amusement equipment pertaining to the function of such facilities.
- (22) Nonilluminated signs not exceeding a cumulative total of 32 square feet in area on trailers or portable buildings containing an accessory use temporarily located on the premises of a nonresidential use, provided that the signs pertain to the use of the trailer or portable building.
- (23) Temporary window displays consisting of merchandise or posters in nonresidential districts.
- (24) Reserved.
- (25) Signs that are not visible from a public street, or that are indoors and visible through a window from a public street, except for signs painted or affixed to the inside of the window glass.
- (26) Temporary signs not exceeding 32 square feet per street frontage and no exceeding a height of 12 feet announcing "coming soon", "future home of", or a similar type of message for future construction or development of uses other than single-family or duplex residential. Such signs shall not be erected more than 24 months prior to the start of construction and shall be removed upon occupancy of the building or development mentioned on the sign.
- (27) Tethered balloons without any electrical connection and not more than 36 inches in diameter, and having an anchor point such that no part of the tether or object shall cross a property line or utility easement when laid horizontally. Balloon height shall be limited to the maximum height allowed by right for permanent freestanding signs in each respective zoning district, as provided by sign-type in subsection 64-11(b).
- (28) Temporary off-premises signs not exceeding 32 square feet erected by and/or approved by the city, county or state giving directions for detours to businesses whose vehicular access is blocked by road construction or special events beyond their control, provided that such signs are removed within two days of when normal access is provided or restored.
- (29) Signs and scoreboards facing the interior of athletic stadiums, athletic fields, rodeo arenas and fairgrounds, provided that such signs that are not a scoreboard shall be attached to a building, grandstand, fence or wall, and such scoreboards that are freestanding shall not exceed 25 feet in height. Signs not exceeding 32 square feet in size that specifically acknowledge

sponsorship of a nonprofit youth sports organization in the form of money, goods or services contributed by a person or business, may be placed on the outside of a fence or wall of an athletic facility located on city or school district property used by the youth sports organization or its activities, provided that there is no more than one such sign allowed per sponsor. Such signs shall be properly maintained.

(Ord. No. 99-42, § I, 1-4-00; Ord. No. 00-29, § I, 10-3-00; Ord. No. 03-14, § I, 6-3-03; Ord. No. 04-03, § I, 2-3-04; Ord. No. 07-22, § I, 6-19-07; Ord. No. 2009-08, § I, 4-7-09; Ord. No. 2009-31, § I, 11-4-09; Ord. No. 2009-32, § I, 11-17-09; Ord. No. 2010-23, § I, 8-17-10; Ord. No. 2010-33, § I, 10-5-10; Ord. No. 2011-06, § I, 5-17-11; Ord. No. 2011-07, § I, 6-7-11; Ord. No. 2014-17, § III, 9-2-14; Ord. No. 2014-22, § I, 12-2-14; Ord. No. 2015-20, § I, 9-1-15; Ord. No. 2016-23, § I, 9-20-16

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 3, 2026

AGENDA ITEM CAPTION: Discuss contract for Election Services with the Caldwell County Elections Administrator to conduct the City of Lockhart's Special Election on March 31, 2026.

ORIGINATING DEPARTMENT AND CONTACT: Administration - Julie Bowermon

ACTION REQUESTED: Agreement

BACKGROUND/SUMMARY/DISCUSSION: The City Council has order the special election to be held on March 31, 2026 to fill the unexpired term of Councilmember District 2. The Caldwell County Elections Administrator (County EA) will be conducting the March 31, 2026 Special Election for the City. Since 2010, in the interest of a public purpose, the City of Lockhart has contracted with the County EA to conduct City Elections to ensure consistency and compliance during the election process.

Previously during the January 6, 2026 City Council meeting, Council established that early voting will be conducted March 16 - 27, 2026 at Adams Gym. Adams Gym will also be the election day polling location. Locations and hours are subject to change by order of the County EA.

The County EA is currently determining appointment of Central Count, Early Voting Ballot Board, and Election Day Judges. These appointments are referenced in the contract as Attachment 'C' as to be determined.

PROJECT SCHEDULE (if applicable): N/A

AMOUNT & SOURCE OF FUNDING:

Funds Required: \$20,000

Account Number: 100-5101-703

Funds Available: \$25,000

Account Name: Elections

FISCAL NOTE (if applicable): N/A

PREVIOUS COUNCIL ACTION: On January 6, 2026 Council ordered a Special Election to be held on March 31, 2026.

COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends approval.

City of Lockhart, Texas

Council Agenda Item Cover Sheet

LIST OF SUPPORTING DOCUMENTS: Election Services Contract Special Election March 31
2026

**ELECTION SERVICES CONTRACT
BETWEEN
CALDWELL COUNTY
ON BEHALF OF THE CALDWELL COUNTY ELECTIONS ADMINISTRATOR
AND
PARTICIPATING ENTITIES**

WHEREAS, pursuant to Section 41.001(d), Texas Election Code, a county elections administrator shall enter into a contract to furnish election services for a special election date when requested by a political subdivision;

WHEREAS, for non-uniform election dates, pursuant to Section 31.092(a), Texas Election Code, the county election administrator may enter into a contract with the governing body of a political subdivision situated wholly or partly in the county served by the county elections administrator in any one or more elections ordered by an authority of the political subdivision;

WHEREAS, pursuant to Section 31.094, Texas Election Code, an election services contract may provide for the county election administrator to perform or supervise performance of any or all of the corresponding duties and functions the elections administrator performs in connection with a countywide election ordered by a county authority, other than the exceptions enumerated in Section 31.096, Texas Election Code.

WHEREAS, the Caldwell County, Texas (the “County”) is served by the Caldwell County Elections Administrator (the “Administrator”);

WHEREAS, the undersigned political subdivisions (individually or collectively referred to as the “Participating Entities”) that conduct elections are situated wholly or partly within the political boundaries of the County.

WHEREAS, for the MARCH 31, 2026 special election date and associated subsequent elections, some or all of the Participating Entities request the County, on behalf of the Administrator, to contract for the performance of election services; and

WHEREAS, to promote uniform and consistent elections held within the County, to assist in the reduction of fraud, protection of the secrecy of the ballot, promotion of voter access, and to ensure all legally cast ballots are counted, the County and undersigned Participating Entities intend to enter into a election services contract.

NOW THEREFORE, for and in consideration of the mutual covenants and agreements set forth herein, the County and undersigned Participating Entities do hereby agree as follows:

**ARTICLE I
DEFINITIONS**

Section 1.01. “Contracted Election” means the MARCH 31, 2026 special election, as generally described in Section 41.001(a), Texas Election Code, and accompanying early voting period, and, if applicable, any post-election services including any associated runoff elections, recounts, election contests, elections to resolve a tie, and any early voting periods associated with post-election services.

Section 1.02. “Election Officer” means an election judge, alternate election judge, early voting clerk, presiding judge of an early voting ballot board, alternate presiding judge of an early

voting ballot board, member of an early voting ballot board, chair of a signature verification committee, vice chair of a signature verification committee, member of a signature verification committee, presiding judge of a central counting station, alternate presiding judge of a central counting station, central counting station manager, central counting station clerk, tabulation supervisor, and assistant to a tabulation supervisor.

Section 1.03. "Election Clerk" means an election clerk, and deputy early voting clerk.

ARTICLE II PARTICIPATING ENTITY OBLIGATIONS

- Section 2.01. **RETAINED DUTIES.** Any duties and obligations not expressly transferred to the Administrator or the County under this agreement are retained by the Participating Entities. Nothing in this contract will be construed to authorize or permit a change in the office with whom or the place at which any document or recording related to the Contracted Election is to be filed, a Participating Entity's requirement to maintain office hours, or place at which any function of the canvass of the election returns is to be performed.
- Section 2.02. **ELECTION AUTHORIZED.** Participating Entities agree to conduct the Contracted Election, as authorized by Chapter 271, Texas Election Code, with any other undersigned Participating Entities holding elections on the same day in all or part of the same territory in Caldwell County. Participating Entities agree and acknowledge that other Participating Entities may join this agreement subject only to County approval.
- Section 2.03. **PRECLEARANCE FOR SPECIAL ELECTIONS.** If required by law, Participating Entities will be individually responsible for obtaining appropriate preclearance from the United States Department of Justice for any special elections.
- Section 2.04. **APPOINTMENT OF EARLY VOTING CLERK.** Participating Entities, through their respective governing bodies, will appoint the Administrator to serve as the Early Voting Clerk for the Contracted Election.
- Section 2.05. **DESIGNATION OF VOTER REGISTRAR.** Participating Entities, through their respective governing bodies, will appoint the Administrator to serve as the Voter Registrar for the Contracted Election.
- Section 2.06. **APPOINTMENT OF ELECTION WORKERS.** Participating Entities, through their respective governing bodies, will appoint Election Officers and Election Clerks, as identified in Attachment 'C', pursuant to Section 4.09 of this contract.
- Section 2.07. **ELECTION OFFICIAL COMPENSATION APPROVAL.** Participating Entities, through their respective governing bodies, will set any compensation for election officers at rates consistent with the election cost estimate attached to this contract as Attachment 'A'.
- Section 2.08. **DESIGNATION OF CENTRAL COUNTING STATION.** Participating Entities, through their respective governing bodies, will designate the Caldwell County Elections Office, 1403 Blackjack Street, Lockhart, Texas 78644, as the Central Counting Station for the Contracted Election.

- Section 2.09. **DESIGNATION OF POLLING PLACES.** Participating Entities, through their respective governing bodies, will designate the Administrator's office, 1403 Blackjack Street, Suite A, Lockhart, Texas 78644, as the main early voting polling place for the Contracted Election. Participating Entities, through their respective governing bodies, agree to designate other polling places, including early voting polling places and temporary early voting polling places as recommended by the Administrator.
- Section 2.10. **ELECTION ORDERS, NOTICES, AND LOCAL CANVASS.** Participating Entities will be responsible for the preparation, adoption, publication, and posting of all statutorily required election orders, notices, and other documents, including bilingual materials, evidencing action by the Participating Entities of all actions necessary to call and administer the Contracted Election, except as otherwise provided for in this contract. Participating Entities will conduct the local canvass.
- Section 2.11. **BALLOTS.** Participating Entities will be responsible for the preparation information contained in English and Spanish ballots and sample ballots, including mail ballots, and, as applicable, will determine the names of the candidates, names of the offices sought, order of names on the ballot, propositions on the ballot, and the Spanish translation of the offices and any propositions. This information will be provided to the Administrator no less than 60 days prior to any associated election day during the Contracted Election. The Participating Entities are responsible for proofreading and, if necessary, notifying the Administrator of necessary corrections to proposed ballots and sample ballots, including mail ballots, as provided by the Administrator.
- Section 2.12. **USE OF COMMON BALLOT.** It is agreed by the parties to this Agreement that a common ballot will be used for elections. The universal serial busses ("USBs") containing the voted ballots for an election will be delivered to the Administrator's office at 1403 Blackjack Street, Suite A, Lockhart, Texas 78644, and the USBs will remain in the Administrator's custody, except that the County agrees to provide Participating Entities with the necessary documentation, if requested, for canvass of an election or in the event the voted ballots are required for a recount or any court proceedings in which a Participating Entity may be a party. The County agrees to maintain custody of the USBs containing the voted ballots for the period of time prescribed by the Texas Election Code. All USBs that are not placed in active voting equipment will remain locked in the Caldwell County Elections Office. USBs will not be replaced without being logged out and checked out by an Election Officer or Election Clerk at any time during an election. An audit shall be conducted to ensure that all USBs are present and accounted for. All replaced equipment will remain secured until after tabulation to ensure that all checks and balances have been satisfied.
- Section 2.013. **USE OF COMMON FORMS.** All forms used in the conduct of the election, including but not limited to the poll list, signature roster, ballot registers, expense accounts, and all oaths and certificates will be used ly by the two agencies. All forms will be returned to the Administrator who shall keep them in his custody for the period prescribed by the Texas Election Code. The County agrees to furnish the Participating Entities with copies of any election documents upon the Participating Entity's request at no charge.
- Section 2.14. **APPLICATIONS FOR MAIL BALLOTS.** Participating Entities, through their respective governing bodies, will designate the Caldwell County Elections Office, 1403 Blackjack Street, Suite A, Lockhart, Texas 78644, to be the early voting clerk's mailing address to which ballot applications and ballots voted by mail will be sent. Applications for

mail ballots sent to Participating entities shall be promptly faxed to the Administrator or emailed to caldwellec@co.caldwell.tx.us for timely processing, with the original application forwarded to the Administrator for appropriate record retention.

- Section 2.15. **TRANSLATION.** Each Participating Entity is responsible for having its own election orders, resolutions, notices, or official ballot wording translated into the Spanish language if necessary.
- Section 2.16. **MAPS AND ANNEXATIONS.** Participating Entities will provide the Administrator with an updated map and street index, including address numbers, of its jurisdiction in an electronic format that is compatible with the mapping format used by the Administrator's office, and will provide notice to the Administrator of any new developments, annexations, de-annexations, and any other changes to the master voter registration list within the Participating Entities jurisdiction within the County.
- Section 2.17. **RECOUNT NOTICE.** Not later than 48 hours after it becomes aware that a recount is required by law or requested by a candidate, Participating Entities will provide notice to the Administrator that a recount must be conducted.
- Section 2.18. **ELECTION TO RESOLVE A TIE.** Notwithstanding any provision to the contrary, in the event an election is needed to resolve a tie vote, the affected Participating Entity and the Administrator will agree to an election date and early voting schedule in compliance with the Texas Election Code, with consideration given to other elections conducted by the Administrator. The cost for implementing an election under this section will be attributed solely to the affected Participating Entity.
- Section 2.19. **PRECINCT REPORTS TO THE SOS.** Participating Entities will prepare and file all required precinct reports with the Texas Secretary of State.

ARTICLE III COUNTY OBLIGATIONS

- Section 3.01. **BACKGROUND CHECK.** The County will conduct a criminal background check (in accordance with statutory requirements) of any nominated Election Officer or Election Clerk who is expected to or scheduled to serve. Any person that does not satisfactorily pass the criminal background check or refuses to consent to a background check will be ineligible to serve in this Contracted Election. Failure to obtain a criminal background check does not release the Participating Entities' obligation for service rendered in good faith.
- Section 3.02. **POLLING PLACES.** The County will enter into lease agreements for polling places, including temporary branch polling locations, to effect this contract. Participating Entities agree to reimburse the County for expenses associated with any lease agreements for polling places, pursuant to Section 6.04.

ARTICLE IV ADMINISTRATOR DUTIES

- Section 4.01. **ELECTION SUPERVISOR.** The Administrator will coordinate, supervise, and conduct all aspects of administering voting in connection with the Contracted Election in compliance with all applicable laws.

- Section 4.02. **POLLING PLACES.** The Administrator will arrange for election day polling places, and the hours and location of early voting polling places, including temporary branch polling places. The Administrator will arrange for the physical preparation of each polling place, including tables, chairs, and voting booths.
- Section 4.03. **NOTICE OF PREVIOUS POLLING PLACE.** As necessary, The Administrator will post physical notices of a change in polling places as required by Section 43.062, Texas Election Code. Participating Entities will be responsible for any other notice requirements under Section 43.061, Texas Election Code.
- Section 4.04. **ELECTION SUPPLIES.** The Administrator shall, as necessary to conduct the Contracted Election, procure, prepare, and distribute election supplies to Election Officers for use at their respective polling locations during the Contracted Election.
- Section 4.05. **EARLY VOTING CLERK.** Pursuant to Sections 31.096 and 32.097(b), Texas Election Code, the Administrator will serve as the Early Voting Clerk for the Contracted Election, and will supervise and conduct the early voting by mail and by personal appearance as follows:
- (a) Appoint personnel to serve as early voting deputy clerks;
 - (b) Publish notice of early voting polling places, including temporary branch polling places;
 - (c) Receive and process mail ballot applications on behalf of the Participating Entities in accordance with Title 7, Texas Election Code, at the Caldwell County Elections Office, 1403 Blackjack Street, Suite A, Lockhart, Texas 78644;
 - (d) Secure and maintain early voting ballots at the Caldwell County Elections Office, 1403 Blackjack Street, Suite A, Lockhart, Texas 78644, or other location as necessitated by County reorganization;
 - (e) Coordinate the Early Voting Ballot Board to meet at the Caldwell County Elections Office, 1403 Blackjack Street, Suite A, Lockhart, Texas 78644;
 - (f) Publish electronic notice of the Signature Verification Committee meeting, pursuant to Chapter 87.121(i)(1), Texas Election Code;
 - (g) Publish notice, including electronic notice, of the Early Voting Ballot Board meeting, pursuant to Chapter 87.027, Texas Election Code;
 - (h) Publish notice, including electronic notice, that voting materials have been delivered to the signature verification committee and early voting ballot board, pursuant to Sections 87.0221, 87.0222, 87.0223, 87.023, 87.024, and 87.027(h), Texas Election Code.
- Section 4.06. **ELECTION DAY DUTIES.** For each election day during the Contracted Election, not including early voting periods, the Administrator will coordinate, supervise, and conduct the election as follows:
- (a) Make himself available from 6:00A.M. until the completion of vote counting to render guidance, technical support, and assistance to voters, Election Officials, Election Clerks, and Participating Entities;
 - (b) Prepare and conduct post-election intake of election equipment, supplies, and records;
 - (c) Serve as central counting station manager and tabulation supervisor;
 - (d) Count votes in conjunction with the Early Voting Ballot Board and Central Counting Station judges;

Section 4.07. **ELECTION NIGHT REPORTS.** The Administrator will prepare the unofficial and official tabulation of precinct results, as follows:

- (a) Periodically make a public announcement of the current state of the unofficial tabulation, at www.co.caldwell.tx.us/page/caldwell.ElectionsOffice;
- (b) Provide unofficial early voting precinct results and election day precinct results to Participating Entities as soon as administratively possible, but not earlier than the close of all polling places on the associated election day;
- (c) Reconvene the Early Voting Ballot Board after election day as necessary to determine the disposition of timely provisional votes and late mail ballots, and to resolve any issues with such ballots;
- (d) Promptly after final disposition of provisional votes and late mail ballots, the Administrator will retally and update the unofficial and official tabulation of precinct results with accepted provisional votes and resolved mail ballots, and provide new unofficial and official tabulations to the Participating Entities.

Section 4.08. **ELIGIBILITY OF ELECTION WORKERS.** The Administrator will notify all Election Officers and Election Clerks about the eligibility requirements contained in Title 3, Subchapter C, Texas Election Code, and Section 271.005, Texas Election Code. The Administrator will take necessary steps to ensure that all Election Officers and Election Clerks nominated to serve during the Contracted Election are qualified and eligible to serve.

Section 4.09. **NOMINATION OF ELECTION OFFICERS.** Administrator will provide to Participating Entities a list of persons to serve as Election Officers for the Contracted Election, attached as Attachment 'C'. If a person becomes unable or unwilling to serve as an Election Officer, the Administrator will nominate a replacement and, within 2 business days after amending Attachment 'C', forward the amended Attachment 'C' to the Participating Entities for appointment of the new nominee. Notwithstanding Section 7.08 of this contract, the County may update Attachment 'C' on receipt of a written communication from an appointed or nominated Election Officer indicating an inability or unwillingness to serve as an Election Officer.

Section 4.10. **NOTIFICATION OF APPOINTMENT TO ELECTION OFFICERS.** Within 72 hours of receiving notice of appointed Election Officers from Participating Entities, the Administrator will notify each appointed election officer of said appointment. The notification will also include the assigned polling station, the date of the election officer's election training(s), the date and time of the Contracted Election, the rate of compensation, the number of clerks the judge may appoint, the eligibility requirements for election clerks, and a list of nominated election clerks.

Section 4.11. **ELECTION TRAINING.** The Administrator will be responsible for conducting training for election officers and election clerks, as required by applicable law.

Section 4.12. **CENTRAL COUNTING STATION.** The Administrator will establish a central counting station to receive and tabulate ballots cast during the Contracted Election under Chapter 127, Texas Election Code. The central counting station will be located at the Caldwell County Elections Office, 1403 Blackjack Street, Lockhart, Texas 78644.

Section 4.13. **LOGIC AND ACCURACY TESTING.** In advance of Early Voting, the Administrator, the tabulation supervisor, and other members the Administrator designates for the testing

board shall conduct all logic and accuracy testing in accordance with applicable law and guidance provided by the Office of the Texas Secretary of State. The Administrator will be responsible for the publication of any required notice for logic and accuracy testing.

- Section 4.14. **REGISTERED VOTER LIST.** The Administrator will provide lists of registered voters as required by law for use during the Contracted Election.
- Section 4.15. **POLLING EQUIPMENT.** The Administrator will prepare and distribute the Elections Systems & Software (“ES&S”) Polling Equipment for the Contracted Election, with each polling location to have at least one voting machine that is accessible to disabled voters.
- Section 4.16. **BALLOTS.** The Administrator will be responsible for the printing, programming, and distribution of English and Spanish ballots and sample ballots, including mail ballots, based on the information provided by the Participating Entities pursuant to Section 2.11 of this contract. The Administrator will deliver the proposed ballots to the Participating Entities for approval prior to the printing, programming, and distribution of English and Spanish ballots and sample ballots, including mail ballots.
- Section 4.17. **CUSTODIAN OF ELECTION RECORDS.** The Administrator will serve as the general custodian for election records and will maintain and preserve election records generated as part of the Contracted Election, as required by law. Access to the election records will be available to each Participating Entity as well as to the public in accordance with the Texas Public Information Act, Chapter 552, Texas Government Code. Third-party notice to Participating Entities, pursuant to Chapter 552, will be provided subject to Section 7.04 of this contract.
- Section 4.18. **DELEGATION OF DUTIES.** The Administrator may, at his discretion, assign a deputy elections administrator to perform any of the contracted services.
- Section 4.19. **TIMELY PERFORMANCE.** The Administrator will perform all election services in compliance with all time requirements set out in the Texas Election Code.
- Section 4.20. **THIRD-PARTY CONTRACTS.** Pursuant to Section 31.098, Texas Election Code, the County is authorized to contract with third-parties for election services and supplies, to be included in any final invoice submitted to Participating Entities for payment subject to Sections 6.04 and 6.05 of this contract.

ARTICLE V TERM AND WITHDRAWAL

- Section 5.01. **INITIAL TERM.** The initial term of the contract will commence on the last party’s execution hereof, and expires with respect to an individual Participating Entity on the County’s receipt of that Participating Entity’s payment-in-full of a final invoices submitted by the Administrator.
- Section 5.02. **WITHDRAWAL.** Participating Entities may withdraw from this contract by delivering to the Administrator any certifications and declarations required under Subchapters C or D, Chapter 2, Texas Election Code. Delivery of said necessary certifications or withdrawals must be provided by the statutory deadlines prescribed by the Texas Elections Code. Any Participating Entities withdrawing from this contract will be

billed for any expenses incurred or obligated prior to the Administrator's receipt of said necessary certifications and declarations. A Participating Entity's obligation to pay for any expenses incurred or obligated prior to withdrawal, subject to Sections 6.04 and 6.05 of this contract, survives expiration, termination, or cancellation of this contract until paid-in-full by the Participating Entities.

ARTICLE VI COSTS AND PAYMENT

- Section 6.01. **ESTIMATED COST.** Participating Entities acknowledge that the estimate contained in Attachment 'A' is an estimate ONLY, and any required payment reflected in the final invoice may differ.
- Section 6.02. **FINAL INVOICE.** Final election expenses, as calculated pursuant to Sections 6.04 and 6.05 of this contract, will be determined within 120 business days after the conclusion of the Contracted Election. The Administrator will provide each Participating Entity with a final invoice.
- Section 6.03. **PAYMENT DATE.** An invoice for election services submitted by the Administrator to Participating Entities is due and payable to the address set forth in the invoice within 30 days from the date of its receipt by a Participating Entity. This provision survives expiration, termination, or cancellation of this contract until paid-in-full by the Participating Entities.
- Section 6.04. **PRORATED BILLING.** Participating Entities agree to share the costs of administering the Contracted Election. Allocation of costs for the entire election, unless specifically stated otherwise, will be shared between the Participating Entities based on a ration formula involving the total number of registered voters eligible to vote in the election and the number of registered voters associated with the individual Participating Entities for the election. The Participating Entities will be responsible for their percentage of the prorated cost or a minimum cost of \$500.00, whichever is greater. The cost of any special request from a Participating Entity which is not agreed upon by all Participating Entities, will be borne solely by the requesting Participating Entity.
- Section 6.05. **ADMINISTRATIVE FEE.** As authorized by Section 31.100, Texas Election Code, a general supervisory fee not to exceed 10% of the total cost of the election will be assessed, and not less than \$75.00.
- Section 6.06. **PAYMENT FROM CURRENT REVENUES.** Each Party paying for the performance of governmental functions or services under this contract will make payments from current revenues available to the paying party.

ARTICLE VII MISCELLANEOUS

- Section 7.01. **CONTRACT COPIES TO AUDITOR AND TREASURER.** Pursuant to Section 31.099, Texas Election Code, the Administrator will file a copy of this executed contract with the Caldwell County Auditor and the Caldwell County Treasurer within 10 days of each Party's execution date.

- Section 7.02. **SEVERABILITY.** If any provision of this contract is found to be invalid, illegal, or unenforceable by a court of competent jurisdiction, such invalidity, illegality, or unenforceability shall not affect the remaining provisions of this contract in accordance with the intent of the parties to this contract as expressed in the terms and provisions.
- Section 7.03. **FORCE MAJEURE.** Either of the parties to this Agreement shall be excused from any delays and/or failures in the performance of the terms and conditions of this Contract, to the extent that such delays and/or failures result from causes beyond the delaying/failing party's reasonable control, including but not limited to war (whether declared or not), armed conflict or the serious threat of the same (including but not limited to hostile attack, blockade, military embargo), hostilities, invasion, act of a foreign enemy, extensive military mobilization, civil war, riot, rebellion, revolution, military or usurped power, insurrection, civil commotion or disorder, mob violence, act of civil disobedience, act of terrorism, sabotage or piracy; plague, epidemic, pandemic, outbreaks of infectious disease or any other public health crisis, including quarantine, social distancing, isolation or other behavioral restrictions; act of authority whether lawful or unlawful, compliance with any law or governmental order, rule, regulation or direction, curfew restriction, expropriation, compulsory acquisition, seizure of works, requisition, nationalization; act of God or natural disaster such as but not limited to violent storm, cyclone, typhoon, hurricane, tornado, earthquake, landslide, flood, damage or destruction by lightning, drought; explosion, fire, destruction of machines, equipment and of any kind of installation, prolonged breakdown of transport, telecommunication or electric current; shortage or inability to obtain critical material or supplies to the extent not subject to the reasonable control of the subject party ("force majeure event ") whether foreseeable or unforeseeable by the parties at the time of the execution of this Agreement. Any delaying/failing party shall, with all reasonable diligence, attempt to remedy the cause of delay and/or failure and shall recommence all remaining duties under this Agreement within a reasonable time of such remedy, or, when applicable, on the next available dates under the Texas Election Code.
- Section 7.04. **NOTICE.** Any addendum to, change or modification of, clarification of, or withdrawal from this contract requires written notice to and written approval by Caldwell County. Whenever this contract requires any consent, approval, notice, request, or demand, the writing must be delivered to the party intended to receive it and other Participating Entities, as provided in Attachment 'B'. Any required writing under this Section will be deemed to have been given when personally delivered or, if mailed, 72 hours after deposit of the same in the United States Mail, postage prepaid, certified, or registered, return receipt requested, property addressed to the contact person identified in Attachment 'B'. Notwithstanding this Section and Section 7.08 of this contract, the County may update Attachment 'B' on receipt of a written communication from a Participating Entity designating new contact information. Within two business days after Attachment 'B' is amended, the Administrator will send each Participating Entity a copy of the amended attachment.
- Section 7.05. **LIABILITY.** All parties to this contract agree to be responsible, in accordance with applicable state or federal law, each for their own negligent acts or omissions, or other tortious conduct in the course of performance of this contract without waiving any sovereign immunity, governmental immunity, statutory immunity, or other defenses available to the parties under federal or state law. Nothing in this paragraph will be construed to create or grant any rights, contractual or otherwise, in or to any third

persons or entities. All parties agree that any such liability or damages occurring during the performance of this contract caused by the or comparative negligence of the parties, or their employees, agents, or officers will be determined in accordance with comparative responsibility laws of Texas, but only to the extent such laws are applicable to the party.

To the extent permitted by law, if legal action is filed against a party to this contract, that party shall be solely responsible for their own respective costs and defense of that suit.

Section 7.06. **CHOICE OF LAW.** This contract will be governed and interpreted by the laws of the State of Texas.

Section 7.07. **VENUE AND JURISDICTION.** Venue will lie in the district courts serving Caldwell County Texas, and are the exclusive jurisdiction and venue for any lawsuit, cause of action, temporary restraining order, temporary injunction, injunction, petition for extraordinary relief, mandamus, or any other legal proceeding or claim arising out of the performance of this contract.

Section 7.08. **ENTIRE CONTRACT.** This contract, including any exhibits or attachments, contains the entire agreement between the Administrator, the County, and the Participating Entities concerning the duties required by this contract. The Administrator and each Participating Entity hereby expressly warrant and represent that they are not relying on any promises or agreements that are not contained in this contract concerning any of the terms in this contract. Except otherwise specified in this contract, no modification, amendment, novation, renewal, or other alteration of this contract shall be effective unless mutually agreed upon in writing and executed by the Parties hereto.

Section 7.09. **PLURALITY, GENDER, AND HEADINGS.** In this contract, words in the singular number include the plural, and those in the plural include the singular. Words of any gender also refer to any other gender. Headings in this contract are descriptive only, and not terms of inclusion or exclusion.

Section 7.10. **RELATIONSHIP OF PARTIES.** The Participating Entities, including their agents or employees, are independent contractors and are not an agent, servant, enterpriser, venturer, or employee of the Administrator or the County, and are responsible for their own acts, forbearance, negligence, and deeds, and for those of their agents or employees in conjunction with the performance of services covered under this contract. The Participating Entities represent that they have, or will secure at their own expense, all personnel and consultants required in performing the services herein. Such personnel and consultants shall not be employees of or have any contractual relationship with the Administrator or the County.

Section 7.11. **DEFAULT, CUMULATIVE RIGHTS, AND MITIGATION.** It is not a waiver of default if the non-defaulting party fails to immediately declare a default or delays in taking any action. The rights and remedies provided by this contract are cumulative, and no party's use of any right or remedy will preclude or waive its right to any other remedy. These rights and remedies are in addition to any other rights the parties may have by law, statute, ordinance, or otherwise. All parties have a duty to mitigate damages.

Section 7.12. **REVIEW BY COUNSEL.** The County and Participating Entity acknowledge that each party has received and had the opportunity to review this contract, and each party has

had the opportunity, whether exercised or not, to have each respective party's attorneys review this contract. The parties agree that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this contract, or any amendments or exhibits hereto.

Section 7.13. **SIGNATORY WARRANTY.** The signatories for the County, the Administrator, and Participating Entities represent that each has the full right, power, and authority to enter into and perform this contract in accordance with all of its terms and conditions, and that the execution and delivery of this contract has been made by authorized representatives of Participating Entities to validly and legally bind Participating Entities to all terms, performances, and provisions set forth in this contract.

Section 7.14. **COUNTERPARTS.** This contract may be executed in any number of counterparts with the same effect as if all signatory parties had signed the same document. All counterparts will be construed together and will constitute one and the same instrument.

IN WITNESS HEREOF, the parties hereto have executed this contract on this the ____ day of _____, 20____.

CALDWELL COUNTY, TEXAS:

Attest:

Hoppy Haden
Caldwell County Judge

Teresa Rodriguez
Caldwell County Clerk

Devante Coe
Caldwell County Elections Administrator

MUNICIPALITIES

CITY OF LOCKHART, TEXAS:

Attest:

Name: _____
Title: _____

Name: _____
Title: _____

APPENDIX ‘A’

ESTIMATED COSTS FOR CONTRACTED ELECTION

CALDWELL COUNTY, TEXAS ELECTION SERVICES CONTRACT

City of Lockhart District 2 Special Election

CITY OF LOCKHART LK-2

ESTIMATE

Special Election

Tuesday, March 31, 2026

Costs/Services	Cost Estimate	Actual Cost
B1. Ballots	\$ 714.40	
B2. Programming/Testing	\$ 1,100.00	
B3. Publication of Test	\$ -	
B4. Tech Support	\$ -	
B5. Election Kits	\$ 35.00	
B6. Rental of Voting Equip	\$ 1,400.00	
B7. Rental of Non-county Equipment	\$ 80.44	
B8. Prep and Transport	\$ 1,800.00	
B9. Election Day Polling Place Rental	\$ -	
B10. Election Day Judges/Clerks	\$ 896.00	
B11. Pickup and Delivery Fee(Returns)	\$ -	
B12. Early Voting	\$ 7,040.00	
B13. Central Count	\$ 2,107.90	
B14.	\$ -	
B15. Support Staff	\$ 1,647.90	
B16. Early Voting Ballot Board/SVC	\$ 560.00	
B17.	\$ -	
B18. Supplies	\$ -	
B19. Communication	\$ 216.00	
B20. Postage	\$ -	
B21. Legal Fees	\$ -	
B22. Security	\$ 500.00	
B23. Other Primary Cost	\$ -	
Cost Adjustment	\$ -	
Subtotal	\$ 18,097.64	
Administrative Fee	\$ 1,809.76	
Total	\$ 19,907.40	

Issue Checks to the Following:

Caldwell County Treasurer

Caldwell County Elections Administration

Devante Coe

Elections Administrator

Caldwell County

ATTACHMENT 'B'

NOTICE INFORMATION FOR PARTIES

Attachment B

Point of Contact for: CITY OF LOCKHART

Printed Name of Official: JULIE BOWERMON

Officials Mailing Address: PO BOX 239, LOCKHART, TX 78644

Officials Email Address: JBOWERMON@LOCKHART-TX.ORG

Official Contact Number: 512-398-3461

Can this Contact Number be used after Afterhours? If not, is there an after-hours contact number?

After Hours Contact Number: _____

After Hours Officials Name(If Different from above):

Signature of Authorizing Authority

Title of Authorizing Authority

ATTACHMENT ‘C’

LIST OF ELECTION OFFICERS AND ELECTION CLERKS

ATTACHMENT C

Appointment of Election Officials

Early Voting Clerk: Devante Coe

Election Day Locations	March 31, 2026, Special Election	ELECTION JUDGE
Lockhart ISD Adams Gym 419 Bois D' Arc St. Lockhart, Texas 78644	City of Lockhart District 2	Presiding Judge: TBD Alternate Presiding Judge: TBD

Early Vote Ballot Board/Central Count Judges

- Presiding Judge: TBD
- Alternate Judge: TBD
- Clerk: TBD

Central Counting Station Staff

- Central Count Manager: Devante Coe
- Assistant Central Count Manager: Patricia Smith
- Tabulation Supervisor: Mayra Calderon
- Assistant Tabulation Supervisor: Annalisa Almaguer, Brianna Rodriguez

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 3, 2026

AGENDA ITEM CAPTION: Discussion regarding nomination of Patricia Belote to the Animal Shelter Advisory Board by Mayor Lew White for a term to expire in November 2026.

ORIGINATING DEPARTMENT AND CONTACT: Council - Mayor Lew White

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: Mayor White has nominated Patricia Belote to be appointed to the Animal Shelter Advisory Board.

After reviewing the application, Ms. Belote meets the qualifications to serve on a city board.

Resolution 2024-02 was adopted in 2024 establishing administrative procedures for the nomination of board and commission members to include a 2-step process. First, the nomination is to be placed on the agenda as "announcement of nomination" followed by a notice on a subsequent agenda as "discussion and/or action on the nomination."

The announcement of nomination occurred during the February 17, 2026 Council meeting.

Action to appoint, should Council move to appoint Ms. Belote to the board, will occur during the March 3, 2026 Council meeting.

PROJECT SCHEDULE (if applicable): N/A

FISCAL NOTE (if applicable): N/A

PREVIOUS COUNCIL ACTION: None.

COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION: None. Discretion of the Council.

LIST OF SUPPORTING DOCUMENTS: Patricia Belote - Board Application , ASAB roster

BOARD QUALIFICATION CHECKLIST

DATE RECEIVED: APRIL 29, 2025APPLICANT'S NAME: Patricia Ann Belote, DVMBOARD NAME(S): Animal Shelter Advisory Board

The qualifications for members of boards and commissions, except special qualifications for service on a particular board or commission, are as follows:

- Appointees must each be a resident of the State of Texas and a resident of the City of Lockhart for at least twelve (12) consecutive months preceding their appointment unless a particular board's or commission's composition or state law allows for membership by a non-resident of the City.
Date of residency in Lockhart: 1995 APPROX.
- Appointees shall be qualified voters in the City of Lockhart or, if not a resident of the City, of Caldwell County.
Date qualified voter in Lockhart: 2008
- Appointees shall not have been removed from another city board or commission because of failure to attend meetings or for cause within the last three years.
Removed from another board? YES or NO
If yes, date _____ and board _____
- No member of any appointed body shall serve on more than one quasi-judicial or advisory board or commission.
Serves on another board? YES or NO
If yes, board currently serving: _____

BOARD SPECIFIC QUALIFICATIONS:

Animal Shelter Advisory Board

- Y or N Licensed veterinarian?
Y or N Municipal or county official? _____
Y or N Person whose duties include operation of animal shelter?
Y or N Member of an animal welfare organization (defined as an incorporated or formally organized not-for-profit entity concerned with the health, safety, and wellness of animals?)
Y or N Citizen of the City or County? (one or more)

Animal Shelter Advisory Board is appointed by the City Council. The board shall be comprised of not more than seven persons and may include persons who are not residents of the City. To the extent available, membership shall include the following: a licensed veterinarian; a municipal or county official; a person whose duties include operation of an animal shelter; a member of an animal welfare organization (defined as an incorporated or formally organized not-for-profit entity concerned with the health, safety, and wellness of animals); and one or more citizens of the City or County. The purpose and scope of the board shall be the following: assist the City in the development of the Animal Shelter's mission and policies; review and recommend long range planning and budgeting for the Shelter; contribute information relevant to Animal Services program development, policies, and procedures; and promote awareness of the services and procedures of the Shelter. The Board's authority is as follows: 1. The Board's authority is advisory and is not operational in nature; 2. The Board shall not establish or include formal policies to be followed other than those set forth from time to time by the Council; 3. Neither the Board nor any of its members may commit or expend city funds, direct city staff, or speak for the council or the city without prior council authorization; 4. The Board shall report to the City Manager or his/her designee; 5. All recommendations and proposals for action concerning the shelter shall be presented to the Council for approval before any action is taken. The Board shall meet at least three times a year or when an additional meeting is called.

CITY SECRETARY'S DETERMINATION OF APPLICANT'S QUALIFICATION:

Is Applicant Qualified?

YES

NO

DISCRETION OF THE COUNCIL

NOTES: _____

MS. BELOTE IS A LICENSED VETERINARIAN BUT DOES NOT CURRENTLY PRACTICE. SHE STATED SHE "PROVIDES RELIEF WORK" WHEN NEEDED.
Julie Bowerman
5.1.25

In order to be considered for an appointment to a Lockhart Board or Commission, please complete the following application. You may also attach a current resume and letter of interest if you choose.

APR 29 2025

@1:57pm

CITY OF LOCKHART
CITY SECRETARY'S OFFICE

1. PERSONAL INFORMATION

Full Legal Name Patricia Ann Belote, DVM		Preferred Name Trisha
Physical Home Address 421 S. Church St		
Mailing Address (if different)		
City Lockhart	State TX	Zip 78644
Home Phone		Work Phone
Mobile Phone		
Email Address trishabelote@gmail.com		
Date of Birth		

2. AREAS OF INTEREST

Please indicate the position(s) of interest to you.

☐	Airport Advisory Board	☒	Animal Shelter Advisory Board
☐	Zoning Board of Adjustment & Appeals	☐	Historical Preservation Commission
☐	Charter Review Commission	☐	Hotel Occupancy Tax Advisory Board
☐	Construction Board of Appeals	☐	Library Advisory Board
☐	Economic Development Corp (1/2 Cent Sales Tax)	☐	Parks & Recreation Advisory Board
☐	Electric Board	☐	Planning & Zoning Commission

In the space below, please explain your interest in the position(s) selected above. Also, please explain any experience you have related to your selection(s).

SEE ATTACHED

3. BOARD MEMBER QUALIFICATIONS

Application for the Review Board

As a business owner in the City of Lockhart for over 40 years and a licensed veterinarian who resides in the City of Lockhart and who provides veterinary services to the citizens of Lockhart and Caldwell County, I am acutely aware of the rapidly growing population of the area as well as the rapid growth of the animal population in need of services within the city. I am aware of the needs of the City of Lockhart Animal Shelter and the need for professional assistance and guidance in meeting these needs. I will be able to provide guidance in the adoption and implementation of policies and procedures to meet the needs of the City residents and their pets. I have been an advocate for spaying and neutering feral cats to insure a safe population and can offer my ideas to the other board members in establishing methods for the shelter to work effectively and efficiently toward a goal of insuring the health, safety and wellness of the animals within the city.

The following are qualifications as outlined in Section 2-209 of the Lockhart Code of Ordinances to serve on a Board/Commission:

YES	NO	Please answer the following questions about Board/Commission qualifications:
X		Have you been a resident of the State of Texas/City of Lockhart for at least twelve (12) consecutive months preceding appointment?
X		Are you a registered voter?
	X	Have you been removed from another city board or commission because of failure to attend meetings or for cause within the last three years?
	X	Do you serve on any other City of Lockhart board/commission/committee at this time? If yes, please list: _____

For your reference, the following additional qualifications apply to appointed Board/Commission members:

- A member who is required to be a resident of the city (or county when applicable) when appointed and who thereafter moves his or her primary residence outside of the corporate limits of Lockhart (or county when applicable) vacates his or her position on a board of commission on the date the residency changes.
- The City Council shall have the right, but not the duty, to appoint up to two members who are not city residents but who are residents of Caldwell County to the Lockhart Airport Advisory Board, the Eugene Clark Library Board, and the Construction Board of Appeals.
- Any member of a board or commission who is absent from three consecutive regular meetings, or any four non-consecutive regular meetings of the board or commission during any twelve-month period, shall forfeit his or her position and the vacancy occurring shall be declared and filled by the Council.
- Members must maintain their qualifications while serving on a board or commission.
- No member of any appointed body shall serve on more than one quasi-judicial or advisory board or commission.
- No appointed body shall deviate from its charge, deliberate items not on its agendas, or speak for the council or City of Lockhart without council authorization.
- Members appointed serve without compensation.

Certification of Applicant

I hereby certify that the foregoing and any attached statements are true, accurate and complete. I also understand that this application is subject to disclosure under the Texas Public Information Act.

Patricia Belote, DVM
Applicant's Signature

4/27/2025
Date

Completed application, resume and letter of interest may be submitted in person, email, or by mail to:

City of Lockhart
City Secretary's Office

Phone: 512.398.3461
jbowermon@lockhart-tx.org

Animal Shelter Advisory Board

Ord. 2024-01, Adopted 1-2-24

Seven (7) Members

First Name	Last Name	City or County resident?	Board Position	Date Appt	Exp
Gary	Williamson	No	Municipal or County Official	2/20/2024	N/A
Nikole	Lockard	City	person whoes duties include operation of a shelter	2/20/2024	N/A
BJ	Westmoreland	County	Municipal or County Official	2/20/2024	N/A
Vacant	Morgan Siewert resigned		licensed veterinarian		
Susan	Faigout	City	member of an animal welfare organization (Caldwell County Animal Coalition)	2/20/2024	N/A
Andrea	Theriot		member of an animal welfare organization (Take Me Home Advocates for Transport)	2/21/2024	N/A
Alexanda	Worthington	City	Lockhart resident	2/22/2024	N/A

Police Chief - staff liaison

Updated:

NOTES:

Sec. 10-20. Animal Shelter Advisory Board

- a) The city council shall appoint an animal shelter advisory board.
- b) The board shall be comprised of not more than seven persons and may include persons who are not residents of the City. To the extent available, membership shall include the following:
 1. A licensed veterinarian;
 2. A municipal or county official;
 3. A person whose duties include operation of an animal shelter;
 4. A member of an animal welfare organization (defined as an incorporated or formally organized not-for-profit entity concerned with the health, safety, and wellness of animals); and
 5. One or more citizens of the City or County.
- c) The purpose and scope of the board shall be the following:
 1. Assist the City in the development of the Animal Shelter's mission and policies.
 2. Review and recommend long range planning and budgeting for the Shelter.
 3. Contribute information relevant to Animal Services program development, policies, and procedures.
 4. Promote awareness of the services and procedures of the Shelter.
- d) The Board's authority is as follows:
 1. The Board's authority is advisory and is not operational in nature.
 2. The Board shall not establish or include formal policies to be followed other than those set forth from time to time by the Council.
 3. Neither the Board nor any of its members may commit or expend city funds, direct city staff, or speak for the council or the city without prior council authorization.
 4. The Board shall report to the City Manager or his/her designee
 5. All recommendations and proposals for action concerning the shelter shall be presented to the Council for approval before any action is taken.

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 3, 2026

AGENDA ITEM CAPTION: Discussion regarding nomination of Erica Saucedo to the Planning and Zoning Commission by Councilmember Juan Mendoza for a term to expire in November 2028.

ORIGINATING DEPARTMENT AND CONTACT: Council - Juan Mendoza

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: Councilmember Juan Mendoza has nominated Erica Saucedo to be appointed to the Planning and Zoning Commission.

After reviewing the application, Ms. Saucedo meets the qualifications to serve on a city board.

Resolution 2024-02 was adopted in 2024 establishing administrative procedures for the nomination of board and commission members to include a 2-step process. First, the nomination is to be placed on the agenda as "announcement of nomination" followed by a notice on a subsequent agenda as "discussion and/or action on the nomination."

The announcement of nomination occurred during the February 17, 2026 Council meeting.

Action to appoint, should Council move to appoint Ms. Saucedo to the board, will occur during the March 3, 2026 Council meeting.

PROJECT SCHEDULE (if applicable): N/A

FISCAL NOTE (if applicable): N/A

PREVIOUS COUNCIL ACTION: None.

COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION: None. Discretion of the Council.

LIST OF SUPPORTING DOCUMENTS: Erica Saucedo - Board Application , P & Z roster

APPLICANT'S NAME: Erica Marie Saucedo

BOARD NAME(S): Planning and Zoning Commission

The qualifications for members of boards and commissions, except special qualifications for service on a particular board or commission, are as follows:

- Appointees must each be a resident of the State of Texas and a resident of the City of Lockhart for at least twelve (12) consecutive months preceding their appointment unless a particular board's or commission's composition or state law allows for membership by a non-resident of the City.
Date of residency in Lockhart: APPROX SEPT 2023
- Appointees shall be qualified voters in the City of Lockhart or, if not a resident of the City, of Caldwell County.
Date qualified voter in Lockhart: 2023
- Appointees shall not have been removed from another city board or commission because of failure to attend meetings or for cause within the last three years.
Removed from another board? YES or NO
If yes, date _____ and board _____
- No member of any appointed body shall serve on more than one quasi-judicial or advisory board or commission.
Serves on another board? YES or NO
If yes, board currently serving: _____

BOARD SPECIFIC QUALIFICATIONS:

Planning & Zoning Commission

Y or N City Resident? If no, applicant does not qualify.

Planning and Zoning Commission meets on the second and fourth Wednesday at 7:00 p.m. each month. The Commission's duties are to review applications for zoning changes, hear public comments, and make recommendations to the council regarding such applications; review applications for specific use permits, hear public comments, and grant, grant with modification, or deny such applications; review proposed preliminary subdivision plats, engineering plans, requested plat and plan variances, and proposed restrictive covenants and make recommendations to the council pertaining to each; review proposed plats and plans for mobile home parks and for such other developments as may be required by ordinance and make recommendations to the council pertaining to such; recommend to the council for amendments, extensions, and additions to the comprehensive master plan of the city, including the land use plan and the thoroughfare plan; recommend to the council for changes to the official zoning map of the city; when appropriate, make a determination of appropriate zoning or use; and perform such other duties as may be duly delegated to them from time to time by the council. All members must reside within the city limits. The Board consists of seven members that serve a three-year term. The City Planner is the staff liaison.

CITY SECRETARY'S DETERMINATION OF APPLICANT'S QUALIFICATION:

Is Applicant Qualified?

YES

NO

DISCRETION OF THE COUNCIL

NOTES: _____

CITY OF LOCKHART
ADVISORY BOARD/COMMISSION QUESTIONNAIRE/APPLICATION

In order to be considered for an appointment to a Lockhart Board or Commission, please complete the following application. You may also attach a current resume and letter of interest if you choose.

1. PERSONAL INFORMATION

Full Legal Name Erica Marie Saucedo		Preferred Name Erica Marie	
Physical Home Address 213 Summit Drive, Lockhart TX 78644			
Mailing Address (if different) Same as above			
City	State		Zip
Home Phone		Work Phone	
Mobile Phone			
Email Address			
Date of Birth			

2. AREAS OF INTEREST

Please indicate the position(s) of interest to you.

☐	Airport Advisory Board	☐	Animal Shelter Advisory Board
☐	Zoning Board of Adjustment & Appeals	☐	Historical Preservation Commission
☐	Charter Review Commission	☐	Hotel Occupancy Tax Advisory Board
☐	Construction Board of Appeals	☐	Library Advisory Board
☐	Economic Development Corp (1/2 Cent Sales Tax)	☐	Parks & Recreation Advisory Board
☐	Electric Board	☒	Planning & Zoning Commission

In the space below, please explain your interest in the position(s) selected above. Also, please explain any experience you have related to your selection(s).

My desire to be selected for this position reflects-stems my commitment to continued growth and community involvement. My background includes extensive experience reviewing applications, preparing recommendations and amendments, delegating to appropriate personnel, and several years of public speaking.

I would appreciate your consideration of any other positions that may be a better fit for my qualifications, experience and background.

3. BOARD MEMBER QUALIFICATIONS

The following are qualifications as outlined in Section 2-209 of the Lockhart Code of Ordinances to serve on a Board/Commission:

YES	NO	Please answer the following questions about Board/Commission qualifications:
☒	☐	Have you been a resident of the State of Texas/City of Lockhart for at least twelve (12) consecutive months preceding appointment?
☒	☐	Are you a registered voter?
☐	☒	Have you been removed from another city board or commission because of failure to attend meetings or for cause within the last three years?
☐	☒	Do you serve on any other City of Lockhart board/commission/committee at this time? If yes, please list: _____

For your reference, the following additional qualifications apply to appointed Board/Commission members:

- A member who is required to be a resident of the city (or county when applicable) when appointed and who thereafter moves his or her primary residence outside of the corporate limits of Lockhart (or county when applicable) vacates his or her position on a board of commission on the date the residency changes.
- The City Council shall have the right, but not the duty, to appoint up to two members who are not city residents but who are residents of Caldwell County to the Lockhart Airport Advisory Board, the Eugene Clark Library Board, and the Construction Board of Appeals.
- Any member of a board or commission who is absent from three consecutive regular meetings, or any four non-consecutive regular meetings of the board or commission during any twelve-month period, shall forfeit his or her position and the vacancy occurring shall be declared and filled by the Council.
- Members must maintain their qualifications while serving on a board or commission.
- No member of any appointed body shall serve on more than one quasi-judicial or advisory board or commission.
- No appointed body shall deviate from its charge, deliberate items not on its agendas, or speak for the council or City of Lockhart without council authorization.
- Members appointed serve without compensation.

Certification of Applicant

I hereby certify that the foregoing and any attached statements are true, accurate and complete. I also understand that this application is subject to disclosure under the Texas Public Information Act.



Applicant's Signature

01FEB2026

Date

Completed application, resume and letter of interest may be submitted in person, email, or by mail to:

City of Lockhart
City Secretary's Office
308 W. San Antonio Street / PO Box 239
Lockhart, TX 78644

Phone: 512.398.3461
jbowermon@lockhart-tx.org

PLANNING & ZONING COMMISSION

Sec. 8.03 Charter

Three-year staggered term

First Name	Last Name					Council Member
Philip	McBride					John Lairsen
Philip	Ruiz					Angie Sanchez
Bradley	Lingvai					Brad Westmoreland
Julia	Haug					Juan Mendoza
Dr. Ronald	Peterson					Mayor White
Manuel	Oliva					David Bryant
Rick	Arnic					Jeffry Michelson
IMPACT FEE ADVISORY COMMITTEE - COUNTY RESIDENT APPOINTMENT						
Larry	Metzler					Mayor White

City Planner - staff liaison

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 3, 2026

AGENDA ITEM CAPTION: Announcement of nomination of Julia Haug to the Planning and Zoning Commission by Councilmember Taylor Burge for a term to expire in November 2028.

ORIGINATING DEPARTMENT AND CONTACT: Council - Taylor Burge

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: Councilmember Juan Mendoza recently changed his appointment to the Planning and Zoning Commission from Juila Haug to Erica Saucedo. Councilmember Taylor Burge has nominated Julia Haug to be appointed to the Planning and Zoning Commission as her appointment for a term to expire November 2028.

As a current member of the Planning and Zoning Board, Ms. Haug meets the qualifications to serve on a city board.

Resolution 2024-02 was adopted in 2024 establishing administrative procedures for the nomination of board and commission members to include a 2-step process. First, the nomination is to be placed on the agenda as "announcement of nomination" followed by a notice on a subsequent agenda as "discussion and/or action on the nomination."

This item is the announcement of nomination. If the Council should move to appoint Ms. Haug to the commission, action of appointment will occur during a subsequent Council meeting.

PROJECT SCHEDULE (if applicable): N/A

FISCAL NOTE (if applicable): N/A

PREVIOUS COUNCIL ACTION: None.

COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION: None. Discretion of the Council.

LIST OF SUPPORTING DOCUMENTS: Julia Haug board application, P & Z roster

APPLICANT'S NAME: Julia HaugBOARD NAME(S): Planning and Zoning Commission

The qualifications for members of boards and commissions, except special qualifications for service on a particular board or commission, are as follows:

- Appointees must each be a resident of the State of Texas and a resident of the City of Lockhart for at least twelve (12) consecutive months preceding their appointment unless a particular board's or commission's composition or state law allows for membership by a non-resident of the City.

Date of residency in Lockhart: 2017

- Appointees shall be qualified voters in the City of Lockhart or, if not a resident of the City, of Caldwell County.

Date qualified voter in Lockhart: 2017

- Appointees shall not have been removed from another city board or commission because of failure to attend meetings or for cause within the last three years.

Removed from another board? YES or NO NO

If yes, date _____ and board _____

- No member of any appointed body shall serve on more than one quasi-judicial or advisory board or commission.

Serves on another board? YES or NO NO

If yes, board currently serving: _____

BOARD SPECIFIC QUALIFICATIONS:Planning & Zoning CommissionY or N City Resident? If no, applicant does not qualify.

Planning and Zoning Commission meets on the second and fourth Wednesday at 7:00 p.m. each month. The Commission's duties are to review applications for zoning changes, hear public comments, and make recommendations to the council regarding such applications; review applications for specific use permits, hear public comments, and grant, grant with modification, or deny such applications; review proposed preliminary subdivision plats, engineering plans, requested plat and plan variances, and proposed restrictive covenants and make recommendations to the council pertaining to each; review proposed plats and plans for mobile home parks and for such other developments as may be required by ordinance and make recommendations to the council pertaining to such; recommend to the council for amendments, extensions, and additions to the comprehensive master plan of the city, including the land use plan and the thoroughfare plan; recommend to the council for changes to the official zoning map of the city; when appropriate, make a determination of appropriate zoning or use; and perform such other duties as may be duly delegated to them from time to time by the council. All members must reside within the city limits. The Board consists of seven members that serve a three-year term. The City Planner is the staff liaison.

CITY SECRETARY'S DETERMINATION OF APPLICANT'S QUALIFICATION:

Is Applicant Qualified?

YES

NO

DISCRETION OF THE COUNCIL

NOTES: _____

In order to be considered for an appointment to a Lockhart Board or Commission, please complete the following application. You may also attach a current resume and letter of interest if you choose.

1. PERSONAL INFORMATION

Full Legal Name Julia Ann Biggerstaff Haug		Preferred Name Julia Haug	
Physical Home Address 603 Trinity Street			
Mailing Address (if different)			
City Lockhart		State Texas	Zip 78644
Home Phone		Work Phone	
Mobile Phone			
Email Address			
Date of Birth			

2. AREAS OF INTEREST

Please indicate the position(s) of interest to you.

☐ Airport Advisory Board	☐ Historical Preservation Commission
☐ Zoning Board of Adjustment & Appeals	☐ Hotel Occupancy Tax Advisory Board
☐ Charter Review Commission	☐ Library Advisory Board
☐ Construction Board of Appeals	☐ Parks & Recreation Advisory Board
☐ Economic Development Corp (1/2 Cent Sales Tax)	☒ Planning & Zoning Commission
☐ Electric Board	

In the space below, please explain your interest in the position(s) selected above. Also, please explain any experience you have related to your selection(s).

I'm familiar with its present lack of gender equity and representation of city residents east of Hwy 183 on the current P&Z Commission. This first sparked my interest in serving on it. Observing the increased interest in Lockhart on the part of developers, both commercial and residential, over the last five years has deepened my interest and my belief that the commission needs a greater diversity of perspectives and experience. That Lockhart will grow and change is inevitable. That it will grow in ways beneficial to its current constituents and reflective of its treasures and values is not. I would be honored to play a role in ensuring that the city grows in ways that preserve what we esteem while making room for more to appreciate about calling Lockhart home. I've been in education for 26 years. While in K-12, I held leadership positions for 10 years: team lead, campus mentor, and ultimately Chair over ~24 dent colleagues.

3. BOARD MEMBER QUALIFICATIONS

The following are qualifications as outlined in Section 2-209 of the Lockhart Code of Ordinances to serve on a Board/Commission:

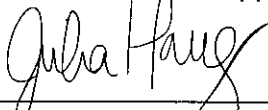
YES	NO	Please answer the following questions about Board/Commission qualifications:
☒	☐	Have you been a resident of the State of Texas/City of Lockhart for at least twelve (12) consecutive months preceding appointment?
☒	☐	Are you a registered voter?
☐	☒	Have you been removed from another city board or commission because of failure to attend meetings or for cause within the last three years?
☐	☒	Do you serve on any other City of Lockhart board/commission/committee at this time? If yes, please list: _____

For your reference, the following additional qualifications apply to appointed Board/Commission members:

- A member who is required to be a resident of the city (or county when applicable) when appointed and who thereafter moves his or her primary residence outside of the corporate limits of Lockhart (or county when applicable) vacates his or her position on a board of commission on the date the residency changes.
- The City Council shall have the right, but not the duty, to appoint up to two members who are not city residents but who are residents of Caldwell County to the Lockhart Airport Advisory Board, the Eugene Clark Library Board, and the Construction Board of Appeals.
- Any member of a board or commission who is absent from three consecutive regular meetings, or any four non-consecutive regular meetings of the board or commission during any twelve-month period, shall forfeit his or her position and the vacancy occurring shall be declared and filled by the Council.
- Members must maintain their qualifications while serving on a board or commission.
- No member of any appointed body shall serve on more than one quasi-judicial or advisory board or commission.
- No appointed body shall deviate from its charge, deliberate items not on its agendas, or speak for the council or City of Lockhart without council authorization.
- Members appointed serve without compensation.

Certification of Applicant

I hereby certify that the foregoing and any attached statements are true, accurate and complete. I also understand that this application is subject to disclosure under the Texas Public Information Act.



Applicant's Signature

04/18/2023

Date

Completed application, resume and letter of interest may be submitted in person, email, or by mail to:

City of Lockhart
City Secretary's Office
308 W. San Antonio Street / PO Box 239
Lockhart, TX 78644

Phone: 512.398.3461
jbowermon@lockhart-tx.org

Because I'm an acquaintance or friend of several members of the current P&Z Commission, I'm familiar with its present lack of gender equity and representation of city residents east of Hwy 183. This was the initial source of my interest in serving on the committee. Observing the increased interest in Lockhart on the part of developers, both commercial and residential, over the last five years has only deepened my willingness to serve and belief that the commission would benefit from a greater diversity of perspectives and experience. That Lockhart will grow and change is inevitable. That it will grow in ways beneficial to its constituents who've established homes, families, and/or businesses here and reflective of its treasures and values--the very qualities that draw others to it--is not. I would be honored to play a small role in ensuring that the city grows in ways that preserve what we esteem and makes room for new people and possibilities that provide us all with more to appreciate about calling Lockhart home.

To substantiate my ability to commit, I'd offer my work and volunteer history. I've been in education for 26 years. While in K-12 for 16 years, I held leadership positions for 10 years, serving as team lead, campus mentor, and ultimately Dept Chair over ~24 colleagues. Throughout my leadership commitments, I taught and assessed the work of ~125 high school students. I've now been at the university level for 10 years and have served as Associate Director of my program for the last three of those. In this capacity, I've become much more familiar with legal code in connection with my field. Beyond my employed positions, I've served as a volunteer for several nonprofit organizations (one for ~15 years) and was a Director on two of these organizations' Boards. I held office twice in this capacity. During my tenure as a Director then Officer on the Board of the Old Settler's Music Festival, I also conducted a fair amount of research and learned to navigate legal code beyond my field. With all this in mind, I'm confident that I can learn and follow the city ordinances pertinent to the commission and be an effective, contributing member.

PLANNING & ZONING COMMISSION

Sec. 8.03 Charter

Three-year staggered term

First Name	Last Name					Council Member
Philip	McBride					John Lairsen
Philip	Ruiz					Angie Sanchez
Bradley	Lingvai					Brad Westmoreland
Julia	Haug					Juan Mendoza
Dr. Ronald	Peterson					Mayor White
Manuel	Oliva					David Bryant
Rick	Arnic					Jeffry Michelson
IMPACT FEE ADVISORY COMMITTEE - COUNTY RESIDENT APPOINTMENT						
Larry	Metzler					Mayor White

City Planner - staff liaison

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 3, 2026

AGENDA ITEM CAPTION: Announcement of nomination of Philip Ruiz to the Planning and Zoning Commission by Councilmember John Castillo for a term to expire in November 2028.

ORIGINATING DEPARTMENT AND CONTACT: Council - John Castillo

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: Councilmember Taylor Burge has announced her nomination to change her appointment to the Planning and Zoning Commission from Philip Ruiz to Juila Haug. Councilmember John Castillo has nominated Philip Ruiz to be appointed to the Planning and Zoning Commission as his appointment for a term to expire November 2028.

As a current member of the Planning and Zoning Board, Mr. Ruiz meets the qualifications to serve on a city board.

Resolution 2024-02 was adopted in 2024 establishing administrative procedures for the nomination of board and commission members to include a 2-step process. First, the nomination is to be placed on the agenda as "announcement of nomination" followed by a notice on a subsequent agenda as "discussion and/or action on the nomination."

This item is the announcement of nomination. If the Council should move to appoint Mr. Ruiz to the commission, action of appointment will occur during a subsequent Council meeting.

PROJECT SCHEDULE (if applicable): N/A

FISCAL NOTE (if applicable): N/A

PREVIOUS COUNCIL ACTION: None.

COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION: None. Discretion of the Council.

LIST OF SUPPORTING DOCUMENTS: P. Ruiz, P & Z roster

APPLICANT'S NAME: Philip RuizBOARD NAME(S): Planning and Zoning Commission

The qualifications for members of boards and commissions, except special qualifications for service on a particular board or commission, are as follows:

- Appointees must each be a resident of the State of Texas and a resident of the City of Lockhart for at least twelve (12) consecutive months preceding their appointment unless a particular board's or commission's composition or state law allows for membership by a non-resident of the City.

Date of residency in Lockhart: APPROX 1953

- Appointees shall be qualified voters in the City of Lockhart or, if not a resident of the City, of Caldwell County.

Date qualified voter in Lockhart: APPROX 1976

- Appointees shall not have been removed from another city board or commission because of failure to attend meetings or for cause within the last three years.

Removed from another board? YES OR NO

If yes, date _____ and board _____

- No member of any appointed body shall serve on more than one quasi-judicial or advisory board or commission.

Serves on another board? YES OR NO

If yes, board currently serving: _____

BOARD SPECIFIC QUALIFICATIONS:Planning & Zoning CommissionY or N City Resident? If no, applicant does not qualify.

Planning and Zoning Commission meets on the second and fourth Wednesday at 7:00 p.m. each month. The Commission's duties are to review applications for zoning changes, hear public comments, and make recommendations to the council regarding such applications; review applications for specific use permits, hear public comments, and grant, grant with modification, or deny such applications; review proposed preliminary subdivision plats, engineering plans, requested plat and plan variances, and proposed restrictive covenants and make recommendations to the council pertaining to each; review proposed plats and plans for mobile home parks and for such other developments as may be required by ordinance and make recommendations to the council pertaining to such; recommend to the council for amendments, extensions, and additions to the comprehensive master plan of the city, including the land use plan and the thoroughfare plan; recommend to the council for changes to the official zoning map of the city; when appropriate, make a determination of appropriate zoning or use; and perform such other duties as may be duly delegated to them from time to time by the council. All members must reside within the city limits. The Board consists of seven members that serve a three-year term. The City Planner is the staff liaison.

CITY SECRETARY'S DETERMINATION OF APPLICANT'S QUALIFICATION:

Is Applicant Qualified?

YES

NO

DISCRETION OF THE COUNCIL

NOTES:

HAS SERVED AS A MEMBER OF THE PLANNING AND ZONING COMMISSION SINCE AT LEAST 1995

PLANNING & ZONING COMMISSION

Sec. 8.03 Charter

Three-year staggered term

First Name	Last Name					Council Member
Philip	McBride					John Lairsen
Philip	Ruiz					Angie Sanchez
Bradley	Lingvai					Brad Westmoreland
Julia	Haug					Juan Mendoza
Dr. Ronald	Peterson					Mayor White
Manuel	Oliva					David Bryant
Rick	Arnic					Jeffry Michelson
IMPACT FEE ADVISORY COMMITTEE - COUNTY RESIDENT APPOINTMENT						
Larry	Metzler					Mayor White

City Planner - staff liaison

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 3, 2026

AGENDA ITEM CAPTION: Hold a public hearing, consider, and take possible action with respect to Ordinance 2026-05, Levying Special Assessments For, And Apportioning The Costs Of, Certain Improvements To Property In And For The Seawillow Public Improvement District Improvement Area #1; Fixing A Charge And Lien Against Properties Within Improvement Area #1 Of The District, And The Owners Thereof; Providing For The Manner And Method Of Collection Of Such Assessments; Providing For Penalties And Interest On Delinquent Assessments; Making A Finding Of Special Benefit To Property In The District And The Real And True Owners Thereof; Approving A Service And Assessment Plan; Providing A Severability Clause; And Providing An Effective Date.

ORIGINATING DEPARTMENT AND CONTACT: Development Services - David Fowler

ACTION REQUESTED: Ordinance

BACKGROUND/SUMMARY/DISCUSSION:

This ordinance levies the assessments within the Improvement Area #1 of Seawillow Public Improvement District (PID) by approving the PID's Service and Assessment Plan (SAP) as attached to the Assessment Ordinance. The SAP describes the improvements within the PID, their costs and how the costs are allocated throughout the PID as well as listing the specific assessment amounts levied within the PID.

PROJECT SCHEDULE (if applicable): None

AMOUNT & SOURCE OF FUNDING:

Funds Required:

Account Number:

Funds Available:

Account Name:

FISCAL NOTE (if applicable):

The revenues generated by the assessment levy will match the amortization schedule of the PID bonds, therefore there will be no impact on the General Fund or taxes of the City.

PREVIOUS COUNCIL ACTION: The City Council set the date for this public hearing at the February 3, 2026 meeting

COMMITTEE/BOARD/COMMISSION ACTION: None

STAFF RECOMMENDATION/REQUESTED MOTION: Approval of Ordinance 2026-05,

City of Lockhart, Texas

Council Agenda Item Cover Sheet

levying special assessments for Seawillow Public Improvement Area #1.

LIST OF SUPPORTING DOCUMENTS: IA 1 Assessment Ordinance 2026-05 02.16.2026
with Exhibit A

ORDINANCE NO. 2026-05

AN ORDINANCE LEVYING SPECIAL ASSESSMENTS FOR, AND APPORTIONING THE COSTS OF, CERTAIN IMPROVEMENTS TO PROPERTY IN AND FOR THE SEAWILLOW PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1; FIXING A CHARGE AND LIEN AGAINST PROPERTIES WITHIN IMPROVEMENT AREA #1 OF THE DISTRICT, AND THE OWNERS THEREOF; PROVIDING FOR THE MANNER AND METHOD OF COLLECTION OF SUCH ASSESSMENTS; PROVIDING FOR PENALTIES AND INTEREST ON DELINQUENT ASSESSMENTS; MAKING A FINDING OF SPECIAL BENEFIT TO PROPERTY IN THE DISTRICT AND THE REAL AND TRUE OWNERS THEREOF; APPROVING A SERVICE AND ASSESSMENT PLAN; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Subchapter A of the Public Improvement District Assessment Act, Chapter 372 of the Texas Local Government Code, as amended (the "PID Act") allows for the creation of public improvement districts; and

WHEREAS, a petition was submitted and filed with the City Secretary (the "City Secretary") of the City of Lockhart, Texas (the "City") on July 3, 2024 (the "Petition") pursuant to the PID Act, requesting the creation of a public improvement district to be located within the corporate limits and extraterritorial jurisdiction of the City to be known as Seawillow Public Improvement District (the "District" or "PID") to provide public improvements within the District to include the design, acquisition, and construction of public improvement projects authorized by Section 372.003(b) of the PID Act that are necessary for development of the District, which public improvements will include, but not be limited to, landscaping, irrigation, streets, roadway and bridge construction, offsite right-of-way acquisition, intersection improvements, water facilities and improvements, wastewater facilities and improvements, drainage facilities and improvements, detention and water quality ponds, stormwater mitigation features, park improvements, trails, improvements related to the foregoing; and

WHEREAS, the Petition contained the signatures of the record owners of taxable real property representing more than 50% of the appraised value of the real property liable for assessments within the District, as determined by the then current ad valorem tax rolls of the Caldwell County Appraisal District and the signatures of record property owners who own taxable real property that constitutes more than 50% of the area of all taxable property that is liable for assessment within the District; and

WHEREAS, on October 15, 2024, after due notice, the City Council of the City (the "City Council") held the public hearing in the manner required by law on the advisability of the improvement projects described in the Petition as required by Section 372.009 of the PID Act and on October 15, 2024 the City Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 2024-26 (the "Creation Resolution"), adopted by a majority of the

members of the City Council, authorized the creation of the District in accordance with its finding as to the advisability of the improvement projects; and

WHEREAS, following the adoption of the Creation Resolution, on October 21, 2024, the City recorded the Creation Resolution with the County Clerk of Caldwell County, Texas, a county in which a part of the District is located; and

WHEREAS, no written protests regarding the creation of the District from any owners of record of property within the District were filed with the City Secretary within 20 days after the recording of the Creation Resolution; and

WHEREAS, the District is expected to be developed in phases beginning with an area designated as "Improvement Area #1" within the District, which is comprised of approximately 89.775 acres located within the District ("Improvement Area #1") and located within the city limits of the City and Caldwell County, Texas; and

WHEREAS, pursuant to the PID Act, the proposed "*Improvement Area #1 Assessment Roll*" and Service and Assessment Plan (as defined herein) were filed with the City Secretary; and

WHEREAS, pursuant to Section 372.016(b) of the PID Act, the statutory notice of a public hearing to be held by the City Council on March 3, 2026 was published on February 12, 2026, in the *Lockhart Post-Register*, a newspaper of general circulation in the City, advising that the City Council would consider the levy of the proposed assessments (the "Improvement Area #1 Assessments") on real property within Improvement Area #1 of the District; and

WHEREAS, the City Secretary, pursuant to Section 372.016(c) of the PID Act, mailed notice of the public hearing to consider the proposed Improvement Area #1 Assessment Roll and the Service and Assessment Plan and the levy of the Improvement Area #1 Assessments on benefited property within Improvement Area #1 of the District to the addresses of record at the Caldwell County Appraisal District, such addresses being the last known addresses of the owners of the property liable for the Improvement Area #1 Assessments; and

WHEREAS, after notice was provided as required by the PID Act, the City Council on March 3, 2026, held a public hearing to consider the levy of the proposed Improvement Area #1 Assessments on benefited property within Improvement Area #1 of the District, at which any and all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Improvement Area #1 Assessment Roll, and the proposed Improvement Area #1 Assessments, and to offer testimony pertinent to any issue presented on the amount of the Improvement Area #1 Assessments, the allocation of the Actual Costs (as defined in the attached Service and Assessment Plan) of the authorized improvements to be undertaken for the benefit of all property to be assessed within Improvement Area #1 of the District (the "Improvement Area #1 Improvements") and Improvements Area #1's allocable share of the Major Improvements to be undertaken for the benefit of all property in the entire District, Bond Issuance Costs, and First Year Annual Collection Costs (collectively, the "Improvement Area #1 Projects"), the purposes of the Improvement Area #1 Assessments, the special benefits of the Improvement

Area #1 Projects, and the penalties and interest on annual installments and on delinquent annual installments of the Improvement Area #1 Assessments; and

WHEREAS, the City Council finds and determines that the Seawillow Public Improvement District Service and Assessment Plan, which includes the Improvement Area #1 Assessment Roll, in a form substantially similar to the attached **Exhibit A**, which final form shall be approved by the City Manager (the "Service and Assessment Plan"), and which is incorporated herein for all purposes, should be approved and that the Improvement Area #1 Assessments should be levied as provided in this Ordinance, the Service and Assessment Plan, and the Improvement Area #1 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 Actual Costs of the Improvement Area #1 Projects as described in the Service and Assessment Plan, the Improvement Area #1 Assessment Roll, or the levy of the Improvement Area #1 Assessments; and

WHEREAS, in connection with the levy of the Improvement Area #1 Assessments, concurrently herewith, the owners (the "Landowner") of the privately-owned and taxable property located within Improvement Area #1 will execute a landowner agreement, wherein the Landowner will, among other things, approve and accept this Ordinance and the Service and Assessment Plan, including the Improvement Area #1 Assessment Roll, consents to and accepts the levy of the Improvement Area #1 Assessments against its property located within the District and agree to pay the Improvement Area #1 Assessments; and

WHEREAS, the City Council closed the public hearing on March 3, 2026, and, after considering all oral, written and documentary evidence presented at the hearing, including all written comments and statements filed with the City, determined to proceed with the adoption of this Ordinance in conformity with the requirements of the PID Act; 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 LOCKHART, TEXAS:

Section 1. All matters stated in the preamble of this Ordinance are found to be true and correct and are incorporated into the body of this Ordinance as if copied in their entirety.

Section 2. The action of the City Council holding and closing the public hearing in these proceedings is hereby ratified and confirmed.

Section 3. The Service and Assessment Plan attached to this Ordinance as **Exhibit A** has been presented to and reviewed by the City Council and the City Council hereby approves said Service and Assessment Plan and adopts the attached Service and Assessment Plan as the service

plan and assessment plan for Improvement Area #1 within the District. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Service and Assessment Plan.

Section 4. The Improvement Area #1 Projects described in the preamble of this Ordinance and in the Service and Assessment Plan include the Improvement Area #1 Improvements, Improvement Area #1's allocable share of the Major Improvements, Bond Issuance Costs, and First Year Annual Collection Costs . The Improvement Area #1 Improvements benefit and serve all of the property within Improvement Area #1 of the District and are set forth in Section III of the Service and Assessment Plan. The Major Improvements benefit and serve all of the property within the District and are set forth in Section III of the Service and Assessment Plan.

Section 5. The City Council hereby finds and determines upon the evidence presented in reference to the property located within Improvement Area #1 of the District that: (i) the enhancement and value to accrue to Improvement Area #1 of the District and the real and true owner or owners thereof by virtue of construction of the Improvement Area #1 Projects will be equal to or in excess of the amount of the cost of the proposed Improvement Area #1 Projects; (ii) that the apportionment of the costs of the Improvement Area #1 Projects and the Improvement Area #1 Assessments here and below made are just and equitable and produce substantial equality, considering the benefits received and the burdens imposed thereby, and result in imposing equal shares of the cost of the Improvement Area #1 Projects on property similarly benefitted, and are in accordance with the laws of the State of Texas; (iii) the property assessed is specially benefitted by means of the said Improvement Area #1 Projects in the District in relation to the costs of such improvements; (iv) all procedures that have taken place heretofore with reference to the Improvement Area #1 Projects and Improvement Area #1 Assessments are in all respects regular, proper, and valid; and (v) all prerequisites to the fixing of the assessment liens against the properties within Improvement Area #1 of the District, and the personal liability of the real and true owner or owners thereof, whether correctly named herein or not, have been in all things regularly and duly performed in compliance with the PID Act and the proceedings of the City Council. The cost of said Improvement Area #1 Projects is hereby assessed and levied as a special assessment against such properties and the real and true owner or owners thereof in the amounts as described in Exhibit E-1 of the Service and Assessment Plan attached hereto.

Section 6. There shall be and is hereby levied and assessed against the benefitted property within Improvement Area #1 of the District, and against the real and true owners thereof (whether such owners be correctly named or not), the sums of money as listed in Exhibit E-1 of the Service and Assessment Plan attached hereto and made a part hereof shown for each of the respective parcels of property, and the assessed against the same, and the owners thereof.

Section 7. The sums assessed against property located within Improvement Area #1 of the District and the real and true owners or owner thereof, whether the owner or owners be named or correctly named, or the properties be correctly described therein or not, together with interest thereon at the rate per annum when required as set forth in the Service and Assessment Plan and with reasonable attorney's fees and all costs and expenses of collection, if incurred, are hereby declared to be and made a first and prior lien upon the respective parcels of property against which same are assessed from and after this date, and a personal liability and charge against the real and

true owner or owners thereof, whether or not such owner or owners be correctly named herein, paramount and superior to all other liens, claims or titles except for lawful claims for state, county, school district, or municipality ad valorem taxes; and that the sum so assessed shall be payable to the City or its assigns in accordance with the Improvement Area #1 Assessment Roll attached as Exhibit E-1 to the Service and Assessment Plan.

Section 8. (a) The levy of the Improvement Area #1 Assessments shall be effective on the date of adoption of this Ordinance levying assessments and strictly in accordance with the terms of the Service and Assessment Plan.

(b) The apportionment of the costs of the Improvement Area #1 Projects to be assessed against the property within Improvement Area #1 of the District, shall be as set forth in the Service and Assessment Plan.

(c) Improvement Area #1 Assessments and Annual Installments shall be collected, administered and may be reallocated, and the costs of improvements paid, as set forth in: (i) this Ordinance; (ii) the Service and Assessment Plan and (iii) any ordinance, resolution, bond indenture or agreement approved by the City Council.

(d) Each Improvement Area #1 Assessment may be paid in a lump sum or may be paid in Annual Installments pursuant to the terms of the Service and Assessment Plan.

(e) Each Improvement Area #1 Assessment shall accrue and bear interest at the rate or rates specified in the Service and Assessment Plan.

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

(g) Improvement Area #1 Assessments and the interest thereon shall be deposited as and when received by the City into a separate fund to be used to pay the costs incurred for the Improvement Area #1 Projects, including debt service on obligations issued to pay the costs of the Improvement Area #1 Projects, and the establishment of each such fund is hereby approved.

(h) The Annual Installments shall be reduced to equal the actual costs of repaying the related series of bonds and actual Annual Collection Costs (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.

Section 9. This Ordinance incorporates by reference all provisions and requirements of the PID Act.

Section 10. If any section, article, paragraph, sentence, clause, phrase, or word in this Ordinance, or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Ordinance; and the City Council hereby declares it would have

passed such remaining portion of this Ordinance, despite such invalidity, which remaining portions shall remain in full force and effect.

Section 11. This Ordinance shall take effect immediately from and after its passage and it is accordingly so ordained.

Section 12. The City Secretary is directed to cause a copy of this Ordinance, including the Service and Assessment Plan and/or the Improvement Area #1 Assessment Roll, to be filed with the Caldwell County Clerk, not later than the seventh day after the date the City Council adopts this Ordinance approving the Service and Assessment Plan. The City Secretary is further directed to similarly file each Annual Service Plan Update approved by the City Council not later than the seventh day after the date that the City Council approves each Annual Service Plan Update (or as otherwise required by the PID Act).

Section 13. (a) P3Works, LLC is hereby appointed and designated as the initial Administrator of the Service and Assessment Plan and of Assessments levied by this Ordinance. 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 service shall constitute an Annual Collection Cost.

(b) The Caldwell County Tax Assessor-Collector is hereby appointed and designated as the collector of the Improvement Area #1 Assessments (the "Collector"). The Collector shall serve in such capacity unless and until replaced by subsequent action of the City Council.

[Remainder of page left blank intentionally]

PASSED AND APPROVED on March 3, 2026.

CITY OF LOCKHART, TEXAS

Lew White, Mayor

ATTEST:

Julie Bowermon, Interim City Secretary

APPROVED AS TO FORM:

Bradford E. Bullock, City Attorney

[CITY SEAL]

Signature Page

EXHIBIT A

SEAWILLOW PUBLIC IMPROVEMENT DISTRICT SERVICE AND ASSESSMENT PLAN

Seawillow Public Improvement District

PRELIMINARY SERVICE AND ASSESSMENT PLAN
FEBRUARY 3, 2026



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INTRODUCTION

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

On October 15, 2024, the City Council passed and approved Resolution No. 2024-26, authorizing the creation of the District in accordance with the PID Act.

The purpose of the District is to finance the Actual Costs of the Authorized Improvements that confer a special benefit on property within the District. The District contains approximately 588.547 acres, as described legally by metes and bounds on **Exhibit L-1** and as depicted on the map in **Exhibit A-1**. Of the 588.547 acres within the District, the 89.775 acres which comprise Improvement Area #1 Assessed Property are located within the City.

On March 3, 2026, the City will approve the Service and Assessment Plan for the District by adopting Ordinance No. _____, which (i) will approve the levy of the Improvement Area #1 Assessments against the Improvement Area #1 Assessed Property and approve the Improvement Area #1 Assessment Roll, and (ii) will approve the levy of the Major Improvement Area Assessments against the Major Improvement Area Assessed Property and approve the Major Improvement Area Assessment Roll.

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

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

The PID Act requires an Assessment Roll that states the Assessment against each Parcel determined by the method chosen by the City. The Assessment against each Assessed Property must be sufficient to pay the share of the Actual Costs apportioned to the Assessed Property and cannot exceed the special benefit conferred on the Assessed Property by the Authorized

Improvements. The Improvement Area #1 Assessment Roll is contained in **Exhibit E-1**. The Major Improvement Area Assessment Roll is contained in **Exhibit E-2**.

SECTION I: DEFINITIONS

“Actual Costs” means, with respect to the Authorized Improvements, the actual costs paid or incurred by or on behalf of the Developers:

- (1) to plan, design, acquire, construct, install, and dedicate such improvements to the City, including the acquisition of necessary easements and other right-of-way;
- (2) to prepare plans, specifications (including bid packages), contracts, and as-built drawings;
- (3) to obtain zoning, licenses, plan approvals, permits, inspections, and other governmental approvals;
- (4) for third-party professional consulting services including but not limited to, engineering, surveying, geotechnical, land planning, architectural, landscaping, legal, accounting, and appraisals;
- (5) for labor, materials, equipment, fixtures, payment and performance bonds and other construction security, and insurance premiums; and
- (6) to implement, administer, and manage the above-described activities, including a 4% construction management fee.

Amounts expended for costs described in subsection (3), (4), and (6) above shall be excluded from the amount upon which the general contractor and construction management fees are calculated.

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

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

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

“Annual Collection Costs” means the actual or budgeted costs and expenses relating to collecting the Annual Installments, including, but not limited to, costs and expenses for:

- (1) the Administrator;
- (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City;
- (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments;
- (4) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates;
- (5) issuing, paying, and redeeming PID Bonds;
- (6) investing or depositing Assessments and Annual Installments;
- (7) complying with this Service and Assessment Plan and the PID Act with respect to the issuance and sale of PID Bonds, including continuing disclosure requirements; and
- (8) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel.

Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

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

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

“Appraisal District” means the Caldwell County Appraisal District.

“Assessed Property” means any Parcel within the District that benefits from an Authorized Improvement and on which an Assessment is levied.

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

“Assessment Ordinance” means any ordinance adopted by the City Council in accordance with the PID Act that levies an Assessment on Assessed Property within the District, as shown on any Assessment Roll.

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

“Assessment Roll” means any assessment roll for the Assessed Property within the District, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any Annual Service Plan Update. The Improvement Area #1 Assessment Roll is included as **Exhibit E-1**. The Major Improvement Area Assessment Roll is contained in **Exhibit E-2**.

“Authorized Improvements” means improvements authorized by Section 372.003 of the PID Act, including Improvement Area #1 Improvements, Major Improvements, Bond Issuance Costs, and Annual Collection Costs.

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

“City” means the City of Lockhart, Texas.

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

“County” means Caldwell County, Texas.

“Delinquent Collection Costs” means costs related to the foreclosure on Assessed Property and the costs of collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under this Service and Assessment Plan including penalties and reasonable attorney’s fees actually paid but excluding amounts representing interest and penalty interest.

“Developers” means the Improvement Area #1 Developer and the Major Improvement Area Developer.

“Development Agreement” means that certain Seawillow Ranch Development and Public Improvement Agreement between the City and RODG DT Seawillow Propco LLC, effective as of August 2, 2024, as first amended on January 6, 2026.

“District” means the Seawillow Public Improvement District, consisting of approximately 588.547 acres within the City, as described by metes and bounds shown on **Exhibit L-1** and by the map shown on **Exhibit A-1**.

“Engineering Report” means a report provided by a licensed professional engineer that identifies the Authorized Improvements, including their costs, location, and benefit, attached hereto as **Exhibit N**.

“Estimated Buildout Value” means the estimated value of an Assessed Property after completion of the horizontal and the vertical improvements (e.g. house, office building, etc.), and shall be determined by the Administrator and confirmed by the City Council by considering such factors as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, builder contracts, discussions with homebuilders, reports from third party consultants, or any other information that may impact value. The Estimated Buildout Value for each Lot Type is shown on **Exhibit G-3**.

“First Year Annual Collection Costs” means the estimated cost of the first year’s Annual Collection Costs.

“Improvement Area” means specifically defined and designated areas within the District that are developed in phases, including Improvement Area #1 and the Major Improvement Area.

“Improvement Area #1” means approximately 89.775 acres, as shown on **Exhibit A-3** and as described on **Exhibit L-2**.

“Improvement Area #1 Annual Installment” means the annual installment payment of the Improvement Area #1 Assessment as calculated by the Administrator and approved by the City, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest, if applicable, related to the Improvement Area #1 Bonds, which amount may be reduced by the TIRZ No. 1 Annual Credit Amount related to Improvement Area #1.

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

“Improvement Area #1 Assessment” means an Assessment levied against Improvement Area #1 Assessed Property and imposed pursuant to an Assessment Ordinance and the provisions herein,

as shown on the Improvement Area #1 Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

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

“Improvement Area #1 Bonds” means those certain “City of Lockhart, Texas, Special Assessment Revenue Bonds, Series 2026 (Seawillow Public Improvement District Improvement Area #1 Project)” that are secured, primarily, by Improvement Area #1 Assessments.

“Improvement Area #1 Developer” means ROED Prop Co, LLC, a Texas limited liability company, and their successors and assigns.

“Improvement Area #1 Improvements” means the Authorized Improvements which only provide benefit to Improvement Area #1 Assessed Property.

“Improvement Area #1 Projects” means, collectively, the Improvement Area #1 Improvements, Improvement Area #1’s allocable share of Major Improvements, Bond Issuance Costs associated with the Improvement Area #1 Bonds, and First Year Annual Collection Costs allocable to Improvement Area #1.

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

“Lot” means, for any portion of the District for which a subdivision plat has been recorded in the official public records of the County, a tract of land described as a “lot” in such subdivision plat.

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

“Lot Type 1” means a Lot designated as a 50’ lot within Improvement Area #1.

“Major Improvements” means the Authorized Improvements that confer a special benefit to the entire District, as described more specifically in **Section III**, and depicted on **Exhibit I-2**.

“Major Improvement Area” means approximately 498.778 acres, as shown on **Exhibit A-4** and as described on **Exhibit L-3**.

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

“Major Improvement Area Assessed Property” means all Parcels within Major Improvement Area against which a Major Improvement Area Assessment is levied.

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

“Major Improvement Area Assessment Roll” means the Assessment Roll included in this Service and Assessment Plan as **Exhibit E-2**, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared relating to the issuance of PID Bonds or in connection with any Annual Service Plan Update.

“Major Improvement Area Bonds” means those certain “City of Lockhart, Texas, Special Assessment Revenue Bonds, Series 2026 (Seawillow Public Improvement District Major Improvement Area Project)” that are secured, primarily, by Major Improvement Area Assessments.

“Major Improvement Area Developer” means RODG DT Seawillow Propco LLC, a Texas limited liability company, and their successors and assigns.

“Major Improvement Area Projects” means, collectively, the Major Improvement Area’s allocable share of Major Improvements, Bond Issuance Costs associated with the Major Improvement Area Bonds, and First Year Annual Collection Costs allocable to the Major Improvement Area.

“Maximum Assessment” means, for each Lot Type within the District, at the time a new Lot is created by plat, an Assessment equal to the lesser of (1) the amount calculated pursuant to **Section VI.A**, or (2) the amount shown on **Exhibit G-1**, which amount will be reduced annually by principal payments made as part of the Annual Installment. The Maximum Assessment for future Improvement Areas will be determined in future Annual Service Plan updates.

“Non-Assessed Property” means Parcels which are deemed to benefit from Authorized Improvements but upon which an Assessment is not levied. The allocable costs of the Authorized Improvements which benefit the Non-Assessed Property will be borne by the Developers as shown in **Exhibit B**.

“Non-Benefited Property” means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements.

“Notice of PID Assessment Lien Termination” means a document recorded in the official public records of the County evidencing the termination of a PID Assessment lien, a form of which is attached as **Exhibit J**.

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

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

“PID Bonds” means bonds issued by the City, in one or more series, to finance the Authorized Improvements that confer a special benefit on the property within the District.

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

“Prepayment Costs” means principal, interest, including Additional Interest, and Annual Collection Costs to the date of Prepayment.

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

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

“TIRZ No. 1” means the Tax Increment Reinvestment Zone Number 1, City of Lockhart, Texas (Seawillow Development).

"TIRZ No. 1 Annual Credit Amount" is defined in **Section V.F**, which amount shall not annually exceed the TIRZ No. 1 Maximum Annual Credit Amount, and which shall be transferred from the TIRZ No. 1 Fund to the applicable pledged revenue fund pursuant to the Development Agreement and the TIRZ No. 1 Project Plan.

"TIRZ No. 1 Project Plan" means the Tax Increment Reinvestment Zone Number 1, City of Lockhart, Texas (Seawillow Project) Project and Finance Plan, to be approved by the City Council.

"TIRZ No. 1 Fund" means the tax increment fund created pursuant to the TIRZ No. 1 Ordinance where TIRZ No. 1 Revenues are deposited annually.

"TIRZ No. 1 Maximum Annual Credit Amount" means for each Lot Type within Improvement Area #1, the amount shown on **Exhibit G-2**.

"TIRZ No. 1 Ordinance" means that ordinance to be adopted by the City Council approving the TIRZ No. 1 Project Plan and authorizing the use of TIRZ No. 1 Revenues for project costs under the Chapter 311, Texas Tax Code as amended, and related to certain public improvements as provided for in the TIRZ No. 1 Project Plan.

"TIRZ No. 1 Revenues" means, for each year, the amounts which are deposited in the TIRZ No. 1 Fund pursuant to the TIRZ No. 1 Ordinance, the Development Agreement and the TIRZ No. 1 Project Plan.

"Trustee" means the trustee (or successor trustee) under an Indenture.

SECTION II: THE DISTRICT

The District includes approximately 588.547 acres located within the corporate limits and extraterritorial jurisdiction of the City, as described legally by metes and bounds on **Exhibit L-1** and as depicted on the map on **Exhibit A-1**. Development of the District is anticipated to include 2,332 single family units. These projected land uses are subject to change as development within the Project occurs.

The Major Improvement Area includes approximately 498.778 acres as described legally by metes and bounds on **Exhibit L-3** and as depicted on the map on **Exhibit A-4**. Development of the Major Improvement Area is anticipated to include 1,918 single family units.

Improvement Area #1 includes approximately 89.775 acres as described legally by metes and bounds on **Exhibit L-2** and as depicted on the map on **Exhibit A-3**. Development of Improvement Area #1 is anticipated to include 414 single family units.

SECTION III: AUTHORIZED IMPROVEMENTS

The City, based on information provided by the Developers and their engineer and on review by the City staff and by third-party consultants retained by the City, determined that the Authorized Improvements confer a special benefit on the Assessed Property. Authorized Improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City unless otherwise indicated. The budget for the Authorized Improvements, as well as the allocation of the Authorized Improvements, is shown on **Exhibit B**.

A. Major Improvements

▪ *Roadway*

The roadway improvements include (i) subgrade stabilization, concrete and reinforcing steel for roadways, testing, handicapped ramps, earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting, and re-vegetation of all disturbed areas within the Seawillow Phase 1 Collector right-of-way and (ii) improvements including subgrade stabilization, concrete and reinforcing steel for roadways, testing, handicapped ramps, earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting, and re-vegetation of all disturbed areas within the right-of-way directly related to facilitating the left turn lane within FM 1322. The roadway improvements will provide benefit to each Lot within the District.

▪ *Water*

The water improvements include (i) trench excavation and embedment, trench safety, PVC piping, valves, fire hydrants, service connections, testing, related earthwork, excavation, and

erosion control, and all necessary appurtenances for water infrastructure located under the Seawillow Phase 1 Collector and (ii) trench excavation and embedment, trench safety, PVC piping, valves, fire hydrants, service connections, testing, related earthwork, excavation, and erosion control, and all necessary appurtenances for water infrastructure located under FM 1322. The water improvements will provide service to all Lots within the District.

- *Wastewater*

The wastewater improvements include (i) trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to facilitate the proposed construction of the wastewater gravity line to the lift station, (ii) trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring and testing for the construction of the force main between the regional lift station and the connection to the existing city sanitary sewer system on Black Jack Road, and (iii) wet well, pumps, driveway construction, related earthwork, excavation, erosion control and all necessary appurtenances required to construct the regional lift station. The wastewater improvements will provide service to all Lots within the District.

- *District Formation*

Costs related to District Formation, and any consulting fees, attorney other costs related fees to the creation of the District, the levy of Assessments and issuance of PID Bonds.

- *Soft Costs*

Costs related to designing, constructing, and installing the Major Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, contingency, legal fees, appraisal fees, and consultant fees that are not direct construction costs.

B. Improvement Area #1 Improvements

- *Roadway*

The roadway improvements include subgrade stabilization, concrete and reinforcing steel for roadways, testing, handicapped ramps, sidewalks, barricades, traffic control, platting, staking, and streetlights. All related signage, lighting, excavation, embankment, erosion controls, and re-vegetation of all disturbed areas within the right-of-way are included. The roadway improvements will provide benefit to each Lot within Improvement Area #1.

- *Water*

The water improvements include trench excavation and embedment, trench safety, PVC piping, valves, fire hydrants, service connections, testing, related earthwork, excavation, and erosion control, and all necessary appurtenances required to provide water service to all Lots within Improvement Area #1.

- *Wastewater*

The wastewater improvements include trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #1.

- *Drainage*

The storm improvements include earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, detention ponds, concrete outfalls, and testing as well as all related earthwork, excavation, erosion control and all necessary appurtenances required to provide storm drainage for all Lots within Improvement Area #1.

- *Soft Costs*

Costs relating to the designing, constructing and installing the Improvement Area #1 Improvements including land planning and design, City fees, inspection fees, engineering, material testing, surveying and contingency.

C. Bond Issuance Costs

- *Debt Service Reserve Fund*

Equals the amount required under an applicable Indenture in connection with the issuance of PID Bonds.

- *Capitalized Interest*

Equals the capitalized interest payments on PID Bonds as reflected in an applicable Indenture.

- *Underwriter's Discount*

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

- *Costs of Issuance*

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

D. First Year Annual Collection Costs

- The First Year Annual Collection Costs for Improvement Area #1 will be funded by the Improvement Area #1 Bonds.
- The First Year Annual Collection Costs for the Major Improvement Area will be funded by the Major Improvement Area Bonds.

SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan shall be updated in each Annual Service Plan Update. **Exhibit C** summarizes the Service Plan for the District. The Service Plan is also required to include a copy of the buyer disclosure notice form required by Section 5.014 of the Texas Property Code, as amended. The buyer disclosures are attached hereto as **Exhibit M**.

Exhibit D summarizes the sources and uses of funds required to finance the Authorized Improvements and pay the First Year Annual Collection Costs and the Bond Issuance Costs. The sources and uses of funds shown on **Exhibit D** shall be updated in each Annual Service Plan Update.

SECTION V: ASSESSMENT PLAN

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

This section of this Service and Assessment Plan describes the special benefit received by each Assessed Property within the District as a result of the Authorized Improvements and provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments to be levied on the Assessed Property for such Authorized Improvements.

The determination by the City 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 Landowners and all future owners and developers of the Assessed Property.

A. Assessment Methodology

The City Council, acting in its legislative capacity and as required by the Development Agreement based on information provided by the Developers and their engineer and on review by the City

staff and by third-party consultants retained by the City, has determined that the Authorized Improvements shall be allocated as follows:

- Improvement Area #1 Improvements
 - Improvement Area #1 Improvements are allocated 100% to Improvement Area #1 Assessed Property.
- Major Improvements
 - Major Improvements shall be allocated pro rata first between Improvement Area #1 Assessed Property, Major Improvement Area Assessed Property and Non-Assessed Property based on acreage as shown on **Exhibit G-4**.
 - Major Improvements allocated to Improvement Area #1 Assessed Property and Major Improvement Area Assessed property shall be allocated pro rata based on the Estimated Buildout Value as shown on **Exhibit G-3**.

B. Assessments

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

Major Improvement Area Assessments will be levied on the Major Improvement Area Assessed Property according to the Major Improvement Area Assessment Roll, attached hereto as **Exhibit E-2**. The projected Major Improvement Area Annual Installments are shown on **Exhibit F-2**, subject to revisions made during any Annual Service Plan Update.

C. Findings of Special Benefit

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

- *Improvement Area #1*
 - a. The Actual Costs of the Improvement Area #1 Projects equal \$20,831,812 as shown on **Exhibit B**; and
 - b. The Improvement Area #1 Assessed Property receives special benefit from the Improvement Area #1 Projects equal to or greater than the Actual Costs of the Improvement Area #1 Projects; and
 - c. The Improvement Area #1 Assessed Property will be allocated 100% of the Improvement Area #1 Assessments levied for the Improvement Area #1 Projects, which equal \$15,837,000; and
 - d. The special benefit ($\geq$ \$20,831,812) received by the Improvement Area #1 Assessed Property from the Improvement Area #1 Projects is greater than or equal to the amount

of Improvement Area #1 Assessments (\$15,837,000) levied on the Improvement Area #1 Assessed Property.

- e. At the time the City Council approved the Assessment Ordinance levying the Improvement Area #1 Assessments on the Improvement Area #1 Assessed Property, the Improvement Area #1 Developer owned 100% of the Improvement Area #1 Assessed Property. In a landowner agreement with the City, the Improvement Area #1 Developer acknowledged that the Improvement Area #1 Projects confer a special benefit on the Improvement Area #1 Assessed Property and consented to the imposition of the Improvement Area #1 Assessments to pay for the Actual Costs associated therewith. The Improvement Area #1 Developer ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein, (2) the Assessment Ordinance approved by City Council on March 3, 2026, and (3) the levying of the Improvement Area #1 Assessments on the Improvement Area #1 Assessed Property.
- Major Improvement Area
 - a. The Actual Costs of the Major Improvement Area Projects equal \$9,959,000 as shown on **Exhibit B**; and
 - b. The Major Improvement Area Assessed Property receives special benefit from the Major Improvement Area Projects equal to or greater than the Actual Costs of the Major Improvement Area Projects; and
 - c. The Major Improvement Area Assessed Property will be allocated 100% of the Major Improvement Area Assessments levied for the Major Improvement Area Projects, which equal \$9,959,000; and
 - d. The special benefit ($\geq$ \$9,959,000) received by the Major Improvement Area Assessed Property from the Major Improvement Area Projects is greater than or equal to the amount of Major Improvement Area Assessments (\$9,959,000) levied on the Major Improvement Area Assessed Property.
 - e. At the time the City Council approved the Assessment Ordinance levying the Major Improvement Area Assessments on the Major Improvement Area Assessed Property, the Major Improvement Area Developer, Eduardo Acevedo, Virginia Villareal, and Margarita Britt (the “Major Improvement Area Landowners”) collectively owned 100% of the Major Improvement Area Assessed Property. In separate landowner agreements with the City, the Major Improvement Area Landowners acknowledged that the Major Improvement Area Projects confer a special benefit on the Major Improvement Area Assessed Property and consented to the imposition of the Major Improvement Area Assessments to pay for the Actual Costs associated therewith. The Major Improvement Area Landowners ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein, (2) the Assessment

Ordinance approved by City Council on March 3, 2026, and (3) the levying of the Major Improvement Area Assessments on the Major Improvement Area Assessed Property.

D. Annual Collection Costs

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

E. Additional Interest

The interest rate on Improvement Area #1 Assessments levied on the Improvement Area #1 Assessed Property may exceed the interest rate on the Improvement Area #1 Bonds by the Additional Interest Rate. Interest at the rate of the Improvement Area #1 Bonds and the Additional Interest shall be collected as part of each Annual Installment and shall be deposited pursuant to the applicable Indenture.

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

F. TIRZ No.1 Annual Credit Amount

The City Council, in accordance with the Development Agreement and the TIRZ No. 1 Project Plan, has agreed to use a portion of TIRZ No. 1 Revenues generated from each Assessed Property to offset a portion of the principal and interest of such property's Improvement Area #1 Assessment, as applicable.

1. The principal and interest portion of the Improvement Area #1 Annual Installment for Improvement Area #1 Assessed Property shall receive a TIRZ No. 1 Annual Credit Amount equal to the TIRZ No. 1 Revenue generated by the Improvement Area #1 Assessed Property for the previous Tax Year (e.g. TIRZ No. 1 Revenue collected from the Improvement Area #1 Assessed Property for Tax Year 2026 shall be applied as the TIRZ No. 1 Annual Credit Amount applicable to the Improvement Area #1 Assessed Property's Improvement Area #1 Annual Installment to be collected in Tax Year 2027), but in no event shall the TIRZ No. 1 Annual Credit Amount exceed the TIRZ No. 1 Maximum Annual Credit Amount shown in **Section V.F.2** as calculated on **Exhibit G-2** for each Assessed Property.

2. The TIRZ No. 1 Maximum Annual Credit Amount available to reduce the principal and interest portion of the Annual Installment for the Assessed Property is calculated for each Lot Type, as shown on **Exhibit G-2**. For the years of 2026 – 2035 the TIRZ No. 1 Maximum Annual Credit Amount is calculated so that the average Annual Installment is reduced by a maximum equivalent tax rate of \$0.1998 per \$100 of assessed value, based on assumed buildout values at the time Assessment Ordinance is approved. The resulting maximum TIRZ No. 1 Annual Credit Amount for each Lot Type is shown below:

i. Lot Type 1: \$649.35 per lot

3. The TIRZ No. 1 Maximum Annual Credit Amount available to reduce the principal and interest portion of the Annual Installment for the Assessed Property is calculated for each Lot Type, as shown on **Exhibit G-2**. For the years of 2036 – 2055 the TIRZ No. 1 Maximum Annual Credit Amount is calculated so that the average Annual Installment is reduced by a maximum equivalent tax rate of \$0.2476 per \$100 of assessed value, based on assumed buildout values at the time Assessment Ordinance is approved. The resulting maximum TIRZ No. 1 Annual Credit Amount for each Lot Type is shown below:

i. Lot Type 1: \$804.63 per lot

4. After the TIRZ No. 1 Annual Credit Amount is applied to provide a credit towards the principal and interest portion of the Annual Installment for the Assessed Property, any excess TIRZ No. 1 Revenues shall be used in accordance with the TIRZ No. 1 Project Plan.

SECTION VI: TERMS OF THE ASSESSMENTS

A. Reallocation of Assessments

1. Upon Division Prior to Recording of Subdivision Plat

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

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

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

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

The calculation of the Estimated Buildout Value of an Assessed Property shall be performed by the Administrator based on information from the Developers, additional homebuilders, market studies, appraisals, official public records of the County, and any other relevant information regarding the Assessed Property. The calculation as confirmed by the City Council shall be conclusive.

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

2. Upon Subdivision by a Recorded Subdivision Plat

Upon the subdivision of any Assessed Property based on a recorded subdivision plat, the Administrator shall reallocate the Assessment for the Assessed Property prior to the subdivision among the new subdivided Lots based on Estimated Buildout Value according to the following formula:

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

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision

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

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

E = the number of Lots with same Lot Type

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

Developers, additional homebuilders, third party consultants, and/or the official public records of the County regarding the Lot.

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

3. Upon Consolidation

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

B. True-up of Assessments if Maximum Assessment Exceeded

Prior to the approval of a final subdivision plat, the Administrator shall certify that the final plat will not cause the Assessment for any Lot Type to exceed the Maximum Assessment for such Lot Type. If the subdivision of any Assessed Property by a final subdivision plat causes the Assessment per Lot for any Lot Type to exceed the applicable Maximum Assessment for such Lot Type, the landowner shall partially prepay the Assessment for each Assessed Property that exceeds the applicable Maximum Assessment for such Lot Type in an amount sufficient to reduce the Assessment to the applicable Maximum Assessment for such Lot Type. The City's approval of a final subdivision plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such Assessments.

C. Mandatory Prepayment of Assessments

If Assessed Property is transferred to a person or entity that is exempt from payment of the Assessments under applicable law or any portion of Assessed Property becomes Non-Benefited Property, the owner transferring the Assessed Property or causing the portion to become Non-Benefited Property shall pay to the City or the Administrator on behalf of the City the full amount of the outstanding Assessment, plus Prepayment Costs and Delinquent Collection Costs, if any, for such Assessed Property, prior to the transfer; provided that, however, such mandatory Prepayment of the Assessment shall not be required for portions of a Parcel that are dedicated or conveyed to the City, any other governmental entity or utility provider, or an Owners Association for use as internal roads, utilities, parks, drainage and detention facilities, and other similar improvements, in which case the Assessment that was allocated to the Parcel will be reallocated to the remainder of the Parcel. If a reallocation to the remainder of the Parcel as

provided in the foregoing sentence causes the Assessment for such remainder to exceed the Maximum Assessment, the owner of the remainder of the Parcel must partially prepay the Assessment to the extent it exceeds the Maximum Assessment for such Parcel in an amount sufficient to reduce the Assessment to the Maximum Assessment.

D. Reduction of Assessments

If as a result of cost savings or an Authorized Improvement not being constructed, the Actual Costs of completed Authorized Improvements are less than the Assessments, the Assessments shall be reduced on a pro-rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs. The Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds. The TIRZ No. 1 Annual Credit Amount will be reduced in the same proportion as the Assessments. The Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds.

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

E. Prepayment of Assessments

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

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

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

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

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

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

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

By way of illustration, if an owner owns 100 acres of Assessed Property subject to a \$100 Assessment and 10 acres is taken through a Taking, the 10 acres of Taken Property shall be reclassified as Non-Benefited Property and the remaining 90 acres of Remaining Property shall be subject to the \$100 Assessment, (provided that this \$100 Assessment does not exceed the Maximum Assessment on the Remaining Property). If the Administrator determines that the \$100 Assessment reallocated to the Remaining Property would exceed the Maximum Assessment on the Remaining Property by \$10, then the owner shall be required to pay \$10 as a Prepayment of the Assessment against the Remaining Property and the Assessment on the Remaining Property shall be adjusted to be \$90 and the Annual Installments adjusted accordingly.

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

Notwithstanding the previous paragraphs in this subsection (F), the Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds.

G. Payment of Assessment in Annual Installments

Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit E-1** shows the projected Improvement Area #1 Annual Installments. **Exhibit E-2** shows the projected Major Improvement Area Annual Installments. Annual Installments are subject to adjustment in each Annual Service Plan Update.

The Administrator shall prepare and submit to the City Council for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and updated calculations of Annual Installments. Annual Collection Costs shall be allocated equally among Parcels for which the Assessments remain unpaid. Annual Installments shall be reduced by any applicable Indenture, such as capitalized interest, interest earnings on account balances, and any other funds available to the Trustee for such purposes. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act and in the same manner as ad valorem taxes for the City. The City Council may provide for other means of collecting Annual Installments. Assessments shall have the lien priority specified in the PID Act.

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

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

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The first Annual Installment will be delinquent if not paid by February 1, 2026.

SECTION VII: ASSESSMENT ROLLS

The Improvement Area #1 Assessment Roll is attached as **Exhibit E-1**. The Major Improvement Area Assessment Roll is attached as **Exhibit E-2**. The Administrator shall prepare and submit to the City Council, for review and approval, proposed revisions to the Assessment Rolls and Annual Installments for each Parcel within the District as part of each Annual Service Plan Update.

SECTION VIII: ADDITIONAL PROVISIONS

A. Calculation Errors

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

B. Amendments

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

C. Administration and Interpretation

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

D. Form of Buyer Disclosure

Per Section 5.014 of the Texas Property Code, as amended, this Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosures for the District. The buyer disclosures are attached hereto in **Exhibit M**. Within seven days of approval by the City Council, the City shall file and record in the real property records of the County the executed ordinance approving this Service and Assessment Plan, or any future Annual Service Plan Updates. The executed ordinance, including any attachments, approving this Service and Assessment Plan or any future Annual Service Plan Updates shall be filed and recorded in the real property records of the County in its entirety.

E. Severability

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

EXHIBITS

The following Exhibits are attached to and made a part of this Service and Assessment Plan for all purposes:

Exhibit A-1	District Boundary Map
Exhibit A-2	District Concept Plan
Exhibit A-3	Improvement Area #1 Boundary Map
Exhibit A-4	Major Improvement Area Boundary Map
Exhibit B	Authorized Improvements
Exhibit C	Service Plan
Exhibit D	Sources and Uses
Exhibit E-1	Improvement Area #1 Assessment Roll
Exhibit E-2	Major Improvement Area Assessment Roll
Exhibit F-1	Improvement Area #1 Annual Installments
Exhibit F-2	Major Improvement Area Annual Installments
Exhibit G-1	Maximum Assessment Per Lot Type
Exhibit G-2	TIRZ Maximum Credit Per Lot Type
Exhibit G-3	District Estimated Buildout Value
Exhibit G-4	Allocation of Major Improvements
Exhibit H	Maps of Improvement Area #1 Improvements
Exhibit I	Maps of Major Improvements
Exhibit J	Notice of PID Assessment Lien Termination
Exhibit K-1	Improvement Area #1 Bonds Debt Service Schedule
Exhibit K-2	Major Improvement Area Bonds Debt Service Schedule
Exhibit L-1	District Legal Description
Exhibit L-2	Improvement Area #1 Legal Description
Exhibit L-3	Major Improvement Area Legal Description
Exhibit M	District Buyer Disclosures
Exhibit N	Engineering Report

EXHIBIT A-1 – DISTRICT BOUNDARY MAP

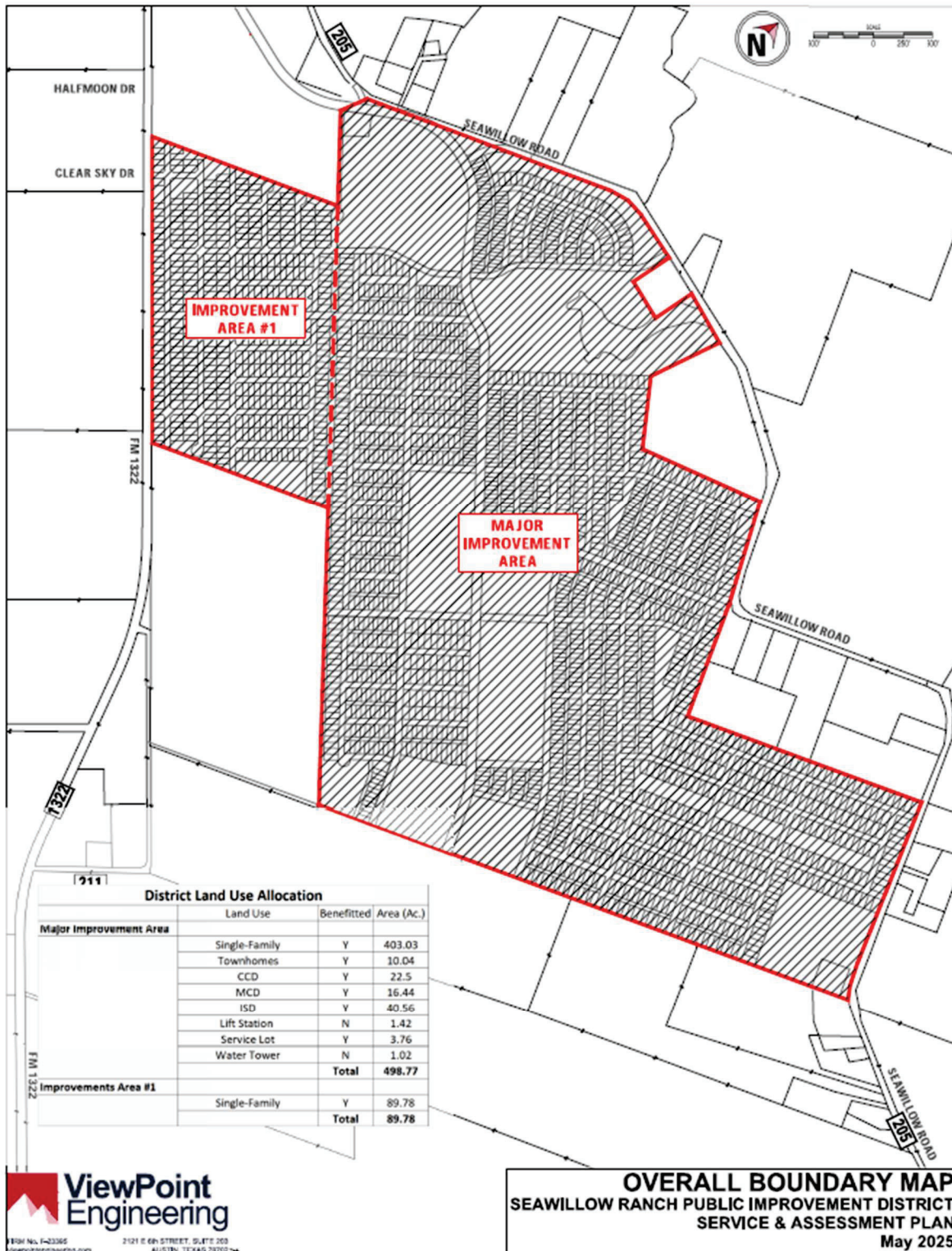


EXHIBIT A-2 – DISTRICT CONCEPT PLAN



EXHIBIT A-3 – IMPROVEMENT AREA #1 MAP

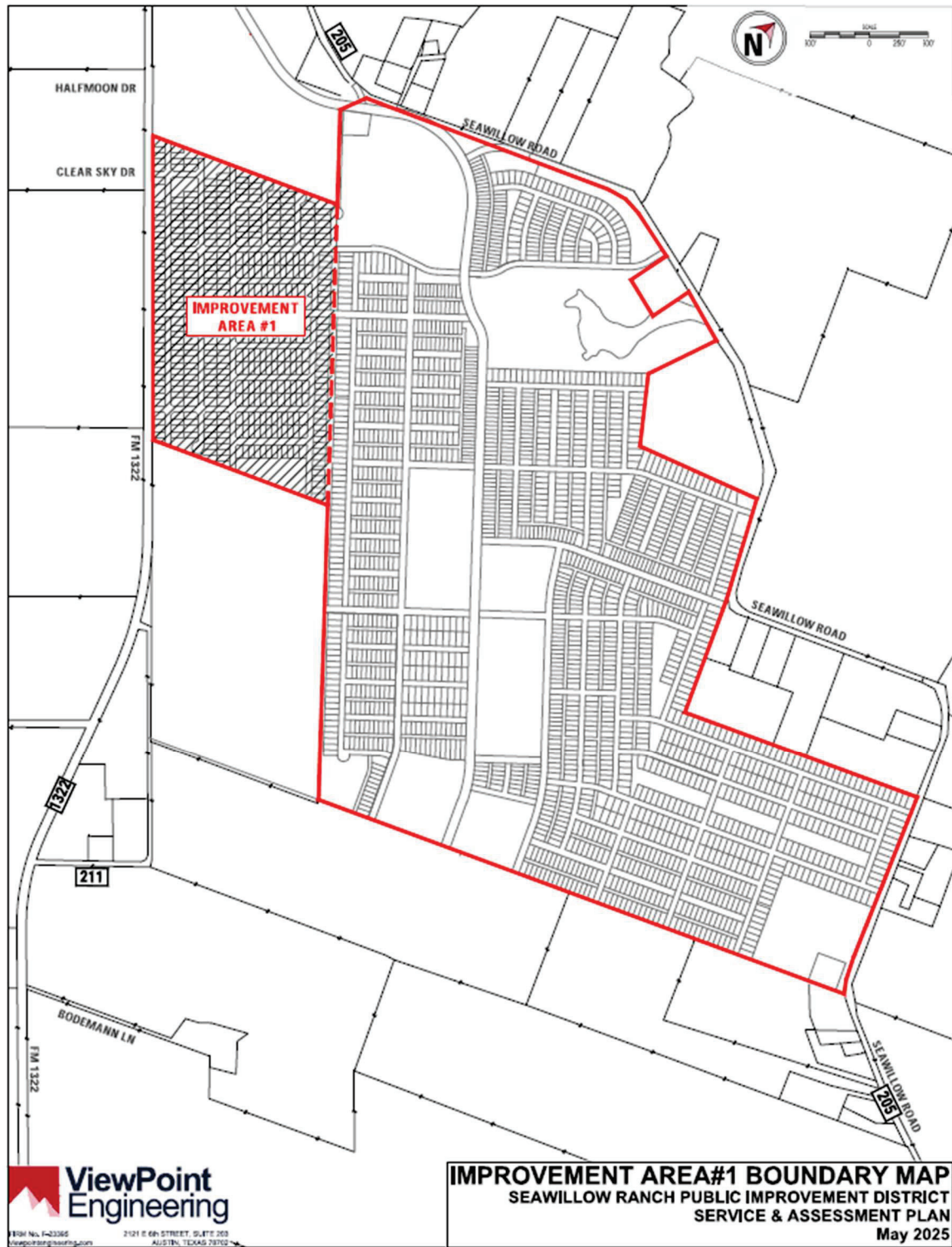


EXHIBIT A-4 – MAJOR IMPROVEMENT AREA MAP

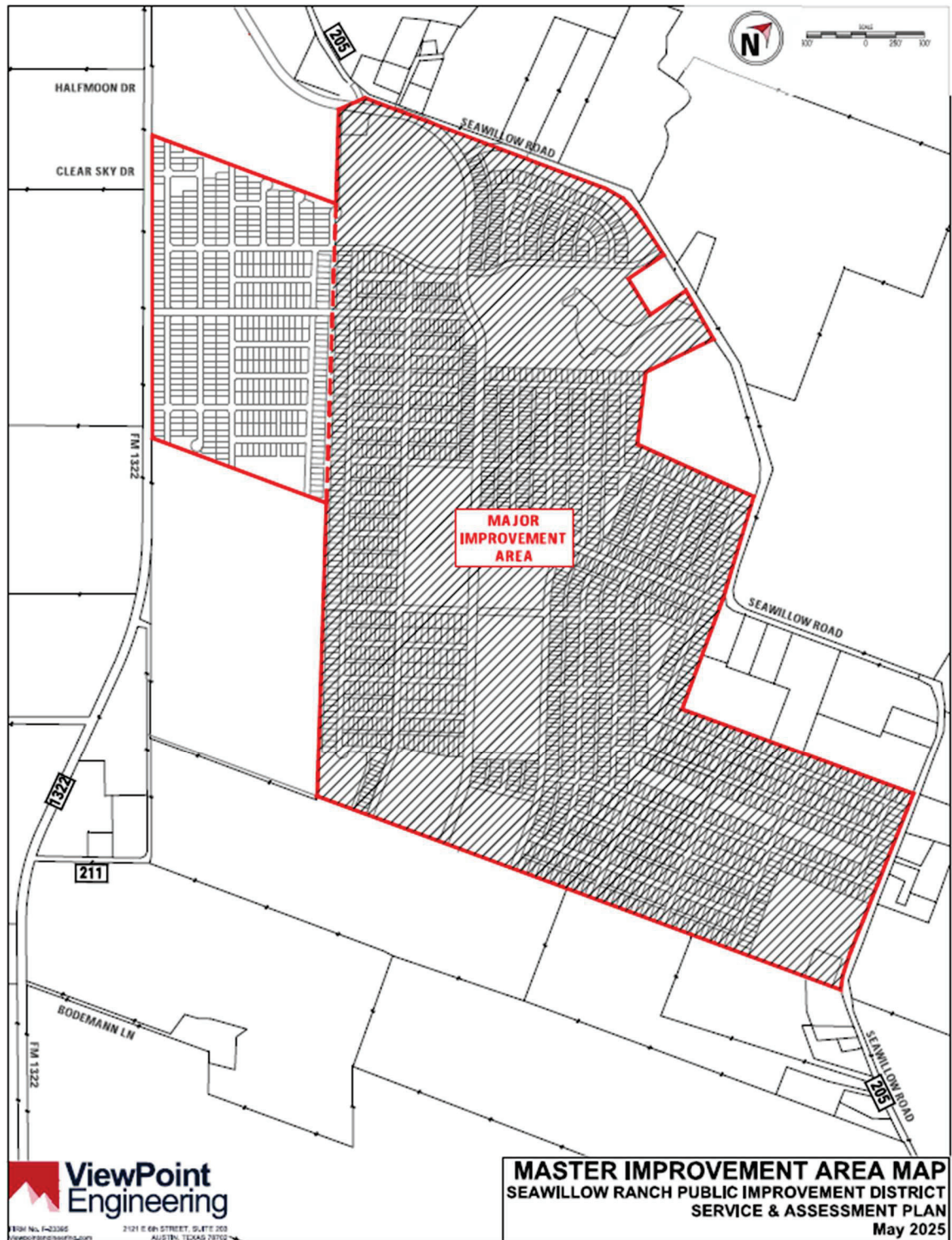


EXHIBIT B – AUTHORIZED IMPROVEMENTS

	Total Costs [a]	Non-Assessed Property	Private	District Eligible Costs	Improvement Area #1		Major Improvement Area	
					%	Cost	%	Cost
<i>Major Improvements [b] [c]</i>								
Roadway	\$ 2,244,389	\$ 318,827	\$ -	\$ 1,925,562	19.12%	\$ 368,122	80.88%	\$ 1,557,440
Water	497,026	70,605	-	426,421	19.12%	81,522	80.88%	344,899
Wastewater	4,448,892	631,988	-	3,816,904	19.12%	729,702	80.88%	3,087,201
District Formation	1,500,000	-	-	1,500,000	19.12%	286,765	80.88%	1,213,235
Soft Costs	1,516,950	-	-	1,516,950	19.12%	290,005	80.88%	1,226,945
	<u>\$ 10,207,257</u>	<u>\$ 1,021,421</u>	<u>\$ -</u>	<u>\$ 9,185,836</u>		<u>\$ 1,756,116</u>		<u>\$ 7,429,720</u>
<i>Improvement Area #1 Improvements</i>								
Roadway	\$ 4,694,453	\$ -	\$ -	\$ 4,694,453	100.00%	\$ 4,694,453	0.00%	\$ -
Water	1,514,167	-	-	1,514,167	100.00%	1,514,167	0.00%	-
Wastewater	1,905,972	-	-	1,905,972	100.00%	1,905,972	0.00%	-
Drainage	4,940,085	-	-	4,940,085	100.00%	4,940,085	0.00%	-
Contingency	682,341	-	-	682,341	100.00%	682,341	0.00%	-
Soft Costs	1,565,291	-	-	1,565,291	100.00%	1,565,291	0.00%	-
	<u>\$ 15,302,309</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,302,309</u>		<u>\$ 15,302,309</u>		<u>\$ -</u>
<i>Private Improvements [d]</i>								
Private Improvements	\$ 2,237,458	\$ -	\$ 2,237,458	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ 2,237,458</u>	<u>\$ -</u>	<u>\$ 2,237,458</u>	<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>
<i>Improvement Area #1 Bond Issuance Costs</i>								
Debt Service Reserve Fund	\$ 1,226,420	\$ -	\$ -	\$ 1,226,420	100.00%	\$ 1,226,420	0.00%	\$ -
Capitalized Interest	1,071,637	-	-	1,071,637	100.00%	1,071,637	0.00%	-
Underwriter's Discount	475,110	-	-	475,110	100.00%	475,110	0.00%	-
Cost of Issuance	950,220	-	-	950,220	100.00%	950,220	0.00%	-
	<u>\$ 3,723,387</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,723,387</u>		<u>\$ 3,723,387</u>		<u>\$ -</u>
<i>Major Improvement Area Bond Issuance Costs</i>								
Debt Service Reserve Fund	\$ 810,113	\$ -	\$ -	\$ 810,113	0.00%	\$ -	100.00%	\$ 810,113
Capitalized Interest	772,168	-	-	772,168	0.00%	-	100.00%	772,168
Underwriter's Discount	298,770	-	-	298,770	0.00%	-	100.00%	298,770
Cost of Issuance	598,228	-	-	598,228	0.00%	-	100.00%	598,228
	<u>\$ 2,479,279</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,479,279</u>		<u>\$ -</u>		<u>\$ 2,479,279</u>
<i>First Year's Deposit to Administrative Reserves</i>								
Improvement Area #1	\$ 50,000	\$ -	\$ -	\$ 50,000	100.00%	\$ 50,000	0.00%	\$ -
Major Improvement Area	50,000	-	-	50,000	0.00%	-	100.00%	50,000
	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,000</u>		<u>\$ 50,000</u>		<u>\$ 50,000</u>
Total	\$ 34,049,690	\$ 1,021,421	\$ 2,237,458	\$ 30,790,811		\$ 20,831,812		\$ 9,959,000

Notes:

[a] Per the Engineering Report prepared by ViewPoint Engineering.

[b] Major Improvements allocated between Improvement Area #1, Major Improvement Area and Non-Assessed Property based on benefited acreage as shown on **Exhibit G-4**.

[c] Major Improvements allocable between Improvement Area #1 and the Major Improvement Area based on Estimated Buildout Value of the District as shown on **Exhibit G-3**.

[d] Includes approximately \$110,311 in phase 1 turn improvement allocated to non-district property.

EXHIBIT C – SERVICE PLAN

Improvement Area #1						
Annual Installments Due		1/31/2026	1/31/2027	1/31/2028	1/31/2029	1/31/2030
<i>Improvement Area #1 Bonds</i>						
Principal		\$ -	\$ -	\$ 174,000.00	\$ 184,000.00	\$ 195,000.00
Interest		395,925.00	950,220.00	950,220.00	939,780.00	928,740.00
Capitalized Interest		(395,925.00)	(675,712.00)	-	-	-
TIRZ Annual Credit Amount ^[a]		-	-	-	-	-
	(1)	\$ -	\$ 274,508.00	\$ 1,124,220.00	\$ 1,123,780.00	\$ 1,123,740.00
Additional Interest	(2)	\$ -	\$ -	\$ 79,185.00	\$ 78,315.00	\$ 77,395.00
Annual Collection Costs	(3)	\$ -	\$ 51,000.00	\$ 52,020.00	\$ 53,060.40	\$ 54,121.61
Total Annual Installment	(4) = (1) + (2) + (3)	\$ -	\$ 325,508.00	\$ 1,255,425.00	\$ 1,255,155.40	\$ 1,255,256.61

Major Improvement Area						
Annual Installments Due		1/31/2026	1/31/2027	1/31/2028	1/31/2029	1/31/2030
<i>Major Improvement Area Bonds</i>						
Principal		\$ -	\$ -	\$ 118,000.00	\$ 126,000.00	\$ 134,000.00
Interest		285,284.00	684,681.25	684,681.25	676,568.75	667,906.25
Capitalized Interest		(285,284.00)	(486,884.00)	-	-	-
TIRZ Annual Credit Amount ^[a]		-	-	-	-	-
	(1)	\$ -	\$ 197,797.25	\$ 802,681.25	\$ 802,568.75	\$ 801,906.25
Additional Interest	(2)	\$ -	\$ -	\$ 49,795.00	\$ 49,205.00	\$ 48,575.00
Annual Collection Costs	(3)	\$ -	\$ 51,000.00	\$ 52,020.00	\$ 53,060.40	\$ 54,121.61
Total Annual Installment	(4) = (1) + (2) + (3)	\$ -	\$ 248,797.25	\$ 904,496.25	\$ 904,834.15	\$ 904,602.86

Footnotes:

[a] Each year, the TIRZ No. 1 Revenue generated by each Lot shall be applied to the principal and interest portion of the Annual Installment, up to the Maximum TIRZ No. 1 Annual Credit Amount. The TIRZ No. 1 Annual Credit Amount shall be updated each year in the Annual Service Plan Update as TIRZ No. 1 Revenue is generated.

EXHIBIT D – SOURCES AND USES

	Total	Improvement Area #1	Major Improvement Area	Non-Assessed Property
Sources of Funds				
Improvement Area #1 Bond Par	\$ 15,837,000	\$ 15,837,000	\$ -	\$ -
Major Improvement Area Bond Par	9,959,000	-	9,959,000	-
Developer(s) Contribution ^[a]	8,253,690	4,994,812	(0)	3,258,879
Total Sources	\$ 34,049,690	\$ 20,831,812	\$ 9,959,000	\$ 3,258,879
Uses of Funds				
<i>Authorized Improvements</i>				
Major Improvements	\$ 10,207,257	\$ 1,756,116	\$ 7,429,720	\$ 1,021,421
Neighborhood Improvements	15,302,309	15,302,309	-	-
	\$ 25,509,566	\$ 17,058,425	\$ 7,429,720	\$ 1,021,421
<i>Private Improvements</i>				
Private Improvements	\$ 2,237,458	\$ -	\$ -	\$ 2,237,458
	\$ 2,237,458	\$ -	\$ -	\$ 2,237,458
<i>Improvement Area #1 Bonds Issuance Costs</i>				
Debt Service Reserve Fund	\$ 1,226,420	\$ 1,226,420	\$ -	\$ -
Capitalized Interest	1,071,637	1,071,637	-	-
Underwriter's Discount	475,110	475,110	-	-
Cost of Issuance	950,220	950,220	-	-
	\$ 3,723,387	\$ 3,723,387	\$ -	\$ -
<i>Major Improvement Area Bonds Issuance Costs</i>				
Debt Service Reserve Fund	\$ 810,113	\$ -	\$ 810,113	\$ -
Capitalized Interest	772,168	-	772,168	-
Underwriter's Discount	298,770	-	298,770	-
Cost of Issuance	598,228	-	598,228	-
	\$ 2,479,279	\$ -	\$ 2,479,279	\$ -
<i>First Year's Deposit to Administrative Reserves</i>				
Improvement Area #1	\$ 50,000	\$ 50,000	\$ -	\$ -
Major Improvement Area	50,000	-	50,000	-
	\$ 100,000	\$ 50,000	\$ 50,000	\$ -
Total Uses	\$ 34,049,690	\$ 20,831,812	\$ 9,959,000	\$ 3,258,879

Footnotes:

[a] Not reimbursable to Developer through Assessments or the issuance of PID Bonds.

EXHIBIT E-1 – IMPROVEMENT AREA #1 ASSESSMENT ROLL

		Improvement Area #1	
Property ID	Lot Type	Improvement Area #1 Bonds Outstanding Assessment	Annual Installment due 1/31/2027
122006	Improvement Area #1 Initial Parcel	\$ 15,837,000.00	\$ 325,508.00
Total		\$ 15,837,000.00	\$ 325,508.00

EXHIBIT E-2 – MAJOR IMPROVEMENT AREA ASSESSMENT ROLL

			Major Improvement Area Assessment Roll		
Property ID	Lot Type	Acres ^[a]	Allocation	Major Improvement Area Outstanding Assessment	Annual Installment due 1/31/2027
13920	Major Improvement Area Initial Parcel	20.00	4.05%	\$ 403,270.22	\$ 10,074.56
131193	Major Improvement Area Initial Parcel	115.38	23.36%	\$ 2,326,385.23	\$ 58,118.11
13970	Major Improvement Area Initial Parcel	358.54	72.59%	\$ 7,229,344.55	\$ 180,604.58
Major Improvement Area Total		493.91	100.00%	\$ 9,959,000.00	\$ 248,797.25

Footnotes:

[a] For billing purposes, the Annual Installment for the Major Improvement Area Initial Parcels will be billed to each Property ID within the Major Improvement Area based on acreage as reported by the applicable Appraisal District as of the date of this Service and Assessment Plan until a plat is filed within the Major Improvement Area.

EXHIBIT F-1 – IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

Annual Installments Due 1/31	Principal	Interest ^(a)	Capitalized Interest	Additional Interest	Annual Collection Costs	TIRZ Annual Credit ^(b)	Total Annual Installment ^(c)
2026	\$ -	\$ 395,925	\$ (395,925)	\$ -	\$ -	\$ -	\$ -
2027	\$ -	\$ 950,220	\$ (675,712)	\$ -	\$ 51,000	\$ -	\$ 325,508
2028	\$ 174,000	\$ 950,220	\$ -	\$ 79,185	\$ 52,020	\$ -	\$ 1,255,425
2029	\$ 184,000	\$ 939,780	\$ -	\$ 78,315	\$ 53,060	\$ -	\$ 1,255,155
2030	\$ 195,000	\$ 928,740	\$ -	\$ 77,395	\$ 54,122	\$ -	\$ 1,255,257
2031	\$ 206,000	\$ 917,040	\$ -	\$ 76,420	\$ 55,204	\$ -	\$ 1,254,664
2032	\$ 219,000	\$ 904,680	\$ -	\$ 75,390	\$ 56,308	\$ -	\$ 1,255,378
2033	\$ 232,000	\$ 891,540	\$ -	\$ 74,295	\$ 57,434	\$ -	\$ 1,255,269
2034	\$ 246,000	\$ 877,620	\$ -	\$ 73,135	\$ 58,583	\$ -	\$ 1,255,338
2035	\$ 261,000	\$ 862,860	\$ -	\$ 71,905	\$ 59,755	\$ -	\$ 1,255,520
2036	\$ 344,000	\$ 847,200	\$ -	\$ 70,600	\$ 60,950	\$ -	\$ 1,322,750
2037	\$ 365,000	\$ 826,560	\$ -	\$ 68,880	\$ 62,169	\$ -	\$ 1,322,609
2038	\$ 388,000	\$ 804,660	\$ -	\$ 67,055	\$ 63,412	\$ -	\$ 1,323,127
2039	\$ 412,000	\$ 781,380	\$ -	\$ 65,115	\$ 64,680	\$ -	\$ 1,323,175
2040	\$ 437,000	\$ 756,660	\$ -	\$ 63,055	\$ 65,974	\$ -	\$ 1,322,689
2041	\$ 464,000	\$ 730,440	\$ -	\$ 60,870	\$ 67,293	\$ -	\$ 1,322,603
2042	\$ 493,000	\$ 702,600	\$ -	\$ 58,550	\$ 68,639	\$ -	\$ 1,322,789
2043	\$ 524,000	\$ 673,020	\$ -	\$ 56,085	\$ 70,012	\$ -	\$ 1,323,117
2044	\$ 556,000	\$ 641,580	\$ -	\$ 53,465	\$ 71,412	\$ -	\$ 1,322,457
2045	\$ 591,000	\$ 608,220	\$ -	\$ 50,685	\$ 72,841	\$ -	\$ 1,322,746
2046	\$ 628,000	\$ 572,760	\$ -	\$ 47,730	\$ 74,297	\$ -	\$ 1,322,787
2047	\$ 667,000	\$ 535,080	\$ -	\$ 44,590	\$ 75,783	\$ -	\$ 1,322,453
2048	\$ 709,000	\$ 495,060	\$ -	\$ 41,255	\$ 77,299	\$ -	\$ 1,322,614
2049	\$ 754,000	\$ 452,520	\$ -	\$ 37,710	\$ 78,845	\$ -	\$ 1,323,075
2050	\$ 801,000	\$ 407,280	\$ -	\$ 33,940	\$ 80,422	\$ -	\$ 1,322,642
2051	\$ 852,000	\$ 359,220	\$ -	\$ 29,935	\$ 82,030	\$ -	\$ 1,323,185
2052	\$ 905,000	\$ 308,100	\$ -	\$ 25,675	\$ 83,671	\$ -	\$ 1,322,446
2053	\$ 962,000	\$ 253,800	\$ -	\$ 21,150	\$ 85,344	\$ -	\$ 1,322,294
2054	\$ 1,023,000	\$ 196,080	\$ -	\$ 16,340	\$ 87,051	\$ -	\$ 1,322,471
2055	\$ 1,088,000	\$ 134,700	\$ -	\$ 11,225	\$ 88,792	\$ -	\$ 1,322,717
2056	\$ 1,157,000	\$ 69,420	\$ -	\$ 5,785	\$ 90,568	\$ -	\$ 1,322,773
Total	\$ 15,837,000	\$ 19,774,965	\$ (1,071,637)	\$ 1,535,735	\$ 2,068,972	\$ -	\$ 38,145,035

Footnotes:

[a] Interest is calculated at a rate of 6.00% for illustrative purposes.

[b] TIRZ No. 1 Annual Credit Amount will be calculated annually as described in Section V.F.

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

EXHIBIT F-2 – MAJOR IMPROVEMENT AREA ANNUAL INSTALLMENTS

Annual Installments Due 1/31	Principal	Interest ^(a)	Capitalized Interest	Additional Interest	Annual Collection Costs	TIRZ Annual Credit ^(b)	Total Annual Installment ^(c)
2026	\$ -	\$ 285,284	\$ (285,284)	\$ -	\$ -	\$ -	\$ -
2027	\$ -	\$ 684,681	\$ (486,884)	\$ -	\$ 51,000	\$ -	\$ 248,797
2028	\$ 118,000	\$ 684,681	\$ -	\$ 49,795	\$ 52,020	\$ -	\$ 904,496
2029	\$ 126,000	\$ 676,569	\$ -	\$ 49,205	\$ 53,060	\$ -	\$ 904,834
2030	\$ 134,000	\$ 667,906	\$ -	\$ 48,575	\$ 54,122	\$ -	\$ 904,603
2031	\$ 143,000	\$ 658,694	\$ -	\$ 47,905	\$ 55,204	\$ -	\$ 904,803
2032	\$ 152,000	\$ 648,863	\$ -	\$ 47,190	\$ 56,308	\$ -	\$ 904,361
2033	\$ 162,000	\$ 638,413	\$ -	\$ 46,430	\$ 57,434	\$ -	\$ 904,277
2034	\$ 173,000	\$ 627,275	\$ -	\$ 45,620	\$ 58,583	\$ -	\$ 904,478
2035	\$ 185,000	\$ 615,381	\$ -	\$ 44,755	\$ 59,755	\$ -	\$ 904,891
2036	\$ 197,000	\$ 602,663	\$ -	\$ 43,830	\$ 60,950	\$ -	\$ 904,442
2037	\$ 211,000	\$ 589,119	\$ -	\$ 42,845	\$ 62,169	\$ -	\$ 905,132
2038	\$ 225,000	\$ 574,613	\$ -	\$ 41,790	\$ 63,412	\$ -	\$ 904,815
2039	\$ 240,000	\$ 559,144	\$ -	\$ 40,665	\$ 64,680	\$ -	\$ 904,489
2040	\$ 257,000	\$ 542,644	\$ -	\$ 39,465	\$ 65,974	\$ -	\$ 905,083
2041	\$ 274,000	\$ 524,975	\$ -	\$ 38,180	\$ 67,293	\$ -	\$ 904,448
2042	\$ 293,000	\$ 506,138	\$ -	\$ 36,810	\$ 68,639	\$ -	\$ 904,587
2043	\$ 313,000	\$ 485,994	\$ -	\$ 35,345	\$ 70,012	\$ -	\$ 904,351
2044	\$ 335,000	\$ 464,475	\$ -	\$ 33,780	\$ 71,412	\$ -	\$ 904,667
2045	\$ 358,000	\$ 441,444	\$ -	\$ 32,105	\$ 72,841	\$ -	\$ 904,389
2046	\$ 383,000	\$ 416,831	\$ -	\$ 30,315	\$ 74,297	\$ -	\$ 904,444
2047	\$ 410,000	\$ 390,500	\$ -	\$ 28,400	\$ 75,783	\$ -	\$ 904,683
2048	\$ 439,000	\$ 362,313	\$ -	\$ 26,350	\$ 77,299	\$ -	\$ 904,961
2049	\$ 470,000	\$ 332,131	\$ -	\$ 24,155	\$ 78,845	\$ -	\$ 905,131
2050	\$ 503,000	\$ 299,819	\$ -	\$ 21,805	\$ 80,422	\$ -	\$ 905,046
2051	\$ 538,000	\$ 265,238	\$ -	\$ 19,290	\$ 82,030	\$ -	\$ 904,558
2052	\$ 576,000	\$ 228,250	\$ -	\$ 16,600	\$ 83,671	\$ -	\$ 904,521
2053	\$ 617,000	\$ 188,650	\$ -	\$ 13,720	\$ 85,344	\$ -	\$ 904,714
2054	\$ 661,000	\$ 146,231	\$ -	\$ 10,635	\$ 87,051	\$ -	\$ 904,917
2055	\$ 708,000	\$ 100,788	\$ -	\$ 7,330	\$ 88,792	\$ -	\$ 904,910
2056	\$ 758,000	\$ 52,113	\$ -	\$ 3,790	\$ 90,568	\$ -	\$ 904,471
Total	\$ 9,959,000	\$ 14,261,815	\$ (772,168)	\$ 966,680	\$ 2,068,972	\$ -	\$ 26,484,299

Footnotes:

[a] Interest is calculated at a rate of 6.875% for illustrative purposes.

[b] TIRZ No. 1 Annual Credit Amount will be calculated annually as described in Section V.F.

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

EXHIBIT G-1 – MAXIMUM ASSESSMENT PER LOT TYPE

Improvement Area #1							
Lot Type	Units	Estimated Lot Value ^[a]	Total Finished Lot Value	Estimated Buildout Value		Total Estimated Buildout Value	IA#1 Total Assessment
				per Unit ^[a]			IA#1 Maximum Assessment Per Unit
1	414	\$ 71,000	\$29,394,000	\$ 325,000		\$ 134,550,000	\$ 15,837,000
Total			\$29,394,000			\$ 134,550,000	\$ 15,837,000

Footnotes:

[a] Values provided by the Developer.

EXHIBIT G-2 – TIRZ MAXIMUM CREDIT PER LOT TYPE

TIRZ Maximum Credit per Lot Type: 2026 - 2035

Lot Type	Improvement Area	Units	Assessment per Unit	Estimated Buildout Value Per Unit	Improvement Area #1	Average Annual Installment Per Unit	Pre-TIRZ Equivalent Tax Rate	TIRZ Buydown Tax Rate ^[a]	Post-TIRZ Equivalent Tax Rate	TIRZ Maximum Annual Credit
1	Improvement Area #1	414	\$ 38,253.62	\$ 325,000	\$ 3,032.01	\$ 0.9329	\$ (0.1998)	\$ 0.7331	\$ 649.35	Per Lot

Notes:

[a] TIRZ buydown tax rate for the years 2026-2035 is calculated as 23.0% of the City's 2025 tax rate (\$0.5093) plus 23.0% of the County's M&O portion of the 2025 tax rate (\$0.3594).

TIRZ Maximum Credit per Lot Type: 2036 - 2055

Lot Type	Improvement Area	Units	Assessment per Unit	Estimated Buildout Value Per Unit	Improvement Area #1	Average Annual Installment Per Unit	Pre-TIRZ Equivalent Tax Rate	TIRZ Buydown Tax Rate ^[a]	Post-TIRZ Equivalent Tax Rate	TIRZ Maximum Annual Credit
1	Improvement Area #1	414	\$ 38,253.62	\$ 325,000	\$ 3,195.02	\$ 0.9831	\$ (0.2476)	\$ 0.7355	\$ 804.63	Per Lot

Notes:

[a] TIRZ buydown tax rate for the years 2036-2055 is calculated as 28.5% of the City's 2025 tax rate (\$0.5093) plus 28.5% of the County's M&O portion of the 2025 tax rate (\$0.3594).

EXHIBIT G-3 – DISTRICT ESTIMATED BUILDOUT VALUE

Lot Size	Units	Estimated Buildout Value Per Unit	Total Estimated Buildout Value	% of Improvement Area	% of District
Improvement Area #1					
50'	414	\$ 325,000	\$ 134,550,000	100.00%	19.12%
Total			\$ 134,550,000	100.00%	19.12%

Lot Size	Units	Estimated Buildout Value Per Unit	Total Estimated Buildout Value	% of Improvement Area	% of District
MIA - Future Improvement Area #2					
70'	35	\$ 465,000	\$ 16,275,000	2.86%	2.31%
60'	70	\$ 395,000	\$ 27,650,000	4.86%	3.93%
50'	509	\$ 325,000	\$ 165,425,000	29.06%	23.50%
45'	350	\$ 290,000	\$ 101,500,000	17.83%	14.42%
40'	565	\$ 280,000	\$ 158,200,000	27.79%	22.48%
35'	295	\$ 260,000	\$ 76,700,000	13.47%	10.90%
25'	94	\$ 250,000	\$ 23,500,000	4.13%	3.34%
Total			\$ 569,250,000	100.00%	80.88%

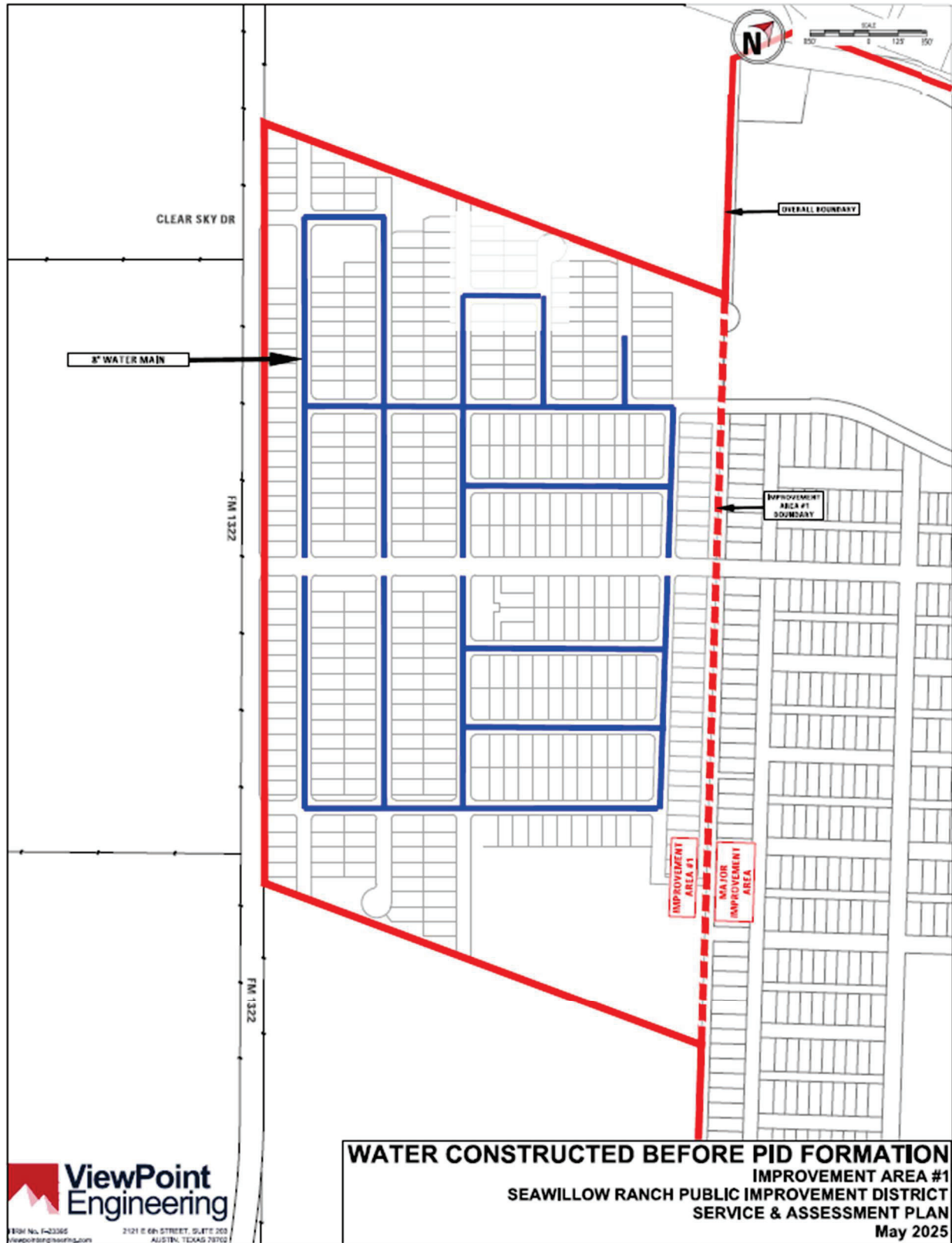
District Total Estimated Buildout Value: \$ 703,800,000

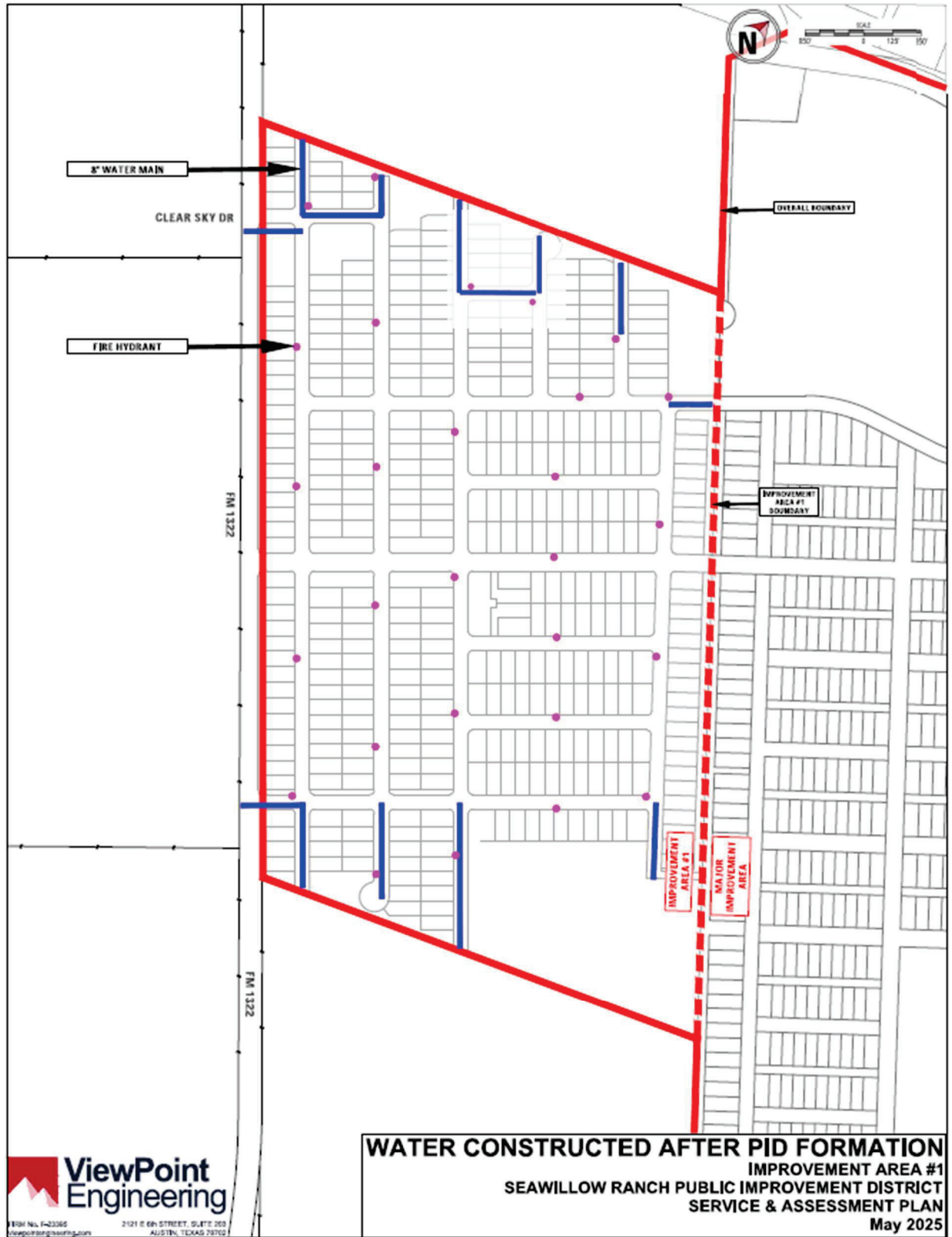
EXHIBIT G-4 – ALLOCATION OF MAJOR IMPROVEMENTS

Allocation of Roadway, Water & Drainage Major Improvements						
Use	Acreage	Benefited	Allocation	Allocation %	Assessed/Non-Assessed	Assessed \$
Residential Single Family - MIA	403.03	Y	MIA	68.76%	A	\$ 4,944,310
Residential Townhomes - MIA	10.04	Y	MIA	1.71%	A	123,169
Central Commercial District (CCD)	22.5	Y	Private	3.84%	NA	276,027
Medium Commercial District (MCD)	16.44	Y	Private	2.80%	NA	201,683
ISD:	40.56	Y	Private	6.92%	NA	497,584
Lift Station:	1.42	N	-	0.00%	-	-
Service Lot:	3.76	Y	Private	0.64%	NA	46,127
Water Tower:	1.02	N	-	0.00%	-	-
Residential Single Family - Phase 1:	89.78	Y	IA#1	15.32%	A	1,101,407
Total	588.55			100.00%	85.79%	\$ 7,190,308

EXHIBIT H – MAPS OF IMPROVEMENT AREA #1 IMPROVEMENTS







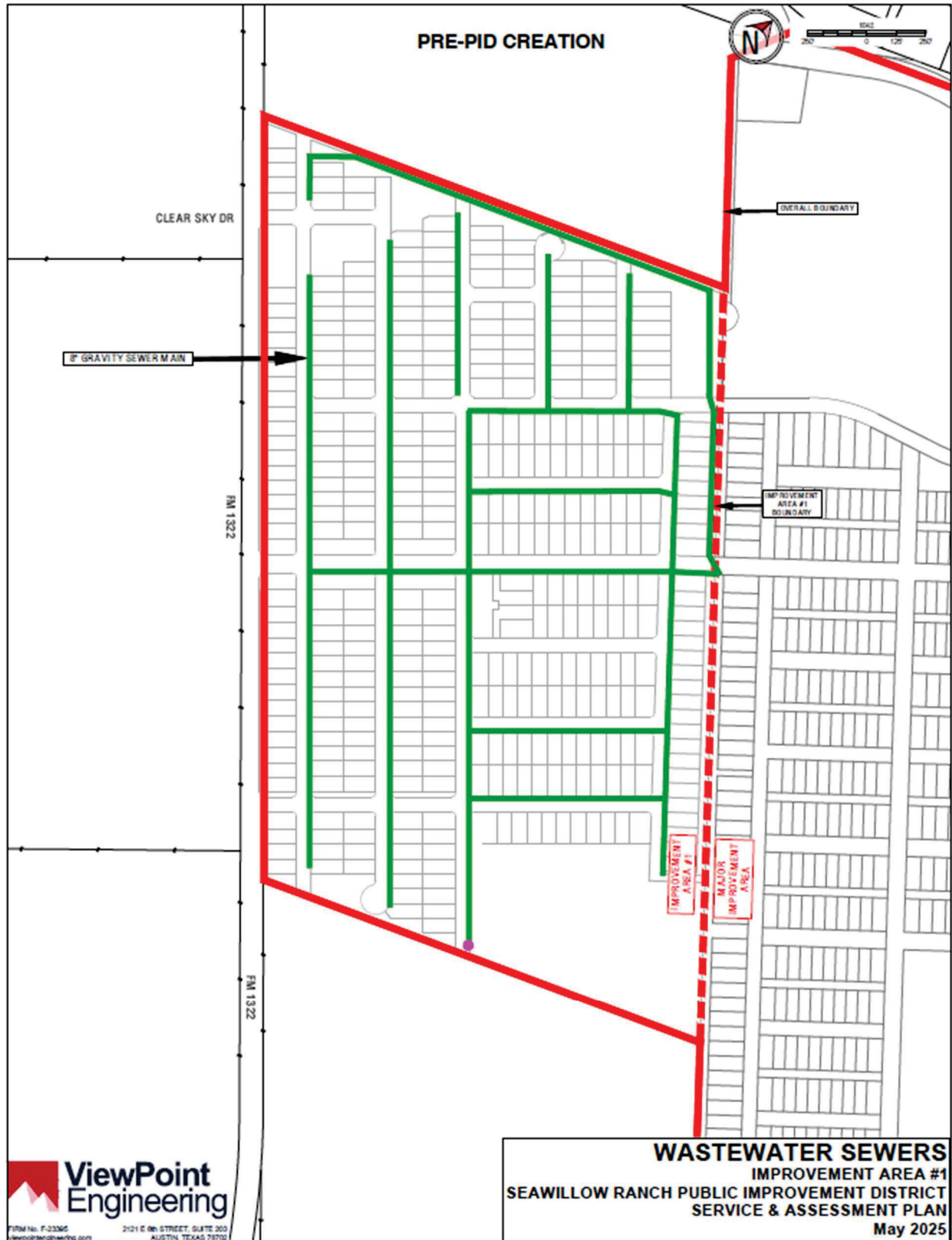
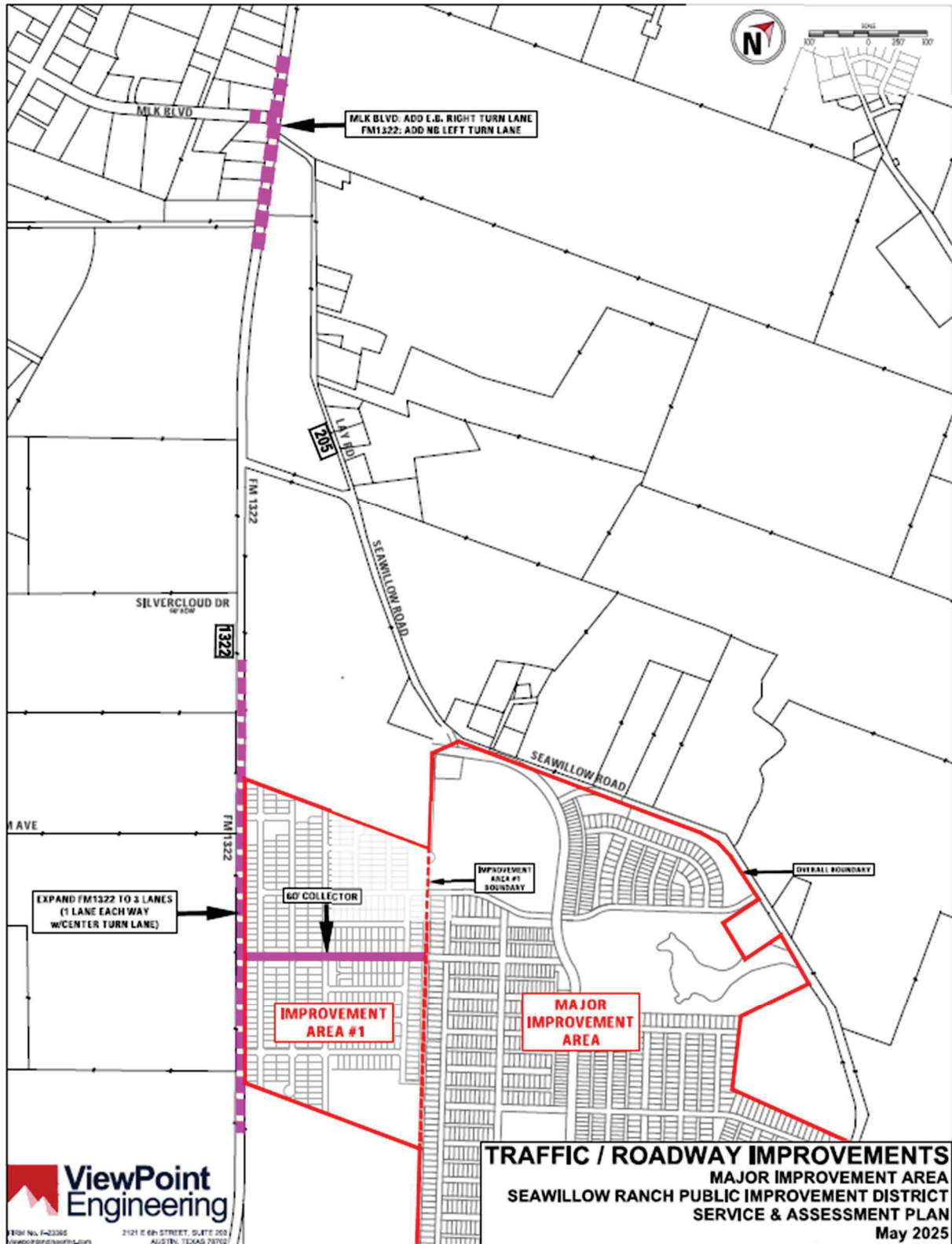
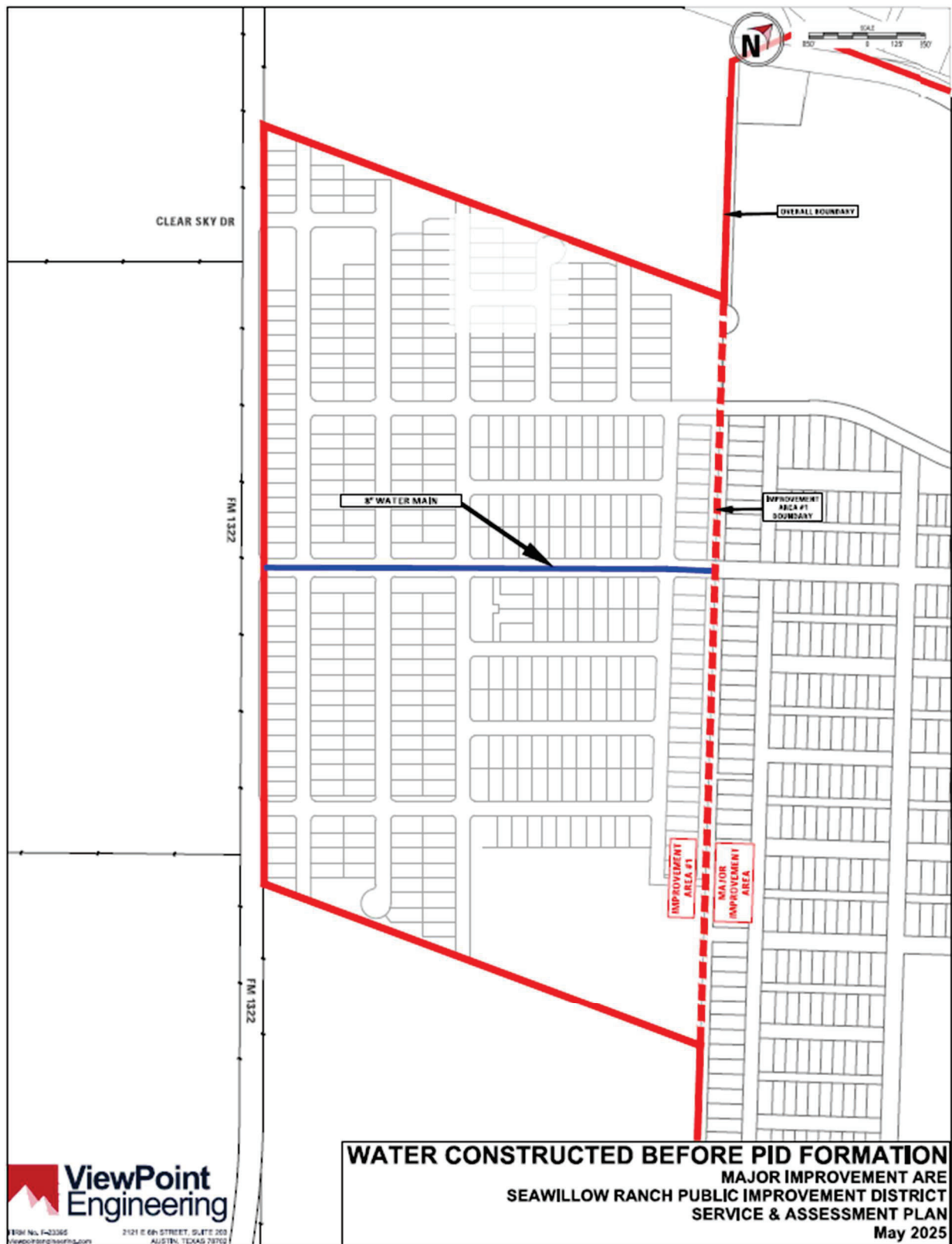
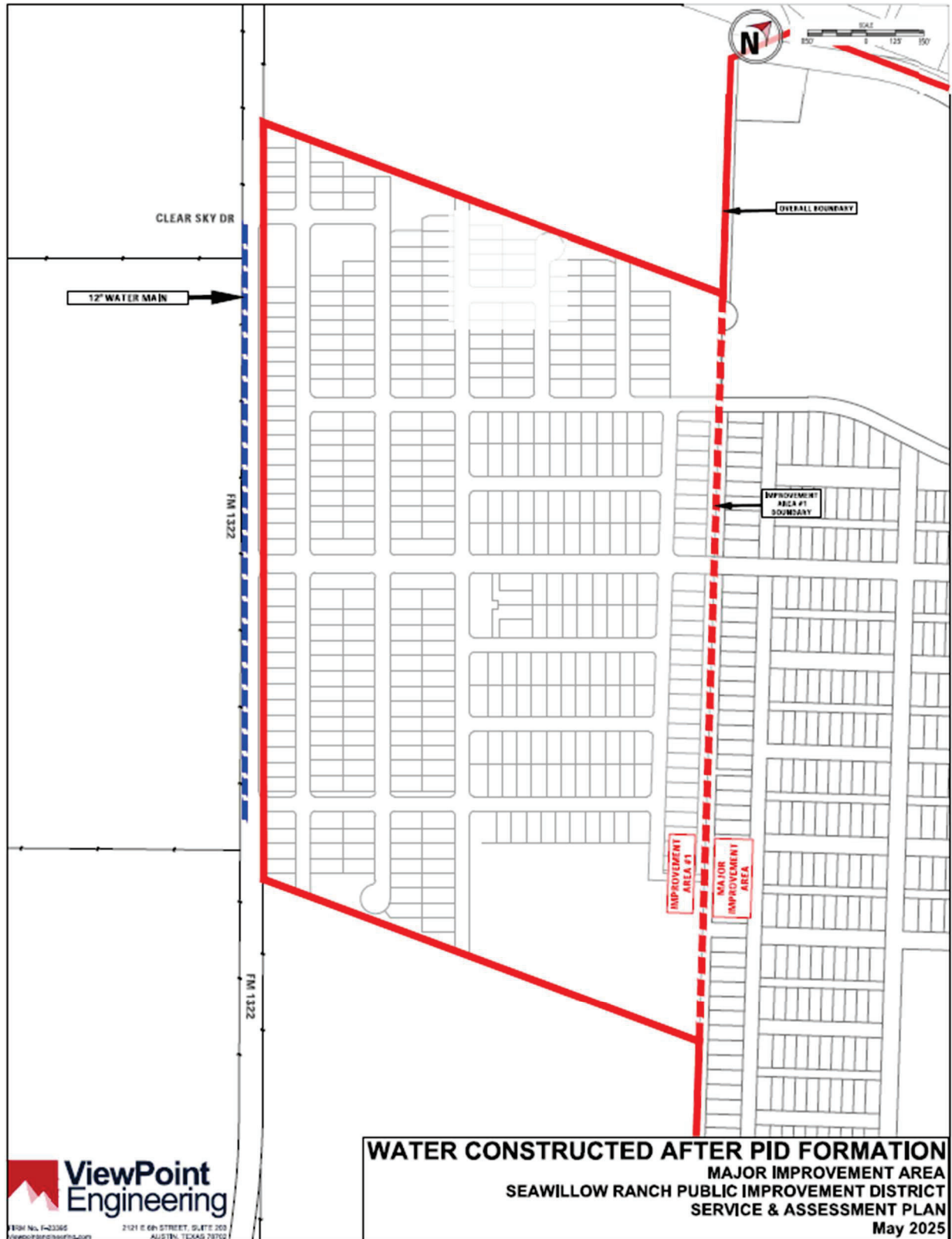


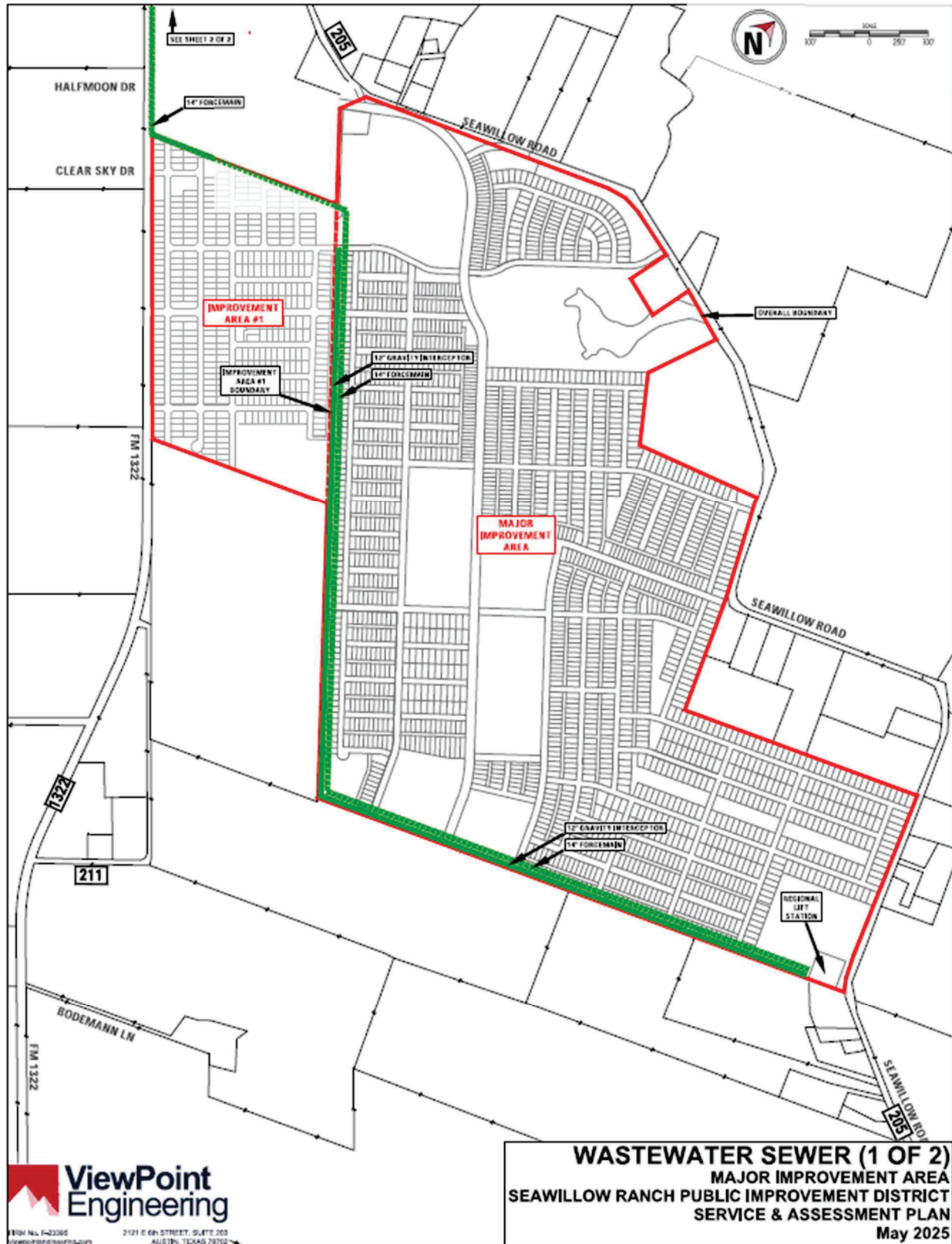


EXHIBIT I – MAPS OF MAJOR IMPROVEMENTS









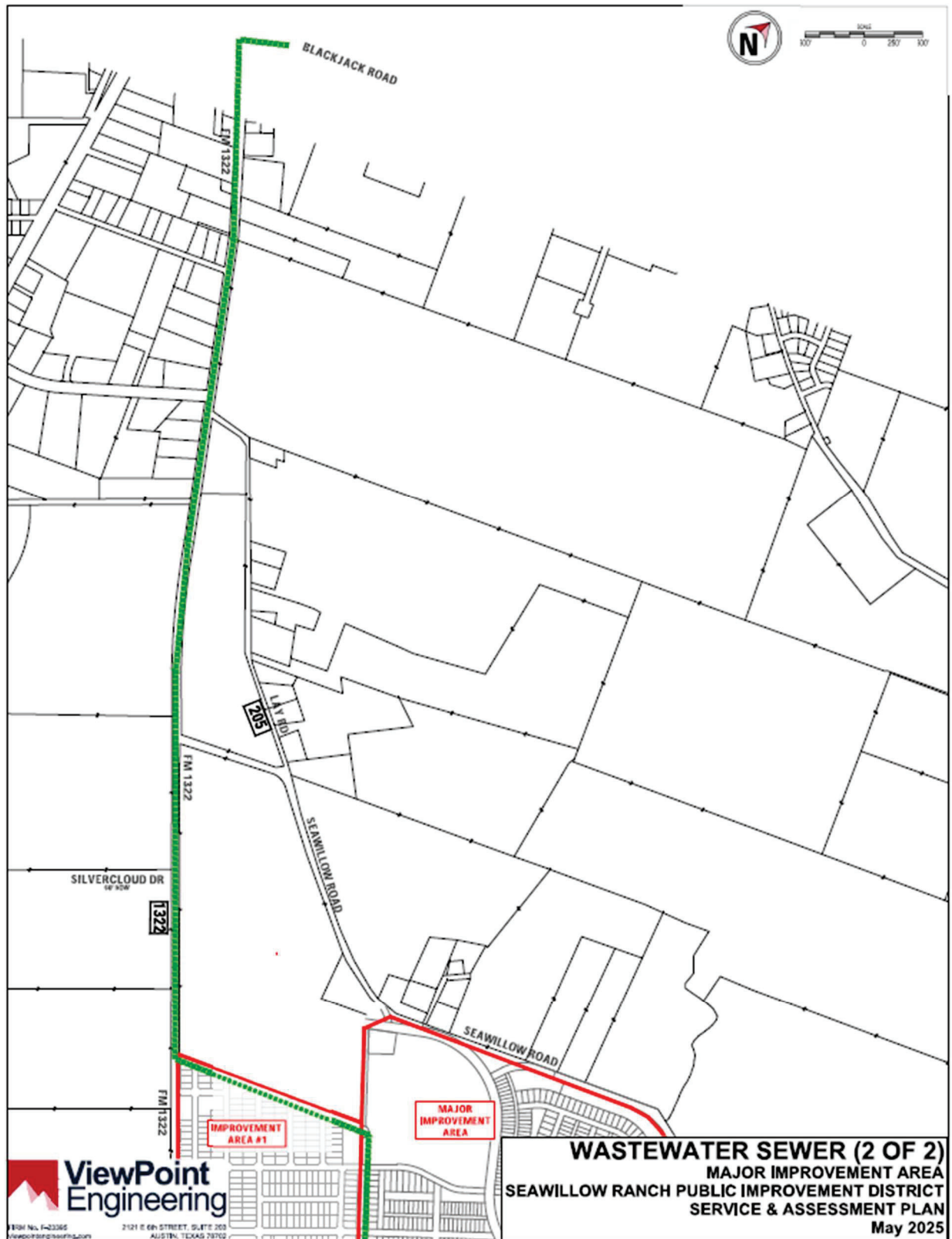


EXHIBIT J – NOTICE OF PID ASSESSMENT LIEN TERMINATION



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

[Date]
Caldwell County Clerk's Office
Honorable [County Clerk Name]
County Clerk Main Office
1703 S Colorado St #1200
Lockhart, TX 78644

Re: City of Lockhart Lien Release documents for filing

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

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

City of Lockhart
Attn: [City Secretary]
308 W San Antonio St,
Lockhart, TX 78644

Please contact P3Works if you have any questions or need additional information.

P: (888) 417-7074
admin@p3-works.com

AFTER RECORDING RETURN TO:

**[City Secretary Name]
308 W San Antonio St,
Lockhart, TX 78644**

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

FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN

STATE OF TEXAS	§	
	§	KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF CALDWELL	§	

THIS FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN (this “Full Release”) is executed and delivered as of the Effective Date by the City of Lockhart, Texas, a Texas home rule municipality.

RECITALS

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

WHEREAS, on or about October 15, 2024, the City Council for the City, approved Resolution No. 2024-26, creating the Seawillow Public Improvement District; and

WHEREAS, the Seawillow Public Improvement District consists of approximately 588.547 contiguous acres located within the corporate limits of the City; and

WHEREAS, on or about March 3, 2026, the City Council, approved Ordinance No. _____, (hereinafter referred to as the “Assessment Ordinance”) levying assessments on the Property (hereinafter defined) and approving a service and assessment plan and assessment roll for the Seawillow Public Improvement District; and

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

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

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

RELEASE

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

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

CITY OF LOCKHART, TEXAS,
A Texas home rule municipality,

By: _____
[Manager Name], City Manager

ATTEST:

[Secretary Name], City Secretary

STATE OF TEXAS §
§
COUNTY OF CALDWELL §

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

Notary Public, State of Texas

EXHIBIT K-1 – IMPROVEMENT AREA #1 BONDS DEBT SERVICE SCHEDULE

[TO BE UPDATED AT BOND PRICING]

EXHIBIT K-2 – MAJOR IMPROVEMENT AREA BONDS DEBT SERVICE SCHEDULE

[TO BE UPDATED AT BOND PRICING]

EXHIBIT L-1 – DISTRICT LEGAL DESCRIPTION

PID BOUNDARY

LEGAL DESCRIPTION

BEING a 588.547 acre tract of land situated in the JOHN A. NEILL SURVEY, ABSTRACT No. 20, Caldwell County, Texas, and being all of the called 89.769 acres of land as described in deed as recorded in Document Number 2021-006882, Real Property Records, Caldwell County, Texas, and a portion of the called 160.00 acres of land described in deed as recorded in Volume 28, Page 146 of the Real Property Records, Caldwell County, Texas, SAVE & EXCEPT the called 3.007 acres of land described in deed recorded in Instrument Number 2018-003545 Real Property Records, Caldwell County, Texas, and all of the 358.536 acres of land as described in deed as recorded in Volume 209, Page 425, Official Public Records, Caldwell County, Texas and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch capped iron rod found, marked Hinkle Surveying, on the Northeast Right-of-Way line of Farm to Market Road 1322, an 80 foot Right-of-Way, and for the Northwest corner of a called 85.00 acre tract of land as described in a deed to Charles D. Spillmann and Jane Spillmann as recorded in Document Number 2016-005533 of said Official Public Records, same being the Southwest corner of said 169.811 acre tract and the of this herein described tract;

THENCE North 31° 43' 06" West, along said Right-of-Way and the Southwest line of said 89.775 acre tract, a distance of **2,572.95 feet** to a 1/2 inch capped iron rod found, marked Jones Carter Prop Corner, for the Southwest corner of a called 80.04 acre tract of land as described in deed to Vema Investments, LLC. as recorded in Instrument 2021-007855 of said Official Public Records, same being a Northwest corner of said 89.775 acre tract;

THENCE North 78° 46' 11" East, along the common line of said 80.04 acres and said 89.775 acres, a distance of **1,665.32 feet** to a 1/2 inch iron rod found on the Southwest line of a called 358.536 acre tract of land as described in a deed to David V. Acevedo and Marge Margarita Acevedo as recorded in Volume 209, Page 425 of said Official Public Records, and being the Southeast corner of said 80.04 acres;

THENCE North 29°54'41" West, along the common line of said 358.536 acres and said 80.04 acres, a distance of **956.23 feet** to a 1/2 inch iron rod found for an interior angle point in the West line of a called 2.606 acre tract of land described in deed to Ray C. Nash and wife, Helen K. Nash as recorded in Volume 76, Page 743 of said Official Public Records, same being a Northwest corner of said 358.536 acres;

THENCE North 12°42'23" East, along the common line of said 358.536 acres and said 2.606 acres, a distance of **100.55 feet** to a 1 inch iron pipe found on the South Right-of-Way line of County Road 205, a.k.a. Seawillow Road, a variable width Right-of-Way;

THENCE along the South Right-of-way and the North line of said 358.536 acres the following bearings and distances:

South 72°03'50" East, a distance of **65.07 feet** to a 1/2 inch iron rod found capped;

South 86°16'07" East, a distance of **189.45 feet** to a 1/2 inch iron rod found capped;

North 79°02'20" East, a distance of **350.87 feet** to a three way fence corner post found;

North 78°34'18" East, a distance of **1,963.89 feet** to a 1/2 inch iron rod capped DATAPOINT#10194585 set;

South 64°47'06" East, a distance of **592.08 feet** to a 1/2" iron rod found capped for the North corner of a called 3.07 acre tract of land described in deed to Chris C. Chapman and Kimberly K. Hoffman Chapman as recorded in Instrument Number 2018-003545 of said Official Public Records;

THENCE departing said South Right-of-Way, along the common line of said 3.07 acres and said 358.536 acres the following bearings and distances:

South 24°46'35" West, a distance of **365.69 feet** to a 1/2 inch iron rod found capped;

South 62°46'06" East, a distance of **358.21 feet** to a fence corner post found;

North 24°38'27" East, a distance of **366.83 feet** to a 5/8 inch iron rod found on said South Right-of-Way, for the East corner of said 3.07 acres;

THENCE South 61°15'06" East, along said South Right-of-Way line, a distance of **472.51 feet** to a 1/2 inch iron rod capped DATAPOINT#10194585 set for the North corner of the 20.000 acre remainder of said 160 acre tract;

THENCE over and across, said 160 acres the following three (3) courses and distances:

South 32°22'32" West, a distance of **639.03 feet** to a 1/2 inch iron rod capped DATAPOINT#10194585 set;

South 24°59'14" East, a distance of **617.22 feet** to a 1/2 inch iron rod capped DATAPOINT#10194585 set;

North 82°35'38" East, a distance of **1096.03 feet** to a 1/2 inch iron rod capped DATAPOINT#10194585 set on the West Right-of-Way line of said CR 205 and the East line of said 160 acres;

THENCE South 14°17'18" East, a distance of **970.10 feet** to a "L" bracket with flagging found for the Northwest corner of a called 1.997 acre tract of land as described in deed to Russell A. Nickel, a single man, as recorded in Instrument Number 2020-003246 of said Official Public Records, and being on the East line of said 358.536 acres;

THENCE South 11°10'32" East, along the East line of said 358.536 acres, passing a 5/8 inch iron rod found for the Northwest corner of a called 9.152 acre tract of land as described in the deed to Brenda Gayle Bagwell Hagan, a married person, as her separate property and estate as recorded in Instrument Number 2021004181 of said Official Public Records, same being the Southwest corner of said 1.997 acres, continuing a total distance of **935.26 feet** to a 6 inch wood fence corner post found for the Southwest corner of said 9.152 acres, same being an interior ell corner of said 358.536 acres;

THENCE North 78°31'19" East, along a North line of said 358.536 and along the South line of said 9.152 acres and a called 9.152 acres of land as described in deed to William R Hagan and Brenda G Hagan, husband and wife, as recorded in Volume 273, Page 537 of said Official Public Records, and the South line of a called 9.15 acres of land described in deed to Delores Stanton Revocable Trust as recorded in Instrument Number 2023-003597 of said Official Public Records, a distance of **2095.92 feet** to a 6 inch wood fence corner post found on the West Right-of-Way line of said CR 205 for a Northeast corner of said 358.536 acres, same being the Southeast corner of said 9.15 acres;

THENCE along the West Right-of-Way line of said CR 205 the following bearings and distances:
South 09°58'20" East, a distance of **1445.88 feet** to a 1/2 inch iron rod capped DATAPOINT#10194585 set;

South 13°05'03" East, a distance of **202.27 feet** to a 1/2 inch iron rod capped DATAPOINT#10194585 set;

South 23°19'16" East, a distance of **157.39 feet** to a 1/2 inch iron rod found capped for the Northeast corner of Lot 1, 2 and 3, Commanche Hill, Section One, a Subdivision in Caldwell County, Texas according to the Map or Plat of Records in Plat Cabinet A, Slide 28, Plat Records of Caldwell County, as described in deed to Beatrice Madrigal, a single person and John S. Rosales, a single person as recorded in Instrument Number 126568 of Official Public Records, same being the Southernmost Southeast corner of said 358.536 acres;

THENCE South 78°28'58" West, along the South line of said 358.536 acres, a distance of **4735.83 feet** to a 1 inch iron pipe found for the Southeast corner of said 85.00 acres and being the Southernmost Southwest corner of said 358.536 acres, from which a 1/2 inch iron rod found for the Southwest corner of said 85.00 acres bears South 78° 47' 06" West, a distance of 1,503.48 feet;

THENCE North 29°54'41" West, along the common line of said 85.00 acres and said 358.536 acres, a distance of **2533.18 feet** to a calculated point from which a 1/2 inch iron rod found capped "Hinkle Surveying" bears, South 78° 48' 18" West, a distance of 0.35 feet for the Northeast corner of said 85.00 acres and being the Southeast corner of said 89.775 acres;

THENCE South 78°46'18" West, along the South line of said 89.775 acres and the North line of said 85.00 acres, a distance of **1579.70 feet** to the **POINT OF BEGINNING**, containing an area of 25,637,112 Square Feet and/or **588.547 Acres** of land, more or less.

EXHIBIT L-2 – IMPROVEMENT AREA #1 LEGAL DESCRIPTION

TRACT 1/IMPROVEMENT AREA #1

LEGAL DESCRIPTION

BEING 89.775 acres of land situated in the J.A. NEILL SURVEY, ABSTRACT NO. 20, Caldwell County, Texas, and being a portion of and part of a called 169.811 acres of land described in deed to SVAG Investments, LLC, a Texas Limited Liability Company, as recorded in Document Number 2021-006881 of the Official Public Records of Caldwell County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch capped iron rod found, marked Hinkle Surveying, on the Northeast Right-of-Way line of Farm to Market Road 1322, an 80 foot Right-of-Way, and for the Northwest corner of a called 85.00 acre tract of land as described in a deed to Charles D. Spillmann and Jane Spillmann as recorded in Document Number 2016-005533 of said Official Public Records, same being the Southwest corner of said 169.811 acre tract and the of this herein described tract;

THENCE North 31 degrees 43 minutes 06 seconds West, along said Right-of-Way and the Southwest line of this tract, a distance of 2,572.95 feet to a 1/2 inch capped iron rod found, marked Jones Carter Prop Corner, for the Northwest corner of this herein described tract;

THENCE North 78 degrees 46 minutes 11 seconds East, crossing said 169.811 acre tract, a distance of 1,665.32 feet to a 1/2 inch iron rod found on the Southwest line of a called 358.536 acre tract of land as described in a deed to David V. Acevedo and Marge Margarita Acevedo as recorded in Volume 209, Page 425 of said Official Public Records, same being the Northeast line of said 169.811 acre tract, and being the Northeast corner of this herein described tract;

THENCE South 29 degrees 54 minutes 41 seconds East, along the common line of said 358.536 acre tract, a distance of 2,544.30 feet to a 1/2 inch capped iron rod found, marked Hinkle Surveying, for the Northeast corner of said 85.00 acre tract, and being the Southeast corner of this tract;

THENCE South 78 degrees 46 minutes 18 seconds West, along the common line of said 85.00 acre tract, a distance of 1,579.70 feet to the **POINT OF BEGINNING**, containing 3,910,599 square feet and/or 89.775 acres of land, more or less.

EXHIBIT L-3 – MAJOR IMPROVEMENT AREA LEGAL DESCRIPTION

TRACT 2/MAJOR IMPROVEMENT AREA

LEGAL DESCRIPTION

BEING a 498.778 acre tract of land situated in the JOHN A. NEILL SURVEY, ABSTRACT No. 20, Caldwell County, Texas, and being a portion of the called 160.00 acres of land described in deed as recorded in Volume 28, Page 146 of the Real Property Records, Caldwell County, Texas, SAVE & EXCEPT the called 3.007 acres of land described in deed recorded in Instrument Number 2018-003545 Real Property Records, Caldwell County, Texas, and all of the 358.536 acres of land as described in deed as recorded in Volume 209, Page 425, Official Public Records, Caldwell County, Texas, SAVE & EXCEPT a certain 20.000 acres, said 498.778 acres being more particularly described by metes and bounds as follows:

COMMENCING at a 1/2 inch capped iron rod found, marked Hinkle Surveying, on the Northeast Right-of-Way line of Farm to Market Road 1322, an 80 foot Right-of-Way, and for the Northwest corner of a called 85.00 acre tract of land as described in a deed to Charles D. Spillmann and Jane Spillmann as recorded in Document Number 2016-005533 of said Official Public Records, same being the Southwest corner of said 169.811 acre tract and the of this herein described tract; **THENCE North 31° 43' 06" West**, along said Right-of-Way and the Southwest line of said 89.775 acre tract, a distance of **2,572.95 feet** to a 1/2 inch capped iron rod found, marked Jones Carter Prop Corner, for the Southwest corner of a called 80.04 acre tract of land as described in deed to Vema Investments, LLC. as recorded in Instrument 2021-007855 of said Official Public Records, same being a Northwest corner of said 89.775 acre tract; **THENCE North 78° 46' 11" East**, along the common line of said 80.04 acres and said 89.775 acres, a distance of **1,665.32 feet** to a 1/2 inch iron rod found for the **POINT OF BEGINNING** on the Southwest line of said 358.536 acre tract, for the Southeast corner of said 80.04 acres, same being the Northeast corner of said 89.775 acres;

THENCE North 29° 54' 41" West, along the common line of said 358.536 acres and said 80.04 acres, a distance of **956.23 feet** to a 1/2 inch iron rod found for an interior angle point in the West line of a called 2.606 acre tract of land described in deed to Ray C. Nash and wife, Helen K. Nash as recorded in Volume 76, Page 743 of said Official Public Records, same being a Northwest corner of said 358.536 acres;

THENCE North 12° 42' 23" East, along the common line of said 358.536 acres and said 2.606 acres, a distance of **100.55 feet** to a 1 inch iron pipe found on the South Right-of-Way line of County Road 205, a.k.a. Seawillow Road, a variable width Right-of-Way;

THENCE along the South Right-of-way and the North line of said 358.536 acres the following bearings and distances:

South 72°03'50" East, a distance of **65.07 feet** to a 1/2 inch iron rod found capped;

South 86°16'07" East, a distance of **189.45 feet** to a 1/2 inch iron rod found capped;

North 79°02'20" East, a distance of **350.87 feet** to a three way fence corner post found;

North 78°34'18" East, a distance of **1,963.89 feet** to a 1/2 inch iron rod capped DATAPOINT#10194585 set;

South 64°47'06" East, a distance of **592.08 feet** to a 1/2" iron rod found capped for the North corner of a called 3.07 acre tract of land described in deed to Chris C. Chapman and Kimberly K. Hoffman Chapman as recorded in Instrument Number 2018-003545 of said Official Public Records;

THENCE departing said South Right-of-Way, along the common line of said 3.07 acres and said 358.536 acres the following bearings and distances:

South 24°46'35" West, a distance of **365.69 feet** to a 1/2 inch iron rod found capped;

South 62°46'06" East, a distance of **358.21 feet** to a fence corner post found;

North 24°38'27" East, a distance of **366.83 feet** to a 5/8 inch iron rod found on said South Right-of-Way, for the East corner of said 3.07 acres;

THENCE South 61°15'06" East, along said South Right-of-Way line, a distance of **472.51 feet** to a 1/2 inch iron rod capped DATAPOINT#10194585 set for the North corner of the 20.000 acre remainder of said 160 acre tract;

THENCE over and across, said 160 acres the following three (3) courses and distances:

South 32°22'32" West, a distance of **639.03 feet** to a 1/2 inch iron rod capped DATAPOINT#10194585 set;

South 24°59'14" East, a distance of **617.22 feet** to a 1/2 inch iron rod capped DATAPOINT#10194585 set;

North 82°35'38" East, a distance of **1096.03 feet** to a 1/2 inch iron rod capped DATAPOINT#10194585 set on the West Right-of-Way line of said CR 205 and the East line of said 160 acres;

THENCE South 14°17'18" East, a distance of **970.10 feet** to a "L" bracket with flagging found for the Northwest corner of a called 1.997 acre tract of land as described in deed to Russell A. Nickel, a single man, as recorded in Instrument Number 2020-003246 of said Official Public Records, and being on the East line of said 358.536 acres;

THENCE South 11°10'32" East, along the East line of said 358.536 acres, passing a 5/8 inch iron rod found for the Northwest corner of a called 9.152 acre tract of land as described in the deed to Brenda Gayle Bagwell Hagan, a married person, as her separate property and estate as recorded in Instrument Number 2021004181 of said Official Public Records, same being the Southwest corner of said 1.997 acres, continuing a total distance of **935.26 feet** to a 6 inch wood fence corner post found for the Southwest corner of said 9.152 acres, same being an interior ell corner of said 358.536 acres;

THENCE North 78°31'19" East, along a North line of said 358.536 and along the South line of said 9.152 acres and a called 9.152 acres of land as described in deed to William R Hagan and Brenda G Hagan, husband and wife, as recorded in Volume 273, Page 537 of said Official Public Records, and the South line of a called 9.15 acres of land described in deed to Delores Stanton Revocable Trust as recorded in Instrument Number 2023-003597 of said Official Public Records, a distance of **2095.92 feet** to a 6 inch wood fence corner post found on the West Right-of-Way line of said CR 205 for a Northeast corner of said 358.536 acres, same being the Southeast corner of said 9.15 acres;

THENCE along the West Right-of-Way line of said CR 205 the following bearings and distances:

South 09°58'20" East, a distance of **1445.88 feet** to a 1/2 inch iron rod capped DATAPOINT#10194585 set;

South 13°05'03" East, a distance of **202.27 feet** to a 1/2 inch iron rod capped DATAPOINT#10194585 set;

South 23°19'16" East, a distance of **157.39 feet** to a 1/2 inch iron rod found capped for the Northeast corner of Lot 1, 2 and 3, Commanche Hill, Section One, a Subdivision in Caldwell County, Texas according to the Map or Plat of Records in Plat Cabinet A, Slide 28, Plat Records of Caldwell County, as described in deed to Beatrice Madrigal, a single person and John S. Rosales, a single person as recorded in Instrument Number 126568 of Official Public Records, same being the Southernmost Southeast corner of said 358.536 acres;

THENCE South 78°28'58" West, along the South line of said 358.536 acres, a distance of **4735.83 feet** to a 1 inch iron pipe found for the Southeast corner of said 85.00 acres and being the Southernmost Southwest corner of said 358.536 acres, from which a 1/2 inch iron rod found for the Southwest corner of said 85.00 acres bears South 78° 47' 06" West, a distance of 1,503.48 feet;

THENCE North 29°54'41" West, along the common line of said 85.00 acres and said 358.536 acres, passing a calculated point from which a 1/2 inch iron rod found capped "Hinkle Surveying" bears, South 78° 48' 18" West, a distance of 0.35 feet for the Northeast corner of said 85.00 acres and being the Southeast corner of said 89.775 acres, at a distance of **2533.18 feet**, traveling in all a distance **7777.48 feet** to the **POINT OF BEGINNING**, containing an area of 21,726,762 Square Feet and/or **499.778 Acres** of land, more or less.

EXHIBIT M – DISTRICT BUYER DISCLOSURES

This exhibit contains the following buyer disclosures:

- Improvement Area #1
 - Lot Type 1

**SEAWILLOW PUBLIC IMPROVEMENT DISTRICT – IMPROVEMENT AREA #1 - LOT
TYPE 1 BUYER DISCLOSURE**

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

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

PROPERTY ADDRESS

LOT TYPE 1 PRINCIPAL ASSESSMENT: \$38,253.62

As the purchaser of the real property described above, you are obligated to pay assessments to Lockhart, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *Seawillow Public Improvement District Improvement Area #1* (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 City of Lockhart. The exact amount of each annual installment will be approved each year by the Lockhart 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 City of Lockhart.

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 Caldwell County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[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 CALDWELL

§

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 Caldwell 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 CALDWELL

§

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 Caldwell County.

ANNUAL INSTALLMENTS - LOT TYPE 1

Annual Installments Due 1/31	Principal	Interest ^[a]	Capitalized Interest	Additional Interest	Annual Collection Costs	TIRZ Annual Credit ^[b]	Total Annual Installment ^[c]
2026	\$ -	\$ 956.34	\$ (956.34)	\$ -	\$ -	\$ -	\$ -
2027	\$ -	\$ 2,295.22	\$ (1,632.15)	\$ -	\$ 123.19	\$ -	\$ 786.25
2028	\$ 420.29	\$ 2,295.22	\$ -	\$ 191.27	\$ 125.65	\$ -	\$ 3,032.43
2029	\$ 444.44	\$ 2,270.00	\$ -	\$ 189.17	\$ 128.17	\$ -	\$ 3,031.78
2030	\$ 471.01	\$ 2,243.33	\$ -	\$ 186.94	\$ 130.73	\$ -	\$ 3,032.02
2031	\$ 497.58	\$ 2,215.07	\$ -	\$ 184.59	\$ 133.34	\$ -	\$ 3,030.59
2032	\$ 528.99	\$ 2,185.22	\$ -	\$ 182.10	\$ 136.01	\$ -	\$ 3,032.31
2033	\$ 560.39	\$ 2,153.48	\$ -	\$ 179.46	\$ 138.73	\$ -	\$ 3,032.05
2034	\$ 594.20	\$ 2,119.86	\$ -	\$ 176.65	\$ 141.50	\$ -	\$ 3,032.22
2035	\$ 630.43	\$ 2,084.20	\$ -	\$ 173.68	\$ 144.33	\$ -	\$ 3,032.66
2036	\$ 830.92	\$ 2,046.38	\$ -	\$ 170.53	\$ 147.22	\$ -	\$ 3,195.05
2037	\$ 881.64	\$ 1,996.52	\$ -	\$ 166.38	\$ 150.17	\$ -	\$ 3,194.71
2038	\$ 937.20	\$ 1,943.62	\$ -	\$ 161.97	\$ 153.17	\$ -	\$ 3,195.96
2039	\$ 995.17	\$ 1,887.39	\$ -	\$ 157.28	\$ 156.23	\$ -	\$ 3,196.08
2040	\$ 1,055.56	\$ 1,827.68	\$ -	\$ 152.31	\$ 159.36	\$ -	\$ 3,194.90
2041	\$ 1,120.77	\$ 1,764.35	\$ -	\$ 147.03	\$ 162.54	\$ -	\$ 3,194.69
2042	\$ 1,190.82	\$ 1,697.10	\$ -	\$ 141.43	\$ 165.80	\$ -	\$ 3,195.14
2043	\$ 1,265.70	\$ 1,625.65	\$ -	\$ 135.47	\$ 169.11	\$ -	\$ 3,195.93
2044	\$ 1,343.00	\$ 1,549.71	\$ -	\$ 129.14	\$ 172.49	\$ -	\$ 3,194.34
2045	\$ 1,427.54	\$ 1,469.13	\$ -	\$ 122.43	\$ 175.94	\$ -	\$ 3,195.04
2046	\$ 1,516.91	\$ 1,383.48	\$ -	\$ 115.29	\$ 179.46	\$ -	\$ 3,195.14
2047	\$ 1,611.11	\$ 1,292.46	\$ -	\$ 107.71	\$ 183.05	\$ -	\$ 3,194.33
2048	\$ 1,712.56	\$ 1,195.80	\$ -	\$ 99.65	\$ 186.71	\$ -	\$ 3,194.72
2049	\$ 1,821.26	\$ 1,093.04	\$ -	\$ 91.09	\$ 190.45	\$ -	\$ 3,195.83
2050	\$ 1,934.78	\$ 983.77	\$ -	\$ 81.98	\$ 194.26	\$ -	\$ 3,194.79
2051	\$ 2,057.97	\$ 867.68	\$ -	\$ 72.31	\$ 198.14	\$ -	\$ 3,196.10
2052	\$ 2,185.99	\$ 744.20	\$ -	\$ 62.02	\$ 202.10	\$ -	\$ 3,194.31
2053	\$ 2,323.67	\$ 613.04	\$ -	\$ 51.09	\$ 206.15	\$ -	\$ 3,193.95
2054	\$ 2,471.01	\$ 473.62	\$ -	\$ 39.47	\$ 210.27	\$ -	\$ 3,194.37
2055	\$ 2,628.02	\$ 325.36	\$ -	\$ 27.11	\$ 214.47	\$ -	\$ 3,194.97
2056	\$ 2,794.69	\$ 167.68	\$ -	\$ 13.97	\$ 218.76	\$ -	\$ 3,195.10
Total	\$ 38,253.62	\$ 47,765.62	\$ (2,588.50)	\$ 3,709.50	\$ 4,997.52	\$ -	\$ 92,137.77

Footnotes:

[a] Interest is calculated at a rate of 6.00% for illustrative purposes.

[b] TIRZ No. 1 Annual Credit Amount will be calculated annually as described in Section V.F.

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

EXHIBIT N – ENGINEERING REPORT

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City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 3, 2026

AGENDA ITEM CAPTION: Hold a public hearing, consider and take possible action with respect to Ordinance 2026-06, Authorizing The Issuance of The City Of Lockhart, Texas Special Assessment Revenue Bonds, Series 2026 (Seawillow Public Improvement District Improvement Area #1); Approving And Authorizing An Indenture Of Trust, A Bond Purchase Agreement, A Limited Offering Memorandum, A Continuing Disclosure Agreement, A Construction, Funding, And Acquisition Agreement, A Landowner Agreement And Other Agreements And Documents In Connection Therewith; Making Findings With Respect To The Issuance Of Such Bonds; And Providing An Effective Date

ORIGINATING DEPARTMENT AND CONTACT: Development Services - David Fowler

ACTION REQUESTED: Ordinance

BACKGROUND/SUMMARY/DISCUSSION: This ordinance authorizes the bond issuance, the proceeds from which will be used to fund improvements within the Improvement Area #1 of Seawillow Public Improvement District. As a part of this ordinance, several documents related to the bond issuance, including the Trust Indenture, Bond Purchase Agreement, Landowner Agreement and Continuing Disclosure Agreement, will also be approved. Although these items are considerably different than a typical bond financing by the City, they are all commonly part of an issuance of public improvement district bonds in Texas and the financing itself is relatively typical for a public improvement district.

PROJECT SCHEDULE (if applicable): None

AMOUNT & SOURCE OF FUNDING:

Funds Required:

Account Number:

Funds Available:

Account Name:

FISCAL NOTE (if applicable): The revenues generated by the assessment levy will match the amortization schedule of the PID bonds, therefore there will be no impact on the General Fund or taxes of the City.

PREVIOUS COUNCIL ACTION: City Council set the date of the public hearing through action taken at the February 3, 2026 City Council meeting

COMMITTEE/BOARD/COMMISSION ACTION: None.

STAFF RECOMMENDATION/REQUESTED MOTION: Approval of Ordinance 2026-06,

City of Lockhart, Texas

Council Agenda Item Cover Sheet

authorizing the issuance of revenue bonds for Seawillow Public Improvement Area #1

LIST OF SUPPORTING DOCUMENTS: IA#1 Bond Ordinance 2026-06 with Exhibits

ORDINANCE NO. 2026-06

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF LOCKHART, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026 (SEAWILLOW PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1); APPROVING AND AUTHORIZING AN INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT, A LIMITED OFFERING MEMORANDUM, A CONTINUING DISCLOSURE AGREEMENT, A CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT, A LANDOWNER 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 Lockhart, Texas (the "City"), pursuant to and in accordance with the terms, provisions and requirements of the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code (the "PID Act"), has previously created the Seawillow Public Improvement District (the "District"), pursuant to Resolution No. 2024-26 adopted by the City Council of the City (the "Council") on October 15, 2024; and

WHEREAS, following the adoption of the Creation Resolution, on October 21, 2024, the City recorded the Creation Resolution with the County Clerk of Caldwell County, Texas, the county in which the District is located; and

WHEREAS, no written protests regarding the creation of the District from any owners of record of property within the District were filed with the City Secretary within 20 days after the recording of the Creation Resolution; and

WHEREAS, the District is being developed in phases, including the development of an area encompassing approximately 89.775 acres within the District designated as "Improvement Area #1"; and

WHEREAS, pursuant to the PID Act, on February 12, 2026, the Council published notice of the assessment hearing in the *Lockhart Post-Register*, a newspaper of general circulation in the City, and held a public hearing on March 3, 2026, regarding the levy of special assessments within Improvement Area #1 of the District, and on March 3, 2026, the Council adopted the assessment ordinance that levied the Improvement Area #1 Assessments (the "Assessment Ordinance"); and

WHEREAS, in the Assessment Ordinance, the Council approved and accepted the Service and Assessment Plan (the "Service and Assessment Plan") relating to the District and levied the Improvement Area #1 Assessments (as defined in the Service and Assessment Plan) in Improvement Area #1 of the District as shown on the Improvement Area #1 Assessment Roll (as defined and described in the Service and Assessment Plan); and

WHEREAS, the Council has found and determined that it is in the best interests of the City to issue its bonds to be designated "City of Lockhart, Texas Special Assessment Revenue Bonds, Series 2026 (Seawillow Public Improvement District Improvement Area #1)" (the "Bonds"), such Bonds to be payable from and secured by the Trust Estate, as defined in the Indenture (defined below) and other assets pledged under the Indenture to the payment of the Bonds; and

WHEREAS, the City is authorized by the PID Act to issue the Bonds for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #1 Projects, (ii) paying the Administrative Reserves related to the Bonds, (iii) paying Bond Issuance Costs for the Bonds, including funding a reserve fund for the payment of principal of and interest on the Bonds, and (iv) the interest on the Bonds during and after the period of construction of the Improvement Area #1 Projects (all as defined in the Indenture); and

WHEREAS, the Improvement Area #1 Projects are located within the District, and, in connection with the issuance of the Bonds, the City has determined that the Improvement Area #1 Projects confer a special benefit on Improvement Area #1 in the District as provided in Section V.C. of the Service and Assessment Plan; and

WHEREAS, the Council has found and determined to approve (i) the issuance of the Bonds to finance the Improvement Area #1 Projects and the Bond Issuance Costs, (ii) the form, terms and provisions of the Indenture securing the Bonds authorized hereby, (iii) the form, terms and provisions of a Bond Purchase Agreement (defined below) between the City and the purchaser of the Bonds, (iv) a Limited Offering Memorandum (defined below), (v) a Continuing Disclosure Agreement (defined below), (vi) a Construction, Funding and Acquisition Agreement (defined below) and (vii) a Landowner Agreement (defined below); 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 LOCKHART, 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.

Section 2. Approval of Issuance of Bonds and Indenture.

(a) The issuance of the Bonds in the principal amount of [\$_____] for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #1 Projects, (ii) paying the Administrative Reserves related to the Bonds, (iii) paying Bond Issuance Costs for the Bonds, including funding a reserve fund for the payment of principal of and interest on the Bonds, and (iv) the interest on the Bonds during and after the period of construction of the Improvement Area #1 Projects (all as defined in the Indenture).

(b) The Bonds shall be issued and secured under that certain Indenture of Trust (the "Indenture") dated as of March 1, 2026, between the City and UMB Bank, N.A., 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 or Mayor Pro Tem of the City, such approval to be evidenced by the execution and delivery of the Indenture, which Indenture is hereby approved in substantially final form attached hereto as **Exhibit A** and incorporated herein as a part hereof for all purposes. The Mayor or Mayor Pro Tem 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 or Mayor Pro Tem.

(c) The Bonds shall be dated, shall mature on the date or dates and in the principal amount or 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 by the Pledged Revenues (as defined in the Indenture) and other assets of the Trust Estate (as defined in the Indenture) pledged to the Bonds and shall never be payable from ad valorem taxes or any other funds or revenues of the City.

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, attached hereto as **Exhibit B** and incorporated herein as a part hereof for all purposes, which terms of sale are declared to be in the best interest of the City. The form, terms and provisions of the Bond Purchase Agreement are hereby authorized and approved with such changes as may be required to carry out the purpose of this Ordinance and approved by the City Manager, and the Mayor or Mayor Pro Tem of the City is hereby authorized and directed to execute and deliver the Bond Purchase Agreement. The Mayor's or Mayor Pro Tem's signature on the Bond Purchase Agreement may be attested by the City Secretary.

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 and the final Limited Offering Memorandum (the "Limited Offering Memorandum") presented to and considered at the meeting at which this Ordinance is considered are hereby in all respects approved and adopted. The Limited Offering Memorandum, with such appropriate variations as shall be approved by the Mayor or Mayor Pro Tem of the City and the Underwriter, may be used by the Underwriter in the offering and sale of the Bonds. The City Secretary is hereby authorized and directed to include and maintain a copy of the Preliminary Limited Offering Memorandum and final 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 confirmed and the Preliminary Limited Offering Memorandum is hereby deemed "final" as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. Notwithstanding the approval and delivery of such Preliminary Limited Offering Memorandum and Limited Offering Memorandum by the Council, the Council is not responsible for and proclaims no specific knowledge of the information contained in the Preliminary Limited Offering Memorandum and Limited Offering Memorandum pertaining to the Improvement Area #1 Projects, the Development, the Developer, or the MIA Lot Developer (as defined in the Limited Offering Memorandum) or its financial ability, any builders, any landowners, or the appraisal of the property in the District.

Section 5. Continuing Disclosure Agreement. The Continuing Disclosure Agreement of Issuer (the "Continuing Disclosure Agreement") among the City, P3Works, LLC and UMB Bank, N.A., as dissemination agent, is hereby authorized and approved in substantially final form attached hereto as

Exhibit C and incorporated herein as a part hereof for all purposes and the City Manager 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 City Manager, such approval to be evidenced by the execution thereof.

Section 6. Bond Counsel's Opinion. The obligation of the Underwriter to accept delivery of the Bonds is subject to the Underwriter being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the City, which opinion shall be dated as of and delivered on the date of initial delivery of the Bonds to the Underwriter. The engagement of such firm as bond counsel to the City in connection with issuance, sale and delivery of the Bonds is hereby approved and confirmed. The execution and delivery of an engagement letter, to the extent desired by the City, between the City and such firm, with respect to such services as bond counsel, is hereby authorized in such form as may be approved by the Mayor or Mayor Pro Tem, and the Mayor or Mayor Pro Tem is hereby authorized to execute such engagement letter. Additionally, a closing instruction letter executed by the City shall further provide for the fees and expenses to be paid for such bond counsel services.

Section 7. Construction, Funding, And Acquisition Agreement. The Seawillow Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement (the "Construction, Funding and Acquisition Agreement") between the City and ROED PROP CO, LLC, a Texas limited liability company, is hereby authorized and approved in substantially final form attached hereto as **Exhibit D** and incorporated herein as a part hereof for all purposes and the City Manager of the City is hereby authorized and directed to execute and deliver such Construction, Funding and Acquisition Agreement with such changes as may be required to carry out the purpose of this Ordinance and approved by the City Manager, such approval to be evidenced by the execution thereof.

Section 8. Landowner Agreement. The Landowner Agreement between the City and ROED PROP CO LLC, a Texas limited liability company (the "Landowner Agreement") is hereby authorized and approved in substantially final form attached hereto as **Exhibits E** and incorporated herein as a part hereof for all purposes and the City Manager of the City is hereby authorized and directed to execute and deliver such Landowner Agreement with such changes as may be required to carry out the purpose of this Ordinance and approved by the City Manager, such approval to be evidenced by the execution thereof.

Section 9. Additional Actions. The Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, City Director of Finance and the City Secretary 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. The Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, City Director of Finance and the City Secretary 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.

Section 10. Severability. If any Section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such Section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 11. Effective Date. This Ordinance is passed on one reading as authorized by Texas Government Code, Section 1201.028, and shall be effective immediately upon its passage and adoption.

PASSED AND APPROVED on March 3, 2026.

CITY OF LOCKHART, TEXAS

Lew White, Mayor

ATTEST:

Julie Bowermon, Interim City Secretary

APPROVED AS TO FORM:

Bradford E. Bullock, City Attorney

[CITY SEAL]

EXHIBIT A
INDENTURE OF TRUST

INDENTURE OF TRUST

By and Between

CITY OF LOCKHART, TEXAS

and

**UMB BANK, N.A.,
AS TRUSTEE**

DATED AS OF MARCH 1, 2026

SECURING

\$_____

**CITY OF LOCKHART, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(SEAWILLOW PUBLIC IMPROVEMENT
DISTRICT IMPROVEMENT AREA #1)**

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INDENTURE OF TRUST

THIS INDENTURE, dated as of March 1, 2026, is by and between the CITY OF LOCKHART, TEXAS (the "*City*"), and UMB Bank, N.A., 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 I.

WHEREAS, a petition was submitted and filed with the City Secretary (the "*City Secretary*") of the City on July 3, 2024 (the "*Petition*") pursuant to the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "*PID Act*"), requesting the creation of a public improvement district to be located within the corporate limits and extraterritorial jurisdiction of the City to be known as Seawillow Public Improvement District (the "*District*" or "*PID*") to provide public improvements within the District to include the design, acquisition, and construction of public improvement projects authorized by Section 372.003(b) of the PID Act that are necessary for development of the District, which public improvements will include, but not be limited to, landscaping, irrigation, streets, roadway and bridge construction, offsite right-of-way acquisition, intersection improvements, water facilities and improvements, wastewater facilities and improvements, drainage facilities and improvements, detention and water quality ponds, stormwater mitigation features, park improvements, trails, and improvements related to the foregoing; and

WHEREAS, the Petition contained the signatures of the record owners of taxable real property representing more than 50% of the appraised value of the real property liable for assessments within the District, as determined by the then current ad valorem tax rolls of the Caldwell County Appraisal District and the signatures of record property owners who own taxable real property that constitutes more than 50% of the area of all taxable property that is liable for assessment within the District; and

WHEREAS, on June 18, 2024, the City Council (the "*City Council*") of the City approved the Seawillow Development Agreement (the "*Development Agreement*") between the City and RODG DT Seawillow Propco LLC, a Texas limited liability company ("*RODG Seawillow*") , pursuant to which the RODG Seawillow, on behalf of itself and its affiliates, agreed to construct the Authorized Improvements (as identified in the Service and Assessment Plan), and the City agreed to reimburse the RODG Seawillow and its affiliates for the costs of constructing the Authorized Improvements from the Assessments or, after bonds are issued as allowed by the PID Act, from the proceeds of said bonds; and

WHEREAS, on October 15, 2024, after due notice, the City Council held the public hearing in the manner required by law on the advisability of the improvement projects described in the Petition as required by Section 372.009 of the PID Act and on October 15, 2024 the City Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 2024-26 (the "*Creation Resolution*"), adopted by a majority of the members of the City Council, authorized the creation of the District in accordance with its finding as to the advisability of the improvement projects; and

WHEREAS, following the adoption of the Creation Resolution, on October 21, 2024, the City recorded the Creation Resolution with the County Clerk of Caldwell County, Texas, (the "*County*") in which the District is located; and

WHEREAS, no written protests regarding the creation of the District from any owners of record of property within the District were filed with the City Secretary within 20 days after the recording of the Creation Resolution; and

WHEREAS, the District is expected to be developed in phases beginning with an area designated as "Improvement Area #1" within the District ("*Improvement Area #1*"), located within Caldwell County, Texas (the "*County*"); and

WHEREAS, on March 3, 2026, the City Council approved the Seawillow Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement between the City and the Developer, pursuant to which the Developer agreed to construct the Improvement Area #1 Projects identified in the Service and Assessment Plan, and the City agreed to reimburse the Developer for the costs of constructing the Improvement Area #1 Projects from the Improvement Area #1 Assessments or, after bonds are issued as allowed by the PID Act, from the proceeds of said bonds; and

WHEREAS, in accordance with the Development Agreement, RODG Seawillow and the Developer have requested that the City issue revenue bonds for Improvement Area #1 in order to finance a portion of the Improvement Area #1 Projects; and

WHEREAS, pursuant to Section 372.016(b) of the PID Act, the statutory notice of a public hearing to be held by the City Council on March 3, 2026, advising that the City Council would consider the levy of the proposed assessments (the "*Improvement Area #1 Assessments*") on real property within Improvement Area #1 of the District and the service and assessment plan (the "*Service and Assessment Plan*") was published on _____, 2026, in the *Austin American-Statesman*, a newspaper of general circulation in the City; and

WHEREAS, the City Secretary, pursuant to Section 372.016(c) of the PID Act, caused notice of the public hearing to consider the proposed Improvement Area #1 Assessment Roll and the Service and Assessment Plan and the levy of the Improvement Area #1 Assessments on property within Improvement Area #1 of the District to be mailed to the addresses of record at Caldwell County Appraisal District, such addresses being the last known addresses of the owners of the property liable for the Improvement Area #1 Assessments; and

WHEREAS, after notice was provided as required by the PID Act, the City Council on March 3, 2026, held a public hearing to consider the levy of the proposed Improvement Area #1 Assessments on property within Improvement Area #1 of the District, at which any and all persons who appeared, or requested to appear, in person as provided in the notice of public hearing published on _____, 2026 or by their attorney, were given the opportunity to contend for or contest the Improvement Area #1 Assessment Roll, and the proposed Improvement Area #1 Assessments, and to offer testimony pertinent to any issue presented on the amount of the Improvement Area #1 Assessments, the allocation of the Actual Costs (as defined herein) of the

Authorized Improvements to be undertaken for the benefit of all property to be assessed within Improvement Area #1 (the "*Improvement Area #1 Projects*"), the purposes of the Improvement Area #1 Assessments, the special benefits of the Improvement Area #1 Projects, and the penalties and interest on annual installments and on delinquent annual installments of the Improvement Area #1 Assessments; and

WHEREAS, the City Council convened the hearing on March 3, 2026, at which there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of Actual Costs, the Improvement Area #1 Assessment Roll, or the levy of the Improvement Area #1 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 City, approved and accepted the Service and Assessment Plan in conformity with the requirements of the PID Act and passed, approved and adopted the Assessment Ordinance, which Assessment Ordinance approved the Improvement Area #1 Assessment Roll and levied the Improvement Area #1 Assessments; and

WHEREAS, the City filed a copy of the Service and Assessment Plan with the County Clerk of Caldwell County, Texas; and

WHEREAS, in connection with the levy of the Improvement Area #1 Assessments, concurrently therewith, the Developer executed a Landowner Agreement (defined herein), wherein the Developer, among other things, approved and accepted the Assessment Ordinance and the Service and Assessment Plan, including the Improvement Area #1 Assessment Roll, consented to and accepted the levy of the Improvement Area #1 Assessments against its properties located within Improvement Area #1 of the District, and agreed to pay the Improvement Area #1 Assessments; and

WHEREAS, the City Council is authorized by the PID Act to issue its City of Lockhart, Texas Special Assessment Revenue Bonds, Series 2026 (Seawillow Public Improvement District Improvement Area #1) (the "*Bonds*") payable solely from a first lien on, security interest in, and pledge of the Trust Estate, consisting primarily of the Pledged Revenues for the purposes of paying (i) a portion of the Actual Costs of the Improvement Area #1 Projects, (ii) the Administrative Reserves related to the Bonds, (iii) Bond Issuance Costs for the Bonds, including funding a reserve fund for the payment of principal of and interest on the Bonds, and (iv) the interest on the Bonds during and after the period of construction of the Improvement Area #1 Projects; 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 Similarly Secured by the Holders 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 Holders, a security

interest and first lien on 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, including all moneys and investments held in the Pledged Funds, and 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; and

THIRD GRANTING CLAUSE

Any and all proceeds of the foregoing property and proceeds from the investment of the foregoing property;

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 Holders of the Bonds Similarly Secured from time to time issued under and secured by this Indenture, and for enforcement of the payment of the Bonds Similarly Secured in accordance with their terms, and for the performance of and compliance with the obligations, covenants, and conditions of this Indenture;

PROVIDED, 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 the Bonds Similarly Secured at the times and in the manner stated in the Bonds Similarly Secured, 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;

THE BONDS SIMILARLY SECURED are special obligations of the City payable solely from a first lien on, security interest in, and pledge of the Trust Estate, as and to the extent provided in this Indenture. The Bonds Similarly Secured 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 Holders of the Bonds Similarly Secured shall never have the right to demand payment thereof out of any assets of the City other than the Trust Estate. The City shall have no legal or moral obligation to pay for the Bonds Similarly Secured out of any assets of the City other than the Trust Estate.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds Similarly Secured 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 Holders from time to time of the Bonds Similarly Secured as follows:

ARTICLE I

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" in the singular, means any of the accounts established pursuant to Section 6.1 of this Indenture, and *"Accounts"* in the plural, means, collectively, all accounts established pursuant to Section 6.1 of this Indenture.

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

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

"Additional Interest Rate" means the additional 0.50% interest charged on the Improvement Area #1 Assessments as authorized by Section 372.018 of the PID Act.

"Additional Obligations" means any bonds or obligations, including specifically, any installment contracts, reimbursement agreements, temporary notes, or time warrants, secured in

whole or in part by an assessment, other than the Improvement Area #1 Assessments securing the Bonds Similarly Secured, levied against property within Improvement Area #1 of the District in accordance with the PID Act.

"Administrative Fund" means that Fund established by Section 6.1 and administered pursuant to Section 6.9.

"Administrative Reserves" means the estimated first year Annual Collection Costs.

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

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

"Annual Debt Service" means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds Similarly Secured in such Bond Year (excluding interest paid from funds on deposit in the Capitalized Interest Account of the Bonds Fund), assuming that the Outstanding Bonds Similarly Secured are retired as scheduled (including by reason of Sinking Fund Installments), and (ii) the principal amount of the Outstanding Bonds Similarly Secured due in such Bond Year (including any Sinking Fund Installments due in such Bond Year).

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

"Annual Service Plan Update" means an update to the Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the City Council, in accordance with the PID Act.

"Applicable Laws" means the PID Act, and all other laws or statutes, rules, or regulations, and any amendments thereto, of the State 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 of the Service and Assessment Plan, as shown on an Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

"Assessment Ordinance" means Ordinance No. 2026-__ adopted by the City Council on March 3, 2026, that levied the Improvement Area #1 Assessments, as shown on the Improvement Area #1 Assessment Roll.

"Assessment Revenues" means the revenues received by the City from the collection of Improvement Area #1 Assessments, including Prepayments, Annual Installments and Foreclosure Proceeds.

"Attorney General" means the Attorney General of the State.

"Authorized Denomination" means \$25,000 and any integral multiple of \$1,000 in excess thereof. The City prohibits any Bond to be issued in a denomination of less than \$25,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than \$25,000, and, unless made pursuant to Section 4.5 herein, any attempt to accomplish either of the foregoing shall be void and of no effect, provided, however, that if the total principal amount of any Outstanding Bond is less than \$25,000, then the Authorized Denomination of such Outstanding Bond shall be the amount of such Outstanding Bond. With respect to Refunding Bonds, such term shall have the meaning ascribed thereto in the Supplemental Indenture authorizing the issuance of such Refunding Bonds.

"Authorized Improvements" means improvements authorized by Section 372.003 of the PID Act as described in Section III and depicted on Exhibit B to the Service and Assessment Plan.

"Bond" means any of the Bonds.

"Bond Counsel" means McCall, Parkhurst & Horton L.L.P. 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 tax-exempt status of securities issued by public entities.

"Bond Date" means the date designated as the initial date of the Bonds by Section 3.2(a) of this Indenture.

"Bond Fund" means the Fund established pursuant to Section 6.1 and administered pursuant to Section 6.4.

"Bond Issuance Costs" means the costs associated with issuing Bonds Similarly Secured, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, reserve fund requirements, underwriter's discount, fees

charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of Bonds Similarly Secured.

"Bond Ordinance" means Ordinance No. 2026-__ adopted by the City Council on March 3, 2026, authorizing the issuance of the Bonds pursuant to this Indenture.

"Bond Pledged Revenue Account" means the Account in the Pledged Revenue Fund established pursuant to Section 6.1 of this Indenture.

"Bond Year" means the one-year period beginning on September 1 in each year and ending on August 31 in the following year.

"Bonds" means the City's bonds authorized to be issued by Section 3.1 of this Indenture entitled "City of Lockhart, Texas, Special Assessment Revenue Bonds, Series 2026 (Seawillow Public Improvement District Improvement Area #1)."

"Bonds Similarly Secured" means, collectively, any Outstanding Bonds and Refunding Bonds.

"Business Day" means any day other than a Saturday, Sunday or legal holiday in the State observed as such by the City or the Trustee or any national holiday observed by the Trustee.

"Capitalized Interest Account" means the Account in the Bond Fund established pursuant to Section 6.1 of this Indenture.

"Certification for Payment" means a certificate given pursuant to the Improvement Area #1 Construction, Funding and Acquisition executed by an engineer, construction manager or other person or entity acceptable to the City, as evidenced by the written approval of a City Representative, specifying the amount of work performed and the cost thereof in accordance with the Improvement Area #1 Construction, Funding and Acquisition, presented to the Trustee to request payment for Actual Costs from money on deposit in the Project Fund. The Form of Certification for Payment is attached to the Improvement Area #1 Construction, Funding and Acquisition as Exhibit B thereto.

"City" means the City of Lockhart, Texas.

"City Certificate" means a certificate signed by the City Representative and delivered to the Trustee.

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

"City Representative" means that official or agent of the City authorized by the City Council to undertake the action referenced herein as evidenced by a written incumbency certificate provided to the Trustee. Such certificate may designate alternates, each of whom shall be entitled to perform all duties of the City Representative.

"Closing Date" means the date of the initial delivery of and payment for the applicable series of Bonds Similarly Secured.

"Closing Memorandum" has the meaning given such term in Section 6.5 hereof.

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

"Comptroller" means the Comptroller of Public Accounts of the State.

"Continuing Disclosure Agreement of Issuer" means the agreement executed between the City, Administrator and the dissemination agent for the benefit of the Holders of the Bonds (including owners of beneficial interests of the Bonds), to provide, by certain dates prescribed therein periodic information and notices of material events regarding the City in accordance with Securities and Exchange Commission Rule 15c2-12.

"Cost of Issuance Account" means the Account in the Project Fund established pursuant to Section 6.1 of this Indenture.

"County" means Caldwell County, Texas.

"Defeasance Securities" means Investment Securities then authorized by applicable law for the investment of funds to defease public securities.

"Delinquency & Prepayment Reserve Account" means the Account in the Reserve Fund established pursuant to Section 6.1 of this Indenture.

"Delinquency & Prepayment Reserve Requirement" means an amount equal to 5.5% of the principal amount of the then Outstanding Bonds Similarly Secured, which amount will be funded from Improvement Area #1 Assessments and Annual Installments deposited to the Pledged Revenue Fund for subsequent transfer to the Delinquency & Prepayment Reserve Account of the Reserve Fund in accordance with the terms of this Indenture.

"Delinquent Collection Costs" means, for a Parcel, interest, penalties, and other costs and expenses authorized by the PID Act that directly or indirectly relate to the collection of delinquent Improvement Area #1 Assessments, delinquent Annual Installments, or any other delinquent amounts due under the Service and Assessment Plan, including costs and expenses to foreclose liens.

"Designated Payment/Transfer Office" means (i) with respect to the initial Paying Agent/Registrar named in this Indenture, the transfer/payment office designated by the Paying Agent/Registrar, which shall initially be located in Dallas, Texas, 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 RODG DT Seawillow PropCo, LLC and its successors and assigns.

"Development Agreement" means the Seawillow Development Agreement between the City and RODG Seawillow, as may be amended and supplemented from time to time.

"District" means the approximately 588.547 acres partially within the corporate limits and partially within the extraterritorial jurisdiction of the City known as the Seawillow Public Improvement District, as described legally by metes and bounds on Exhibit L-1 and as depicted by the map on Exhibit A-1 to the Service and Assessment Plan.

"DTC" means The Depository Trust Company of New York, New York, or any successor securities depository.

"DTC Participant" means 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.

"Foreclosure Proceeds" means the proceeds, including interest and penalty interest, received by the City from the enforcement of the Improvement Area #1 Assessments, whether by foreclosure of lien or otherwise, but excluding and net of all Delinquent Collection Costs.

"Fund" in the singular, means any of the funds established pursuant to Section 6.1 of this Indenture, and *"Funds"* in the plural, means, collectively, all of the funds established pursuant to Section 6.1 of this Indenture.

"Holder" 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. The term *"Holder"* when used in connection with the Bonds Similarly Secured, shall also include the Person who is the registered owner of a Bond Similarly Secured under the terms of any indenture relating thereto.

"Improvement Area #1" means approximately 89.775 acres located within the District, as described legally by metes and bounds on Exhibit L-2 to the Service and Assessment Plan.

"Improvement Area #1 Assessed Property" or *"Improvement Area #1 Assessed Properties"* means any Parcel within Improvement Area #1 against which an Improvement Area #1 Assessment is levied as shown on the Improvement Area #1 Assessment Roll (as the same may be updated each year by an Annual Service Plan Update) and which includes any and all Parcels within Improvement Area #1 other than Non-Benefited Property as defined in the Service and Assessment Plan.

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

"Improvement Area #1 Assessment Roll" means the Assessment Roll for the Improvement Area #1 Assessed Property and included in the Service and Assessment Plan as Exhibit E-1, as 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, including updates prepared in connection with any Annual Service Plan Update.

"Improvement Area #1 Improvement Account" means the Account in the Project Fund established pursuant to Section 6.1 of this Indenture.

"Improvement Area #1 Improvements" means Authorized Improvements, which only provide benefit to Improvement Area #1 and are more specifically described in Section III and depicted on Exhibit H of the Service and Assessment Plan.

"Improvement Area #1 Projects" means, collectively, the Improvement Area #1 Improvements, Improvement Area #1's allocable share of the Major Improvements, Bond Issuance Costs, and Administrative Reserves.

"Improvement Area #1 Construction, Funding and Acquisition" means the Seawillow Public Improvement District Construction, Funding, Reimbursement and Acquisition Agreement (Improvement Area #1) effective March 3, 2026, entered into by and between the City and the Developer.

"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 Similarly Secured; (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 Bonds" means the Initial Bonds authorized by Section 5.2 of this Indenture.

"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 on March 1 and September 1 of each year, commencing September 1, 2026.

"Investment Securities" means those authorized investments determined by the City and described in the Public Funds Investment Act, Chapter 2256, Government Code, as amended, which investments 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.

"Landowner Agreement" means the Landowner Agreement(s) executed by the City and Developer, being owner of all the Property subject to the Improvement Area #1 Assessments dated March 3, 2026, as may be amended.

"Major Improvements" mean the Authorized Improvements that benefit the entire District, and are more specifically described in Section III and depicted on Exhibit I to the Service and Assessment Plan.

"Maximum Annual Debt Service" means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds Similarly Secured.

"Outstanding" means, as of any particular date when used with reference to Bonds Similarly Secured, all Bonds Similarly Secured authenticated and delivered under this Indenture except (i) any Bond Similarly Secured that has been canceled by the Trustee (or has been delivered to the Trustee for cancellation) at or before such date, (ii) any Bond Similarly Secured for which the payment of the principal or Redemption Price of and interest on such Bond Similarly Secured shall have been made as provided in Article IV, (iii) any Bond Similarly Secured in lieu of or in substitution for which a new Bond Similarly Secured shall have been authenticated and delivered pursuant to Section 3.10, and (iv) Bond Similarly Secured alleged to have been mutilated, destroyed, lost or stolen which have been paid as provided in this Indenture.

"Parcel" or *"Parcels"* means a parcel or parcels within the boundaries of the District, identified by either a tax map identification number assigned by the Caldwell County Appraisal District, for real property tax purposes, by metes and bounds description, or by lot and block number in a final subdivision plat recorded in the real property records of the County or by any other means determined by the City Council.

"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 Chapter 372, Texas Local Government Code, as amended.

"Pledged Funds" means, collectively, the Pledged Revenue Fund, the Bond Fund, the Project Fund, the Reserve Fund, and the Redemption Fund.

"Pledged Revenue Fund" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.3.

"Pledged Revenues" means, collectively, the (i) Assessment Revenues (excluding the portion of the Improvement Area #1 Assessments and Annual Installments collected for the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service

and Assessment Plan), (ii) the moneys held in any of the Pledged Funds and (iii) any additional revenues that the City may pledge to the payment of the Bonds or other Bonds Similarly Secured.

"Prepayment" means the payment of all or a portion of an Improvement Area #1 Assessment before the due date thereof. Amounts received at the time of a Prepayment which represent a payment of principal, interest or penalties on a delinquent installment of an Improvement Area #1 Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Annual Installment of the Improvement Area #1 Assessment.

"Prepayment Costs" means 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.

"Principal and Interest Account" means the Account in the Bond Fund established pursuant to Section 6.1 of this Indenture.

"Project Fund" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.5.

"Project Collection Fund" means that fund established pursuant to Section 6.1.

"Purchaser" means, with respect to a series of Bonds Similarly Secured, the initial purchaser of such Bonds Similarly Secured.

"Quarter in Interest" means as of any particular date of calculation, the Holders of no less than twenty-five percent (25%) of the principal amount of the then Outstanding Bonds Similarly Secured so affected. In the event that two or more groups of Holders satisfy the percentage requirement set forth in the immediately preceding sentence and act (or direct the Trustee in writing to act) in a conflicting manner, only the group of Holders with the greatest percentage of then Outstanding Bonds Similarly Secured so affected (as measured in accordance with the immediately preceding sentence) shall, to the extent of such conflict, be deemed to satisfy such requirement.

"Rebatable Arbitrage" means rebatable arbitrage as defined in Section 1.148-3 of the Treasury Regulations.

"Rebate Fund" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.8.

"Record Date" means the close of business on the 15th calendar day of the month next preceding an Interest Payment Date.

"Redemption Fund" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.6.

"Redemption Price" means, when used with respect to any Bond or portion thereof, the principal amount of such Bond or such portion thereof plus the applicable premium, if any, plus accrued and unpaid interest on such Bond to the date fixed for redemption payable upon redemption thereof pursuant to this Indenture.

"Refunding Bonds" means bonds issued to refund all or any portion of the Bonds Similarly Secured and secured by a parity lien with the Bonds Similarly Secured on the Trust Estate, as more specifically described in the indenture authorizing such Refunding Bonds.

"Register" means the register specified in Article III of this Indenture.

"Reserve Account" means the Account in the Reserve Fund established pursuant to Section 6.1 of this Indenture.

"Reserve Account Requirement" means the least of: (i) Maximum Annual Debt Service on the Bonds Similarly Secured as of the date of issuance of a series of Bond Similarly Secured, (ii) 125% of average Annual Debt Service on the Bonds Similarly Secured as of the date of issuance of a series of Bonds Similarly Secured, and (iii) 10% of the proceeds of the Bonds Similarly Secured as of the date of issuance of a series of Bonds Similarly Secured; provided, however, that such amount shall be reduced as a result of (1) an optional redemption pursuant to Section 4.3 or (2) an extraordinary optional redemption pursuant to Section 4.4, and any such reduction in the Reserve Account Requirement shall be by a percentage equal to the pro rata principal amount of Bonds Similarly Secured redeemed by such redemption divided by the total principal amount of the Outstanding Bonds Similarly Secured prior to such redemption. As of the date of issuance of the Bonds, the Reserve Account Requirement is \$_____ which is an amount equal to [Maximum Annual Debt Service] on the Bonds as of their date of issuance. The City Representative shall provide the Trustee with written confirmation of the Reserve Account Requirement and any modifications related thereto.

"Reserve Fund" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.7.

"Service and Assessment Plan" means the document, including the Improvement Area #1 Assessment Roll, which is attached as Exhibit A to the Assessment Ordinance, as amended and restated, 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 a Stated Maturity of Bonds payable from such installments at the times and in the amounts provided in Section 4.2.

"Special Record Date" means in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment that will be established by the Trustee, if and when funds for the payment of such interest have been received from the City.

"State" means the State of Texas.

"Stated Maturity" means the date the Bonds Similarly Secured, or any portion of the Bonds Similarly Secured, 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 Assessor-Collector" means the Caldwell County, Texas Tax Assessor-Collector.

"Tax Certificate" means a certificate of the City setting forth the facts, estimates and circumstances in existence on the date of 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 the Code and any applicable regulations (whether final, temporary or proposed) issued pursuant to the Code.

"Treasury Regulations" shall have the meaning assigned to such term in Section 7.5(c).

"Trust Estate" means the Trust Estate described in the granting clauses of this Indenture.

"Trustee" means UMB Bank, N.A., Dallas, Texas, a national banking association duly organized and validly existing under the laws of the United States of America in its capacity as trustee hereunder, and its successors, and any other corporation or association that may at any time be substituted in its place, as provided in Article IX, such entity to serve as Trustee and Paying Agent/Registrar for the Bonds Similarly Secured.

"Value of Investment Securities" means the amortized value of any Investment Securities, provided, however, that all United States of America, United States Treasury Obligations – State and Local Government Series shall be valued at par and those obligations which are redeemable at the option of the holder shall be valued at the price at which such obligations are then redeemable. The computations shall include accrued interest on the investment securities paid as a part of the purchase price thereof and not collected. For the purposes of this definition "amortized value," when used with respect to a security purchased at par means the purchase price of such security and when used with respect to a security purchased at a premium above or discount below par, means as of any subsequent date of valuation, the value obtained by dividing the total premium or discount by the number of interest payment dates remaining to maturity on any such security after such purchase and by multiplying the amount as calculated by the number of interest payment dates having passed since the date of purchase and (i) in the case of a security purchased at a premium, by deducting the product thus obtained from the purchase price, and (ii) in the case of a security purchased at a discount, by adding the product thus obtained to the purchase price. The Trustee retains the ability and may rely upon the City's financial advisor to provide a determination as to the foregoing.

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) When used in Article XI of this Indenture in connection with the Bonds Similarly Secured, any reference to this Indenture, Article XI of this Indenture or any Section thereunder, and/or any events of default or remedies set forth therein, such terms and references shall be read and interpreted to include any indenture relating to any Bonds Similarly Secured, the related Article or Section in such indenture, and/or the events of default and remedies set forth therein.

(e) 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 II

THE BONDS

Section 2.1. Security for the Bonds Similarly Secured.

(a) The Bonds Similarly Secured, 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.

(b) The lien on and pledge of the Trust Estate shall be valid and binding and fully perfected from and after the Closing Date for the applicable series of Bonds Similarly Secured, each issued under this Indenture, without physical delivery or transfer of control of the Trust Estate, the filing of this Indenture or any other act; all as provided in Chapter 1208 of the Texas Government Code, as amended, which applies to the issuance of the Bonds Similarly Secured 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 Similarly Secured 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 Chapter 9, Texas Business and Commerce Code, as amended, then in order to preserve to the registered owners of the Bonds Similarly Secured 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 Chapter 9, Texas Business and Commerce Code, as amended, and enable a filing to perfect the security interest in said pledge to occur.

Section 2.2. Limited Obligations.

The Bonds Similarly Secured 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 the Bonds Similarly Secured 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 official action of the City Council of the City. 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 and/or convenient in order to better secure the Bonds Similarly Secured and is a contract or agreement necessary, useful and/or convenient to carry out and effectuate the purposes herein described.

Section 2.4. Contract with Holders 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 Similarly Secured and to prescribe the rights of the Holders, 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 Similarly Secured 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 Holder, and shall be deemed to be and shall constitute a contract among the City, the Holders, and the Trustee.

ARTICLE III

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, including particularly the PID Act, as amended. The Bonds shall be issued in the aggregate principal amount of \$_____ for the purposes of paying (i) a portion of the Actual Costs of the Improvement Area #1 Projects, (ii) the Administrative Reserves related to the Bonds, (iii) Bond Issuance Costs for the Bonds, including funding a reserve fund for the payment of principal of and interest on the Bonds, and (iv) the interest on the Bonds during and after the period of construction of the Improvement Area #1 Projects.

Section 3.2. Date, Denomination, Maturities, Numbers and Interest.

(a) The Bonds shall be dated the date of the initial delivery thereof (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 Bond Date 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 1 and September 1 of each year, commencing September 1, 2026, computed on the basis of a 360-day year of twelve 30-day months.

(c) The Bonds shall mature on September 1 in the years and in the principal amounts and shall bear interest at the rates set forth below:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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(d) The Bonds shall be subject to mandatory sinking fund redemption, optional redemption, and extraordinary optional redemption prior to maturity as provided in Article IV, and shall otherwise have the terms, tenor, denominations, details, and specifications as set forth in the form of Bond set forth in Section 4.2.

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 certified copy of the Assessment Ordinance;
- (b) a certified copy of the Bond Ordinance;
- (c) a copy of the executed Improvement Area #1 Construction, Funding and Acquisition and any amendments;
- (d) a copy of the executed Development Agreement and any amendments;
- (e) an executed copy of the Continuing Disclosure Agreement of Issuer;
- (f) a copy of this Indenture executed by the Trustee and the City;
- (g) an executed City Certificate directing the authentication and delivery of the Bonds, describing the Bonds to be authenticated and delivered, designating the purchasers to whom the Bonds are to be delivered, stating the purchase price of the Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the City;
- (h) an executed signature and no-litigation certificate of the City;
- (i) executed opinions of Bond Counsel and the City Attorney; and
- (j) 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 Similarly Secured shall be paid in lawful money of the United States of America, as provided in this Section.
- (b) Interest on the Bonds Similarly Secured shall be payable to the Holders thereof as shown in the Register at the close of business on the relevant Record Date or Special Record Date, as applicable.
- (c) Interest on the Bonds Similarly Secured 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 Holders 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 Holder; provided, however, the Holder shall bear all risk and expense of such other banking arrangement.

(d) The principal of each Bond Similarly Secured shall be paid to the Holder of such Bond Similarly Secured on the due date thereof, whether at the maturity date or the date of prior redemption thereof, upon presentation and surrender of such Bond Similarly Secured 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 Similarly Secured 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 Holder of the Bonds Similarly Secured to which such unclaimed payments pertain. Subject to any escheat, abandoned property, or similar law of the State, any such payments remaining unclaimed by the Holders entitled thereto for three (3) years after the applicable payment or redemption date shall be applied to the next payment or payments on the Bonds Similarly Secured thereafter coming due and, to the extent any such money remains after the retirement of all Outstanding Bonds Similarly Secured, 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 Similarly Secured for any further payment of such unclaimed moneys or on account of any such Bonds Similarly Secured, subject to any applicable escheat law or similar law of the State.

Section 3.5. Execution and Registration of Bonds.

(a) The Bonds Similarly Secured shall be executed on behalf of the City by the Mayor, Mayor Pro-Tem 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 Similarly Secured shall have the same effect as if each of the Bonds Similarly Secured had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds Similarly Secured shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds Similarly Secured.

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Bonds Similarly Secured ceases to be such officer before the authentication of such Bonds Similarly Secured 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 Similarly Secured 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 or in a Supplemental Indenture, 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 Similarly Secured. In lieu of the executed Certificate of Trustee described above, the Initial Bond delivered at the Closing Date for such series of Bonds Similarly Secured shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein or in a Supplemental Indenture, manually executed by the Comptroller, or by his duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General, is a valid and binding obligation of the City, and has been registered by the Comptroller.

(d) On each Closing Date, one Initial Bond for each series of Bonds Similarly Secured representing the entire principal amount of all Bonds of such series of Bonds Similarly Secured and registered in the name of Cede & Co, payable in stated installments to the applicable Purchaser, or its designee, executed with the manual or facsimile signatures of the Mayor, Mayor Pro-Tem and the City Secretary, approved by the Attorney General, and registered and manually signed by the Comptroller, will be delivered to the Purchaser of such Bonds Similarly Secured or its designee. Upon payment for the Initial Bond, the Trustee shall cancel the Initial Bond and upon City order deliver to DTC on behalf of such Purchaser one registered definitive bond for each year of maturity of such series of the Bonds Similarly Secured, in the aggregate principal amount of all Bonds Similarly Secured of such series 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 Similarly Secured is registered as the absolute owner of such Bond Similarly Secured for the purpose of making and receiving payment as provided herein (except interest shall be paid to the Person in whose name such Bond Similarly Secured is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not such Bond Similarly Secured is overdue, and none of the City, the Trustee or the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Holder of any Bond Similarly Secured 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 Similarly Secured 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 Similarly Secured 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 Similarly Secured 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 as is acceptable to the Paying Agent/Registrar. No transfer of any Bond Similarly Secured shall be effective until entered in the Register.

(c) The Bonds Similarly Secured shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond Similarly Secured or Bonds Similarly Secured 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 Similarly Secured presented for exchange. The Trustee is hereby authorized to authenticate and deliver Bonds exchanged for other Bonds Similarly Secured in accordance with this Section.

(d) The Trustee is hereby authorized to authenticate and deliver Bonds Similarly Secured transferred or exchanged in accordance with this Section. A new Bond Similarly Secured or Bonds Similarly Secured will be delivered by the Paying Agent/Registrar, in lieu of the Bond Similarly Secured being transferred or exchanged, at the Designated Payment/Transfer Office, or sent by United States mail, first class, postage prepaid, to the Holder or his designee. Each transferred Bond Similarly Secured 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 Similarly Secured or Bonds Similarly Secured in lieu of which such transferred Bond Similarly Secured is delivered.

(e) Each exchange Bond Similarly Secured 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 Similarly Secured or Bonds Similarly Secured in lieu of which such exchange Bond Similarly Secured is delivered.

(f) No service charge shall be made to the Holder for the initial registration, subsequent transfer, or exchange for a different denomination of any of the Bonds Similarly Secured. The Paying Agent/Registrar, however, may require the Holder 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 Similarly Secured.

(g) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Bond Similarly Secured 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 Holder of the uncalled principal balance of a Bond Similarly Secured.

Section 3.8. Cancellation.

All Bonds Similarly Secured paid or redeemed before scheduled maturity in accordance with this Indenture, and all Bonds Similarly Secured in lieu of which exchange Bonds Similarly Secured or replacement Bonds Similarly Secured 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. Whenever in this Indenture provision is made for the

cancellation by the Trustee of any Bonds Similarly Secured, the Trustee shall destroy such Bonds Similarly Secured and deliver a certificate of such destruction to the City.

Section 3.9. Temporary Bonds.

(a) Following the delivery and registration of the Initial Bond of each series of Bonds Similarly Secured and pending the preparation of definitive Bonds Similarly Secured, 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 Similarly Secured that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds Similarly Secured 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 Similarly Secured may determine, as evidenced by their signing of such temporary Bonds Similarly Secured.

(b) Until exchanged for Bonds Similarly Secured in definitive form, such Bonds Similarly Secured 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 Similarly Secured in definitive form; thereupon, upon the presentation and surrender of the Bond Similarly Secured or Bonds Similarly Secured 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 Similarly Secured or Bonds Similarly Secured of the same maturity and series, in definitive form, in the Authorized Denomination, and in the same aggregate principal amount, as the Bond Similarly Secured or Bonds Similarly Secured in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Holder.

Section 3.10. Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond Similarly Secured, the Trustee shall authenticate and deliver in exchange therefor a replacement Bond Similarly Secured of like tenor and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Holder of such Bond Similarly Secured 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 Similarly Secured is lost, apparently destroyed, or wrongfully taken, the City shall provide and the Trustee, pursuant to the Applicable Laws of the State and in the absence of notice or knowledge that such Bond Similarly Secured has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond Similarly Secured of like tenor and principal amount bearing a number not contemporaneously outstanding, provided that the Holder first complies with the following requirements:

- (i) 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 Similarly Secured;
- (ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the Trustee to save them and the City harmless;
- (iii) 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
- (iv) satisfies any other reasonable requirements imposed by the City and the Trustee.

(c) After the delivery of such replacement Bond Similarly Secured, if a bona fide purchaser of the original Bond Similarly Secured in lieu of which such replacement Bond was issued presents for payment such original Bond Similarly Secured, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond Similarly Secured 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 Similarly Secured has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond Similarly Secured, may pay such Bond Similarly Secured if it has become due and payable or may pay such Bond Similarly Secured when it becomes due and payable.

(e) Each replacement Bond Similarly Secured 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 Similarly Secured or Bonds Similarly Secured in lieu of which such replacement Bond Similarly Secured is delivered.

Section 3.11. Book-Entry Only System.

(a) The Bonds Similarly Secured 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 Similarly Secured 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 Similarly Secured 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 Similarly Secured. 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 will respect to any ownership interest in the Bonds Similarly Secured, (ii) the delivery to any DTC Participant or any other Person, other than an Holder, as shown on the Register, of any notice with respect to the Bonds Similarly Secured, including any notice of redemption, or (iii) the payment to any DTC Participant or any other Person, other than an Holder, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Bonds Similarly Secured. 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 Similarly Secured is registered in the Register as the absolute owner of such Bond Similarly Secured for the purpose of payment of principal of, premium, if any, and interest on Bonds Similarly Secured, for the purpose of giving notices of redemption and other matters with respect to such Bond Similarly Secured, for the purpose of registering transfer with respect to such Bond Similarly Secured, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds Similarly Secured only to or upon the order of the respective Holders 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 Similarly Secured to the extent of the sum or sums so paid. No Person other than a Holder, as shown in the Register, shall receive a Bond Similarly Secured 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 Record Date or Special Record Date, as applicable, 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 17(a) 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 Similarly Secured to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Bonds Similarly Secured and cause the Paying Agent/Registrar to transfer one or more separate registered Bonds Similarly Secured to DTC Participants having Bonds Similarly Secured credited to their DTC accounts. In such event, the Bonds Similarly Secured 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 Holders transferring or exchanging Bonds Similarly Secured 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 Similarly Secured 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 Similarly Secured, and all notices with respect to such Bonds Similarly Secured shall be made and given, respectively, in the manner provided in the blanket letter of representations from the City to DTC.

ARTICLE IV

REDEMPTION OF BONDS SIMILARLY SECURED 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 IV. Each series of Bonds Similarly Secured, other than the Bonds, shall be subject to mandatory sinking fund redemption and optional redemption as provided in the Supplemental Indenture authorizing the issuance of such series of Bonds Similarly Secured.

Section 4.2. **Mandatory Sinking Fund Redemption.**

(a) The Bonds maturing on September 1 in the years 20__ and 20__ (collectively, "*Term Bonds*"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the Redemption Price from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

Term Bonds Maturing _____, 20__	
<u>Redemption Date</u>	<u>Principal Amount</u>

†Final Maturity

Term Bonds Maturing _____, 20__	
<u>Redemption Date</u>	<u>Principal Amount</u>

†Final Maturity

(b) At least thirty (30) days prior to each sinking fund redemption date, and subject to any prior reduction authorized by subparagraphs (c) and (d) of this Section 4.2, the Trustee shall select for redemption by lot a principal amount of Term Bonds of such maturity equal to the Sinking Fund Installment 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 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 of such maturity which, at least 30 days prior to the sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

(d) The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Term Bonds which, at least 30 days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption provisions in Section 4.3 hereof or the extraordinary optional redemption provisions in Section 4.4 hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.3. Optional Redemption.

The Bonds may be redeemed prior to their scheduled maturities on any date on or after September 1, 20__, at the option of the City, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the City, at the Redemption Price.

Section 4.4. Extraordinary Optional Redemption.

The City reserves the right and option to redeem Bonds Similarly Secured before their respective scheduled maturity dates, in whole or in part, on any date, at the Redemption Price, 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(d)) or any other transfers to the Redemption Fund under the terms of this Indenture. If less than all Bonds Similarly Secured are called for extraordinary optional redemption, the Bonds Similarly Secured or portion of a Bond Similarly Secured to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds Similarly Secured.

Section 4.5. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to either Sections 4.2, 4.3 or 4.4, Bonds shall be redeemed in increments of \$1,000; provided that no redemption shall cause the principal amount of any Bond to be less than the minimum Authorized Denomination for such Bond except as provided in the following sentence. Notwithstanding the foregoing, if any Bonds are to be partially redeemed and such redemption results in the redemption of a portion of a single Bond in an amount less than the Authorized Denomination in effect at the time, a Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal

amount of such Bond by the minimum Authorized Denomination for such Bond.

(b) If less than all of a series of Bonds Similarly Secured are called for optional redemption pursuant to Section 4.3 hereof, the City shall, pursuant to a City Certificate, determine the Bond Similarly Secured or Bonds Similarly Secured or the amount thereof within a Stated Maturity to be redeemed and direct the Trustee to call by lot the Bonds, or portions thereof, within such Stated Maturity and in such principal amounts, for redemption.

(c) If less than all of the Bonds are called for extraordinary optional redemption pursuant to Section 4.4 hereof, the Bonds or portion of a Bond to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds. If less than all Bonds within a Stated Maturity are called for extraordinary optional redemption pursuant to Section 4.4 hereof, the Trustee shall call by lot the Bonds, or portions thereof, within such Stated Maturity and in such principal amounts, for redemption.

(d) 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 Holders.

(a) Upon written notification by the City to the Trustee of the exercise of any redemption, the Trustee shall give notice of any redemption of Bonds Similarly Secured by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Holder of each Bond Similarly Secured 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 Similarly Secured are to be surrendered for payment, and, if less than all the Outstanding Bonds Similarly Secured are to be redeemed, and subject to Section 4.5, an identification of the Bonds Similarly Secured 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 Similarly Secured 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 Holder receives such notice.

(d) The City has the right to rescind any optional redemption or extraordinary optional redemption described in Section 4.3 or 4.4 by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds Similarly Secured then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

(e) With respect to any optional redemption of the Bonds, unless the Trustee has received funds sufficient to pay the Redemption Price of the Bonds to be redeemed before giving of a notice of redemption, the notice may state the City may condition redemption on the receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient funds are not received, the notice shall be of no force and effect, the City shall not redeem the Bonds and the Trustee shall give notice, in the manner in which the notice of redemption was given, that the Bonds have not been redeemed.

Section 4.7. Payment Upon Redemption.

(a) The Trustee shall make provision for the payment of the Bonds Similarly Secured 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 Similarly Secured being redeemed.

(b) Upon presentation and surrender of any Bond Similarly Secured 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 Similarly Secured 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 Section 4.6 of this Indenture, the Bonds Similarly Secured or portions thereof called for redemption shall become due and payable on the date fixed for redemption provided that funds for the payment of on the Redemption Price of such Bonds Similarly Secured to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds Similarly Secured or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds Similarly Secured are presented and surrendered for payment on such date.

ARTICLE V

FORM OF THE BONDS SIMILARLY SECURED

Section 5.1. Form Generally.

(a) The Bonds Similarly Secured, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of the Trustee, and the Assignment to appear on each of the Bonds, (i) shall be, with respect to the Bonds, substantially in the form set forth in this Article with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Indenture, and, with respect to any Refunding Bonds, substantially in the form set forth in a Supplemental Indenture with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by the Supplemental 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 Bond Counsel) thereon as, consistently herewith, may be determined by the City or by the officers executing such Bonds Similarly Secured, as evidenced by their execution thereof.

(b) Any portion of the text of any Bonds Similarly Secured may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds Similarly Secured.

(c) The definitive Bonds Similarly Secured 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 Similarly Secured, as evidenced by their execution thereof.

(d) The Initial Bond of each series of Bonds Similarly Secured submitted to the Attorney General may be typewritten and photocopied or otherwise reproduced.

Section 5.2. **Form of the Bonds.**

(a) Form of Bond.

NEITHER THE FAITH AND CREDIT NOR THE TAXING
POWER OF THE STATE OF TEXAS, THE CITY,
CALDWELL COUNTY, OR ANY OTHER POLITICAL
CORPORATION, SUBDIVISION OR AGENCY THEREOF,
IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF
OR INTEREST ON THIS BOND.

REGISTERED
NO. _____

United States of America
State of Texas

REGISTERED
\$ _____

CITY OF LOCKHART, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2026
(SEAWILLOW PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1)

INTEREST RATE	MATURITY DATE	DATE OF DELIVERY	CUSIP NUMBER
%	September 1, 20__	March __, 2026	

The City of Lockhart, 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 on March 1 and September 1, of each year, commencing September 1, 2026.

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 UMB Bank, N.A., as trustee and paying agent/registrar (the "*Trustee*"), 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 acceptable to the Trustee, 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 15th 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 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 (which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder 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 as of the Date of

Delivery and issued in the aggregate principal amount of \$_____ and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of March 1, 2026 (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 Actual Costs of the Improvement Area #1 Projects, (ii) paying the Administrative Reserves related to the Bonds, (iii) paying Bond Issuance Costs for the Bonds, including funding a reserve fund for the payment of principal and interest on the Bonds, and (iv) the interest on the Bonds during and after the period of construction of the Improvement Area # 1 Improvements.

The Bonds are special, limited obligations of the City payable solely from the Trust Estate. 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 Holders. The Holder of this Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms, conditions and provisions of the Indenture.

The City has reserved the right to issue Refunding Bonds and other obligations on the terms and conditions specified in 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 \$25,000 and any multiple of \$1,000 in excess thereof ("*Authorized Denominations*"). The City prohibits the breaking up or allocation of CUSIP numbers to any Bond or Bonds in denominations of less than \$25,000, and any attempt to do so will be void and of no effect, except as may be the result of a partial redemption of a single Bond as provided in the Indenture, provided, however, that if the total principal amount of any Outstanding Bond is less than \$25,000, then the Authorized Denomination of such Outstanding Bond shall be the amount of such Outstanding Bond. With respect to Refunding Bonds, such term shall have the meaning ascribed thereto in the Supplemental Indenture authorizing the issuance of such Refunding Bonds.

The Bonds maturing on September 1 in the years 20__ and 20__ (collectively, the "*Term Bonds*"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part 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 VI of the Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

Term Bonds Maturing September 1, 20__

Redemption Date

Principal Amount

†Final Maturity

Term Bonds Maturing September 1, 20__

Redemption Date

Principal Amount

†Final Maturity

At least 30 days prior to each sinking fund redemption date, and subject to any prior reduction authorized by the Indenture, the Trustee shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Term Bonds of such maturity equal to the Sinking Fund Installments of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6 of the Indenture.

The principal amount of Term 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 Term Bonds of such maturity which, at least 30 days prior to the sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The principal amount of Term Bonds required to be redeemed on any sinking fund redemption date shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Term Bonds which, at least 30 days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

The Bonds may be redeemed prior to their scheduled maturities on any date on or after September 1, 20__, at the option of the City, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the City, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

The Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, on any date, at the option of 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 from amounts on deposit in the Redemption Fund as a result of Prepayments or any other transfers to the Redemption Fund under the terms of the Indenture. If less than all Bonds are called for extraordinary optional redemption, the Bonds or portion of a Bond to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds.

The Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Holder 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 Holder receives such notice.

The City has the right to rescind any optional redemption or extraordinary optional redemption described in the Indenture by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. Upon written direction from the City, the Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

With respect to any optional redemption of the Bonds, unless the Trustee has received funds sufficient to pay the Redemption Price of the Bonds to be redeemed before giving of a notice of redemption, the notice may state the City may condition redemption on the receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient funds are not received, the notice shall be of no force and effect, the City shall not redeem the Bonds and the Trustee shall give notice, in the manner in which the notice of redemption was given, that the Bonds have not been redeemed.

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 as is acceptable to the Trustee, 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 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, CALDWELL COUNTY OR 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 Lockhart, Texas

Mayor, City of Lockhart, Texas

[CITY SEAL]

(b) Form of Comptroller's Registration Certificate.

The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Bond:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER
OF PUBLIC ACCOUNTS
THE STATE OF TEXAS

§
§
§

REGISTER NO. _____

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____

Acting 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.

UMB Bank, N.A., as Trustee

DATED: _____

By: _____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto (print or typewrite name and address, including 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 register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

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) the Initial Bond shall be numbered T-1; and

(ii) in the first paragraph of the Bond, the words "on the Maturity Date, as specified above, the sum of \$ _____" shall be deleted and the following will be inserted: "on September 1 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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Section 5.3. **CUSIP Registration.**

The City may secure identification numbers through CUSIP Global Services, managed by FactSet Research Systems, Inc. on behalf of the American Bankers Association, New York, New York, and may authorize the printing of such numbers on the face of the Bonds Similarly Secured. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds Similarly Secured shall be of no significance or effect as regards the legality thereof and none of the City, the attorneys approving said Bonds Similarly Secured as to legality or the Trustee are to be held responsible for CUSIP numbers incorrectly printed on the Bonds Similarly Secured. The City prohibits any Bond Similarly Secured to be issued in a denomination of less than \$25,000 and further prohibits the assignment of a CUSIP number to any Bond Similarly Secured with a denomination of less than \$25,000, and any attempt to accomplish either of the foregoing shall be void and of no effect, except as provided in Section 4.5 hereof. The Trustee may include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds Similarly Secured have been assigned by an independent service and are included in such notice solely for the convenience of the Holders and that neither the City nor the Trustee shall be liable for any inaccuracies in such numbers.

Section 5.4. **Legal Opinion.**

The approving legal opinion of Bond Counsel may be printed on or attached to each Bond Similarly Secured over the certification of the City Secretary, which may be executed in facsimile.

ARTICLE VI
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:

- (i) Pledged Revenue Fund;
- (ii) Bond Fund;
- (iii) Project Fund;
- (iv) Reserve Fund;
- (v) Redemption Fund;
- (vi) Rebate Fund;
- (vii) Administrative Fund; and
- (viii) Project Collection Fund.

(b) Creation of Accounts.

- (i) The following Accounts are hereby created and established under the Bond Fund:
 - (A) Capitalized Interest Account; and
 - (B) Principal and Interest Account.
- (ii) The following Accounts are hereby created and established under the Reserve Fund:
 - (A) Reserve Account; and
 - (B) Delinquency & Prepayment Reserve Account.
- (iii) The following Accounts are hereby created and established under the Project Fund:
 - (A) Improvement Area #1 Improvement Account; and

(B) Costs of Issuance Account.

(iv) The following Account is hereby created and established under the Pledged Revenue Fund:

(A) Bond Pledged Revenue Account

(c) Each Fund and each Account created within such Fund shall be maintained by the Trustee separate and apart from all other funds and accounts of the City. The Pledged Funds 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 Holders of the Bonds Similarly Secured. 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.

(e) The Trustee may, from time to time, upon written direction from the City pursuant to a City Certificate, create additional Funds or Accounts hereunder as may be necessary for the receipt and application of the Assessment Revenues to account properly for the payment of the Actual Costs of the Improvement Area #1 Projects or to facilitate the payment or redemption for the Bonds Similarly Secured.

Section 6.2. **Initial Deposits to Funds and Accounts.**

The proceeds from the sale of the Bonds shall be paid to the Trustee and deposited or transferred by the Trustee as follows:

- (i) to the Capitalized Interest Account of the Bond Fund: \$_____;
- (ii) to the Reserve Account of the Reserve Fund: \$_____ which is equal to the initial Reserve Account Requirement;
- (iii) to the Costs of Issuance Account of the Project Fund: \$_____
- (iv) to the Improvement Area #1 Improvement Account of the Project Fund: \$_____; and
- (v) to the Administrative Fund: \$_____.

Section 6.3. **Pledged Revenue Fund and Project Collection Fund.**

(a) On or before February 20, 2027, and on or before each February 20 and August 20 of each year thereafter while the Bonds Similarly Secured are Outstanding, the City shall transfer or cause to be transferred, pursuant to a City Certificate provided to the Trustee for deposit to the Pledged Revenue Fund the Pledged Revenues, other than the Pledged Revenues deposited into the Project Collection Fund by the Trustee upon the receipt from the Tax Assessor-Collector of the

County. Upon the Trustee's receipt of the Pledged Revenues, including the Pledged Revenues deposited into the Project Collection Fund pursuant to Section 6.3(b) and subsequently transferred to the Pledged Revenue Fund by the Trustee pursuant to a City Certificate as described in Section 6.3(b), the Trustee shall deposit or cause to be deposited the foregoing amounts as follows: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds Similarly Secured next coming due, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, (iii) third, to pay Actual Costs of the Improvement Area #1 Projects as provided in Section 6.5 hereof, and (iv) fourth, to pay other costs permitted by the PID Act. Notwithstanding the foregoing, the Additional Interest of the Annual Installments shall only be utilized for the purposes set forth in Section 6.7(b) hereof and, on each March 1, beginning March 1, 2027, and on any other day set forth in a City Certificate, the amount of Additional Interest of the Annual Installments confirmed by the City pursuant to a City Certificate, will be transferred from the Pledged Revenue Fund and deposited into the Delinquency & Prepayment Reserve Account and/or the Redemption Fund, as applicable. If there are insufficient funds to make the deposit in full set forth in (i) above for the debt service payment date immediately following the required transfer date or the deposit in full set forth in (ii) above after the City transfers the Pledged Revenues to the Trustee by the dates specified in this Section 6.3(a) and after the Trustee deposits all such Pledged Revenues as provided in this Section 6.3(a), the City shall make additional transfers of Pledged Revenues as soon as available and practicable to the Trustee from time to time for deposit to the Pledged Revenue Fund as necessary to ensure such deposits in (i) and (ii) are made in full.

(b) While any of the Bonds Similarly Secured are Outstanding, the County, acting by and through its Tax Assessor-Collector or another taxing unit or an appraisal district, by agreement with the City, may collect Assessment Revenues on the City's behalf. If such taxing unit or appraisal district presents or otherwise tenders to the Trustee such collected Assessment Revenues for deposit on the City's behalf, the Trustee shall accept such Assessment Revenues and deposit the same into the Project Collection Fund. The Trustee shall, as directed by the City pursuant to a City Certificate, deposit or cause to be deposited (i) all of that portion of the Assessment Revenues deposited into the Project Collection Fund that consists of Annual Collection Costs and Delinquent Collection Costs to the Administrative Fund, and (ii) all of that portion of the Assessment Revenues deposited into the Project Collection Fund that consists of Pledged Revenues into the Pledged Revenue Fund and shall further deposit or cause to be deposited such Pledged Revenues pursuant to Section 6.3(a). The City shall provide such City Certificate on or before February 20, 2027, and on or before every February 20 and August 20 thereafter while the Bonds Similarly Secured are Outstanding. The Project Collection Fund is not a Pledged Fund. If there are insufficient funds to make the deposit in full set forth in (i) of Section 6.3(a) for the debt service payment date immediately following the required City Certificate delivery date or the deposit in full set forth in (ii) of Section 6.3(a) after the City provides a City Certificate by the dates specified in this Section 6.3(b) and after the Trustee deposits all Pledged Revenues received as provided in this Section 6.3(b) and Section 6.3(a), the City will provide additional City Certificates as soon as practicable to the Trustee from time to time upon notice from the Trustee that additional Assessment Revenues have been deposited to the Project Collection Fund and the Trustee will make the transfers contemplated by this Section 6.3(b) and Section 6.3(a) as necessary to ensure the deposits set forth in (i) and (ii) of Section 6.3(a) are made in full.

(c) From time to time as needed to pay the obligations relating to the Bonds Similarly Secured, 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 of the Bond Fund, an amount, taking into account any amounts then on deposit in such Principal and Interest Account and any expected transfers from the Capitalized Interest Account to the 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 Similarly Secured on the next Interest Payment Date.

(d) The Trustee shall transfer the amounts determined in writing by the City as Prepayments to the Redemption Fund promptly after deposit of such amounts into the Pledged Revenue Fund.

(e) Upon receipt of Foreclosure Proceeds, the Trustee shall transfer such amount of Foreclosure Proceeds determined in writing by the City, first to the Reserve Fund to restore any transfers from the Reserve Fund made in connection with the Improvement Area #1 Assessed Property to which the Foreclosure Proceeds relate, second, to the Delinquency & Prepayment Reserve Account replenish the Delinquency & Prepayment Reserve Requirement, and third, to the Redemption Fund.

(f) After satisfaction of the requirement to provide for the payment of the principal of and interest on the Bonds Similarly Secured and to fund any deficiency that may exist in the Reserve Fund, the Trustee shall, at the written request of the City, transfer any Pledged Revenues remaining in the Pledged Revenue Fund to the City, pursuant to a City Certificate, which monies may be used for any lawful purpose for which Improvement Area #1 Assessments may be used under the PID Act. The Trustee may rely upon any such request of the City and shall have no obligation to determine the lawful purposes permitted under the PID Act.

Section 6.4. Bond Fund.

(a) 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 Similarly Secured, less any amount to be used to pay interest on the Bonds Similarly Secured on such Interest Payment Date from the Capitalized Interest Account as provided below.

(b) If amounts in the Principal and Interest Account are insufficient for the purposes set forth in paragraph (a) above, the Trustee shall withdraw from 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 all interest due on the Bonds on September 1, 2026, and a portion of the interest due on the Bonds on March 1, 2027. 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 to the Project Fund, or if

the Project Fund has been closed as provided in Section 6.5(e), such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

(d) If, after the foregoing transfers and any transfer from the Reserve Fund as provided in Section 6.7, there are insufficient funds to make the payments provided in paragraph (a) 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 Similarly Secured.

Section 6.5. Project Fund.

(a) Money on deposit in the Project Fund shall be used for the purposes specified in Section 3.1.

(b) Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds Similarly Secured pursuant to the instructions on the memorandum to be prepared by the underwriter for the Bonds Similarly Secured (the "*Closing Memorandum*") as of the Closing Date for the respective series of Bonds Similarly Secured. If, after the foregoing disbursements made pursuant to the Closing Memorandum, there are funds remaining in the Cost of Issuance Account, disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds Similarly Secured pursuant to one or more City Certificates as provided in Section 6.5(h).

(c) Disbursements from the Improvement Area #1 Improvement Account of the Project Fund to pay Actual Costs of the Improvement Area #1 Improvements shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certification for Payment. Each such Certification for Payment shall include a list of the payees and the payments to be made to such payees as well as a statement that all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in such written request and the Trustee may rely on such payment instructions given by the City with no duty to investigate or inquire as to the authenticity of or authorization for the invoice or the payment instructions contained therein. The disbursement of funds from the Improvement Area #1 Improvement Account shall be pursuant to and in accordance with the disbursement procedures described in the Improvement Area #1 Construction, Funding and Acquisition Agreement or as provided in such written direction. Such provisions and procedures related to such disbursement contained in the Improvement Area #1 Construction, Funding and Acquisition Agreement and no other provisions of the Improvement Area #1 Construction, Funding and Acquisition Agreement are herein incorporated by reference and deemed set forth herein in full.

(d) Except as provided in Section 6.5(e) and (g), money on deposit in the Improvement Area #1 Improvements Account of the Project Fund shall be used solely to pay Actual Costs of the Improvement Area #1 Improvements, provided the Trustee shall have no responsibility for the application of any funds disbursed from the Improvement Area #1 Improvement Account in reliance upon a Certification for Payment approved by the City.

(e) If the City Representative determines in the City Representative's reasonable discretion that amounts then on deposit in the Improvement Area #1 Improvement Account of the Project Fund are not expected to be expended for purposes of the Improvement Area #1 Improvement Account due to the abandonment, or constructive abandonment, of one or more of the Improvement Area #1 Improvements such that, in the reasonable opinion of the City Representative, it is unlikely that the amounts in the Improvement Area #1 Improvement Account of the Project Fund will ever be expended for the purposes of the Improvement Area #1 Improvement Account, the City Representative shall file a City Certificate with the Trustee, and provide a copy of such City Certificate to the Developer prior to filing with the Trustee, which identifies the amounts then on deposit in the Improvement Area #1 Improvement Account of the Project Fund that are not expected to be used for purposes of the Improvement Area #1 Improvement Account. If such City Certificate is so filed, the amounts on deposit in the Improvement Area #1 Improvement Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds Similarly Secured on the earliest practicable date after notice of redemption has been provided in accordance with this Indenture. Upon such transfers, the Improvement Area #1 Improvement Account of the Project Fund shall be closed.

(f) In making any determination pursuant to this Section, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

(g) Upon the filing of a City Certificate stating that all of the Improvement Area #1 Improvements have been completed and that all Actual Costs of the Improvement Area #1 Improvements have been paid, or that any Actual Costs of the Improvement Area #1 Improvements are not required to be paid from the Improvement Area #1 Improvement Account of the Project Fund pursuant to a Certification for Payment, the Trustee shall transfer the amount, if any, remaining within the Improvement Area #1 Improvement Account of the Project Fund to the Bond Fund or to the Redemption Fund as directed by the City Representative in a City Certificate filed with the Trustee. Upon such transfers, the Improvement Area #1 Improvement Account of the Project Fund shall be closed.

(h) Upon the Trustee's receipt of a written determination by the City Representative that all costs of issuance of the applicable series of Bonds Similarly Secured have been paid, any amounts remaining in the Costs of Issuance Account of the Project Fund shall be transferred to (i) the Improvement Area #1 Improvement Account in the Project Fund and used to pay Actual Costs of the Improvement Area #1 Improvements, or (ii) if no Improvement Area #1 Improvements remain to be funded, to the Principal and Interest Account of the Bond Fund and used to pay principal on the Bonds, as directed in a City Certificate filed with the Trustee and the Costs of Issuance Account shall be closed.

Section 6.6. Redemption Fund.

Subject to adequate amounts on deposit in the Pledged Revenue Fund, the Trustee, pursuant to a City Certificate, shall cause to be deposited to the Redemption Fund from the Pledged Revenue Fund an amount sufficient to redeem Bonds Similarly Secured as provided in Sections 4.3 and 4.4 on the dates specified for redemption as provided in Sections 4.3 and 4.4. Amounts on deposit in

the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds Similarly Secured as provided in Article IV.

Section 6.7. Reserve Fund.

(a) The City agrees with the Holders of the Bonds Similarly Secured to accumulate and, when accumulated, maintain in the Reserve Account of the Reserve Fund an amount equal to not less than the Reserve Account Requirement. All amounts deposited in the Reserve Account shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund or the Redemption Fund, as provided in this Indenture.

(b) Subject to 6.3(a) herein, the Trustee will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Delinquency & Prepayment Reserve Account on March 1 of each year, commencing March 1, 2027, and on any other day set forth in a City Certificate, an amount equal to the Additional Interest until the Delinquency & Prepayment Reserve Requirement has been accumulated in the Delinquency & Prepayment Reserve Account. Once the Delinquency & Prepayment Reserve Requirement has accumulated in the Delinquency & Prepayment Reserve Account, any amounts in excess of the Delinquency & Prepayment Reserve Requirement shall be transferred by the Trustee to the Redemption Fund to redeem Bonds Similarly Secured as provided in Article IV, provided, however, that if at any time the amount on deposit in the Delinquency & Prepayment Reserve Account is less than Delinquency & Prepayment Reserve Requirement, the Trustee shall resume depositing such Additional Interest into the Delinquency & Prepayment Reserve Account until the Delinquency & Prepayment Reserve Requirement has again accumulated in the Delinquency & Prepayment Reserve Account. In determining the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on a City Certificate specifying the amounts to transfer. The Additional Interest shall continue to be collected and deposited pursuant to this Indenture until the Bonds Similarly Secured are no longer Outstanding.

(c) Whenever a transfer is made from an Account of the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Trustee shall provide written notice thereof to the City, specifying the amount withdrawn and the source of said funds.

(d) In the event of an extraordinary optional redemption of Bonds Similarly Secured pursuant to Section 4.4, the Trustee, pursuant to written directions from the City, shall transfer from the Reserve Account of the Reserve Fund to the Redemption Fund the amount specified in such directions, which shall be an amount equal to the principal amount of Bonds Similarly Secured to be redeemed multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayment toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds Similarly Secured to the date fixed for redemption of the Bonds Similarly Secured to be redeemed as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall and/or any additional amounts necessary to permit the Bonds Similarly Secured to be redeemed in minimum principal amounts of \$1,000 from the

Delinquency & Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds Similarly Secured.

(e) Whenever, on any Interest Payment Date, or on any other date at the written request of a City Representative, the value of cash and Value of Investment Securities on deposit in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Bonds Similarly Secured on the next Interest Payment Date in accordance with Section 6.4, unless prior to the next Interest Payment Date, the Trustee receives a City Certificate instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8 hereof, (ii) to the Administrative Fund in an amount not more than the Annual Collection Costs for the Bonds Similarly Secured or (iii) to the Improvement Area #1 Improvement Account of the Project Fund to pay Actual Costs of the Improvement Area #1 Improvements if such application and the expenditure of funds is expected to occur within three years of the Closing Date.

(e-1) Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amount in the Delinquency & Prepayment Reserve Account exceeds the Delinquency & Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess, and the Trustee shall transfer such excess pursuant to Section 6.7(b) hereof. The Trustee shall incur no liability for the accuracy or validity of the transfer so long as the Trustee made such transfer in full compliance with this Section.

(f) Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds Similarly Secured due on such date, the Trustee shall transfer first from the Delinquency & Prepayment Reserve Account of the Reserve Fund, and second from the Reserve Account of the Reserve Fund to the Bond Fund the amounts necessary to cure such deficiency.

(g) At the final maturity of the Bonds Similarly Secured, the amount on deposit in the Reserve Account and the Delinquency & Prepayment Reserve Account of the Reserve Fund shall be transferred to the Principal and Interest Account and applied to the payment of the principal of the Bonds Similarly Secured.

(h) If, after a Reserve Account withdrawal, the amount on deposit in the Reserve Account is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account the amount of such deficiency, but only to the extent that such amount is not required for the timely payment of principal, interest, or Sinking Fund Installments.

(i) If the amount held in the Reserve Fund together with the amount held in the Pledged Revenue Fund, the Bond Fund and Redemption Fund is sufficient to pay the principal amount of all Outstanding Bonds Similarly Secured on the next date the Bonds Similarly Secured may be optionally redeemed by the City at a redemption price of par, together with the unpaid interest accrued on such Bonds Similarly Secured as of such date, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds Similarly Secured on such date.

Section 6.8. Rebate Fund: Rebatable Arbitrage.

(a) The Rebate Fund is to be held by the Trustee in accordance with the terms and provisions of this Indenture. 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 shall not be security for the Bonds Similarly Secured.

(b) In order to assure that Rebatable Arbitrage is paid to the United States rather than to a third party, investments of funds on deposit in the Rebate Fund shall be made in accordance with the Code and the Tax Certificate, as further set forth in written directions from the City to the Trustee. 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 under this Section, but only so long as the Trustee follows such written instructions in all respects...

(c) The Trustee conclusively shall be deemed to have complied with the provisions of this Section 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 in the absence of instructions from the City.

(d) If, on the date of each annual calculation, the amount on deposit in the Rebate Fund exceeds the amount of the Rebatable Arbitrage, the City may direct the Trustee, pursuant to a City Certificate, to transfer the amount in excess of the Rebatable Arbitrage to the Bond Fund.

Section 6.9. Administrative Fund.

(a) On or before February 20, 2027, and on or before each February 20 and August 20 of each year thereafter while the Bonds Similarly Secured are Outstanding, the City shall deposit or cause to be deposited to the Administrative Fund the portion of the Improvement Area #1 Assessments and Annual Installments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan, other than the Annual Collection Costs and Delinquent Collection Costs deposited into the Project Collection Fund, which amounts shall be deposited in accordance with Section 6.3(b) hereof, as applicable.

(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 Annual Collection Costs and Delinquent Collection Costs, or may be withdrawn by the Trustee without further authorization for the payment of the fees, expenses, advances and indemnities owed to the Trustee in accordance with Section 9.6. The Administrative Fund shall not be part of the Trust Estate and shall not be security for the Bonds Similarly Secured.

Section 6.10. Investment of Funds.

(a) Money in any Fund or Account, other than the Reserve Account of the Reserve Fund, shall be invested by the Trustee as directed by the City pursuant to a City Certificate filed

with the Trustee in Investment Securities; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund or Account will be available at the proper time or times. Money in the Reserve Account shall be invested in such Investment Securities as directed by the City pursuant to a City Certificate filed with the Trustee, provided that the final maturity of any individual Investment Security shall not exceed 270 days and the average weighted maturity of any investment pool or no-load money market mutual fund shall not exceed 90 days. Each such City Certificate shall be a certification, upon which the Trustee may conclusively rely without investigation or inquiry, that the investment directed therein constitutes an Investment Security and that such investments meet the maturity and average weighted maturity requirements set forth in the preceding sentence and the Trustee shall not be responsible for determining such requirements. Such investments shall be valued each year in terms of the Value of Investment Securities as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in the Funds and Accounts may be invested in common investments of the kind described above, or in a common pool of such investment 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 or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold, in order to make the disbursements required or permitted by this Indenture, to prevent any default under this Indenture. To ensure that cash on hand is invested, if the City does not give the Trustee written or timely instructions with respect to investments of funds, the Trustee is hereby directed to invest and re-invest cash balances in Morgan Stanley, Fidelity or Federated family of funds, but only so long as such funds are authorized investments and permitted under the Public Funds Investment Act, Texas Government Code 2256, as amended, or any successor law, and only so long as such investments constitute Investment Securities and the money required to be expended from any Fund will be available at the proper time or times.

(b) Obligations purchased as an investment of moneys in any Fund or Account 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 as determined and directed in writing by the City.

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. 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 suitability or legality of any investments or whether investments comply with this Section. 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 to the City, upon the City's written request, periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the City. 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 City waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The City further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

(f) In the event it is found, after an annual calculation has been done pursuant to Section 6.8 hereof, that the City owes Rebatale Arbitrage to the United States Government, the City shall direct the Trustee, pursuant to a City Certificate, to transfer to the Rebate Fund the investment earnings on funds on deposit in the Pledged Funds in an amount equal to the Rebatale Arbitrage owed by the City. The City Certificate shall specify the amount to be transferred and the Pledged Fund or Pledged Funds from which the investment earnings shall be transferred.

Section 6.11. 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 VII

COVENANTS

Section 7.1. Confirmation of Improvement Area #1 Assessments.

The City hereby confirms, covenants, and agrees that, in the Assessment Ordinance, it has levied the Improvement Area #1 Assessments against the property in Improvement Area #1 of the District from which the Assessment Revenues will be collected and received.

Section 7.2. Collection and Enforcement of Improvement Area #1 Assessments.

(a) For so long as any Bonds Similarly Secured are Outstanding, the City covenants, agrees and warrants that it will take and pursue all reasonable actions permissible under Applicable Laws to cause the Improvement Area #1 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 Improvement Area #1 Assessments.

(b) To the extent permitted by law, notice of the Annual Installments shall 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 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.

(c) The City will determine or cause to be determined, no later than February 15 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 Improvement Area #1 Assessments or the corresponding property.

(d) The City shall not be required under any circumstances to expend any funds for Delinquent Collection Costs or Annual Collection Costs in connection with its covenants and agreements under this Section or otherwise other than funds on deposit in the Administrative Fund.

(e) If and to the extent that the Improvement Area #1 Assessments have been prepaid in full, the lien on the real property associated with such Prepayment shall be released, and the rights of the Trustee and Holders under this Indenture with respect to such released real property shall terminate.

Section 7.3. Against Encumbrances.

(a) The City shall not create and shall not suffer to remain, any lien, encumbrance or charge upon the Trust Estate or upon any other property pledged under this Indenture, except the pledge created for the security of the Bonds Similarly Secured, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

(b) So long as Bonds Similarly Secured are Outstanding hereunder or under any Supplemental Indenture relating to any Refunding Bonds, the City shall not issue any bonds, notes or other evidences of indebtedness, other than the Bonds Similarly Secured, secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under this Indenture or under any Supplemental Indenture relating to any Refunding Bonds, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

Section 7.4. Records, Accounts, Accounting Reports.

The City hereby covenants and agrees that so long as any Bonds Similarly Secured are Outstanding, it will keep and maintain a proper and complete system of records and accounts pertaining to the Improvement Area #1 Assessments. The Trustee and Holder or Holders of any Bonds Similarly Secured 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 Similarly Secured during the City's regular business hours and on a mutually agreeable date not later than thirty days after the City receives such request.

Section 7.5. Covenants Regarding Tax Exemption of Interest on Bonds.

(a) Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "*Code*"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Indenture or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action which would otherwise result in the Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with --

(A) proceeds of the Bonds invested for a reasonable temporary period of 3

years or less or, in the case of a refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(7) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(8) to refrain from using the proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings)

(9) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(10) to establish reasonable expectations to prevent using the proceeds of the Bonds in contravention of the requirements of section 149(g) of the Code (relating to hedge bonds).

(b) Rebate Fund. In order to facilitate compliance with the above covenant (9), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Proceeds. The Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the Issuer agrees to comply with the additional

requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the _____ to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) Allocation Of, and Limitation On, Expenditures for the Project. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Indenture (the "*Project*") on its books and records in accordance with the requirements of the Internal Revenue Code. The Issuer recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the Issuer recognizes that in order for proceeds to be expended under the Internal Revenue Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired. The Issuer agrees to obtain the advice of nationally recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of Project. The Issuer covenants that the property constituting the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Bonds. For purpose of the foregoing, the Issuer may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(f) Reimbursement. This Indenture is intended to satisfy the official intent requirements set forth in section 1.150-2 of the Treasury Regulations.

ARTICLE VIII

LIABILITY OF CITY

Section 8.1. **Liability of City.**

(a) Neither the full faith and credit nor the general taxing power of the City is pledged to the payment of the Bonds Similarly Secured, and no City taxes, fee or revenues from any source are pledged to the payment of, or available to pay any portion of, the Bonds Similarly Secured or any other obligations relating to the District. The City shall never be liable for any obligations relating to the Bonds Similarly Secured or other obligations relating to the District, other than as specifically provided for in this Indenture.

(b) The City shall not incur any responsibility in respect of the Bonds Similarly Secured or this Indenture other than in connection with the duties or obligations explicitly herein or in the Bonds Similarly Secured 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 Similarly Secured, or as to the existence of a default or event of default thereunder.

(c) 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.

(d) No provision of this Indenture, the Bonds Similarly Secured, the Assessment Ordinance, or any agreement, document, instrument, or certificate executed, delivered or approved in connection with the issuance, sale, delivery, or administration of the Bonds Similarly Secured (collectively, the "*Bond Documents*"), shall require the City to expend or risk its own general funds or other funds or otherwise incur any financial liability (other than with respect to the Trust Estate and the amounts collected to pay Annual Collection Costs deposited in the Administrative Fund) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of the City there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

(e) Neither the Holders 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 Trust Estate or the amounts collected to pay Annual Collection Costs deposited in the Administrative Fund. 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 Holders of the Bonds Similarly Secured by mandamus or other proceeding at law or in equity.

(f) 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 independent 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.

(g) 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 IX

THE TRUSTEE

Section 9.1. Acceptance of Trust; Trustee as Registrar and Paying Agent.

(a) The Trustee accepts and agrees to execute the respective trusts imposed upon it by this Indenture, but only upon the express terms and conditions and subject to the provisions of this Indenture to all of which the parties hereto and the respective Holders of the Bonds Similarly Secured agree. The Trustee undertakes to perform such duties and only such duties as are specifically and expressly set forth herein. No implied covenants or obligations shall be read into this Indenture against the Trustee. These duties shall be deemed purely ministerial in nature, and the Trustee shall not be liable except in connection with its performance of such duties.

(b) The Trustee is hereby designated and agrees to act as Paying Agent/Registrar for and in respect to the Bonds Similarly Secured.

Section 9.2. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to spend its own funds, to 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, to the extent permitted by law, to its satisfaction by the Holders 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; provided, however, that in no event shall the Trustee request or require indemnification as a condition to making any deposits, payments or transfers (provided such payment or transfer is prior to an Event of Default) when required hereunder, or to deliver any notice when required hereunder. To the extent permitted by law and during the occurrence of an Event of Default, or to delivering any notice when required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or exercise any such rights and powers as Trustee, and in such case the Trustee may make transfers from the Administrative Fund, and to the extent money in the Administrative Fund is insufficient, from the Pledged Revenue Fund, to pay all fees, costs, and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall, to the extent permitted by law, be entitled to a preference therefor over any Outstanding Bonds Similarly Secured hereunder on amounts held within the Administrative Fund.

Section 9.3. Responsibilities of the Trustee.

(a) The recitals contained in this Indenture and in the Bonds Similarly Secured shall be taken as the statements of the City and the Trustee assumes no responsibility for 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 Similarly Secured 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 Similarly Secured 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; (v) any loss suffered in connection with any investment of funds in accordance with this Indenture; or (vi) to undertake any other action unless specifically authorized pursuant to written direction by the City or pursuant to this Indenture.

(b) 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 and expressly set forth in this Indenture. The Trustee will, prior to any Event of Default and after curing of any Event of Default, perform such duties and only such duties as are specifically set forth herein. The Trustee will during the existence of an Event of Default, exercise such rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of his/her own affairs.

(c) 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 liable for incidental, indirect, special, or consequential damages in connection with or arising from this Indenture for the existence, furnishing or use of the Improvement Area #1 Project.

(d) 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 direction of the Holders of at least a Quarter in Interest of the then Outstanding Bonds Similarly Secured 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.

(e) The Trustee shall not be liable for any error of judgment made in good faith by any one of its officers, unless it shall be established that the Trustee was negligent in ascertaining the pertinent facts.

(f) 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, shall survive the Trustee's resignation or removal, the discharge of this Indenture.

(g) The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof, or as to the validity or sufficiency of this Indenture or of the Bonds. The Trustee shall not be accountable for the use or application of any Bond or the proceeds thereof or of any money paid to or upon the order of the City under any provision of this Indenture.

(h) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents, attorneys, or receivers, and shall not be responsible for any misconduct or negligence on the part of any agent, attorney, or receiver appointed or chosen by it with due care, and the Trustee shall be entitled to rely and act upon the opinion or advice of counsel, who may be counsel to the City, concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such agents, attorneys, and receivers as may reasonably be employed in connection with the trusts hereof. The Trustee shall not be responsible for any loss or damage resulting from any action or nonaction by it taken or omitted to be taken in good faith in reliance upon such opinion or advice of counsel.

(i) The Trustee shall not be responsible for any recital herein (except with respect to the authentication certificate of the Trustee endorsed on the Bonds) or for the recording, filing, or refiling of this Indenture in connection therewith, or for the validity of the execution by the City of this Indenture or of any Supplemental Indentures or instruments of further assurance, or for the sufficiency or security of the Bonds. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Indenture.

(j) The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof, or as to the validity or sufficiency of this Indenture or of the Bonds

Similarly Secured. The Trustee shall not be accountable for the use or application of any Bonds Similarly Secured or the proceeds thereof or of any money paid to or upon the order of the City under any provision of this Indenture.

Section 9.4. 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 9.5. Trustee Protected in Relying on Certain Documents.

(a) The Trustee may conclusively rely upon any order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond, or other document or instrument 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, or upon the written opinion of any counsel, architect, engineer, insurance consultant, management consultant, or accountant that the Trustee shall in good faith reasonably believe to be qualified in relation to the subject matter or is selected by the City in accordance with this Indenture, and the Trustee shall be under no duty to make any investigation or inquiry into, and shall not be deemed to have knowledge of, any statements contained or matters referred to in any such instrument. Subject to Section 9.1 and 9.3, the Trustee may, at the expense of the City, consult with counsel selected by the Trustee with due care that is nationally recognized in the field of municipal bond law, who may or may not be Bond Counsel, and any advice from such counsel with respect to compliance with the provisions of this Indenture shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder, reasonably and in good faith, in accordance with such advice.

(b) 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 such 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, 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 be entitled to conclusively rely upon the foregoing as sufficient evidence of the facts set forth herein. The execution of any City Certificate shall constitute, unto the Trustee, an irrevocable determination that all conditions precedent thereto have occurred.

(c) 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 9.13.

Section 9.6. Compensation.

Unless otherwise provided by contract with the Trustee, the Trustee at the written direction of the City, shall transfer from the Administrative Fund, the previously determined and agree upon, reasonable compensation for all services rendered by it hereunder, including its services as Paying Agent/Registrar and extraordinary services rendered,, 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, all pursuant to a City Certificate and subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by such City Certificate, and the Trustee shall have a lien therefor on any and all funds at any time held by it hereunder prior to any Bonds Similarly Secured then Outstanding. 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 the Trustee has 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 shall make such payment from lawfully available funds in the Administrative Fund, and to the extent moneys in the Administrative Fund are insufficient, then from other lawfully available funds (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 Outstanding Bonds Similarly Secured hereunder. The right of the Trustee to fees, expenses, and indemnification, to the extent permitted by law, shall survive the release, discharge, and satisfaction of the Indenture.

Section 9.7. 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 Similarly Secured and may join in any action that any Holder of Bonds Similarly Secured 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 Similarly Secured or to effect or aid in any reorganization growing out of the enforcement of the Bonds Similarly Secured or this Indenture, whether or not such committee shall represent the Holders of a Quarter in Interest of the Bonds Similarly Secured. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be liable for any permissive actions taken except as a consequence of its own negligence or misconduct.

Section 9.8. Resignation of Trustee.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than 60 days' written notice, specifying the date when such resignation shall take effect, to the City and each Holder of any Outstanding Bonds Similarly Secured. Such resignation shall take effect upon the appointment of a successor as provided in Section 9.10 and the acceptance of such appointment by such successor. Notwithstanding the

foregoing, if, after 60 days following receipt of the notice, the City has not appointed a successor Trustee, the Trustee may apply to a court of competent jurisdiction to appoint a successor Trustee, at no expense to the City, and such resignation shall take effect upon the court's appointment of a successor Trustee.

Section 9.9. Removal of Trustee.

The Trustee may be removed at any time by (i) the Holders of at least a Quarter in Interest of the Bonds Similarly Secured by an instrument or concurrent instruments in writing signed and acknowledged by such Holders 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 Holders of not less than 10% of the aggregate principal amount of Bonds Similarly Secured then Outstanding. Notwithstanding the foregoing, if, after 60 days following receipt of the notice, the City has not appointed a successor Trustee, the Trustee may apply to a court of competent jurisdiction to appoint a successor Trustee, at no expense to the City, and such resignation shall take effect upon the court's appointment of a successor Trustee.

Section 9.10. Successor Trustee.

(a) 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.

(b) 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 Holders of at least a Quarter in Interest of the Bonds Similarly Secured by an instrument or concurrent instruments in writing signed and acknowledged by such Holders 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.

(c) Until such successor Trustee shall have been appointed by the Holders of the Bonds Similarly Secured, the City shall forthwith (and in no event in excess of 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 Holder of any Outstanding Bonds Similarly Secured within 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 Holders of Bonds Similarly Secured.

(d) If in a proper case no appointment of a successor Trustee shall be made within 45 days after the giving by any Trustee of any notice of resignation in accordance with Section 9.8 or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Holder of Bonds Similarly Secured 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.

(e) 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.

(f) Each successor Trustee shall mail, in accordance with the provisions of the Bonds Similarly Secured, notice of its appointment to the Trustee, any rating agency which, at the time of such appointment, is providing a rating on the Bonds Similarly Secured and each of the Holders of the Bonds Similarly Secured.

Section 9.11. Transfer of Rights and Property to Successor Trustee.

Any successor Trustee appointed under the provisions of Section 9.10 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 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 its 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 9.12. 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, 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 9.10, or a trust company that is a wholly-owned subsidiary of any of the foregoing.

Section 9.13. Trustee To File Continuation Statements.

The City will cause to be filed all appropriate financing statements. If necessary, the Trustee, as directed by the City, shall file or cause to be filed, at the City's expense, such continuation statements as may be delivered to the Trustee 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 and rights 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, provided, unless the Trustee is otherwise notified in writing by the City or a Holder, the Trustee may conclusively rely upon the initial financing statements delivered to it in filing any continuation statements hereunder. The Trustee is not responsible for the initial filing of any financing statements. The City shall timely deliver a copy of such filed financing statement, if any, to the Trustee.

Section 9.14 Offering Documentation.

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 Similarly Secured and, except as otherwise provided in the continuing disclosure agreement of the issuer, shall have no responsibility for compliance with any State or federal securities laws in connection with the Bonds Similarly Secured.

Section 9.15. 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 Holder or Holders of not less than 10% in principal amount of the Bonds Similarly Secured then Outstanding or their representatives duly authorized in writing.

Section 9.16. 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 Holders of the Bonds Similarly Secured.

Section 9.17 Verifications of Statutory Representations and Covenants.

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 Securities and Exchange Commission 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 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.

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. Amendments Permitted.

(a) This Indenture and the rights and obligations of the City and of the Holders of the Bonds Similarly Secured 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 Holders of the Bonds

Similarly Secured so affected by such modification or amendment, or with the written consent without a meeting, of the Holders of the Bonds Similarly Secured of at least a majority of the aggregate Outstanding principal of the Bonds Similarly Secured so affected by such modification or amendment and with City approval. No such modification or amendment shall (i) extend the maturity of any Bond Similarly Secured or reduce the principal of or 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 Similarly Secured, without the express consent of the Holder of such Bond Similarly Secured, or (ii) permit the creation by the City of any pledge or lien upon the Trust Estate superior to or on a parity with the pledge and lien created for the benefit of the Bonds Similarly Secured (except as otherwise permitted by Applicable Laws and this Indenture), or (iii) reduce the percentage of Bonds Similarly Secured required for the amendment hereof. Any such amendment shall not modify any of the rights, immunities or obligations of the Trustee without its prior written consent. In executing or accepting any Supplemental Indenture, the Trustee shall be fully protected in relying upon an opinion of qualified counsel addressed and delivered to the Trustee stating that (a) the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture, (b) the execution and delivery of will not adversely affect the exclusion from federal gross income of the interest on the Bonds Similarly Secured, and (c) such Supplemental Indenture will, upon the execution and delivery thereof, to be a valid and binding obligation of the City.

(b) This Indenture and the rights and obligations of the City and of the Holders may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Holders, only to the extent permitted by Applicable Laws, and only for any one or more of the following purposes:

(i) 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;

(ii) to make modifications not adversely affecting any Outstanding Bonds Similarly Secured in any material respect;

(iii) 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 Holders of the Bonds Similarly Secured;

(iv) to provide for the issuance of Refunding Bonds, as set forth in Section 13.2 herein;

(v) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Bonds Similarly Secured; and

(vi) to authorize Refunding Bonds in accordance with the provisions of this Indenture.

(c) Notwithstanding anything to the contrary herein, no Supplemental Indenture entered into in accordance with Section 10.1(b) above shall be effective unless the City first delivers to the Trustee an opinion of Bond Counsel to the effect that such amendment will not adversely affect the: (i) interests of the Holders in any material respect, or (ii) exclusion of interest on any Bond Similarly Secured from gross income for purposes of federal income taxation.

Section 10.2. Holders' Meetings.

The City may at any time call a meeting of the Holders of the Bonds Similarly Secured. 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 reasonable rules and regulations for the conduct of said meeting; provided, however, that the same may not conflict with the terms of this Indenture. Without limiting the generality of the immediately preceding sentence, such rules and regulations may not reduce the percentage of Holders of Bonds Similarly Secured required for the amendment of this Indenture as provided herein.

Section 10.3. Procedure for Amendment with Written Consent of Holders.

(a) The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds Similarly Secured or of this Indenture, to the extent that such amendment is permitted by Section 10.1, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a request to Holders for their consent thereto, if such consent is required pursuant to Section 10.1, shall be mailed by first class mail, by the Trustee to each Holder of Bonds Similarly Secured 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.

(b) Such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the written consents of the Holders 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 Similarly Secured for which such consent is given, which proof shall be such as is permitted by Section 11.6. Any such consent shall be binding upon the Holder of the Bonds Similarly Secured giving such consent and on any subsequent Holder (whether or not such subsequent Holder has notice thereof), unless such consent is revoked in writing by the Holder giving such consent or a subsequent Holder by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

(c) After the Holders of the required percentage of Bonds Similarly Secured shall have filed their consents to the Supplemental Indenture, the City shall mail a notice to the Holders 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 Holders of the required percentage of Bonds Similarly Secured 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 10.3 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 Holders of all Bonds Similarly Secured at the expiration of sixty (60) 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 sixty-day period.

Section 10.4. Procedure for Amendment Not Requiring Holder Consent.

(a) The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds Similarly Secured or of this Indenture, to the extent that such amendment is permitted by Section 10.1, to take effect when and as provided in this Section. The City shall direct the Trustee to provide a copy of such Supplemental Indenture, together with a notice stating that the Supplemental Indenture does not require Holder consent, shall be mailed by first class mail by the Trustee to each Holder of Bonds Similarly Secured so affected, but failure to mail copies of such Supplemental Indenture shall not affect the validity of the Supplemental Indenture. The Trustee shall retain the proof of its mailing of such notice. A record, consisting of the papers required by this Section 10.4, shall be proof of the matters therein stated until the contrary is proved.

(b) The Supplemental Indenture shall become effective upon the execution and delivery of such Supplemental Indenture by the Trustee and the City, and the Supplemental Indenture shall be deemed conclusively binding upon the City, the Trustee and the Holders of all Bonds Similarly Secured as of the date of such execution and delivery.

Section 10.5. Effect of Supplemental Indenture.

From and after the time any Supplemental Indenture becomes effective pursuant to this Article X, 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 Holders of Outstanding Bonds Similarly Secured 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 10.6. Endorsement or Replacement of Bonds Similarly Secured Issued After Amendments.

The City may determine that Bonds Similarly Secured issued and delivered after the effective date of any action taken as provided in this Article X 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 Holder of any Outstanding Bonds Similarly Secured at such effective date and presentation of his Bond Similarly Secured for that purpose at the designated office of the Trustee or at such other office as the City may select and designate for that purpose, a suitable notation

shall be made on such Bond Similarly Secured. The City may determine that new Bonds Similarly Secured, so modified as in the opinion of the City is necessary to conform to such Holders' action, shall be prepared, executed, and delivered. In that case, upon demand of the Holder of any Bonds Similarly Secured then Outstanding, such new Bonds Similarly Secured shall be exchanged at the designated office of the Trustee without cost to any Holder, for Bonds Similarly Secured then Outstanding, upon surrender of such Bonds Similarly Secured.

Section 10.7. Amendatory Endorsement of Bonds Similarly Secured.

The provisions of this Article X shall not prevent any Holder from accepting any amendment as to the particular Bonds Similarly Secured held by such Holder, provided that due notation thereof is made on such Bonds Similarly Secured.

Section 10.8. Waiver of Default.

Subject to Section 10.1, with the written consent of at least a majority of the aggregate Outstanding principal of the Bonds Similarly Secured at that time, the Holders may waive compliance by the City with certain past defaults under this Indenture and their consequences. Any such consent shall be conclusive and binding upon the Holders and upon all future Holders.

Section 10.9. 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. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.1. Events of Default.

Each of the following occurrences or events shall be and is hereby declared to be an "Event of Default," to wit:

- (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 Improvement Area #1 Assessments including the prosecution of foreclosure proceedings, in accordance with Section 7.2;

(iii) Default in the performance or observance of any covenant, agreement or obligation of the City under this Indenture other than a default under (i) above or (iv) below, and the continuation thereof for a period of ninety (90) days after written notice specifying such default and requiring same to be remedied shall have been given to the City by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Holders of at least a majority of the aggregate Outstanding principal of the Bonds Similarly Secured so affected by such Event of Default; and

(iv) The failure to make payment of the principal of or interest on any of the Bonds Similarly Secured when the same becomes due and payable and such failure is not remedied within thirty (30) days thereafter; provided, however, that the payments are to be made only from the Trust Estate.

The Trustee shall not be charged with knowledge of (a) any events or other information, or (b) any default under this Indenture or any other agreement unless a responsible office of the Trustee shall have actual knowledge thereof.

Section 11.2. Immediate Remedies for Default.

(a) Subject to Article VIII, upon the happening and continuance of any of the Events of Default described in Section 11.1, then and in every such case the Trustee may proceed, and upon the written request of the Holders of at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding and so affected by such Event of Default, and its receipt of indemnity satisfactory to it, shall proceed, to protect and enforce the rights of the Holders 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. The Trustee shall have no liability for its selection of Trust Estate assets to liquidate or sell.

(b) PURSUANT TO SECTION 11.7, THE PRINCIPAL OF THE BONDS SIMILARLY SECURED SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

(c) Whenever moneys are to be applied pursuant to this Article XI, 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, specifically, in inverse order of value pursuant to a certified appraisal of real or personal property or market value of investments as set forth in the U.S. Stock Exchange, and as may be required by law 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, in the reasonable judgment of the Trustee, proper for the purpose which may be designated in such request.

(d) If an Event of Default shall have occurred and be continuing, the City, upon demand of the Trustee, shall surrender the possession of, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of all or any part of the Trust Estate, together with the books, papers, and accounts of the City pertaining thereto, and including the rights and the position of the City, and to hold and manage the same, as well as set up proper reserve for the payment of all proper costs and expenses, holding and managing the same, including (i) reasonable compensation to the Trustee, its agents, and counsel, (ii) any reasonable charges of the Trustee hereunder, and (iii) any taxes and assessments and other charges prior to the lien of this Indenture. After payment in full of the foregoing, the Trustee shall surrender possession of the Trust Estate to the City, its successors or assigns.

(e) If the assets of the Trust Estate are sufficient to pay all amounts due with respect to Outstanding Bonds Similarly Secured, in the selection of Trust Estate assets to be used in the payment of Bonds Similarly Secured 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 Holder 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 Holder, or other Person, or the City by reason of such selection, liquidation or sale.

Section 11.3. Restriction on Holder's Action.

(a) No Holder 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 actual knowledge thereof or has been notified in writing as provided in Section 9.3(f), or of which by such Section it is deemed to have notice, (ii) such default has become an Event of Default and the Holders of at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding and so affected by such Event of Default 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 Holders have furnished to the Trustee written evidence of indemnity as provided in Section 9.2, (iv) the Trustee has for 60 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 written direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding and so affected by such Event of Default, and (vi) notice of such action, suit, or proceeding is given to the Trustee in writing; however, no one or more Holders of the Bonds Similarly Secured 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 Holders of all Bonds Similarly Secured then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, 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 VIII, nothing in this Indenture shall affect or impair the right of any Holder to enforce, by action at law, payment of any Bond Similarly Secured at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond Similarly Secured issued hereunder to the respective Holders thereof at the time and place, from the source and in the manner expressed herein and in the Bonds Similarly Secured.

(c) In case the Trustee or any Holders of Bonds Similarly Secured 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 Holders of Bonds Similarly Secured, then and in every such case the City, the Trustee and the Holders of Bonds Similarly Secured 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 11.4. Application of Revenues and Other Moneys After Default.

(a) All moneys, securities, funds and Pledged Revenues and other assets of the Trust Estate 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, liabilities, advances and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel fees, costs, and expenses), 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 11.2, be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds Similarly Secured, as follows:

FIRST: To the payment to the Holders 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 Holders entitled thereto, without any discrimination or preference; and

SECOND: To the payment to the Holders entitled thereto of the unpaid principal of Outstanding Bonds Similarly Secured, or Redemption Price of any Bonds Similarly Secured 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 Similarly Secured due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due and to the Holders entitled thereto, without any discrimination or preference.

The Trustee shall make payments to the Owners of Bonds Similarly Secured pursuant to this Section 11.4 within thirty (30) days of receipt of such good and available funds, and the record date shall be the date the Trustee receives such good and available funds.

(b) In the event funds are not adequate to cure any of the Events of Default described in Section 11.1, the available funds shall be allocated to the Bonds Similarly Secured that are Outstanding in proportion to the quantity of Bonds Similarly Secured 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 11.3, shall not extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 11.5. Effect of Waiver.

The Trustee may, with the prior written consent of at least a majority of the aggregate Outstanding principal of the Bonds Similarly Secured at that time and so affected, waive an Event of Default occurring hereunder. No delay or omission of the Trustee, or any Holder, 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 Holders, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 11.6. Evidence of Ownership of Bonds Similarly Secured.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Holders of Bonds Similarly Secured may be in one or more instruments of similar tenor, and shall be signed or executed by such Holders 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 Similarly Secured shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

(i) The fact and date of the execution of such instruments by any Holder of Bonds Similarly Secured or the duly appointed attorney authorized to act on behalf of such Holder 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.

(ii) The ownership of Bonds Similarly Secured 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 a Holder of any Bond Similarly Secured shall bind all future Holders of the same Bond Similarly Secured in respect of anything done or suffered to be done by the City or the Trustee in accordance therewith.

Section 11.7. No Acceleration.

In the event of the occurrence of an Event of Default under Section 11.1, 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 11.8. Mailing of Notice.

Any provision in this Article for the mailing of a notice or other document to Holders shall be fully complied with if it is mailed, first class postage prepaid, only to each Holder at the address appearing upon the Register.

Section 11.9. Exclusion of Bonds Similarly Secured.

Bonds Similarly Secured owned or held by or for the account of the City will not be deemed Outstanding for any purpose. The City shall promptly deliver any such Bonds Similarly Secured to the Trustee for cancellation.

Section 11.10. Remedies Not Exclusive.

Subject to Section 11.2, no remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other remedy and each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity, by statute or by contract.

Section 11.11. Direction by Holders.

Anything herein to the contrary notwithstanding, the Holders of at least a Quarter in Interest of the Bonds Similarly Secured so affected by such Event of Default shall have the right by an instrument in writing executed and delivered to the Trustee, to direct the choice of remedies and the time, method and place of conducting any proceeding for any remedy available to the Trustee hereunder, under each Supplemental Indenture or otherwise, or exercising any trust or power conferred upon the Trustee, including the power to direct or withhold directions with respect to any remedy available to the Trustee or the Holders, provided, (i) such direction shall not be otherwise than in accordance with law and the provisions hereof, (ii) that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and (iii) that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Holders not parties to such direction. The Trustee shall be entitled to request and receive such directions in writing and shall have no responsibility or

liability for any losses or damages of any nature that may arise from any action taken or not taken by the Trustee in accordance with such written direction.

ARTICLE XII

GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. Representations as to Trust Estate.

(a) The City represents and warrants that it is authorized by Applicable Laws to authorize and issue the Bonds Similarly Secured, to execute and deliver this Indenture and to pledge the Trust Estate in the manner and to the extent provided in this Indenture, and that the Trust Estate is 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 Trust Estate and all the rights of the Holders and the Trustee, under this Indenture against all claims and demands of all Persons whomsoever.

(c) Subject to Section 7.2(d), the City will take all steps reasonably necessary and appropriate, and will provide written direction to the Trustee to take all steps reasonably necessary and appropriate, to collect all delinquencies in the collection of the Improvement Area #1 Assessments and any other amounts pledged to the payment of the Bonds Similarly Secured to the fullest extent permitted by the PID Act and other Applicable Laws.

Section 12.2. 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 XIII

SPECIAL COVENANTS

Section 13.1. 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 13.2. **Other Obligations or Other Liens; Refunding Bonds.**

(a) The City reserves the right to issue Additional Obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on any portion of the Trust Estate and are not payable from the Trust Estate or any portion thereof. Additionally, the City has reserved the right to issue bonds or other obligations secured by and payable from Pledged Revenues so long as such pledge is subordinate to the pledge of the Pledged Revenues securing payment of the Bonds Similarly Secured.

(b) Other than Refunding 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 done or omit 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 Trust Estate; 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 counsel to the Trustee, the same would endanger the security for the Bonds Similarly Secured.

(c) The City reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds or Outstanding Refunding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the State, and in accordance with the conditions set forth below:

(i) Notwithstanding anything to the contrary herein, no Refunding Bonds may be issued by the City unless: (1) the principal (including any principal amounts to be redeemed on a mandatory sinking fund redemption date) of such Refunding Bonds is scheduled to mature on September 1 of the years in which principal is scheduled to mature and (2) the interest on such Refunding Bonds must be scheduled to be paid on March 1 and September 1 of the years in which interest is scheduled to be paid. The date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of Refunding Bonds shall be set forth in a Supplemental Indenture; and

(ii) Upon their authorization by the City, the Refunding Bonds of a Series issued under this Section 13.2 shall be issued and shall be delivered to the purchasers or owners thereof, but before, or concurrently with, the delivery of said Refunding Bonds to such purchasers or owners there shall have been filed with the Trustee (1) a copy, certified by the City Secretary, of the ordinance or ordinances of the City authorizing the issuance, sale, execution and delivery of the Refunding Bonds and the execution and delivery of a Supplemental Indenture establishing, among other things, the date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of such Refunding Bonds, and (2) an original executed counterpart of the Supplemental Indenture for such Refunding Bonds.

(d) Notwithstanding any contrary provision of this Indenture, the City shall not issue additional bonds, notes or other obligations under this Indenture secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under this Indenture, other than Bonds Similarly Secured or bonds or other obligations secured by and payable from Pledged Revenues unless such pledge is subordinate to the pledge of the Pledged Revenues securing payment of the Bonds Similarly Secured.

Section 13.3. 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 dealings, business and affairs of the City, which relate to the Pledged Revenues, the Pledged Funds, and the Bonds Similarly Secured.

(b) The Trustee shall have no responsibility with respect to the financial and other information received by it pursuant to this Section 13.3 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.

ARTICLE XIV

PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE

Section 14.1. Trust Irrevocable.

The trust created by the terms and provisions of this Indenture is irrevocable until the Bonds Similarly Secured that are secured hereby are fully paid or provision is made for their payment as provided in this Article.

Section 14.2. Satisfaction of Indenture.

If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, principal of and interest on all of the Bonds Similarly Secured, at the times and in the manner stipulated in this Indenture, and all amounts due and owing with respect to the Bonds Similarly Secured 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 Holders of such Bonds Similarly Secured, 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 Similarly Secured has been paid so that the City may determine if this Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the Funds and Accounts held hereunder as directed in writing by the City.

Section 14.3. Bonds Similarly Secured Deemed Paid.

(a) Any Outstanding Bonds Similarly Secured shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and no longer Outstanding within the

meaning of this Indenture (a "*Defeased Debt*"), and particularly this Article XIV, when payment of the principal of, premium, if any, on such Defeased Debt, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), either (1) shall have been made in accordance with the terms thereof, or (2) shall have been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to the Bonds Similarly Secured with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. 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 Defeased Debt. 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 Defeased Debt on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

(b) Any determination not to redeem Defeased Debt that is made in conjunction with the payment arrangements specified in Sections 14.3(a)(1) or 14.3(a)(2) shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the City expressly reserves the right to call the Defeased Debt for redemption; (2) the City gives notice of the reservation of that right to the Holders of the Defeased Debt immediately following the defeasance; (3) the City directs that notice of the reservation be included in any defeasance or redemption notices that it authorizes; and (4) at or prior to the time of the redemption, the City satisfies the conditions of clause (a) of this Section 14.3 with respect to such Defeased Debt as though it was being defeased at the time of the exercise of the option to redeem the Defeased Debt, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

ARTICLE XV

MISCELLANEOUS

Section 15.1. **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 Holders, 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 Holders 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 15.2. 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 15.3. Execution of Documents and Proof of Ownership by Holders.

(a) Any request, declaration, or other instrument which this Indenture may require or permit to be executed by Holders may be in one or more instruments of similar tenor, and shall be executed by Holders in person or by their attorneys duly appointed in writing.

(b) Except as otherwise expressly provided herein, the fact and date of the execution by any Holder 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.

(c) Except as otherwise herein expressly provided, the ownership of registered Bonds Similarly Secured and the amount, maturity, number, and date of holding the same shall be proved by the Register.

(d) Any request, declaration or other instrument or writing of the Holder of any Bond Similarly Secured shall bind all future Holders of such Bond Similarly Secured in respect of anything done or suffered to be done by the City or the Trustee in good faith and in accordance therewith.

Section 15.4. No Waiver of Personal Liability.

No member, 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 Similarly Secured; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

Section 15.5. Notices to and Demands on City and Trustee.

(a) Except as otherwise expressly provided herein, all notices or other instruments required or permitted under this Indenture shall be in writing and shall be faxed, delivered by hand, or mailed by first class mail, postage prepaid, or transmitted by facsimile or e-mail and addressed as follows:

If to the City

City of Lockhart, Texas

308 W. San Antonio St.
P.O. Box 239
Lockhart, Texas 78644
Attn: City Manager
Telephone: (512) 398-3461

If to the Trustee
Or the Paying Agent/Registrar

UMB Bank, N.A.
5910 N. Central Expressway, Suite 1900
Dallas, Texas 75206
Attn: Corporate Trust Administration
Telephone: (214) 389-5947

(b) Any such notice, demand, or request may also be transmitted to the appropriate party by telegram or 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.

(c) 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 Business Days after the date of dispatch; notices and consents given by any other means shall be deemed to have been given when received.

(d) The Trustee shall mail to each Holder of a Bond Similarly Secured notice of the redemption or defeasance of all Outstanding Bonds Similarly Secured.

Section 15.6. 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 Similarly Secured 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 15.7. Applicable Laws; Jurisdiction.

This Indenture shall be governed by and enforced in accordance with the laws of the State applicable to contracts made and performed in the State. Venue and exclusive jurisdiction of any action to enforce or construe this Indenture shall be in a state court of competent jurisdiction in Caldwell County, Texas or any federal court with diversity jurisdiction.

Section 15.8. 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 Similarly Secured or the date fixed for redemption of any Bonds Similarly Secured 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 15.9. Counterparts.

This Indenture may be executed in counterparts, each of which shall be deemed an original.

Section 15.10. Electronic Storage.

The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action, or suit in the appropriate court of law.

Section 15.11. Disclosure of Interested Parties.

The Trustee represents and warrants that it is exempt from the requirements of Section 2252.908 of the Texas Government Code, as amended, pursuant to subsection (c)(4) thereof. Accordingly, the Trustee is not required to file a Certificate of Interested Parties Form 1295.

IN WITNESS WHEREOF, the City and the Trustee have caused this Indenture of Trust to be executed as of the date hereof.

CITY OF LOCKHART, TEXAS

By: _____
Lew White, Mayor

Attest:

_____, City Secretary

(CITY SEAL)

UMB Bank, N.A.,
as Trustee

By: _____
Authorized Officer

Trustee Signature Page to Indenture of Trust

EXHIBIT B
BOND PURCHASE AGREEMENT

\$15,837,000
CITY OF LOCKHART, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(SEAWILLOW RANCH PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1)

BOND PURCHASE AGREEMENT

March 3, 2026

City of Lockhart, Texas
308 W. San Antonio St.
Lockhart, Texas 78644

Ladies and Gentlemen:

The undersigned, FMSbonds, Inc. (the “Underwriter”), offers to enter into this Bond Purchase Agreement (this “Agreement”) with the City of Lockhart, 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 UMB Bank, N.A., as trustee (the “Trustee”), authorizing the issuance of the Bonds (defined herein), and 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 \$15,837,000 aggregate principal amount of the “City of Lockhart, Texas, Special Assessment Revenue Bonds, Series 2026 (Seawillow Ranch Public Improvement District Improvement Area #1)” (the “Bonds”), at a purchase price of \$_____ (representing the aggregate principal amount of the Bonds, less an original issue discount of \$_____, and less 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, (ii) in connection 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 and agrees 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 proceeds of the Bonds and the construction of the Improvement Area #1 Projects financed with proceeds of 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, and will not be assuming an advisory or fiduciary responsibility in favor, of the City.

The Bonds shall be dated the Closing Date, 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 March 26, 2026 (or such other date as may be agreed to by the City and the Underwriter).

2. Authorization Instruments and Law. The Bonds were authorized by the Bond Ordinance enacted by the City Council of the City (the "City Council") and shall be issued pursuant to the provisions of the PID Act, and an Indenture of Trust, dated as of March 1, 2026, 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 payable from a first lien on, security interest in, and pledge of the Trust Estate, consisting primarily of Improvement Area #1 Assessments levied pursuant to the Assessment Ordinance against the Improvement Area #1 Assessed Property, all to the extent and upon the conditions described in the Indenture. The District was established by a resolution (the "Creation Resolution"), enacted by the City Council on October 15, 2024, in accordance with the PID Act. The Improvement Area #1 Assessments were levied and the Service and Assessment Plan was approved pursuant to the Assessment Ordinance. The Creation Resolution, the Assessment Ordinance, the Bond Ordinance, and the Indenture are collectively referred to herein as the "Authorizing Documents."

The Bonds shall be as described in Schedule I attached hereto, the Indenture, and the Limited Offering Memorandum. The proceeds of the Bonds shall be used for the purposes described in the Limited Offering Memorandum under the subcaption "PLAN OF FINANCE – The Bonds" and shall be generally applied as described in the Limited Offering Memorandum under "SOURCES AND USES OF FUNDS."

3. Initial Offering. The Underwriter agrees to make an initial offering of all of the Bonds in accordance with Section 4 hereof and to limit the initial offering of the Bonds to persons that qualify as “Accredited Investors” (as defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended and then in effect (the “Securities Act”)) or “Qualified Institutional Buyers” (as defined in Rule 144A under the Securities Act). On or before the third (3rd) Business Day prior to the Closing Date, the Underwriter shall execute and deliver to Bond Counsel the Issue Price Certificate (defined herein), in substantially the form attached hereto as Appendix B.

4. Establishment of Issue Price.

a. Definitions. For purposes of this Section 4, the following definitions apply:

(i) “*Participating Underwriter*” means (A) any person that agrees pursuant to a written contract with the City (or with the Underwriter to form an underwriting syndicate) 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).

(ii) “*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than a Participating Underwriter or a Related Party to a Participating Underwriter.

(iii) “*Related Party*” means any two or more persons who are subject, directly or indirectly, to (A) at least 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 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).

(iv) “*Sale Date*” means the date of execution of this Agreement by all parties.

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 five (5) Business Days prior to Closing an Issue Price 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 initial offering price (the “Initial Offering Price”) or

prices or the sales price or prices to the Public of the Bonds (the “Issue Price Certificate”). As applicable, all actions to be taken by the City under this Section to establish the issue price of the Bonds may be taken on behalf of the City by the Municipal Advisor (defined in subsection 6(r) hereof) and any notice or report to be provided to the City may be provided to the Municipal Advisor.

c. *Substantial Amount Test.* [Other than those maturities of the Bonds which are designated by the Underwriter in the Issue Price Certificate (the “Hold-the-Price Maturities”),] the City will treat the first price at which at least ten percent (a “Substantial Amount”) in principal amount of each maturity of the Bonds is sold to the Public as of the Sale Date (the “Substantial Amount Test”) as the issue price of that maturity (or each separate CUSIP number within that maturity). At or promptly after the execution of this Agreement, the Underwriter will report to the City the price or prices at which the Participating Underwriters have offered and sold to the Public each maturity of the Bonds. If at that time the Substantial Amount Test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the City the prices at which the Bonds have been sold by the Participating Underwriters to the Public. That reporting obligation will continue, whether or not the Closing Date has occurred, until the Substantial Amount Test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the Public.

d. *Hold-The-Price Restriction.* The Underwriter agrees that it will neither offer nor sell any of the Hold-the-Price Maturities to any person at a price that is higher than the applicable Initial Offering Price for such maturity during the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth (5th) Business Day after the Sale Date, or (ii) the date on which the Underwriter has sold a Substantial Amount of such Hold-the-Price Maturity to the Public at a price that is no higher than the Initial Offering Price of such Hold-the-Price Maturity (the “Hold-the-Price Restriction”). The Initial Offering Price of the Hold-the-Price Maturities shall be the issue price for such maturities.

The Underwriter shall promptly advise the City when the Participating Underwriters have sold a Substantial Amount of each such Hold-The-Price Maturity to the Public at a price that is no higher than the applicable Initial Offering Price of such Hold-The-Price Maturity, if that occurs prior to the close of the fifth (5th) Business Day after the Sale Date.

The City acknowledges that, in making the representation set forth in this subparagraph (d), the Underwriter will rely on (A) the agreement of each Participating Underwriter to comply with the Hold-the-Price Restriction, as set forth in an agreement among underwriters and the related pricing wires, (B) in the event a selling group has been created in connection with the sale of the Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the Hold-the-Price Restriction, as set forth in a selling group agreement and the related pricing wires, and (C) in the event that a Participating Underwriter is a party to a third-party distribution agreement that was employed in connection with the sale of the Bonds, the agreement of each such underwriter, dealer or broker-dealer that is a party to such agreement to

comply with the Hold-the-Price Restriction, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each Participating Underwriter will be solely liable for its failure to comply with its agreement regarding the Hold-the-Price Restriction and that no Participating Underwriter will be liable for the failure of any other Participating Underwriter to comply with its corresponding agreement regarding the Hold-the-Price Restrictions as applicable to the Bonds.

e. *Agreements Among Participating Underwriters.* The Underwriter confirms that (i) any agreement among underwriters, 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 each Participating 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, to (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allocated to it until it is notified by the Underwriter that either the Substantial Amount Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public, (B) comply with the Hold-the-Price Restriction, if applicable, in each case if and for so long as directed by the Underwriter and as set forth in the relating pricing wires, and (C) acknowledge that, unless otherwise advised by the Participating Underwriter, the Underwriter will assume that based on such agreement each order submitted by the underwriter, dealer or broker-dealer is a sale to the Public; and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the Public, together with related pricing wires, contains or will contain language obligating each Participating Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each underwriter or broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter or the applicable Participating Underwriter that either the Substantial Amount Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public, and (B) comply with the Hold-the-Price Restriction, if applicable, in each case if and for so long as directed by the Underwriter or the applicable Participating Underwriter and as set forth in the relating pricing wires.

f. *Sale to Related Party not a Sale to the Public.* The Participating Underwriters acknowledge that sales of any Bonds to any person that is a Related Party to a Participating Underwriter do not constitute sales to the Public for purposes of this Section. If a Related Party to a Participating Underwriter purchases during the initial offering period all of a Hold-The-Price Maturity, the related Participating Underwriter will notify the Underwriter and will take steps to confirm in writing that such Related Party will either (i) hold such Bonds for its own account, without present intention to sell, reoffer, or otherwise dispose of such Bonds for at least five (5) Business Days from the Sale Date, or (ii) comply with the Hold-The-Price Restriction.

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 February 18, 2026 (the “Preliminary Limited Offering Memorandum”), in a “designated electronic format,” as defined in the 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 (as more particularly defined below, 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, except for the inclusion of the information permitted to be excluded from the Preliminary Limited Offering Memorandum by Section (b)(1) of Rule 15c2-12. 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, upon request, sufficient quantities (which may be in electronic format) of the Preliminary Limited Offering Memorandum as the Underwriter reasonably deems necessary to satisfy the obligation of the Underwriter under Rule 15c2-12 with respect to distribution to each potential customer.

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) 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 reasonably 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 twenty-fifth (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 promptly notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time reasonably 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, the City makes no representations with respect to the following information (collectively, the “Non-City Disclosures”): (i) 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 information in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum in any maps included therein or under the captions and subcaptions “PLAN OF FINANCE” (except for the information under the subcaptions “– The Bonds” and “– Additional Indebtedness”), “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS,” “BOOK-ENTRY ONLY SYSTEM,” “THE IMPROVEMENT AREA #1 PROJECTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “THE ADMINISTRATOR,” “APPRAISAL,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Improvement Area #1 Projects, and the Development (as defined in the Limited Offering Memorandum)), “LEGAL MATTERS – Litigation – The Developer,” “CONTINUING DISCLOSURE – The Developer” and “– The Developer’s Compliance with Prior Undertakings,” “INFORMATION RELATING TO THE TRUSTEE,” “APPENDIX E-2,” and “APPENDIX G.” If such notification shall be subsequent to the Closing (as defined herein), 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 reasonably 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 the Limited Offering Memorandum with the MSRB through its Electronic Municipal Market Access (“EMMA”) system within one (1) 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 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 and perform its duties and obligations under:

(1) this Agreement;

(2) the Indenture;

(3) the Development Agreement;

(4) the Improvement Area #1 Construction, Funding, and Acquisition Agreement; and

(5) the Continuing Disclosure Agreement of Issuer with respect to the Bonds, dated as of March 1, 2026 (the “Continuing Disclosure Agreement of Issuer”), executed and delivered by the City, the Administrator, and UMB Bank, N.A., as Dissemination Agent (the “Dissemination Agent”).

(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 Improvement Area #1 Construction, Funding, and Acquisition Agreement, (5) the Continuing Disclosure Agreement of Issuer, (6) the Limited Offering Memorandum, and (7) 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 be in compliance, in all material respects, with the obligations on its part to be performed on or prior to the Closing Date under 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 PID Act. The City has, and at the Closing 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 PID 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 Bond Ordinance and the other City Documents.

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 the obligations on its part to be performed in each of such agreements or instruments does not and will not conflict with or constitute a 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 portion of the Trust Estate or under the terms of any such law, regulation, or instrument, except as may be permitted by the City Documents.

e. No Litigation. 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 sold 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, lien on, and pledge of the Trust Estate. The Indenture creates a valid lien on and pledge of the Trust Estate pursuant to the Indenture to the extent provided for in the Indenture, 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. Improvement Area #1 Assessments. The Improvement Area #1 Assessments have been levied by the City in accordance with the Assessment Ordinance and the PID Act on those parcels of land identified in the Improvement Area #1 Assessment Roll. According to the PID Act, such Improvement Area #1 Assessments 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 lien on and pledge of the Trust Estate which secures 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 twenty-fifth (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 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; 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 twenty-fifth (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 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 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 (5) years, the City has complied in all material respects with its previous continuing disclosure undertakings

made by it in accordance with Rule 15c2-12, except as described in the Limited Offering Memorandum.

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 (y) 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 (z) 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/or warranty, as applicable in the legal context, 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. Municipal Advisor. The City has engaged Specialized Public Finance, Inc., as its municipal advisor (the “Municipal Advisor”) 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.

7. Developers’ Letter of Representations and Closing Certificates. At the signing of this Agreement, the City and Underwriter shall receive from the Developer and RODG DT Seawillow PropCo LLC, a Texas limited liability company (the “Affiliate” and, together with the Developer, the “Developers”) an executed Developers’ Letter of Representations (the “Developers’ Letter of Representations”) in the form of Appendix A hereto, and at the Closing, a

certificate signed by the Developers set forth in subsection 10(e) hereof and Appendix E hereto (the “Developers’ Closing Certificate”).

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 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 or counsel 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 in the Developers’ Letter of Representations and the performance by the City of its obligations under this Agreement, both as of the date hereof and as of the Closing Date. 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 ordinances, 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 Greenberg Traurig, LLP (“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 Developers' Letter of Representations, the Development Agreement, the Improvement Area #1 Construction, Funding, and Acquisition Agreement, the Landowner Agreement executed by the Developer as of March 3, 2026 (the "Landowner Agreement"), and the Continuing Disclosure Agreement of Developer with respect to the Bonds, dated as of March 1, 2026, executed and delivered by the Developer, the Administrator, and the Dissemination Agent (the "Continuing Disclosure Agreement of Developer" and, together with the Developers' Letter of Representations, the Development Agreement, the Improvement Area #1 Construction, Funding, and Acquisition Agreement, and the Landowner Agreement, the "Developer Documents"); 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, the Developer Documents, or other documents relating to the financing and construction of the Improvement Area #1 Projects and the Development (as defined in the Limited Offering Memorandum), 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 the Developer to pay the Improvement Area #1 Assessments when due or complete the Improvement Area #1 Projects.

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 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 chamber 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 chamber of the Congress of the United States by a Committee of such chamber 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 announcement (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; 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 statement 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, or that the Indenture needs 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, 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; provided, however that such suspension in trading or any disruption in securities settlement, payment or clearance services is not in force on the date hereof; or

(4) there shall have occurred (whether or not foreseeable) (i) any outbreak of hostilities (including, without limitation, an act of terrorism) including, but not limited to, an escalation of hostilities that existed prior to the date hereof, (ii) national or international calamity or crisis, including, but not limited to, an escalation in the scope or magnitude of any natural disaster, or (iii) material financial crisis or adverse change in the financial or economic conditions affecting the

United States government or the securities markets in the United States;
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 or the Developer, except as disclosed or described in 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 ten percent (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;
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 Improvement Area #1 Assessments and the liens created thereby, such Improvement Area #1 Assessments being the primary asset of the Trust Estate pledged 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 a 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 the Limited Offering Memorandum; or

(v) a general banking moratorium shall have been declared by federal or State authorities having jurisdiction and shall be in force; or

(vi) a material disruption in securities settlement, payment or clearance services shall have occurred; 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 Securities and Exchange Commission 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 described in this Agreement or in 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 Closing Date, including the Securities Act, the Securities Exchange Act of 1934 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 (or counsel to the Underwriter on behalf of 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 D to the Limited Offering Memorandum, together with a reliance letter from Bond Counsel, dated the Closing Date and addressed to the Underwriter, which may be included in the supplemental opinion required by Section 10(b) hereof, 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 to 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 Preliminary Limited Offering Memorandum and in the Limited Offering Memorandum, but that Bond Counsel has reviewed the statements and information appearing in the Preliminary Limited Offering Memorandum and in the Limited

Offering Memorandum under the captions and subcaptions “PLAN OF FINANCE – The Bonds” and “– Additional Indebtedness” (first paragraph only), “DESCRIPTION OF THE BONDS,” “SECURITY FOR THE BONDS SIMILARLY SECURED” (except for the subcaption “Amount of Improvement Area #1 Assessments May be Reduced by TIRZ Annual Credit Amount,” as to which no opinion is expressed), “ASSESSMENT PROCEDURES” (except for the subcaptions “Assessment Methodology” and “Assessment Amounts,” as to which no opinion is expressed), “THE DISTRICT,” “TAX MATTERS,” “LEGAL MATTERS – Legal Proceedings” (except for the final paragraph thereof, as to which no opinion is expressed) and “– Legal Opinions” (except for the final paragraph thereof, as to which no opinion is expressed), “CONTINUING DISCLOSURE – The City,” “REGISTRATION AND QUALIFICATION OF BONDS FOR SALE,” “LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS,” and “APPENDIX B,” and Bond Counsel 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;

(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) The City has or at the time of the adoption thereof had full power and authority to adopt the Creation Resolution, the Assessment Ordinance, the Service and Assessment Plan, and the Bond Ordinance (collectively, 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 Continuing Disclosure Agreement of Issuer, 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 Messer Fort PLLC (the “City Attorney”), dated the Closing Date and addressed to the Underwriter, the City, Bond Counsel, 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. The opinion of Developer's Counsel, substantially in the form of Appendix D hereto, dated the Closing Date, addressed to the City, Bond Counsel, the City Attorney, the Underwriter, and the Trustee.

e. Developers' Closing Certificate. The Developers' Closing Certificate dated as of the Closing Date, signed by authorized officers of the Developer in substantially the form of Appendix E hereto.

f. City Closing Certificate. A certificate of the City, dated the Closing Date, signed by an appropriate City official, to the effect that:

(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 the 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 person, 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 Improvement Area #1 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 of counsel to the Trustee, dated the Closing Date and addressed to the Underwriter, the City, and Bond Counsel, in form and substance acceptable to Counsel to the Underwriter, the City, and Bond Counsel, to the following effect:

(i) The Trustee was formed as a national banking association and has not been dissolved, canceled, or terminated, and is authorized to carry out corporate trust powers in accordance with the qualifications set forth for the Trustee in the Indenture;

(ii) No consent, approval, authorization or order of, or filing, registration or declaration with, any court or governmental agency or body is required on behalf of the Trustee for the execution and delivery by the Trustee of the Indenture or the performance by the Trustee of its obligations thereunder; and

(iii) The Indenture has been duly authorized, executed, and delivered by the Trustee and is valid and enforceable against the Trustee in accordance with its terms, except (a) as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other similar laws affecting the enforcement of creditors' rights generally, and (b) as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered a proceeding at law or in equity) and the discretion of the court before which any proceeding therefor may be brought, (iii) as the exculpation provisions and rights to indemnification thereunder may be limited by U.S., federal, and state securities laws and public policy considerations, and (iv) as the waiver of rights and defenses contained in the Trustee Documents may be limited by applicable law.

h. Trustee's Certificate. A customary authorization and incumbency certificate dated prior to the Closing Date, signed by authorized officers of the Trustee in form and substance acceptable to the Underwriter, Counsel to the Underwriter, and Bond Counsel.

i. Underwriter Counsel's Opinion. An opinion, dated the Closing Date and addressed to the Underwriter, of Orrick, Herrington & Sutcliffe LLP ("Counsel to the Underwriter"), to the effect that:

(i) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

(ii) The Continuing Disclosure Agreement of Issuer, together with Section 10(o) hereof and Section ___ of the Bond Ordinance, satisfies the requirements contained in Securities and Exchange Commission Rule 15c2-12(b)(5) for an undertaking by the City for the benefit of the holders of the Bonds to provide the information about the Bonds, the Trust Estate, the Improvement Area #1 Assessments, and the Improvement Area #1 Assessed Property at the times and in the manner required by said Rule; provided that, for purposes of this opinion, such counsel is not expressing any view regarding the content of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum that is not expressly stated in the next paragraph below; and

(iii) Such counsel is not passing upon and does not assume any responsibility for the accuracy, completeness, or fairness of any of the statements contained in the Preliminary Limited Offering Memorandum or in the Limited Offering Memorandum and makes no representation that it has independently verified the accuracy, completeness, or fairness of any such statements. In its capacity as counsel to the Underwriter, to assist the Underwriter in part of its responsibility with respect to the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, such counsel has participated in conferences with representatives of the Underwriter, representatives of the City, and its counsel, Messer Fort PLLC, as city attorney, McCall, Parkhurst & Horton L.L.P.,

as bond counsel, Specialized Public Finance, Inc., as municipal advisor, P3Works, LLC, as public improvement district administrator, representatives of the Developer, its counsel Greenberg Traurig, LLP, and its engineers, consultants and others, during which the contents of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum and related matters were discussed. Based on such counsel's participation in the above-mentioned conferences (which, with respect to the Preliminary Limited Offering Memorandum, did not extend beyond the date of this Agreement), and in reliance thereon, on oral and written statements and representations of the City, the Developer and others, and on the records, documents, certificates, opinions, and matters herein mentioned, such counsel advises the Underwriter as a matter of fact and not opinion that, during the course of such counsel's representation of the Underwriter on this matter, (a) no facts had come to the attention of the attorneys in such counsel's firm rendering legal services to the Underwriter in connection with the Preliminary Limited Offering Memorandum which caused such counsel to believe, as of the date of the Preliminary Limited Offering Memorandum and as of the date of this Agreement, based on the documents, drafts, and facts in existence and received as of those dates, that the Preliminary Limited Offering Memorandum contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except any information marked as preliminary or subject to change, any information permitted to be omitted by Securities and Exchange Commission Rule ("SEC") 15c2-12 or otherwise left blank and any other differences with the information in the Limited Offering Memorandum), and (b) no facts had come to the attention of the attorneys in such counsel's firm rendering legal service to the Underwriter in connection with the Limited Offering Memorandum which caused such counsel to believe that the Limited Offering Memorandum as of its date and as of the date thereof contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that such counsel expressly excludes from the scope of this paragraph and expresses no view with respect to both the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, about any CUSIP numbers, financial, accounting, statistical, economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any information about verification, feasibility, valuation, appraisals, absorption, real estate or environmental matters, relationship among the parties, Appendices, or any information about book-entry, DTC, Cede & Co., limitations applicable to initial purchasers, tax exemption, underwriters, or underwriting included or referred to therein or omitted therefrom. No responsibility is undertaken or conclusion expressed with respect to any other disclosure document, materials, or activity, or as to any information from another document or source referred to by or incorporated by reference in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum.

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 the Developer Documents shall have been executed and delivered in form and content 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 Closing Date, 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 Issuer and the Continuing Disclosure Agreement of Developer shall have been executed by the parties thereto in substantially the forms attached to the Preliminary Limited Offering Memorandum as Appendix E-1 and Appendix E-2.

p. Letter of Representation of the Appraiser. (i) Letter of Representation of the Appraiser, substantially in the form of Appendix F hereto, addressed to the City, Bond Counsel, the Underwriter, and the Trustee, or in form otherwise agreed upon by the Underwriter, and (ii) a copy of the real estate appraisal of the property within Improvement Area #1 of the District dated January 27, 2026.

q. Letter of Representation of PID Administrator. Letter of Representation of the PID Administrator, substantially in the form of Appendix G hereto, addressed to the City, Bond Counsel, the Underwriter, and the Trustee, or in form otherwise agreed upon by the Underwriter.

r. Evidence of Filing of Creation Resolution and Assessment Ordinance with Service and Assessment Plan. Evidence that the Creation Resolution and the Assessment Ordinance, including the legal description of the property within the District and the Service and Assessment Plan, have been filed of record in the real property records of Caldwell County, Texas.

s. Lender Consent Certificate. A Lender Consent Certificate of each holder of a lien, if any, on land in Improvement Area #1 of the District on the Closing Date, consenting to and acknowledging the creation of the District, the adoption of the Assessment Ordinance, the levy of the Improvement Area #1 Assessments, and the

subordination of their respective liens to the lien created by the Improvement Area #1 Assessments in a form acceptable to the Underwriter. In the event that there are no such lienholders, the Developer shall provide such certifications as may be reasonably requested by the Underwriter to confirm that no such liens exist as of the Closing Date.

t. Developer Organizational and Verification Documents. The Developer shall have delivered to the Underwriter and the City (i) fully executed copies of the Developer's organizational documents, (ii) a Certificate of Status from the Texas Secretary of State with respect to the Developer dated within 10 days of the Closing Date, (iii) verification of franchise tax account status with respect to the Developer from the Texas Comptroller of Public Accounts dated within 10 days of the Closing Date, and (iv) a copy of its Standing Letter to the Attorney General of Texas in compliance with the All Bond Counsel letter dated November 1, 2023, as last supplemented on December 29, 2023, or evidence of an exception to such requirement.

u. Rule 15c2-12 Certification. A resolution, ordinance, or certificate 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, which certification may be included in the City Certificate required by subsection 10(f) hereof or the Bond Ordinance.

v. Dissemination Agent. Evidence acceptable to the Underwriter in its sole discretion that the City and the Developer have engaged a dissemination agent acceptable to the Underwriter for the Bonds, with the execution of the Continuing Disclosure Agreement of Issuer and the Continuing Disclosure Agreement of Developer by other parties thereto being conclusive evidence of such acceptance by the Underwriter.

w. Blanket Letter of Representations. A copy of the current Blanket Issuer Letter of Representation to DTC relating to the Bonds and signed by the City.

x. Additional Documents. Such additional legal opinions, certificates, instruments, and other documents as the Underwriter or counsel to the Underwriter 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 Closing Date of the purchase price set forth in Section 1 hereof, the Attorney General Opinion, the opinion of Bond Counsel described in Section 10(a) hereof, and all documents required to be delivered by the Developer.

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 13, 14, 16, and 22 hereof.

13. Term of Agreement. Except for surviving representations, warranties, and indemnities of the parties to this Agreement, the term of this Agreement terminates upon the

“end of the underwriting period” (as defined in Rule 15c2-12) or, if earlier, exercise of a termination right (which may not be based on an existing or incipient breach of a verification).

14. 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 legal counsel and Municipal Advisor, the Trustee’s counsel, Bond Counsel, 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 for the benefit of the City, including but not limited to the fees and expenses of the Appraiser and the PID 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 counsel to the Underwriter; and (iii) all other expenses, including CUSIP fees (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 whose purpose is to collect, maintain, and distribute information relating to issuing entities of municipal securities.

15. 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 Lockhart, Texas, 308 W. San Antonio St., Lockhart, Texas 78644, 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.

16. Parties in Interest; Survival of City Representations. 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 covenants contained in this Agreement shall remain operative and in full force and effect and survive delivery of and payment for the Bonds and any termination, regardless of any investigations made by or on behalf of the Underwriter.

17. Survival of Representations and Warranties of Third Parties. All representations and warranties of the parties (other than the City and the Underwriter) made in, pursuant to, or in connection with this Agreement, including the appendices hereto, 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 or 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.

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 and venue shall lie in Caldwell County, 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 party 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. Statutory Verifications. The Underwriter makes the following representation and covenants to enable the City to comply with 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

23. Form 1295. Submitted herewith (or prior to the date hereof) 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 thirtieth (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.

24. Underwriter Standing Letter and Bringdown Verification. The Underwriter represents that it has, or will have prior to the date of Closing, on file with the Texas Attorney General a standing letter addressing the representation and verifications contained in Section 22 of this Agreement in a form accepted by the Texas Attorney General. In addition, if the Underwriter or the parent company, a wholly- or majority-owned subsidiary or another affiliate of the Underwriter receives or has received a letter from the Texas Comptroller of Public Accounts pursuant to Chapter 809, Texas Government Code seeking written verification that it does not boycott energy companies (a “Comptroller Request Letter”), the Underwriter shall promptly notify the City and Bond Counsel (if it has not already done so) and provide to the City or Bond Counsel, two Business Days prior to Closing and additionally upon request by the City or Bond Counsel, 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 shall also confirm that the Underwriter (or the parent company, a wholly- or majority-owned subsidiary or other affiliate of

the Underwriter that received the Comptroller Request Letter) intends to timely respond or has timely responded to the Comptroller Request Letter. The Bringdown Verification may be in the form of an e-mail.

25. 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. The City and the Underwriter agree that electronic signatures to this Agreement may be regarded as original signatures.

Signature pages follow.

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 Lockhart, Texas

By: _____
City Manager

SCHEDULE I

\$15,837,000
CITY OF LOCKHART, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(SEAWILLOW RANCH PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1)

Interest Accrues From: Closing Date

\$ _____ % Term Bonds, Due September 1, 20____, Priced to Yield _____% ^{(a)(c)(d)}
\$ _____ % Term Bonds, Due September 1, 20____, Priced to Yield _____% ^{(a)(b)(c)(d)}
\$ _____ % Term Bonds, Due September 1, 20____, Priced to Yield _____% ^{(a)(b)(c)(d)}

-
- (a) The initial reoffering prices or yields of the Bonds have been determined in accordance with the 10% test.
- (b) The Bonds maturing on and after September 1, 20____, may be redeemed before their scheduled maturity date, in whole or in part, on any date on or after September 1, 20____, such redemption date or dates to be fixed by the City, at the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued and unpaid interest to the date fixed of redemption.
- (c) The Bonds are also subject to extraordinary optional redemption as described in the Limited Offering Memorandum under "DESCRIPTION OF THE BONDS – Redemption Provisions."
- (d) The Bonds are also subject to mandatory sinking fund redemption on the dates and in the respective Sinking Fund Installments as set forth in the following schedules.

Term Bonds maturing September 15, 20

<u>Redemption Date</u>	<u>Sinking Fund Installment Amount</u>
September 1, 20____	
September 1, 20____	
September 1, 20____	
September 1, 20____	
September 1, 20____	
September 1, 20____†	

† Stated maturity.

APPENDIX A

FORM OF DEVELOPERS' LETTER OF REPRESENTATIONS

\$15,837,000
CITY OF LOCKHART, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(SEAWILLOW RANCH PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1)

DEVELOPERS' LETTER OF REPRESENTATIONS

March 3, 2026

City of Lockhart, Texas
308 W. San Antonio St.
Lockhart, Texas 78644

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Ladies and Gentlemen:

This letter is being delivered to the City of Lockhart, 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 the \$15,837,000 "City of Lockhart, Texas, Special Assessment Revenue Bonds, Series 2026 (Seawillow Ranch Public Improvement District Improvement Area #1)" (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, ROED Prop Co, LLC, a Texas limited liability company (the "Developer"), and RODG DT Seawillow PropCo LLC, a Texas limited liability company (the "Affiliate" and, together with the Developer, the "Developers"), make the representations, warranties, and covenants contained in this Developers' Letter of Representations. Unless the context clearly indicates otherwise, each capitalized term used in this Developers' 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 Developers understand, and hereby confirm, that the Underwriter is not acting as a fiduciary of the Developers, 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 Developers' 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 the 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 City and the Underwriter promptly (and for the purposes of this clause provide the City and the Underwriter with such information as they may from time to time request); however, that for the purposes of this Developers' 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 the information appearing in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum except for the information set forth in the maps included therein and under the captions and subcaptions "PLAN OF FINANCE" (except for the information under the subcaption "– The Bonds" and "– Additional Indebtedness"), "THE IMPROVEMENT AREA #1 PROJECTS," "THE DEVELOPMENT," "THE DEVELOPER" and, to the Developer's knowledge after due inquiry, under the captions "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Improvement Area #1 Projects, and the Development (as defined in the Limited Offering Memorandum)), "LEGAL MATTERS – Litigation – The Developer," "CONTINUING DISCLOSURE – The Developer" and "– The Developer's Compliance with Prior Undertakings," "SOURCES OF INFORMATION – Source of Certain Information," "APPENDIX E-2," "APPENDIX F," "APPENDIX G," and "APPENDIX H" (collectively, the "Developer Disclosures") in accordance with subsection 4(f) herein.

3. Developer Documents. The Developer or the Affiliate, as indicated below, 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 the Developer or the Affiliate, as applicable, enforceable against the Developer or the Affiliate in accordance with its terms:

- a. this Developers' Letter of Representations (the Developer and the Affiliate);
- b. the Development Agreement (the Affiliate);
- c. the Improvement Area #1 Construction, Funding, and Acquisition Agreement (the Developer);
- d. the Continuing Disclosure Agreement of Developer (the Developer); and
- e. the Landowner Agreement (the Developer).

The Developer and the Affiliate, as applicable, have complied in all material respects with all of the Developer's and Affiliate's agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Developer and the Affiliate, as applicable, under the Developer Documents on or prior to the date hereof.

The representations and warranties of the Developer and the Affiliate, as applicable, contained in the Developer Documents are true and correct in all material respects on and as of the date hereof.

4. Developers' Representations, Warranties, and Covenants. The Developers represent, warrant, and covenant to the City and the Underwriter that:

a. Due Organization and Existence. The Developer and the Affiliate are each duly formed and validly existing as a limited liability company under the laws of the State of Texas.

b. Organizational Documents. The copies of the organizational documents of the Developer provided by the Developer and of the Affiliate provided by the Affiliate (collectively, the "Developers' 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 since delivery to the City and the Underwriter and are in full force and effect as of the date hereof.

c. No Breach. The execution and delivery of the Developer Documents by the Developer or the Affiliate does not violate any judgment, order, writ, injunction or decree binding on the Developer or the Affiliate, as applicable, or any indenture, agreement, or other instrument to which the Developer or the Affiliate is a party.

d. No Litigation. Other than as described in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, there are no proceedings pending or threatened in writing before any court or administrative agency against the Developer or the Affiliate that are either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Developer or the Affiliate 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 District in accordance with the description thereof in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

e. 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.

f. Preliminary Limited Offering Memorandum and Limited Offering Memorandum. The Developer represents and warrants that the information set forth in the Developer's Disclosures in the Preliminary Limited Offering

Memorandum and the Limited Offering Memorandum 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 (f) with respect to the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

g. Events of Default. No “Event of Default” or “event of default” by the Developer or the Affiliate under any of the Developer Documents, any documents to which the Developer or the Affiliate is a party described in the Limited Offering Memorandum, or under any material documents relating to the financing and construction of the Improvement Area #1 Projects to which the Developer or the Affiliate is a party, or event that, with the passage of time or the giving of notice or both, would constitute such “Event of Default” or “event of default” by the Developer or the Affiliate has occurred and is continuing.

h. Assignment of Improvement Area #1 Construction, Funding, and Acquisition Agreement. The Developer has not assigned any of its rights under the Improvement Area #1 Construction, Funding, and Acquisition Agreement to an out-of-state entity.

i. Extraterritorial Jurisdiction. None of the real property located within the District has been removed from the extraterritorial jurisdiction of the City pursuant to Chapter 42, Subchapter D, of the Texas Local Government Code, as amended.

5. Indemnification.

a. The Developer will indemnify and hold harmless the City and the Underwriter and each of their officers, directors, employees and agents against any losses, claims, damages or liabilities to which any of them may become subject, under the Securities Act of 1933 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’s 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, untrue statement 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 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 Developers' 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 pursuant to the Bond Purchase Agreement, and (c) any termination of the Bond Purchase Agreement.

7. Binding on Successors and Assigns. This Developers' Letter of Representations will be binding upon the Developer and the Affiliate and their 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 Developers' Letter of Representations.

Signature page follows.

Dated: March 3, 2026

ROED Prop Co, LLC, a Texas limited liability company

By: Red Oak Development Group, LLC, a Texas limited liability company, Manager

By: _____
Tom Staub, Manager

RODG DT Seawillow PropCo LLC, a Texas limited liability company

By: _____
Tom Staub, Chief Executive Officer

APPENDIX B

\$15,837,000
CITY OF LOCKHART, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(SEAWILLOW RANCH PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1)

ISSUE PRICE CERTIFICATE

The undersigned, as the duly authorized representative of FMSbonds, Inc. (“Purchaser”), hereby certifies as set forth below with respect to the sale and issuance of the “City of Lockhart, Texas, Special Assessment Revenue Bonds, Series 2026 (Seawillow Ranch Public Improvement District Improvement Area #1),” issued by the City of Lockhart, Texas (“Issuer”), in the principal amount of \$15,837,000 (“Bonds”):

(a) The first price at which at least ten percent (“Substantial Amount”) of the principal amount of each maturity of the Bonds having the same credit and payment terms (a “Maturity”) was sold to a person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter (the “Public”) is set forth in the final Limited Offering Memorandum relating to the Bonds.

A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule A.

For purposes of this Issue Price Certificate, the term “Underwriter” means (1) (i) a person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, or (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1)(i) of this paragraph (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public) to participate in the initial sale of the Bonds to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

Signature page follows.

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Federal Tax Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by McCall, Parkhurst & Horton L.L.P., 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 the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. Notwithstanding anything set forth herein, the Purchaser is not engaged in the practice of law and makes no representation as to the legal sufficiency of the factual matters set forth herein.

EXECUTED and DELIVERED as of this _____, 2026.

FMSbonds, Inc.

By: _____

Name: Theodore A. Swinarski

Title: Senior Vice President – Trading

SCHEDULE A

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

APPENDIX C

[LETTERHEAD OF MESSER FORT PLLC]

March 26, 2026

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

UMB Bank, N.A.
5910 Central Expressway, Suite 1900
Dallas, Texas 75206

City of Lockhart, Texas
308 W. San Antonio St.
Lockhart, Texas 78644

McCall, Parkhurst & Horton L.L.P.
600 Congress Ave, Suite 2150
Austin, Texas 78701

\$15,837,000
CITY OF LOCKHART, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(SEAWILLOW RANCH PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1)

Ladies and Gentlemen:

We are the Attorney for the City of Lockhart, Texas (the “City”), and are rendering this opinion, for limited purposes, in connection with the issuance and sale of \$15,837,000 “City of Lockhart, Texas, Special Assessment Revenue Bonds, Series 2026 (Seawillow Ranch Public Improvement District Improvement Area #1)” (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 March 3, 2026 (the “Bond Ordinance”), and shall be issued pursuant to the provisions of Subchapter A of the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the “Act”), the Indenture of Trust, dated as of March 1, 2026 (the “Indenture”), by and between the City and UMB Bank, N.A., as trustee (the “Trustee”). The Bonds are being sold to FMSbonds, Inc. pursuant to the Bond Purchase Agreement dated March 3, 2026, between the City and FMSbonds Inc. (the “Bond Purchase Agreement”). Capitalized terms not defined herein shall have the same meanings as in the Indenture, unless otherwise stated herein.

In our capacity as City Attorney, and for the purpose of rendering opinions set forth herein, we have reviewed the following:

- (a) Resolution No. _____ enacted by the City Council on October 15, 2024 (the “Creation Resolution”);

- (b) The Assessment Ordinance;
- (c) The Bond Ordinance;
- (d) The Indenture;
- (e) the Development Agreement;
- (f) the Improvement Area #1 Construction, Funding, and Acquisition Agreement; and
- (g) That certain Continuing Disclosure Agreement of Issuer with respect to the Bonds, dated as of March 1, 2026, executed and delivered by the City, P3Works, LLC, as Administrator (the “Administrator”), and UMB Bank, N.A., as Dissemination Agent.

The Creation Resolution, the Assessment Ordinance, and the Bond Ordinance shall hereinafter be referred to as the “Authorizing Documents” and the remaining documents shall hereinafter be collectively referred to as the “Reviewed Documents.”

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; (c) the Developer Closing Certificate delivered pursuant to the Bond Purchase Agreement; (d) the Developers’ Letter of Representations delivered pursuant to the Bond Purchase Agreement; (e) the legal opinion delivered pursuant to the Bond Purchase Agreement by its counsel Greenberg Traurig, LLP (“Developer’s Counsel”); and (f) the Administrator’s 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 decision 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 substantive 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 counsel to the City. In basing the opinions and other matters set forth herein on “our knowledge,” the words “our knowledge,” “our actual knowledge” and similar expressions signify that, in the course of our representation of the City 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. 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 the attorneys within our firm who have been directly involved in preparation of the Reviewed Documents in representation of 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 Authorizing Documents and 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 Authorizing Documents and 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 Improvement Area #1 Assessments in Improvement Area #1 of 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 Authorizing Documents were duly enacted by the City and remain in full force and effect on the date hereof.

4. 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, and/or (c) the application of Texas law relating to action by future councils and relating to governmental immunity applicable to governmental entities.

5. The performance by the City of the obligations under the Authorizing Documents and the Reviewed Documents will not violate any provision of any Federal or Texas constitutional or statutory provision.

6. Based upon our limited participation in the preparation of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum (collectively, the “Limited Offering Memorandum”), the statements and information contained in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum with respect to the City under the captions and subcaptions “ASSESSMENT PROCEDURES – Assessment Methodology” (first paragraph only), “THE CITY – Background” and “– City Government” (first two paragraphs only), “THE DISTRICT – General” and “– Powers and Authority of the City” (excluding the last sentence), and “LEGAL MATTERS – Litigation – The City” are a fair and accurate summary of the laws and the documents and facts summarized therein.

7. 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 Authorizing Documents and the Reviewed Documents.

8. The adoption of the Authorizing Documents and the execution and delivery of the Reviewed Documents and the compliance with the provisions of the Authorizing Documents and 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; (xxiii) 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, Indenture, Continuing Disclosure Agreement of Issuer, 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

By: Jennifer Richie
City Attorney

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 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, except as to the City, the Reviewed Documents are enforceable against the other parties thereto;
6. There has been no modification of any provision of the Reviewed Documents, and no waiver or release of any right or remedy thereunder;
7. 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;
8. 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;
9. There are no material misstatements in the legal opinions delivered pursuant to the Bond Purchase Agreement by: (i) McCall, Parkhurst & Horton, L.L.P., Bond Counsel to the City; and (ii) Greenberg Traurig, LLP, Developer's Counsel;
10. There are no material misstatements in the Letters of Representations delivered pursuant to the Bond Purchase Agreement by P3Works, LLP, Administrator, and ROED Prop Co, LLC, a Texas limited liability company, and RODG DT Seawillow PropCo LLC, a Texas limited liability company, Developers;
11. 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 governmental 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; and

12. 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 administrative body and not adjudicated invalid or unenforceable are valid and enforceable.

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 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 Documents:

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 Developer, 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 GREENBERG TRAURIG, LLP

March 26, 2026

City of Lockhart
308 W. San Antonio St.
Lockhart, Texas 78644

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

McCall, Parkhurst & Horton L.L.P.
600 Congress Ave, Suite 2150
Austin, Texas 78701

UMB Bank, N.A.
5910 Central Expressway, Suite 1900
Dallas, Texas 75206

Messer Fort, PLLC
4201 W. Parmer Lane, Suite C150
Austin, Texas 78727

\$15,837,000
CITY OF LOCKHART, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(SEAWILLOW RANCH PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1)

Ladies and Gentlemen:

I. Introduction

We have acted as special counsel to ROED Prop Co, LLC, a Texas limited liability company (the “Developer”), in connection with the issuance and sale by the City of Lockhart, Texas (the “City”), of \$15,837,000 City of Lockhart, Texas, Special Assessment Revenue Bonds, Series 2026 (Seawillow Ranch Public Improvement District Improvement Area #1) (the “Bonds”), pursuant to the Indenture of Trust, dated as of March 1, 2026 (the “Indenture”), by and between the City and UMB Bank, N.A., as trustee (the “Trustee”). Proceeds from the sale of the Bonds will be used, in part, to fund certain public infrastructure improvements in the development known as “Seawillow Ranch” (the “Development”) located in the corporate boundaries of the City.

The Bonds are being sold by FMSbonds, Inc. (the “Underwriter”), pursuant to that certain Bond Purchase Agreement, dated March 3, 2026 (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 special 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 Improvement Area #1 Construction, Funding, and Acquisition Agreement;
3. the Continuing Disclosure Agreement of Developer;
4. the Developers’ Letter of Representations;
5. the Developers’ Closing Certificate;
6. the Landowner Agreement; and
7. the General Certificate of the Developer with respect to the Bonds, dated as of March 26, 2026 (the “Developer Certificate”).

(b) The Preliminary Limited Offering Memorandum, dated February 18, 2026, relating to the issuance of the Bonds (the “Preliminary Limited Offering Memorandum”);

(c) The final Limited Offering Memorandum, dated March 3, 2026, relating to the issuance of the Bonds (the “Limited Offering Memorandum”); and

(d) 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 (other than the authorization, execution, and delivery by the Developer) and that each such document constitutes a valid, binding, and enforceable obligation of each party (other than the Developer) 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 entity 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 the 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 the 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.

II. Opinions and Assurances

Based solely upon the foregoing, and subject to the assumptions and limitations set forth herein, we are of the opinion that:

(a) The Developer is a limited liability company formed under the laws of the State of Texas and qualified to transact business as a limited liability company, and in good standing under the laws of the State of Texas.

(b) The Developer has the power and authority to execute and deliver the Material Documents to which it is a party, and to perform its obligations thereunder.

(c) The execution and delivery by the Developer of the Material Documents to which it is a party, 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.

(d) To our knowledge, no governmental approval which has not been obtained is required to be obtained 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).

(e) Based solely on the Developer Certificate, 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, (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.

(f) To our knowledge, 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) its organization or existence or qualification to do business in the State of Texas; (ii) its authority to execute or deliver the Material Documents to which it is a party; (iii) the titles of the parties executing the Material Documents; (iv) the execution, delivery, validity, or enforceability of the Material Documents on behalf of the Developer; (v) the operations or financial condition of the Developer that would materially adversely affect those operations or the financial condition of the Developer; or (vi) 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.

(g) Based solely on the Developer Certificate, 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, indenture, 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.

(h) The information set forth in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum under the captions “PLAN OF FINANCE – Overview,” “– Development Plan,” and “– Homebuilders and Lot Purchase Agreements within the Improvement Area #1,” “THE IMPROVEMENT AREA #1 PROJECTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Improvement Area #1 Projects, and the Development (as defined in the Limited Offering Memorandum)), “LEGAL MATTERS – Litigation – The Developer,” and “CONTINUING DISCLOSURE – The Developer,” and “– The Developer’s Compliance with Prior Undertakings” adequately and fairly describe the information summarized under such captions and are correct as to matters of law.

(i) Subject to the below qualifications and based upon our participation in the preparation of the Preliminary Limited Offering Memorandum and 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 Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and related matters were discussed, and although we have not independently verified the information in the Preliminary Limited Offering Memorandum and 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 Preliminary Limited Offering Memorandum and 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 with respect to the Preliminary Limited Offering Memorandum, as of the date of the Preliminary Limited Offering Memorandum and as of March 3, 2026, and with respect to the Limited Offering Memorandum, 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.

III. 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 Certificate, 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. With respect to our opinion in II(a) relating to the Developer’s good standing, we have relied solely on a Certificate of Fact being issued by the Secretary of State of Texas with respect to the

Developer and an online search of the Franchise Tax Account Status page of the website of the Texas Comptroller of Public Accounts which indicated the right of the Developer to do business in the State of Texas is intact.

(c) Our opinion 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,

APPENDIX E

DEVELOPERS' CLOSING CERTIFICATE

ROED Prop Co, LLC, a Texas limited liability company (the “Developer”), and RODG DT Seawillow PropCo LLC, a Texas limited liability company (the “Affiliate” and, together with the Developer, the “Developers”) DO 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 and the Affiliate are each a Texas limited liability company organized, validly existing and in good standing under the laws of the State of Texas.

2. Representatives of the Developer have provided information to the City of Lockhart, Texas (the “City”), and FMSbonds, Inc. (the “Underwriter”) to be used in connection with the offering by the City of its \$15,837,000 aggregate principal amount of Special Assessment Revenue Bonds, Series 2026 (Seawillow Ranch Public Improvement District Improvement Area #1) (the “Bonds”), pursuant to the Preliminary Limited Offering Memorandum, dated February 18, 2026 (the “Preliminary Limited Offering Memorandum”), and Limited Offering Memorandum dated March 3, 2026 (the “Limited Offering Memorandum”).

3. The Developer and the Affiliate have each delivered to the Underwriter and the City true, correct, complete, and fully executed copies of its organizational documents, including its Articles of Organization filed with the Secretary of State of the State of Texas, and such documents have not been amended or supplemented since delivery to the Underwriter and the City and are in full force and effect as of the date hereof.

4. The Developer and the Affiliate have each 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, both dated within 10 days of the date hereof.

5. The Developer and the Affiliate, as noted below, have 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 the Developer or the Affiliate, as applicable, enforceable against the Developer or the Affiliate in accordance with its terms:

(a) the Developers’ Letter of Representations, dated March 3, 2026 (Developer and Affiliate);

(b) the Development Agreement (Affiliate);

(c) the Improvement Area #1 Construction, Funding, and Acquisition Agreement (Developer);

(d) the Continuing Disclosure Agreement of Developer with respect to the Bonds, dated as of March 1, 2026, executed and delivered by the Developer, P3Works, LLC, as Administrator, and UMB Bank, N.A., as Dissemination Agent (Developer); and

(e) the Landowner Agreement, executed by the Developer as of March 3, 2026 (Developer).

6. The Developer owned all of the Improvement Area #1 Assessed Property (as defined in the Service and Assessment Plan) located in Improvement Area #1 of the District on the date that the Assessment Ordinance was adopted and is not an entity that may claim a homestead right under Texas law.

7. The representations and warranties of the Developer and the Affiliate, as applicable, contained in the Developer Documents are true and correct in all material respects on and as of the date hereof.

8. The Developer and the Affiliate have complied in all material respects with all of the Developer's and Affiliate's, as applicable, agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Developer and the Affiliate under the Developer Documents on or prior to the date hereof.

9. The execution and delivery of the Developer Documents by the Developer and the Affiliate do not violate any judgment, order, writ, injunction or decree binding on the Developer or the Affiliate, as applicable, or any indenture, agreement, or other instrument to which the Developer or the Affiliate is a party. There are no proceedings pending or threatened in writing before any court or administrative agency against the Developer or the Affiliate that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Developer or the Affiliate, as applicable, 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 District in accordance with the description thereof in the Limited Offering Memorandum.

10. The Developer has reviewed and approved the information contained in the Preliminary Limited Offering Memorandum in all maps included therein and under the captions and subcaptions "PLAN OF FINANCE" (except for the information under the subcaption "– The Bonds" and "Additional Indebtedness"), "THE IMPROVEMENT AREA #1 PROJECTS," "THE DEVELOPMENT," and "THE DEVELOPER" and "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Improvement Area #1 Projects, and the Development (as defined in the Limited Offering Memorandum)), "LEGAL MATTERS – Litigation – The Developer," "CONTINUING DISCLOSURE – The Developer" and "– The Developer's Compliance with Prior Undertakings," "SOURCES OF INFORMATION – Source of Certain Information," "APPENDIX E-2," "APPENDIX F," "APPENDIX G," and "APPENDIX H" (collectively, the "Developer Disclosures") and certifies that the information contained in the Developer Disclosures 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 therein, in the light of the circumstances under which they are made, not misleading, as of the date of the Preliminary Limited Offering Memorandum and as of the date of the Limited Offering Memorandum; 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 Preliminary Limited Offering Memorandum.

11. The Developer has reviewed and approved the information contained in the Developer Disclosures in the Limited Offering Memorandum and certifies that the same is true and correct and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading, as of the date of the Limited Offering Memorandum and as of the date hereof; 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.

12. To the Developer's and the Affiliate's knowledge, as applicable, the Developer and the Affiliate are in compliance in all material respects with all provisions of applicable law relating to the Developer and the Affiliate in connection with the Development. Except as otherwise described in the Limited Offering Memorandum: (a) to the Developer's and the Affiliate's knowledge, there is no default of any zoning condition, land use permit or development agreement binding upon the Developer, the Affiliate, or any portion of the Development that would materially and adversely affect the Developer's ability to complete or cause to be completed the development of the property within the District as described in the Limited Offering Memorandum; and (b) the Developer has no reason to believe that any additional permits, consents and licenses required to complete the development of the property within the District as and in the manner described in the Limited Offering Memorandum will not be reasonably obtainable in due course.

13. 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.

14. The levy of the Improvement Area #1 Assessments on property in Improvement Area #1 of the District owned by the Developer will not conflict with or constitute a breach of or default under any agreement, mortgage, deed of trust, indenture, or other instrument to which the Developer is a party or to which the Developer or any of its property or assets is subject.

15. Neither the Developer nor the Affiliate is 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 Developer's or Affiliate's ability to perform its obligations under the Developer Documents.

16. The Developer has no knowledge of any physical condition of the Development owned or to be developed by the 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.

17. Other than the lien of Techo Funding, LLC, in connection with the Construction Loan and liens related to earnest money deeds of trust as more particularly described in the

Limited Offering Memorandum, no liens exist on land in Improvement Area #1 of the District on the date hereof.

Signature page follows.

Dated: March 26, 2026

DEVELOPER:

ROED Prop Co, LLC, a Texas limited liability company

By: Red Oak Development Group, LLC, a Texas limited liability company, Manager

By: _____
Tom Staub, Manager

AFFILIATE:

RODG DT Seawillow PropCo LLC, a Texas limited liability company

By: _____
Tom Staub, Chief Executive Officer

APPENDIX F

LETTERHEAD OF BARLETTA & ASSOCIATES, INC.

_____, 2026

City of Lockhart, Texas
308 W. San Antonio St.
Lockhart, Texas 78644

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

McCall, Parkhurst & Horton L.L.P.
600 Congress Ave, Suite 2150
Austin, Texas 78701

UMB Bank, N.A.
5910 Central Expressway, Suite 1900
Dallas, Texas 75206

Re: City of Lockhart, Texas, Special Assessment Revenue Bonds, Series 2026
(Seawillow Ranch Public Improvement District Improvement Area #1) (the
“Bonds”)

Ladies and Gentlemen:

The undersigned, an authorized representative of Barletta & Associates, Inc. (the “Appraiser”), the appraiser of the undeveloped property contained in Improvement Area #1 of the Seawillow Ranch Public Improvement District (the “District”), does hereby represent the following:

1. The Appraiser has supplied certain information contained in the Preliminary Limited Offering Memorandum for the Bonds, dated February 18, 2026, and the Limited Offering Memorandum for the Bonds, dated March 3, 2026 (together, the “Limited Offering Memorandum”), relating to the issuance of the Bonds by the City of Lockhart, Texas, as described above. The information the Appraiser provided for the Limited Offering Memorandum is the real estate appraisal of the property in the District, located in APPENDIX I to the Limited Offering Memorandum, and the description thereof, set forth under the caption “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. Appraiser agrees to the inclusion of the Appraisal in the Limited Offering Memorandum and the use of its name in the Limited Offering Memorandum for the Bonds.

4. Appraiser agrees that, to the best of its ability, it will inform you immediately should it 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 March 26, 2026) 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 or she has been duly authorized to execute this letter of representations.

Sincerely yours,

BARLETTA & ASSOCIATES, INC.

By: _____
Its: _____

APPENDIX G

LETTERHEAD OF P3WORKS, LLC

_____, 2026

City of Lockhart, Texas
308 W. San Antonio St.
Lockhart, Texas 78644

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

McCall, Parkhurst & Horton L.L.P.
600 Congress Ave, Suite 2150
Austin, Texas 78701

UMB Bank, N.A.
5910 Central Expressway, Suite 1900
Dallas, Texas 75206

Re: City of Lockhart, Texas, Special Assessment Revenue Bonds, Series 2026
(Seawillow Ranch Public Improvement District Improvement Area #1) (the
“Bonds”)

Ladies and Gentlemen:

The undersigned, _____, an authorized representative of P3Works, LLC (“P3Works”), consultant in connection with the creation by the City of Lockhart, Texas (the “City”), of Seawillow Ranch Public Improvement District (the “District”), does hereby represent the following:

1. P3Works has supplied certain information contained in the Preliminary Limited Offering Memorandum for the Bonds, dated February 18, 2026, and the final Limited Offering Memorandum for the Bonds, dated March 3, 2026 (together, the “Limited Offering Memorandum”), relating to the issuance of the Bonds by the City, as described above. The information P3Works provided for the Limited Offering Memorandum is located (a) under the captions “ASSESSMENT PROCEDURES” and “THE ADMINISTRATOR” and (b) in the Service and Assessment Plan (the “SAP”) for the City located in APPENDIX C to the Limited Offering Memorandum.

2. At the request of the City, P3Works has prepared the SAP and acknowledges and agrees that the SAP will be included in the Limited Offering Memorandum for the Bonds.

3. To the best of my professional knowledge and belief, the portions of the Limited Offering Memorandum described in paragraph 1 above do 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.

4. P3Works agrees to the inclusion of the SAP in the Limited Offering Memorandum and to the use of its name in the Limited Offering Memorandum for the Bonds.

4. P3Works 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 March 26, 2026) 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,

P3WORKS, LLC

By: _____
Its: _____

EXHIBIT C
CONTINUING DISCLOSURE AGREEMENT

**CITY OF LOCKHART, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(SEAWILLOW PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1)**

CONTINUING DISCLOSURE AGREEMENT OF ISSUER

This Continuing Disclosure Agreement of Issuer dated as of March 1, 2026 (this “Disclosure Agreement”) is executed and delivered by and among the City of Lockhart, Texas (the “Issuer”), P3Works, LLC (the “Administrator”), and UMB Bank, N.A., Dallas, Texas, acting solely in its capacity as dissemination agent (the “Dissemination Agent”) with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2026 (Seawillow Public Improvement District Improvement Area #1)” (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 March 1, 2026, 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:

“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 Financial Statements” shall mean audited or unaudited financial statements of the Issuer prepared in accordance with generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board from time to time, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation.

“Annual Financials Filing Date” shall mean, for each Fiscal Year, the date on which the Annual Financial Statements must be filed with the MSRB, which date is 12 months after the end of the Issuer’s Fiscal Year. The Annual Financials Filing Date is currently September 30.

“Annual Information Filing Date” shall mean, for each Fiscal Year, the date on which the Annual Financial Information must be filed with the MSRB, which date is six (6) months after the end of the Issuer’s Fiscal Year. The Annual Information Filing Date is currently March 31.

“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 Improvement Area #1 Assessments were billed or as may be otherwise defined in Section 31.02 of the Texas Tax Code, as amended.

“Developer” shall mean ROED Prop Co, LLC, a Texas limited liability company, and its successors and assigns.

“Disclosure Agreement of Developer” shall mean the Continuing Disclosure Agreement of the Developer relating to the Bonds dated as of March 1, 2026, executed and delivered by the Developer, the Administrator, and the Dissemination Agent, relating to the Bonds.

“Disclosure Representative” shall mean the Finance Director or City Manager 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 UMB Bank, N.A. Dallas, Texas, a banking association duly organized and existing under the laws of the United States, 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.

“EMMA” shall mean the Electronic Municipal Market Access system currently available on the internet at <http://emma.msrb.org>.

“Filing Date” means any one or all of the Annual Financials Filing Date, Annual Information Filing Date, and Annual Collections Report Filing Date.

“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.

“Participating Underwriter” shall mean FMSbonds, Inc., and its successors and assigns.

“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.

“Tax Year” means the calendar year, or as may be otherwise defined in Section 1.04 of the Texas Tax Code, as amended.

SECTION 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) For each Fiscal Year, commencing with the Fiscal Year ending September 30, 2026, with respect to the Annual Financial Information and September 30, 2025, with respect to the Annual Financial Statements, 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 the Annual Financial Information and the Annual Financial Statements, as follows:

(i) The Issuer shall provide or caused to be provided the Annual Financial Information to the MSRB not later than the Annual Information Filing Date; and

(ii) The Issuer shall provide or caused to be provided audited Annual Financial Statements to the MSRB not later than the Annual Financials Filing Date.

In each case, the Annual Financial Information and the Annual Financial Statements 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 Information Filing Date. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(b) Not later than ten days prior to the applicable Filing Date, the Issuer shall provide the Annual Financial Information or Annual Financial Statements, as applicable, to the Dissemination Agent together with written direction to file such Annual Financial Information or Annual Financial Statements with the MSRB. The Dissemination Agent shall provide such Annual Financial Information or Annual Financial Statements to the MSRB not later than ten days from receipt of such from the Issuer, but in no event later than the applicable Filing Date for such Fiscal Year.

If by the fifth (5th) day before the applicable Filing Date the Dissemination Agent has not received a copy of the Annual Financial Information or Annual Financial Statements, as applicable, 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 Financial Information or Annual Financial Statements pursuant to subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Financial Information or Annual Financial Statements, as applicable, no later than two Business Days prior to the applicable Filing Date; or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Financial Information by the Annual Information Filing Date or the Annual Financial Statements by the Annual Financials Filing Date, as applicable, state the date by which the Annual Financial Information or Annual Financial Statements for such year will be provided, and instruct the Dissemination Agent in writing 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 Financial Information, Annual Financial Statements, or the notice of failure to file, as applicable, to the MSRB, no later than the applicable 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 applicable Filing Date.

(c) The Dissemination Agent, pursuant to written direction (which written direction may be made via electronic means), shall:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Financial Information and the Annual Financial Statements on the dates required in subsection (a);

(ii) on behalf of the Issuer, file the Annual Financial Information and the Annual Financial Statements containing or incorporating by reference the information set forth in Section 4 hereof; and

(iii) if the Issuer has provided the Dissemination Agent with the completed Annual Financial Information and the Annual Financial Statements, as applicable, and the Dissemination Agent has filed such Annual Financial Information or Annual Financial Statements with the MSRB, then the Dissemination Agent shall provide written confirmation to with the Issuer stating that the Annual Financial Information or Annual Financial Statements has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB.

SECTION 4. Content and Timing of Annual Financial Information and Annual Financial Statements.

(a) *The Annual Financial Information.* The Annual Financial Information 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 Information Filing Date, the following Annual Financial Information:

(i) Information regarding the Bonds and the Trust Estate in substantially similar form to that shown in the tables provided under Sections 4(a)(i) of Exhibit B attached hereto. Such information shall be provided as of the end of the Fiscal Year to which the information being reported relates.

(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 Fiscal Year to which the information being reported relates.

(iii) Any updates to the Service and Assessment Plan, including the Annual Service Plan Update (collectively, 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) *Annual Financial Statements.* The Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Financials Filing Date the audited Annual 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.

(c) The Issuer has designated P3Works, LLC, as the initial Administrator. 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 Financial Information under this Section 4.

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 Dissemination Agent has no duty or obligation to determine whether or not the information contained in any completed forms containing financial information and operating data as shown in Exhibit B provided to it has been accurately completed and shall only be required to file the forms as completed and provided to it by either the Administrator or the Issuer, pursuant to written direction.

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 Financial Information, if such Annual Collections Report is available when the Annual Financial Information 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 on the last Business Day prior to the Annual Collections Report Filing Date; or the Issuer will notify the Dissemination Agent in writing that the Issuer will provide or cause to be provided the Annual Collections Report to the MSRB through alternate means. If the Issuer so notifies the Dissemination Agent, the Issuer will provide the Dissemination Agent with a written report certifying that the Annual Collections Report has been provided to the MSRB pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB prior to the second (2nd) Business Day prior to the Annual Collections Report Filing Date. In the event the Issuer fails to provide the Dissemination Agent with such a report, the Dissemination Agent shall file a notice of failure to file no later than the applicable 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 Improvement Area #1 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 Issuer 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 Listed 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 Improvement Area #1 of 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. For the avoidance of doubt, the incurrence of Refunding Bonds without the filing of a corresponding official statement with the MSRB will constitute the incurrence of a material Financial Obligation for which a notice of a Listed Event in accordance with this Section 6 must be filed with the MSRB.

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 in writing to immediately file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than one (1) Business Day 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; provided, however, the failure of the Issuer to provide timely written notice to the Dissemination Agent in accordance with this paragraph shall not constitute a failure of the Dissemination Agent to comply with the MSRB's ten (10) Business Day filing requirement.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written direction 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 Administrator and the Dissemination Agent 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 thirty (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. The initial Dissemination Agent appointed hereunder shall be UMB Bank, N.A., Dallas, Texas. The Issuer will give prompt written notice to the Developer, or any other party responsible for providing quarterly information pursuant to the Disclosure Agreement of Developer, of any change in the identity of the Dissemination Agent under the Disclosure Agreement of Developer.

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 Fiscal 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 Financial Information, Annual Financial Statements, 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 Financial Information, Annual Financial Statements, 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 Financial

Information, Annual Financial Statements, 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 against all costs, fees, expenses and liabilities for such actions) 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 by the Developer, and a default under the Disclosure Agreement of Developer by the Developer shall not be deemed a default under this Disclosure Agreement.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) Notwithstanding anything to the contrary contained herein, 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 Annual Collection Costs collected from the property owners in Improvement Area #1 of 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 reasonable 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; 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 Financial Information or Annual Financial Statements 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 Annual Financial Information, Annual Financial Statements, 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 fact that the Dissemination Agent may have a banking or other business relationship with the Issuer or any person with whom the Issuer contracts in connection

with the transaction described in the Indenture, apart from the relationship created by the Indenture or this Disclosure Agreement, shall not be construed to mean the Dissemination Agent has actual knowledge of any event described in Section 6 above, except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement. 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 selected by the Trustee with due care, 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 in accordance with the terms of this Disclosure Agreement that the Trustee in good faith reasonably believes to be genuine and to have been signed or presented by the proper party or parties.

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 Annual Collection Costs collected from the property in Improvement Area #1 of 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 reasonable 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 Improvement Area #1 Assessments and the anticipated procedures for pursuing the collection of delinquent Improvement Area #1 Assessments is set forth in Exhibit D which is solely intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Improvement Area #1 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 Annual Collection Costs and will be included in the Improvement Area #1 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 Annual Collection Costs component of the Annual Installments collected from the owners of Improvement Area #1 Assessed Property for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

SECTION 19. Statutory Verifications. The Dissemination Agent and the Administrator, each individually, make the following representation and verifications 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 the Administrator, as the case may be, 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 the Administrator, each individually, 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 and the Administrator 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 Dissemination Agent and the Administrator, each individually, 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 the Administrator, each individually, 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 the Administrator, each individually, 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.

Signature pages follow.

CITY OF LOCKHART, TEXAS
(as Issuer)

By: _____
Mayor

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF ISSUER
(SEAWILLOW PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1)

S-1

UMB Bank, N.A.
(as Dissemination Agent)

By: _____

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF ISSUER
(SEAWILLOW PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1)

S-2

P3WORKS, LLC
(as Administrator)

By: _____
Authorized Officer

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF ISSUER
(SEAWILLOW PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1)

S-3

EXHIBIT A

**NOTICE TO MSRB OF FAILURE TO FILE
[ANNUAL FINANCIAL INFORMATION] [ANNUAL FINANCIAL STATEMENTS]
[ANNUAL COLLECTIONS REPORT]**

Name of Issuer: City of Lockhart, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2026
(Seawillow Public Improvement District Improvement Area #1)

Date of Delivery _____, 20__
CUSIP Nos: [Insert CUSIP Nos]

NOTICE IS HEREBY GIVEN that the City of Lockhart, Texas, has not provided [Annual Financial Information] [Annual Financial Statements] [an Annual Collections Report] with respect to the above-named bonds as required by the Continuing Disclosure Agreement of Issuer dated as of March 1, 2026, between the Issuer, P3Works, LLC, as Administrator, and UMB Bank, N.A., as Dissemination Agent. The Issuer anticipates that the [Annual Financial Information] [Annual Financial Statements] [Annual Collections Report] will be filed by _____.

Dated: _____

UMB Bank, N.A., on behalf of the City of
Lockhart, Texas
(solely in its capacity as Dissemination Agent)

By: _____

Title: _____

cc: City of Lockhart, Texas

EXHIBIT B

CITY OF LOCKHART, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026 (SEAWILLOW PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1)

ANNUAL FINANCIAL INFORMATION[*]

Delivery Date: _____, 20__

CUSIP Nos: [Insert CUSIP Nos]

DISSEMINATION AGENT

Name: UMB Bank, N.A.
Address: 5910 N. Central Expressway, Suite 1900
City: Dallas, Texas 75206
Telephone: (214) 389-5947
Contact Person Attn: Israel Lugo

Section 4(a)(i)

BONDS OUTSTANDING

Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount
				—
				—
Total				

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

ASSETS AND LIABILITIES OF PLEDGED TRUST ESTATE

ASSETS

Bonds (Principal Balance)	
Funds and Accounts [list]	
TOTAL ASSETS	

LIABILITIES

Outstanding Bond Principal	
Outstanding Program Expenses (if any)	
TOTAL LIABILITIES	

EQUITY

Assets Less Liabilities	
Parity Ratio	

September 30, 20[] Trust Statements: ☐ Audited ☐ Unaudited

Form of Accounting ☐ 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

<u>Year Ending</u> <u>(September 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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Top [Five] Improvement Area #1 Assessment Payers ⁽¹⁾

<u>Property Owner</u>	<u>No. of</u> <u>Parcels/Lots</u>	<u>Percentage of</u> <u>Parcels/Lots</u>	<u>Outstanding</u> <u>Improvement</u> <u>Area #1</u> <u>Assessments</u>	<u>Percentage of</u> <u>Total</u> <u>Improvement</u> <u>Area #1</u> <u>Assessments</u>
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⁽¹⁾ Does not include those owing less than one percent (1%) of total Improvement Area #1 Assessments.

Assessed Value of Improvement Area #1 of the District

The [YEAR] certified total assessed value for the Improvement Area #1 Assessed Property in Improvement Area #1 of the District is approximately \$[AMOUNT] according to the Caldwell County Appraisal District.

Foreclosure History Related to the Improvement Area #1 Assessments for the Past Five Fiscal Years

Fiscal Year Ended (9/30)	Delinquent Improvement Area #1 Assessment Amount not in Foreclosure Proceedings	Parcels in Foreclosure Proceedings	Delinquent Improvement Area #1 Assessment Amount in Foreclosure Proceedings	Foreclosure Sales	Foreclosure Proceeds Received
20__	\$		\$		\$
20__					
20__					
20__					
20__					

[insert any necessary footnotes]

Collection and Delinquency History of Improvement Area #1 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 Annual Installments 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.

History of Prepayment of Improvement Area #1 Assessments
for the Past Five Fiscal Years

<u>Fiscal Year Ended (9/30)</u>	<u>Number of</u> <u>Prepayments</u>	<u>Amount of</u> <u>Prepayments</u> \$	<u>Bond Call Date</u>	<u>Amount of</u> <u>Bonds</u> <u>Redeemed</u> \$
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 LOCKHART, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(SEAWILLOW PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1)**

ANNUAL COLLECTIONS REPORT

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: UMB Bank, N.A.
Address: 5910 N. Central Expressway, Suite 1900
City: Dallas, Texas 75206
Telephone: (214) 389-5947
Contact Person: Attn: Israel Lugo

**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 Improvement Area #1 Annual Installments⁽¹⁾

Succeeding Fiscal Year	Delinquent Annual Installment Amount not in Foreclosure <u>Proceedings</u>	Parcels in Foreclosure <u>Proceedings</u>	Delinquent Annual Installment Amount in Foreclosure <u>Proceedings</u>	Foreclosure <u>Sales</u>	Foreclosure Proceeds <u>Received</u>
20__	\$		\$		\$

(1) Period covered includes October 1, 20__ through March 1, 20__.

Collection and Delinquency of Annual Installments ⁽¹⁾

Succeeding Fiscal Year 20__	Total Annual Installments <u>Levied</u> \$	Parcels <u>Levied</u> ⁽²⁾	Delinquent Amount as <u>of 3/1</u> \$	Delinquent % <u>as of 3/1</u> %	Total Annual Installments <u>Collected</u> ⁽³⁾ \$
-----------------------------------	---	---	--	---------------------------------------	---

⁽¹⁾ Period covered includes October 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 Improvement Area #1 Assessments ⁽¹⁾

Succeeding Fiscal Year	Number of <u>Prepayments</u>	Amount of <u>Prepayments</u> \$	<u>Bond Call Date</u>	Amount of Bonds <u>Redeemed</u> \$
---------------------------	---------------------------------	---------------------------------------	-----------------------	---

⁽¹⁾ Period covered includes October 1, 20__, through March 1, 20__.

EXHIBIT D

EXPECTED TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES ⁽¹⁾

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
January 31		Improvement Area #1 Assessments are due.
February 1	1	Improvement Area #1 Assessments delinquent if not received.
February 15	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/or 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 Improvement Area #1 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

⁽¹⁾ Illustrates anticipated dates and procedures for pursuing the collection of delinquent 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 County 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 or an amendment to the Code, such modifications shall control.

draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw on the Reserve Fund.

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 Financial Information.

Preliminary Foreclosure activity commences in accordance with County Tax Assessor'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 County Tax Assessor'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 City Manager 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 City Manager 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 Improvement Area #1 Assessments.

EXHIBIT D

CONSTRUCTION, FUNDING AND ACQUISITION AGREEMENT

**SEAWILLOW PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1
CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT**

THIS SEAWILLOW PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT (this “Agreement”), dated as of March 3, 2026, is by and between the **CITY OF LOCKHART, TEXAS**, a home-rule municipality of the State of Texas (the “City”), and **ROED PROP CO, LLC**, a Texas limited partnership (the “Developer”).

**ARTICLE I
DEFINITIONS**

The following terms shall have the meanings ascribed to them in this Article I for purposes of this Agreement. Unless otherwise indicated, any other terms, capitalized or not, when used herein shall have the meanings ascribed to them in the Indenture (as hereinafter defined).

“**Act**” means the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended.

“**Actual Costs**” means the costs of the Improvement Area #1 Projects actually paid or incurred for construction and installation of the Improvement Area #1 Projects in accordance with the Service and Assessment Plan.

“**Administrator**” means, initially, P3 Works, LLC, or any other individual or entity designated by the City to administer the District.

“**Annual Service Plan Update**” means the annual update to the Service and Assessment Plan conducted by the Administrator pursuant to the Service and Assessment Plan and approved by ordinance adopted by the City.

“**Assessments**” shall have the meaning given to “Improvement Area #1 Assessment” in the Indenture.

“**Authorized Improvements**” means improvements authorized by Section 372.003(b) of the Act.

“**Bond Ordinance**” means the ordinance adopted by the City Council on March 3, 2026 authorizing the issuance of the Bonds pursuant to the Indenture.

“**Bonds**” means the City’s bonds designated “City of Lockhart, Texas, Special Assessment Revenue Bonds, Series 2026 (Seawillow Public Improvement District Improvement Area #1)”.

“**Budgeted Costs**” means the anticipated, agreed upon costs of the Improvement Area #1 Projects as shown in Exhibit B of the Service and Assessment Plan.

“Certification for Payment” means a certificate, substantially in the form of **Exhibit B** hereto or such other form agreed to by the Developer, the Administrator and the City Representative, executed by an engineer, construction manager or other person or entity acceptable to the City, as evidenced by the signature of a City Representative, provided no more frequently than once per each month to the City Representative and the Trustee, specifying the amount of work performed and the amount charged for that work, including materials and labor costs, presented to the Trustee to request payment for Actual Costs of Improvement Area #1 Projects under the Indenture.

“City Inspector” means an individual employed by or an agent of the City whose job is, in part or in whole, to inspect infrastructure to be owned by the City for compliance with all rules and regulations applicable to the development and the infrastructure inspected.

“City Manager” means the City Manager of the City, or its designee.

“City Representative” means the City Manager, or any other official or agent of the City later authorized by the City to undertake the action referenced herein.

“Closing Disbursement Request” means the certificate, substantially in the form of **Exhibit A** hereto or such other form agreed to by the Developer, Administrator, and City Representative, executed by an engineer, construction manager or other person or entity acceptable to the City, as evidenced by the signature of a City Representative, specifying the amounts to be disbursed for the costs related to the creation of the District.

“Construction Contracts” means the contracts for the construction of an Improvement Area #1 Project. **“Construction Contract”** means any one of the Construction Contracts.

“Costs” means the Budgeted Costs or the Actual Costs of an Improvement Area #1 Project as reflected in a Construction Contract, if different than the Budgeted Costs.

“Costs of Issuance Account” means the account of such name in the Project Fund created under Section 6.1 of the Indenture.

“Cost Overrun” means, with respect to each Improvement Area #1 Project, the Actual Cost, as appropriate, of such Improvement Area #1 Project in excess of the Budgeted Cost.

“Cost Underrun” has the meaning assigned such term in Section 4.04 hereof

“Development Agreement” means that certain Seawillow Ranch Development and Public Improvement Agreement, effective as of August 2, 2024, between the City and RODG DT Seawillow Prop Co, LLC, as amended from time to time.

“District” shall mean the Seawillow Public Improvement District created October 15, 2024.

“Final Completion” means completion of an Improvement Area #1 Project in compliance with existing City standards for dedication under the City’s ordinances and the Development Agreement.

“Improvement Account” means the account entitled “Improvement Area #1 Improvement Account” created in the Project Fund under Section 6.1 of the Indenture.

“Improvement Area #1” means the initial improvement area to be developed and described in Exhibit L-2 to the Service and Assessment Plan, as specifically depicted and described as the sum of all parcels shown in Exhibit E-1 to the Service and Assessment Plan.

“Improvement Area #1 Improvements” mean the Authorized Improvements which only benefit Improvement Area #1, which are described in Section III.B of the Service and Assessment Plan.

“Improvement Area #1 Projects” mean (i) the pro rata portion of the Major Improvements allocable to Improvement Area #1 and (ii) the Improvement Area #1 Improvements.

“Indenture” means that certain Indenture of Trust between the City and U.S. Bank Trust Company, National Association, as trustee, dated as of March 1, 2026 relating to the Bonds.

“Major Improvements” means the Authorized Improvements which benefit all of the property within the District and as described in Section III.A of the Service and Assessment Plan.

“Plans” means the plans, specifications, schedules and related construction contracts for the Improvement Area #1 Projects, respectively, approved pursuant to the applicable standards, ordinances, procedures, policies and directives of the City, the Development Agreement, and any other applicable governmental entity.

“Project Fund” means the fund, including the accounts created and established under such fund, where monies from the proceeds of the sale of the Bonds, excluding those deposited in other funds in accordance with the Indenture, shall be deposited, and the fund by such name created under the Indenture.

“Service and Assessment Plan” means the Seawillow Public Improvement District Service and Assessment Plan adopted by a City ordinance on March 3, 2026 by the City Council, prepared pursuant to the Act.

“Substantial Completion” means the time at which the construction of an Improvement Area #1 Project (or specified segment, section or part thereof) has progressed to the point where such Improvement Area #1 Project (or a specified segment, section or part thereof) is sufficiently complete in accordance with the Construction Contracts related thereto so that such Improvement

Area #1 Project (or a specified segment, section or part thereof) can be utilized for the purposes for which it is intended.

ARTICLE II RECITALS

Section 2.01. The District and the Improvement Area #1 Projects.

(a) The City has created the District under the Act for the financing of, among other things, the acquisition, construction and installation of the Improvement Area #1 Projects.

(b) The City has authorized the issuance of the Bonds in accordance with the provisions of the Act, the Bond Ordinance and the Indenture, the proceeds of which Bonds shall be used, in part, to finance a portion of the Improvement Area #1 Projects in accordance with the terms and limitations of the Indenture, the Development Agreement, this Agreement, and the Service and Assessment Plan.

(c) All Improvement Area #1 Projects are eligible to be financed with proceeds of the Bonds and the Assessments to the extent specified herein.

(d) The proceeds from the issuance and sale of the Bonds shall be deposited in accordance with the Indenture.

(e) The Developer will undertake, oversee, or ensure the construction and development of the Improvement Area #1 Projects for acquisition and acceptance by the City, in accordance with the terms and conditions contained in the Development Agreement and this Agreement.

Section 2.02. Agreements. In consideration of the mutual promises and covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Developer agree that the foregoing recitals, as applicable to each, are true and correct and further make the agreements set forth herein.

ARTICLE III FUNDING

Section 3.01. Bonds.

(a) The City, in connection with this Agreement, is proceeding with the issuance and delivery of the Bonds.

(b) The projects to be financed in part with the proceeds of the Bonds are the Improvement Area #1 Projects. The payment of Costs from the proceeds of the Bonds for such Improvement Area #1 Projects shall be made from the Improvement Account of the Project Fund established under the Indenture.

(c) The City's obligation with respect to the payment of the Costs of the Improvement Area #1 Projects shall be limited to the lesser of the Actual Costs or Budgeted Costs, and shall be payable solely from amounts on deposit for the payment of such Costs as provided herein and in the Indenture. The Developer agrees and acknowledges that it is responsible for all Cost Overruns and all expenses related to the Improvement Area #1 Projects, qualified, however, by the distribution of Cost Underrun monies, as detailed in Section 4.04.

(d) The City shall have no responsibility whatsoever to the Developer with respect to the investment of any funds held in the Project Fund by the Trustee under the provisions of the Indenture, including any loss of all or a portion of the principal invested or any penalty for liquidation of an investment.

(e) The Developer acknowledges that any lack of availability of amounts in the funds or accounts established in the Indenture to pay the Costs of the Improvement Area #1 Projects shall in no way diminish any obligation of the Developer with respect to the construction of or contributions for the Improvement Area #1 Projects required by this Agreement, the Development Agreement, or any other agreement to which the Developer is a party or any governmental approval to which the Developer or any land within the District is subject.

Section 3.02 Funds and Accounts. All disbursements from the Improvement Account of the Project Fund shall be made by the City in accordance with provisions of the Development Agreement, the Service and Assessment Plan, this Agreement and the Indenture.

ARTICLE IV CONSTRUCTION OF THE IMPROVEMENT AREA #1 PROJECTS

Section 4.01. Duty of Developer to Construct.

(a) All Improvement Area #1 Projects shall be constructed by or at the direction of the Developer in accordance with the Plans and in accordance with this Agreement and the Development Agreement. The Developer shall perform, or cause to be performed, all of its obligations and shall conduct, or cause to be conducted, all operations with respect to the construction of Improvement Area #1 Projects in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. The Developer shall employ at all times adequate staff or consultants with the requisite experience necessary to administer and coordinate all work related to the design, engineering, acquisition, construction and installation of all Improvement Area #1 Projects, to be acquired and accepted by the City, from the Developer as provided in this Agreement.

(b) The Developer shall not be relieved of its obligation to construct or cause to be constructed each Improvement Area #1 Project and, upon completion, inspection, and acceptance, convey each such Improvement Area #1 Project to the City, in accordance with the terms hereof,

even if there are insufficient funds in the Project Fund or other funds or account created under the Indenture to pay the Actual Costs thereof. In any event, this Agreement shall not affect any obligation of the Developer under any other agreement to which the Developer is a party or any governmental approval to which the Developer or any land within the District is subject, with respect to the Improvement Area #1 Projects required in connection with the development of the land within the District.

Section 4.02. No Competitive Bidding. The Improvement Area #1 Projects shall not require competitive bidding pursuant to Section 252.022(a)(9) of the Texas Local Government Code, as amended.

Section 4.03. Independent Contractor. In performing this Agreement, the Developer is an independent contractor and not the agent or employee of the City with respect to the Improvement Area #1 Projects.

Section 4.04. Remaining Funds After Completion of an Improvement Area #1 Project. Upon the Final Completion of any Improvement Area #1 Project (or any segment or section thereof) and payment of all outstanding invoices for such Improvement Area #1 Project (or segment or section thereof), if the Actual Cost of such Improvement Area #1 Project (or segment or section thereof) is less than the Budgeted Cost of such Improvement Area #1 Project (a “Cost Underrun”), any remaining Budgeted Cost may be made available to pay Cost Overruns on any other Improvement Area #1 Project, including Improvement Area #1 Projects in a different improvement category shown in the Service and Assessment Plan. Any Cost Underrun for any Improvement Area #1 Project is available to pay Cost Overruns on any other Improvement Area #1 Project. If, upon Final Completion of all Improvement Area #1 Projects in any improvement category, there are funds remaining in any improvement categories, those funds can then be used to reimburse the Developer for any qualifying costs of Improvement Area #1 Projects that have not been previously paid.

The Administrator shall confirm that such remaining amounts are available to pay such Cost Overruns, and the Developer, the Administrator and the City Representative shall promptly agree on how to apply such moneys to the costs of other Improvement Area #1 Projects, subject to the costs described in the Service and Assessment Plan. The use of such moneys shall be included in the next Annual Service Plan Update.

Section 4.05. Contracts and Change Orders. The Developer shall be responsible for entering into all contracts and any supplemental agreements (herein referred to as “change orders”) required for the construction of the Improvement Area #1 Projects. Developer or its contractors may approve and implement any change orders, even if such change order would increase the Cost of an Improvement Area #1 Project, but the Developer shall be solely responsible for payment of any Cost Overruns resulting from such change orders except to the extent amounts are available pursuant to Section 4.04. If any change order is for work that requires changes to be made by an

engineer to the construction and design documents and plans previously approved under Section 4.01, then such revisions made by an engineer must be submitted to the City for approval by the City's engineer prior to execution of the change order.

ARTICLE V

ACQUISITION, CONSTRUCTION, AND PAYMENT

Section 5.01. Payment Requests for Disbursements at Closing. In order to receive the disbursement from the Costs of Issuance Account of the Project Fund or the Improvement Account of the Project Fund at closing of the Bonds, related to costs of issuance of the Bonds or costs incurred in the creation of the District, the Developer shall execute a Closing Disbursement Request, substantially in the form of **Exhibit A** hereto or otherwise acceptable and agreed to by the City, to be delivered to the City no less than fifteen (15) business days prior to the scheduled Closing Date for the Bonds for payment in accordance with the provisions of the Indenture. In order to receive the disbursement for an Improvement Area #1 Project from the Improvement Account of the Project Fund at closing of the Bonds, the Developer shall execute a Certification for Payment, substantially in the form of **Exhibit B** hereto or otherwise agreed to by the City, to be delivered to the City no later than fifteen (15) business days prior to the scheduled Closing Date for the Bonds for payment in accordance with the provisions of the Indenture. Upon approval by the City, the City shall submit a Closing Disbursement Request or a Certification for Payment, as applicable, to the Trustee for disbursement to be made from the Costs of Issuance Account of the Project Fund or the Improvement Account of the Project Fund, as applicable.

Section 5.02. Certification for Payment for an Improvement Area #1 Project.

(a) No payment hereunder shall be made from the Project Fund to the Developer for work on an Improvement Area #1 Project until a Certification for Payment is received from the Developer. Upon receipt of a Certification for Payment substantially in the form of **Exhibit B** hereto (and all accompanying documentation required by the City) from the Developer, the City Inspector shall conduct a review in order to confirm that such request is complete, that the work with respect to such Improvement Area #1 Project identified therein for which payment is requested was completed in accordance with all applicable governmental laws, rules and regulations and applicable Plans therefor and with the terms of this Agreement, the Development Agreement, and to verify and approve the Actual Cost of such work specified in such Certification for Payment (collectively, the "Developer Compliance Requirements"). The City Inspector and/or the City Representative shall also conduct such review as is required in his discretion to confirm the matters certified in the Certification for Payment. The Developer agrees to cooperate with the City Inspector and/or City Representative in conducting each such review and to provide the City Inspector and/or City Representative with such additional information and documentation as is reasonably necessary for the City Inspector and/or City Representative to conclude each such review.

(b) Within fifteen (15) business days of receipt of any Certification for Payment, the City Representative shall either (i) approve and execute the Certification for Payment and forward the same to the Administrator for approval and delivery to the Trustee for payment to the Developer in accordance with Section 5.03(a) hereof or (ii) in the event the City Representative disapproves the Certification for Payment, give written notification to the Developer of the City Representative'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 Representative 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 Section 5.03 hereof and delivery to the Developer in accordance with Section 5.02(c) hereof, and any such partial work shall be processed for payment under Section 5.03 notwithstanding such partial denial.

(c) If the City Representative denies the Certification for Payment, the denial must be in writing, stating the reason(s) for denial. The denial may be appealed to the City Council by the Developer in writing within thirty (30) days of being denied by the City Representative. Denial 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 payment until the dispute is resolved by the City and the Developer.

(d) The Developer shall deliver the approved or partially approved Certification for Payment to the Trustee for payment and the City shall direct the Trustee to make such payment from the Project Fund in accordance with Section 5.03 below.

Section 5.03. Payment for Improvement Area #1 Project.

(a) Upon receipt of a reviewed and approved Certification for Payment, the Trustee shall make payment from the Improvement Account of the Project Fund pursuant to the terms of the Certification for Payment and the Indenture in an amount not to exceed the Budgeted Cost for the particular Improvement Area #1 Project, unless a Cost Overrun amount has been approved for a particular Improvement Area #1 Project. If a Cost Overrun amount has been approved, then the amount reimbursed shall not exceed the Budgeted Amount plus the approved Cost Overrun amount.

(b) Approved Certifications for Payment that await reimbursement shall not accrue interest.

(c) Notwithstanding any other provisions of this Agreement, when payment is made, the City shall direct the Trustee to make payment directly to the general contractor or supplier of

materials or services or jointly to Developer (or any permitted assignee of such Developer) and the general contractor or supplier of materials or services, as indicated in an approved Certification for Payment, out of available and appropriate funds in the Project Fund. If the request for payment results in ninety percent (90%) or more of the Budgeted Costs for such Improvement Area #1 Project identified in such request for payment being paid, then the City shall direct the Trustee to hold the payment until work with respect to that Improvement Area #1 Project has been completed and accepted by the City. If an unconditional lien release related to the items referenced in the Certification for Payment is attached to such Certification for Payment, the City shall direct the Trustee to make such payment to the Developer or any permitted assignee of the Developer. In the event the Developer provides a general contractor's or supplier of materials' unconditional lien release for a portion of the work covered by a Certification for Payment, the City shall direct the Trustee to make such payment directly to the Developer or any permitted assignee of the Developer to the extent of such lien release.

(d) Withholding Payments.

Nothing in this Agreement shall be deemed to prohibit the Developer or the City from contesting in good faith the validity or amount of any mechanics or materialman's lien and/or judgment nor limit the remedies available to the Developer or the City with respect thereto, including the withholding of any payment that may be associated with the exercise of such remedy, so long as such delay in performance shall not subject the Improvement Area #1 Project to foreclosure, forfeiture, or sale. In the event that any such mechanics or materialman's lien and/or judgment with respect to any Improvement Area #1 Project is contested, the Developer shall post or cause delivery of a surety bond in the amount determined by the City or City may decline to accept the Improvement Area #1 Projects until such mechanics or materialman's lien and/or judgment is satisfied.

ARTICLE VI

OWNERSHIP AND TRANSFER OF IMPROVEMENT AREA #1 PROJECT

Section 6.01. Improvement Area #1 Project to be Owned by the City– Title Evidence. If required by the City, the Developer shall furnish to the City a preliminary title report for land with respect to an Improvement Area #1 Project to be acquired and accepted by the City from the Developer and not previously dedicated or otherwise conveyed to the City for review and approval at least thirty (30) calendar days prior to the transfer of title of an Improvement Area #1 Project to the City. The City shall approve the preliminary title report unless it reveals a matter which, in the reasonable judgment of the City, could materially affect the City's clean title or use and enjoyment of any part of the property or easement covered by the preliminary title report. In the event the City does not approve the preliminary title report, the City shall not be obligated to accept title to the Improvement Area #1 Project until the Developer has cured such objections to title to the satisfaction of the City.

Section 6.02. Improvement Area #1 Project Constructed on City Land or Developer Land. If the Improvement Area #1 Project is on land owned by the City, the City hereby grants to the Developer a license to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance) of the Improvement Area #1 Project. If the Improvement Area #1 Project is on land owned by the Developer, the Developer hereby grants to the City an easement to enter upon such land for purposes related to inspection and maintenance (pending acquisition and acceptance) of the Improvement Area #1 Project. The grant of the permanent easement shall not relieve the Developer of any obligation to grant the City title to property and/or easements related to the Improvement Area #1 Project as required by the Development Agreement or as should in the City's reasonable judgment be granted to provide for convenient access to and routine and emergency maintenance of such Improvement Area #1 Project. The provisions for inspection and acceptance of such Improvement Area #1 Project otherwise provided herein shall apply.

ARTICLE VII

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 7.01. Representations, Covenants and Warranties of the Developer. The Developer represents and warrants for the benefit of the City as follows:

(a) Organization. The Developer is a limited partnership duly formed, organized and validly existing under the laws of the State of Texas, is in compliance with the laws of the State of Texas, and has the power and authority to own its properties and assets and to fulfill its obligations in this Agreement and the Development Agreement and to carry on its business in the State of Texas as now being conducted as hereby contemplated.

(b) Authority. The Developer has the power and authority to enter into this Agreement and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered by the Developer.

(c) Binding Obligation. This Agreement is a legal, valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms, subject to bankruptcy and other equitable principles.

(d) Compliance with Law. The Developer shall not commit, suffer or permit any act to be done in, upon or to the lands in the District or the Improvement Area #1 Projects in violation of any law, ordinance, rule, regulation or order of any governmental authority or any covenant, condition or restriction now or hereafter affecting the lands in the District or the Improvement Area #1 Projects.

(e) Requests for Payment. The Developer represents and warrants that (i) it will not request payment from the Project Fund for the acquisition construction or installation of any improvements that are not part of the Costs associated with the Improvement Area #1 Projects,

and (ii) it will diligently follow all procedures set forth in this Agreement with respect to the Certification for Payments.

(f) Financial Records. For a period of two years after completion of the Improvement Area #1 Projects, the Developer covenants to maintain proper books of record and account for the construction of the Improvement Area #1 Projects and all Costs related thereto. Such accounting books shall be maintained in accordance with generally accepted accounting principles, and shall be available for inspection by the City or its agents at any reasonable time during regular business hours on reasonable notice.

(g) Plans. The Developer represents that it has obtained or will obtain approval of the Plans from all appropriate departments of the City and from any other public entity or public utility from which such approval must be obtained. The Developer further agrees that, subject to the terms hereof, the Improvement Area #1 Projects have been or will be constructed in full compliance with such Plans and any change orders thereto consistent with the Act, this Agreement and the Development Agreement. Developer shall provide as-built plans for all Improvement Area #1 Projects to the City.

(h) Additional Information. The Developer agrees to cooperate with all reasonable written requests for nonproprietary information by the initial purchaser of the Bonds, the City Manager and the City Representative related to the status of construction of the Improvement Area #1 Projects within the District, the anticipated completion dates for future improvements and any other matter that the initial purchaser of the Bonds or City Representative deems material to the investment quality of the Bonds.

(i) Continuing Disclosure Agreement. The Developer agrees to provide the information required pursuant to the Continuing Disclosure Agreement of the Developer executed by the Developer in connection with the Bonds.

(j) Tax Certificate. The City will deliver a certificate relating to the Bonds (such certificate, as it may be amended and supplemented from time to time, being referred to herein as the “Tax Certificate”) containing covenants and agreements designed to satisfy the requirements of 26 U.S. Code Sections 103 and 141 through 150, inclusive, and the federal income tax regulations issued thereunder relating to the use of the proceeds of the Bonds or of any monies, securities or other obligations on deposit to the credit of any of the funds and accounts created by the Indenture or this Agreement or otherwise that may be deemed to be proceeds of the Bonds within the meaning of 26 U.S. Code Section 148 (collectively, “Bond Proceeds”).

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

date, and (ii) the Developer will make reasonable inquiries to ensure such truth, correctness and completeness. The Developer covenants that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use or investment of the Bond Proceeds (including, but not limited to, the use of the Improvement Area #1 Projects) that would cause any of the covenants or agreements of the City contained in the Tax Certificate to be violated or that would otherwise have an adverse effect on the tax-exempt status of the interest payable on the Bonds for federal income tax purposes.

(k) Financial Resources. The Developer represents and warrants that it has the financial resources, or the ability to obtain sufficient financial resources, to meet its obligations under this Agreement, the Service and Assessment Plan and the Development Agreement.

Section 7.02. Indemnification and Hold Harmless. THE DEVELOPER SHALL INDEMNIFY AND HOLD HARMLESS THE CITY INSPECTOR, THE CITY, ITS OFFICIALS, EMPLOYEES, OFFICERS, REPRESENTATIVES AND AGENTS (EACH AN "INDEMNIFIED PARTY"), FROM AND AGAINST ALL ACTIONS, DAMAGES, CLAIMS, LOSSES OR EXPENSE OF EVERY TYPE AND DESCRIPTION TO WHICH THEY MAY BE SUBJECTED OR PUT: (I) BY REASON OF, OR RESULTING FROM THE BREACH OF ANY PROVISION OF THIS AGREEMENT BY THE DEVELOPER; (II) THE NEGLIGENT DESIGN, ENGINEERING, AND/OR CONSTRUCTION BY THE DEVELOPER OR ANY ARCHITECT, ENGINEER OR CONTRACTOR HIRED BY THE DEVELOPER OF ANY OF THE IMPROVEMENT AREA #1 PROJECTS ACQUIRED FROM THE DEVELOPER HEREUNDER; (III) THE DEVELOPER'S NONPAYMENT UNDER CONTRACTS BETWEEN THE DEVELOPER AND ITS CONSULTANTS, ENGINEERS, ADVISORS, CONTRACTORS, SUBCONTRACTORS AND SUPPLIERS IN THE PROVISION OF THE IMPROVEMENT AREA #1 PROJECTS; (IV) ANY CLAIMS OF PERSONS EMPLOYED BY THE DEVELOPER OR ITS AGENTS TO CONSTRUCT THE IMPROVEMENT AREA #1 PROJECTS; OR (V) ANY CLAIMS AND SUITS OF THIRD PARTIES, INCLUDING BUT NOT LIMITED TO DEVELOPER'S RESPECTIVE PARTNERS, OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS, SUCCESSORS, ASSIGNEES, VENDORS, GRANTEEES AND/OR TRUSTEES, REGARDING OR RELATED TO THE IMPROVEMENT AREA #1 PROJECTS OR ANY AGREEMENT OR RESPONSIBILITY REGARDING THE IMPROVEMENT AREA #1 PROJECTS, INCLUDING CLAIMS AND CAUSES OF ACTION WHICH MAY ARISE OUT OF THE SOLE OR PARTIAL NEGLIGENCE OF AN INDEMNIFIED PARTY (THE "CLAIMS"). NOTWITHSTANDING THE FOREGOING, NO INDEMNIFICATION IS GIVEN HEREUNDER FOR ANY ACTION, DAMAGE, CLAIM, LOSS OR EXPENSE DETERMINED BY A COURT OF COMPETENT JURISDICTION TO BE DIRECTLY ATTRIBUTABLE TO THE WILLFUL MISCONDUCT OF ANY INDEMNIFIED PARTY, DEVELOPER IS EXPRESSLY REQUIRED TO DEFEND CITY AGAINST ALL SUCH CLAIMS, AND CITY IS REQUIRED TO REASONABLY COOPERATE AND ASSIST DEVELOPER IN PROVIDING SUCH DEFENSE.

IN ITS REASONABLE DISCRETION, THE CITY SHALL HAVE THE RIGHT TO APPROVE OR SELECT DEFENSE COUNSEL TO BE RETAINED BY THE DEVELOPER IN FULFILLING ITS OBLIGATIONS HEREUNDER TO DEFEND AND INDEMNIFY THE INDEMNIFIED PARTIES, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY THE CITY IN WRITING. THE INDEMNIFIED PARTIES RESERVE THE RIGHT TO PROVIDE A PORTION OR ALL OF THEIR/ITS OWN DEFENSE, AT THEIR/ITS SOLE COST; HOWEVER, INDEMNIFIED PARTIES ARE UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY AN INDEMNIFIED PARTY IS NOT TO BE CONSTRUED AS A WAIVER OF THE DEVELOPER'S OBLIGATION TO DEFEND INDEMNIFIED PARTIES OR AS A WAIVER OF THE DEVELOPER'S OBLIGATION TO INDEMNIFY INDEMNIFIED PARTIES, PURSUANT TO THIS AGREEMENT. THE DEVELOPER SHALL RETAIN CITY-APPROVED DEFENSE COUNSEL WITHIN SEVEN (7) BUSINESS DAYS OF WRITTEN NOTICE FROM AN INDEMNIFIED PARTY THAT IT IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF THE DEVELOPER FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, INDEMNIFIED PARTIES SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON ITS OWN BEHALF, AND THE DEVELOPER SHALL BE JOINTLY AND SEVERALLY LIABLE FOR ALL REASONABLE COSTS INCURRED BY INDEMNIFIED PARTIES.

THIS SECTION 7.02 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

THE PARTIES AGREE AND STIPULATE THAT THIS INDEMNIFICATION COMPLIES WITH THE CONSPICUOUSNESS REQUIREMENT AND THE EXPRESS NEGLIGENCE TEST, AND IS VALID AND ENFORCEABLE AGAINST THE DEVELOPER.

Section 7.03. Use of Monies by City; Changes to Indenture. The City agrees not to take any action or direct the Trustee to take any action to expend, disburse or encumber the monies held in the Project Fund and any monies to be transferred thereto for any purpose other than the purposes permitted by the Indenture. Prior to the acceptance of all the Improvement Area #1 Projects, the City agrees not to modify or supplement the Indenture without the approval of the Developer if as a result or as a consequence of such modification or supplement: (a) the amount of monies that would otherwise have been available under the Indenture for disbursement for the Costs of the Improvement Area #1 Projects is reduced, delayed or deferred, (b) the obligations or liabilities of the Developer is or may be substantially increased or otherwise adversely affected in any manner, or (c) the rights of the Developer is or may be modified, limited, restricted or otherwise substantially adversely affected in any manner.

Section 7.04. No Reduction of Assessments. The Developer agrees not to take any action or actions to reduce the total amount of such Assessments to be levied as of the effective date of this Agreement.

ARTICLE VIII TERMINATION

Section 8.01. Mutual Consent. This Agreement may be terminated by the mutual, written consent of the City and the Developer, in which event the City may either execute contracts for or perform any remaining work related to the Improvement Area #1 Projects not accepted by the City or other appropriate entity and use all or any portion of funds on deposit in the Project Fund or other amounts transferred to the Project Fund under the terms of the Indenture to pay for same, and the Developer shall have no claim or right to any further payments for the Costs of an Improvement Area #1 Project hereunder, except as otherwise may be provided in such written consent.

Section 8.02. City's Election for Cause.

(a) The City, upon notice to the Developer and the passage of the cure period identified in subsection (b) below, may terminate this Agreement, without the consent of the Developer if the Developer shall breach any material covenant or default in the performance of any material obligation hereunder.

(b) If any such event described in Section 8.02(a) occurs, the City shall give written notice of its knowledge of such event to the Developer, and the Developer agrees to promptly meet and confer with the City Inspector and other appropriate City staff and consultants as to options available to assure timely completion, subject to the terms of this Agreement, of the Improvement Area #1 Projects. Such options may include, but not be limited to, the termination of this Agreement by the City. If the City elects to terminate this Agreement, the City shall first notify the Developer (and any mortgagee or trust deed beneficiary specified in writing by the Developer to the City to receive such notice) of the grounds for such termination and allow the Developer a minimum of 45 days to eliminate or to mitigate to the satisfaction of the City the grounds for such termination. Such period may be extended, at the sole discretion of the City, if the Developer, to the reasonable satisfaction of the City, is proceeding with diligence to eliminate or mitigate such grounds for termination. If at the end of such period (and any extension thereof), as determined reasonably by the City, the Developer has not eliminated or completely mitigated such grounds to the satisfaction of the City, the City may then terminate this Agreement. In the event of the termination of this Agreement, the Developer is entitled to payment for work accepted by the City related to an Improvement Area #1 Project only as provided for under the terms of the Indenture and this Agreement prior to the termination date of this Agreement. Notwithstanding the foregoing, so long as the Developer has breached any material covenant or defaulted in the performance of any material obligation hereunder, notice of which has been given by the City to the Developer, and such event has not been cured or otherwise eliminated by the Developer, the City may in its discretion cause the Trustee to cease making payments for the Actual Costs of Improvement Area #1 Projects, provided that the Developer shall receive payment of the Actual Costs of any Improvement Area #1 Projects that were accepted by the City at the time of the

occurrence of such breach or default by the Developer upon submission of the documents and compliance with the other applicable requirements of this Agreement.

(c) If this Agreement is terminated by the City for cause, the City may either execute contracts for or perform any remaining work related to the Improvement Area #1 Projects not accepted by the City and use all or any portion of the funds on deposit in the Project Fund or other amounts transferred to the Project Fund and the Developer shall have no claim or right to any further payments for the Improvement Area #1 Projects hereunder, except as otherwise may be provided upon the mutual written consent of the City and the Developer. The City shall have no obligation to perform any work related to an Improvement Area #1 Project or to incur any expense or cost in excess of the remaining balance of the Project Fund.

Section 8.03. Termination Upon Redemption or Defeasance of Bonds. This Agreement will terminate automatically and with no further action by the City or the Developer upon the redemption or defeasance of all outstanding Bonds (including any refunding bonds issued to refund the Bonds) issued under the Indenture.

Section 8.04. Construction of the Improvement Area #1 Projects Upon Termination of this Agreement. Notwithstanding anything to the contrary contained herein, upon the termination of this Agreement pursuant to this Article VIII, the Developer shall perform its obligations with respect to the Improvement Area #1 Projects in accordance with this Agreement and the Development Agreement.

Section 8.05. Force Majeure. Whenever performance is required of a party hereunder, that party shall use all due diligence and take all necessary measures in good faith to perform, but if completion of performance is delayed by reasons of floods, earthquakes or other acts of God, war, civil commotion, riots, strikes, picketing or other labor disputes, damage to work in progress by casualty or by other cause beyond the reasonable control of the party (financial inability excepted) (“Force Majeure”), then the specified time for performance shall be extended by the amount of the delay actually so caused. The extension of time to perform allowed by this Section 8.05 shall not apply unless, upon the occurrence of an event of Force Majeure, the party needing additional time to perform notifies the other party of the event of Force Majeure and the amount of additional time reasonably required within ten (10) business days of the occurrence of the event of Force Majeure.

ARTICLE IX MISCELLANEOUS

Section 9.01. Limited Liability of City. The Developer agrees that any and all obligations of the City arising out of or related to this Agreement are special obligations of the City, and the City’s obligations to make any payments hereunder are restricted entirely to the moneys, if any, in the Project Fund and from no other source. Neither the City, the City Inspector, City

Representative nor any other City employee, officer, official or agent shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of their actions hereunder or execution hereof.

Section 9.02. Audit. The City Inspector, City Representative or a finance officer of the City shall have the right, during normal business hours and upon the giving of three business days' prior written notice to a Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer with respect to any of the Improvement Area #1 Projects and any bids taken or received for the construction thereof or materials therefor.

Section 9.03. Notices. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to any party shall be deemed to have been received when personally delivered or transmitted by telecopy or facsimile transmission (which shall be immediately confirmed by telephone and shall be followed by mailing an original of the same within 24 hours after such transmission) or 72 hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid, addressed as follows:

To the City:	City of Lockhart, Texas Attn: City Manager 308 W San Antonio St Lockhart, Texas 78644
With a copy to:	Messer Fort, PLLC Attn: Jennifer Ritchie 4201 W. Parmer Lane, Suite 150 Austin, Texas 78727
And to:	McCall, Parkhurst & Horton L.L.P. Attn: Bart Fowler 600 Congress Ave, Suite 2150 Austin, Texas 78701
To Developer:	ROED Prop CO, LLC Tom Staub 2121 E 6th St Austin, Texas 78702
With a copy to:	Greenberg Traurig, LLP Attn: Drew Slone 2200 Ross Ave., Suite 5200 Dallas, Texas 75201

Any party may change its address or addresses for delivery of notice by delivering written notice of such change of address to the other party.

The City shall advise the Developer of the name and address of any person who is to receive any notice or other communication pursuant to this Agreement.

Section 9.04. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent possible.

Section 9.05. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. Any receivables due under this Agreement may be assigned by the Developer without the consent of, but upon written notice to the City pursuant to Section 9.03 of this Agreement. The obligations, requirements, or covenants of this Agreement shall be able to be assigned to an affiliate or related entity of the Developer, or any lien holder on the Property, without prior written consent of the City. The obligations, requirements, or covenants of this Agreement shall not be assigned by the Developer to a non-affiliate or non-related entity of the Developer without prior written consent of the City Manager, except pursuant to a collateral assignment to any person or entity providing construction financing to the Developer for an Improvement Area #1 Project, provided such person or entity expressly agrees to assume all obligations of the Developer hereunder if there is a default under such financing and such Person elects to complete the Improvement Area #1 Project. No such assignment 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 without the express written consent of the City. In connection with any consent of the City, the City may condition its consent upon the acceptability of the financial condition of the proposed assignee, upon the assignee’s express assumption of all obligations of the Developer hereunder and/or upon any other reasonable factor which the City deems relevant in the circumstances. In any event, any such assignment shall be in writing, shall clearly identify the scope of the rights and/or obligations assigned. The City may assign by a separate writing certain rights as described in this Agreement and in the Indenture, to the Trustee and the Developer hereby consents to such assignment.

Section 9.06. Other Agreements. The obligations of the Developer hereunder shall be those of a party hereto and not as an owner of property in the District. Nothing herein shall be construed as affecting the City’s or the Developer’s rights or duties to perform their respective obligations under other agreements, use regulations, ordinances or subdivision requirements relating to the development of the lands in the District, including the applicable Construction Contracts and the Development Agreement. To the extent there is a conflict between this Agreement and the Development Agreement, the Development Agreement shall control. To the extent there is a conflict between this Agreement and the Indenture, the Indenture shall control.

Section 9.07. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by any other party, or the failure by a party to exercise its rights upon the default of any other party, shall not constitute a waiver of such party’s right to insist and demand strict compliance by such other party with the terms of this Agreement thereafter.

Section 9.08. Merger. 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.

Section 9.09. Parties in Interest. Nothing in this Agreement, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the City and the Developer any rights, remedies or claims under or by reason of this Agreement or any covenants, conditions or stipulations hereof, and all covenants, conditions, promises and agreements in this Agreement contained by or on behalf of the City or the Developer shall be for the sole and exclusive benefit of the City and the Developer.

Section 9.10. Amendment. This Agreement may be amended upon agreement of the parties, from time to time in a manner consistent with the Act, the Indenture, and the Bond Ordinance by written supplement hereto and executed in counterparts, each of which shall be deemed an original.

Section 9.11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 9.12. Effective Date. This Agreement has been dated as of the date first above written solely for the purpose of convenience of reference and shall become effective upon its execution and delivery, on the Closing Date of the Bonds, by the parties hereto. All representations and warranties set forth therein shall be deemed to have been made on the Closing Date of the Bonds.

Section 9.13. Term. The term of this Agreement, other than the provisions contained in Section 7.02, which shall survive the termination of this Agreement, shall be thirty (30) years or upon redemption or defeasance of the Bonds (including any refunding bonds issued to refund the Bonds) issued under the Indenture. If the Developer defaults under this Agreement or the Development Agreement, this Agreement and the Development Agreement shall not terminate with respect to the Costs of the Improvement Area #1 Projects that have been approved by the City pursuant to a Certification for Payment prior to the date of default.

Section 9.14. No Waiver of Powers or Immunity. The City does not waive or surrender any of its governmental powers, immunities, or rights except as necessary to allow Developer to enforce its remedies under this Agreement.

Section 9.15. 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 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 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 Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

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

c. No Discrimination Against Firearm Entities. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this 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 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 Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

[Execution pages to follow]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of March 3, 2026.

CITY OF LOCKHART, TEXAS

By: _____
Lew White
Mayor

ATTEST:

City Secretary

(City Seal)

DEVELOPER:

ROED PROP CO LLC, a Texas limited liability company

By: Red Oak Development Group, LLC, a Texas limited liability company, its Managing Member

By: _____

Name: Thomas Staub

Title: Member

Exhibit A

FORM OF CLOSING DISBURSEMENT REQUEST

The undersigned is an agent for ROED Prop CO, LLC (the “Developer”) and requests payment from:

[the Costs of Issuance Account of the Project Fund][the Improvement Account of the Project Fund] (as defined in the Seawillow Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement) from Regions Bank (the “Trustee”) in the amount of _____ DOLLARS (\$_____) for costs incurred in the establishment, administration, and operation of the Seawillow Public Improvement District (the “District”), as follows:

Closing Costs Description	Cost	PID Allocated Cost
TOTAL		

In connection to the above referenced payments, 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 Closing Disbursement Request on behalf of the Developer, and is knowledgeable as to the matters set forth herein.
2. The payment requested for the above referenced establishment, administration, and operation of the District at the time of the delivery of the Bonds has not been the subject of any prior payment request submitted to the City.
3. The amount listed for the above itemized costs is a true and accurate representation of the Actual Costs incurred by Developer with the establishment of the District at the time of the delivery of the Bonds, and such costs are in compliance with the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the Seawillow Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement, the Development Agreement, and the Service and Assessment Plan.
5. All conditions set forth in the Indenture (as defined in the Seawillow Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement) for the payment hereby requested have been satisfied.

6. 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.

Payments requested hereunder shall be made as directed below:

- a. X amount to Person or Account Y for Z goods or services.
- b. Etc.

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

ROED PROP CO, LLC

By: _____

Name: _____

Title: _____

Date: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Closing Disbursement Request. After reviewing the Closing Disbursement Request, the City approves the Closing Disbursement Request and shall include said payments in the City Certificate submitted to the Trustee directing payments to be made from the [Costs of Issuance Account][Improvement Account] of the Project Fund, upon delivery of the Bonds. The City's approval of the Closing Disbursement Request shall not have the effect of estopping or preventing the City from asserting claims under the Seawillow Public Improvement District Improvement Area #1 Construction, Funding and Acquisition Agreement, the Development Agreement, the Service and Assessment Plan, any other agreement between the parties or that there is a defect in an Improvement Area #1 Project.

CITY OF LOCKHART, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

Exhibit B

CERTIFICATION FOR PAYMENT FORM – IMPROVEMENT AREA #1 PROJECTS

CERTIFICATION FOR PAYMENT NO. _____

The undersigned is a lawfully authorized representative for ROED PROP CO, LLC (the “Developer”) and requests payment from the Improvement Account of the Project Fund from Regions Bank (the “Trustee”) in the amount of _____ for labor, materials, fees, and/or other general costs related to the construction and installation of the following Improvement Area #1 Projects related to the Seawillow Public Improvement District:

[insert specific Improvement Area #1 Project this request is for here]

Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Seawillow Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement.

In connection with this Certification for 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 Certification for Payment on behalf of the Developer, and is knowledgeable as to the matters set forth herein.
2. The payment requested herein for the Improvement Area #1 Project(s) 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 Improvement Area #1 Project(s) below are a true and accurate representation of the Actual Costs incurred by Developer with the construction and installation of said Improvement Area #1 Project(s) identified above, and such costs are (i) in compliance with the Seawillow Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement, and (ii) consistent with the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the Seawillow Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement, the Development Agreement, and the Service and Assessment Plan.
5. All conditions set forth in the Indenture for the payment hereby requested have been satisfied.

6. The work with respect to the Improvement Area #1 Project(s) identified above (or its completed segment, portion or segment) has been completed and the City has inspected or may begin inspection of the Improvement Area #1 Project(s). If this request for payment results in ninety percent (90%) or more of the Budgeted Costs for the Improvement Area #1 Project(s) identified above being paid, then the work with respect to the Improvement Area #1 Project(s) have been completed and the City has inspected AND accepted the Improvement Area #1 Project(s).

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.

Payments requested are as follows:

Payee / Description of Improvement Area #1 Project	Total Cost of Improvement Area #1 Project	Budgeted Cost of Improvement Area #1 Project	Amount to be paid from Improvement Account of the Project Fund

Attached hereto, are receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments or Actual Costs incurred.

Pursuant to the Seawillow Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement, after receiving this Payment Request, the City is authorized to inspect the Improvement Area #1 Project (or completed segment, portion or segment) and confirm that said work has been completed in accordance with all applicable governmental laws, rules, and Plans.

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

ROED PROP CO, LLC

By: _____

Name: _____

Title: _____

Date: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Certification for Payment. After reviewing the Certification for Payment, the City approves the Certification for Payment and shall include said payments in the City Certificate submitted to the Trustee directing payments to be made from the appropriate Project Fund account. The City's approval of the Certification for Payment shall not have the effect of estopping or preventing the City from asserting claims under the Seawillow Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement, the Development Agreement, the Service and Assessment Plan, any other agreement between the parties or that there is a defect in the Improvement Area #1 Projects.

CITY OF LOCKHART, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT E

LANDOWNER AGREEMENT

**BETWEEN THE CITY AND
ROED PROP CO LLC, a Texas limited liability company**

LANDOWNER AGREEMENT

This **LANDOWNER AGREEMENT** (the “Agreement”), is entered into as of March 3, 2026, among the City of Lockhart, Texas (the “City”), a home-rule municipality of the State of Texas (the “State”), and ROED Prop Co, LLC, a Texas limited liability company (the “Landowner”).

RECITALS:

WHEREAS, capitalized terms used but not defined herein shall have the meanings given to them in the Service and Assessment Plan (as defined herein); and

WHEREAS, Landowner owns the Assessed Parcels described by a metes and bounds description attached as **Exhibit I** to this Agreement and which is incorporated herein for all purposes, comprising all of the non-exempt, privately-owned land described in **Exhibit I** (the “Landowner Parcel”) which is located within the Seawillow Ranch Public Improvement District (the “District”) in the City; and

WHEREAS, the City Council has adopted an assessment ordinance (including all exhibits and attachments thereto, the “Assessment Ordinance”) and approved the Service and Assessment Plan (as updated and amended, the “Service and Assessment Plan”) and which is incorporated herein for all purposes, and has levied an assessment on each parcel of Assessed Property in Improvement Area #1 of the District (each an “Assessed Parcel” and collectively, the “Assessed Parcels”) that will be pledged for the payment of certain infrastructure improvements and to pay the costs of constructing such infrastructure improvements that will benefit the Improvement Area #1 Assessed Property (such infrastructure improvements, the “Authorized Improvements”); and

WHEREAS, the Declaration of Covenants, Conditions and Restrictions attached to this Agreement as **Exhibit II** and which are incorporated herein for all purposes, includes the statutory notification required by Texas Property Code, Section 5.014, as amended, to be provided by the seller of residential property that is located in a public improvement district established under Chapter 372 of the Texas Local Government Code, as amended (the “PID Act”), to the purchaser.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, obligations and benefits hereinafter set forth, the City and the Landowner hereby contract, covenant and agree as follows:

DEFINITIONS; APPROVAL OF AGREEMENTS

Definitions. Capitalized terms used but not defined herein (including each exhibit hereto) shall have the meanings ascribed to them in the Service and Assessment Plan.

Affirmation of Recitals. The findings set forth in the Recitals of this Agreement are hereby incorporated as the official findings of the City Council.

I.
AGREEMENTS OF LANDOWNER

A. Affirmation and Acceptance of Agreements and Findings of Benefit. Landowner hereby ratifies, confirms, accepts, agrees to, and approves:

(i) the creation and boundaries of the District, and the boundaries of the Landowner's Parcel which are coterminous with the District, all as shown on Exhibit I, and the location and development of the Authorized Improvements on the Landowner Parcel and on the property within the District;

(ii) the determinations and findings as to the benefits by the City Council in the Service and Assessment Plan and the Assessment Ordinance; and

(iii) the Assessment Ordinance and the Service and Assessment Plan.

B. Acceptance and Approval of Assessments and Lien on Property. Landowner consents to, agrees to, acknowledges and accepts the following:

(i) each Assessment levied by the City on the Assessed Parcels within Improvement Area #1 of the District (the "Assessments"), as shown on the assessment roll attached as Exhibit E-1 to the Service and Assessment Plan (the "Assessment Roll");

(ii) the Authorized Improvements specially benefit the District, and the Landowner's Parcel, in an amount at least equal to the Assessment levied on the Landowner's Parcel within the District, as such Assessment is shown on the Assessment Roll;

(iii) each Assessment is final, conclusive and binding upon Landowner and any subsequent owner of the Assessed Parcels, regardless of whether such landowner may be required to prepay a portion of, or the entirety of, such Assessment upon the occurrence of a mandatory prepayment event as provided in the Service and Assessment Plan;

(iv) the obligation to pay the Assessment levied on the Assessed Parcels owned by it when due and in the amount required by and stated in the Service and Assessment Plan and the Assessment Ordinance;

(v) each Assessment or reassessment, with interest, the expense of collection, and reasonable attorney's fees, if incurred, is a first and prior lien against the Assessed Parcels, superior to all other liens and monetary claims except liens or monetary claims for state, county, school district, or municipal ad valorem taxes, and is a personal liability of and charge against the owner of the Assessed Parcels regardless of whether such owner is named;

(vi) the Assessment lien on the Assessed Parcel is a lien and covenant that runs with the land and is effective from the date of the Assessment Ordinance and continues

until the Assessment is paid and may be enforced by the governing body of the City in the same manner that an ad valorem tax lien against real property may be enforced by the City;

(vii) delinquent installments of the Assessment shall incur and accrue interest, penalties, and attorney's fees as provided in the PID Act;

(viii) the owner of an Assessed Parcel may pay at any time the entire Assessment, with interest that has accrued on the Assessment, on any parcel in the Landowner Parcel;

(ix) the Annual Installments of the Assessments (as defined in the Service and Assessment Plan and Assessment Roll) may be adjusted, decreased and extended; and, the assessed parties shall be obligated to pay their respective revised amounts of the Annual Installments, when due, and without the necessity of further action, assessments or reassessments by the City, the same as though they were expressly set forth herein; and

(x) Landowner has received, or hereby waives, all notices required to be provided to it under Texas law, including the PID Act, prior to the Effective Date (defined herein).

C. Mandatory Prepayment of Assessments. Landowner agrees and acknowledges that Landowner or subsequent landowners may have an obligation to prepay an Assessment upon the occurrence of a mandatory prepayment event, at the sole discretion of the City and as provided in the Service and Assessment Plan, as amended or updated.

D. Notice of Assessments. Landowner further agrees as follows:

(i) the Declaration of Covenants, Conditions and Restrictions in the form attached hereto as **Exhibit II** shall be terms, conditions and provisions running with the Assessed Parcel and shall be recorded (the contents of which shall be consistent with the Assessment Ordinance and the Service and Assessment Plan as reasonably determined by the City), in the records of the County Clerk of Caldwell County, as a lien and encumbrance against such Assessed Parcel, and Landowner hereby authorizes the City to so record such documents against the Assessed Parcel owned by Landowner;

(ii) in the event of any subdivision, sale, transfer or other conveyance by the Landowner of the right, title or interest of the Landowner in the Landowner's Parcel or any part thereof, the Landowner's Parcel, or any such part thereof, shall continue to be bound by all of the terms, conditions and provisions of such Declaration of Covenants, Conditions and Restrictions and any purchaser, transferee or other subsequent owner shall take such Assessed Parcel subject to all of the terms, conditions and provisions of such Declaration of Covenants, Conditions and Restrictions; and

(iii) Landowner shall comply with, and shall contractually obligate (and promptly provide written evidence of such contractual provisions to the City) any party who purchases any Assessed Parcel owned by Landowner, or any portion thereof, for the purpose of constructing residential properties that are eligible for “homestead” designations under State law, to comply with, the Homebuyer Education Program described on **Exhibit III** to this Agreement. Such compliance obligation shall terminate as to each Lot if, and when, (i) a final certificate of occupancy for a residential unit on such Lot is issued by the City, and (ii) there is a sale of a Lot to an individual homebuyer, it being the intent of the undersigned that the Homebuyer Education Program shall apply only to a commercial builder who is in the business of constructing and/or selling residences to individual home buyers (a “Builder”) but not to subsequent sales of such residence and Lot by an individual home buyer after the initial sale by a Builder.

Notwithstanding the provisions of this Section, upon the Landowner’s request and the City’s consent, in the City’s sole and absolute discretion, the Declaration of Covenants, Conditions and Restrictions may be included with other written restrictions running with the land on property within the District, provided they contain all the material provisions and provide the same material notice to prospective property owners as does the document attached as **Exhibit II**.

II. OWNERSHIP AND CONSTRUCTION OF AUTHORIZED IMPROVEMENTS

A. **Ownership and Transfer of Authorized Improvements.** Landowner acknowledges that the portion of the Authorized Improvements benefitting the Landowner Parcel and the land (or easements, as applicable) needed therefor shall be owned by the City as constructed and/or conveyed to the City and Landowner will execute such conveyances and/or dedications of public rights of way and easements as may be reasonably required to evidence such ownership, as generally described on the current plats of the property within the District.

B. **Grant of Easement and License, Construction of Authorized Improvements.**

(i) Any subsequent owner of the Assessed Parcel shall, upon the request of the City or Landowner, grant and convey to the City or Landowner and its contractors, materialmen and workmen a temporary license and/or easement, as appropriate, to construct the Authorized Improvements on the Landowner Parcel within the District, to stage on the Landowner Parcel within the District construction trailers, building materials and equipment to be used in connection with such construction of the Authorized Improvements and for passage and use over and across parts of the property within the District as shall be reasonably necessary during the construction of the Authorized Improvements. Any subsequent owner of the Assessed Parcels may require that each contractor constructing the Authorized Improvements cause such owner of the Assessed Parcel to be indemnified and/or named as an additional insured under liability insurance reasonably acceptable to such owner of the Assessed Parcel. The right to use and enjoy

any easement and license provided above shall continue until the construction of the Authorized Improvements is complete; provided, however, any such license or easement shall automatically terminate upon the recording of the final plat for the Landowner's Parcel in the real property records of Caldwell County, Texas.

(ii) Landowner hereby agrees that any right or condition imposed by the Development Agreement, or other agreement, with respect to the Assessment has been satisfied, and that Landowner shall not have any rights or remedies against the City under the Development Agreement, or under any law or principles of equity concerning the Assessments, with respect to the formation of the District, approval of the Service and Assessment Plan and the City's levy and collection of the Assessments.

III. COVENANTS AND WARRANTIES; MISCELLANEOUS

A. Special Covenants and Warranties of Landowner.

Landowner represents and warrants to the City as follows:

(i) Landowner is duly organized, validly existing and, as applicable, in good standing under the laws of the state of its organization and has the full right, power and authority to enter into this Agreement, and to perform all the obligations required to be performed by Landowner hereunder.

(ii) This Agreement has been duly and validly executed and delivered by, and on behalf of, Landowner and, assuming the due authorization, execution and delivery thereof by and on behalf of the City and the Landowner, constitutes a valid, binding and enforceable obligation of such party enforceable in accordance with its terms. This representation and warranty is qualified to the extent the enforceability of this Agreement may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws of general application affecting the rights of creditors in general.

(iii) Neither the execution and delivery hereof, nor the taking of any actions contemplated hereby, will conflict with or result in a breach of any of the provisions of, or constitute a default, event of default or event creating a right of acceleration, termination or cancellation of any obligation under, any instrument, note, mortgage, contract, judgment, order, award, decree or other agreement or restriction to which Landowner is a party, or by which Landowner or Landowner's Parcel is otherwise bound.

(iv) Landowner is, subject to all matters of record in the Caldwell County, Texas Real Property Records, the sole owner of the Landowner's Parcel.

(v) The Landowner's Parcel owned by Landowner is not subject to, or encumbered by, any covenant, lien, encumbrance or agreement which would prohibit (i) the creation of the District, (ii) the levy of the Assessments, or (iii) the construction of the Authorized Improvements on those portions of the property within the District which are to be owned by the City, as generally described on the current plats of the property within

the District (or, if subject to any such prohibition, the approval or consent of all necessary parties thereto has been obtained).

(vi) Landowner covenants and agrees to execute any and all documents necessary, appropriate or incidental to the purposes of this Agreement, as long as such documents are consistent with this Agreement and do not create additional liability of any type to, or reduce the rights of, such Landowner by virtue of execution thereof.

B. Waiver of Claims Concerning Authorized Improvements. The Landowner, with full knowledge of the provisions, and the rights thereof pursuant to such provisions, of applicable law, waives any claims against the City and its successors, assigns and agents, pertaining to the installation of the Authorized Improvements.

C. Notices.

Any notice or other communication to be given to the City or Landowner under this Agreement shall be given by delivering the same in writing to:

To the City:	Attn: City Manager 308 W San Antonio St. Lockhart, Texas 78644
With a copy to:	Attn: Jennifer Ritchie Messer Fort PLLC 4201 W. Parmer Lane, Suite 150 Austin, Texas 78727
To the Developer:	Attn: Tom Staub 2121 E 6th St Austin, Texas 78702 E-mail:tom@redoakvc.com
With a copy to:	Attn: Drew Slone Greenberg Traurig, LLP 2200 Ross Avenue, Suite 5200 Dallas, Texas 75201 E-mail:drew.slone@gtlaw.com

Any notice sent under this Agreement (except as otherwise expressly required) shall be written and mailed, or sent by electronic or facsimile transmission confirmed by mailing written confirmation at substantially the same time as such electronic or facsimile transmission, or personally delivered to an officer of the recipient as the address set forth herein.

Each recipient may change its address by written notice in accordance with this Section. Any communication addressed and mailed in accordance with this provision shall be deemed to be given when so mailed, any notice so sent by electronic or facsimile transmission shall be

deemed to be given when receipt of such transmission is acknowledged, and any communication so delivered in person shall be deemed to be given when receipted for, or actually received by, the addressee.

D. Parties in Interest.

This Agreement is made solely for the benefit of the City and the Landowner and is not assignable, except, in the case of Landowner, in connection with the sale or disposition of all or substantially all of the parcels which constitute the Landowner Parcel. However, the parties expressly agree and acknowledge that the City, the Landowner, each current owner of any parcel which constitutes the Landowner Parcel, and the holders of or trustee for any bonds secured by Assessment Revenues or TIRZ Increment revenues of the City or any part thereof to finance the costs of the Authorized Improvements, are express beneficiaries of this Agreement and shall be entitled to pursue any and all remedies at law or in equity to enforce the obligations of the parties hereto. This Agreement shall be recorded in the real property records of Caldwell County, Texas.

E. Amendments.

This Agreement may be amended only by written instrument executed by the City and the Landowner. No termination or amendment shall be effective until a written instrument setting forth the terms thereof has been executed by the then-current owners of the property within the District and recorded in the Real Property Records of Caldwell County, Texas.

F. Effective Date.

This Agreement shall become and be effective (the "Effective Date") upon the date of final execution by the latter of the City and the Landowner and shall be valid and enforceable on said date and thereafter.

G. Estoppels.

Within 10 days after written request from a party hereto, the other party shall provide a written certification, indicating whether this Agreement remains in effect as to the Landowner Parcel, and whether any party is then in default hereunder.

H. Termination.

This Agreement shall terminate and be of no further force and effect as to the Landowner Parcel upon payment in full of the Assessment(s) against such Landowner Parcel.

[Signature pages to follow]

EXECUTED by the City and Landowner on the Effective Date.

Date: _____

CITY OF LOCKHART, TEXAS

By: _____
Lew White, Mayor

STATE OF TEXAS §
 §
COUNTY OF CALDWELL §

This instrument was acknowledged before me on the ____ day of _____, 2026 by Lew White, Mayor of the City of Lockhart, Texas on behalf of said City.

(SEAL)

Notary Public, State of Texas

Name printed or typed

Commission Expires: _____

[Signature Page Landowner Agreement]

LANDOWNER

ROED PROPCO LLC, a Texas limited liability company

By: Red Oak Development Group, LLC, a Texas limited liability company, its Managing Member

By: _____

Name: Thomas Staub

Title: Member

STATE OF TEXAS)

COUNTY OF _____)

This instrument was acknowledged before me on the ____ day of _____, 2026, by Thomas Staub in his capacity as Member of Red Oak Development Group, LLC, Managing Member of ROED Prop Co, LLC, known to be the person whose name is subscribed to the foregoing instrument, and that he executed the same on behalf of said company.

Notary Public, State of Texas

My Commission Expires:

[Signature Page Landowner Agreement]

LANDOWNER AGREEMENT - EXHIBIT I

METES AND BOUNDS DESCRIPTION OF LANDOWNER'S PARCEL

BEING 89.775 acres of land situated in the **JOHN A. NEILL SURVEY, ABSTRACT 20**, Caldwell County, Texas, and being all of a called 89.769 acres of land described in deed to Roed Prop Co., LLC, as recorded in Document Number 2021-006882 of the Official Public Records of Caldwell County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch capped iron rod found, marked Hinkle Surveying, on the northeast Right-of-Way line of Farm to Market Road 1322, a variable width Right-of-Way, and for the northwest corner of a called 85.00 acre tract of land as described in a deed to Blackjack Block II, LLC., recorded as Document Number 2021-008619 of said Official Public Records, same being the southwest corner of the herein described tract;

THENCE North 31 degrees 43 minutes 06 seconds West, along said Right-of-Way and the southwest line of this tract, a distance of **2,572.95 feet** to a 1/2 inch capped iron rod found, marked Jones/Carter, for the northwest corner of the herein described tract, and the southwest corner of a called 80.000 acre tract of land described in a deed to VEMA Investments, LLC., recorded as Document Number 2021-007855 of said Official Public Records;

THENCE North 78 degrees 46 minutes 11 seconds East, along the common boundary line of this tract, said 89.769 acres, and said VEMA 80.000 acres, a distance of **1,665.32 feet** to a 1/2 inch iron rod found on the southwest line of a called 358.536 acre tract of land as described in a deed to David Acevedo, et al, as recorded in Volume 209, Page 425 of said Official Public Records, for the northeast corner of the herein described tract, and the southeast corner of said VEMA 80.000 acres;

THENCE South 29 degrees 54 minutes 41 seconds East, along the southwest line of said 358.536 acre tract, a distance of **2,544.30 feet** to a 1/2 inch capped iron rod found, marked Hinkle Surveying, for the southeast corner of this tract, and the northeast corner of said Blackjack 85.00 acres;

THENCE South 78 degrees 46 minutes 18 seconds West, along the North line of said Blackjack 85.00 acres, a distance of **1,579.70 feet** to the **POINT OF BEGINNING**, containing **3,910,599 square feet** and/or **89.775 acres** of land, more or less.

LANDOWNER AGREEMENT - EXHIBIT II

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

This **DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS** (as it may be amended from time to time, this “Declaration”) is made as of March 3, 2026 by ROED Prop Co, LLC, a Texas limited liability company (the “Landowner”).

RECITALS:

- A. The Landowner holds record title to that portion of the real property located in Caldwell County, Texas, which is described in the attached **Exhibit I** (the “Landowner’s Parcel”).
- B. The City Council of the City of Lockhart, Texas (the “City Council”) upon a petition requesting the establishment of a public improvement district covering the property within the District to be known as the Seawillow Ranch Public Improvement District (the “District”) by the then record owners 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 Caldwell County) in the area requested to be included in the District and the record owners of taxable real property that constitute more than fifty percent (50 %) of all of the area of all taxable real property that are liable for assessment within the area requested to be included in the District, created such District, in accordance with the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the “PID Act”).
- C. The City Council has adopted an assessment ordinance to levy assessments for certain public improvements (including all exhibits and attachments thereto, the “Assessment Ordinance”) and the Service and Assessment Plan included as an exhibit to the Assessment Ordinance (as amended from time to time, the “Service and Assessment Plan”) and has levied the assessments (the “Assessments”) on property in the District.
- D. The statutory notification required by Texas Property Code, Section 5.014, as amended, to be provided by the seller of residential property that is located in a public improvement district established under Chapter 372 of the Texas Local Government Code, as amended, to the purchaser, is incorporated into this Declaration.

DECLARATIONS:

NOW, THEREFORE, the Landowner hereby declares that the Landowner’s Parcel is and shall be subject to, and hereby imposes on the Landowner’s Parcel, the following covenants, conditions and restrictions:

1. Acceptance and Approval of Assessments and Lien on Property:

- (a) Landowner accepts each Assessment levied on the Landowner’s Parcel owned by such Landowner.
- (b) The Assessment (including any reassessment, the expense of collection, and reasonable attorney’s fees, if incurred) is (a) a first and prior lien (the “Assessment”

Lien”) against the property assessed, superior to all other liens or claims except for liens or claims for state, county, school district or municipality ad valorem property taxes whether now or hereafter payable, and (b) a personal liability of and charge against the owners of the property to the extent of their ownership regardless of whether the owners are named. The Assessment Lien is effective from the date of the Assessment Ordinance until the Assessments are paid and may be enforced by the City in the same manner as an ad valorem property tax levied against real property that may be enforced by the City. The owner of any assessed property may pay, at any time, the entire Assessment levied against any such property. Foreclosure of an ad valorem property tax lien on property within the District will not extinguish the Assessment or any unpaid but not yet due Annual Installments of the Assessment, and will not accelerate the due date for any unpaid and not yet due Annual Installments of the Assessment.

It is the clear intention of all parties to this Declaration, that the Assessments, including any Annual Installments of the Assessments (as such Annual Installments may be adjusted, decreased or extended), are covenants that run with the Landowner’s Parcel and specifically binds the Landowner, its successors and assigns.

In the event of delinquency in the payment of any Annual Installment of the Assessment, the City is empowered to order institution of an action in district court to foreclose the related Assessment Lien, to enforce personal liability against the owner of the real property for the Assessment, or both. In such action the real property subject to the delinquent Assessment may be sold at judicial foreclosure sale for the amount of such delinquent property taxes and Assessment, plus penalties, interest and costs of collection.

2. Landowner or any subsequent owner of the Landowner’s Parcel waives:

- (a) any and all defects, irregularities, illegalities or deficiencies in the proceedings establishing the District and levying and collecting the Assessments or the annual installments of the Assessments;
- (b) any and all notices and time periods provided by the PID Act including, but not limited to, notice of the establishment of the District and notice of public hearings regarding the levy of Assessments by the City Council concerning the Assessments;
- (c) any and all defects, irregularities, illegalities or deficiencies in, or in the adoption of, the Assessment Ordinance by the City Council;
- (d) any and all actions and defenses against the adoption or amendment of the Service and Assessment Plan, the City’s finding of a ‘special benefit’ pursuant to the PID Act and the Service and Assessment Plan, and the levy of the Assessments; and
- (e) any right to object to the legality of any of the Assessments or the Service and Assessment Plan or to any of the previous proceedings connected therewith which occurred prior to, or upon, the City Council’s levy of the Assessments.

3. Amendments: This Declaration may be terminated or amended only by a document duly executed and acknowledged by the then-current owner(s) of the Landowner’s Parcel and

the City. No such termination or amendment shall be effective until a written instrument setting forth the terms thereof has been executed by the parties by whom approval is required as set forth above and recorded in the Real Property Records of Caldwell County, Texas.

4. **Third Party Beneficiary:** The City is a third-party beneficiary to this Declaration and may enforce the terms hereof.
5. **Notice to Subsequent Purchasers:** Upon the sale of a dwelling unit within the District, the purchaser of such property shall be provided a written notice that reads substantially similar to the following:

TEXAS PROPERTY CODE SECTION 5.014

NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENT DISTRICT ASSESSMENT TO THE CITY OF LOCKHART, CALDWELL COUNTY, TEXAS CONCERNING THE PROPERTY AT [Street Address]

As the purchaser of this parcel of real property, you are obligated to pay an assessment to the City of Lockhart, Texas, for improvement projects undertaken by a public improvement district under Chapter 372 of the Texas Local Government Code, as amended. The assessment may be due in periodic installments.

The amount of the assessment against your property may be paid in full at any time together with interest to the date of payment. If you do not pay the assessment in full, it will be due and payable in annual installments (including interest and collection costs). More information concerning the amount of the assessment and the due dates of that assessment may be obtained from the City of Lockhart, _____ Lockhart, Texas 78 ____.

Your failure to pay the assessment or the annual installments could result in a lien and in the foreclosure of your property.

Signature of Purchaser(s) _____ Date: _____

The seller shall deliver this notice to the purchaser before the effective date of an executory contract binding the purchaser to purchase the property. The notice may be given separately, as part of the contract during negotiations, or as part of any other notice the seller delivers to the purchaser. If the notice is included as part of the executory contract or another notice, the title of the notice prescribed by this section, the references to the street address and date in the notice, and the purchaser's signature on the notice may be omitted.

EXECUTED by the undersigned on the date set forth below to be effective as of the date first above written.

[Signatures to follow.]

LANDOWNER

ROED PROP CO LLC, a Texas limited liability company

By: Red Oak Development Group, LLC, a Texas limited liability company, its Managing Member

By: _____
Name: Thomas Staub
Title: Member

STATE OF TEXAS)
)
COUNTY OF _____)

This instrument was acknowledged before me on the ____ day of _____, 2026, by Thomas Staub in his capacity as Member of Red Oak Development Group, LLC, Managing Member of ROED Prop Co, LLC, known to be the person whose name is subscribed to the foregoing instrument, and that he executed the same on behalf of said company.

Notary Public, State of Texas

My Commission Expires:

LANDOWNER AGREEMENT - EXHIBIT III

HOMEBUYER EDUCATION PROGRAM

As used in this **Exhibit III**, the recorded Notice of the Authorization and Establishment of the Seawillow Ranch Public Improvement District and the Declaration of Covenants, Conditions and Restrictions in **Exhibit II** of this Agreement are referred to as the “Recorded Notices.”

1. Any Landowner who is a Builder shall attach the Recorded Notices and the final Assessment Roll for such Assessed Parcel (or if the Assessment Roll is not available for such Assessed Parcel, then a schedule showing the maximum 30-year payment for such Assessed Parcel) as an addendum to any residential homebuyer’s contract.
2. Any Landowner who is a Builder shall provide evidence of compliance with Paragraph 1 above, signed by such residential homebuyer, to the City.
3. Any Landowner who is a Builder shall prominently display signage in its model homes, if any, substantially in the form of the Recorded Notices.
4. If prepared and provided by the City, any Landowner who is a Builder shall distribute informational brochures about the existence and effect of the District in prospective homebuyer sales packets.
5. Any Landowner who is a Builder shall include Assessments in estimated property taxes, if such Builder estimates monthly ownership costs for prospective homebuyers.

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 3, 2026

AGENDA ITEM CAPTION: Hold a public hearing, consider and take possible action with respect to Ordinance 2026-07, Levying Special Assessments For, And Apportioning The Costs Of, Certain Improvements To Property In And For The Seawillow Public Improvement District Major Improvement Area; Fixing A Charge And Lien Against Properties Within The Major Improvement Area Of The District, And The Owners Thereof; Providing For The Manner And Method Of Collection Of Such Assessments; Providing For Penalties And Interest On Delinquent Assessments; Making A Finding Of Special Benefit To Property In The District And The Real And True Owners Thereof; Approving A Service And Assessment Plan; Providing A Severability Clause; And Providing An Effective Date.

ORIGINATING DEPARTMENT AND CONTACT: Development Services - David Fowler

ACTION REQUESTED: Award of Contract

BACKGROUND/SUMMARY/DISCUSSION:

This ordinance levies the assessments within the Major Improvement Area of Seawillow Public Improvement District (PID) by approving the PID's Service and Assessment Plan (SAP) as attached to the Assessment Ordinance. The SAP describes the improvements within the PID, their costs and how the costs are allocated throughout the PID as well as listing the specific assessment amounts levied within the PID.

PROJECT SCHEDULE (if applicable): None

AMOUNT & SOURCE OF FUNDING:

Funds Required:

Account Number:

Funds Available:

Account Name:

FISCAL NOTE (if applicable): The revenues generated by the assessment levy will match the amortization schedule of the PID bonds, therefore there will be no impact on the General Fund or taxes of the City.

PREVIOUS COUNCIL ACTION: City Council set the date for this public hearing at its February 3, 2026 meeting

COMMITTEE/BOARD/COMMISSION ACTION: None

STAFF RECOMMENDATION/REQUESTED MOTION: Approval of Ordinance 2026-07,

City of Lockhart, Texas

Council Agenda Item Cover Sheet

Levying Special Assessments for the Seawillow PID Major Improvement Area

LIST OF SUPPORTING DOCUMENTS: MIA Assessment Ordinance 2026-07 02.16.2026 with Exhibit A

ORDINANCE NO. 2026-07

AN ORDINANCE LEVYING SPECIAL ASSESSMENTS FOR, AND APPORTIONING THE COSTS OF, CERTAIN IMPROVEMENTS TO PROPERTY IN AND FOR THE SEAWILLOW PUBLIC IMPROVEMENT DISTRICT MAJOR IMPROVEMENT AREA; FIXING A CHARGE AND LIEN AGAINST PROPERTIES WITHIN THE MAJOR IMPROVEMENT AREA OF THE DISTRICT, AND THE OWNERS THEREOF; PROVIDING FOR THE MANNER AND METHOD OF COLLECTION OF SUCH ASSESSMENTS; PROVIDING FOR PENALTIES AND INTEREST ON DELINQUENT ASSESSMENTS; MAKING A FINDING OF SPECIAL BENEFIT TO PROPERTY IN THE DISTRICT AND THE REAL AND TRUE OWNERS THEREOF; APPROVING A SERVICE AND ASSESSMENT PLAN; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Subchapter A of the Public Improvement District Assessment Act, Chapter 372 of the Texas Local Government Code, as amended (the "PID Act") allows for the creation of public improvement districts; and

WHEREAS, a petition was submitted and filed with the City Secretary (the "City Secretary") of the City of Lockhart, Texas (the "City") on July 3, 2024 (the "Petition") pursuant to Chapter 372, Texas Local Government Code the PID Act, requesting the creation of a public improvement district to be located within the corporate limits and extraterritorial jurisdiction of the City to be known as Seawillow Public Improvement District (the "District" or "PID") to provide public improvements within the District to include the design, acquisition, and construction of public improvement projects authorized by Section 372.003(b) of the PID Act that are necessary for development of the District, which public improvements will include, but not be limited to, landscaping, irrigation, streets, roadway and bridge construction, offsite right-of-way acquisition, intersection improvements, water facilities and improvements, wastewater facilities and improvements, drainage facilities and improvements, detention and water quality ponds, stormwater mitigation features, park improvements, trails, and improvements related to the foregoing; and

WHEREAS, the Petition contained the signatures of the record owners of taxable real property representing more than 50% of the appraised value of the real property liable for assessments within the District, as determined by the then current ad valorem tax rolls of the Caldwell County Appraisal District and the signatures of record property owners who own taxable real property that constitutes more than 50% of the area of all taxable property that is liable for assessment within the District; and

WHEREAS, on October 15, 2024, after due notice, the City Council of the City (the "City Council") held the public hearing in the manner required by law on the advisability of the improvement projects described in the Petition as required by Section 372.009 of the PID Act and on October 15, 2024 the City Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 2024-26 (the "Creation Resolution"), adopted by a majority of the

members of the City Council, authorized the creation of the District in accordance with its finding as to the advisability of the improvement projects; and

WHEREAS, following the adoption of the Creation Resolution, on October 21, 2024, the City recorded the Creation Resolution with the County Clerk of Caldwell County, Texas, a county in which the District is located; and

WHEREAS, no written protests regarding the creation of the District from any owners of record of property within the District were filed with the City Secretary within 20 days after the recording of the Creation Resolution; and

WHEREAS, the District is expected to be developed in phases beginning with an area designated as "Improvement Area #1" within the District, which is comprised of approximately 89.775 acres located within the District ("Improvement Area #1") and located within the City limits of the City and Caldwell County, Texas; and

WHEREAS, the remaining land within the District is comprised of an area designated as the "Major Improvement Area," which consists of approximately 498.778 acres (the "Major Improvement Area") located in Caldwell County, Texas; and

WHEREAS, pursuant to the PID Act, the proposed "*Major Improvement Area Assessment Roll*" and Service and Assessment Plan (as defined herein) were filed with the City Secretary; and

WHEREAS, pursuant to Section 372.016(b) of the PID Act, the statutory notice of a public hearing to be held by the City Council on March 3, 2026 was published on February 12, 2026, in the *Lockhart Post-Register*, a newspaper of general circulation in the City, advising that the City Council would consider the levy of the proposed assessments (the "Major Improvement Area Assessments") on real property within the Major Improvement Area of the District; and

WHEREAS, the City Secretary, pursuant to Section 372.016(c) of the PID Act, caused notice of the public hearing to consider the proposed Major Improvement Area Assessment Roll and the Service and Assessment Plan and the levy of the Major Improvement Area Assessments on benefited property within the Major Improvement Area of the District to be mailed to the addresses of record at the Caldwell County Appraisal District, such addresses being the last known addresses of the owners of the property liable for the Major Improvement Area Assessments; and

WHEREAS, after notice was provided as required by the PID Act, the City Council on March 3, 2026, held a public hearing to consider the levy of the proposed Major Improvement Area Assessments on benefited property within the Major Improvement Area of the District, at which any and all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Major Improvement Area Assessment Roll, and the proposed Major Improvement Area Assessments, and to offer testimony pertinent to any issue presented on the amount of the Major Improvement Area Assessments, the allocation of the Actual Costs (as defined in the attached Service and Assessment Plan) of the authorized improvements to be undertaken for the benefit of all property to be assessed within the Major Improvement Area of the District, Bond Issuance Costs, and First Year Annual Collection Costs

(the "Major Improvement Area Improvements"), the purposes of the Major Improvement Area Assessments, the special benefits of the Major Improvement Area Improvements, and the penalties and interest on annual installments and on delinquent annual installments of the Major Improvement Area Assessments; and

WHEREAS, the City Council finds and determines that the Seawillow Public Improvement District Service and Assessment Plan, which includes the Major Improvement Area Assessment Roll, in a form substantially similar to the attached **Exhibit A**, which final form shall be approved by the City Manager (the "Service and Assessment Plan"), and which is incorporated herein for all purposes, should be approved and that the Major Improvement Area Assessments should be levied as provided in this Ordinance, the Service and Assessment Plan, and the Major Improvement Area 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 Actual Costs of the Major Improvement Area Improvements as described in the Service and Assessment Plan, the Major Improvement Area Assessment Roll, or the levy of the Major Improvement Area Assessments; and

WHEREAS, in connection with the levy of the Major Improvement Area Assessments, concurrently herewith, the owners (the "Landowners") of the privately-owned and taxable property located within the Major Improvement Area will execute a landowner agreement, wherein the Landowners, among other things, approve and accept this Ordinance and the Service and Assessment Plan, including the Major Improvement Area Assessment Roll, consent to and accept the levy of the Major Improvement Area Assessments against their property located within the Major Improvement Area of the District and agree to pay the Major Improvement Area Assessments; and

WHEREAS, the City Council closed the public hearing on March 3, 2026, and, after considering all oral, written and documentary evidence presented at the hearing, including all written comments and statements filed with the City, determined to proceed with the adoption of this Ordinance in conformity with the requirements of the PID Act; 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 LOCKHART, TEXAS:

Section 1. All matters stated in the preamble of this Ordinance are found to be true and correct and are incorporated into the body of this Ordinance as if copied in their entirety.

Section 2. The action of the City Council holding and closing the public hearing in these proceedings is hereby ratified and confirmed.

Section 3. The Service and Assessment Plan attached to this Ordinance as Exhibit A has been presented to and reviewed by the City Council and the City Council hereby approves said Service and Assessment Plan and adopts the attached Service and Assessment Plan as the service plan and assessment plan for the Major Improvement Area within the District. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Service and Assessment Plan.

Section 4. The Major Improvement Area Improvements described in the preamble of this Ordinance and in the Service and Assessment Plan include the Major Improvement Area's allocable share of the Major Improvements, Bond Issuance Costs, and First Year Annual Collection Costs. The Major Improvement Area Improvements benefit and serve all of the property within the Major Improvement Area of the District and are set forth in Section III of the Service and Assessment Plan.

Section 5. The City Council hereby finds and determines upon the evidence presented in reference to the property located within the Major Improvement Area of the District that: (i) the enhancement and value to accrue to the Major Improvement Area of the District and the real and true owner or owners thereof by virtue of construction of the Major Improvement Area Improvements will be equal to or in excess of the amount of the cost of the proposed the Major Improvement Area Improvements; (ii) that the apportionment of the costs of the Major Improvement Area Improvements and the Major Improvement Area Assessments here and below made are just and equitable and produce substantial equality, considering the benefits received and the burdens imposed thereby, and result in imposing equal shares of the cost of the Major Improvement Area Improvements on property similarly benefitted, and are in accordance with the laws of the State of Texas; (iii) the property assessed is specially benefitted by means of the said Major Improvement Area Improvements in the District in relation to the costs of such improvements; (iv) all procedures that have taken place heretofore with reference to the Major Improvement Area Improvements and Major Improvement Area Assessments are in all respects regular, proper, and valid; and (v) all prerequisites to the fixing of the assessment liens against the properties within the Major Improvement Area of the District, and the personal liability of the real and true owner or owners thereof, whether correctly named herein or not, have been in all things regularly and duly performed in compliance with the PID Act and the proceedings of the City Council. The cost of said Major Improvement Area Improvements is hereby assessed and levied as a special assessment against such properties and the real and true owner or owners thereof in the amounts as described in Exhibit E-2 of the Service and Assessment Plan attached hereto.

Section 6. There shall be and is hereby levied and assessed against the benefitted property within the Major Improvement Area of the District, and against the real and true owners thereof (whether such owners be correctly named or not), the sums of money as listed in Exhibit E-2 of the Service and Assessment Plan attached hereto and made a part hereof shown for each of the respective parcels of property, and the assessed against the same, and the owners thereof.

Section 7. The sums assessed against property located within the Major Improvement Area of the District and the real and true owners or owner thereof, whether the owner or owners be named or correctly named, or the properties be correctly described therein or not, together with interest thereon at the rate per annum when required as set forth in the Service and Assessment

Plan and with reasonable attorney's fees and all costs and expenses of collection, if incurred, are hereby declared to be and made a first and prior lien upon the respective parcels of property against which same are assessed from and after this date, and a personal liability and charge against the real and true owner or owners thereof, whether or not such owner or owners be correctly named herein, paramount and superior to all other liens, claims or titles except for lawful claims for state, county, school district, or municipality ad valorem taxes; and that the sum so assessed shall be payable to the City or its assigns in accordance with the Major Improvement Area Assessment Roll attached as Exhibit E-2 to the Service and Assessment Plan.

Section 8. (a) The levy of the Major Improvement Area Assessments shall be effective on the date of adoption of this Ordinance levying assessments and strictly in accordance with the terms of the Service and Assessment Plan.

(b) The apportionment of the costs of the Major Improvement Area Improvements to be assessed against the benefited property within the Major Improvement Area of the District, shall be as set forth in the Service and Assessment Plan.

(c) Major Improvement Area Assessments and Annual Installments shall be collected, administered and may be reallocated, and the costs of improvements paid, as set forth in: (i) this Ordinance; (ii) the Service and Assessment Plan and (iii) any ordinance, resolution, bond indenture or agreement approved by the City Council.

(d) Each Major Improvement Area Assessment may be paid in a lump sum or may be paid in Annual Installments pursuant to the terms of the Service and Assessment Plan.

(e) Each Major Improvement Area Assessment shall accrue and bear interest at the rate or rates specified in the Service and Assessment Plan.

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

(g) Major Improvement Area Assessments and the interest thereon shall be deposited as and when received by the City into a separate fund to be used to pay the costs incurred for the Major Improvement Area Improvements, including debt service on obligations issued to pay the costs of the Major Improvement Area Improvements, and the establishment of each such fund is hereby approved.

(h) The Annual Installments shall be reduced to equal the actual costs of repaying the related series of bonds and actual Annual Collection Costs (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.

Section 9. This Ordinance incorporates by reference all provisions and requirements of the PID Act.

Section 10. If any section, article, paragraph, sentence, clause, phrase, or word in this Ordinance, or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Ordinance; and the City Council hereby declares it would have passed such remaining portion of this Ordinance, despite such invalidity, which remaining portions shall remain in full force and effect.

Section 11. This Ordinance shall take effect immediately from and after its passage and it is accordingly so ordained.

Section 12. The City Secretary is directed to cause a copy of this Ordinance, including the Service and Assessment Plan and/or the Major Improvement Area Assessment Roll, to be filed with the Caldwell County Clerk not later than the seventh day after the date the City Council adopts this Ordinance approving the Service and Assessment Plan. The City Secretary is further directed to similarly file each Annual Service Plan Update approved by the City Council not later than the seventh day after the date that the City Council approves each Annual Service Plan Update (or as otherwise required by the PID Act).

Section 13. (a) P3Works, LLC is hereby appointed and designated as the initial Administrator of the Service and Assessment Plan and of Assessments levied by this Ordinance. 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 service shall constitute an Annual Collection Cost.

(b) The Caldwell County Tax Assessor-Collector is hereby appointed and designated as the collectors of the Major Improvement Area Assessments (the "Collectors"). The Collectors shall serve in such capacity unless and until replaced by subsequent action of the City Council.

[Remainder of page left blank intentionally]

PASSED AND APPROVED on March 3, 2026.

CITY OF LOCKHART, TEXAS

Lew White, Mayor

ATTEST:

Julie Bowermon, Interim City Secretary

APPROVED AS TO FORM

Bradford E. Bullock, City Attorney

[CITY SEAL]

EXHIBIT A

SEAWILLOW PUBLIC IMPROVEMENT DISTRICT SERVICE AND ASSESSMENT PLAN

Seawillow Public Improvement District

PRELIMINARY SERVICE AND ASSESSMENT PLAN
FEBRUARY 3, 2026



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INTRODUCTION

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

On October 15, 2024, the City Council passed and approved Resolution No. 2024-26, authorizing the creation of the District in accordance with the PID Act.

The purpose of the District is to finance the Actual Costs of the Authorized Improvements that confer a special benefit on property within the District. The District contains approximately 588.547 acres, as described legally by metes and bounds on **Exhibit L-1** and as depicted on the map in **Exhibit A-1**. Of the 588.547 acres within the District, the 89.775 acres which comprise Improvement Area #1 Assessed Property are located within the City.

On March 3, 2026, the City will approve the Service and Assessment Plan for the District by adopting Ordinance No. _____, which (i) will approve the levy of the Improvement Area #1 Assessments against the Improvement Area #1 Assessed Property and approve the Improvement Area #1 Assessment Roll, and (ii) will approve the levy of the Major Improvement Area Assessments against the Major Improvement Area Assessed Property and approve the Major Improvement Area Assessment Roll.

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

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

The PID Act requires an Assessment Roll that states the Assessment against each Parcel determined by the method chosen by the City. The Assessment against each Assessed Property must be sufficient to pay the share of the Actual Costs apportioned to the Assessed Property and cannot exceed the special benefit conferred on the Assessed Property by the Authorized

Improvements. The Improvement Area #1 Assessment Roll is contained in **Exhibit E-1**. The Major Improvement Area Assessment Roll is contained in **Exhibit E-2**.

SECTION I: DEFINITIONS

“Actual Costs” means, with respect to the Authorized Improvements, the actual costs paid or incurred by or on behalf of the Developers:

- (1) to plan, design, acquire, construct, install, and dedicate such improvements to the City, including the acquisition of necessary easements and other right-of-way;
- (2) to prepare plans, specifications (including bid packages), contracts, and as-built drawings;
- (3) to obtain zoning, licenses, plan approvals, permits, inspections, and other governmental approvals;
- (4) for third-party professional consulting services including but not limited to, engineering, surveying, geotechnical, land planning, architectural, landscaping, legal, accounting, and appraisals;
- (5) for labor, materials, equipment, fixtures, payment and performance bonds and other construction security, and insurance premiums; and
- (6) to implement, administer, and manage the above-described activities, including a 4% construction management fee.

Amounts expended for costs described in subsection (3), (4), and (6) above shall be excluded from the amount upon which the general contractor and construction management fees are calculated.

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

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

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

“Annual Collection Costs” means the actual or budgeted costs and expenses relating to collecting the Annual Installments, including, but not limited to, costs and expenses for:

- (1) the Administrator;
- (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City;
- (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments;
- (4) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates;
- (5) issuing, paying, and redeeming PID Bonds;
- (6) investing or depositing Assessments and Annual Installments;
- (7) complying with this Service and Assessment Plan and the PID Act with respect to the issuance and sale of PID Bonds, including continuing disclosure requirements; and
- (8) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel.

Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

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

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

“Appraisal District” means the Caldwell County Appraisal District.

“Assessed Property” means any Parcel within the District that benefits from an Authorized Improvement and on which an Assessment is levied.

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

“Assessment Ordinance” means any ordinance adopted by the City Council in accordance with the PID Act that levies an Assessment on Assessed Property within the District, as shown on any Assessment Roll.

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

“Assessment Roll” means any assessment roll for the Assessed Property within the District, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including any Annual Service Plan Update. The Improvement Area #1 Assessment Roll is included as **Exhibit E-1**. The Major Improvement Area Assessment Roll is contained in **Exhibit E-2**.

“Authorized Improvements” means improvements authorized by Section 372.003 of the PID Act, including Improvement Area #1 Improvements, Major Improvements, Bond Issuance Costs, and Annual Collection Costs.

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

“City” means the City of Lockhart, Texas.

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

“County” means Caldwell County, Texas.

“Delinquent Collection Costs” means costs related to the foreclosure on Assessed Property and the costs of collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under this Service and Assessment Plan including penalties and reasonable attorney’s fees actually paid but excluding amounts representing interest and penalty interest.

“Developers” means the Improvement Area #1 Developer and the Major Improvement Area Developer.

“Development Agreement” means that certain Seawillow Ranch Development and Public Improvement Agreement between the City and RODG DT Seawillow Propco LLC, effective as of August 2, 2024, as first amended on January 6, 2026.

“District” means the Seawillow Public Improvement District, consisting of approximately 588.547 acres within the City, as described by metes and bounds shown on **Exhibit L-1** and by the map shown on **Exhibit A-1**.

“Engineering Report” means a report provided by a licensed professional engineer that identifies the Authorized Improvements, including their costs, location, and benefit, attached hereto as **Exhibit N**.

“Estimated Buildout Value” means the estimated value of an Assessed Property after completion of the horizontal and the vertical improvements (e.g. house, office building, etc.), and shall be determined by the Administrator and confirmed by the City Council by considering such factors as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, builder contracts, discussions with homebuilders, reports from third party consultants, or any other information that may impact value. The Estimated Buildout Value for each Lot Type is shown on **Exhibit G-3**.

“First Year Annual Collection Costs” means the estimated cost of the first year’s Annual Collection Costs.

“Improvement Area” means specifically defined and designated areas within the District that are developed in phases, including Improvement Area #1 and the Major Improvement Area.

“Improvement Area #1” means approximately 89.775 acres, as shown on **Exhibit A-3** and as described on **Exhibit L-2**.

“Improvement Area #1 Annual Installment” means the annual installment payment of the Improvement Area #1 Assessment as calculated by the Administrator and approved by the City, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest, if applicable, related to the Improvement Area #1 Bonds, which amount may be reduced by the TIRZ No. 1 Annual Credit Amount related to Improvement Area #1.

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

“Improvement Area #1 Assessment” means an Assessment levied against Improvement Area #1 Assessed Property and imposed pursuant to an Assessment Ordinance and the provisions herein,

as shown on the Improvement Area #1 Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

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

“Improvement Area #1 Bonds” means those certain “City of Lockhart, Texas, Special Assessment Revenue Bonds, Series 2026 (Seawillow Public Improvement District Improvement Area #1 Project)” that are secured, primarily, by Improvement Area #1 Assessments.

“Improvement Area #1 Developer” means ROED Prop Co, LLC, a Texas limited liability company, and their successors and assigns.

“Improvement Area #1 Improvements” means the Authorized Improvements which only provide benefit to Improvement Area #1 Assessed Property.

“Improvement Area #1 Projects” means, collectively, the Improvement Area #1 Improvements, Improvement Area #1’s allocable share of Major Improvements, Bond Issuance Costs associated with the Improvement Area #1 Bonds, and First Year Annual Collection Costs allocable to Improvement Area #1.

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

“Lot” means, for any portion of the District for which a subdivision plat has been recorded in the official public records of the County, a tract of land described as a “lot” in such subdivision plat.

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

“Lot Type 1” means a Lot designated as a 50’ lot within Improvement Area #1.

“Major Improvements” means the Authorized Improvements that confer a special benefit to the entire District, as described more specifically in **Section III**, and depicted on **Exhibit I-2**.

“Major Improvement Area” means approximately 498.778 acres, as shown on **Exhibit A-4** and as described on **Exhibit L-3**.

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

“Major Improvement Area Assessed Property” means all Parcels within Major Improvement Area against which a Major Improvement Area Assessment is levied.

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

“Major Improvement Area Assessment Roll” means the Assessment Roll included in this Service and Assessment Plan as **Exhibit E-2**, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared relating to the issuance of PID Bonds or in connection with any Annual Service Plan Update.

“Major Improvement Area Bonds” means those certain “City of Lockhart, Texas, Special Assessment Revenue Bonds, Series 2026 (Seawillow Public Improvement District Major Improvement Area Project)” that are secured, primarily, by Major Improvement Area Assessments.

“Major Improvement Area Developer” means RODG DT Seawillow Propco LLC, a Texas limited liability company, and their successors and assigns.

“Major Improvement Area Projects” means, collectively, the Major Improvement Area’s allocable share of Major Improvements, Bond Issuance Costs associated with the Major Improvement Area Bonds, and First Year Annual Collection Costs allocable to the Major Improvement Area.

“Maximum Assessment” means, for each Lot Type within the District, at the time a new Lot is created by plat, an Assessment equal to the lesser of (1) the amount calculated pursuant to **Section VI.A**, or (2) the amount shown on **Exhibit G-1**, which amount will be reduced annually by principal payments made as part of the Annual Installment. The Maximum Assessment for future Improvement Areas will be determined in future Annual Service Plan updates.

“Non-Assessed Property” means Parcels which are deemed to benefit from Authorized Improvements but upon which an Assessment is not levied. The allocable costs of the Authorized Improvements which benefit the Non-Assessed Property will be borne by the Developers as shown in **Exhibit B**.

“Non-Benefited Property” means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements.

“Notice of PID Assessment Lien Termination” means a document recorded in the official public records of the County evidencing the termination of a PID Assessment lien, a form of which is attached as **Exhibit J**.

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

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

“PID Bonds” means bonds issued by the City, in one or more series, to finance the Authorized Improvements that confer a special benefit on the property within the District.

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

“Prepayment Costs” means principal, interest, including Additional Interest, and Annual Collection Costs to the date of Prepayment.

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

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

“TIRZ No. 1” means the Tax Increment Reinvestment Zone Number 1, City of Lockhart, Texas (Seawillow Development).

"TIRZ No. 1 Annual Credit Amount" is defined in **Section V.F**, which amount shall not annually exceed the TIRZ No. 1 Maximum Annual Credit Amount, and which shall be transferred from the TIRZ No. 1 Fund to the applicable pledged revenue fund pursuant to the Development Agreement and the TIRZ No. 1 Project Plan.

"TIRZ No. 1 Project Plan" means the Tax Increment Reinvestment Zone Number 1, City of Lockhart, Texas (Seawillow Project) Project and Finance Plan, to be approved by the City Council.

"TIRZ No. 1 Fund" means the tax increment fund created pursuant to the TIRZ No. 1 Ordinance where TIRZ No. 1 Revenues are deposited annually.

"TIRZ No. 1 Maximum Annual Credit Amount" means for each Lot Type within Improvement Area #1, the amount shown on **Exhibit G-2**.

"TIRZ No. 1 Ordinance" means that ordinance to be adopted by the City Council approving the TIRZ No. 1 Project Plan and authorizing the use of TIRZ No. 1 Revenues for project costs under the Chapter 311, Texas Tax Code as amended, and related to certain public improvements as provided for in the TIRZ No. 1 Project Plan.

"TIRZ No. 1 Revenues" means, for each year, the amounts which are deposited in the TIRZ No. 1 Fund pursuant to the TIRZ No. 1 Ordinance, the Development Agreement and the TIRZ No. 1 Project Plan.

"Trustee" means the trustee (or successor trustee) under an Indenture.

SECTION II: THE DISTRICT

The District includes approximately 588.547 acres located within the corporate limits and extraterritorial jurisdiction of the City, as described legally by metes and bounds on **Exhibit L-1** and as depicted on the map on **Exhibit A-1**. Development of the District is anticipated to include 2,332 single family units. These projected land uses are subject to change as development within the Project occurs.

The Major Improvement Area includes approximately 498.778 acres as described legally by metes and bounds on **Exhibit L-3** and as depicted on the map on **Exhibit A-4**. Development of the Major Improvement Area is anticipated to include 1,918 single family units.

Improvement Area #1 includes approximately 89.775 acres as described legally by metes and bounds on **Exhibit L-2** and as depicted on the map on **Exhibit A-3**. Development of Improvement Area #1 is anticipated to include 414 single family units.

SECTION III: AUTHORIZED IMPROVEMENTS

The City, based on information provided by the Developers and their engineer and on review by the City staff and by third-party consultants retained by the City, determined that the Authorized Improvements confer a special benefit on the Assessed Property. Authorized Improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City unless otherwise indicated. The budget for the Authorized Improvements, as well as the allocation of the Authorized Improvements, is shown on **Exhibit B**.

A. Major Improvements

▪ *Roadway*

The roadway improvements include (i) subgrade stabilization, concrete and reinforcing steel for roadways, testing, handicapped ramps, earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting, and re-vegetation of all disturbed areas within the Seawillow Phase 1 Collector right-of-way and (ii) improvements including subgrade stabilization, concrete and reinforcing steel for roadways, testing, handicapped ramps, earthwork, excavation, erosion control, retaining walls, intersections, signage, lighting, and re-vegetation of all disturbed areas within the right-of-way directly related to facilitating the left turn lane within FM 1322. The roadway improvements will provide benefit to each Lot within the District.

▪ *Water*

The water improvements include (i) trench excavation and embedment, trench safety, PVC piping, valves, fire hydrants, service connections, testing, related earthwork, excavation, and

erosion control, and all necessary appurtenances for water infrastructure located under the Seawillow Phase 1 Collector and (ii) trench excavation and embedment, trench safety, PVC piping, valves, fire hydrants, service connections, testing, related earthwork, excavation, and erosion control, and all necessary appurtenances for water infrastructure located under FM 1322. The water improvements will provide service to all Lots within the District.

- *Wastewater*

The wastewater improvements include (i) trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to facilitate the proposed construction of the wastewater gravity line to the lift station, (ii) trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring and testing for the construction of the force main between the regional lift station and the connection to the existing city sanitary sewer system on Black Jack Road, and (iii) wet well, pumps, driveway construction, related earthwork, excavation, erosion control and all necessary appurtenances required to construct the regional lift station. The wastewater improvements will provide service to all Lots within the District.

- *District Formation*

Costs related to District Formation, and any consulting fees, attorney other costs related fees to the creation of the District, the levy of Assessments and issuance of PID Bonds.

- *Soft Costs*

Costs related to designing, constructing, and installing the Major Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, contingency, legal fees, appraisal fees, and consultant fees that are not direct construction costs.

B. Improvement Area #1 Improvements

- *Roadway*

The roadway improvements include subgrade stabilization, concrete and reinforcing steel for roadways, testing, handicapped ramps, sidewalks, barricades, traffic control, platting, staking, and streetlights. All related signage, lighting, excavation, embankment, erosion controls, and re-vegetation of all disturbed areas within the right-of-way are included. The roadway improvements will provide benefit to each Lot within Improvement Area #1.

- *Water*

The water improvements include trench excavation and embedment, trench safety, PVC piping, valves, fire hydrants, service connections, testing, related earthwork, excavation, and erosion control, and all necessary appurtenances required to provide water service to all Lots within Improvement Area #1.

- *Wastewater*

The wastewater improvements include trench excavation and embedment, trench safety, PVC piping, ductile iron encasement, boring, manholes, service connections, testing, related earthwork, excavation, erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Improvement Area #1.

- *Drainage*

The storm improvements include earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, detention ponds, concrete outfalls, and testing as well as all related earthwork, excavation, erosion control and all necessary appurtenances required to provide storm drainage for all Lots within Improvement Area #1.

- *Soft Costs*

Costs relating to the designing, constructing and installing the Improvement Area #1 Improvements including land planning and design, City fees, inspection fees, engineering, material testing, surveying and contingency.

C. Bond Issuance Costs

- *Debt Service Reserve Fund*

Equals the amount required under an applicable Indenture in connection with the issuance of PID Bonds.

- *Capitalized Interest*

Equals the capitalized interest payments on PID Bonds as reflected in an applicable Indenture.

- *Underwriter's Discount*

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

- *Costs of Issuance*

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

D. First Year Annual Collection Costs

- The First Year Annual Collection Costs for Improvement Area #1 will be funded by the Improvement Area #1 Bonds.
- The First Year Annual Collection Costs for the Major Improvement Area will be funded by the Major Improvement Area Bonds.

SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan shall be updated in each Annual Service Plan Update. **Exhibit C** summarizes the Service Plan for the District. The Service Plan is also required to include a copy of the buyer disclosure notice form required by Section 5.014 of the Texas Property Code, as amended. The buyer disclosures are attached hereto as **Exhibit M**.

Exhibit D summarizes the sources and uses of funds required to finance the Authorized Improvements and pay the First Year Annual Collection Costs and the Bond Issuance Costs. The sources and uses of funds shown on **Exhibit D** shall be updated in each Annual Service Plan Update.

SECTION V: ASSESSMENT PLAN

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

This section of this Service and Assessment Plan describes the special benefit received by each Assessed Property within the District as a result of the Authorized Improvements and provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments to be levied on the Assessed Property for such Authorized Improvements.

The determination by the City 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 Landowners and all future owners and developers of the Assessed Property.

A. Assessment Methodology

The City Council, acting in its legislative capacity and as required by the Development Agreement based on information provided by the Developers and their engineer and on review by the City

staff and by third-party consultants retained by the City, has determined that the Authorized Improvements shall be allocated as follows:

- Improvement Area #1 Improvements
 - Improvement Area #1 Improvements are allocated 100% to Improvement Area #1 Assessed Property.
- Major Improvements
 - Major Improvements shall be allocated pro rata first between Improvement Area #1 Assessed Property, Major Improvement Area Assessed Property and Non-Assessed Property based on acreage as shown on **Exhibit G-4**.
 - Major Improvements allocated to Improvement Area #1 Assessed Property and Major Improvement Area Assessed property shall be allocated pro rata based on the Estimated Buildout Value as shown on **Exhibit G-3**.

B. Assessments

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

Major Improvement Area Assessments will be levied on the Major Improvement Area Assessed Property according to the Major Improvement Area Assessment Roll, attached hereto as **Exhibit E-2**. The projected Major Improvement Area Annual Installments are shown on **Exhibit F-2**, subject to revisions made during any Annual Service Plan Update.

C. Findings of Special Benefit

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

- *Improvement Area #1*
 - a. The Actual Costs of the Improvement Area #1 Projects equal \$20,831,812 as shown on **Exhibit B**; and
 - b. The Improvement Area #1 Assessed Property receives special benefit from the Improvement Area #1 Projects equal to or greater than the Actual Costs of the Improvement Area #1 Projects; and
 - c. The Improvement Area #1 Assessed Property will be allocated 100% of the Improvement Area #1 Assessments levied for the Improvement Area #1 Projects, which equal \$15,837,000; and
 - d. The special benefit ($\geq$ \$20,831,812) received by the Improvement Area #1 Assessed Property from the Improvement Area #1 Projects is greater than or equal to the amount

of Improvement Area #1 Assessments (\$15,837,000) levied on the Improvement Area #1 Assessed Property.

- e. At the time the City Council approved the Assessment Ordinance levying the Improvement Area #1 Assessments on the Improvement Area #1 Assessed Property, the Improvement Area #1 Developer owned 100% of the Improvement Area #1 Assessed Property. In a landowner agreement with the City, the Improvement Area #1 Developer acknowledged that the Improvement Area #1 Projects confer a special benefit on the Improvement Area #1 Assessed Property and consented to the imposition of the Improvement Area #1 Assessments to pay for the Actual Costs associated therewith. The Improvement Area #1 Developer ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein, (2) the Assessment Ordinance approved by City Council on March 3, 2026, and (3) the levying of the Improvement Area #1 Assessments on the Improvement Area #1 Assessed Property.
- Major Improvement Area
 - a. The Actual Costs of the Major Improvement Area Projects equal \$9,959,000 as shown on **Exhibit B**; and
 - b. The Major Improvement Area Assessed Property receives special benefit from the Major Improvement Area Projects equal to or greater than the Actual Costs of the Major Improvement Area Projects; and
 - c. The Major Improvement Area Assessed Property will be allocated 100% of the Major Improvement Area Assessments levied for the Major Improvement Area Projects, which equal \$9,959,000; and
 - d. The special benefit ($\geq$ \$9,959,000) received by the Major Improvement Area Assessed Property from the Major Improvement Area Projects is greater than or equal to the amount of Major Improvement Area Assessments (\$9,959,000) levied on the Major Improvement Area Assessed Property.
 - e. At the time the City Council approved the Assessment Ordinance levying the Major Improvement Area Assessments on the Major Improvement Area Assessed Property, the Major Improvement Area Developer, Eduardo Acevedo, Virginia Villareal, and Margarita Britt (the “Major Improvement Area Landowners”) collectively owned 100% of the Major Improvement Area Assessed Property. In separate landowner agreements with the City, the Major Improvement Area Landowners acknowledged that the Major Improvement Area Projects confer a special benefit on the Major Improvement Area Assessed Property and consented to the imposition of the Major Improvement Area Assessments to pay for the Actual Costs associated therewith. The Major Improvement Area Landowners ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein, (2) the Assessment

Ordinance approved by City Council on March 3, 2026, and (3) the levying of the Major Improvement Area Assessments on the Major Improvement Area Assessed Property.

D. Annual Collection Costs

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

E. Additional Interest

The interest rate on Improvement Area #1 Assessments levied on the Improvement Area #1 Assessed Property may exceed the interest rate on the Improvement Area #1 Bonds by the Additional Interest Rate. Interest at the rate of the Improvement Area #1 Bonds and the Additional Interest shall be collected as part of each Annual Installment and shall be deposited pursuant to the applicable Indenture.

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

F. TIRZ No.1 Annual Credit Amount

The City Council, in accordance with the Development Agreement and the TIRZ No. 1 Project Plan, has agreed to use a portion of TIRZ No. 1 Revenues generated from each Assessed Property to offset a portion of the principal and interest of such property's Improvement Area #1 Assessment, as applicable.

1. The principal and interest portion of the Improvement Area #1 Annual Installment for Improvement Area #1 Assessed Property shall receive a TIRZ No. 1 Annual Credit Amount equal to the TIRZ No. 1 Revenue generated by the Improvement Area #1 Assessed Property for the previous Tax Year (e.g. TIRZ No. 1 Revenue collected from the Improvement Area #1 Assessed Property for Tax Year 2026 shall be applied as the TIRZ No. 1 Annual Credit Amount applicable to the Improvement Area #1 Assessed Property's Improvement Area #1 Annual Installment to be collected in Tax Year 2027), but in no event shall the TIRZ No. 1 Annual Credit Amount exceed the TIRZ No. 1 Maximum Annual Credit Amount shown in **Section V.F.2** as calculated on **Exhibit G-2** for each Assessed Property.

2. The TIRZ No. 1 Maximum Annual Credit Amount available to reduce the principal and interest portion of the Annual Installment for the Assessed Property is calculated for each Lot Type, as shown on **Exhibit G-2**. For the years of 2026 – 2035 the TIRZ No. 1 Maximum Annual Credit Amount is calculated so that the average Annual Installment is reduced by a maximum equivalent tax rate of \$0.1998 per \$100 of assessed value, based on assumed buildout values at the time Assessment Ordinance is approved. The resulting maximum TIRZ No. 1 Annual Credit Amount for each Lot Type is shown below:

i. Lot Type 1: \$649.35 per lot

3. The TIRZ No. 1 Maximum Annual Credit Amount available to reduce the principal and interest portion of the Annual Installment for the Assessed Property is calculated for each Lot Type, as shown on **Exhibit G-2**. For the years of 2036 – 2055 the TIRZ No. 1 Maximum Annual Credit Amount is calculated so that the average Annual Installment is reduced by a maximum equivalent tax rate of \$0.2476 per \$100 of assessed value, based on assumed buildout values at the time Assessment Ordinance is approved. The resulting maximum TIRZ No. 1 Annual Credit Amount for each Lot Type is shown below:

i. Lot Type 1: \$804.63 per lot

4. After the TIRZ No. 1 Annual Credit Amount is applied to provide a credit towards the principal and interest portion of the Annual Installment for the Assessed Property, any excess TIRZ No. 1 Revenues shall be used in accordance with the TIRZ No. 1 Project Plan.

SECTION VI: TERMS OF THE ASSESSMENTS

A. Reallocation of Assessments

1. Upon Division Prior to Recording of Subdivision Plat

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

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

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

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

The calculation of the Estimated Buildout Value of an Assessed Property shall be performed by the Administrator based on information from the Developers, additional homebuilders, market studies, appraisals, official public records of the County, and any other relevant information regarding the Assessed Property. The calculation as confirmed by the City Council shall be conclusive.

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

2. Upon Subdivision by a Recorded Subdivision Plat

Upon the subdivision of any Assessed Property based on a recorded subdivision plat, the Administrator shall reallocate the Assessment for the Assessed Property prior to the subdivision among the new subdivided Lots based on Estimated Buildout Value according to the following formula:

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

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot

B = the Assessment for the Parcel prior to subdivision

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

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

E = the number of Lots with same Lot Type

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

Developers, additional homebuilders, third party consultants, and/or the official public records of the County regarding the Lot.

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

3. Upon Consolidation

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

B. True-up of Assessments if Maximum Assessment Exceeded

Prior to the approval of a final subdivision plat, the Administrator shall certify that the final plat will not cause the Assessment for any Lot Type to exceed the Maximum Assessment for such Lot Type. If the subdivision of any Assessed Property by a final subdivision plat causes the Assessment per Lot for any Lot Type to exceed the applicable Maximum Assessment for such Lot Type, the landowner shall partially prepay the Assessment for each Assessed Property that exceeds the applicable Maximum Assessment for such Lot Type in an amount sufficient to reduce the Assessment to the applicable Maximum Assessment for such Lot Type. The City's approval of a final subdivision plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such Assessments.

C. Mandatory Prepayment of Assessments

If Assessed Property is transferred to a person or entity that is exempt from payment of the Assessments under applicable law or any portion of Assessed Property becomes Non-Benefited Property, the owner transferring the Assessed Property or causing the portion to become Non-Benefited Property shall pay to the City or the Administrator on behalf of the City the full amount of the outstanding Assessment, plus Prepayment Costs and Delinquent Collection Costs, if any, for such Assessed Property, prior to the transfer; provided that, however, such mandatory Prepayment of the Assessment shall not be required for portions of a Parcel that are dedicated or conveyed to the City, any other governmental entity or utility provider, or an Owners Association for use as internal roads, utilities, parks, drainage and detention facilities, and other similar improvements, in which case the Assessment that was allocated to the Parcel will be reallocated to the remainder of the Parcel. If a reallocation to the remainder of the Parcel as

provided in the foregoing sentence causes the Assessment for such remainder to exceed the Maximum Assessment, the owner of the remainder of the Parcel must partially prepay the Assessment to the extent it exceeds the Maximum Assessment for such Parcel in an amount sufficient to reduce the Assessment to the Maximum Assessment.

D. Reduction of Assessments

If as a result of cost savings or an Authorized Improvement not being constructed, the Actual Costs of completed Authorized Improvements are less than the Assessments, the Assessments shall be reduced on a pro-rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs. The Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds. The TIRZ No. 1 Annual Credit Amount will be reduced in the same proportion as the Assessments. The Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds.

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

E. Prepayment of Assessments

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

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

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

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

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

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

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

By way of illustration, if an owner owns 100 acres of Assessed Property subject to a \$100 Assessment and 10 acres is taken through a Taking, the 10 acres of Taken Property shall be reclassified as Non-Benefited Property and the remaining 90 acres of Remaining Property shall be subject to the \$100 Assessment, (provided that this \$100 Assessment does not exceed the Maximum Assessment on the Remaining Property). If the Administrator determines that the \$100 Assessment reallocated to the Remaining Property would exceed the Maximum Assessment on the Remaining Property by \$10, then the owner shall be required to pay \$10 as a Prepayment of the Assessment against the Remaining Property and the Assessment on the Remaining Property shall be adjusted to be \$90 and the Annual Installments adjusted accordingly.

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

Notwithstanding the previous paragraphs in this subsection (F), the Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds.

G. Payment of Assessment in Annual Installments

Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit E-1** shows the projected Improvement Area #1 Annual Installments. **Exhibit E-2** shows the projected Major Improvement Area Annual Installments. Annual Installments are subject to adjustment in each Annual Service Plan Update.

The Administrator shall prepare and submit to the City Council for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and updated calculations of Annual Installments. Annual Collection Costs shall be allocated equally among Parcels for which the Assessments remain unpaid. Annual Installments shall be reduced by any applicable Indenture, such as capitalized interest, interest earnings on account balances, and any other funds available to the Trustee for such purposes. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act and in the same manner as ad valorem taxes for the City. The City Council may provide for other means of collecting Annual Installments. Assessments shall have the lien priority specified in the PID Act.

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

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

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The first Annual Installment will be delinquent if not paid by February 1, 2026.

SECTION VII: ASSESSMENT ROLLS

The Improvement Area #1 Assessment Roll is attached as **Exhibit E-1**. The Major Improvement Area Assessment Roll is attached as **Exhibit E-2**. The Administrator shall prepare and submit to the City Council, for review and approval, proposed revisions to the Assessment Rolls and Annual Installments for each Parcel within the District as part of each Annual Service Plan Update.

SECTION VIII: ADDITIONAL PROVISIONS

A. Calculation Errors

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

B. Amendments

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

C. Administration and Interpretation

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

D. Form of Buyer Disclosure

Per Section 5.014 of the Texas Property Code, as amended, this Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosures for the District. The buyer disclosures are attached hereto in **Exhibit M**. Within seven days of approval by the City Council, the City shall file and record in the real property records of the County the executed ordinance approving this Service and Assessment Plan, or any future Annual Service Plan Updates. The executed ordinance, including any attachments, approving this Service and Assessment Plan or any future Annual Service Plan Updates shall be filed and recorded in the real property records of the County in its entirety.

E. Severability

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

EXHIBITS

The following Exhibits are attached to and made a part of this Service and Assessment Plan for all purposes:

Exhibit A-1	District Boundary Map
Exhibit A-2	District Concept Plan
Exhibit A-3	Improvement Area #1 Boundary Map
Exhibit A-4	Major Improvement Area Boundary Map
Exhibit B	Authorized Improvements
Exhibit C	Service Plan
Exhibit D	Sources and Uses
Exhibit E-1	Improvement Area #1 Assessment Roll
Exhibit E-2	Major Improvement Area Assessment Roll
Exhibit F-1	Improvement Area #1 Annual Installments
Exhibit F-2	Major Improvement Area Annual Installments
Exhibit G-1	Maximum Assessment Per Lot Type
Exhibit G-2	TIRZ Maximum Credit Per Lot Type
Exhibit G-3	District Estimated Buildout Value
Exhibit G-4	Allocation of Major Improvements
Exhibit H	Maps of Improvement Area #1 Improvements
Exhibit I	Maps of Major Improvements
Exhibit J	Notice of PID Assessment Lien Termination
Exhibit K-1	Improvement Area #1 Bonds Debt Service Schedule
Exhibit K-2	Major Improvement Area Bonds Debt Service Schedule
Exhibit L-1	District Legal Description
Exhibit L-2	Improvement Area #1 Legal Description
Exhibit L-3	Major Improvement Area Legal Description
Exhibit M	District Buyer Disclosures
Exhibit N	Engineering Report

EXHIBIT A-1 – DISTRICT BOUNDARY MAP

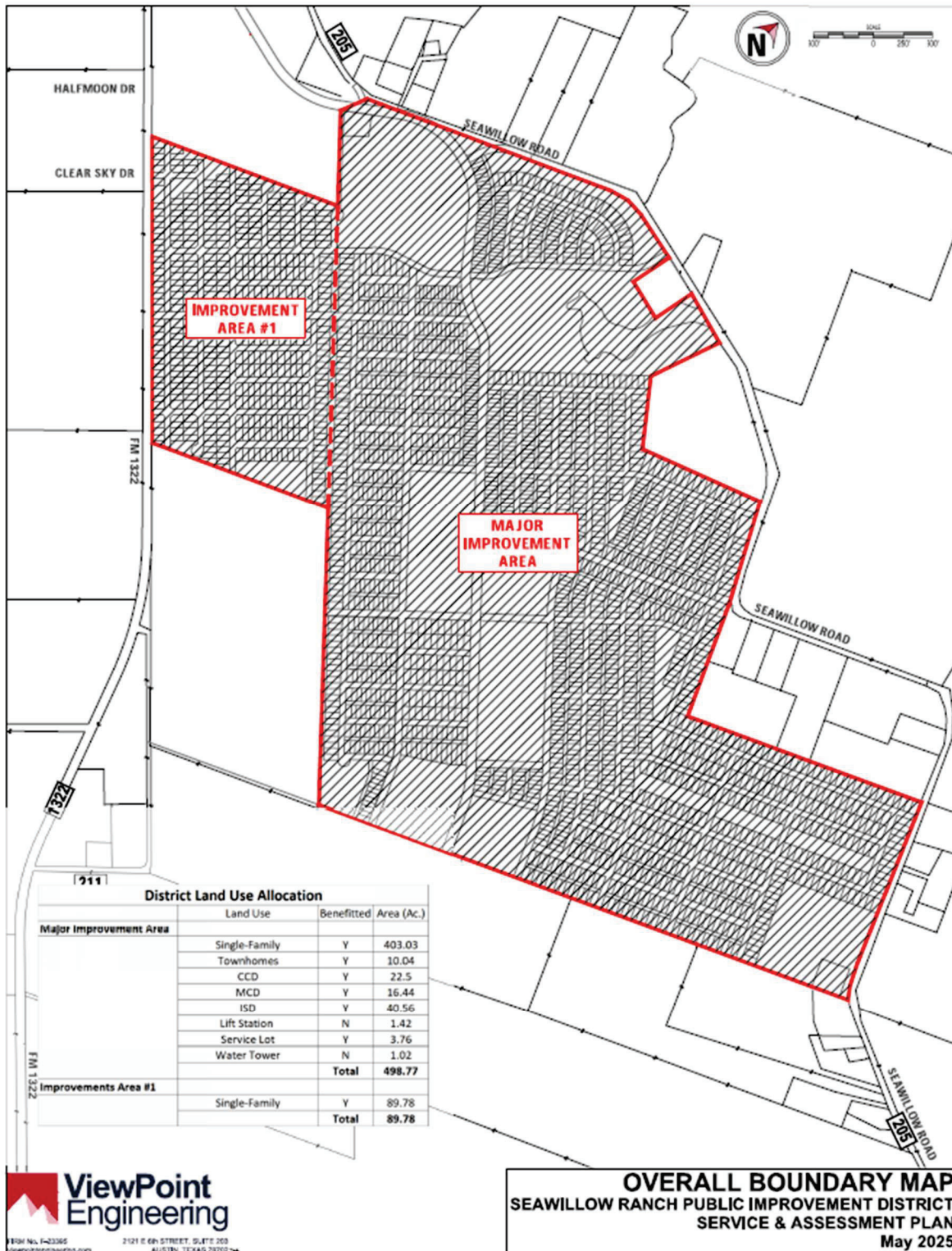


EXHIBIT A-2 – DISTRICT CONCEPT PLAN

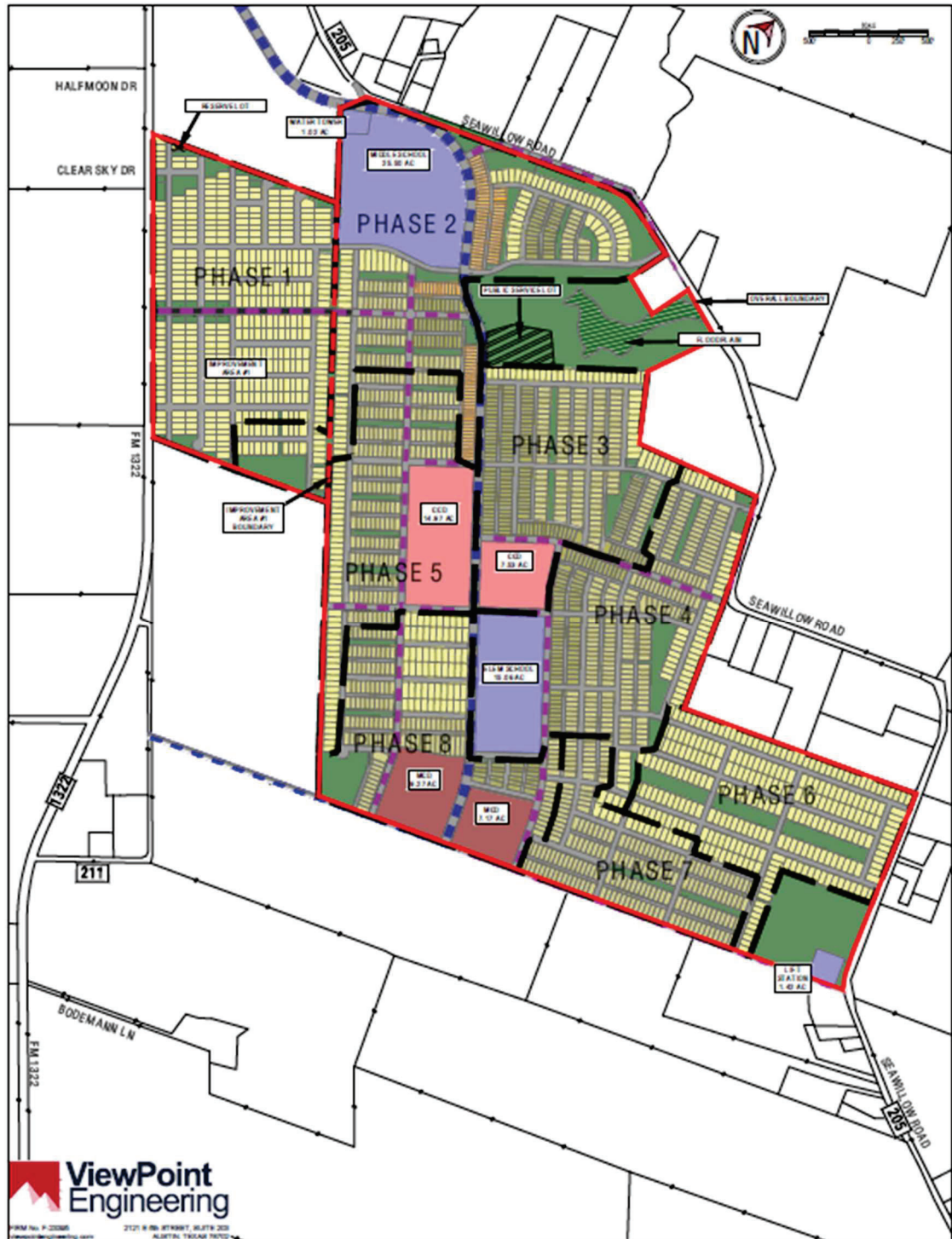


EXHIBIT A-3 – IMPROVEMENT AREA #1 MAP

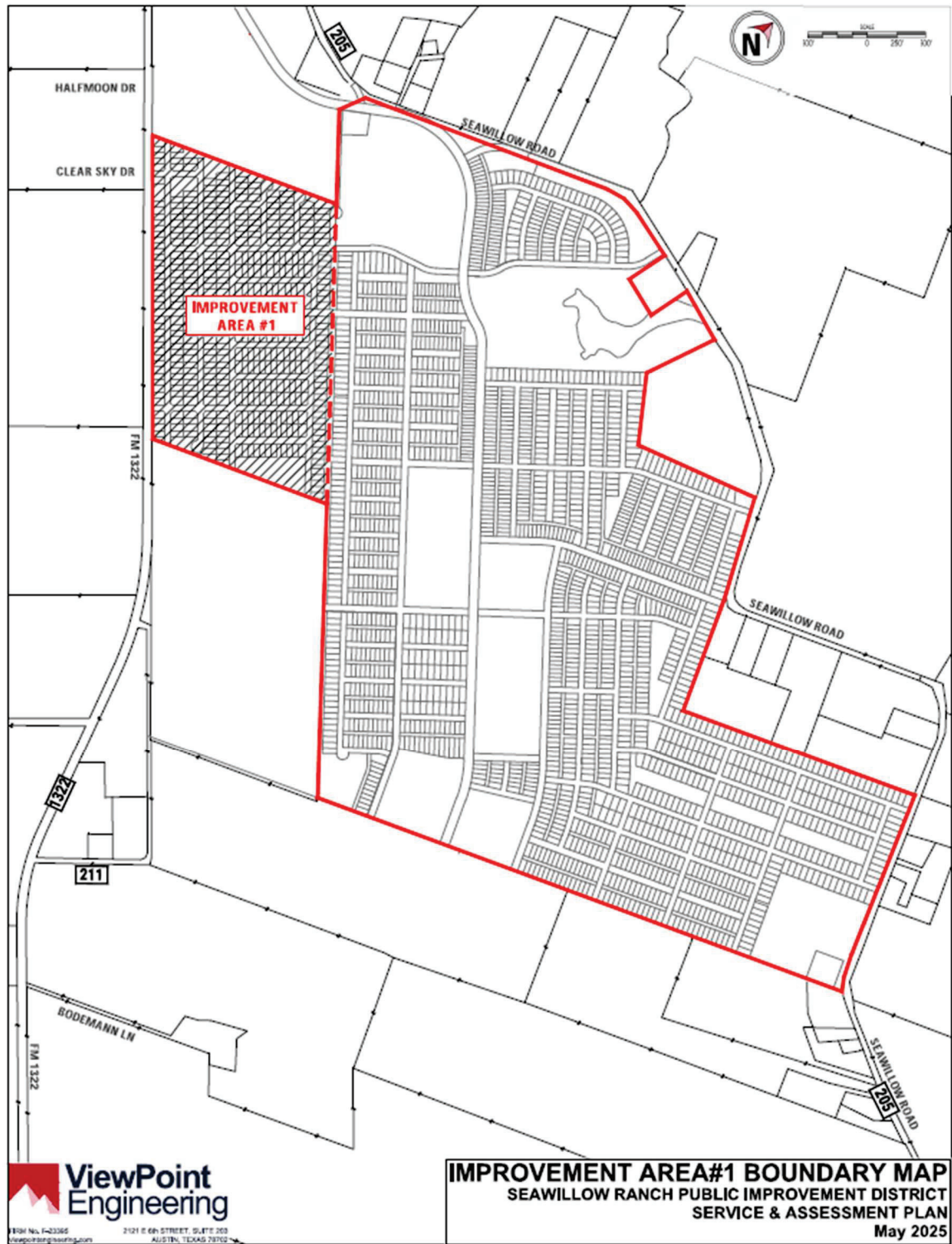


EXHIBIT A-4 – MAJOR IMPROVEMENT AREA MAP

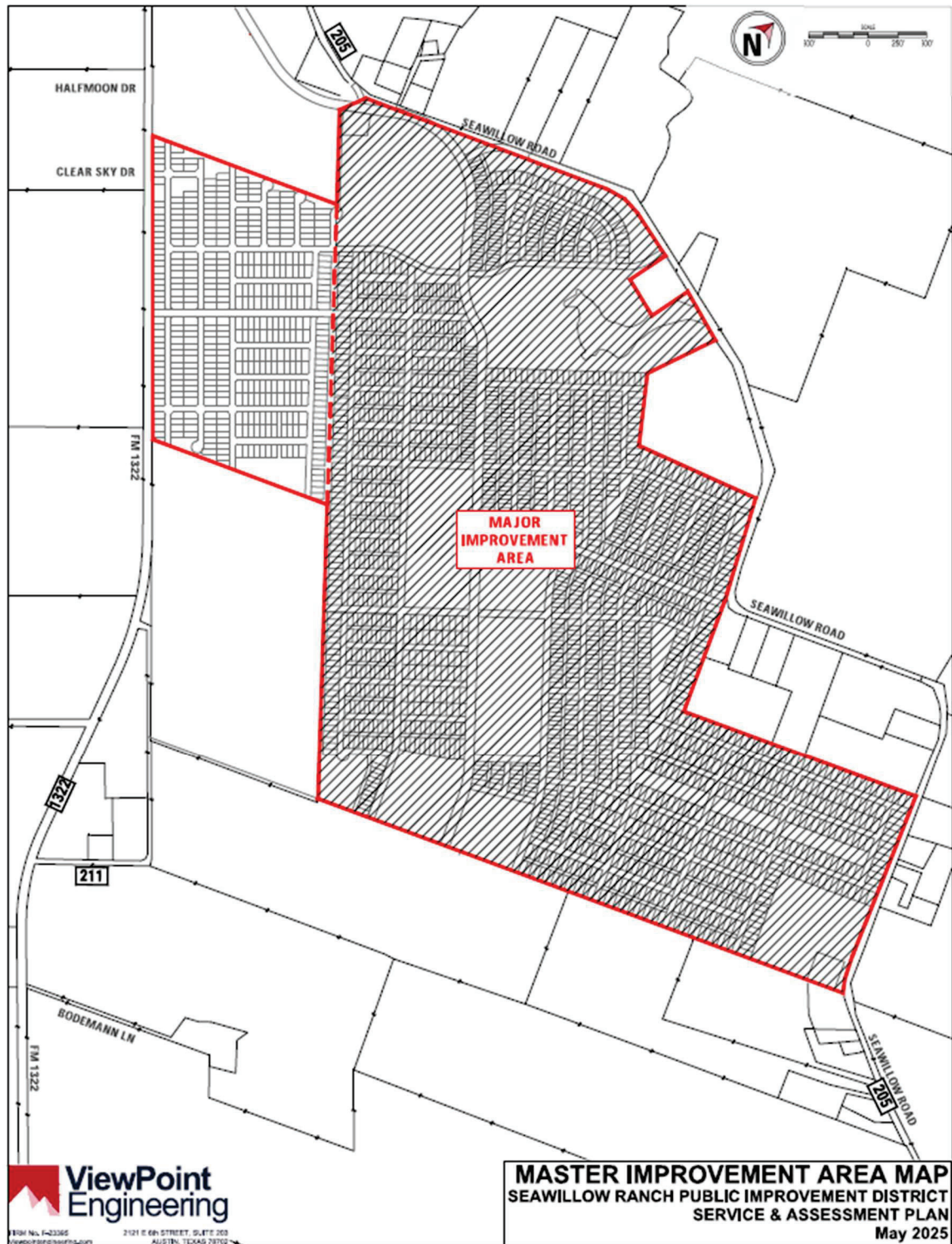


EXHIBIT B – AUTHORIZED IMPROVEMENTS

	Total Costs [a]	Non-Assessed Property	Private	District Eligible Costs	Improvement Area #1		Major Improvement Area	
					%	Cost	%	Cost
<i>Major Improvements [b] [c]</i>								
Roadway	\$ 2,244,389	\$ 318,827	\$ -	\$ 1,925,562	19.12%	\$ 368,122	80.88%	\$ 1,557,440
Water	497,026	70,605	-	426,421	19.12%	81,522	80.88%	344,899
Wastewater	4,448,892	631,988	-	3,816,904	19.12%	729,702	80.88%	3,087,201
District Formation	1,500,000	-	-	1,500,000	19.12%	286,765	80.88%	1,213,235
Soft Costs	1,516,950	-	-	1,516,950	19.12%	290,005	80.88%	1,226,945
	<u>\$ 10,207,257</u>	<u>\$ 1,021,421</u>	<u>\$ -</u>	<u>\$ 9,185,836</u>		<u>\$ 1,756,116</u>		<u>\$ 7,429,720</u>
<i>Improvement Area #1 Improvements</i>								
Roadway	\$ 4,694,453	\$ -	\$ -	\$ 4,694,453	100.00%	\$ 4,694,453	0.00%	\$ -
Water	1,514,167	-	-	1,514,167	100.00%	1,514,167	0.00%	-
Wastewater	1,905,972	-	-	1,905,972	100.00%	1,905,972	0.00%	-
Drainage	4,940,085	-	-	4,940,085	100.00%	4,940,085	0.00%	-
Contingency	682,341	-	-	682,341	100.00%	682,341	0.00%	-
Soft Costs	1,565,291	-	-	1,565,291	100.00%	1,565,291	0.00%	-
	<u>\$ 15,302,309</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,302,309</u>		<u>\$ 15,302,309</u>		<u>\$ -</u>
<i>Private Improvements [d]</i>								
Private Improvements	\$ 2,237,458	\$ -	\$ 2,237,458	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ 2,237,458</u>	<u>\$ -</u>	<u>\$ 2,237,458</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Improvement Area #1 Bond Issuance Costs</i>								
Debt Service Reserve Fund	\$ 1,226,420	\$ -	\$ -	\$ 1,226,420	100.00%	\$ 1,226,420	0.00%	\$ -
Capitalized Interest	1,071,637	-	-	1,071,637	100.00%	1,071,637	0.00%	-
Underwriter's Discount	475,110	-	-	475,110	100.00%	475,110	0.00%	-
Cost of Issuance	950,220	-	-	950,220	100.00%	950,220	0.00%	-
	<u>\$ 3,723,387</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,723,387</u>		<u>\$ 3,723,387</u>		<u>\$ -</u>
<i>Major Improvement Area Bond Issuance Costs</i>								
Debt Service Reserve Fund	\$ 810,113	\$ -	\$ -	\$ 810,113	0.00%	\$ -	100.00%	\$ 810,113
Capitalized Interest	772,168	-	-	772,168	0.00%	-	100.00%	772,168
Underwriter's Discount	298,770	-	-	298,770	0.00%	-	100.00%	298,770
Cost of Issuance	598,228	-	-	598,228	0.00%	-	100.00%	598,228
	<u>\$ 2,479,279</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,479,279</u>		<u>\$ -</u>		<u>\$ 2,479,279</u>
<i>First Year's Deposit to Administrative Reserves</i>								
Improvement Area #1	\$ 50,000	\$ -	\$ -	\$ 50,000	100.00%	\$ 50,000	0.00%	\$ -
Major Improvement Area	50,000	-	-	50,000	0.00%	-	100.00%	50,000
	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,000</u>		<u>\$ 50,000</u>		<u>\$ 50,000</u>
Total	\$ 34,049,690	\$ 1,021,421	\$ 2,237,458	\$ 30,790,811		\$ 20,831,812		\$ 9,959,000

Notes:

[a] Per the Engineering Report prepared by ViewPoint Engineering.

[b] Major Improvements allocated between Improvement Area #1, Major Improvement Area and Non-Assessed Property based on benefited acreage as shown on **Exhibit G-4**.

[c] Major Improvements allocable between Improvement Area #1 and the Major Improvement Area based on Estimated Buildout Value of the District as shown on **Exhibit G-3**.

[d] Includes approximately \$110,311 in phase 1 turn improvement allocated to non-district property.

EXHIBIT C – SERVICE PLAN

Improvement Area #1						
Annual Installments Due		1/31/2026	1/31/2027	1/31/2028	1/31/2029	1/31/2030
<i>Improvement Area #1 Bonds</i>						
Principal		\$ -	\$ -	\$ 174,000.00	\$ 184,000.00	\$ 195,000.00
Interest		395,925.00	950,220.00	950,220.00	939,780.00	928,740.00
Capitalized Interest		(395,925.00)	(675,712.00)	-	-	-
TIRZ Annual Credit Amount ^[a]		-	-	-	-	-
	(1)	\$ -	\$ 274,508.00	\$ 1,124,220.00	\$ 1,123,780.00	\$ 1,123,740.00
Additional Interest	(2)	\$ -	\$ -	\$ 79,185.00	\$ 78,315.00	\$ 77,395.00
Annual Collection Costs	(3)	\$ -	\$ 51,000.00	\$ 52,020.00	\$ 53,060.40	\$ 54,121.61
Total Annual Installment	(4) = (1) + (2) + (3)	\$ -	\$ 325,508.00	\$ 1,255,425.00	\$ 1,255,155.40	\$ 1,255,256.61

Major Improvement Area						
Annual Installments Due		1/31/2026	1/31/2027	1/31/2028	1/31/2029	1/31/2030
<i>Major Improvement Area Bonds</i>						
Principal		\$ -	\$ -	\$ 118,000.00	\$ 126,000.00	\$ 134,000.00
Interest		285,284.00	684,681.25	684,681.25	676,568.75	667,906.25
Capitalized Interest		(285,284.00)	(486,884.00)	-	-	-
TIRZ Annual Credit Amount ^[a]		-	-	-	-	-
	(1)	\$ -	\$ 197,797.25	\$ 802,681.25	\$ 802,568.75	\$ 801,906.25
Additional Interest	(2)	\$ -	\$ -	\$ 49,795.00	\$ 49,205.00	\$ 48,575.00
Annual Collection Costs	(3)	\$ -	\$ 51,000.00	\$ 52,020.00	\$ 53,060.40	\$ 54,121.61
Total Annual Installment	(4) = (1) + (2) + (3)	\$ -	\$ 248,797.25	\$ 904,496.25	\$ 904,834.15	\$ 904,602.86

Footnotes:

[a] Each year, the TIRZ No. 1 Revenue generated by each Lot shall be applied to the principal and interest portion of the Annual Installment, up to the Maximum TIRZ No. 1 Annual Credit Amount. The TIRZ No. 1 Annual Credit Amount shall be updated each year in the Annual Service Plan Update as TIRZ No. 1 Revenue is generated.

EXHIBIT D – SOURCES AND USES

	Total	Improvement Area #1	Major Improvement Area	Non-Assessed Property
Sources of Funds				
Improvement Area #1 Bond Par	\$ 15,837,000	\$ 15,837,000	\$ -	\$ -
Major Improvement Area Bond Par	9,959,000	-	9,959,000	-
Developer(s) Contribution ^[a]	8,253,690	4,994,812	(0)	3,258,879
Total Sources	\$ 34,049,690	\$ 20,831,812	\$ 9,959,000	\$ 3,258,879
Uses of Funds				
<i>Authorized Improvements</i>				
Major Improvements	\$ 10,207,257	\$ 1,756,116	\$ 7,429,720	\$ 1,021,421
Neighborhood Improvements	15,302,309	15,302,309	-	-
	\$ 25,509,566	\$ 17,058,425	\$ 7,429,720	\$ 1,021,421
<i>Private Improvements</i>				
Private Improvements	\$ 2,237,458	\$ -	\$ -	\$ 2,237,458
	\$ 2,237,458	\$ -	\$ -	\$ 2,237,458
<i>Improvement Area #1 Bonds Issuance Costs</i>				
Debt Service Reserve Fund	\$ 1,226,420	\$ 1,226,420	\$ -	\$ -
Capitalized Interest	1,071,637	1,071,637	-	-
Underwriter's Discount	475,110	475,110	-	-
Cost of Issuance	950,220	950,220	-	-
	\$ 3,723,387	\$ 3,723,387	\$ -	\$ -
<i>Major Improvement Area Bonds Issuance Costs</i>				
Debt Service Reserve Fund	\$ 810,113	\$ -	\$ 810,113	\$ -
Capitalized Interest	772,168	-	772,168	-
Underwriter's Discount	298,770	-	298,770	-
Cost of Issuance	598,228	-	598,228	-
	\$ 2,479,279	\$ -	\$ 2,479,279	\$ -
<i>First Year's Deposit to Administrative Reserves</i>				
Improvement Area #1	\$ 50,000	\$ 50,000	\$ -	\$ -
Major Improvement Area	50,000	-	50,000	-
	\$ 100,000	\$ 50,000	\$ 50,000	\$ -
Total Uses	\$ 34,049,690	\$ 20,831,812	\$ 9,959,000	\$ 3,258,879

Footnotes:

[a] Not reimbursable to Developer through Assessments or the issuance of PID Bonds.

EXHIBIT E-1 – IMPROVEMENT AREA #1 ASSESSMENT ROLL

		Improvement Area #1	
Property ID	Lot Type	Improvement Area #1 Bonds Outstanding Assessment	Annual Installment due 1/31/2027
122006	Improvement Area #1 Initial Parcel	\$ 15,837,000.00	\$ 325,508.00
Total		\$ 15,837,000.00	\$ 325,508.00

EXHIBIT E-2 – MAJOR IMPROVEMENT AREA ASSESSMENT ROLL

			Major Improvement Area Assessment Roll		
Property ID	Lot Type	Acres ^[a]	Allocation	Major Improvement Area Outstanding Assessment	Annual Installment due 1/31/2027
13920	Major Improvement Area Initial Parcel	20.00	4.05%	\$ 403,270.22	\$ 10,074.56
131193	Major Improvement Area Initial Parcel	115.38	23.36%	\$ 2,326,385.23	\$ 58,118.11
13970	Major Improvement Area Initial Parcel	358.54	72.59%	\$ 7,229,344.55	\$ 180,604.58
Major Improvement Area Total		493.91	100.00%	\$ 9,959,000.00	\$ 248,797.25

Footnotes:

[a] For billing purposes, the Annual Installment for the Major Improvement Area Initial Parcels will be billed to each Property ID within the Major Improvement Area based on acreage as reported by the applicable Appraisal District as of the date of this Service and Assessment Plan until a plat is filed within the Major Improvement Area.

EXHIBIT F-1 – IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

Annual Installments Due 1/31	Principal	Interest ^(a)	Capitalized Interest	Additional Interest	Annual Collection Costs	TIRZ Annual Credit ^(b)	Total Annual Installment ^(c)
2026	\$ -	\$ 395,925	\$ (395,925)	\$ -	\$ -	\$ -	\$ -
2027	\$ -	\$ 950,220	\$ (675,712)	\$ -	\$ 51,000	\$ -	\$ 325,508
2028	\$ 174,000	\$ 950,220	\$ -	\$ 79,185	\$ 52,020	\$ -	\$ 1,255,425
2029	\$ 184,000	\$ 939,780	\$ -	\$ 78,315	\$ 53,060	\$ -	\$ 1,255,155
2030	\$ 195,000	\$ 928,740	\$ -	\$ 77,395	\$ 54,122	\$ -	\$ 1,255,257
2031	\$ 206,000	\$ 917,040	\$ -	\$ 76,420	\$ 55,204	\$ -	\$ 1,254,664
2032	\$ 219,000	\$ 904,680	\$ -	\$ 75,390	\$ 56,308	\$ -	\$ 1,255,378
2033	\$ 232,000	\$ 891,540	\$ -	\$ 74,295	\$ 57,434	\$ -	\$ 1,255,269
2034	\$ 246,000	\$ 877,620	\$ -	\$ 73,135	\$ 58,583	\$ -	\$ 1,255,338
2035	\$ 261,000	\$ 862,860	\$ -	\$ 71,905	\$ 59,755	\$ -	\$ 1,255,520
2036	\$ 344,000	\$ 847,200	\$ -	\$ 70,600	\$ 60,950	\$ -	\$ 1,322,750
2037	\$ 365,000	\$ 826,560	\$ -	\$ 68,880	\$ 62,169	\$ -	\$ 1,322,609
2038	\$ 388,000	\$ 804,660	\$ -	\$ 67,055	\$ 63,412	\$ -	\$ 1,323,127
2039	\$ 412,000	\$ 781,380	\$ -	\$ 65,115	\$ 64,680	\$ -	\$ 1,323,175
2040	\$ 437,000	\$ 756,660	\$ -	\$ 63,055	\$ 65,974	\$ -	\$ 1,322,689
2041	\$ 464,000	\$ 730,440	\$ -	\$ 60,870	\$ 67,293	\$ -	\$ 1,322,603
2042	\$ 493,000	\$ 702,600	\$ -	\$ 58,550	\$ 68,639	\$ -	\$ 1,322,789
2043	\$ 524,000	\$ 673,020	\$ -	\$ 56,085	\$ 70,012	\$ -	\$ 1,323,117
2044	\$ 556,000	\$ 641,580	\$ -	\$ 53,465	\$ 71,412	\$ -	\$ 1,322,457
2045	\$ 591,000	\$ 608,220	\$ -	\$ 50,685	\$ 72,841	\$ -	\$ 1,322,746
2046	\$ 628,000	\$ 572,760	\$ -	\$ 47,730	\$ 74,297	\$ -	\$ 1,322,787
2047	\$ 667,000	\$ 535,080	\$ -	\$ 44,590	\$ 75,783	\$ -	\$ 1,322,453
2048	\$ 709,000	\$ 495,060	\$ -	\$ 41,255	\$ 77,299	\$ -	\$ 1,322,614
2049	\$ 754,000	\$ 452,520	\$ -	\$ 37,710	\$ 78,845	\$ -	\$ 1,323,075
2050	\$ 801,000	\$ 407,280	\$ -	\$ 33,940	\$ 80,422	\$ -	\$ 1,322,642
2051	\$ 852,000	\$ 359,220	\$ -	\$ 29,935	\$ 82,030	\$ -	\$ 1,323,185
2052	\$ 905,000	\$ 308,100	\$ -	\$ 25,675	\$ 83,671	\$ -	\$ 1,322,446
2053	\$ 962,000	\$ 253,800	\$ -	\$ 21,150	\$ 85,344	\$ -	\$ 1,322,294
2054	\$ 1,023,000	\$ 196,080	\$ -	\$ 16,340	\$ 87,051	\$ -	\$ 1,322,471
2055	\$ 1,088,000	\$ 134,700	\$ -	\$ 11,225	\$ 88,792	\$ -	\$ 1,322,717
2056	\$ 1,157,000	\$ 69,420	\$ -	\$ 5,785	\$ 90,568	\$ -	\$ 1,322,773
Total	\$ 15,837,000	\$ 19,774,965	\$ (1,071,637)	\$ 1,535,735	\$ 2,068,972	\$ -	\$ 38,145,035

Footnotes:

[a] Interest is calculated at a rate of 6.00% for illustrative purposes.

[b] TIRZ No. 1 Annual Credit Amount will be calculated annually as described in Section V.F.

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

EXHIBIT F-2 – MAJOR IMPROVEMENT AREA ANNUAL INSTALLMENTS

Annual Installments Due 1/31	Principal	Interest ^(a)	Capitalized Interest	Additional Interest	Annual Collection Costs	TIRZ Annual Credit ^(b)	Total Annual Installment ^(c)
2026	\$ -	\$ 285,284	\$ (285,284)	\$ -	\$ -	\$ -	\$ -
2027	\$ -	\$ 684,681	\$ (486,884)	\$ -	\$ 51,000	\$ -	\$ 248,797
2028	\$ 118,000	\$ 684,681	\$ -	\$ 49,795	\$ 52,020	\$ -	\$ 904,496
2029	\$ 126,000	\$ 676,569	\$ -	\$ 49,205	\$ 53,060	\$ -	\$ 904,834
2030	\$ 134,000	\$ 667,906	\$ -	\$ 48,575	\$ 54,122	\$ -	\$ 904,603
2031	\$ 143,000	\$ 658,694	\$ -	\$ 47,905	\$ 55,204	\$ -	\$ 904,803
2032	\$ 152,000	\$ 648,863	\$ -	\$ 47,190	\$ 56,308	\$ -	\$ 904,361
2033	\$ 162,000	\$ 638,413	\$ -	\$ 46,430	\$ 57,434	\$ -	\$ 904,277
2034	\$ 173,000	\$ 627,275	\$ -	\$ 45,620	\$ 58,583	\$ -	\$ 904,478
2035	\$ 185,000	\$ 615,381	\$ -	\$ 44,755	\$ 59,755	\$ -	\$ 904,891
2036	\$ 197,000	\$ 602,663	\$ -	\$ 43,830	\$ 60,950	\$ -	\$ 904,442
2037	\$ 211,000	\$ 589,119	\$ -	\$ 42,845	\$ 62,169	\$ -	\$ 905,132
2038	\$ 225,000	\$ 574,613	\$ -	\$ 41,790	\$ 63,412	\$ -	\$ 904,815
2039	\$ 240,000	\$ 559,144	\$ -	\$ 40,665	\$ 64,680	\$ -	\$ 904,489
2040	\$ 257,000	\$ 542,644	\$ -	\$ 39,465	\$ 65,974	\$ -	\$ 905,083
2041	\$ 274,000	\$ 524,975	\$ -	\$ 38,180	\$ 67,293	\$ -	\$ 904,448
2042	\$ 293,000	\$ 506,138	\$ -	\$ 36,810	\$ 68,639	\$ -	\$ 904,587
2043	\$ 313,000	\$ 485,994	\$ -	\$ 35,345	\$ 70,012	\$ -	\$ 904,351
2044	\$ 335,000	\$ 464,475	\$ -	\$ 33,780	\$ 71,412	\$ -	\$ 904,667
2045	\$ 358,000	\$ 441,444	\$ -	\$ 32,105	\$ 72,841	\$ -	\$ 904,389
2046	\$ 383,000	\$ 416,831	\$ -	\$ 30,315	\$ 74,297	\$ -	\$ 904,444
2047	\$ 410,000	\$ 390,500	\$ -	\$ 28,400	\$ 75,783	\$ -	\$ 904,683
2048	\$ 439,000	\$ 362,313	\$ -	\$ 26,350	\$ 77,299	\$ -	\$ 904,961
2049	\$ 470,000	\$ 332,131	\$ -	\$ 24,155	\$ 78,845	\$ -	\$ 905,131
2050	\$ 503,000	\$ 299,819	\$ -	\$ 21,805	\$ 80,422	\$ -	\$ 905,046
2051	\$ 538,000	\$ 265,238	\$ -	\$ 19,290	\$ 82,030	\$ -	\$ 904,558
2052	\$ 576,000	\$ 228,250	\$ -	\$ 16,600	\$ 83,671	\$ -	\$ 904,521
2053	\$ 617,000	\$ 188,650	\$ -	\$ 13,720	\$ 85,344	\$ -	\$ 904,714
2054	\$ 661,000	\$ 146,231	\$ -	\$ 10,635	\$ 87,051	\$ -	\$ 904,917
2055	\$ 708,000	\$ 100,788	\$ -	\$ 7,330	\$ 88,792	\$ -	\$ 904,910
2056	\$ 758,000	\$ 52,113	\$ -	\$ 3,790	\$ 90,568	\$ -	\$ 904,471
Total	\$ 9,959,000	\$ 14,261,815	\$ (772,168)	\$ 966,680	\$ 2,068,972	\$ -	\$ 26,484,299

Footnotes:

[a] Interest is calculated at a rate of 6.875% for illustrative purposes.

[b] TIRZ No. 1 Annual Credit Amount will be calculated annually as described in Section V.F.

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

EXHIBIT G-1 – MAXIMUM ASSESSMENT PER LOT TYPE

Improvement Area #1							
Lot Type	Units	Estimated Lot Value ^[a]	Total Finished Lot Value	Estimated Buildout Value		Total Estimated Buildout Value	IA#1 Total Assessment
				per Unit ^[a]			IA#1 Maximum Assessment Per Unit
1	414	\$ 71,000	\$29,394,000	\$ 325,000		\$ 134,550,000	\$ 15,837,000
Total			\$29,394,000			\$ 134,550,000	\$ 15,837,000

Footnotes:

[a] Values provided by the Developer.

EXHIBIT G-2 – TIRZ MAXIMUM CREDIT PER LOT TYPE

TIRZ Maximum Credit per Lot Type: 2026 - 2035

Lot Type	Improvement Area	Units	Assessment per Unit	Estimated Buildout Value Per Unit	Improvement Area #1	Average Annual Installment Per Unit	Pre-TIRZ Equivalent Tax Rate	TIRZ Buydown Tax Rate ^[a]	Post-TIRZ Equivalent Tax Rate	TIRZ Maximum Annual Credit
1	Improvement Area #1	414	\$ 38,253.62	\$ 325,000	\$ 3,032.01	\$ 0.9329	\$ (0.1998)	\$ 0.7331	\$ 649.35	Per Lot

Notes:

[a] TIRZ buydown tax rate for the years 2026-2035 is calculated as 23.0% of the City's 2025 tax rate (\$0.5093) plus 23.0% of the County's M&O portion of the 2025 tax rate (\$0.3594).

TIRZ Maximum Credit per Lot Type: 2036 - 2055

Lot Type	Improvement Area	Units	Assessment per Unit	Estimated Buildout Value Per Unit	Improvement Area #1	Average Annual Installment Per Unit	Pre-TIRZ Equivalent Tax Rate	TIRZ Buydown Tax Rate ^[a]	Post-TIRZ Equivalent Tax Rate	TIRZ Maximum Annual Credit
1	Improvement Area #1	414	\$ 38,253.62	\$ 325,000	\$ 3,195.02	\$ 0.9831	\$ (0.2476)	\$ 0.7355	\$ 804.63	Per Lot

Notes:

[a] TIRZ buydown tax rate for the years 2036-2055 is calculated as 28.5% of the City's 2025 tax rate (\$0.5093) plus 28.5% of the County's M&O portion of the 2025 tax rate (\$0.3594).

EXHIBIT G-3 – DISTRICT ESTIMATED BUILDOUT VALUE

Lot Size	Units	Estimated Buildout Value Per Unit	Total Estimated Buildout Value	% of Improvement Area	% of District
Improvement Area #1					
50'	414	\$ 325,000	\$ 134,550,000	100.00%	19.12%
Total			\$ 134,550,000	100.00%	19.12%

Lot Size	Units	Estimated Buildout Value Per Unit	Total Estimated Buildout Value	% of Improvement Area	% of District
MIA - Future Improvement Area #2					
70'	35	\$ 465,000	\$ 16,275,000	2.86%	2.31%
60'	70	\$ 395,000	\$ 27,650,000	4.86%	3.93%
50'	509	\$ 325,000	\$ 165,425,000	29.06%	23.50%
45'	350	\$ 290,000	\$ 101,500,000	17.83%	14.42%
40'	565	\$ 280,000	\$ 158,200,000	27.79%	22.48%
35'	295	\$ 260,000	\$ 76,700,000	13.47%	10.90%
25'	94	\$ 250,000	\$ 23,500,000	4.13%	3.34%
Total			\$ 569,250,000	100.00%	80.88%

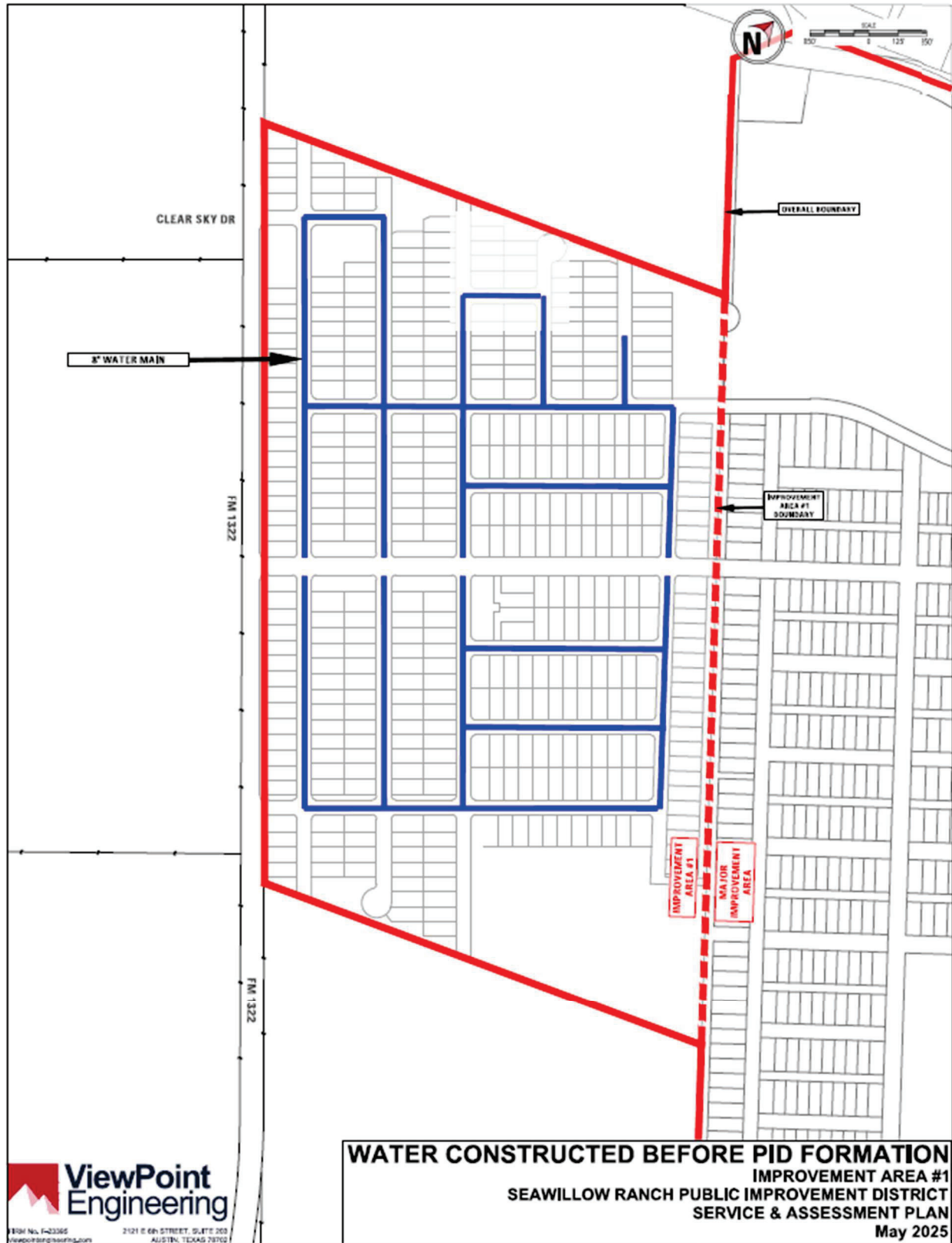
District Total Estimated Buildout Value: \$ 703,800,000

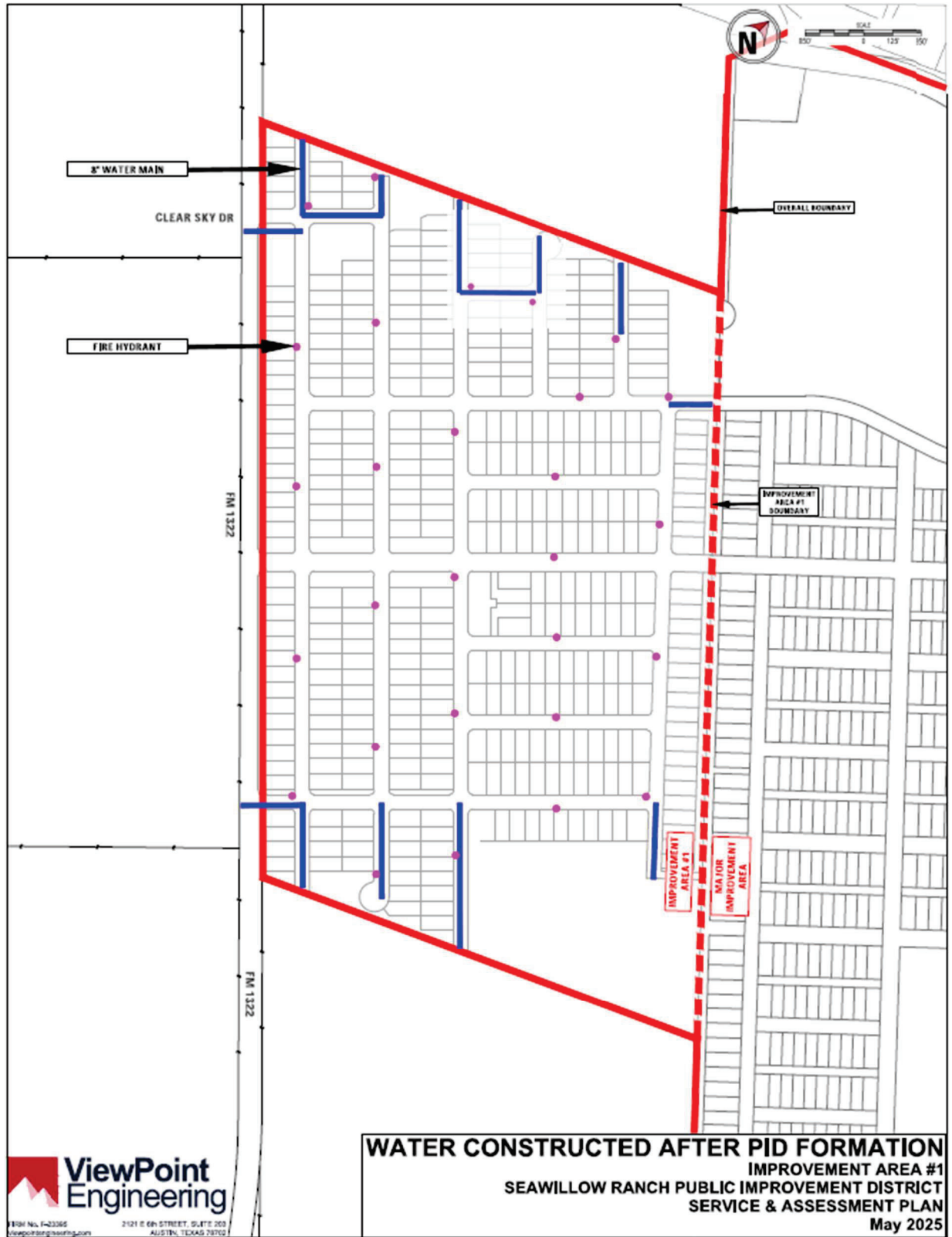
EXHIBIT G-4 – ALLOCATION OF MAJOR IMPROVEMENTS

Allocation of Roadway, Water & Drainage Major Improvements						
Use	Acreage	Benefited	Allocation	Allocation %	Assessed/Non-Assessed	Assessed \$
Residential Single Family - MIA	403.03	Y	MIA	68.76%	A	\$ 4,944,310
Residential Townhomes - MIA	10.04	Y	MIA	1.71%	A	123,169
Central Commercial District (CCD)	22.5	Y	Private	3.84%	NA	276,027
Medium Commercial District (MCD)	16.44	Y	Private	2.80%	NA	201,683
ISD:	40.56	Y	Private	6.92%	NA	497,584
Lift Station:	1.42	N	-	0.00%	-	-
Service Lot:	3.76	Y	Private	0.64%	NA	46,127
Water Tower:	1.02	N	-	0.00%	-	-
Residential Single Family - Phase 1:	89.78	Y	IA#1	15.32%	A	1,101,407
Total	588.55			100.00%	85.79%	\$ 7,190,308

EXHIBIT H – MAPS OF IMPROVEMENT AREA #1 IMPROVEMENTS







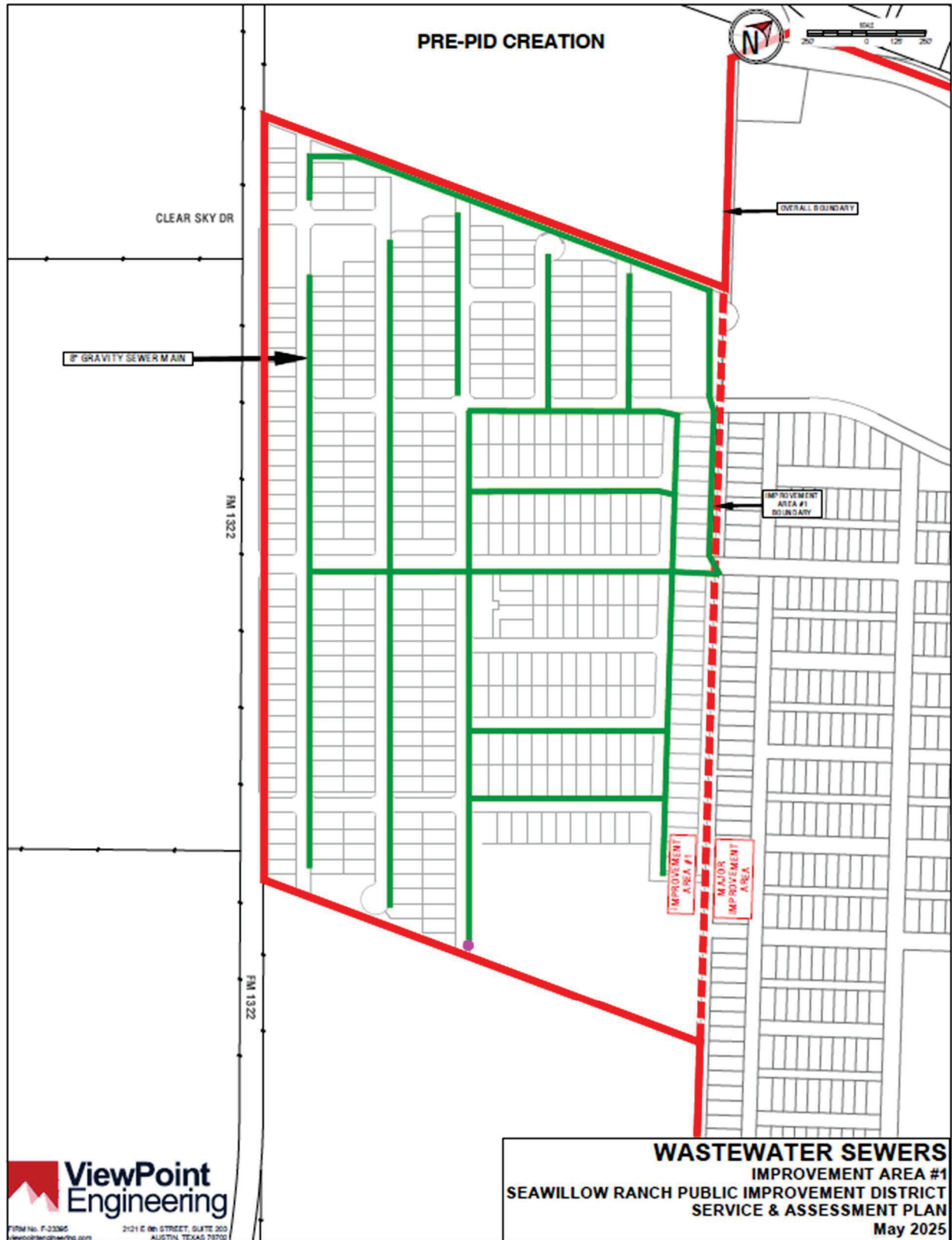
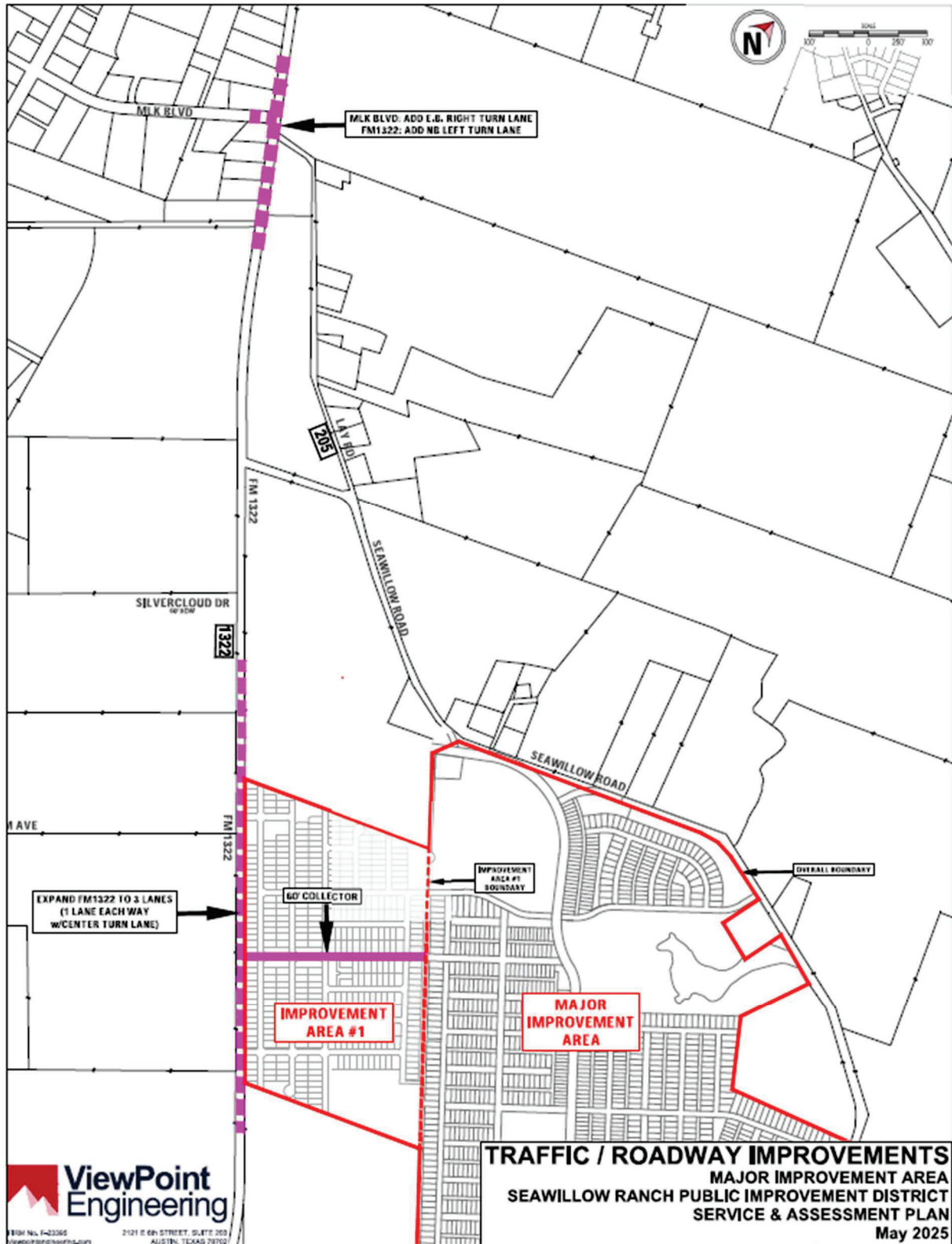
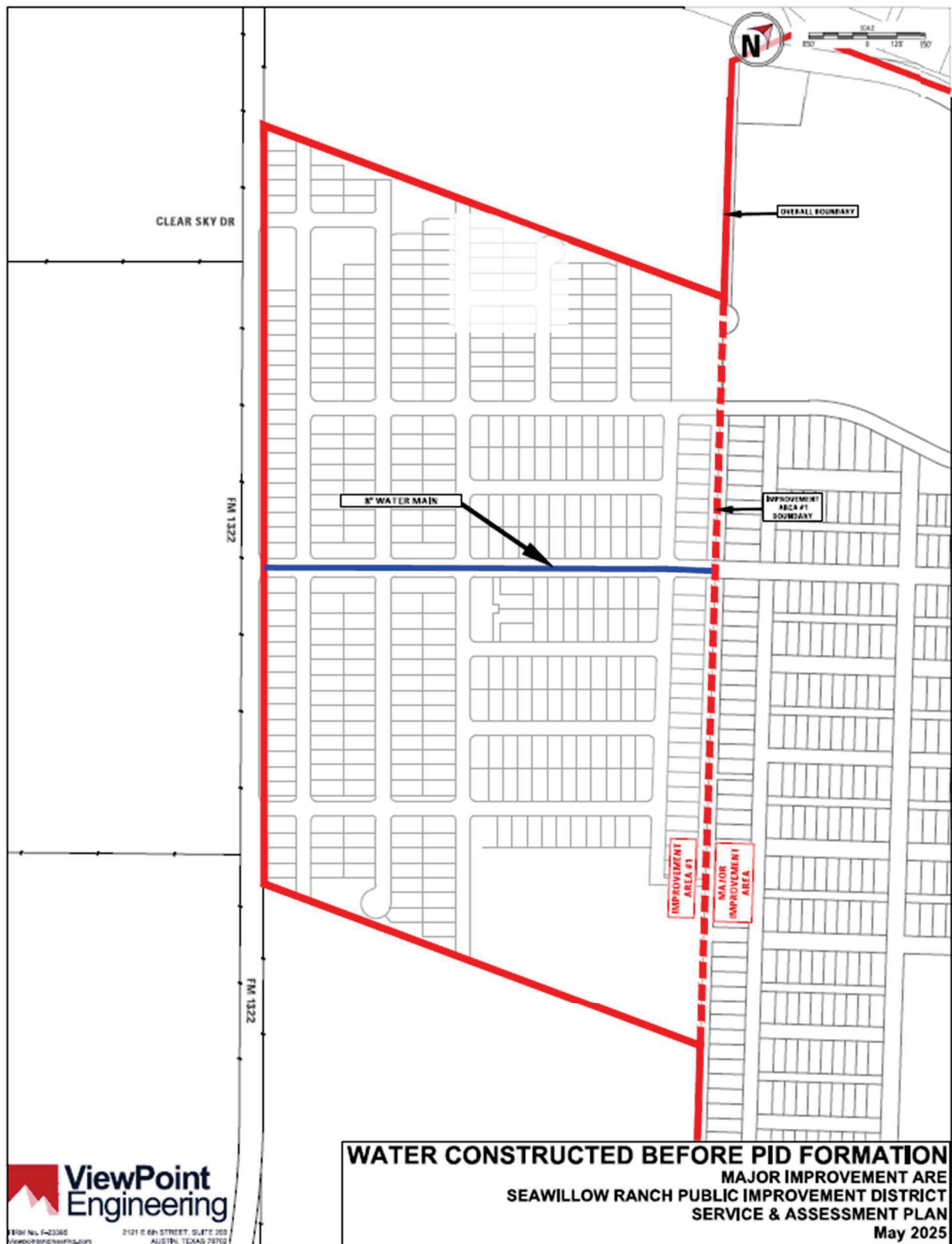
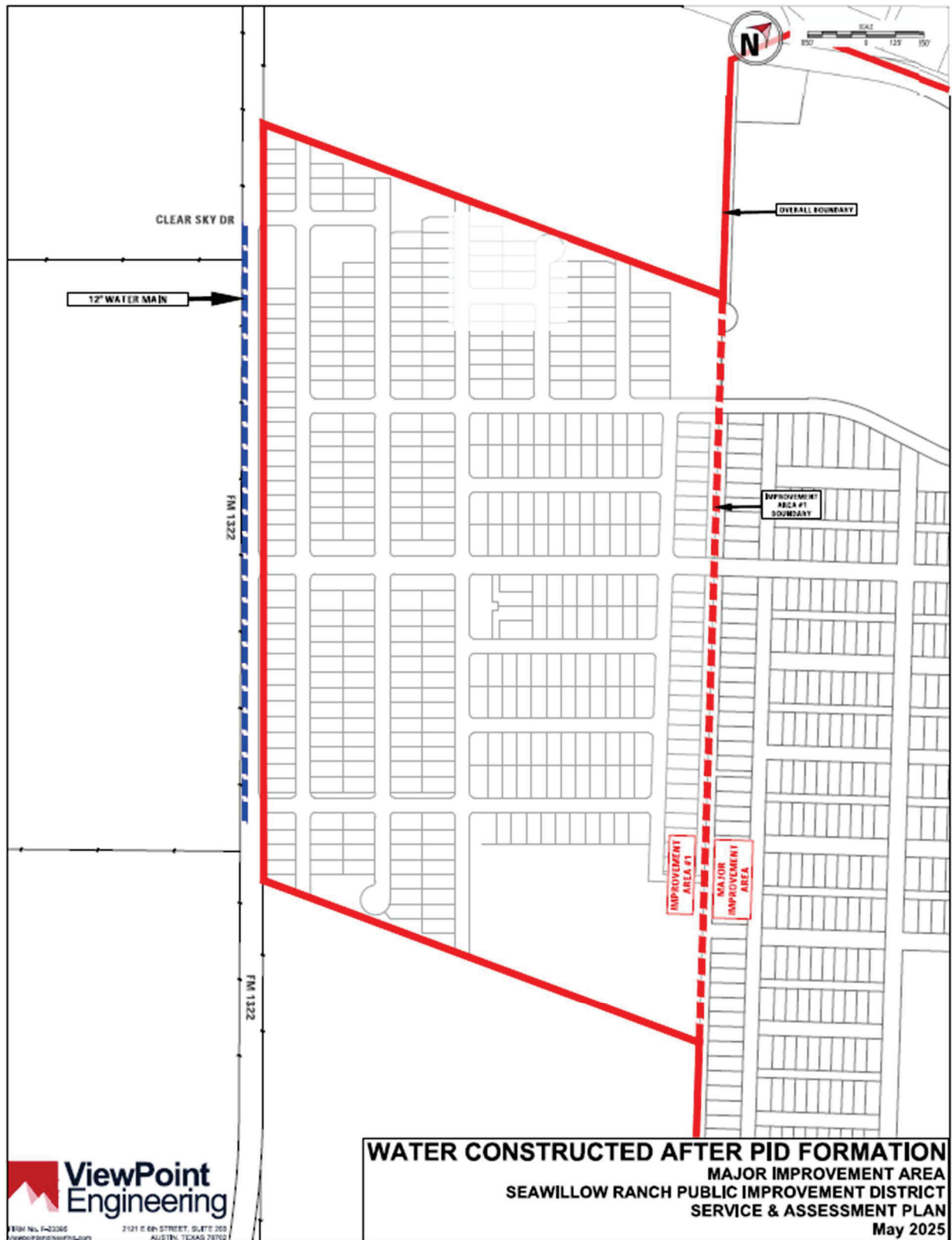
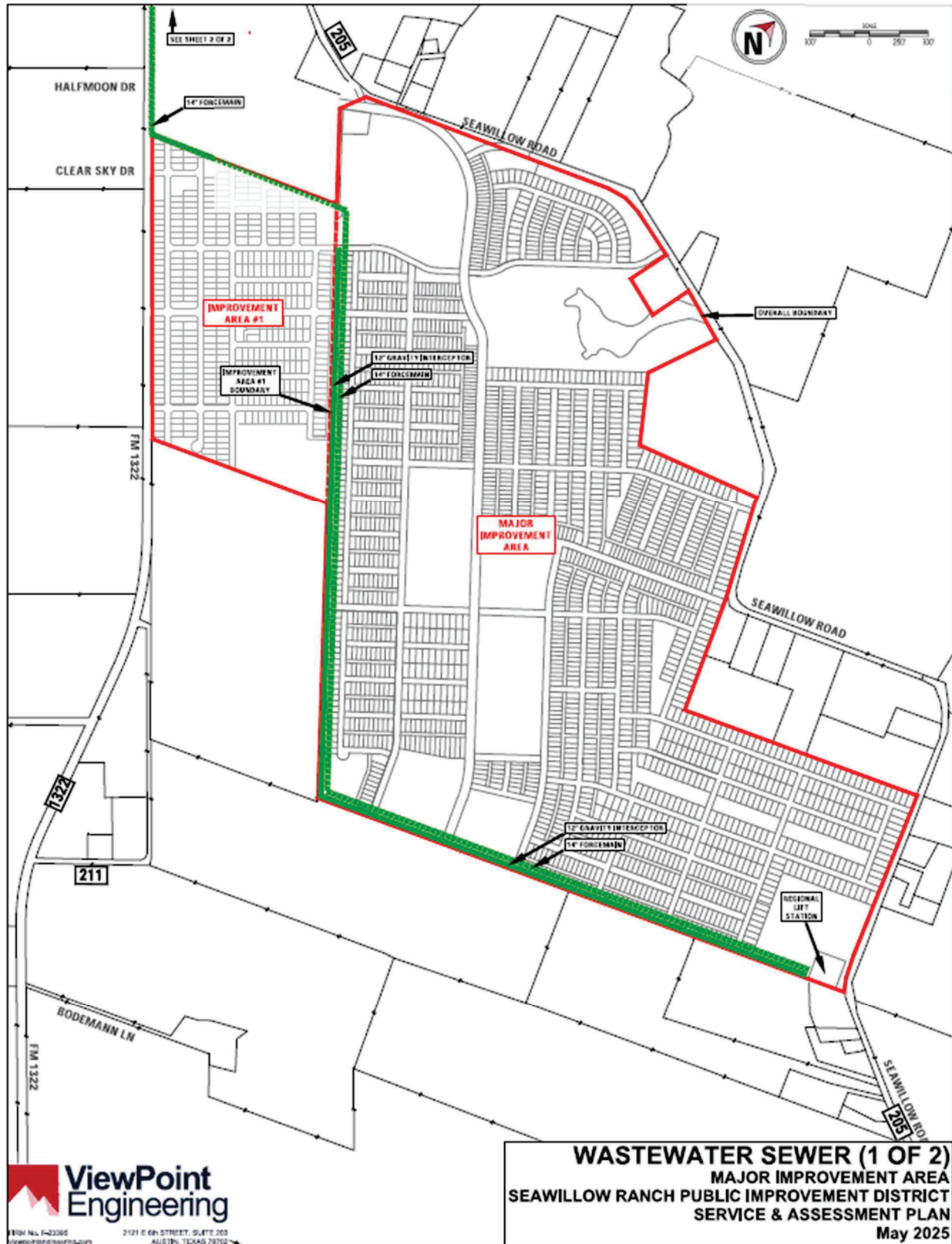


EXHIBIT I – MAPS OF MAJOR IMPROVEMENTS









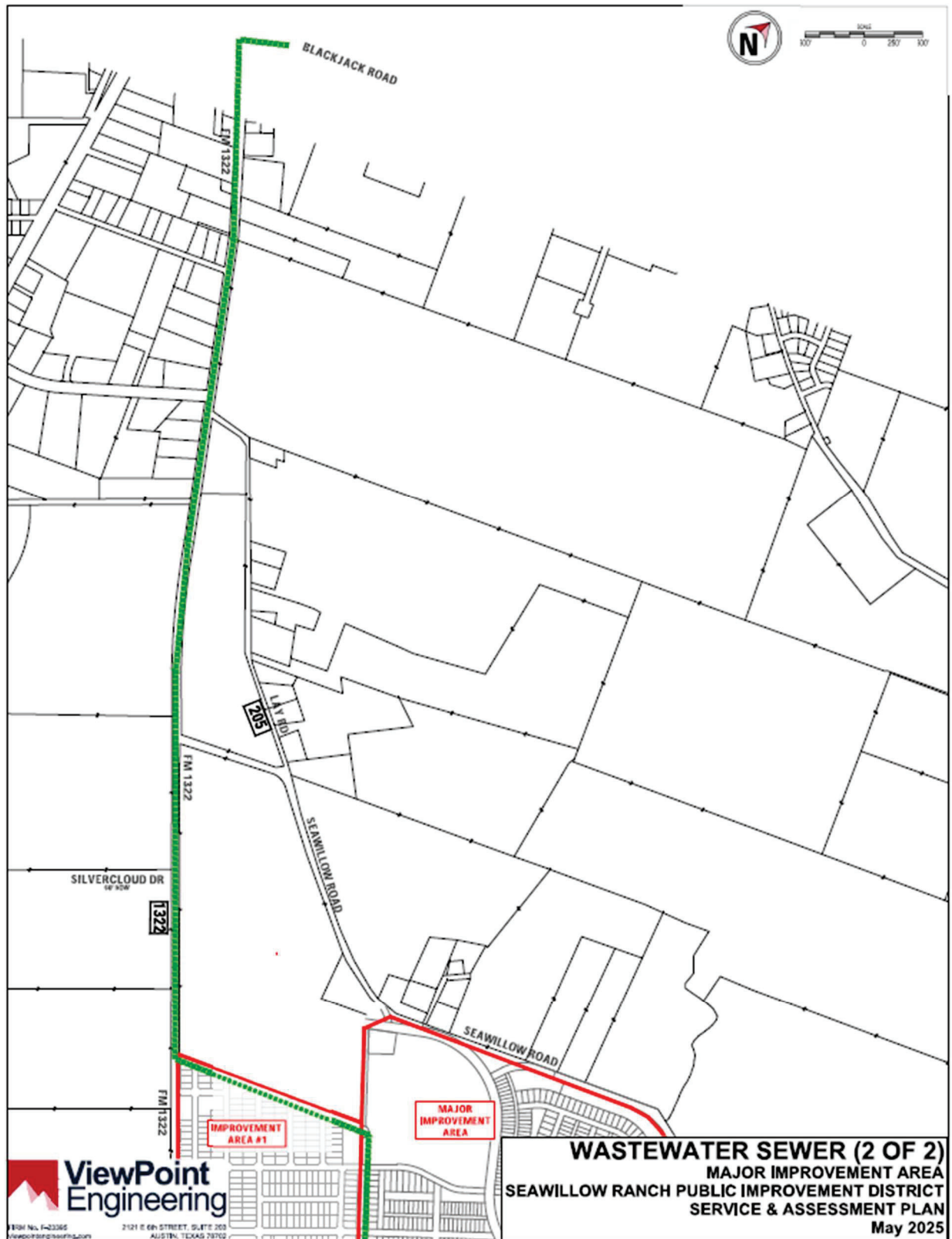


EXHIBIT J – NOTICE OF PID ASSESSMENT LIEN TERMINATION



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

[Date]
Caldwell County Clerk's Office
Honorable [County Clerk Name]
County Clerk Main Office
1703 S Colorado St #1200
Lockhart, TX 78644

Re: City of Lockhart Lien Release documents for filing

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

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

City of Lockhart
Attn: [City Secretary]
308 W San Antonio St,
Lockhart, TX 78644

Please contact P3Works if you have any questions or need additional information.

P: (888) 417-7074
admin@p3-works.com

AFTER RECORDING RETURN TO:

**[City Secretary Name]
308 W San Antonio St,
Lockhart, TX 78644**

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

FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN

STATE OF TEXAS	§	
	§	KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF CALDWELL	§	

THIS FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN (this “Full Release”) is executed and delivered as of the Effective Date by the City of Lockhart, Texas, a Texas home rule municipality.

RECITALS

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

WHEREAS, on or about October 15, 2024, the City Council for the City, approved Resolution No. 2024-26, creating the Seawillow Public Improvement District; and

WHEREAS, the Seawillow Public Improvement District consists of approximately 588.547 contiguous acres located within the corporate limits of the City; and

WHEREAS, on or about March 3, 2026, the City Council, approved Ordinance No. _____, (hereinafter referred to as the “Assessment Ordinance”) levying assessments on the Property (hereinafter defined) and approving a service and assessment plan and assessment roll for the Seawillow Public Improvement District; and

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

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

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

RELEASE

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

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

CITY OF LOCKHART, TEXAS,
A Texas home rule municipality,

By: _____
[Manager Name], City Manager

ATTEST:

[Secretary Name], City Secretary

STATE OF TEXAS §
§
COUNTY OF CALDWELL §

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

Notary Public, State of Texas

EXHIBIT K-1 – IMPROVEMENT AREA #1 BONDS DEBT SERVICE SCHEDULE

[TO BE UPDATED AT BOND PRICING]

EXHIBIT K-2 – MAJOR IMPROVEMENT AREA BONDS DEBT SERVICE SCHEDULE

[TO BE UPDATED AT BOND PRICING]

EXHIBIT L-1 – DISTRICT LEGAL DESCRIPTION

PID BOUNDARY

LEGAL DESCRIPTION

BEING a 588.547 acre tract of land situated in the JOHN A. NEILL SURVEY, ABSTRACT No. 20, Caldwell County, Texas, and being all of the called 89.769 acres of land as described in deed as recorded in Document Number 2021-006882, Real Property Records, Caldwell County, Texas, and a portion of the called 160.00 acres of land described in deed as recorded in Volume 28, Page 146 of the Real Property Records, Caldwell County, Texas, SAVE & EXCEPT the called 3.007 acres of land described in deed recorded in Instrument Number 2018-003545 Real Property Records, Caldwell County, Texas, and all of the 358.536 acres of land as described in deed as recorded in Volume 209, Page 425, Official Public Records, Caldwell County, Texas and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch capped iron rod found, marked Hinkle Surveying, on the Northeast Right-of-Way line of Farm to Market Road 1322, an 80 foot Right-of-Way, and for the Northwest corner of a called 85.00 acre tract of land as described in a deed to Charles D. Spillmann and Jane Spillmann as recorded in Document Number 2016-005533 of said Official Public Records, same being the Southwest corner of said 169.811 acre tract and the of this herein described tract;

THENCE North 31° 43' 06" West, along said Right-of-Way and the Southwest line of said 89.775 acre tract, a distance of **2,572.95 feet** to a 1/2 inch capped iron rod found, marked Jones Carter Prop Corner, for the Southwest corner of a called 80.04 acre tract of land as described in deed to Vema Investments, LLC. as recorded in Instrument 2021-007855 of said Official Public Records, same being a Northwest corner of said 89.775 acre tract;

THENCE North 78° 46' 11" East, along the common line of said 80.04 acres and said 89.775 acres, a distance of **1,665.32 feet** to a 1/2 inch iron rod found on the Southwest line of a called 358.536 acre tract of land as described in a deed to David V. Acevedo and Marge Margarita Acevedo as recorded in Volume 209, Page 425 of said Official Public Records, and being the Southeast corner of said 80.04 acres;

THENCE North 29°54'41" West, along the common line of said 358.536 acres and said 80.04 acres, a distance of **956.23 feet** to a 1/2 inch iron rod found for an interior angle point in the West line of a called 2.606 acre tract of land described in deed to Ray C. Nash and wife, Helen K. Nash as recorded in Volume 76, Page 743 of said Official Public Records, same being a Northwest corner of said 358.536 acres;

THENCE North 12°42'23" East, along the common line of said 358.536 acres and said 2.606 acres, a distance of **100.55 feet** to a 1 inch iron pipe found on the South Right-of-Way line of County Road 205, a.k.a. Seawillow Road, a variable width Right-of-Way;

THENCE along the South Right-of-way and the North line of said 358.536 acres the following bearings and distances:

South 72°03'50" East, a distance of **65.07 feet** to a 1/2 inch iron rod found capped;

South 86°16'07" East, a distance of **189.45 feet** to a 1/2 inch iron rod found capped;

North 79°02'20" East, a distance of **350.87 feet** to a three way fence corner post found;

North 78°34'18" East, a distance of **1,963.89 feet** to a 1/2 inch iron rod capped DATAPOINT#10194585 set;

South 64°47'06" East, a distance of **592.08 feet** to a 1/2" iron rod found capped for the North corner of a called 3.07 acre tract of land described in deed to Chris C. Chapman and Kimberly K. Hoffman Chapman as recorded in Instrument Number 2018-003545 of said Official Public Records;

THENCE departing said South Right-of-Way, along the common line of said 3.07 acres and said 358.536 acres the following bearings and distances:

South 24°46'35" West, a distance of **365.69 feet** to a 1/2 inch iron rod found capped;

South 62°46'06" East, a distance of **358.21 feet** to a fence corner post found;

North 24°38'27" East, a distance of **366.83 feet** to a 5/8 inch iron rod found on said South Right-of-Way, for the East corner of said 3.07 acres;

THENCE South 61°15'06" East, along said South Right-of-Way line, a distance of **472.51 feet** to a 1/2 inch iron rod capped DATAPOINT#10194585 set for the North corner of the 20.000 acre remainder of said 160 acre tract;

THENCE over and across, said 160 acres the following three (3) courses and distances:

South 32°22'32" West, a distance of **639.03 feet** to a 1/2 inch iron rod capped DATAPOINT#10194585 set;

South 24°59'14" East, a distance of **617.22 feet** to a 1/2 inch iron rod capped DATAPOINT#10194585 set;

North 82°35'38" East, a distance of **1096.03 feet** to a 1/2 inch iron rod capped DATAPOINT#10194585 set on the West Right-of-Way line of said CR 205 and the East line of said 160 acres;

THENCE South 14°17'18" East, a distance of **970.10 feet** to a "L" bracket with flagging found for the Northwest corner of a called 1.997 acre tract of land as described in deed to Russell A. Nickel, a single man, as recorded in Instrument Number 2020-003246 of said Official Public Records, and being on the East line of said 358.536 acres;

THENCE South 11°10'32" East, along the East line of said 358.536 acres, passing a 5/8 inch iron rod found for the Northwest corner of a called 9.152 acre tract of land as described in the deed to Brenda Gayle Bagwell Hagan, a married person, as her separate property and estate as recorded in Instrument Number 2021004181 of said Official Public Records, same being the Southwest corner of said 1.997 acres, continuing a total distance of **935.26 feet** to a 6 inch wood fence corner post found for the Southwest corner of said 9.152 acres, same being an interior ell corner of said 358.536 acres;

THENCE North 78°31'19" East, along a North line of said 358.536 and along the South line of said 9.152 acres and a called 9.152 acres of land as described in deed to William R Hagan and Brenda G Hagan, husband and wife, as recorded in Volume 273, Page 537 of said Official Public Records, and the South line of a called 9.15 acres of land described in deed to Delores Stanton Revocable Trust as recorded in Instrument Number 2023-003597 of said Official Public Records, a distance of **2095.92 feet** to a 6 inch wood fence corner post found on the West Right-of-Way line of said CR 205 for a Northeast corner of said 358.536 acres, same being the Southeast corner of said 9.15 acres;

THENCE along the West Right-of-Way line of said CR 205 the following bearings and distances:
South 09°58'20" East, a distance of **1445.88 feet** to a 1/2 inch iron rod capped DATAPOINT#10194585 set;

South 13°05'03" East, a distance of **202.27 feet** to a 1/2 inch iron rod capped DATAPOINT#10194585 set;

South 23°19'16" East, a distance of **157.39 feet** to a 1/2 inch iron rod found capped for the Northeast corner of Lot 1, 2 and 3, Commanche Hill, Section One, a Subdivision in Caldwell County, Texas according to the Map or Plat of Records in Plat Cabinet A, Slide 28, Plat Records of Caldwell County, as described in deed to Beatrice Madrigal, a single person and John S. Rosales, a single person as recorded in Instrument Number 126568 of Official Public Records, same being the Southernmost Southeast corner of said 358.536 acres;

THENCE South 78°28'58" West, along the South line of said 358.536 acres, a distance of **4735.83 feet** to a 1 inch iron pipe found for the Southeast corner of said 85.00 acres and being the Southernmost Southwest corner of said 358.536 acres, from which a 1/2 inch iron rod found for the Southwest corner of said 85.00 acres bears South 78° 47' 06" West, a distance of 1,503.48 feet;

THENCE North 29°54'41" West, along the common line of said 85.00 acres and said 358.536 acres, a distance of **2533.18 feet** to a calculated point from which a 1/2 inch iron rod found capped "Hinkle Surveying" bears, South 78° 48' 18" West, a distance of 0.35 feet for the Northeast corner of said 85.00 acres and being the Southeast corner of said 89.775 acres;

THENCE South 78°46'18" West, along the South line of said 89.775 acres and the North line of said 85.00 acres, a distance of **1579.70 feet** to the **POINT OF BEGINNING**, containing an area of 25,637,112 Square Feet and/or **588.547 Acres** of land, more or less.

EXHIBIT L-2 – IMPROVEMENT AREA #1 LEGAL DESCRIPTION

TRACT 1/IMPROVEMENT AREA #1

LEGAL DESCRIPTION

BEING 89.775 acres of land situated in the J.A. NEILL SURVEY, ABSTRACT NO. 20, Caldwell County, Texas, and being a portion of and part of a called 169.811 acres of land described in deed to SVAG Investments, LLC, a Texas Limited Liability Company, as recorded in Document Number 2021-006881 of the Official Public Records of Caldwell County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch capped iron rod found, marked Hinkle Surveying, on the Northeast Right-of-Way line of Farm to Market Road 1322, an 80 foot Right-of-Way, and for the Northwest corner of a called 85.00 acre tract of land as described in a deed to Charles D. Spillmann and Jane Spillmann as recorded in Document Number 2016-005533 of said Official Public Records, same being the Southwest corner of said 169.811 acre tract and the of this herein described tract;

THENCE North 31 degrees 43 minutes 06 seconds West, along said Right-of-Way and the Southwest line of this tract, a distance of 2,572.95 feet to a 1/2 inch capped iron rod found, marked Jones Carter Prop Corner, for the Northwest corner of this herein described tract;

THENCE North 78 degrees 46 minutes 11 seconds East, crossing said 169.811 acre tract, a distance of 1,665.32 feet to a 1/2 inch iron rod found on the Southwest line of a called 358.536 acre tract of land as described in a deed to David V. Acevedo and Marge Margarita Acevedo as recorded in Volume 209, Page 425 of said Official Public Records, same being the Northeast line of said 169.811 acre tract, and being the Northeast corner of this herein described tract;

THENCE South 29 degrees 54 minutes 41 seconds East, along the common line of said 358.536 acre tract, a distance of 2,544.30 feet to a 1/2 inch capped iron rod found, marked Hinkle Surveying, for the Northeast corner of said 85.00 acre tract, and being the Southeast corner of this tract;

THENCE South 78 degrees 46 minutes 18 seconds West, along the common line of said 85.00 acre tract, a distance of 1,579.70 feet to the **POINT OF BEGINNING**, containing 3,910,599 square feet and/or 89.775 acres of land, more or less.

EXHIBIT L-3 – MAJOR IMPROVEMENT AREA LEGAL DESCRIPTION

TRACT 2/MAJOR IMPROVEMENT AREA

LEGAL DESCRIPTION

BEING a 498.778 acre tract of land situated in the JOHN A. NEILL SURVEY, ABSTRACT No. 20, Caldwell County, Texas, and being a portion of the called 160.00 acres of land described in deed as recorded in Volume 28, Page 146 of the Real Property Records, Caldwell County, Texas, SAVE & EXCEPT the called 3.007 acres of land described in deed recorded in Instrument Number 2018-003545 Real Property Records, Caldwell County, Texas, and all of the 358.536 acres of land as described in deed as recorded in Volume 209, Page 425, Official Public Records, Caldwell County, Texas, SAVE & EXCEPT a certain 20.000 acres, said 498.778 acres being more particularly described by metes and bounds as follows:

COMMENCING at a 1/2 inch capped iron rod found, marked Hinkle Surveying, on the Northeast Right-of-Way line of Farm to Market Road 1322, an 80 foot Right-of-Way, and for the Northwest corner of a called 85.00 acre tract of land as described in a deed to Charles D. Spillmann and Jane Spillmann as recorded in Document Number 2016-005533 of said Official Public Records, same being the Southwest corner of said 169.811 acre tract and the of this herein described tract; **THENCE North 31° 43' 06" West**, along said Right-of-Way and the Southwest line of said 89.775 acre tract, a distance of **2,572.95 feet** to a 1/2 inch capped iron rod found, marked Jones Carter Prop Corner, for the Southwest corner of a called 80.04 acre tract of land as described in deed to Vema Investments, LLC. as recorded in Instrument 2021-007855 of said Official Public Records, same being a Northwest corner of said 89.775 acre tract; **THENCE North 78° 46' 11" East**, along the common line of said 80.04 acres and said 89.775 acres, a distance of **1,665.32 feet** to a 1/2 inch iron rod found for the **POINT OF BEGINNING** on the Southwest line of said 358.536 acre tract, for the Southeast corner of said 80.04 acres, same being the Northeast corner of said 89.775 acres;

THENCE North 29°54'41" West, along the common line of said 358.536 acres and said 80.04 acres, a distance of **956.23 feet** to a 1/2 inch iron rod found for an interior angle point in the West line of a called 2.606 acre tract of land described in deed to Ray C. Nash and wife, Helen K. Nash as recorded in Volume 76, Page 743 of said Official Public Records, same being a Northwest corner of said 358.536 acres;

THENCE North 12°42'23" East, along the common line of said 358.536 acres and said 2.606 acres, a distance of **100.55 feet** to a 1 inch iron pipe found on the South Right-of-Way line of County Road 205, a.k.a. Seawillow Road, a variable width Right-of-Way;

THENCE along the South Right-of-way and the North line of said 358.536 acres the following bearings and distances:

South 72°03'50" East, a distance of **65.07 feet** to a 1/2 inch iron rod found capped;

South 86°16'07" East, a distance of **189.45 feet** to a 1/2 inch iron rod found capped;

North 79°02'20" East, a distance of **350.87 feet** to a three way fence corner post found;

North 78°34'18" East, a distance of **1,963.89 feet** to a 1/2 inch iron rod capped DATAPOINT#10194585 set;

South 64°47'06" East, a distance of **592.08 feet** to a 1/2" iron rod found capped for the North corner of a called 3.07 acre tract of land described in deed to Chris C. Chapman and Kimberly K. Hoffman Chapman as recorded in Instrument Number 2018-003545 of said Official Public Records;

THENCE departing said South Right-of-Way, along the common line of said 3.07 acres and said 358.536 acres the following bearings and distances:

South 24°46'35" West, a distance of **365.69 feet** to a 1/2 inch iron rod found capped;

South 62°46'06" East, a distance of **358.21 feet** to a fence corner post found;

North 24°38'27" East, a distance of **366.83 feet** to a 5/8 inch iron rod found on said South Right-of-Way, for the East corner of said 3.07 acres;

THENCE South 61°15'06" East, along said South Right-of-Way line, a distance of **472.51 feet** to a 1/2 inch iron rod capped DATAPOINT#10194585 set for the North corner of the 20.000 acre remainder of said 160 acre tract;

THENCE over and across, said 160 acres the following three (3) courses and distances:

South 32°22'32" West, a distance of **639.03 feet** to a 1/2 inch iron rod capped DATAPOINT#10194585 set;

South 24°59'14" East, a distance of **617.22 feet** to a 1/2 inch iron rod capped DATAPOINT#10194585 set;

North 82°35'38" East, a distance of **1096.03 feet** to a 1/2 inch iron rod capped DATAPOINT#10194585 set on the West Right-of-Way line of said CR 205 and the East line of said 160 acres;

THENCE South 14°17'18" East, a distance of **970.10 feet** to a "L" bracket with flagging found for the Northwest corner of a called 1.997 acre tract of land as described in deed to Russell A. Nickel, a single man, as recorded in Instrument Number 2020-003246 of said Official Public Records, and being on the East line of said 358.536 acres;

THENCE South 11°10'32" East, along the East line of said 358.536 acres, passing a 5/8 inch iron rod found for the Northwest corner of a called 9.152 acre tract of land as described in the deed to Brenda Gayle Bagwell Hagan, a married person, as her separate property and estate as recorded in Instrument Number 2021004181 of said Official Public Records, same being the Southwest corner of said 1.997 acres, continuing a total distance of **935.26 feet** to a 6 inch wood fence corner post found for the Southwest corner of said 9.152 acres, same being an interior ell corner of said 358.536 acres;

THENCE North 78°31'19" East, along a North line of said 358.536 and along the South line of said 9.152 acres and a called 9.152 acres of land as described in deed to William R Hagan and Brenda G Hagan, husband and wife, as recorded in Volume 273, Page 537 of said Official Public Records, and the South line of a called 9.15 acres of land described in deed to Delores Stanton Revocable Trust as recorded in Instrument Number 2023-003597 of said Official Public Records, a distance of **2095.92 feet** to a 6 inch wood fence corner post found on the West Right-of-Way line of said CR 205 for a Northeast corner of said 358.536 acres, same being the Southeast corner of said 9.15 acres;

THENCE along the West Right-of-Way line of said CR 205 the following bearings and distances:

South 09°58'20" East, a distance of **1445.88 feet** to a 1/2 inch iron rod capped DATAPOINT#10194585 set;

South 13°05'03" East, a distance of **202.27 feet** to a 1/2 inch iron rod capped DATAPOINT#10194585 set;

South 23°19'16" East, a distance of **157.39 feet** to a 1/2 inch iron rod found capped for the Northeast corner of Lot 1, 2 and 3, Commanche Hill, Section One, a Subdivision in Caldwell County, Texas according to the Map or Plat of Records in Plat Cabinet A, Slide 28, Plat Records of Caldwell County, as described in deed to Beatrice Madrigal, a single person and John S. Rosales, a single person as recorded in Instrument Number 126568 of Official Public Records, same being the Southernmost Southeast corner of said 358.536 acres;

THENCE South 78°28'58" West, along the South line of said 358.536 acres, a distance of **4735.83 feet** to a 1 inch iron pipe found for the Southeast corner of said 85.00 acres and being the Southernmost Southwest corner of said 358.536 acres, from which a 1/2 inch iron rod found for the Southwest corner of said 85.00 acres bears South 78° 47' 06" West, a distance of 1,503.48 feet;

THENCE North 29°54'41" West, along the common line of said 85.00 acres and said 358.536 acres, passing a calculated point from which a 1/2 inch iron rod found capped "Hinkle Surveying" bears, South 78° 48' 18" West, a distance of 0.35 feet for the Northeast corner of said 85.00 acres and being the Southeast corner of said 89.775 acres, at a distance of **2533.18 feet**, traveling in all a distance **7777.48 feet** to the **POINT OF BEGINNING**, containing an area of 21,726,762 Square Feet and/or **499.778 Acres** of land, more or less.

EXHIBIT M – DISTRICT BUYER DISCLOSURES

This exhibit contains the following buyer disclosures:

- Improvement Area #1
 - Lot Type 1

**SEAWILLOW PUBLIC IMPROVEMENT DISTRICT – IMPROVEMENT AREA #1 - LOT
TYPE 1 BUYER DISCLOSURE**

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING¹ RETURN TO:

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

PROPERTY ADDRESS

LOT TYPE 1 PRINCIPAL ASSESSMENT: \$38,253.62

As the purchaser of the real property described above, you are obligated to pay assessments to Lockhart, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Seawillow Public Improvement District Improvement Area #1*** (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 City of Lockhart. The exact amount of each annual installment will be approved each year by the Lockhart 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 City of Lockhart.

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 Caldwell County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[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 CALDWELL

§

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 Caldwell 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 CALDWELL

§

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 Caldwell County.

ANNUAL INSTALLMENTS - LOT TYPE 1

Annual Installments Due 1/31	Principal	Interest ^[a]	Capitalized Interest	Additional Interest	Annual Collection Costs	TIRZ Annual Credit ^[b]	Total Annual Installment ^[c]
2026	\$ -	\$ 956.34	\$ (956.34)	\$ -	\$ -	\$ -	\$ -
2027	\$ -	\$ 2,295.22	\$ (1,632.15)	\$ -	\$ 123.19	\$ -	\$ 786.25
2028	\$ 420.29	\$ 2,295.22	\$ -	\$ 191.27	\$ 125.65	\$ -	\$ 3,032.43
2029	\$ 444.44	\$ 2,270.00	\$ -	\$ 189.17	\$ 128.17	\$ -	\$ 3,031.78
2030	\$ 471.01	\$ 2,243.33	\$ -	\$ 186.94	\$ 130.73	\$ -	\$ 3,032.02
2031	\$ 497.58	\$ 2,215.07	\$ -	\$ 184.59	\$ 133.34	\$ -	\$ 3,030.59
2032	\$ 528.99	\$ 2,185.22	\$ -	\$ 182.10	\$ 136.01	\$ -	\$ 3,032.31
2033	\$ 560.39	\$ 2,153.48	\$ -	\$ 179.46	\$ 138.73	\$ -	\$ 3,032.05
2034	\$ 594.20	\$ 2,119.86	\$ -	\$ 176.65	\$ 141.50	\$ -	\$ 3,032.22
2035	\$ 630.43	\$ 2,084.20	\$ -	\$ 173.68	\$ 144.33	\$ -	\$ 3,032.66
2036	\$ 830.92	\$ 2,046.38	\$ -	\$ 170.53	\$ 147.22	\$ -	\$ 3,195.05
2037	\$ 881.64	\$ 1,996.52	\$ -	\$ 166.38	\$ 150.17	\$ -	\$ 3,194.71
2038	\$ 937.20	\$ 1,943.62	\$ -	\$ 161.97	\$ 153.17	\$ -	\$ 3,195.96
2039	\$ 995.17	\$ 1,887.39	\$ -	\$ 157.28	\$ 156.23	\$ -	\$ 3,196.08
2040	\$ 1,055.56	\$ 1,827.68	\$ -	\$ 152.31	\$ 159.36	\$ -	\$ 3,194.90
2041	\$ 1,120.77	\$ 1,764.35	\$ -	\$ 147.03	\$ 162.54	\$ -	\$ 3,194.69
2042	\$ 1,190.82	\$ 1,697.10	\$ -	\$ 141.43	\$ 165.80	\$ -	\$ 3,195.14
2043	\$ 1,265.70	\$ 1,625.65	\$ -	\$ 135.47	\$ 169.11	\$ -	\$ 3,195.93
2044	\$ 1,343.00	\$ 1,549.71	\$ -	\$ 129.14	\$ 172.49	\$ -	\$ 3,194.34
2045	\$ 1,427.54	\$ 1,469.13	\$ -	\$ 122.43	\$ 175.94	\$ -	\$ 3,195.04
2046	\$ 1,516.91	\$ 1,383.48	\$ -	\$ 115.29	\$ 179.46	\$ -	\$ 3,195.14
2047	\$ 1,611.11	\$ 1,292.46	\$ -	\$ 107.71	\$ 183.05	\$ -	\$ 3,194.33
2048	\$ 1,712.56	\$ 1,195.80	\$ -	\$ 99.65	\$ 186.71	\$ -	\$ 3,194.72
2049	\$ 1,821.26	\$ 1,093.04	\$ -	\$ 91.09	\$ 190.45	\$ -	\$ 3,195.83
2050	\$ 1,934.78	\$ 983.77	\$ -	\$ 81.98	\$ 194.26	\$ -	\$ 3,194.79
2051	\$ 2,057.97	\$ 867.68	\$ -	\$ 72.31	\$ 198.14	\$ -	\$ 3,196.10
2052	\$ 2,185.99	\$ 744.20	\$ -	\$ 62.02	\$ 202.10	\$ -	\$ 3,194.31
2053	\$ 2,323.67	\$ 613.04	\$ -	\$ 51.09	\$ 206.15	\$ -	\$ 3,193.95
2054	\$ 2,471.01	\$ 473.62	\$ -	\$ 39.47	\$ 210.27	\$ -	\$ 3,194.37
2055	\$ 2,628.02	\$ 325.36	\$ -	\$ 27.11	\$ 214.47	\$ -	\$ 3,194.97
2056	\$ 2,794.69	\$ 167.68	\$ -	\$ 13.97	\$ 218.76	\$ -	\$ 3,195.10
Total	\$ 38,253.62	\$ 47,765.62	\$ (2,588.50)	\$ 3,709.50	\$ 4,997.52	\$ -	\$ 92,137.77

Footnotes:

[a] Interest is calculated at a rate of 6.00% for illustrative purposes.

[b] TIRZ No. 1 Annual Credit Amount will be calculated annually as described in Section V.F.

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

EXHIBIT N – ENGINEERING REPORT

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City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 3, 2026

AGENDA ITEM CAPTION: Hold a public hearing, Consider and take possible action with respect to Ordinance 2026-08 Authorizing the Issuance Of The City Of Lockhart, Texas Special Assessment Revenue Bonds, Series 2026 (Seawillow Public Improvement District Major Improvement Area); Approving And Authorizing An Indenture Of Trust, A Bond Purchase Agreement, A Limited Offering Memorandum, A Continuing Disclosure Agreement, A Construction, Funding, And Acquisition Agreement, And Other Agreements And Documents In Connection Therewith; Making Findings With Respect To The Issuance Of Such Bonds; And Providing An Effective Date.

ORIGINATING DEPARTMENT AND CONTACT: Development Services - David Fowler

ACTION REQUESTED: Ordinance

BACKGROUND/SUMMARY/DISCUSSION:

This ordinance authorizes the bond issuance, the proceeds from which will be used to fund improvements within the Major Improvement Area of Seawillow Public Improvement District. As a part of this ordinance, several documents related to the bond issuance, including the Trust Indenture, Bond Purchase Agreement, Landowner Agreement and Continuing Disclosure Agreement, will also be approved. Although these items are considerably different than a typical bond financing by the City, they are all commonly part of an issuance of public improvement district bonds in Texas and the financing itself is relatively typical for a public improvement district.

PROJECT SCHEDULE (if applicable): None

AMOUNT & SOURCE OF FUNDING:

Funds Required:

Account Number:

Funds Available:

Account Name:

FISCAL NOTE (if applicable): The revenues generated by the assessment levy will match the amortization schedule of the PID bonds, therefore there will be no impact on the General Fund or taxes of the City.

PREVIOUS COUNCIL ACTION: City Council set the date of the public hearing at its February 3, 2026 meeting.

COMMITTEE/BOARD/COMMISSION ACTION: None

City of Lockhart, Texas

Council Agenda Item Cover Sheet

STAFF RECOMMENDATION/REQUESTED MOTION: Approval of Ordinance 2026-08, authorizing the issuance of revenue bonds for the Seawillow PID Major Improvement Area

LIST OF SUPPORTING DOCUMENTS: IA#1 Bond Ordinance 2026-08 with Exhibits

ORDINANCE NO. 2026-08

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF LOCKHART, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026 (SEAWILLOW PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1); APPROVING AND AUTHORIZING AN INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT, A LIMITED OFFERING MEMORANDUM, A CONTINUING DISCLOSURE AGREEMENT, A CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT, A LANDOWNER 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 Lockhart, Texas (the "City"), pursuant to and in accordance with the terms, provisions and requirements of the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code (the "PID Act"), has previously created the Seawillow Public Improvement District (the "District"), pursuant to Resolution No. 2024-26 adopted by the City Council of the City (the "Council") on October 15, 2024; and

WHEREAS, following the adoption of the Creation Resolution, on October 21, 2024, the City recorded the Creation Resolution with the County Clerk of Caldwell County, Texas, the county in which the District is located; and

WHEREAS, no written protests regarding the creation of the District from any owners of record of property within the District were filed with the City Secretary within 20 days after the recording of the Creation Resolution; and

WHEREAS, the District is being developed in phases, including the development of an area encompassing approximately 89.775 acres within the District designated as "Improvement Area #1"; and

WHEREAS, pursuant to the PID Act, on February 12, 2026, the Council published notice of the assessment hearing in the *Lockhart Post-Register*, a newspaper of general circulation in the City, and held a public hearing on March 3, 2026, regarding the levy of special assessments within Improvement Area #1 of the District, and on March 3, 2026, the Council adopted the assessment ordinance that levied the Improvement Area #1 Assessments (the "Assessment Ordinance"); and

WHEREAS, in the Assessment Ordinance, the Council approved and accepted the Service and Assessment Plan (the "Service and Assessment Plan") relating to the District and levied the Improvement Area #1 Assessments (as defined in the Service and Assessment Plan) in Improvement Area #1 of the District as shown on the Improvement Area #1 Assessment Roll (as defined and described in the Service and Assessment Plan); and

WHEREAS, the Council has found and determined that it is in the best interests of the City to issue its bonds to be designated "City of Lockhart, Texas Special Assessment Revenue Bonds, Series 2026 (Seawillow Public Improvement District Improvement Area #1)" (the "Bonds"), such Bonds to be payable from and secured by the Trust Estate, as defined in the Indenture (defined below) and other assets pledged under the Indenture to the payment of the Bonds; and

WHEREAS, the City is authorized by the PID Act to issue the Bonds for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #1 Projects, (ii) paying the Administrative Reserves related to the Bonds, (iii) paying Bond Issuance Costs for the Bonds, including funding a reserve fund for the payment of principal of and interest on the Bonds, and (iv) the interest on the Bonds during and after the period of construction of the Improvement Area #1 Projects (all as defined in the Indenture); and

WHEREAS, the Improvement Area #1 Projects are located within the District, and, in connection with the issuance of the Bonds, the City has determined that the Improvement Area #1 Projects confer a special benefit on Improvement Area #1 in the District as provided in Section V.C. of the Service and Assessment Plan; and

WHEREAS, the Council has found and determined to approve (i) the issuance of the Bonds to finance the Improvement Area #1 Projects and the Bond Issuance Costs, (ii) the form, terms and provisions of the Indenture securing the Bonds authorized hereby, (iii) the form, terms and provisions of a Bond Purchase Agreement (defined below) between the City and the purchaser of the Bonds, (iv) a Limited Offering Memorandum (defined below), (v) a Continuing Disclosure Agreement (defined below), (vi) a Construction, Funding and Acquisition Agreement (defined below) and (vii) a Landowner Agreement (defined below); 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 LOCKHART, 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.

Section 2. Approval of Issuance of Bonds and Indenture.

(a) The issuance of the Bonds in the principal amount of [\$_____] for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #1 Projects, (ii) paying the Administrative Reserves related to the Bonds, (iii) paying Bond Issuance Costs for the Bonds, including funding a reserve fund for the payment of principal of and interest on the Bonds, and (iv) the interest on the Bonds during and after the period of construction of the Improvement Area #1 Projects (all as defined in the Indenture).

(b) The Bonds shall be issued and secured under that certain Indenture of Trust (the "Indenture") dated as of March 1, 2026, between the City and UMB Bank, N.A., 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 or Mayor Pro Tem of the City, such approval to be evidenced by the execution and delivery of the Indenture, which Indenture is hereby approved in substantially final form attached hereto as **Exhibit A** and incorporated herein as a part hereof for all purposes. The Mayor or Mayor Pro Tem 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 or Mayor Pro Tem.

(c) The Bonds shall be dated, shall mature on the date or dates and in the principal amount or 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 by the Pledged Revenues (as defined in the Indenture) and other assets of the Trust Estate (as defined in the Indenture) pledged to the Bonds and shall never be payable from ad valorem taxes or any other funds or revenues of the City.

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, attached hereto as **Exhibit B** and incorporated herein as a part hereof for all purposes, which terms of sale are declared to be in the best interest of the City. The form, terms and provisions of the Bond Purchase Agreement are hereby authorized and approved with such changes as may be required to carry out the purpose of this Ordinance and approved by the City Manager, and the Mayor or Mayor Pro Tem of the City is hereby authorized and directed to execute and deliver the Bond Purchase Agreement. The Mayor's or Mayor Pro Tem's signature on the Bond Purchase Agreement may be attested by the City Secretary.

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 and the final Limited Offering Memorandum (the "Limited Offering Memorandum") presented to and considered at the meeting at which this Ordinance is considered are hereby in all respects approved and adopted. The Limited Offering Memorandum, with such appropriate variations as shall be approved by the Mayor or Mayor Pro Tem of the City and the Underwriter, may be used by the Underwriter in the offering and sale of the Bonds. The City Secretary is hereby authorized and directed to include and maintain a copy of the Preliminary Limited Offering Memorandum and final 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 confirmed and the Preliminary Limited Offering Memorandum is hereby deemed "final" as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. Notwithstanding the approval and delivery of such Preliminary Limited Offering Memorandum and Limited Offering Memorandum by the Council, the Council is not responsible for and proclaims no specific knowledge of the information contained in the Preliminary Limited Offering Memorandum and Limited Offering Memorandum pertaining to the Improvement Area #1 Projects, the Development, the Developer, or the MIA Lot Developer (as defined in the Limited Offering Memorandum) or its financial ability, any builders, any landowners, or the appraisal of the property in the District.

Section 5. Continuing Disclosure Agreement. The Continuing Disclosure Agreement of Issuer (the "Continuing Disclosure Agreement") among the City, P3Works, LLC and UMB Bank, N.A., as dissemination agent, is hereby authorized and approved in substantially final form attached hereto as

Exhibit C and incorporated herein as a part hereof for all purposes and the City Manager 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 City Manager, such approval to be evidenced by the execution thereof.

Section 6. Bond Counsel's Opinion. The obligation of the Underwriter to accept delivery of the Bonds is subject to the Underwriter being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the City, which opinion shall be dated as of and delivered on the date of initial delivery of the Bonds to the Underwriter. The engagement of such firm as bond counsel to the City in connection with issuance, sale and delivery of the Bonds is hereby approved and confirmed. The execution and delivery of an engagement letter, to the extent desired by the City, between the City and such firm, with respect to such services as bond counsel, is hereby authorized in such form as may be approved by the Mayor or Mayor Pro Tem, and the Mayor or Mayor Pro Tem is hereby authorized to execute such engagement letter. Additionally, a closing instruction letter executed by the City shall further provide for the fees and expenses to be paid for such bond counsel services.

Section 7. Construction, Funding, And Acquisition Agreement. The Seawillow Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement (the "Construction, Funding and Acquisition Agreement") between the City and ROED PROP CO, LLC, a Texas limited liability company, is hereby authorized and approved in substantially final form attached hereto as **Exhibit D** and incorporated herein as a part hereof for all purposes and the City Manager of the City is hereby authorized and directed to execute and deliver such Construction, Funding and Acquisition Agreement with such changes as may be required to carry out the purpose of this Ordinance and approved by the City Manager, such approval to be evidenced by the execution thereof.

Section 8. Landowner Agreement. The Landowner Agreement between the City and ROED PROP CO LLC, a Texas limited liability company (the "Landowner Agreement") is hereby authorized and approved in substantially final form attached hereto as **Exhibits E** and incorporated herein as a part hereof for all purposes and the City Manager of the City is hereby authorized and directed to execute and deliver such Landowner Agreement with such changes as may be required to carry out the purpose of this Ordinance and approved by the City Manager, such approval to be evidenced by the execution thereof.

Section 9. Additional Actions. The Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, City Director of Finance and the City Secretary 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. The Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, City Director of Finance and the City Secretary 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.

Section 10. Severability. If any Section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such Section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 11. Effective Date. This Ordinance is passed on one reading as authorized by Texas Government Code, Section 1201.028, and shall be effective immediately upon its passage and adoption.

PASSED AND APPROVED on March 3, 2026.

CITY OF LOCKHART, TEXAS

Lew White, Mayor

ATTEST:

Julie Bowermon, Interim City Secretary

APPROVED AS TO FORM:

Bradford E. Bullock, City Attorney

[CITY SEAL]

EXHIBIT A
INDENTURE OF TRUST

INDENTURE OF TRUST

By and Between

CITY OF LOCKHART, TEXAS

and

**UMB BANK, N.A.,
AS TRUSTEE**

DATED AS OF MARCH 1, 2026

SECURING

\$_____

**CITY OF LOCKHART, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(SEAWILLOW PUBLIC IMPROVEMENT
DISTRICT IMPROVEMENT AREA #1)**

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INDENTURE OF TRUST

THIS INDENTURE, dated as of March 1, 2026, is by and between the CITY OF LOCKHART, TEXAS (the "*City*"), and UMB Bank, N.A., 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 I.

WHEREAS, a petition was submitted and filed with the City Secretary (the "*City Secretary*") of the City on July 3, 2024 (the "*Petition*") pursuant to the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "*PID Act*"), requesting the creation of a public improvement district to be located within the corporate limits and extraterritorial jurisdiction of the City to be known as Seawillow Public Improvement District (the "*District*" or "*PID*") to provide public improvements within the District to include the design, acquisition, and construction of public improvement projects authorized by Section 372.003(b) of the PID Act that are necessary for development of the District, which public improvements will include, but not be limited to, landscaping, irrigation, streets, roadway and bridge construction, offsite right-of-way acquisition, intersection improvements, water facilities and improvements, wastewater facilities and improvements, drainage facilities and improvements, detention and water quality ponds, stormwater mitigation features, park improvements, trails, and improvements related to the foregoing; and

WHEREAS, the Petition contained the signatures of the record owners of taxable real property representing more than 50% of the appraised value of the real property liable for assessments within the District, as determined by the then current ad valorem tax rolls of the Caldwell County Appraisal District and the signatures of record property owners who own taxable real property that constitutes more than 50% of the area of all taxable property that is liable for assessment within the District; and

WHEREAS, on June 18, 2024, the City Council (the "*City Council*") of the City approved the Seawillow Development Agreement (the "*Development Agreement*") between the City and RODG DT Seawillow Propco LLC, a Texas limited liability company ("*RODG Seawillow*") , pursuant to which the RODG Seawillow, on behalf of itself and its affiliates, agreed to construct the Authorized Improvements (as identified in the Service and Assessment Plan), and the City agreed to reimburse the RODG Seawillow and its affiliates for the costs of constructing the Authorized Improvements from the Assessments or, after bonds are issued as allowed by the PID Act, from the proceeds of said bonds; and

WHEREAS, on October 15, 2024, after due notice, the City Council held the public hearing in the manner required by law on the advisability of the improvement projects described in the Petition as required by Section 372.009 of the PID Act and on October 15, 2024 the City Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 2024-26 (the "*Creation Resolution*"), adopted by a majority of the members of the City Council, authorized the creation of the District in accordance with its finding as to the advisability of the improvement projects; and

WHEREAS, following the adoption of the Creation Resolution, on October 21, 2024, the City recorded the Creation Resolution with the County Clerk of Caldwell County, Texas, (the "*County*") in which the District is located; and

WHEREAS, no written protests regarding the creation of the District from any owners of record of property within the District were filed with the City Secretary within 20 days after the recording of the Creation Resolution; and

WHEREAS, the District is expected to be developed in phases beginning with an area designated as "Improvement Area #1" within the District ("*Improvement Area #1*"), located within Caldwell County, Texas (the "*County*"); and

WHEREAS, on March 3, 2026, the City Council approved the Seawillow Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement between the City and the Developer, pursuant to which the Developer agreed to construct the Improvement Area #1 Projects identified in the Service and Assessment Plan, and the City agreed to reimburse the Developer for the costs of constructing the Improvement Area #1 Projects from the Improvement Area #1 Assessments or, after bonds are issued as allowed by the PID Act, from the proceeds of said bonds; and

WHEREAS, in accordance with the Development Agreement, RODG Seawillow and the Developer have requested that the City issue revenue bonds for Improvement Area #1 in order to finance a portion of the Improvement Area #1 Projects; and

WHEREAS, pursuant to Section 372.016(b) of the PID Act, the statutory notice of a public hearing to be held by the City Council on March 3, 2026, advising that the City Council would consider the levy of the proposed assessments (the "*Improvement Area #1 Assessments*") on real property within Improvement Area #1 of the District and the service and assessment plan (the "*Service and Assessment Plan*") was published on _____, 2026, in the *Austin American-Statesman*, a newspaper of general circulation in the City; and

WHEREAS, the City Secretary, pursuant to Section 372.016(c) of the PID Act, caused notice of the public hearing to consider the proposed Improvement Area #1 Assessment Roll and the Service and Assessment Plan and the levy of the Improvement Area #1 Assessments on property within Improvement Area #1 of the District to be mailed to the addresses of record at Caldwell County Appraisal District, such addresses being the last known addresses of the owners of the property liable for the Improvement Area #1 Assessments; and

WHEREAS, after notice was provided as required by the PID Act, the City Council on March 3, 2026, held a public hearing to consider the levy of the proposed Improvement Area #1 Assessments on property within Improvement Area #1 of the District, at which any and all persons who appeared, or requested to appear, in person as provided in the notice of public hearing published on _____, 2026 or by their attorney, were given the opportunity to contend for or contest the Improvement Area #1 Assessment Roll, and the proposed Improvement Area #1 Assessments, and to offer testimony pertinent to any issue presented on the amount of the Improvement Area #1 Assessments, the allocation of the Actual Costs (as defined herein) of the

Authorized Improvements to be undertaken for the benefit of all property to be assessed within Improvement Area #1 (the "*Improvement Area #1 Projects*"), the purposes of the Improvement Area #1 Assessments, the special benefits of the Improvement Area #1 Projects, and the penalties and interest on annual installments and on delinquent annual installments of the Improvement Area #1 Assessments; and

WHEREAS, the City Council convened the hearing on March 3, 2026, at which there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of Actual Costs, the Improvement Area #1 Assessment Roll, or the levy of the Improvement Area #1 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 City, approved and accepted the Service and Assessment Plan in conformity with the requirements of the PID Act and passed, approved and adopted the Assessment Ordinance, which Assessment Ordinance approved the Improvement Area #1 Assessment Roll and levied the Improvement Area #1 Assessments; and

WHEREAS, the City filed a copy of the Service and Assessment Plan with the County Clerk of Caldwell County, Texas; and

WHEREAS, in connection with the levy of the Improvement Area #1 Assessments, concurrently therewith, the Developer executed a Landowner Agreement (defined herein), wherein the Developer, among other things, approved and accepted the Assessment Ordinance and the Service and Assessment Plan, including the Improvement Area #1 Assessment Roll, consented to and accepted the levy of the Improvement Area #1 Assessments against its properties located within Improvement Area #1 of the District, and agreed to pay the Improvement Area #1 Assessments; and

WHEREAS, the City Council is authorized by the PID Act to issue its City of Lockhart, Texas Special Assessment Revenue Bonds, Series 2026 (Seawillow Public Improvement District Improvement Area #1) (the "*Bonds*") payable solely from a first lien on, security interest in, and pledge of the Trust Estate, consisting primarily of the Pledged Revenues for the purposes of paying (i) a portion of the Actual Costs of the Improvement Area #1 Projects, (ii) the Administrative Reserves related to the Bonds, (iii) Bond Issuance Costs for the Bonds, including funding a reserve fund for the payment of principal of and interest on the Bonds, and (iv) the interest on the Bonds during and after the period of construction of the Improvement Area #1 Projects; 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 Similarly Secured by the Holders 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 Holders, a security

interest and first lien on 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, including all moneys and investments held in the Pledged Funds, and 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; and

THIRD GRANTING CLAUSE

Any and all proceeds of the foregoing property and proceeds from the investment of the foregoing property;

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 Holders of the Bonds Similarly Secured from time to time issued under and secured by this Indenture, and for enforcement of the payment of the Bonds Similarly Secured in accordance with their terms, and for the performance of and compliance with the obligations, covenants, and conditions of this Indenture;

PROVIDED, 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 the Bonds Similarly Secured at the times and in the manner stated in the Bonds Similarly Secured, 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;

THE BONDS SIMILARLY SECURED are special obligations of the City payable solely from a first lien on, security interest in, and pledge of the Trust Estate, as and to the extent provided in this Indenture. The Bonds Similarly Secured 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 Holders of the Bonds Similarly Secured shall never have the right to demand payment thereof out of any assets of the City other than the Trust Estate. The City shall have no legal or moral obligation to pay for the Bonds Similarly Secured out of any assets of the City other than the Trust Estate.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds Similarly Secured 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 Holders from time to time of the Bonds Similarly Secured as follows:

ARTICLE I

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" in the singular, means any of the accounts established pursuant to Section 6.1 of this Indenture, and *"Accounts"* in the plural, means, collectively, all accounts established pursuant to Section 6.1 of this Indenture.

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

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

"Additional Interest Rate" means the additional 0.50% interest charged on the Improvement Area #1 Assessments as authorized by Section 372.018 of the PID Act.

"Additional Obligations" means any bonds or obligations, including specifically, any installment contracts, reimbursement agreements, temporary notes, or time warrants, secured in

whole or in part by an assessment, other than the Improvement Area #1 Assessments securing the Bonds Similarly Secured, levied against property within Improvement Area #1 of the District in accordance with the PID Act.

"Administrative Fund" means that Fund established by Section 6.1 and administered pursuant to Section 6.9.

"Administrative Reserves" means the estimated first year Annual Collection Costs.

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

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

"Annual Debt Service" means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds Similarly Secured in such Bond Year (excluding interest paid from funds on deposit in the Capitalized Interest Account of the Bonds Fund), assuming that the Outstanding Bonds Similarly Secured are retired as scheduled (including by reason of Sinking Fund Installments), and (ii) the principal amount of the Outstanding Bonds Similarly Secured due in such Bond Year (including any Sinking Fund Installments due in such Bond Year).

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

"Annual Service Plan Update" means an update to the Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the City Council, in accordance with the PID Act.

"Applicable Laws" means the PID Act, and all other laws or statutes, rules, or regulations, and any amendments thereto, of the State 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 of the Service and Assessment Plan, as shown on an Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

"Assessment Ordinance" means Ordinance No. 2026-__ adopted by the City Council on March 3, 2026, that levied the Improvement Area #1 Assessments, as shown on the Improvement Area #1 Assessment Roll.

"Assessment Revenues" means the revenues received by the City from the collection of Improvement Area #1 Assessments, including Prepayments, Annual Installments and Foreclosure Proceeds.

"Attorney General" means the Attorney General of the State.

"Authorized Denomination" means \$25,000 and any integral multiple of \$1,000 in excess thereof. The City prohibits any Bond to be issued in a denomination of less than \$25,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than \$25,000, and, unless made pursuant to Section 4.5 herein, any attempt to accomplish either of the foregoing shall be void and of no effect, provided, however, that if the total principal amount of any Outstanding Bond is less than \$25,000, then the Authorized Denomination of such Outstanding Bond shall be the amount of such Outstanding Bond. With respect to Refunding Bonds, such term shall have the meaning ascribed thereto in the Supplemental Indenture authorizing the issuance of such Refunding Bonds.

"Authorized Improvements" means improvements authorized by Section 372.003 of the PID Act as described in Section III and depicted on Exhibit B to the Service and Assessment Plan.

"Bond" means any of the Bonds.

"Bond Counsel" means McCall, Parkhurst & Horton L.L.P. 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 tax-exempt status of securities issued by public entities.

"Bond Date" means the date designated as the initial date of the Bonds by Section 3.2(a) of this Indenture.

"Bond Fund" means the Fund established pursuant to Section 6.1 and administered pursuant to Section 6.4.

"Bond Issuance Costs" means the costs associated with issuing Bonds Similarly Secured, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, reserve fund requirements, underwriter's discount, fees

charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of Bonds Similarly Secured.

"Bond Ordinance" means Ordinance No. 2026-__ adopted by the City Council on March 3, 2026, authorizing the issuance of the Bonds pursuant to this Indenture.

"Bond Pledged Revenue Account" means the Account in the Pledged Revenue Fund established pursuant to Section 6.1 of this Indenture.

"Bond Year" means the one-year period beginning on September 1 in each year and ending on August 31 in the following year.

"Bonds" means the City's bonds authorized to be issued by Section 3.1 of this Indenture entitled "City of Lockhart, Texas, Special Assessment Revenue Bonds, Series 2026 (Seawillow Public Improvement District Improvement Area #1)."

"Bonds Similarly Secured" means, collectively, any Outstanding Bonds and Refunding Bonds.

"Business Day" means any day other than a Saturday, Sunday or legal holiday in the State observed as such by the City or the Trustee or any national holiday observed by the Trustee.

"Capitalized Interest Account" means the Account in the Bond Fund established pursuant to Section 6.1 of this Indenture.

"Certification for Payment" means a certificate given pursuant to the Improvement Area #1 Construction, Funding and Acquisition executed by an engineer, construction manager or other person or entity acceptable to the City, as evidenced by the written approval of a City Representative, specifying the amount of work performed and the cost thereof in accordance with the Improvement Area #1 Construction, Funding and Acquisition, presented to the Trustee to request payment for Actual Costs from money on deposit in the Project Fund. The Form of Certification for Payment is attached to the Improvement Area #1 Construction, Funding and Acquisition as Exhibit B thereto.

"City" means the City of Lockhart, Texas.

"City Certificate" means a certificate signed by the City Representative and delivered to the Trustee.

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

"City Representative" means that official or agent of the City authorized by the City Council to undertake the action referenced herein as evidenced by a written incumbency certificate provided to the Trustee. Such certificate may designate alternates, each of whom shall be entitled to perform all duties of the City Representative.

"Closing Date" means the date of the initial delivery of and payment for the applicable series of Bonds Similarly Secured.

"Closing Memorandum" has the meaning given such term in Section 6.5 hereof.

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

"Comptroller" means the Comptroller of Public Accounts of the State.

"Continuing Disclosure Agreement of Issuer" means the agreement executed between the City, Administrator and the dissemination agent for the benefit of the Holders of the Bonds (including owners of beneficial interests of the Bonds), to provide, by certain dates prescribed therein periodic information and notices of material events regarding the City in accordance with Securities and Exchange Commission Rule 15c2-12.

"Cost of Issuance Account" means the Account in the Project Fund established pursuant to Section 6.1 of this Indenture.

"County" means Caldwell County, Texas.

"Defeasance Securities" means Investment Securities then authorized by applicable law for the investment of funds to defease public securities.

"Delinquency & Prepayment Reserve Account" means the Account in the Reserve Fund established pursuant to Section 6.1 of this Indenture.

"Delinquency & Prepayment Reserve Requirement" means an amount equal to 5.5% of the principal amount of the then Outstanding Bonds Similarly Secured, which amount will be funded from Improvement Area #1 Assessments and Annual Installments deposited to the Pledged Revenue Fund for subsequent transfer to the Delinquency & Prepayment Reserve Account of the Reserve Fund in accordance with the terms of this Indenture.

"Delinquent Collection Costs" means, for a Parcel, interest, penalties, and other costs and expenses authorized by the PID Act that directly or indirectly relate to the collection of delinquent Improvement Area #1 Assessments, delinquent Annual Installments, or any other delinquent amounts due under the Service and Assessment Plan, including costs and expenses to foreclose liens.

"Designated Payment/Transfer Office" means (i) with respect to the initial Paying Agent/Registrar named in this Indenture, the transfer/payment office designated by the Paying Agent/Registrar, which shall initially be located in Dallas, Texas, 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 RODG DT Seawillow PropCo, LLC and its successors and assigns.

"Development Agreement" means the Seawillow Development Agreement between the City and RODG Seawillow, as may be amended and supplemented from time to time.

"District" means the approximately 588.547 acres partially within the corporate limits and partially within the extraterritorial jurisdiction of the City known as the Seawillow Public Improvement District, as described legally by metes and bounds on Exhibit L-1 and as depicted by the map on Exhibit A-1 to the Service and Assessment Plan.

"DTC" means The Depository Trust Company of New York, New York, or any successor securities depository.

"DTC Participant" means 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.

"Foreclosure Proceeds" means the proceeds, including interest and penalty interest, received by the City from the enforcement of the Improvement Area #1 Assessments, whether by foreclosure of lien or otherwise, but excluding and net of all Delinquent Collection Costs.

"Fund" in the singular, means any of the funds established pursuant to Section 6.1 of this Indenture, and *"Funds"* in the plural, means, collectively, all of the funds established pursuant to Section 6.1 of this Indenture.

"Holder" 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. The term *"Holder"* when used in connection with the Bonds Similarly Secured, shall also include the Person who is the registered owner of a Bond Similarly Secured under the terms of any indenture relating thereto.

"Improvement Area #1" means approximately 89.775 acres located within the District, as described legally by metes and bounds on Exhibit L-2 to the Service and Assessment Plan.

"Improvement Area #1 Assessed Property" or *"Improvement Area #1 Assessed Properties"* means any Parcel within Improvement Area #1 against which an Improvement Area #1 Assessment is levied as shown on the Improvement Area #1 Assessment Roll (as the same may be updated each year by an Annual Service Plan Update) and which includes any and all Parcels within Improvement Area #1 other than Non-Benefited Property as defined in the Service and Assessment Plan.

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

"Improvement Area #1 Assessment Roll" means the Assessment Roll for the Improvement Area #1 Assessed Property and included in the Service and Assessment Plan as Exhibit E-1, as 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, including updates prepared in connection with any Annual Service Plan Update.

"Improvement Area #1 Improvement Account" means the Account in the Project Fund established pursuant to Section 6.1 of this Indenture.

"Improvement Area #1 Improvements" means Authorized Improvements, which only provide benefit to Improvement Area #1 and are more specifically described in Section III and depicted on Exhibit H of the Service and Assessment Plan.

"Improvement Area #1 Projects" means, collectively, the Improvement Area #1 Improvements, Improvement Area #1's allocable share of the Major Improvements, Bond Issuance Costs, and Administrative Reserves.

"Improvement Area #1 Construction, Funding and Acquisition" means the Seawillow Public Improvement District Construction, Funding, Reimbursement and Acquisition Agreement (Improvement Area #1) effective March 3, 2026, entered into by and between the City and the Developer.

"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 Similarly Secured; (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 Bonds" means the Initial Bonds authorized by Section 5.2 of this Indenture.

"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 on March 1 and September 1 of each year, commencing September 1, 2026.

"Investment Securities" means those authorized investments determined by the City and described in the Public Funds Investment Act, Chapter 2256, Government Code, as amended, which investments 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.

"Landowner Agreement" means the Landowner Agreement(s) executed by the City and Developer, being owner of all the Property subject to the Improvement Area #1 Assessments dated March 3, 2026, as may be amended.

"Major Improvements" mean the Authorized Improvements that benefit the entire District, and are more specifically described in Section III and depicted on Exhibit I to the Service and Assessment Plan.

"Maximum Annual Debt Service" means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds Similarly Secured.

"Outstanding" means, as of any particular date when used with reference to Bonds Similarly Secured, all Bonds Similarly Secured authenticated and delivered under this Indenture except (i) any Bond Similarly Secured that has been canceled by the Trustee (or has been delivered to the Trustee for cancellation) at or before such date, (ii) any Bond Similarly Secured for which the payment of the principal or Redemption Price of and interest on such Bond Similarly Secured shall have been made as provided in Article IV, (iii) any Bond Similarly Secured in lieu of or in substitution for which a new Bond Similarly Secured shall have been authenticated and delivered pursuant to Section 3.10, and (iv) Bond Similarly Secured alleged to have been mutilated, destroyed, lost or stolen which have been paid as provided in this Indenture.

"Parcel" or *"Parcels"* means a parcel or parcels within the boundaries of the District, identified by either a tax map identification number assigned by the Caldwell County Appraisal District, for real property tax purposes, by metes and bounds description, or by lot and block number in a final subdivision plat recorded in the real property records of the County or by any other means determined by the City Council.

"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 Chapter 372, Texas Local Government Code, as amended.

"Pledged Funds" means, collectively, the Pledged Revenue Fund, the Bond Fund, the Project Fund, the Reserve Fund, and the Redemption Fund.

"Pledged Revenue Fund" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.3.

"Pledged Revenues" means, collectively, the (i) Assessment Revenues (excluding the portion of the Improvement Area #1 Assessments and Annual Installments collected for the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service

and Assessment Plan), (ii) the moneys held in any of the Pledged Funds and (iii) any additional revenues that the City may pledge to the payment of the Bonds or other Bonds Similarly Secured.

"Prepayment" means the payment of all or a portion of an Improvement Area #1 Assessment before the due date thereof. Amounts received at the time of a Prepayment which represent a payment of principal, interest or penalties on a delinquent installment of an Improvement Area #1 Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Annual Installment of the Improvement Area #1 Assessment.

"Prepayment Costs" means 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.

"Principal and Interest Account" means the Account in the Bond Fund established pursuant to Section 6.1 of this Indenture.

"Project Fund" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.5.

"Project Collection Fund" means that fund established pursuant to Section 6.1.

"Purchaser" means, with respect to a series of Bonds Similarly Secured, the initial purchaser of such Bonds Similarly Secured.

"Quarter in Interest" means as of any particular date of calculation, the Holders of no less than twenty-five percent (25%) of the principal amount of the then Outstanding Bonds Similarly Secured so affected. In the event that two or more groups of Holders satisfy the percentage requirement set forth in the immediately preceding sentence and act (or direct the Trustee in writing to act) in a conflicting manner, only the group of Holders with the greatest percentage of then Outstanding Bonds Similarly Secured so affected (as measured in accordance with the immediately preceding sentence) shall, to the extent of such conflict, be deemed to satisfy such requirement.

"Rebatable Arbitrage" means rebatable arbitrage as defined in Section 1.148-3 of the Treasury Regulations.

"Rebate Fund" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.8.

"Record Date" means the close of business on the 15th calendar day of the month next preceding an Interest Payment Date.

"Redemption Fund" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.6.

"Redemption Price" means, when used with respect to any Bond or portion thereof, the principal amount of such Bond or such portion thereof plus the applicable premium, if any, plus accrued and unpaid interest on such Bond to the date fixed for redemption payable upon redemption thereof pursuant to this Indenture.

"Refunding Bonds" means bonds issued to refund all or any portion of the Bonds Similarly Secured and secured by a parity lien with the Bonds Similarly Secured on the Trust Estate, as more specifically described in the indenture authorizing such Refunding Bonds.

"Register" means the register specified in Article III of this Indenture.

"Reserve Account" means the Account in the Reserve Fund established pursuant to Section 6.1 of this Indenture.

"Reserve Account Requirement" means the least of: (i) Maximum Annual Debt Service on the Bonds Similarly Secured as of the date of issuance of a series of Bond Similarly Secured, (ii) 125% of average Annual Debt Service on the Bonds Similarly Secured as of the date of issuance of a series of Bonds Similarly Secured, and (iii) 10% of the proceeds of the Bonds Similarly Secured as of the date of issuance of a series of Bonds Similarly Secured; provided, however, that such amount shall be reduced as a result of (1) an optional redemption pursuant to Section 4.3 or (2) an extraordinary optional redemption pursuant to Section 4.4, and any such reduction in the Reserve Account Requirement shall be by a percentage equal to the pro rata principal amount of Bonds Similarly Secured redeemed by such redemption divided by the total principal amount of the Outstanding Bonds Similarly Secured prior to such redemption. As of the date of issuance of the Bonds, the Reserve Account Requirement is \$_____ which is an amount equal to [Maximum Annual Debt Service] on the Bonds as of their date of issuance. The City Representative shall provide the Trustee with written confirmation of the Reserve Account Requirement and any modifications related thereto.

"Reserve Fund" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.7.

"Service and Assessment Plan" means the document, including the Improvement Area #1 Assessment Roll, which is attached as Exhibit A to the Assessment Ordinance, as amended and restated, 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 a Stated Maturity of Bonds payable from such installments at the times and in the amounts provided in Section 4.2.

"Special Record Date" means in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment that will be established by the Trustee, if and when funds for the payment of such interest have been received from the City.

"State" means the State of Texas.

"Stated Maturity" means the date the Bonds Similarly Secured, or any portion of the Bonds Similarly Secured, 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 Assessor-Collector" means the Caldwell County, Texas Tax Assessor-Collector.

"Tax Certificate" means a certificate of the City setting forth the facts, estimates and circumstances in existence on the date of 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 the Code and any applicable regulations (whether final, temporary or proposed) issued pursuant to the Code.

"Treasury Regulations" shall have the meaning assigned to such term in Section 7.5(c).

"Trust Estate" means the Trust Estate described in the granting clauses of this Indenture.

"Trustee" means UMB Bank, N.A., Dallas, Texas, a national banking association duly organized and validly existing under the laws of the United States of America in its capacity as trustee hereunder, and its successors, and any other corporation or association that may at any time be substituted in its place, as provided in Article IX, such entity to serve as Trustee and Paying Agent/Registrar for the Bonds Similarly Secured.

"Value of Investment Securities" means the amortized value of any Investment Securities, provided, however, that all United States of America, United States Treasury Obligations – State and Local Government Series shall be valued at par and those obligations which are redeemable at the option of the holder shall be valued at the price at which such obligations are then redeemable. The computations shall include accrued interest on the investment securities paid as a part of the purchase price thereof and not collected. For the purposes of this definition "amortized value," when used with respect to a security purchased at par means the purchase price of such security and when used with respect to a security purchased at a premium above or discount below par, means as of any subsequent date of valuation, the value obtained by dividing the total premium or discount by the number of interest payment dates remaining to maturity on any such security after such purchase and by multiplying the amount as calculated by the number of interest payment dates having passed since the date of purchase and (i) in the case of a security purchased at a premium, by deducting the product thus obtained from the purchase price, and (ii) in the case of a security purchased at a discount, by adding the product thus obtained to the purchase price. The Trustee retains the ability and may rely upon the City's financial advisor to provide a determination as to the foregoing.

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) When used in Article XI of this Indenture in connection with the Bonds Similarly Secured, any reference to this Indenture, Article XI of this Indenture or any Section thereunder, and/or any events of default or remedies set forth therein, such terms and references shall be read and interpreted to include any indenture relating to any Bonds Similarly Secured, the related Article or Section in such indenture, and/or the events of default and remedies set forth therein.

(e) 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 II

THE BONDS

Section 2.1. **Security for the Bonds Similarly Secured.**

(a) The Bonds Similarly Secured, 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.

(b) The lien on and pledge of the Trust Estate shall be valid and binding and fully perfected from and after the Closing Date for the applicable series of Bonds Similarly Secured, each issued under this Indenture, without physical delivery or transfer of control of the Trust Estate, the filing of this Indenture or any other act; all as provided in Chapter 1208 of the Texas Government Code, as amended, which applies to the issuance of the Bonds Similarly Secured 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 Similarly Secured 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 Chapter 9, Texas Business and Commerce Code, as amended, then in order to preserve to the registered owners of the Bonds Similarly Secured 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 Chapter 9, Texas Business and Commerce Code, as amended, and enable a filing to perfect the security interest in said pledge to occur.

Section 2.2. Limited Obligations.

The Bonds Similarly Secured 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 the Bonds Similarly Secured 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 official action of the City Council of the City. 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 and/or convenient in order to better secure the Bonds Similarly Secured and is a contract or agreement necessary, useful and/or convenient to carry out and effectuate the purposes herein described.

Section 2.4. Contract with Holders 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 Similarly Secured and to prescribe the rights of the Holders, 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 Similarly Secured 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 Holder, and shall be deemed to be and shall constitute a contract among the City, the Holders, and the Trustee.

ARTICLE III

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, including particularly the PID Act, as amended. The Bonds shall be issued in the aggregate principal amount of \$_____ for the purposes of paying (i) a portion of the Actual Costs of the Improvement Area #1 Projects, (ii) the Administrative Reserves related to the Bonds, (iii) Bond Issuance Costs for the Bonds, including funding a reserve fund for the payment of principal of and interest on the Bonds, and (iv) the interest on the Bonds during and after the period of construction of the Improvement Area #1 Projects.

Section 3.2. Date, Denomination, Maturities, Numbers and Interest.

(a) The Bonds shall be dated the date of the initial delivery thereof (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 Bond Date 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 1 and September 1 of each year, commencing September 1, 2026, computed on the basis of a 360-day year of twelve 30-day months.

(c) The Bonds shall mature on September 1 in the years and in the principal amounts and shall bear interest at the rates set forth below:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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(d) The Bonds shall be subject to mandatory sinking fund redemption, optional redemption, and extraordinary optional redemption prior to maturity as provided in Article IV, and shall otherwise have the terms, tenor, denominations, details, and specifications as set forth in the form of Bond set forth in Section 4.2.

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 certified copy of the Assessment Ordinance;
- (b) a certified copy of the Bond Ordinance;
- (c) a copy of the executed Improvement Area #1 Construction, Funding and Acquisition and any amendments;
- (d) a copy of the executed Development Agreement and any amendments;
- (e) an executed copy of the Continuing Disclosure Agreement of Issuer;
- (f) a copy of this Indenture executed by the Trustee and the City;
- (g) an executed City Certificate directing the authentication and delivery of the Bonds, describing the Bonds to be authenticated and delivered, designating the purchasers to whom the Bonds are to be delivered, stating the purchase price of the Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the City;
- (h) an executed signature and no-litigation certificate of the City;
- (i) executed opinions of Bond Counsel and the City Attorney; and
- (j) 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 Similarly Secured shall be paid in lawful money of the United States of America, as provided in this Section.
- (b) Interest on the Bonds Similarly Secured shall be payable to the Holders thereof as shown in the Register at the close of business on the relevant Record Date or Special Record Date, as applicable.
- (c) Interest on the Bonds Similarly Secured 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 Holders 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 Holder; provided, however, the Holder shall bear all risk and expense of such other banking arrangement.

(d) The principal of each Bond Similarly Secured shall be paid to the Holder of such Bond Similarly Secured on the due date thereof, whether at the maturity date or the date of prior redemption thereof, upon presentation and surrender of such Bond Similarly Secured 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 Similarly Secured 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 Holder of the Bonds Similarly Secured to which such unclaimed payments pertain. Subject to any escheat, abandoned property, or similar law of the State, any such payments remaining unclaimed by the Holders entitled thereto for three (3) years after the applicable payment or redemption date shall be applied to the next payment or payments on the Bonds Similarly Secured thereafter coming due and, to the extent any such money remains after the retirement of all Outstanding Bonds Similarly Secured, 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 Similarly Secured for any further payment of such unclaimed moneys or on account of any such Bonds Similarly Secured, subject to any applicable escheat law or similar law of the State.

Section 3.5. Execution and Registration of Bonds.

(a) The Bonds Similarly Secured shall be executed on behalf of the City by the Mayor, Mayor Pro-Tem 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 Similarly Secured shall have the same effect as if each of the Bonds Similarly Secured had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds Similarly Secured shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds Similarly Secured.

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Bonds Similarly Secured ceases to be such officer before the authentication of such Bonds Similarly Secured 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 Similarly Secured 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 or in a Supplemental Indenture, 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 Similarly Secured. In lieu of the executed Certificate of Trustee described above, the Initial Bond delivered at the Closing Date for such series of Bonds Similarly Secured shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein or in a Supplemental Indenture, manually executed by the Comptroller, or by his duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General, is a valid and binding obligation of the City, and has been registered by the Comptroller.

(d) On each Closing Date, one Initial Bond for each series of Bonds Similarly Secured representing the entire principal amount of all Bonds of such series of Bonds Similarly Secured and registered in the name of Cede & Co, payable in stated installments to the applicable Purchaser, or its designee, executed with the manual or facsimile signatures of the Mayor, Mayor Pro-Tem and the City Secretary, approved by the Attorney General, and registered and manually signed by the Comptroller, will be delivered to the Purchaser of such Bonds Similarly Secured or its designee. Upon payment for the Initial Bond, the Trustee shall cancel the Initial Bond and upon City order deliver to DTC on behalf of such Purchaser one registered definitive bond for each year of maturity of such series of the Bonds Similarly Secured, in the aggregate principal amount of all Bonds Similarly Secured of such series 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 Similarly Secured is registered as the absolute owner of such Bond Similarly Secured for the purpose of making and receiving payment as provided herein (except interest shall be paid to the Person in whose name such Bond Similarly Secured is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not such Bond Similarly Secured is overdue, and none of the City, the Trustee or the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Holder of any Bond Similarly Secured 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 Similarly Secured 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 Similarly Secured 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 Similarly Secured 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 as is acceptable to the Paying Agent/Registrar. No transfer of any Bond Similarly Secured shall be effective until entered in the Register.

(c) The Bonds Similarly Secured shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond Similarly Secured or Bonds Similarly Secured 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 Similarly Secured presented for exchange. The Trustee is hereby authorized to authenticate and deliver Bonds exchanged for other Bonds Similarly Secured in accordance with this Section.

(d) The Trustee is hereby authorized to authenticate and deliver Bonds Similarly Secured transferred or exchanged in accordance with this Section. A new Bond Similarly Secured or Bonds Similarly Secured will be delivered by the Paying Agent/Registrar, in lieu of the Bond Similarly Secured being transferred or exchanged, at the Designated Payment/Transfer Office, or sent by United States mail, first class, postage prepaid, to the Holder or his designee. Each transferred Bond Similarly Secured 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 Similarly Secured or Bonds Similarly Secured in lieu of which such transferred Bond Similarly Secured is delivered.

(e) Each exchange Bond Similarly Secured 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 Similarly Secured or Bonds Similarly Secured in lieu of which such exchange Bond Similarly Secured is delivered.

(f) No service charge shall be made to the Holder for the initial registration, subsequent transfer, or exchange for a different denomination of any of the Bonds Similarly Secured. The Paying Agent/Registrar, however, may require the Holder 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 Similarly Secured.

(g) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Bond Similarly Secured 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 Holder of the uncalled principal balance of a Bond Similarly Secured.

Section 3.8. Cancellation.

All Bonds Similarly Secured paid or redeemed before scheduled maturity in accordance with this Indenture, and all Bonds Similarly Secured in lieu of which exchange Bonds Similarly Secured or replacement Bonds Similarly Secured 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. Whenever in this Indenture provision is made for the

cancellation by the Trustee of any Bonds Similarly Secured, the Trustee shall destroy such Bonds Similarly Secured and deliver a certificate of such destruction to the City.

Section 3.9. Temporary Bonds.

(a) Following the delivery and registration of the Initial Bond of each series of Bonds Similarly Secured and pending the preparation of definitive Bonds Similarly Secured, 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 Similarly Secured that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds Similarly Secured 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 Similarly Secured may determine, as evidenced by their signing of such temporary Bonds Similarly Secured.

(b) Until exchanged for Bonds Similarly Secured in definitive form, such Bonds Similarly Secured 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 Similarly Secured in definitive form; thereupon, upon the presentation and surrender of the Bond Similarly Secured or Bonds Similarly Secured 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 Similarly Secured or Bonds Similarly Secured of the same maturity and series, in definitive form, in the Authorized Denomination, and in the same aggregate principal amount, as the Bond Similarly Secured or Bonds Similarly Secured in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Holder.

Section 3.10. Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond Similarly Secured, the Trustee shall authenticate and deliver in exchange therefor a replacement Bond Similarly Secured of like tenor and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Holder of such Bond Similarly Secured 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 Similarly Secured is lost, apparently destroyed, or wrongfully taken, the City shall provide and the Trustee, pursuant to the Applicable Laws of the State and in the absence of notice or knowledge that such Bond Similarly Secured has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond Similarly Secured of like tenor and principal amount bearing a number not contemporaneously outstanding, provided that the Holder first complies with the following requirements:

- (i) 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 Similarly Secured;
- (ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the Trustee to save them and the City harmless;
- (iii) 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
- (iv) satisfies any other reasonable requirements imposed by the City and the Trustee.

(c) After the delivery of such replacement Bond Similarly Secured, if a bona fide purchaser of the original Bond Similarly Secured in lieu of which such replacement Bond was issued presents for payment such original Bond Similarly Secured, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond Similarly Secured 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 Similarly Secured has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond Similarly Secured, may pay such Bond Similarly Secured if it has become due and payable or may pay such Bond Similarly Secured when it becomes due and payable.

(e) Each replacement Bond Similarly Secured 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 Similarly Secured or Bonds Similarly Secured in lieu of which such replacement Bond Similarly Secured is delivered.

Section 3.11. Book-Entry Only System.

(a) The Bonds Similarly Secured 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 Similarly Secured 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 Similarly Secured 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 Similarly Secured. 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 will respect to any ownership interest in the Bonds Similarly Secured, (ii) the delivery to any DTC Participant or any other Person, other than an Holder, as shown on the Register, of any notice with respect to the Bonds Similarly Secured, including any notice of redemption, or (iii) the payment to any DTC Participant or any other Person, other than an Holder, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Bonds Similarly Secured. 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 Similarly Secured is registered in the Register as the absolute owner of such Bond Similarly Secured for the purpose of payment of principal of, premium, if any, and interest on Bonds Similarly Secured, for the purpose of giving notices of redemption and other matters with respect to such Bond Similarly Secured, for the purpose of registering transfer with respect to such Bond Similarly Secured, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds Similarly Secured only to or upon the order of the respective Holders 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 Similarly Secured to the extent of the sum or sums so paid. No Person other than a Holder, as shown in the Register, shall receive a Bond Similarly Secured 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 Record Date or Special Record Date, as applicable, 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 17(a) 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 Similarly Secured to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Bonds Similarly Secured and cause the Paying Agent/Registrar to transfer one or more separate registered Bonds Similarly Secured to DTC Participants having Bonds Similarly Secured credited to their DTC accounts. In such event, the Bonds Similarly Secured 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 Holders transferring or exchanging Bonds Similarly Secured 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 Similarly Secured 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 Similarly Secured, and all notices with respect to such Bonds Similarly Secured shall be made and given, respectively, in the manner provided in the blanket letter of representations from the City to DTC.

ARTICLE IV

REDEMPTION OF BONDS SIMILARLY SECURED 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 IV. Each series of Bonds Similarly Secured, other than the Bonds, shall be subject to mandatory sinking fund redemption and optional redemption as provided in the Supplemental Indenture authorizing the issuance of such series of Bonds Similarly Secured.

Section 4.2. **Mandatory Sinking Fund Redemption.**

(a) The Bonds maturing on September 1 in the years 20__ and 20__ (collectively, "*Term Bonds*"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the Redemption Price from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

Term Bonds Maturing _____, 20__	
<u>Redemption Date</u>	<u>Principal Amount</u>

†Final Maturity

Term Bonds Maturing _____, 20__	
<u>Redemption Date</u>	<u>Principal Amount</u>

†Final Maturity

(b) At least thirty (30) days prior to each sinking fund redemption date, and subject to any prior reduction authorized by subparagraphs (c) and (d) of this Section 4.2, the Trustee shall select for redemption by lot a principal amount of Term Bonds of such maturity equal to the Sinking Fund Installment 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 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 of such maturity which, at least 30 days prior to the sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

(d) The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Term Bonds which, at least 30 days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption provisions in Section 4.3 hereof or the extraordinary optional redemption provisions in Section 4.4 hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.3. Optional Redemption.

The Bonds may be redeemed prior to their scheduled maturities on any date on or after September 1, 20__, at the option of the City, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the City, at the Redemption Price.

Section 4.4. Extraordinary Optional Redemption.

The City reserves the right and option to redeem Bonds Similarly Secured before their respective scheduled maturity dates, in whole or in part, on any date, at the Redemption Price, 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(d)) or any other transfers to the Redemption Fund under the terms of this Indenture. If less than all Bonds Similarly Secured are called for extraordinary optional redemption, the Bonds Similarly Secured or portion of a Bond Similarly Secured to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds Similarly Secured.

Section 4.5. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to either Sections 4.2, 4.3 or 4.4, Bonds shall be redeemed in increments of \$1,000; provided that no redemption shall cause the principal amount of any Bond to be less than the minimum Authorized Denomination for such Bond except as provided in the following sentence. Notwithstanding the foregoing, if any Bonds are to be partially redeemed and such redemption results in the redemption of a portion of a single Bond in an amount less than the Authorized Denomination in effect at the time, a Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal

amount of such Bond by the minimum Authorized Denomination for such Bond.

(b) If less than all of a series of Bonds Similarly Secured are called for optional redemption pursuant to Section 4.3 hereof, the City shall, pursuant to a City Certificate, determine the Bond Similarly Secured or Bonds Similarly Secured or the amount thereof within a Stated Maturity to be redeemed and direct the Trustee to call by lot the Bonds, or portions thereof, within such Stated Maturity and in such principal amounts, for redemption.

(c) If less than all of the Bonds are called for extraordinary optional redemption pursuant to Section 4.4 hereof, the Bonds or portion of a Bond to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds. If less than all Bonds within a Stated Maturity are called for extraordinary optional redemption pursuant to Section 4.4 hereof, the Trustee shall call by lot the Bonds, or portions thereof, within such Stated Maturity and in such principal amounts, for redemption.

(d) 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 Holders.

(a) Upon written notification by the City to the Trustee of the exercise of any redemption, the Trustee shall give notice of any redemption of Bonds Similarly Secured by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Holder of each Bond Similarly Secured 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 Similarly Secured are to be surrendered for payment, and, if less than all the Outstanding Bonds Similarly Secured are to be redeemed, and subject to Section 4.5, an identification of the Bonds Similarly Secured 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 Similarly Secured 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 Holder receives such notice.

(d) The City has the right to rescind any optional redemption or extraordinary optional redemption described in Section 4.3 or 4.4 by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds Similarly Secured then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

(e) With respect to any optional redemption of the Bonds, unless the Trustee has received funds sufficient to pay the Redemption Price of the Bonds to be redeemed before giving of a notice of redemption, the notice may state the City may condition redemption on the receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient funds are not received, the notice shall be of no force and effect, the City shall not redeem the Bonds and the Trustee shall give notice, in the manner in which the notice of redemption was given, that the Bonds have not been redeemed.

Section 4.7. Payment Upon Redemption.

(a) The Trustee shall make provision for the payment of the Bonds Similarly Secured 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 Similarly Secured being redeemed.

(b) Upon presentation and surrender of any Bond Similarly Secured 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 Similarly Secured 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 Section 4.6 of this Indenture, the Bonds Similarly Secured or portions thereof called for redemption shall become due and payable on the date fixed for redemption provided that funds for the payment of on the Redemption Price of such Bonds Similarly Secured to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds Similarly Secured or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds Similarly Secured are presented and surrendered for payment on such date.

ARTICLE V

FORM OF THE BONDS SIMILARLY SECURED

Section 5.1. Form Generally.

(a) The Bonds Similarly Secured, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of the Trustee, and the Assignment to appear on each of the Bonds, (i) shall be, with respect to the Bonds, substantially in the form set forth in this Article with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Indenture, and, with respect to any Refunding Bonds, substantially in the form set forth in a Supplemental Indenture with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by the Supplemental 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 Bond Counsel) thereon as, consistently herewith, may be determined by the City or by the officers executing such Bonds Similarly Secured, as evidenced by their execution thereof.

(b) Any portion of the text of any Bonds Similarly Secured may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds Similarly Secured.

(c) The definitive Bonds Similarly Secured 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 Similarly Secured, as evidenced by their execution thereof.

(d) The Initial Bond of each series of Bonds Similarly Secured submitted to the Attorney General may be typewritten and photocopied or otherwise reproduced.

Section 5.2. **Form of the Bonds.**

(a) Form of Bond.

NEITHER THE FAITH AND CREDIT NOR THE TAXING
POWER OF THE STATE OF TEXAS, THE CITY,
CALDWELL COUNTY, OR ANY OTHER POLITICAL
CORPORATION, SUBDIVISION OR AGENCY THEREOF,
IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF
OR INTEREST ON THIS BOND.

REGISTERED
NO. _____

United States of America
State of Texas

REGISTERED
\$ _____

CITY OF LOCKHART, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2026
(SEAWILLOW PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1)

INTEREST RATE	MATURITY DATE	DATE OF DELIVERY	CUSIP NUMBER
%	September 1, 20__	March __, 2026	

The City of Lockhart, 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 on March 1 and September 1, of each year, commencing September 1, 2026.

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 UMB Bank, N.A., as trustee and paying agent/registrar (the "*Trustee*"), 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 acceptable to the Trustee, 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 15th 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 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 (which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder 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 as of the Date of

Delivery and issued in the aggregate principal amount of \$_____ and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of March 1, 2026 (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 Actual Costs of the Improvement Area #1 Projects, (ii) paying the Administrative Reserves related to the Bonds, (iii) paying Bond Issuance Costs for the Bonds, including funding a reserve fund for the payment of principal and interest on the Bonds, and (iv) the interest on the Bonds during and after the period of construction of the Improvement Area # 1 Improvements.

The Bonds are special, limited obligations of the City payable solely from the Trust Estate. 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 Holders. The Holder of this Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms, conditions and provisions of the Indenture.

The City has reserved the right to issue Refunding Bonds and other obligations on the terms and conditions specified in 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 \$25,000 and any multiple of \$1,000 in excess thereof ("*Authorized Denominations*"). The City prohibits the breaking up or allocation of CUSIP numbers to any Bond or Bonds in denominations of less than \$25,000, and any attempt to do so will be void and of no effect, except as may be the result of a partial redemption of a single Bond as provided in the Indenture, provided, however, that if the total principal amount of any Outstanding Bond is less than \$25,000, then the Authorized Denomination of such Outstanding Bond shall be the amount of such Outstanding Bond. With respect to Refunding Bonds, such term shall have the meaning ascribed thereto in the Supplemental Indenture authorizing the issuance of such Refunding Bonds.

The Bonds maturing on September 1 in the years 20__ and 20__ (collectively, the "*Term Bonds*"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part 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 VI of the Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

Term Bonds Maturing September 1, 20__

Redemption Date

Principal Amount

†Final Maturity

Term Bonds Maturing September 1, 20__

Redemption Date

Principal Amount

†Final Maturity

At least 30 days prior to each sinking fund redemption date, and subject to any prior reduction authorized by the Indenture, the Trustee shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Term Bonds of such maturity equal to the Sinking Fund Installments of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6 of the Indenture.

The principal amount of Term 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 Term Bonds of such maturity which, at least 30 days prior to the sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The principal amount of Term Bonds required to be redeemed on any sinking fund redemption date shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Term Bonds which, at least 30 days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

The Bonds may be redeemed prior to their scheduled maturities on any date on or after September 1, 20__, at the option of the City, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the City, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

The Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, on any date, at the option of 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 from amounts on deposit in the Redemption Fund as a result of Prepayments or any other transfers to the Redemption Fund under the terms of the Indenture. If less than all Bonds are called for extraordinary optional redemption, the Bonds or portion of a Bond to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds.

The Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Holder 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 Holder receives such notice.

The City has the right to rescind any optional redemption or extraordinary optional redemption described in the Indenture by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. Upon written direction from the City, the Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

With respect to any optional redemption of the Bonds, unless the Trustee has received funds sufficient to pay the Redemption Price of the Bonds to be redeemed before giving of a notice of redemption, the notice may state the City may condition redemption on the receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient funds are not received, the notice shall be of no force and effect, the City shall not redeem the Bonds and the Trustee shall give notice, in the manner in which the notice of redemption was given, that the Bonds have not been redeemed.

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 as is acceptable to the Trustee, 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 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, CALDWELL COUNTY OR 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 Lockhart, Texas

Mayor, City of Lockhart, Texas

[CITY SEAL]

(b) Form of Comptroller's Registration Certificate.

The following Registration Certificate of Comptroller of Public Accounts shall appear on the 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 this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____

Acting 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.

UMB Bank, N.A., as Trustee

DATED: _____

By: _____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto (print or typewrite name and address, including 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 register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

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) the Initial Bond shall be numbered T-1; and

(ii) in the first paragraph of the Bond, the words "on the Maturity Date, as specified above, the sum of \$ _____" shall be deleted and the following will be inserted: "on September 1 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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Section 5.3. **CUSIP Registration.**

The City may secure identification numbers through CUSIP Global Services, managed by FactSet Research Systems, Inc. on behalf of the American Bankers Association, New York, New York, and may authorize the printing of such numbers on the face of the Bonds Similarly Secured. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds Similarly Secured shall be of no significance or effect as regards the legality thereof and none of the City, the attorneys approving said Bonds Similarly Secured as to legality or the Trustee are to be held responsible for CUSIP numbers incorrectly printed on the Bonds Similarly Secured. The City prohibits any Bond Similarly Secured to be issued in a denomination of less than \$25,000 and further prohibits the assignment of a CUSIP number to any Bond Similarly Secured with a denomination of less than \$25,000, and any attempt to accomplish either of the foregoing shall be void and of no effect, except as provided in Section 4.5 hereof. The Trustee may include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds Similarly Secured have been assigned by an independent service and are included in such notice solely for the convenience of the Holders and that neither the City nor the Trustee shall be liable for any inaccuracies in such numbers.

Section 5.4. **Legal Opinion.**

The approving legal opinion of Bond Counsel may be printed on or attached to each Bond Similarly Secured over the certification of the City Secretary, which may be executed in facsimile.

ARTICLE VI
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:

- (i) Pledged Revenue Fund;
- (ii) Bond Fund;
- (iii) Project Fund;
- (iv) Reserve Fund;
- (v) Redemption Fund;
- (vi) Rebate Fund;
- (vii) Administrative Fund; and
- (viii) Project Collection Fund.

(b) Creation of Accounts.

- (i) The following Accounts are hereby created and established under the Bond Fund:
 - (A) Capitalized Interest Account; and
 - (B) Principal and Interest Account.
- (ii) The following Accounts are hereby created and established under the Reserve Fund:
 - (A) Reserve Account; and
 - (B) Delinquency & Prepayment Reserve Account.
- (iii) The following Accounts are hereby created and established under the Project Fund:
 - (A) Improvement Area #1 Improvement Account; and

(B) Costs of Issuance Account.

(iv) The following Account is hereby created and established under the Pledged Revenue Fund:

(A) Bond Pledged Revenue Account

(c) Each Fund and each Account created within such Fund shall be maintained by the Trustee separate and apart from all other funds and accounts of the City. The Pledged Funds 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 Holders of the Bonds Similarly Secured. 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.

(e) The Trustee may, from time to time, upon written direction from the City pursuant to a City Certificate, create additional Funds or Accounts hereunder as may be necessary for the receipt and application of the Assessment Revenues to account properly for the payment of the Actual Costs of the Improvement Area #1 Projects or to facilitate the payment or redemption for the Bonds Similarly Secured.

Section 6.2. Initial Deposits to Funds and Accounts.

The proceeds from the sale of the Bonds shall be paid to the Trustee and deposited or transferred by the Trustee as follows:

- (i) to the Capitalized Interest Account of the Bond Fund: \$_____;
- (ii) to the Reserve Account of the Reserve Fund: \$_____ which is equal to the initial Reserve Account Requirement;
- (iii) to the Costs of Issuance Account of the Project Fund: \$_____
- (iv) to the Improvement Area #1 Improvement Account of the Project Fund: \$_____; and
- (v) to the Administrative Fund: \$_____.

Section 6.3. Pledged Revenue Fund and Project Collection Fund.

(a) On or before February 20, 2027, and on or before each February 20 and August 20 of each year thereafter while the Bonds Similarly Secured are Outstanding, the City shall transfer or cause to be transferred, pursuant to a City Certificate provided to the Trustee for deposit to the Pledged Revenue Fund the Pledged Revenues, other than the Pledged Revenues deposited into the Project Collection Fund by the Trustee upon the receipt from the Tax Assessor-Collector of the

County. Upon the Trustee's receipt of the Pledged Revenues, including the Pledged Revenues deposited into the Project Collection Fund pursuant to Section 6.3(b) and subsequently transferred to the Pledged Revenue Fund by the Trustee pursuant to a City Certificate as described in Section 6.3(b), the Trustee shall deposit or cause to be deposited the foregoing amounts as follows: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds Similarly Secured next coming due, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, (iii) third, to pay Actual Costs of the Improvement Area #1 Projects as provided in Section 6.5 hereof, and (iv) fourth, to pay other costs permitted by the PID Act. Notwithstanding the foregoing, the Additional Interest of the Annual Installments shall only be utilized for the purposes set forth in Section 6.7(b) hereof and, on each March 1, beginning March 1, 2027, and on any other day set forth in a City Certificate, the amount of Additional Interest of the Annual Installments confirmed by the City pursuant to a City Certificate, will be transferred from the Pledged Revenue Fund and deposited into the Delinquency & Prepayment Reserve Account and/or the Redemption Fund, as applicable. If there are insufficient funds to make the deposit in full set forth in (i) above for the debt service payment date immediately following the required transfer date or the deposit in full set forth in (ii) above after the City transfers the Pledged Revenues to the Trustee by the dates specified in this Section 6.3(a) and after the Trustee deposits all such Pledged Revenues as provided in this Section 6.3(a), the City shall make additional transfers of Pledged Revenues as soon as available and practicable to the Trustee from time to time for deposit to the Pledged Revenue Fund as necessary to ensure such deposits in (i) and (ii) are made in full.

(b) While any of the Bonds Similarly Secured are Outstanding, the County, acting by and through its Tax Assessor-Collector or another taxing unit or an appraisal district, by agreement with the City, may collect Assessment Revenues on the City's behalf. If such taxing unit or appraisal district presents or otherwise tenders to the Trustee such collected Assessment Revenues for deposit on the City's behalf, the Trustee shall accept such Assessment Revenues and deposit the same into the Project Collection Fund. The Trustee shall, as directed by the City pursuant to a City Certificate, deposit or cause to be deposited (i) all of that portion of the Assessment Revenues deposited into the Project Collection Fund that consists of Annual Collection Costs and Delinquent Collection Costs to the Administrative Fund, and (ii) all of that portion of the Assessment Revenues deposited into the Project Collection Fund that consists of Pledged Revenues into the Pledged Revenue Fund and shall further deposit or cause to be deposited such Pledged Revenues pursuant to Section 6.3(a). The City shall provide such City Certificate on or before February 20, 2027, and on or before every February 20 and August 20 thereafter while the Bonds Similarly Secured are Outstanding. The Project Collection Fund is not a Pledged Fund. If there are insufficient funds to make the deposit in full set forth in (i) of Section 6.3(a) for the debt service payment date immediately following the required City Certificate delivery date or the deposit in full set forth in (ii) of Section 6.3(a) after the City provides a City Certificate by the dates specified in this Section 6.3(b) and after the Trustee deposits all Pledged Revenues received as provided in this Section 6.3(b) and Section 6.3(a), the City will provide additional City Certificates as soon as practicable to the Trustee from time to time upon notice from the Trustee that additional Assessment Revenues have been deposited to the Project Collection Fund and the Trustee will make the transfers contemplated by this Section 6.3(b) and Section 6.3(a) as necessary to ensure the deposits set forth in (i) and (ii) of Section 6.3(a) are made in full.

(c) From time to time as needed to pay the obligations relating to the Bonds Similarly Secured, 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 of the Bond Fund, an amount, taking into account any amounts then on deposit in such Principal and Interest Account and any expected transfers from the Capitalized Interest Account to the 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 Similarly Secured on the next Interest Payment Date.

(d) The Trustee shall transfer the amounts determined in writing by the City as Prepayments to the Redemption Fund promptly after deposit of such amounts into the Pledged Revenue Fund.

(e) Upon receipt of Foreclosure Proceeds, the Trustee shall transfer such amount of Foreclosure Proceeds determined in writing by the City, first to the Reserve Fund to restore any transfers from the Reserve Fund made in connection with the Improvement Area #1 Assessed Property to which the Foreclosure Proceeds relate, second, to the Delinquency & Prepayment Reserve Account replenish the Delinquency & Prepayment Reserve Requirement, and third, to the Redemption Fund.

(f) After satisfaction of the requirement to provide for the payment of the principal of and interest on the Bonds Similarly Secured and to fund any deficiency that may exist in the Reserve Fund, the Trustee shall, at the written request of the City, transfer any Pledged Revenues remaining in the Pledged Revenue Fund to the City, pursuant to a City Certificate, which monies may be used for any lawful purpose for which Improvement Area #1 Assessments may be used under the PID Act. The Trustee may rely upon any such request of the City and shall have no obligation to determine the lawful purposes permitted under the PID Act.

Section 6.4. Bond Fund.

(a) 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 Similarly Secured, less any amount to be used to pay interest on the Bonds Similarly Secured on such Interest Payment Date from the Capitalized Interest Account as provided below.

(b) If amounts in the Principal and Interest Account are insufficient for the purposes set forth in paragraph (a) above, the Trustee shall withdraw from 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 all interest due on the Bonds on September 1, 2026, and a portion of the interest due on the Bonds on March 1, 2027. 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 to the Project Fund, or if

the Project Fund has been closed as provided in Section 6.5(e), such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds and the Capitalized Interest Account shall be closed.

(d) If, after the foregoing transfers and any transfer from the Reserve Fund as provided in Section 6.7, there are insufficient funds to make the payments provided in paragraph (a) 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 Similarly Secured.

Section 6.5. Project Fund.

(a) Money on deposit in the Project Fund shall be used for the purposes specified in Section 3.1.

(b) Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds Similarly Secured pursuant to the instructions on the memorandum to be prepared by the underwriter for the Bonds Similarly Secured (the "*Closing Memorandum*") as of the Closing Date for the respective series of Bonds Similarly Secured. If, after the foregoing disbursements made pursuant to the Closing Memorandum, there are funds remaining in the Cost of Issuance Account, disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds Similarly Secured pursuant to one or more City Certificates as provided in Section 6.5(h).

(c) Disbursements from the Improvement Area #1 Improvement Account of the Project Fund to pay Actual Costs of the Improvement Area #1 Improvements shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certification for Payment. Each such Certification for Payment shall include a list of the payees and the payments to be made to such payees as well as a statement that all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in such written request and the Trustee may rely on such payment instructions given by the City with no duty to investigate or inquire as to the authenticity of or authorization for the invoice or the payment instructions contained therein. The disbursement of funds from the Improvement Area #1 Improvement Account shall be pursuant to and in accordance with the disbursement procedures described in the Improvement Area #1 Construction, Funding and Acquisition Agreement or as provided in such written direction. Such provisions and procedures related to such disbursement contained in the Improvement Area #1 Construction, Funding and Acquisition Agreement and no other provisions of the Improvement Area #1 Construction, Funding and Acquisition Agreement are herein incorporated by reference and deemed set forth herein in full.

(d) Except as provided in Section 6.5(e) and (g), money on deposit in the Improvement Area #1 Improvements Account of the Project Fund shall be used solely to pay Actual Costs of the Improvement Area #1 Improvements, provided the Trustee shall have no responsibility for the application of any funds disbursed from the Improvement Area #1 Improvement Account in reliance upon a Certification for Payment approved by the City.

(e) If the City Representative determines in the City Representative's reasonable discretion that amounts then on deposit in the Improvement Area #1 Improvement Account of the Project Fund are not expected to be expended for purposes of the Improvement Area #1 Improvement Account due to the abandonment, or constructive abandonment, of one or more of the Improvement Area #1 Improvements such that, in the reasonable opinion of the City Representative, it is unlikely that the amounts in the Improvement Area #1 Improvement Account of the Project Fund will ever be expended for the purposes of the Improvement Area #1 Improvement Account, the City Representative shall file a City Certificate with the Trustee, and provide a copy of such City Certificate to the Developer prior to filing with the Trustee, which identifies the amounts then on deposit in the Improvement Area #1 Improvement Account of the Project Fund that are not expected to be used for purposes of the Improvement Area #1 Improvement Account. If such City Certificate is so filed, the amounts on deposit in the Improvement Area #1 Improvement Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds Similarly Secured on the earliest practicable date after notice of redemption has been provided in accordance with this Indenture. Upon such transfers, the Improvement Area #1 Improvement Account of the Project Fund shall be closed.

(f) In making any determination pursuant to this Section, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

(g) Upon the filing of a City Certificate stating that all of the Improvement Area #1 Improvements have been completed and that all Actual Costs of the Improvement Area #1 Improvements have been paid, or that any Actual Costs of the Improvement Area #1 Improvements are not required to be paid from the Improvement Area #1 Improvement Account of the Project Fund pursuant to a Certification for Payment, the Trustee shall transfer the amount, if any, remaining within the Improvement Area #1 Improvement Account of the Project Fund to the Bond Fund or to the Redemption Fund as directed by the City Representative in a City Certificate filed with the Trustee. Upon such transfers, the Improvement Area #1 Improvement Account of the Project Fund shall be closed.

(h) Upon the Trustee's receipt of a written determination by the City Representative that all costs of issuance of the applicable series of Bonds Similarly Secured have been paid, any amounts remaining in the Costs of Issuance Account of the Project Fund shall be transferred to (i) the Improvement Area #1 Improvement Account in the Project Fund and used to pay Actual Costs of the Improvement Area #1 Improvements, or (ii) if no Improvement Area #1 Improvements remain to be funded, to the Principal and Interest Account of the Bond Fund and used to pay principal on the Bonds, as directed in a City Certificate filed with the Trustee and the Costs of Issuance Account shall be closed.

Section 6.6. Redemption Fund.

Subject to adequate amounts on deposit in the Pledged Revenue Fund, the Trustee, pursuant to a City Certificate, shall cause to be deposited to the Redemption Fund from the Pledged Revenue Fund an amount sufficient to redeem Bonds Similarly Secured as provided in Sections 4.3 and 4.4 on the dates specified for redemption as provided in Sections 4.3 and 4.4. Amounts on deposit in

the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds Similarly Secured as provided in Article IV.

Section 6.7. Reserve Fund.

(a) The City agrees with the Holders of the Bonds Similarly Secured to accumulate and, when accumulated, maintain in the Reserve Account of the Reserve Fund an amount equal to not less than the Reserve Account Requirement. All amounts deposited in the Reserve Account shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund or the Redemption Fund, as provided in this Indenture.

(b) Subject to 6.3(a) herein, the Trustee will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Delinquency & Prepayment Reserve Account on March 1 of each year, commencing March 1, 2027, and on any other day set forth in a City Certificate, an amount equal to the Additional Interest until the Delinquency & Prepayment Reserve Requirement has been accumulated in the Delinquency & Prepayment Reserve Account. Once the Delinquency & Prepayment Reserve Requirement has accumulated in the Delinquency & Prepayment Reserve Account, any amounts in excess of the Delinquency & Prepayment Reserve Requirement shall be transferred by the Trustee to the Redemption Fund to redeem Bonds Similarly Secured as provided in Article IV, provided, however, that if at any time the amount on deposit in the Delinquency & Prepayment Reserve Account is less than Delinquency & Prepayment Reserve Requirement, the Trustee shall resume depositing such Additional Interest into the Delinquency & Prepayment Reserve Account until the Delinquency & Prepayment Reserve Requirement has again accumulated in the Delinquency & Prepayment Reserve Account. In determining the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on a City Certificate specifying the amounts to transfer. The Additional Interest shall continue to be collected and deposited pursuant to this Indenture until the Bonds Similarly Secured are no longer Outstanding.

(c) Whenever a transfer is made from an Account of the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Trustee shall provide written notice thereof to the City, specifying the amount withdrawn and the source of said funds.

(d) In the event of an extraordinary optional redemption of Bonds Similarly Secured pursuant to Section 4.4, the Trustee, pursuant to written directions from the City, shall transfer from the Reserve Account of the Reserve Fund to the Redemption Fund the amount specified in such directions, which shall be an amount equal to the principal amount of Bonds Similarly Secured to be redeemed multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayment toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds Similarly Secured to the date fixed for redemption of the Bonds Similarly Secured to be redeemed as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall and/or any additional amounts necessary to permit the Bonds Similarly Secured to be redeemed in minimum principal amounts of \$1,000 from the

Delinquency & Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds Similarly Secured.

(e) Whenever, on any Interest Payment Date, or on any other date at the written request of a City Representative, the value of cash and Value of Investment Securities on deposit in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Bonds Similarly Secured on the next Interest Payment Date in accordance with Section 6.4, unless prior to the next Interest Payment Date, the Trustee receives a City Certificate instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8 hereof, (ii) to the Administrative Fund in an amount not more than the Annual Collection Costs for the Bonds Similarly Secured or (iii) to the Improvement Area #1 Improvement Account of the Project Fund to pay Actual Costs of the Improvement Area #1 Improvements if such application and the expenditure of funds is expected to occur within three years of the Closing Date.

(e-1) Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amount in the Delinquency & Prepayment Reserve Account exceeds the Delinquency & Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess, and the Trustee shall transfer such excess pursuant to Section 6.7(b) hereof. The Trustee shall incur no liability for the accuracy or validity of the transfer so long as the Trustee made such transfer in full compliance with this Section.

(f) Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds Similarly Secured due on such date, the Trustee shall transfer first from the Delinquency & Prepayment Reserve Account of the Reserve Fund, and second from the Reserve Account of the Reserve Fund to the Bond Fund the amounts necessary to cure such deficiency.

(g) At the final maturity of the Bonds Similarly Secured, the amount on deposit in the Reserve Account and the Delinquency & Prepayment Reserve Account of the Reserve Fund shall be transferred to the Principal and Interest Account and applied to the payment of the principal of the Bonds Similarly Secured.

(h) If, after a Reserve Account withdrawal, the amount on deposit in the Reserve Account is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account the amount of such deficiency, but only to the extent that such amount is not required for the timely payment of principal, interest, or Sinking Fund Installments.

(i) If the amount held in the Reserve Fund together with the amount held in the Pledged Revenue Fund, the Bond Fund and Redemption Fund is sufficient to pay the principal amount of all Outstanding Bonds Similarly Secured on the next date the Bonds Similarly Secured may be optionally redeemed by the City at a redemption price of par, together with the unpaid interest accrued on such Bonds Similarly Secured as of such date, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds Similarly Secured on such date.

Section 6.8. Rebate Fund: Rebatable Arbitrage.

(a) The Rebate Fund is to be held by the Trustee in accordance with the terms and provisions of this Indenture. 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 shall not be security for the Bonds Similarly Secured.

(b) In order to assure that Rebatable Arbitrage is paid to the United States rather than to a third party, investments of funds on deposit in the Rebate Fund shall be made in accordance with the Code and the Tax Certificate, as further set forth in written directions from the City to the Trustee. 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 under this Section, but only so long as the Trustee follows such written instructions in all respects...

(c) The Trustee conclusively shall be deemed to have complied with the provisions of this Section 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 in the absence of instructions from the City.

(d) If, on the date of each annual calculation, the amount on deposit in the Rebate Fund exceeds the amount of the Rebatable Arbitrage, the City may direct the Trustee, pursuant to a City Certificate, to transfer the amount in excess of the Rebatable Arbitrage to the Bond Fund.

Section 6.9. Administrative Fund.

(a) On or before February 20, 2027, and on or before each February 20 and August 20 of each year thereafter while the Bonds Similarly Secured are Outstanding, the City shall deposit or cause to be deposited to the Administrative Fund the portion of the Improvement Area #1 Assessments and Annual Installments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan, other than the Annual Collection Costs and Delinquent Collection Costs deposited into the Project Collection Fund, which amounts shall be deposited in accordance with Section 6.3(b) hereof, as applicable.

(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 Annual Collection Costs and Delinquent Collection Costs, or may be withdrawn by the Trustee without further authorization for the payment of the fees, expenses, advances and indemnities owed to the Trustee in accordance with Section 9.6. The Administrative Fund shall not be part of the Trust Estate and shall not be security for the Bonds Similarly Secured.

Section 6.10. Investment of Funds.

(a) Money in any Fund or Account, other than the Reserve Account of the Reserve Fund, shall be invested by the Trustee as directed by the City pursuant to a City Certificate filed

with the Trustee in Investment Securities; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund or Account will be available at the proper time or times. Money in the Reserve Account shall be invested in such Investment Securities as directed by the City pursuant to a City Certificate filed with the Trustee, provided that the final maturity of any individual Investment Security shall not exceed 270 days and the average weighted maturity of any investment pool or no-load money market mutual fund shall not exceed 90 days. Each such City Certificate shall be a certification, upon which the Trustee may conclusively rely without investigation or inquiry, that the investment directed therein constitutes an Investment Security and that such investments meet the maturity and average weighted maturity requirements set forth in the preceding sentence and the Trustee shall not be responsible for determining such requirements. Such investments shall be valued each year in terms of the Value of Investment Securities as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in the Funds and Accounts may be invested in common investments of the kind described above, or in a common pool of such investment 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 or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold, in order to make the disbursements required or permitted by this Indenture, to prevent any default under this Indenture. To ensure that cash on hand is invested, if the City does not give the Trustee written or timely instructions with respect to investments of funds, the Trustee is hereby directed to invest and re-invest cash balances in Morgan Stanley, Fidelity or Federated family of funds, but only so long as such funds are authorized investments and permitted under the Public Funds Investment Act, Texas Government Code 2256, as amended, or any successor law, and only so long as such investments constitute Investment Securities and the money required to be expended from any Fund will be available at the proper time or times.

(b) Obligations purchased as an investment of moneys in any Fund or Account 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 as determined and directed in writing by the City.

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. 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 suitability or legality of any investments or whether investments comply with this Section. 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 to the City, upon the City's written request, periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the City. 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 City waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The City further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

(f) In the event it is found, after an annual calculation has been done pursuant to Section 6.8 hereof, that the City owes Rebatable Arbitrage to the United States Government, the City shall direct the Trustee, pursuant to a City Certificate, to transfer to the Rebate Fund the investment earnings on funds on deposit in the Pledged Funds in an amount equal to the Rebatable Arbitrage owed by the City. The City Certificate shall specify the amount to be transferred and the Pledged Fund or Pledged Funds from which the investment earnings shall be transferred.

Section 6.11. 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 VII

COVENANTS

Section 7.1. Confirmation of Improvement Area #1 Assessments.

The City hereby confirms, covenants, and agrees that, in the Assessment Ordinance, it has levied the Improvement Area #1 Assessments against the property in Improvement Area #1 of the District from which the Assessment Revenues will be collected and received.

Section 7.2. Collection and Enforcement of Improvement Area #1 Assessments.

(a) For so long as any Bonds Similarly Secured are Outstanding, the City covenants, agrees and warrants that it will take and pursue all reasonable actions permissible under Applicable Laws to cause the Improvement Area #1 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 Improvement Area #1 Assessments.

(b) To the extent permitted by law, notice of the Annual Installments shall 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 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.

(c) The City will determine or cause to be determined, no later than February 15 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 Improvement Area #1 Assessments or the corresponding property.

(d) The City shall not be required under any circumstances to expend any funds for Delinquent Collection Costs or Annual Collection Costs in connection with its covenants and agreements under this Section or otherwise other than funds on deposit in the Administrative Fund.

(e) If and to the extent that the Improvement Area #1 Assessments have been prepaid in full, the lien on the real property associated with such Prepayment shall be released, and the rights of the Trustee and Holders under this Indenture with respect to such released real property shall terminate.

Section 7.3. Against Encumbrances.

(a) The City shall not create and shall not suffer to remain, any lien, encumbrance or charge upon the Trust Estate or upon any other property pledged under this Indenture, except the pledge created for the security of the Bonds Similarly Secured, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

(b) So long as Bonds Similarly Secured are Outstanding hereunder or under any Supplemental Indenture relating to any Refunding Bonds, the City shall not issue any bonds, notes or other evidences of indebtedness, other than the Bonds Similarly Secured, secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under this Indenture or under any Supplemental Indenture relating to any Refunding Bonds, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

Section 7.4. Records, Accounts, Accounting Reports.

The City hereby covenants and agrees that so long as any Bonds Similarly Secured are Outstanding, it will keep and maintain a proper and complete system of records and accounts pertaining to the Improvement Area #1 Assessments. The Trustee and Holder or Holders of any Bonds Similarly Secured 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 Similarly Secured during the City's regular business hours and on a mutually agreeable date not later than thirty days after the City receives such request.

Section 7.5. Covenants Regarding Tax Exemption of Interest on Bonds.

(a) Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "*Code*"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Indenture or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action which would otherwise result in the Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with --

(A) proceeds of the Bonds invested for a reasonable temporary period of 3

years or less or, in the case of a refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(7) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(8) to refrain from using the proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings)

(9) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(10) to establish reasonable expectations to prevent using the proceeds of the Bonds in contravention of the requirements of section 149(g) of the Code (relating to hedge bonds).

(b) Rebate Fund. In order to facilitate compliance with the above covenant (9), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Proceeds. The Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the Issuer agrees to comply with the additional

requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the _____ to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) Allocation Of, and Limitation On, Expenditures for the Project. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Indenture (the "*Project*") on its books and records in accordance with the requirements of the Internal Revenue Code. The Issuer recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the Issuer recognizes that in order for proceeds to be expended under the Internal Revenue Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired. The Issuer agrees to obtain the advice of nationally recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of Project. The Issuer covenants that the property constituting the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Bonds. For purpose of the foregoing, the Issuer may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(f) Reimbursement. This Indenture is intended to satisfy the official intent requirements set forth in section 1.150-2 of the Treasury Regulations.

ARTICLE VIII

LIABILITY OF CITY

Section 8.1. **Liability of City.**

(a) Neither the full faith and credit nor the general taxing power of the City is pledged to the payment of the Bonds Similarly Secured, and no City taxes, fee or revenues from any source are pledged to the payment of, or available to pay any portion of, the Bonds Similarly Secured or any other obligations relating to the District. The City shall never be liable for any obligations relating to the Bonds Similarly Secured or other obligations relating to the District, other than as specifically provided for in this Indenture.

(b) The City shall not incur any responsibility in respect of the Bonds Similarly Secured or this Indenture other than in connection with the duties or obligations explicitly herein or in the Bonds Similarly Secured 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 Similarly Secured, or as to the existence of a default or event of default thereunder.

(c) 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.

(d) No provision of this Indenture, the Bonds Similarly Secured, the Assessment Ordinance, or any agreement, document, instrument, or certificate executed, delivered or approved in connection with the issuance, sale, delivery, or administration of the Bonds Similarly Secured (collectively, the "*Bond Documents*"), shall require the City to expend or risk its own general funds or other funds or otherwise incur any financial liability (other than with respect to the Trust Estate and the amounts collected to pay Annual Collection Costs deposited in the Administrative Fund) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of the City there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

(e) Neither the Holders 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 Trust Estate or the amounts collected to pay Annual Collection Costs deposited in the Administrative Fund. 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 Holders of the Bonds Similarly Secured by mandamus or other proceeding at law or in equity.

(f) 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 independent 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.

(g) 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 IX

THE TRUSTEE

Section 9.1. Acceptance of Trust; Trustee as Registrar and Paying Agent.

(a) The Trustee accepts and agrees to execute the respective trusts imposed upon it by this Indenture, but only upon the express terms and conditions and subject to the provisions of this Indenture to all of which the parties hereto and the respective Holders of the Bonds Similarly Secured agree. The Trustee undertakes to perform such duties and only such duties as are specifically and expressly set forth herein. No implied covenants or obligations shall be read into this Indenture against the Trustee. These duties shall be deemed purely ministerial in nature, and the Trustee shall not be liable except in connection with its performance of such duties.

(b) The Trustee is hereby designated and agrees to act as Paying Agent/Registrar for and in respect to the Bonds Similarly Secured.

Section 9.2. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to spend its own funds, to 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, to the extent permitted by law, to its satisfaction by the Holders 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; provided, however, that in no event shall the Trustee request or require indemnification as a condition to making any deposits, payments or transfers (provided such payment or transfer is prior to an Event of Default) when required hereunder, or to deliver any notice when required hereunder. To the extent permitted by law and during the occurrence of an Event of Default, or to delivering any notice when required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or exercise any such rights and powers as Trustee, and in such case the Trustee may make transfers from the Administrative Fund, and to the extent money in the Administrative Fund is insufficient, from the Pledged Revenue Fund, to pay all fees, costs, and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall, to the extent permitted by law, be entitled to a preference therefor over any Outstanding Bonds Similarly Secured hereunder on amounts held within the Administrative Fund.

Section 9.3. Responsibilities of the Trustee.

(a) The recitals contained in this Indenture and in the Bonds Similarly Secured shall be taken as the statements of the City and the Trustee assumes no responsibility for 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 Similarly Secured 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 Similarly Secured 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; (v) any loss suffered in connection with any investment of funds in accordance with this Indenture; or (vi) to undertake any other action unless specifically authorized pursuant to written direction by the City or pursuant to this Indenture.

(b) 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 and expressly set forth in this Indenture. The Trustee will, prior to any Event of Default and after curing of any Event of Default, perform such duties and only such duties as are specifically set forth herein. The Trustee will during the existence of an Event of Default, exercise such rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of his/her own affairs.

(c) 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 liable for incidental, indirect, special, or consequential damages in connection with or arising from this Indenture for the existence, furnishing or use of the Improvement Area #1 Project.

(d) 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 direction of the Holders of at least a Quarter in Interest of the then Outstanding Bonds Similarly Secured 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.

(e) The Trustee shall not be liable for any error of judgment made in good faith by any one of its officers, unless it shall be established that the Trustee was negligent in ascertaining the pertinent facts.

(f) 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, shall survive the Trustee's resignation or removal, the discharge of this Indenture.

(g) The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof, or as to the validity or sufficiency of this Indenture or of the Bonds. The Trustee shall not be accountable for the use or application of any Bond or the proceeds thereof or of any money paid to or upon the order of the City under any provision of this Indenture.

(h) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents, attorneys, or receivers, and shall not be responsible for any misconduct or negligence on the part of any agent, attorney, or receiver appointed or chosen by it with due care, and the Trustee shall be entitled to rely and act upon the opinion or advice of counsel, who may be counsel to the City, concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such agents, attorneys, and receivers as may reasonably be employed in connection with the trusts hereof. The Trustee shall not be responsible for any loss or damage resulting from any action or nonaction by it taken or omitted to be taken in good faith in reliance upon such opinion or advice of counsel.

(i) The Trustee shall not be responsible for any recital herein (except with respect to the authentication certificate of the Trustee endorsed on the Bonds) or for the recording, filing, or refiling of this Indenture in connection therewith, or for the validity of the execution by the City of this Indenture or of any Supplemental Indentures or instruments of further assurance, or for the sufficiency or security of the Bonds. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Indenture.

(j) The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof, or as to the validity or sufficiency of this Indenture or of the Bonds

Similarly Secured. The Trustee shall not be accountable for the use or application of any Bonds Similarly Secured or the proceeds thereof or of any money paid to or upon the order of the City under any provision of this Indenture.

Section 9.4. 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 9.5. Trustee Protected in Relying on Certain Documents.

(a) The Trustee may conclusively rely upon any order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond, or other document or instrument 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, or upon the written opinion of any counsel, architect, engineer, insurance consultant, management consultant, or accountant that the Trustee shall in good faith reasonably believe to be qualified in relation to the subject matter or is selected by the City in accordance with this Indenture, and the Trustee shall be under no duty to make any investigation or inquiry into, and shall not be deemed to have knowledge of, any statements contained or matters referred to in any such instrument. Subject to Section 9.1 and 9.3, the Trustee may, at the expense of the City, consult with counsel selected by the Trustee with due care that is nationally recognized in the field of municipal bond law, who may or may not be Bond Counsel, and any advice from such counsel with respect to compliance with the provisions of this Indenture shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder, reasonably and in good faith, in accordance with such advice.

(b) 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 such 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, 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 be entitled to conclusively rely upon the foregoing as sufficient evidence of the facts set forth herein. The execution of any City Certificate shall constitute, unto the Trustee, an irrevocable determination that all conditions precedent thereto have occurred.

(c) 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 9.13.

Section 9.6. Compensation.

Unless otherwise provided by contract with the Trustee, the Trustee at the written direction of the City, shall transfer from the Administrative Fund, the previously determined and agree upon, reasonable compensation for all services rendered by it hereunder, including its services as Paying Agent/Registrar and extraordinary services rendered,, 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, all pursuant to a City Certificate and subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by such City Certificate, and the Trustee shall have a lien therefor on any and all funds at any time held by it hereunder prior to any Bonds Similarly Secured then Outstanding. 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 the Trustee has 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 shall make such payment from lawfully available funds in the Administrative Fund, and to the extent moneys in the Administrative Fund are insufficient, then from other lawfully available funds (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 Outstanding Bonds Similarly Secured hereunder. The right of the Trustee to fees, expenses, and indemnification, to the extent permitted by law, shall survive the release, discharge, and satisfaction of the Indenture.

Section 9.7. 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 Similarly Secured and may join in any action that any Holder of Bonds Similarly Secured 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 Similarly Secured or to effect or aid in any reorganization growing out of the enforcement of the Bonds Similarly Secured or this Indenture, whether or not such committee shall represent the Holders of a Quarter in Interest of the Bonds Similarly Secured. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be liable for any permissive actions taken except as a consequence of its own negligence or misconduct.

Section 9.8. Resignation of Trustee.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than 60 days' written notice, specifying the date when such resignation shall take effect, to the City and each Holder of any Outstanding Bonds Similarly Secured. Such resignation shall take effect upon the appointment of a successor as provided in Section 9.10 and the acceptance of such appointment by such successor. Notwithstanding the

foregoing, if, after 60 days following receipt of the notice, the City has not appointed a successor Trustee, the Trustee may apply to a court of competent jurisdiction to appoint a successor Trustee, at no expense to the City, and such resignation shall take effect upon the court's appointment of a successor Trustee.

Section 9.9. Removal of Trustee.

The Trustee may be removed at any time by (i) the Holders of at least a Quarter in Interest of the Bonds Similarly Secured by an instrument or concurrent instruments in writing signed and acknowledged by such Holders 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 Holders of not less than 10% of the aggregate principal amount of Bonds Similarly Secured then Outstanding. Notwithstanding the foregoing, if, after 60 days following receipt of the notice, the City has not appointed a successor Trustee, the Trustee may apply to a court of competent jurisdiction to appoint a successor Trustee, at no expense to the City, and such resignation shall take effect upon the court's appointment of a successor Trustee.

Section 9.10. Successor Trustee.

(a) 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.

(b) 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 Holders of at least a Quarter in Interest of the Bonds Similarly Secured by an instrument or concurrent instruments in writing signed and acknowledged by such Holders 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.

(c) Until such successor Trustee shall have been appointed by the Holders of the Bonds Similarly Secured, the City shall forthwith (and in no event in excess of 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 Holder of any Outstanding Bonds Similarly Secured within 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 Holders of Bonds Similarly Secured.

(d) If in a proper case no appointment of a successor Trustee shall be made within 45 days after the giving by any Trustee of any notice of resignation in accordance with Section 9.8 or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Holder of Bonds Similarly Secured 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.

(e) 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.

(f) Each successor Trustee shall mail, in accordance with the provisions of the Bonds Similarly Secured, notice of its appointment to the Trustee, any rating agency which, at the time of such appointment, is providing a rating on the Bonds Similarly Secured and each of the Holders of the Bonds Similarly Secured.

Section 9.11. Transfer of Rights and Property to Successor Trustee.

Any successor Trustee appointed under the provisions of Section 9.10 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 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 its 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 9.12. 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, 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 9.10, or a trust company that is a wholly-owned subsidiary of any of the foregoing.

Section 9.13. Trustee To File Continuation Statements.

The City will cause to be filed all appropriate financing statements. If necessary, the Trustee, as directed by the City, shall file or cause to be filed, at the City's expense, such continuation statements as may be delivered to the Trustee 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 and rights 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, provided, unless the Trustee is otherwise notified in writing by the City or a Holder, the Trustee may conclusively rely upon the initial financing statements delivered to it in filing any continuation statements hereunder. The Trustee is not responsible for the initial filing of any financing statements. The City shall timely deliver a copy of such filed financing statement, if any, to the Trustee.

Section 9.14 Offering Documentation.

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 Similarly Secured and, except as otherwise provided in the continuing disclosure agreement of the issuer, shall have no responsibility for compliance with any State or federal securities laws in connection with the Bonds Similarly Secured.

Section 9.15. 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 Holder or Holders of not less than 10% in principal amount of the Bonds Similarly Secured then Outstanding or their representatives duly authorized in writing.

Section 9.16. 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 Holders of the Bonds Similarly Secured.

Section 9.17 Verifications of Statutory Representations and Covenants.

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 Securities and Exchange Commission 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 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.

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. Amendments Permitted.

(a) This Indenture and the rights and obligations of the City and of the Holders of the Bonds Similarly Secured 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 Holders of the Bonds

Similarly Secured so affected by such modification or amendment, or with the written consent without a meeting, of the Holders of the Bonds Similarly Secured of at least a majority of the aggregate Outstanding principal of the Bonds Similarly Secured so affected by such modification or amendment and with City approval. No such modification or amendment shall (i) extend the maturity of any Bond Similarly Secured or reduce the principal of or 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 Similarly Secured, without the express consent of the Holder of such Bond Similarly Secured, or (ii) permit the creation by the City of any pledge or lien upon the Trust Estate superior to or on a parity with the pledge and lien created for the benefit of the Bonds Similarly Secured (except as otherwise permitted by Applicable Laws and this Indenture), or (iii) reduce the percentage of Bonds Similarly Secured required for the amendment hereof. Any such amendment shall not modify any of the rights, immunities or obligations of the Trustee without its prior written consent. In executing or accepting any Supplemental Indenture, the Trustee shall be fully protected in relying upon an opinion of qualified counsel addressed and delivered to the Trustee stating that (a) the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture, (b) the execution and delivery of will not adversely affect the exclusion from federal gross income of the interest on the Bonds Similarly Secured, and (c) such Supplemental Indenture will, upon the execution and delivery thereof, to be a valid and binding obligation of the City.

(b) This Indenture and the rights and obligations of the City and of the Holders may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Holders, only to the extent permitted by Applicable Laws, and only for any one or more of the following purposes:

(i) 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;

(ii) to make modifications not adversely affecting any Outstanding Bonds Similarly Secured in any material respect;

(iii) 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 Holders of the Bonds Similarly Secured;

(iv) to provide for the issuance of Refunding Bonds, as set forth in Section 13.2 herein;

(v) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Bonds Similarly Secured; and

(vi) to authorize Refunding Bonds in accordance with the provisions of this Indenture.

(c) Notwithstanding anything to the contrary herein, no Supplemental Indenture entered into in accordance with Section 10.1(b) above shall be effective unless the City first delivers to the Trustee an opinion of Bond Counsel to the effect that such amendment will not adversely affect the: (i) interests of the Holders in any material respect, or (ii) exclusion of interest on any Bond Similarly Secured from gross income for purposes of federal income taxation.

Section 10.2. Holders' Meetings.

The City may at any time call a meeting of the Holders of the Bonds Similarly Secured. 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 reasonable rules and regulations for the conduct of said meeting; provided, however, that the same may not conflict with the terms of this Indenture. Without limiting the generality of the immediately preceding sentence, such rules and regulations may not reduce the percentage of Holders of Bonds Similarly Secured required for the amendment of this Indenture as provided herein.

Section 10.3. Procedure for Amendment with Written Consent of Holders.

(a) The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds Similarly Secured or of this Indenture, to the extent that such amendment is permitted by Section 10.1, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a request to Holders for their consent thereto, if such consent is required pursuant to Section 10.1, shall be mailed by first class mail, by the Trustee to each Holder of Bonds Similarly Secured 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.

(b) Such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the written consents of the Holders 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 Similarly Secured for which such consent is given, which proof shall be such as is permitted by Section 11.6. Any such consent shall be binding upon the Holder of the Bonds Similarly Secured giving such consent and on any subsequent Holder (whether or not such subsequent Holder has notice thereof), unless such consent is revoked in writing by the Holder giving such consent or a subsequent Holder by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

(c) After the Holders of the required percentage of Bonds Similarly Secured shall have filed their consents to the Supplemental Indenture, the City shall mail a notice to the Holders 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 Holders of the required percentage of Bonds Similarly Secured 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 10.3 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 Holders of all Bonds Similarly Secured at the expiration of sixty (60) 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 sixty-day period.

Section 10.4. Procedure for Amendment Not Requiring Holder Consent.

(a) The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds Similarly Secured or of this Indenture, to the extent that such amendment is permitted by Section 10.1, to take effect when and as provided in this Section. The City shall direct the Trustee to provide a copy of such Supplemental Indenture, together with a notice stating that the Supplemental Indenture does not require Holder consent, shall be mailed by first class mail by the Trustee to each Holder of Bonds Similarly Secured so affected, but failure to mail copies of such Supplemental Indenture shall not affect the validity of the Supplemental Indenture. The Trustee shall retain the proof of its mailing of such notice. A record, consisting of the papers required by this Section 10.4, shall be proof of the matters therein stated until the contrary is proved.

(b) The Supplemental Indenture shall become effective upon the execution and delivery of such Supplemental Indenture by the Trustee and the City, and the Supplemental Indenture shall be deemed conclusively binding upon the City, the Trustee and the Holders of all Bonds Similarly Secured as of the date of such execution and delivery.

Section 10.5. Effect of Supplemental Indenture.

From and after the time any Supplemental Indenture becomes effective pursuant to this Article X, 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 Holders of Outstanding Bonds Similarly Secured 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 10.6. Endorsement or Replacement of Bonds Similarly Secured Issued After Amendments.

The City may determine that Bonds Similarly Secured issued and delivered after the effective date of any action taken as provided in this Article X 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 Holder of any Outstanding Bonds Similarly Secured at such effective date and presentation of his Bond Similarly Secured for that purpose at the designated office of the Trustee or at such other office as the City may select and designate for that purpose, a suitable notation

shall be made on such Bond Similarly Secured. The City may determine that new Bonds Similarly Secured, so modified as in the opinion of the City is necessary to conform to such Holders' action, shall be prepared, executed, and delivered. In that case, upon demand of the Holder of any Bonds Similarly Secured then Outstanding, such new Bonds Similarly Secured shall be exchanged at the designated office of the Trustee without cost to any Holder, for Bonds Similarly Secured then Outstanding, upon surrender of such Bonds Similarly Secured.

Section 10.7. Amendatory Endorsement of Bonds Similarly Secured.

The provisions of this Article X shall not prevent any Holder from accepting any amendment as to the particular Bonds Similarly Secured held by such Holder, provided that due notation thereof is made on such Bonds Similarly Secured.

Section 10.8. Waiver of Default.

Subject to Section 10.1, with the written consent of at least a majority of the aggregate Outstanding principal of the Bonds Similarly Secured at that time, the Holders may waive compliance by the City with certain past defaults under this Indenture and their consequences. Any such consent shall be conclusive and binding upon the Holders and upon all future Holders.

Section 10.9. 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. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.1. Events of Default.

Each of the following occurrences or events shall be and is hereby declared to be an "Event of Default," to wit:

- (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 Improvement Area #1 Assessments including the prosecution of foreclosure proceedings, in accordance with Section 7.2;

(iii) Default in the performance or observance of any covenant, agreement or obligation of the City under this Indenture other than a default under (i) above or (iv) below, and the continuation thereof for a period of ninety (90) days after written notice specifying such default and requiring same to be remedied shall have been given to the City by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Holders of at least a majority of the aggregate Outstanding principal of the Bonds Similarly Secured so affected by such Event of Default; and

(iv) The failure to make payment of the principal of or interest on any of the Bonds Similarly Secured when the same becomes due and payable and such failure is not remedied within thirty (30) days thereafter; provided, however, that the payments are to be made only from the Trust Estate.

The Trustee shall not be charged with knowledge of (a) any events or other information, or (b) any default under this Indenture or any other agreement unless a responsible office of the Trustee shall have actual knowledge thereof.

Section 11.2. Immediate Remedies for Default.

(a) Subject to Article VIII, upon the happening and continuance of any of the Events of Default described in Section 11.1, then and in every such case the Trustee may proceed, and upon the written request of the Holders of at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding and so affected by such Event of Default, and its receipt of indemnity satisfactory to it, shall proceed, to protect and enforce the rights of the Holders 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. The Trustee shall have no liability for its selection of Trust Estate assets to liquidate or sell.

(b) PURSUANT TO SECTION 11.7, THE PRINCIPAL OF THE BONDS SIMILARLY SECURED SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

(c) Whenever moneys are to be applied pursuant to this Article XI, 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, specifically, in inverse order of value pursuant to a certified appraisal of real or personal property or market value of investments as set forth in the U.S. Stock Exchange, and as may be required by law 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, in the reasonable judgment of the Trustee, proper for the purpose which may be designated in such request.

(d) If an Event of Default shall have occurred and be continuing, the City, upon demand of the Trustee, shall surrender the possession of, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of all or any part of the Trust Estate, together with the books, papers, and accounts of the City pertaining thereto, and including the rights and the position of the City, and to hold and manage the same, as well as set up proper reserve for the payment of all proper costs and expenses, holding and managing the same, including (i) reasonable compensation to the Trustee, its agents, and counsel, (ii) any reasonable charges of the Trustee hereunder, and (iii) any taxes and assessments and other charges prior to the lien of this Indenture. After payment in full of the foregoing, the Trustee shall surrender possession of the Trust Estate to the City, its successors or assigns.

(e) If the assets of the Trust Estate are sufficient to pay all amounts due with respect to Outstanding Bonds Similarly Secured, in the selection of Trust Estate assets to be used in the payment of Bonds Similarly Secured 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 Holder 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 Holder, or other Person, or the City by reason of such selection, liquidation or sale.

Section 11.3. Restriction on Holder's Action.

(a) No Holder 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 actual knowledge thereof or has been notified in writing as provided in Section 9.3(f), or of which by such Section it is deemed to have notice, (ii) such default has become an Event of Default and the Holders of at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding and so affected by such Event of Default 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 Holders have furnished to the Trustee written evidence of indemnity as provided in Section 9.2, (iv) the Trustee has for 60 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 written direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding and so affected by such Event of Default, and (vi) notice of such action, suit, or proceeding is given to the Trustee in writing; however, no one or more Holders of the Bonds Similarly Secured 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 Holders of all Bonds Similarly Secured then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, 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 VIII, nothing in this Indenture shall affect or impair the right of any Holder to enforce, by action at law, payment of any Bond Similarly Secured at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond Similarly Secured issued hereunder to the respective Holders thereof at the time and place, from the source and in the manner expressed herein and in the Bonds Similarly Secured.

(c) In case the Trustee or any Holders of Bonds Similarly Secured 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 Holders of Bonds Similarly Secured, then and in every such case the City, the Trustee and the Holders of Bonds Similarly Secured 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 11.4. Application of Revenues and Other Moneys After Default.

(a) All moneys, securities, funds and Pledged Revenues and other assets of the Trust Estate 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, liabilities, advances and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel fees, costs, and expenses), 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 11.2, be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds Similarly Secured, as follows:

FIRST: To the payment to the Holders 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 Holders entitled thereto, without any discrimination or preference; and

SECOND: To the payment to the Holders entitled thereto of the unpaid principal of Outstanding Bonds Similarly Secured, or Redemption Price of any Bonds Similarly Secured 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 Similarly Secured due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due and to the Holders entitled thereto, without any discrimination or preference.

The Trustee shall make payments to the Owners of Bonds Similarly Secured pursuant to this Section 11.4 within thirty (30) days of receipt of such good and available funds, and the record date shall be the date the Trustee receives such good and available funds.

(b) In the event funds are not adequate to cure any of the Events of Default described in Section 11.1, the available funds shall be allocated to the Bonds Similarly Secured that are Outstanding in proportion to the quantity of Bonds Similarly Secured 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 11.3, shall not extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 11.5. Effect of Waiver.

The Trustee may, with the prior written consent of at least a majority of the aggregate Outstanding principal of the Bonds Similarly Secured at that time and so affected, waive an Event of Default occurring hereunder. No delay or omission of the Trustee, or any Holder, 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 Holders, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 11.6. Evidence of Ownership of Bonds Similarly Secured.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Holders of Bonds Similarly Secured may be in one or more instruments of similar tenor, and shall be signed or executed by such Holders 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 Similarly Secured shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

(i) The fact and date of the execution of such instruments by any Holder of Bonds Similarly Secured or the duly appointed attorney authorized to act on behalf of such Holder 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.

(ii) The ownership of Bonds Similarly Secured 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 a Holder of any Bond Similarly Secured shall bind all future Holders of the same Bond Similarly Secured in respect of anything done or suffered to be done by the City or the Trustee in accordance therewith.

Section 11.7. No Acceleration.

In the event of the occurrence of an Event of Default under Section 11.1, 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 11.8. Mailing of Notice.

Any provision in this Article for the mailing of a notice or other document to Holders shall be fully complied with if it is mailed, first class postage prepaid, only to each Holder at the address appearing upon the Register.

Section 11.9. Exclusion of Bonds Similarly Secured.

Bonds Similarly Secured owned or held by or for the account of the City will not be deemed Outstanding for any purpose. The City shall promptly deliver any such Bonds Similarly Secured to the Trustee for cancellation.

Section 11.10. Remedies Not Exclusive.

Subject to Section 11.2, no remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other remedy and each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity, by statute or by contract.

Section 11.11. Direction by Holders.

Anything herein to the contrary notwithstanding, the Holders of at least a Quarter in Interest of the Bonds Similarly Secured so affected by such Event of Default shall have the right by an instrument in writing executed and delivered to the Trustee, to direct the choice of remedies and the time, method and place of conducting any proceeding for any remedy available to the Trustee hereunder, under each Supplemental Indenture or otherwise, or exercising any trust or power conferred upon the Trustee, including the power to direct or withhold directions with respect to any remedy available to the Trustee or the Holders, provided, (i) such direction shall not be otherwise than in accordance with law and the provisions hereof, (ii) that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and (iii) that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Holders not parties to such direction. The Trustee shall be entitled to request and receive such directions in writing and shall have no responsibility or

liability for any losses or damages of any nature that may arise from any action taken or not taken by the Trustee in accordance with such written direction.

ARTICLE XII

GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. Representations as to Trust Estate.

(a) The City represents and warrants that it is authorized by Applicable Laws to authorize and issue the Bonds Similarly Secured, to execute and deliver this Indenture and to pledge the Trust Estate in the manner and to the extent provided in this Indenture, and that the Trust Estate is 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 Trust Estate and all the rights of the Holders and the Trustee, under this Indenture against all claims and demands of all Persons whomsoever.

(c) Subject to Section 7.2(d), the City will take all steps reasonably necessary and appropriate, and will provide written direction to the Trustee to take all steps reasonably necessary and appropriate, to collect all delinquencies in the collection of the Improvement Area #1 Assessments and any other amounts pledged to the payment of the Bonds Similarly Secured to the fullest extent permitted by the PID Act and other Applicable Laws.

Section 12.2. 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 XIII

SPECIAL COVENANTS

Section 13.1. 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 13.2. **Other Obligations or Other Liens; Refunding Bonds.**

(a) The City reserves the right to issue Additional Obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on any portion of the Trust Estate and are not payable from the Trust Estate or any portion thereof. Additionally, the City has reserved the right to issue bonds or other obligations secured by and payable from Pledged Revenues so long as such pledge is subordinate to the pledge of the Pledged Revenues securing payment of the Bonds Similarly Secured.

(b) Other than Refunding 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 done or omit 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 Trust Estate; 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 counsel to the Trustee, the same would endanger the security for the Bonds Similarly Secured.

(c) The City reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds or Outstanding Refunding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the State, and in accordance with the conditions set forth below:

(i) Notwithstanding anything to the contrary herein, no Refunding Bonds may be issued by the City unless: (1) the principal (including any principal amounts to be redeemed on a mandatory sinking fund redemption date) of such Refunding Bonds is scheduled to mature on September 1 of the years in which principal is scheduled to mature and (2) the interest on such Refunding Bonds must be scheduled to be paid on March 1 and September 1 of the years in which interest is scheduled to be paid. The date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of Refunding Bonds shall be set forth in a Supplemental Indenture; and

(ii) Upon their authorization by the City, the Refunding Bonds of a Series issued under this Section 13.2 shall be issued and shall be delivered to the purchasers or owners thereof, but before, or concurrently with, the delivery of said Refunding Bonds to such purchasers or owners there shall have been filed with the Trustee (1) a copy, certified by the City Secretary, of the ordinance or ordinances of the City authorizing the issuance, sale, execution and delivery of the Refunding Bonds and the execution and delivery of a Supplemental Indenture establishing, among other things, the date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of such Refunding Bonds, and (2) an original executed counterpart of the Supplemental Indenture for such Refunding Bonds.

(d) Notwithstanding any contrary provision of this Indenture, the City shall not issue additional bonds, notes or other obligations under this Indenture secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under this Indenture, other than Bonds Similarly Secured or bonds or other obligations secured by and payable from Pledged Revenues unless such pledge is subordinate to the pledge of the Pledged Revenues securing payment of the Bonds Similarly Secured.

Section 13.3. 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 dealings, business and affairs of the City, which relate to the Pledged Revenues, the Pledged Funds, and the Bonds Similarly Secured.

(b) The Trustee shall have no responsibility with respect to the financial and other information received by it pursuant to this Section 13.3 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.

ARTICLE XIV

PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE

Section 14.1. Trust Irrevocable.

The trust created by the terms and provisions of this Indenture is irrevocable until the Bonds Similarly Secured that are secured hereby are fully paid or provision is made for their payment as provided in this Article.

Section 14.2. Satisfaction of Indenture.

If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, principal of and interest on all of the Bonds Similarly Secured, at the times and in the manner stipulated in this Indenture, and all amounts due and owing with respect to the Bonds Similarly Secured 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 Holders of such Bonds Similarly Secured, 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 Similarly Secured has been paid so that the City may determine if this Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the Funds and Accounts held hereunder as directed in writing by the City.

Section 14.3. Bonds Similarly Secured Deemed Paid.

(a) Any Outstanding Bonds Similarly Secured shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and no longer Outstanding within the

meaning of this Indenture (a "*Defeased Debt*"), and particularly this Article XIV, when payment of the principal of, premium, if any, on such Defeased Debt, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), either (1) shall have been made in accordance with the terms thereof, or (2) shall have been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to the Bonds Similarly Secured with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. 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 Defeased Debt. 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 Defeased Debt on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

(b) Any determination not to redeem Defeased Debt that is made in conjunction with the payment arrangements specified in Sections 14.3(a)(1) or 14.3(a)(2) shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the City expressly reserves the right to call the Defeased Debt for redemption; (2) the City gives notice of the reservation of that right to the Holders of the Defeased Debt immediately following the defeasance; (3) the City directs that notice of the reservation be included in any defeasance or redemption notices that it authorizes; and (4) at or prior to the time of the redemption, the City satisfies the conditions of clause (a) of this Section 14.3 with respect to such Defeased Debt as though it was being defeased at the time of the exercise of the option to redeem the Defeased Debt, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

ARTICLE XV

MISCELLANEOUS

Section 15.1. **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 Holders, 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 Holders 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 15.2. 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 15.3. Execution of Documents and Proof of Ownership by Holders.

(a) Any request, declaration, or other instrument which this Indenture may require or permit to be executed by Holders may be in one or more instruments of similar tenor, and shall be executed by Holders in person or by their attorneys duly appointed in writing.

(b) Except as otherwise expressly provided herein, the fact and date of the execution by any Holder 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.

(c) Except as otherwise herein expressly provided, the ownership of registered Bonds Similarly Secured and the amount, maturity, number, and date of holding the same shall be proved by the Register.

(d) Any request, declaration or other instrument or writing of the Holder of any Bond Similarly Secured shall bind all future Holders of such Bond Similarly Secured in respect of anything done or suffered to be done by the City or the Trustee in good faith and in accordance therewith.

Section 15.4. No Waiver of Personal Liability.

No member, 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 Similarly Secured; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

Section 15.5. Notices to and Demands on City and Trustee.

(a) Except as otherwise expressly provided herein, all notices or other instruments required or permitted under this Indenture shall be in writing and shall be faxed, delivered by hand, or mailed by first class mail, postage prepaid, or transmitted by facsimile or e-mail and addressed as follows:

If to the City

City of Lockhart, Texas

308 W. San Antonio St.
P.O. Box 239
Lockhart, Texas 78644
Attn: City Manager
Telephone: (512) 398-3461

If to the Trustee
Or the Paying Agent/Registrar

UMB Bank, N.A.
5910 N. Central Expressway, Suite 1900
Dallas, Texas 75206
Attn: Corporate Trust Administration
Telephone: (214) 389-5947

(b) Any such notice, demand, or request may also be transmitted to the appropriate party by telegram or 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.

(c) 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 Business Days after the date of dispatch; notices and consents given by any other means shall be deemed to have been given when received.

(d) The Trustee shall mail to each Holder of a Bond Similarly Secured notice of the redemption or defeasance of all Outstanding Bonds Similarly Secured.

Section 15.6. 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 Similarly Secured 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 15.7. Applicable Laws; Jurisdiction.

This Indenture shall be governed by and enforced in accordance with the laws of the State applicable to contracts made and performed in the State. Venue and exclusive jurisdiction of any action to enforce or construe this Indenture shall be in a state court of competent jurisdiction in Caldwell County, Texas or any federal court with diversity jurisdiction.

Section 15.8. 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 Similarly Secured or the date fixed for redemption of any Bonds Similarly Secured 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 15.9. Counterparts.

This Indenture may be executed in counterparts, each of which shall be deemed an original.

Section 15.10. Electronic Storage.

The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action, or suit in the appropriate court of law.

Section 15.11. Disclosure of Interested Parties.

The Trustee represents and warrants that it is exempt from the requirements of Section 2252.908 of the Texas Government Code, as amended, pursuant to subsection (c)(4) thereof. Accordingly, the Trustee is not required to file a Certificate of Interested Parties Form 1295.

IN WITNESS WHEREOF, the City and the Trustee have caused this Indenture of Trust to be executed as of the date hereof.

CITY OF LOCKHART, TEXAS

By: _____
Lew White, Mayor

Attest:

_____, City Secretary

(CITY SEAL)

UMB Bank, N.A.,
as Trustee

By: _____
Authorized Officer

Trustee Signature Page to Indenture of Trust

EXHIBIT B
BOND PURCHASE AGREEMENT

\$15,837,000
CITY OF LOCKHART, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(SEAWILLOW RANCH PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1)

BOND PURCHASE AGREEMENT

March 3, 2026

City of Lockhart, Texas
308 W. San Antonio St.
Lockhart, Texas 78644

Ladies and Gentlemen:

The undersigned, FMSbonds, Inc. (the “Underwriter”), offers to enter into this Bond Purchase Agreement (this “Agreement”) with the City of Lockhart, 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 UMB Bank, N.A., as trustee (the “Trustee”), authorizing the issuance of the Bonds (defined herein), and 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 \$15,837,000 aggregate principal amount of the “City of Lockhart, Texas, Special Assessment Revenue Bonds, Series 2026 (Seawillow Ranch Public Improvement District Improvement Area #1)” (the “Bonds”), at a purchase price of \$_____ (representing the aggregate principal amount of the Bonds, less an original issue discount of \$_____, and less 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, (ii) in connection 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 and agrees 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 proceeds of the Bonds and the construction of the Improvement Area #1 Projects financed with proceeds of 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, and will not be assuming an advisory or fiduciary responsibility in favor, of the City.

The Bonds shall be dated the Closing Date, 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 March 26, 2026 (or such other date as may be agreed to by the City and the Underwriter).

2. Authorization Instruments and Law. The Bonds were authorized by the Bond Ordinance enacted by the City Council of the City (the "City Council") and shall be issued pursuant to the provisions of the PID Act, and an Indenture of Trust, dated as of March 1, 2026, 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 payable from a first lien on, security interest in, and pledge of the Trust Estate, consisting primarily of Improvement Area #1 Assessments levied pursuant to the Assessment Ordinance against the Improvement Area #1 Assessed Property, all to the extent and upon the conditions described in the Indenture. The District was established by a resolution (the "Creation Resolution"), enacted by the City Council on October 15, 2024, in accordance with the PID Act. The Improvement Area #1 Assessments were levied and the Service and Assessment Plan was approved pursuant to the Assessment Ordinance. The Creation Resolution, the Assessment Ordinance, the Bond Ordinance, and the Indenture are collectively referred to herein as the "Authorizing Documents."

The Bonds shall be as described in Schedule I attached hereto, the Indenture, and the Limited Offering Memorandum. The proceeds of the Bonds shall be used for the purposes described in the Limited Offering Memorandum under the subcaption "PLAN OF FINANCE – The Bonds" and shall be generally applied as described in the Limited Offering Memorandum under "SOURCES AND USES OF FUNDS."

3. Initial Offering. The Underwriter agrees to make an initial offering of all of the Bonds in accordance with Section 4 hereof and to limit the initial offering of the Bonds to persons that qualify as “Accredited Investors” (as defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended and then in effect (the “Securities Act”)) or “Qualified Institutional Buyers” (as defined in Rule 144A under the Securities Act). On or before the third (3rd) Business Day prior to the Closing Date, the Underwriter shall execute and deliver to Bond Counsel the Issue Price Certificate (defined herein), in substantially the form attached hereto as Appendix B.

4. Establishment of Issue Price.

a. Definitions. For purposes of this Section 4, the following definitions apply:

(i) “*Participating Underwriter*” means (A) any person that agrees pursuant to a written contract with the City (or with the Underwriter to form an underwriting syndicate) 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).

(ii) “*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than a Participating Underwriter or a Related Party to a Participating Underwriter.

(iii) “*Related Party*” means any two or more persons who are subject, directly or indirectly, to (A) at least 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 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).

(iv) “*Sale Date*” means the date of execution of this Agreement by all parties.

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 five (5) Business Days prior to Closing an Issue Price 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 initial offering price (the “Initial Offering Price”) or

prices or the sales price or prices to the Public of the Bonds (the “Issue Price Certificate”). As applicable, all actions to be taken by the City under this Section to establish the issue price of the Bonds may be taken on behalf of the City by the Municipal Advisor (defined in subsection 6(r) hereof) and any notice or report to be provided to the City may be provided to the Municipal Advisor.

c. *Substantial Amount Test.* [Other than those maturities of the Bonds which are designated by the Underwriter in the Issue Price Certificate (the “Hold-the-Price Maturities”),] the City will treat the first price at which at least ten percent (a “Substantial Amount”) in principal amount of each maturity of the Bonds is sold to the Public as of the Sale Date (the “Substantial Amount Test”) as the issue price of that maturity (or each separate CUSIP number within that maturity). At or promptly after the execution of this Agreement, the Underwriter will report to the City the price or prices at which the Participating Underwriters have offered and sold to the Public each maturity of the Bonds. If at that time the Substantial Amount Test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the City the prices at which the Bonds have been sold by the Participating Underwriters to the Public. That reporting obligation will continue, whether or not the Closing Date has occurred, until the Substantial Amount Test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the Public.

d. *Hold-The-Price Restriction.* The Underwriter agrees that it will neither offer nor sell any of the Hold-the-Price Maturities to any person at a price that is higher than the applicable Initial Offering Price for such maturity during the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth (5th) Business Day after the Sale Date, or (ii) the date on which the Underwriter has sold a Substantial Amount of such Hold-the-Price Maturity to the Public at a price that is no higher than the Initial Offering Price of such Hold-the-Price Maturity (the “Hold-the-Price Restriction”). The Initial Offering Price of the Hold-the-Price Maturities shall be the issue price for such maturities.

The Underwriter shall promptly advise the City when the Participating Underwriters have sold a Substantial Amount of each such Hold-The-Price Maturity to the Public at a price that is no higher than the applicable Initial Offering Price of such Hold-The-Price Maturity, if that occurs prior to the close of the fifth (5th) Business Day after the Sale Date.

The City acknowledges that, in making the representation set forth in this subparagraph (d), the Underwriter will rely on (A) the agreement of each Participating Underwriter to comply with the Hold-the-Price Restriction, as set forth in an agreement among underwriters and the related pricing wires, (B) in the event a selling group has been created in connection with the sale of the Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the Hold-the-Price Restriction, as set forth in a selling group agreement and the related pricing wires, and (C) in the event that a Participating Underwriter is a party to a third-party distribution agreement that was employed in connection with the sale of the Bonds, the agreement of each such underwriter, dealer or broker-dealer that is a party to such agreement to

comply with the Hold-the-Price Restriction, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each Participating Underwriter will be solely liable for its failure to comply with its agreement regarding the Hold-the-Price Restriction and that no Participating Underwriter will be liable for the failure of any other Participating Underwriter to comply with its corresponding agreement regarding the Hold-the-Price Restrictions as applicable to the Bonds.

e. *Agreements Among Participating Underwriters.* The Underwriter confirms that (i) any agreement among underwriters, 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 each Participating 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, to (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allocated to it until it is notified by the Underwriter that either the Substantial Amount Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public, (B) comply with the Hold-the-Price Restriction, if applicable, in each case if and for so long as directed by the Underwriter and as set forth in the relating pricing wires, and (C) acknowledge that, unless otherwise advised by the Participating Underwriter, the Underwriter will assume that based on such agreement each order submitted by the underwriter, dealer or broker-dealer is a sale to the Public; and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the Public, together with related pricing wires, contains or will contain language obligating each Participating Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each underwriter or broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter or the applicable Participating Underwriter that either the Substantial Amount Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public, and (B) comply with the Hold-the-Price Restriction, if applicable, in each case if and for so long as directed by the Underwriter or the applicable Participating Underwriter and as set forth in the relating pricing wires.

f. *Sale to Related Party not a Sale to the Public.* The Participating Underwriters acknowledge that sales of any Bonds to any person that is a Related Party to a Participating Underwriter do not constitute sales to the Public for purposes of this Section. If a Related Party to a Participating Underwriter purchases during the initial offering period all of a Hold-The-Price Maturity, the related Participating Underwriter will notify the Underwriter and will take steps to confirm in writing that such Related Party will either (i) hold such Bonds for its own account, without present intention to sell, reoffer, or otherwise dispose of such Bonds for at least five (5) Business Days from the Sale Date, or (ii) comply with the Hold-The-Price Restriction.

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 February 18, 2026 (the “Preliminary Limited Offering Memorandum”), in a “designated electronic format,” as defined in the 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 (as more particularly defined below, 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, except for the inclusion of the information permitted to be excluded from the Preliminary Limited Offering Memorandum by Section (b)(1) of Rule 15c2-12. 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, upon request, sufficient quantities (which may be in electronic format) of the Preliminary Limited Offering Memorandum as the Underwriter reasonably deems necessary to satisfy the obligation of the Underwriter under Rule 15c2-12 with respect to distribution to each potential customer.

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) 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 reasonably 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 twenty-fifth (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 promptly notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time reasonably 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, the City makes no representations with respect to the following information (collectively, the “Non-City Disclosures”): (i) 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 information in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum in any maps included therein or under the captions and subcaptions “PLAN OF FINANCE” (except for the information under the subcaptions “– The Bonds” and “– Additional Indebtedness”), “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS,” “BOOK-ENTRY ONLY SYSTEM,” “THE IMPROVEMENT AREA #1 PROJECTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “THE ADMINISTRATOR,” “APPRAISAL,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Improvement Area #1 Projects, and the Development (as defined in the Limited Offering Memorandum)), “LEGAL MATTERS – Litigation – The Developer,” “CONTINUING DISCLOSURE – The Developer” and “– The Developer’s Compliance with Prior Undertakings,” “INFORMATION RELATING TO THE TRUSTEE,” “APPENDIX E-2,” and “APPENDIX G.” If such notification shall be subsequent to the Closing (as defined herein), 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 reasonably 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 the Limited Offering Memorandum with the MSRB through its Electronic Municipal Market Access (“EMMA”) system within one (1) 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 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 and perform its duties and obligations under:

(1) this Agreement;

(2) the Indenture;

(3) the Development Agreement;

(4) the Improvement Area #1 Construction, Funding, and Acquisition Agreement; and

(5) the Continuing Disclosure Agreement of Issuer with respect to the Bonds, dated as of March 1, 2026 (the “Continuing Disclosure Agreement of Issuer”), executed and delivered by the City, the Administrator, and UMB Bank, N.A., as Dissemination Agent (the “Dissemination Agent”).

(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 Improvement Area #1 Construction, Funding, and Acquisition Agreement, (5) the Continuing Disclosure Agreement of Issuer, (6) the Limited Offering Memorandum, and (7) 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 be in compliance, in all material respects, with the obligations on its part to be performed on or prior to the Closing Date under 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 PID Act. The City has, and at the Closing 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 PID 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 Bond Ordinance and the other City Documents.

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 the obligations on its part to be performed in each of such agreements or instruments does not and will not conflict with or constitute a 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 portion of the Trust Estate or under the terms of any such law, regulation, or instrument, except as may be permitted by the City Documents.

e. No Litigation. 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 sold 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, lien on, and pledge of the Trust Estate. The Indenture creates a valid lien on and pledge of the Trust Estate pursuant to the Indenture to the extent provided for in the Indenture, 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. Improvement Area #1 Assessments. The Improvement Area #1 Assessments have been levied by the City in accordance with the Assessment Ordinance and the PID Act on those parcels of land identified in the Improvement Area #1 Assessment Roll. According to the PID Act, such Improvement Area #1 Assessments 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 lien on and pledge of the Trust Estate which secures 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 twenty-fifth (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 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; 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 twenty-fifth (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 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 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 (5) years, the City has complied in all material respects with its previous continuing disclosure undertakings

made by it in accordance with Rule 15c2-12, except as described in the Limited Offering Memorandum.

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 (y) 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 (z) 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/or warranty, as applicable in the legal context, 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. Municipal Advisor. The City has engaged Specialized Public Finance, Inc., as its municipal advisor (the “Municipal Advisor”) 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.

7. Developers’ Letter of Representations and Closing Certificates. At the signing of this Agreement, the City and Underwriter shall receive from the Developer and RODG DT Seawillow PropCo LLC, a Texas limited liability company (the “Affiliate” and, together with the Developer, the “Developers”) an executed Developers’ Letter of Representations (the “Developers’ Letter of Representations”) in the form of Appendix A hereto, and at the Closing, a

certificate signed by the Developers set forth in subsection 10(e) hereof and Appendix E hereto (the “Developers’ Closing Certificate”).

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 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 or counsel 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 in the Developers’ Letter of Representations and the performance by the City of its obligations under this Agreement, both as of the date hereof and as of the Closing Date. 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 ordinances, 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 Greenberg Traurig, LLP (“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 Developers' Letter of Representations, the Development Agreement, the Improvement Area #1 Construction, Funding, and Acquisition Agreement, the Landowner Agreement executed by the Developer as of March 3, 2026 (the "Landowner Agreement"), and the Continuing Disclosure Agreement of Developer with respect to the Bonds, dated as of March 1, 2026, executed and delivered by the Developer, the Administrator, and the Dissemination Agent (the "Continuing Disclosure Agreement of Developer" and, together with the Developers' Letter of Representations, the Development Agreement, the Improvement Area #1 Construction, Funding, and Acquisition Agreement, and the Landowner Agreement, the "Developer Documents"); 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, the Developer Documents, or other documents relating to the financing and construction of the Improvement Area #1 Projects and the Development (as defined in the Limited Offering Memorandum), 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 the Developer to pay the Improvement Area #1 Assessments when due or complete the Improvement Area #1 Projects.

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 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 chamber 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 chamber of the Congress of the United States by a Committee of such chamber 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 announcement (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; 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 statement 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, or that the Indenture needs 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, 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; provided, however that such suspension in trading or any disruption in securities settlement, payment or clearance services is not in force on the date hereof; or

(4) there shall have occurred (whether or not foreseeable) (i) any outbreak of hostilities (including, without limitation, an act of terrorism) including, but not limited to, an escalation of hostilities that existed prior to the date hereof, (ii) national or international calamity or crisis, including, but not limited to, an escalation in the scope or magnitude of any natural disaster, or (iii) material financial crisis or adverse change in the financial or economic conditions affecting the

United States government or the securities markets in the United States;
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 or the Developer, except as disclosed or described in 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 ten percent (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;
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 Improvement Area #1 Assessments and the liens created thereby, such Improvement Area #1 Assessments being the primary asset of the Trust Estate pledged 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 a 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 the Limited Offering Memorandum; or

(v) a general banking moratorium shall have been declared by federal or State authorities having jurisdiction and shall be in force; or

(vi) a material disruption in securities settlement, payment or clearance services shall have occurred; 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 Securities and Exchange Commission 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 described in this Agreement or in 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 Closing Date, including the Securities Act, the Securities Exchange Act of 1934 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 (or counsel to the Underwriter on behalf of 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 D to the Limited Offering Memorandum, together with a reliance letter from Bond Counsel, dated the Closing Date and addressed to the Underwriter, which may be included in the supplemental opinion required by Section 10(b) hereof, 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 to 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 Preliminary Limited Offering Memorandum and in the Limited Offering Memorandum, but that Bond Counsel has reviewed the statements and information appearing in the Preliminary Limited Offering Memorandum and in the Limited

Offering Memorandum under the captions and subcaptions “PLAN OF FINANCE – The Bonds” and “– Additional Indebtedness” (first paragraph only), “DESCRIPTION OF THE BONDS,” “SECURITY FOR THE BONDS SIMILARLY SECURED” (except for the subcaption “Amount of Improvement Area #1 Assessments May be Reduced by TIRZ Annual Credit Amount,” as to which no opinion is expressed), “ASSESSMENT PROCEDURES” (except for the subcaptions “Assessment Methodology” and “Assessment Amounts,” as to which no opinion is expressed), “THE DISTRICT,” “TAX MATTERS,” “LEGAL MATTERS – Legal Proceedings” (except for the final paragraph thereof, as to which no opinion is expressed) and “– Legal Opinions” (except for the final paragraph thereof, as to which no opinion is expressed), “CONTINUING DISCLOSURE – The City,” “REGISTRATION AND QUALIFICATION OF BONDS FOR SALE,” “LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS,” and “APPENDIX B,” and Bond Counsel 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;

(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) The City has or at the time of the adoption thereof had full power and authority to adopt the Creation Resolution, the Assessment Ordinance, the Service and Assessment Plan, and the Bond Ordinance (collectively, 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 Continuing Disclosure Agreement of Issuer, 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 Messer Fort PLLC (the “City Attorney”), dated the Closing Date and addressed to the Underwriter, the City, Bond Counsel, 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. The opinion of Developer's Counsel, substantially in the form of Appendix D hereto, dated the Closing Date, addressed to the City, Bond Counsel, the City Attorney, the Underwriter, and the Trustee.

e. Developers' Closing Certificate. The Developers' Closing Certificate dated as of the Closing Date, signed by authorized officers of the Developer in substantially the form of Appendix E hereto.

f. City Closing Certificate. A certificate of the City, dated the Closing Date, signed by an appropriate City official, to the effect that:

(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 the 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 person, 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 Improvement Area #1 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 of counsel to the Trustee, dated the Closing Date and addressed to the Underwriter, the City, and Bond Counsel, in form and substance acceptable to Counsel to the Underwriter, the City, and Bond Counsel, to the following effect:

(i) The Trustee was formed as a national banking association and has not been dissolved, canceled, or terminated, and is authorized to carry out corporate trust powers in accordance with the qualifications set forth for the Trustee in the Indenture;

(ii) No consent, approval, authorization or order of, or filing, registration or declaration with, any court or governmental agency or body is required on behalf of the Trustee for the execution and delivery by the Trustee of the Indenture or the performance by the Trustee of its obligations thereunder; and

(iii) The Indenture has been duly authorized, executed, and delivered by the Trustee and is valid and enforceable against the Trustee in accordance with its terms, except (a) as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other similar laws affecting the enforcement of creditors' rights generally, and (b) as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered a proceeding at law or in equity) and the discretion of the court before which any proceeding therefor may be brought, (iii) as the exculpation provisions and rights to indemnification thereunder may be limited by U.S., federal, and state securities laws and public policy considerations, and (iv) as the waiver of rights and defenses contained in the Trustee Documents may be limited by applicable law.

h. Trustee's Certificate. A customary authorization and incumbency certificate dated prior to the Closing Date, signed by authorized officers of the Trustee in form and substance acceptable to the Underwriter, Counsel to the Underwriter, and Bond Counsel.

i. Underwriter Counsel's Opinion. An opinion, dated the Closing Date and addressed to the Underwriter, of Orrick, Herrington & Sutcliffe LLP ("Counsel to the Underwriter"), to the effect that:

(i) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

(ii) The Continuing Disclosure Agreement of Issuer, together with Section 10(o) hereof and Section ___ of the Bond Ordinance, satisfies the requirements contained in Securities and Exchange Commission Rule 15c2-12(b)(5) for an undertaking by the City for the benefit of the holders of the Bonds to provide the information about the Bonds, the Trust Estate, the Improvement Area #1 Assessments, and the Improvement Area #1 Assessed Property at the times and in the manner required by said Rule; provided that, for purposes of this opinion, such counsel is not expressing any view regarding the content of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum that is not expressly stated in the next paragraph below; and

(iii) Such counsel is not passing upon and does not assume any responsibility for the accuracy, completeness, or fairness of any of the statements contained in the Preliminary Limited Offering Memorandum or in the Limited Offering Memorandum and makes no representation that it has independently verified the accuracy, completeness, or fairness of any such statements. In its capacity as counsel to the Underwriter, to assist the Underwriter in part of its responsibility with respect to the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, such counsel has participated in conferences with representatives of the Underwriter, representatives of the City, and its counsel, Messer Fort PLLC, as city attorney, McCall, Parkhurst & Horton L.L.P.,

as bond counsel, Specialized Public Finance, Inc., as municipal advisor, P3Works, LLC, as public improvement district administrator, representatives of the Developer, its counsel Greenberg Traurig, LLP, and its engineers, consultants and others, during which the contents of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum and related matters were discussed. Based on such counsel's participation in the above-mentioned conferences (which, with respect to the Preliminary Limited Offering Memorandum, did not extend beyond the date of this Agreement), and in reliance thereon, on oral and written statements and representations of the City, the Developer and others, and on the records, documents, certificates, opinions, and matters herein mentioned, such counsel advises the Underwriter as a matter of fact and not opinion that, during the course of such counsel's representation of the Underwriter on this matter, (a) no facts had come to the attention of the attorneys in such counsel's firm rendering legal services to the Underwriter in connection with the Preliminary Limited Offering Memorandum which caused such counsel to believe, as of the date of the Preliminary Limited Offering Memorandum and as of the date of this Agreement, based on the documents, drafts, and facts in existence and received as of those dates, that the Preliminary Limited Offering Memorandum contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except any information marked as preliminary or subject to change, any information permitted to be omitted by Securities and Exchange Commission Rule ("SEC") 15c2-12 or otherwise left blank and any other differences with the information in the Limited Offering Memorandum), and (b) no facts had come to the attention of the attorneys in such counsel's firm rendering legal service to the Underwriter in connection with the Limited Offering Memorandum which caused such counsel to believe that the Limited Offering Memorandum as of its date and as of the date thereof contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that such counsel expressly excludes from the scope of this paragraph and expresses no view with respect to both the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, about any CUSIP numbers, financial, accounting, statistical, economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any information about verification, feasibility, valuation, appraisals, absorption, real estate or environmental matters, relationship among the parties, Appendices, or any information about book-entry, DTC, Cede & Co., limitations applicable to initial purchasers, tax exemption, underwriters, or underwriting included or referred to therein or omitted therefrom. No responsibility is undertaken or conclusion expressed with respect to any other disclosure document, materials, or activity, or as to any information from another document or source referred to by or incorporated by reference in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum.

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 the Developer Documents shall have been executed and delivered in form and content 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 Closing Date, 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 Issuer and the Continuing Disclosure Agreement of Developer shall have been executed by the parties thereto in substantially the forms attached to the Preliminary Limited Offering Memorandum as Appendix E-1 and Appendix E-2.

p. Letter of Representation of the Appraiser. (i) Letter of Representation of the Appraiser, substantially in the form of Appendix F hereto, addressed to the City, Bond Counsel, the Underwriter, and the Trustee, or in form otherwise agreed upon by the Underwriter, and (ii) a copy of the real estate appraisal of the property within Improvement Area #1 of the District dated January 27, 2026.

q. Letter of Representation of PID Administrator. Letter of Representation of the PID Administrator, substantially in the form of Appendix G hereto, addressed to the City, Bond Counsel, the Underwriter, and the Trustee, or in form otherwise agreed upon by the Underwriter.

r. Evidence of Filing of Creation Resolution and Assessment Ordinance with Service and Assessment Plan. Evidence that the Creation Resolution and the Assessment Ordinance, including the legal description of the property within the District and the Service and Assessment Plan, have been filed of record in the real property records of Caldwell County, Texas.

s. Lender Consent Certificate. A Lender Consent Certificate of each holder of a lien, if any, on land in Improvement Area #1 of the District on the Closing Date, consenting to and acknowledging the creation of the District, the adoption of the Assessment Ordinance, the levy of the Improvement Area #1 Assessments, and the

subordination of their respective liens to the lien created by the Improvement Area #1 Assessments in a form acceptable to the Underwriter. In the event that there are no such lienholders, the Developer shall provide such certifications as may be reasonably requested by the Underwriter to confirm that no such liens exist as of the Closing Date.

t. Developer Organizational and Verification Documents. The Developer shall have delivered to the Underwriter and the City (i) fully executed copies of the Developer's organizational documents, (ii) a Certificate of Status from the Texas Secretary of State with respect to the Developer dated within 10 days of the Closing Date, (iii) verification of franchise tax account status with respect to the Developer from the Texas Comptroller of Public Accounts dated within 10 days of the Closing Date, and (iv) a copy of its Standing Letter to the Attorney General of Texas in compliance with the All Bond Counsel letter dated November 1, 2023, as last supplemented on December 29, 2023, or evidence of an exception to such requirement.

u. Rule 15c2-12 Certification. A resolution, ordinance, or certificate 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, which certification may be included in the City Certificate required by subsection 10(f) hereof or the Bond Ordinance.

v. Dissemination Agent. Evidence acceptable to the Underwriter in its sole discretion that the City and the Developer have engaged a dissemination agent acceptable to the Underwriter for the Bonds, with the execution of the Continuing Disclosure Agreement of Issuer and the Continuing Disclosure Agreement of Developer by other parties thereto being conclusive evidence of such acceptance by the Underwriter.

w. Blanket Letter of Representations. A copy of the current Blanket Issuer Letter of Representation to DTC relating to the Bonds and signed by the City.

x. Additional Documents. Such additional legal opinions, certificates, instruments, and other documents as the Underwriter or counsel to the Underwriter 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 Closing Date of the purchase price set forth in Section 1 hereof, the Attorney General Opinion, the opinion of Bond Counsel described in Section 10(a) hereof, and all documents required to be delivered by the Developer.

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 13, 14, 16, and 22 hereof.

13. Term of Agreement. Except for surviving representations, warranties, and indemnities of the parties to this Agreement, the term of this Agreement terminates upon the

“end of the underwriting period” (as defined in Rule 15c2-12) or, if earlier, exercise of a termination right (which may not be based on an existing or incipient breach of a verification).

14. 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 legal counsel and Municipal Advisor, the Trustee’s counsel, Bond Counsel, 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 for the benefit of the City, including but not limited to the fees and expenses of the Appraiser and the PID 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 counsel to the Underwriter; and (iii) all other expenses, including CUSIP fees (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 whose purpose is to collect, maintain, and distribute information relating to issuing entities of municipal securities.

15. 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 Lockhart, Texas, 308 W. San Antonio St., Lockhart, Texas 78644, 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.

16. Parties in Interest; Survival of City Representations. 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 covenants contained in this Agreement shall remain operative and in full force and effect and survive delivery of and payment for the Bonds and any termination, regardless of any investigations made by or on behalf of the Underwriter.

17. Survival of Representations and Warranties of Third Parties. All representations and warranties of the parties (other than the City and the Underwriter) made in, pursuant to, or in connection with this Agreement, including the appendices hereto, 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 or 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.

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 and venue shall lie in Caldwell County, 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 party 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. Statutory Verifications. The Underwriter makes the following representation and covenants to enable the City to comply with 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

23. Form 1295. Submitted herewith (or prior to the date hereof) 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 thirtieth (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.

24. Underwriter Standing Letter and Bringdown Verification. The Underwriter represents that it has, or will have prior to the date of Closing, on file with the Texas Attorney General a standing letter addressing the representation and verifications contained in Section 22 of this Agreement in a form accepted by the Texas Attorney General. In addition, if the Underwriter or the parent company, a wholly- or majority-owned subsidiary or another affiliate of the Underwriter receives or has received a letter from the Texas Comptroller of Public Accounts pursuant to Chapter 809, Texas Government Code seeking written verification that it does not boycott energy companies (a “Comptroller Request Letter”), the Underwriter shall promptly notify the City and Bond Counsel (if it has not already done so) and provide to the City or Bond Counsel, two Business Days prior to Closing and additionally upon request by the City or Bond Counsel, 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 shall also confirm that the Underwriter (or the parent company, a wholly- or majority-owned subsidiary or other affiliate of

the Underwriter that received the Comptroller Request Letter) intends to timely respond or has timely responded to the Comptroller Request Letter. The Bringdown Verification may be in the form of an e-mail.

25. 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. The City and the Underwriter agree that electronic signatures to this Agreement may be regarded as original signatures.

Signature pages follow.

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 Lockhart, Texas

By: _____
City Manager

SCHEDULE I

\$15,837,000
CITY OF LOCKHART, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(SEAWILLOW RANCH PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1)

Interest Accrues From: Closing Date

\$ _____ % Term Bonds, Due September 1, 20__, Priced to Yield _____% ^{(a)(c)(d)}
\$ _____ % Term Bonds, Due September 1, 20__, Priced to Yield _____% ^{(a)(b)(c)(d)}
\$ _____ % Term Bonds, Due September 1, 20__, Priced to Yield _____% ^{(a)(b)(c)(d)}

-
- (a) The initial reoffering prices or yields of the Bonds have been determined in accordance with the 10% test.
- (b) The Bonds maturing on and after September 1, 20__, may be redeemed before their scheduled maturity date, in whole or in part, on any date on or after September 1, 20__, such redemption date or dates to be fixed by the City, at the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued and unpaid interest to the date fixed of redemption.
- (c) The Bonds are also subject to extraordinary optional redemption as described in the Limited Offering Memorandum under "DESCRIPTION OF THE BONDS – Redemption Provisions."
- (d) The Bonds are also subject to mandatory sinking fund redemption on the dates and in the respective Sinking Fund Installments as set forth in the following schedules.

Term Bonds maturing September 15, 20

<u>Redemption Date</u>	<u>Sinking Fund Installment Amount</u>
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__ [†]	

[†] Stated maturity.

APPENDIX A

FORM OF DEVELOPERS' LETTER OF REPRESENTATIONS

\$15,837,000
CITY OF LOCKHART, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(SEAWILLOW RANCH PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1)

DEVELOPERS' LETTER OF REPRESENTATIONS

March 3, 2026

City of Lockhart, Texas
308 W. San Antonio St.
Lockhart, Texas 78644

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Ladies and Gentlemen:

This letter is being delivered to the City of Lockhart, 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 the \$15,837,000 "City of Lockhart, Texas, Special Assessment Revenue Bonds, Series 2026 (Seawillow Ranch Public Improvement District Improvement Area #1)" (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, ROED Prop Co, LLC, a Texas limited liability company (the "Developer"), and RODG DT Seawillow PropCo LLC, a Texas limited liability company (the "Affiliate" and, together with the Developer, the "Developers"), make the representations, warranties, and covenants contained in this Developers' Letter of Representations. Unless the context clearly indicates otherwise, each capitalized term used in this Developers' 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 Developers understand, and hereby confirm, that the Underwriter is not acting as a fiduciary of the Developers, 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 Developers' 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 the 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 City and the Underwriter promptly (and for the purposes of this clause provide the City and the Underwriter with such information as they may from time to time request); however, that for the purposes of this Developers' 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 the information appearing in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum except for the information set forth in the maps included therein and under the captions and subcaptions "PLAN OF FINANCE" (except for the information under the subcaption "– The Bonds" and "– Additional Indebtedness"), "THE IMPROVEMENT AREA #1 PROJECTS," "THE DEVELOPMENT," "THE DEVELOPER" and, to the Developer's knowledge after due inquiry, under the captions "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Improvement Area #1 Projects, and the Development (as defined in the Limited Offering Memorandum)), "LEGAL MATTERS – Litigation – The Developer," "CONTINUING DISCLOSURE – The Developer" and "– The Developer's Compliance with Prior Undertakings," "SOURCES OF INFORMATION – Source of Certain Information," "APPENDIX E-2," "APPENDIX F," "APPENDIX G," and "APPENDIX H" (collectively, the "Developer Disclosures") in accordance with subsection 4(f) herein.

3. Developer Documents. The Developer or the Affiliate, as indicated below, 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 the Developer or the Affiliate, as applicable, enforceable against the Developer or the Affiliate in accordance with its terms:

- a. this Developers' Letter of Representations (the Developer and the Affiliate);
- b. the Development Agreement (the Affiliate);
- c. the Improvement Area #1 Construction, Funding, and Acquisition Agreement (the Developer);
- d. the Continuing Disclosure Agreement of Developer (the Developer); and
- e. the Landowner Agreement (the Developer).

The Developer and the Affiliate, as applicable, have complied in all material respects with all of the Developer's and Affiliate's agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Developer and the Affiliate, as applicable, under the Developer Documents on or prior to the date hereof.

The representations and warranties of the Developer and the Affiliate, as applicable, contained in the Developer Documents are true and correct in all material respects on and as of the date hereof.

4. Developers' Representations, Warranties, and Covenants. The Developers represent, warrant, and covenant to the City and the Underwriter that:

a. Due Organization and Existence. The Developer and the Affiliate are each duly formed and validly existing as a limited liability company under the laws of the State of Texas.

b. Organizational Documents. The copies of the organizational documents of the Developer provided by the Developer and of the Affiliate provided by the Affiliate (collectively, the "Developers' 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 since delivery to the City and the Underwriter and are in full force and effect as of the date hereof.

c. No Breach. The execution and delivery of the Developer Documents by the Developer or the Affiliate does not violate any judgment, order, writ, injunction or decree binding on the Developer or the Affiliate, as applicable, or any indenture, agreement, or other instrument to which the Developer or the Affiliate is a party.

d. No Litigation. Other than as described in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, there are no proceedings pending or threatened in writing before any court or administrative agency against the Developer or the Affiliate that are either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Developer or the Affiliate 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 District in accordance with the description thereof in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

e. 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.

f. Preliminary Limited Offering Memorandum and Limited Offering Memorandum. The Developer represents and warrants that the information set forth in the Developer's Disclosures in the Preliminary Limited Offering

Memorandum and the Limited Offering Memorandum 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 (f) with respect to the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

g. Events of Default. No “Event of Default” or “event of default” by the Developer or the Affiliate under any of the Developer Documents, any documents to which the Developer or the Affiliate is a party described in the Limited Offering Memorandum, or under any material documents relating to the financing and construction of the Improvement Area #1 Projects to which the Developer or the Affiliate is a party, or event that, with the passage of time or the giving of notice or both, would constitute such “Event of Default” or “event of default” by the Developer or the Affiliate has occurred and is continuing.

h. Assignment of Improvement Area #1 Construction, Funding, and Acquisition Agreement. The Developer has not assigned any of its rights under the Improvement Area #1 Construction, Funding, and Acquisition Agreement to an out-of-state entity.

i. Extraterritorial Jurisdiction. None of the real property located within the District has been removed from the extraterritorial jurisdiction of the City pursuant to Chapter 42, Subchapter D, of the Texas Local Government Code, as amended.

5. Indemnification.

a. The Developer will indemnify and hold harmless the City and the Underwriter and each of their officers, directors, employees and agents against any losses, claims, damages or liabilities to which any of them may become subject, under the Securities Act of 1933 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’s 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, untrue statement 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 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 Developers' 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 pursuant to the Bond Purchase Agreement, and (c) any termination of the Bond Purchase Agreement.

7. Binding on Successors and Assigns. This Developers' Letter of Representations will be binding upon the Developer and the Affiliate and their 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 Developers' Letter of Representations.

Signature page follows.

Dated: March 3, 2026

ROED Prop Co, LLC, a Texas limited liability company

By: Red Oak Development Group, LLC, a Texas limited liability company, Manager

By: _____
Tom Staub, Manager

RODG DT Seawillow PropCo LLC, a Texas limited liability company

By: _____
Tom Staub, Chief Executive Officer

APPENDIX B

\$15,837,000
CITY OF LOCKHART, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(SEAWILLOW RANCH PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1)

ISSUE PRICE CERTIFICATE

The undersigned, as the duly authorized representative of FMSbonds, Inc. (“Purchaser”), hereby certifies as set forth below with respect to the sale and issuance of the “City of Lockhart, Texas, Special Assessment Revenue Bonds, Series 2026 (Seawillow Ranch Public Improvement District Improvement Area #1),” issued by the City of Lockhart, Texas (“Issuer”), in the principal amount of \$15,837,000 (“Bonds”):

(a) The first price at which at least ten percent (“Substantial Amount”) of the principal amount of each maturity of the Bonds having the same credit and payment terms (a “Maturity”) was sold to a person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter (the “Public”) is set forth in the final Limited Offering Memorandum relating to the Bonds.

A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule A.

For purposes of this Issue Price Certificate, the term “Underwriter” means (1) (i) a person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, or (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1)(i) of this paragraph (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public) to participate in the initial sale of the Bonds to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

Signature page follows.

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Federal Tax Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by McCall, Parkhurst & Horton L.L.P., 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 the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. Notwithstanding anything set forth herein, the Purchaser is not engaged in the practice of law and makes no representation as to the legal sufficiency of the factual matters set forth herein.

EXECUTED and DELIVERED as of this _____, 2026.

FMSbonds, Inc.

By: _____

Name: Theodore A. Swinarski

Title: Senior Vice President – Trading

SCHEDULE A

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

APPENDIX C

[LETTERHEAD OF MESSER FORT PLLC]

March 26, 2026

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

UMB Bank, N.A.
5910 Central Expressway, Suite 1900
Dallas, Texas 75206

City of Lockhart, Texas
308 W. San Antonio St.
Lockhart, Texas 78644

McCall, Parkhurst & Horton L.L.P.
600 Congress Ave, Suite 2150
Austin, Texas 78701

\$15,837,000
CITY OF LOCKHART, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(SEAWILLOW RANCH PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1)

Ladies and Gentlemen:

We are the Attorney for the City of Lockhart, Texas (the “City”), and are rendering this opinion, for limited purposes, in connection with the issuance and sale of \$15,837,000 “City of Lockhart, Texas, Special Assessment Revenue Bonds, Series 2026 (Seawillow Ranch Public Improvement District Improvement Area #1)” (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 March 3, 2026 (the “Bond Ordinance”), and shall be issued pursuant to the provisions of Subchapter A of the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the “Act”), the Indenture of Trust, dated as of March 1, 2026 (the “Indenture”), by and between the City and UMB Bank, N.A., as trustee (the “Trustee”). The Bonds are being sold to FMSbonds, Inc. pursuant to the Bond Purchase Agreement dated March 3, 2026, between the City and FMSbonds Inc. (the “Bond Purchase Agreement”). Capitalized terms not defined herein shall have the same meanings as in the Indenture, unless otherwise stated herein.

In our capacity as City Attorney, and for the purpose of rendering opinions set forth herein, we have reviewed the following:

- (a) Resolution No. _____ enacted by the City Council on October 15, 2024 (the “Creation Resolution”);

- (b) The Assessment Ordinance;
- (c) The Bond Ordinance;
- (d) The Indenture;
- (e) the Development Agreement;
- (f) the Improvement Area #1 Construction, Funding, and Acquisition Agreement; and

(g) That certain Continuing Disclosure Agreement of Issuer with respect to the Bonds, dated as of March 1, 2026, executed and delivered by the City, P3Works, LLC, as Administrator (the “Administrator”), and UMB Bank, N.A., as Dissemination Agent.

The Creation Resolution, the Assessment Ordinance, and the Bond Ordinance shall hereinafter be referred to as the “Authorizing Documents” and the remaining documents shall hereinafter be collectively referred to as the “Reviewed Documents.”

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; (c) the Developer Closing Certificate delivered pursuant to the Bond Purchase Agreement; (d) the Developers’ Letter of Representations delivered pursuant to the Bond Purchase Agreement; (e) the legal opinion delivered pursuant to the Bond Purchase Agreement by its counsel Greenberg Traurig, LLP (“Developer’s Counsel”); and (f) the Administrator’s 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 decision 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 substantive 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 counsel to the City. In basing the opinions and other matters set forth herein on “our knowledge,” the words “our knowledge,” “our actual knowledge” and similar expressions signify that, in the course of our representation of the City 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. 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 the attorneys within our firm who have been directly involved in preparation of the Reviewed Documents in representation of 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 Authorizing Documents and 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 Authorizing Documents and 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 Improvement Area #1 Assessments in Improvement Area #1 of 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 Authorizing Documents were duly enacted by the City and remain in full force and effect on the date hereof.

4. 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, and/or (c) the application of Texas law relating to action by future councils and relating to governmental immunity applicable to governmental entities.

5. The performance by the City of the obligations under the Authorizing Documents and the Reviewed Documents will not violate any provision of any Federal or Texas constitutional or statutory provision.

6. Based upon our limited participation in the preparation of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum (collectively, the “Limited Offering Memorandum”), the statements and information contained in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum with respect to the City under the captions and subcaptions “ASSESSMENT PROCEDURES – Assessment Methodology” (first paragraph only), “THE CITY – Background” and “– City Government” (first two paragraphs only), “THE DISTRICT – General” and “– Powers and Authority of the City” (excluding the last sentence), and “LEGAL MATTERS – Litigation – The City” are a fair and accurate summary of the laws and the documents and facts summarized therein.

7. 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 Authorizing Documents and the Reviewed Documents.

8. The adoption of the Authorizing Documents and the execution and delivery of the Reviewed Documents and the compliance with the provisions of the Authorizing Documents and 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; (xxiii) 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, Indenture, Continuing Disclosure Agreement of Issuer, 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

By: Jennifer Richie
City Attorney

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 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, except as to the City, the Reviewed Documents are enforceable against the other parties thereto;
6. There has been no modification of any provision of the Reviewed Documents, and no waiver or release of any right or remedy thereunder;
7. 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;
8. 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;
9. There are no material misstatements in the legal opinions delivered pursuant to the Bond Purchase Agreement by: (i) McCall, Parkhurst & Horton, L.L.P., Bond Counsel to the City; and (ii) Greenberg Traurig, LLP, Developer's Counsel;
10. There are no material misstatements in the Letters of Representations delivered pursuant to the Bond Purchase Agreement by P3Works, LLP, Administrator, and ROED Prop Co, LLC, a Texas limited liability company, and RODG DT Seawillow PropCo LLC, a Texas limited liability company, Developers;
11. 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 governmental 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; and

12. 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 administrative body and not adjudicated invalid or unenforceable are valid and enforceable.

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 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 Documents:

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 Developer, 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 GREENBERG TRAURIG, LLP

March 26, 2026

City of Lockhart
308 W. San Antonio St.
Lockhart, Texas 78644

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

McCall, Parkhurst & Horton L.L.P.
600 Congress Ave, Suite 2150
Austin, Texas 78701

UMB Bank, N.A.
5910 Central Expressway, Suite 1900
Dallas, Texas 75206

Messer Fort, PLLC
4201 W. Parmer Lane, Suite C150
Austin, Texas 78727

\$15,837,000
CITY OF LOCKHART, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(SEAWILLOW RANCH PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1)

Ladies and Gentlemen:

I. Introduction

We have acted as special counsel to ROED Prop Co, LLC, a Texas limited liability company (the “Developer”), in connection with the issuance and sale by the City of Lockhart, Texas (the “City”), of \$15,837,000 City of Lockhart, Texas, Special Assessment Revenue Bonds, Series 2026 (Seawillow Ranch Public Improvement District Improvement Area #1) (the “Bonds”), pursuant to the Indenture of Trust, dated as of March 1, 2026 (the “Indenture”), by and between the City and UMB Bank, N.A., as trustee (the “Trustee”). Proceeds from the sale of the Bonds will be used, in part, to fund certain public infrastructure improvements in the development known as “Seawillow Ranch” (the “Development”) located in the corporate boundaries of the City.

The Bonds are being sold by FMSbonds, Inc. (the “Underwriter”), pursuant to that certain Bond Purchase Agreement, dated March 3, 2026 (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 special 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 Improvement Area #1 Construction, Funding, and Acquisition Agreement;
3. the Continuing Disclosure Agreement of Developer;
4. the Developers’ Letter of Representations;
5. the Developers’ Closing Certificate;
6. the Landowner Agreement; and
7. the General Certificate of the Developer with respect to the Bonds, dated as of March 26, 2026 (the “Developer Certificate”).

(b) The Preliminary Limited Offering Memorandum, dated February 18, 2026, relating to the issuance of the Bonds (the “Preliminary Limited Offering Memorandum”);

(c) The final Limited Offering Memorandum, dated March 3, 2026, relating to the issuance of the Bonds (the “Limited Offering Memorandum”); and

(d) 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 (other than the authorization, execution, and delivery by the Developer) and that each such document constitutes a valid, binding, and enforceable obligation of each party (other than the Developer) 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 entity 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 the 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 the 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.

II. Opinions and Assurances

Based solely upon the foregoing, and subject to the assumptions and limitations set forth herein, we are of the opinion that:

(a) The Developer is a limited liability company formed under the laws of the State of Texas and qualified to transact business as a limited liability company, and in good standing under the laws of the State of Texas.

(b) The Developer has the power and authority to execute and deliver the Material Documents to which it is a party, and to perform its obligations thereunder.

(c) The execution and delivery by the Developer of the Material Documents to which it is a party, 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.

(d) To our knowledge, no governmental approval which has not been obtained is required to be obtained 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).

(e) Based solely on the Developer Certificate, 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, (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.

(f) To our knowledge, 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) its organization or existence or qualification to do business in the State of Texas; (ii) its authority to execute or deliver the Material Documents to which it is a party; (iii) the titles of the parties executing the Material Documents; (iv) the execution, delivery, validity, or enforceability of the Material Documents on behalf of the Developer; (v) the operations or financial condition of the Developer that would materially adversely affect those operations or the financial condition of the Developer; or (vi) 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.

(g) Based solely on the Developer Certificate, 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, indenture, 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.

(h) The information set forth in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum under the captions “PLAN OF FINANCE – Overview,” “– Development Plan,” and “– Homebuilders and Lot Purchase Agreements within the Improvement Area #1,” “THE IMPROVEMENT AREA #1 PROJECTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the Improvement Area #1 Projects, and the Development (as defined in the Limited Offering Memorandum)), “LEGAL MATTERS – Litigation – The Developer,” and “CONTINUING DISCLOSURE – The Developer,” and “– The Developer’s Compliance with Prior Undertakings” adequately and fairly describe the information summarized under such captions and are correct as to matters of law.

(i) Subject to the below qualifications and based upon our participation in the preparation of the Preliminary Limited Offering Memorandum and 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 Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and related matters were discussed, and although we have not independently verified the information in the Preliminary Limited Offering Memorandum and 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 Preliminary Limited Offering Memorandum and 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 with respect to the Preliminary Limited Offering Memorandum, as of the date of the Preliminary Limited Offering Memorandum and as of March 3, 2026, and with respect to the Limited Offering Memorandum, 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.

III. 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 Certificate, 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. With respect to our opinion in II(a) relating to the Developer’s good standing, we have relied solely on a Certificate of Fact being issued by the Secretary of State of Texas with respect to the

Developer and an online search of the Franchise Tax Account Status page of the website of the Texas Comptroller of Public Accounts which indicated the right of the Developer to do business in the State of Texas is intact.

(c) Our opinion 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,

APPENDIX E

DEVELOPERS' CLOSING CERTIFICATE

ROED Prop Co, LLC, a Texas limited liability company (the “Developer”), and RODG DT Seawillow PropCo LLC, a Texas limited liability company (the “Affiliate” and, together with the Developer, the “Developers”) DO 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 and the Affiliate are each a Texas limited liability company organized, validly existing and in good standing under the laws of the State of Texas.

2. Representatives of the Developer have provided information to the City of Lockhart, Texas (the “City”), and FMSbonds, Inc. (the “Underwriter”) to be used in connection with the offering by the City of its \$15,837,000 aggregate principal amount of Special Assessment Revenue Bonds, Series 2026 (Seawillow Ranch Public Improvement District Improvement Area #1) (the “Bonds”), pursuant to the Preliminary Limited Offering Memorandum, dated February 18, 2026 (the “Preliminary Limited Offering Memorandum”), and Limited Offering Memorandum dated March 3, 2026 (the “Limited Offering Memorandum”).

3. The Developer and the Affiliate have each delivered to the Underwriter and the City true, correct, complete, and fully executed copies of its organizational documents, including its Articles of Organization filed with the Secretary of State of the State of Texas, and such documents have not been amended or supplemented since delivery to the Underwriter and the City and are in full force and effect as of the date hereof.

4. The Developer and the Affiliate have each 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, both dated within 10 days of the date hereof.

5. The Developer and the Affiliate, as noted below, have 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 the Developer or the Affiliate, as applicable, enforceable against the Developer or the Affiliate in accordance with its terms:

(a) the Developers’ Letter of Representations, dated March 3, 2026 (Developer and Affiliate);

(b) the Development Agreement (Affiliate);

(c) the Improvement Area #1 Construction, Funding, and Acquisition Agreement (Developer);

(d) the Continuing Disclosure Agreement of Developer with respect to the Bonds, dated as of March 1, 2026, executed and delivered by the Developer, P3Works, LLC, as Administrator, and UMB Bank, N.A., as Dissemination Agent (Developer); and

(e) the Landowner Agreement, executed by the Developer as of March 3, 2026 (Developer).

6. The Developer owned all of the Improvement Area #1 Assessed Property (as defined in the Service and Assessment Plan) located in Improvement Area #1 of the District on the date that the Assessment Ordinance was adopted and is not an entity that may claim a homestead right under Texas law.

7. The representations and warranties of the Developer and the Affiliate, as applicable, contained in the Developer Documents are true and correct in all material respects on and as of the date hereof.

8. The Developer and the Affiliate have complied in all material respects with all of the Developer's and Affiliate's, as applicable, agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Developer and the Affiliate under the Developer Documents on or prior to the date hereof.

9. The execution and delivery of the Developer Documents by the Developer and the Affiliate do not violate any judgment, order, writ, injunction or decree binding on the Developer or the Affiliate, as applicable, or any indenture, agreement, or other instrument to which the Developer or the Affiliate is a party. There are no proceedings pending or threatened in writing before any court or administrative agency against the Developer or the Affiliate that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Developer or the Affiliate, as applicable, 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 District in accordance with the description thereof in the Limited Offering Memorandum.

10. The Developer has reviewed and approved the information contained in the Preliminary Limited Offering Memorandum in all maps included therein and under the captions and subcaptions "PLAN OF FINANCE" (except for the information under the subcaption "– The Bonds" and "Additional Indebtedness"), "THE IMPROVEMENT AREA #1 PROJECTS," "THE DEVELOPMENT," and "THE DEVELOPER" and "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Improvement Area #1 Projects, and the Development (as defined in the Limited Offering Memorandum)), "LEGAL MATTERS – Litigation – The Developer," "CONTINUING DISCLOSURE – The Developer" and "– The Developer's Compliance with Prior Undertakings," "SOURCES OF INFORMATION – Source of Certain Information," "APPENDIX E-2," "APPENDIX F," "APPENDIX G," and "APPENDIX H" (collectively, the "Developer Disclosures") and certifies that the information contained in the Developer Disclosures 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 therein, in the light of the circumstances under which they are made, not misleading, as of the date of the Preliminary Limited Offering Memorandum and as of the date of the Limited Offering Memorandum; 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 Preliminary Limited Offering Memorandum.

11. The Developer has reviewed and approved the information contained in the Developer Disclosures in the Limited Offering Memorandum and certifies that the same is true and correct and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading, as of the date of the Limited Offering Memorandum and as of the date hereof; 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.

12. To the Developer's and the Affiliate's knowledge, as applicable, the Developer and the Affiliate are in compliance in all material respects with all provisions of applicable law relating to the Developer and the Affiliate in connection with the Development. Except as otherwise described in the Limited Offering Memorandum: (a) to the Developer's and the Affiliate's knowledge, there is no default of any zoning condition, land use permit or development agreement binding upon the Developer, the Affiliate, or any portion of the Development that would materially and adversely affect the Developer's ability to complete or cause to be completed the development of the property within the District as described in the Limited Offering Memorandum; and (b) the Developer has no reason to believe that any additional permits, consents and licenses required to complete the development of the property within the District as and in the manner described in the Limited Offering Memorandum will not be reasonably obtainable in due course.

13. 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.

14. The levy of the Improvement Area #1 Assessments on property in Improvement Area #1 of the District owned by the Developer will not conflict with or constitute a breach of or default under any agreement, mortgage, deed of trust, indenture, or other instrument to which the Developer is a party or to which the Developer or any of its property or assets is subject.

15. Neither the Developer nor the Affiliate is 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 Developer's or Affiliate's ability to perform its obligations under the Developer Documents.

16. The Developer has no knowledge of any physical condition of the Development owned or to be developed by the 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.

17. Other than the lien of Techo Funding, LLC, in connection with the Construction Loan and liens related to earnest money deeds of trust as more particularly described in the

Limited Offering Memorandum, no liens exist on land in Improvement Area #1 of the District on the date hereof.

Signature page follows.

Dated: March 26, 2026

DEVELOPER:

ROED Prop Co, LLC, a Texas limited liability company

By: Red Oak Development Group, LLC, a Texas limited liability company, Manager

By: _____
Tom Staub, Manager

AFFILIATE:

RODG DT Seawillow PropCo LLC, a Texas limited liability company

By: _____
Tom Staub, Chief Executive Officer

APPENDIX F

LETTERHEAD OF BARLETTA & ASSOCIATES, INC.

_____, 2026

City of Lockhart, Texas
308 W. San Antonio St.
Lockhart, Texas 78644

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

McCall, Parkhurst & Horton L.L.P.
600 Congress Ave, Suite 2150
Austin, Texas 78701

UMB Bank, N.A.
5910 Central Expressway, Suite 1900
Dallas, Texas 75206

Re: City of Lockhart, Texas, Special Assessment Revenue Bonds, Series 2026
(Seawillow Ranch Public Improvement District Improvement Area #1) (the
“Bonds”)

Ladies and Gentlemen:

The undersigned, an authorized representative of Barletta & Associates, Inc. (the “Appraiser”), the appraiser of the undeveloped property contained in Improvement Area #1 of the Seawillow Ranch Public Improvement District (the “District”), does hereby represent the following:

1. The Appraiser has supplied certain information contained in the Preliminary Limited Offering Memorandum for the Bonds, dated February 18, 2026, and the Limited Offering Memorandum for the Bonds, dated March 3, 2026 (together, the “Limited Offering Memorandum”), relating to the issuance of the Bonds by the City of Lockhart, Texas, as described above. The information the Appraiser provided for the Limited Offering Memorandum is the real estate appraisal of the property in the District, located in APPENDIX I to the Limited Offering Memorandum, and the description thereof, set forth under the caption “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. Appraiser agrees to the inclusion of the Appraisal in the Limited Offering Memorandum and the use of its name in the Limited Offering Memorandum for the Bonds.

4. Appraiser agrees that, to the best of its ability, it will inform you immediately should it 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 March 26, 2026) 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 or she has been duly authorized to execute this letter of representations.

Sincerely yours,

BARLETTA & ASSOCIATES, INC.

By: _____
Its: _____

APPENDIX G

LETTERHEAD OF P3WORKS, LLC

_____, 2026

City of Lockhart, Texas
308 W. San Antonio St.
Lockhart, Texas 78644

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

McCall, Parkhurst & Horton L.L.P.
600 Congress Ave, Suite 2150
Austin, Texas 78701

UMB Bank, N.A.
5910 Central Expressway, Suite 1900
Dallas, Texas 75206

Re: City of Lockhart, Texas, Special Assessment Revenue Bonds, Series 2026
(Seawillow Ranch Public Improvement District Improvement Area #1) (the
“Bonds”)

Ladies and Gentlemen:

The undersigned, _____, an authorized representative of P3Works, LLC (“P3Works”), consultant in connection with the creation by the City of Lockhart, Texas (the “City”), of Seawillow Ranch Public Improvement District (the “District”), does hereby represent the following:

1. P3Works has supplied certain information contained in the Preliminary Limited Offering Memorandum for the Bonds, dated February 18, 2026, and the final Limited Offering Memorandum for the Bonds, dated March 3, 2026 (together, the “Limited Offering Memorandum”), relating to the issuance of the Bonds by the City, as described above. The information P3Works provided for the Limited Offering Memorandum is located (a) under the captions “ASSESSMENT PROCEDURES” and “THE ADMINISTRATOR” and (b) in the Service and Assessment Plan (the “SAP”) for the City located in APPENDIX C to the Limited Offering Memorandum.

2. At the request of the City, P3Works has prepared the SAP and acknowledges and agrees that the SAP will be included in the Limited Offering Memorandum for the Bonds.

3. To the best of my professional knowledge and belief, the portions of the Limited Offering Memorandum described in paragraph 1 above do 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.

4. P3Works agrees to the inclusion of the SAP in the Limited Offering Memorandum and to the use of its name in the Limited Offering Memorandum for the Bonds.

4. P3Works 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 March 26, 2026) 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,

P3WORKS, LLC

By: _____
Its: _____

EXHIBIT C
CONTINUING DISCLOSURE AGREEMENT

**CITY OF LOCKHART, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(SEAWILLOW PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1)**

CONTINUING DISCLOSURE AGREEMENT OF ISSUER

This Continuing Disclosure Agreement of Issuer dated as of March 1, 2026 (this “Disclosure Agreement”) is executed and delivered by and among the City of Lockhart, Texas (the “Issuer”), P3Works, LLC (the “Administrator”), and UMB Bank, N.A., Dallas, Texas, acting solely in its capacity as dissemination agent (the “Dissemination Agent”) with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2026 (Seawillow Public Improvement District Improvement Area #1)” (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 March 1, 2026, 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:

“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 Financial Statements” shall mean audited or unaudited financial statements of the Issuer prepared in accordance with generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board from time to time, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation.

“Annual Financials Filing Date” shall mean, for each Fiscal Year, the date on which the Annual Financial Statements must be filed with the MSRB, which date is 12 months after the end of the Issuer’s Fiscal Year. The Annual Financials Filing Date is currently September 30.

“Annual Information Filing Date” shall mean, for each Fiscal Year, the date on which the Annual Financial Information must be filed with the MSRB, which date is six (6) months after the end of the Issuer’s Fiscal Year. The Annual Information Filing Date is currently March 31.

“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 Improvement Area #1 Assessments were billed or as may be otherwise defined in Section 31.02 of the Texas Tax Code, as amended.

“Developer” shall mean ROED Prop Co, LLC, a Texas limited liability company, and its successors and assigns.

“Disclosure Agreement of Developer” shall mean the Continuing Disclosure Agreement of the Developer relating to the Bonds dated as of March 1, 2026, executed and delivered by the Developer, the Administrator, and the Dissemination Agent, relating to the Bonds.

“Disclosure Representative” shall mean the Finance Director or City Manager 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 UMB Bank, N.A. Dallas, Texas, a banking association duly organized and existing under the laws of the United States, 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.

“EMMA” shall mean the Electronic Municipal Market Access system currently available on the internet at <http://emma.msrb.org>.

“Filing Date” means any one or all of the Annual Financials Filing Date, Annual Information Filing Date, and Annual Collections Report Filing Date.

“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.

“Participating Underwriter” shall mean FMSbonds, Inc., and its successors and assigns.

“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.

“Tax Year” means the calendar year, or as may be otherwise defined in Section 1.04 of the Texas Tax Code, as amended.

SECTION 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) For each Fiscal Year, commencing with the Fiscal Year ending September 30, 2026, with respect to the Annual Financial Information and September 30, 2025, with respect to the Annual Financial Statements, 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 the Annual Financial Information and the Annual Financial Statements, as follows:

(i) The Issuer shall provide or caused to be provided the Annual Financial Information to the MSRB not later than the Annual Information Filing Date; and

(ii) The Issuer shall provide or caused to be provided audited Annual Financial Statements to the MSRB not later than the Annual Financials Filing Date.

In each case, the Annual Financial Information and the Annual Financial Statements 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 Information Filing Date. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(b) Not later than ten days prior to the applicable Filing Date, the Issuer shall provide the Annual Financial Information or Annual Financial Statements, as applicable, to the Dissemination Agent together with written direction to file such Annual Financial Information or Annual Financial Statements with the MSRB. The Dissemination Agent shall provide such Annual Financial Information or Annual Financial Statements to the MSRB not later than ten days from receipt of such from the Issuer, but in no event later than the applicable Filing Date for such Fiscal Year.

If by the fifth (5th) day before the applicable Filing Date the Dissemination Agent has not received a copy of the Annual Financial Information or Annual Financial Statements, as applicable, 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 Financial Information or Annual Financial Statements pursuant to subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Financial Information or Annual Financial Statements, as applicable, no later than two Business Days prior to the applicable Filing Date; or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Financial Information by the Annual Information Filing Date or the Annual Financial Statements by the Annual Financials Filing Date, as applicable, state the date by which the Annual Financial Information or Annual Financial Statements for such year will be provided, and instruct the Dissemination Agent in writing 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 Financial Information, Annual Financial Statements, or the notice of failure to file, as applicable, to the MSRB, no later than the applicable 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 applicable Filing Date.

(c) The Dissemination Agent, pursuant to written direction (which written direction may be made via electronic means), shall:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Financial Information and the Annual Financial Statements on the dates required in subsection (a);

(ii) on behalf of the Issuer, file the Annual Financial Information and the Annual Financial Statements containing or incorporating by reference the information set forth in Section 4 hereof; and

(iii) if the Issuer has provided the Dissemination Agent with the completed Annual Financial Information and the Annual Financial Statements, as applicable, and the Dissemination Agent has filed such Annual Financial Information or Annual Financial Statements with the MSRB, then the Dissemination Agent shall provide written confirmation to with the Issuer stating that the Annual Financial Information or Annual Financial Statements has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB.

SECTION 4. Content and Timing of Annual Financial Information and Annual Financial Statements.

(a) *The Annual Financial Information.* The Annual Financial Information 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 Information Filing Date, the following Annual Financial Information:

(i) Information regarding the Bonds and the Trust Estate in substantially similar form to that shown in the tables provided under Sections 4(a)(i) of Exhibit B attached hereto. Such information shall be provided as of the end of the Fiscal Year to which the information being reported relates.

(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 Fiscal Year to which the information being reported relates.

(iii) Any updates to the Service and Assessment Plan, including the Annual Service Plan Update (collectively, 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) *Annual Financial Statements.* The Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Financials Filing Date the audited Annual 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.

(c) The Issuer has designated P3Works, LLC, as the initial Administrator. 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 Financial Information under this Section 4.

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 Dissemination Agent has no duty or obligation to determine whether or not the information contained in any completed forms containing financial information and operating data as shown in Exhibit B provided to it has been accurately completed and shall only be required to file the forms as completed and provided to it by either the Administrator or the Issuer, pursuant to written direction.

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 Financial Information, if such Annual Collections Report is available when the Annual Financial Information 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 on the last Business Day prior to the Annual Collections Report Filing Date; or the Issuer will notify the Dissemination Agent in writing that the Issuer will provide or cause to be provided the Annual Collections Report to the MSRB through alternate means. If the Issuer so notifies the Dissemination Agent, the Issuer will provide the Dissemination Agent with a written report certifying that the Annual Collections Report has been provided to the MSRB pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB prior to the second (2nd) Business Day prior to the Annual Collections Report Filing Date. In the event the Issuer fails to provide the Dissemination Agent with such a report, the Dissemination Agent shall file a notice of failure to file no later than the applicable 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 Improvement Area #1 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 Issuer 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 Listed 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 Improvement Area #1 of 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. For the avoidance of doubt, the incurrence of Refunding Bonds without the filing of a corresponding official statement with the MSRB will constitute the incurrence of a material Financial Obligation for which a notice of a Listed Event in accordance with this Section 6 must be filed with the MSRB.

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 in writing to immediately file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than one (1) Business Day 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; provided, however, the failure of the Issuer to provide timely written notice to the Dissemination Agent in accordance with this paragraph shall not constitute a failure of the Dissemination Agent to comply with the MSRB's ten (10) Business Day filing requirement.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written direction 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 Administrator and the Dissemination Agent 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 thirty (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. The initial Dissemination Agent appointed hereunder shall be UMB Bank, N.A., Dallas, Texas. The Issuer will give prompt written notice to the Developer, or any other party responsible for providing quarterly information pursuant to the Disclosure Agreement of Developer, of any change in the identity of the Dissemination Agent under the Disclosure Agreement of Developer.

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 Fiscal 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 Financial Information, Annual Financial Statements, 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 Financial Information, Annual Financial Statements, 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 Financial

Information, Annual Financial Statements, 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 against all costs, fees, expenses and liabilities for such actions) 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 by the Developer, and a default under the Disclosure Agreement of Developer by the Developer shall not be deemed a default under this Disclosure Agreement.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) Notwithstanding anything to the contrary contained herein, 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 Annual Collection Costs collected from the property owners in Improvement Area #1 of 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 reasonable 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; 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 Financial Information or Annual Financial Statements 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 Annual Financial Information, Annual Financial Statements, 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 fact that the Dissemination Agent may have a banking or other business relationship with the Issuer or any person with whom the Issuer contracts in connection

with the transaction described in the Indenture, apart from the relationship created by the Indenture or this Disclosure Agreement, shall not be construed to mean the Dissemination Agent has actual knowledge of any event described in Section 6 above, except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement. 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 selected by the Trustee with due care, 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 in accordance with the terms of this Disclosure Agreement that the Trustee in good faith reasonably believes to be genuine and to have been signed or presented by the proper party or parties.

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 Annual Collection Costs collected from the property in Improvement Area #1 of 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 reasonable 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 Improvement Area #1 Assessments and the anticipated procedures for pursuing the collection of delinquent Improvement Area #1 Assessments is set forth in Exhibit D which is solely intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Improvement Area #1 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 Annual Collection Costs and will be included in the Improvement Area #1 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 Annual Collection Costs component of the Annual Installments collected from the owners of Improvement Area #1 Assessed Property for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

SECTION 19. Statutory Verifications. The Dissemination Agent and the Administrator, each individually, make the following representation and verifications 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 the Administrator, as the case may be, 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 the Administrator, each individually, 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 and the Administrator 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 Dissemination Agent and the Administrator, each individually, 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 the Administrator, each individually, 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 the Administrator, each individually, 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.

Signature pages follow.

CITY OF LOCKHART, TEXAS
(as Issuer)

By: _____
Mayor

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF ISSUER
(SEAWILLOW PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1)

S-1

UMB Bank, N.A.
(as Dissemination Agent)

By: _____

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF ISSUER
(SEAWILLOW PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1)

S-2

P3WORKS, LLC
(as Administrator)

By: _____
Authorized Officer

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF ISSUER
(SEAWILLOW PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1)

S-3

EXHIBIT A

**NOTICE TO MSRB OF FAILURE TO FILE
[ANNUAL FINANCIAL INFORMATION] [ANNUAL FINANCIAL STATEMENTS]
[ANNUAL COLLECTIONS REPORT]**

Name of Issuer: City of Lockhart, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2026
(Seawillow Public Improvement District Improvement Area #1)

Date of Delivery _____, 20__
CUSIP Nos: [Insert CUSIP Nos]

NOTICE IS HEREBY GIVEN that the City of Lockhart, Texas, has not provided [Annual Financial Information] [Annual Financial Statements] [an Annual Collections Report] with respect to the above-named bonds as required by the Continuing Disclosure Agreement of Issuer dated as of March 1, 2026, between the Issuer, P3Works, LLC, as Administrator, and UMB Bank, N.A., as Dissemination Agent. The Issuer anticipates that the [Annual Financial Information] [Annual Financial Statements] [Annual Collections Report] will be filed by _____.

Dated: _____

UMB Bank, N.A., on behalf of the City of
Lockhart, Texas
(solely in its capacity as Dissemination Agent)

By: _____

Title: _____

cc: City of Lockhart, Texas

EXHIBIT B

CITY OF LOCKHART, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026 (SEAWILLOW PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1)

ANNUAL FINANCIAL INFORMATION[*]

Delivery Date: _____, 20__

CUSIP Nos: [Insert CUSIP Nos]

DISSEMINATION AGENT

Name: UMB Bank, N.A.
Address: 5910 N. Central Expressway, Suite 1900
City: Dallas, Texas 75206
Telephone: (214) 389-5947
Contact Person Attn: Israel Lugo

Section 4(a)(i)

BONDS OUTSTANDING

Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount
				—
				—
Total				

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

ASSETS AND LIABILITIES OF PLEDGED TRUST ESTATE

ASSETS

Bonds (Principal Balance)	_____
Funds and Accounts [list]	_____
TOTAL ASSETS	_____

LIABILITIES

Outstanding Bond Principal	_____
Outstanding Program Expenses (if any)	_____
TOTAL LIABILITIES	_____

EQUITY

Assets Less Liabilities	_____
Parity Ratio	_____

September 30, 20[] Trust Statements: ☐ Audited ☐ Unaudited

Form of Accounting ☐ 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

<u>Year Ending</u> <u>(September 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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Top [Five] Improvement Area #1 Assessment Payers ⁽¹⁾

<u>Property Owner</u>	<u>No. of</u> <u>Parcels/Lots</u>	<u>Percentage of</u> <u>Parcels/Lots</u>	<u>Outstanding</u> <u>Improvement</u> <u>Area #1</u> <u>Assessments</u>	<u>Percentage of</u> <u>Total</u> <u>Improvement</u> <u>Area #1</u> <u>Assessments</u>
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⁽¹⁾ Does not include those owing less than one percent (1%) of total Improvement Area #1 Assessments.

Assessed Value of Improvement Area #1 of the District

The [YEAR] certified total assessed value for the Improvement Area #1 Assessed Property in Improvement Area #1 of the District is approximately \$[AMOUNT] according to the Caldwell County Appraisal District.

Foreclosure History Related to the Improvement Area #1 Assessments for the Past Five Fiscal Years

Fiscal Year Ended (9/30)	Delinquent Improvement Area #1 Assessment Amount not in Foreclosure Proceedings	Parcels in Foreclosure Proceedings	Delinquent Improvement Area #1 Assessment Amount in Foreclosure Proceedings	Foreclosure Sales	Foreclosure Proceeds Received
20__	\$		\$		\$
20__					
20__					
20__					
20__					

[insert any necessary footnotes]

Collection and Delinquency History of Improvement Area #1 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 Annual Installments 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.

History of Prepayment of Improvement Area #1 Assessments
for the Past Five Fiscal Years

<u>Fiscal Year Ended (9/30)</u>	<u>Number of</u> <u>Prepayments</u>	<u>Amount of</u> <u>Prepayments</u> \$	<u>Bond Call Date</u>	<u>Amount of</u> <u>Bonds</u> <u>Redeemed</u> \$
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 LOCKHART, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2026
(SEAWILLOW PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1)**

ANNUAL COLLECTIONS REPORT

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: UMB Bank, N.A.
Address: 5910 N. Central Expressway, Suite 1900
City: Dallas, Texas 75206
Telephone: (214) 389-5947
Contact Person: Attn: Israel Lugo

**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 Improvement Area #1 Annual Installments⁽¹⁾

Succeeding Fiscal Year	Delinquent Annual Installment Amount not in Foreclosure Proceedings	Parcels in Foreclosure Proceedings	Delinquent Annual Installment Amount in Foreclosure Proceedings	Foreclosure Sales	Foreclosure Proceeds Received
20__	\$		\$		\$

(1) Period covered includes October 1, 20__ through March 1, 20__.

Collection and Delinquency of Annual Installments ⁽¹⁾

Succeeding Fiscal Year 20__	Total Annual Installments <u>Levied</u> \$	Parcels <u>Levied</u> ⁽²⁾	Delinquent Amount as <u>of 3/1</u> \$	Delinquent % <u>as of 3/1</u> %	Total Annual Installments <u>Collected</u> ⁽³⁾ \$
-----------------------------------	---	---	--	---------------------------------------	---

⁽¹⁾ Period covered includes October 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 Improvement Area #1 Assessments ⁽¹⁾

Succeeding Fiscal Year	Number of <u>Prepayments</u>	Amount of <u>Prepayments</u> \$	<u>Bond Call Date</u>	Amount of Bonds <u>Redeemed</u> \$
---------------------------	---------------------------------	---------------------------------------	-----------------------	---

⁽¹⁾ Period covered includes October 1, 20__, through March 1, 20__.

EXHIBIT D

EXPECTED TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES ⁽¹⁾

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
January 31		Improvement Area #1 Assessments are due.
February 1	1	Improvement Area #1 Assessments delinquent if not received.
February 15	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/or 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 Improvement Area #1 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

⁽¹⁾ Illustrates anticipated dates and procedures for pursuing the collection of delinquent 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 County 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 or an amendment to the Code, such modifications shall control.

draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw on the Reserve Fund.

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 Financial Information.

Preliminary Foreclosure activity commences in accordance with County Tax Assessor'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 County Tax Assessor'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 City Manager 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 City Manager 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 Improvement Area #1 Assessments.

EXHIBIT D

CONSTRUCTION, FUNDING AND ACQUISITION AGREEMENT

**SEAWILLOW PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1
CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT**

THIS SEAWILLOW PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 CONSTRUCTION, FUNDING, AND ACQUISITION AGREEMENT (this “Agreement”), dated as of March 3, 2026, is by and between the **CITY OF LOCKHART, TEXAS**, a home-rule municipality of the State of Texas (the “City”), and **ROED PROP CO, LLC**, a Texas limited partnership (the “Developer”).

**ARTICLE I
DEFINITIONS**

The following terms shall have the meanings ascribed to them in this Article I for purposes of this Agreement. Unless otherwise indicated, any other terms, capitalized or not, when used herein shall have the meanings ascribed to them in the Indenture (as hereinafter defined).

“**Act**” means the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended.

“**Actual Costs**” means the costs of the Improvement Area #1 Projects actually paid or incurred for construction and installation of the Improvement Area #1 Projects in accordance with the Service and Assessment Plan.

“**Administrator**” means, initially, P3 Works, LLC, or any other individual or entity designated by the City to administer the District.

“**Annual Service Plan Update**” means the annual update to the Service and Assessment Plan conducted by the Administrator pursuant to the Service and Assessment Plan and approved by ordinance adopted by the City.

“**Assessments**” shall have the meaning given to “Improvement Area #1 Assessment” in the Indenture.

“**Authorized Improvements**” means improvements authorized by Section 372.003(b) of the Act.

“**Bond Ordinance**” means the ordinance adopted by the City Council on March 3, 2026 authorizing the issuance of the Bonds pursuant to the Indenture.

“**Bonds**” means the City’s bonds designated “City of Lockhart, Texas, Special Assessment Revenue Bonds, Series 2026 (Seawillow Public Improvement District Improvement Area #1)”.

“**Budgeted Costs**” means the anticipated, agreed upon costs of the Improvement Area #1 Projects as shown in Exhibit B of the Service and Assessment Plan.

“Certification for Payment” means a certificate, substantially in the form of **Exhibit B** hereto or such other form agreed to by the Developer, the Administrator and the City Representative, executed by an engineer, construction manager or other person or entity acceptable to the City, as evidenced by the signature of a City Representative, provided no more frequently than once per each month to the City Representative and the Trustee, specifying the amount of work performed and the amount charged for that work, including materials and labor costs, presented to the Trustee to request payment for Actual Costs of Improvement Area #1 Projects under the Indenture.

“City Inspector” means an individual employed by or an agent of the City whose job is, in part or in whole, to inspect infrastructure to be owned by the City for compliance with all rules and regulations applicable to the development and the infrastructure inspected.

“City Manager” means the City Manager of the City, or its designee.

“City Representative” means the City Manager, or any other official or agent of the City later authorized by the City to undertake the action referenced herein.

“Closing Disbursement Request” means the certificate, substantially in the form of **Exhibit A** hereto or such other form agreed to by the Developer, Administrator, and City Representative, executed by an engineer, construction manager or other person or entity acceptable to the City, as evidenced by the signature of a City Representative, specifying the amounts to be disbursed for the costs related to the creation of the District.

“Construction Contracts” means the contracts for the construction of an Improvement Area #1 Project. **“Construction Contract”** means any one of the Construction Contracts.

“Costs” means the Budgeted Costs or the Actual Costs of an Improvement Area #1 Project as reflected in a Construction Contract, if different than the Budgeted Costs.

“Costs of Issuance Account” means the account of such name in the Project Fund created under Section 6.1 of the Indenture.

“Cost Overrun” means, with respect to each Improvement Area #1 Project, the Actual Cost, as appropriate, of such Improvement Area #1 Project in excess of the Budgeted Cost.

“Cost Underrun” has the meaning assigned such term in Section 4.04 hereof

“Development Agreement” means that certain Seawillow Ranch Development and Public Improvement Agreement, effective as of August 2, 2024, between the City and RODG DT Seawillow Prop Co, LLC, as amended from time to time.

“District” shall mean the Seawillow Public Improvement District created October 15, 2024.

“Final Completion” means completion of an Improvement Area #1 Project in compliance with existing City standards for dedication under the City’s ordinances and the Development Agreement.

“Improvement Account” means the account entitled “Improvement Area #1 Improvement Account” created in the Project Fund under Section 6.1 of the Indenture.

“Improvement Area #1” means the initial improvement area to be developed and described in Exhibit L-2 to the Service and Assessment Plan, as specifically depicted and described as the sum of all parcels shown in Exhibit E-1 to the Service and Assessment Plan.

“Improvement Area #1 Improvements” mean the Authorized Improvements which only benefit Improvement Area #1, which are described in Section III.B of the Service and Assessment Plan.

“Improvement Area #1 Projects” mean (i) the pro rata portion of the Major Improvements allocable to Improvement Area #1 and (ii) the Improvement Area #1 Improvements.

“Indenture” means that certain Indenture of Trust between the City and U.S. Bank Trust Company, National Association, as trustee, dated as of March 1, 2026 relating to the Bonds.

“Major Improvements” means the Authorized Improvements which benefit all of the property within the District and as described in Section III.A of the Service and Assessment Plan.

“Plans” means the plans, specifications, schedules and related construction contracts for the Improvement Area #1 Projects, respectively, approved pursuant to the applicable standards, ordinances, procedures, policies and directives of the City, the Development Agreement, and any other applicable governmental entity.

“Project Fund” means the fund, including the accounts created and established under such fund, where monies from the proceeds of the sale of the Bonds, excluding those deposited in other funds in accordance with the Indenture, shall be deposited, and the fund by such name created under the Indenture.

“Service and Assessment Plan” means the Seawillow Public Improvement District Service and Assessment Plan adopted by a City ordinance on March 3, 2026 by the City Council, prepared pursuant to the Act.

“Substantial Completion” means the time at which the construction of an Improvement Area #1 Project (or specified segment, section or part thereof) has progressed to the point where such Improvement Area #1 Project (or a specified segment, section or part thereof) is sufficiently complete in accordance with the Construction Contracts related thereto so that such Improvement

Area #1 Project (or a specified segment, section or part thereof) can be utilized for the purposes for which it is intended.

ARTICLE II RECITALS

Section 2.01. The District and the Improvement Area #1 Projects.

(a) The City has created the District under the Act for the financing of, among other things, the acquisition, construction and installation of the Improvement Area #1 Projects.

(b) The City has authorized the issuance of the Bonds in accordance with the provisions of the Act, the Bond Ordinance and the Indenture, the proceeds of which Bonds shall be used, in part, to finance a portion of the Improvement Area #1 Projects in accordance with the terms and limitations of the Indenture, the Development Agreement, this Agreement, and the Service and Assessment Plan.

(c) All Improvement Area #1 Projects are eligible to be financed with proceeds of the Bonds and the Assessments to the extent specified herein.

(d) The proceeds from the issuance and sale of the Bonds shall be deposited in accordance with the Indenture.

(e) The Developer will undertake, oversee, or ensure the construction and development of the Improvement Area #1 Projects for acquisition and acceptance by the City, in accordance with the terms and conditions contained in the Development Agreement and this Agreement.

Section 2.02. Agreements. In consideration of the mutual promises and covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Developer agree that the foregoing recitals, as applicable to each, are true and correct and further make the agreements set forth herein.

ARTICLE III FUNDING

Section 3.01. Bonds.

(a) The City, in connection with this Agreement, is proceeding with the issuance and delivery of the Bonds.

(b) The projects to be financed in part with the proceeds of the Bonds are the Improvement Area #1 Projects. The payment of Costs from the proceeds of the Bonds for such Improvement Area #1 Projects shall be made from the Improvement Account of the Project Fund established under the Indenture.

(c) The City's obligation with respect to the payment of the Costs of the Improvement Area #1 Projects shall be limited to the lesser of the Actual Costs or Budgeted Costs, and shall be payable solely from amounts on deposit for the payment of such Costs as provided herein and in the Indenture. The Developer agrees and acknowledges that it is responsible for all Cost Overruns and all expenses related to the Improvement Area #1 Projects, qualified, however, by the distribution of Cost Underrun monies, as detailed in Section 4.04.

(d) The City shall have no responsibility whatsoever to the Developer with respect to the investment of any funds held in the Project Fund by the Trustee under the provisions of the Indenture, including any loss of all or a portion of the principal invested or any penalty for liquidation of an investment.

(e) The Developer acknowledges that any lack of availability of amounts in the funds or accounts established in the Indenture to pay the Costs of the Improvement Area #1 Projects shall in no way diminish any obligation of the Developer with respect to the construction of or contributions for the Improvement Area #1 Projects required by this Agreement, the Development Agreement, or any other agreement to which the Developer is a party or any governmental approval to which the Developer or any land within the District is subject.

Section 3.02 Funds and Accounts. All disbursements from the Improvement Account of the Project Fund shall be made by the City in accordance with provisions of the Development Agreement, the Service and Assessment Plan, this Agreement and the Indenture.

ARTICLE IV

CONSTRUCTION OF THE IMPROVEMENT AREA #1 PROJECTS

Section 4.01. Duty of Developer to Construct.

(a) All Improvement Area #1 Projects shall be constructed by or at the direction of the Developer in accordance with the Plans and in accordance with this Agreement and the Development Agreement. The Developer shall perform, or cause to be performed, all of its obligations and shall conduct, or cause to be conducted, all operations with respect to the construction of Improvement Area #1 Projects in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. The Developer shall employ at all times adequate staff or consultants with the requisite experience necessary to administer and coordinate all work related to the design, engineering, acquisition, construction and installation of all Improvement Area #1 Projects, to be acquired and accepted by the City, from the Developer as provided in this Agreement.

(b) The Developer shall not be relieved of its obligation to construct or cause to be constructed each Improvement Area #1 Project and, upon completion, inspection, and acceptance, convey each such Improvement Area #1 Project to the City, in accordance with the terms hereof,

even if there are insufficient funds in the Project Fund or other funds or account created under the Indenture to pay the Actual Costs thereof. In any event, this Agreement shall not affect any obligation of the Developer under any other agreement to which the Developer is a party or any governmental approval to which the Developer or any land within the District is subject, with respect to the Improvement Area #1 Projects required in connection with the development of the land within the District.

Section 4.02. No Competitive Bidding. The Improvement Area #1 Projects shall not require competitive bidding pursuant to Section 252.022(a)(9) of the Texas Local Government Code, as amended.

Section 4.03. Independent Contractor. In performing this Agreement, the Developer is an independent contractor and not the agent or employee of the City with respect to the Improvement Area #1 Projects.

Section 4.04. Remaining Funds After Completion of an Improvement Area #1 Project. Upon the Final Completion of any Improvement Area #1 Project (or any segment or section thereof) and payment of all outstanding invoices for such Improvement Area #1 Project (or segment or section thereof), if the Actual Cost of such Improvement Area #1 Project (or segment or section thereof) is less than the Budgeted Cost of such Improvement Area #1 Project (a “Cost Underrun”), any remaining Budgeted Cost may be made available to pay Cost Overruns on any other Improvement Area #1 Project, including Improvement Area #1 Projects in a different improvement category shown in the Service and Assessment Plan. Any Cost Underrun for any Improvement Area #1 Project is available to pay Cost Overruns on any other Improvement Area #1 Project. If, upon Final Completion of all Improvement Area #1 Projects in any improvement category, there are funds remaining in any improvement categories, those funds can then be used to reimburse the Developer for any qualifying costs of Improvement Area #1 Projects that have not been previously paid.

The Administrator shall confirm that such remaining amounts are available to pay such Cost Overruns, and the Developer, the Administrator and the City Representative shall promptly agree on how to apply such moneys to the costs of other Improvement Area #1 Projects, subject to the costs described in the Service and Assessment Plan. The use of such moneys shall be included in the next Annual Service Plan Update.

Section 4.05. Contracts and Change Orders. The Developer shall be responsible for entering into all contracts and any supplemental agreements (herein referred to as “change orders”) required for the construction of the Improvement Area #1 Projects. Developer or its contractors may approve and implement any change orders, even if such change order would increase the Cost of an Improvement Area #1 Project, but the Developer shall be solely responsible for payment of any Cost Overruns resulting from such change orders except to the extent amounts are available pursuant to Section 4.04. If any change order is for work that requires changes to be made by an

engineer to the construction and design documents and plans previously approved under Section 4.01, then such revisions made by an engineer must be submitted to the City for approval by the City's engineer prior to execution of the change order.

ARTICLE V

ACQUISITION, CONSTRUCTION, AND PAYMENT

Section 5.01. Payment Requests for Disbursements at Closing. In order to receive the disbursement from the Costs of Issuance Account of the Project Fund or the Improvement Account of the Project Fund at closing of the Bonds, related to costs of issuance of the Bonds or costs incurred in the creation of the District, the Developer shall execute a Closing Disbursement Request, substantially in the form of **Exhibit A** hereto or otherwise acceptable and agreed to by the City, to be delivered to the City no less than fifteen (15) business days prior to the scheduled Closing Date for the Bonds for payment in accordance with the provisions of the Indenture. In order to receive the disbursement for an Improvement Area #1 Project from the Improvement Account of the Project Fund at closing of the Bonds, the Developer shall execute a Certification for Payment, substantially in the form of **Exhibit B** hereto or otherwise agreed to by the City, to be delivered to the City no later than fifteen (15) business days prior to the scheduled Closing Date for the Bonds for payment in accordance with the provisions of the Indenture. Upon approval by the City, the City shall submit a Closing Disbursement Request or a Certification for Payment, as applicable, to the Trustee for disbursement to be made from the Costs of Issuance Account of the Project Fund or the Improvement Account of the Project Fund, as applicable.

Section 5.02. Certification for Payment for an Improvement Area #1 Project.

(a) No payment hereunder shall be made from the Project Fund to the Developer for work on an Improvement Area #1 Project until a Certification for Payment is received from the Developer. Upon receipt of a Certification for Payment substantially in the form of **Exhibit B** hereto (and all accompanying documentation required by the City) from the Developer, the City Inspector shall conduct a review in order to confirm that such request is complete, that the work with respect to such Improvement Area #1 Project identified therein for which payment is requested was completed in accordance with all applicable governmental laws, rules and regulations and applicable Plans therefor and with the terms of this Agreement, the Development Agreement, and to verify and approve the Actual Cost of such work specified in such Certification for Payment (collectively, the "Developer Compliance Requirements"). The City Inspector and/or the City Representative shall also conduct such review as is required in his discretion to confirm the matters certified in the Certification for Payment. The Developer agrees to cooperate with the City Inspector and/or City Representative in conducting each such review and to provide the City Inspector and/or City Representative with such additional information and documentation as is reasonably necessary for the City Inspector and/or City Representative to conclude each such review.

(b) Within fifteen (15) business days of receipt of any Certification for Payment, the City Representative shall either (i) approve and execute the Certification for Payment and forward the same to the Administrator for approval and delivery to the Trustee for payment to the Developer in accordance with Section 5.03(a) hereof or (ii) in the event the City Representative disapproves the Certification for Payment, give written notification to the Developer of the City Representative'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 Representative 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 Section 5.03 hereof and delivery to the Developer in accordance with Section 5.02(c) hereof, and any such partial work shall be processed for payment under Section 5.03 notwithstanding such partial denial.

(c) If the City Representative denies the Certification for Payment, the denial must be in writing, stating the reason(s) for denial. The denial may be appealed to the City Council by the Developer in writing within thirty (30) days of being denied by the City Representative. Denial 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 payment until the dispute is resolved by the City and the Developer.

(d) The Developer shall deliver the approved or partially approved Certification for Payment to the Trustee for payment and the City shall direct the Trustee to make such payment from the Project Fund in accordance with Section 5.03 below.

Section 5.03. Payment for Improvement Area #1 Project.

(a) Upon receipt of a reviewed and approved Certification for Payment, the Trustee shall make payment from the Improvement Account of the Project Fund pursuant to the terms of the Certification for Payment and the Indenture in an amount not to exceed the Budgeted Cost for the particular Improvement Area #1 Project, unless a Cost Overrun amount has been approved for a particular Improvement Area #1 Project. If a Cost Overrun amount has been approved, then the amount reimbursed shall not exceed the Budgeted Amount plus the approved Cost Overrun amount.

(b) Approved Certifications for Payment that await reimbursement shall not accrue interest.

(c) Notwithstanding any other provisions of this Agreement, when payment is made, the City shall direct the Trustee to make payment directly to the general contractor or supplier of

materials or services or jointly to Developer (or any permitted assignee of such Developer) and the general contractor or supplier of materials or services, as indicated in an approved Certification for Payment, out of available and appropriate funds in the Project Fund. If the request for payment results in ninety percent (90%) or more of the Budgeted Costs for such Improvement Area #1 Project identified in such request for payment being paid, then the City shall direct the Trustee to hold the payment until work with respect to that Improvement Area #1 Project has been completed and accepted by the City. If an unconditional lien release related to the items referenced in the Certification for Payment is attached to such Certification for Payment, the City shall direct the Trustee to make such payment to the Developer or any permitted assignee of the Developer. In the event the Developer provides a general contractor's or supplier of materials' unconditional lien release for a portion of the work covered by a Certification for Payment, the City shall direct the Trustee to make such payment directly to the Developer or any permitted assignee of the Developer to the extent of such lien release.

(d) Withholding Payments.

Nothing in this Agreement shall be deemed to prohibit the Developer or the City from contesting in good faith the validity or amount of any mechanics or materialman's lien and/or judgment nor limit the remedies available to the Developer or the City with respect thereto, including the withholding of any payment that may be associated with the exercise of such remedy, so long as such delay in performance shall not subject the Improvement Area #1 Project to foreclosure, forfeiture, or sale. In the event that any such mechanics or materialman's lien and/or judgment with respect to any Improvement Area #1 Project is contested, the Developer shall post or cause delivery of a surety bond in the amount determined by the City or City may decline to accept the Improvement Area #1 Projects until such mechanics or materialman's lien and/or judgment is satisfied.

ARTICLE VI

OWNERSHIP AND TRANSFER OF IMPROVEMENT AREA #1 PROJECT

Section 6.01. Improvement Area #1 Project to be Owned by the City– Title Evidence. If required by the City, the Developer shall furnish to the City a preliminary title report for land with respect to an Improvement Area #1 Project to be acquired and accepted by the City from the Developer and not previously dedicated or otherwise conveyed to the City for review and approval at least thirty (30) calendar days prior to the transfer of title of an Improvement Area #1 Project to the City. The City shall approve the preliminary title report unless it reveals a matter which, in the reasonable judgment of the City, could materially affect the City's clean title or use and enjoyment of any part of the property or easement covered by the preliminary title report. In the event the City does not approve the preliminary title report, the City shall not be obligated to accept title to the Improvement Area #1 Project until the Developer has cured such objections to title to the satisfaction of the City.

Section 6.02. Improvement Area #1 Project Constructed on City Land or Developer Land. If the Improvement Area #1 Project is on land owned by the City, the City hereby grants to the Developer a license to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance) of the Improvement Area #1 Project. If the Improvement Area #1 Project is on land owned by the Developer, the Developer hereby grants to the City an easement to enter upon such land for purposes related to inspection and maintenance (pending acquisition and acceptance) of the Improvement Area #1 Project. The grant of the permanent easement shall not relieve the Developer of any obligation to grant the City title to property and/or easements related to the Improvement Area #1 Project as required by the Development Agreement or as should in the City's reasonable judgment be granted to provide for convenient access to and routine and emergency maintenance of such Improvement Area #1 Project. The provisions for inspection and acceptance of such Improvement Area #1 Project otherwise provided herein shall apply.

ARTICLE VII

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 7.01. Representations, Covenants and Warranties of the Developer. The Developer represents and warrants for the benefit of the City as follows:

(a) Organization. The Developer is a limited partnership duly formed, organized and validly existing under the laws of the State of Texas, is in compliance with the laws of the State of Texas, and has the power and authority to own its properties and assets and to fulfill its obligations in this Agreement and the Development Agreement and to carry on its business in the State of Texas as now being conducted as hereby contemplated.

(b) Authority. The Developer has the power and authority to enter into this Agreement and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered by the Developer.

(c) Binding Obligation. This Agreement is a legal, valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms, subject to bankruptcy and other equitable principles.

(d) Compliance with Law. The Developer shall not commit, suffer or permit any act to be done in, upon or to the lands in the District or the Improvement Area #1 Projects in violation of any law, ordinance, rule, regulation or order of any governmental authority or any covenant, condition or restriction now or hereafter affecting the lands in the District or the Improvement Area #1 Projects.

(e) Requests for Payment. The Developer represents and warrants that (i) it will not request payment from the Project Fund for the acquisition construction or installation of any improvements that are not part of the Costs associated with the Improvement Area #1 Projects,

and (ii) it will diligently follow all procedures set forth in this Agreement with respect to the Certification for Payments.

(f) Financial Records. For a period of two years after completion of the Improvement Area #1 Projects, the Developer covenants to maintain proper books of record and account for the construction of the Improvement Area #1 Projects and all Costs related thereto. Such accounting books shall be maintained in accordance with generally accepted accounting principles, and shall be available for inspection by the City or its agents at any reasonable time during regular business hours on reasonable notice.

(g) Plans. The Developer represents that it has obtained or will obtain approval of the Plans from all appropriate departments of the City and from any other public entity or public utility from which such approval must be obtained. The Developer further agrees that, subject to the terms hereof, the Improvement Area #1 Projects have been or will be constructed in full compliance with such Plans and any change orders thereto consistent with the Act, this Agreement and the Development Agreement. Developer shall provide as-built plans for all Improvement Area #1 Projects to the City.

(h) Additional Information. The Developer agrees to cooperate with all reasonable written requests for nonproprietary information by the initial purchaser of the Bonds, the City Manager and the City Representative related to the status of construction of the Improvement Area #1 Projects within the District, the anticipated completion dates for future improvements and any other matter that the initial purchaser of the Bonds or City Representative deems material to the investment quality of the Bonds.

(i) Continuing Disclosure Agreement. The Developer agrees to provide the information required pursuant to the Continuing Disclosure Agreement of the Developer executed by the Developer in connection with the Bonds.

(j) Tax Certificate. The City will deliver a certificate relating to the Bonds (such certificate, as it may be amended and supplemented from time to time, being referred to herein as the “Tax Certificate”) containing covenants and agreements designed to satisfy the requirements of 26 U.S. Code Sections 103 and 141 through 150, inclusive, and the federal income tax regulations issued thereunder relating to the use of the proceeds of the Bonds or of any monies, securities or other obligations on deposit to the credit of any of the funds and accounts created by the Indenture or this Agreement or otherwise that may be deemed to be proceeds of the Bonds within the meaning of 26 U.S. Code Section 148 (collectively, “Bond Proceeds”).

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

date, and (ii) the Developer will make reasonable inquiries to ensure such truth, correctness and completeness. The Developer covenants that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use or investment of the Bond Proceeds (including, but not limited to, the use of the Improvement Area #1 Projects) that would cause any of the covenants or agreements of the City contained in the Tax Certificate to be violated or that would otherwise have an adverse effect on the tax-exempt status of the interest payable on the Bonds for federal income tax purposes.

(k) Financial Resources. The Developer represents and warrants that it has the financial resources, or the ability to obtain sufficient financial resources, to meet its obligations under this Agreement, the Service and Assessment Plan and the Development Agreement.

Section 7.02. Indemnification and Hold Harmless. THE DEVELOPER SHALL INDEMNIFY AND HOLD HARMLESS THE CITY INSPECTOR, THE CITY, ITS OFFICIALS, EMPLOYEES, OFFICERS, REPRESENTATIVES AND AGENTS (EACH AN "INDEMNIFIED PARTY"), FROM AND AGAINST ALL ACTIONS, DAMAGES, CLAIMS, LOSSES OR EXPENSE OF EVERY TYPE AND DESCRIPTION TO WHICH THEY MAY BE SUBJECTED OR PUT: (I) BY REASON OF, OR RESULTING FROM THE BREACH OF ANY PROVISION OF THIS AGREEMENT BY THE DEVELOPER; (II) THE NEGLIGENT DESIGN, ENGINEERING, AND/OR CONSTRUCTION BY THE DEVELOPER OR ANY ARCHITECT, ENGINEER OR CONTRACTOR HIRED BY THE DEVELOPER OF ANY OF THE IMPROVEMENT AREA #1 PROJECTS ACQUIRED FROM THE DEVELOPER HEREUNDER; (III) THE DEVELOPER'S NONPAYMENT UNDER CONTRACTS BETWEEN THE DEVELOPER AND ITS CONSULTANTS, ENGINEERS, ADVISORS, CONTRACTORS, SUBCONTRACTORS AND SUPPLIERS IN THE PROVISION OF THE IMPROVEMENT AREA #1 PROJECTS; (IV) ANY CLAIMS OF PERSONS EMPLOYED BY THE DEVELOPER OR ITS AGENTS TO CONSTRUCT THE IMPROVEMENT AREA #1 PROJECTS; OR (V) ANY CLAIMS AND SUITS OF THIRD PARTIES, INCLUDING BUT NOT LIMITED TO DEVELOPER'S RESPECTIVE PARTNERS, OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS, SUCCESSORS, ASSIGNEES, VENDORS, GRANTEEES AND/OR TRUSTEES, REGARDING OR RELATED TO THE IMPROVEMENT AREA #1 PROJECTS OR ANY AGREEMENT OR RESPONSIBILITY REGARDING THE IMPROVEMENT AREA #1 PROJECTS, INCLUDING CLAIMS AND CAUSES OF ACTION WHICH MAY ARISE OUT OF THE SOLE OR PARTIAL NEGLIGENCE OF AN INDEMNIFIED PARTY (THE "CLAIMS"). NOTWITHSTANDING THE FOREGOING, NO INDEMNIFICATION IS GIVEN HEREUNDER FOR ANY ACTION, DAMAGE, CLAIM, LOSS OR EXPENSE DETERMINED BY A COURT OF COMPETENT JURISDICTION TO BE DIRECTLY ATTRIBUTABLE TO THE WILLFUL MISCONDUCT OF ANY INDEMNIFIED PARTY, DEVELOPER IS EXPRESSLY REQUIRED TO DEFEND CITY AGAINST ALL SUCH CLAIMS, AND CITY IS REQUIRED TO REASONABLY COOPERATE AND ASSIST DEVELOPER IN PROVIDING SUCH DEFENSE.

IN ITS REASONABLE DISCRETION, THE CITY SHALL HAVE THE RIGHT TO APPROVE OR SELECT DEFENSE COUNSEL TO BE RETAINED BY THE DEVELOPER IN FULFILLING ITS OBLIGATIONS HEREUNDER TO DEFEND AND INDEMNIFY THE INDEMNIFIED PARTIES, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY THE CITY IN WRITING. THE INDEMNIFIED PARTIES RESERVE THE RIGHT TO PROVIDE A PORTION OR ALL OF THEIR/ITS OWN DEFENSE, AT THEIR/ITS SOLE COST; HOWEVER, INDEMNIFIED PARTIES ARE UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY AN INDEMNIFIED PARTY IS NOT TO BE CONSTRUED AS A WAIVER OF THE DEVELOPER'S OBLIGATION TO DEFEND INDEMNIFIED PARTIES OR AS A WAIVER OF THE DEVELOPER'S OBLIGATION TO INDEMNIFY INDEMNIFIED PARTIES, PURSUANT TO THIS AGREEMENT. THE DEVELOPER SHALL RETAIN CITY-APPROVED DEFENSE COUNSEL WITHIN SEVEN (7) BUSINESS DAYS OF WRITTEN NOTICE FROM AN INDEMNIFIED PARTY THAT IT IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF THE DEVELOPER FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, INDEMNIFIED PARTIES SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON ITS OWN BEHALF, AND THE DEVELOPER SHALL BE JOINTLY AND SEVERALLY LIABLE FOR ALL REASONABLE COSTS INCURRED BY INDEMNIFIED PARTIES.

THIS SECTION 7.02 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

THE PARTIES AGREE AND STIPULATE THAT THIS INDEMNIFICATION COMPLIES WITH THE CONSPICUOUSNESS REQUIREMENT AND THE EXPRESS NEGLIGENCE TEST, AND IS VALID AND ENFORCEABLE AGAINST THE DEVELOPER.

Section 7.03. Use of Monies by City; Changes to Indenture. The City agrees not to take any action or direct the Trustee to take any action to expend, disburse or encumber the monies held in the Project Fund and any monies to be transferred thereto for any purpose other than the purposes permitted by the Indenture. Prior to the acceptance of all the Improvement Area #1 Projects, the City agrees not to modify or supplement the Indenture without the approval of the Developer if as a result or as a consequence of such modification or supplement: (a) the amount of monies that would otherwise have been available under the Indenture for disbursement for the Costs of the Improvement Area #1 Projects is reduced, delayed or deferred, (b) the obligations or liabilities of the Developer is or may be substantially increased or otherwise adversely affected in any manner, or (c) the rights of the Developer is or may be modified, limited, restricted or otherwise substantially adversely affected in any manner.

Section 7.04. No Reduction of Assessments. The Developer agrees not to take any action or actions to reduce the total amount of such Assessments to be levied as of the effective date of this Agreement.

ARTICLE VIII TERMINATION

Section 8.01. Mutual Consent. This Agreement may be terminated by the mutual, written consent of the City and the Developer, in which event the City may either execute contracts for or perform any remaining work related to the Improvement Area #1 Projects not accepted by the City or other appropriate entity and use all or any portion of funds on deposit in the Project Fund or other amounts transferred to the Project Fund under the terms of the Indenture to pay for same, and the Developer shall have no claim or right to any further payments for the Costs of an Improvement Area #1 Project hereunder, except as otherwise may be provided in such written consent.

Section 8.02. City's Election for Cause.

(a) The City, upon notice to the Developer and the passage of the cure period identified in subsection (b) below, may terminate this Agreement, without the consent of the Developer if the Developer shall breach any material covenant or default in the performance of any material obligation hereunder.

(b) If any such event described in Section 8.02(a) occurs, the City shall give written notice of its knowledge of such event to the Developer, and the Developer agrees to promptly meet and confer with the City Inspector and other appropriate City staff and consultants as to options available to assure timely completion, subject to the terms of this Agreement, of the Improvement Area #1 Projects. Such options may include, but not be limited to, the termination of this Agreement by the City. If the City elects to terminate this Agreement, the City shall first notify the Developer (and any mortgagee or trust deed beneficiary specified in writing by the Developer to the City to receive such notice) of the grounds for such termination and allow the Developer a minimum of 45 days to eliminate or to mitigate to the satisfaction of the City the grounds for such termination. Such period may be extended, at the sole discretion of the City, if the Developer, to the reasonable satisfaction of the City, is proceeding with diligence to eliminate or mitigate such grounds for termination. If at the end of such period (and any extension thereof), as determined reasonably by the City, the Developer has not eliminated or completely mitigated such grounds to the satisfaction of the City, the City may then terminate this Agreement. In the event of the termination of this Agreement, the Developer is entitled to payment for work accepted by the City related to an Improvement Area #1 Project only as provided for under the terms of the Indenture and this Agreement prior to the termination date of this Agreement. Notwithstanding the foregoing, so long as the Developer has breached any material covenant or defaulted in the performance of any material obligation hereunder, notice of which has been given by the City to the Developer, and such event has not been cured or otherwise eliminated by the Developer, the City may in its discretion cause the Trustee to cease making payments for the Actual Costs of Improvement Area #1 Projects, provided that the Developer shall receive payment of the Actual Costs of any Improvement Area #1 Projects that were accepted by the City at the time of the

occurrence of such breach or default by the Developer upon submission of the documents and compliance with the other applicable requirements of this Agreement.

(c) If this Agreement is terminated by the City for cause, the City may either execute contracts for or perform any remaining work related to the Improvement Area #1 Projects not accepted by the City and use all or any portion of the funds on deposit in the Project Fund or other amounts transferred to the Project Fund and the Developer shall have no claim or right to any further payments for the Improvement Area #1 Projects hereunder, except as otherwise may be provided upon the mutual written consent of the City and the Developer. The City shall have no obligation to perform any work related to an Improvement Area #1 Project or to incur any expense or cost in excess of the remaining balance of the Project Fund.

Section 8.03. Termination Upon Redemption or Defeasance of Bonds. This Agreement will terminate automatically and with no further action by the City or the Developer upon the redemption or defeasance of all outstanding Bonds (including any refunding bonds issued to refund the Bonds) issued under the Indenture.

Section 8.04. Construction of the Improvement Area #1 Projects Upon Termination of this Agreement. Notwithstanding anything to the contrary contained herein, upon the termination of this Agreement pursuant to this Article VIII, the Developer shall perform its obligations with respect to the Improvement Area #1 Projects in accordance with this Agreement and the Development Agreement.

Section 8.05. Force Majeure. Whenever performance is required of a party hereunder, that party shall use all due diligence and take all necessary measures in good faith to perform, but if completion of performance is delayed by reasons of floods, earthquakes or other acts of God, war, civil commotion, riots, strikes, picketing or other labor disputes, damage to work in progress by casualty or by other cause beyond the reasonable control of the party (financial inability excepted) (“Force Majeure”), then the specified time for performance shall be extended by the amount of the delay actually so caused. The extension of time to perform allowed by this Section 8.05 shall not apply unless, upon the occurrence of an event of Force Majeure, the party needing additional time to perform notifies the other party of the event of Force Majeure and the amount of additional time reasonably required within ten (10) business days of the occurrence of the event of Force Majeure.

ARTICLE IX MISCELLANEOUS

Section 9.01. Limited Liability of City. The Developer agrees that any and all obligations of the City arising out of or related to this Agreement are special obligations of the City, and the City’s obligations to make any payments hereunder are restricted entirely to the moneys, if any, in the Project Fund and from no other source. Neither the City, the City Inspector, City

Representative nor any other City employee, officer, official or agent shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of their actions hereunder or execution hereof.

Section 9.02. Audit. The City Inspector, City Representative or a finance officer of the City shall have the right, during normal business hours and upon the giving of three business days' prior written notice to a Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer with respect to any of the Improvement Area #1 Projects and any bids taken or received for the construction thereof or materials therefor.

Section 9.03. Notices. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to any party shall be deemed to have been received when personally delivered or transmitted by telecopy or facsimile transmission (which shall be immediately confirmed by telephone and shall be followed by mailing an original of the same within 24 hours after such transmission) or 72 hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid, addressed as follows:

To the City:	City of Lockhart, Texas Attn: City Manager 308 W San Antonio St Lockhart, Texas 78644
With a copy to:	Messer Fort, PLLC Attn: Jennifer Ritchie 4201 W. Parmer Lane, Suite 150 Austin, Texas 78727
And to:	McCall, Parkhurst & Horton L.L.P. Attn: Bart Fowler 600 Congress Ave, Suite 2150 Austin, Texas 78701
To Developer:	ROED Prop CO, LLC Tom Staub 2121 E 6th St Austin, Texas 78702
With a copy to:	Greenberg Traurig, LLP Attn: Drew Slone 2200 Ross Ave., Suite 5200 Dallas, Texas 75201

Any party may change its address or addresses for delivery of notice by delivering written notice of such change of address to the other party.

The City shall advise the Developer of the name and address of any person who is to receive any notice or other communication pursuant to this Agreement.

Section 9.04. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent possible.

Section 9.05. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. Any receivables due under this Agreement may be assigned by the Developer without the consent of, but upon written notice to the City pursuant to Section 9.03 of this Agreement. The obligations, requirements, or covenants of this Agreement shall be able to be assigned to an affiliate or related entity of the Developer, or any lien holder on the Property, without prior written consent of the City. The obligations, requirements, or covenants of this Agreement shall not be assigned by the Developer to a non-affiliate or non-related entity of the Developer without prior written consent of the City Manager, except pursuant to a collateral assignment to any person or entity providing construction financing to the Developer for an Improvement Area #1 Project, provided such person or entity expressly agrees to assume all obligations of the Developer hereunder if there is a default under such financing and such Person elects to complete the Improvement Area #1 Project. No such assignment 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 without the express written consent of the City. In connection with any consent of the City, the City may condition its consent upon the acceptability of the financial condition of the proposed assignee, upon the assignee’s express assumption of all obligations of the Developer hereunder and/or upon any other reasonable factor which the City deems relevant in the circumstances. In any event, any such assignment shall be in writing, shall clearly identify the scope of the rights and/or obligations assigned. The City may assign by a separate writing certain rights as described in this Agreement and in the Indenture, to the Trustee and the Developer hereby consents to such assignment.

Section 9.06. Other Agreements. The obligations of the Developer hereunder shall be those of a party hereto and not as an owner of property in the District. Nothing herein shall be construed as affecting the City’s or the Developer’s rights or duties to perform their respective obligations under other agreements, use regulations, ordinances or subdivision requirements relating to the development of the lands in the District, including the applicable Construction Contracts and the Development Agreement. To the extent there is a conflict between this Agreement and the Development Agreement, the Development Agreement shall control. To the extent there is a conflict between this Agreement and the Indenture, the Indenture shall control.

Section 9.07. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by any other party, or the failure by a party to exercise its rights upon the default of any other party, shall not constitute a waiver of such party’s right to insist and demand strict compliance by such other party with the terms of this Agreement thereafter.

Section 9.08. Merger. 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.

Section 9.09. Parties in Interest. Nothing in this Agreement, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the City and the Developer any rights, remedies or claims under or by reason of this Agreement or any covenants, conditions or stipulations hereof, and all covenants, conditions, promises and agreements in this Agreement contained by or on behalf of the City or the Developer shall be for the sole and exclusive benefit of the City and the Developer.

Section 9.10. Amendment. This Agreement may be amended upon agreement of the parties, from time to time in a manner consistent with the Act, the Indenture, and the Bond Ordinance by written supplement hereto and executed in counterparts, each of which shall be deemed an original.

Section 9.11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 9.12. Effective Date. This Agreement has been dated as of the date first above written solely for the purpose of convenience of reference and shall become effective upon its execution and delivery, on the Closing Date of the Bonds, by the parties hereto. All representations and warranties set forth therein shall be deemed to have been made on the Closing Date of the Bonds.

Section 9.13. Term. The term of this Agreement, other than the provisions contained in Section 7.02, which shall survive the termination of this Agreement, shall be thirty (30) years or upon redemption or defeasance of the Bonds (including any refunding bonds issued to refund the Bonds) issued under the Indenture. If the Developer defaults under this Agreement or the Development Agreement, this Agreement and the Development Agreement shall not terminate with respect to the Costs of the Improvement Area #1 Projects that have been approved by the City pursuant to a Certification for Payment prior to the date of default.

Section 9.14. No Waiver of Powers or Immunity. The City does not waive or surrender any of its governmental powers, immunities, or rights except as necessary to allow Developer to enforce its remedies under this Agreement.

Section 9.15. 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 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 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 Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

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

c. No Discrimination Against Firearm Entities. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this 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 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 Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

[Execution pages to follow]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of March 3, 2026.

CITY OF LOCKHART, TEXAS

By: _____
Lew White
Mayor

ATTEST:

City Secretary

(City Seal)

DEVELOPER:

ROED PROP CO LLC, a Texas limited liability company

By: Red Oak Development Group, LLC, a Texas limited liability company, its Managing Member

By: _____

Name: Thomas Staub

Title: Member

Exhibit A

FORM OF CLOSING DISBURSEMENT REQUEST

The undersigned is an agent for ROED Prop CO, LLC (the “Developer”) and requests payment from:

[the Costs of Issuance Account of the Project Fund][the Improvement Account of the Project Fund] (as defined in the Seawillow Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement) from Regions Bank (the “Trustee”) in the amount of _____ DOLLARS (\$_____) for costs incurred in the establishment, administration, and operation of the Seawillow Public Improvement District (the “District”), as follows:

Closing Costs Description	Cost	PID Allocated Cost
TOTAL		

In connection to the above referenced payments, 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 Closing Disbursement Request on behalf of the Developer, and is knowledgeable as to the matters set forth herein.
2. The payment requested for the above referenced establishment, administration, and operation of the District at the time of the delivery of the Bonds has not been the subject of any prior payment request submitted to the City.
3. The amount listed for the above itemized costs is a true and accurate representation of the Actual Costs incurred by Developer with the establishment of the District at the time of the delivery of the Bonds, and such costs are in compliance with the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the Seawillow Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement, the Development Agreement, and the Service and Assessment Plan.
5. All conditions set forth in the Indenture (as defined in the Seawillow Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement) for the payment hereby requested have been satisfied.

6. 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.

Payments requested hereunder shall be made as directed below:

- a. X amount to Person or Account Y for Z goods or services.
- b. Etc.

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

ROED PROP CO, LLC

By: _____

Name: _____

Title: _____

Date: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Closing Disbursement Request. After reviewing the Closing Disbursement Request, the City approves the Closing Disbursement Request and shall include said payments in the City Certificate submitted to the Trustee directing payments to be made from the [Costs of Issuance Account][Improvement Account] of the Project Fund, upon delivery of the Bonds. The City's approval of the Closing Disbursement Request shall not have the effect of estopping or preventing the City from asserting claims under the Seawillow Public Improvement District Improvement Area #1 Construction, Funding and Acquisition Agreement, the Development Agreement, the Service and Assessment Plan, any other agreement between the parties or that there is a defect in an Improvement Area #1 Project.

CITY OF LOCKHART, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

Exhibit B

CERTIFICATION FOR PAYMENT FORM – IMPROVEMENT AREA #1 PROJECTS

CERTIFICATION FOR PAYMENT NO. _____

The undersigned is a lawfully authorized representative for ROED PROP CO, LLC (the “Developer”) and requests payment from the Improvement Account of the Project Fund from Regions Bank (the “Trustee”) in the amount of _____ for labor, materials, fees, and/or other general costs related to the construction and installation of the following Improvement Area #1 Projects related to the Seawillow Public Improvement District:

[insert specific Improvement Area #1 Project this request is for here]

Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Seawillow Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement.

In connection with this Certification for 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 Certification for Payment on behalf of the Developer, and is knowledgeable as to the matters set forth herein.
2. The payment requested herein for the Improvement Area #1 Project(s) 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 Improvement Area #1 Project(s) below are a true and accurate representation of the Actual Costs incurred by Developer with the construction and installation of said Improvement Area #1 Project(s) identified above, and such costs are (i) in compliance with the Seawillow Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement, and (ii) consistent with the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the Seawillow Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement, the Development Agreement, and the Service and Assessment Plan.
5. All conditions set forth in the Indenture for the payment hereby requested have been satisfied.

6. The work with respect to the Improvement Area #1 Project(s) identified above (or its completed segment, portion or segment) has been completed and the City has inspected or may begin inspection of the Improvement Area #1 Project(s). If this request for payment results in ninety percent (90%) or more of the Budgeted Costs for the Improvement Area #1 Project(s) identified above being paid, then the work with respect to the Improvement Area #1 Project(s) have been completed and the City has inspected AND accepted the Improvement Area #1 Project(s).

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.

Payments requested are as follows:

Payee / Description of Improvement Area #1 Project	Total Cost of Improvement Area #1 Project	Budgeted Cost of Improvement Area #1 Project	Amount to be paid from Improvement Account of the Project Fund

Attached hereto, are receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments or Actual Costs incurred.

Pursuant to the Seawillow Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement, after receiving this Payment Request, the City is authorized to inspect the Improvement Area #1 Project (or completed segment, portion or segment) and confirm that said work has been completed in accordance with all applicable governmental laws, rules, and Plans.

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

ROED PROP CO, LLC

By: _____

Name: _____

Title: _____

Date: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Certification for Payment. After reviewing the Certification for Payment, the City approves the Certification for Payment and shall include said payments in the City Certificate submitted to the Trustee directing payments to be made from the appropriate Project Fund account. The City's approval of the Certification for Payment shall not have the effect of estopping or preventing the City from asserting claims under the Seawillow Public Improvement District Improvement Area #1 Construction, Funding, and Acquisition Agreement, the Development Agreement, the Service and Assessment Plan, any other agreement between the parties or that there is a defect in the Improvement Area #1 Projects.

CITY OF LOCKHART, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT E

LANDOWNER AGREEMENT

**BETWEEN THE CITY AND
ROED PROP CO LLC, a Texas limited liability company**

LANDOWNER AGREEMENT

This **LANDOWNER AGREEMENT** (the “Agreement”), is entered into as of March 3, 2026, among the City of Lockhart, Texas (the “City”), a home-rule municipality of the State of Texas (the “State”), and ROED Prop Co, LLC, a Texas limited liability company (the “Landowner”).

RECITALS:

WHEREAS, capitalized terms used but not defined herein shall have the meanings given to them in the Service and Assessment Plan (as defined herein); and

WHEREAS, Landowner owns the Assessed Parcels described by a metes and bounds description attached as **Exhibit I** to this Agreement and which is incorporated herein for all purposes, comprising all of the non-exempt, privately-owned land described in **Exhibit I** (the “Landowner Parcel”) which is located within the Seawillow Ranch Public Improvement District (the “District”) in the City; and

WHEREAS, the City Council has adopted an assessment ordinance (including all exhibits and attachments thereto, the “Assessment Ordinance”) and approved the Service and Assessment Plan (as updated and amended, the “Service and Assessment Plan”) and which is incorporated herein for all purposes, and has levied an assessment on each parcel of Assessed Property in Improvement Area #1 of the District (each an “Assessed Parcel” and collectively, the “Assessed Parcels”) that will be pledged for the payment of certain infrastructure improvements and to pay the costs of constructing such infrastructure improvements that will benefit the Improvement Area #1 Assessed Property (such infrastructure improvements, the “Authorized Improvements”); and

WHEREAS, the Declaration of Covenants, Conditions and Restrictions attached to this Agreement as **Exhibit II** and which are incorporated herein for all purposes, includes the statutory notification required by Texas Property Code, Section 5.014, as amended, to be provided by the seller of residential property that is located in a public improvement district established under Chapter 372 of the Texas Local Government Code, as amended (the “PID Act”), to the purchaser.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, obligations and benefits hereinafter set forth, the City and the Landowner hereby contract, covenant and agree as follows:

DEFINITIONS; APPROVAL OF AGREEMENTS

Definitions. Capitalized terms used but not defined herein (including each exhibit hereto) shall have the meanings ascribed to them in the Service and Assessment Plan.

Affirmation of Recitals. The findings set forth in the Recitals of this Agreement are hereby incorporated as the official findings of the City Council.

I.
AGREEMENTS OF LANDOWNER

A. Affirmation and Acceptance of Agreements and Findings of Benefit. Landowner hereby ratifies, confirms, accepts, agrees to, and approves:

(i) the creation and boundaries of the District, and the boundaries of the Landowner's Parcel which are coterminous with the District, all as shown on Exhibit I, and the location and development of the Authorized Improvements on the Landowner Parcel and on the property within the District;

(ii) the determinations and findings as to the benefits by the City Council in the Service and Assessment Plan and the Assessment Ordinance; and

(iii) the Assessment Ordinance and the Service and Assessment Plan.

B. Acceptance and Approval of Assessments and Lien on Property. Landowner consents to, agrees to, acknowledges and accepts the following:

(i) each Assessment levied by the City on the Assessed Parcels within Improvement Area #1 of the District (the "Assessments"), as shown on the assessment roll attached as Exhibit E-1 to the Service and Assessment Plan (the "Assessment Roll");

(ii) the Authorized Improvements specially benefit the District, and the Landowner's Parcel, in an amount at least equal to the Assessment levied on the Landowner's Parcel within the District, as such Assessment is shown on the Assessment Roll;

(iii) each Assessment is final, conclusive and binding upon Landowner and any subsequent owner of the Assessed Parcels, regardless of whether such landowner may be required to prepay a portion of, or the entirety of, such Assessment upon the occurrence of a mandatory prepayment event as provided in the Service and Assessment Plan;

(iv) the obligation to pay the Assessment levied on the Assessed Parcels owned by it when due and in the amount required by and stated in the Service and Assessment Plan and the Assessment Ordinance;

(v) each Assessment or reassessment, with interest, the expense of collection, and reasonable attorney's fees, if incurred, is a first and prior lien against the Assessed Parcels, superior to all other liens and monetary claims except liens or monetary claims for state, county, school district, or municipal ad valorem taxes, and is a personal liability of and charge against the owner of the Assessed Parcels regardless of whether such owner is named;

(vi) the Assessment lien on the Assessed Parcel is a lien and covenant that runs with the land and is effective from the date of the Assessment Ordinance and continues

until the Assessment is paid and may be enforced by the governing body of the City in the same manner that an ad valorem tax lien against real property may be enforced by the City;

(vii) delinquent installments of the Assessment shall incur and accrue interest, penalties, and attorney's fees as provided in the PID Act;

(viii) the owner of an Assessed Parcel may pay at any time the entire Assessment, with interest that has accrued on the Assessment, on any parcel in the Landowner Parcel;

(ix) the Annual Installments of the Assessments (as defined in the Service and Assessment Plan and Assessment Roll) may be adjusted, decreased and extended; and, the assessed parties shall be obligated to pay their respective revised amounts of the Annual Installments, when due, and without the necessity of further action, assessments or reassessments by the City, the same as though they were expressly set forth herein; and

(x) Landowner has received, or hereby waives, all notices required to be provided to it under Texas law, including the PID Act, prior to the Effective Date (defined herein).

C. Mandatory Prepayment of Assessments. Landowner agrees and acknowledges that Landowner or subsequent landowners may have an obligation to prepay an Assessment upon the occurrence of a mandatory prepayment event, at the sole discretion of the City and as provided in the Service and Assessment Plan, as amended or updated.

D. Notice of Assessments. Landowner further agrees as follows:

(i) the Declaration of Covenants, Conditions and Restrictions in the form attached hereto as **Exhibit II** shall be terms, conditions and provisions running with the Assessed Parcel and shall be recorded (the contents of which shall be consistent with the Assessment Ordinance and the Service and Assessment Plan as reasonably determined by the City), in the records of the County Clerk of Caldwell County, as a lien and encumbrance against such Assessed Parcel, and Landowner hereby authorizes the City to so record such documents against the Assessed Parcel owned by Landowner;

(ii) in the event of any subdivision, sale, transfer or other conveyance by the Landowner of the right, title or interest of the Landowner in the Landowner's Parcel or any part thereof, the Landowner's Parcel, or any such part thereof, shall continue to be bound by all of the terms, conditions and provisions of such Declaration of Covenants, Conditions and Restrictions and any purchaser, transferee or other subsequent owner shall take such Assessed Parcel subject to all of the terms, conditions and provisions of such Declaration of Covenants, Conditions and Restrictions; and

(iii) Landowner shall comply with, and shall contractually obligate (and promptly provide written evidence of such contractual provisions to the City) any party who purchases any Assessed Parcel owned by Landowner, or any portion thereof, for the purpose of constructing residential properties that are eligible for “homestead” designations under State law, to comply with, the Homebuyer Education Program described on **Exhibit III** to this Agreement. Such compliance obligation shall terminate as to each Lot if, and when, (i) a final certificate of occupancy for a residential unit on such Lot is issued by the City, and (ii) there is a sale of a Lot to an individual homebuyer, it being the intent of the undersigned that the Homebuyer Education Program shall apply only to a commercial builder who is in the business of constructing and/or selling residences to individual home buyers (a “Builder”) but not to subsequent sales of such residence and Lot by an individual home buyer after the initial sale by a Builder.

Notwithstanding the provisions of this Section, upon the Landowner’s request and the City’s consent, in the City’s sole and absolute discretion, the Declaration of Covenants, Conditions and Restrictions may be included with other written restrictions running with the land on property within the District, provided they contain all the material provisions and provide the same material notice to prospective property owners as does the document attached as **Exhibit II**.

II. OWNERSHIP AND CONSTRUCTION OF AUTHORIZED IMPROVEMENTS

A. **Ownership and Transfer of Authorized Improvements.** Landowner acknowledges that the portion of the Authorized Improvements benefitting the Landowner Parcel and the land (or easements, as applicable) needed therefor shall be owned by the City as constructed and/or conveyed to the City and Landowner will execute such conveyances and/or dedications of public rights of way and easements as may be reasonably required to evidence such ownership, as generally described on the current plats of the property within the District.

B. **Grant of Easement and License, Construction of Authorized Improvements.**

(i) Any subsequent owner of the Assessed Parcel shall, upon the request of the City or Landowner, grant and convey to the City or Landowner and its contractors, materialmen and workmen a temporary license and/or easement, as appropriate, to construct the Authorized Improvements on the Landowner Parcel within the District, to stage on the Landowner Parcel within the District construction trailers, building materials and equipment to be used in connection with such construction of the Authorized Improvements and for passage and use over and across parts of the property within the District as shall be reasonably necessary during the construction of the Authorized Improvements. Any subsequent owner of the Assessed Parcels may require that each contractor constructing the Authorized Improvements cause such owner of the Assessed Parcel to be indemnified and/or named as an additional insured under liability insurance reasonably acceptable to such owner of the Assessed Parcel. The right to use and enjoy

any easement and license provided above shall continue until the construction of the Authorized Improvements is complete; provided, however, any such license or easement shall automatically terminate upon the recording of the final plat for the Landowner's Parcel in the real property records of Caldwell County, Texas.

(ii) Landowner hereby agrees that any right or condition imposed by the Development Agreement, or other agreement, with respect to the Assessment has been satisfied, and that Landowner shall not have any rights or remedies against the City under the Development Agreement, or under any law or principles of equity concerning the Assessments, with respect to the formation of the District, approval of the Service and Assessment Plan and the City's levy and collection of the Assessments.

III. COVENANTS AND WARRANTIES; MISCELLANEOUS

A. Special Covenants and Warranties of Landowner.

Landowner represents and warrants to the City as follows:

(i) Landowner is duly organized, validly existing and, as applicable, in good standing under the laws of the state of its organization and has the full right, power and authority to enter into this Agreement, and to perform all the obligations required to be performed by Landowner hereunder.

(ii) This Agreement has been duly and validly executed and delivered by, and on behalf of, Landowner and, assuming the due authorization, execution and delivery thereof by and on behalf of the City and the Landowner, constitutes a valid, binding and enforceable obligation of such party enforceable in accordance with its terms. This representation and warranty is qualified to the extent the enforceability of this Agreement may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws of general application affecting the rights of creditors in general.

(iii) Neither the execution and delivery hereof, nor the taking of any actions contemplated hereby, will conflict with or result in a breach of any of the provisions of, or constitute a default, event of default or event creating a right of acceleration, termination or cancellation of any obligation under, any instrument, note, mortgage, contract, judgment, order, award, decree or other agreement or restriction to which Landowner is a party, or by which Landowner or Landowner's Parcel is otherwise bound.

(iv) Landowner is, subject to all matters of record in the Caldwell County, Texas Real Property Records, the sole owner of the Landowner's Parcel.

(v) The Landowner's Parcel owned by Landowner is not subject to, or encumbered by, any covenant, lien, encumbrance or agreement which would prohibit (i) the creation of the District, (ii) the levy of the Assessments, or (iii) the construction of the Authorized Improvements on those portions of the property within the District which are to be owned by the City, as generally described on the current plats of the property within

the District (or, if subject to any such prohibition, the approval or consent of all necessary parties thereto has been obtained).

(vi) Landowner covenants and agrees to execute any and all documents necessary, appropriate or incidental to the purposes of this Agreement, as long as such documents are consistent with this Agreement and do not create additional liability of any type to, or reduce the rights of, such Landowner by virtue of execution thereof.

B. Waiver of Claims Concerning Authorized Improvements. The Landowner, with full knowledge of the provisions, and the rights thereof pursuant to such provisions, of applicable law, waives any claims against the City and its successors, assigns and agents, pertaining to the installation of the Authorized Improvements.

C. Notices.

Any notice or other communication to be given to the City or Landowner under this Agreement shall be given by delivering the same in writing to:

To the City:	Attn: City Manager 308 W San Antonio St. Lockhart, Texas 78644
With a copy to:	Attn: Jennifer Ritchie Messer Fort PLLC 4201 W. Parmer Lane, Suite 150 Austin, Texas 78727
To the Developer:	Attn: Tom Staub 2121 E 6th St Austin, Texas 78702 E-mail:tom@redoakvc.com
With a copy to:	Attn: Drew Slone Greenberg Traurig, LLP 2200 Ross Avenue, Suite 5200 Dallas, Texas 75201 E-mail:drew.slone@gtlaw.com

Any notice sent under this Agreement (except as otherwise expressly required) shall be written and mailed, or sent by electronic or facsimile transmission confirmed by mailing written confirmation at substantially the same time as such electronic or facsimile transmission, or personally delivered to an officer of the recipient as the address set forth herein.

Each recipient may change its address by written notice in accordance with this Section. Any communication addressed and mailed in accordance with this provision shall be deemed to be given when so mailed, any notice so sent by electronic or facsimile transmission shall be

deemed to be given when receipt of such transmission is acknowledged, and any communication so delivered in person shall be deemed to be given when receipted for, or actually received by, the addressee.

D. Parties in Interest.

This Agreement is made solely for the benefit of the City and the Landowner and is not assignable, except, in the case of Landowner, in connection with the sale or disposition of all or substantially all of the parcels which constitute the Landowner Parcel. However, the parties expressly agree and acknowledge that the City, the Landowner, each current owner of any parcel which constitutes the Landowner Parcel, and the holders of or trustee for any bonds secured by Assessment Revenues or TIRZ Increment revenues of the City or any part thereof to finance the costs of the Authorized Improvements, are express beneficiaries of this Agreement and shall be entitled to pursue any and all remedies at law or in equity to enforce the obligations of the parties hereto. This Agreement shall be recorded in the real property records of Caldwell County, Texas.

E. Amendments.

This Agreement may be amended only by written instrument executed by the City and the Landowner. No termination or amendment shall be effective until a written instrument setting forth the terms thereof has been executed by the then-current owners of the property within the District and recorded in the Real Property Records of Caldwell County, Texas.

F. Effective Date.

This Agreement shall become and be effective (the "Effective Date") upon the date of final execution by the latter of the City and the Landowner and shall be valid and enforceable on said date and thereafter.

G. Estoppels.

Within 10 days after written request from a party hereto, the other party shall provide a written certification, indicating whether this Agreement remains in effect as to the Landowner Parcel, and whether any party is then in default hereunder.

H. Termination.

This Agreement shall terminate and be of no further force and effect as to the Landowner Parcel upon payment in full of the Assessment(s) against such Landowner Parcel.

[Signature pages to follow]

EXECUTED by the City and Landowner on the Effective Date.

Date: _____

CITY OF LOCKHART, TEXAS

By: _____
Lew White, Mayor

STATE OF TEXAS §
 §
COUNTY OF CALDWELL §

This instrument was acknowledged before me on the ____ day of _____, 2026 by Lew White, Mayor of the City of Lockhart, Texas on behalf of said City.

(SEAL)

Notary Public, State of Texas

Name printed or typed

Commission Expires: _____

[Signature Page Landowner Agreement]

LANDOWNER

ROED PROPCO LLC, a Texas limited liability company

By: Red Oak Development Group, LLC, a Texas limited liability company, its Managing Member

By: _____

Name: Thomas Staub

Title: Member

STATE OF TEXAS)

COUNTY OF _____)

This instrument was acknowledged before me on the ____ day of _____, 2026, by Thomas Staub in his capacity as Member of Red Oak Development Group, LLC, Managing Member of ROED Prop Co, LLC, known to be the person whose name is subscribed to the foregoing instrument, and that he executed the same on behalf of said company.

Notary Public, State of Texas

My Commission Expires:

[Signature Page Landowner Agreement]

LANDOWNER AGREEMENT - EXHIBIT I

METES AND BOUNDS DESCRIPTION OF LANDOWNER'S PARCEL

BEING 89.775 acres of land situated in the **JOHN A. NEILL SURVEY, ABSTRACT 20**, Caldwell County, Texas, and being all of a called 89.769 acres of land described in deed to Roed Prop Co., LLC, as recorded in Document Number 2021-006882 of the Official Public Records of Caldwell County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch capped iron rod found, marked Hinkle Surveying, on the northeast Right-of-Way line of Farm to Market Road 1322, a variable width Right-of-Way, and for the northwest corner of a called 85.00 acre tract of land as described in a deed to Blackjack Block II, LLC., recorded as Document Number 2021-008619 of said Official Public Records, same being the southwest corner of the herein described tract;

THENCE North 31 degrees 43 minutes 06 seconds West, along said Right-of-Way and the southwest line of this tract, a distance of **2,572.95 feet** to a 1/2 inch capped iron rod found, marked Jones/Carter, for the northwest corner of the herein described tract, and the southwest corner of a called 80.000 acre tract of land described in a deed to VEMA Investments, LLC., recorded as Document Number 2021-007855 of said Official Public Records;

THENCE North 78 degrees 46 minutes 11 seconds East, along the common boundary line of this tract, said 89.769 acres, and said VEMA 80.000 acres, a distance of **1,665.32 feet** to a 1/2 inch iron rod found on the southwest line of a called 358.536 acre tract of land as described in a deed to David Acevedo, et al, as recorded in Volume 209, Page 425 of said Official Public Records, for the northeast corner of the herein described tract, and the southeast corner of said VEMA 80.000 acres;

THENCE South 29 degrees 54 minutes 41 seconds East, along the southwest line of said 358.536 acre tract, a distance of **2,544.30 feet** to a 1/2 inch capped iron rod found, marked Hinkle Surveying, for the southeast corner of this tract, and the northeast corner of said Blackjack 85.00 acres;

THENCE South 78 degrees 46 minutes 18 seconds West, along the North line of said Blackjack 85.00 acres, a distance of **1,579.70 feet** to the **POINT OF BEGINNING**, containing **3,910,599 square feet** and/or **89.775 acres** of land, more or less.

LANDOWNER AGREEMENT - EXHIBIT II

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

This **DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS** (as it may be amended from time to time, this “Declaration”) is made as of March 3, 2026 by ROED Prop Co, LLC, a Texas limited liability company (the “Landowner”).

RECITALS:

- A. The Landowner holds record title to that portion of the real property located in Caldwell County, Texas, which is described in the attached **Exhibit I** (the “Landowner’s Parcel”).
- B. The City Council of the City of Lockhart, Texas (the “City Council”) upon a petition requesting the establishment of a public improvement district covering the property within the District to be known as the Seawillow Ranch Public Improvement District (the “District”) by the then record owners 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 Caldwell County) in the area requested to be included in the District and the record owners of taxable real property that constitute more than fifty percent (50 %) of all of the area of all taxable real property that are liable for assessment within the area requested to be included in the District, created such District, in accordance with the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the “PID Act”).
- C. The City Council has adopted an assessment ordinance to levy assessments for certain public improvements (including all exhibits and attachments thereto, the “Assessment Ordinance”) and the Service and Assessment Plan included as an exhibit to the Assessment Ordinance (as amended from time to time, the “Service and Assessment Plan”) and has levied the assessments (the “Assessments”) on property in the District.
- D. The statutory notification required by Texas Property Code, Section 5.014, as amended, to be provided by the seller of residential property that is located in a public improvement district established under Chapter 372 of the Texas Local Government Code, as amended, to the purchaser, is incorporated into this Declaration.

DECLARATIONS:

NOW, THEREFORE, the Landowner hereby declares that the Landowner’s Parcel is and shall be subject to, and hereby imposes on the Landowner’s Parcel, the following covenants, conditions and restrictions:

1. Acceptance and Approval of Assessments and Lien on Property:

- (a) Landowner accepts each Assessment levied on the Landowner’s Parcel owned by such Landowner.
- (b) The Assessment (including any reassessment, the expense of collection, and reasonable attorney’s fees, if incurred) is (a) a first and prior lien (the “Assessment”

Lien”) against the property assessed, superior to all other liens or claims except for liens or claims for state, county, school district or municipality ad valorem property taxes whether now or hereafter payable, and (b) a personal liability of and charge against the owners of the property to the extent of their ownership regardless of whether the owners are named. The Assessment Lien is effective from the date of the Assessment Ordinance until the Assessments are paid and may be enforced by the City in the same manner as an ad valorem property tax levied against real property that may be enforced by the City. The owner of any assessed property may pay, at any time, the entire Assessment levied against any such property. Foreclosure of an ad valorem property tax lien on property within the District will not extinguish the Assessment or any unpaid but not yet due Annual Installments of the Assessment, and will not accelerate the due date for any unpaid and not yet due Annual Installments of the Assessment.

It is the clear intention of all parties to this Declaration, that the Assessments, including any Annual Installments of the Assessments (as such Annual Installments may be adjusted, decreased or extended), are covenants that run with the Landowner’s Parcel and specifically binds the Landowner, its successors and assigns.

In the event of delinquency in the payment of any Annual Installment of the Assessment, the City is empowered to order institution of an action in district court to foreclose the related Assessment Lien, to enforce personal liability against the owner of the real property for the Assessment, or both. In such action the real property subject to the delinquent Assessment may be sold at judicial foreclosure sale for the amount of such delinquent property taxes and Assessment, plus penalties, interest and costs of collection.

2. Landowner or any subsequent owner of the Landowner’s Parcel waives:

- (a) any and all defects, irregularities, illegalities or deficiencies in the proceedings establishing the District and levying and collecting the Assessments or the annual installments of the Assessments;
- (b) any and all notices and time periods provided by the PID Act including, but not limited to, notice of the establishment of the District and notice of public hearings regarding the levy of Assessments by the City Council concerning the Assessments;
- (c) any and all defects, irregularities, illegalities or deficiencies in, or in the adoption of, the Assessment Ordinance by the City Council;
- (d) any and all actions and defenses against the adoption or amendment of the Service and Assessment Plan, the City’s finding of a ‘special benefit’ pursuant to the PID Act and the Service and Assessment Plan, and the levy of the Assessments; and
- (e) any right to object to the legality of any of the Assessments or the Service and Assessment Plan or to any of the previous proceedings connected therewith which occurred prior to, or upon, the City Council’s levy of the Assessments.

3. Amendments: This Declaration may be terminated or amended only by a document duly executed and acknowledged by the then-current owner(s) of the Landowner’s Parcel and

the City. No such termination or amendment shall be effective until a written instrument setting forth the terms thereof has been executed by the parties by whom approval is required as set forth above and recorded in the Real Property Records of Caldwell County, Texas.

4. **Third Party Beneficiary:** The City is a third-party beneficiary to this Declaration and may enforce the terms hereof.
5. **Notice to Subsequent Purchasers:** Upon the sale of a dwelling unit within the District, the purchaser of such property shall be provided a written notice that reads substantially similar to the following:

TEXAS PROPERTY CODE SECTION 5.014

NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENT DISTRICT ASSESSMENT TO THE CITY OF LOCKHART, CALDWELL COUNTY, TEXAS CONCERNING THE PROPERTY AT [Street Address]

As the purchaser of this parcel of real property, you are obligated to pay an assessment to the City of Lockhart, Texas, for improvement projects undertaken by a public improvement district under Chapter 372 of the Texas Local Government Code, as amended. The assessment may be due in periodic installments.

The amount of the assessment against your property may be paid in full at any time together with interest to the date of payment. If you do not pay the assessment in full, it will be due and payable in annual installments (including interest and collection costs). More information concerning the amount of the assessment and the due dates of that assessment may be obtained from the City of Lockhart, _____ Lockhart, Texas 78 ____.

Your failure to pay the assessment or the annual installments could result in a lien and in the foreclosure of your property.

Signature of Purchaser(s) _____ Date: _____

The seller shall deliver this notice to the purchaser before the effective date of an executory contract binding the purchaser to purchase the property. The notice may be given separately, as part of the contract during negotiations, or as part of any other notice the seller delivers to the purchaser. If the notice is included as part of the executory contract or another notice, the title of the notice prescribed by this section, the references to the street address and date in the notice, and the purchaser's signature on the notice may be omitted.

EXECUTED by the undersigned on the date set forth below to be effective as of the date first above written.

[Signatures to follow.]

LANDOWNER

ROED PROP CO LLC, a Texas limited liability company

By: Red Oak Development Group, LLC, a Texas limited liability company, its Managing Member

By: _____
Name: Thomas Staub
Title: Member

STATE OF TEXAS)
)
COUNTY OF _____)

This instrument was acknowledged before me on the ____ day of _____, 2026, by Thomas Staub in his capacity as Member of Red Oak Development Group, LLC, Managing Member of ROED Prop Co, LLC, known to be the person whose name is subscribed to the foregoing instrument, and that he executed the same on behalf of said company.

Notary Public, State of Texas

My Commission Expires:

LANDOWNER AGREEMENT - EXHIBIT III

HOMEBUYER EDUCATION PROGRAM

As used in this **Exhibit III**, the recorded Notice of the Authorization and Establishment of the Seawillow Ranch Public Improvement District and the Declaration of Covenants, Conditions and Restrictions in **Exhibit II** of this Agreement are referred to as the “Recorded Notices.”

1. Any Landowner who is a Builder shall attach the Recorded Notices and the final Assessment Roll for such Assessed Parcel (or if the Assessment Roll is not available for such Assessed Parcel, then a schedule showing the maximum 30-year payment for such Assessed Parcel) as an addendum to any residential homebuyer’s contract.
2. Any Landowner who is a Builder shall provide evidence of compliance with Paragraph 1 above, signed by such residential homebuyer, to the City.
3. Any Landowner who is a Builder shall prominently display signage in its model homes, if any, substantially in the form of the Recorded Notices.
4. If prepared and provided by the City, any Landowner who is a Builder shall distribute informational brochures about the existence and effect of the District in prospective homebuyer sales packets.
5. Any Landowner who is a Builder shall include Assessments in estimated property taxes, if such Builder estimates monthly ownership costs for prospective homebuyers.

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 3, 2026

AGENDA ITEM CAPTION: Approve Texas A&M Forest Service Rural Volunteer Fire Department Assistance Program cost-share reimbursement grant for Personal Protective Equipment (PPE) and Training Aids.

ORIGINATING DEPARTMENT AND CONTACT: Fire - Randy Jenkins

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: The Rural Volunteer Fire Department Assistance Program was established in 2001 (HB 2604) to assist small volunteer/combination fire departments with the purchase of equipment, and/or training.

The cost-share reimbursement grant is for 95% of the actual cost of grant eligible Personal Protective Equipment (structural and wildland PPE) not to exceed \$25,000. Once the PPE is delivered to Lockhart, and proof of purchase is provided, the reimbursement will occur. The grant expires on August 13, 2026.

Funds in the current FY 25/26 budget, in line item 100-5318-322 (Safety & Regulatory), will be used for the city's cost-share portion of the grant.

Secondly, a no-cost-share reimbursement grant for 100% of the actual cost of grant-eligible Training Aids not to exceed \$10,000 was awarded. Once the Training Aid is delivered to Lockhart, and proof of purchase is provided, the reimbursement will occur. The grant expires on August 13, 2026.

Previously, a Texas A&M Forest Service grant of \$165,000 for a small brush truck was accepted by City Council on November 6, 2025, and a \$25,000 fire and rescue equipment grant was accepted on January 6, 2026.

PROJECT SCHEDULE (if applicable): The Personal Protective Equipment (PPE) and Training Aid grant expires on August 13, 2026.

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION: Previously, a Texas A&M Forest Service grant of \$165,000 for a small brush truck was accepted by City Council on November 6, 2025, and a \$25,000 fire and rescue equipment grant was accepted on January 6, 2026.

COMMITTEE/BOARD/COMMISSION ACTION: N/A

City of Lockhart, Texas

Council Agenda Item Cover Sheet

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends approving the Texas A&M Forest Service Rural Volunteer Fire Department Assistance Program cost-share reimbursement grant for Personal Protective Equipment and Training Aids.

LIST OF SUPPORTING DOCUMENTS: Personal Protective Equipment & Training Aids Grant Guidelines

Training Aids Guidelines

Rural Volunteer Fire Department Assistance Program

Responsibilities of the Fire Department Following Notice of Grant Approval:

1. Purchase the approved item(s).
2. Submit for Reimbursement via [FireConnect](#), and upload the following supporting documents:
 - Proof of Payment
 - Copies of Signed Check(s)
 - Credit Card Receipt(s)
 - Paid Vendor Invoice(s) showing the last 4 digits of credit card used
 - Bank/Credit Card Statement(s) Showing the Purchase
3. Grants for fire/rescue equipment will expire **6 months** from the approval date. Extensions may be available upon request via [FireConnect](#).

Please Note:

- Equipment or services purchased prior to the award date are ineligible for grant assistance under this program.
- The purchase of pre-owned vehicles and equipment requires advance evaluation and approval by the Texas A&M Forest Service. An applicant must contact the Capacity Building Department before purchasing a used vehicle or used equipment. Failure to receive this special advance clearance may void your grant approval.

Eligible Items:

- | | |
|--------------------------------|--|
| • Rescue Mannequins | • Subscription Training Services |
| • Smoke Machines | • Training Manuals |
| • Practice Fire Shelters | • Training Videos |
| • Equipment Simulation Devices | • Ready-made Forcible Entry or Ventilation Cut Props |
| • Electronic Projectors | • Television (one per award) |
| • Computer (one per award) | |

Ineligible Items:

- | | |
|--------------------------------------|---|
| • Training Buildings or Drill Towers | • Equipment that can be placed into service |
| • Conex Containers | |

If there is an item you wish to purchase that is not found on the list of eligible items, please complete the attached form to request consideration of the specific item.

Grant recipients are encouraged to share training resources locally/regionally to benefit the greatest number of trainees.

Training publications and videos may be purchased through the State Firefighters' and Fire Marshals' Association and other providers.

The Program will reimburse for the establishment of a fire publications and video training library. Fire publications and videos should be kept at a location that is accessible by county or regional fire departments.



Updated 11/26/2024

*Required form field

Request for Approval of Training Aid Item/Equipment

Rural Volunteer Fire Department Assistance Program

Submit this form only to request approval of an item that is not currently on the approved list.

Eligible Items:

- Rescue Mannequins
- Smoke Machines
- Practice Fire Shelters
- Equipment Simulation Devices
- Electronic Projectors
- Computer (one per award)
- Subscription Training Services
- Training Manuals
- Training Videos
- Ready-made Forcible Entry or Ventilation Cut Props
- Television (one per award)

*Fire Department:

*County:

List the item(s) for review:

*Internal Use
Only*

Item Description	Estimated Cost	Eligible	Ineligible
		☐	☐
		☐	☐
		☐	☐
		☐	☐
		☐	☐

Please attach supporting documents, such as a brochure or other material describing the item(s).

(This section must be certified by authorized Chief Officer or President)

☐
(Required)

APPLICANT CERTIFICATION: I certify that the information contained in this application is true and accurate to the best of my knowledge and that I am duly authorized to certify this application on behalf of the fire department. I understand that knowingly making false or fraudulent statements or representations may result in program sanctions and/or criminal penalties.

*Name: (print)

*Title:

*Date:

Chief Officer or President

For Internal Use Only

Request for approval of Training Aid item/equipment has been reviewed and an eligibility determination notated above.

Program Leader Signature: _____ Date: _____

Personal Protective Equipment Guidelines

Rural Volunteer Fire Department Assistance Program

Responsibilities of the Fire Department Following Notice of Grant Approval:

1. Purchase approved item(s).
2. Submit for Reimbursement via [FireConnect](#), and upload the following supporting documents:
 - Proof of Payment
 - Copies of Signed Check(s)
 - Credit Card Receipt(s)
 - Paid Vendor Invoice(s) showing the last 4 digits of credit card used
 - Bank/Credit Card Statement(s) Showing the Purchase
3. Texas A&M Forest Service will then issue a reimbursement check or direct deposit of 90% of the cost, up to the specified amount shown on the approval notice.
4. Grants for PPE will expire **6 months** from the approval date. Extensions may be available upon request via [FireConnect](#).

Complete List of Eligible Items

Structural Gear

- Bunker Coat
- Bunker Pants
- Structural Boots
- Structural Helmet
- Structural Goggles
- Structural Hood
- Structural Gloves
- Structural Suspenders
- Ear/Neck/Face Protectors (Shrouds)
- Visors
- Gear Bags

Other Equipment

- PPE Extractors and Dryers

Wildland Gear

- Aramid Coveralls
- Aramid Pants
- Aramid Shirt
- Aramid Jacket
- Wildland Suspenders
- Wildland Gloves
- Wildland Hardhat
- Wildland Goggles
- Wildland Boots
- Ear/Neck/Face Protectors (Shrouds)
- Reflective Trim
- Fire Shelter
- Gear Bags

Note:

- Only the items listed above are eligible for cost-share reimbursement
- Wildland PPE must be certified to the most current edition of NFPA 1977 for wildland gear
- Structural PPE must be certified to the most current edition of NFPA 1971 for structural gear
- The purchase of pre-owned vehicles and equipment requires advance evaluation and approval by the Texas A&M Forest Service. An applicant must contact the Capacity Building Department before purchasing a used vehicle or used equipment. Failure to receive this special advance clearance may void your grant approval.



Updated 7/2/2025

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 3, 2026

AGENDA ITEM CAPTION: Approve Amended Interlocal Agreement (ILA) for a renewed term with the Plum Creek Watershed Partnership and authorize the City Manager to execute the agreement, if approved.

ORIGINATING DEPARTMENT AND CONTACT: Public Works - Sean Kelley

ACTION REQUESTED: Agreement

BACKGROUND/SUMMARY/DISCUSSION: The Plum Creek Watershed Partnership was established in 2006 to restore and protect water quality in Plum Creek. In 2011, the City of Lockhart, along with other governmental agencies and utilities, entered into an Interlocal Agreement (ILA) to formalize participation in the partnership. The agreement has been renewed periodically, most recently on August 20, 2024.

The Plum Creek Watershed Coordinator position is currently funded primarily through a federal grant administered by the Texas State Soil and Water Conservation Board (TSSWCB). The current grant term expires November 30, 2026. Due to uncertainty in federal funding, TSSWCB has transitioned the program to a state-funded nonpoint source grant to prevent any lapse in funding. This state grant will provide two years of funding, through 2028, while the partnership re-applies for federal funding.

The primary responsibilities for the position and tasks of the Plum Creek Watershed Coordinator, outlined in Attachments A & B, remain unchanged since the last renewal. Primary duties of the Watershed Coordinator include:

- Water quality monitoring
- Public education and outreach
- Agricultural, stormwater, and wastewater management initiatives
- Grant writing and tracking progress on pollutant reduction measures

The amendment also formalizes that the Guadalupe-Blanco River Authority (GBRA) will serve as the Managing Partner and employer of the Watershed Coordinator.

The City's annual financial commitment remains unchanged at \$2,686 per year. The agreement term is one year and automatically renews annually for the duration of grant funding unless terminated.

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:

City of Lockhart, Texas

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Funds Required: \$2,686.00

Account Number: 275-5199-299-00

Funds Available: \$2,686.00

Account Name: Other Contracts and Services

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

July 2011- Entered ILA with Plum Creek Partnership

December 2015- Approved ILA Renewal

December 2017- Approved ILA Renewal

June 2023- Approved ILA Renewal

August 20, 2024- Approved Amended ILA

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Staff respectfully recommends approval of the ILA to continue participating in the Plum Creek Watershed Protection Plan.

LIST OF SUPPORTING DOCUMENTS: 2026 PLUM CREEK INTERLOCAL AGREEMENT AMENDMENT

**INTERLOCAL AGREEMENT AMENDMENT AMONG
HAYS COUNTY, CALDWELL COUNTY, CITY OF LULING, CITY OF KYLE,
CITY OF BUDA, CITY OF LOCKHART, CITY OF UHLAND,
GUADALUPE-BLANCO RIVER AUTHORITY, PLUM CREEK CONSERVATION DISTRICT,
AQUA WATER SUPPLY CORPORATION, CALDWELL-TRAVIS SOIL AND WATER
CONSERVATION DISTRICT #304, AND HAYS COUNTY SOIL AND WATER
CONSERVATION DISTRICT #351, REGARDING IMPLEMENTATION OF THE PLUM CREEK
WATERSHED PROTECTION PLAN**

This Interlocal Agreement Amendment (“Amendment”) is made and entered into, effective the ____ day of _____, 2026 (“Effective Date”) by and among Hays County, Texas (“Hays County”); Caldwell County, Texas (“Caldwell County”); City of Luling (“Luling”); City of Kyle (“Kyle”); City of Buda (“Buda”); City of Lockhart (“Lockhart”); City of Uhland (“Uhland”); Guadalupe-Blanco River Authority (“GBRA”); Plum Creek Conservation District (“PCCD”); Aqua Water Supply Corporation (“Aqua Water”); Caldwell-Travis Soil and Water Conservation District #304 (“Caldwell-Travis SWCD”); and Hays County Soil and Water Conservation District #351 (“Hays County SWCD”); jointly known as the “Financing Parties.” This Amendment is entered into by the Financing Parties pursuant to the authority granted and in compliance with the provisions of the “Interlocal Cooperation Act,” as amended, Chapter 791, Texas Government Code. This Amendment is intended to further the purpose of the Interlocal Cooperation Act, which is to increase the efficiency and effectiveness of local governments.

WHEREAS in 2006, the Plum Creek Watershed Partnership (“PCWP”) was established to restore and protect the water quality in Plum Creek, a tributary of the San Marcos River in the Guadalupe River Basin of Texas, and each Financing Party named above has representatives on the PCWP Steering Committee that is described in and operates under the PCWP Ground Rules originally dated May 5, 2006 and updated in 2023 (“Ground Rules”), throughout that time; and

WHEREAS since that time several million dollars have been dedicated to the development and implementation of the highly recognized Plum Creek Watershed Protection Plan (“WPP”); and

WHEREAS the Plum Creek WPP is a roadmap to restore water quality in Plum Creek and includes recommendations on data collection and water quality monitoring, implementation of best management practices to address pollution from agriculture and urban sources, and outreach and education; and

WHEREAS the Plum Creek WPP satisfies the U.S. Environmental Protection Agency’s (“EPA”) guidelines and expectations for a WPP; and

WHEREAS the Plum Creek Watershed Coordinator (“PCWP Watershed Coordinator”), through an existing grant from the Texas State Soil and Water Conservation Board (“TSSWCB”), and the Financing Parties, payable and available to the PCWP Watershed Coordinator, facilitates the PCWP; secures additional funding through writing grants; tracks the progress of implementing the Plum Creek WPP; and reports water quality trends resulting from implementation of the Plum Creek WPP; and

WHEREAS on July 11, 2011, the Financing Parties entered into the Interlocal Agreement Among Hays County, Caldwell County, Luling, Kyle, Buda, Lockhart, Uhland, GBRA, PCCD, Aqua Water, Caldwell-

Travis SWCD, and Hays County SWCD for the protection of the Plum Creek Watershed (“Interlocal Agreement”); and

WHEREAS on October 22, 2024, the Financing Parties entered into the Amendment and Renewal of the Interlocal Agreement Among Hays County, Caldwell County, Luling, Kyle, Buda, Lockhart, Uhland, GBRA, PCCD, Aqua Water, Caldwell-Travis SWCD, and Hays County SWCD, regarding implementation of the Plum Creek Watershed Protection Plan (“Renewal and Extension”); and

WHEREAS, GBRA and the other parties now intend to classify the PCWP Watershed Coordinator as an employee of GBRA. GBRA will provide health and retirement benefits via its annual budget and the existing grants and interlocal funding will provide annual compensation; and,

WHEREAS the Financing Parties desire to ensure continued implementation of the Plum Creek WPP;

NOW THEREFORE, the Financing Parties have mutually agreed to amend the Interlocal Agreement and to proceed as follows:

ARTICLE I PCWP WATERSHED COORDINATOR

The Financing Parties agree to continue their support for the funding of a PCWP Watershed Coordinator for implementation of the Plum Creek WPP. Such program will continue to be the responsibility of the PCWP.

ARTICLE II MANAGING PARTNER

GBRA was designated as Managing Partner by the PCWP Steering Committee, following the execution of the Interlocal Agreement in 2011, and will continue to serve in this role. The Managing Partner will be responsible for updating the job description and responsibilities of the PCWP Watershed Coordinator, as needed, with input from the PCWP Steering Committee when requested by GBRA. The PCWP Steering Committee will continue to follow the Ground Rules.

The Managing Partner will employ the PCWP Watershed Coordinator. The Managing Partner will hire any subsequent PCWP Watershed Coordinators in the event that the position becomes vacant. The PCWP Watershed Coordinator will be housed at the GBRA office located in Seguin, Texas..

ARTICLE III PLUM CREEK WATERSHED COORDINATOR

The primary responsibilities of the PCWP Watershed Coordinator are stated and listed in Attachment A to this Amendment. Additionally, various other tasks of the PCWP Watershed Coordinator are stated and listed on Attachment B.

ARTICLE IV FUNDING

Any payments made by or financial obligations of any Financing Party relating to this Amendment shall be made from current revenues available to the Financing Party and shall be made to the Managing Partner. The Managing Partner is authorized to deposit all funds received from Financing Partners pursuant to this Amendment in applicable bank accounts and is authorized to spend such funds to implement this Amendment in accordance with the approved budget. The Financing Parties agree that the estimated annual budget balance, not including a grant reward, is approximately \$48,000.00 with said amount being allocated among several Financing Parties in accordance with Attachment C to this Amendment.

The Financing Parties further agree that other opportunities for funding shall be actively pursued by the PCWP Steering Committee, the Managing Partner, and PCWP Watershed Coordinator throughout the term of this Amendment. Other sources of funding which shall be pursued include, but are not limited to, federal, state, non-profit, non-government affiliated private or public grants, and other state and federal funding opportunities.

ARTICLE V STATISTICS AND DOCUMENTS

The Managing Partner shall properly, accurately, and completely maintain all documents, papers, records, and other evidence regarding implementation of this Amendment. To further the purpose of cooperative administration of the activities described within this Amendment, the Managing Partner agrees, if requested, to make documents and record materials associated with expenditures under this Amendment available to each Financing Party, upon reasonable notice, and as often as each Financing Party may require for purpose of inspection, examination, and/or copying of same.

The Managing Partner shall maintain and retain a complete set of any and all documents, papers, records, and other evidence produced as a result of this Amendment and ensure that this Amendment is publicly available in the form of a PDF version of this Amendment on the PCWP website. If necessary, a reproduction of a document may be submitted and it shall be so marked.

ARTICLE VI DISPUTES

The Financing Parties agree to use due diligence to cooperate and communicate with each other to resolve any and all disputes which may arise under this Amendment. The Financing Parties agree that before they exercise the termination rights described in Article VIII, they will attempt to resolve the dispute and will allow the non-disputing Financing Parties the opportunity to cure the alleged dispute. In the event they are unable to do so, the Financing Parties agree to mediate the dispute prior to exercising their termination rights.

ARTICLE VII TERM

This Amendment shall be effective on the date the last of the Financing Parties signs this Agreement (the "Effective Date") with the financing obligation described commencing for a period of one year beginning on the Effective Date. The term of this Amendment shall be automatically renewed each year for the duration

of the grant funding provided through the TSSWCB, unless terminated earlier, as provided in Article VIII or amended as provided in Article IX.

ARTICLE VIII TERMINATION

Termination of this Amendment may coincide with the termination of grant funding provided through the TSSWCB, at the discretion of the Financing Parties. In the event a Financing Party to this Amendment determines it is in the best interest of that Financing Party to withdraw from this Amendment, the Financing Party may withdraw by giving written notice of such intent to the remaining Financing Parties at the addresses provided in Section X of this Amendment no later than May 31 of the calendar year.

The withdrawing Financing Party shall cooperate with the remaining Financing Parties to achieve a proper transition time period to allow the remaining Financing Parties to restructure the contributions provided by the remaining Financing Parties. The withdrawing Financing Party shall remain liable for such Financing Party's allocated share of the budget for and including the entire PCWP fiscal year prior to such Financing Party's withdrawal.

ARTICLE IX AMENDMENT

No amendment, modification, or alteration of the terms of this Amendment shall be binding unless it is in writing, dated subsequent to the date hereof, and be agreed to and duly executed by each of the Financing Parties after official action by each of the respective governing bodies of the Financing Parties.

ARTICLE X NOTICES

Notices to any Financing Party required or appropriate under this Amendment shall be deemed sufficient if in writing and mailed to the following addresses, USPS postage prepaid.

To Hays County. Notices to Hays County shall be addressed to:

Hays County Judge
Hays County
111 East San Antonio Street, Suite 300
San Marcos, TX 78666

and to such other addresses as may hereafter be designated in writing by the Hays County Judge.

To Caldwell County. Notices to Caldwell County shall be addressed to:

Caldwell County Judge
Caldwell County
110 South Main Street
Lockhart, TX 78644

and to other such addresses as may herein be designated in writing by the Caldwell County Judge.

To Luling. Notices to Luling shall be addressed to:

City Manager
City of Luling
509 East Crockett
Luling, TX 78648

and to other such addresses as may herein be designated in writing by the City Manager of Luling.

To Kyle. Notices to Kyle shall be addressed to:

City Manager
City of Kyle
100 West Center Street
Kyle, TX 78640

and to other such addresses as may herein be designated in writing by the City Manager of Kyle.

To Buda. Notices to Buda shall be addressed to:

City Manager
City of Buda
405 E. Loop Street, Building 100
Buda, TX 78610

and to other such addresses as may herein be designated in writing by the City Manager of Buda.

To Lockhart. Notices to Lockhart shall be addressed to:

City Manager
City of Lockhart
P.O. Box 239
Lockhart, TX 78644

and to other such addresses as may herein be designated in writing by the City Manager of Lockhart.

To Uhland. Notices to Uhland shall be addressed to:

City Secretary
City of Uhland
15 N. Old Spanish Trail
Uhland, TX 78640

and to other such addresses as may herein be designated in writing by the City Secretary of Uhland.

To GBRA. Notices to GBRA shall be addressed to:

General Manager
Guadalupe-Blanco River Authority
2225 E. Common St.
New Braunfels, TX 78130

and to such other addresses as may herein be designated in writing by the General Manager of GBRA.

To Plum Creek Conservation District. Notices to Plum Creek Conservation District shall be addressed to:

Executive Manager
Plum Creek Conservation District
1101 W. San Antonio Street
Lockhart, TX 78644

To Aqua Water Supply Corporation. Notices to Aqua Water Supply Corporation shall be addressed to:

General Manager
Aqua WSC
415 Old Austin Hwy
Drawer P
Bastrop, TX 78602

To Caldwell-Travis SWCD. Notices to Caldwell-Travis SWCD shall be addressed to:

Chairman
Caldwell-Travis SWCD #304
111 E Martin Luther King Jr Industrial Blvd, Suite B
Lockhart, TX 78644

and to other such addresses as may herein be designated in writing by the Chairman of Caldwell-Travis SWCD.

To Hays County SWCD. Notices to Hays County SWCD shall be addressed to:

Chairman
Hays County SWCD #351
326 Cheatham Street
San Marcos, TX 78666-6912

and to other such addresses as may herein be designated in writing by the Chairman of Hays County SWCD.

ARTICLE XI RELATIONSHIP OF FINANCING PARTIES

Nothing contained herein shall be deemed or construed by the Financing Parties, or by any third party, as creating the relationship of principal and agent, joint venture, or any other similar relationship among the Financing Parties. It is understood and agreed that no provisions contained herein nor any acts of the Financing Parties hereto create a relationship among the Financing Parties other than that of independent contractor. In keeping with the provision of its services as an independent contractor, each Financing Party shall be responsible for its respective acts or omissions. No Financing Party has the authority to bind the other Financing Parties or to hold out to third parties that it has the authority to bind the other Financing Parties separately or collectively.

ARTICLE XII APPLICABLE LAW

This Amendment shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the Financing Parties created hereunder are performable in the counties of Guadalupe, Hays, Travis, or Caldwell, Texas.

ARTICLE XIII LEGAL CONSTRUCTION

In case any one or more of the provisions contained in this Amendment shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such shall not affect any other provisions hereof and this Amendment shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

ARTICLE XIV COMPLIANCE WITH LAWS AND ORDINANCES

The Financing Parties hereby agree to comply with all federal, state, and local laws and ordinances applicable to the work or services to be performed under this Amendment. The Financing Parties acknowledge that they are each subject to the Texas Public Information Act and the exceptions stated in such Act.

ARTICLE XV PARTIES BOUND

This Amendment shall be binding upon and inure only to the benefit of the Financing Parties hereto and their respective successors and assigns where permitted by this Amendment.

ARTICLE XVI DEFINITIONS

The “Financing Parties” means the entities that have executed this Amendment in their separate capacities.

The “Plum Creek Watershed Partnership” or “PCWP” means an unincorporated entity operating under the “PCWP Ground Rules.”

The “PCWP Steering Committee” is the group of individuals listed in the Ground Rules document, that directs the actions of the “Plum Creek Watershed Partnership” in accordance with the “PCWP Ground Rules” and with the terms of this Amendment.

The “Managing Partner” is the person or entity selected by the PCWP Steering Committee to be, and operates as, the managing partner of the PCWP and has the duties and responsibilities described in both the “PCWP Ground Rules” and in this Amendment.

In Witness Whereof, the Financing Parties have executed in multiple originals, each of which shall have the full force and effect of an original, this Amendment.

Hays County

By: _____

Date: _____

City of Luling

By: _____

Date: _____

City of Buda

By: _____

Date: _____

City of Uhland

By: _____

Date: _____

Plum Creek Conservation District

By: _____

Date: _____

Caldwell-Travis SWCD #304

By: _____

Date: _____

Caldwell County

By: _____

Date: _____

City of Kyle

By: _____

Date: _____

City of Lockhart

By: _____

Date: _____

Guadalupe-Blanco River Authority

By: _____

Date: _____

Aqua Water Supply Corporation

By: _____

Date: _____

Hays County SWCD #351

By: _____

Date: _____

ATTACHMENT A
PRIMARY RESPONSIBILITIES OF PLUM CREEK WATERSHED COORDINATOR

- Work with counties, cities, local boards and businesses to implement management measures identified in the Plum Creek WPP to improve water quality and develop funding mechanisms for putting them in place.
- Work with state and federal agencies and organizations, as appropriate, to bring technical and financial resources to the watershed.
- Pursue external funding to reduce or cover costs for the project (salary and operating).
- Track and document implementation efforts to assess progress toward established goals in the WPP.
- Evaluate water quality data to monitor progress and determine the need for new approaches.
- Coordinate and conduct water resources and related environmental outreach education efforts across the watershed, including organizing training programs and participating in local community clean-up events.
- Develop publications (e.g., newspaper, newsletter, factsheets), and website content to promote and communicate watershed efforts.
- Conduct regular stakeholder meetings, including PCWP Steering Committee and Work Group, throughout the watershed to gather and incorporate local input and encourage citizen participation.
- Provide Counties, Cities and other partners with regular updates on progress, and seek their input and recommendations on needed activities.

ATTACHMENT B PLUM CREEK WATERSHED COORDINATOR TASKS

Agriculture

- Coordinate with Soil and Water Conservation District Technician
- Secure funding to support financial incentive programs
- Organize, promote and participate in Texas AgriLife Extension Service education workshops and training events
- Develop and deliver educational programs on agriculture nonpoint source best management practices
- Develop and disseminate factsheets and other education materials (e.g., videos, slide sets) to promote adoption and proper management of best management practices
- Facilitate soil and water testing campaigns; conduct interpretive educational events
- Coordinate development of grant proposals
- Monitor and report progress of conservation practice program implementation
- Identify and implement innovative strategies to facilitate practice adoption and sustained management

Feral Hogs

- Coordinate with Wildlife Extension Feral Hog Education Specialist
- Monitor and facilitate citizen use of the online reporting system to track feral hogs sightings and damage
- Facilitate delivery of updates on progress to County officials and other stakeholders
- Deliver education programs at workshops and other events
- Facilitate and assist with development and distribution of educational resources (e.g., factsheets, videos, etc.)
- Coordinate with Texas Wildlife Services to facilitate hog control efforts
- Monitor and report progress of feral hog programs and identify proactive strategies

Urban Stormwater

- Work with city officials to identify programs and projects to mitigate stormwater nonpoint source
- Assist cities with development of grant proposals
- Assist city personnel with existing TCEQ CWA §319(h) nonpoint source projects in Kyle and Lockhart
- Facilitate stormwater management practice demonstrations
- Secure, develop and/or assist with the preparation and distribution of educational resources including factsheets, videos, slide sets, etc.
- Coordinate Sports Athletic Field Education (SAFE) workshops
- Coordinate community cleanup events and participate in environmental fairs in Kyle, Lockhart, and Luling

- Facilitate pet waste management outreach
- Monitor and report progress of urban nonpoint source programs and identify proactive strategies

Wastewater

- Coordinate septic system management workshops for homeowners and installer/ maintenance providers
- Assist cities and counties with Texas Water Development Board applications for wastewater infrastructure projects; including State Revolving Fund
- Facilitate fats, oils, and grease (FOG) workshops
- Interact with wastewater treatment facilities (WWTFs) to pursue voluntary permit upgrades
- Promote and assist with research efforts to determine and mitigate contributions from WWTF
- Pursue implementation of an unannounced inspection program for WWTFs
- Assist counties with expansion of inspection/enforcement programs for septic systems
- Develop and deliver educational resources and programs regarding the need for and methods of septic system management

General Partnership Duties

- Coordinate and conduct quarterly PCWP Steering Committee meetings and Work Group meetings as needed
- Actively promote widespread awareness and involvement in project implementation by stakeholders across the watershed
- Conduct regular communication with the PCWP and respond to stakeholder questions and concerns
- Facilitate communication and coordination among team members from all agencies and organizations
- Identify funding opportunities and develop and submit grant proposals to support implementation
- Perform quarterly analysis of targeted and routine water quality monitoring data
- Track management practice implementation across the watershed, both as a result of the project and external efforts
- Manage implementation grants; generate quarterly progress reports for grants and other funding sources
- Prepare the biennial update of the Plum Creek WPP including progress in implementation and needed modifications to goals and milestones
- Produce and distribute publications highlighting watershed implementation activities and specific best management practices
- Produce and distribute a quarterly newsletter
- Manage and update PCWP website content
- Manage and update Facebook site and Instagram page

- Produce and distribute press releases regarding key issues, programs and project efforts in the watershed
- Provide radio interviews regarding watershed developments; pursue a weekly radio program to discuss project efforts and public action
- Provide regular updates to city councils, county commissioner's courts, PCCD, soil and water conservation districts, TSSWCB, TCEQ, and other partner agencies, groups and organizations
- Develop material for inclusion in the TCEQ-TSSWCB Annual Report on Managing NPS Pollution in Texas and the GBRA CRP Basin Highlights Report and Basin Summary Report
- Facilitate adoption of appropriate city and county ordinances
- Perform advisory role in Central Texas Green Printing, regional water and wastewater studies, and other regional planning efforts on behalf of the PCWP
- Interact with ongoing local school water quality monitoring projects
- Participate in annual community events and festivals (Luling Foundation Field Day, Great Texas River Cleanup, Luling Watermelon Thump, etc.) to promote citizen interaction to implement the WPP
- Facilitate special household hazardous waste and agricultural waste pesticide collection events
- Facilitate ongoing illegal dumping management programs
- Coordinate periodic tours/field days in the watershed for stakeholders and agency partners to demonstrate project efforts
- Pursue opportunities for increased public awareness including roadway signs, billboards, special events, etc.

ATTACHMENT C
FINANCING PARTIES ANNUAL COST BREAKDOWN

Entities	Total
Caldwell County*	\$6,000.00
Hays County	\$2,698.00
Kyle	\$5,148.00
Lockhart	\$2,686.00
Luling	\$1,017.00
Buda	\$1,391.00
GBRA	\$15,241.00
PCCD	\$12,287.00
Uhland	\$116.00
Aqua Water	\$1,416.00
Total	\$48,000.00

*In-kind contribution

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 3, 2026

AGENDA ITEM CAPTION: Approve the purchase of a new 2026 Vermeer Trailer-Mounted Hydro-Excavator from Vermeer Texas-Louisiana through the BuyBoard Purchasing Cooperative (Contract #785-25) in the amount of \$71,784.49 for the Public Works and Electric Departments.

ORIGINATING DEPARTMENT AND CONTACT: Public Works - Sean Kelley

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION:

The Public Works Department currently relies on traditional backhoe excavation and manual labor for utility repairs and infrastructure maintenance. The acquisition of a hydro-excavator, which uses pressurized water and a high-powered vacuum system, will significantly modernize city operations.

Key operational enhancements of the hydro-excavator include:

- **Utility Protection:** Hydro excavation, or “soft digging,” significantly reduces the risk of damaging underground utilities such as fiber, gas, and water lines. By exposing utilities with pressurized water and vacuum extraction rather than mechanical equipment, the City can prevent costly service disruptions, emergency repairs, and third-party damage claims.
- **Safety and Operational Efficiency:** Minimizes the need for repetitive manual digging and heavy lifting.
- **Operational Versatility:** The unit will be utilized for slot trenching, potholing for utility verification, and rapid debris removal from catch basins, lift stations and spill responses.
- **Precision:** Allows for smaller, more precise excavation footprints, which reduces the cost of surface restoration (asphalt, concrete, and landscaping).

The equipment will be a shared piece of equipment between the Water, Wastewater, and Electric Departments. Funding for the equipment will be split between the departments. The BuyBoard Purchasing Cooperative's total cost for the equipment is \$71,784.49.

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:

City of Lockhart, Texas

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Funds Required: \$71,784.49

Account Number: 520-5750-912-00, 540-5760-912-00, 500-5745-912-00

Funds Available: \$80,000

Account Name: Machinery & Equipment

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION: The hydro-excavator purchase is a planned purchase in the FY 25-26 budget.

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION: Staff respectfully recommends approving the purchase of the trailer-mounted hydro-excavator.

LIST OF SUPPORTING DOCUMENTS: Vermeer Hydro-Excavator Quote, 2026 Vermeer LP573XDT Images



Vermeer Texas-Louisiana
162 Commercial Dr
Buda, TX 78610
Ph: (512) 884-5522
vermeertexas.com

Please remit to:
Vermeer Texas-Louisiana
PO Box 227283
Dallas, TX 75222-7283

Ship To: IN STORE PICKUP

Invoice To: CITY OF LOCKHART
308 W SAN ANTONIO ST
LOCKART TX 78644-2656

Attention: JOE CHAVIRA

Branch 19 - VT BUDA		
Date 02/13/2026	Time 10:49:41 (O)	Page 1
Account No LOCKA001	Phone No 5123983461	Est No 02 Q00364
Ship Via		Purchase Order
Tax ID No		
SCOTT SHUFFIELD		Salesperson 137

EQUIPMENT QUOTE - NOT AN INVOICE

Description ** Q U O T E ** EXPIRY DATE: 03/05/2026 Amount

Stock #: 1072012 Serial #: 7NWH16A88TK051157 71784.49

New 2026 VE LP XD Traile

New 2026 VERMEER LP XD Traile LP573XDT, 12K GVWR, 2X100 GAL

****INCLUDING THE FOLLOWING OPTIONS****

LPXDT1005 LP573XDT, 12K GVWR, 2X100 GAL WTR TANKS

LPXDT3510 MANUAL JACK

LPXDT4489 NON-SHT TRAILER

LPXDT2045 KOHLER 24HP DIESEL ENGINE STANDARD

-

** SALE PRICE \$75,562.62

BUY BOARD DISCOUNT -\$3,778.13

-

** BUY BOARD CONTRACT# 785-25

Subtotal: 71784.49

Authorization: _____

Quote Total: 71784.49

2026 Vermeer LP573XDT
Trailer-Mounted Hydro-Excavator





City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 3, 2026

AGENDA ITEM CAPTION: Discussion and/or action regarding the appointment of Ron Faulstich to the Downtown Redevelopment Selection Committee.

ORIGINATING DEPARTMENT AND CONTACT: Administration - Joseph Resendez

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: At the February 10, 2026 Special City Council Meeting, Council received a presentation from TBA Douglas Architects, consultant to the Lockhart Economic Development Corporation (LEDC), regarding the proposed Downtown Redevelopment Project located immediately southwest of the Courthouse Square

The presentation summarized public engagement efforts, community input from three public meetings, and the proposed next steps for advancing the project.

During the same meeting, Council also discussed the composition and general structure of a Downtown Redevelopment Selection Committee to assist in guiding the planning, solicitation (RFQ/RFP), and developer selection process for the project. The committee is intended to provide representation from key stakeholder groups and provide continued transparency and community engagement as the project moves forward. The current committee members, in addition to representation from the First Lockhart Baptist Church, include the following:

- Daisy Wellcome
- Nicole Stephens
- Matt Johnson
- Levi Garrett
- Len Gabay
- Frank Gomillion (Historical Preservation Commission)
- Brad Lingvai (Planning & Zoning Commission)
- Yolanda Strey (Lockhart EDC)
- Councilmember John Lairsen
- Councilmember Taylor Burge
- Councilmember Brad Westmoreland

Since the February 10th meeting, Mr. Matt Johnson has requested to be removed from the committee. City Council directed staff to present Ron Faulstich for appointment to fill the vacancy on the Selection Committee to support the Downtown Redevelopment Project.

City staff and TBA Douglas Architects are finalizing updates to the project schedule and will

City of Lockhart, Texas

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schedule an initial meeting with the Selection Committee in the coming weeks to discuss next steps.

PROJECT SCHEDULE (if applicable):

AMOUNT & SOURCE OF FUNDING:

Funds Required:

Account Number:

Funds Available:

Account Name:

FISCAL NOTE (if applicable):

PREVIOUS COUNCIL ACTION:

COMMITTEE/BOARD/COMMISSION ACTION:

STAFF RECOMMENDATION/REQUESTED MOTION:

LIST OF SUPPORTING DOCUMENTS:

City of Lockhart, Texas

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COUNCIL MEETING DATE: March 3, 2026

AGENDA ITEM CAPTION: Consideration and possible action on Ordinance 2026-10, approving a final project and finance plan for Reinvestment Zone Number One, City of Lockhart, Texas providing a severability clause and providing an effective date.

ORIGINATING DEPARTMENT AND CONTACT: Development Services - David Fowler

ACTION REQUESTED: Ordinance

BACKGROUND/SUMMARY/DISCUSSION: Creation of a tax increment reinvestment zone in Texas requires approval of a Project and Finance Plan that describes the projects to be funded by the TIRZ and the costs associated with them. This Ordinance approves such plan to comply with State law. The fiscal impact of this action is limited to the extent that the increment in tax receipts increases over the base value of the TIRZ in future years, which is a result of the future development and increased valuation within the TIRZ and does not affect current general funds or tax receipts.

PROJECT SCHEDULE (if applicable): None

AMOUNT & SOURCE OF FUNDING:

Funds Required:

Account Number:

Funds Available:

Account Name:

FISCAL NOTE (if applicable): As covered in previous TIRZ-related City Council items, TIRZ #1 will capture 23 percent of incremental value from 2026-2035 and 28.5 percent from 2036-2065.

PREVIOUS COUNCIL ACTION: Approval of Ordinance 2026-03 designating the area as Reinvestment Zone Number One.

COMMITTEE/BOARD/COMMISSION ACTION: None

STAFF RECOMMENDATION/REQUESTED MOTION: Approval of Ordinance 2026-10, approving a final project and finance plan for reinvestment zone number one, City of Lockhart

LIST OF SUPPORTING DOCUMENTS: Ordinance 2026-10 SeaWillow _TIRZ#1_Final PFP_03.03.26 (005), 2026-02-03_LKHT_TIRZ_Final PFP

**CITY OF LOCKHART, TEXAS
ORDINANCE NO. 2026-10**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY
OF LOCKHART, TEXAS, APPROVING A FINAL PROJECT
AND FINANCE PLAN FOR REINVESTMENT ZONE
NUMBER ONE, CITY OF LOCKHART, TEXAS;
PROVIDING A SEVERABILITY CLAUSE; AND
PROVIDING AN EFFECTIVE DATE.**

WHEREAS, by Ordinance No. 2026, the City of Lockhart, Texas (the "City"), pursuant to Chapter 311 of the Texas Tax Code, as amended (the "Act"), created Reinvestment Zone Number One, City of Lockhart, Texas; and

WHEREAS, on March 3, 2026, the Board for Reinvestment Zone Number One, City of Lockhart, Texas, (the "Board") as appointed by the City Council, was seated, approved the Final Project and Finance Plan ("Plan"), and recommended approval of the Plan to the City Council; and

WHEREAS, Section 311.011 of the Act provides that the City Council must approve a Final Project and Finance Plan after its adoption by the Board; and

WHEREAS, pursuant to Section 311.011 of the Act, the City Council finds that the Plan is feasible,

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

SECTION 1. FINDINGS. The recitals, findings, and determinations contained in the preamble to this Ordinance are incorporated into the body of this Ordinance as if fully set forth in this Section and are hereby found and declared to be true and correct legislative findings and are adopted as part of this Ordinance for all purposes.

SECTION 2. APPROVAL OF THE PLAN. Pursuant to the authority of and in accordance with the requirements of the Act, the City Council hereby approves the Final Project and Finance Plan for Reinvestment Zone Number One, City of Lockhart, Texas, a copy of which is attached as Exhibit A.

SECTION 3. 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 invalid, the validity of the remaining provisions of this Ordinance or their application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no provision of this Ordinance shall become inoperative because of the invalidity of another provision; and, therefore, all provisions of this Ordinance are declared severable for that purpose.

SECTION 4. OPEN MEETINGS. It is hereby found, determined, and declared that sufficient written notice of the date, hour, place and subject of the meeting of the City Council at which this Ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at the City Hall of the City for the time required by law preceding its meeting, as required by the Texas Open Meetings Act, Chapter 551 of the 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. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

SECTION 5. EFFECTIVE DATE. This Ordinance shall take effect immediately upon its passage as provided by law.

PASSED, APPROVED, AND ADOPTED ON THIS 3RD DAY OF FEBRUARY 2026 BY THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS.

Lew White, Mayor

ATTEST:

Julie Bowermon, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Bradford E. Bullock, City Attorney

EXHIBIT A

FINAL PROJECT AND FINANCE PLAN



REINVESTMENT ZONE NUMBER 1,
CITY OF LOCKHART, TEXAS
PRELIMINARY PROJECT AND FINANCE PLAN
FEBRUARY 3, 2026

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SECTION 1: DEFINITIONS

Capitalized terms used in this Preliminary Plan shall have the meanings given to them in **Section 1** below unless otherwise defined in this Preliminary Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a “Section,” or an “Exhibit,” shall be a reference to a Section of this Preliminary Plan or an Exhibit or Appendix attached to and made a part of this Preliminary Plan for all purposes.

“**Act**” means Chapter 311, Texas Tax Code, as amended, “Tax Increment Financing Act”.

“**Administrative Costs**” means the actual, direct costs paid or incurred by or on behalf of the City to administer the Zone, including planning, engineering, legal services, organizational costs, publicizing costs, or implementations costs paid by or on behalf of the City that are directly related to the administration of the Zone.

“**Appraisal District**” means the Caldwell County Appraisal District.

“**Board**” means the Board of Directors for the Zone.

“**Captured Appraised Value**” means the new taxable value generated in addition to the Tax Increment Base on a parcel-by-parcel basis for each year during the term of the Zone, as calculated and confirmed annually by the Appraisal District.

“**City**” means the City of Lockhart, Texas.

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

“**City TIRZ Increment**” means twenty-three percent (23.0%) of the City’s ad valorem real property taxes collected and received by the City on the Captured Appraised Value in the Zone in years 2026-2035 and twenty-eight and one half percent (28.50%) of the City’s ad valorem real property taxes collected and received by the City on the Captured Appraised Value in the Zone in years 2036-2065 deposited into the TIRZ Fund.

“**County**” means Caldwell County, Texas.

“**County Participation Agreement**” means that certain agreement to be entered into by the City and the County pursuant to which the County agrees to participate in the Zone.

“**County TIRZ Increment**” means twenty-three percent (23.0%) of the County’s maintenance and operation portion of the real property taxes collected and received by the County on the Captured Appraised Value in the Zone in years 2026-2035 and twenty-eight and one half percent (28.50%) of the County’s maintenance and operation portion of the real property taxes collected and received by the County on the Captured Appraised Value in the Zone in years 2036-2065 deposited into the TIRZ Fund.

“Creation Ordinance” means Ordinance No. _____ adopted by the City Council on February 3, 2026.

“Developer” means, ROED Prop Co, LLC, a Texas limited liability company and its successors and assigns.

“Development Agreement” means that certain Seawillow Ranch Development and Public Improvement Agreement between the City and RODG DT Seawillow Propco LLC, effective as of June 18, 2024, as first amended on January 6, 2026.

“Feasibility Study” means the economic feasibility study as evaluated over the term of the Zone and focused only on direct financial benefits, as shown on **Exhibit E**.

“First Amendment” means that certain First Amendment to Seawillow Ranch Development Agreement between the City and RODG DT Seawillow Propco LLC, effective as of January 6, 2026.

“Final Plan” means the *Reinvestment Zone Number 1, City of Lockhart Final Project and Finance Plan* expected to be adopted in the future.

“Non-Project Costs” means those certain costs that will be spent to develop in the Zone, but will not be financed by the Zone, and will be financed by private funds, as described in **Section 6**, and shown on **Exhibit B**.

“PID” means the Seawillow Public Improvement District, which includes all of the Property, created by Resolution No. 2024-26 of the City adopted by the City Council on October 15, 2024 .

“Preliminary Plan” means this *Reinvestment Zone Number 1, City of Lockhart Preliminary Project and Finance Plan*.

“Project Costs” means the total costs for projects in the Zone authorized by the Act, including the actual costs of the Public Improvements, and the Administrative Costs.

“Property” means 89.775 acres of land as depicted on **Exhibit A** and identified on **Exhibit G**.

“Public Improvements” means the proposed public improvements to be financed by the Zone, which include water, wastewater, streets, drainage, contingency, and associated financing and interest costs related thereto, as detailed on **Exhibit C**.

“Service and Assessment Plan” means that certain Seawillow Public Improvement District Service and Assessment Plan, to be adopted by the City in calendar year 2026 and updated and amended from time to time.

“TIRZ Credit” means the TIRZ Number 1 Annual Credit Amount designated for credit against the principal and interest portion of the Annual Installment of Assessments levied against Assessed

Property, which amount shall not exceed the TIRZ Maximum Annual Credit Amount, all as further defined and described in the Service and Assessment Plan.

“Tax Increment Base” means total appraised value of taxable real property in the Zone (i) as of January 1 of the year in which the Zone is created or, (ii) for any real property added to the Zone, the year in which such additional real property is added to the Zone, each as calculated and certified by the Appraisal District.

“TIRZ Fund” means the tax increment fund for the Zone created by the City and segregated from all other funds of the City.

“Zone” means Reinvestment Zone Number 1, City of Lockhart, Texas (Seawillow Project), as depicted on **Exhibit A**, and described on **Exhibit G**.

SECTION 2: INTRODUCTION

2.1 Authority and Purpose

The City has the authority under the Act to designate a contiguous or noncontiguous geographic area within the corporate limits or extraterritorial jurisdiction of the City as a tax increment reinvestment zone to promote development or redevelopment of the area because the City Council determines that development or redevelopment would not occur solely through private investment in the reasonably foreseeable future, that the Zone is economically feasible, and that creation of the Zone is in the best interest of the City and the property in the Zone. The purpose of the Zone is to facilitate such development or redevelopment by financing the costs of public works, public improvements, programs, and other projects benefiting the Zone, plus other costs incidental to those expenditures, all of which costs are authorized by the Act.

2.2 Eligibility Requirements

An area is eligible under the Act to be designated as a tax increment reinvestment zone if the area:

- 1) substantially arrests or impairs the sound growth of the municipality designating the zone, retards the provision of housing accommodations, or constitutes an economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition; or
- 2) is predominantly open or undeveloped and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impairs or arrests the sound growth of the City; or
- 3) is in a federally assisted new community located in the City or in an area immediately adjacent to a federally assisted new community; or
- 4) is in an area described in a petition requesting that the area be designated as a reinvestment zone, if the petition is submitted to the governing body of the City by the owners of property constituting at least fifty percent (50%) of the appraised value of the property in the area according to the most recent certified appraisal roll for the county in which the area is located.

The City cannot, however, designate a zone if more than thirty percent (30%) of the property in the proposed zone, excluding property that is publicly owned, is used for residential purposes, or if the total appraised value of taxable real property in the proposed zone and in existing reinvestment zones exceeds fifty percent (50%) of the total appraised value of taxable real property in the City and in industrial districts created by the City.

2.3 Proposed Zone

The Property is located within the corporate limits of the City. The Property is predominantly open, undeveloped or underdeveloped, and substantially impairs and arrests the sound growth of the City. Due to its size, location, and physical characteristics development would not occur solely through private investment in the foreseeable future. The Property lacks public infrastructure and requires economic incentive to attract development for the purpose of providing long-term economic benefits including, but not limited to, increased real property tax base for all taxing units in the Zone. If the Public Improvements are financed as contemplated by this Preliminary Plan, the City envisions that the Property will be developed to take full advantage of the opportunity to bring to the City a quality development.

2.4 Preliminary Plan and Hearing

Before the City Council adopts the Creation Ordinance, the City Council must prepare a preliminary reinvestment zone project and finance plan in accordance with the Act and hold a public hearing on the creation of the Zone and its benefits to the City and to the Property, at which public hearing interested persons shall be given the opportunity to speak for and against the creation of the Zone, the boundaries of the Zone and the concept of tax increment financing, and at which hearing the owners of the Property shall be given a reasonable opportunity to protest the inclusion of their Property in the Zone. The requirement of the Act for a preliminary reinvestment zone project and finance plan will be satisfied by this Preliminary Plan, the purpose of which is to describe, in general terms, the Public Improvements that will be undertaken and financed by the Zone. A description of how such Public Improvements and projects will be undertaken and financed shall be determined by the Final Plan, which requires approval by the Board and City Council.

2.5 Creation of the Zone

Upon the closing of the above referenced public hearing, the City Council shall consider the Creation Ordinance and the following findings:

- 1) that development or redevelopment of the Property would not occur solely through private investment in the reasonably foreseeable future,
- 2) that the Zone is feasible,
- 3) that improvements in the Zone will significantly enhance the value of all the taxable real property in the Zone and will be of general benefit to the City, and
- 4) that the Zone meets the eligibility requirements of the Act.

Among other provisions required by the Act, the Creation Ordinance shall appoint the Board.

2.6 Board Recommendations

After the creation of the Zone, the Board shall review the Final Plan and recommend its approval to the City Council, pursuant to which the City shall contribute the City TIRZ Increment to the TIRZ Fund to pay a portion of the Project Costs benefiting the Zone. If the County participates in the Zone, then pursuant to the County Participation Agreement, the County shall contribute the County TIRZ Increment for deposit by the City into the TIRZ No. 1 Fund to pay a portion of the Project Costs benefiting the Zone. Additionally, the Board shall consider a TIRZ Agreement among the City, the Board and the Developer and recommend its approval to the City Council.

2.7 Council Action

On June 18, 2024, the City Council approved the Development Agreement regarding the Property. On January 6, 2026 the City Council approved the First Amendment to the Development Agreement. On February 3, 2026, the City Council shall consider approval of the Creation Ordinance. It is anticipated that the Final Plan shall be updated in the future to identify additional improvements within the Zone.

SECTION 3: DESCRIPTION AND MAPS

3.1 Existing Uses and Conditions

The Property is currently zoned residential and is intended to be developed with residential uses. The Property is undeveloped or underdeveloped, and there is limited public infrastructure to support development. Development requires extensive public infrastructure that: (1) the City cannot provide, and (2) would not be provided solely through private investment in the foreseeable future. The existing uses of the Property in the City are shown on **Exhibit I**.

3.2 Proposed Uses

The proposed uses of the Property in the City include residential as shown on **Exhibit F**.

SECTION 4: PROPOSED CHANGES TO ORDINANCES, PLANS, CODES, RULES, AND REGULATIONS

The Property is located within the City and is zoned as residential. The Property is currently zoned as Residential. The City has exclusive jurisdiction over the subdivision and platting of the Property and the design, construction, installation, and inspection of water, sewer, drainage, roadway, and other public infrastructure. No proposed changes to zoning ordinances, comprehensive plan, building codes, subdivision rules, or other municipal ordinances are planned.

SECTION 5: RELOCATION OF DISPLACED PERSONS

No person shall be displaced and in need of relocation due to the creation of the Zone or implementation of the Final Plan.

SECTION 6: ESTIMATED NON-PROJECT COSTS

Non-Project Costs are costs that will be spent to develop in the Zone but will not be financed by the Zone, and will be financed by private funds. The list of Non-Project Costs is shown on **Exhibit B**, the costs of which are estimated to be approximately \$105,156,000.

SECTION 7: PROPOSED PUBLIC IMPROVEMENTS

All Public Improvements shall be designed and constructed in accordance with all applicable City standards and shall otherwise be inspected, approved, and accepted by the City. At the City's option, the Public Improvements may be expanded to include any other category of improvements authorized by the Act.

SECTION 8: ESTIMATED PROJECT COSTS

8.1 Project Costs

The total Project Costs are estimated to be \$22,284,027 as shown on **Exhibit C**. The costs of Public Improvements are estimated to be \$21,878,346 and the Administrative Costs are estimated to be \$405,681.

8.2 Administrative Costs

The Administrative Costs are estimated to be \$10,000 per year beginning 2026 and escalating at two percent (2%) thereafter. The Administrative Costs shall be paid each year from the TIRZ Fund before any other Project Costs are paid.

8.3 Estimated Timeline of Incurred Costs

The Administrative Costs will be incurred annually through the duration of the Zone. It is estimated the costs of constructing the Public Improvements will be incurred between 2025 and 2029, as shown on **Exhibit D**.

SECTION 9: ECONOMIC FEASIBILITY

9.1 Feasibility Study

The Feasibility Study, as shown on **Exhibit E**, focuses on only direct financial benefits (i.e. ad valorem tax revenues from the development of Public Improvements in the Zone). Based on the Feasibility Study, during the term of the Zone, new development (which would not have occurred but for the Zone) will generate approximately \$138,830,450 in total new real property tax revenue for the City over the remaining term of the Zone. The Feasibility Study shows the cumulative City TIRZ Increment is estimated to be \$6,626,238, which will be available to pay a portion of the Project Costs, until the Zone expires or is otherwise terminated. The remainder of the new City real property tax revenue generated within the Zone and retained by the City is estimated to be \$17,701,783 over the remaining term. Based on the foregoing, the feasibility of the Zone has been demonstrated.

The Feasibility Study shows the cumulative County TIRZ Increment, if applicable, is estimated to be \$4,675,967, which will be available to pay a portion of the Project Costs, until the term expires or is otherwise terminated, pursuant to the County Participation Agreement. The remainder of the new County real property tax revenue generated within the Zone and retained by the County is estimated to be \$12,491,696 over the term.

One hundred percent (100%) of all taxing revenues generated for other taxing entities by the new development within the Zone will be retained by the respective taxing entities, unless the taxing entity participates in the Zone. Based on the foregoing, the feasibility of the Zone has been demonstrated.

It is anticipated that the Final Plan shall be amended in the future to reflect additional development within the Zone.

SECTION 10: ESTIMATED BONDED INDEBTEDNESS

No TIRZ bonds are anticipated to be issued by the City pursuant to the Act.

SECTION 11: APPRAISED VALUE

11.1 Tax Increment Base

The Tax Increment Base is estimated to be \$1,611,120 as confirmed by the Appraisal District. Each year, the Appraisal District shall confirm the Captured Appraised Value of the Zone.

11.2 Estimated Captured Appraised Value

It is estimated that upon expiration of the term of the Zone, the total Captured Appraised Value of taxable real property in the Zone will be approximately \$214,763,181 as shown on **Exhibit E**. The actual Captured Appraised Value, as certified by the Appraisal District each year, will be used to calculate annual payment by the City into the TIRZ Fund pursuant to the Final Plan. It is anticipated that the Final Plan shall be amended in the future to reflect additional development within the Zone, which would increase the estimated total Captured Appraised Value.

SECTION 12: METHOD OF FINANCING

12.1 TIRZ Fund Contributions

The Final Plan shall obligate the City to deposit into the TIRZ Fund each year the City TIRZ Increment. For example, in FY 2025, the City's ad valorem tax rate is \$0.5093 per \$100 of taxable value, therefore the City would contribute \$0.1171 per \$100 of the Captured Appraised Value in the Zone levied and collected to the TIRZ Fund.

The funds deposited into the TIRZ Fund shall be prioritized and allocated on a parcel by parcel basis as follows:

1. For the reasonable Administrative Costs of the Zone; then
2. For the payment of the TIRZ Credit, as shall be further described in the Service and Assessment Plan; then
3. To the extent there are TIRZ Fund revenues remaining after such TIRZ Credit, any excess City TIRZ Increment in the TIRZ Fund revenue may be utilized in any other manner as authorized by the Participation Agreement, TIRZ Board, City Council and allowed pursuant to the Act.

All payments of Project Costs shall be made solely from the TIRZ Fund and from no other funds of the City, unless otherwise approved by the City. The City may amend the Final Plan in compliance with the Development Agreement and TIRZ Agreement, including but not limited to what is considered a Project Cost.

The Final Plan shall obligate the County to deposit into the TIRZ Fund each year the County TIRZ Increment. For example, in FY 2025, the County's M&O portion of the ad valorem tax rate is \$0.3594 per \$100 of taxable value, therefore the County would contribute \$0.0827 per \$100 of the Captured Appraised Value in the Zone levied and collected to the TIRZ Fund.

The funds deposited into the TIRZ Fund shall be prioritized and allocated on a parcel by parcel basis as follows:

1. For the reasonable Administrative Costs of the Zone; then

2. For the payment of the TIRZ Credit, as shall be further described in the Service and Assessment Plan; then
3. To the extent there are TIRZ Fund revenues remaining after such TIRZ Credit, any excess County TIRZ Increment in TIRZ Fund revenue may be returned to the County pursuant to the Act.

All payments of Project Costs shall be made solely from the TIRZ Fund and from no other funds of the County, unless otherwise approved by the County.

SECTION 13: DURATION OF THE ZONE, TERMINATION

13.1 Duration

The stated term of the Zone shall commence upon the execution of the Creation Ordinance and shall continue until December 31, 2065, with the last payment being due by January 31, 2066, unless otherwise terminated in accordance with the Creation Ordinance.

13.2 Termination

The Zone shall terminate on the earlier of (i) December 31, 2065, or (ii) at such time that the obligations of the Zone, including all Project Costs, have been paid in full. If upon expiration of the stated term of the Zone, the obligations of the Zone have not been fully funded by the TIRZ Fund, the City shall have no obligation to pay the shortfall and the term shall not be extended. Nothing in this Section is intended to prevent the City from extending the term of the Zone in accordance with the Act.

LIST OF EXHIBITS

Unless otherwise stated, all references to "Exhibits" contained in this Preliminary Plan shall mean and refer to the following exhibits, all of which are attached to and made a part of this Preliminary Plan for all purposes.

Exhibit A	Map of the Zone
Exhibit B	Non-Project Costs
Exhibit C	Project Costs
Exhibit D	Estimated Timeline of Incurred Costs
Exhibit E	Feasibility Study
Exhibit F	Proposed Uses of the Property
Exhibit G	Legal Description of the Zone
Exhibit H	Maps of the Public Improvements
Exhibit I	Existing Use of the Property

EXHIBIT A – MAP OF THE ZONE

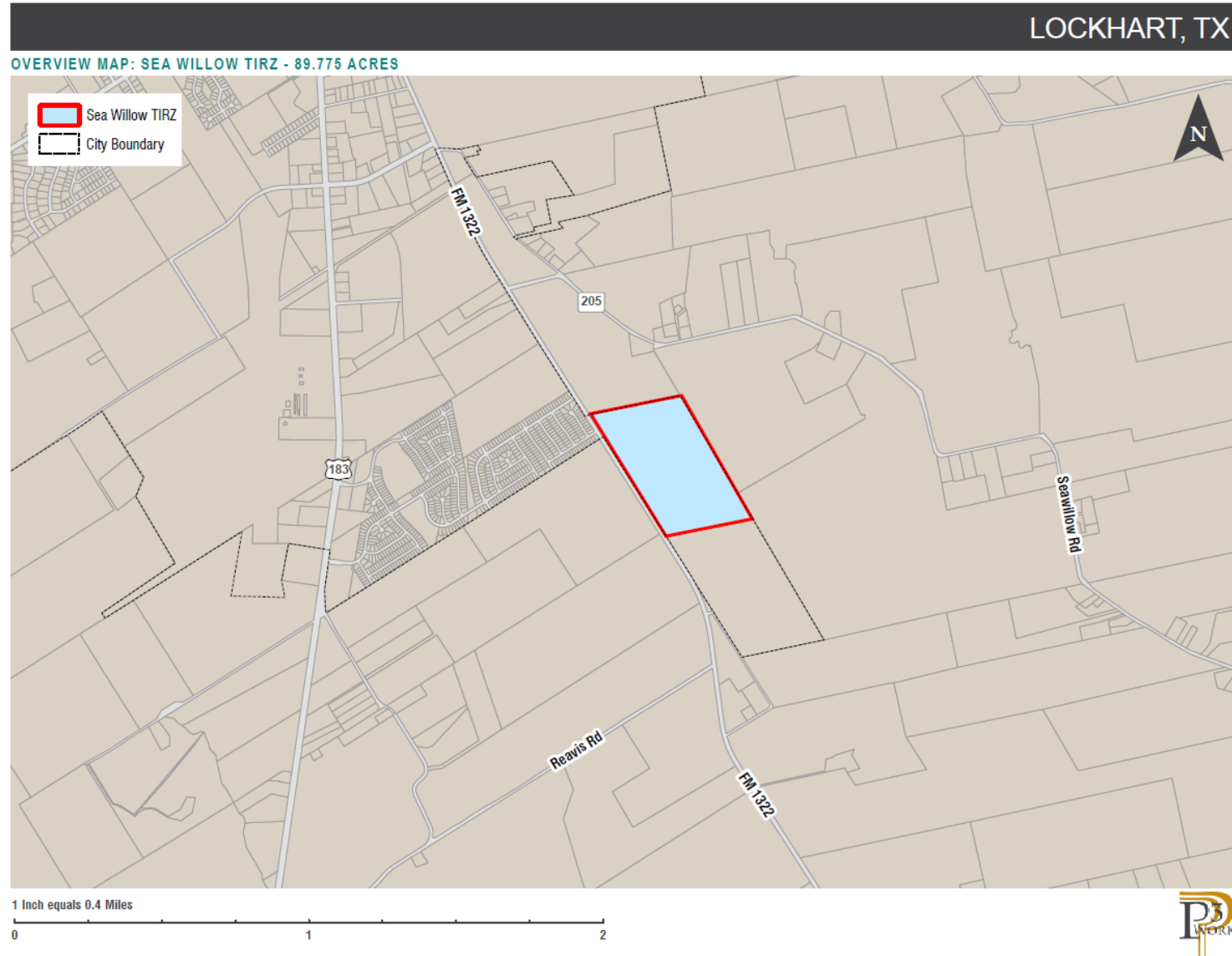


EXHIBIT B – NON-PROJECT COSTS

Lot Type	Units/ Sq. Ft.	Lot Value ^[a]		Buildout Value ^[b]		Non-Project Costs ^[c]
		Per Unit	Total	Per Unit	Total	
1	414	\$ 71,000	\$ 29,394,000	\$ 325,000	\$ 134,550,000	\$ 105,156,000
Total						\$ 105,156,000

Footnotes

[a] Values provided by Developer.

[b] Values provided by Developer.

[c] It is anticipated that the Final Plan shall be amended in the future to identify additional Non-Project Costs within the Zone.

EXHIBIT C – PROJECT COSTS

Reinvestment Zone Number 1, City of Lockhart, Texas	
Project Costs	
Item	Cost
Public Improvements^[a]	
Roadway	\$ 5,068,913
Water	\$ 1,597,092
Wastewater	\$ 1,905,972
Drainage	\$ 5,682,350
District Formation	\$ 291,702
Contingency	\$ 682,341
Soft Costs	\$ 1,860,289
Interest & Financing Costs	\$ 4,789,687
Subtotal	\$ 21,878,346
Administrative Costs	\$ 405,681
Total Project Costs^[b]	\$ 22,284,027
Footnotes	
^[a] Based on Engineer's Opinion of Probable Cost dated provided by the Developer for the Service and Assessment Plan. ^[b] It is anticipated that the Final Plan shall be amended in the future to identify additional Project Costs.	

EXHIBIT D – ESTIMATED TIMELINE OF INCURRED COSTS

Reinvestment Zone Number 1, City of Lockhart, Texas Timeline to Incur Project Costs			
Zone Year	Calendar Year	Total Project Costs ^{[a],[b],[c]}	
		Annual	Cumulative
Base	2026	\$ 512,169	512,169
1	2027	\$ 9,507,902	10,020,070
2	2028	\$ 10,390,778	20,410,849
3	2029	\$ 1,467,498	21,878,346
4	2030	\$ -	21,878,346
Total		\$ 21,878,346	

Footnotes
[a] Estimate provided for illustrative purposes only.
[b] Does not illustrate Administrative Costs, which shall be incurred annually for the duration of the Zone.
[c] It is anticipated that the Final Plan shall be amended in the future to identify additional development within the Zone.

EXHIBIT E – FEASIBILITY STUDY

Zone Year	Tax Year	Growth/ Year ^[a]	IA#1		Added Development Value ^[b]	New Taxable Value ^[c]	Incremental Value	City TIRZ Increment ^[d]			City Retained New Revenue		County TIRZ Increment ^[d]			County Retained New Revenue		Total TIRZ Increment	
			Lot Type 1					%	Annual	Cumulative	Annual	Cumulative	%	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
			Units	\$															
Base	2026		-	\$ -		\$ 1,611,120													
1	2026	2.0%	10	\$ 325,000	\$ 3,250,000	\$ 4,893,342	\$ 3,282,222	23.0%	\$ -	\$ -	\$ -	\$ -	23.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	2027	2.0%	182	\$ 331,500	\$ 60,333,000	\$ 65,324,209	\$ 63,713,089	23.0%	\$ 3,845	\$ 3,845	\$ 12,872	\$ 12,872	23.0%	\$ 2,713	\$ 2,713	\$ 9,083	\$ 9,083	\$ 6,558	\$ 6,558
3	2028	2.0%	195	\$ 338,130	\$ 65,935,350	\$ 132,566,043	\$ 130,954,923	23.0%	\$ 74,633	\$ 78,478	\$ 249,858	\$ 262,729	23.0%	\$ 52,667	\$ 55,380	\$ 176,318	\$ 185,401	\$ 127,299	\$ 133,857
4	2029	2.0%	27	\$ 344,893	\$ 9,312,100	\$ 144,529,465	\$ 142,918,345	23.0%	\$ 153,399	\$ 231,877	\$ 513,554	\$ 776,284	23.0%	\$ 108,250	\$ 163,630	\$ 362,402	\$ 547,804	\$ 261,649	\$ 395,507
5	2030	2.0%	-	\$ 351,790	\$ -	\$ 147,420,054	\$ 145,808,934	23.0%	\$ 167,413	\$ 399,290	\$ 560,470	\$ 1,336,754	23.0%	\$ 118,139	\$ 281,769	\$ 395,509	\$ 943,313	\$ 285,552	\$ 681,059
6	2031	2.0%	-	\$ 358,826	\$ -	\$ 150,368,455	\$ 148,757,335	23.0%	\$ 170,799	\$ 570,089	\$ 571,806	\$ 1,908,559	23.0%	\$ 120,529	\$ 402,297	\$ 403,509	\$ 1,346,822	\$ 291,328	\$ 972,387
7	2032	2.0%	-	\$ 366,003	\$ -	\$ 153,375,824	\$ 151,764,704	23.0%	\$ 174,253	\$ 744,342	\$ 583,368	\$ 2,491,928	23.0%	\$ 122,966	\$ 525,263	\$ 411,668	\$ 1,758,490	\$ 297,219	\$ 1,269,605
8	2033	2.0%	-	\$ 373,323	\$ -	\$ 156,443,340	\$ 154,832,220	23.0%	\$ 177,776	\$ 922,118	\$ 595,162	\$ 3,087,090	23.0%	\$ 125,452	\$ 650,715	\$ 419,991	\$ 2,178,480	\$ 303,227	\$ 1,572,833
9	2034	0%	-	\$ 373,323	\$ -	\$ 156,443,340	\$ 154,832,220	23.0%	\$ 181,369	\$ 1,103,487	\$ 607,192	\$ 3,694,281	23.0%	\$ 127,987	\$ 778,702	\$ 428,480	\$ 2,606,960	\$ 309,356	\$ 1,882,189
10	2035	0%	-	\$ 373,323	\$ -	\$ 156,443,340	\$ 154,832,220	23.0%	\$ 181,369	\$ 1,284,856	\$ 607,192	\$ 4,301,473	23.0%	\$ 127,987	\$ 906,690	\$ 428,480	\$ 3,035,439	\$ 309,356	\$ 2,191,545
11	2036	2.0%	-	\$ 380,789	\$ -	\$ 159,572,207	\$ 157,961,087	28.5%	\$ 224,740	\$ 1,509,595	\$ 563,821	\$ 4,865,294	28.5%	\$ 158,593	\$ 1,065,283	\$ 397,874	\$ 3,433,313	\$ 383,333	\$ 2,574,878
12	2037	2.0%	-	\$ 388,405	\$ -	\$ 162,763,651	\$ 161,152,531	28.5%	\$ 229,281	\$ 1,738,877	\$ 575,215	\$ 5,440,508	28.5%	\$ 161,798	\$ 1,227,081	\$ 405,914	\$ 3,839,228	\$ 391,079	\$ 2,965,957
13	2038	2.0%	-	\$ 396,173	\$ -	\$ 166,018,924	\$ 164,407,804	28.5%	\$ 233,914	\$ 1,972,790	\$ 586,836	\$ 6,027,344	28.5%	\$ 165,067	\$ 1,392,148	\$ 414,115	\$ 4,253,343	\$ 398,981	\$ 3,364,938
14	2039	2.0%	-	\$ 404,097	\$ -	\$ 169,339,303	\$ 167,728,183	28.5%	\$ 238,639	\$ 2,211,429	\$ 598,690	\$ 6,626,034	28.5%	\$ 168,401	\$ 1,560,549	\$ 422,480	\$ 4,675,823	\$ 407,040	\$ 3,771,978
15	2040	2.0%	-	\$ 412,179	\$ -	\$ 172,726,089	\$ 171,114,969	28.5%	\$ 243,458	\$ 2,454,887	\$ 610,781	\$ 7,236,816	28.5%	\$ 171,802	\$ 1,732,351	\$ 431,013	\$ 5,106,836	\$ 415,261	\$ 4,187,239
16	2041	2.0%	-	\$ 420,422	\$ -	\$ 176,180,611	\$ 174,569,491	28.5%	\$ 248,374	\$ 2,703,262	\$ 623,114	\$ 7,859,930	28.5%	\$ 175,271	\$ 1,907,623	\$ 439,716	\$ 5,546,552	\$ 423,646	\$ 4,610,884
17	2042	2.0%	-	\$ 428,831	\$ -	\$ 179,704,223	\$ 178,093,103	28.5%	\$ 253,388	\$ 2,956,650	\$ 635,694	\$ 8,495,624	28.5%	\$ 178,810	\$ 2,086,432	\$ 448,593	\$ 5,995,145	\$ 432,198	\$ 5,043,082
18	2043	2.0%	-	\$ 437,407	\$ -	\$ 183,298,307	\$ 181,687,187	28.5%	\$ 258,503	\$ 3,215,153	\$ 648,525	\$ 9,144,149	28.5%	\$ 182,419	\$ 2,268,851	\$ 457,648	\$ 6,452,792	\$ 440,922	\$ 5,484,004
19	2044	0%	-	\$ 437,407	\$ -	\$ 183,298,307	\$ 181,687,187	28.5%	\$ 263,720	\$ 3,478,873	\$ 661,613	\$ 9,805,762	28.5%	\$ 186,100	\$ 2,454,952	\$ 466,883	\$ 6,919,676	\$ 449,820	\$ 5,933,825
20	2045	0%	-	\$ 437,407	\$ -	\$ 183,298,307	\$ 181,687,187	28.5%	\$ 263,720	\$ 3,742,593	\$ 661,613	\$ 10,467,375	28.5%	\$ 186,100	\$ 2,641,052	\$ 466,883	\$ 7,386,559	\$ 449,820	\$ 6,383,645
21	2046	2.0%	-	\$ 446,155	\$ -	\$ 186,964,274	\$ 185,353,154	28.5%	\$ 263,720	\$ 4,006,313	\$ 661,613	\$ 11,128,988	28.5%	\$ 186,100	\$ 2,827,152	\$ 466,883	\$ 7,853,443	\$ 449,820	\$ 6,833,465
22	2047	2.0%	-	\$ 455,078	\$ -	\$ 190,703,559	\$ 189,092,439	28.5%	\$ 269,041	\$ 4,275,354	\$ 674,963	\$ 11,803,951	28.5%	\$ 189,855	\$ 3,017,008	\$ 476,304	\$ 8,329,746	\$ 458,896	\$ 7,292,362
23	2048	2.0%	-	\$ 464,180	\$ -	\$ 194,517,630	\$ 192,906,510	28.5%	\$ 274,469	\$ 4,549,822	\$ 688,579	\$ 12,492,530	28.5%	\$ 193,685	\$ 3,210,693	\$ 485,913	\$ 8,815,659	\$ 468,154	\$ 7,760,516
24	2049	2.0%	-	\$ 473,464	\$ -	\$ 198,407,983	\$ 196,796,863	28.5%	\$ 280,005	\$ 4,829,827	\$ 702,468	\$ 13,194,998	28.5%	\$ 197,592	\$ 3,408,286	\$ 495,714	\$ 9,311,373	\$ 477,597	\$ 8,238,113
25	2050	2.0%	-	\$ 482,933	\$ -	\$ 202,376,142	\$ 200,765,022	28.5%	\$ 285,652	\$ 5,115,479	\$ 716,635	\$ 13,911,633	28.5%	\$ 201,577	\$ 3,609,863	\$ 505,711	\$ 9,817,084	\$ 487,229	\$ 8,725,341
26	2051	2.0%	-	\$ 492,592	\$ -	\$ 206,423,665	\$ 204,812,545	28.5%	\$ 291,411	\$ 5,406,890	\$ 731,085	\$ 14,642,718	28.5%	\$ 205,642	\$ 3,815,504	\$ 515,908	\$ 10,332,992	\$ 497,053	\$ 9,222,394
27	2052	2.0%	-	\$ 502,443	\$ -	\$ 210,552,139	\$ 208,941,019	28.5%	\$ 297,286	\$ 5,704,177	\$ 745,824	\$ 15,388,541	28.5%	\$ 209,787	\$ 4,025,292	\$ 526,309	\$ 10,859,301	\$ 507,074	\$ 9,729,468
28	2053	2.0%	-	\$ 512,492	\$ -	\$ 214,763,181	\$ 213,152,061	28.5%	\$ 303,279	\$ 6,007,455	\$ 760,858	\$ 16,149,399	28.5%	\$ 214,016	\$ 4,239,308	\$ 536,918	\$ 11,396,218	\$ 517,295	\$ 10,246,763
29	2054	0%	-	\$ 512,492	\$ -	\$ 214,763,181	\$ 213,152,061	28.5%	\$ 309,391	\$ 6,316,847	\$ 776,192	\$ 16,925,591	28.5%	\$ 218,330	\$ 4,457,637	\$ 547,739	\$ 11,943,957	\$ 527,721	\$ 10,774,484
30	2055	0%	-	\$ 512,492	\$ -	\$ 214,763,181	\$ 213,152,061	28.5%	\$ 309,391	\$ 6,626,238	\$ 776,192	\$ 17,701,783	28.5%	\$ 218,330	\$ 4,675,967	\$ 547,739	\$ 12,491,696	\$ 527,721	\$ 11,302,205
Total			414		\$ 138,830,450				\$ 6,626,238		\$ 17,701,783			\$ 4,675,967		\$ 12,491,696		\$ 11,302,205	

Assumptions	
Base Taxable Value ^[c]	\$ 1,611,120.00
County AV Rate ^[e]	0.3594
City AV Rate	0.5093

Footnotes
[a] Values increased at 2% annually, with two years of no growth each decade to simulate an economic downturn.
[b] Based on project development data as provided by the Developer's model dated .
[c] Base Taxable Value is subject to confirmation by Appraisal District.
[d] The City TIRZ Increment and the County TIRZ Increment are each subject to the TIRZ Maximum Annual Credit Amount as set forth in the Service and Assessment Plan. The annual and cumulative amounts of City TIRZ Increment and County TIRZ Increment shown in this Feasibility Study are prior to the application of the TIRZ Maximum Annual Credit Amount. Amounts paid may be less than amounts reflected herein.
[e] County O&M Rate, excludes County Debt Rate.

EXHIBIT F – PROPOSED USES OF THE PROPERTY

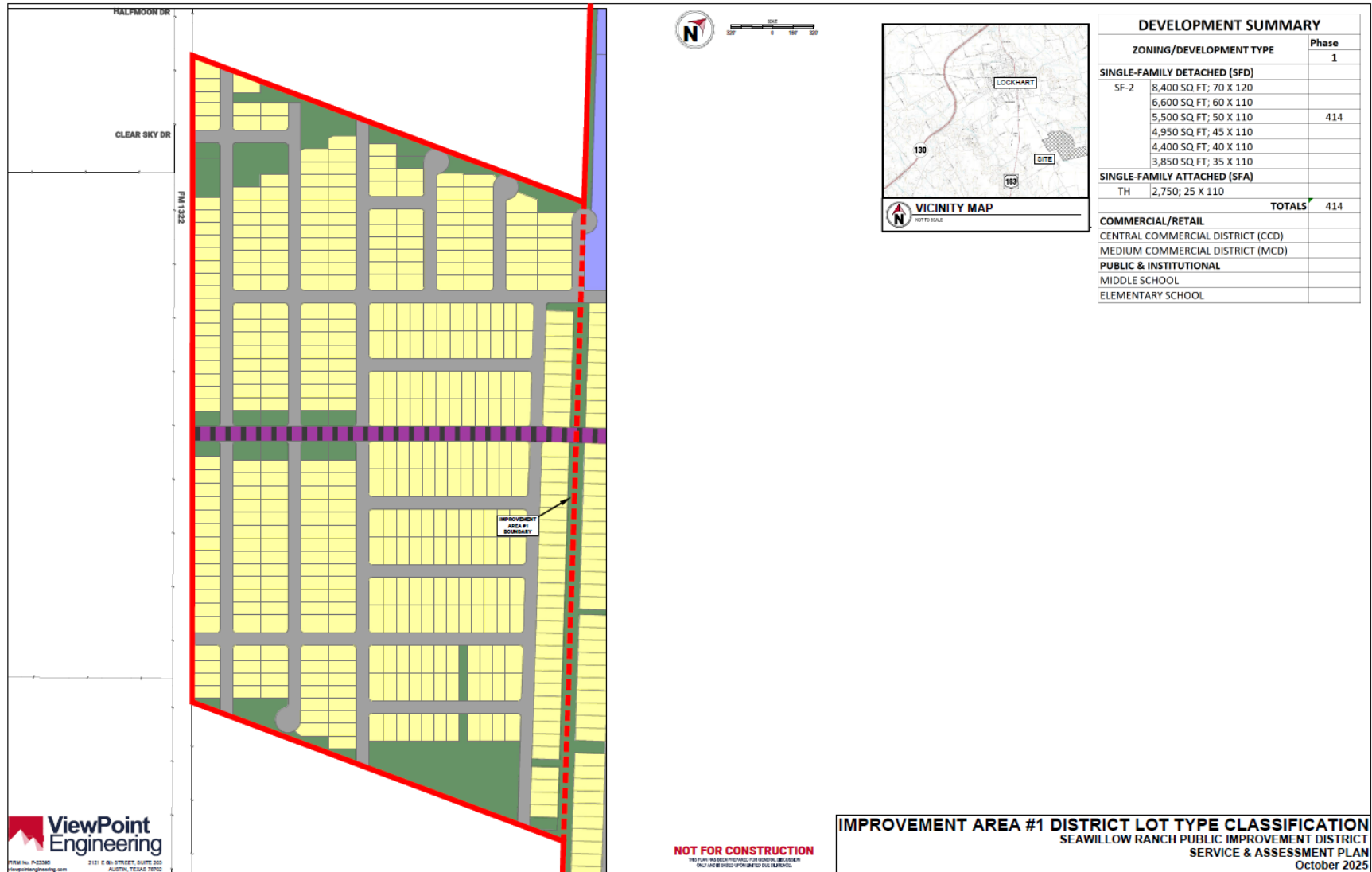


EXHIBIT G – LEGAL DESCRIPTION OF THE ZONE

LEGAL DESCRIPTION

BEING 89.775 acres of land situated in the J.A. NEILL SURVEY, ABSTRACT NO. 20, Caldwell County, Texas, and being a portion of and part of a called 169.811 acres of land described in deed to SVAG Investments, LLC, a Texas Limited Liability Company, as recorded in Document Number 2021-006881 of the Official Public Records of Caldwell County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch capped iron rod found, marked Hinkle Surveying, on the Northeast Right-of-Way line of Farm to Market Road 1322, an 80 foot Right-of-Way, and for the Northwest corner of a called 85.00 acre tract of land as described in a deed to Charles D. Spillmann and Jane Spillmann as recorded in Document Number 2016-005533 of said Official Public Records, same being the Southwest corner of said 169.811 acre tract and the of this herein described tract;

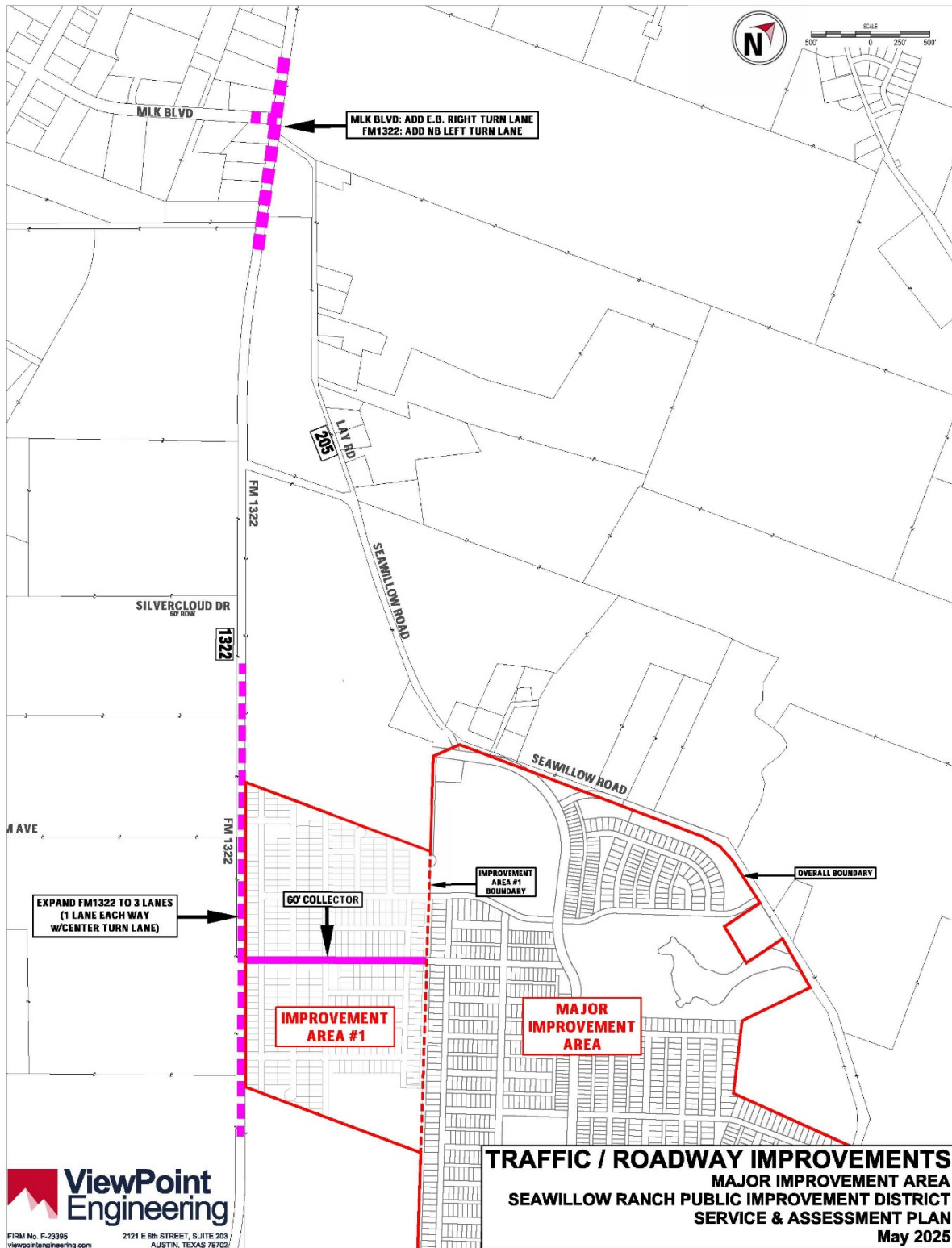
THENCE North 31 degrees 43 minutes 06 seconds West, along said Right-of-Way and the Southwest line of this tract, a distance of 2,572.95 feet to a 1/2 inch capped iron rod found, marked Jones Carter Prop Corner, for the Northwest corner of this herein described tract;

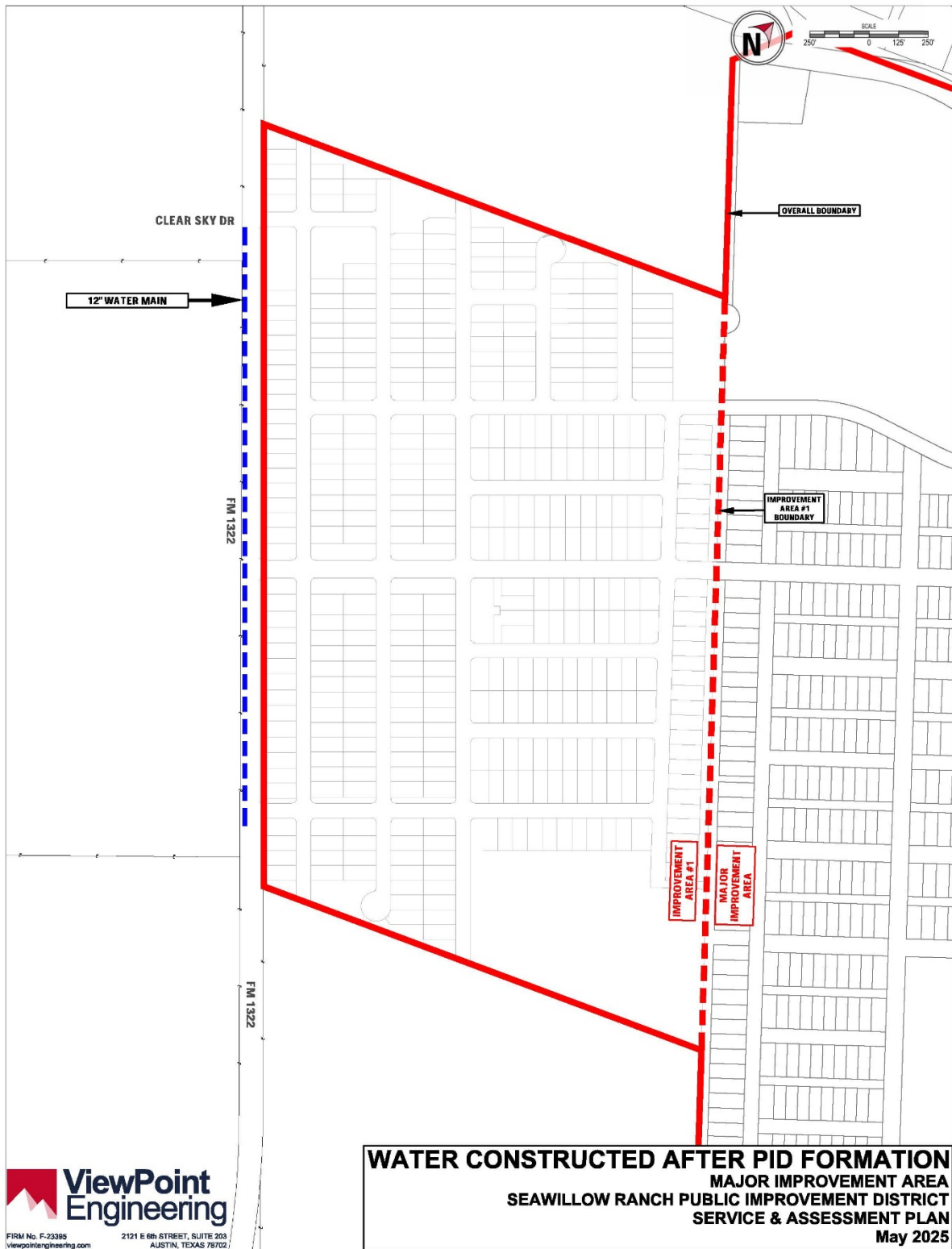
THENCE North 78 degrees 46 minutes 11 seconds East, crossing said 169.811 acre tract, a distance of 1,665.32 feet to a 1/2 inch iron rod found on the Southwest line of a called 358.536 acre tract of land as described in a deed to David V. Acevedo and Marge Margarita Acevedo as recorded in Volume 209, Page 425 of said Official Public Records, same being the Northeast line of said 169.811 acre tract, and being the Northeast corner of this herein described tract;

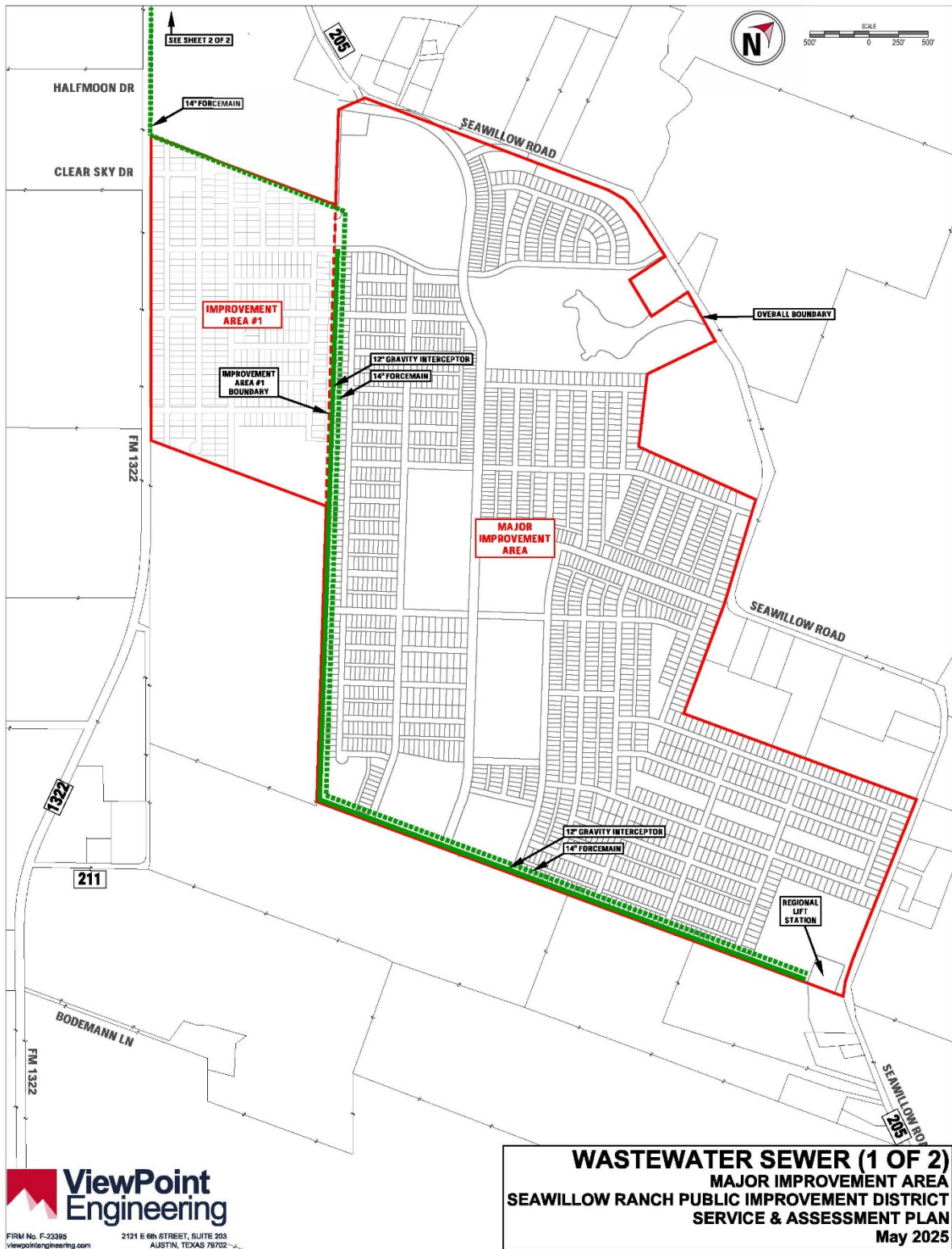
THENCE South 29 degrees 54 minutes 41 seconds East, along the common line of said 358.536 acre tract, a distance of 2,544.30 feet to a 1/2 inch capped iron rod found, marked Hinkle Surveying, for the Northeast corner of said 85.00 acre tract, and being the Southeast corner of this tract;

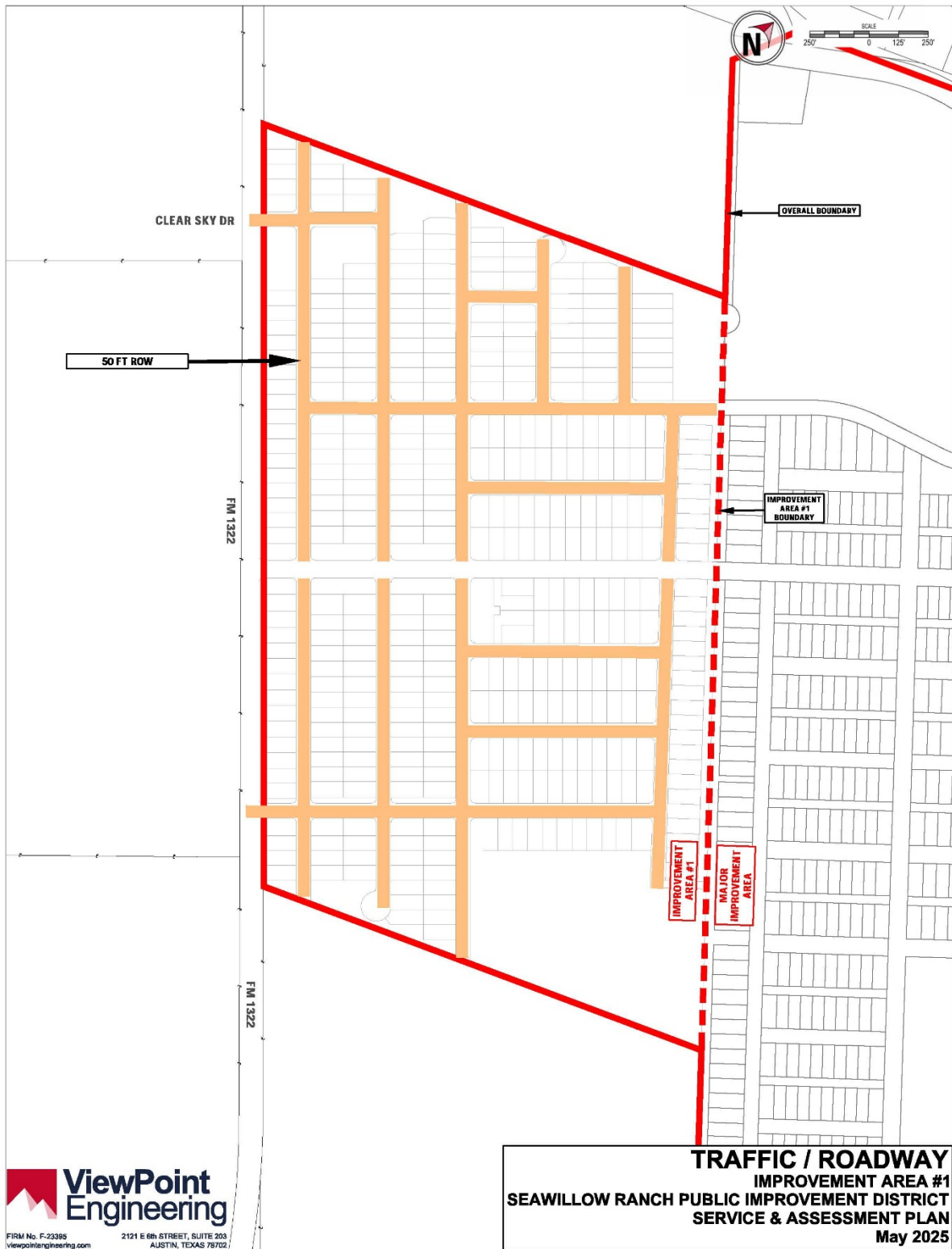
THENCE South 78 degrees 46 minutes 18 seconds West, along the common line of said 85.00 acre tract, a distance of 1,579.70 feet to the **POINT OF BEGINNING**, containing 3,910,599 square feet and/or 89.775 acres of land, more or less.

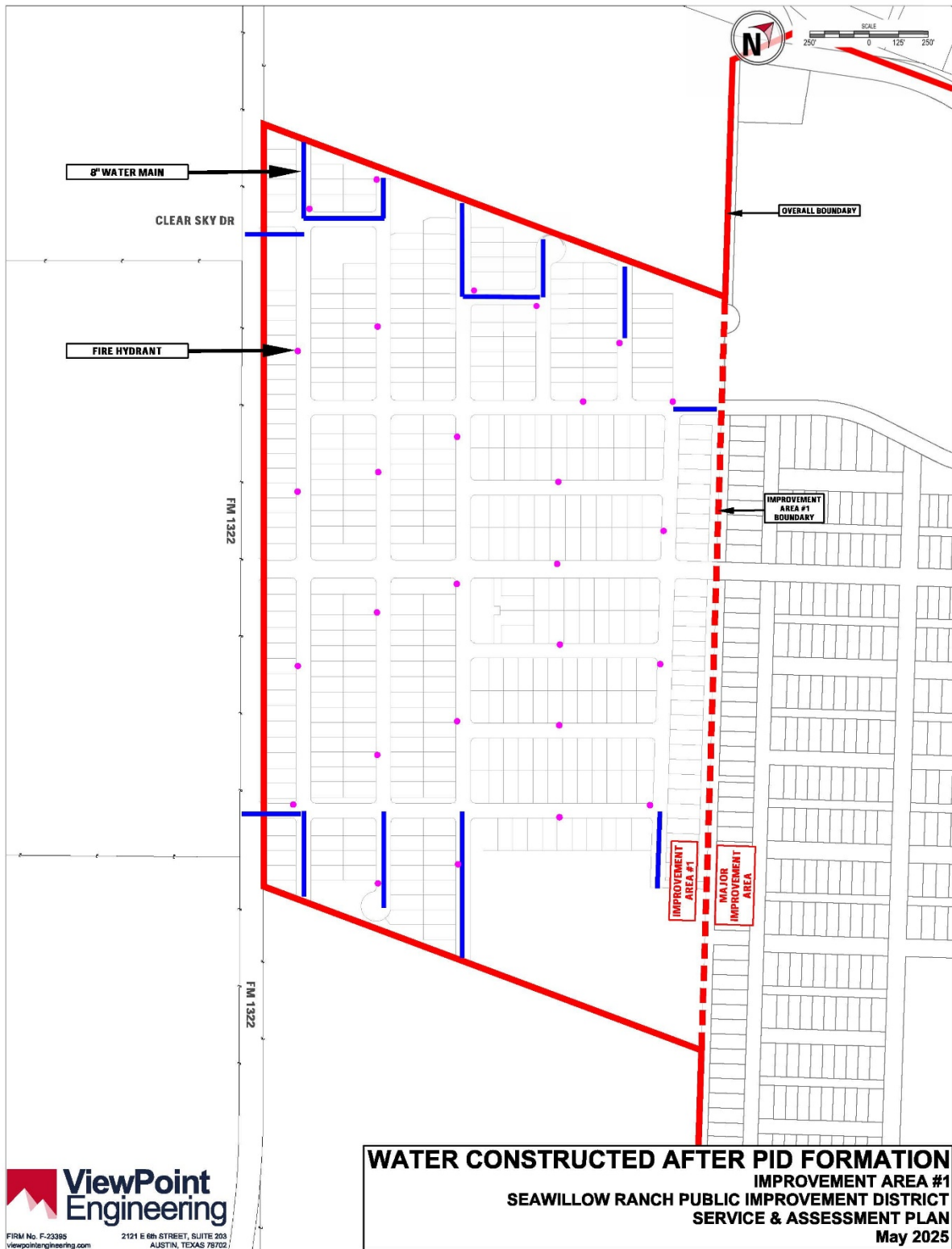
EXHIBIT H – MAPS OF PUBLIC IMPROVEMENTS











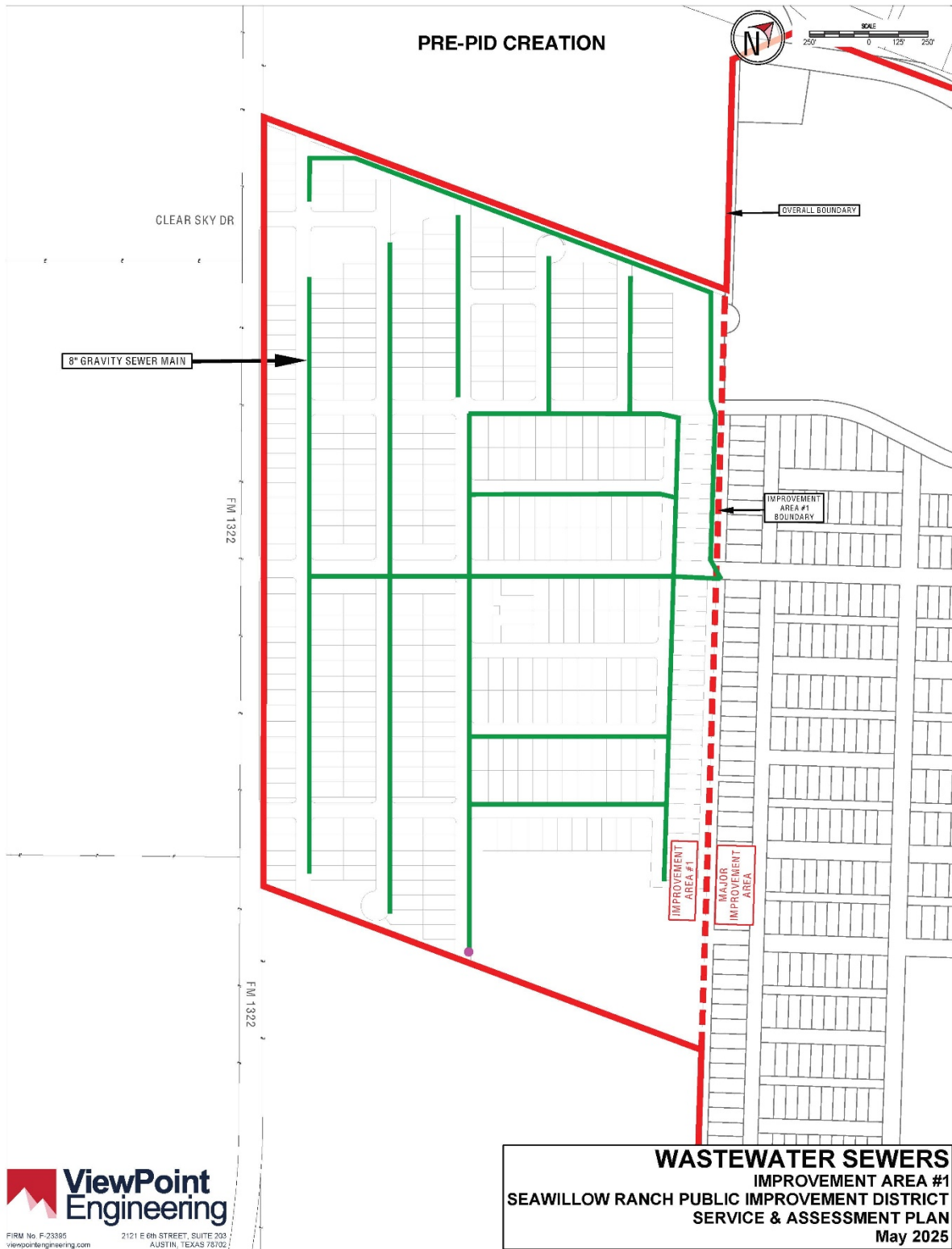
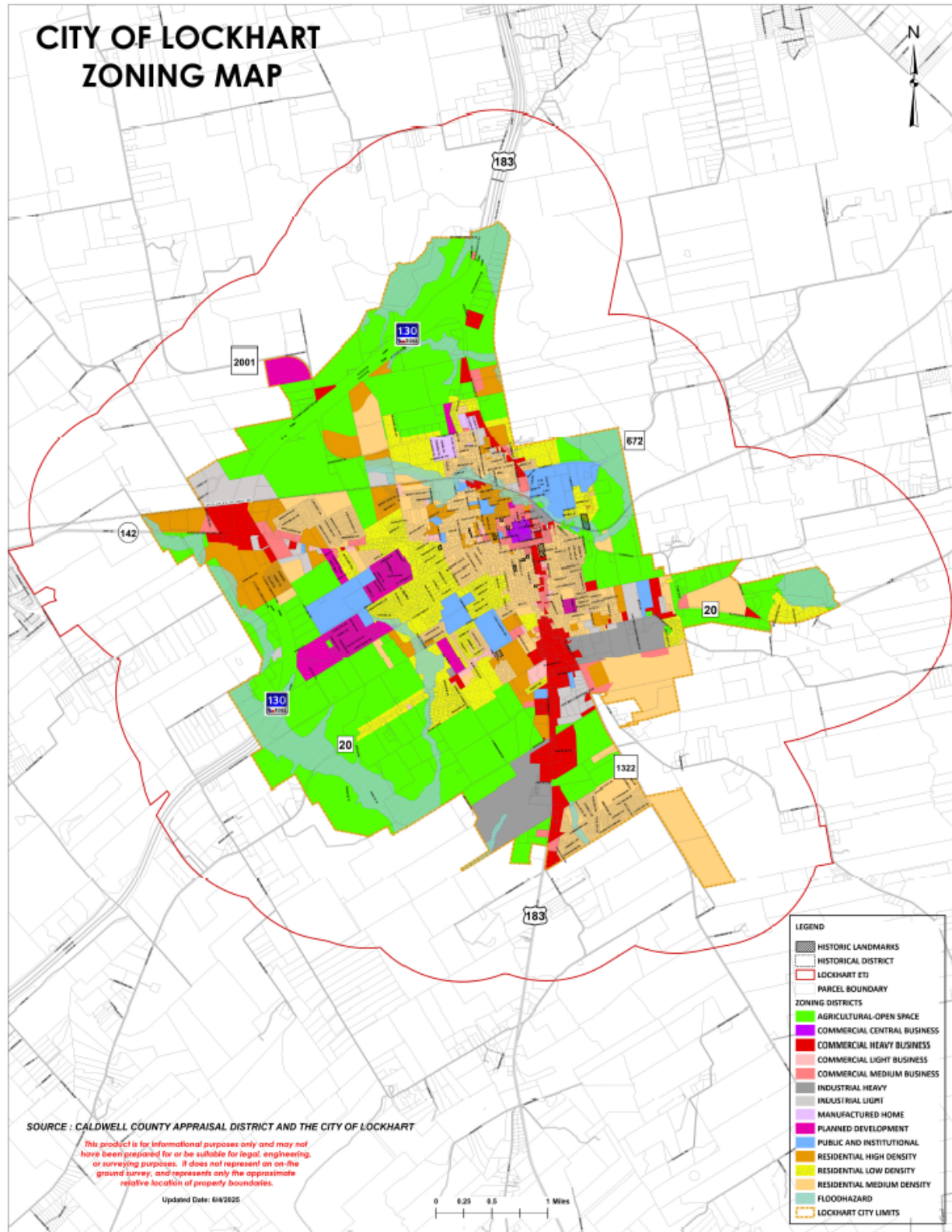




EXHIBIT I – EXISTING USES OF THE PROPERTY



City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 3, 2026

AGENDA ITEM CAPTION: Discussion and/or action regarding Ordinance 2026-09, amending Sections 28-10(d), 28-10(e)(3), and 28-11(b)(3) of Article I, “Historic Districts and Landmarks Regulations and Procedures” of Chapter 28 “Historic Districts and Landmarks” to expand those repainting activities qualifying as ordinary maintenance in the Historic District and on City-designated Historic Landmarks, to remove an existing inconsistency indicating that any form of repainting is considered ordinary maintenance, and to change the allowance for replacement of painted exterior wood surfaces from a durable cementitious wood material to composite, wood-like materials as exempt from the requirements for a Certificate for Alteration.

ORIGINATING DEPARTMENT AND CONTACT: Development Services - Kevin Waller

ACTION REQUESTED: Ordinance

BACKGROUND/SUMMARY/DISCUSSION: During recent meetings of the Historical Preservation Commission, certain members requested amendments to the Ordinary Maintenance section of the Historic Districts and Landmarks Ordinance with regard to the repainting of previously painted exterior surfaces in the Historic District and on City-designated Historic Landmarks. The amendments would expand the ordinary maintenance element in Sections 28-10(d) and 28-10(e)(3) to include a change in color shade, such as from a light gray shade to a dark gray, in addition to the existing provision to allow same-color-only repainting as ordinary maintenance. The amendments would also remove the inconsistency between the above-referenced sections, in which Section 28-10(d) presently states that repainting may include a change in color as ordinary maintenance. The repainting to a different color entirely, such as from green to red, would continue to be subject to the requirement for a Certificate for Alteration. According to Staff’s research of the ordinances of seven peer cities, repainting is considered ordinary maintenance, with no distinction made between new or original colors. The proposed amendments to these two sections, enclosed with your packet materials, would also specify that a city permit is not required for either the initial painting or repainting in any form.

It was also recently requested by the Commission that composite, wood-like materials that replace painted exterior wood surfaces be allowed as an exemption from the requirements for a Certificate for Alteration in Section 28-11(b)(3). This would broaden the scope of the current provision that only allows for wood replacement with a durable cementitious wood material as an exemption from a Certificate for Alteration. Staff’s research of the seven peer cities yielded no specific exemptions for the replacement of wood materials with other materials of a similar appearance. The proposed amendment, enclosed, also stipulates that the new material be painted, or imbedded, with a color that is similar to the original paint color.

PROJECT SCHEDULE (if applicable): None

City of Lockhart, Texas

Council Agenda Item Cover Sheet

AMOUNT & SOURCE OF FUNDING:

Funds Required:

Account Number:

Funds Available:

Account Name:

FISCAL NOTE (if applicable): None

PREVIOUS COUNCIL ACTION: Section 28-10 was last revised with the passage of Ordinance No. 2022-54 on October 18, 2022, and Section 28-11 was last revised with the passage of Ordinance No. 2023-20 on September 19, 2023.

COMMITTEE/BOARD/COMMISSION ACTION: The Historical Preservation Commission voted 5-0 to recommend approval of the proposed text amendments at its February 4, 2026 meeting.

STAFF RECOMMENDATION/REQUESTED MOTION: Approval of Ordinance 2026-09, Amending Sections 28-10(d), 28-10(e)(3), and 28-11(b)(3) of Article I, "Historic Districts and Landmarks Regulations and Procedures" of Chapter 28

LIST OF SUPPORTING DOCUMENTS: Historical Preservation Amendments Ordinance 2026-09, 02-17-2026 Repainting and Wood Replacement Memo to City Council

ORDINANCE 2026-09

AN ORDINANCE OF THE CITY OF LOCKHART, TEXAS, AMENDING CHAPTER 28 “HISTORIC DISTRICTS AND LANDMARKS” OF THE CODE OF ORDINANCES, SECTION 28-10 “ORDINARY MAINTENANCE”, AND SECTION 28-11 “CERTIFICATE FOR ALTERATION FOR HISTORIC LANDMARKS OR HISTORIC DISTRICTS”; PROVIDING FOR SEVERABILITY; PROVIDING A REPEALER; PROVIDING FOR PENALTY; PROVIDING FOR PUBLICATION; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the Lockhart Historical Preservation Commission has identified changes needed to expand those repainting activities qualifying as ordinary maintenance in the Historic District and on City-designated Historic Landmarks, to remove an existing inconsistency indicating that any form of repainting is considered ordinary maintenance, and to change the allowance for replacement of painted exterior wood surfaces from a durable cementitious wood material to composite, wood-like materials as exempt from the requirements for a Certificate for Alteration; and,

WHEREAS, such changes would clarify and correct existing inconsistencies as to when repainting does or does not require a Certificate for Alteration, would broaden the allowances for repainting as ordinary maintenance, and would allow a wider variety of wood-like materials to replace actual wood without the need for a Certificate for Alteration; and,

WHEREAS, the Lockhart Historical Preservation Commission held a meeting on February 4, 2026, and voted to recommend amending Sections 28-10(d), 28-10(e)(3), and 28-11(b)(3); and,

WHEREAS, the City Council has determined that such amendment serves a public purpose and the Council desires to amend the Code of Ordinances accordingly;

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

I. Chapter 28 “Historic Districts and Landmarks” is hereby amended as follows, with all existing provisions not shown remaining unchanged:

Sec. 28-10. Ordinary maintenance.

- (d) Repainting to the same color, including a change in color shade, such as from a light gray shade to a dark gray, shall be considered ordinary maintenance. Repainting to a different color, such as a change from green to red, will require a certificate for alteration. A city permit is not required for repainting in any form.
- (e) Ordinary maintenance does not include the following and will require a certificate for alteration and a city building permit prior to beginning work, except as exempted in subsection 28-11(b):

- ...(3) Painting a previously unpainted brick, stone or other masonry surface or changing the color of any previously painted surface, including trim. Repainting to the same color, including a change in color shade, such as from a light gray shade to a dark gray, shall be considered ordinary maintenance. A city permit is not required for either the initial painting or repainting in any form.

Sec. 28-11. Certificate for alteration for historic landmarks or historic districts.

- (b) A certificate for alteration (CFA) is not required for the following construction activities and work. However, no exempted construction shall involve the drilling, cutting, covering or painting of virgin or unpainted masonry and/or removal of same:

- ...(3) Exterior wood. Replacement of existing painted wood on the exterior of a building with a durable composite wood-like material is exempt if the material is painted or the color is imbedded and does not make a physical change to the exterior elements, design features, or appearance of the property, and is similar in color to the original paint color.

II. Severability: If any provision, section, clause, sentence, or phrase of this ordinance is for any reason held to be unconstitutional, void, invalid, or un-enforced, the validity of the remainder of this ordinance or its application shall not be affected, it being the intent of the City Council in adopting and of the Mayor in approving this ordinance that no portion, provision, or regulation contained herein shall become inoperative or fail by way of reasons of any unconstitutionality or invalidity of any other portion, provision or regulation.

III. Repealer: That all other ordinances, sections, or parts of ordinances heretofore adopted by the City of Lockhart in conflict with the provisions set out above in this ordinance are hereby repealed or amended as indicated.

IV. Penalty: Any person who violates any provision of this ordinance shall be guilty of a misdemeanor, and upon conviction shall be fined as provided in Section 1-8 of the City Code.

V. Publication: That the City Secretary is directed to cause the caption of this ordinance to be published in a newspaper of general circulation according to law.

VI. Effective Date. That this ordinance shall become effective and be in full force ten days from the date of its passage.

**PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF LOCKHART, TEXAS,
ON THIS THE 3rd DAY OF MARCH, 2026.**

CITY OF LOCKHART

Lew White
Mayor

ATTEST:

APPROVED AS TO FORM:

Julie Bowermon
City Secretary

Brad Bullock
City Attorney

TO: Lockhart City Council

FROM: Kevin Waller, Historical Preservation Officer / Senior Planner

SUBJECT: Repainting and wood material replacement (Ordinance 2026-09)

DATE: February 17, 2026

During recent meetings of the Historical Preservation Commission, certain members requested amendments to the Ordinary Maintenance section of the Historic Districts and Landmarks Ordinance with regard to the repainting of previously painted exterior surfaces in the Historic District and on City-designated Historic Landmarks. The amendments would expand the ordinary maintenance element in Sections 28-10(d) and 28-10(e)(3) to include a change in color shade, such as from a light gray shade to a dark gray, in addition to the existing provision to allow same-color-only repainting as ordinary maintenance. The amendments would also remove the inconsistency between the above-referenced sections, in which Section 28-10(d) presently states that repainting may include a change in color as ordinary maintenance. The repainting to a different color entirely, such as from green to red, would continue to be subject to the requirement for a Certificate for Alteration. According to Staff's research of the ordinances of 7 peer cities, repainting is considered ordinary maintenance, with no distinction made between new or original colors. The proposed amendments to these two sections, enclosed with your packet materials, would also specify that a city permit is not required for either the initial painting or repainting in any form.

It was also recently requested by the Commission that composite, wood-like materials that replace painted exterior wood surfaces be allowed as an exemption from the requirements for a Certificate for Alteration in Section 28-11(b)(3). This would broaden the scope of the current provision that only allows for wood replacement with a durable cementitious wood material as an exemption from a Certificate for Alteration. Staff's research of the 7 peer cities yielded no specific exemptions for the replacement of wood materials with other materials of a similar appearance. The proposed amendment, enclosed, also stipulates that the new material be painted, or imbedded, with a color that is similar to the original paint color.

Following consideration of the text amendments at the February 4, 2026 Commission meeting, the Commission made a formal recommendation at that meeting to approve the amendments to City Council.

CHAPTER 28. HISTORIC DISTRICTS AND LANDMARKS

DIVISION 1. GENERALLY

Sec. 28-10. Ordinary maintenance.

- (d) Repainting to the same color, including a change in color shade, such as from a light gray shade to a dark gray, shall be considered ordinary maintenance, and may include a change in color of painted surfaces. Repainting to a different color, such as a change from green to red, will require a certificate for alteration. A city permit is not required for repainting in any form.
- (e) Ordinary maintenance does not include the following and will require a certificate for alteration and a city building permit prior to beginning work, except as exempted in subsection 28-11(b):

...(3) Painting a previously unpainted brick, stone or other masonry surface or changing the color of any previously painted surface, including trim. Repainting to the same color, including a change in color shade, such as from a light gray shade to a dark gray, shall be considered ordinary maintenance. A city permit is not required for either the initial painting or repainting in any form.

Sec. 28-11. Certificate for alteration for historic landmarks or historic districts.

- (b) A certificate for alteration (CFA) is not required for the following construction activities and work. However, no exempted construction shall involve the drilling, cutting, covering or painting of virgin or unpainted masonry and/or removal of same:

...(3) Exterior wood. Replacement of existing painted wood on the exterior of a building with a durable composite wood-like ~~cementitious-wood~~ material is exempt if the material is painted or the color is imbedded and does not make a physical change to the exterior elements, design features, ~~finishes~~ or appearance of the property, and is similar in color to the original paint color.

[Existing subsections not shown are unchanged.]

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 3, 2026

AGENDA ITEM CAPTION: Discussion and/or action regarding contract for Election Services with the Caldwell County Elections Administrator to conduct the City of Lockhart's Special Election on March 31, 2026.

ORIGINATING DEPARTMENT AND CONTACT: Administration - Julie Bowermon

ACTION REQUESTED: Agreement

BACKGROUND/SUMMARY/DISCUSSION: The City Council has order the special election to be held on March 31, 2026 to fill the unexpired term of Councilmember District 2. The Caldwell County Elections Administrator (County EA) will be conducting the March 31, 2026 Special Election for the City. Since 2010, in the interest of a public purpose, the City of Lockhart has contracted with the County EA to conduct City Elections to ensure consistency and compliance during the election process.

Previously during the January 6, 2026 City Council meeting, Council established that early voting will be conducted March 16 - 27, 2026 at Adams Gym. Adams Gym will also be the election day polling location. Locations and hours are subject to change by order of the County EA.

The County EA is currently determining appointment of Central Count, Early Voting Ballot Board, and Election Day Judges. These appointments are referenced in the contract as Attachment 'C' as to be determined.

PROJECT SCHEDULE (if applicable): N/A

AMOUNT & SOURCE OF FUNDING:

Funds Required: \$20,000

Account Number: 100-5101-703

Funds Available: \$25,000

Account Name: Elections

FISCAL NOTE (if applicable): N/A

PREVIOUS COUNCIL ACTION: On January 6, 2026 Council ordered a Special Election to be held on March 31, 2026.

COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION: Staff recommends approval.

City of Lockhart, Texas

Council Agenda Item Cover Sheet

LIST OF SUPPORTING DOCUMENTS: Election Services Contract Special Election March 31
2026

**ELECTION SERVICES CONTRACT
BETWEEN
CALDWELL COUNTY
ON BEHALF OF THE CALDWELL COUNTY ELECTIONS ADMINISTRATOR
AND
PARTICIPATING ENTITIES**

WHEREAS, pursuant to Section 41.001(d), Texas Election Code, a county elections administrator shall enter into a contract to furnish election services for a special election date when requested by a political subdivision;

WHEREAS, for non-uniform election dates, pursuant to Section 31.092(a), Texas Election Code, the county election administrator may enter into a contract with the governing body of a political subdivision situated wholly or partly in the county served by the county elections administrator in any one or more elections ordered by an authority of the political subdivision;

WHEREAS, pursuant to Section 31.094, Texas Election Code, an election services contract may provide for the county election administrator to perform or supervise performance of any or all of the corresponding duties and functions the elections administrator performs in connection with a countywide election ordered by a county authority, other than the exceptions enumerated in Section 31.096, Texas Election Code.

WHEREAS, the Caldwell County, Texas (the “County”) is served by the Caldwell County Elections Administrator (the “Administrator”);

WHEREAS, the undersigned political subdivisions (individually or collectively referred to as the “Participating Entities”) that conduct elections are situated wholly or partly within the political boundaries of the County.

WHEREAS, for the MARCH 31, 2026 special election date and associated subsequent elections, some or all of the Participating Entities request the County, on behalf of the Administrator, to contract for the performance of election services; and

WHEREAS, to promote uniform and consistent elections held within the County, to assist in the reduction of fraud, protection of the secrecy of the ballot, promotion of voter access, and to ensure all legally cast ballots are counted, the County and undersigned Participating Entities intend to enter into a election services contract.

NOW THEREFORE, for and in consideration of the mutual covenants and agreements set forth herein, the County and undersigned Participating Entities do hereby agree as follows:

**ARTICLE I
DEFINITIONS**

Section 1.01. “Contracted Election” means the MARCH 31, 2026 special election, as generally described in Section 41.001(a), Texas Election Code, and accompanying early voting period, and, if applicable, any post-election services including any associated runoff elections, recounts, election contests, elections to resolve a tie, and any early voting periods associated with post-election services.

Section 1.02. “Election Officer” means an election judge, alternate election judge, early voting clerk, presiding judge of an early voting ballot board, alternate presiding judge of an early

voting ballot board, member of an early voting ballot board, chair of a signature verification committee, vice chair of a signature verification committee, member of a signature verification committee, presiding judge of a central counting station, alternate presiding judge of a central counting station, central counting station manager, central counting station clerk, tabulation supervisor, and assistant to a tabulation supervisor.

Section 1.03. "Election Clerk" means an election clerk, and deputy early voting clerk.

ARTICLE II PARTICIPATING ENTITY OBLIGATIONS

Section 2.01. **RETAINED DUTIES.** Any duties and obligations not expressly transferred to the Administrator or the County under this agreement are retained by the Participating Entities. Nothing in this contract will be construed to authorize or permit a change in the office with whom or the place at which any document or recording related to the Contracted Election is to be filed, a Participating Entity's requirement to maintain office hours, or place at which any function of the canvass of the election returns is to be performed.

Section 2.02. **ELECTION AUTHORIZED.** Participating Entities agree to conduct the Contracted Election, as authorized by Chapter 271, Texas Election Code, with any other undersigned Participating Entities holding elections on the same day in all or part of the same territory in Caldwell County. Participating Entities agree and acknowledge that other Participating Entities may join this agreement subject only to County approval.

Section 2.03. **PRECLEARANCE FOR SPECIAL ELECTIONS.** If required by law, Participating Entities will be individually responsible for obtaining appropriate preclearance from the United States Department of Justice for any special elections.

Section 2.04. **APPOINTMENT OF EARLY VOTING CLERK.** Participating Entities, through their respective governing bodies, will appoint the Administrator to serve as the Early Voting Clerk for the Contracted Election.

Section 2.05. **DESIGNATION OF VOTER REGISTRAR.** Participating Entities, through their respective governing bodies, will appoint the Administrator to serve as the Voter Registrar for the Contracted Election.

Section 2.06. **APPOINTMENT OF ELECTION WORKERS.** Participating Entities, through their respective governing bodies, will appoint Election Officers and Election Clerks, as identified in Attachment 'C', pursuant to Section 4.09 of this contract.

Section 2.07. **ELECTION OFFICIAL COMPENSATION APPROVAL.** Participating Entities, through their respective governing bodies, will set any compensation for election officers at rates consistent with the election cost estimate attached to this contract as Attachment 'A'.

Section 2.08. **DESIGNATION OF CENTRAL COUNTING STATION.** Participating Entities, through their respective governing bodies, will designate the Caldwell County Elections Office, 1403 Blackjack Street, Lockhart, Texas 78644, as the Central Counting Station for the Contracted Election.

- Section 2.09. **DESIGNATION OF POLLING PLACES.** Participating Entities, through their respective governing bodies, will designate the Administrator's office, 1403 Blackjack Street, Suite A, Lockhart, Texas 78644, as the main early voting polling place for the Contracted Election. Participating Entities, through their respective governing bodies, agree to designate other polling places, including early voting polling places and temporary early voting polling places as recommended by the Administrator.
- Section 2.10. **ELECTION ORDERS, NOTICES, AND LOCAL CANVASS.** Participating Entities will be responsible for the preparation, adoption, publication, and posting of all statutorily required election orders, notices, and other documents, including bilingual materials, evidencing action by the Participating Entities of all actions necessary to call and administer the Contracted Election, except as otherwise provided for in this contract. Participating Entities will conduct the local canvass.
- Section 2.11. **BALLOTS.** Participating Entities will be responsible for the preparation information contained in English and Spanish ballots and sample ballots, including mail ballots, and, as applicable, will determine the names of the candidates, names of the offices sought, order of names on the ballot, propositions on the ballot, and the Spanish translation of the offices and any propositions. This information will be provided to the Administrator no less than 60 days prior to any associated election day during the Contracted Election. The Participating Entities are responsible for proofreading and, if necessary, notifying the Administrator of necessary corrections to proposed ballots and sample ballots, including mail ballots, as provided by the Administrator.
- Section 2.12. **USE OF COMMON BALLOT.** It is agreed by the parties to this Agreement that a common ballot will be used for elections. The universal serial busses ("USBs") containing the voted ballots for an election will be delivered to the Administrator's office at 1403 Blackjack Street, Suite A, Lockhart, Texas 78644, and the USBs will remain in the Administrator's custody, except that the County agrees to provide Participating Entities with the necessary documentation, if requested, for canvass of an election or in the event the voted ballots are required for a recount or any court proceedings in which a Participating Entity may be a party. The County agrees to maintain custody of the USBs containing the voted ballots for the period of time prescribed by the Texas Election Code. All USBs that are not placed in active voting equipment will remain locked in the Caldwell County Elections Office. USBs will not be replaced without being logged out and checked out by an Election Officer or Election Clerk at any time during an election. An audit shall be conducted to ensure that all USBs are present and accounted for. All replaced equipment will remain secured until after tabulation to ensure that all checks and balances have been satisfied.
- Section 2.013. **USE OF COMMON FORMS.** All forms used in the conduct of the election, including but not limited to the poll list, signature roster, ballot registers, expense accounts, and all oaths and certificates will be used ly by the two agencies. All forms will be returned to the Administrator who shall keep them in his custody for the period prescribed by the Texas Election Code. The County agrees to furnish the Participating Entities with copies of any election documents upon the Participating Entity's request at no charge.
- Section 2.14. **APPLICATIONS FOR MAIL BALLOTS.** Participating Entities, through their respective governing bodies, will designate the Caldwell County Elections Office, 1403 Blackjack Street, Suite A, Lockhart, Texas 78644, to be the early voting clerk's mailing address to which ballot applications and ballots voted by mail will be sent. Applications for

mail ballots sent to Participating entities shall be promptly faxed to the Administrator or emailed to caldwellec@co.caldwell.tx.us for timely processing, with the original application forwarded to the Administrator for appropriate record retention.

- Section 2.15. **TRANSLATION.** Each Participating Entity is responsible for having its own election orders, resolutions, notices, or official ballot wording translated into the Spanish language if necessary.
- Section 2.16. **MAPS AND ANNEXATIONS.** Participating Entities will provide the Administrator with an updated map and street index, including address numbers, of its jurisdiction in an electronic format that is compatible with the mapping format used by the Administrator's office, and will provide notice to the Administrator of any new developments, annexations, de-annexations, and any other changes to the master voter registration list within the Participating Entities jurisdiction within the County.
- Section 2.17. **RECOUNT NOTICE.** Not later than 48 hours after it becomes aware that a recount is required by law or requested by a candidate, Participating Entities will provide notice to the Administrator that a recount must be conducted.
- Section 2.18. **ELECTION TO RESOLVE A TIE.** Notwithstanding any provision to the contrary, in the event an election is needed to resolve a tie vote, the affected Participating Entity and the Administrator will agree to an election date and early voting schedule in compliance with the Texas Election Code, with consideration given to other elections conducted by the Administrator. The cost for implementing an election under this section will be attributed solely to the affected Participating Entity.
- Section 2.19. **PRECINCT REPORTS TO THE SOS.** Participating Entities will prepare and file all required precinct reports with the Texas Secretary of State.

ARTICLE III COUNTY OBLIGATIONS

- Section 3.01. **BACKGROUND CHECK.** The County will conduct a criminal background check (in accordance with statutory requirements) of any nominated Election Officer or Election Clerk who is expected to or scheduled to serve. Any person that does not satisfactorily pass the criminal background check or refuses to consent to a background check will be ineligible to serve in this Contracted Election. Failure to obtain a criminal background check does not release the Participating Entities' obligation for service rendered in good faith.
- Section 3.02. **POLLING PLACES.** The County will enter into lease agreements for polling places, including temporary branch polling locations, to effect this contract. Participating Entities agree to reimburse the County for expenses associated with any lease agreements for polling places, pursuant to Section 6.04.

ARTICLE IV ADMINISTRATOR DUTIES

- Section 4.01. **ELECTION SUPERVISOR.** The Administrator will coordinate, supervise, and conduct all aspects of administering voting in connection with the Contracted Election in compliance with all applicable laws.

- Section 4.02. **POLLING PLACES.** The Administrator will arrange for election day polling places, and the hours and location of early voting polling places, including temporary branch polling places. The Administrator will arrange for the physical preparation of each polling place, including tables, chairs, and voting booths.
- Section 4.03. **NOTICE OF PREVIOUS POLLING PLACE.** As necessary, The Administrator will post physical notices of a change in polling places as required by Section 43.062, Texas Election Code. Participating Entities will be responsible for any other notice requirements under Section 43.061, Texas Election Code.
- Section 4.04. **ELECTION SUPPLIES.** The Administrator shall, as necessary to conduct the Contracted Election, procure, prepare, and distribute election supplies to Election Officers for use at their respective polling locations during the Contracted Election.
- Section 4.05. **EARLY VOTING CLERK.** Pursuant to Sections 31.096 and 32.097(b), Texas Election Code, the Administrator will serve as the Early Voting Clerk for the Contracted Election, and will supervise and conduct the early voting by mail and by personal appearance as follows:
- (a) Appoint personnel to serve as early voting deputy clerks;
 - (b) Publish notice of early voting polling places, including temporary branch polling places;
 - (c) Receive and process mail ballot applications on behalf of the Participating Entities in accordance with Title 7, Texas Election Code, at the Caldwell County Elections Office, 1403 Blackjack Street, Suite A, Lockhart, Texas 78644;
 - (d) Secure and maintain early voting ballots at the Caldwell County Elections Office, 1403 Blackjack Street, Suite A, Lockhart, Texas 78644, or other location as necessitated by County reorganization;
 - (e) Coordinate the Early Voting Ballot Board to meet at the Caldwell County Elections Office, 1403 Blackjack Street, Suite A, Lockhart, Texas 78644;
 - (f) Publish electronic notice of the Signature Verification Committee meeting, pursuant to Chapter 87.121(i)(1), Texas Election Code;
 - (g) Publish notice, including electronic notice, of the Early Voting Ballot Board meeting, pursuant to Chapter 87.027, Texas Election Code;
 - (h) Publish notice, including electronic notice, that voting materials have been delivered to the signature verification committee and early voting ballot board, pursuant to Sections 87.0221, 87.0222, 87.0223, 87.023, 87.024, and 87.027(h), Texas Election Code.
- Section 4.06. **ELECTION DAY DUTIES.** For each election day during the Contracted Election, not including early voting periods, the Administrator will coordinate, supervise, and conduct the election as follows:
- (a) Make himself available from 6:00A.M. until the completion of vote counting to render guidance, technical support, and assistance to voters, Election Officials, Election Clerks, and Participating Entities;
 - (b) Prepare and conduct post-election intake of election equipment, supplies, and records;
 - (c) Serve as central counting station manager and tabulation supervisor;
 - (d) Count votes in conjunction with the Early Voting Ballot Board and Central Counting Station judges;

Section 4.07. **ELECTION NIGHT REPORTS.** The Administrator will prepare the unofficial and official tabulation of precinct results, as follows:

- (a) Periodically make a public announcement of the current state of the unofficial tabulation, at www.co.caldwell.tx.us/page/caldwell.ElectionsOffice;
- (b) Provide unofficial early voting precinct results and election day precinct results to Participating Entities as soon as administratively possible, but not earlier than the close of all polling places on the associated election day;
- (c) Reconvene the Early Voting Ballot Board after election day as necessary to determine the disposition of timely provisional votes and late mail ballots, and to resolve any issues with such ballots;
- (d) Promptly after final disposition of provisional votes and late mail ballots, the Administrator will retally and update the unofficial and official tabulation of precinct results with accepted provisional votes and resolved mail ballots, and provide new unofficial and official tabulations to the Participating Entities.

Section 4.08. **ELIGIBILITY OF ELECTION WORKERS.** The Administrator will notify all Election Officers and Election Clerks about the eligibility requirements contained in Title 3, Subchapter C, Texas Election Code, and Section 271.005, Texas Election Code. The Administrator will take necessary steps to ensure that all Election Officers and Election Clerks nominated to serve during the Contracted Election are qualified and eligible to serve.

Section 4.09. **NOMINATION OF ELECTION OFFICERS.** Administrator will provide to Participating Entities a list of persons to serve as Election Officers for the Contracted Election, attached as Attachment 'C'. If a person becomes unable or unwilling to serve as an Election Officer, the Administrator will nominate a replacement and, within 2 business days after amending Attachment 'C', forward the amended Attachment 'C' to the Participating Entities for appointment of the new nominee. Notwithstanding Section 7.08 of this contract, the County may update Attachment 'C' on receipt of a written communication from an appointed or nominated Election Officer indicating an inability or unwillingness to serve as an Election Officer.

Section 4.10. **NOTIFICATION OF APPOINTMENT TO ELECTION OFFICERS.** Within 72 hours of receiving notice of appointed Election Officers from Participating Entities, the Administrator will notify each appointed election officer of said appointment. The notification will also include the assigned polling station, the date of the election officer's election training(s), the date and time of the Contracted Election, the rate of compensation, the number of clerks the judge may appoint, the eligibility requirements for election clerks, and a list of nominated election clerks.

Section 4.11. **ELECTION TRAINING.** The Administrator will be responsible for conducting training for election officers and election clerks, as required by applicable law.

Section 4.12. **CENTRAL COUNTING STATION.** The Administrator will establish a central counting station to receive and tabulate ballots cast during the Contracted Election under Chapter 127, Texas Election Code. The central counting station will be located at the Caldwell County Elections Office, 1403 Blackjack Street, Lockhart, Texas 78644.

Section 4.13. **LOGIC AND ACCURACY TESTING.** In advance of Early Voting, the Administrator, the tabulation supervisor, and other members the Administrator designates for the testing

board shall conduct all logic and accuracy testing in accordance with applicable law and guidance provided by the Office of the Texas Secretary of State. The Administrator will be responsible for the publication of any required notice for logic and accuracy testing.

- Section 4.14. **REGISTERED VOTER LIST.** The Administrator will provide lists of registered voters as required by law for use during the Contracted Election.
- Section 4.15. **POLLING EQUIPMENT.** The Administrator will prepare and distribute the Elections Systems & Software (“ES&S”) Polling Equipment for the Contracted Election, with each polling location to have at least one voting machine that is accessible to disabled voters.
- Section 4.16. **BALLOTS.** The Administrator will be responsible for the printing, programming, and distribution of English and Spanish ballots and sample ballots, including mail ballots, based on the information provided by the Participating Entities pursuant to Section 2.11 of this contract. The Administrator will deliver the proposed ballots to the Participating Entities for approval prior to the printing, programming, and distribution of English and Spanish ballots and sample ballots, including mail ballots.
- Section 4.17. **CUSTODIAN OF ELECTION RECORDS.** The Administrator will serve as the general custodian for election records and will maintain and preserve election records generated as part of the Contracted Election, as required by law. Access to the election records will be available to each Participating Entity as well as to the public in accordance with the Texas Public Information Act, Chapter 552, Texas Government Code. Third-party notice to Participating Entities, pursuant to Chapter 552, will be provided subject to Section 7.04 of this contract.
- Section 4.18. **DELEGATION OF DUTIES.** The Administrator may, at his discretion, assign a deputy elections administrator to perform any of the contracted services.
- Section 4.19. **TIMELY PERFORMANCE.** The Administrator will perform all election services in compliance with all time requirements set out in the Texas Election Code.
- Section 4.20. **THIRD-PARTY CONTRACTS.** Pursuant to Section 31.098, Texas Election Code, the County is authorized to contract with third-parties for election services and supplies, to be included in any final invoice submitted to Participating Entities for payment subject to Sections 6.04 and 6.05 of this contract.

ARTICLE V TERM AND WITHDRAWAL

- Section 5.01. **INITIAL TERM.** The initial term of the contract will commence on the last party’s execution hereof, and expires with respect to an individual Participating Entity on the County’s receipt of that Participating Entity’s payment-in-full of a final invoices submitted by the Administrator.
- Section 5.02. **WITHDRAWAL.** Participating Entities may withdraw from this contract by delivering to the Administrator any certifications and declarations required under Subchapters C or D, Chapter 2, Texas Election Code. Delivery of said necessary certifications or withdrawals must be provided by the statutory deadlines prescribed by the Texas Elections Code. Any Participating Entities withdrawing from this contract will be

billed for any expenses incurred or obligated prior to the Administrator's receipt of said necessary certifications and declarations. A Participating Entity's obligation to pay for any expenses incurred or obligated prior to withdrawal, subject to Sections 6.04 and 6.05 of this contract, survives expiration, termination, or cancellation of this contract until paid-in-full by the Participating Entities.

ARTICLE VI COSTS AND PAYMENT

- Section 6.01. **ESTIMATED COST.** Participating Entities acknowledge that the estimate contained in Attachment 'A' is an estimate ONLY, and any required payment reflected in the final invoice may differ.
- Section 6.02. **FINAL INVOICE.** Final election expenses, as calculated pursuant to Sections 6.04 and 6.05 of this contract, will be determined within 120 business days after the conclusion of the Contracted Election. The Administrator will provide each Participating Entity with a final invoice.
- Section 6.03. **PAYMENT DATE.** An invoice for election services submitted by the Administrator to Participating Entities is due and payable to the address set forth in the invoice within 30 days from the date of its receipt by a Participating Entity. This provision survives expiration, termination, or cancellation of this contract until paid-in-full by the Participating Entities.
- Section 6.04. **PRORATED BILLING.** Participating Entities agree to share the costs of administering the Contracted Election. Allocation of costs for the entire election, unless specifically stated otherwise, will be shared between the Participating Entities based on a ration formula involving the total number of registered voters eligible to vote in the election and the number of registered voters associated with the individual Participating Entities for the election. The Participating Entities will be responsible for their percentage of the prorated cost or a minimum cost of \$500.00, whichever is greater. The cost of any special request from a Participating Entity which is not agreed upon by all Participating Entities, will be borne solely by the requesting Participating Entity.
- Section 6.05. **ADMINISTRATIVE FEE.** As authorized by Section 31.100, Texas Election Code, a general supervisory fee not to exceed 10% of the total cost of the election will be assessed, and not less than \$75.00.
- Section 6.06. **PAYMENT FROM CURRENT REVENUES.** Each Party paying for the performance of governmental functions or services under this contract will make payments from current revenues available to the paying party.

ARTICLE VII MISCELLANEOUS

- Section 7.01. **CONTRACT COPIES TO AUDITOR AND TREASURER.** Pursuant to Section 31.099, Texas Election Code, the Administrator will file a copy of this executed contract with the Caldwell County Auditor and the Caldwell County Treasurer within 10 days of each Party's execution date.

- Section 7.02. **SEVERABILITY.** If any provision of this contract is found to be invalid, illegal, or unenforceable by a court of competent jurisdiction, such invalidity, illegality, or unenforceability shall not affect the remaining provisions of this contract in accordance with the intent of the parties to this contract as expressed in the terms and provisions.
- Section 7.03. **FORCE MAJEURE.** Either of the parties to this Agreement shall be excused from any delays and/or failures in the performance of the terms and conditions of this Contract, to the extent that such delays and/or failures result from causes beyond the delaying/failing party's reasonable control, including but not limited to war (whether declared or not), armed conflict or the serious threat of the same (including but not limited to hostile attack, blockade, military embargo), hostilities, invasion, act of a foreign enemy, extensive military mobilization, civil war, riot, rebellion, revolution, military or usurped power, insurrection, civil commotion or disorder, mob violence, act of civil disobedience, act of terrorism, sabotage or piracy; plague, epidemic, pandemic, outbreaks of infectious disease or any other public health crisis, including quarantine, social distancing, isolation or other behavioral restrictions; act of authority whether lawful or unlawful, compliance with any law or governmental order, rule, regulation or direction, curfew restriction, expropriation, compulsory acquisition, seizure of works, requisition, nationalization; act of God or natural disaster such as but not limited to violent storm, cyclone, typhoon, hurricane, tornado, earthquake, landslide, flood, damage or destruction by lightning, drought; explosion, fire, destruction of machines, equipment and of any kind of installation, prolonged breakdown of transport, telecommunication or electric current; shortage or inability to obtain critical material or supplies to the extent not subject to the reasonable control of the subject party ("force majeure event ") whether foreseeable or unforeseeable by the parties at the time of the execution of this Agreement. Any delaying/failing party shall, with all reasonable diligence, attempt to remedy the cause of delay and/or failure and shall recommence all remaining duties under this Agreement within a reasonable time of such remedy, or, when applicable, on the next available dates under the Texas Election Code.
- Section 7.04. **NOTICE.** Any addendum to, change or modification of, clarification of, or withdrawal from this contract requires written notice to and written approval by Caldwell County. Whenever this contract requires any consent, approval, notice, request, or demand, the writing must be delivered to the party intended to receive it and other Participating Entities, as provided in Attachment 'B'. Any required writing under this Section will be deemed to have been given when personally delivered or, if mailed, 72 hours after deposit of the same in the United States Mail, postage prepaid, certified, or registered, return receipt requested, property addressed to the contact person identified in Attachment 'B'. Notwithstanding this Section and Section 7.08 of this contract, the County may update Attachment 'B' on receipt of a written communication from a Participating Entity designating new contact information. Within two business days after Attachment 'B' is amended, the Administrator will send each Participating Entity a copy of the amended attachment.
- Section 7.05. **LIABILITY.** All parties to this contract agree to be responsible, in accordance with applicable state or federal law, each for their own negligent acts or omissions, or other tortious conduct in the course of performance of this contract without waiving any sovereign immunity, governmental immunity, statutory immunity, or other defenses available to the parties under federal or state law. Nothing in this paragraph will be construed to create or grant any rights, contractual or otherwise, in or to any third

persons or entities. All parties agree that any such liability or damages occurring during the performance of this contract caused by the or comparative negligence of the parties, or their employees, agents, or officers will be determined in accordance with comparative responsibility laws of Texas, but only to the extent such laws are applicable to the party.

To the extent permitted by law, if legal action is filed against a party to this contract, that party shall be solely responsible for their own respective costs and defense of that suit.

- Section 7.06. **CHOICE OF LAW.** This contract will be governed and interpreted by the laws of the State of Texas.
- Section 7.07. **VENUE AND JURISDICTION.** Venue will lie in the district courts serving Caldwell County Texas, and are the exclusive jurisdiction and venue for any lawsuit, cause of action, temporary restraining order, temporary injunction, injunction, petition for extraordinary relief, mandamus, or any other legal proceeding or claim arising out of the performance of this contract.
- Section 7.08. **ENTIRE CONTRACT.** This contract, including any exhibits or attachments, contains the entire agreement between the Administrator, the County, and the Participating Entities concerning the duties required by this contract. The Administrator and each Participating Entity hereby expressly warrant and represent that they are not relying on any promises or agreements that are not contained in this contract concerning any of the terms in this contract. Except otherwise specified in this contract, no modification, amendment, novation, renewal, or other alteration of this contract shall be effective unless mutually agreed upon in writing and executed by the Parties hereto.
- Section 7.09. **PLURALITY, GENDER, AND HEADINGS.** In this contract, words in the singular number include the plural, and those in the plural include the singular. Words of any gender also refer to any other gender. Headings in this contract are descriptive only, and not terms of inclusion or exclusion.
- Section 7.10. **RELATIONSHIP OF PARTIES.** The Participating Entities, including their agents or employees, are independent contractors and are not an agent, servant, enterpriser, venturer, or employee of the Administrator or the County, and are responsible for their own acts, forbearance, negligence, and deeds, and for those of their agents or employees in conjunction with the performance of services covered under this contract. The Participating Entities represent that they have, or will secure at their own expense, all personnel and consultants required in performing the services herein. Such personnel and consultants shall not be employees of or have any contractual relationship with the Administrator or the County.
- Section 7.11. **DEFAULT, CUMULATIVE RIGHTS, AND MITIGATION.** It is not a waiver of default if the non-defaulting party fails to immediately declare a default or delays in taking any action. The rights and remedies provided by this contract are cumulative, and no party's use of any right or remedy will preclude or waive its right to any other remedy. These rights and remedies are in addition to any other rights the parties may have by law, statute, ordinance, or otherwise. All parties have a duty to mitigate damages.
- Section 7.12. **REVIEW BY COUNSEL.** The County and Participating Entity acknowledge that each party has received and had the opportunity to review this contract, and each party has

had the opportunity, whether exercised or not, to have each respective party's attorneys review this contract. The parties agree that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this contract, or any amendments or exhibits hereto.

Section 7.13. **SIGNATORY WARRANTY.** The signatories for the County, the Administrator, and Participating Entities represent that each has the full right, power, and authority to enter into and perform this contract in accordance with all of its terms and conditions, and that the execution and delivery of this contract has been made by authorized representatives of Participating Entities to validly and legally bind Participating Entities to all terms, performances, and provisions set forth in this contract.

Section 7.14. **COUNTERPARTS.** This contract may be executed in any number of counterparts with the same effect as if all signatory parties had signed the same document. All counterparts will be construed together and will constitute one and the same instrument.

IN WITNESS HEREOF, the parties hereto have executed this contract on this the ____ day of _____, 20____.

CALDWELL COUNTY, TEXAS:

Attest:

Hoppy Haden
Caldwell County Judge

Teresa Rodriguez
Caldwell County Clerk

Devante Coe
Caldwell County Elections Administrator

MUNICIPALITIES

CITY OF LOCKHART, TEXAS:

Attest:

Name: _____
Title: _____

Name: _____
Title: _____

APPENDIX ‘A’

ESTIMATED COSTS FOR CONTRACTED ELECTION

CALDWELL COUNTY, TEXAS ELECTION SERVICES CONTRACT

City of Lockhart District 2 Special Election

CITY OF LOCKHART LK-2

ESTIMATE

Special Election

Tuesday, March 31, 2026

Costs/Services	Cost Estimate	Actual Cost
B1. Ballots	\$ 714.40	
B2. Programming/Testing	\$ 1,100.00	
B3. Publication of Test	\$ -	
B4. Tech Support	\$ -	
B5. Election Kits	\$ 35.00	
B6. Rental of Voting Equip	\$ 1,400.00	
B7. Rental of Non-county Equipment	\$ 80.44	
B8. Prep and Transport	\$ 1,800.00	
B9. Election Day Polling Place Rental	\$ -	
B10. Election Day Judges/Clerks	\$ 896.00	
B11. Pickup and Delivery Fee(Returns)	\$ -	
B12. Early Voting	\$ 7,040.00	
B13. Central Count	\$ 2,107.90	
B14.	\$ -	
B15. Support Staff	\$ 1,647.90	
B16. Early Voting Ballot Board/SVC	\$ 560.00	
B17.	\$ -	
B18. Supplies	\$ -	
B19. Communication	\$ 216.00	
B20. Postage	\$ -	
B21. Legal Fees	\$ -	
B22. Security	\$ 500.00	
B23. Other Primary Cost	\$ -	
Cost Adjustment	\$ -	
Subtotal	\$ 18,097.64	
Administrative Fee	\$ 1,809.76	
Total	\$ 19,907.40	

Issue Checks to the Following:

Caldwell County Treasurer

Caldwell County Elections Administration

Devante Coe

Elections Administrator

Caldwell County

ATTACHMENT 'B'

NOTICE INFORMATION FOR PARTIES

Attachment B

Point of Contact for: CITY OF LOCKHART

Printed Name of Official: JULIE BOWERMON

Officials Mailing Address: PO BOX 239, LOCKHART, TX 78644

Officials Email Address: JBOWERMON@LOCKHART-TX.ORG

Official Contact Number: 512-398-3461

Can this Contact Number be used after Afterhours? If not, is there an after-hours contact number?

After Hours Contact Number: _____

After Hours Officials Name(If Different from above):

Signature of Authorizing Authority

Title of Authorizing Authority

ATTACHMENT ‘C’

LIST OF ELECTION OFFICERS AND ELECTION CLERKS

ATTACHMENT C

Appointment of Election Officials

Early Voting Clerk: Devante Coe

Election Day Locations	March 31, 2026, Special Election	ELECTION JUDGE
Lockhart ISD Adams Gym 419 Bois D' Arc St. Lockhart, Texas 78644	City of Lockhart District 2	Presiding Judge: TBD Alternate Presiding Judge: TBD

Early Vote Ballot Board/Central Count Judges

- Presiding Judge: TBD
- Alternate Judge: TBD
- Clerk: TBD

Central Counting Station Staff

- Central Count Manager: Devante Coe
- Assistant Central Count Manager: Patricia Smith
- Tabulation Supervisor: Mayra Calderon
- Assistant Tabulation Supervisor: Annalisa Almaguer, Brianna Rodriguez

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 3, 2026

AGENDA ITEM CAPTION: Discussion and/or action regarding nomination of Patricia Belote to the Animal Shelter Advisory Board by Mayor Lew White for a term to expire in November 2026.

ORIGINATING DEPARTMENT AND CONTACT: Council - Mayor Lew White

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: Mayor White has nominated Patricia Belote to be appointed to the Animal Shelter Advisory Board.

After reviewing the application, Ms. Belote meets the qualifications to serve on a city board.

Resolution 2024-02 was adopted in 2024 establishing administrative procedures for the nomination of board and commission members to include a 2-step process. First, the nomination is to be placed on the agenda as "announcement of nomination" followed by a notice on a subsequent agenda as "discussion and/or action on the nomination."

The announcement of nomination occurred during the February 17, 2026 Council meeting.

Action to appoint, should Council move to appoint Ms. Belote to the board, will occur during the March 3, 2026 Council meeting.

PROJECT SCHEDULE (if applicable): N/A

FISCAL NOTE (if applicable): N/A

PREVIOUS COUNCIL ACTION: None.

COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION: None. Discretion of the Council.

LIST OF SUPPORTING DOCUMENTS: Patricia Belote - Board Application , ASAB roster

BOARD QUALIFICATION CHECKLIST

DATE RECEIVED: APRIL 29, 2025APPLICANT'S NAME: Patricia Ann Belote, DVMBOARD NAME(S): Animal Shelter Advisory Board

The qualifications for members of boards and commissions, except special qualifications for service on a particular board or commission, are as follows:

- Appointees must each be a resident of the State of Texas and a resident of the City of Lockhart for at least twelve (12) consecutive months preceding their appointment unless a particular board's or commission's composition or state law allows for membership by a non-resident of the City.
Date of residency in Lockhart: 1995 APPROX.
- Appointees shall be qualified voters in the City of Lockhart or, if not a resident of the City, of Caldwell County.
Date qualified voter in Lockhart: 2008
- Appointees shall not have been removed from another city board or commission because of failure to attend meetings or for cause within the last three years.
Removed from another board? YES or NO
If yes, date _____ and board _____
- No member of any appointed body shall serve on more than one quasi-judicial or advisory board or commission.
Serves on another board? YES or NO
If yes, board currently serving: _____

BOARD SPECIFIC QUALIFICATIONS:

Animal Shelter Advisory Board

- Y or N Licensed veterinarian?
Y or N Municipal or county official? _____
Y or N Person whose duties include operation of animal shelter?
Y or N Member of an animal welfare organization (defined as an incorporated or formally organized not-for-profit entity concerned with the health, safety, and wellness of animals?)
Y or N Citizen of the City or County? (one or more)

Animal Shelter Advisory Board is appointed by the City Council. The board shall be comprised of not more than seven persons and may include persons who are not residents of the City. To the extent available, membership shall include the following: a licensed veterinarian; a municipal or county official; a person whose duties include operation of an animal shelter; a member of an animal welfare organization (defined as an incorporated or formally organized not-for-profit entity concerned with the health, safety, and wellness of animals); and one or more citizens of the City or County. The purpose and scope of the board shall be the following: assist the City in the development of the Animal Shelter's mission and policies; review and recommend long range planning and budgeting for the Shelter; contribute information relevant to Animal Services program development, policies, and procedures; and promote awareness of the services and procedures of the Shelter. The Board's authority is as follows: 1. The Board's authority is advisory and is not operational in nature; 2. The Board shall not establish or include formal policies to be followed other than those set forth from time to time by the Council; 3. Neither the Board nor any of its members may commit or expend city funds, direct city staff, or speak for the council or the city without prior council authorization; 4. The Board shall report to the City Manager or his/her designee; 5. All recommendations and proposals for action concerning the shelter shall be presented to the Council for approval before any action is taken. The Board shall meet at least three times a year or when an additional meeting is called.

CITY SECRETARY'S DETERMINATION OF APPLICANT'S QUALIFICATION:

Is Applicant Qualified?

YES

NO

DISCRETION OF THE COUNCIL

NOTES: _____

MS. BELOTE IS A LICENSED VETERINARIAN BUT DOES NOT CURRENTLY PRACTICE. SHE STATED SHE "PROVIDES RELIEF WORK" WHEN NEEDED.
Julie Bowerman
5.1.25

In order to be considered for an appointment to a Lockhart Board or Commission, please complete the following application. You may also attach a current resume and letter of interest if you choose.

APR 29 2025

@1:57pm

CITY OF LOCKHART
CITY SECRETARY'S OFFICE

1. PERSONAL INFORMATION

Full Legal Name Patricia Ann Belote, DVM		Preferred Name Trisha
Physical Home Address 421 S. Church St		
Mailing Address (if different)		
City Lockhart	State TX	Zip 78644
Home Phone		Work Phone
Mobile Phone		
Email Address trishabelote@gmail.com		
Date of Birth		

2. AREAS OF INTEREST

Please indicate the position(s) of interest to you.

☐	Airport Advisory Board	☒	Animal Shelter Advisory Board
☐	Zoning Board of Adjustment & Appeals	☐	Historical Preservation Commission
☐	Charter Review Commission	☐	Hotel Occupancy Tax Advisory Board
☐	Construction Board of Appeals	☐	Library Advisory Board
☐	Economic Development Corp (1/2 Cent Sales Tax)	☐	Parks & Recreation Advisory Board
☐	Electric Board	☐	Planning & Zoning Commission

In the space below, please explain your interest in the position(s) selected above. Also, please explain any experience you have related to your selection(s).

SEE ATTACHED

3. BOARD MEMBER QUALIFICATIONS

Application for the Review Board

As a business owner in the City of Lockhart for over 40 years and a licensed veterinarian who resides in the City of Lockhart and who provides veterinary services to the citizens of Lockhart and Caldwell County, I am acutely aware of the rapidly growing population of the area as well as the rapid growth of the animal population in need of services within the city. I am aware of the needs of the City of Lockhart Animal Shelter and the need for professional assistance and guidance in meeting these needs. I will be able to provide guidance in the adoption and implementation of policies and procedures to meet the needs of the City residents and their pets. I have been an advocate for spaying and neutering feral cats to insure a safe population and can offer my ideas to the other board members in establishing methods for the shelter to work effectively and efficiently toward a goal of insuring the health, safety and wellness of the animals within the city.

The following are qualifications as outlined in Section 2-209 of the Lockhart Code of Ordinances to serve on a Board/Commission:

YES	NO	Please answer the following questions about Board/Commission qualifications:
X		Have you been a resident of the State of Texas/City of Lockhart for at least twelve (12) consecutive months preceding appointment?
X		Are you a registered voter?
	X	Have you been removed from another city board or commission because of failure to attend meetings or for cause within the last three years?
	X	Do you serve on any other City of Lockhart board/commission/committee at this time? If yes, please list: _____

For your reference, the following additional qualifications apply to appointed Board/Commission members:

- A member who is required to be a resident of the city (or county when applicable) when appointed and who thereafter moves his or her primary residence outside of the corporate limits of Lockhart (or county when applicable) vacates his or her position on a board of commission on the date the residency changes.
- The City Council shall have the right, but not the duty, to appoint up to two members who are not city residents but who are residents of Caldwell County to the Lockhart Airport Advisory Board, the Eugene Clark Library Board, and the Construction Board of Appeals.
- Any member of a board or commission who is absent from three consecutive regular meetings, or any four non-consecutive regular meetings of the board or commission during any twelve-month period, shall forfeit his or her position and the vacancy occurring shall be declared and filled by the Council.
- Members must maintain their qualifications while serving on a board or commission.
- No member of any appointed body shall serve on more than one quasi-judicial or advisory board or commission.
- No appointed body shall deviate from its charge, deliberate items not on its agendas, or speak for the council or City of Lockhart without council authorization.
- Members appointed serve without compensation.

Certification of Applicant

I hereby certify that the foregoing and any attached statements are true, accurate and complete. I also understand that this application is subject to disclosure under the Texas Public Information Act.

Patricia Belote, DVM
Applicant's Signature

4/27/2025
Date

Completed application, resume and letter of interest may be submitted in person, email, or by mail to:

City of Lockhart
City Secretary's Office

Phone: 512.398.3461
jbowermon@lockhart-tx.org

Animal Shelter Advisory Board

Ord. 2024-01, Adopted 1-2-24

Seven (7) Members

First Name	Last Name	City or County resident?	Board Position	Date Appt	Exp
Gary	Williamson	No	Municipal or County Official	2/20/2024	N/A
Nikole	Lockard	City	person whoes duties include operation of a shelter	2/20/2024	N/A
BJ	Westmoreland	County	Municipal or County Official	2/20/2024	N/A
Vacant	Morgan Siewert resigned		licensed veterinarian		
Susan	Faigout	City	member of an animal welfare organization (Caldwell County Animal Coalition)	2/20/2024	N/A
Andrea	Theriot		member of an animal welfare organization (Take Me Home Advocates for Transport)	2/21/2024	N/A
Alexanda	Worthington	City	Lockhart resident	2/22/2024	N/A

Police Chief - staff liaison

Updated:

NOTES:

Sec. 10-20. Animal Shelter Advisory Board

- a) The city council shall appoint an animal shelter advisory board.
- b) The board shall be comprised of not more than seven persons and may include persons who are not residents of the City. To the extent available, membership shall include the following:
 1. A licensed veterinarian;
 2. A municipal or county official;
 3. A person whose duties include operation of an animal shelter;
 4. A member of an animal welfare organization (defined as an incorporated or formally organized not-for-profit entity concerned with the health, safety, and wellness of animals); and
 5. One or more citizens of the City or County.
- c) The purpose and scope of the board shall be the following:
 1. Assist the City in the development of the Animal Shelter's mission and policies.
 2. Review and recommend long range planning and budgeting for the Shelter.
 3. Contribute information relevant to Animal Services program development, policies, and procedures.
 4. Promote awareness of the services and procedures of the Shelter.
- d) The Board's authority is as follows:
 1. The Board's authority is advisory and is not operational in nature.
 2. The Board shall not establish or include formal policies to be followed other than those set forth from time to time by the Council.
 3. Neither the Board nor any of its members may commit or expend city funds, direct city staff, or speak for the council or the city without prior council authorization.
 4. The Board shall report to the City Manager or his/her designee
 5. All recommendations and proposals for action concerning the shelter shall be presented to the Council for approval before any action is taken.

City of Lockhart, Texas

Council Agenda Item Cover Sheet

COUNCIL MEETING DATE: March 3, 2026

AGENDA ITEM CAPTION: Discussion and/or action regarding nomination of Erica Saucedo to the Planning and Zoning Commission by Councilmember Juan Mendoza for a term to expire in November 2028.

ORIGINATING DEPARTMENT AND CONTACT: Council - Juan Mendoza

ACTION REQUESTED: Other

BACKGROUND/SUMMARY/DISCUSSION: Councilmember Juan Mendoza has nominated Erica Saucedo to be appointed to the Planning and Zoning Commission.

After reviewing the application, Ms. Saucedo meets the qualifications to serve on a city board.

Resolution 2024-02 was adopted in 2024 establishing administrative procedures for the nomination of board and commission members to include a 2-step process. First, the nomination is to be placed on the agenda as "announcement of nomination" followed by a notice on a subsequent agenda as "discussion and/or action on the nomination."

The announcement of nomination occurred during the February 17, 2026 Council meeting.

Action to appoint, should Council move to appoint Ms. Saucedo to the board, will occur during the March 3, 2026 Council meeting.

PROJECT SCHEDULE (if applicable): N/A

FISCAL NOTE (if applicable): N/A

PREVIOUS COUNCIL ACTION: None.

COMMITTEE/BOARD/COMMISSION ACTION: N/A

STAFF RECOMMENDATION/REQUESTED MOTION: None. Discretion of the Council.

LIST OF SUPPORTING DOCUMENTS: Erica Saucedo - Board Application , P & Z roster

APPLICANT'S NAME: Erica Marie SaucedoBOARD NAME(S): Planning and Zoning Commission

The qualifications for members of boards and commissions, except special qualifications for service on a particular board or commission, are as follows:

- Appointees must each be a resident of the State of Texas and a resident of the City of Lockhart for at least twelve (12) consecutive months preceding their appointment unless a particular board's or commission's composition or state law allows for membership by a non-resident of the City.

Date of residency in Lockhart: APPROX SEPT 2023

- Appointees shall be qualified voters in the City of Lockhart or, if not a resident of the City, of Caldwell County.

Date qualified voter in Lockhart: 2023

- Appointees shall not have been removed from another city board or commission because of failure to attend meetings or for cause within the last three years.

Removed from another board? YES or NO

If yes, date _____ and board _____

- No member of any appointed body shall serve on more than one quasi-judicial or advisory board or commission.

Serves on another board? YES or NO

If yes, board currently serving: _____

BOARD SPECIFIC QUALIFICATIONS:Planning & Zoning CommissionY or N City Resident? If no, applicant does not qualify.

Planning and Zoning Commission meets on the second and fourth Wednesday at 7:00 p.m. each month. The Commission's duties are to review applications for zoning changes, hear public comments, and make recommendations to the council regarding such applications; review applications for specific use permits, hear public comments, and grant, grant with modification, or deny such applications; review proposed preliminary subdivision plats, engineering plans, requested plat and plan variances, and proposed restrictive covenants and make recommendations to the council pertaining to each; review proposed plats and plans for mobile home parks and for such other developments as may be required by ordinance and make recommendations to the council pertaining to such; recommend to the council for amendments, extensions, and additions to the comprehensive master plan of the city, including the land use plan and the thoroughfare plan; recommend to the council for changes to the official zoning map of the city; when appropriate, make a determination of appropriate zoning or use; and perform such other duties as may be duly delegated to them from time to time by the council. All members must reside within the city limits. The Board consists of seven members that serve a three-year term. The City Planner is the staff liaison.

CITY SECRETARY'S DETERMINATION OF APPLICANT'S QUALIFICATION:

Is Applicant Qualified?

YES

NO

DISCRETION OF THE COUNCIL

NOTES: _____

CITY OF LOCKHART
ADVISORY BOARD/COMMISSION QUESTIONNAIRE/APPLICATION

In order to be considered for an appointment to a Lockhart Board or Commission, please complete the following application. You may also attach a current resume and letter of interest if you choose.

1. PERSONAL INFORMATION

Full Legal Name Erica Marie Saucedo		Preferred Name Erica Marie	
Physical Home Address 213 Summit Drive, Lockhart TX 78644			
Mailing Address (if different) Same as above			
City	State		Zip
Home Phone		Work Phone	
Mobile Phone			
Email Address			
Date of Birth			

2. AREAS OF INTEREST

Please indicate the position(s) of interest to you.

☐	Airport Advisory Board	☐	Animal Shelter Advisory Board
☐	Zoning Board of Adjustment & Appeals	☐	Historical Preservation Commission
☐	Charter Review Commission	☐	Hotel Occupancy Tax Advisory Board
☐	Construction Board of Appeals	☐	Library Advisory Board
☐	Economic Development Corp (1/2 Cent Sales Tax)	☐	Parks & Recreation Advisory Board
☐	Electric Board	☒	Planning & Zoning Commission

In the space below, please explain your interest in the position(s) selected above. Also, please explain any experience you have related to your selection(s).

My desire to be selected for this position reflects-stems my commitment to continued growth and community involvement. My background includes extensive experience reviewing applications, preparing recommendations and amendments, delegating to appropriate personnel, and several years of public speaking.

I would appreciate your consideration of any other positions that may be a better fit for my qualifications, experience and background.

3. BOARD MEMBER QUALIFICATIONS

The following are qualifications as outlined in Section 2-209 of the Lockhart Code of Ordinances to serve on a Board/Commission:

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- Members appointed serve without compensation.

Certification of Applicant

I hereby certify that the foregoing and any attached statements are true, accurate and complete. I also understand that this application is subject to disclosure under the Texas Public Information Act.



Applicant's Signature

01FEB2026

Date

Completed application, resume and letter of interest may be submitted in person, email, or by mail to:

City of Lockhart
City Secretary's Office
308 W. San Antonio Street / PO Box 239
Lockhart, TX 78644

Phone: 512.398.3461
jbowermon@lockhart-tx.org

PLANNING & ZONING COMMISSION

Sec. 8.03 Charter
Three-year staggered term

First Name	Last Name					Council Member
Philip	McBride					John Lairsen
Philip	Ruiz					Angie Sanchez
Bradley	Lingvai					Brad Westmoreland
Julia	Haug					Juan Mendoza
Dr. Ronald	Peterson					Mayor White
Manuel	Oliva					David Bryant
Rick	Arnic					Jeffry Michelson
IMPACT FEE ADVISORY COMMITTEE - COUNTY RESIDENT APPOINTMENT						
Larry	Metzler					Mayor White

City Planner - staff liaison