

**ORDINANCE NO. 24-01-04-03**

**AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE "CITY OF LAGO VISTA, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024 (TESSERA ON LAKE TRAVIS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #3 PROJECT)"; APPROVING AND AUTHORIZING AN INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT, AN OFFERING MEMORANDUM, A CONTINUING DISCLOSURE AGREEMENT AND OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION THEREWITH; MAKING FINDINGS WITH RESPECT TO THE ISSUANCE OF SUCH BONDS; AND PROVIDING AN EFFECTIVE DATE**

**WHEREAS**, in accordance with the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "PID Act"), upon petition of landowners representing more than fifty percent of the appraised value of taxable real property, the City Council of the City of Lago Vista, Texas (the "City Council") adopted Resolution No. 12-1551 on August 16, 2012 making the findings required by Section 372.009(b) of the PID Act and authorizing the creation of a public improvement district located within the corporate limits of the City of Lago Vista, Texas (the "City") to be known as Tessera On Lake Travis Public Improvement District (the "District"); and

**WHEREAS**, the District has been and is currently being developed in phases, including an area designated as "Improvement Area #3" within the District ("Improvement Area #3"); and

**WHEREAS**, in accordance with the Financing Agreement (as defined in the Indenture), Hines Lake Travis Land II Limited Partnership (the "Developer") has requested that the City issue revenue bonds for Improvement Area #3 within the District in order to finance a portion of the IA #3 Projects (as defined in the Indenture); and

**WHEREAS**, pursuant to the PID Act, on December 14, 2023, the City Council published notice of the assessment hearing in the *Hill Country News*, a newspaper of general circulation in the City, and held a public hearing on January 4, 2024, regarding the levy of special assessments within Improvement Area #3 of the District, and on January 4, 2024, the Council adopted the assessment ordinance that levied the Improvement Area #3 Assessments (the "IA #3 Assessment Ordinance"); and

**WHEREAS**, in the IA #3 Assessment Ordinance, the City Council approved and accepted the 2024 Amended and Restated Service and Assessment Plan (the "2024 Amended and Restated Service and Assessment Plan") and levied the Improvement Area #3 Special Assessments (as defined in the 2024 Amended and Restated Service and Assessment Plan) in Improvement Area #3 of the District as shown on the Improvement Area #3 Assessment Roll (as defined and described in the 2024 Amended and Restated Service and Assessment Plan); and

**WHEREAS**, the City Council has found and determined that it is in the best interests of the City to issue its bonds to be designated "City of Lago Vista, Texas Special Assessment Revenue Bonds, Series 2024 (Tessera on Lake Travis Public Improvement

Area #3 Project)" (the "Bonds"), such Bonds to be payable from and secured by the Pledged Revenues, 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 Costs of the IA #3 Projects, (ii) paying interest on the Bonds during and after the period of acquisition and construction of the IA #3 Projects, (iii) funding a reserve fund for payment of principal of and interest on the Bonds and for funding other funds as provided in the Indenture and (iv) paying costs of issuance of the Bonds; and

**WHEREAS**, in connection with the issuance of the Bonds, the IA #3 Projects are located within the District, and the City has determined that the IA #3 Projects confer a special benefit on the District as provided in Section V.C. of the 2024 Amended and Restated Service and Assessment Plan; and

**WHEREAS**, the Council has found and determined to approve (i) the issuance of the Bonds to finance the IA #3 Projects and the costs of issuance of the Bonds, (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) an Offering Memorandum (defined below), and (v) a Continuing Disclosure Agreement (defined below); and

**WHEREAS**, notice of a public hearing on the issuance of the Bonds hereinafter authorized to be issued was published in the time and manner required by the City's Home Rule Charter; and

**WHEREAS**, such public hearing on the issuance of the Bonds was conducted on January 4, 2024 by the City Council of the City pursuant to such published notice, in further compliance with the City's Home Rule Charter; 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 LAGO VISTA, 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. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the 2024 Amended and Restated Service and Assessment Plan or the Indenture, attached hereto as Exhibit A.

Section 2. Approval of Issuance of Bonds and Indenture of Trust.

(a) The issuance of the Bonds in the principal amount of \$13,190,000 for the purposes of (i) paying a portion of the Costs of the IA #3 Projects, (ii) paying interest on the Bonds during and after the period of acquisition and construction of the IA #3 Projects, (iii) funding a reserve fund for payment of principal of and interest on the Bonds and for funding other funds as provided in the Indenture, and (iii) paying costs of issuance of the Bonds is hereby authorized and approved.

(b) The Bonds shall be issued and secured under that certain Indenture of Trust (the "Indenture") dated as of January 1, 2024, between the City and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), with such changes as may be necessary or desirable to carry out the intent of this Ordinance and as approved by the Mayor 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 of Trust 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 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 and the issuance of the issuance of the Bonds 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.

Section 4. 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 for the Bonds (the "Offering Memorandum") are hereby in all respects approved and adopted. The 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 Mayor or Mayor Pro Tem is hereby authorized and directed to execute, and the City Secretary is hereby authorized and directed to attest, such Offering Memorandum with such changes and alterations therein as the Mayor or Mayor Pro Tem may approve, such approval to be conclusively evidenced by such execution thereof. The Offering Memorandum as thus approved, executed and delivered, 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 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 Offering Memorandum in the offering of the Bonds is hereby ratified, approved and confirmed. Notwithstanding the execution, approval and delivery of such Preliminary Limited Offering Memorandum and Offering Memorandum by the Mayor or Mayor Pro Tem, the Mayor or Mayor Pro Tem and this City Council are not responsible for and proclaim no specific knowledge of the information contained in the Preliminary Limited Offering Memorandum and Offering Memorandum pertaining to the Tessera on Lake Travis Public Improvement District Improvement Area Project, the Developer or its financial ability, any builders, any landowners, or the appraisal of the property in the District.

Section 5. Continuing Disclosure Agreement. That certain Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") between the City and U.S. Bank National Association, 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 Mayor or 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. Reimbursement Agreement. The form, terms and provisions of the Tessera on Lake Travis Public Improvement District Improvement Area #3 Acquisition and Reimbursement Agreement by and between the City and the Developer, dated as of the date hereof, is hereby authorized and approved in substantially final form attached hereto as Exhibit D 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 Reimbursement Agreement.

Section 7. Additional Actions. The Mayor, the Mayor Pro Tem, the City Manager, 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, the Mayor Pro Tem, the City Manager 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 8. 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 9. 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, APPROVED AND EFFECTIVE this January 4, 2024.

ATTEST:

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Mayor, City of Lago Vista, Texas

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City Secretary, City of Lago Vista, Texas

[CITY SEAL]

EXHIBIT A  
INDENTURE OF TRUST

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**INDENTURE OF TRUST**

By and Between

**CITY OF LAGO VISTA, TEXAS**

and

**U.S. Bank Trust Company, National Association,  
As Trustee**

**DATED AS OF JANUARY 1, 2024**

SECURING

**\$13,190,000**

**CITY OF LAGO VISTA, TEXAS  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024  
(TESSERA ON LAKE TRAVIS PUBLIC IMPROVEMENT  
DISTRICT IMPROVEMENT AREA #3 PROJECT)**

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**EXHIBIT A DESCRIPTION OF THE PROPERTY WITHIN THE IMPROVEMENT AREA  
#3 OF THE TESSERA ON LAKE TRAVIS PUBLIC IMPROVEMENT  
DISTRICT**

**EXHIBIT B WRITTEN PROCEDURES RELATING TO CONTINUING COMPLIANCE  
WITH FEDERAL TAX COVENANTS**

## INDENTURE OF TRUST

THIS INDENTURE OF TRUST, dated as of January 1, 2024, is by and between the CITY OF LAGO VISTA, TEXAS (the "City"), and U.S. Bank Trust Company, National 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, in accordance with the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "PID Act"), upon petition of landowners representing more than fifty percent of the appraised value of taxable real property, the City Council of the City (the "City Council") adopted Resolution No. 12-1551 on August 16, 2012 making the findings required by Section 372.009(b) of the PID Act and authorizing the creation of a public improvement district located within the corporate limits of the City to be known as Tessera On Lake Travis Public Improvement District (the "District"); and

WHEREAS, the City Council, pursuant to Section 372.016(b) of the PID Act, published notice of a public hearing in a newspaper of general circulation in the City to consider the proposed "*MIA Initial Assessment Roll*" and the "*Original Service and Assessment Plan*" and the levy of the "*MIA Initial Special Assessments*" on property within the Original Major Improvement Area of the District, including Improvement Area #3 (as defined herein); and

WHEREAS, the City Council, pursuant to Section 372.016(c) of the PID Act, delivered notice of the public hearing to consider the proposed MIA Initial Assessment Roll and the Original Service and Assessment Plan and the levy of MIA Initial Special Assessments on property within the Original Major Improvement Area of the District to the owners of the property liable for the MIA Initial Special Assessments, and all such owners acknowledged receipt of such notice; and

WHEREAS, the City Council convened the hearing on August 2, 2012, at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Original Service and Assessment Plan, the MIA Initial Assessment Roll, and the MIA Initial Special Assessments, and to offer testimony pertinent to any issue presented on the amount of the MIA Initial Special Assessment, the allocation of Costs, the purposes of the MIA Initial Special Assessment, the special benefits of the MIA Initial Special Assessment, and the penalties and interest on annual installments and on delinquent annual installments of the MIA Initial Special Assessment; and

WHEREAS, at the August 2, 2012 public hearing referenced above, there were no written objections or evidence submitted to the City Secretary in opposition to the Original Service and Assessment Plan, the allocation of Costs, the MIA Initial Assessment Roll, and the levy of the MIA Initial Special 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 Original Service and Assessment Plan in conformity with the requirements of the PID Act and adopted the Initial MIA Assessment Ordinance (as

defined herein) and therein approved the MIA Initial Assessment Roll and levied the MIA Initial Special Assessments; and

WHEREAS, on November 1, 2012, the City Council issued \$19,890,000 in revenue bonds, in accordance with the PID Act, entitled "City of Lago Vista, Texas, Special Assessment Revenue Bonds, Series 2012 (Tessera On Lake Travis Public Improvement District Major Improvement Area Project)" (the "*MIA 2012 Bonds*"), such MIA 2012 Bonds being payable solely from the MIA Initial Special Assessments and other funds pledged pursuant to an indenture dated November 1, 2012 to the payment of the MIA 2012 Bonds; and

WHEREAS, in accordance with the Financing Agreement, the Developer and Hines Lake Travis LP (each as defined herein) requested that the City issue revenue and refunding bonds for the Major Improvement Area in order to refund all outstanding MIA 2012 Bonds and also fund additional MIA Projects (as defined herein); and

WHEREAS, on December 7, 2017, the City Council passed and approved Ordinance No. 17-12-07-01 approving an update to the Original Service and Assessment Plan for Improvement Area #2 which added Improvement Area #2 to the District and reallocated Improvement Area #2's allocable share of the MIA Initial Special Assessments from the MIA Initial Assessment Roll to the Improvement Area #2 Assessment Roll (as defined herein); and

WHEREAS, the City Council, pursuant to Section 372.016(b) of the PID Act, published notice of a public hearing in a newspaper of general circulation in the City on July 9, 2020 to consider the proposed "*MIA Supplemental Assessment Roll*" and a "*Amended and Restated Service and Assessment Plan*" which amended and restated the Original Service and Assessment Plan, as amended, supplemented and updated, in its entirety (the "*2020 Amended and Restated Service and Assessment Plan*") and the levy of additional assessments on property in the Major Improvement Area of the District, including Improvement Area #3, for the MIA Projects (the "*MIA Supplemental Special Assessments*" and collectively with the MIA Initial Special Assessments, the "*MIA Special Assessments*"); and

WHEREAS, the City Council, pursuant to Section 372.016(c) of the PID Act, mailed notice of the public hearing to consider the proposed MIA Supplemental Assessment Roll and the 2020 Amended and Restated Service and Assessment Plan and the levy of the MIA Supplemental Special Assessments on property within the Major Improvement Area of the District to the last known address of the owners of the property liable for the MIA Supplemental Special Assessments; and

WHEREAS, the City Council convened the hearing on July 23, 2020, at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the 2020 Amended and Restated Service and Assessment Plan, the MIA Supplemental Assessment Roll, and the MIA Supplemental Special Assessments, and to offer testimony pertinent to any issue presented on the amount of the MIA Supplemental Special Assessments, the allocation of Costs, the purposes of the MIA Supplemental Special Assessments, the special benefits of the MIA Supplemental Special Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the MIA Supplemental Special Assessments; and

WHEREAS, at the July 23, 2020 public hearing referenced above, there were no written objections or evidence submitted to the City Secretary in opposition to the 2020 Amended and Restated Service and Assessment Plan, the allocation of Costs, the MIA Supplemental Assessment Roll, and the levy of the MIA Supplemental Special Assessments for the additional MIA Projects; 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 2020 Amended and Restated Service and Assessment Plan in conformity with the requirements of the PID Act and adopted the MIA Supplemental Assessment Ordinance and therein approved the MIA Supplemental Assessment Roll and levied the MIA Supplemental Special Assessments for the MIA Projects on a parity basis with the Initial MIA Special Assessments levied on August 2, 2012; and

WHEREAS, on August 19, 2020, the City Council issued its City of Lago Vista, Texas Special Assessment Revenue Refunding Bonds, Taxable Series 2020A (Tessera on Lake Travis Public Improvement District Major Improvement Area Project) and its City of Lago Vista, Texas Special Assessment Revenue and Refunding Bonds, Tax-Exempt Series 2020B (Tessera on Lake Travis Public Improvement District Major Improvement Area Project) (collectively, the "*MIA 2020 Bonds*"), such MIA 2020 Bonds being payable solely from the MIA Special Assessments and other funds pledged pursuant to an indenture dated August 19, 2020; and

WHEREAS, by the deeds recorded in Document No. 2021173734 and Document No. 2021195983, Official Public Records of Travis County, Texas, Hines Lake Travis LP conveyed all of its ownership rights to the land in Improvement Area #3 to the Developer; and

WHEREAS, in accordance with the Financing Agreement, the Developer has requested that the City issue revenue bonds for Improvement Area #3 in order to finance a portion of the IA #3 Projects (as defined herein); and

WHEREAS, the City Council, pursuant to Section 372.016(b) of the PID Act, published notice of a public hearing in a newspaper of general circulation in the City on December 14, 2023 to consider the proposed "*IA #3 Assessment Roll*" and the Amended and Restated Service and Assessment Plan (the "*2024 Amended and Restated Service and Assessment Plan*") and the levy of the "*IA #3 Special Assessments*" on property within Improvement Area #3 of the District; and

WHEREAS, the City Council, pursuant to Section 372.016(c) of the PID Act, mailed notice of the public hearing to consider the proposed IA #3 Assessment Roll and the 2024 Amended and Restated Service and Assessment Plan and the levy of IA #3 Special Assessments on property within Improvement Area #3 of the District to the last known address of the owners of the property liable for the IA #3 Special Assessments; and

WHEREAS, the City Council convened the hearing on January 4, 2024, at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the 2024 Amended and Restated Service and Assessment Plan, the IA #3 Assessment Roll, and the IA #3 Special Assessments, and to offer testimony

pertinent to any issue presented on the amount of the IA #3 Special Assessment, the allocation of Costs, the purposes of the IA #3 Special Assessment, the special benefits of the IA #3 Special Assessment, and the penalties and interest on annual installments and on delinquent annual installments of the IA #3 Special Assessment; and

WHEREAS, at the January 4, 2024 public hearing referenced above, there were no written objections or evidence submitted to the City Secretary in opposition to the 2024 Amended and Restated Service and Assessment Plan, the allocation of Costs, the IA #3 Assessment Roll, and the levy of the IA #3 Special 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 2024 Amended and Restated Service and Assessment Plan in conformity with the requirements of the PID Act and adopted the IA #3 Assessment Ordinance (as defined herein) and therein approved the IA #3 Assessment Roll and levied the IA #3 Special Assessments, on a parity basis with the MIA Initial Special Assessments levied on November 1, 2012 and the MIA Supplemental Special Assessments levied on August 19, 2020, for the IA #3 Projects benefitting Improvement Area #3; and

WHEREAS, the City Council is authorized by the PID Act to issue its City of Lago Vista, Texas Special Assessment Revenue Bonds, Series 2024 (Tessera on Lake Travis Public Improvement District Improvement Area #3 Project) (the "*Bonds*") payable from the IA #3 Special Assessments for the purpose of (i) paying a portion of the Costs of the IA #3 Projects, (ii) paying interest on the Bonds during and after the period of acquisition and construction of the IA #3 Projects, (iii) funding a reserve fund for payment of principal of and interest on the Bonds and for funding other funds as provided in Section 6.2 and (iv) paying costs of issuance of the Bonds; and

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

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

#### FIRST GRANTING CLAUSE

The Pledged Revenues, as herein defined, including all moneys and investments held in the Pledged Funds, 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;

## 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 Owners of the Bonds from time to time issued under and secured by this Indenture, and for enforcement of the payment of the Bonds in accordance with their terms, and for the performance of and compliance with the obligations, covenants, and conditions of this Indenture;

PROVIDED, HOWEVER, that if and to the extent IA #3 Special Assessments have been prepaid in full, along with all Prepayment Costs, the lien on real property associated with such IA #3 Special Assessment prepayment shall be released and the rights of the Trustee and Owners under this Indenture to proceed against the City for the purpose of protecting and enforcing the rights of the Owners with respect to such released real property shall terminate;

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

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

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated, and delivered and the Trust Estate hereby created, assigned, and pledged is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses, and purposes as hereinafter expressed, and the City has agreed and covenanted, and does hereby agree and

covenant, with the Trustee and with the respective Owners from time to time of the Bonds as follows:

## **ARTICLE 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:

*"2020 Amended and Restated Service and Assessment Plan"* means the Amended and Restated Service and Assessment Plan for the District approved by the City Council on July 23, 2020, as updated and amended from time to time, which amended and restated the Original Service and Assessment Plan, as amended, supplemented and updated, in its entirety.

*"2024 Amended and Restated Service and Assessment Plan"* means the Service and Assessment Plan approved by the City Council on January 4, 2024, which amended and restated the 2020 Amended and Restated Service and Assessment Plan, as amended, supplemented and updated, in its entirety.

*"Account"* means any of the accounts established pursuant to Section 6.1 of this Indenture.

*"Additional Bonds"* means the additional parity bonds that are authorized to be issued in accordance with the terms and conditions prescribed in Section 13.2(f) of this Indenture.

*"Additional Interest"* means the amount collected by application of the Additional Interest Rate.

*"Additional Interest Rate"* means the 0.50% additional interest charged on the IA #3 Special Assessments as authorized by Section 372.018 of the PID Act. The Additional Interest Rate is not charged on IA #3 Special Assessments securing the Improvement Area #3 Reimbursement Obligation.

*"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 IA #3 Special Assessments securing the Bonds Similarly Secured, levied against the property within Improvement Area #3, in accordance with the PID Act.

*"Administrative Expenses"* mean the administrative, organization, maintenance and operation costs associated with, or incident to, the administration, organization, maintenance and operation of Improvement Area #3, including, but not limited to, the costs of: (i) the annual administrative, organization, maintenance, and operation costs and expenses associated with, or incident and allocable to, the administration, organization, and operation of Improvement Area #3 in relation to the IA #3 Projects, (ii) computing, levying, billing and collecting IA #3 Special

Assessments or the installments thereof, including Delinquent Collection Costs, (iii) maintaining the record of installments of the IA #3 Special Assessments and the system of registration and transfer of the Bonds, (iv) paying and redeeming Bonds Similarly Secured, (v) investing or depositing of monies, (vi) complying with the 2024 Amended and Restated Service and Assessment Plan and the PID Act with respect to the issuance and sale of the Bonds Similarly Secured, the administration of the IA #3 Reimbursement Agreement, including continuing disclosure requirements, (vii) the Trustee fees and expenses relating to the Bonds Similarly Secured, including reasonable fees, (viii) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, and (ix) administering City review with respect to accepting the construction of the IA #3 Projects. Administrative Expenses do not include payment of the actual principal of and interest on the Bonds Similarly Secured or any such costs which constitute expenses payable as an expense of issuing the Bonds Similarly Secured. Administrative Expenses collected and not expended for actual Administrative Expenses shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of Administrative Expenses.

*"Administrative Fund"* means that Fund established by Section 6.1 and administered pursuant to Section 6.9.

*"Administrator"* means the City or the person or independent firm designated by the City who shall have the responsibility provided in the 2024 Amended and Restated 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 Debt Service"* means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled (including by reason of Sinking Fund Installments), and (ii) the principal amount of the Outstanding Bonds due in such Bond Year (including any Sinking Fund Installments due in such Bond Year).

*"Annual Installment"* means, with respect to each IA #3 Assessed Parcel, each annual payment of the IA #3 Special Assessments, including interest on the IA #3 Special Assessments, the Administrative Expenses and the Additional Interest that funds the Delinquency and Prepayment Reserve Account.

*"Annual Service Plan Update"* means an update to the 2024 Amended and Restated Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the City Council.

*"Applicable Laws"* means the PID Act, and all other laws or statutes, rules, or regulations, and any amendments thereto, of the State of Texas or of the United States, by which the City and its powers, securities, operations, and procedures are, or may be, governed or from which its powers may be derived.

*"Assessed Property"* means any Parcel within the District against which an Assessment is levied.

*"Authorized Denomination"* means \$25,000 and any integral multiple of \$1,000 in excess thereof.

*"Authorized Improvements"* means those public improvements described in Section 372.003 of the PID Act designed, constructed, and installed in accordance with the 2024 Amended and Restated Service and Assessment Plan, and any amendments thereto.

*"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 of initial delivery of the Bonds to the Purchaser of the Bonds.

*"Bond Fund"* means the Fund established pursuant to Section 6.1 and administered pursuant to Section 6.4.

*"Bond Ordinance"* means Ordinance No. 24-01-04-03 adopted by the City Council on January 4, 2024 authorizing the issuance of the Bonds pursuant to this Indenture.

*"Bond Year"* means the one-year period beginning on January 1 in each year and ending on the day prior to January 1 in the following year.

*"Bonds"* means the City's bonds authorized to be issued by Section 3.1 of this Indenture entitled "City of Lago Vista, Texas, Special Assessment Revenue Bonds, Series 2024 (Tessera on Lake Travis Public Improvement District Improvement Area #3 Project)."

*"Bonds Similarly Secured"* means, collectively, any Outstanding Bonds, Additional Bonds, and Refunding Bonds.

*"Business Day"* means any day other than a Saturday, Sunday or legal holiday in the State of Texas observed as such by the City or the Trustee or any national holiday observed by the Trustee.

*"Certification for Payment"* means a certificate given pursuant to the IA #3 Reimbursement Agreement 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 amount of work performed and the cost thereof, presented to the Trustee to request funding for Costs of IA #3 Projects from money on deposit in the applicable Accounts within the Project Fund or the Reimbursement Fund. Each Certification for Payment shall be substantially in the form attached as Exhibit C to the IA #3 Reimbursement Agreement.

*"City"* means the City of Lago Vista, 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.

*"Closing Date"* means the date of the initial delivery of and payment for each series of Bonds Similarly Secured.

*"Code"* means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings and court decisions.

*"Costs"* means the costs of the IA #3 Projects.

*"Defeasance Securities"* means Investment Securities then authorized by applicable law for the investment of funds to defease public securities.

*"Delinquency and Prepayment Reserve Account"* means the Account in the Reserve Fund established pursuant to Section 6.1 of this Indenture.

*"Delinquency and 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 revenues received from IA #3 Special Assessment Revenues deposited to the Pledged Revenue 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 Assessments, delinquent Annual Installments, or any other delinquent amounts due under the 2024 Amended and Restated 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 corporate trust transfer/payment office located in St. Paul, Minnesota or such other location designated by the Paying Agent/Registrar and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

*"Developer"* means Hines Lake Travis Land II Limited Partnership, a Texas Domestic Limited Partnership, and any successor thereto, including any successors and assigns under the Financing Agreement.

*"Developer Completion Agreement"* means the Tessera on Lake Travis Public Improvement District Improvement Area #3 Completion Agreement (Hines) between the Developer and the Trustee to be effective as of January 4, 2024 whereby the Developer agrees, among other things, no later than three business days prior to the Closing Date, to provide evidence of sufficient funds to complete the IA #3 Projects, other than the Phase 3C Improvements, not funded with proceeds of the Bonds.

*"Development Agreement"* means the Restated Development Agreement for Tessera on Lake Travis effective as of August 16, 2012, as amended on November 3, 2016, December 16, 2021 and October 19, 2023, as may be further amended and supplemented from time to time.

*"District"* means the approximately 877.263 acres within the corporate limits of the City known as the Tessera On Lake Travis Public Improvement District, as described legally by metes and bounds on Exhibit N-1 and as depicted by the map on Exhibit O to the 2024 Amended and Restated Service and Assessment Plan.

*"DTC"* shall mean The Depository Trust Company of New York, New York, or any successor securities depository.

*"DTC Participant"* shall mean brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

*"Financing Agreement"* means the Tessera On Lake Travis Public Improvement District Financing Agreement among the City, the Developer and Hines Lake Travis LP dated as of October 14, 2012, as may be amended and supplemented from time to time, which provides for the appointment, levying and collection of IA #3 Special Assessments, the construction and terms of reimbursement to the Developer for a portion of the Costs of the IA #3 Projects, the maintenance of the IA #3 Projects, the issuance of bonds and other matters related thereto.

*"Foreclosure Proceeds"* means the proceeds, including interest and penalty interest, received by the City from the enforcement of the IA #3 Special Assessments against any IA #3 Assessed Parcel or IA #3 Assessed Parcels, whether by foreclosure of lien or otherwise, but excluding and net of all Delinquent Collection Costs.

*"Fund"* means any of the funds established pursuant to Section 6.1 of this Indenture.

*"Hines Lake Travis LP"* means Hines Lake Travis Land Limited Partnership, a Texas Domestic Limited Partnership and any successor thereto.

*"IA #3 Assessed Parcel"* means each respective parcel of land located within Improvement Area #3 of the District against which an IA #3 Special Assessment is levied by the IA #3 Assessment Ordinance in accordance with the 2024 Amended and Restated Service and Assessment Plan.

*"IA #3 Assessment Ordinance"* means Ordinance No. 24-01-04-02 adopted by the City Council on January 4, 2024, as may be amended or supplemented, that levied the IA #3 Special Assessments on the IA #3 Assessed Parcels.

*"IA #3 Assessment Roll"* means the assessment roll for the IA #3 Assessed Parcels within the District and included in the 2024 Amended and Restated Service and Assessment Plan as Exhibit H, as updated, modified, or amended from time to time in accordance with the procedures

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

*"IA #3 Improvement Accounts"* means, collectively, the IA #3 Phase 2 Projects Bond Improvement Account, the IA #3 Phase 3C Projects Bond Improvement Account and the IA #3 Phase 4B Projects Bond Improvement Account established pursuant to Section 6.1 of this Indenture.

*"IA #3 Improvements"* mean the public improvements and other related costs defined as "Improvement Area #3 Improvements" in the 2024 Amended and Restated Service and Assessment Plan.

*"IA #3 Projects"* means, collectively, the IA #3 Improvements and the Improvement Area #3 PID Community Infrastructure.

*"IA #3 Reimbursement Accounts"* means, collectively, the IA #3 Phase 2 Projects Reimbursement Account, the IA #3 Phase 3C Projects Reimbursement Account and the IA #3 Phase 4B Projects Reimbursement Account established pursuant to Section 6.1 of this Indenture.

*"IA #3 Reimbursement Agreement"* means the Tessera on Lake Travis Public Improvement District Improvement Area #3 Reimbursement Agreement between the City and the Developer dated as of January 4, 2024, pursuant to which the City agrees to levy the IA #3 Special Assessments on Improvement Area #3 and all or a portion of such IA #3 Special Assessments are paid to the Developer to reimburse the Costs related to such IA #3 Projects.

*"IA #3 Special Assessment Revenues"* means the monies collected from IA #3 Special Assessments, including interest on IA #3 Special Assessments and Additional Interest during the period that an IA #3 Special Assessment or any installment thereof is current or delinquent, Prepayments, Foreclosure Proceeds of IA #3 Special Assessments, and penalties for non-timely payment of IA #3 Special Assessments.

*"IA #3 Special Assessments"* means the special assessments levied on property in Improvement Area #3 of the District for the IA #3 Projects on January 4, 2024.

*"Improvement Area #2"* means approximately 115.497 acres located within the District as more fully described in the 2024 Amended and Restated Service and Assessment Plan.

*"Improvement Area #2 Assessment Roll"* means the assessment roll for the Improvement Area #2 Assessed Property within the District as defined and included in this 2024 Amended and Restated Service and Assessment Plan.

*"Improvement Area #3"* means approximately 240.677 acres located within the District, as shown on Exhibit O to the 2024 Amended and Restated Service and Assessment Plan and the legal description of which is attached hereto as Exhibit A.

*"Improvement Area #3 PID Community Infrastructure"* means the PID Community Infrastructure allocable to Improvement Area #3, including the Phase 2 PID Community Infrastructure and the Phase 4B PID Community Infrastructure.

*"Improvement Area #3 Reimbursement Obligation"* is defined in the IA #3 Reimbursement Agreement.

*"Indenture"* means this Indenture of Trust as originally executed or as it may be from time to time supplemented or amended by one or more indentures supplemental hereto and entered into pursuant to the applicable provisions hereof.

*"Independent Financial Consultant"* means any consultant or firm of such consultants appointed by the City who, or each of whom: (i) is judged by the City, as the case may be, to have experience in matters relating to the issuance and/or administration of the Bonds; (ii) is in fact independent and not under the domination of the City; (iii) does not have any substantial interest, direct or indirect, with or in the City, or any owner of real property in the District, or any real property in the District; and (iv) is not connected with the City as an officer or employee of the City, but who may be regularly retained to make reports to the City.

*"Initial Bond"* means, with respect to the Bonds, the Initial Bond authorized by Section 5.2 of this Indenture, and with respect to any other series of Bonds Similarly Secured, the Initial Bond set forth in the related Supplemental Indenture.

*"Initial Major Improvements"* means Authorized Improvements which provide special benefit to every Assessed Parcel within the District, and which were identified in the Original Service and Assessment Plan, as further described in Section III of the 2024 Amended and Restated Service and Assessment Plan.

*"Interest Payment Date"* means the date or dates upon which interest on any series of Bonds Similarly Secured 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, and, with respect to the Bonds, commencing September 1, 2024.

*"Investment Securities"* means those authorized investments 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.

*"Major Improvement Area"* means approximately 543.153 acres located within the District, as shown on Exhibit O and more specifically described in Exhibit N-5 of the 2024 Amended and Restated Service and Assessment Plan.

*"Major Improvements"* means, collectively, the Initial Major Improvements and the Supplemental Major Improvements.

*"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.

*"MIA 2012 Bonds"* means the City of Lago Vista, Texas, Special Assessment Revenue Bonds, Series 2012 (Tessera On Lake Travis Public Improvement District Major Improvement Area Project).

*"MIA 2020 Bonds"* means the means the City of Lago Vista, Texas Special Assessment Revenue Refunding Bonds, Taxable Series 2020A (Tessera on Lake Travis Public Improvement District Major Improvement Area Project) and the City of Lago Vista, Texas Special Assessment Revenue and Refunding Bonds, Tax-Exempt Series 2020B (Tessera on Lake Travis Public Improvement District Major Improvement Area Project).

*"MIA Assessed Parcel"* means any Parcel within the Major Improvement Area against which a MIA Special Assessment is levied.

*"MIA Assessment Roll"* means the assessment roll for the Major Improvement Area Assessed Parcels within the District and included in the 2024 Amended and Restated Service and Assessment Plan attached as Exhibit J, as updated, modified, or amended from time to time in accordance with the procedures set forth therein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

*"MIA Initial Assessment Ordinance"* means Ordinance No. 12-11-01-01 adopted by the City Council on August 2, 2012, as may be amended or supplemented, that levied the MIA Initial Special Assessments on the MIA Assessed Parcels within the Original Major Improvement Area.

*"MIA Initial Assessment Roll"* means the assessment roll for the Major Improvement Area approved and accepted by the City Council on August 2, 2012.

*"MIA Initial Special Assessments"* means the special assessments levied on property in the Original Major Improvement Area of the District for the MIA Projects on August 2, 2012.

*"MIA Projects"* mean the Major Improvement Area's allocable costs of the Major Improvements pursuant to and as described in the 2024 Amended and Restated Service and Assessment Plan.

*"MIA Special Assessments"* means collectively, the MIA Initial Special Assessments and the MIA Supplemental Special Assessments.

*"MIA Supplemental Assessment Ordinance"* means Ordinance No. 20-07-23-01 adopted by the City Council on July 23, 2020, as may be amended or supplemented, that levied the MIA Supplemental Special Assessments on the MIA Assessed Parcels within the Major Improvement Area.

*"MIA Supplemental Assessment Roll"* means the assessment roll for the Major Improvement Area approved and accepted by the City Council on July 23, 2020.

*"MIA Supplemental Special Assessments"* means the additional special assessments levied on property in the Major Improvement Area of the District for the MIA Projects on July 23, 2020

and levied on a parity basis with the MIA Initial Special Assessments levied on August 2, 2012 for the MIA Projects.

*"Original Major Improvement Area"* means the land comprising the Major Improvement Area and Improvement Area #2.

*"Original Service and Assessment Plan"* means the Service and Assessment Plan approved by the City Council on August 2, 2012 containing the Initial MIA Assessment Roll, which is attached as Exhibit A to the MIA Initial Assessment Ordinance.

*"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.

*"Owner"* means the Person who is the registered owner of a Bond or Bonds, as shown in the Register, which shall be Cede & Co., as nominee for DTC, so long as the Bonds are in book-entry only form and held by DTC as securities depository in accordance with Section 3.11. The term *"Owner"*, 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.

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

*"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.

*"Phase"* means each of the Phase 2, Phase 3C or Phase 4B, each as defined and further described in the 2024 Amended and Restated Service and Assessment Plan, that comprises Improvement Area #3.

*"Phase 2 Improvements"* is defined in the 2024 Amended and Restated Service and Assessment Plan.

*"Phase 2 PID Community Infrastructure"* means the PID Community Infrastructure allocable to Phase 2.

*"Phase 2 Projects"* means, collectively, the Phase 2 Improvements and the Phase 2 PID Community Infrastructure.

*"Phase 3C Improvements"* is defined in the 2024 Amended and Restated Service and Assessment Plan.

*"Phase 4B Improvements"* is defined in the 2024 Amended and Restated Service and Assessment Plan.

*"Phase 4B PID Community Infrastructure"* means the PID Community Infrastructure allocable to Phase 4B.

*"Phase 4B Projects"* means, collectively, the Phase 4B Improvements and the Phase 4B PID Community Infrastructure.

*"PID Act"* means Chapter 372, Improvement Districts in Municipalities and Counties, Subchapter A, Public Improvement Districts, Texas Local Government Code, as amended.

*"PID Bonds"* means any bonds secured by all or a portion of special assessments levied by the City on Parcels within the District for the payment of Authorized Improvements.

*"PID Community Infrastructure"* means those Authorized Improvements which provide special benefit to the land within Phase 2, Phase 4A, Phase 4B and Phase 5 and 6, each as defined and further described in the 2024 Amended and Restated Service and Assessment Plan, as set forth in the Development Agreement, other than the electric improvements, and as depicted on Exhibit W and described in Exhibit X to the 2024 Amended and Restated Service and Assessment Plan.

*"Pledged Funds"* means 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 the (i) IA #3 Special Assessment Revenues, (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 IA #3 Special 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 IA #3 Special Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled IA #3 Special Assessment.

*"Prepayment Costs"* means interest on IA #3 Special Assessments and Administrative Expenses.

*"Project Fund"* means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.5.

*"Purchaser"* means the initial purchaser of each series of Bonds Similarly Secured.

*"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 (whether or not a Business 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 authorized to be issued in accordance with the terms and conditions prescribed in Section 13.2(c) of this Indenture to refund all or any portion of the Outstanding Bonds and secured by a parity lien with the Outstanding Bonds 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.

*"Reimbursement Fund"* means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.12.

*"Reserve Account Requirement"* means the least of: (i) Maximum Annual Debt Service on the Bonds as of the Closing Date of the Bonds, (ii) 125% of average Annual Debt Service on the Bonds as of the Closing Date of the Bonds, or (iii) 10% of the lesser of the principal amount of the Outstanding Bonds or the original issue price of the Bonds. As of the Closing Date for the Bonds, the Reserve Account Requirement is \$1,234,843.80, which is an amount equal to the Maximum Annual Debt Service on the Bonds as of the Closing Date. The Reserve Account Requirement shall be adjusted in accordance with Section 13.2, in the event an additional series of Bonds Similarly Secured is hereafter issued.

*"Reserve Fund"* means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.7.

*"Reserve Fund Obligations"* means cash or Investment Securities.

*"Responsible Officer of the Trustee"* means an officer of the Trustee with responsibility for matters relating to the administration of the Bonds and this Indenture.

*"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.

*"Stated Maturity"* means the date the Bonds, or any portion of the Bonds, as applicable are scheduled to mature without regard to any redemption or prepayment.

*"Supplemental Indenture"* means an indenture which has been duly executed by the 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.

*"Supplemental Major Improvements"* means those Authorized Improvements which provide special benefit to every Assessed Parcel within the District, and which were identified in the 2020 Amended and Restated Service and Assessment Plan.

*"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 U.S. Bank Trust Company, National Association, 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.

*"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 Owner 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.

*"Westin Homes Completion Agreement"* means the Tessera on Lake Travis Public Improvement District Improvement Area #3 Completion Agreement (Westin Homes) between Westin Homes & Properties, L.P. and the Trustee to be effective as of January 4, 2024 whereby Westin Homes & Properties, L.P. agrees, among other things, no later than three business days prior to the Closing Date, to provide evidence of sufficient funds to complete the Phase 3C Improvements not funded with proceeds of the Bonds.

#### **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.**

(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 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, Business and Commerce Code, 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, Business and Commerce Code 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 or convenient in order to better secure the Bonds Similarly Secured and is a contract or agreement necessary, useful and convenient to carry out and effectuate the purposes herein described.

#### **Section 2.4. Contract with Owners and Trustee.**

(a) The purposes of this Indenture are to establish a lien and the security for, and to prescribe the minimum standards for the authorization, issuance, execution and delivery of, the Bonds Similarly Secured and to prescribe the rights of the Owners, and the rights and duties of the City and the Trustee.

(b) In consideration of the purchase and acceptance of any or all of the Bonds 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 Owner, and shall be deemed to be and shall constitute a contract among the City, the Owners, 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 of Texas, including particularly the PID Act, as amended. The Bonds shall be issued in the aggregate principal amount of \$13,190,000 for the purpose of (i) paying a portion of the Costs of the IA #3 Projects, (ii) paying interest on the Bonds during and after the period of acquisition and construction of the IA #3 Projects, (iii) funding a reserve fund for payment of principal of and interest on the Bonds and for funding other funds as provided in Section 6.2, and (iv) paying costs of issuance of the Bonds.

#### **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 for the Bonds, 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, 2024 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 as set forth below:

**\$13,190,000**

| Maturity<br><u>Year</u> | Principal<br><u>Amount</u> | Interest<br><u>Rate</u> |
|-------------------------|----------------------------|-------------------------|
| ****                    | ****                       | ****                    |
| 2030                    | \$ 974,000                 | 4.750%                  |
| ****                    | ****                       | ****                    |
| 2043                    | 3,643,000                  | 5.625                   |
| ****                    | ****                       | ****                    |
| 2054                    | 8,573,000                  | 6.000                   |

(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 5.2.

### **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 receipt of a City Certificate, but only upon delivery to the Trustee of:

- (a) a certified copy of the IA #3 Assessment Ordinance;
- (b) a certified copy of the Bond Ordinance;
- (c) a copy of the executed Financing Agreement and the IA #3 Reimbursement Agreement;
- (d) a copy of this Indenture executed by the Trustee and the City; and
- (e) a 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.

### **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 Owners thereof as shown in the Register at the close of business on the relevant Record Date.
- (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 Owner at the address of each as such appears in the Register or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, the Owner shall bear all risk and expense of such other banking arrangement.

(d) The principal of each Bond Similarly Secured shall be paid to the Owner 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 Owner of the Bonds Similarly Secured to which such unclaimed payments pertain. Subject to any escheat, abandoned property, or similar law of the State of Texas, any such payments remaining unclaimed by the Owners entitled thereto for 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 Owners 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 of Texas.

### **Section 3.5. Execution and Registration of Bonds.**

(a) The Bonds Similarly Secured shall be executed on behalf of the City by the Mayor and City Secretary, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon such facsimile signatures on the Bonds 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, 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 Bond 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 of Public Accounts of the State of Texas, or by his duly authorized agent, which certificate shall be evidence that such Initial Bond has been duly approved by the Attorney General of the State of Texas, is a valid and binding obligation of the City, and has been registered by the Comptroller of Public Accounts of the State of Texas.

(d) On the Closing Date for each series of Bonds Similarly Secured, one Initial Bond representing the entire principal amount of such series of Bonds Similarly Secured and registered in the name of Cede & Co, payable in stated installments to the Purchaser of such series of Bonds Similarly Secured, or its designee, executed with the manual or facsimile signatures of the Mayor and the City Secretary, approved by the Attorney General, and registered and manually signed by the Comptroller, will be delivered to the Purchaser of such series of Bonds Similarly Secured or its designee. Upon payment for such Initial Bond, the Trustee shall cancel the Initial Bond and upon City order deliver to DTC on behalf of the Purchaser of such Bonds Similarly Secured one registered definitive bond for each year of maturity of such series of Bonds Similarly Secured, in the aggregate principal amount of all Bonds for such maturity, registered in the name of Cede & Co., as nominee of DTC.

### **Section 3.6 Refunding Bonds.**

(a) The City shall not issue additional bonds, notes or other obligations payable from any portion of the Trust Estate, other than Refunding Bonds, Additional Bonds, or subordinate obligations, issued in accordance with Section 13.2 of this Indenture. 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 Similarly Secured and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the State of Texas. Except as limited by the terms of this Indenture, including Section 13.2, the City reserves the right to incur Additional Obligations and other debt payable from sources other than the Trust Estate, including revenue derived from contracts with other entities, including private corporations, municipalities and political subdivisions issued particularly for the purchase, construction, improvement, extension, replacement, enlargement or repair of the facilities needed in performing any such contract.

(b) The principal of all Refunding Bonds must be scheduled to be paid, be subject to mandatory sinking fund redemption or mature on September 1 of the years in which such principal is scheduled to be paid. All Refunding Bonds must bear interest at a fixed rate and any interest payment dates for Refunding Bonds must be March 1 and September 1. 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.

(c) Upon their authorization by the City, the Refunding Bonds of a Series issued under this Section 3.6 and in accordance with Article IV hereof 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 the items required by Section 3.3 above.

### **Section 3.7. 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) 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 Owner 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 Similarly Secured to the extent of the sums paid.

### **Section 3.8. 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.

(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 Owner 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 is delivered.

(f) No service charge shall be made to the Owner 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 Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer, or exchange of a Bond 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 Owner of the uncalled principal balance of a Bond Similarly Secured.

### **Section 3.9. 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. The Paying Agent/Registrar shall dispose of cancelled Bonds Similarly Secured in accordance with the records retention requirements of the Trustee.

### **Section 3.10. Temporary Bonds.**

(a) Following the delivery and registration of the Initial Bond and pending the preparation of definitive Bonds, the proper officers of the City may execute and, upon the City's request, the Trustee shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the City executing such temporary Bonds may determine, as evidenced by their signing of such temporary Bonds.

(b) Until exchanged for Bonds 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 Owner.

### **Section 3.11. 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 Owner 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 Trustee, pursuant to the applicable laws of the State of Texas 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 Owner 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 Similarly Secured 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 if it has become due and payable or may pay such Bond Similarly Secured when it becomes due and payable upon receipt of indemnification satisfactory to the Trustee.

(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 3.12. 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, the Trustee and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any Person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City, the Trustee and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds Similarly Secured, (ii) the delivery to any DTC Participant or any other Person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds Similarly Secured, including any notice of redemption, or (iii) the payment to any DTC Participant or any other Person, other than an Owner, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Bonds Similarly Secured. Notwithstanding any other provision of this Indenture to the contrary, the City, the Trustee and the Paying Agent/Registrar shall be entitled to treat and consider the Person in whose name each Bond is registered in the Register as the absolute owner of such Bond 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 Owners as shown in the Register, as provided in this Indenture, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds Similarly Secured to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the Register, shall receive a Bond 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, the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

**Section 3.13. 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 Owners transferring or exchanging Bonds Similarly Secured shall designate, in accordance with the provisions of this Indenture.

**Section 3.14. 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 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.

**Section 4.2. Mandatory Sinking Fund Redemption.**

(a) The Bonds maturing on September 1 in the years 2030, 2043 and 2054 (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 September 1, 2030**

| <u>Redemption Date</u> | <u>Sinking Fund Installments</u> |
|------------------------|----------------------------------|
| September 1, 2025      | \$143,000                        |
| September 1, 2026      | 150,000                          |
| September 1, 2027      | 157,000                          |
| September 1, 2028      | 166,000                          |
| September 1, 2029      | 175,000                          |
| September 1, 2030†     | 183,000                          |

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†Final Maturity

**Term Bonds Maturing September 1, 2043**

| <u>Redemption Date</u> | <u>Sinking Fund Installments</u> |
|------------------------|----------------------------------|
| September 1, 2031      | \$194,000                        |
| September 1, 2032      | 205,000                          |
| September 1, 2033      | 215,000                          |
| September 1, 2034      | 229,000                          |
| September 1, 2035      | 242,000                          |
| September 1, 2036      | 257,000                          |
| September 1, 2037      | 274,000                          |
| September 1, 2038      | 290,000                          |
| September 1, 2039      | 305,000                          |
| September 1, 2040      | 325,000                          |
| September 1, 2041      | 347,000                          |
| September 1, 2042      | 369,000                          |
| September 1, 2043†     | 391,000                          |

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†Final Maturity

**Term Bonds Maturing September 1, 2054**

| <u>Redemption Date</u> | <u>Sinking Fund Installments</u> |
|------------------------|----------------------------------|
| September 1, 2044      | \$413,000                        |
| September 1, 2045      | 439,000                          |
| September 1, 2046      | 467,000                          |
| September 1, 2047      | 496,000                          |
| September 1, 2048      | 528,000                          |
| September 1, 2049      | 563,000                          |
| September 1, 2050      | 599,000                          |
| September 1, 2051      | 1,151,000                        |
| September 1, 2052      | 1,225,000                        |
| September 1, 2053      | 1,304,000                        |
| September 1, 2054†     | 1,388,000                        |

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†Final Maturity

(b) At least 45 days prior to each mandatory sinking fund redemption date, and subject to any prior reduction authorized by subsections (c) and (d) of this Section 4.2, 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 Installment of such Term Bonds to be redeemed, shall call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6.

(c) The principal amount of Term Bonds required to be redeemed on any mandatory sinking fund 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 Bonds of such maturity which, at least 45 days prior to the mandatory sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such 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 45 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 City reserves the right and option to redeem the Bonds before their scheduled maturity date, in whole or in part, on any date beginning on or after September 1, 2034, such redemption date or dates to be fixed 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 a Redemption Price 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 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 Similarly Secured are to be redeemed pursuant to either Sections 4.2, 4.3 or 4.4, Bonds Similarly Secured shall be redeemed in increments of \$1,000, provided that no redemption shall cause the principal amount of any Bond Similarly Secured to be less than the minimum Authorized Denomination for such Bond Similarly Secured except as provided in the following sentence. Notwithstanding the foregoing, if any Bonds Similarly Secured are to be partially redeemed and such redemption results in the redemption of a portion of a single Bond Similarly Secured in an amount less than the Authorized Denomination in effect at the time,

a Bond Similarly Secured in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued. Each Bond Similarly Secured shall be treated as representing the number of Bonds Similarly Secured that is obtained by dividing the principal amount of such Bond Similarly Secured by the minimum Authorized Denomination for such Bond Similarly Secured.

(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 Bonds Similarly Secured within a Stated Maturity are called for extraordinary optional redemption pursuant to Section 4.4 hereof, the Trustee shall call by lot the Bonds Similarly Secured, or portions thereof, within such Stated Maturity and in such principal amounts, for redemption.

(d) Upon surrender of any Bond Similarly Secured for redemption in part, the Trustee in accordance with Section 3.7 of this Indenture, shall authenticate and deliver an exchange Bond Similarly Secured or Bonds Similarly Secured in an aggregate principal amount equal to the unredeemed portion of the Bond Similarly Secured so surrendered, such exchange being without charge.

#### **Section 4.6. Notice of Redemption to Owners.**

(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 Owner 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 Owner 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 the 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 Similarly Secured, unless the Trustee has received funds sufficient to pay the Redemption Price of the Bonds Similarly Secured 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 are not satisfied and sufficient funds are not received, the notice shall be of no force and effect, the City shall not redeem the Bonds Similarly Secured 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 being redeemed.

(b) Upon presentation and surrender of any Bond Similarly Secured called for redemption at the Designated Payment/Transfer 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 the principal amount plus accrued unpaid interest on 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**

##### **Section 5.1. Form Generally.**

(a) The Bonds, 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 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 (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including

any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the City or by the officers executing such Bonds, as evidenced by their execution thereof.

(b) Any portion of the text of any Bonds may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds.

(c) The definitive Bonds shall be typewritten, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof.

(d) The Initial Bond submitted to the Attorney General of the State of Texas may be typewritten and photocopied or otherwise reproduced.

**Section 5.2. Form of the Bonds.**

(a) Form of Bond.

NEITHER THE FAITH AND CREDIT NOR THE TAXING  
POWER OF THE STATE OF TEXAS, THE CITY, OR ANY  
OTHER POLITICAL CORPORATION, SUBDIVISION OR  
AGENCY THEREOF, IS PLEDGED TO THE PAYMENT  
OF THE PRINCIPAL OF OR INTEREST ON THIS BOND

REGISTERED

No. \_\_\_\_\_

United States of America  
State of Texas

REGISTERED  
\$

CITY OF LAGO VISTA, TEXAS  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024  
(TESSERA ON LAKE TRAVIS PUBLIC IMPROVEMENT  
DISTRICT IMPROVEMENT AREA #3 PROJECT)

| INTEREST RATE | MATURITY DATE | DATE OF DELIVERY | CUSIP NUMBER |
|---------------|---------------|------------------|--------------|
| _____ %       | _____, ____   | January 31, 2024 | _____        |

The City of Lago Vista, 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 Bond Date, 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 September 1 and March 1 of each year, commencing September 1, 2024.

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 St. Paul, Minnesota (the "*Designated Payment/Transfer Office*"), of U.S. Bank Trust Company, National Association 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 (the "*Special Payment Date*," 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 Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of a duly authorized issue of assessment revenue bonds of the City having the designation specified in its title (herein referred to as the "*Bonds*"), dated as of the date of delivery and issued in the aggregate principal amount of \$13,190,000 and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of January 1, 2024 (the "*Indenture*"), by and between the City and U.S. Bank Trust Company, National Association, as trustee (the "*Trustee*," which term includes any successor trustee under the Indenture), 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 Owners 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 Owner of this Bond hereby consents. All Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The Bonds are being issued for the purpose of (i) paying a portion of the Costs of the IA #3 Projects, (ii) paying interest on the Bonds during and after the period of acquisition and construction of the IA #3 Projects, (iii) funding a reserve fund for payment of principal of and interest on the Bonds and for funding other funds as provided in Section 6.2 of the Indenture, and (iv) paying costs of issuance of the Bonds.

The Bonds are special, limited obligations of the City payable solely from the Trust Estate as defined in the Indenture. Reference is hereby made to the Indenture, copies of which are on file with and available upon request from the Trustee, for the provisions, among others, with respect to the nature and extent of the duties and obligations of the City, the Trustee and the Owners. The Owner of this Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms, conditions and provisions of the Indenture.

Notwithstanding any provision hereof, the Indenture may be released and the obligation of the City to make money available to pay this Bond may be defeased by the deposit of money and/or certain direct or indirect Defeasance Securities sufficient for such purpose as described in the Indenture.

The Bonds are issuable as fully registered bonds only in denominations of \$25,000 and any multiple of \$1,000 in excess thereof ("Authorized Denominations").

The Bonds maturing on September 1 in the years 2030, 2043 and 2054 (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 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, 2030**

| <u>Redemption Date</u> | <u>Sinking Fund Installments</u> |
|------------------------|----------------------------------|
| September 1, 2025      | \$143,000                        |
| September 1, 2026      | 150,000                          |
| September 1, 2027      | 157,000                          |
| September 1, 2028      | 166,000                          |
| September 1, 2029      | 175,000                          |
| September 1, 2030†     | 183,000                          |

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†Final Maturity

### Term Bonds Maturing September 1, 2043

| <u>Redemption Date</u> | <u>Sinking Fund Installments</u> |
|------------------------|----------------------------------|
| September 1, 2031      | \$194,000                        |
| September 1, 2032      | 205,000                          |
| September 1, 2033      | 215,000                          |
| September 1, 2034      | 229,000                          |
| September 1, 2035      | 242,000                          |
| September 1, 2036      | 257,000                          |
| September 1, 2037      | 274,000                          |
| September 1, 2038      | 290,000                          |
| September 1, 2039      | 305,000                          |
| September 1, 2040      | 325,000                          |
| September 1, 2041      | 347,000                          |
| September 1, 2042      | 369,000                          |
| September 1, 2043†     | 391,000                          |

†Final Maturity

### Term Bonds Maturing September 1, 2054

| <u>Redemption Date</u> | <u>Sinking Fund Installments</u> |
|------------------------|----------------------------------|
| September 1, 2044      | \$413,000                        |
| September 1, 2045      | 439,000                          |
| September 1, 2046      | 467,000                          |
| September 1, 2047      | 496,000                          |
| September 1, 2048      | 528,000                          |
| September 1, 2049      | 563,000                          |
| September 1, 2050      | 599,000                          |
| September 1, 2051      | 1,151,000                        |
| September 1, 2052      | 1,225,000                        |
| September 1, 2053      | 1,304,000                        |
| September 1, 2054†     | 1,388,000                        |

†Final Maturity

At least 45 days prior to each mandatory sinking fund redemption date and subject to any prior reduction authorized by Section 4.2 of 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 Installment of such Term Bonds to be redeemed, shall call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6 of the Indenture.

The principal amount of Term Bonds required to be redeemed on any mandatory sinking fund redemption date shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least 45 days prior to the mandatory sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such

Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

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 45 days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption provisions or the extraordinary optional redemption provisions authorized by the Indenture and not previously credited to a mandatory sinking fund redemption.

The City reserves the right and option to redeem the Bonds before their scheduled maturity date, in whole or in part, on any date thereafter beginning on or after September 1, 2034, such redemption date or dates to be fixed by the City, at the Redemption Price.

The Bonds are subject to extraordinary optional redemption prior to maturity 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 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.

If less than all of the Bonds are to be redeemed, 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.

If less than all of a series of Bonds are called for optional redemption, the City shall, pursuant to a City Certificate, determine the Bond or Bonds 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.

If less than all Bonds within a Stated Maturity are called for extraordinary optional redemption, the Trustee shall call by lot the Bonds, or portions thereof, within such Stated Maturity and in such principal amounts, for redemption.

The Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown on the Register. The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied,

such Bond shall become due and payable. Any notice so given shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

The City has the right to rescind any optional redemption or extraordinary optional redemption 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. 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 are not satisfied 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 Owners of the Bonds under the Indenture at any time Outstanding affected by such modification. The Indenture also contains provisions permitting the Owners of specified percentages in aggregate principal amount of the Bonds at the time Outstanding, on behalf of the Owners 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 Owner of this Bond or any predecessor Bond evidencing the same debt shall be conclusive and binding upon such Owner and upon all future Owners 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.

The City has reserved the right to issue Additional Bonds and Refunding Bonds on the terms and conditions specified in the Indenture.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF LAGO VISTA, TEXAS, TRAVIS COUNTY, TEXAS 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.

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City Secretary, City of Lago Vista, Texas

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Mayor, City of Lago Vista, Texas

[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<br>OF PUBLIC ACCOUNTS | § | REGISTER NO. _____ |
| THE STATE OF TEXAS                              | § |                    |
|   | § |                    |

I HEREBY CERTIFY THAT there is on file and of record in my office a certificate to the effect that the Attorney General of the State of Texas has approved this Bond, and that this Bond has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this \_\_\_\_\_

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

[SEAL]

(c) Form of Certificate of Trustee.

CERTIFICATE OF TRUSTEE

It is hereby certified that this is one of the Bonds of the series of Bonds referred to in the within mentioned Indenture.

\_\_\_\_\_, 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

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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) through (d) of this section, except for the following alterations:

(i) immediately under the name of the Bond the heading "INTEREST RATE" and "MATURITY DATE" shall both be completed with the expression "As Shown Below," and the reference to the "CUSIP NUMBER" shall be deleted;

(ii) in the first paragraph of the Bond, the words "on the Maturity Date specified above" shall be deleted and the following will be inserted: "on September 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> |
|-------------|-------------------------|----------------------|
|-------------|-------------------------|----------------------|

(Information to be inserted from Section 3.2(c)); and

(iii) the Initial Bond shall be numbered T-1.

### **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. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and none of the City, the attorneys approving said Bonds as to legality or the Trustee are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

### **Section 5.4. Legal Opinion.**

The approving legal opinion of Bond Counsel may be printed on or attached to each Bond over the certification of the City Secretary of the City, which may be executed in facsimile.

## ARTICLE 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) Reimbursement Fund.

(b) Creation of Accounts.

(i) The following Account is 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 and Prepayment Reserve Account.

(iii) The following Accounts are hereby created and established under the Project Fund:

- (A) IA #3 Projects Phase 2 Bond Improvement Account;
- (B) IA #3 Projects Phase 3C Bond Improvement Account;

- (C) IA #3 Projects Phase 4B Bond Improvement Account; and
- (D) Cost of Issuance Account.

(iv) The following Account is hereby created and established under the Pledged Revenue Fund:

- (A) Bond Pledged Revenue Account.

(v) The following Accounts are hereby created and established under the Reimbursement Fund:

- (A) IA #3 Phase 2 Projects Reimbursement Account;
- (B) IA #3 Phase 3C Projects Reimbursement Account; and
- (C) IA #3 Phase 4B Projects Reimbursement 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 Owners 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.

## **Section 6.2. Initial Deposits to Funds and Accounts.**

(a) The proceeds from the sale of the Bonds and City contributions 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: \$448,705.42;
- (ii) to the Administrative Fund: \$20,000.00;
- (iii) to the Reserve Account of the Reserve Fund: \$1,234,942.80;
- (iv) to the Costs of Issuance Account of the Project Fund: \$666,828.89;
- (v) to the IA #3 Phase 2 Projects Bond Improvement Account of the Project Fund: \$7,131,380.54;
- (vi) to the IA #3 Phase 3C Projects Bond Improvement Account of the Project Fund: \$510,346.28; and

(vii) to the IA #3 Phase 4B Projects Bond Improvement Account of the Project Fund: \$2,782,096.07.

The Trustee may establish a temporary fund or account to facilitate and record the above deposits and transfer.

### Section 6.3. **Pledged Revenue Fund.**

(a) Immediately upon receipt thereof, the City shall transfer to the Trustee for deposit to the Pledged Revenue Fund the Pledged Revenues. Following such deposit, the City shall direct the Trustee in writing to deposit or cause to be deposited the foregoing amounts from the Pledged Revenue Fund as follows (each as set forth in a City Certificate specifying the Funds or Accounts into which the amounts are to be deposited): (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 the applicable Account within the Reimbursement Fund to reimburse the Developer for funds expended by the Developer to pay Costs of the IA #3 Projects, pursuant to, and as provided in, the IA #3 Reimbursement Agreement; 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(a) hereof and, on each March 1 and September 1, beginning March 1, 2025, 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 deposited from the Pledged Revenue Fund into the Delinquency and Prepayment Reserve Account, Reserve Account and/or the Redemption Fund, as applicable.

(b) From time to time as needed to pay the interest and principal due on 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.

(c) 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 (b) above, the Trustee shall apply the available funds in the Principal and Interest Account first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Bonds Similarly Secured.

(e) The Trustee shall transfer Prepayments to the Redemption Fund promptly after deposit of such amounts into the Pledged Revenue Fund.

(f) The Trustee shall transfer Foreclosure Proceeds relating to IA #3 Special Assessments first to the Accounts within the Reserve Fund to restore any transfers from the Reserve Fund made with respect to the IA #3 Assessed Parcel or IA #3 Assessed Parcels to which

the Foreclosure Proceeds relate (first, to replenish the Reserve Account Requirement and second, to replenish the Delinquency and Prepayment Reserve Requirement), and second, to the Redemption Fund promptly after deposit of such amounts into the Pledged Revenue Fund.

(g) 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 first to the Reimbursement Fund pursuant to Section 6.12 below, and second to the City, pursuant to a City Certificate, which monies may be used for any lawful purpose for which IA #3 Special Assessments may be used 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 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 first, from the Delinquency and Prepayment Reserve Account and second, from the Reserve Account of the Reserve Fund amounts to cover the amount of such insufficiency. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the Paying Agent/Registrar.

(c) Moneys in the Capitalized Interest Account shall be used for the payment of interest on the Bonds on the following dates and in the following amounts:

| <u>Date</u>       | <u>Amount</u> |
|-------------------|---------------|
| September 1, 2024 | \$448,705.42  |

Not later than five Business Days prior to the Interest Payment Date specified above, the Trustee shall withdraw from the Capitalized Interest Account and transfer to the Principal and Interest Account of the Bond Fund all interest due on the Bonds on such Interest Payment Dates. Any amounts on deposit to the Capitalized Interest Account after the payment of interest on the dates and in the amounts listed above shall be transferred on a pro rata basis to the IA #3 Improvement Accounts of the Project Fund, or if the IA #3 Improvement Accounts of 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(i) and (iv).

(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 issued by the City's financial advisor (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.

(c) Disbursements from the IA #3 Improvement Accounts of the Project Fund to pay Costs for an IA #3 Project shall be made by the Trustee upon receipt by the Trustee of an executed and completed Certification for Payment in the form attached as Exhibit C to the IA #3 Reimbursement Agreement. The disbursement and transfer of funds in the IA #3 Improvement Accounts pursuant to a Certification for Payment shall be pursuant to and in accordance with the disbursement procedures described in the Financing Agreement and the IA #3 Reimbursement Agreement as modified herein. Such provisions and procedures relating to such disbursement, and no other provisions of the Financing Agreement or the IA #3 Reimbursement Agreement, in the Financing Agreement and the IA #3 Reimbursement Agreement are herein incorporated by reference and deemed set forth herein in full as modified herein.

(d) Except as provided in Section 6.5(e), money on deposit in (i) IA #3 Phase 2 Projects Bond Improvement Account of the Project Fund shall be used solely to pay Costs of the Phase 2 Projects; (ii) IA #3 Phase 3C Projects Bond Improvement Account of the Project Fund shall be used solely to pay Costs of the Phase 3C Improvements; and (iii) IA #3 Phase 4B Projects Bond Improvement Account of the Project Fund shall be used solely to pay Costs of the Phase 4B Projects.

(e) If the City Representative determines in his or her sole discretion that amounts then on deposit in a respective IA #3 Improvement Account are not expected to be expended for purposes of such IA #3 Improvement Account due to the completion, abandonment, or constructive abandonment, of one or more of the IA #3 Projects to be funded from such IA #3 Improvement Account, such that, in the opinion of the City Representative, it is unlikely that the amounts in such IA #3 Improvement Account will ever be expended for the purposes of such IA #3 Improvement Account, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in such IA #3 Improvement Account that are not expected to be used for purposes of such IA #3 Improvement Account. If such City Certificate is so filed, the amounts on deposit in such IA #3 Improvement Account 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 the Indentures. Upon such transfer, the respective IA #3 Improvement Account 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 a determination by the City Representative that all costs of issuance of the Bonds Similarly Secured have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to the IA #3 Improvement Accounts on a pro rata basis and used to pay Costs or to the Principal and Interest Account and used to pay interest on the Bonds Similarly Secured, 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 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) All amounts deposited in the Reserve Fund shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund as provided in this Indenture. Subject to Section 6.3(a) herein, and to the extent the amount on deposit in the Delinquency and Prepayment Reserve Account is less than the Delinquency and Prepayment Reserve Requirement, the Trustee will transfer from the Pledged Revenue Fund to the Delinquency and Prepayment Reserve Account on March 1 and September 1 of each year, and on any other day set forth in a City Certificate, commencing March 1, 2025 an amount equal to the Additional Interest until the Delinquency and Prepayment Reserve Requirement has been accumulated in the Delinquency and Prepayment Reserve Account. At any time the amount on deposit in the Delinquency and Prepayment Reserve Account is less than the Delinquency and Prepayment Reserve Requirement, the Trustee shall resume depositing the Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has accumulated in the Delinquency and Prepayment Reserve Account. If the Delinquency and Prepayment Reserve Account contains the Delinquency and Prepayment Reserve Requirement, but the Reserve Account does not contain the Reserve Account Requirement, deposits of Additional Interest shall be made to the Reserve Account until it contains the Reserve Account Requirement. If the Delinquency and Prepayment Reserve Account does not contain the Delinquency and Prepayment Reserve Requirement and the Reserve Account does not contain the Reserve Account Requirement, deposits of Additional Interest shall be made first to the Reserve Account until it contains the Reserve Account Requirement and second to the Delinquency and Prepayment Reserve Account until it contains the Delinquency and Prepayment Reserve Requirement. In calculating the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on the Annual Installments as shown on the IA #3 Assessment Roll in the 2024 Amended and Restated Service and Assessment Plan unless it receives a City Certificate specifying that a different amount be used.

(b) Whenever a transfer is made from 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.

(c) Whenever Bonds Similarly Secured are to be redeemed with the proceeds of Prepayments pursuant to Section 4.4, a proportionate amount in the Reserve Account of the Reserve Fund shall be transferred on the Business Day prior to the redemption date by the Trustee to the Redemption Fund to be applied to the redemption of the Bonds Similarly Secured. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to a percentage of the amount of the Bonds Similarly Secured redeemed with such percentage equal to the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund, as a percentage of the Outstanding Bonds Similarly Secured prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund, as a percentage of the 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 or any additional amounts to permit the redemption of Bonds Similarly Secured to be redeemed in minimum principal amounts of \$1,000 from the Delinquency and Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds Similarly Secured.

(d) Whenever, on any Interest Payment Date, or on any other date at the 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 to pay amounts due under Section 6.8 hereof.

(e) Whenever, on the fifth Business Day preceding any Interest Payment Date, or on any other date at the written request of the City Representative, the value of cash and Value of Investment Securities on deposit in the Delinquency and Prepayment Reserve Account exceeds the Delinquency and Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess. Such excess on deposit in the Delinquency and Prepayment Reserve Account shall be transferred to the Pledged Revenue Fund, unless within thirty days of such notice to the City Representative, the Trustee receives a City Certificate instructing the Trustee to transfer such excess (i) to pay amounts due under Section 6.8 hereof, (ii) to the IA #3 Improvement Accounts of the Project Fund on a pro rata basis to pay Costs if such application and the expenditure of funds is expected to occur within three years of the date hereof or (iii) to the Administrative Fund in an amount equal to shortfalls or projected shortfalls in amounts on deposit in the Administrative Fund necessary to pay Administrative Expenses. Moneys in the Delinquency and Prepayment Reserve Account may be used as directed by a City Certificate for the purposes of payment of Delinquent Collection Costs in the event that no moneys are on deposit and available in the Administrative Fund to pay Delinquent Collection Costs. The amounts set forth in such City Certificate shall be transferred to the Administrative Fund to be used for such purposes.

(f) Whenever, on any principal payment date or 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 and 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. Additional Interest shall be used to replenish first the Reserve Account of the Reserve Fund and second the Delinquency and Prepayment Reserve Account of the Reserve Fund.

(g) At the final maturity of the Bonds Similarly Secured, the amount on deposit in the Reserve Account and the Delinquency and Prepayment Reserve Account shall be transferred to the Principal and Interest Account of the Bond Fund 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 coming due on the Bonds Similarly Secured.

(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 and 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 Outstanding 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.

(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 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) Immediately upon receipt thereof, the City shall deposit or cause to be deposited to the Administrative Fund Delinquent Collection Costs and the portion of the Annual Installments allocated to the payment of Administrative Expenses, as set forth in the 2024 Amended and Restated Service and Assessment Plan and any other funds directed by this Indenture to be deposited therein.

(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 2024 Amended and Restated Service and Assessment Plan, including payment of Administrative Expenses. 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, 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, maturing on the earlier of a date or dates not later than (1) the date of maturity of the last Bond Similarly Secured then Outstanding or (2) five (5) years after the date of the investment. Such investments shall be valued each year in terms of the Value of Investment Securities as of December 31. 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 to prevent any default.

(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.

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment and may receive compensation in connection with any investment. The Trustee shall have no investment discretion and the Trustee's only responsibility for investments shall be to follow the written instructions of the City Certificate. The Trustee shall have no responsibility to ensure the investment directed is a permitted

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 the suitability or legality of any investments and may conclusively rely on the related City Certificate as to such matters.

(d) Investments in any and all Funds and Accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular Funds or Accounts of amounts received or held by the Trustee hereunder, provided that the Trustee shall at all times account for such investments strictly in accordance with the Funds and Accounts to which they are credited and otherwise as provided in this Indenture.

(e) The Trustee will furnish the City periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder; and, unless the Trustee receives a written request, the Trustee is not required to provide brokerage confirmations so long as the Trustee is providing such periodic cash transaction statements.

#### **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.

#### **Section 6.12. Reimbursement Fund.**

Following all other deposits required to be made under this Indenture, the City shall deposit or cause to be deposited to the IA #3 Reimbursement Accounts on a pro rata basis the portion of the IA #3 Special Assessment Revenues remaining after such deposits have been made. Money on deposit in (i) IA #3 Phase 2 Projects Reimbursement Account of the Reimbursement Fund shall be used solely to reimburse the Developer for Costs of the Phase 2 Projects; (ii) IA #3 Phase 3C Projects Reimbursement Account of the Reimbursement Fund shall be used solely to reimburse the Developer for Costs of the Phase 3C Improvements; and (iii) IA #3 Phase 4B Projects Reimbursement Account of the Reimbursement Fund shall be used solely to reimburse the Developer for Costs of the Phase 4B Projects.

Moneys in the Reimbursement Fund shall be held by the Trustee separate and apart from the other Funds created and administered hereunder and shall be used to reimburse the Developer for funds expended by the Developer to pay Costs of IA #3 Projects pursuant to, and as provided in, the IA #3 Reimbursement Agreement. Disbursements from the IA #3 Phase 2 Projects Reimbursement Account of the Reimbursement Fund to pay Costs of IA #3 Phase 2 Projects shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certification for Payment; provided, however, that the Trustee shall not disburse any funds to the Developer from the IA #3 Phase 2 Projects Reimbursement Account until the IA #3 Phase 2 Projects Bond Improvement Account of the Project Fund has been fully depleted. Disbursements from the IA #3 Phase 3C Projects Reimbursement Account of the Reimbursement Fund to pay Costs of IA #3 Phase 3C Projects shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certification for Payment; provided, however, that the Trustee

shall not disburse any funds to the Developer from the IA #3 Phase 3C Projects Reimbursement Fund until the IA #3 Phase 3C Projects Bond Improvement Account of the Project Fund has been fully depleted. Disbursements from the IA #3 Phase 4B Projects Reimbursement Account of the Reimbursement Fund to pay Costs of IA #3 Phase 4B Projects shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certification for Payment; provided, however, that the Trustee shall not disburse any funds to the Developer from the IA #3 Phase 4B Projects Reimbursement Fund until the IA #3 Phase 4B Projects Bond Improvement Account of the Project Fund has been fully depleted.

If the City Representative determines in his or her sole discretion that amounts then on deposit in a respective IA #3 Reimbursement Account are not reasonably expected to be reimbursed to the Developer, or expended for purposes of such IA #3 Reimbursement Account due to the completion of one or more of the IA #3 Projects to be funded from such IA #3 Reimbursement Account, or, after the Improvement Area #3 Reimbursement Obligation for the respective IA #3 Projects has been paid in full, excess funds remain on deposit in said IA #3 Reimbursement Account, such that, in the opinion of the City Representative, it is unlikely that the amounts in such IA #3 Reimbursement Account will be expended for the purposes of such IA #3 Reimbursement Account, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in such IA #3 Reimbursement Account that are not expected to be used for purposes of such IA #3 Reimbursement Account. If such City Certificate is so filed, the amounts on deposit in such IA #3 Reimbursement Account may be transferred by the Trustee to another IA #3 Reimbursement Account to the extent money in that IA #3 Reimbursement Account is insufficient to fund the respective IA #3 Projects, in an amount to cover such insufficiency.

When all amounts due to the Developer to reimburse it under the terms of the IA #3 Reimbursement Agreement have been paid to the Developer, no further deposits shall be made to the Reimbursement Fund and the Reimbursement Fund shall be closed. Any excess funds that remain on deposit in the Reimbursement Fund at the time such Fund is closed shall be transferred to the Redemption Fund to be used to redeem Bonds Similarly Secured pursuant to Article IV of this Indenture.

The Reimbursement Fund shall not be part of the Trust Estate and shall not be security for the Bonds Similarly Secured.

## **ARTICLE VII**

### **COVENANTS**

#### **Section 7.1. Confirmation of Assessments.**

The City hereby confirms, covenants, and agrees that, in the IA #3 Assessment Ordinance, it has levied the IA #3 Special Assessments against the respective IA #3 Assessed Parcels from which the IA #3 Special Assessment Revenues will be collected and received.

## **Section 7.2. Collection and Enforcement of Assessments.**

(a) For so long as any Bonds Similarly Secured are Outstanding and amounts are due to the Developer under the IA #3 Reimbursement Agreement to reimburse for its funds it has contributed to pay Costs, the City covenants, agrees and warrants that it will take and pursue all actions permissible under Applicable Laws to cause the IA #3 Special 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 IA #3 Special 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 March 1 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent IA #3 Special Assessment or the corresponding IA #3 Assessed Parcel.

(d) The City shall not be required under any circumstances to expend any funds for Delinquent Collection Costs in connection with its covenants and agreements under this Section or otherwise other than funds on deposit in the Administrative Fund.

## **Section 7.3. Against Encumbrances.**

(a) The City shall not create and, to the extent Pledged Revenues are received, shall not suffer to remain, any lien, encumbrance or charge upon the 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 as provided in Section 13.2.

(b) So long as Bonds Similarly Secured are Outstanding hereunder or under any Supplemental Indenture relating to any Additional Bonds or 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 Additional Bonds or 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 of the Bonds Similarly Secured are Outstanding and amounts are due to the Developer under the IA #3 Reimbursement Agreement to reimburse it for its funds it has contributed to pay Costs, it will keep and maintain a proper and complete system of records and accounts pertaining to the IA #3 Special Assessments. The Trustee and Owner or Owners of any Bonds Similarly Secured or any duly authorized agent or agents of such Owners shall have the right at all reasonable times (but no duty or obligation) 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) The City covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Bonds as an obligation described in section 103 of the Code, the interest on which is not includable in the "gross income" of the Owner for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds or the Refunded Bonds or the projects financed or refinanced 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 of the proceeds of the Bonds or the Refunded Bonds or the projects financed or refinanced therewith are so used, such amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Article 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 Refunded Bonds or the projects financed or refinanced 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" that 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 that 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 that would otherwise result in the Bonds being treated as a "private activity bond" 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 that were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) that 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); and

(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 has 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.

(b) In order to facilitate compliance with the above covenant (a)(9), the Rebate Fund is established by the City pursuant to Section 6.1 for the sole benefit of the United States of America, and such Rebate Fund shall not be subject to the claim of any other person, including without limitation the Registered Owner. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) The City 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 City 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 (the "*Treasury Regulations*"). In the event that regulations or rulings

are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Bonds, the City 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 that impose additional requirements applicable to the Bonds, the City 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 City hereby authorizes and directs the City Manager or Assistant City Manager to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, that may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) The City covenants that the property constituting the projects financed or refinanced with the proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless the City obtains an opinion of nationally-recognized bond counsel that 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 City shall not be obligated to comply with this covenant if it obtains a legal opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Unless superseded by another action of the City, to ensure compliance with the covenants contained herein regarding private business use, remedial actions, arbitrage and rebate, the City hereby adopts and establishes the instructions attached hereto as Exhibit B as its written procedures.

## **ARTICLE VIII**

### **LIABILITY OF CITY**

#### **Section 8.1. Liability of City.**

(a) 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.

(b) 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.

(c) No provision of this Indenture, the Bonds Similarly Secured, the IA #3 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 (the "*Bond Documents*"), shall require the City to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Trust Estate and the Administrative Expenses) 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.

(d) Neither the Owners nor any other Person shall have any claim against the City or any of its officers, officials, agents, or employees for damages suffered as a result of the City's failure to perform in any respect any covenant, undertaking, or obligation under any Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent that any such claim relates to an obligation, undertaking, representation, or covenant of the City, in accordance with the Bond Documents and the PID Act. Any such claim shall be payable only from the Trust Estate or the Administrative Expenses. Nothing contained in any of the Bond Documents shall be construed to preclude any action or proceeding in any court or before any governmental body, agency, or instrumentality against the City or any of its officers, officials, agents, or employees to enforce the provisions of any of the Bond Documents or to enforce all rights of the Owners of the Bonds Similarly Secured by mandamus or other proceeding at law or in equity.

(e) The City may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The City may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever in the administration of its duties under this Indenture the City shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the City, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector or City Manager or other person designated by the City Council to so act on behalf of the City, and such certificate shall be full warrant to the City for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the City may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

(f) 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 terms and conditions and subject to the provisions of this Indenture to all of which the parties hereto and the respective Owners of the Bonds Similarly Secured agree.

(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 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 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 when required hereunder, or to deliver any notice when required hereunder. To the extent permitted by law, the Trustee shall be entitled to indemnification as a condition to making any deposits, payments or transfers when required hereunder, or to deliver any notice when required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as the Trustee, without indemnity, 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 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 Bonds Outstanding hereunder.

#### **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 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 the offering documents, 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; or (iv) any calculation of arbitrage or rebate under the Code. The Trustee has the right to act through agents and attorneys and shall have no liability for the negligence or willful misconduct of the agents and attorneys appointed with due care.

(b) Notwithstanding the other obligations of the Trustee as specifically set forth in this Indenture, the Trustee agrees that it will notify the City within three (3) Business Days of a Responsible Officer of the Trustee obtaining actual knowledge of the occurrence of any of the following events with respect to the Bonds Similarly Secured: (1) principal and interest payment delinquencies; (2) non-payment related defaults under Section 11.1 of this Indenture; (3) unscheduled draws on debt service reserves reflecting financial difficulties; and (4) appointment of a successor or additional trustee under this Indenture or the change of name of a trustee. It is agreed and understood that the duty to make or cause to be made any disclosures related to the foregoing events is the duty of the City and not that of the Trustee. It is agreed and understood that the Trustee has agreed to give the foregoing notice to the City as an accommodation to assist the City in monitoring the occurrence of the foregoing events, but the Trustee 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 Trustee be liable in damages or in tort to the City or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture. No implied covenants or obligations shall be read into this Indenture against the Trustee. 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 or her own affairs.

(d) 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.

#### **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 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

believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry into, and shall not be deemed to have any knowledge of, any statements contained or matters referred to in any such instrument. Subject to Section 9.1 and 9.3, the Trustee may 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 a City Certificate, unless other evidence in respect thereof be hereby specifically prescribed. Such City Certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but in its discretion 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.

(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 shall transfer from the Administrative Fund, from time to time, reasonable compensation for all services rendered by it hereunder, including its services as Paying Agent/Registrar, together with all its reasonable expenses, charges, and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, 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 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 City shall fail to make any payment required by this Section, the Trustee may make such payment from any moneys in the Administrative Fund and to the extent moneys in the Administrative Fund are insufficient, then from any moneys in its possession under the provision of this Indenture and shall be entitled to a preference therefor over any Bonds Similarly Secured Outstanding hereunder. To the extent permitted by law, the City agrees to indemnify the Trustee for, and hold it harmless against, any loss, liability, cost, claim or expenses (including fees, costs, and expenses of counsel) incurred by it without negligence or willful misconduct, arising out of or in connection with acting as Trustee hereunder.

### **Section 9.7. Permitted Acts.**

(a) 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 Owner 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 Owners 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 Owners of a majority of the Bonds Similarly Secured.

(b) The Trustee is hereby authorized and directed by the City to enter into the Developer Completion Agreement with the Developer and to take all steps reasonably necessary and appropriate to carry out and effectuate the purposes set forth therein. The Trustee is hereby authorized and directed by the City to enter into the Westin Homes Completion Agreement with Westin Homes & Properties, L.P. and to take all steps reasonably necessary and appropriate to carry out and effectuate the purposes set forth therein.

### **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 30 days' written notice, specifying the date when such resignation shall take effect, to the City and each Owner of any Outstanding Bond 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.

### **Section 9.9. Removal of Trustee.**

The Trustee may be removed at any time by (i) the Owners of at least a majority of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to the City, or (ii) so long as the City is not in default under this Indenture, the City. Copies of each such instrument shall be delivered by the City to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the City or the Owners of not less than 10% of the Bonds Similarly Secured.

### **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 Owners of at least 25% of the Bonds Similarly Secured by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the City.

(c) Until such successor Trustee shall have been appointed by the Owners 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 Owner 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 Owners 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 Owner 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 Owners 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 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.**

If necessary, the Trustee shall file or cause to be filed, such continuation statements for any filed financing statements for which the Trustee is the secured party and which filed financing statements have been provided to the Trustee as may be required by the Texas Uniform Commercial Code, as from time to time in effect (the "UCC"), in order to continue perfection of the security interest of the Trustee in such items of tangible or intangible personal property and any fixtures as may have been granted to the Trustee pursuant to this Indenture in the time, place and manner required by the UCC.

#### **Section 9.14. 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.

#### **Section 9.15. Attorney General Standing Letter.**

The Trustee represents that it has on file with the Texas Attorney General a standing letter addressing the representation and verifications in Section 9.14 of this Indenture in a form acceptable to the Texas Attorney General. The Trustee hereby agrees to provide the City with a copy of such letter not later than ten days prior to the Closing Date. In addition, if the Trustee has received notice from the Texas Comptroller of Public Accounts in connection with a review of their standing letter (or of an affiliate of the Trustee), the Trustee shall provide the City or Bond Counsel with written confirmation one day prior to the Closing Date (or on the Closing Date upon the reasonable request of the City or Bond Counsel) to the effect that it and/or its affiliate intends to timely comply with the Comptroller's request and that the applicable standing letter remains in effect and may be relied upon by the City.

#### **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 Owners of the Bonds Similarly Secured.

## 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 Owners 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 Owners of the Bonds Similarly Secured, or with the written consent without a meeting, of the Owners of the Bonds Similarly Secured of at least a majority of the aggregate principal amount of the Bonds Similarly Secured then Outstanding. 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, without the express consent of the Owner of such Bond Similarly Secured, or (ii) permit the creation by the City of any pledge or lien upon the Trust Estate, or any portion thereof, 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 the Owners of the Bonds Similarly Secured required for the amendment of this Indenture. Any such amendment may not modify any of the rights or obligations of the Trustee without its written consent.

(b) This Indenture and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by Applicable Laws, and only for anyone 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 Owners of the Bonds Similarly Secured;

(i) 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

(ii) to authorize Additional Bonds or 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 is permitted and will not adversely affect the: (i) interests of the Owners 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. Owners' Meetings.**

The City may at any time call a meeting of the Owners 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 Owners of Bonds Similarly Secured required for the amendment of this Indenture as provided herein.

#### **Section 10.3. Procedure for Amendment with Written Consent of Owners.**

(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 Owners for their consent thereto, shall be mailed by first class mail, by the Trustee to each Owner 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 Owners as required by this Indenture and a notice shall have been mailed as hereinafter in this Section provided and the City has delivered to the Trustee an opinion of Bond Counsel to the effect that such amendment is permitted and will not adversely affect the exclusion of interest on the Bonds Similarly Secured from gross income for purposes of federal income taxation. 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 Owner of the Bonds Similarly Secured giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof), unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

(c) After the Owners 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 Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Indenture, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds 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 Owners 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 Owner 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. A copy of such Supplemental Indenture, together with a notice stating that the Supplemental Indenture does not require Owner consent, shall be mailed by first class mail by the Trustee to each Owner of Bonds Similarly Secured, 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 Owners 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 and all Owners of Bonds Similarly Secured Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

#### **Section 10.6. Endorsement or Replacement of Bonds 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 Owner of any Bond Similarly Secured Outstanding 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 Owners' action,

shall be prepared, executed, and delivered. In that case, upon demand of the Owner 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 Owner, for Bonds Similarly Secured then Outstanding, upon surrender of such Bonds Similarly Secured.

#### **Section 10.7. Amendatory Endorsement of Bonds.**

The provisions of this Article X shall not prevent any Owner from accepting any amendment as to the particular Bonds Similarly Secured held by such Owner, provided that due notation thereof is made on such Bonds Similarly Secured.

#### **Section 10.8. Waiver of Default.**

With the written consent of the Owners of at least a majority in aggregate principal amount of the Bonds Similarly Secured then Outstanding, the Owners may waive compliance by the City with certain past defaults under the Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners.

#### **Section 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 IA #3 Special Assessments including the prosecution of foreclosure proceedings in accordance with Section 7.2;
- (iii) 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; and

(iv) Default in the performance or observance of any covenant, agreement or obligation of the City under this Indenture and the continuation thereof for a period of 60 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 Owners of not less than 25% in aggregate principal amount of the Bonds Similarly Secured then Outstanding; provided, however, if the default stated in the notice is capable of cure but cannot reasonably be cured within the applicable period, the City shall be entitled to a further extension of time reasonably necessary to remedy such default so long as corrective action is instituted by the City within the applicable period and is diligently pursued until such failure is corrected, but in no event for a period of time of more than ninety (90) days after such notice.

#### **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 Owners of not less than 25% in aggregate principal amount of the Bonds Similarly Secured then Outstanding hereunder shall proceed, to protect and enforce the rights of the Owners under this Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted.

(b) PURSUANT TO SECTION 11.7, THE PRINCIPAL OF THE BONDS SIMILARLY SECURED SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

(c) If the assets of the Trust Estate are sufficient to pay all amounts due with respect to 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 Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Certificate, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale.

(d) Whenever moneys are to be applied pursuant to this Article 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 as the Trustee may deem appropriate 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.

### **Section 11.3. Restriction on Owner's Action.**

(a) No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust thereof or any other remedy hereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing as provided in Section 11.1, or of which by such Section it is deemed to have notice, (ii) such default has become an Event of Default and the Owners of not less than 25% of the aggregate principal amount of the Bonds Similarly Secured then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee 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 direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of a majority of the aggregate principal amount of the Bonds Similarly Secured then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, no one or more Owners of the Bonds 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 Owners 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 Owner 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 Owners 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 Owners shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owners, then and in every such case the City, the Trustee and the Owners shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

#### **Section 11.4. Application of Revenues and Other Moneys After Default.**

(a) All moneys, securities, funds and Pledged Revenues and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out this Indenture, during the continuance of an Event of Default, the Trustee, on behalf of the City, notwithstanding Section 11.2, be applied by the Trustee to the payment of interest and principal or Redemption Price then due on Bonds Similarly Secured, as follows:

FIRST: To the payment to the Owners entitled thereto all installments of interest then due in the direct order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the Owners entitled thereto, without any discrimination or preference; and

SECOND: To the payment to the Owners 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 due and to the Owners entitled thereto, without any discrimination or preference.

Within ten (10) days of receipt of such good and available funds, the Trustee may fix a record and payment date for any payment to be made to Owners pursuant to this Section 11.4.

(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.**

No delay or omission of the Trustee, or any Owner, to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

### **Section 11.6. Evidence of Ownership of Bonds.**

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners of Bonds Similarly Secured may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, or the holding by any Person of the Bonds 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 Owner of Bonds Similarly Secured or the duly appointed attorney authorized to act on behalf of such Owner may be provided by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate, or affidavit shall also constitute sufficient proof of his authority.

(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 an Owner of any Bond Similarly Secured shall bind all future Owners 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 Owners shall be fully complied with if it is mailed, first class postage prepaid, only to each Owner at the address appearing upon the Register.

### **Section 11.9. Exclusion of Bonds.**

Bonds Similarly Secured owned or held by or for the account of the City will not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds Similarly Secured provided for in this Indenture, and the City shall not be entitled with respect to

such Bonds Similarly Secured to give any consent or take any other action provided for in this Indenture.

## **ARTICLE XII**

### **GENERAL COVENANTS AND REPRESENTATIONS**

#### **Section 12.1. Representations as to the 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 Owners and the Trustee, under this Indenture against all claims and demands of all Persons whomsoever.

(c) The City will take all steps reasonably necessary and appropriate, and will direct the Trustee to take all steps reasonably necessary and appropriate, to collect all delinquencies in the collection of the IA #3 Special Assessments and any other amounts pledged to the payment of the Bonds to the fullest extent permitted by the PID Act and other Applicable Laws.

#### **Section 12.2. Accounts, Periodic Reports and Certificates.**

The Trustee shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Funds and Accounts established by this Indenture and which shall at all times be subject to inspection by the City, and the Owner or Owners of not less than 10% in principal amount of the Bonds Similarly Secured then Outstanding or their representatives duly authorized in writing.

#### **Section 12.3. 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. Additional Obligations or Other Liens; Refunding Bonds; Additional 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 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 the issuance of Refunding Bonds and Additional Bonds, the City will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate or any portion thereof, and will not do or omit to do or suffer to be or omitted to be done any matter or things whatsoever whereby the lien of this Indenture or the priority hereof might or could be lost or impaired; and further covenants that it will pay or cause to be paid or will make adequate provisions for the satisfaction and discharge of all lawful claims and demands which if unpaid might by law be given precedence over or any equality with this Indenture as a lien or charge upon the 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 Bond 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, but shall be under no obligation to issue Refunding Bonds, for the purpose of refunding any Outstanding Bonds Similarly Secured as permitted by the PID Act and Chapter 1207 of the Texas Government Code, if such refunding results in a debt service savings.

(d) Notwithstanding anything to the contrary herein no Refunding Bonds or subordinate obligations described by Section 13.2(a) above may be issued by the City unless: (1) the principal (including sinking fund installments) of such Refunding Bonds or subordinate obligations are scheduled to mature on September 1 of the years in which principal is scheduled to mature and (2) the interest on such Refunding Bonds or subordinate obligations must be scheduled to be paid on March 1 and/or September 1 of the years in which interest is scheduled to be paid. Further, any issuance of Refunding Bonds must be par to par, unless law or Attorney General policy is changed to permit another structure.

(e) 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.

(f) The City reserves the right to issue Additional Bonds, but shall be under no obligation to issue Additional Bonds, for the purpose of financing the Costs of the IA #3 Projects as permitted by the PID Act and in accordance with the conditions set forth below:

- (i) The Trustee shall receive a certificate from the City Representative certifying that (A) the City is not in default in the performance and observance of any of the terms, provisions and conditions applicable to the City contained in this Indenture and (B) the Developer is not delinquent with respect to fees or any other funds or commitments to be paid to the City in accordance with the Development Agreement, the Financing Agreement, or the IA #3 Reimbursement Agreement;
- (ii) The Trustee and the City shall receive a certificate from the Developer, through an authorized representative, certifying that the Developer is not in default beyond any applicable notice and cure period in the performance and observance of any of the terms, provisions and conditions applicable to the Developer contained in the IA #3 Reimbursement Agreement, the Financing Agreement, the Development Agreement or any continuing disclosure agreement entered into by the Developer relating to any Bonds Similarly Secured or Additional Obligations, unless any defaults under the foregoing agreements (except for defaults under any continuing disclosure agreements entered into by the Developer which defaults shall be cured) are disclosed in a certificate from the Developer to the City and the City elects to proceed with the issuance of the Additional Bonds regardless of the existence of such default or defaults;
- (iii) The Trustee and the City shall receive a certificate from the Administrator certifying that the Developer is not delinquent with respect to the payment of the IA #3 Special Assessments, the MIA Initial Special Assessments and the MIA Supplemental Special Assessments or any ad valorem taxes (other than any ad valorem taxes being contested in good faith);
- (iv) The City and the Trustee shall receive a certificate from the Developer through an authorized representative, certifying that no less than 40% single-family lots located within Improvement Area #3 of the District: (A) contain completed single-family homes or (B) have been issued a building permit by the City;
- (v) The principal (including sinking fund installments) of the Additional Bonds must be scheduled to mature on September 1 of the years in which principal is scheduled to mature;
- (vi) The interest on the Additional Bonds must be scheduled to be paid on March 1 and September 1 of the years in which interest is scheduled to be paid;

- (vii) The Reserve Account Requirement shall be increased by an amount equal to twenty-five percent (25%) of the Maximum Annual Debt Service on the proposed Additional Bonds to be issued as of the closing date of such series of Additional Bonds; provided, however, that the Reserve Account Requirement will not be increased by more than 10% of the principal amount of the Additional Bonds (or if the Additional Bonds are issued with more than 2% net original issue discount or premium, 10% of the proceeds of the Additional Bonds); provided further, however, the Reserve Account Requirement shall not exceed the least of (i) Maximum Annual Debt Service on the Bonds Similarly Secured, (ii) 125% of average Annual Debt Service on the Bonds Similarly Secured, or (iii) 10% of the lesser of the principal amount of the Outstanding Bonds Similarly Secured or the combined original issue price of the Bonds Similarly Secured;
- (viii) The issuance of such Additional Bonds shall not cause the amount of the Annual Installments to be collected in any given year following the issuance of such Additional Bonds to exceed the amount of the Annual Installments to be collected in such year, as stated in the Improvement Area #3 Assessment Roll, as of the issuance of the Bonds; and
- (ix) The maximum principal amount of Additional Bonds that may be issued, subject to the approval of the City, in total, is the lesser of (i) the then outstanding balance of the IA #3 Reimbursement Agreement and (ii) the then outstanding IA #3 Special Assessments, less the IA #3 Special Assessments required to pay the principal of the Bonds.

Notwithstanding the restrictions on the issuance of Additional Bonds described above, Refunding Bonds shall not be required to meet the requirements set forth in (iv) or (vii) above.

### **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 dealing, business and affairs of the City, which relate to the Trust Estate, 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 Owners, 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 Owners 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 the Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the in Funds and Accounts held hereunder to the Person entitled to receive such amounts, or, if no Person is entitled to receive such amounts, then to the City.

#### **Section 14.3. Bonds 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 to no longer be deemed Outstanding within the meaning of this Trust 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, upon 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 or escrow verification 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 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 Bonds. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, be reinvested in Defeasance Securities as directed by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds Similarly Secured 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 Section 4.3(a)(1) or (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 Owners 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 Owners, any right, remedy, or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Trustee.

#### **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 Owners.**

(a) Any request, declaration, or other instrument which this Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys duly appointed in writing.

(b) Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration, or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the Person signing such request, declaration, or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

(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 Owner of any Bond Similarly Secured shall bind all future Owners 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; 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 in this Indenture, all notices or other instruments required or permitted under this Indenture shall be in writing and shall be telexed, cabled, delivered by hand, or mailed by first class mail, postage prepaid, and addressed as follows:

If to the City

City of Lago Vista, Texas  
P.O. Box 4727  
5803 Thunderbird  
Lago Vista, Texas 78645  
Attn: City Manager  
Fax: (512) 267-7070

If to the Trustee

Or the Paying Agent/Registrar

U.S. Bank Trust Company, National  
Association  
13737 Noel Road, Suite 800  
Dallas, Texas 75240  
Attn: Global Corporate Trust Services

(b) Any such notice, demand, or request may also be transmitted to the appropriate party by telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

(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 Owner of a Bond Similarly Secured notice of (1) any substitution of the Trustee; or (2) 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 anyone or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

#### **Section 15.7. Applicable Laws.**

This Indenture shall be governed by and enforced in accordance with the laws of the State of Texas applicable to contracts made and performed in the State of Texas.

#### **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 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. Amendments and Supplements to Financing Agreement and IA #3 Reimbursement Agreement.**

The City, the Developer and Hines Lake Travis LP may amend and supplement the Financing Agreement and IA #3 Reimbursement Agreement, as applicable, from time to time without the consent or approval of the Owners or the Trustee.

#### **Section 15.10. Counterparts.**

This Indenture may be executed in counterparts, each of which shall be deemed an original.

*[Remainder of page left blank intentionally]*

IN WITNESS WHEREOF, the City and the Trustee have caused this Indenture of Trust to be executed all as of the date hereof.

CITY OF LAGO VISTA, TEXAS

By: \_\_\_\_\_  
Mayor

[SEAL]

Attest:

---

City Secretary

U.S. Bank Trust Company, National Association, as  
Trustee

By: \_\_\_\_\_  
Authorized Officer

*Signature Page to Indenture of Trust*

**EXHIBIT A**

**DESCRIPTION OF THE PROPERTY WITHIN  
IMPROVEMENT AREA #3 OF THE TESSERA ON LAKE TRAVIS  
PUBLIC IMPROVEMENT DISTRICT**

TRACT 2, TESSERA ON LAKE TRAVIS  
LEGAL DESCRIPTION

ALL THAT CERTAIN TRACT OR PARCEL OF LAND SITUATED IN THE A. SYLVESTER SURVEY NO. 202, ABSTRACT NO. 2624, WILLIAM BRANDON SURVEY NO. 1, ABSTRACT NO. 47, J.S. PEACOCK SURVEY 202, ABSTRACT NO. 2459, AND TEXAS-MEXICO RAILROAD CO. SURVEY NO. 201, ABSTRACT NO. 2291, TRAVIS COUNTY, TEXAS, BEING A PORTION OF THAT CERTAIN TRACT OF LAND DESCRIBED AS PARCEL 1 IN DEED TO HINES LAKE TRAVIS LAND LIMITED PARTNERSHIP, RECORDED IN DOCUMENT NO. 2017173228, OFFICIAL PUBLIC RECORDS, TRAVIS COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A COTTON SPINDLE SET AT THE SOUTHWEST CORNER OF SAID HINES LAKE TRAVIS LAND LIMITED PARTNERSHIP PARCEL 1;

THENCE ALONG THE WEST LINE OF SAID HINES LAKE TRAVIS LAND LIMITED PARTNERSHIP PARCEL 1, NORTH 26 DEGREES 36 MINUTES 16 SECONDS EAST A DISTANCE OF 767.30 FEET TO A 1/2" REBAR WITH RED PLASTIC CAP STAMPED "FOREST 1547" FOUND;

THENCE CONTINUING ALONG SAID WEST LINE, NORTH 07 DEGREES 14 MINUTES 41 SECONDS WEST A DISTANCE OF 986.62 FEET TO A 1/2" REBAR WITH RED PLASTIC CAP STAMPED "FOREST 1547" FOUND;

THENCE NORTH 55 DEGREES 11 MINUTES 45 SECONDS EAST A DISTANCE OF 357.65 FEET;

THENCE SOUTH 64 DEGREES 22 MINUTES 16 SECONDS EAST A DISTANCE OF 377.34 FEET;

THENCE SOUTH 66 DEGREES 39 MINUTES 14 SECONDS EAST A DISTANCE OF 679.22 FEET;

THENCE NORTH 50 DEGREES 32 MINUTES 14 SECONDS EAST A DISTANCE OF 664.30 FEET;

THENCE NORTH 57 DEGREES 56 MINUTES 03 SECONDS EAST A DISTANCE OF 216.03 FEET;

THENCE NORTH 65 DEGREES 52 MINUTES 16 SECONDS EAST A DISTANCE OF 132.00 FEET TO A COTTON SPINDLE SET ON THE EAST LINE OF SAID HINES LAKE TRAVIS LAND LIMITED PARTNERSHIP PARCEL 1;

THENCE ALONG SAID EAST LINE, THE FOLLOWING 4 COURSES:

1. SOUTH 21 DEGREES 11 MINUTES 04 SECONDS EAST A DISTANCE OF 653.46 FEET TO A COTTON SPINDLE SET;

2. SOUTH 17 DEGREES 45 MINUTES 06 SECONDS EAST A DISTANCE OF 930.60 FEET TO A COTTON SPINDLE SET;

3. SOUTH 27 DEGREES 27 MINUTES 62 SECONDS WEST A DISTANCE OF 967.01 FEET TO A COTTON SPINDLE SET;

4. SOUTH 00 DEGREES 39 MINUTES 33 SECONDS WEST A DISTANCE OF 219.97 FEET TO A COTTON SPINDLE SET AT THE SOUTHEAST CORNER OF SAID HINES LAKE TRAVIS LAND LIMITED PARTNERSHIP PARCEL 1, SAID POINT BEING THE BEGINNING OF A CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 455.00 FEET;

THENCE ALONG THE SOUTH LINE OF SAID HINES LAKE TRAVIS LAND LIMITED PARTNERSHIP PARCEL 1, THE FOLLOWING 14 COURSES:

1. ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 09 DEGREES 45 MINUTES 16 SECONDS, AN ARC LENGTH OF 77.66 FEET, BEING SUBTENDED BY A CHORD BEARING SOUTH 62 DEGREES 14 MINUTES 34 SECONDS WEST A DISTANCE OF 77.76 FEET TO A COTTON SPINDLE SET;

2. SOUTH 47 DEGREES 20 MINUTES 24 SECONDS WEST A DISTANCE OF 261.34 FEET TO A COTTON SPINDLE SET AT THE BEGINNING OF A CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 420.00 FEET;

3. ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 45 DEGREES 56 MINUTES 41 SECONDS, AN ARC LENGTH OF 360.75 FEET, BEING SUBTENDED BY A CHORD BEARING SOUTH 71 DEGREES 46 MINUTES 46 SECONDS WEST A DISTANCE OF 347.97 FEET TO A COTTON SPINDLE SET;

4. NORTH 63 DEGREES 42 MINUTES 56 SECONDS WEST A DISTANCE OF 316.70 FEET TO A COTTON SPINDLE SET;

5. SOUTH 06 DEGREES 17 MINUTES 06 SECONDS WEST A DISTANCE OF 130.00 FEET TO A COTTON SPINDLE SET;

6. NORTH 63 DEGREES 42 MINUTES 56 SECONDS WEST A DISTANCE OF 106.34 FEET TO A COTTON SPINDLE SET AT THE BEGINNING OF A CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 500.00 FEET;

7. ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 19 DEGREES 29 MINUTES 16 SECONDS, AN ARC LENGTH OF 272.11 FEET, BEING SUBTENDED BY A CHORD BEARING SOUTH 66 DEGREES 32 MINUTES 26 SECONDS WEST A DISTANCE OF 270.70 FEET TO A COTTON SPINDLE SET;

8. NORTH 10 DEGREES 03 MINUTES 35 SECONDS WEST A DISTANCE OF 297.64 FEET TO A COTTON SPINDLE SET;

9. NORTH 16 DEGREES 15 MINUTES 50 SECONDS WEST A DISTANCE OF 257.40 FEET TO A COTTON SPINDLE SET;

10. NORTH 36 DEGREES 07 MINUTES 47 SECONDS WEST A DISTANCE OF 270.26 FEET TO A COTTON SPINDLE SET;

11. NORTH 31 DEGREES 56 MINUTES 44 SECONDS WEST A DISTANCE OF 265.23 FEET TO A COTTON SPINDLE SET;

12. NORTH 45 DEGREES 46 MINUTES 33 SECONDS WEST A DISTANCE OF 143.33 FEET TO A COTTON SPINDLE SET;

13. NORTH 46 DEGREES 42 MINUTES 47 SECONDS WEST A DISTANCE OF 602.23 FEET TO A COTTON SPINDLE SET;

14. NORTH 63 DEGREES 23 MINUTES 46 SECONDS WEST A DISTANCE OF 421.20 FEET TO THE POINT OF BEGINNING, CONTAINING 6,264.633 SQUARE FEET OR 143.816 ACRES OF LAND, MORE OR LESS.

DATE: 06/30/2021  
JOB NO.: 21100  
DRAWN BY: OP  
SHEET 1 OF 3

TRACT 2.  
TESSERA ON LAKE TRAVIS  
143.816 ACRES BEING A PORTION OF  
HINES LAKE TRAVIS LAND LIMITED PARTNERSHIP PARCEL 1'  
DOCUMENT NO. 2017173228, O.P.R.T.C.T.  
CITY OF LAGO VISTA, TRAVIS COUNTY, TEXAS

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www.mla-survey.com firm no. 10045100

## GENERAL NOTES

1. THE BASIS OF BEARINGS FOR THIS SURVEY IS THE TEXAS STATE PLANE COORDINATE SYSTEM BASED ON THE LOWER COLORADO RIVER AUTHORITY (LCRA) MONUMENTS A600 AND LT02.
2. OWNERSHIP REFERENCES SHOWN HEREON ARE BASED ON TRAVIS CENTRAL APPRAISAL DISTRICT DATA WEBSITE [WWW.TAVISCAD.ORG](http://WWW.TAVISCAD.ORG).
3. TITLE ENCUMBRANCE RESEARCH (SUCH AS EASEMENTS) SHOWN ON THIS SURVEY IS BASED ON INFORMATION CONTAINED IN SCHEDULE "B" OF A TITLE COMMITMENT PREPARED BY CHICAGO TITLE INSURANCE COMPANY, GF NO. 201702605, ISSUED OCTOBER 26, 2017. REFERENCE IS MADE TO SAID COMMITMENT AND RECORD DOCUMENTS LISTED THEREIN FOR FULL PARTICULARS. EASEMENTS AND OTHER TITLE ENCUMBRANCES, BOTH RECORDED AND UNRECORDED, MAY EXIST THAT ARE NOT CONTAINED WITHIN SAID TITLE COMMITMENT (AND THEREFORE NOT SHOWN ON THIS SURVEY). MARSHALL LANCASTER & ASSOCIATES, INC. MAKES NO REPRESENTATION AS TO THE ACCURACY OR COMPLETENESS OF SAID TITLE ENCUMBRANCE RESEARCH.
4. IMPROVEMENTS EXIST THAT ARE NOT SHOWN ON THIS EXHIBIT.



ROBERT T HIDELL

TEXAS REGISTERED PROFESSIONAL LAND SURVEYOR, NO. 6683  
DATE: JUNE 30, 2021



## COURSE TABLE

| COURSE | BEARING  | DISTANCE                               |
|--------|--|--|
| L1     | N 26°36'10" E                                    | 787.30'                                |
| L2     | N 07°14'41" W                                    | 958.62'                                |
| L3     | N 65°11'45" E                                    | 357.66'                                |
| L4     | S 64°22'15" E                                    | 337.34'                                |
| L5     | S 55°39'14" E                                    | 679.22'                                |
| L6     | S 80°32'14" E                                    | 564.30'                                |
| L7     | N 07°56'03" E                                    | 218.03'                                |
| L8     | N 65°62'16" E                                    | 132.90'                                |
| L9     | S 21°11'04" E                                    | 663.46'                                |
| L10    | S 17°45'05" E                                    | 930.60'                                |
| L11    | S 27°27'52" W                                    | 957.01'                                |
| L12    | S 00°39'33" W                                    | 219.97'                                |
| L13    | R= 455.00'<br>Tan: 39.02'<br>Chd: S 62°14'34" W  | A: 77.66'<br>CA: 9°48'15"<br>77.76'    |
| L14    | S 47°20'24" W                                    | 261.34'                                |
| L15    | R= 420.00'<br>Tan: 191.16'<br>Chd: S 71°45'45" W | A: 368.76'<br>CA: 40°56'41"<br>347.97' |
| L16    | N 83°42'56" W                                    | 318.70'                                |
| L17    | S 06°17'05" W                                    | 130.00'                                |
| L18    | N 03°42'56" W                                    | 106.34'                                |
| L19    | R= 600.00'<br>Tan: 137.38'<br>Chd: S 66°3'22" W  | A: 272.11'<br>CA: 10°29'15"<br>270.60' |
| L20    | N 10°03'36" W                                    | 297.64'                                |
| L21    | N 16°10'50" W                                    | 287.40'                                |
| L22    | N 38°07'47" W                                    | 270.26'                                |
| L23    | N 31°56'44" W                                    | 268.23'                                |
| L24    | N 45°45'33" W                                    | 143.33'                                |
| L25    | N 48°42'47" W                                    | 602.23'                                |
| L26    | N 63°23'46" W                                    | 421.29'                                |

DATE: 06/30/2021  
JOB NO.: 21100  
DRAWN BY: OP  
SHEET 2 OF 3

TRACT 2,  
TESSERA ON LAKE TRAVIS

143.816 ACRES BEING A PORTION OF  
HINES LAKE TRAVIS LAND LIMITED PARTNERSHIP PARCEL "B"  
DOCUMENT NO. 2017173228, O.P.R.T.C.T.  
CITY OF LAGO VISTA, TRAVIS COUNTY, TEXAS

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[www.mla-survey.com](http://www.mla-survey.com) firm no. 10045100

**TRACT 3C, TESSERA ON LAKE TRAVIS  
LEGAL DESCRIPTION**

ALL THAT CERTAIN TRACT OR PARCEL OF LAND SITUATED IN THE J.S. PEACOCK SURVEY 202, ABSTRACT NO. 2469, TRAVIS COUNTY, TEXAS, BEING A PORTION OF THAT CERTAIN TRACT OF LAND DESCRIBED AS "TRACT II" IN DEED TO HINES LAKE TRAVIS LAND II LIMITED PARTNERSHIP, RECORDED IN DOCUMENT NO. 2016122336, OFFICIAL PUBLIC RECORDS, TRAVIS COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A COTTON SPINDLE SET AT THE SOUTHEAST CORNER OF SAID TRACT II, SAID POINT BEING THE NORTHEAST CORNER OF THAT CERTAIN TRACT OF LAND DESCRIBED AS "PARCEL 4" IN DEED TO HINES LAKE TRAVIS LAND LIMITED PARTNERSHIP, RECORDED IN DOCUMENT NO. 2017173226, OFFICIAL PUBLIC RECORDS, TRAVIS COUNTY, TEXAS, SAID POINT ALSO BEING ON THE WEST LINE OF LOT 20-X H.O.A., BLOCK D, TESSERA ON LAKE TRAVIS PHASE 1A, AN ADDITION TO THE CITY OF LAGO VISTA, TRAVIS COUNTY, TEXAS, ACCORDING TO THE PLAT THEREOF RECORDED UNDER DOCUMENT NO. 201400071, OFFICIAL PUBLIC RECORDS, TRAVIS COUNTY, TEXAS;

THENCE ALONG THE SOUTH LINE OF SAID TRACT II AND THE NORTH LINE OF SAID PARCEL 4, SOUTH 50 DEGREES 32 MINUTES 07 SECONDS WEST A DISTANCE OF 765.49 FEET TO THE SOUTHWEST CORNER OF SAID TRACT II, SAID POINT BEING THE NORTHWEST CORNER OF SAID PARCEL 4;

THENCE ALONG THE WEST LINE OF SAID TRACT II, THE FOLLOWING FOUR COURSES:

1. NORTH 29 DEGREES 27 MINUTES 63 SECONDS WEST A DISTANCE OF 732.96 FEET;
2. NORTH 10 DEGREES 26 MINUTES 56 SECONDS WEST A DISTANCE OF 599.62 FEET TO A 3/8" REBAR FOUND;
3. NORTH 49 DEGREES 14 MINUTES 34 SECONDS EAST A DISTANCE OF 482.69 FEET TO A 1/2" REBAR WITH RED PLASTIC CAP STAMPED "FOREST 1547" FOUND;
4. NORTH 34 DEGREES 21 MINUTES 15 SECONDS EAST A DISTANCE OF 741.96 FEET TO A COTTON SPINDLE SET AT THE SOUTHWEST CORNER OF LOT 4-X-8 H.O.A., BLOCK E, TESSERA ON LAKE TRAVIS PHASE 3A3, AN ADDITION TO THE CITY OF LAGO VISTA, TRAVIS COUNTY, TEXAS, ACCORDING TO THE PLAT THEREOF RECORDED UNDER DOCUMENT NO. 201500327, OFFICIAL PUBLIC RECORDS, TRAVIS COUNTY, TEXAS;

THENCE ALONG THE SOUTH LINE OF SAID TESSERA ON LAKE TRAVIS PHASE 3A3, THE FOLLOWING SEVEN COURSES:

1. SOUTH 56 DEGREES 35 MINUTES 42 SECONDS EAST A DISTANCE OF 345.07 FEET TO A COTTON SPINDLE SET;
2. SOUTH 32 DEGREES 03 MINUTES 56 SECONDS EAST A DISTANCE OF 190.00 FEET TO A COTTON SPINDLE SET;
3. SOUTH 67 DEGREES 50 MINUTES 04 SECONDS WEST A DISTANCE OF 8.60 FEET TO A COTTON SPINDLE SET;
4. SOUTH 32 DEGREES 03 MINUTES 56 SECONDS EAST A DISTANCE OF 205.06 FEET TO A COTTON SPINDLE SET;
5. SOUTH 29 DEGREES 42 MINUTES 54 SECONDS WEST A DISTANCE OF 130.45 FEET TO A COTTON SPINDLE SET;
6. SOUTH 07 DEGREES 17 MINUTES 22 SECONDS WEST A DISTANCE OF 166.00 FEET TO A COTTON SPINDLE SET;
7. SOUTH 50 DEGREES 17 MINUTES 06 SECONDS EAST A DISTANCE OF 622.47 FEET TO A COTTON SPINDLE SET ON THE EAST LINE OF SAID TRACT II, SAID POINT BEING ON THE WEST LINE OF SAID PHASE 1A;

THENCE ALONG SAID EAST LINE OF TRACT II AND SAID WEST LINE OF PHASE 1A, THE FOLLOWING THREE COURSES:

1. SOUTH 29 DEGREES 42 MINUTES 54 SECONDS WEST A DISTANCE OF 663.15 FEET TO A COTTON SPINDLE SET;
2. SOUTH 60 DEGREES 53 MINUTES 06 SECONDS WEST A DISTANCE OF 130.92 FEET TO A COTTON SPINDLE SET;
3. SOUTH 07 DEGREES 21 MINUTES 50 SECONDS WEST A DISTANCE OF 425.95 FEET TO THE POINT OF BEGINNING, CONTAINING 2,292,012 SQUARE FEET OR 52.617 ACRES OF LAND, MORE OR LESS.

  
ROBERT T HIDELL  
TEXAS REGISTERED PROFESSIONAL LAND SURVEYOR, NO. 5653  
DATE: AUGUST 12, 2021

**GENERAL NOTES**

1. THE BASIS OF BEARINGS FOR THIS SURVEY IS THE TEXAS STATE PLANE COORDINATE SYSTEM BASED ON THE LOWER COLORADO RIVER AUTHORITY (LORA) MONUMENTS A690 AND LT02.
2. OWNERSHIP REFERENCES SHOWN HEREON ARE BASED ON TRAVIS CENTRAL APPRAISAL DISTRICT DATA WEBSITE WWW.TCADC.ORG.
3. TITLE ENCUMBRANCE RESEARCH (SUCH AS EASEMENTS) SHOWN ON THIS SURVEY IS BASED ON INFORMATION CONTAINED IN SCHEDULE "B" OF A TITLE COMMITMENT PREPARED BY CHICAGO TITLE INSURANCE COMPANY, OF NO. 201702505, ISSUED OCTOBER 25, 2017. REFERENCE IS MADE TO SAID COMMITMENT AND RECORD DOCUMENTS LISTED THEREIN FOR FULL PARTICULARS. EASEMENTS AND OTHER TITLE ENCUMBRANCES, BOTH RECORDED AND UNRECORDED, MAY EXIST THAT ARE NOT CONTAINED WITHIN SAID TITLE COMMITMENT (AND THEREFORE NOT SHOWN ON THIS SURVEY). MARSHALL LANCASTER & ASSOCIATES, INC. MAKES NO REPRESENTATION AS TO THE ACCURACY OR COMPLETENESS OF SAID TITLE ENCUMBRANCE RESEARCH.
4. IMPROVEMENTS EXIST THAT ARE NOT SHOWN ON THIS EXHIBIT.

DATE: 08/12/2021  
JOB NO.: 21100C  
DRAWN BY: OP  
SHEET 1 OF 2



**TRACT 3C,  
TESSERA ON LAKE TRAVIS  
52.617 ACRES BEING A PORTION OF  
HINES LAKE TRAVIS LAND LIMITED PARTNERSHIP TRACT #  
DOCUMENT NO. 2016122336, O.P.R.T.C.T.  
CITY OF LAGO VISTA, TRAVIS COUNTY, TEXAS**

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TRACT 4B, TESSERA ON LAKE TRAVIS  
LEGAL DESCRIPTION

ALL THAT CERTAIN TRACT OR PARCEL OF LAND SITUATED IN THE F. F. FAUBION SURVEY NO. 97, ABSTRACT NO. 2641 AND TEXAS-MEXICO RAILROAD CO. SURVEY NO. 201, ABSTRACT NO. 2291, TRAVIS COUNTY, TEXAS, BEING A PORTION OF THAT CERTAIN TRACT OF LAND DESCRIBED AS PARCEL 2 IN DEED TO HINES LAKE TRAVIS LAND LIMITED PARTNERSHIP, RECORDED IN DOCUMENT NO. 2017173226, OFFICIAL PUBLIC RECORDS, TRAVIS COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A COTTON SPINDLE SET AT THE SOUTHEAST CORNER OF SAID HINES LAKE TRAVIS LAND LIMITED PARTNERSHIP PARCEL 2;

THENCE ALONG THE SOUTH LINE OF SAID HINES LAKE TRAVIS LAND LIMITED PARTNERSHIP PARCEL 2, THE FOLLOWING 11 COURSES:

1. NORTH 64 DEGREES 09 MINUTES 47 SECONDS WEST A DISTANCE OF 116.25 FEET TO A COTTON SPINDLE SET;
2. NORTH 60 DEGREES 46 MINUTES 13 SECONDS WEST A DISTANCE OF 136.45 FEET TO A COTTON SPINDLE SET;
3. NORTH 15 DEGREES 64 MINUTES 26 SECONDS WEST A DISTANCE OF 274.95 FEET TO A COTTON SPINDLE SET AT THE BEGINNING OF A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 76.00 FEET;
4. ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 20 DEGREES 34 MINUTES 59 SECONDS, AN ARC LENGTH OF 26.94 FEET, BEING SUBTENDED BY A CHORD BEARING NORTH 29 DEGREES 11 MINUTES 59 SECONDS WEST A DISTANCE OF 26.00 FEET TO A COTTON SPINDLE SET;
5. NORTH 39 DEGREES 29 MINUTES 24 SECONDS WEST A DISTANCE OF 107.63 FEET TO A COTTON SPINDLE SET AT THE BEGINNING OF A CURVE CONCAVE EASTERLY HAVING A RADIUS OF 26.00 FEET;
6. ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 55 DEGREES 19 MINUTES 29 SECONDS, AN ARC LENGTH OF 24.14 FEET, BEING SUBTENDED BY A CHORD BEARING NORTH 11 DEGREES 50 MINUTES 20 SECONDS WEST A DISTANCE OF 23.21 FEET TO A COTTON SPINDLE SET;
7. NORTH 15 DEGREES 49 MINUTES 26 SECONDS EAST A DISTANCE OF 36.32 FEET TO A COTTON SPINDLE SET AT THE BEGINNING OF A CURVE CONCAVE WESTERLY HAVING A RADIUS OF 76.00 FEET;
8. ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 34 DEGREES 43 MINUTES 44 SECONDS, AN ARC LENGTH OF 45.45 FEET, BEING SUBTENDED BY A CHORD BEARING NORTH 01 DEGREES 32 MINUTES 33 SECONDS WEST A DISTANCE OF 44.77 FEET TO A COTTON SPINDLE SET;
9. NORTH 15 DEGREES 64 MINUTES 26 SECONDS WEST A DISTANCE OF 40.69 FEET TO A COTTON SPINDLE SET AT THE BEGINNING OF A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 73.00 FEET;
10. ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 37 DEGREES 55 MINUTES 20 SECONDS, AN ARC LENGTH OF 45.30 FEET, BEING SUBTENDED BY A CHORD BEARING NORTH 37 DEGREES 53 MINUTES 31 SECONDS WEST A DISTANCE OF 47.50 FEET TO A COTTON SPINDLE SET;
11. NORTH 65 DEGREES 62 MINUTES 41 SECONDS WEST A DISTANCE OF 19.13 FEET TO A COTTON SPINDLE SET AT THE SOUTHWEST CORNER OF SAID HINES LAKE TRAVIS LAND LIMITED PARTNERSHIP PARCEL 2;

THENCE ALONG THE WEST LINE OF SAID HINES LAKE TRAVIS LAND LIMITED PARTNERSHIP PARCEL 2, THE FOLLOWING 12 COURSES:

1. NORTH 33 DEGREES 07 MINUTES 19 SECONDS EAST A DISTANCE OF 466.27 FEET TO A COTTON SPINDLE SET AT THE BEGINNING OF A CURVE CONCAVE WESTERLY HAVING A RADIUS OF 696.00 FEET;
2. ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 23 DEGREES 11 MINUTES 15 SECONDS, AN ARC LENGTH OF 240.01 FEET, BEING SUBTENDED BY A CHORD BEARING NORTH 04 DEGREES 24 MINUTES 36 SECONDS WEST A DISTANCE OF 239.17 FEET TO A COTTON SPINDLE SET AT THE BEGINNING OF A CURVE CONCAVE EASTERLY HAVING A RADIUS OF 200.00 FEET;
3. ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 11 DEGREES 40 MINUTES 06 SECONDS, AN ARC LENGTH OF 40.73 FEET, BEING SUBTENDED BY A CHORD BEARING NORTH 10 DEGREES 10 MINUTES 13 SECONDS WEST A DISTANCE OF 40.66 FEET TO A COTTON SPINDLE SET;
4. NORTH 04 DEGREES 20 MINUTES 10 SECONDS WEST A DISTANCE OF 191.69 FEET TO A COTTON SPINDLE SET AT THE BEGINNING OF A CURVE CONCAVE WESTERLY HAVING A RADIUS OF 226.00 FEET;
5. ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 30 DEGREES 05 MINUTES 31 SECONDS, AN ARC LENGTH OF 115.37 FEET, BEING SUBTENDED BY A CHORD BEARING NORTH 19 DEGREES 24 MINUTES 26 SECONDS WEST A DISTANCE OF 117.01 FEET TO A COTTON SPINDLE SET AT THE BEGINNING OF A CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 276.00 FEET;
6. ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 19 DEGREES 50 MINUTES 43 SECONDS, AN ARC LENGTH OF 95.25 FEET, BEING SUBTENDED BY A CHORD BEARING NORTH 24 DEGREES 33 MINUTES 20 SECONDS WEST A DISTANCE OF 94.77 FEET TO A COTTON SPINDLE SET AT THE BEGINNING OF A CURVE CONCAVE WESTERLY HAVING A RADIUS OF 300.00 FEET;
7. ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 10 DEGREES 34 MINUTES 46 SECONDS, AN ARC LENGTH OF 65.39 FEET, BEING SUBTENDED BY A CHORD BEARING NORTH 19 DEGREES 55 MINUTES 21 SECONDS WEST A DISTANCE OF 65.31 FEET TO THE BEGINNING OF A CURVE CONCAVE EASTERLY HAVING A RADIUS OF 200.00 FEET;
8. ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 17 DEGREES 51 MINUTES 06 SECONDS, AN ARC LENGTH OF 57.24 FEET, BEING SUBTENDED BY A CHORD BEARING NORTH 15 DEGREES 17 MINUTES 09 SECONDS WEST A DISTANCE OF 55.59 FEET;

DATE: 06/30/2021  
JOB NO.: 21100  
DRAWN BY: OP  
SHEET 1 OF 4

TRACT 4B,  
TESSERA ON LAKE TRAVIS  
44.244 ACRES BEING A PORTION OF  
HINES LAKE TRAVIS LAND LIMITED PARTNERSHIP PARCEL 2\*  
DOCUMENT NO. 2017173226, O.P.R.T.C.T.  
CITY OF LAGO VISTA, TRAVIS COUNTY, TEXAS

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TRACT 4B, TESSERA ON LAKE TRAVIS  
LEGAL DESCRIPTION (CONTINUED)

9. NORTH 07 DEGREES 21 MINUTES 36 SECONDS WEST A DISTANCE OF 231.35 FEET TO A COTTON SPINDLE SET AT THE BEGINNING OF A CURVE CONCAVE WESTERLY HAVING A RADIUS OF 200.00 FEET;

10. ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 26 DEGREES 55 MINUTES 25 SECONDS, AN ARC LENGTH OF 93.00 FEET, BEING SUBTENDED BY A CHORD BEARING NORTH 20 DEGREES 49 MINUTES 17 SECONDS WEST A DISTANCE OF 93.12 FEET TO A COTTON SPINDLE SET;

11. NORTH 79 DEGREES 01 MINUTES 07 SECONDS WEST A DISTANCE OF 73.40 FEET TO A COTTON SPINDLE SET AT THE BEGINNING OF A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 405.00 FEET;

12. ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 8 DEGREES 53 MINUTES 45 SECONDS, AN ARC LENGTH OF 52.60 FEET, BEING SUBTENDED BY A CHORD BEARING NORTH 22 DEGREES 02 MINUTES 04 SECONDS WEST A DISTANCE OF 62.52 FEET TO THE SOUTHWEST CORNER OF THAT CERTAIN TRACT OF LAND DESCRIBED AS TRACT 4A IN DEED TO HINES LAKE TRAVIS LAND II LIMITED PARTNERSHIP, RECORDED IN DOCUMENT NO. 2017190470, OFFICIAL PUBLIC RECORDS, TRAVIS COUNTY, TEXAS;

THENCE ALONG THE SOUTH LINE OF SAID HINES LAKE TRAVIS LAND II LIMITED PARTNERSHIP TRACT 4A, THE FOLLOWING 3 COURSES:

1. NORTH 63 DEGREES 31 MINUTES 02 SECONDS EAST A DISTANCE OF 714.12 FEET TO A COTTON SPINDLE SET;

2. NORTH 77 DEGREES 39 MINUTES 35 SECONDS EAST A DISTANCE OF 370.00 FEET TO A COTTON SPINDLE SET;

3. NORTH 54 DEGREES 39 MINUTES 15 SECONDS EAST A DISTANCE OF 165.60 FEET TO A COTTON SPINDLE SET AT THE SOUTHEAST CORNER OF SAID HINES LAKE TRAVIS LAND II LIMITED PARTNERSHIP TRACT 4A; SAID POINT BEING ON THE EAST LINE OF SAID HINES LAKE TRAVIS LAND LIMITED PARTNERSHIP PARCEL 2;

THENCE ALONG THE EAST LINE OF SAID HINES LAKE TRAVIS LAND LIMITED PARTNERSHIP PARCEL 2, THE FOLLOWING 6 COURSES:

1. SOUTH 06 DEGREES 20 MINUTES 44 SECONDS EAST A DISTANCE OF 195.36 FEET TO A 1/2" REBAR WITH YELLOW PLASTIC CAP STAMPED "HAYNIE CONSULTING" FOUND;

2. SOUTH 15 DEGREES 44 MINUTES 09 SECONDS EAST A DISTANCE OF 387.91 FEET TO A 1/2" REBAR FOUND;

3. SOUTH 10 DEGREES 12 MINUTES 66 SECONDS WEST A DISTANCE OF 672.25 FEET TO A 1/2" REBAR WITH YELLOW PLASTIC CAP STAMPED "HAYNIE CONSULTING" FOUND;

4. SOUTH 35 DEGREES 14 MINUTES 57 SECONDS WEST A DISTANCE OF 659.99 FEET TO A 1/2" REBAR WITH YELLOW PLASTIC CAP STAMPED "HAYNIE CONSULTING" FOUND;

5. SOUTH 16 DEGREES 45 MINUTES 54 SECONDS WEST A DISTANCE OF 926.00 FEET TO THE POINT OF BEGINNING, CONTAINING 1,927,277 SQUARE FEET OR 44.244 ACRES OF LAND, MORE OR LESS.

  
ROBERT T. HIDELL  
TEXAS REGISTERED PROFESSIONAL LAND SURVEYOR, NO. 6583  
DATE: JUNE 30, 2021



GENERAL NOTES

- THE BASIS OF BEARINGS FOR THIS SURVEY IS THE TEXAS STATE PLANE COORDINATE SYSTEM BASED ON THE LOWER COLORADO RIVER AUTHORITY (LCRA) MONUMENTS A600 AND LT02.
- OWNERSHIP REFERENCES SHOWN HEREON ARE BASED ON TRAVIS CENTRAL APPRAISAL DISTRICT DATA WEBSITE [WWW.TRAVISCAD.ORG](http://WWW.TRAVISCAD.ORG).
- TITLE ENCUMBRANCE RESEARCH (SUCH AS EASEMENTS) SHOWN ON THIS SURVEY IS BASED ON INFORMATION CONTAINED IN SCHEDULE "B" OF A TITLE COMMITMENT PREPARED BY CHICAGO TITLE INSURANCE COMPANY, GF NO. 201702608, ISSUED OCTOBER 26, 2017. REFERENCE IS MADE TO SAID COMMITMENT AND RECORD DOCUMENTS LISTED THEREIN FOR FULL PARTICULARS. EASEMENTS AND OTHER TITLE ENCUMBRANCES, BOTH RECORDED AND UNRECORDED, MAY EXIST THAT ARE NOT CONTAINED WITHIN SAID TITLE COMMITMENT (AND THEREFORE NOT SHOWN ON THIS SURVEY). MARSHALL LANCASTER & ASSOCIATES, INC. MAKES NO REPRESENTATION AS TO THE ACCURACY OR COMPLETENESS OF SAID TITLE ENCUMBRANCE RESEARCH.
- IMPROVEMENTS EXIST THAT ARE NOT SHOWN ON THIS EXHIBIT.

DATE: 06/30/2021  
JOB NO.: 21100  
DRAWN BY: OP  
SHEET 2 OF 4

TRACT 4B,  
TESSERA ON LAKE TRAVIS  
44.244 ACRES BEING A PORTION OF  
HINES LAKE TRAVIS LAND LIMITED PARTNERSHIP PARCEL 2  
DOCUMENT NO. 2017173228, O.P.R.T.C.T.  
CITY OF LAGO VISTA, TRAVIS COUNTY, TEXAS

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## EXHIBIT B

### WRITTEN PROCEDURES RELATING TO CONTINUING COMPLIANCE WITH FEDERAL TAX COVENANTS

#### A. Arbitrage Compliance.

With respect to the investment and expenditure of the proceeds of the Bonds the City's City Manager (the "Responsible Person") will:

- Instruct the appropriate person or persons that the construction, renovation or acquisition of the facilities must proceed with due diligence and that binding contracts for the expenditure of at least 5% of the proceeds of the Bonds will be entered into within six months of the date of delivery of the Bonds ("Issue Date");
- Monitor that at least 85% of the proceeds of the Bonds to be used for the construction, renovation or acquisition of any facilities are expended within three years of the Issue Date;
- Restrict the yield of the investments to the yield on the Bonds after three years of the Issue Date;
- Monitor all amounts deposited into a sinking fund or funds, e.g., the Bond Fund, to assure that the maximum amount invested at a yield higher than the yield on the Bonds does not exceed an amount equal to the debt service on the Bonds in the succeeding 12 month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Bonds for the immediately preceding 12-month period;
- Ensure that no more than 50% of the proceeds of the Bonds are invested in an investment with a guaranteed yield for four years or more;
- Assure that the maximum amount of any reserve fund for the Bonds invested at a yield higher than the yield on the Bonds will not exceed the lesser of (1) 10% of the principal amount of the Bonds, (2) 125% of the average annual debt service on the Bonds measured as of the Issue Date, or (3) 100% of the maximum annual debt service on the Bonds as of the Issue Date;
- Maintain any official action of the City (such as a reimbursement resolution) stating its intent to reimburse with the proceeds of the Bonds any amount expended prior to the Issue Date for the acquisition, renovation or construction of the facilities;
- Ensure that the applicable information return (e.g., IRS Form 8038-G, 8038-GC, or any successor forms) is timely filed with the Internal Revenue Service ("IRS");
- Ensure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (i) at least every five years after the Issue Date and (ii) within 30 days after the date the Bonds are retired.

**B. Private Business Use.**

With respect to the use of the facilities financed or refinanced with the proceeds of the Bonds the Responsible Person will:

- Develop procedures or a “tracking system” to identify all property financed with the Bonds;
- Monitor the date on which the facilities are substantially complete and available to be used for the purpose intended;
- Monitor whether, at any time the Bonds are outstanding, any person, other than the City, the employees of the City, the agents of the City or members of the general public has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the facilities;
- Monitor whether, at any time the Bonds are outstanding, any person, other than the City, the employees of the City, the agents of the City or members of the general public has a right to use the output of the facilities (e.g., water, gas, electricity);
- Monitor whether, at any time the Bonds are outstanding, any person, other than the City, the employees of the City, the agents of the City or members of the general public has a right to use the facilities to conduct or to direct the conduct of research;
- Determine whether, at any time the Bonds are outstanding, any person, other than the City, has a naming right for the facilities or any other contractual right granting an intangible benefit;
- Determine whether, at any time the Bonds are outstanding, the facilities are sold or otherwise disposed of;
- Prior to any sale of property owned by the City (real or personal), the Responsible Person must confirm whether such property was financed with tax-exempt debt, and if so, determine whether the proposed disposition of the property could impact the tax-exempt status of the series of Bonds that financed the acquisition of such property; and
- Take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the Indenture related to the public use of the facilities.

**C. Record Retention.**

The Responsible Person will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Bonds and the use of the facilities financed or refinanced thereby for a period ending three years after the complete extinguishment of the Bonds. To comply with the forgoing, the Responsible Person should:

- Track that proceeds of the Bonds are spent on qualified purposes for which the Bonds were issued by recording all expenditures;
- Maintain detailed records of all expenditures and investments related to all funds created by the Bonds (e.g., constructions fund, I&S fund, escrow fund); and
- Ensure the IA #3 Projects are used in a manner consistent with applicable legal requirements.

If any portion of the Bonds is refunded with the proceeds of another series of tax-exempt Bonds,

such records shall be maintained until the three (3) years after the refunding obligations are completely extinguished. Such records can be maintained in paper or electronic format.

**D. Responsible Person & Continuity.**

Each Responsible Person shall receive appropriate training regarding the City's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the facilities financed with the proceeds of the Bonds. The foregoing notwithstanding, the Responsible Person are authorized and instructed to retain such experienced advisors and agents as may be necessary to carry out the purposes of these instructions.

Prior to cessation of employment with the City, the Responsible Person should identify their successor to maintain compliance with these procedures.

EXHIBIT B  
BOND PURCHASE AGREEMENT

**\$13,190,000**  
**CITY OF LAGO VISTA, TEXAS,**  
**SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024**  
**(TESSERA ON LAKE TRAVIS PUBLIC IMPROVEMENT DISTRICT**  
**IMPROVEMENT AREA #3 PROJECT)**

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**BOND PURCHASE AGREEMENT**

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January 4, 2024

City of Lago Vista, Texas  
5803 Thunderbird Street  
Lago Vista, Texas 78645

Ladies and Gentlemen:

The undersigned, FMSbonds, Inc. (the “Underwriter”), offers to enter into this Bond Purchase Agreement (this “Agreement”) with the City of Lago Vista, 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 (as defined herein) between the City and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), authorizing the issuance of the Bonds (as defined herein), and in the Limited Offering Memorandum (as 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 \$13,190,000 aggregate principal amount of the “City of Lago Vista, Texas, Special Assessment Revenue Bonds, Series 2024 (Tessera On Lake Travis Public Improvement District Improvement Area #3 Project)” (the “Bonds”), at a purchase price of \$12,794,300.00 (representing the aggregate principal amount of the Bonds, less an Underwriter’s discount of \$395,700.00).

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 Bond proceeds and the construction of the IA #3 Projects financed with the Bonds and, in connection with such discussions, the Underwriter shall be acting solely as a principal and will not be acting as the agent or fiduciary of, and will not be assuming an advisory or fiduciary responsibility in favor of, the City.

The Bonds shall be dated January 31, 2024 and shall have the maturities and redemption features, if any, and bear interest at the rates per annum shown on Schedule I hereto. Payment for and delivery of the Bonds, and the other actions described herein, shall take place on January 31, 2024 (or such other date as may be agreed to by the City and the Underwriter) (the "Closing Date").

2. Authorization Instruments and Law. The Bonds were authorized by an ordinance enacted by the City Council of the City (the "City Council") on January 4, 2024 (the "Bond Ordinance") and shall be issued pursuant to the provisions of the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "Act"), and the Indenture of Trust, dated as of January 1, 2024, between the City and the Trustee, authorizing the issuance of the Bonds (the "Indenture"). The Bonds shall be substantially in the form described in, and shall be secured under the provisions of, the Indenture.

The Bonds and interest thereon will be secured by a pledge of and lien upon the Trust Estate (as defined in the Indenture) consisting primarily of revenue from proceeds of special assessments (the "IA #3 Special Assessments") levied on the assessable parcels within Improvement Area #3 of the Tessera on Lake Travis Public Improvement District (the "District"). The District was established by a resolution (the "Creation Resolution"), enacted by the City Council on August 16, 2012, in accordance with the Act. The IA #3 Special Assessments were levied in accordance with an amended and restated service and assessment plan (the "2024 Amended and Restated Service and Assessment Plan"), pursuant to an ordinance adopted by the City Council on January 4, 2024 (the "Assessment Ordinance" and, together with the Creation Resolution, the Indenture, and the Bond Ordinance, the "Authorizing Documents"). The Bonds shall be further secured by certain applicable funds and accounts created pursuant to the Indenture.

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 Indenture.

3. Public Offering. The Underwriter agrees to make a bona fide limited public offering of all of the Bonds in accordance with Section 4 hereof and to no more than thirty-five (35) persons that qualify as “Accredited Investors” (as defined in Rule 501 of Regulation D under the Securities Act (as defined herein) or “Qualified Institutional Buyers” (as defined in Rule 144A under the Securities Act)). On or before the third (3<sup>rd</sup>) business day prior to the Closing Date, the Underwriter shall execute and deliver to Bond Counsel (as defined herein) the Issue Price Certificate (as defined herein), in substantially the form attached hereto as Appendix B.

4. Establishment of Issue Price. Notwithstanding any provision of this Agreement to the contrary, the following provisions related to the establishment of the issue price of the Bonds apply:

a. Definitions. For purposes of this Section 4, the following definitions apply:

(i) “*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than a Participating Underwriter or a Related Party to a Participating Underwriter.

(ii) “*Participating Underwriter*” means (A) any person that agrees pursuant to a written contract with the City to participate in the initial sale of the Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public).

(iii) “*Related Party*” means any two or more persons who are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interest or profits interest of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(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 Closing an “issue price” or similar certificate (the “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.

c. Substantial Amount Test. Other than those maturities of the Bonds which are designated by the Underwriter in writing in the attached Appendix B (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, on behalf of the Participating Underwriters, that each Participating Underwriter 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 business day after the Sale Date, or (ii) the date on which the Participating Underwriters have sold a Substantial Amount of such a Maturity to the Public at a price that is no higher than the Initial Offering Price of such Maturity (the “Hold-the-Price Restriction”).

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 such Hold-The-Price Maturity, if that occurs prior to the close of the fifth business day after the Sale Date.

The City acknowledges that, in making the representation set forth in this subparagraph, 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 Restriction 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 retail 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 if 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 business days from the Sale Date, or (ii) comply with the Hold-The-Price Restriction. The Underwriter will notify the Issuer if any of the Hold-the-Price Maturities are allotted to a Participating Underwriter or sold or allotted to a Related Party of the Underwriter.

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 December 13, 2023, (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 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 City will notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time 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 the 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 — Development Plan,” “— Status of Development” and “— Homebuilders and Status of Home Construction,” “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS,” “BOOK-ENTRY-ONLY SYSTEM,” “OVERLAPPING TAXES AND DEBT — Homeowners’ Association,” “THE IMPROVEMENT AREA #3 AUTHORIZED IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “THE PID ADMINISTRATOR,” “APPRAISAL OF PROPERTY WITHIN IMPROVEMENT AREA #3,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the IA #3 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 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.

f. Limited Offering. The Underwriter hereby represents, warrants and covenants that the Bonds were initially sold pursuant to a limited offering. The Bonds were sold to not more than thirty-five (35) persons that qualify as “Accredited Investors” (as defined in Rule 501 of Regulation D under the Securities Act) or “Qualified Institutional Buyers” (as defined in Rule 144A under the Securities Act).

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 Tessera on Lake Travis Public Improvement District Improvement Area Financing Agreement effective as of October 4, 2012, executed and delivered by Hines Lake Travis Land Limited Partnership, a Texas limited partnership (“Hines Lake Travis”), Hines Lake Travis Land II Limited Partnership, a Texas limited partnership (the “Developer” and, together with Hines Lake Travis, the “Landowners”) and the City (the “Financing Agreement”);
  - (4) the Restated Development Agreement for Tessera on Lake Travis effective as of August 16, 2012, executed and delivered by the City and the Landowners, as amended on November 3, 2016, December 16, 2021, and October 19, 2023 (the “Development Agreement”);

(5) the Continuing Disclosure Agreement of Issuer with respect to the Bonds, dated as of January 1, 2024, executed and delivered by the City, P3Works, LLC (the “PID Administrator”) and U.S. Bank Trust Company, National Association, as dissemination agent (in such capacity, and including any successor thereto, the “Dissemination Agent”) (the “Continuing Disclosure Agreement of Issuer”);

(6) the Improvement Area No. 3 Landowner Agreement (Tessera on Lake Travis Public Improvement District), effective as of January 4, 2024, by and between the City and the Developer (the “Developer Landowner Agreement”);

(7) the Improvement Area No. 3 Landowner Agreement (Tessera on Lake Travis Public Improvement District), effective as of January 4, 2024, by and between Westin Homes and Properties, L.P. (“Westin Homes”) and the City (the “Westin Homes Landowner Agreement”); and

(8) the Tessera on Lake Travis Public Improvement District Improvement Area #3 Acquisition and Reimbursement Agreement, dated as of January 4, 2024, executed and delivered by the City and the Developer (the “Reimbursement Agreement”).

(ii) to issue, sell, and deliver the Bonds to the Underwriter as provided herein; and

(iii) to carry out and consummate the transactions on its part described in (1) the Authorizing Documents, (2) this Agreement, (3) the Financing Agreement, (4) the Development Agreement, (5) the Continuing Disclosure Agreement of Issuer, (6) the Developer Landowner Agreement, (7) the Westin Homes Landowner Agreement, (8) the Reimbursement Agreement, (9) the Limited Offering Memorandum, and (10) any other documents and certificates described in any of the foregoing (the documents described by subclauses (1) through (10) 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 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 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 of its assets or properties 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 the pledge of the proceeds of the levy of the IA #3 Special Assessments received by the City, all to the extent provided for in the Indenture. The Indenture creates a valid pledge of certain revenues and the monies in certain funds and accounts established pursuant to the Indenture to the extent provided for in the Indenture, including the investments thereof, subject in all cases to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.

g. IA #3 Special Assessments. The IA #3 Special Assessments constituting the security for the Bonds have been levied by the City in accordance with the Assessment Ordinance and the Act on those parcels of land identified in the IA #3 Assessment Roll. According to the Act, such IA #3 Special 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 pledge of the IA #3 Special Assessments which secure the Bonds without the prior approval of the Underwriter.

j. Preliminary Limited Offering Memorandum. The information contained in the Preliminary Limited Offering Memorandum is true and correct in all material respects, and such information does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not

misleading; provided, however, that the City makes no representations with respect to the Non-City Disclosures.

k. Limited Offering Memorandum. At the time of the City's acceptance hereof and (unless the Limited Offering Memorandum is amended or supplemented pursuant to Section 5(d) 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 Section 5(d) 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. Financial Advisor. The City has engaged Tijerina Galvan Lawrence LLC as its financial advisor (the “Financial 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. Developer Letter of Representations. At the signing of this Agreement, the City and Underwriter shall receive from the Developer an executed Developer Letter of Representations (the “Developer Letter of Representations”) in the form of Appendix A hereto, and at the Closing, a certificate signed by the Developer as set forth in Section 10(e) hereof (the “Developer 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 McCall, Parkhurst & Horton L.L.P. (“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 Underwriter’s Counsel (as defined herein) 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 Developer 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 resolutions or actions of the City as, in the opinion of Bond Counsel and Underwriter’s Counsel, 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 opinions of its special counsels, Baker Botts L.L.P and Sneed, Vine & Perry, P.C. (together, “Developer’s Counsels”), shall be necessary on or prior to the Closing Date in connection with the transactions on the part of the Developer described in the Developer Letter of Representations, the Financing Agreement, the Development Agreement, the Reimbursement Agreement, the Developer Landowner Agreement, the Tessera on Lake Travis Public Improvement District Improvement Area #3 Completion Agreement (Hines), effective January 4, 2024 by and between the Trustee and the Developer (the “Developer Completion Agreement”) and the Continuing Disclosure Agreement of Developer with respect to the Bonds, dated as of January 1, 2024, executed and delivered by the Developer, the PID Administrator, and the Dissemination Agent (the “Continuing Disclosure Agreement of Developer” and, together with the Developer Letter of Representation, the Financing Agreement, the Development Agreement, the Reimbursement Agreement, the Developer Landowner Agreement and the Developer Completion 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 IA #3 Projects and the Development, and the Developer shall not be in default in the payment of principal or interest on any of its indebtedness which default shall materially adversely impact the ability of the Developer to pay the IA #3 Special Assessments when due or complete the IA #3 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, in the Underwriter's reasonable judgment, any of the following shall have occurred:

(i) the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall be materially adversely affected by the occurrence of any of the following:

(1) legislation shall have been introduced in or enacted by the Congress of the United States or adopted by either House thereof, or legislation pending in the Congress of the United States shall have been amended, or legislation shall have been recommended to the Congress of the United States or otherwise endorsed for passage (by press release, other form of notice, or otherwise) by the President of the United States, the Treasury Department of the United States, or the Internal Revenue Service or legislation shall have been proposed for consideration by either the U.S. Senate Committee on Finance or the U.S. House of Representatives Committee on Ways and Means or legislation shall have been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision by a court of the United States or the Tax Court of the United States shall be rendered or a ruling, regulation, or official statement (final, temporary, or proposed) by or on behalf of the Treasury Department of the United States, the Internal Revenue Service, or other federal agency shall be made, which would result in federal taxation of revenues or other income of the general character expected to be derived by the City or upon interest on securities of the general character of the Bonds or which would have the effect of changing, directly or indirectly, the federal income tax consequences of receipt of interest on securities of the general character of the Bonds in the hands of the holders thereof, and which in either case, makes it, in the reasonable judgment of the Underwriter, impracticable or inadvisable to proceed with the offer, sale, or delivery of the Bonds on the terms and in the manner described in the Limited Offering Memorandum; or

(2) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official 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 of 1933, as amended and as then in effect (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 service 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 pandemic or 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, and the effect of any such event on the financial markets of the United States shall be such as would make it impracticable, in the reasonable judgment of the Underwriter, for it to sell the Bonds on the terms and in the manner described in the Limited Offering Memorandum; or

(5) there shall have occurred since the date of this Agreement any materially adverse change in the affairs or financial condition of the City, except as disclosed in or 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 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 IA #3 Special Assessments 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 Underwriter's Counsel 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 Underwriter's Counsel, 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," "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS SIMILARLY SECURED," "ASSESSMENT PROCEDURES" (except for subcaptions "Assessment Methodology" and "IA #3 Special Assessment Amounts"), "THE DISTRICT" (except for the subcaption "Utilities"), "TAX MATTERS," "LEGAL MATTERS — Legal Proceedings" (except for the last paragraph thereof) and "— Legal Opinions" (except for the last paragraph thereof), "CONTINUING DISCLOSURE — The City," "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE," "LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS" and "APPENDIX B — Form of Indenture" 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 herein 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 2024 Amended and Restated Service and Assessment Plan and the Bond Ordinance (collectively, the foregoing documents are referred to herein as the “City Actions”) and perform its obligations thereunder and the City Actions have been duly adopted, are in full force and effect and have not been modified, amended or rescinded; and

(iv) The Indenture, the Financing Agreement, the Development Agreement, the Continuing Disclosure Agreement of Issuer, the Reimbursement Agreement, the Developer Landowner Agreement, the Westin Homes Landowner Agreement and this Agreement have been duly authorized, executed and delivered by the City and, assuming the due authorization, execution and delivery of such instruments, documents, and agreements by the other parties thereto, constitute the legal, valid, and binding agreements of the City, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, or other laws affecting enforcement of creditors’ rights, or by the application of equitable principles if equitable remedies are sought and to the application of Texas law relating to governmental immunity applicable to governmental entities.

c. City Legal Opinion. An opinion of the attorney for the City, dated the Closing Date and addressed to the Underwriter, the City and the Trustee, with respect to matters relating to the City, substantially in the form of Appendix C hereto or in form otherwise agreed upon by the Underwriter.

d. Opinions of Developer’s Counsels. Opinions of Developer’s Counsels, substantially in the forms of Appendix D-1 and Appendix D-2 hereto, each dated the Closing Date and addressed to the City, Bond Counsel, the attorney for the City, the Underwriter, and the Trustee.

e. Developer and Westin Homes Closing Certificates. (i) The Developer Closing Certificate dated as of the Closing Date, signed by authorized officers of the Developer in substantially the form of Appendix E-1 hereto and (ii) the Closing Certificate of Westin Homes, signed by authorized officers of Westin Homes in substantially the form of Appendix E-2 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 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 best of 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 IA #3 Special Assessments pledged to pay the principal of and interest on the Bonds, or the pledge thereof;

(iv) the City has, to the best of 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;

(v) all official action of the City relating to the Limited Offering Memorandum, the Bonds and the City Documents have been duly taken by the City, are in full force and effect and have not been modified, amended, supplemented or repealed; and

(vi) to his or her knowledge, no event affecting the City has occurred since the date of the Limited Offering Memorandum which should be disclosed therein for the purpose for which it is to be used or which is necessary to be disclosed therein in order to make the statements and information therein not misleading in any respect.

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 Underwriter's Counsel, the City and Bond Counsel to the following effect:

(i) The Trustee is duly organized, validly existing and in good standing as a national banking association organized under the laws of the United States of America, and is duly qualified to serve as Trustee in accordance with the qualifications set forth for the Trustee in the Indenture;

(ii) The Trustee has full right, power, and authority to enter into the Indenture, to perform its obligations under, and to carry out and consummate all of the transactions involving the Trustee contemplated by, the Indenture; 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.

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, Underwriter's Counsel and Bond Counsel.

i. Underwriter Counsel's Opinion. An opinion, dated the Closing Date and addressed to the Underwriter, of Orrick, Herrington & Sutcliffe LLP, ("Underwriter's Counsel"), to the effect that:

(i) 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;

(ii) 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, McCall, Parkhurst & Horton L.L.P., as bond counsel, Tijerina Galvan Lawrence LLC, as financial advisor, the public improvement district administrator, representatives of the Developer, its counsels, Sneed, Vine & Perry, P.C. and Baker Botts L.L.P. and its engineers and 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 reviewed 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 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 Closing Date contained or contains any untrue statement of a material fact or omitted or omits to state a 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 or 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., underwriting or underwriter, tax matters, 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; and

(iii) The Continuing Disclosure Agreement of Issuer 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 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 numbered paragraph ii, above.

j. Limited Offering Memorandum. The Limited Offering Memorandum and each supplement or amendment, if any, thereto.

k. Delivery of Documents. The City Documents, Developer Documents, and the Tessera on Lake Travis Public Improvement District Improvement Area #3 Completion Agreement (Westin Homes) (the "Westin Homes Completion Agreement") 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 Underwriter's Counsel 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 Limited Offering Memorandum as Appendix E-1 and Appendix E-2.

p. Letter of Representation of PID Administrator. Letter of Representation of PID Administrator, 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.

q. Letter of Representation of Appraiser. (i) Letter of Representation of Appraiser, 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, and (ii) a copy of the real estate appraisal of the property in Improvement Area #3 of the District.

r. Evidence of Filing of Assessment Ordinance and Landowner Agreements. Evidence that (i) the Assessment Ordinance, including the legal description of the property within Improvement Area #3, the assessment rolls and a statement indicating the contact for and address of where a copy of the 2024 Amended and Restated Service and Assessment Plan, and any updates thereto may be obtained or viewed and (ii) the Developer Landowner Agreement and the Westin Homes Landowner Agreement, including any appendices thereto, have been filed of record in the real property records of Travis County, Texas.

s. Lender Consent Certificate. Lender Consent Certificate of Flagstar Bank and any other lienholder on land in Improvement Area #3, in recordable form, consenting to and acknowledging the creation of the District, the adoption of the Assessment Ordinance, the levy of the IA #3 Special Assessments, and the subordination of their respective liens to the lien created by the IA #3 Special Assessments, in form and substance acceptable to the Underwriter, Underwriter's Counsel and Bond Counsel.

t. Developer Organizational 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, and (iii) verification of franchise tax account status from the Texas Comptroller of Public Accounts for the Developer.

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 Bond Ordinance.

v. Dissemination Agent. Evidence acceptable to the Underwriter in its sole discretion that the City has engaged a dissemination agent acceptable to the Underwriter for the Bonds, with the execution of the Continuing Disclosure Agreement of Issuer and the Continuing Disclosure Agreement of Developer by other parties thereto being conclusive evidence of such acceptance by the Underwriter.

w. BLOR. A copy of the current Blanket Issuer Letter of Representation to DTC signed by the City.

x. Additional Documents. Such additional legal opinions, certificates, instruments, and other documents as the Underwriter or Underwriter's Counsel may reasonably deem necessary.

If the City shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Agreement (unless waived by the Underwriter in its sole discretion), 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 and 15 hereof.

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. 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).

13. Costs and Expenses.

a. The Underwriter shall be under no obligation to pay, and the City shall cause to be paid from proceeds of the Bonds the following expenses incident to the issuance of the Bonds and performance of the City's obligations hereunder: (i) the costs of the preparation and printing of the Bonds; (ii) the cost of preparation, printing, and

mailing of the Preliminary Limited Offering Memorandum, the final Limited Offering Memorandum and any supplements and amendments thereto; (iii) the fees and disbursements of the City's Financial Advisor, the Trustee's counsel, Bond Counsel, Developer's Counsels, and the Trustee relating to the issuance of the Bonds; (iv) the Attorney General's review fees; (v) the fees and disbursements of accountants, advisers and any other experts or consultants retained by the City or the Developer, 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 Underwriter's Counsel; 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.

14. Notice. Any notice or other communication to be given to the City under this Agreement may be given by delivering the same in writing to: City of Lago Vista, Texas, 5803 Thunderbird Street, Lago Vista, Texas 78645, Attention: City Manager.

Any notice or other communication to be given to the Underwriter under this Agreement may be given by delivering the same in writing to: FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Frisco, Texas 75034, Attention: Tripp Davenport, Director.

15. 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 agreements contained in this Agreement shall remain operative and in full force and effect regardless of: (i) any investigations made by or on behalf of the Underwriter, provided the City shall have no liability with respect to any matter of which the Underwriter has actual knowledge prior to the purchase of the Bonds; or (ii) delivery of any payment for the Bonds pursuant to this Agreement. The agreements contained in this Section shall survive any termination of this Agreement.

16. Survival of Representations and Warranties of Third Parties. All representations and warranties of the parties (other than the City and 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 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.

17. Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

18. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof.

19. State Law Governs. The validity, interpretation, and performance of this Agreement shall be governed by the laws of the State.

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

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

b. No Boycott of Israel. The Underwriter hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. As used

in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

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

d. No Boycott of Energy Companies. The Underwriter hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

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

*[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 Lago Vista, Texas**

By: \_\_\_\_\_  
Mayor

## SCHEDULE I

\$13,190,000

### CITY OF LAGO VISTA, TEXAS

(a municipal corporation of the State of Texas located in Travis County)

### SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024

(TESSERA ON LAKE TRAVIS PUBLIC IMPROVEMENT DISTRICT  
IMPROVEMENT AREA #3 PROJECT)

Interest Accrues From: Closing Date

\$974,000 4.750% Term Bonds, Due September 1, 2030 Priced to Yield 4.750% <sup>(a) (c) (d)</sup>

\$3,643,000 5.625% Term Bonds, Due September 1, 2043 Priced to Yield 5.625% <sup>(a) (b) (c) (d)</sup>

\$8,573,000 6.000% Term Bonds, Due September 1, 2054 Priced to Yield 6.000% <sup>(a) (b) (c) (d)</sup>

(a) The initial reoffering prices or yields of the Bonds have been determined in accordance with the 10% test.

(b) The Bonds maturing on or after September 1, 2043 are subject to redemption, in whole or in part, prior to stated maturity, at the option of the City, on any date beginning on or after September 1, 2034, at the redemption price of the principal amount of such Bonds, or portion thereof, to be redeemed, plus accrued and unpaid interest to date 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 maturing September 1 in the years 2030, 2043 and 2054 are also subject to mandatory sinking fund redemption on the dates and in the respective Sinking Fund Installment as set forth in the following schedules.

#### \$974,000 Bonds Maturing September 1, 2030

| <u>Redemption Date</u> | <u>Sinking Fund<br/>Installment</u> |
|------------------------|-------------------------------------|
| September 1, 2025      | \$143,000                           |
| September 1, 2026      | 150,000                             |
| September 1, 2027      | 157,000                             |
| September 1, 2028      | 166,000                             |
| September 1, 2029      | 175,000                             |
| September 1, 2030†     | 183,000                             |

† Stated Maturity

#### \$3,643,000 Bonds Maturing September 1, 2043

| <u>Redemption Date</u> | <u>Sinking Fund<br/>Installment</u> | <u>Redemption Date</u> | <u>Sinking Fund<br/>Installment</u> |
|------------------------|-------------------------------------|------------------------|-------------------------------------|
| September 1, 2031      | \$194,000                           | September 1, 2038      | \$290,000                           |
| September 1, 2032      | 205,000                             | September 1, 2039      | 305,000                             |
| September 1, 2033      | 215,000                             | September 1, 2040      | 325,000                             |
| September 1, 2034      | 229,000                             | September 1, 2041      | 347,000                             |
| September 1, 2035      | 242,000                             | September 1, 2042      | 369,000                             |
| September 1, 2036      | 257,000                             | September 1, 2043†     | 391,000                             |
| September 1, 2037      | 274,000                             |                        |                                     |

† Stated Maturity

**\$8,573,000 Bonds Maturing September 1, 2054**

| <b><u>Redemption Date</u></b> | <b><u>Sinking Fund<br/>Installment</u></b> | <b><u>Redemption Date</u></b> | <b><u>Sinking Fund<br/>Installment</u></b> |
|-------------------------------|--|-------------------------------|--|
| September 1, 2044             | \$413,000                                  | September 1, 2050             | \$ 599,000                                 |
| September 1, 2045             | 439,000                                    | September 1, 2051             | 1,151,000                                  |
| September 1, 2046             | 467,000                                    | September 1, 2052             | 1,225,000                                  |
| September 1, 2047             | 496,000                                    | September 1, 2053             | 1,304,000                                  |
| September 1, 2048             | 528,000                                    | September 1, 2054†            | 1,388,000                                  |
| September 1, 2049             | 563,000                                    |                               |  |

† Stated Maturity

**APPENDIX A**  
**FORM OF DEVELOPER LETTER OF REPRESENTATIONS**

**\$13,190,000**  
**CITY OF LAGO VISTA, TEXAS,**  
**SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024**  
**(TESSERA ON LAKE TRAVIS PUBLIC IMPROVEMENT DISTRICT**  
**IMPROVEMENT AREA #3 PROJECT)**

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**DEVELOPER LETTER OF REPRESENTATIONS**

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January 4, 2024

City of Lago Vista, Texas  
5803 Thunderbird Street  
Lago Vista, Texas 78645

FMSbonds, Inc.  
5 Cowboys Way, Suite 300-25  
Frisco, Texas 75034

Ladies and Gentlemen:

This letter is being delivered to the City of Lago Vista, Texas (the “City”) and FMSbonds, Inc. (the “Underwriter”), in consideration for your entering into the Bond Purchase Agreement dated the date hereof (the “Bond Purchase Agreement”) for the sale and purchase of the \$13,190,000 “City of Lago Vista, Texas, Special Assessment Revenue Bonds, Series 2024 (Tessera On Lake Travis Public Improvement District Improvement Area #3 Project)” (the “Bonds”). Pursuant to the Bond Purchase Agreement, the Underwriter has agreed to purchase from the City, and the City has agreed to sell to the Underwriter the Bonds. In order to induce the City to enter into the Bond Purchase Agreement and as consideration for the execution, delivery, and sale of the Bonds by the City and the purchase of them by the Underwriter, the undersigned, Hines Lake Travis Land II Limited Partnership, a Texas limited partnership (the “Developer”), makes the representations, warranties, and covenants contained in this Developer Letter of Representations. Unless the context clearly indicates otherwise, each capitalized term used in this Developer Letter of Representations will have the meaning set forth in the Bond Purchase Agreement.

1. Purchase and Sale of Bonds. Inasmuch as the purchase and sale of the Bonds represents a negotiated transaction, the Developer understands, and hereby confirms, that the Underwriter is not acting as a fiduciary of the Developer, but rather is acting solely in its capacity as Underwriter of the Bonds for its own account.

2. Updating of the Limited Offering Memorandum. If, after the date of this Developer Letter of Representations, up to and including the date the Underwriter is no longer required to provide a Limited Offering Memorandum to potential customers who request the same pursuant to Rule 15c2-12 (the earlier of (i) ninety (90) days from the “end of the underwriting period” (as defined in Rule 15c2-12) and (ii) the time when the Limited Offering Memorandum is available to any person from the MSRB, but in no case less than twenty-five (25) days after the “end of the underwriting period” for the Bonds), the Developer becomes aware of any fact or event which might or would cause the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or if it is necessary to amend or supplement the Limited Offering Memorandum to comply with law, the Developer will notify the Underwriter promptly (and for the purposes of this clause provide the Underwriter with such information as it may from time to time request); however, that for the purposes of this Developer Letter of Representations and any certificate delivered by the Developer in accordance with the Bond Purchase Agreement, the Developer makes no representations with respect to 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 — Development Plan,” “— Status of Development,” “— Homebuilders and Status of Home Construction” and “— Financing Plan” (except for the subcaptions “— Financing Plan – Major Improvement Area,” “— Improvement Area #1” and “— Improvement Area #2”), “OVERLAPPING TAXES AND DEBT — Homeowners’ Association,” “THE IMPROVEMENT AREA #3 AUTHORIZED IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS’ RISKS,” (only as it pertains to the Developer, the Improvement Area #3 Authorized Improvements and the Development), “LEGAL MATTERS — Litigation — The Developer,” “CONTINUING DISCLOSURE — The Developer” and “— The Developer’s Compliance with Prior Undertakings,” “SOURCES OF INFORMATION — Developer,” “APPENDIX E-2” and “APPENDIX F” (collectively, the “Developer Disclosures”) in accordance with subsection 4(f) herein.

3. Developer Documents. The Developer has executed and delivered each of the below listed documents (individually, a “Developer Document” and collectively, the “Developer Documents”) in the capacity provided for in each such Developer Document, and each such Developer Document constitutes a valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms:

- a. this Developer Letter of Representations;
- b. the Financing Agreement;
- c. the Development Agreement;
- d. the Developer Landowner Agreement;
- e. the Reimbursement Agreement;

- f. the Developer Completion Agreement; and
- g. the Continuing Disclosure Agreement of Developer.

The Developer has complied in all material respects with all of the Developer's agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Developer under the Developer Documents on or prior to the date hereof.

The representations and warranties of the Developer contained in the Developer Documents are true and correct in all material respects on and as of the date hereof.

4. Developer Representations, Warranties and Covenants. The Developer represents, warrants, and covenants to the City and the Underwriter that:

- a. Due Organization and Existence. The Developer is duly formed and validly existing as a limited partnership under the laws of the State of Texas.
- b. Organizational Documents. The copies of the organizational documents of the Developer provided by the Developer 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 Developer does not violate any judgment, order, writ, injunction or decree binding on the Developer or any indenture, agreement, or other instrument to which the Developer 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 that are either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Developer to perform its obligations under the Developer Documents in all material respects or that would reasonably be expected to prevent or prohibit the development of the 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 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 under any of the Developer Documents, any documents to which the Developer is a party described in the Limited Offering Memorandum, or under any material documents relating to the financing and construction of the IA #3 Projects to which the Developer 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, has occurred and is continuing.

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 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 Developer Letter of Representations will survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of any payment by the Underwriter for the Bonds, and (c) any termination of the Bond Purchase Agreement.

7. Binding on Successors and Assigns. This Developer Letter of Representations will be binding upon the Developer and its successors and assigns and inure solely to the benefit of the Underwriter and the City, and no other person or firm or entity will acquire or have any right under or by virtue of this Developer Letter of Representations.

*[Signature page follows.]*

**Hines Lake Travis Land II Limited Partnership, a  
Texas limited partnership  
(as Developer)**

By: Hines Lake Travis II GP, LLC,  
a Delaware limited liability company,  
its General Partner

By: Hines Interests Limited Partnership,  
a Delaware limited partnership,  
its sole member

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## APPENDIX B

**\$13,190,000**

**CITY OF LAGO VISTA, TEXAS,  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024  
(TESSERA ON LAKE TRAVIS PUBLIC IMPROVEMENT DISTRICT  
IMPROVEMENT AREA #3 PROJECT)**

### ISSUE PRICE CERTIFICATE

The undersigned, as the duly authorized representative of FMSbonds, Inc., ("Purchaser"), with respect to the City of Lago Vista, Texas, Special Assessment Revenue Bonds, Series 2024 (Tessera On Lake Travis Public Improvement District Improvement Area #3 Project) issued by the City of Lago Vista, Texas ("Issuer") in the principal amount of \$13,190,000 ("Bonds"), hereby certifies, based on its records and information, as follows:

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.

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 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 \_\_\_\_\_, 2024.

FMSbonds, Inc.,  
as Underwriter

By:\_\_\_\_\_

Name: Theodore A. Swinarski  
Title: Senior Vice President - Trading

SCHEDULE A  
PRICING WIRE OR EQUIVALENT COMMUNICATION  
*(Attached)*

**APPENDIX C**  
[LETTERHEAD OF CITY ATTORNEY]

January 31, 2024

FMSbonds, Inc.  
5 Cowboys Way, Suite 300-25  
Frisco, Texas 75034

U.S. Bank Trust Company, National Association  
13737 Noel Road, Suite 800  
Dallas, Texas 75240

City of Lago Vista, Texas  
5803 Thunderbird Street  
Lago Vista, Texas 78645

\$13,190,000  
CITY OF LAGO VISTA, TEXAS,  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024  
(TESSERA ON LAKE TRAVIS PUBLIC IMPROVEMENT DISTRICT  
IMPROVEMENT AREA #3 PROJECT)

Ladies and Gentlemen:

The undersigned serves as the City Attorney for the City of Lago Vista, Texas (the “City”), and has, in that capacity, provided legal review in connection with the issuance and sale of \$13,190,000 “City of Lago Vista, Texas, Special Assessment Revenue Bonds, Series 2024 (Tessera On Lake Travis Public Improvement District Improvement Area #3 Project)” (the “Bonds”) by the City, a political subdivision of the State of Texas.

The Bonds are authorized pursuant to an ordinance enacted by the City Council of the City (the “City Council”) on January 4, 2024 (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 and the Indenture of Trust dated as of January 1, 2024 (the “Indenture”), by and between the City and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). Capitalized terms not defined herein shall have the same meanings as in the Indenture, unless otherwise stated herein.

In connection with rendering this opinion, we have reviewed the:

(a) The Resolution No. 12-1551 (the “Creation Resolution”) enacted by the City Council on August 16, 2012;

(b) An ordinance accepted and approved by City Council on January 4, 2024 (the “Assessment Ordinance”) and the 2024 Amended and Restated Service and Assessment Plan attached as an exhibit thereto;

(c) The Bond Ordinance;

(d) The Indenture;

(e) The Tessera on Lake Travis Public Improvement District Improvement Area Financing Agreement effective as of October 4, 2012, executed and delivered by Hines Lake Travis Land Limited Partnership, a Texas limited partnership (“Hines Lake Travis”), Hines Lake Travis Land II Limited Partnership, a Texas limited partnership (the “Developer” and, together with Hines Lake Travis, the “Landowners”) and the City;

(f) The Restated Development Agreement for Tessera on Lake Travis effective as of August 16, 2012, executed and delivered by the City and the Landowners, as amended on November 3, 2016, December 16, 2021 and October 19, 2023;

(g) The Continuing Disclosure Agreement of Issuer with respect to the Bonds, dated as of January 1, 2024, executed and delivered by the City, P3Works, LLC, as PID Administrator and U.S. Bank Trust Company, National Association, as Dissemination Agent;

(h) The Improvement Area No. 3 Landowner Agreement (Tessera on Lake Travis Public Improvement District), effective as of January 4, 2024, by and between the City and the Developer;

(i) The Improvement Area No. 3 Landowner Agreement (Tessera on Lake Travis Public Improvement District), effective as of January 4, 2024, by and between the City and Westin Homes and Properties, L.P.; and

(j) The Tessera on Lake Travis Public Improvement District Improvement Area #3 Acquisition and Reimbursement Agreement, dated as of January 4, 2024, executed and delivered by the City and the Developer (the “Reimbursement Agreement”).

The Creation Resolution, the Assessment Ordinance and Bond Ordinance shall hereinafter be referred to as the “Authorizing Documents” and the remaining documents shall hereinafter be collectively referred to as the “City Documents.”

In all such examinations, we have assumed that all signatures on documents and instruments executed by the City are genuine and that all documents submitted to me as copies conform to the originals. In addition, for purposes of this opinion, we have assumed the due authorization, execution and delivery of the City Documents by all parties other than the City.

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 City 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 City Documents and the performance of its obligations thereunder.

2. 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, to the best of my knowledge,

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 IA #3 Special Assessments in Improvement Area #3 pursuant to the provisions of the Assessment Ordinance and the 2024 Amended and Restated Service and Assessment Plan referenced therein, (d) contesting or affecting the validity or enforceability or the City's performance of the City 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 City 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 City 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 (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 City Documents will not violate any provision of any Federal or Texas constitutional or statutory provision.

6. 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 City Documents.

7. The City has duly authorized, executed and delivered the Preliminary Limited Offering Memorandum.

8. 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 Limited Offering Memorandum with respect to the City under the captions and subcaptions "ASSESSMENT PROCEDURES," "THE CITY," "THE DISTRICT," "LEGAL MATTERS — Litigation – The City" and "APPENDIX A" are a fair and accurate summary of the law and the documents and facts summarized therein.

9. The adoption of the Authorizing Documents, the execution and delivery of the City Documents and the compliance with the provisions of the Authorizing Documents and the City 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.

This opinion may not be relied upon by any other person except those specifically addressed in this letter.

Sincerely,

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## APPENDIX D-1

[LETTERHEAD OF BAKER BOTTS L.L.P.]

JANUARY 31, 2024

City of Lago Vista, Texas  
5803 Thunderbird Street  
Lago Vista, Texas 78645

City Attorney's Office  
City of Lago Vista, Texas  
5803 Thunderbird Street  
Lago Vista, Texas 78645

FMSbonds, Inc.  
5 Cowboys Way, Suite 300-25  
Frisco, Texas 75034

U.S. Bank Trust Company, National  
Association  
13737 Noel Road, Suite 800  
Dallas, Texas 75240

RE: \$13,190,000 City of Lago Vista, Texas, Special Assessment Revenue Bonds, Series 2024  
(Tessera on Lake Travis Public Improvement District Improvement Area #3 Project)

Ladies and Gentlemen:

We have acted as a special counsel for Hines Lake Travis Land II Limited Partnership, a Texas limited partnership (the “Developer”), in connection with the issuance and sale by the City of Lago Vista, Texas (the “City”) of \$13,190,000 City of Lago Vista, Texas, Special Assessment Revenue Bonds, Series 2024 (Tessera on Lake Travis Public Improvement District Improvement Area #3 Project) (the “Bonds”), pursuant to the Indenture of Trust dated as of January 1, 2024 (the “Indenture”), by and between the City and U.S. Bank Trust Company, National Association, as trustee. Proceeds from the sale of the Bonds will be used, in part, to repay existing debt related to the development known as “Tessera on Lake Travis” located in the City.

The Bonds are being sold to FMSbonds, Inc. (the “Underwriter”), pursuant to that certain Bond Purchase Agreement dated as of January 4, 2024 (the “Bond Purchase Agreement”), by and between the City and the Underwriter. This opinion letter is being delivered pursuant to Section 10(d) of the Bond Purchase Agreement.

All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Bond Purchase Agreement.

### **Assumptions and Bases for Opinions and Assurances**

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 being executed, entered into and/or issued, as the case may be, in connection with the issuance of the Bonds (collectively, the “Documents”):

1. The Developer Letter of Representations.
2. The Continuing Disclosure Agreement of Developer.
3. The Developer Landowner Agreement.
4. The Financing Agreement.
5. The Reimbursement Agreement.
6. The Development Agreement.
7. The Developer Completion Agreement.
8. The Indenture.

The Documents identified as items (1) through (7) above are hereinafter referred to as the “Developer Documents”. The Development Agreement and the Financing Agreement are hereinafter referred to as the “Pre-existing Developer Documents,” and the Developer Documents other than the Pre-existing Developer Documents are hereinafter referred to as the “2024 Developer Documents.”

- (b) Secretary’s Certificate of the Developer dated as of the date hereof (the “Developer Certificate”);
- (c) Evidence that the Developer exists and is in good standing in the State of Texas;
- (d) The Preliminary Limited Offering Memorandum, dated December 13, 2023, relating to the issuance of the Bonds (the “Preliminary Limited Offering Memorandum”);
- (e) The final Limited Offering Memorandum, dated January 4, 2024, relating to the issuance of the Bonds (the “Limited Offering Memorandum”); and
- (f) Such other documents, records, agreements and certificates of the Developer and its officers and of such other parties as we have deemed necessary or appropriate to enable us to render the opinions expressed below.

In rendering the opinions set forth herein, we have assumed: (i) the due authorization, execution and delivery of each document referred to in this opinion letter by all parties thereto (other than the authorization, execution and delivery by the Developer, to the extent we expressly address such matters in paragraphs 2 and 5) and that each such document constitutes a valid, binding and enforceable obligation of each party thereto (other than the Developer, to the extent we expressly address such matters in paragraph 5), (ii) all of the parties to the documents referred to in this opinion letter are duly organized and validly existing and have the requisite power and authority (corporate, limited liability company, partnership or other) to execute, deliver and perform their obligations under such documents (except to the extent set forth in our opinions set forth herein regarding due formation, valid existence and power and authority of the Developer to execute, deliver and perform its obligations under the Developer Documents to which it is a party), (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, (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 electronic, photostatic or certified copies, (viii) that no laws or judicial, administrative or other action of any Governmental Authority (as defined in Schedule I attached hereto) of any jurisdiction not expressly opined to herein would adversely affect the opinions set forth herein, and (ix) neither Pre-existing Developer Document has been amended, restated, supplemented or otherwise modified prior to the date hereof (except as specifically referenced in the definition thereof in the Bond Purchase Agreement) or terminated, and no rights pursuant thereto have been released, waived or modified (either expressly or by action or inaction by any party).

In addition, we have assumed that the 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 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 Documents.

The qualification of any opinion or statement herein by the use of the words "to our knowledge" or "known to us" means that during the course of representation as described in this opinion letter, no information has come to the attention of the attorneys in this firm involved in the transactions described which would give such attorneys current actual knowledge of the existence of the facts so qualified. Except as set forth herein, we have not undertaken any investigation to determine the existence of such facts, and no inference as to our knowledge thereof shall be drawn from the fact of our representation of any party or otherwise.

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.

### **Opinions and Assurances**

Based solely upon the foregoing, and subject to the assumptions and limitations set forth herein, we are of the opinion that:

1. The Developer is a limited partnership that has been duly formed and is validly existing and in good standing under the laws of the State of Texas.

2. The Developer has the power and authority under the Texas Business Organizations Code and its partnership agreement to execute and deliver each Developer Document and to perform its obligations thereunder. The execution and delivery by the Developer of each 2024 Developer Document and the performance by it of its obligations under the Developer Documents have been duly authorized by all requisite partnership action on behalf of or on the part of the Developer.

3. The execution and delivery by the Developer of the 2024 Developer Documents and the performance by it of its obligations under the Developer Documents will not (i) violate any Applicable Law (as defined in Schedule I attached hereto); (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 known to us as 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 Developer Documents; or (iii) constitute a violation of its limited partnership agreement or certificate of formation.

4. No Governmental Approval (as defined in Schedule I attached hereto) which has not been obtained or taken is required to be obtained or taken by the Developer on or before the date hereof as a condition to (a) the execution and delivery by it of the 2024 Developer Documents or (b) the performance by it of its obligations under the Developer Documents, except for Governmental Approvals that may be required to comply with certain covenants contained in the Developer Documents (including, without limitation, covenants to comply with applicable laws).

5. Each 2024 Developer Document has been duly executed and delivered by the Developer, and each Developer Document constitutes the Developer's legal, valid and binding obligation, enforceable against it in accordance with its terms.

6. There are no actions, suits or proceedings pending or threatened against the Developer identified in the Developer Certificate or otherwise known to us 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 Developer Documents; (iii) the validity or enforceability against it of the Developer Documents or the transactions contemplated thereby; (iv) the titles of its officers executing the Developer Documents; (v) the execution and delivery of the Developer Documents on its behalf; (vi) its operations or financial condition that would materially adversely affect its operations or financial condition; or (vii) the acquisition and construction of the property and improvements identified in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum the cost of which is to be funded or reimbursed, in whole or in part, by proceeds of the Bonds.

7. No taxes or other charges, including, without limitation, intangible or documentary stamp taxes, mortgage or recording taxes, transfer taxes or similar charges, are payable to the State of Texas by the Developer on account of its execution or delivery of any Developer Document or the creation of the indebtedness evidenced or secured by any Document or the recording or filing of any Developer Document, except for normal filing or recording fees.

8. The execution and delivery of the Developer Documents do not, and the transactions contemplated thereby 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

contemplated by the 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 its property or assets, except as expressly contemplated by the Developer Documents (a) under Applicable Law or (b) under any such loan agreement, indenture, bond note, resolution, agreement, or other instrument.

## **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 assumed, with your approval, that no laws or judicial, administrative or other action of any kind not expressly opined to herein would adversely affect the opinions set forth herein.

(b) We have relied upon the Developer Certificate and certificates of governmental and public officials, and upon the representations and warranties of the parties in the Documents with respect to the accuracy of the material factual matters contained therein or covered thereby. In rendering the opinions set forth in paragraph 1, we have relied solely upon a certificate issued as of a recent date by the Secretary of State of the State of Texas and a statement of Franchise Tax Account Status obtained as of a recent date through the website of the Office of the Comptroller of Public Accounts of Texas, which statement indicates that, as of a recent date, the right of the Developer to transact business in Texas is "active".

(c) Our opinions in paragraph 5 are subject to the effect of (i) applicable bankruptcy, insolvency, reorganization, arrangement, fraudulent transfer or conveyance, moratorium, conservatorship and similar laws affecting creditor's rights and remedies generally, (ii) general principles of equity (whether considered in a proceeding in equity or at law) including, without limitation, the possible unavailability of specific performance, injunctive relief or any other equitable remedy, and (iii) principles of materiality and reasonableness and implied covenants of good faith and fair dealing.

(d) Except as otherwise expressly provided herein, we have not reviewed, and express no opinion with respect to, documents other than the Developer Documents.

(e) The foregoing opinions are limited in all respects to the Applicable Laws, as in effect on the date hereof, and no opinion is expressed herein as to any matters governed by the laws of any other jurisdiction (or to the extent that our opinions are limited to the specific statutes of any jurisdiction, any matters governed by the laws of any other statutes of such jurisdiction). This opinion letter is limited to the matters expressly stated herein and no opinion may be inferred or implied beyond the matters expressly stated herein. We undertake no, and hereby disclaim any, obligation or responsibility to update or supplement this opinion letter in response to subsequent changes in the law or future events

affecting any of the transactions contemplated by any of the Developer Documents.

(f) Notwithstanding anything contained herein to the contrary, we express no opinion as to (x) the value of, the accuracy or completeness of any description of, or the location or characterization of, any real or personal property, or any person's title thereto, (y) the physical condition or actual use made of any real or personal property and (z) whether any real or personal property is in compliance with any laws or regulations relating to the construction, occupancy or use thereof, including zoning laws, building codes and environmental laws.

(g) Certain of the remedial, waiver, consent and other provisions of the Documents may be unenforceable under existing laws or judicial decisions. However, subject to the other qualifications and limitations set forth herein, such laws or judicial decisions do not, in our opinion, substantially interfere with the practical realization of the principal benefits expressed in the Documents, except for the economic consequences of any procedural delay that might result from such laws or decisions (it being understood that we express no opinion as to the adequacy of such provisions to the extent it is necessary to seek execution or enforcement of rights or remedies under the laws of any jurisdiction outside the State of Texas).

(h) We express no opinion with respect to the validity or enforceability of the following provisions to the extent that they are contained in the Documents: (i) provisions regarding indemnities or exculpation from liability to the extent prohibited by federal or state laws and the public policies underlying those laws or that might require indemnification or contribution for, or exculpation from liability on account of, negligence, willful misconduct, unlawful acts, fraud or illegality of an indemnified or exculpated party; (ii) provisions purporting to waive, subordinate or not give effect to rights to notice, demands, legal defenses or other rights or benefits that cannot be waived or subordinated, or are rendered ineffective, under applicable law; (iii) provisions purporting to provide remedies inconsistent with Applicable Law; (iv) provisions relating to powers of attorney, severability or set-offs; (v) provisions relating to service of process or provisions restricting access to courts or purporting to affect the jurisdiction or venue of courts; (vi) provisions relating to waiver of jury trial; (vii) provisions purporting to exclude all conflicts-of-law rules; (viii) provisions providing that decisions by a party are conclusive or may be made in its sole discretion; (ix) the enforceability of self-help remedies as to collateral; (x) provisions purporting to permit cumulative remedies to the extent not permitted under applicable law; (xi) requirements that all amendments, waivers and terminations be in writing; or (xii) provisions providing for the disregard of any course of dealing between the parties.

We have reviewed the sections entitled "PLAN OF FINANCE — Development Plan," " — Status of Development," " — Homebuilders and Status of Home Construction" and " — Financing Plan" (except for the subcaptions " — Financing Plan – Major Improvement Area," " —

Improvement Area #1" and "– Improvement Area #2"), "OVERLAPPING TAXES AND DEBT — Homeowners' Association," "THE IMPROVEMENT AREA #3 AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "LEGAL MATTERS — Litigation – The Developer," "CONTINUING DISCLOSURE — The Developer" and " — The Developer's Compliance with Prior Undertakings," "SOURCES OF INFORMATION — Developer," and the portions of the section entitled "BONDHOLDERS' RISKS" that mention the Developer, the Improvement Area #3 Projects (as defined therein) or the Development in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and have participated in conferences with officers and other representatives of the Developer. The purpose of our professional engagement was not to establish or confirm factual matters set forth in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, and we have not undertaken to verify independently any of the factual matters in such documents. Moreover, many of the determinations required to be made in the preparation of the sections entitled "PLAN OF FINANCE — Development Plan," " — Status of Development," " — Homebuilders and Status of Home Construction" and " — Financing Plan" (except for the subcaptions " — Financing Plan – Major Improvement Area," " — Improvement Area #1" and " — Improvement Area #2"), "OVERLAPPING TAXES AND DEBT — Homeowners' Association," "THE IMPROVEMENT AREA #3 AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "LEGAL MATTERS — Litigation – The Developer," "CONTINUING DISCLOSURE — The Developer" and " — The Developer's Compliance with Prior Undertakings," "SOURCES OF INFORMATION — Developer," and the portions of the section entitled "BONDHOLDERS' RISKS" that mention the Developer, the Improvement Area #3 Projects or the Development in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum involve matters of a non-legal nature. Accordingly, we are not passing upon, and do not assume any responsibility for, the accuracy, completeness or fairness of the statements included in the sections entitled "PLAN OF FINANCE — Development Plan," " — Status of Development," " — Homebuilders and Status of Home Construction" and " — Financing Plan" (except for the subcaptions " — Financing Plan – Major Improvement Area," " — Improvement Area #1" and " — Improvement Area #2"), "OVERLAPPING TAXES AND DEBT — Homeowners' Association," "THE IMPROVEMENT AREA #3 AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "LEGAL MATTERS — Litigation – The Developer," "CONTINUING DISCLOSURE — The Developer" and " — The Developer's Compliance with Prior Undertakings," "SOURCES OF INFORMATION — Developer," and the portions of the section entitled "BONDHOLDERS' RISKS" that mention the Developer, the Improvement Area #3 Projects or the Development in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum. Subject to the foregoing, and on the basis of the information we gained in the course of performing the services referred to above, we advise you that nothing came to our attention that caused us to believe that the sections entitled "PLAN OF FINANCE — Development Plan," " — Status of Development," " — Homebuilders and Status of Home Construction" and " — Financing Plan" (except for the subcaptions " — Financing Plan – Major Improvement Area," " — Improvement Area #1" and " — Improvement Area #2"), "OVERLAPPING TAXES AND DEBT — Homeowners' Association," "THE IMPROVEMENT AREA #3 AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "LEGAL MATTERS — Litigation – The Developer," "CONTINUING DISCLOSURE — The Developer" and " — The Developer's Compliance with Prior

Undertakings," "SOURCES OF INFORMATION — Developer," and the portions of the section entitled "BONDHOLDERS' RISKS" that mention the Developer, the Improvement Area #3 Projects or the Development in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, with respect to the Preliminary Limited Offering Memorandum, as of its date and as of the date of the Limited Offering Memorandum, and with respect to the Limited Offering Memorandum, as of its date or as of the date hereof, included or includes an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; it being understood that we have not been asked to, and do not, express any belief with respect to (a) the financial statements and schedules or other financial, accounting or statistical information included or incorporated by reference therein or omitted therefrom or (b) representations and warranties and other statements of fact contained in the exhibits to documents incorporated by reference therein.

This opinion letter is rendered solely for your benefit (and the benefit of your successors and assigns) in connection with the transactions contemplated by the Documents to be consummated on this date. In addition, we hereby consent to the provision of a copy of this opinion letter to McCall, Parkhurst & Horton L.L.P., in its capacity as bond counsel, in each case in connection with the issuance of the Bonds; provided, however, that such party may rely only on the opinions stated in the numbered paragraphs above, subject to the stated limitations and assumptions. This opinion letter may not be used for any other purpose or relied upon by any other person, firm or entity, without, in each instance, our prior written consent.

Very truly yours,

WFS/CST/LRP

## **SCHEDULE I**

As used herein, “Applicable Law” means the laws, rules and regulations of the State of Texas and the United States of America and the rules and regulations adopted thereunder; that in our experience normally would be applicable to general business entities with respect to the transactions contemplated by the Bond Purchase Agreement (provided, however, that we express no opinion with respect to compliance with any securities or antifraud law, rule or regulation); for the avoidance of doubt, the foregoing shall not include any local or municipal laws, environmental laws or regulations, development laws or regulations, land ordinances or water management laws or regulations.

As used herein, “Governmental Approval” means any consent, approval, license, authorization or validation of, or filing, recording or registration with, any Governmental Authority of the State of Texas or any governmental authority or instrumentality of the United States of America pursuant to any Applicable Law.

As used herein, “Governmental Authority” means the government of the State of Texas, and any agency, authority, statewide subdivision instrumentality, regulatory body, court or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to such government.

## APPENDIX D-2

[LETTERHEAD OF SNEED, VINE & PERRY, P.C.]

JANUARY 31, 2024

City of Lago Vista, Texas  
5803 Thunderbird Street  
Lago Vista, Texas 78645

FMSbonds, Inc.  
5 Cowboys Way, Suite 300-25  
Frisco, Texas 75034

City Attorney's Office  
City of Lago Vista, Texas  
5803 Thunderbird Street  
Lago Vista, Texas 78645

U.S. Bank Trust Company, National Association  
13737 Noel Road, Suite 800  
Dallas, Texas 75240

Orrick, Herrington & Sutcliffe LLP  
300 W. 6th Street, Suite 1850  
Austin, Texas 78701

RE: \$13,190,000 City of Lago Vista, Texas, Special Assessment Revenue Bonds, Series 2024  
(Tessera on Lake Travis Public Improvement District Improvement Area #3 Project)

Dear Ladies and Gentlemen:

We have acted as special counsel for Hines Lake Travis Land II Limited Partnership, a Texas limited partnership (the “**Developer**”) in connection with the issuance and sale by the City of Lago Vista, Texas (the “**City**”) of \$13,190,000 City of Lago Vista, Texas, Special Assessment Revenue Bonds, Series 2024 (Tessera on Lake Travis Public Improvement District Improvement Area #3 Project) (the “**Bonds**”), pursuant to the Indenture of Trust dated as of January 1, 2024 (the “**Indenture**”), by and between the City and U.S. Bank Trust Company, National Association, as trustee (the “**Trustee**”). Proceeds from the sale of the Bonds will be used, in part, to reimburse the cost of certain public infrastructure improvements within Tessera on Lake Travis Public Improvement District Improvement Area #3 and other public infrastructure benefitting Improvement Area #3 (“**IA #3 Projects**”) related to the development known as “Tessera on Lake Travis” (the “**Development**”) located in the City.

The Bonds are being sold to FMSbonds, Inc. (the “**Underwriter**”), pursuant to that certain Bond Purchase Agreement dated as of January 4, 2024 (the “**Bond Purchase Agreement**”), by and among the City and the Underwriter. This opinion is being delivered pursuant to Section 10(d) of the Bond Purchase Agreement. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Bond Purchase Agreement.

## **Assumptions and Bases for Opinion and Assurances**

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 being executed, entered into and/or issued, as the case may be, in connection with the issuance of the Bonds (collectively, the “**Documents**”):

- (1) The Indenture;
- (2) The Bond Purchase Agreement;
- (3) The Development Agreement;
- (4) The Financing Agreement;
- (5) The Developer Landowner Agreement; and
- (6) The Reimbursement Agreement.

The Documents identified as items (3), (4), and (6) are hereinafter referred to as the “**Material Documents**.”

(b) The Preliminary Limited Offering Memorandum, dated December 13, 2023, relating to the issuance of the Bonds (“**PLOM**”);

(c) The Limited Offering Memorandum, dated January 4, 2024, relating to the issuance of the Bonds (the “**Limited Offering Memorandum**”); and

(d) Such other documents, records, agreements and certificates of the Developer and their officers and such other parties as we have deemed necessary or appropriate to enable us to render the opinions expressed below.

Except as expressly set forth herein, we have made no independent investigation as to the accuracy or completeness of any representation, warranty, data or other information, written or oral, made or furnished in or in connection with the Documents or otherwise, and we have assumed that neither the Documents nor any other information furnished to us contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements made therein not misleading.

In addition, we have assumed that the 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 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 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.

### **Opinion and Assurances**

Based solely upon the foregoing, and subject to the assumptions and limitations set forth herein, we are of the opinion that:

1. No Governmental Approval (as defined in Schedule 1 attached hereto) which has not been obtained or taken is required to be obtained or taken by the Developer on or before the date hereof as a condition to the prospective performance by the Developer under the Material Documents to complete the IA #3 Projects in compliance with Applicable Law (as defined in Schedule 1 attached hereto).

### **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 assumed, with your approval, that no laws or judicial, administrative or other action of any kind not expressly opined to herein would adversely affect the opinions set forth herein.
- (b) We have relied upon the Developer Certificate and certificates of governmental and public officials, and upon the representations and warranties of the parties in the Documents with respect to the accuracy of the material factual matters contained therein or covered thereby.
- (c) We have not reviewed, and express no opinion with respect to, documents other than the Documents.
- (d) The foregoing opinions are limited in all respects to the Applicable Laws, as in effect on the date hereof, and no opinion is expressed herein as to any matters governed by the laws of any other jurisdiction (or to the extent that our opinions are limited to the specific statutes of any jurisdiction, any matters governed by the laws of any other statutes of such jurisdiction). This opinion letter is limited to the matters expressly stated herein and no opinions may be inferred or implied beyond the matters expressly stated herein. We undertake no, and hereby disclaim any, obligation or

responsibility to update or supplement this opinion in response to subsequent changes in the law or future events affecting any of the transactions contemplated by any of the Documents.

(e) Notwithstanding anything contained herein to the contrary, we express no opinion as to (x) the value of, the accuracy or completeness of any description of, or the location or characterization of, any real or personal property, or any person's title thereto, (y) the physical condition or actual use made of any real or personal property and (z) whether any real or personal property is in compliance with any laws or regulations relating to the construction, occupancy or use thereof, including zoning laws, building codes and environmental laws.

We have reviewed the section entitled "THE IMPROVEMENT AREA #3 AUTHORIZED IMPROVEMENTS" and the section entitled "THE DEVELOPMENT," excluding the subsection entitled "Utilities," and the portions of the section entitled "THE BONDHOLDER RISKS" under the subsections "Regulation," and "100-Year Flood Plain" in the PLOM and the Limited Offering Memorandum and have participated in conferences with officers and other representatives of the Developer related to those matters. The purpose of our professional engagement was not to establish or confirm factual matters set forth in the PLOM or the Limited Offering Memorandum, and we have not undertaken to verify independently any of the factual matters in such documents. Moreover, many of the determinations required to be made in the preparation of the section entitled "THE IMPROVEMENT AREA #3 AUTHORIZED IMPROVEMENTS," and the section entitled "THE DEVELOPMENT," excluding the subsection entitled "Utilities," and the portions of the section entitled "THE BONDHOLDER RISKS" under the subsections "Regulation," and "100-Year Flood Plain," involve matters of a non-legal nature. Accordingly, we are not passing upon, and do not assume any responsibility for, the accuracy, completeness or fairness of the statements included in the section entitled "THE IMPROVEMENT AREA #3 AUTHORIZED IMPROVEMENTS" and the section entitled "THE DEVELOPMENT," excluding the subsection entitled "Utilities," and the portions of the section entitled "THE BONDHOLDER RISKS" under the subsections "Regulation," and "100-Year Flood Plain," in the PLOM or the Limited Offering Memorandum. Subject to the foregoing, and on the basis of the information we gained in the course of performing the services referred to above, nothing came to our attention that caused us to believe that the section entitled "THE IMPROVEMENT AREA #3 AUTHORIZED IMPROVEMENTS," and the section entitled "THE DEVELOPMENT," excluding the subsection entitled "Utilities," and the portions of the section entitled "THE BONDHOLDER RISKS" under the subsections "Regulation," and "100-Year Flood Plain" in the PLOM and the Limited Offering Memorandum, as of its date or as

of the date hereof (collectively, the “**Entitled Sections**”), included or includes an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, we do not express any belief with respect to: (a) the financial statements, valuations, and schedules or other financial, accounting or statistical information included or incorporated by reference therein or omitted therefrom; or (b) representations and warranties and other statements of fact contained in the exhibits to documents incorporated by reference therein.

This opinion is rendered solely for your benefit (and the benefit of your successors and assigns) in connection with the transactions contemplated by the Documents to be consummated on this date. In addition, we hereby consent to the provision of a copy of this opinion to the Trustee and McCall, Parkhurst & Horton L.L.P., in its capacity as bond counsel, in each case in connection with the issuance of the Bonds; provided, however, that such persons may rely only on the opinions stated in the numbered paragraphs above, subject to the stated limitations and assumptions. This opinion may not be used for any other purpose or relied upon by any other person, firm or entity, without, in each instance, our prior written consent.

Very truly yours,

SNEED, VINE & PERRY,  
A PROFESSIONAL CORPORATION

## **Schedule 1**

As used herein, “**Applicable Law**” means the laws, rules and regulations of the State of Texas and the United States of America and the rules and regulations adopted thereunder; any local or municipal laws, environmental laws or regulations, development laws or regulations, land ordinances or water management laws or regulations that apply to the construction of the IA #3 Projects.

As used herein, “**Governmental Approval**” means any consent, approval, license, authorization or validation of, or permit issued by any governmental authority of the State of Texas or of any political subdivision thereof, the City of Lago Vista or the United States of America pursuant to any Applicable Law relating to the construction of the IA #3 Projects.

## APPENDIX E-1

### CLOSING CERTIFICATE OF DEVELOPER

Hines Lake Travis Land II Limited Partnership, a Texas limited partnership (the “Developer”), DOES HEREBY CERTIFY the following as of the date hereof. All capitalized terms not otherwise defined herein shall have the meaning given to such term in the hereinafter defined Limited Offering Memorandum.

1. The Developer is a limited partnership 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 Lago Vista, Texas (the “City”) and FMSbonds, Inc. (the “Underwriter”) to be used in connection with the offering by the City of its \$13,190,000 aggregate principal amount of Special Assessment Revenue Bonds, Series 2024 (Tessera On Lake Travis Public Improvement District Improvement Area #3 Project) (the “Bonds”) pursuant to the Preliminary Limited Offering Memorandum, dated December 13, 2023 (the “Preliminary Limited Offering Memorandum”) and the Limited Offering Memorandum dated January 4, 2024 (the “Limited Offering Memorandum”).

3. The Developer has delivered to the Underwriter and the City true, correct, complete and fully executed copies of the Developer’s organizational documents and such documents have not been amended or supplemented since delivery to the Underwriter and the City and are in full force and effect as of the date hereof.

4. The Developer has delivered to the Underwriter and the City (i) a Certificate of Status from the Texas Secretary of State for the Developer, and (ii) verification of franchise tax account status from the Texas Comptroller of Public Accounts for the Developer.

5. The Developer has executed and delivered each of the below listed documents (individually, a “Developer Document” and collectively, the “Developer Documents”) in the capacity provided for in each such Developer Document, and each such Developer Document constitutes a valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms:

- (a) the Developer Letter of Representations dated January 4, 2024;
- (b) the Financing Agreement;
- (c) the Development Agreement;
- (d) the Improvement Area No. 3 Landowner Agreement (Tessera on Lake Travis Public Improvement District), effective as of January 4, 2024, by and between the City and the Developer;
- (e) the Reimbursement Agreement;
- (f) the Developer Completion Agreement; and

(g) the Continuing Disclosure Agreement of Developer with respect to the Bonds, dated as of January 1, 2024 (the “Continuing Disclosure Agreement of Developer”), executed and delivered by the Developer, P3Works, LLC as PID Administrator, and U.S. Bank Trust Company, National Association, as dissemination agent.

6. The Developer or other development entities affiliated with the Developer owned all of the property within Improvement Area #3, except for the property within Phase 3C, on the date that the Assessment Ordinance was adopted and such landowners are not entities that may claim a homestead right under Texas law.

7. The Developer has complied in all material respects with all of the Developer’s agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Developer under the Developer Documents on or prior to the date hereof.

8. The representations and warranties of the Developer contained in the Developer Documents are true and correct in all material respects on and as of the date hereof.

9. The execution and delivery of the Developer Documents by the Developer does not violate any judgment, order, writ, injunction or decree binding on the Developer or any indenture, agreement, or other instrument to which the Developer is a party. There are no proceedings pending or threatened in writing before any court or administrative agency against the Developer that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Developer to perform its obligations under the Developer Documents in all material respects or that would reasonably be expected to prevent or prohibit the development of the 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 of the maps included therein and under the captions and subcaptions “PLAN OF FINANCE — Development Plan,” “— Status of Development,” “— Homebuilders and Status of Home Construction” and “— Financing Plan” (except for the subcaptions “— Financing Plan – Major Improvement Area,” “— Improvement Area #1” and “— Improvement Area #2”), “OVERLAPPING TAXES AND DEBT — Homeowners’ Association,” “THE IMPROVEMENT AREA #3 AUTHORIZED IMPROVEMENTS,” “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDHOLDERS’ RISKS,” (only as it pertains to the Developer, the Improvement Area #3 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 — Developer,” “APPENDIX E-2” and “APPENDIX F” (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 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 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 knowledge, the Developer is in compliance in all material respects with all provisions of applicable law relating to the Developer in connection with the Development. Except as otherwise described in the Limited Offering Memorandum: (a) to the Developer's knowledge, there is no default of any zoning condition, land use permit or development agreement binding upon the Developer 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 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 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 IA #3 Special Assessments on property in Improvement Area #3 of the District owned by the Developer, or any of its affiliates, 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, or any of its affiliates, is a party or to which the Developer, or any of its affiliates, or any of their property or assets is subject.

15. The Developer is not in default under any mortgage, trust indenture, lease or other instrument to which it or any of its assets is subject, which default would have a material and adverse effect on the Bonds or the Developer'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.

Dated: January 31, 2024

**DEVELOPER:**

**Hines Lake Travis Land II Limited Partnership, a  
Texas limited partnership  
(as Developer)**

By: Hines Lake Travis II GP, LLC,  
a Delaware limited liability company,  
its General Partner

By: Hines Interests Limited Partnership,  
a Delaware limited partnership,  
its sole member

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## APPENDIX E-2

### CLOSING CERTIFICATE OF WESTIN HOMES

Westin Homes and Properties, L.P., a Texas limited partnership (“Westin Homes”), DOES HEREBY CERTIFY the following as of the date hereof. All capitalized terms not otherwise defined herein shall have the meaning given to such term in the hereinafter defined Limited Offering Memorandum.

1. Westin Homes is a limited partnership organized, validly existing and in good standing under the laws of the State of Texas.

2. Representatives of Westin Homes have provided information to the City of Lago Vista, Texas (the “City”) and FMSbonds, Inc. (the “Underwriter”) to be used in connection with the offering by the City of its \$13,190,000 aggregate principal amount of Special Assessment Revenue Bonds, Series 2024 (Tessera On Lake Travis Public Improvement District Improvement Area #3 Project) (the “Bonds”) pursuant to the Limited Offering Memorandum dated January 4, 2024 (the “Limited Offering Memorandum”).

3. Westin Homes has delivered to the Underwriter and the City (i) a Certificate of Status from the Texas Secretary of State for Westin Homes, and (ii) verification of franchise tax account status from the Texas Comptroller of Public Accounts for Westin Homes.

4. Westin Homes has executed and delivered each of the below listed documents (individually, a “Westin Homes Document” and collectively, the “Westin Homes Documents”) in the capacity provided for in each such Westin Homes Document, and each such Westin Homes Document constitutes a valid and binding obligation of Westin Homes, enforceable against Westin Homes in accordance with its terms:

(a) the Improvement Area No. 3 Landowner Agreement (Tessera on Lake Travis Public Improvement District), effective as of January 4, 2024, by and between the City and Westin Homes; and

(b) the Westin Homes Completion Agreement.

5. Westin Homes owned all of the property within Phase 3C on the date that the Assessment Ordinance was adopted and such landowners are not entities that may claim a homestead right under Texas law.

6. Westin Homes has complied in all material respects with all of Westin Homes’ agreements and covenants and satisfied all conditions required to be complied with or satisfied by Westin Homes under the Westin Homes Documents on or prior to the date hereof.

7. The representations and warranties of Westin Homes contained in the Westin Homes Documents are true and correct in all material respects on and as of the date hereof.

8. The execution and delivery of the Westin Homes Documents by Westin Homes does not violate any judgment, order, writ, injunction or decree binding on Westin Homes or any indenture, agreement, or other instrument to which Westin Homes is a party. There are no

proceedings pending or threatened in writing before any court or administrative agency against Westin Homes that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of Westin Homes to perform its obligations under the Westin Homes 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.

9. To Westin Homes' knowledge, Westin Homes is in compliance in all material respects with all provisions of applicable law relating to Westin Homes in connection with the Development. Except as otherwise described in the Limited Offering Memorandum: (a) to Westin Homes' knowledge, there is no default of any zoning condition, land use permit or development agreement binding upon Westin Homes or any portion of the Development that would materially and adversely affect Westin Homes' ability to complete or cause to be completed the development of Phase 3C as described in the Limited Offering Memorandum; and (b) Westin Homes has no reason to believe that any additional permits, consents and licenses required to complete Phase 3C as and in the manner described in the Limited Offering Memorandum will not be reasonably obtainable in due course.

10. Westin Homes is not insolvent and has not made an assignment for the benefit of creditors, filed, or consented to a petition in bankruptcy, petitioned or applied (or consented to any third-party petition or application) to any tribunal for the appointment of a custodian, receiver or any trustee or commenced any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction.

11. The levy of the IA #3 Special Assessments on property in Improvement Area #3 of the District owned by Westin Homes, or any of its affiliates, will not conflict with or constitute a breach of or default under any agreement, mortgage, deed of trust, indenture or other instrument to which Westin Homes, or any of its affiliates, is a party or to which Westin Homes, or any of its affiliates, or any of their property or assets is subject.

12. Westin Homes is not in default under any mortgage, trust indenture, lease, or other instrument to which it or any of its assets is subject, which default would have a material and adverse effect on the Bonds or Westin Homes' ability to perform its obligations under the Westin Homes Documents.

13. Westin Homes has no knowledge of any physical condition of the Development owned or to be developed by Westin Homes that currently requires, or currently is reasonably expected to require in the process of development investigation or remediation under any applicable federal, state, or local governmental laws or regulations relating to the environment in any material and adverse respect.

[Signature page follows]

Dated: January 31, 2024

**WESTIN HOMES:**

**Westin Homes and Properties, L.P.,  
a Texas limited partnership**

By: Texas TFR Properties, LLC  
Its general partner

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## APPENDIX F

### [LETTERHEAD OF P3WORKS, LLC]

[\_\_\_\_\_], 2024

City of Lago Vista, Texas  
5803 Thunderbird Street  
Lago Vista, Texas 78645

FMSbonds, Inc.  
5 Cowboys Way, Suite 300-25  
Frisco, Texas 75034

McCall, Parkhurst & Horton L.L.P.  
717 North Harwood St., Suite 900  
Dallas, Texas 75201

U.S. Bank Trust Company, National Association  
13737 Noel Road, Suite 800  
Dallas, Texas 75240

Re: City of Lago Vista, Texas, Special Assessment Revenue Bonds, Series 2024  
(Tessera On Lake Travis Public Improvement District Improvement Area #3  
Project) (the “Bonds”)

Ladies and Gentlemen:

The undersigned, \_\_\_\_\_, representative of P3Works LLC (“P3Works”), consultant in connection with the creation by the City of Lago Vista, Texas (the “City”), of Tessera On Lake Travis 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 December 13, 2023, and the final Limited Offering Memorandum for the Bonds, dated January 4, 2024 (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,” “ASSESSMENT DATA” and “THE PID ADMINISTRATOR” and (b) in the 2024 Amended and Restated 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 use of its name in the Limited Offering Memorandum for the Bonds.

5. P3Works 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 January 31, 2024) which would render any such information in the Limited Offering Memorandum untrue, incomplete, or incorrect, in a material fact or render any such information materially misleading.

6. The undersigned hereby represents that he or she has been duly authorized to execute this letter of representation.

Sincerely yours,

**P3Works, LLC**

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By: \_\_\_\_\_  
Its: \_\_\_\_\_

## APPENDIX G

### [LETTERHEAD OF APPRAISER]

[\_\_\_\_\_], 2024

City of Lago Vista, Texas  
5803 Thunderbird Street  
Lago Vista, Texas 78645

FMSbonds, Inc.  
5 Cowboys Way, Suite 300-25  
Frisco, Texas 75034

McCall, Parkhurst & Horton L.L.P.  
717 North Harwood St., Suite 900  
Dallas, Texas 75201

U.S. Bank Trust Company, National Association  
13737 Noel Road, Suite 800  
Dallas, Texas 75240

Re: City of Lago Vista, Texas, Special Assessment Revenue Bonds, Series 2024  
(Tessera On Lake Travis Public Improvement District Improvement Area #3  
Project) (the “Bonds”)

Ladies and Gentlemen:

The undersigned, \_\_\_\_\_, representative of Aegis Group, Inc. (“Aegis”), the appraiser of the undeveloped property contained in Tessera On Lake Travis Public Improvement District (the “District”), does hereby represent the following:

1. Aegis has supplied certain information contained in the Preliminary Limited Offering Memorandum for the Bonds, dated December 13, 2023 and the Limited Offering Memorandum for the Bonds, dated January 4, 2024 (together, the “Limited Offering Memorandum”), relating to the issuance of the Bonds by the City of Lago Vista, Texas, as described above. The information Aegis provided for the Limited Offering Memorandum is the real estate appraisal of the property in the District (the “Appraisal”), located in APPENDIX H to the Limited Offering Memorandum, and the description thereof, set forth under the caption “APPRAISAL OF PROPERTY WITHIN IMPROVEMENT AREA #3.”

2. To the best of my professional knowledge and belief, as of the date of the Appraisal, 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. Aegis 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. Aegis 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 January 31, 2024) which would render any such information in the Limited Offering

Memorandum untrue, incomplete, or incorrect, in a 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,

**Aegis Group, Inc.**

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By: \_\_\_\_\_  
Its: \_\_\_\_\_

EXHIBIT C  
CONTINUING DISCLOSURE AGREEMENT

**CITY OF LAGO VISTA, TEXAS,  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024  
(TESSERA ON LAKE TRAVIS PUBLIC IMPROVEMENT DISTRICT  
IMPROVEMENT AREA #3 PROJECT)**

**CONTINUING DISCLOSURE AGREEMENT OF ISSUER**

This Continuing Disclosure Agreement of Issuer dated as of January 1, 2024 (this “Disclosure Agreement”) is executed and delivered by and between the City of Lago Vista, Texas (the “Issuer”), P3Works, LLC and U.S. Bank Trust Company, National Association with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2024 (Tessera on Lake Travis Public Improvement District Improvement Area #3 Project)” (the “Bonds”). The Issuer, the Administrator and the Dissemination Agent covenant and agree as follows:

**SECTION 1. Purpose of the Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the Issuer, the Administrator and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

**SECTION 2. Definitions.** In addition to the definitions set forth above and in the Indenture of Trust dated as of January 1, 2024, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Additional Bonds” shall have the meaning assigned to such term in the Indenture.

“Additional Obligations” shall have the meaning assigned to such term in the Indenture.

“2024 Amended and Restated Service and Assessment Plan” shall have the meaning assigned to such term in the Indenture.

“Administrator” shall mean the Issuer or the person or independent firm designated by the Issuer who shall have the responsibilities provided in the Indenture, the 2024 Amended and Restated Service and Assessment Plan, or any other agreement or document approved by the Issuer related to the duties and responsibilities of the administration of the District. The Issuer has selected P3Works, LLC, as the initial Administrator.

“Annual Collections Report” shall mean any Annual Collection 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 Section 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 twelve (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.

“Annual Installment” shall have the meaning assigned to such term in the Indenture.

“Business Day” shall mean any day other than a Saturday, Sunday or legal holiday in the State of Texas observed as such by the Issuer or the Trustee or any national holiday observed by the Trustee.

“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 IA #3 Special Assessments were billed or as may be otherwise defined in Section 31.02 of the Texas Tax Code, as amended.

“Developer” shall mean Hines Lake Travis Land II Limited Partnership, a Texas limited partnership, and its successors and assigns.

“Disclosure Agreement of Developer” shall mean the Continuing Disclosure Agreement of Developer dated as of January 1, 2024 executed and delivered by the Developer, P3Works, LLC, as Administrator, and the Dissemination Agent.

“Disclosure Representative” shall mean the City Manager or Assistant City Manager of the Issuer 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 U.S. Bank Trust Company, National Association, acting solely in its capacity as dissemination agent, or any successor Dissemination

Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“District” shall mean Tessera on Lake Travis Public Improvement District.

“EMMA” shall mean the Electronic Municipal Market Access system currently available on the internet at <http://emma.msrb.org>.

“Filing Date” means, collectively, an Annual Financials Filing Date, an Annual Information Filing Date and an Annual Collections Report Filing Date, or, individually, as the context requires, an Annual Financials Filing Date, an Annual Information Filing Date or an 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 Section 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 reporting pursuant to the Rule.

“Owner” shall mean the registered owner of any Bonds.

“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.

“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.

“Trustee” shall mean U.S. Bank Trust Company, National Association, acting solely in its capacity as trustee, or any successor trustee pursuant to the Indenture.

SECTION 3. Provision of Annual Financial Information and Audited Financial Statements.

(a) For each Fiscal Year, commencing with the Fiscal Year ending September 30, 2024, the Issuer shall cause 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.

(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, or if audited Annual Financial Statements are not available by the Annual Financials Filing Date, unaudited Annual Financial Statements, provided to the Dissemination Agent which is consistent with the requirements specified in Section 4 of this Disclosure Agreement.

In each case, the Annual Financial Information and 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 (10) 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. The Dissemination Agent shall provide such Annual Financial Information or Annual Financial Statements to the MSRB not later than ten (10) days from receipt of such Annual Financial Information or Annual Financial Statements from the Issuer, but in no event later than the applicable Filing Dates for such Fiscal Year.

If by the fifth (5<sup>th</sup>) 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 by telephone and 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 (2) 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 Filings for such year will be provided and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual 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 on the last Business Day prior to the applicable Filing Date.

(c) The Dissemination Agent 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 file a report with the Issuer certifying 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 of Annual Financial Information and Annual Financial Statements.

(a) *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 (any or all of which may be unaudited):

(i) Tables setting forth the following information, as of the end of such Fiscal Year:

(A) For the Bonds, the maturity date or dates, the interest rate or rates, the original aggregate principal amount, the principal amount remaining Outstanding and the total interest amount due on the principal amount Outstanding;

(B) The amounts in the funds and accounts securing the Bonds and a description of the related investments; and

(C) The assets and liabilities of the Trust Estate.

(ii) Financial information and operating data with respect to the Issuer of the general type and in substantially similar form to that shown in the tables provided under Sections 4(a)(ii) of Exhibit B attached hereto. Such information shall be provided as of the end of the reporting Fiscal Year.

(iii) Updates to the information in the 2024 Amended and Restated Service and Assessment Plan as most recently amended or supplemented, including any changes to the methodology for levying the IA #3 Special Assessments in Improvement Area #3.

(iv) Any changes to the land use designation for the property in the District that might negatively impact its development for those purposes identified in the final 2024 Amended and Restated Service and Assessment Plan, as the same may be amended and supplemented from time to time.

(v) 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 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. If the audited financial statements of the Issuer are not available by the Annual Financials Filing Date, the Issuer shall provide unaudited financial statements of the Issuer no later than the Annual Financials Filing Date and audited financial statements when and if available.

(c) See Exhibit B hereto for a form for submitting the information set forth in subsection 4(a) above. 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 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.

## 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 (5<sup>th</sup>) 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 5(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; 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 (2<sup>nd</sup>) 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 last Business Day prior to 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 IA #3 Special 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 (1<sup>st</sup>) day of the Fiscal Year succeeding the reporting Fiscal Year through the Collections Reporting Date. If the State Legislature amends the definition of Delinquency Date or Tax Year, the City shall file notice of such change or changes with the MSRB prior to the next Annual Collections Report Filing Date. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Collections Report. In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of the Annual Collections Report under this Section 5.

## SECTION 6. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 6, each of the following is a Listed Event with respect to the Bonds:

1. Principal and interest payment delinquencies.

2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
7. Modifications to rights of Owners, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution, or sale of property securing repayment of the bonds, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the Issuer.
13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

The Issuer does not intend for any sale by the Developer of real property within Improvement Area #3 to be considered 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 issuance of Additional Bonds, if any, under the Indenture or the incurrence of Additional Obligations 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 to file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than the Business Day immediately following the day on which it receives written notice of such occurrence from the Issuer, provided such notice is delivered to the Dissemination Agent by noon central standard time on any such day. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event.

Any notice under the preceding paragraph shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information (which date shall not be more than ten (10) Business Days after the occurrence of the Listed Event or failure to file).

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, within one (1) Business Day of obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative 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 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 immediately file a notice of such occurrence with the MSRB. It is agreed and understood that the duty to make the disclosures herein is that of the Issuer and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the 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 Participating Underwriter, the Issuer or any Owner or

beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(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 subsection (a) above is not material under applicable federal securities laws, the Issuer shall promptly 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) above.

**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 selected by the Issuer to the effect that continuing disclosure is no longer required. So long as any of the Bonds remain Outstanding, the Administrator and 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 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 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 U.S. Bank Trust Company, National Association. 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 by the Issuer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5, or 6(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related Annual Financial Information, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6(a), and (ii) the Annual Financial Information for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

**SECTION 10. Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual 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 Trustee (at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction) shall, take such actions as may be necessary and appropriate to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action for mandamus or specific performance. A default under this Disclosure Agreement shall not be deemed a default under the Disclosure Agreement of Developer, and a default under the Disclosure Agreement of Developer shall not be deemed a default under this Disclosure Agreement.

**SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.**

(a) The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only with funds to be provided by the Developer or from Administrative Expenses collected from the property owners in Improvement Area #3 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 costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Dissemination Agent for losses, expenses or liabilities arising from information provided to the Dissemination Agent by the Developer or the failure of the Developer to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The 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 that 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 may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent 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 responsibility for the timeliness and accuracy of any information provided by third parties for the disclosures made pursuant to the terms thereof. The Administrator shall have only such duties as are specifically set forth in Section 4 and 5 of 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 with funds to be provided by the Developer or from Administrative Expenses collected from the property owners in Improvement Area #3, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the 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 their respective 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 IA #3 Special Assessments and the anticipated procedures for pursuing the collection of delinquent IA #3 Special Assessments is set forth in Exhibit D which is intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent IA #3 Special Assessments. The Dissemination Agent has no duties or obligations with respect to Exhibit D. 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 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 Dissemination Agent in other than that person’s official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or

provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 16. Sovereign Immunity. The Dissemination Agent and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 17. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent, the Participating Underwriter and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 18. Dissemination Agent and Administrator Compensation. The fees and expenses incurred by the Dissemination Agent and the Administrator for their respective services rendered in accordance with this Disclosure Agreement constitute Administrative Expenses and will be included in the Annual Installments as provided in the annual updates to the 2024 Amended and Restated Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent and the Administrator, but only with funds to be provided from the Administrative Expenses component of the Annual Installments collected from the property owners in Improvement Area #3 of the District, 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 make the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Disclosure Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator 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 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 represent 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 hereby verify 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 hereby verify 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 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.

*[Signature pages follow]*

CITY OF LAGO VISTA, TEXAS

By: \_\_\_\_\_  
Mayor

U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION  
(as Dissemination Agent)

By: \_\_\_\_\_  
Authorized Officer

P3WORKS, LLC  
(as Administrator)

By: \_\_\_\_\_  
Authorized Officer

## EXHIBIT A

### NOTICE TO MSRB OF FAILURE TO FILE [ANNUAL FINANCIAL INFORMATION][ANNUAL FINANCIAL STATEMENTS][ANNUAL COLLECTIONS REPORT]

Name of Issuer: City of Lago Vista, Texas  
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2024 (Tessera on Lake  
Travis Public Improvement District Improvement Area #3 Project)  
CUSIP NOS. *[insert CUSIP NOS.]*  
Date of Delivery: \_\_\_\_\_, 20\_\_\_\_

NOTICE IS HEREBY GIVEN that the City of Lago Vista, Texas (the "Issuer"), has not provided the [Annual Financial Information][[audited][unaudited] Annual Financial Statements][Annual Collections Report] for fiscal year ended \_\_\_\_\_ with respect to the above-named bonds as required by the Continuing Disclosure Agreement of Issuer dated as of January 1, 2024, between the Issuer, P3Works, LLC, as Administrator, and U.S. Bank Trust Company, National Association, as Dissemination Agent. The Issuer anticipates that the [Annual Financial Information][[audited][unaudited] Annual Financial Statements][Annual Collections Report] will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

U.S. Bank Trust Company, National Association  
on behalf of the City of Lago Vista, Texas  
(as Dissemination Agent)

By: \_\_\_\_\_

Title: \_\_\_\_\_

cc: City of Lago Vista, Texas

## EXHIBIT B

**CITY OF LAGO VISTA, TEXAS,  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024  
(TESSERA ON LAKE TRAVIS PUBLIC IMPROVEMENT DISTRICT  
IMPROVEMENT AREA #3 PROJECT)**

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### **ANNUAL FINANCIAL INFORMATION\***

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Delivery Date: \_\_\_\_\_, 20\_\_\_\_

CUSIP NOS.: [insert **CUSIP NOS.**]

#### **DISSEMINATION AGENT**

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Contact Person: \_\_\_\_\_

#### **Section 4(a)(i)(A)**

#### **BONDS OUTSTANDING**

| CUSIP Number | Maturity Date | Interest Rate | Original Principal Amount | Outstanding Principal Amount | Outstanding Interest Amount |
|--------------|---------------|---------------|---------------------------|------------------------------|-----------------------------|
|              |               |               |                           |                              |                             |
|              |               |               |                           |                              |                             |
|              |               |               |                           |                              |                             |

#### **Section 4(a)(i)(B)**

#### **INVESTMENTS**

| Fund/ Account Name | Investment Description | Par Value | Book Value | Market Value |
|--------------------|------------------------|-----------|------------|--------------|
|                    |                        |           |            |              |
|                    |                        |           |            |              |

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\*Excluding Annual Financial Statements of the Issuer.

**Section 4(a)(i)(C)****ASSETS AND LIABILITIES OF TRUST ESTATE**

| Cash Position of Trust Estate for statements dated September 30, 20[ ]    |                    |              |
|---|--------------------|--------------|
| [List of Funds/Accounts Held Under Indenture]                             | Amount In the Fund |              |
|   |                    |              |
|   |                    |              |
|   |                    |              |
|   |                    |              |
|   |                    |              |
| Total   |                    | A            |
| Bond Principal Amount Outstanding   |                    | B            |
| Outstanding Assessment Amount to be collected                             |                    | C            |
| <b>Net Position of Trust Estate and Outstanding Bonds and Assessments</b> |                    | <b>A-B+C</b> |

September 30, 20[ ] Trust Statements:  Audited  UnauditedAccounting Type:  Cash  Accrual  Modified Accrual**Section 4(a)(ii)****FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AND IN SUBSTANTIALLY SIMILAR FORM PROVIDED IN THE FOLLOWING TABLES AS OF THE END OF THE FISCAL YEAR****Debt Service Requirements on the Bonds**

| Year Ending<br><u>(September 30)</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------------------------|------------------|-----------------|--------------|
|--------------------------------------|------------------|-----------------|--------------|

**Top [Five] Assessment Payers in Improvement Area #3<sup>(1)</sup>**

| <u>Property Owner</u> | <u>No. of Parcels/Lots</u> | <u>Percentage of Parcels/Lots</u> | <u>Outstanding IA #3 Special Assessments</u> | <u>Percentage of Total IA #3 Special Assessments</u> |
|-----------------------|----------------------------|-----------------------------------|--|--|
|-----------------------|----------------------------|-----------------------------------|--|--|

<sup>(1)</sup> Does not include those owing less than one percent (1%) of total IA #3 Special Assessments.

**Assessed Value of Improvement Area #3 of the District**

The [YEAR] certified total assessed value for the land in Improvement Area #3 of the District is approximately \$[AMOUNT] according to the Travis Central Appraisal District.

**Foreclosure History Related to the IA #3 Special Assessments for the Past Five Fiscal Years**

| Fiscal Year<br><u>Ended</u><br><u>(9/30)</u> | Delinquent  | Parcels in                        | Delinquent  | Foreclosure  | Foreclosure Proceeds |
|--|---|-----------------------------------|---|--------------|----------------------|
|  | Assessment Amount<br>not in Foreclosure<br><u>Proceedings</u> | Foreclosure<br><u>Proceedings</u> | Assessment Amount<br>in Foreclosure<br><u>Proceedings</u> | <u>Sales</u> | <u>Received</u>      |
| 20__   | \$  |                                   |   |              | \$                   |
| 20__   |   |                                   |   |              |                      |
| 20__   |   |                                   |   |              |                      |
| 20__   |   |                                   |   |              |                      |
| 20__   |   |                                   |   |              |                      |

[insert any necessary footnotes]

**Collection and Delinquency History of Annual Installments for the Past Five Fiscal Years**

| Fiscal Year<br><u>Ended</u><br><u>(9/30)</u> | Total Annual                 | Delinquent                              | Delinquent          | Delinquent  | Total Annual                                    |
|--|------------------------------|---|---------------------|-------------|---|
|  | Installment<br><u>Billed</u> | Parcels<br><u>Levied</u> <sup>(1)</sup> | Amount as<br>of 3/1 | % as of 3/1 | Installments<br><u>Collected</u> <sup>(2)</sup> |
| 20__   | \$                           |   | \$                  | %           | \$  |
| 20__   |                              |   |                     |             |   |
| 20__   |                              |   |                     |             |   |
| 20__   |                              |   |                     |             |   |
| 20__   |                              |   |                     |             |   |

<sup>(1)</sup> 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.

<sup>(2)</sup> [Does/does not] include interest and penalties.

**Parcel Numbers for Delinquencies Equaling or Exceeding 10% of Annual Installments Due**

For the past five Fiscal Years, if the total amount of delinquencies as of September 1 equals or exceeds ten percent (10%) of the amount of Annual Installments due, a list of parcel numbers for which the Annual Installments are delinquent.

| Fiscal Year<br><u>Ended</u><br><u>(9/30)</u> | Delinquent % as of 9/1 | Parcel Numbers |
|--|------------------------|----------------|
| 20__   | %                      |                |
| 20__   |                        |                |

**History of Prepayment of IA #3 Special Assessments for the Past Five Fiscal Years**

| Fiscal Year Ended (9/30) | Number of<br><u>Prepayments</u> | Amount of<br><u>Prepayments</u> | Bond Call Date | Amount of<br>Bonds<br><u>Redeemed</u> |
|--------------------------|---------------------------------|---------------------------------|----------------|---------------------------------------|
| 20__                     |                                 | \$                              |                | \$                                    |
| 20__                     |                                 |                                 |                |                                       |
| 20__                     |                                 |                                 |                |                                       |
| 20__                     |                                 |                                 |                |                                       |
| 20__                     |                                 |                                 |                |                                       |

[insert any necessary footnotes]

**ITEMS REQUIRED BY SECTIONS 4(a)(iii) – (v) OF THE CONTINUING  
DISCLOSURE AGREEMENT OF THE ISSUER RELATING TO THE CITY OF LAGO  
VISTA, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024 (TESSERA  
ON LAKE TRAVIS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #3  
PROJECT)**

[Insert a line item for each applicable listing]

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## EXHIBIT C

**CITY OF LAGO VISTA, TEXAS,  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024  
(TESSERA ON LAKE TRAVIS PUBLIC IMPROVEMENT DISTRICT  
IMPROVEMENT AREA #3 PROJECT)**

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### ANNUAL COLLECTIONS REPORT

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Delivery Date: \_\_\_\_\_, 20\_\_\_\_

CUSIP NOSs: [insert CUSIP Nos.]

#### DISSEMINATION AGENT

Name: U.S. Bank Trust Company, National Association  
Address: \_\_\_\_\_  
City: \_\_\_\_\_, Texas \_\_\_\_\_  
Telephone: (\_\_\_\_) \_\_\_\_ - \_\_\_\_  
Contact Person: Attn: \_\_\_\_\_

**SELECT FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO  
COLLECTION OF THE IA #3 SPECIAL 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 SECTION 5(A) OF THE CONTINUING  
DISCLOSURE AGREEMENT OF THE ISSUER RELATING TO CITY OF LAGO VISTA,  
TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024 (TESSERA ON  
LAKE TRAVIS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #3  
PROJECT)**

| <u>Foreclosure History Related To The Annual Installments<sup>(1)</sup></u> |  |  |  |                      |                                  |  |
|---|--|--|--|----------------------|----------------------------------|--|
| Succeeding<br>Fiscal Year   | Delinquent Annual<br>Installment Amount<br>not in Foreclosure<br>Proceedings | Parcels in<br>Foreclosure<br>Proceedings | Delinquent Annual<br>Installment Amount<br>in Foreclosure<br>Proceedings | Foreclosure<br>Sales | Foreclosure Proceeds<br>Received |  |
| 20  | \$   |  | \$   |                      | \$                               |  |

(i) Period covered includes October 1, 20\_\_\_\_ through March 1, 20\_\_\_\_.

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**Collection and Delinquency Annual Installments<sup>(1)</sup>**

| Succeeding<br>Fiscal Year<br>20__ | Total Annual<br>Installment<br><u>Levied</u> | Parcels<br><u>Levied<sup>(2)</sup></u> | Delinquent<br>Amount as<br>of 3/1 | Delinquent<br>% as of 3/1 | Total Annual<br>Installments<br><u>Collected<sup>(3)</sup></u> |
|-----------------------------------|--|--|-----------------------------------|---------------------------|--|
|-----------------------------------|--|--|-----------------------------------|---------------------------|--|

<sup>(1)</sup> Period covered includes October 1, 20\_\_ through March 1, 20\_\_.

<sup>(2)</sup> 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.

<sup>(3)</sup> [Does/does not] include interest and penalties.

**Prepayment of IA #3 Special Assessments<sup>(1)</sup>**

| Succeeding<br>Fiscal Year | Number of<br><u>Prepayments</u> | Amount of<br><u>Prepayments</u> | Bond Call Date | Amount of<br>Bonds<br><u>Redeemed</u> |
|---------------------------|---------------------------------|---------------------------------|----------------|---------------------------------------|
|---------------------------|---------------------------------|---------------------------------|----------------|---------------------------------------|

<sup>(1)</sup> Period covered includes October 1, 20\_\_ through March 1, 20\_\_.

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## EXHIBIT D

### BASIC TIMELINE FOR IA #3 SPECIAL ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES<sup>1</sup>

| <u>Date:</u>        | <u>Delinquency Clock:</u> | <u>Activity</u>  |
|---------------------|---------------------------|--|
| Prior to February 1 |                           | IA #3 Special Assessments are due  |
| February 1          | 1                         | Issuer to have received IA #3 Special Assessment payments.<br>IA #3 Special Assessments Delinquent if not received.  |
| February 5-15       | 5-15                      | Issuer to forward payments to Trustee as soon as possible after received.  |
| February 15         | 15                        | Issuer should be aware of actual and specific delinquencies.   |
| February 20         | 20                        | Issuer should be aware if Reserve Fund needs to be utilized for debt service payment on March 1. <b>If there is to be a shortfall, the Trustee and the Dissemination Agent should be immediately notified and EMMA should be notified.</b><br><br>Issuer should also be aware that based on collections there will be a shortfall for September payment.<br><br>Issuer should determine if previously collected surplus funds plus actual collections will be fully adequate for debt service in March and September.<br><br>At this point, if there is adequate funding for March and September payment, no further action is anticipated for collection of IA #3 Special Assessments. <b>For properties delinquent by more than one year or if the delinquency exceeds \$10,000 the matter will be referred for commencement of foreclosure, in accordance with the Travis County Tax Assessor-Collector's procedures.<sup>2</sup></b> |

<sup>1</sup> Illustrates anticipated dates and procedures for pursuing the collection of delinquent Annual Installments of IA #3 Special 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 Travis 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.

<sup>2</sup> 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.

|          |     |  |
|----------|-----|--|
|          |     | <b>If there is insufficient funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account of the Bond Fund of such amounts as shall be required for the full March and September payments, the collection-foreclosure procedure will proceed against all delinquent properties, in accordance with the Travis County Tax Assessor-Collector procedures<sup>3</sup>.</b>                         |
| March 1  | 30  | <p>Bond interest payment due from January collections.</p> <p>Reserve Fund payment to Bond Fund may well be required if IA #3 Special Assessments are below approximately fifty percent (50%) collection rate.</p> <p><b>EMMA to be notified if Reserve Fund utilized for debt service.</b></p> <p>Use of Reserve Fund for debt service payment should trigger commencement of foreclosure on delinquent properties.</p> |
| March 5  | 35  | <p><b>Issuer to notify Dissemination Agent for disclosure to EMMA of all delinquencies.</b></p> <p>If it is expected that Reserve Fund moneys will need to be utilized for either March or September bond payments, the Issuer shall work with its Attorney, or the appropriate designee, to commence the collection process for all delinquent IA #3 Special Assessments.</p>   |
| April 15 | 75  | <p><b>Issuer shall notify Trustee and Dissemination Agent (Dissemination Agent shall notify EMMA) of the plan of collections and foreclosure.</b></p>  |
| May 1    | 90  | <p>Preliminary Foreclosure activity commences with final demand letters and commencement of actual foreclosure analysis including ordering of the title reports, etc.</p> <p>If Trustee has not received Foreclosure Schedule and Plan of Collections, Trustee to request same from Issuer.</p>  |
| May 10   | 100 | <p><b>If Issuer has not provided Trustee with Foreclosure Schedule and Plan of Collections, Owners (via EMMA) to be notified that foreclosure has not commenced</b> and Trustee to again request that Issuer commence foreclosure or provide plan for collection.</p>  |

<sup>3</sup> 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.

|         |     |  |
|---------|-----|--|
| June 1  | 120 | The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Trustee for dissemination to those Owners who have requested to be notified of collections progress. The goal for the foreclosure actions is filing by no later than June 30 (day 149). An earlier filing is preferable, if possible. |
| June 30 | 149 | Foreclosure action to be filed in state district court.  |
| July 1  | 150 | <b>Trustee and Dissemination Agent notified of Foreclosure filing status and Dissemination Agent notifies EMMA and Owners.</b>   |
| July 15 | 160 | If Owners and Trustee have not been notified of a foreclosure action, Trustee will notify Owners (via EMMA) and Issuer that it is appropriate to file action.  |

A committee of not less than twenty-five percent (25%) of the Owners may request a meeting with the City Manager or Assistant 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 Issuer at any time to discuss the Issuer's plan and progress on collection and foreclosure activity. If the Issuer is not diligently proceeding with the foreclosure process, the Owners may seek an action for mandamus or specific performance to direct the Issuer to pursue the collections of delinquent IA #3 Special Assessments.

EXHIBIT D  
REIMBURSEMENT AGREEMENT

**TESSERA ON LAKE TRAVIS PUBLIC IMPROVEMENT DISTRICT  
IMPROVEMENT AREA #3 ACQUISITION AND REIMBURSEMENT AGREEMENT**

THIS TESSERA ON LAKE TRAVIS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #3 ACQUISITION AND REIMBURSEMENT AGREEMENT (“Agreement”) is entered into to be effective January 4, 2024 (“Effective Date”) by and between HINES LAKE TRAVIS LAND II LIMITED PARTNERSHIP, a Texas limited partnership (“Developer”) and the City of Lago Vista, Texas, a municipal corporation (the “City”), acting by and through its duly authorized representative. The City and Developer are referred to individually as a “**Party**” or collectively as the “**Parties**.”

Capitalized terms not otherwise defined herein shall have the meaning assigned to such term in the hereinafter defined Indenture.

**RECITALS:**

A. On May 11, 2012, Hines Lake Travis Land Limited Partnership and Developer (collectively “Hines”) submitted their petition pursuant to the PID Act (as defined below) to the City requesting the formation of a public improvement district for approximately 877 acres located within the City’s corporate limits.

B. On August 16, 2012, the City adopted Resolution No. 12-1551 that authorized the formation of the Tessera on Lake Travis Public Improvement District on the 877 acres, as shown on the attached Exhibit “A” (“District”), described the nature of the proposed public improvements and estimated the total costs of public improvements to be constructed in or serving the District at \$82,000,000.00.

C. Hines and the City executed and entered into the Restated Development Agreement for Tessera on Lake Travis effective on August 16, 2012, establishing land use and land development standards and identifying certain water and wastewater improvements necessary for the development of the 877 acres within the District (“Development Agreement”).

D. Hines and the City executed and entered into the Tessera on Lake Travis Public Improvement District Financing Agreement effective on October 14, 2012 (“Financing Agreement”) pursuant to which the Parties established the procedures and standards for (i) the apportionment, levying, and collection of Special Assessments on the land within the District, (ii) the issuance of bonds in phases for the development of the land over time, (iii) the issuance of bonds for financing the construction of the initial PID Improvements consisting of the Major

Improvements and the Improvement Area #1 Improvements (collectively, the “Initial PID Improvements”), (iv) the construction of the Initial PID Improvements and the City’s Acceptance of the Initial PID Improvements, and (v) the payment for the design, engineering, and construction of the Initial PID Improvements.

E. On November 1, 2012, the City adopted the Initial Special Assessment Ordinance (Ordinance No. 12-11-01-01) and approved the Tessera on Lake Travis Public Improvement District Service and Assessment Plan (as updated, amended and restated from time to time, the “Original Service and Assessment Plan”) to provide for the construction and financing of the Initial PID Improvements, the Actual Cost of which are payable in whole or in part by and from assessments levied against the land within the District, as more specifically provided for in the Original Service and Assessment Plan.

F. The Financing Agreement and the Original Service and Assessment Plan contemplated phasing the development of the Major Improvement Area into multiple “Phased Improvement Areas.”

G. By the deeds recorded in Document No. 2021173734 and Document No. 2021195983, Official Public Records of Travis County, Texas, Hines Lake Travis Land Limited Partnership conveyed all of its ownership rights in the land in Improvement Area #3 to Developer.

H. Developer has developed and intends to develop or cause to be developed a portion of the District comprised of Phases 2, 3C, and 4B as shown on the attached Exhibit “A”, as the third Phased Improvement Area within the District (“Improvement Area #3”).

I. Phase 2 is described in the 2024 Amended and Restated Service and Assessment Plan (“Phase 2”).

J. Phase 3C is described in the 2024 Amended and Restated Service and Assessment Plan (“Phase 3C”).

K. Phase 4B is described in the 2024 Amended and Restated Service and Assessment Plan (“Phase 4B”).

L. By the deed recorded in Document No. 2021258906, Official Public Records of Travis County, Texas, Developer conveyed to Westin Homes and Properties, L. P. all of the land in Phase 3C, as described in the 2024 Amended and Restated Service and Assessment Plan.

M. The City Council passed and approved an assessment ordinance determining, among other things, the PID Improvements in each phase of Improvement Area #3, the estimated Actual Costs of the PID Improvements allocable to Improvement Area #3 (as further defined in the hereinafter defined 2024 Amended and Restated Service and Assessment Plan, the

“**Improvement Area #3 Projects**”), and levying Special Assessments against certain property within Improvement Area #3 (the “**IA #3 Special Assessments**”) in accordance with the Assessment Roll attached to the Tessera on Lake Travis Public Improvement District 2024 Amended and Restated Service and Assessment Plan (as the same may be amended or updated from time to time, the “**2024 Amended and Restated Service and Assessment Plan**”).

N. The 2024 Amended and Restated Service and Assessment Plan amends and restates the Original Service and Assessment Plan, as amended, in its entirety.

O. Developer has constructed, intends to construct or cause the construction of the Improvement Area #3 Projects and convey or cause to be conveyed said Improvement Area #3 Projects to the City in accordance with the terms and provisions of the 2024 Amended and Restated Service and Assessment Plan, the Financing Agreement, the Development Agreement, as amended, and this Agreement.

P. As of the Effective Date of this Agreement, the estimated Actual Costs (as defined herein) to design, permit, and construct the Improvement Area #3 Projects is approximately \$43.3 million.

Q. As of the Effective Date of this Agreement, Developer has expended more than \$25 million for the design, permitting and construction of the Improvement Area #3 Projects.

R. As of the Effective Date of this Agreement, none of the Improvement Area #3 Projects have been dedicated to the City.

S. Developer has requested the City to approve the sale of PID Bonds (as defined herein) to finance the Improvement Area #3 Projects pursuant to the Financing Agreement.

T. Pursuant to Section 372.023(d) of the PID Act (as defined herein), Actual Costs payable from a special assessment that is payable in installments may be paid by any combination of the following methods: (1) under an installment sales contract or a reimbursement agreement between the City and the person who constructs the improvements; or (2) by the issuance and sale of revenue bonds (“**PID Bonds**”) by the City pursuant to Sections 372.024 and 372.025, Texas Local Government Code (“**PID Act**”).

U. It is intended that PID Bonds will be issued in 2024 to finance a portion of the Actual Costs of the Improvement Area #3 Projects (the “**2024 IA#3 Bonds**”) pursuant to an Indenture of Trust (the “**Indenture**”) by and between the City and U.S. Bank Trust Company, National Association (the “**Trustee**”).

V. The revenue received and collected by the City from the IA #3 Special Assessments (excluding any reasonable collection and/or administrative costs) (the “**Pledged Revenue**”) shall be transferred to the Trustee pursuant to the terms of this Agreement and the Indenture.

W. The Parties intend that a portion of the Actual Costs (as defined herein) of the Improvement Area #3 Projects (the “**Improvement Area #3 Projects Cost**”) which are not financed by the proceeds of the 2024 IA#3 Bonds shall be paid for with the hereinafter-defined Improvement Area #3 Reimbursement Obligation pursuant to the terms of this Agreement.

X. Upon completion, and prior to the dedication to and acceptance by the City of any Improvement Area #3 Projects, the City shall have the right to review and approve the Actual Costs paid or incurred by Developer to design and construct such improvements.

Y. The Parties intend that the Improvement Area #3 Reimbursement Obligation shall be reimbursed to Developer from (i) Pledged Revenues deposited into the Reimbursement Fund (as defined herein) created under this Agreement and/or (ii) the net proceeds of a future series of PID Bonds issued by the City and secured by the Pledged Revenues (the “**Future IA #3 Bonds**”).

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

1. **Recitals.** The recitals to this Agreement are true and correct and are incorporated as part of this Agreement for all purposes.

2. **Definitions.** If any of the following defined terms are given a different definition in the Financing Agreement and/or the Indenture, then the definitions set forth herein shall govern in the event of a conflict.

(a) **“Actual Costs.”** With respect to Improvement Area #3 Projects, the actual costs paid or incurred by or on behalf of Developer: (1) to plan, design, acquire, construct, install, and dedicate such improvements to the City; (2) to prepare plans, specifications (including bid packages), contracts, and as-built drawings; (3) to obtain zoning, licenses, plan approvals, permits, inspections, and other governmental approvals; (4) for third-party professional consulting services including but not limited to, engineering, surveying, geotechnical, land planning, architectural, landscaping, legal, accounting, and appraisals; (5) of labor, materials, equipment, fixtures, payment and performance bonds and other construction security, and insurance premiums; and (6) to implement, administer, and manage the above-described activities. Actual Costs shall not include general contractor’s fees in an amount that exceeds a percentage equal to the percentage of work

completed or construction management fees in an amount that exceeds an amount equal to the construction management fee of 5% 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.

- (b) **Administrator** means the City or the person or independent firm designated by the City who shall have the responsibility provided in the 2024 Amended and Restated Service and Assessment Plan, the Indenture, or any other agreement or document approved by the City related to the duties and responsibility of the administration of the District.
- (c) **Designated Successors and Assigns** means an entity (i) to which Developer assigns, in writing, its rights and obligations contained in this Agreement pursuant to Section 18 below related to all or a portion of the property within Improvement Area #3, (ii) which is the successor by merger or otherwise to all or substantially all of Developer's assets and liabilities, including, without limitation, pursuant to any merger or acquisition pursuant to any authorized offering or reorganization to obtain financing and/or growth capital, or (iii) which may have acquired all of the outstanding stock or ownership of all or substantially all of the assets of Developer.
- (d) **Improvement Accounts of the Project Fund** means the various accounts within the Project Fund created and held under the Indenture in which proceeds of the Bonds Similarly Secured will be deposited and used to pay Actual Costs of the Improvement Area #3 Projects.
- (e) **Improvement Area #3 Annual Installment** means the annual installment payment of the Improvement Area #3 Special Assessment as calculated by the Administrator and approved by the City Council that may include: (1) principal related to the 2024 IA#3 Bond and the Improvement Area #3 Reimbursement Obligation, (2) interest, (3) Administrative Expenses, and (4) with respect to the Improvement Area #3 Annual Installment securing the 2024 IA#3 Bonds or Future IA#3 Bonds, Additional Interest.
- (f) **Reimbursement Accounts** means accounts within the Reimbursement Fund as defined in Section 6.12 of the Indenture.
- (g) **Reimbursement Fund** means the fund established pursuant to Section 6.1 of the Indenture.

3. **Initial Reimbursement Payment From Bond Proceeds.** Prior to the Effective Date, Developer has expended funds for Actual Costs of Improvement Area #3 Projects that are reimbursable under the PID Act. The initial reimbursement payment to Developer for the above-described Actual Costs to be paid at or immediately after the Closing of the Bond Sale from the 2024 IA#3 Bond proceeds shall be the amount set forth in the Closing Memorandum relating to the 2024 IA#3 Bonds. Developer shall submit to the City information documenting the expenditures by Developer for the initial reimbursement payment in a form and substance so as to allow the City to review and determine and verify that such Actual Costs have been paid, are for the purposes described above and are reimbursable under the PID Act. Developer shall submit such information to the City at such times and dates so as to allow sufficient time for the City's review and final determination as to the amount of reimbursement to Developer prior to the date the 2024 IA#3 Bonds are sold. Prior to the closing of the 2024 IA#3 Bonds, Developer shall submit to the City a Certification for Payment in the form attached hereto as **Exhibit "C"** satisfactory to the City and the Trustee for such Actual Costs that have been approved by the City and the City will sign the Certification for Payment and deliver said Certification for Payment to the Trustee. At the closing of the 2024 IA#3 Bonds, Developer shall be reimbursed the amount approved by the City from the proceeds from the 2024 IA#3 Bonds for the Actual Costs described in this subsection ("Initial Reimbursement Payment").

4. **City Deposit of Assessment Revenue.** Following all other deposits required to be made under the Indenture, the City shall deposit or cause to be deposited the Pledged Revenues to the IA #3 Reimbursement Accounts in accordance with the Indenture. Money on deposit in the IA#3 Reimbursement Accounts will be disbursed in accordance with Section 6.12 of the Indenture. Moneys in the Reimbursement Fund shall be held by the Trustee separate and apart from the other Funds created and administered under the Indenture and shall be used to reimburse the Developer for funds expended by the Developer to pay Actual Costs of Improvement Area #3 Projects pursuant to, and as provided in the Indenture and this Agreement.

5. **Improvement Area #3 Reimbursement Obligation.** Subject to the terms, conditions, and requirements contained herein, the City agrees to reimburse Developer, and Developer shall be entitled to receive from the City an amount not to exceed \$ \$19,477,000.00 plus accrued and unpaid interest (together, the "**Improvement Area #3 Reimbursement Obligation**"), in accordance with the terms of this Agreement until such Improvement Area #3 Reimbursement Obligation has been paid in full or September 1, 2054 (the "**Maturity Date**"). It is hereby acknowledged that the City is not responsible hereunder for any amount of Improvement Area #3 Projects Costs in excess of the amount of the IA #3 Special Assessments collected. The Improvement Area #3 Reimbursement Obligation, including accrued and unpaid interest, shall be

payable to Developer, solely from the Pledged Revenues deposited in the Reimbursement Fund or the net proceeds of the Future IA #3 Bonds, if any. The Improvement Area #3 Reimbursement Obligation as authorized by the PID Act, is hereby approved by the City Council, and represents the total allowable Actual Costs to be assessed against land in Improvement Area #3 for the Improvement Area #3 Projects that are not paid through the issuance of the 2024 IA#3 Bonds. The interest rate paid to Developer on the Improvement Area #3 Reimbursement Obligation shall be 6%, and this rate was determined by the City Council not to exceed 2% above the highest average index rate for tax-exempt bonds reported in the 20-Bond Revenue Index published in The Bond Buyer (a daily publication that publishes this interest rate index) and reported in the month before the effective date of this Agreement. The interest rate is hereby approved by the City Council and complies with the PID Act. Interest will accrue at the interest rate stated above from the date that the Improvement Area #3 Projects are completed. If Future IA #3 Bonds are issued to refinance the Improvement Area #3 Reimbursement Obligation, the interest on such Improvement Area #3 Reimbursement Obligation shall be the same as the interest rate on the Future IA #3 Bonds.

6. **Obligated Payment Sources.** The Improvement Area #3 Reimbursement Obligation is payable to Developer and secured under this Agreement solely as described herein. No other City funds, revenue, taxes, income, or property shall be used even if the Improvement Area #3 Reimbursement Obligation is not paid in full at the Maturity Date, and the Improvement Area #3 Reimbursement Obligation is not a debt of the City, within the meaning of Article XI, Section 5, of the Constitution of the State of Texas. The City acknowledges and agrees that until the Improvement Area #3 Reimbursement Obligation and accrued and unpaid interest is paid in full, the obligation of the City to use amounts on deposit in the Reimbursement Fund created by this Agreement and the Indenture to pay the Improvement Area #3 Reimbursement Obligation and accrued and unpaid interest to Developer is absolute and unconditional and the City does not have, and will not assert, any defenses to such obligation.

7. **Process for Payment of the Improvement Area #3 Reimbursement Obligation.**

Developer may submit to the City a Certification for Payment in the form attached hereto as **Exhibit “C”** and in the manner provided for in this Agreement, the Financing Agreement and the Indenture requesting reimbursement for Actual Costs of Improvement Area #3 Projects from funds then available in the applicable Reimbursement Account within the Reimbursement Fund. This process will continue until the Improvement Area #3 Reimbursement Obligation and accrued, and unpaid interest is paid in full. When all amounts due to Developer to reimburse it under the terms of this Agreement have been paid to the Developer, no further deposits shall be made to the Reimbursement Fund and the Reimbursement Fund shall be closed. Any excess funds that remain on deposit in the Reimbursement Fund at the time such fund is closed shall be transferred to the

Redemption Fund to be used to redeem Bonds Similarly Secured (as defined in the Indenture) pursuant to Section 4.4 of the Indenture.

**8. Payment of Improvement Area #3 Projects Costs from Reimbursement Fund.**

- (a) The Trustee shall pay with funds from the Reimbursement Fund the Improvement Area #3 Projects Cost pursuant to executed and approved Certifications for Payment in the manner provided for in this Agreement and in the form substantially similar to **Exhibit “C”** attached hereto. The Reimbursement Fund shall not be part of the Trust Estate and shall not be security for the Bonds Similarly Secured.
- (b) Westin entered into an agreement with Hines Interests Limited Partnership (“**Hines Interests**”), an affiliate of Hines, wherein Hines Interests agreed to construct the Improvement Area #3 Projects to serve Phase 3C and act as the development manager on behalf of Westin Homes and Westin Homes agreed to reimburse Hines Interests for the Actual Costs to construct the Phase 3C Improvements. Pursuant to the purchase agreement between Developer and Westin for the purchase of the land within Phase 3C, Developer has retained all rights to reimbursement for Actual Costs to construct the Improvement Area #3 Projects under this Agreement and the Indenture. Developer shall submit Certifications for Payment with respect to Improvement Area #3 Projects Costs paid for by Hines Interest and only Developer shall be entitled to reimbursement of such Improvement Area #3 Project Costs.

**9. City Collection Efforts.** For so long as any Bonds Similarly Secured are Outstanding and amounts are due to the Developer under the Indenture and this Agreement to reimburse for funds Developer and Westin have contributed to pay Actual Costs of Improvement Area #3 Projects, the City covenants, agrees and warrants that it will take and pursue all actions permissible under Applicable Laws to cause the IA #3 Special 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 IA #3 Special Assessments.

**10. Acceptance and Maintenance of PID Improvements.** The City shall accept Improvement Area #3 Projects in accordance with Article 5 and 6 of the Development Agreement, as amended. Upon written acceptance of an Improvement Area #3 Project, and subject to any applicable maintenance-bond period, the City shall be responsible for all operation and maintenance of such Improvement Area #3 Project, including all costs thereof and relating thereto.

**11. Termination.** Upon the earlier of either (i) all payments paid to Developer under this Agreement equal to the Improvement Area #3 Reimbursement Obligation, (ii) the 2024 IA #3

Bonds and any Future IA #3 Bonds are equal to the Improvement Area #3 Reimbursement Obligation, less any amounts required for reserves and any other costs or expenses associated with issuing the 2024 IA #3 Bonds and any Future IA #3 Bonds, less any payments made from the Trustee pursuant to the Indenture, (iii) a combination of (i) and (ii) above that, collectively, is equal to the Improvement Area #3 Reimbursement Obligation, or (iv) the Maturity Date is reached, this Agreement shall terminate; provided, however that if on the Maturity Date, any portion of the Improvement Area #3 Reimbursement Obligation or accrued and unpaid interest remains unpaid, such Improvement Area #3 Reimbursement Obligation shall be canceled and for all purposes of this Agreement shall be deemed to have been conclusively and irrevocably PAID IN FULL; provided further however that if any Pledged Revenues remain due and payable and are uncollected on the Maturity Date, such Pledged Revenues, when, as, and if collected after the Maturity Date, shall be applied, first, to any amounts due in connection with Improvement Area #3 for any outstanding 2024 IA #3 Bonds and any Future IA #3 Bonds, and then paid to Developer and applied to the Improvement Area #3 Reimbursement Obligation. Under no circumstances will either payments made under this Agreement or the Future IA #3 Bonds equal more than the Improvement Area #3 Reimbursement Obligation.

12. **Non-Recourse Obligation.** The obligations of the City under this Agreement are non-recourse and payable only from Pledged Revenues and such obligations do not create a debt or other obligation payable from any other City revenues, taxes, income, or property. Neither the City nor any of its elected or appointed officials nor any of its employees shall incur any liability hereunder to Developer or any third party in their individual capacities by reason of this Agreement or their acts or omission under this Agreement. Developer acknowledges that no appropriation of City funds has been or will be made to provide payments due under this Agreement. Further Developer acknowledges that the only source of funds for payment under this Agreement is from the Reimbursement Fund created by an Indenture to pay the Improvement Area #3 Reimbursement Obligation.

13. **No Waiver.** Nothing in this Agreement is intended to constitute a waiver by the City of any remedy the City may otherwise have outside this Agreement against any person or entity involved in the design, construction, or installation of the Improvement Area #3 Projects.

14. **Governing Law, Venue.** This Agreement is being executed and delivered and is intended to be performed in the State of Texas. Except to the extent that the laws of the United States may apply to the terms hereof, the substantive laws of the State of Texas shall govern the validity, construction, enforcement, and interpretation of this Agreement. In the event of a dispute involving this Agreement, venue for such dispute shall lie in any court of competent jurisdiction in Travis County, Texas.

15. **Notice.** Any notice required or contemplated by this Agreement shall be deemed given at the addresses shown below: (i) one (1) business day after deposit with a reputable overnight courier service for overnight delivery such as FedEx or UPS; or (ii) three (3) business days after deposit with the United States Postal Service, Certified Mail, Return Receipt Requested. Any Party may change its address by delivering written notice of such change in accordance with this section.

If to City: City of Lago Vista  
5803 Thunderbird  
Lago Vista, Texas 78645  
Attn: City Manager  
Facsimile: 512-370-3838

With copies to: Tracie Hlavinka  
City of Lago Vista  
5803 Thunderbird  
Lago Vista, Texas 78645  
Facsimile: 512-267-7070

If to Hines Lake Travis Land II Limited Partnership:

Hines Interests Limited Partnership  
845 Texas Ave., Suite 3300  
Houston, Texas 77002  
Attention: Rob Witte  
Facsimile: 713-237-5657

with copies to: Hines Interests Limited Partnership  
515 Congress, Suite 1425  
Austin, Texas 78701  
Attention: Darlene Louk  
Facsimile: 512-652-0598

Hines Interests Limited Partnership  
2200 Ross, Suite 42W  
Dallas, Texas 75201  
Attention: Rob Witte  
Facsimile: 972-934-1460

Sneed, Vine & Perry, P.C.  
Attention: Robert Kleeman  
2705 Bee Cave Rd., Ste 160  
Austin, Texas 78746  
Facsimile (512) 476-1825

16. **Invalid Provisions; Severability.** If any provision of this Agreement is held invalid by any court, such holding shall not affect the validity of the remaining provisions, and the remainder of this Agreement shall remain in full force and effect. If any provision of this Agreement directly conflicts with the terms of the Indenture the Indenture shall control.

17. **Exclusive Rights of Developer.** Developer's right, title and interest to the payments of Improvement Area #3 Reimbursement Obligation (including any accrued and unpaid interest thereon), as described herein, shall be the sole and exclusive property of Developer (or its Transferee (as defined below)) and no other third party shall have any claim or right to such funds unless Developer transfers its rights to its Improvement Area #3 Reimbursement Obligation (including any accrued and unpaid interest thereon) to a Transferee in writing and otherwise in accordance with the requirements set forth herein. Developer has the right to convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part, all or any portion of Developer's right, title, or interest under this Agreement including, but not limited to, any right, title or interest of Developer in and to payment of its Improvement Area #3 Reimbursement Obligation (a "Transfer," and the person or entity to whom the transfer is made, a "Transferee"). Provided, however, that no such conveyance, transfer, assignment, mortgage, pledge or other encumbrance shall be made without the prior written approval of the City Council if such conveyance, transfer, assignment, mortgage, pledge or other encumbrance would result in the payments hereunder being pledged to the payment of debt service on public securities issued by any other state of the United States or political subdivision thereof. Notwithstanding the foregoing, no Transfer shall be effective until written notice of the Transfer, including (A) the name and address of the Transferee and (B) a representation by Developer that the Transfer does not and will not result in the issuance of municipal securities by any other state of the United States or political subdivision thereof is provided to the City. Developer agrees that the City may rely conclusively on any written notice of a Transfer provided by Developer without any obligation to investigate or confirm the Transfer.

18. **Assignment.**

(a) Subject to subparagraph (b) below, Developer may, in its sole and absolute discretion, assign its rights and obligations under this Agreement with respect to all or part of the Improvement Area #3 Reimbursement Obligation from time to time to any party in connection with the sale of Improvement Area #3 or any portion thereof and in connection with a corresponding assignment of the rights and obligations in the Financing Agreement and this Agreement to any party, so long as the assignee has demonstrated to the City's satisfaction that the assignee has the financial, technical,

and managerial capacity, the experience, and expertise to perform any duties or obligations so assigned and so long as the assigned rights and obligations are assumed without modifications to this Agreement or the Financing Agreement. Developer shall provide the City thirty (30) days prior written notice of any such assignment. Upon such assignment or partial assignment, Developer shall be fully released from any and all obligations under this Agreement and shall have no further liability with respect to this Agreement for the part of Improvement Area #3 so assigned.

- (b) Any sale of a portion of Improvement Area #3 or assignment of any right hereunder shall not be deemed a sale or assignment to a Designated Successor or Assign unless the conveyance or transfer instrument effecting such sale or assignment expressly states that the sale or assignment is to a Designated Successor or Assign.
- (c) Upon any assignment to its Designated Successors and Assigns, Developer may request the City to approve the release of Developer from the rights and obligations assigned to any Designated Successor and Assigns, such approval not to be unreasonably withheld, conditioned or delayed. Upon such approval by the City, the Designated Successor and Assign shall be a party to this Agreement for purposes of the assigned rights and obligations, and Developer shall no longer be liable for the assigned rights and obligations and the City shall look solely to the Designated Successors and Assigns for performance. Any sale of a portion of Improvement Area #3 or assignment of any right hereunder shall not be deemed a sale or assignment to a Designated Successor or Assign unless the conveyance or transfer instrument effecting such sale or assignment expressly states that the sale or assignment is to a Designated Successor or Assign.
- (d) Any sale of a portion of Improvement Area #3 or assignment of any right hereunder shall not be deemed a Transfer unless the conveyance or transfer instrument effecting such sale or assignment expressly states that the sale or assignment is deemed to be a Transfer.
- (e) Provided, however, that no such conveyance, transfer, assignment, mortgage, pledge or other encumbrance shall be made without the prior written approval of the City Council if such conveyance, transfer, assignment, mortgage, pledge or other encumbrance would result in the payments hereunder being pledged to the payment of debt service on public securities issued by any other state of the United States or political subdivision thereof.
- (f) Notwithstanding anything to the contrary contained herein, this Section 18 shall not apply to Transfers which shall be governed by Section 17 above.

(g) It is hereby acknowledged that the limitations on the ability to make a Transfer as described in Section 16 above shall also apply to the Designated Successors and Assigns.

**19. Failure; Default; Remedies.**

(a) If either Party fails to perform an obligation imposed on such Party by this Agreement (a “**Failure**”) and such Failure is not cured after written notice and the expiration of the cure periods provided in this section, then such Failure shall constitute a “**Default**.” Upon the occurrence of a Failure by a non-performing Party, the other Party shall notify the non-performing Party in writing specifying in reasonable detail the nature of the Failure. The non-performing Party to whom notice of a Failure is given shall have at least 30 days from receipt of the notice within which to cure the Failure; however, if the Failure cannot reasonably be cured within 30 days and the non-performing Party has diligently pursued a cure within such 30-day period and has provided written notice to the other Party that additional time is needed, then the cure period shall be extended for an additional period (not to exceed 90 days) so long as the non-performing Party is diligently pursuing a cure.

(b) If Developer is in Default, the City’s sole and exclusive remedy shall be to seek specific enforcement of this Agreement. No Default by Developer, however, shall: (1) affect the obligations of the City to use the Pledged Revenues on deposit in the reimbursement fund as provided in Section 6 of this Agreement; or (2) entitle the City to terminate this Agreement. In addition to specific enforcement, the City shall be entitled to attorney’s fees, court costs, and other costs of the City to obtain specific enforcement.

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

**20. Estoppel Certificate.** Within thirty (30) days after the receipt of a written request by Developer or any Transferee, the City will certify in a written instrument duly executed and acknowledged to any person, firm or corporation specified in such request as to (i) the validity and force and effect of this Agreement in accordance with its terms, (ii) modifications or amendments to this Agreement and the substance of such modification or amendments; (iii) the existence of any default to the best of the City’s knowledge; and (iv) such other factual matters that may be reasonably requested.

**21. 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 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 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.

22. **Disclosure of Interested Parties.** Submitted herewith is a completed Form 1295 in connection with 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 Developer. The City and Developer understand and agree that, with the exception of information identifying the issuer and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by Developer; and, neither the City nor its consultants have verified such information.

**23. Miscellaneous.**

- a. The City does not waive or surrender any of its governmental powers, immunities, or rights except to the extent permitted by law and necessary to allow Developer to enforce its remedies under this Agreement.
- b. 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 Developer any rights, remedies, or claims under or by reason of this Agreement, and all covenants, conditions, promises, and agreements in this Agreement shall be for the sole and exclusive benefit of the City and Developer.
- c. This Agreement may be amended only by written agreement of the Parties.
- d. This Agreement may be executed in counterparts, each of which shall be deemed an original.
- e. To the extent there is a conflict between this Agreement and the Financing Agreement, this Agreement shall control. To the extent there is a conflict between this Agreement and the Indenture, the Indenture shall control.

[Signature pages to follow]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

**CITY:**

CITY OF LAGO VISTA, a home rule city  
and Texas municipal corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ATTEST:**

---

City Secretary

**Hines Lake Travis Land II LP:**

HINES LAKE TRAVIS LAND II LIMITED PARTNERSHIP,  
a Texas limited partnership

By: Hines Lake Travis II GP LLC, a Delaware limited  
liability company, its General Partner

By: Hines Interests Limited Partnership, a Delaware limited  
partnership, sole member

By: \_\_\_\_\_  
Mark A. Cover, Senior Managing Director, CEO-Southwest Region

**EXHIBIT C**  
**CERTIFICATION FOR PAYMENT FORM**

**CERTIFICATION FOR PAYMENT**  
**CERTIFICATION NO. \_\_\_\_\_**

In accordance with the Tessera on Lake Travis Public Improvement District Improvement Area #3 Reimbursement Agreement dated as of \_\_\_\_\_, 2024 (the "**Reimbursement Agreement**") by and between the City of Lago Vista, Texas (the "**City**") and Hines Lake Travis Land II Limited Partnership ("**Developer**"), relating to the Reimbursement Agreement, and the Indenture for the 2024 IA#3 Bonds ("**Indenture**"), the [CONSTRUCTION MANAGER] and [PROJECT ENGINEER] hereby request disbursement from the [IA #3 Phase 2 Projects Reimbursement Account] [IA #3 Phase 3C Projects Reimbursement Account] [IA #3 Phase 4B Projects Reimbursement Account] of the Reimbursement Fund.

Capitalized terms not otherwise defined herein shall have the meaning assigned to such term in the Reimbursement Agreement or the Indenture.

The undersigned represent and warrant for all purposes that:

1. The undersigned are duly authorized, respectively, by the [CONSTRUCTION MANAGER] and the [PROJECT ENGINEER] to execute and deliver this Certification for Payment, and [CONSTRUCTION MANAGER] is the Construction Manager (as defined in the Financing Agreement), and [PROJECT ENGINEER] is the Project Engineer (as defined in the Financing Agreement), for the [Phase 2][Phase 3C][Phase 4B] [Projects][Improvements].
2. The [\_\_\_\_\_] Improvement Account of the Project Fund established pursuant to the Indenture has been fully depleted. *[To be included if requesting reimbursement from a particular account within the Reimbursement Fund]*
3. The construction work related to this request has been completed. The cost of such work is set forth in the attached Schedule 1. The Construction Manager has obtained and submitted to the City the necessary bills paid affidavits from each contractor being paid with disbursements pursuant to this Certification for Payment.
4. Payments for the purposes and amounts set forth in Schedule 1 shall be made out of the [\_\_\_\_\_ Account of the Reimbursement Fund] [\_\_\_\_\_ Improvement Account] therein to the respective payees named thereon.
5. The aggregate amount to be disbursed from the [\_\_\_\_\_ Account of the Reimbursement Fund] [\_\_\_\_\_ Improvement Account] is \$\_\_\_\_\_, exclusive of retainage amounts.

6. The amount to be disbursed, which constitutes payments from the [\_\_\_\_\_ Account of the Reimbursement Fund] [\_\_\_\_\_ Improvement Account] for costs of the [Phase 2][Phase 3C][Phase 4B] [Projects][Improvements], was necessarily or reasonably incurred and said amount is being paid in a timely fashion, if any, fixed for such payment.
7. The Construction Manager has obtained and submitted to the City the necessary waivers of liens for work on the [Phase 2][Phase 3C][Phase 4B] [Projects][Improvements] through the immediately previous Certification for Payment submitted to the Trustee under the Indenture and Reimbursement Agreement and receipts for payment from the contractor and, if requested by the City, any subcontractors, for this Certification for Payment.
8. No amount set forth in this Certification for Payment was included in any Certification for Payment previously filed with the Trustee for which payment has previously been disbursed by the Trustee.
9. The amount disbursed under this Certification for Payment constitutes payment of costs of [Phase 2][Phase 3C][Phase 4B] [Projects][Improvements] permitted under the terms of the Indenture and the Reimbursement Agreement and are Actual Costs (as defined in the Reimbursement Agreement) for the [Phase 2][Phase 3C][Phase 4B] [Projects][Improvements].
10. Following is an itemized list of all deposits to and disbursements from (i) the Improvements Account of the Project Fund and (ii) the Accounts within the Reimbursement Fund.

| <u>Account</u>           | <u>Deposits</u> | <u>Disbursements</u>                    |
|--------------------------|-----------------|---|
| IA #3 Projects Phase 2   | \$              | \$                                      |
| Bond Improvement Account |                 | Certification for Payment Form No. ____ |
|                          | \$              | \$                                      |
|                          |                 | Certification for Payment Form No. ____ |
| <b>Total</b>             | \$              | \$                                      |
| IA #3 Projects Phase 3C  | \$              | \$                                      |
| Bond Improvement Account |                 | Certification for Payment Form No. ____ |
|                          | \$              | \$                                      |
|                          |                 | Certification for Payment Form No. ____ |
| <b>Total</b>             | \$              | \$                                      |
| IA #3 Projects Phase 4B  | \$              | \$                                      |
| Bond Improvement Account |                 | Certification for Payment Form No. ____ |
|                          | \$              | \$                                      |
|                          |                 | Certification for Payment Form No. ____ |
| <b>Total</b>             | \$              | \$                                      |
| Reimbursement Fund       | \$              | \$                                      |
|                          |                 | Certification for Payment Form No. ____ |

|  |    |   |
|--|----|---|
| IA #3 Phase 2 Projects<br>Reimbursement Account  | \$ | \$<br>Certification for Payment Form No. ____ |
| IA #3 Phase 3C Projects<br>Reimbursement Account | \$ | \$<br>Certification for Payment Form No. ____ |
| IA #3 Phase 4B Projects<br>Reimbursement Account | \$ | \$<br>Certification for Payment Form No. ____ |
| <b>Total</b>                                     | \$ | \$  |

11. The Construction Manager is in compliance with the terms and provisions of the Financing Agreement, Reimbursement Agreement, the 2024 Amended and Restated Service and Assessment Plan and the Continuing Disclosure Agreement of the Developer between the Construction Manager, P3Works, LLC and U.S. Bank Trust Company, National Association, as dissemination agent.
12. All conditions set forth in the Indenture for the payment hereby requested have been satisfied.
13. The work with respect to the Improvement Area #3 Projects referenced herein (or its segment) has been completed, and the City has inspected [and accepted] such Improvement Area #3 Project (or its completed segment). ***[Include bracketed language if final progress payment for such Improvement Area #3 Project]***
14. The Construction Manager 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.
15. [Attached hereto as Schedule 2 is a true and correct copy of a bills paid affidavit evidencing that any contractor or subcontractor having performed work described in Schedule 1 has been paid in full for all work completed through the previous Certification for Payment.][***[Include bracketed language if final progress payment for such Improvement Area #3 Project]***]
16. Attached hereto as Schedule 3 are invoices, receipts, purchase orders, change orders, and similar instruments, which are in sufficient detail to allow the City to verify the Actual Costs for which payment is requested.
17. Also attached hereto as Schedule 4 are any lender consents or approvals that the Construction Manager may be required to obtain under any loan documents relating to Improvement Area #3.

The Trustee shall mail/wire such amounts as requested in this Certification for Payment pursuant to the terms of Schedule 1 attached hereto.

[signature page to follow]

Dated: \_\_\_\_\_

**[CONSTRUCTION MANAGER],**  
as Construction Manager

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**[PROJECT ENGINEER],**  
as Project Engineer

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Accepted and approved by:

**CITY OF LAGO VISTA, TEXAS**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**Schedule 1**  
**to Certification for Payment**

**DISBURSEMENTS FROM [REIMBURSEMENT FUND][  
IMPROVEMENT ACCOUNT]**

FROM THE [ ] IMPROVEMENT ACCOUNT

| <u>Payee</u> | <u>Contractor Draw</u> | <u>Retainage</u> | <u>Disbursement Amount</u> | <u>Purpose</u> |
|--------------|------------------------|------------------|----------------------------|----------------|
|              |                        |                  |                            |                |

FROM THE [ ] IMPROVEMENT ACCOUNT

| <u>Payee</u> | <u>Contractor Draw</u> | <u>Retainage</u> | <u>Disbursement Amount</u> | <u>Purpose</u> |
|--------------|------------------------|------------------|----------------------------|----------------|
|              |                        |                  |                            |                |

FROM THE [ ] ACCOUNT OF THE REIMBURSEMENT FUND

| <u>Payee</u> | <u>Contractor Draw</u> | <u>Retainage</u> | <u>Disbursement Amount</u> | <u>Purpose</u> |
|--------------|------------------------|------------------|----------------------------|----------------|
|              |                        |                  |                            |                |

**Schedule 2  
to Certification for Payment**

*[Include Schedule 2 bracketed if final progress payment for such Improvement Area #3 Project]*

**[bills paid affidavit and release of liens - attached]**

### **Schedule 3 to Certification for Payment**

## INVOICE LEDGER

**[INVOICES AND/OR RECEIPTS - ATTACHED]**

**Schedule 4**  
**to Certification for Payment**

[lender consents or approvals - attached]

**Schedule 3**  
**to Certification for Payment**